Goldman Sachs U.S. Financial Services Conference 2011

KeyCorp

Strong, Focused and Building Momentum

Beth E. Mooney
Chairman and
Chief Executive Officer

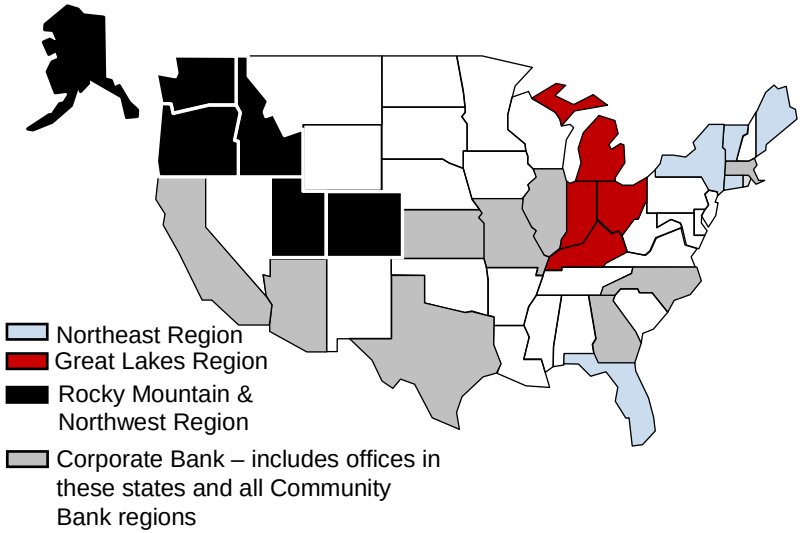
PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 FORWARD-LOOKING STATEMENT DISCLOSURE

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about Key's financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements are not historical facts but instead represent only management's current expectations and forecasts regarding future events, many of which, by their nature, are inherently uncertain and outside of Key's control. Key's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Factors that could cause Key's actual results to differ materially from those described in the forward-looking statements can be found in KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2010 and Form 10-Q for the quarterly periods ended March 31, 2011, June 30, 2011 and September 30, 2011, which have been filed with the Securities and Exchange Commission and are available on Key's website (www.key.com/ir) and on the Securities and Exchange Commission's website (www.sec.gov). Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. Key does not undertake any obligation to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

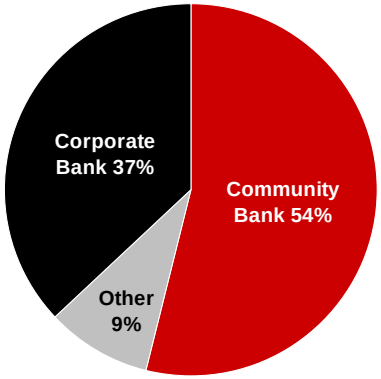
Who We Are

Key is a strong company that is well-positioned to leverage its distinctive capabilities

- **Diverse geography and balanced business mix**
- **Distinctive business model building sustainable momentum**
- **Growth strategy focused on building relationships in targeted client segments**
- **Well-positioned for changing environment and leveraged to improving economy**
- **Strong financial position with lower risk profile**
- **Disciplined capital management focused on delivering shareholder value**



2011 YTD Revenue



Our Growth Strategy

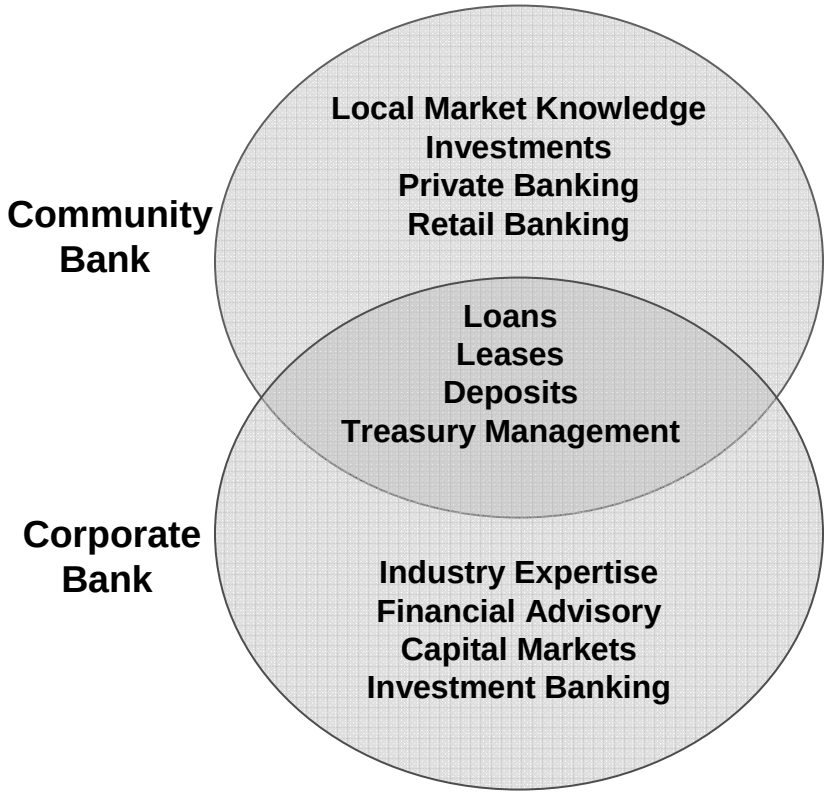
Key grows by building enduring relationships through client-focused solutions and extraordinary service

- **Using client insights to deliver valued service, solutions and expertise**
- **Setting the industry standard for customer service**
- **Leveraging distinctive business model by combining local knowledge and service with specialized expertise and industry knowledge to acquire and deepen relationships**
- **Working together across business lines to identify, share and convert new opportunities**

