KeyCorp

Fourth Quarter 2011 Earnings Review

January 24, 2012

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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 its Quarterly Reports on Form 10-Q for the 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.

Investor Highlights – Full Year 2011

Execution of Business Plan	▪ Returned to solid profitability ▪ Continued improvement in credit quality ▪ New leadership team committed to focused strategy execution
Growing the Franchise	▪ Reached inflection point for loan portfolio ▪ Leveraged differentiated business model to build sustainable momentum ▪ Continued investment in the business
Disciplined Capital Management	▪ Maintained strong balance sheet and moderate risk profile ▪ Disciplined approach to capital management to maximize shareholder value ▪ Positioned to meet Basel III requirements

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

Executing Business Plan: Progress on Targets for Success

KEY Business Model	KEY Metrics [a]	KEY 4Q11	KEY FY 2011	Targets	Action Plans
Core funded	Loan to deposit ratio [b]	87%	87%	90-100%	▪ Leverage integrated model to grow relationships and loans ▪ Improve deposit mix
Returning to a moderate risk profile	NCOs to average loans	.86%	1.11%	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	3.13%	3.16%	>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	42%	44%	>40%	
Creating positive operating leverage	Efficiency ratio	73%	68%	60-65%	▪ Improve efficiency and effectiveness ▪ Leverage technology ▪ Change cost base to more variable from fixed
Executing our strategies	Return on average assets	1.01%	1.17%	1.00-1.25%	▪ Execute our client insight-driven relationship model ▪ Focus on operating leverage ▪ 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 Review

Financial Summary – Fourth Quarter 2011

	Metrics	4Q11	3Q11	4Q10
Financial Performance [a]	Income from continuing operations attributable to Key common shareholders	$.21	$.24	$.33
	Net interest margin (TE)	3.13%	3.09%	3.31%
	Return on average total assets	1.01	1.14	1.53
Capital [b]	Tier 1 common equity [c]	11.28%	11.28%	9.34%
	Tier 1 risk-based capital [c]	13.01	13.49	15.16
	Tangible common equity to tangible assets	9.88	9.82	8.19
	Book value per common share	$10.09	$10.09	$9.52
Asset Quality [a]	Net loan charge-offs to average loans	.86%	.90%	2.00%
	NPLs to EOP portfolio loans	1.47	1.64	2.13
	NPAs to EOP portfolio loans + OREO + Other NPAs	1.73	1.89	2.66
	Allowance for loan losses to period-end loans	2.03	2.35	3.20
	Allowance for loan losses to NPLs	138.10	143.53	150.19

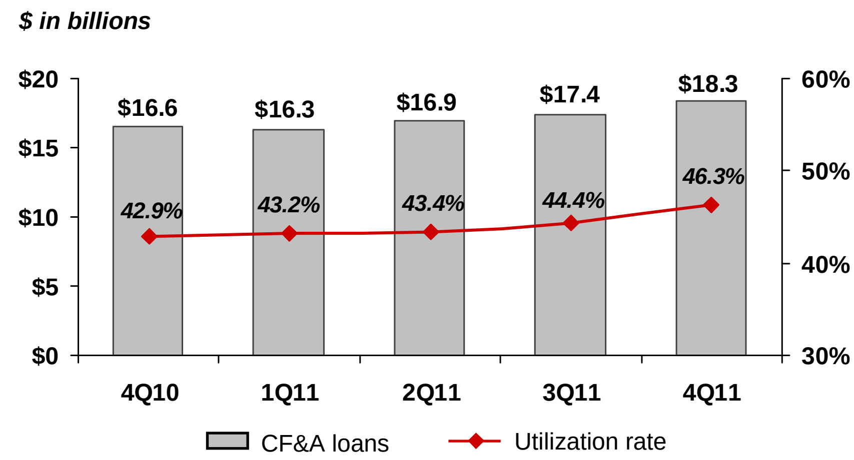
TE = Taxable equivalent, EOP = End of Period
(a) From continuing operations
(b) From consolidated operations
(c) 12-31-11 ratios are estimated

Loan Growth – Past the Inflection Point

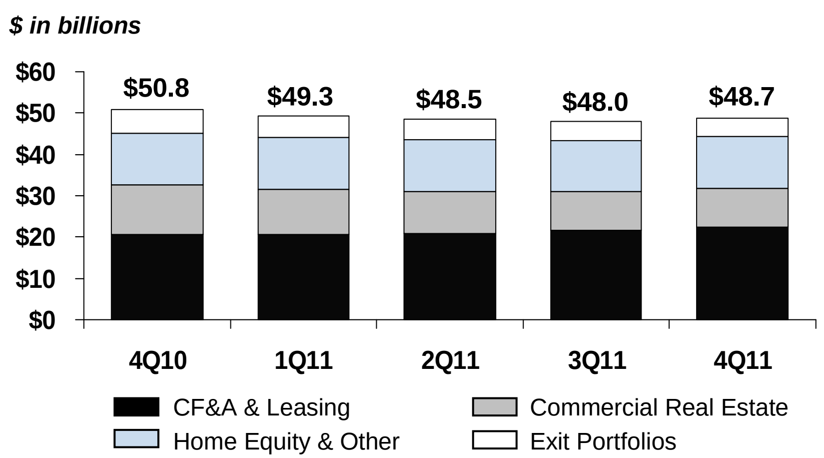
Highlights

- **Period-end loans grew for the second consecutive quarter and average balances increased for the first time since 4Q08**
- **Average CF&A loans increased 5.4% in 4Q11**
- **Positioned to continue to grow loans by leveraging integrated business model and focusing on targeted segments**

