

Board of Governors of the Federal Reserve System



Parent Company Only Financial Statements for Large Holding Companies—FR Y-9LP

Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the BHC Act (12 U.S.C. § 1844(c)), section 10 of Home Owners' Loan Act (HOLA) (12 U.S.C. § 1467a(b)), section 618 of the Dodd-Frank Act (12 U.S.C. § 1850a(c)(1)), section 165 of the Dodd-Frank Act (12 U.S.C. § 5365), and section 252.153(b)(2) of Regulation YY (12 CFR 252.153(b)(2)).

This report form is to be filed by the parent company of large holding companies. For purposes of this report, large holding

companies are holding companies with total consolidated assets of \$1 billion or more, or holding companies that meet certain criteria, regardless of size. When such holding companies are tiered holding companies, separate reports are also to be filed by each of the subsidiary holding companies. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: *The Parent Company Only Financial Statements for Large Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting holding company (or by the individual performing this equivalent function).*

Date of Report: _____
Month / Day / Year (BHCP 9999)

I, the undersigned CFO (or equivalent) of the named holding company, attest that the *Parent Company Only Financial Statements for Large Holding Companies* for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Donald R. Kimble, Chief Financial Officer

Printed Name of Chief Financial Officer (or Equivalent) (BHCP C490)

Signature of Chief Financial Officer (or Equivalent) (BHCP H321)

05/08/2018

Date of Signature (MM/DD/YYYY) (BHPX J196)

KEYCORP

Legal Title of Holding Company (TEXT 9010)

127 PUBLIC SQUARE

(Mailing Address of the Holding Company) Street / P.O. Box (TEXT 9110)

CLEVELAND

City (TEXT 9130)

OH

State (TEXT 9200)

441141306

Zip Code (TEXT 9220)

Holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

Ronald S. Lewis, Senior Vice President

Name / Title (BHPX 8901)

216-689-5213

Area Code / Phone Number (BHPX 8902)

216-471-4996

Area Code / FAX Number (BHPX 9116)

Ronald S Lewis@KeyBank.com

E-mail Address of Contact (BHPX 4086)

For Federal Reserve Bank Use Only

RSSD ID _____
C.I. _____ S.F. _____

KEYCORP

Name of Holding Company

For Federal Reserve Bank Use Only

RSSD ID _____

C.I. _____ S.F. _____

FR Y-9LP
Page 2 of 10**Schedule PI—Parent Company Only Income Statement**Report at the close of business **20180331**

MM / DD / YYYY

Report the Income Statement on a calendar year-to-date basis.

	Dollar Amounts in Thousands		BHCP	Amount	
1. Operating Income:					
a. Income from bank subsidiaries and associated banks, excluding equity in undistributed income:					
(1) Dividends	0508	375000			1.a.(1)
(2) Interest.....	0512	880			1.a.(2)
(3) Management and service fees	0515	0			1.a.(3)
(4) Other	0518	0			1.a.(4)
(5) Total (sum of items 1.a(1) through 1.a(4))	0520	375880			1.a.(5)
b. Income from nonbank subsidiaries and associated nonbank companies, excluding equity in undistributed income:					
(1) Dividends	1275	0			1.b.(1)
(2) Interest.....	1276	1693			1.b.(2)
(3) Management and service fees	1277	0			1.b.(3)
(4) Other	1278	0			1.b.(4)
(5) Total (sum of items 1.b(1) through 1.b(4))	1279	1693			1.b.(5)
c. <i>(This item is to be completed only by holding companies that have subsidiary holding companies or associated holding companies.)</i> Income from subsidiary holding companies and associated holding companies, excluding equity in undistributed income:					
(1) Dividends	0206				1.c.(1)
(2) Interest.....	0207				1.c.(2)
(3) Management and service fees	0208				1.c.(3)
(4) Other	0209				1.c.(4)
(5) Total (sum of items 1.c(1) through 1.c(4)).....	0210				1.c.(5)
d. Securities gains/(losses).....	4091	0			1.d.
e. All other operating income	0447	1973			1.e.
f. Total operating income (sum of items 1.a(5), 1.b(5), 1.c(5), 1.d, and 1.e)	4000	379546			1.f.
2. Operating expense:					
a. Salaries and employee benefits	4135	2776			2.a.
b. Interest expense	4073	26324			2.b.
c. Provision for loan and lease losses	4230	0			2.c.
d. All other expenses	0522	15710			2.d.
e. Total operating expense (sum of items 2.a through 2.d).....	4130	44810			2.e.
3. a. Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 1.f minus item 2.e)	HT69	334736			3.a.
b. Unrealized holding gains (losses) on equity securities not held for trading ¹	HT70	0			3.b.
c. Income (loss) before applicable income taxes, discontinued operations and undistributed income (sum of items 3.a and 3.b)	4250	334736			3.c.
4. Applicable income taxes	4302	-14958			4.
5. Discontinued operations, net of applicable income taxes	FT28	0			5.
6. Income (loss) before undistributed income of subsidiaries and associated companies (sum of items 3.c and 5 minus item 4)	0496	349694			6.
7. Equity in undistributed income (losses) of subsidiaries and associated companies:					
a. Bank	3156	85080			7.a.
b. Nonbank	3147	-16641			7.b.
c. Subsidiary holding companies	3513	0			7.c.
8. Net Income (loss) (sum of items 6, 7.a, 7.b, and 7.c)	4340	418133			8.

