KeyCorp

Third Quarter 2013 Earnings Review

October 16, 2013

Beth E. Mooney
Chairman and
Chief Executive Officer

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Chief Financial Officer

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION DISCLOSURE

This presentation contains forward-looking statements, including statements about our financial condition, results of operations, asset quality trends, capital levels and profitability. Forward-looking statements can often be identified by words such as “outlook,” “goal,” “objective,” “plan,” “expect,” “anticipate,” “intend,” “project,” “believe,” or “estimate.” Forward-looking statements represent management’s current expectations and forecasts regarding future events. If underlying assumptions prove to be inaccurate or unknown risks or uncertainties arise, actual results could vary materially from these projections or expectations.

Risks and uncertainties include but are not limited to: (1) continued strain on the global financial markets; (2) the slow progress of the U.S. economic recovery; changes in trade, monetary and fiscal policies; (3) our ability to anticipate interest rate changes correctly and manage interest rate risk; (4) changes in local, regional and international business, economic or political conditions; (5) regulatory initiatives in the U.S., including the Dodd-Frank Act, subjecting us to new and more stringent regulatory requirements; (6) the increase in unemployment or deterioration in real estate asset values or their failure to recover for an extended period of time; (7) adverse changes in credit quality trends; (8) our ability to determine accurate values of certain assets and liabilities; (9) adverse behaviors in securities, public debt, and capital markets ; (10) unanticipated changes in our liquidity position, including but not limited to, changes in the cost of liquidity, our ability to enter the financial markets and to secure alternative funding sources; (11) the soundness of other financial institutions; (12) our ability to satisfy new capital and liquidity standards such as those imposed by the Dodd-Frank Act and those adopted by the Basel Committee; (13) our ability to receive dividends from our subsidiary, KeyBank; (14) downgrades in our credit ratings and the credit ratings of KeyBank; (15) our ability to timely and effectively implement our strategic initiatives; (16) operational or risk management failures; breaches of security or failures of our technology systems due to technological or other factors and cybersecurity threats; (17) the occurrence of natural or man-made disasters or conflicts or terrorist attacks; (18) the adequacy of our risk management programs; (19) adverse judicial proceedings; (20) increased competitive pressure due to industry consolidation; (21) our ability to attract and retain talented executives and employees, to effectively sell additional products or services to new or existing customers, and to manage our reputational risks; and (22) unanticipated adverse effects of acquisitions and dispositions of assets or businesses.

We provide greater detail regarding these factors in our 2012 Form 10-K and subsequent filings, which are available online at www.key.com/ir and www.sec.gov. Forward looking statements speak only as of the date they are made and Key does not undertake any obligation to update the forward-looking statements to reflect new information or future events.

This presentation also includes certain Non-GAAP financial measures related to “tangible common equity,” “Tier 1 common equity,” “pre-provision net revenue,” “cash efficiency ratio,” and “adjusted cash efficiency ratio.” Management believes these ratios may assist investors, analysts and regulators in analyzing Key’s financials. Although Key has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components, they have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of results under GAAP. For more information on these calculations and to view the reconciliations to the most comparable GAAP measures, please refer to the Appendix to this presentation or our most recent earnings press release, which is accessible at www.key.com/ir.

Investor Highlights – 3Q13

Optimize and Grow Revenue

- Grew average loans 5% from the prior year, driven by CF&A up 11%
- Linked quarter average total loans up 4.4% annualized
- Increased investment banking & debt placement fees; 4 quarter rolling average up 29% from prior year
- Completed CRE servicing acquisition (now #3 primary, #5 CMBS special servicer in the U.S.)

Improve Efficiency

- Achieved expense target, with $207 million in annualized savings
- Incurred charges of $41 million during 3Q13 related to efficiency initiative (incl. pension settlement)
- Consolidated 8 branches in 3Q13; 65 total from launch of efficiency initiative

Effectively Manage Capital

- Repurchased $198 million of common shares during 3Q13
- Completed Victory divestiture on July 31; after-tax net gain of $92 million in discontinued operations
- Committed to capital priorities: organic growth, dividends, repurchases, opportunistic growth

Execution of strategy and differentiated business model driving results

Financial Review

Financial Highlights

	Metrics	3Q13		2Q13		1Q13		4Q12		3Q12	
Financial Performance [a]	EPS – assuming dilution	$ .25		$ .21		$ .21		$ .20		$ .22	
	Cash efficiency ratio [e]	67.5	%	69.1	%	66.0	%	69.0	%	64.1	%
	Adj. cash efficiency ratio (ex. initiative charges[f]) [e]	63.6		65.4		64.5		67.5		63.3	
	Net interest margin (TE)	3.11		3.13		3.24		3.37		3.23	
	Return on average total assets	1.12		.95		.99		.96		1.06	
Balance Sheet Growth [a], [b]	Total loans and leases	5	%	7	%	6	%	7	%	6	%
	CF&A loans	11		14		16		21		24	
	Deposits (excl. foreign deposits)	5		8		7		7		7	
Capital [c]	Tier 1 common equity [d], [e]	11.1	%	11.2	%	11.4	%	11.4	%	11.3	%
	Tier 1 risk-based capital [d]	11.9		11.9		12.2		12.2		12.1	
	Tangible common equity to tangible assets [e]	9.9		10.0		10.2		10.2		10.4	
Asset Quality [a]	NCOs to average loans	.28	%	.34	%	.38	%	.44	%	.86	%
	NPLs to EOP portfolio loans	1.01		1.23		1.24		1.28		1.27	
	Allowance for loan losses to EOP loans	1.62		1.65		1.70		1.68		1.73	