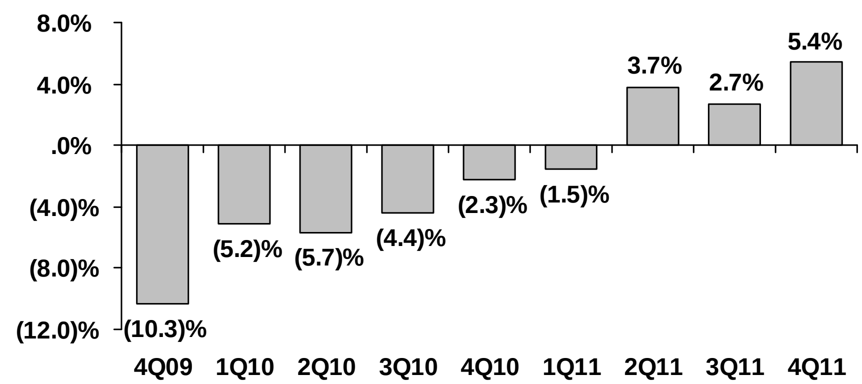
Average Commercial, Financial & Agricultural Loans



Average Loans



Quarterly % Change in Average CF&A Loans

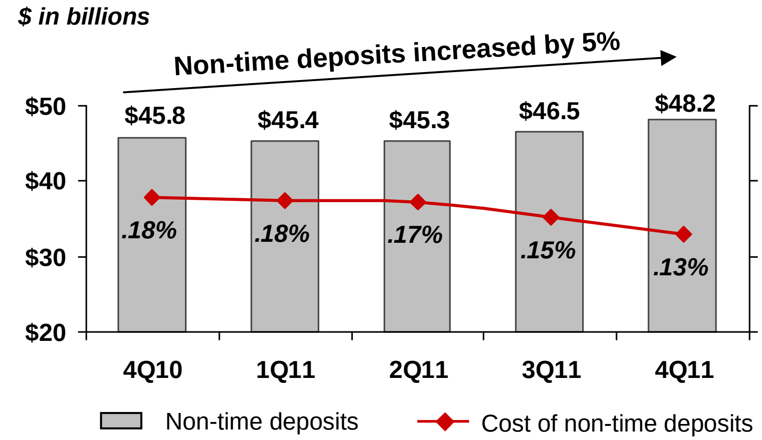


Improving Deposit Mix

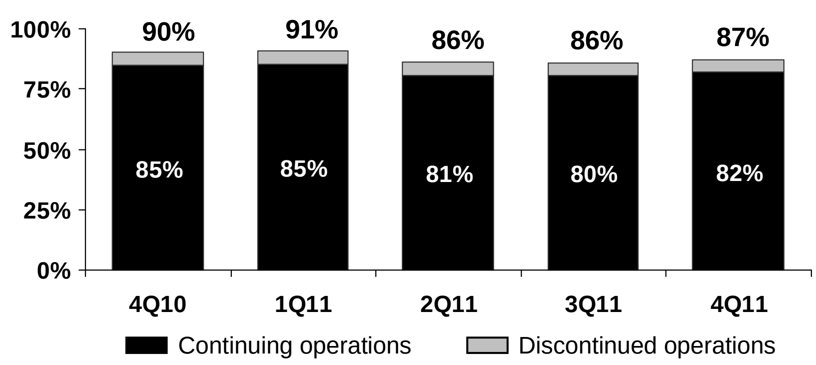
Highlights

- **Higher cost CDs continue to decline, while lower cost deposits have remained strong**
- **Improved funding mix has reduced the cost of total deposits, which is down 7 bps from 3Q11**
- **Total CD maturities and average cost**
  - **2012 Q1: $2.4 billion at 0.89%**
  - **2012 Q2: $1.8 billion at 2.00%**
  - **2012 Q3: $1.6 billion at 3.40%**
  - **2012 Q4: $1.0 billion at 2.73%**
  - **2013 & beyond: $3.5 billion at 3.28%**

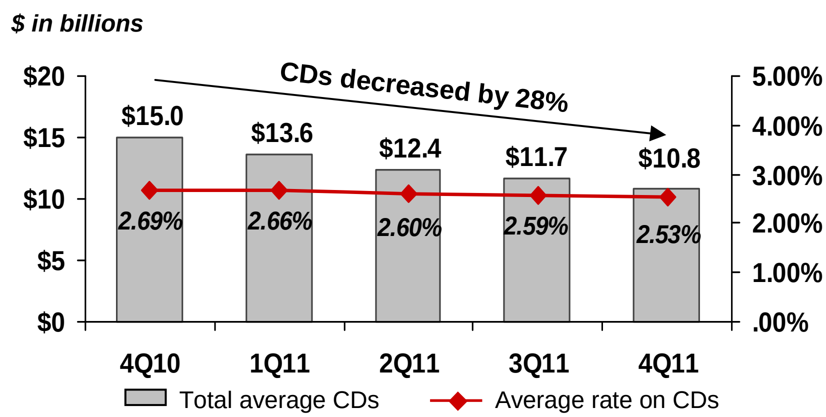
Average Non-time Deposits [(a)]



Loan to Deposit Ratio [(b)]