1. Item 3.b is to be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

Schedule PI—Continued

Memoranda

	Dollar Amounts in Thousands		
	BHCP	Amount	
1. Noncash items included in operating expense	4647	0	M.1.
2. Loan and lease financing receivables charged-off	4635	0	M.2.
3. Loan and lease financing receivables recoveries	4605	0	M.3.
4. Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 2.d above).....	C254	4619	M.4.
<i>Memorandum item 5 is to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.</i>			
5. Net change in fair values of financial instruments accounted for under a fair value option	J980		M.5.

Schedule PI-A—Cash Flow Statement

	Dollar Amounts in Thousands	BHCP	Amount	
Part I. Cash Flows from Operating Activities:				
1. Net income (loss) (must equal Schedule PI, item 8)		4340	418133	1.
2. Adjustments to reconcile net income to net cash provided by operating activities:				
a. Provision for deferred income taxes		3611	22816	2.a.
b. (Gain) or loss on sales of assets		3612	0	2.b.
c. Equity in undistributed (earnings) losses of subsidiaries		3613	-68439	2.c.
d. Not applicable				
e. Net change in other liabilities		3615	-69100	2.e.
f. Net change in other assets		3616	-131352	2.f.
g. Other, net		3617	-5456	2.g.
h. Total adjustments (sum of items 2.a through 2.g)		3618	-251531	2.h.
3. Net cash provided (used) by operating activities (sum of Part I, items 1 and 2.h)		3619	166602	3.
Part II. Cash Flows from Investing Activities:				
1. Purchases of held-to-maturity and available-for-sale securities		6552	0	1.
a. Purchases of equity securities with readily determinable fair value ¹		HU25	0	1.a.
2. Sales and maturities of held-to-maturity and available-for-sale securities		6567	0	2.
a. Sales and maturities of equity securities with readily determinable fair value ¹		HU26	0	2.a.
3. Payments for investments in and advances to subsidiaries		6571	500000	3.
4. Sale or repayment of investments in and advances to subsidiaries		6573	500014	4.
5. Outlays for business acquisitions		F737	0	5.
6. Proceeds from business divestitures		F817	0	6.
7. Other, net		6588	0	7.
8. Net cash provided (used) by investing activities (sum of Part II, items 2, 2.a, 4, 6, and 7 minus items 1, 1.a, 3, and 5)		6589	14	8.
Part III. Cash Flows from Financing Activities:				
1. Net change in purchased funds and other short-term borrowings		F818	0	1.
2. Not applicable				
3. Proceeds from advances from subsidiaries		6592	0	3.
4. Repayment of advances from subsidiaries		6596	0	4.
5. Proceeds from issuance of long-term debt		6600	0	5.
6. Repayment of long-term debt		6604	0	6.
7. Proceeds from issuance of common stock		6607	0	7.
8. Payment to repurchase common stock		8518	199357	8.
9. Proceeds from issuance of preferred stock		6619	0	9.
10. Payment to repurchase preferred stock		6741	0	10.
11. Dividends paid		6742	124902	11.
12. Other, net		6743	0	12.
13. Net cash provided (used) by financing activities (sum of Part III, items 1, 3, 5, 7, 9, and 12 minus items 4, 6, 8, 10, and 11)		6744	-324259	13.
Part IV. Cash and Cash Equivalents:				
1. Net (decrease) increase in cash and cash equivalents (sum of Part I, item 3, Part II, item 8, and Part III, item 13)		6758	-157643	1.
2. Cash and cash equivalents at beginning of year		6773	2278730	2.
3. Cash and cash equivalents, current year-to-date (sum of Part IV, items 1 and 2)		6775	2121087	3.