Focused execution will drive our success

Distinctive Business Model

Distinctive Capabilities	Business Segments	Target Industries



Business Segments

- Small Business
- Business Banking
- Middle Market
- Large Corporate

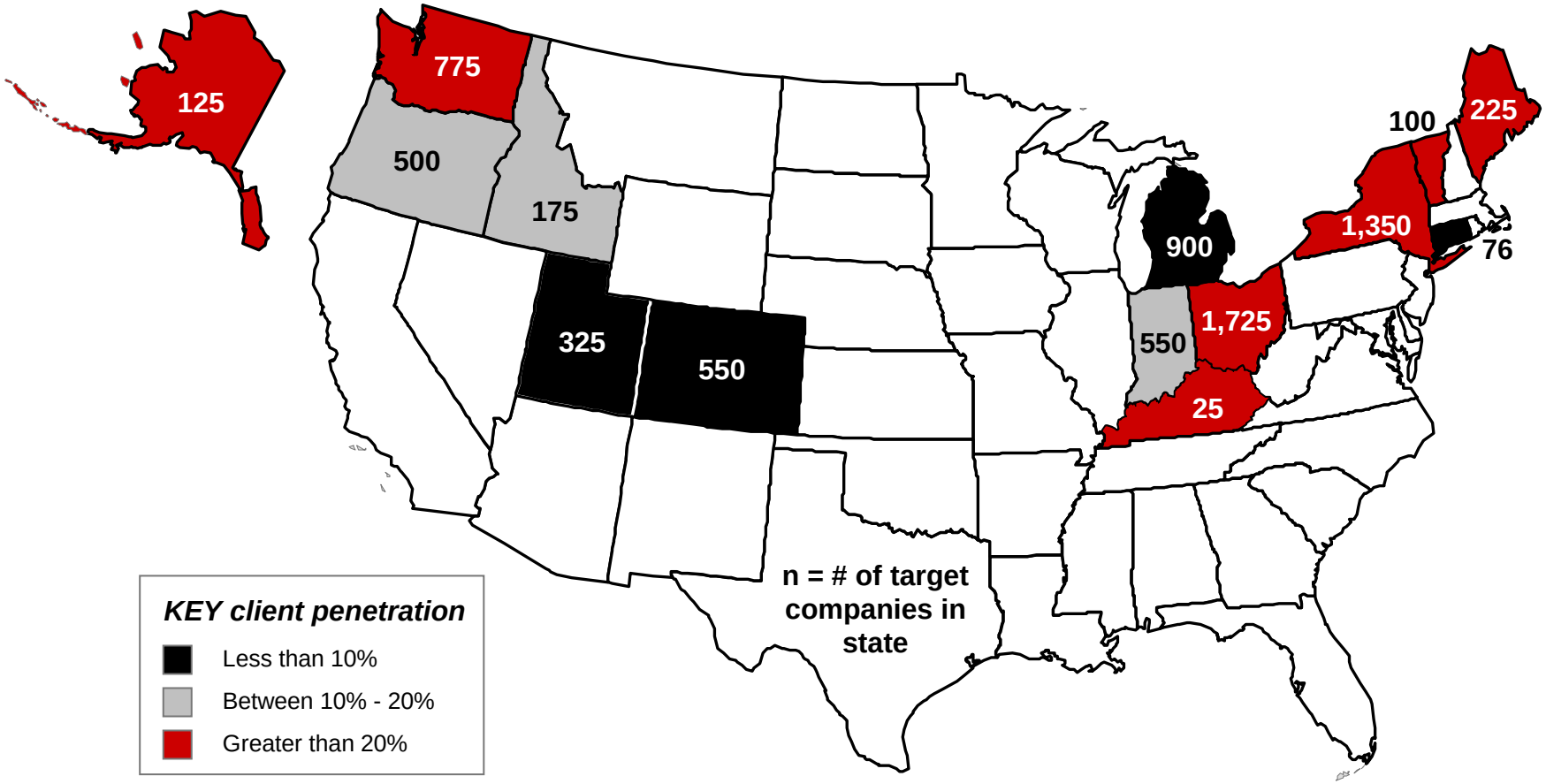
Target Industries

- Industrial
- Healthcare
- Energy
- Consumer Products
- Real Estate
- Public Sector

Targeted Collaboration for Growth

Community and Corporate Bank

Our footprint contains more than 7,000 targets in our focus industry segments with revenue between $25 million and $1.5 billion —18% are clients



Source: *Dun & Bradstreet, Capital IQ, Thomson Reuters*

Response to Changing Environment

Key has chosen a differentiated response

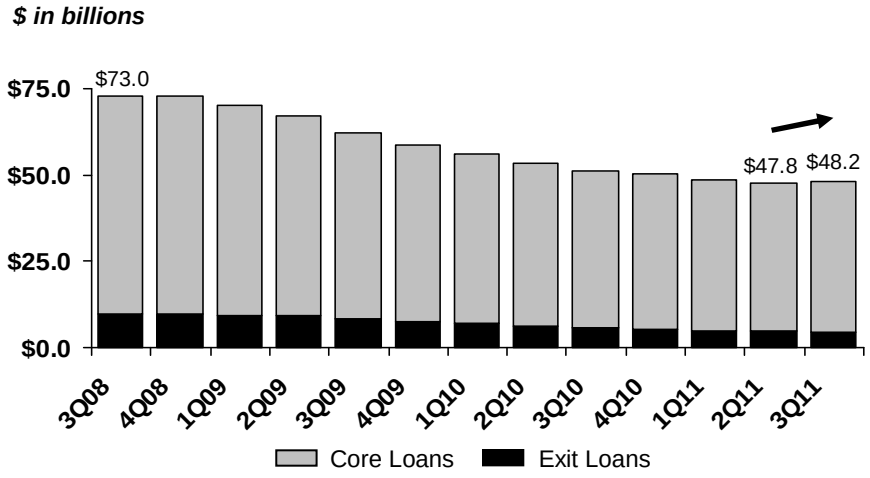
- **Focusing on providing value to our engaged clients**
- **Expanding rewards program sets Key apart as a relationship bank**
  - **Rewards clients for their relationship and a broad range of activities**
  - **Supports goal to be clients primary bank**
  - **Gaining momentum as client enrollment continues to grow**
- **Evaluating cost structure of payments businesses**

Positioned for Growth

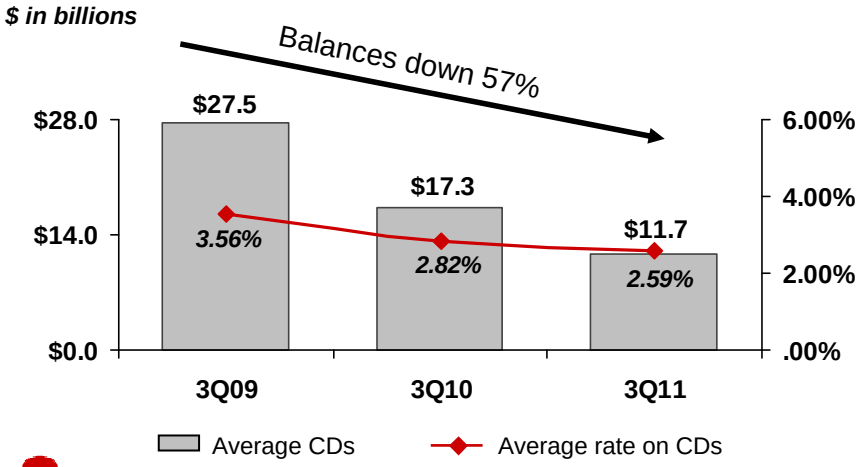
Highlights

- **Loan portfolio at inflection point as period-end loans grew during the third quarter**
- **Higher cost CDs continue to decline, while lower cost deposits have remained strong**
- **Improved funding mix has reduced the cost of deposits**