Average CD Balances

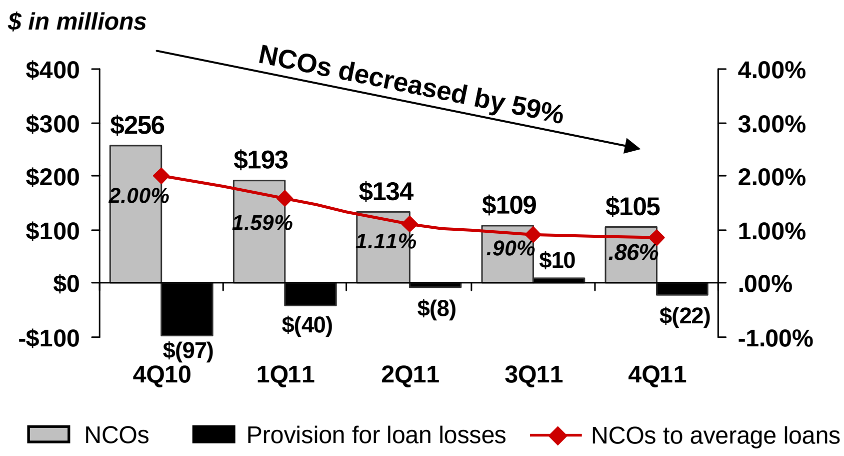


(a) Excludes time deposits and deposits in foreign office

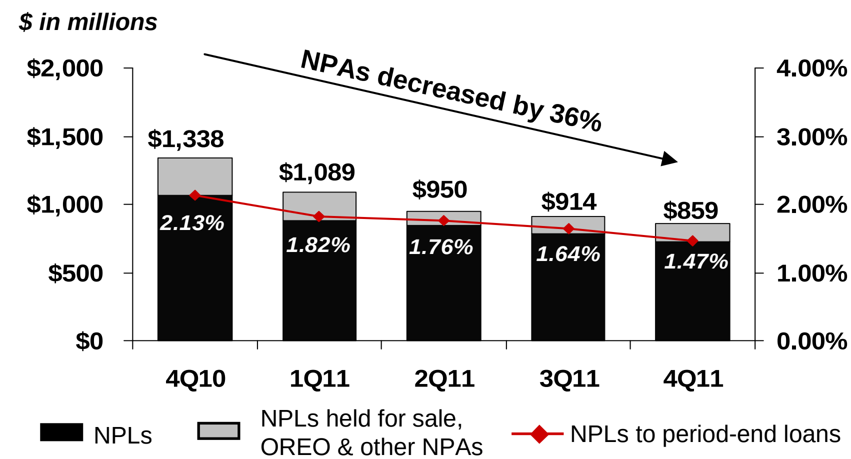
(b) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office)

Continued Improvement in Asset Quality

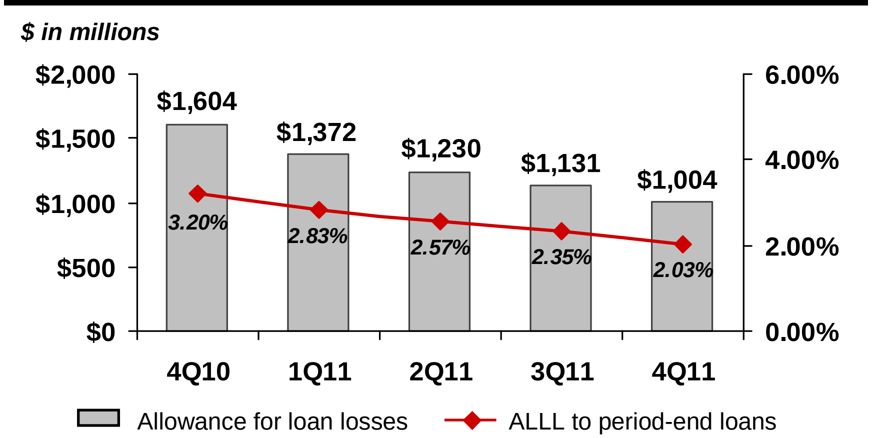
Net Charge-offs & Provision for Loan Losses