TE = Taxable equivalent, EOP = End of Period
(a) From continuing operations
(b) Year-over-year average balance growth
(c) From consolidated operations
(d) 9-30-13 ratios are estimated
(e) Non-GAAP measure: see Appendix for reconciliation
(f) Efficiency initiative charges include pension settlement in 3Q13

3Q13 Significant Items

$ in millions, except per share amounts	Pre-tax		After-tax		EPS [a]	
Continuing operations						
Leveraged lease terminations [b]	$	15	$	15	$	.02
Net interest income: $(8) million; Net interest margin: (4) bps; Noninterest income: $23 million						
Efficiency initiative charges (incl. pension settlement)	$	(41)	$	(26)	$	(.03)
Total continuing operations	**$**	**(26)**	**$**	**(11)**	**$**	**(.01)**
Discontinued operations						
Victory divestiture	$	146	$	92	$	.10
Education lending trust fair value adjustment	$	(77)	$	(48)	$	(.05)
Total discontinued operations	**$**	**69**	**$**	**44**	**$**	**.05**

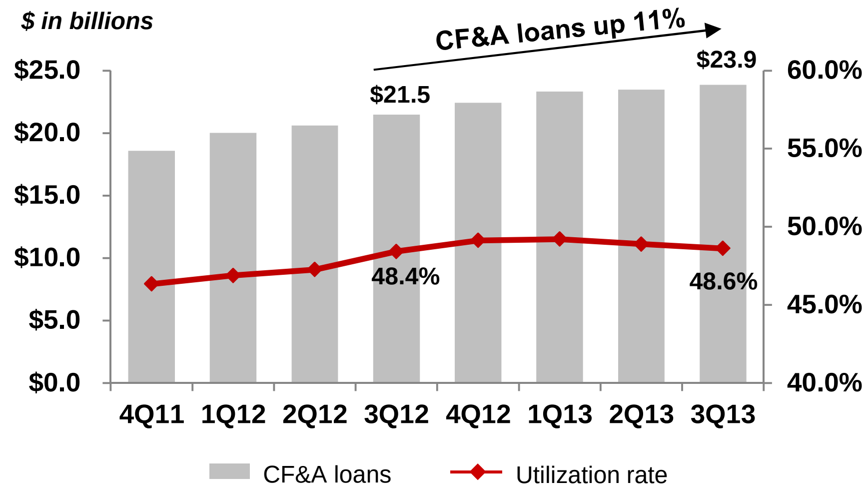
(a) EPS may not foot due to rounding
(b) Excludes the total tax impact of leveraged lease terminations of $13 million, or $.01 per common share