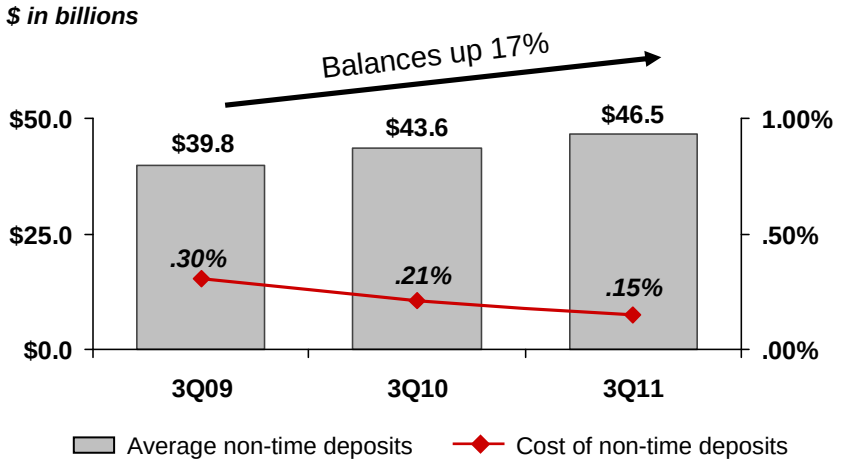
Period-end Loans Reach Inflection Point



Improved Funding Mix: Decline in High Cost CDs



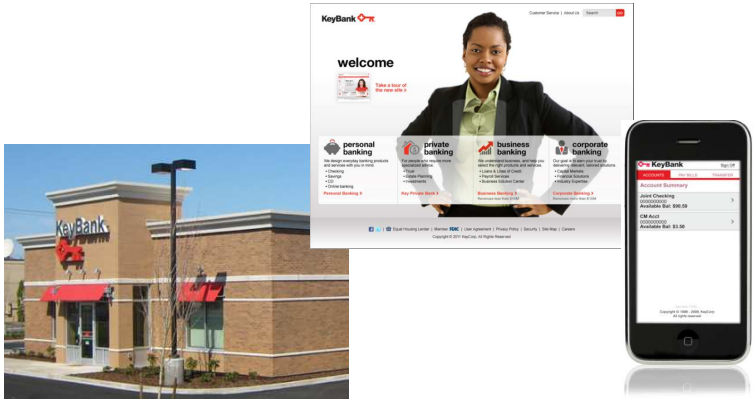
Improved Funding Mix: Increase in Non-time Deposits



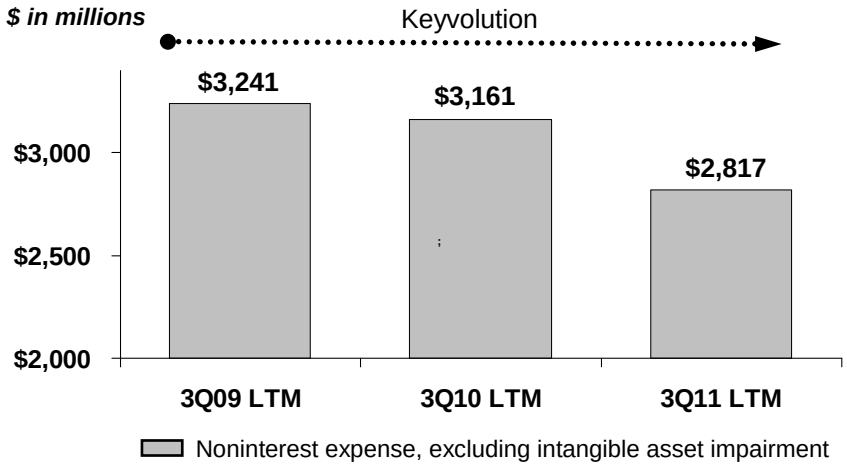
Focused Investments and Expense Management

Highlights

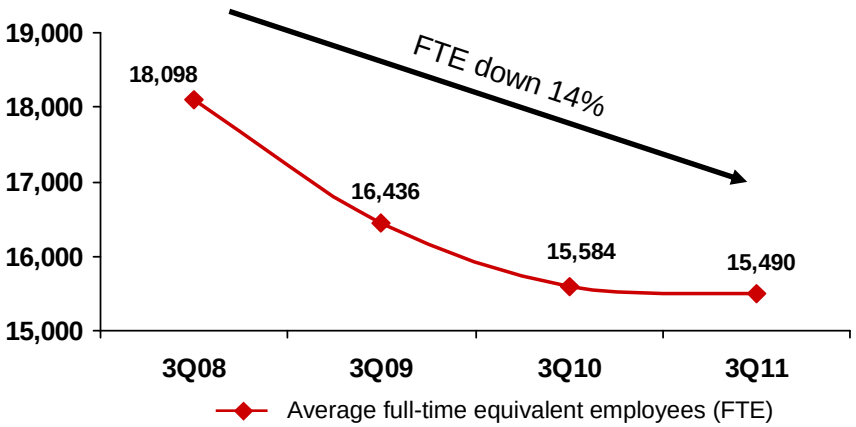
- **Continued focus on disciplined expense management**
- **Investing for growth**
  - **Enhancing delivery channels**
  - **Optimizing channel usage to reduce costs and improve client experience**
  - **Adding client facing positions in the Corporate and Community Banks**
  - **Improving client insight through technology investments**