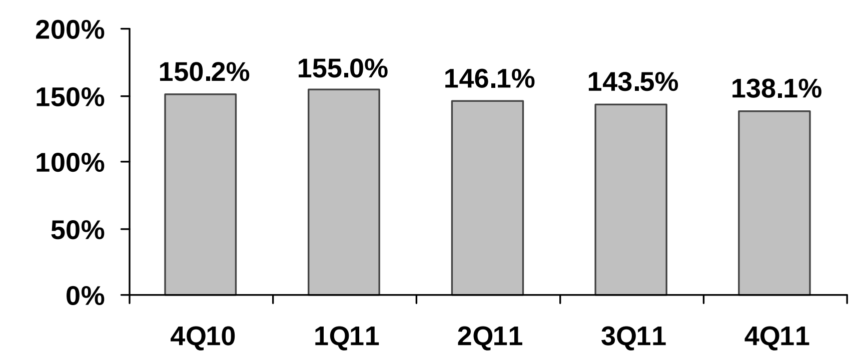
Nonperforming Assets



Allowance for Loan Losses



Allowance to Nonperforming Loans



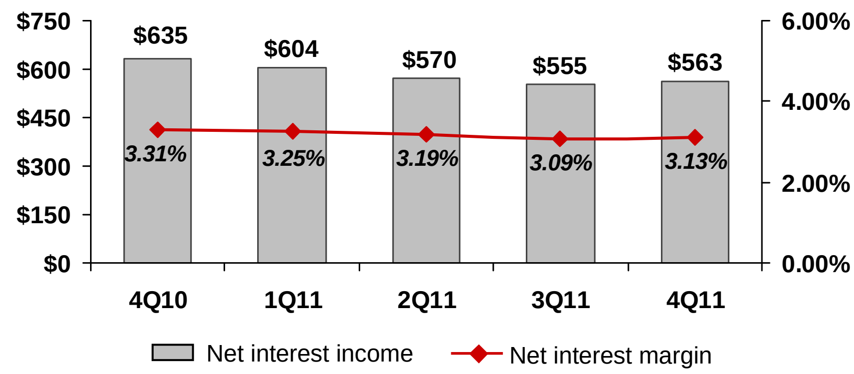
Total Revenue

Highlights

- Continued funding cost reductions contribute to stability and improvement in net interest income
- Lower noninterest income primarily driven by:
  - Volatility in principal investing income
  - Full quarter impact of debit price controls
  - Visa related charge - $24 million in 4Q11
  - Trust Preferred redemptions
- New client acquisition and execution of relationship-based model provide opportunities to grow noninterest income

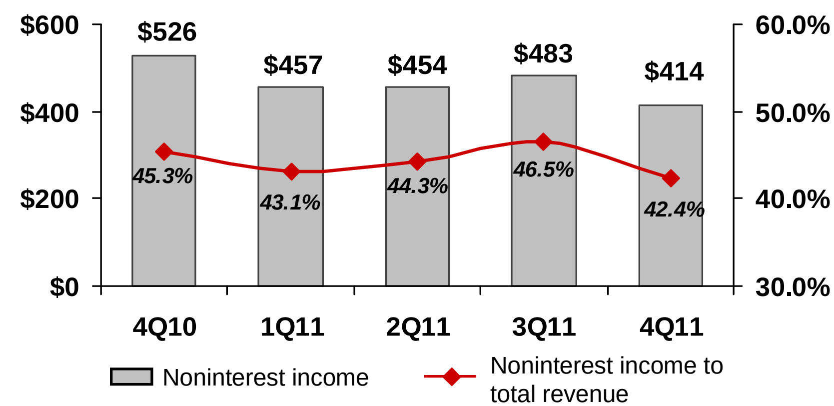
Net Interest Margin (TE) Trend

$ in millions
Continuing Operations



Noninterest Income and % of Total Revenue

$ in millions



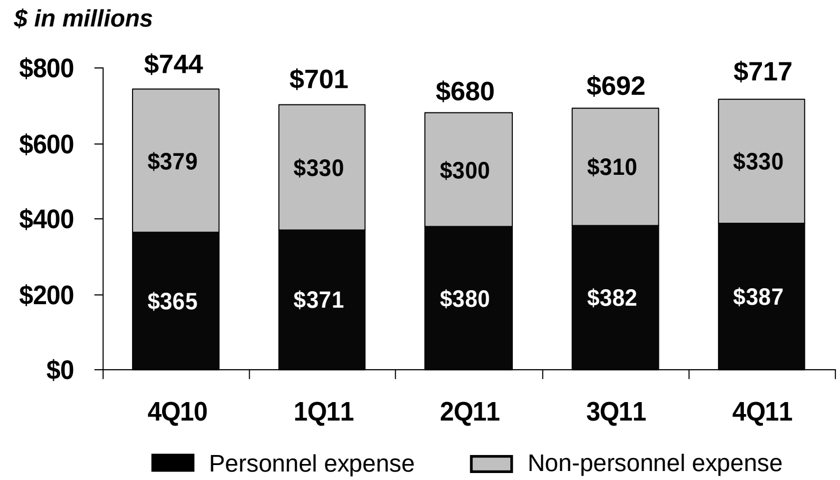
TE = Taxable equivalent

Focused Expense Management

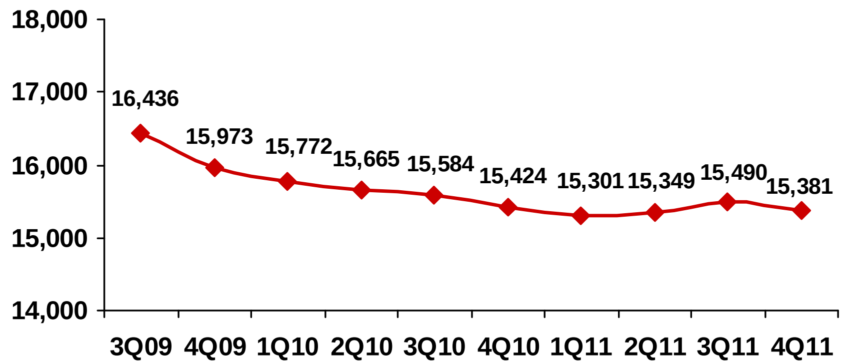
Highlights

- Noninterest expense declined $27 million from the prior year and increased $25 million compared to 3Q11
  - Improvement from prior year due to lower FDIC expense, a decline in lease operating expense and Key's efficiency initiatives
  - 4Q11 expense levels reflect higher business services and marketing, offset by lower provision for lending commitments
- Key remains focused on operating leverage
  - Shifting FTE mix towards client-facing positions
  - Leveraging continuous improvement practices
  - Strengthening processes, alignment and accountability across the organization