Loan Growth

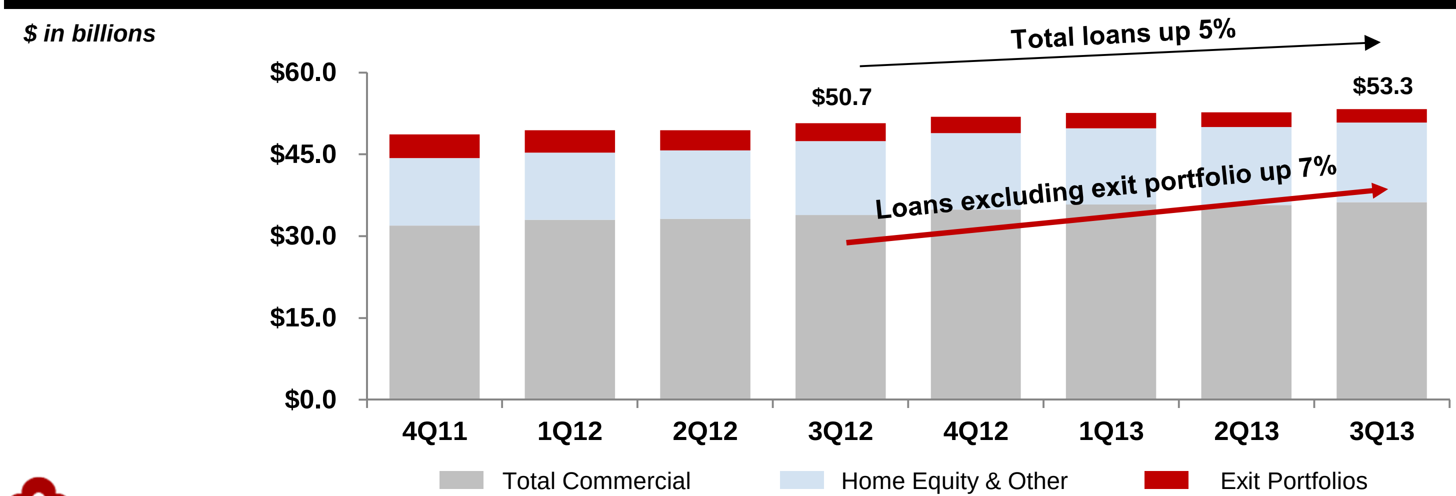
Highlights

- Average loan growth from prior year driven by CF&A up 11%
  - Loan growth benefitted from distinctive business model and client expansion
- Average loans up 7% from prior year, excluding the exit portfolio
- High quality new loan originations: consistent with moderate risk profile

Average Commercial, Financial & Agricultural Loans



Average Loans

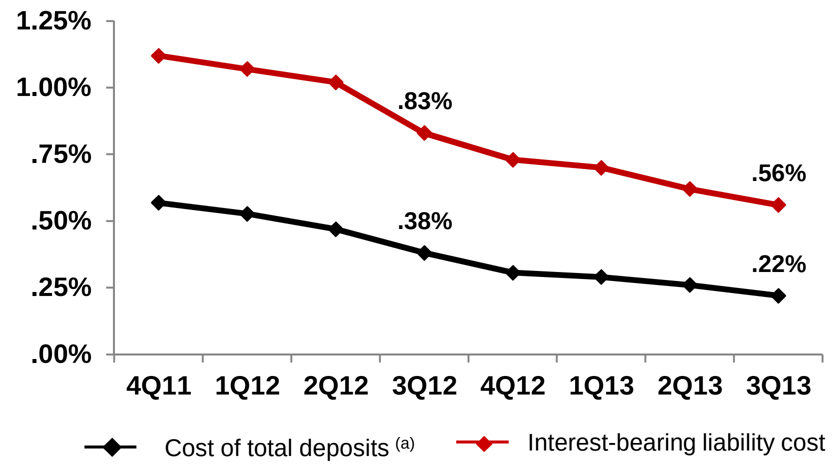


Improving Deposit Mix

Highlights

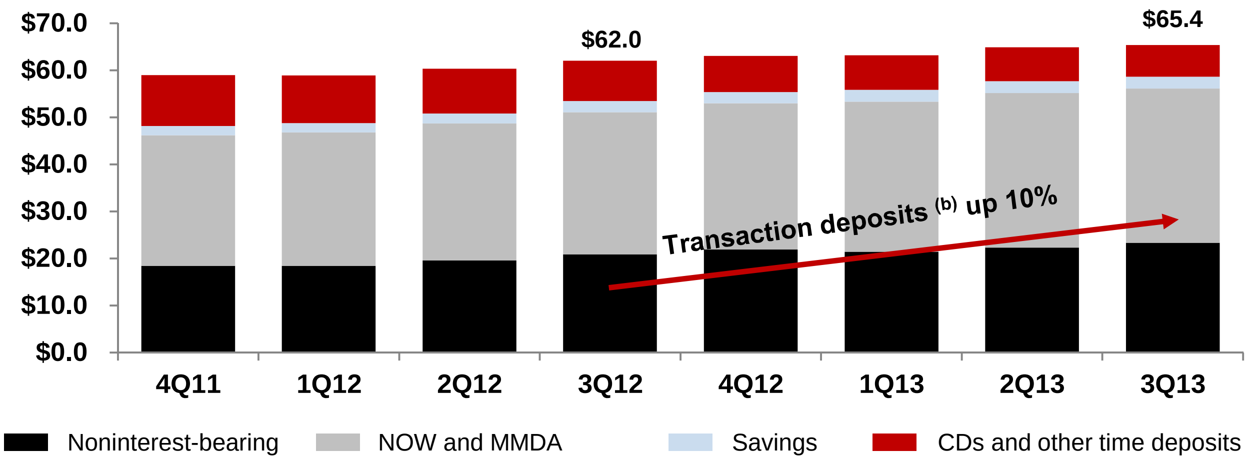
- Overall funding cost continues to improve, with total deposit cost declining to 22 bps
- Transaction deposit balances up 10% from 3Q12
- Total CD maturities and average cost
  - 2013 Q4: $1.6 billion at .78%
  - 2014: $3.4 billion at 1.37%
  - 2015 & beyond: $1.5 billion at 1.97%

Funding Cost



Average Deposits (a)