Disciplined Expense Management



Lower FTE While Adding Client Facing Positions

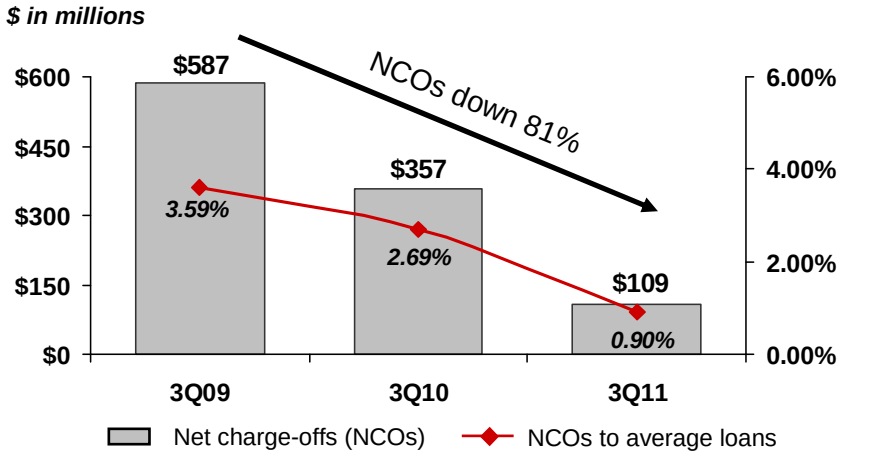


Lower Risk Profile

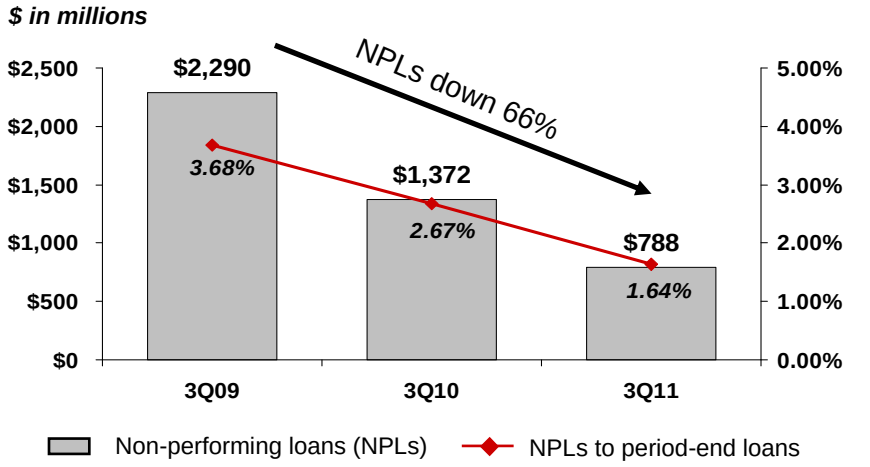
Highlights

- Early, aggressive actions to exit higher risk lending categories significantly de-risked the balance sheet
- Commercial construction lending reduced 82% since 2Q08
- Lower NCOs for seven consecutive quarters
- Strong risk culture aligning targeted client segments with Key's risk appetite

Dramatic Reduction in Net Charge-offs



Nonperforming Trend Reflects Lower Risk Profile

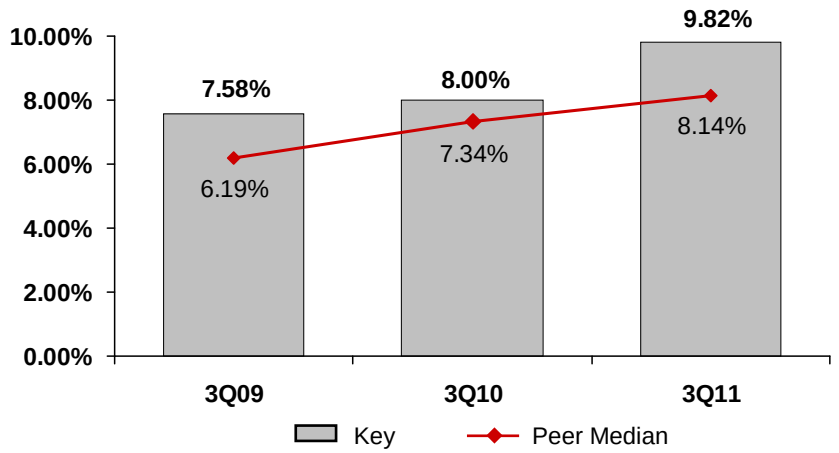


Disciplined Capital Management

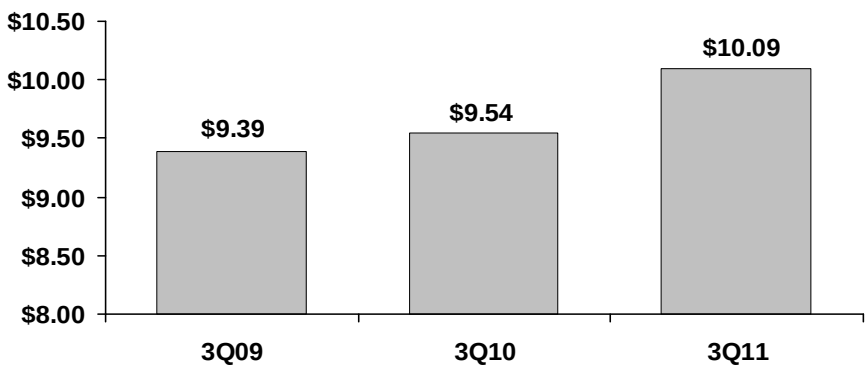
Highlights

- Peer leading capital position supports growth
- Positioned for successful transition to Basel III
- Continued capital generation through execution of strategy
- Disciplined approach to capital management
- Book value increased 7.5% over past 2 years
  - Attractive stock valuation relative to BV

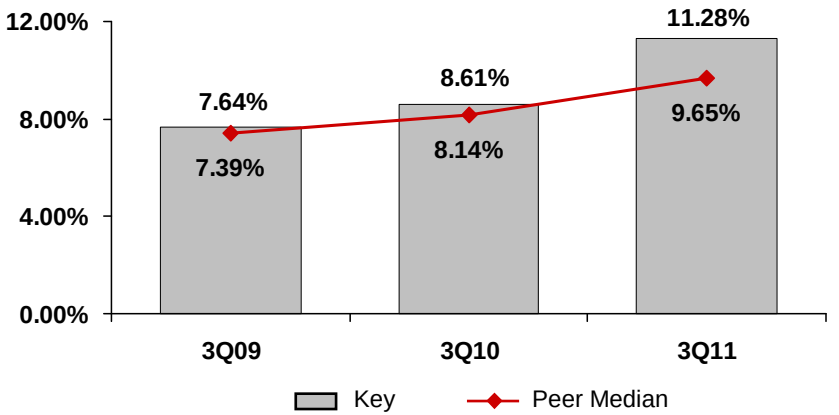
Tangible Common Equity to Tangible Assets



Book Value per Share



Tier 1 Common Equity



Why Invest In KEY

Strong, Focused and Building Momentum

- **Strong company, well-positioned for changing environment and growth**
- **Differentiated business model is building sustainable momentum**
- **Strong financial position provides flexibility and supports growth opportunities**
- **Focused execution of strategy by a new and highly motivated management team**
- **Disciplined capital management focused on delivering shareholder value**
- **Trading at an attractive valuation**