Noninterest Expense



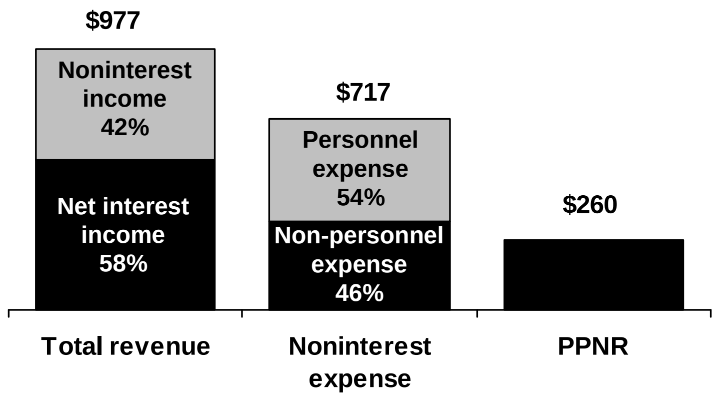
Average FTEs



Pre-Provision Net Revenue (a) and ROAA (b)

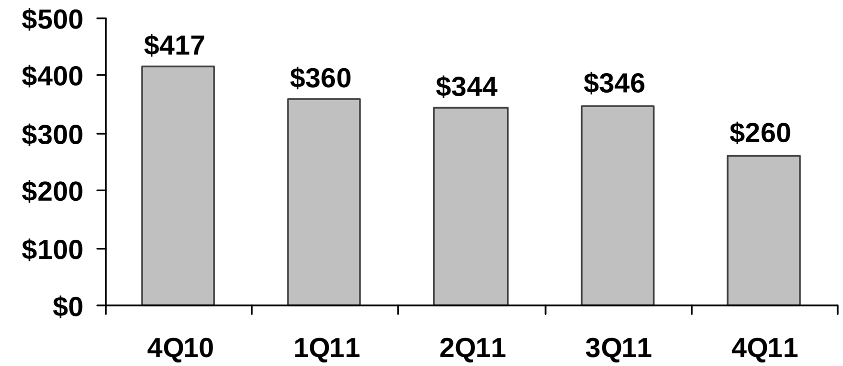
4Q11 Pre-Provision Net Revenue

$ in millions

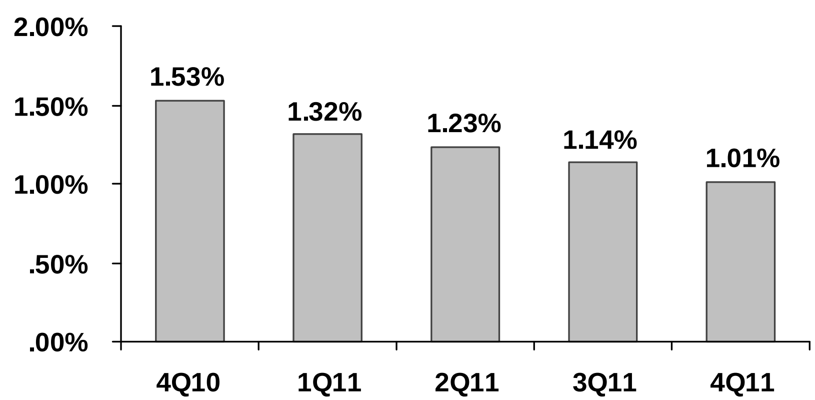


Pre-Provision Net Revenue Trend

$ in millions



Return on Average Assets



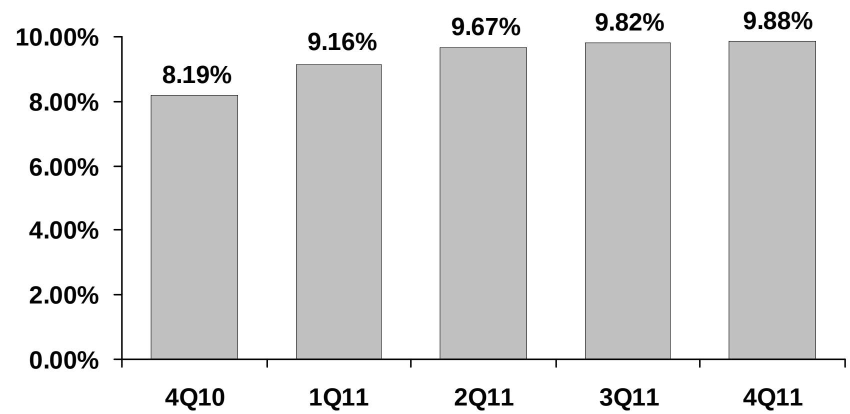
(a) Net interest income plus taxable-equivalent adjustment and noninterest income less noninterest expense
(b) From continuing operations