1. To be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

Schedule PC—Parent Company Only Balance Sheet

	Dollar Amounts in Thousands		
	BHCP	Amount	
Assets			
1. Cash and balances due from depository institutions:			
a. Balances with subsidiary or affiliated depository institutions	5993	2102439	1.a.
b. Balances with unrelated depository institutions	0010	18648	1.b.
2. Securities:			
a. U.S. Treasury securities	0400	0	2.a.
b. Securities of U.S. Government agencies and corporations and securities issued by states and political subdivisions	6791	0	2.b.
c. Other debt and equity securities	1299	10375	2.c.
3. Securities purchased under agreements to resell	0277	0	3.
4. Loans and lease financing receivables:			
a. Loans:			
(1) To U.S. addressees (domicile)	0362	0	4.a.(1)
(2) To non-U.S. addressees (domicile)	0363	0	4.a.(2)
b. LESS: Unearned income on loans	2123	0	4.b.
c. Loans, held for investment and held for sale (sum of items 4.a(1) and 4.a(2) minus item 4.b)...	0364	0	4.c.
d. Lease financing receivables, net of unearned income	2165	0	4.d.
e. LESS: Allowance for loan and lease losses	3123	0	4.e.
f. Loans and leases, held for investment and held for sale, net of allowance for loan and lease losses (sum of items 4.c and 4.d minus item 4.e)	2125	0	4.f.
5. Investments in and receivables due from subsidiaries and associated companies (from Schedule PC-A, item 4)	0365	16372796	5.
6. Premises and fixed assets (including capitalized leases)	2145	1	6.
7. Intangible assets (other than reported in item 5 above):			
a. Goodwill	3163	0	7.a.
b. Mortgage servicing assets	3164	0	7.b.
c. Other identifiable intangibles	3165	0	7.c.
8. Other assets	2160	723704	8.
9. Balances due from related institutions, other than investments:			
a. Related banks	3602	0	9.a.
b. Related nonbank companies	3603	0	9.b.
c. Related holding companies	3604	0	9.c.
10. TOTAL ASSETS (sum of items 1.a through 3, and 4.f through 9.c above)	2170	19227963	10.