Appendix

Key's Targets for Success

KEY Business Model	KEY Metrics [a]	KEY 3Q11	Targets	Action Plans
Core funded	Loan to deposit ratio [b]	86%	90-100%	▪ Improve risk profile of loan portfolio and grow relationships ▪ Improve deposit mix and grow deposit base
Returning to a moderate risk profile	NCOs to average loans	.90%	40-50 bps	▪ Focus on relationship clients ▪ Exit noncore portfolios ▪ Limit concentrations ▪ Focus on risk-adjusted returns
Growing high quality, diverse revenue streams	Net interest margin	3.09%	>3.50%	▪ Improve funding mix ▪ Focus on risk-adjusted returns ▪ Grow client relationships ▪ Leverage Key's total client solutions and cross-selling capabilities
	Noninterest income to total revenue	47%	>40%	
Creating positive operating leverage	Efficiency ratio	67%	60-65%	▪ Improve efficiency and effectiveness ▪ Leverage technology ▪ Change cost base to more variable from fixed
Executing our strategies	Return on average assets	1.14%	1.00-1.25%	▪ Execute our client insight-driven relationship model ▪ Lower credit costs ▪ Improved funding mix with lower cost core deposits

(a) Continuing operations, unless otherwise noted
(b) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office)

Financial Summary – Third Quarter 2011

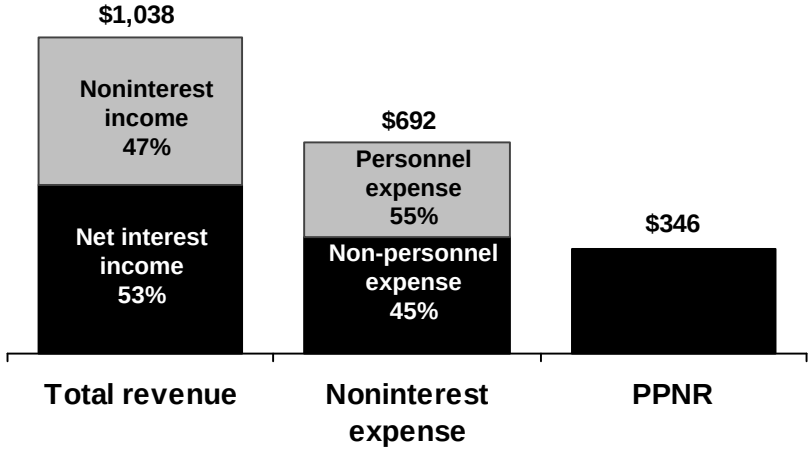
	Metrics	3Q11	2Q11	3Q10
Financial Performance [a]	Income from continuing operations attributable to Key common shareholders	$.24	$.26	$.19
	Net interest margin (TE)	3.09%	3.19%	3.35%
	Return on average total assets	1.14	1.23	.93
Capital [b]	Tier 1 common equity	11.28%	11.14%	8.61%
	Tier 1 risk-based capital	13.49	13.93	14.30
	Tangible common equity to tangible assets	9.82	9.67	8.00
	Book value per common share	$10.09	$9.88	$9.54
Asset Quality [a]	Net loan charge-offs to average loans	.90%	1.11%	2.69%
	NPLs to EOP portfolio loans	1.64	1.76	2.67
	NPAs to EOP portfolio loans + OREO + Other NPAs	1.89	1.98	3.48
	Allowance for loan losses to period-end loans	2.35	2.57	3.81
	Allowance for loan losses to NPLs	143.53	146.08	142.64

TE = Taxable equivalent, EOP = End of Period
(a) From continuing operations
(b) From consolidated operations

Pre-Provision Net Revenue [a] and ROAA [b]

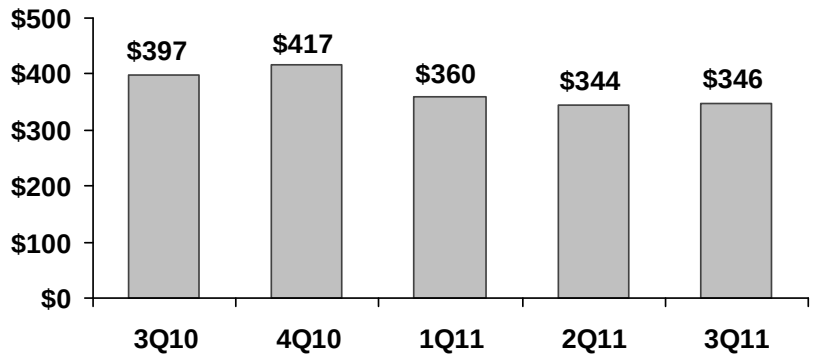
3Q11 Pre-Provision Net Revenue

$ in millions

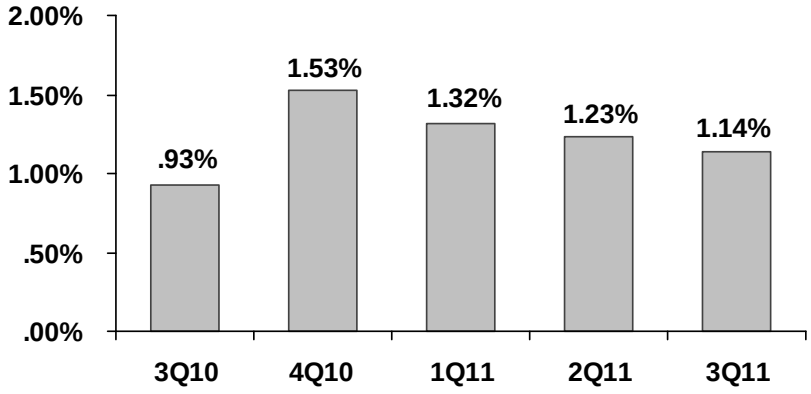


Pre-Provision Net Revenue Trend

$ in millions



Return on Average Assets



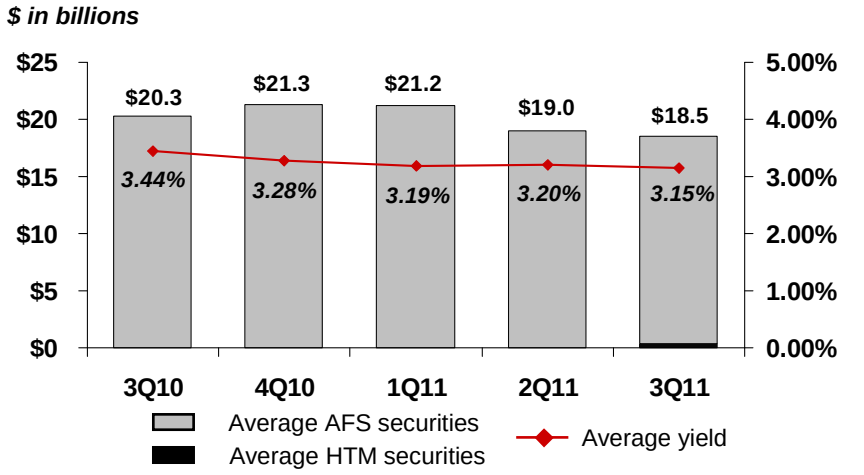
(a) Net interest income plus taxable-equivalent adjustment and noninterest income less noninterest expense
(b) From continuing operations