Strong Capital Ratios

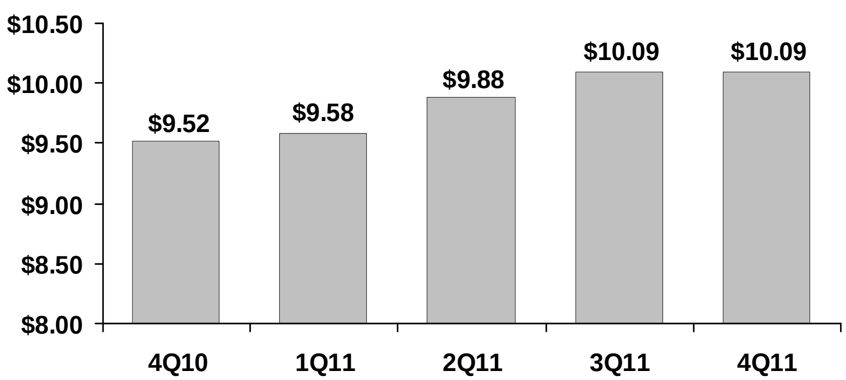
Highlights

- 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

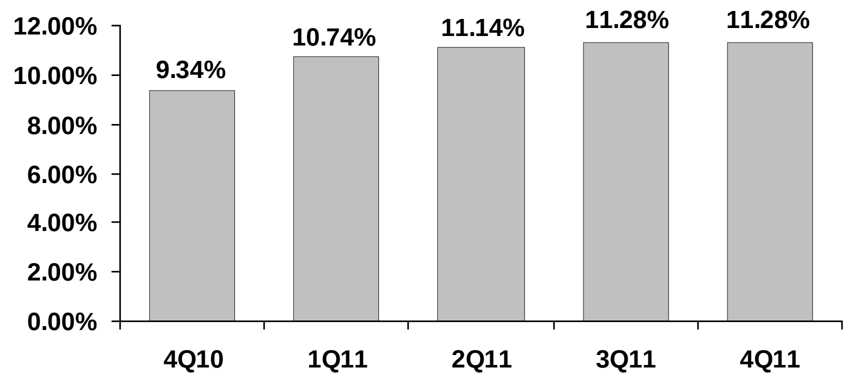
Tangible Common Equity to Tangible Assets



Book Value per Share



Tier 1 Common Equity [a]



(a) 12-31-11 ratio is estimated

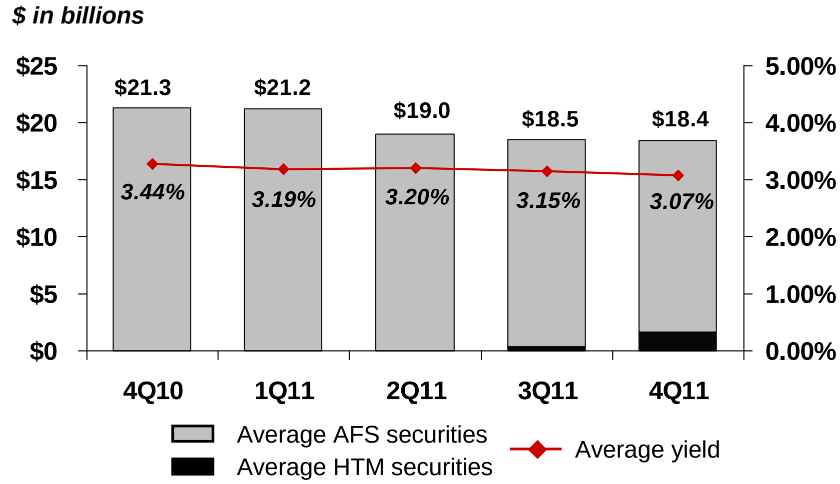
Appendix

High Quality Investment Portfolio

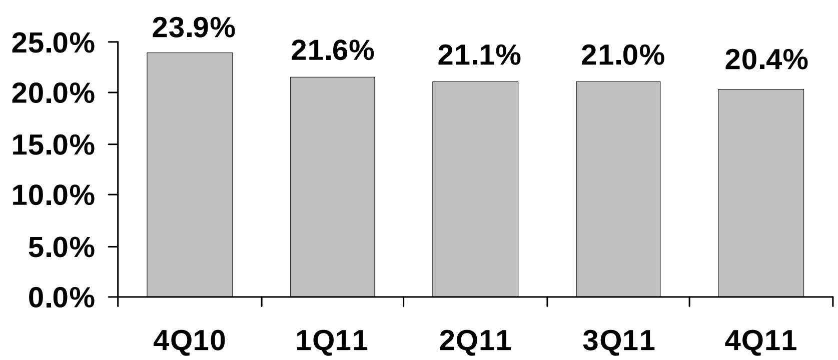
Highlights

- Portfolio composed of Agency or GSE backed: GNMA, Fannie & Freddie
  - No private label MBS or financial paper
- Average portfolio maturity at 12/31/11: 2.2 years
- Unrealized net gain of $522 million on available-for-sale securities portfolio at 12/31/11
- Mortgage paydowns in 4Q11 were $1.5 billion vs. $1.1 billion in 3Q11
- 4Q11 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
	12/31/11	4Q11	4Q11	3Q11	4Q11	3Q11	12/31/11	9/30/11	12/31/11	12/31/11	12/31/11
Commercial, financial and agricultural	$19,378	$18,323	$28	$23	*.61 %*	*.52 %*	$188	$188	$334	*1.72 %*	*177.66 %*
Commercial real estate:											
Commercial mortgage	8,037	8,090	23	25	*1.13*	*1.24*	218	237	272	*3.38*	*124.77*
Construction	1,312	1,380	(6)	8	*(1.72)*	*2.05*	54	93	63	*4.80*	*116.67*
Commercial lease financing	6,055	5,982	-	2	-	*.13*	27	31	78	*1.29*	*288.89*
Real estate - residential mortgage	1,946	1,918	7	4	*1.45*	*.86*	87	88	37	*1.90*	*42.53*
Home equity:											
Key Community Bank	9,229	9,280	20	18	*.86*	*.76*	108	102	103	*1.12*	*95.37*
Other	535	553	9	8	*6.46*	*5.45*	12	12	29	*5.42*	*241.67*
Consumer other— Key Community Bank	1,192	1,191	9	9	*3.00*	*3.05*	1	4	41	*3.44*	*N/M*
Consumer other:											
Marine	1,766	1,820	14	11	*3.05*	*2.26*	31	32	46	*2.60*	*148.39*
Other	125	127	1	1	*3.12*	*2.85*	1	1	1	*.80*	*100.00*
Continuing total	**$49,575**	**$48,664**	**$105**	**$109**	***.86 %***	***.90 %***	**$727**	**$788**	**$1,004**	***2.03 %***	***138.10 %***
Discontinued operations - education lending business	5,812	5,906	25	31	*3.19*	*3.93*	23	22	104	*3.37*	*452.17*
Consolidated total	**$55,387**	**$54,570**	**$130**	**$140**	***1.00 %***	***1.09 %***	**$750**	**$810**	**$1,108**	***2.10 %***	***147.73 %***