$ in billions



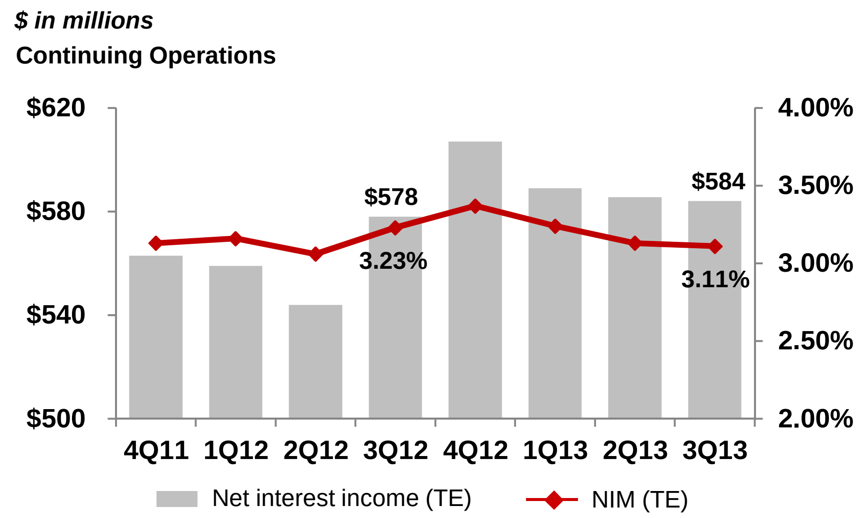
(a) Excludes deposits in foreign office
(b) Transaction deposits include noninterest-bearing, and NOW and MMDA

Net Interest Income and Margin

Highlights

- **Net interest income increased 1% from prior year and down slightly from prior quarter**
  - **Early termination of leveraged leases reduced net interest income by $13 MM in 3Q12 and by $8 MM in 3Q13**
  - **Excl. impact of leveraged leases, net interest income is up 4% from prior quarter annualized**
- **Net interest margin down 2 bps from prior quarter**
- **Maintaining moderate asset sensitive position**
  - **Naturally asset sensitive balance sheet: approximately 70% of loans variable rate**
  - **High quality investment portfolio with average life of 3.8 years**
  - **Flexibility to quickly adjust interest rate risk position through use of swaps**

Net Interest Income (TE) & Net Interest Margin (TE) Trend



NIM Change (bps):	vs. 2Q13
Leveraged lease terminations	(.04)
Loan yield, mix and fees	(.04)
Interest rate risk management / swaps	(.02)
Liquidity / securities	.02
Funding cost	.06
Total Change	**(.02)**

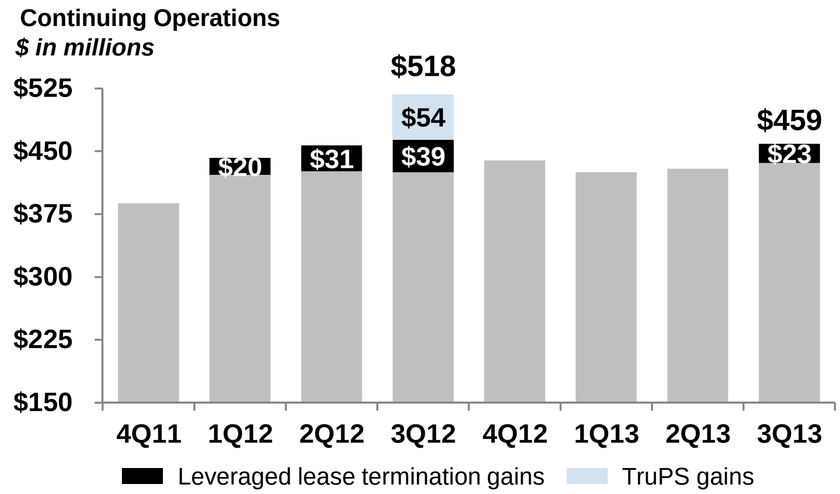
TE = Taxable equivalent

Noninterest Income

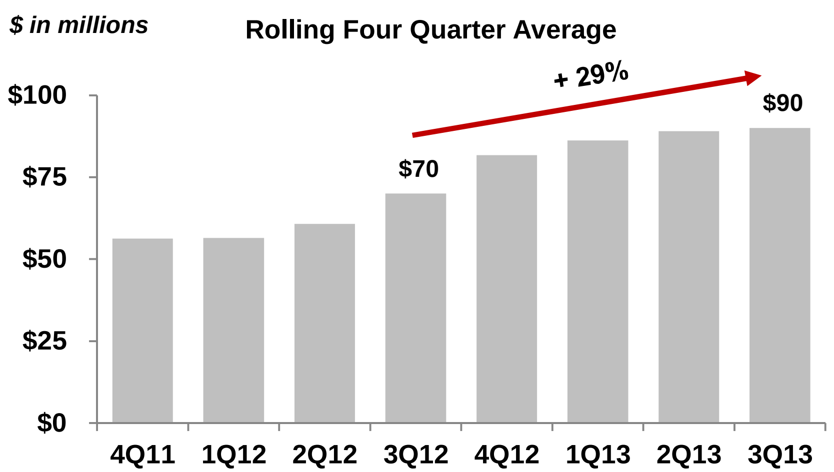
Highlights

- **Continued strength in core fee income categories**
  - Excl. gains from TruPS and leveraged leases[a], noninterest income is up 3% from prior year and up 7% from prior quarter annualized
- **Investment banking and debt placement fees, up 29% from prior year on a rolling four quarter avg.**
- **Broad-based components of noninterest income strengthen revenue diversity**