High Quality Investment Portfolio

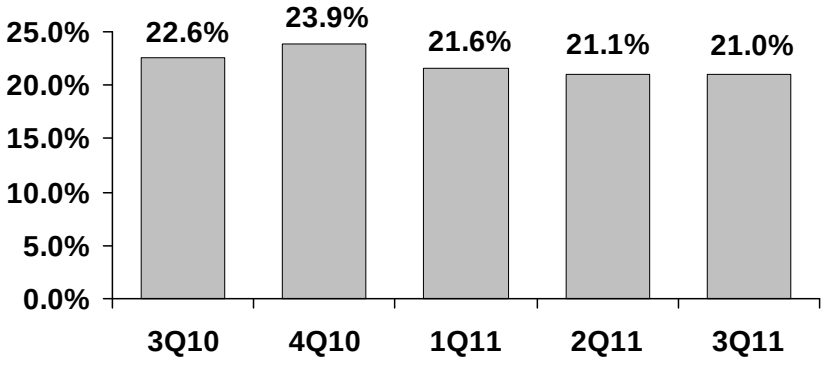
Highlights

- **Portfolio composed of Agency or GSE backed: GNMA, Fannie & Freddie**
  - **No private label MBS or financial paper**
- **Average portfolio maturity at 9/30/11: 2.3 years**
- **Unrealized net gain of $648 million on available-for-sale securities portfolio at 9/30/11**
- **Mortgage paydowns in 3Q11 were $1.1 billion vs. $942 million in 2Q11**
- **3Q11 purchases classified as held-to-maturity**

Average Total Investment Securities



Securities to Total Assets [(a)]



(a) Includes end of period held-to-maturity and available-for-sale securities

Credit Quality

Credit Quality by Portfolio

$ in millions

	Period-end loans	Average loans	Net loan charge-offs		Net loan charge-offs [a] / average loans		Nonperforming loans		Ending allowance [b]	Allowance / period-end loans [b]	Allowance / NPLs
	9/30/11	3Q11	3Q11	2Q11	3Q11	2Q11	9/30/11	6/30/11	9/30/11	9/30/11	9/30/11
Commercial, financial and agricultural	$17,848	$17,381	$22	$36	*.50 %*	*.85 %*	$188	$213	$370	*2.07 %*	*196.81 %*
Commercial real estate:											
Commercial mortgage	7,958	7,978	25	12	*1.24*	*.57*	237	230	305	*3.83*	*128.69*
Construction	1,456	1,545	8	24	*2.05*	*5.47*	93	131	87	*5.98*	*93.55*
Commercial lease financing	5,957	6,045	2	4	*.13*	*.26*	31	41	96	*1.61*	*309.68*
Real estate - residential mortgage	1,875	1,853	5	6	*1.07*	*1.32*	88	79	34	*1.81*	*38.64*
Home equity:											
Key Community Bank	9,347	9,388	18	27	*.76*	*1.15*	102	101	110	*1.18*	*107.84*
Other	565	582	8	10	*5.45*	*6.56*	12	11	35	*6.19*	*291.67*
Consumer other— Key Community Bank	1,187	1,169	9	9	*3.05*	*3.14*	4	3	41	*3.45*	*N/M*
Consumer other:											
Marine	1,871	1,928	11	4	*2.26*	*.78*	32	32	51	*2.73*	*159.38*
Other	131	139	1	2	*2.85*	*5.49*	1	1	2	*1.53*	*200.00*
Continuing total	**$48,195**	**$48,008**	**$109**	**$134**	***.90 %***	***1.11 %***	**$788**	**$842**	**$1,131**	***2.35 %***	***143.53 %***
Discontinued operations - education lending business	5,984	6,171	31	32	*3.93*	*4.02*	22	21	115	*3.65*	*N/M*
Consolidated total	**$54,179**	**$54,179**	**$140**	**$166**	***1.09 %***	***1.29 %***	**$810**	**$863**	**$1,246**	***2.43 %***	***153.83 %***

N/M = Not Meaningful

(a) Net charge-off amounts are annualized in calculation. NCO ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value

(b) 9-30-11 allowance by portfolio is estimated. Allowance/period loans ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value

Commercial Real Estate Loans – 9/30/11

Commercial Real Estate by Property Type and Geography

$ in millions

	Geographic Region							% of	Commercial	
	West	Southwest	Central	Midwest	Southeast	Northeast	Total	Total CRE	Mortgage	Construction
Nonowner-occupied:										
Retail properties	$338	$138	$220	$233	$386	$200	$1,515	16.1 %	$1,246	$269
Multifamily properties	228	143	191	275	328	240	1,405	14.9	1,021	384
Health facilities	189	6	163	115	207	175	855	9.1	805	50
Office buildings	116	65	77	102	60	251	671	7.1	559	112
Warehouses	229	-	44	107	77	82	539	5.7	509	30
Residential properties	52	19	37	70	52	62	292	3.1	96	196
Hotels/motels	60	-	23	6	84	43	216	2.3	174	42
Land and development [(a)]	19	13	29	10	35	67	173	1.9	13	160
Manufacturing facilities	1	-	1	8	33	6	49	.5	49	-
Other	61	2	13	30	96	94	296	3.2	284	12
Total nonowner-occupied	1,293	386	798	956	1,358	1,220	6,011	63.9	4,756	1,255
Owner-occupied	1,375	36	312	772	129	779	3,403	36.1	3,202	201
Total	$2,668	$422	$1,110	$1,728	$1,487	$1,999	$9,414	100.0 %	$7,958	$1,456
Nonowner-occupied: September 30, 2011										
Nonperforming loans	$50	$49	$2	$39	$38	$50	$228	N/M	$141	$87
90+ days past due	-	-	-	-	-	8	8	N/M	-	8
30-89 days past due	14	-	7	14	47	23	105	N/M	97	8
Nonowner-occupied: June 30, 2011										
Nonperforming loans	$53	$56	$6	$50	$51	$54	$270	N/M	$149	$121
90+ days past due	22	-	-	2	-	12	36	N/M	8	28
30-89 days past due	15	4	1	16	36	26	98	N/M	65	33