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) 12-31-11 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 – 12/31/11

Commercial Real Estate by Property Type and Geography

$ in millions

	Geographic Region								Commercial	
	West	**Southwest**	**Central**	**Midwest**	**Southeast**	**Northeast**	**Total**	**% of Total CRE**	**Mortgage**	**Construction**
Nonowner-occupied:										
Retail properties	$341	$115	$207	$208	$365	$206	$1,442	15.4 %	$1,223	$219
Multifamily properties	194	131	212	312	258	203	1,310	14.0	927	383
Health facilities	110	-	105	154	164	229	762	8.2	762	-
Office buildings	118	37	110	168	46	199	678	7.3	594	84
Warehouses	230	34	44	76	106	83	573	6.1	555	18
Residential properties	48	14	25	65	42	46	240	2.6	75	165
Hotels/motels	71	-	23	6	81	20	201	2.1	161	40
Land and development [(a)]	15	13	29	11	30	67	165	1.8	13	152
Manufacturing facilities	1	-	1	7	65	4	78	.8	78	-
Other	133	7	274	22	112	90	638	6.8	574	64
Total nonowner-occupied	1,261	351	1,030	1,029	1,269	1,147	6,087	65.1	4,962	1,125
Owner-occupied	1,309	37	331	722	124	739	3,262	34.9	3,075	187
Total	$2,570	$388	$1,361	$1,751	$1,393	$1,886	$9,349	100.0 %	$8,037	$1,312
Nonowner-occupied: December 31, 2011										
Nonperforming loans	$41	$24	$2	$30	$33	$44	$174	N/M	$124	$50
90+ days past due	-	-	21	8	47	10	86	N/M	-	86
30-89 days past due	32	-	1	6	-	22	61	N/M	55	6
Nonowner-occupied: September 30, 2011										
Nonperforming loans	$50	$49	$2	$39	$38	$50	$228	N/M	$87	$141
90+ days past due	-	-	-	-	-	8	8	N/M	8	-
30-89 days past due	14	-	7	14	47	23	105	N/M	8	97

N/M = Not Meaningful

(a) Nonresidential land and development loans

Commercial Real Estate

Commercial Real Estate Credit Quality

$ in millions

	Period-end loans		Nonperforming loans		Net loan charge-offs	
	12-31-11	**9-30-11**	**12-31-11**	**9-30-11**	**12-31-11**	**9-30-11**
Retail properties	$1,442	$1,515	38	$63	$8	-
Multifamily properties	1,310	1,405	42	44	-	$10
Health facilities	762	855	8	10	-	-
Office builldings	678	671	20	26	7	7
Warehouses	573	539	8	10	-	-
Residential properties	240	292	32	49	(4)	13
Hotels/motels	201	216	3	4	1	1
Land and development [a]	165	173	6	6	-	(8)
Other CRE	716	345	16	16	(1)	5
Total nonowner-occupied	6,087	6,011	173	228	11	28
Owner-occupied	3,262	3,403	99	102	6	5
Total	$9,349	$9,414	$271	$330	$17	$33

(a) Nonresidential land and development loans

Home Equity Loans – 12/31/11

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	$ 4,877	$ 58,282	752	66 %	.6 %	21 %	9 %	11 %	8 %	51 %
Second lien	4,352	45,146	751	75	3.3	16	7	17	17	43
Total home equity loans and lines	$ 9,229	$ 51,251	751	70	1.9	19	8	14	12	47
Nonaccrual loans										
First lien	$ 58	$ 63,993	712	74 %	.8 %	2 %	5 %	5 %	17 %	71 %
Second lien	50	53,650	713	78	4.9	2	5	13	22	58
Total home equity nonaccrual loans	$ 108	$ 58,724	713	75	2.6	2	5	8	19	66
Community Bank - Home Equity										
Fourth quarter net charge-offs	$ 20					-	3 %	21 %	27 %	49 %
Net loan charge-offs to average loans	.86 %									

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	$ 23	$ 22,950	747	33 %	.4 %	-	-	1 %	25 %	74 %
Second lien	$ 512	24,837	730	82	32.7	-	-	1	41	58
Total home equity loans and lines	$ 535	$ 24,748	731	80	31.3	-	-	2	40	58
Nonaccrual loans										
First lien	$ 1	$ 21,748	738	32 %	-	-	-	-	20 %	80 %
Second lien	11	27,033	711	83	36.9 %	-	-	2 %	42	56
Total home equity nonaccrual loans	$ 12	$ 26,631	712	81	34.7	-	-	2	40	58
Exit Portfolio - Home Equity										
Fourth quarter net charge-offs	$ 9					-	-	1 %	48 %	51 %
Net loan charge-offs to average loans	6.46 %									

(a) Average LTVs are at origination. Current average LTVs for Community Bank total home equity loans and lines is approximately 78%, which compares to 78% at the end of the third quarter 2011.