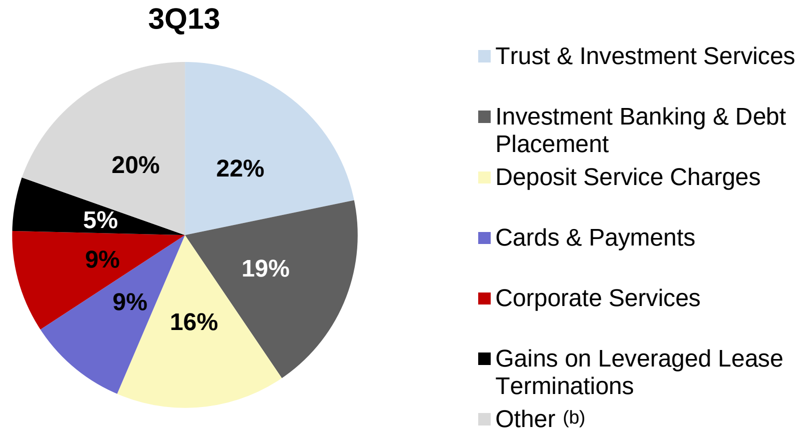
Noninterest Income



Investment Banking & Debt Placement Fees



Noninterest Income Components



TE = Taxable equivalent

(a) Excludes gains from the redemption of trust preferred securities amounting to $54MM in 3Q12 and gains resulting from the early termination of leveraged leases amounting to $39 MM in 3Q12 and $23 MM in 3Q13

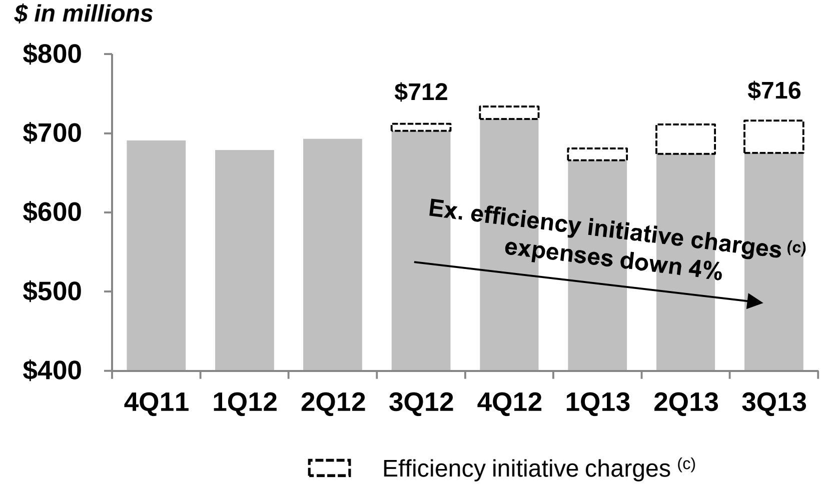
(b) Other includes corporate-owned life insurance, principal investing, mortgage servicing revenue, etc.

Focused Expense Management

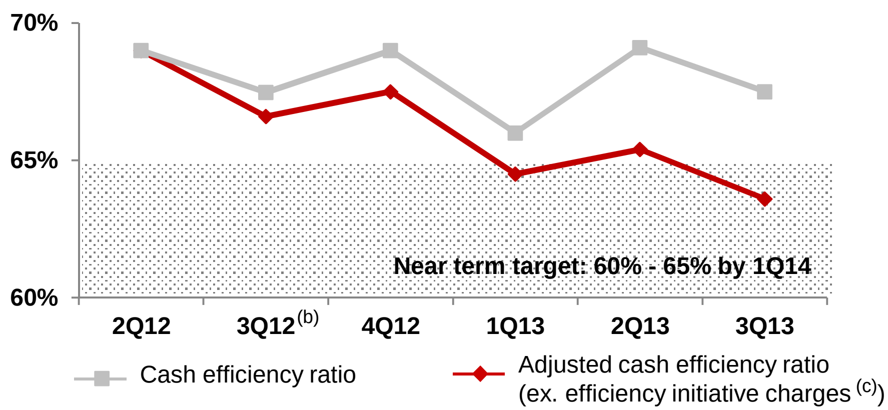
Highlights

- **Achieved expense target, with $207 million in savings**
  - 3Q13 expense included $41 million related to efficiency initiative (c)
- **Focused on further efficiency improvements**
- **Expenses excluding pension and efficiency charges:**
  - Down 4% from prior year
  - Relatively flat to prior quarter due to increased marketing spend in 3Q13