Schedule PC—Continued

	Dollar Amounts in Thousands		
	BHCP	Amount	
Liabilities and Equity Capital			
11. Deposits	2200	0	11.
12. Securities sold under agreements to repurchase	0279	0	12.
13. Borrowings with a remaining maturity of one year or less:			
a. Commercial paper	2309	0	13.a.
b. Other borrowings	2332	746264	13.b.
14. Other borrowed money with a remaining maturity of more than one year	0368	2320960	14.
15. Not applicable			
16. Subordinated notes and debentures ¹	4062	344726	16.
17. Other liabilities	2930	402320	17.
18. Balances due to subsidiaries and related institutions:			
a. Subsidiary banks	3605	100	18.a.
b. Nonbank subsidiaries	3606	469189	18.b.
c. Related holding companies	3607	0	18.c.
19. Not applicable			
20. Equity Capital:			
a. Perpetual preferred stock (including related surplus)	3283	1008627	20.a.
b. Common stock (par value)	3230	1256702	20.b.
c. Surplus (exclude all surplus related to preferred stock)	3240	6305892	20.c.
d. Retained earnings	3247	10624137	20.d.
e. Accumulated other comprehensive income ²	B530	-991050	20.e.
f. Other equity capital components ³	A130	-3259904	20.f.
g. Not applicable			
h. TOTAL EQUITY CAPITAL (sum of items 20.a through 20.f)	3210	14944404	20.h.
21. TOTAL LIABILITIES AND EQUITY CAPITAL (sum of items 11 through 20.f)	3300	19227963	21.
Memoranda			
<i>Memoranda items 1.a and 1.b are to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.</i>			
1. Financial assets and liabilities measured at fair value:			
a. Total assets	F819		M.1.a.
b. Total liabilities	F820		M.1.b.

1. Includes limited-life preferred stock and related surplus.

2. Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.

3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule PC-A—Investments in Subsidiaries and Associated Companies

	Dollar Amounts in Thousands	BHCP	Amount	
1. a. Equity investments in bank subsidiaries and associated banks:				
(1) Common and preferred stock (net of amount reported in item 1.a(2))		3239	15048814	1.a.(1)
(2) Intangible assets:				
(a) Goodwill		3238	0	1.a.(2)(a)
(b) Other identifiable intangibles		4485	0	1.a.(2)(b)
b. Nonequity investments in and receivables due from bank subsidiaries and associated banks:				
(1) Loans, advances, notes, bonds, and debentures.....		0533	250000	1.b.(1)
(2) Other receivables		0534	1871	1.b.(2)
2. a. Equity investments in nonbank subsidiaries and associated nonbank companies:				
(1) Common and preferred stock (net of amount reported in items 2.a(2)).....		1273	874273	2.a.(1)
(2) Intangible assets:				
(a) Goodwill		0087	166778	2.a.(2)(a)
(b) Other identifiable intangibles		0536	0	2.a.(2)(b)
b. Nonequity investments in and receivables due from nonbank subsidiaries and associated nonbank companies:				
(1) Loans, advances, notes, bonds, and debentures.....		0537	30986	2.b.(1)
(2) Other receivables		0538	74	2.b.(2)
3. <i>(This item is to be completed only by holding companies that have subsidiary holding companies or associated holding companies.)</i>				
a. Equity investments in subsidiary holding companies and associated holding companies:				
(1) Common and preferred stock (net of amount reported in Item 3.a(2))		0201		3.a.(1)
(2) Intangible assets:				
(a) Goodwill		0202		3.a.(2)(a)
(b) Other identifiable intangibles		0203		3.a.(2)(b)
b. Nonequity investments in and receivables due from subsidiary holding companies and associated holding companies:				
(1) Loans, advances, notes, bonds, and debentures.....		0204		3.b.(1)
(2) Other receivables		0205		3.b.(2)
		BHPA		
4. TOTAL (sum of items 1 through 3) (must equal Schedule PC, item 5).....		0365	16372796	4.