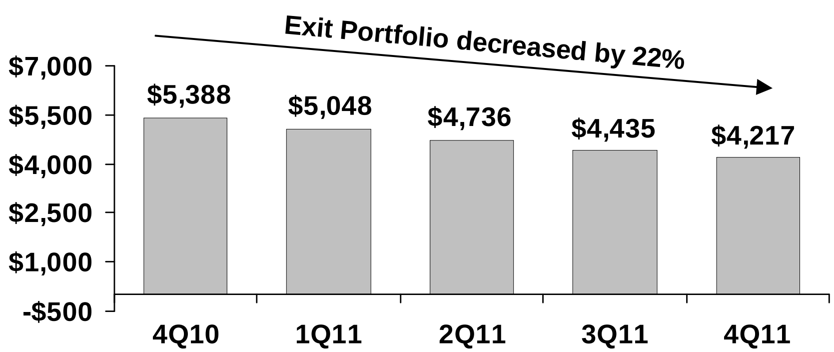
Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding 12-31-11	Balance Outstanding 9-30-11	Change 12-31-11 vs. 9-30-11	Net Loan Charge-offs 4Q11 [c]	Net Loan Charge-offs 3Q11	Balance on Nonperforming Status 12-31-11	Balance on Nonperforming Status 9-30-11
Residential properties – homebuilder	$41	$48	$(7)	$(2)	$4	$23	$28
Marine and RV floor plan	81	92	(11)	2	3	45	38
Commercial lease financing [a]	1,669	1,728	(59)	(2)	-	7	9
Total commercial loans	1,791	1,868	(77)	(2)	7	75	75
Home equity – Other	535	565	(30)	9	8	12	12
Marine	1,766	1,871	(105)	14	11	31	32
RV and other consumer	125	131	(6)	1	1	1	-
Total consumer loans	2,426	2,567	(141)	24	20	44	44
Total exit loans in loan portfolio	$4,217	$4,435	$(218)	$22	$27	$119	$119
Discontinued operations - education lending business (not included in exit loans above) [b]	$5,812	$5,984	$(172)	$25	$31	$23	$22

Exit Loan Portfolio Trend (Excluding Discontinued Operations)

$ in millions



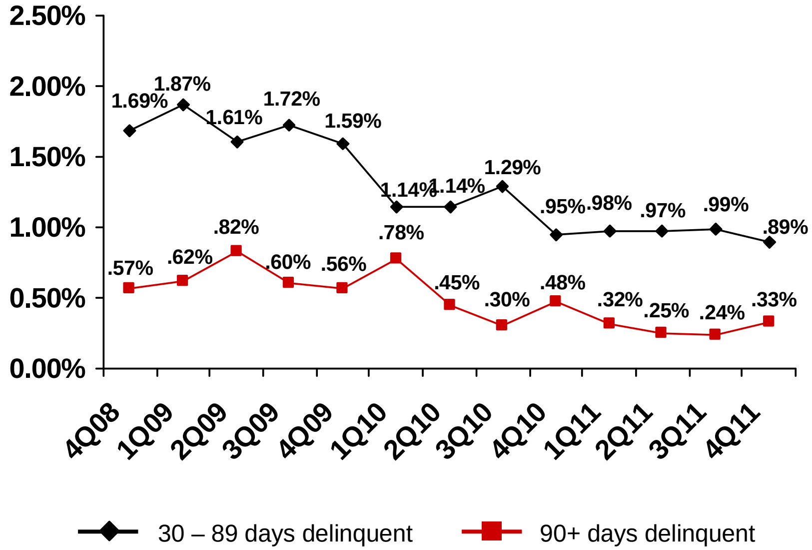
(a) Includes the business aviation, commercial vehicle, office products, construction and industrial leases, and Canadian lease financing portfolios; and all remaining balances related to lease in, lease out; sale in, sale out; service contract leases; and qualified technological equipment leases

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

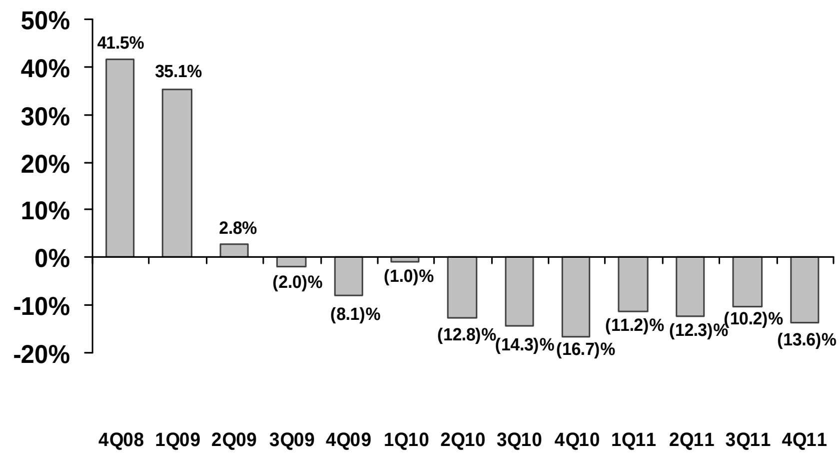
(c) Credit amounts indicate recoveries exceeded charge-offs

Credit Quality Trends

Delinquencies to Period-end Total Loans



Quarterly Change in Criticized Outstandings [a]



(a) Loan and Lease Outstandings