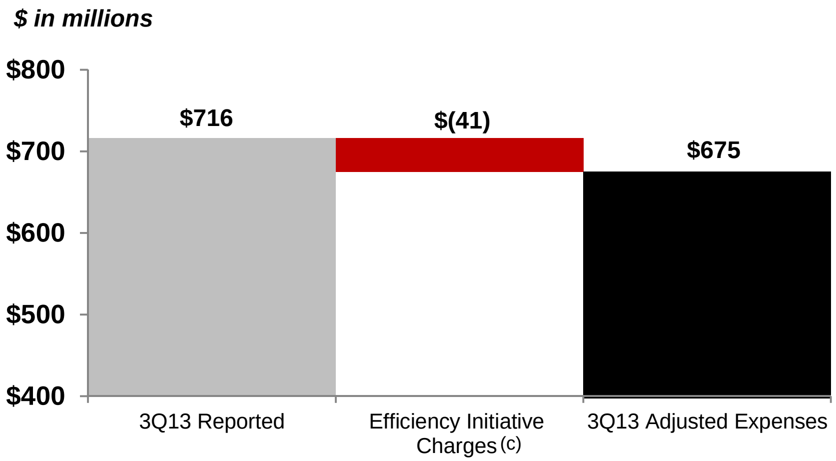
Noninterest Expense



Efficiency Ratio (a)



Noninterest Expense



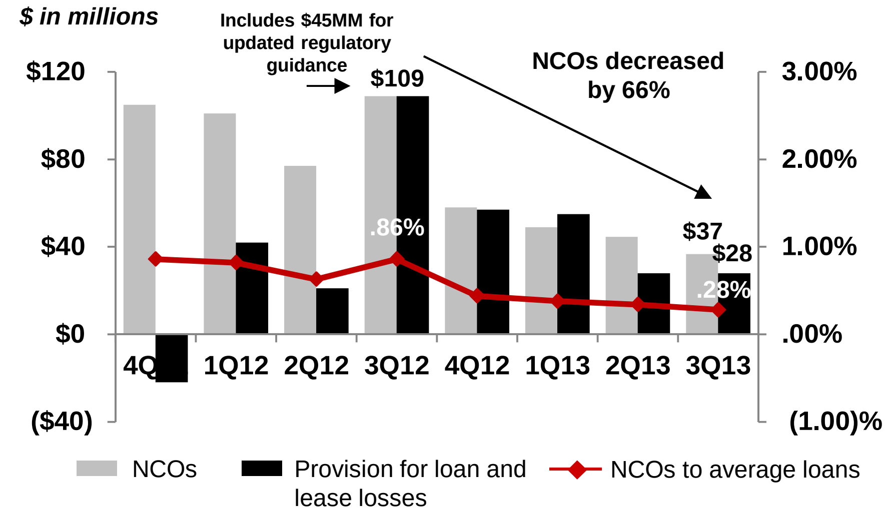
(a) Non-GAAP measures: see Appendix for reconciliation
(b) Excludes one-time gains of $54 million related to the redemption of trust preferred securities
(c) Efficiency initiative charges includes pension settlement in 3Q13

Continued Improvement in Asset Quality

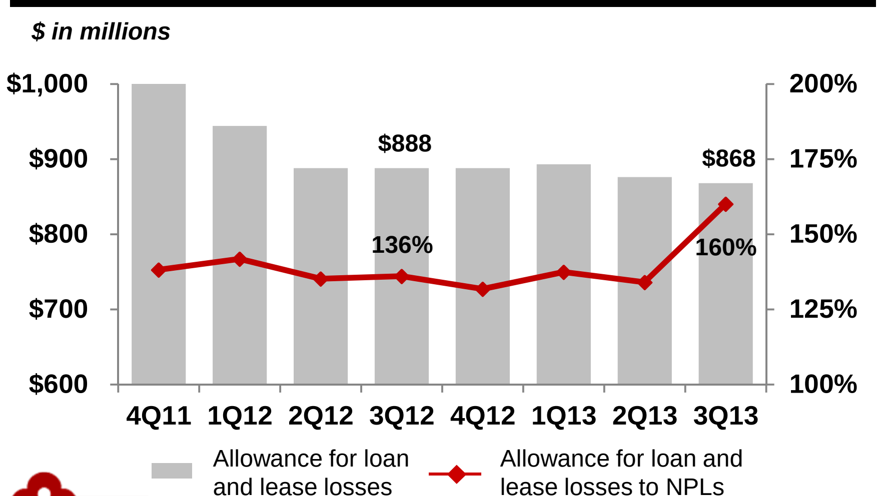
Highlights

- Net loan charge-offs decreased 66% from 3Q12 to $37MM, or 28 bps of average loans (down 42% excluding impact of updated regulatory guidance)
- 3Q13 commercial loan net charge-offs were $5MM or 5 bps of average loans
- Gross recoveries up $12MM or 41% from 2Q13
- Net charge-offs expected to be within or below targeted range