(a) Nonresidential land and development loans
N/M = Not Meaningful

Commercial Real Estate

Commercial Real Estate Credit Quality

$ in millions

	Period-end loans		Nonperforming loans		Net loan charge-offs	
	9-30-11	**6-30-11**	**9-30-11**	**6-30-11**	**9-30-11**	**6-30-11**
Retail properties	$1,515	$1,578	$63	$66	-	$6
Multifamily properties	1,405	1,321	44	47	$10	(1)
Health facilities	855	967	10	11	-	3
Office builldings	671	756	26	25	7	4
Warehouses	539	511	10	10	-	-
Residential properties	292	388	49	69	13	9
Hotels/motels	216	267	4	5	1	-
Land and development [(a)]	173	198	6	18	(8)	6
Other CRE	345	335	16	19	5	4
Total nonowner-occupied	6,011	6,321	228	270	28	31
Owner-occupied	3,403	3,379	102	91	5	5
Total	$9,414	$9,700	$330	$361	$33	$36

(a) Nonresidential land and development loans

Home Equity Loans – 9/30/11

Community Bank – Home Equity

$ in millions, except average loan size	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV[a]	% of Loans LTV>90%	Vintage (% of Loans) 2010 and 2011	2009	2008	2007	2006 and prior
Home equity loans and lines										
First lien	$ 4,927	$ 58,180	751	66 %	.6 %	19 %	10 %	11 %	8 %	52 %
Second lien	4,420	44,903	750	75	3.4	14	8	18	17	43
Total home equity loans and lines	$ 9,347	$ 51,043	751	70	1.9	17	9	14	12	48
Nonaccrual loans										
First lien	$ 57	$ 70,886	714	73 %	.7 %	2 %	3 %	6 %	16 %	73 %
Second lien	45	53,652	708	77	3.8	1	4	13	22	60
Total home equity nonaccrual loans	$ 102	$ 62,075	711	75	2.0	1	4	9	18	68
Community Bank - Home Equity										
Third quarter net charge-offs	$ 18					-	2 %	18 %	31 %	49 %
Net loan charge-offs to average loans	.76 %									

Exit Portfolio – Home Equity

$ in millions, except average loan size	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV[a]	% of Loans LTV>90%	Vintage (% of Loans) 2010 and 2011	2009	2008	2007	2006 and prior
Home equity loans and lines										
First lien	$ 25	$ 23,215	747	33 %	.4 %	-	-	1 %	24 %	75 %
Second lien	540	25,138	731	82	32.7	-	-	1	41	58
Total home equity loans and lines	$ 565	$ 25,047	731	80	31.2	-	-	1	40	59
Nonaccrual loans										
First lien	$ 1	$ 19,951	714	35 %	-	-	-	-	11 %	89 %
Second lien	11	27,778	709	84	39.0 %	-	-	2 %	37	61
Total home equity nonaccrual loans	$ 12	$ 27,152	710	82	36.7	-	-	2	35	63
Exit Portfolio - Home Equity										
Third quarter net charge-offs	$ 8					-	-	1 %	44 %	55 %
Net loan charge-offs to average loans	5.45 %									

(a) Average LTVs at origination

Exit Loan Portfolio

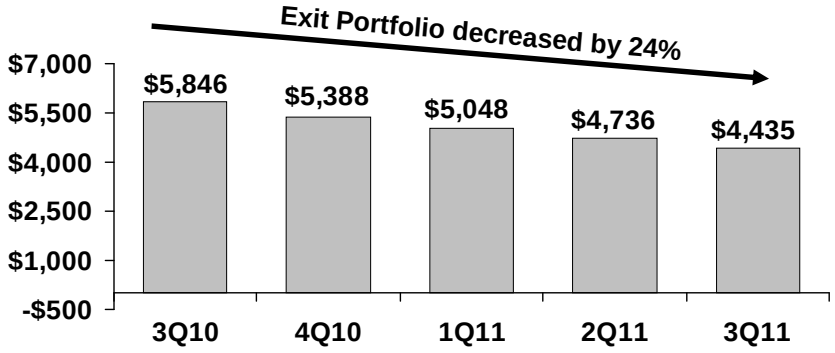
Exit Loan Portfolio

$ in millions

	Balance Outstanding		Change 9-30-11 vs.	Net Loan Charge-offs		Balance on Nonperforming Status	
	9-30-11	6-30-11	6-30-11	3Q11	2Q11	9-30-11	6-30-11
Residential properties – homebuilder	$48	$62	$(14)	$4	$1	$28	$33
Marine and RV floor plan	92	122	(30)	3	1	38	31
Commercial lease financing [(a)]	1,728	1,826	(98)	-	7	9	19
Total commercial loans	1,868	2,010	(142)	7	9	75	83
Home equity – Other	565	595	(30)	8	10	12	11
Marine	1,871	1,989	(118)	11	4	32	32
RV and other consumer	131	142	(11)	1	2	-	-
Total consumer loans	2,567	2,726	(159)	20	16	44	43
Total exit loans in loan portfolio	$4,435	$4,736	$(301)	$27	$25	$119	$126
Discontinued operations - education lending business (not included in exit loans above) [(b)]	$5,984	$6,261	$(277)	$31	$32	$22	$21

Exit Loan Portfolio Trend (Excluding Discontinued Operations)

$ in millions

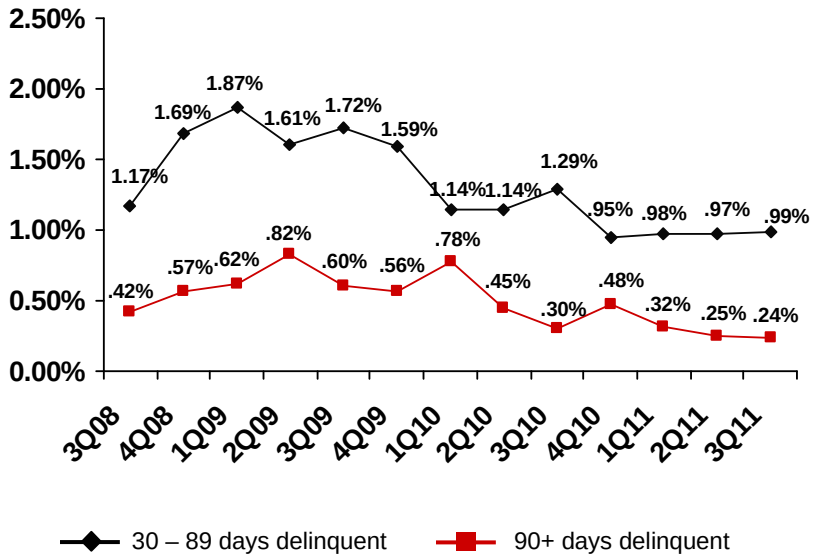


(a) Includes the business aviation, commercial vehicle, office products, construction and industrial leases, Canadian lease financing portfolios; and all remaining balances related to lease in, lease out; sale in, sale out; service contract leases; and qualified technological equipment leases