Schedule PC-B—Memoranda

		Dollar Amounts in Thousands	BHCP	Amount	
1.	Amount of assets scheduled to mature within one year (including contractual payments to be repaid within one year).....		0543	2796255	1.
2.	Amount of borrowings included in Schedule PC, items 16 and 18 that is scheduled to mature within one year (exclude short-term debt)		3409	0	2.
3.	Amount of liabilities (other than borrowings) scheduled to mature within one year (including any contractual payments to be repaid within one year)		3609	132633	3.
4.	Amount of borrowings from unaffiliated parties guaranteed by the parent with respect to the following subsidiaries:				
	a. Bank		0540	0	4.a.
	b. Nonbank		0541	0	4.b.
	c. Related holding companies		0542	0	4.c.
5.	Borrowing by the parent from subsidiaries and associated companies (included in Schedule PC, item 18):				
	a. Bank		0467	0	5.a.
	b. Nonbank		1274	469189	5.b.
	c. Related holding companies		0539	0	5.c.
6.	Long-term debt that reprices within one year		3298	0	6.
7.	Loans and lease financing receivables of the parent:				
	a. Past due 90 days or more and still accruing		1407	0	7.a.
	b. Nonaccrual status		1403	0	7.b.
8.	Loans of the parent restructured in troubled debt restructurings that are in compliance with their modified terms		K297	0	8.
9.	Not applicable				
10.	Pledged securities ¹		0416	0	10.
11.	a. Fair value of securities classified as available-for-sale in Schedule PC, items 2.a through 2.c		8516	10375	11.a.
	b. Amortized cost of securities classified as held-to-maturity in Schedule PC, items 2.a through 2.c		8517	0	11.b.
	c. Fair value of equity securities with readily determinable fair values not held for trading in Schedule PC, items 2.a through 2.c ²		JA22	0	11.c.
12.	Balances held by subsidiary banks of the holding company due from:				
	a. Other bank subsidiaries of the holding company		6792	0	12.a.
	b. Nonbank subsidiaries of the holding company		6793	0	12.b.
13.	Balances held by subsidiary banks of the holding company due to:				
	a. Other bank subsidiaries of the holding company		6794	0	13.a.
	b. Nonbank subsidiaries of the holding company		6795	167986	13.b.
14.	Holding company (parent company only) borrowings not held by financial institutions or by insiders (including directors) and their interests		3152	3067224	14.
15.	<i>(To be completed only by the top-tier holding company for its consolidated nonbank and thrift subsidiaries.³)</i>				
	a. Total combined nonbank assets of nonbank subsidiaries		4778	1602473	15.a.
	b. Total combined loans and leases of nonbank subsidiaries		C427	91669	15.b.
	c. Total aggregate operating revenue of nonbank subsidiaries		C428	80596	15.c.
	d. Combined thrift assets included in 15.a <i>(to be completed only by a bank holding company)</i>		2792	0	15.d.
	e. Combined foreign nonbank subsidiary assets included in 15.a		2793	0	15.e.
	f. Number of nonbank subsidiaries included in 15.a	Number (Unrounded)	2794	27	15.f.
	g. Number of thrift subsidiaries included in 15.d <i>(to be completed only by a bank holding company)</i>		2796	0	15.g.
	h. Number of foreign nonbank subsidiaries included in 15.e		2831	0	15.h.

1. Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.

2. Item 11.c is to be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

3. A savings and loan holding company should not include its consolidated savings association in items 15(a) through 15(h). See the instructions for more details.

Schedule PC-B—Memoranda—Continued

Dollar Amounts in Thousands	BHCP	Amount	
16. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in Schedule PC, item 18.b and item 5.b above)	C255	469189	16.
17. Total nonbank assets of a holding company subject to the Federal Reserve Board's capital plan rule. (To be completed only by a top-tier holding company that is subject to the Federal Reserve Board's capital plan rule (12 CFR 225.8)	HK02	1825016	17.

Notes to the Parent Company Only Financial Statements

Enter in the lines provided below any additional information on specific line items on the financial statements that the holding company wishes to explain, that has been separately disclosed in the holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

Example

A parent holding company has guaranteed a new loan for its leveraged Employee Stock Ownership Plan (ESOP) for \$500 thousand and that amount has increased the parent company's long-term unsecured debt by a material amount. Enter on the line item below the following information:

TEXT	BHCP	Amount
0000 Sch. PC, item 14, New loan to holding company's ESOP guaranteed		
by holding company parent		
	0000	500

Notes to the Financial Statements

	TEXT	Dollar Amounts in Thousands	BHCP	Amount	
1.	5485				
			5485		1.
2.	5486				
			5486		2.
3.	5487				
			5487		3.
4.	5488				
			5488		4.
5.	5489				
			5489		5.