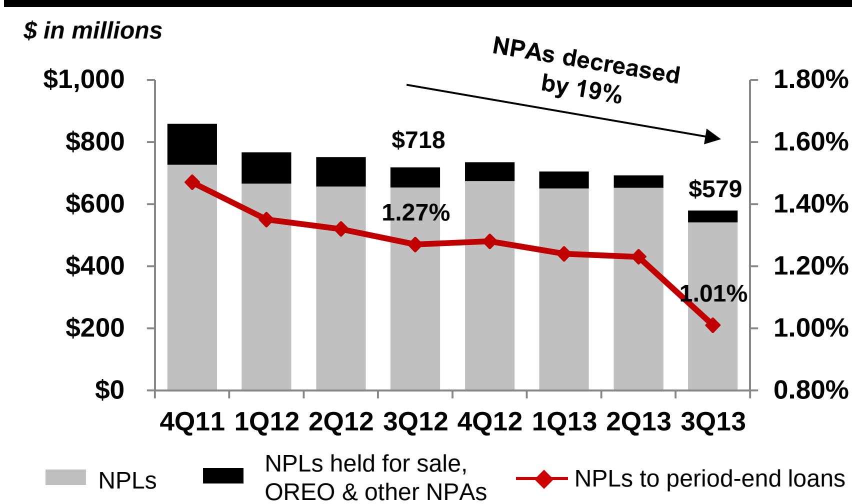
Net Charge-offs & Provision for Loan and Lease Losses



Allowance for Loan and Lease Losses



Nonperforming Assets

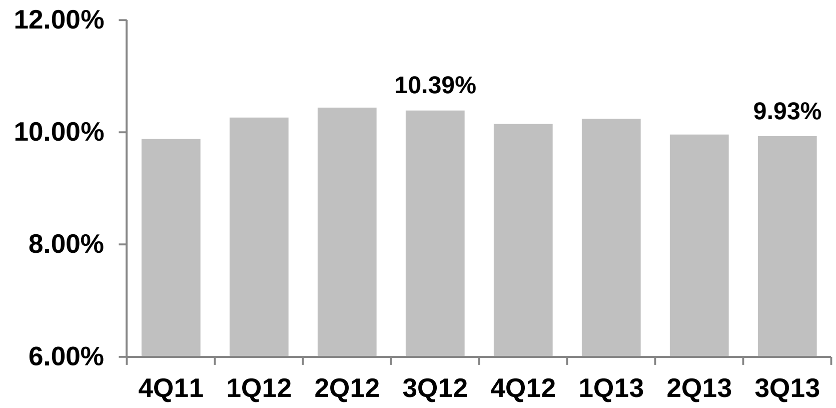


Strong Capital Ratios

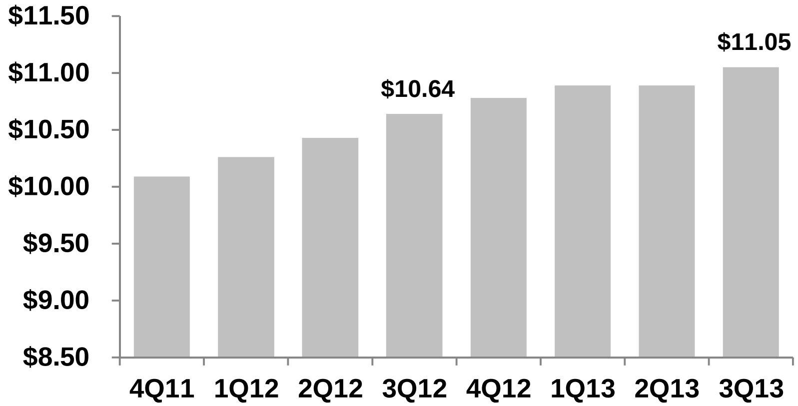
Highlights

- **Disciplined execution of capital plan**
- **Repurchased $198 million in common shares during 3Q13**
- **Estimated Tier 1 common equity ratio under the Regulatory Capital Rules of 10.6%[a], [b]**

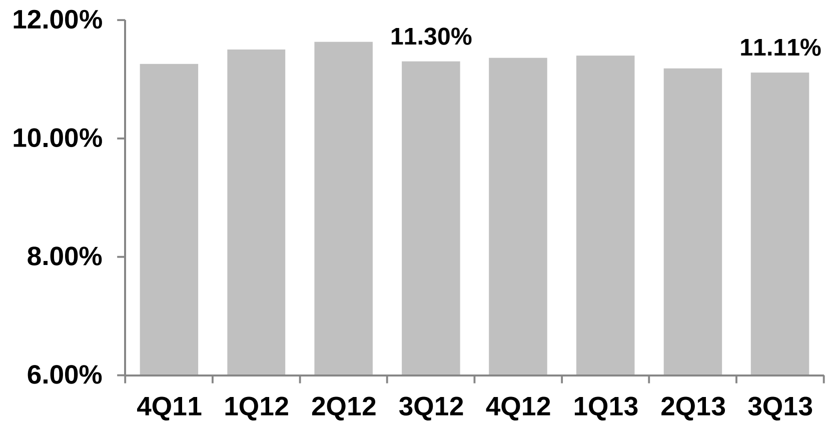
Tangible Common Equity to Tangible Assets [b]