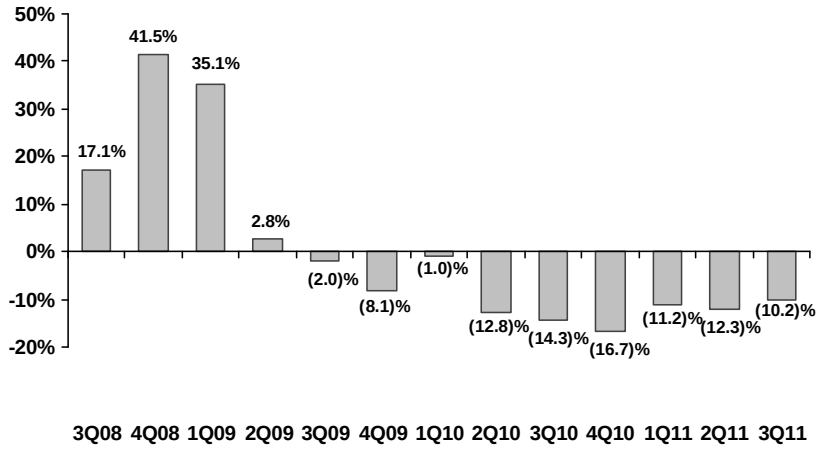
(b) Includes loans in Key's consolidated education loan securitization trusts

Credit Quality Trends

Delinquencies to Period-end Total Loans



Quarterly Change in Criticized Outstandings [a]



(a) Loans and leases outstanding

Community Bank Winning With Clients

Regional Banking

- Acquiring new clients 2011 YTD:
  - Consumer: 175,000 new DDA accounts
  - Private Banking: 430 new clients
  - Business Banking: 1,100 new clients
- Continuing to build the platform
  - Mortgage originations and revenue up 22% from 2Q11
  - SBA originations YTD up 42% (revenue up 204%) from 2010; national 7(a) unit ranking: #12 (#15 in 2009)
  - Private Bank investment management new business volume up 25% YTD from 2010

Commercial Banking

- Acquiring new clients:
  - Middle Market: 280 new clients 2011 YTD
- Commercial Banking: loans and leases up from linked quarter in 2011, due to underlying strength across all regions
- Average deposits up $1.1 billion or 21% compared to prior-year quarter
- Collaboration across Key continues to have impact

Note: 2011 YTD information through Sept. 30, 2011

Corporate Bank Winning with Clients

Real Estate Capital and Corporate Banking Services

- Focus on growing noninterest income through collaboration with KeyBanc Capital Markets
  - Ranked #2 in REIT IPOs (by # of deals)
  - Ranked #4 in total REIT equity issuance (by # of deals)
- Commercial Mortgage Agency & FHA closed loans up $1 billion, or 140%, from prior year

Institutional and Capital Markets

- Capital markets businesses executed 218 transactions raising $101 billion for clients
- Initiated equity research coverage on 65 new companies
- 78 new KeyBanc Capital Markets issuer clients
- #1 among domestic regional banks in equity capital markets revenue since January 2010

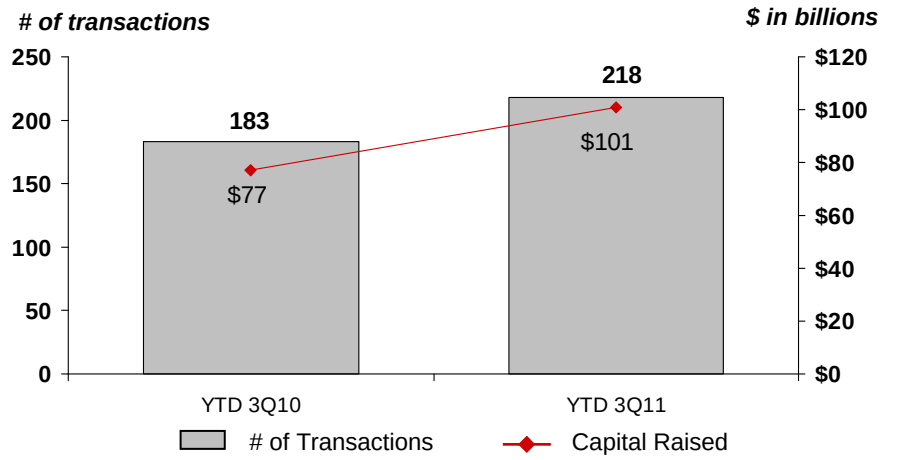
Equipment Finance

- 6th largest bank-owned equipment finance company
- Key Equipment Finance originations of $2.2 billion, up 16% from prior year
- Partnership between Key Equipment Finance and Community Bank generated $563 million in lease volume, up 33% from prior year

Note: All data represents YTD through Sept. 30, 2011 unless otherwise noted
Source: Thomson Financial

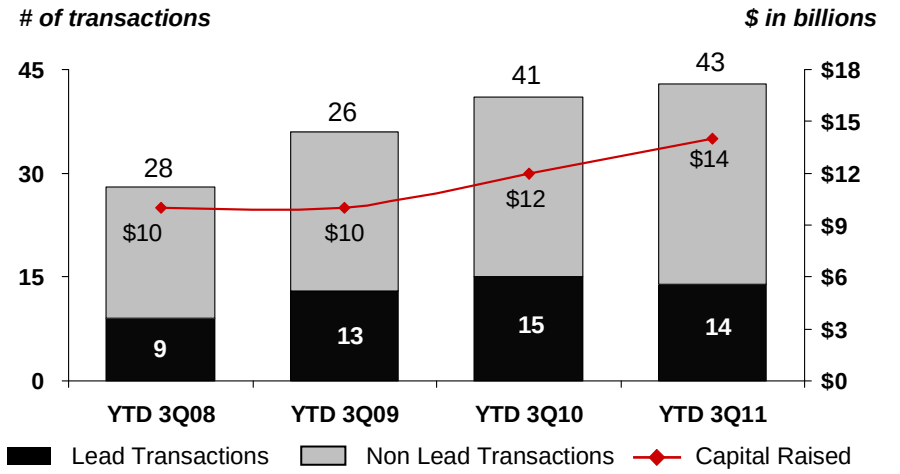
Corporate Bank Growing in Capital Markets

Client Transactions & Capital Raised



- Capital markets businesses raised $101 billion for clients through 3Q11, up $24 billion vs. prior year
  - Growth driven by loan syndications
- Completed transactions up 19% over the prior year, driven by increased activity in loan syndications

Equity Capital Markets Transaction History



- Executed 43 equity transactions raising nearly $14 billion in capital for our clients
  - Completed 14 lead-managed transactions
- Strong YTD performance in real estate industry
  - 23 equity transactions for REITs
  - Key ranked #4 in REIT equity league tables (by number of deals)

Notes: All figures represent YTD data through Sept. 30, 2011 unless otherwise noted
Analysis excludes transactions where KeyCorp was the issuer