Book Value per Share



Tier 1 Common Equity [b], [c]



(a) Based upon September 30, 2013 pro forma analysis; see Appendix for further detail
(b) Non-GAAP measure: see Appendix for reconciliations
(c) 9-30-13 ratio is estimated

Outlook and Expectations

Loans	• Mid-single digit average balance growth
NIM	• Relatively stable to the 3Q13 level over the next few quarters • Potential downward pressure, dependent upon level of liquidity
Revenue	• Net interest income relatively stable in 2H13 • Continued strength in fee income businesses
Expense	• $680 - $700 million for 4Q13, including one-time charges
Efficiency	• 60% - 65% cash efficiency
NCOs / Provision	• Within or below targeted range of 40 – 60 bps of average loans • Provision near the level of net charge-offs
Capital	• Remaining share repurchase authority of $187 million over the next two quarters

Appendix

Progress on Targets for Success

KEY Business Model	KEY Metrics [a]	KEY 3Q13	KEY 2Q13	Targets	Action Plans
Efficient balance sheet	Loan to deposit ratio [b]	84%	84%	90-100%	▪ Use integrated model to grow relationships and loans ▪ Improve deposit mix
Maintaining moderate risk profile	NCOs to average loans	.28%	.34%	40-60 bps	▪ Focus on relationship clients ▪ Exit noncore portfolios ▪ Limit concentrations ▪ Focus on risk-adjusted returns
	Provision to average loans	.21%	.21%		
Growing high quality, diverse revenue streams	Net interest margin	3.11%	3.13%	>3.50%	▪ Improve funding mix ▪ Focus on risk-adjusted returns ▪ Grow client relationships ▪ Capitalize on Key's total client solutions and cross-selling capabilities
	Noninterest income to total revenue	44%	42%	>40%	
Creating positive operating leverage	Cash efficiency ratio [c]	68%	69%	60-65%	▪ Improve efficiency and effectiveness ▪ Better utilize technology ▪ Change cost base to more variable from fixed
	Adj. cash efficiency ratio (ex. efficiency initiative charges[d]) [c]	64%	65%		
Executing our strategies	Return on average assets	1.12%	.95%	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)
(c) Excludes intangible asset amortization; Non-GAAP measure: see Appendix for reconciliation
(d) Efficiency initiative charges include pension settlement

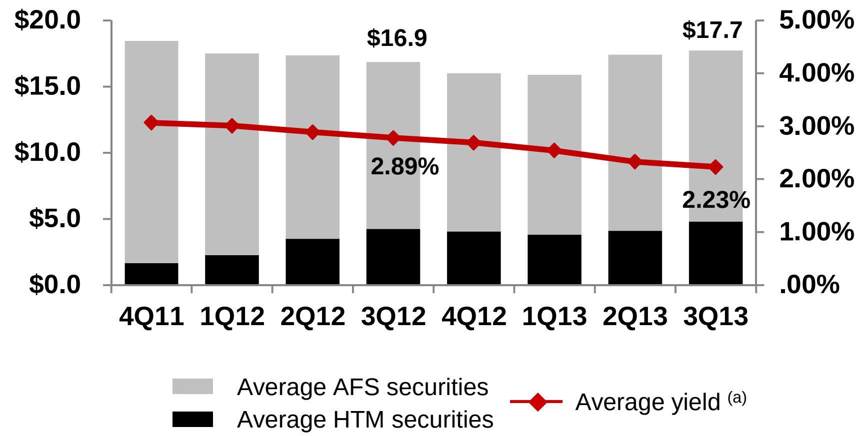
High Quality Investment Portfolio

Highlights

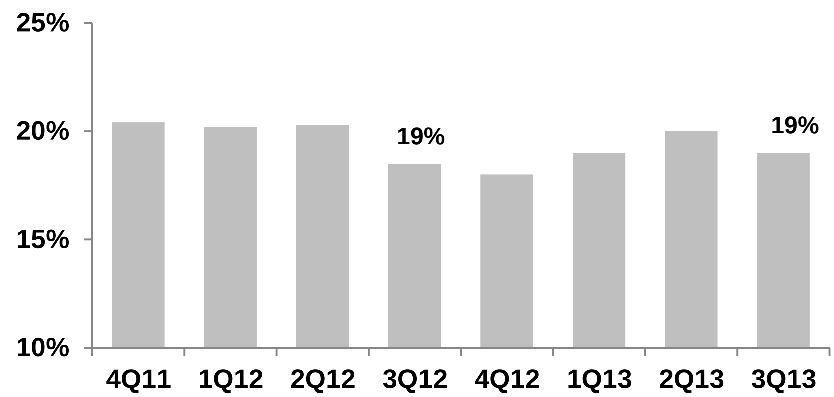
- **Portfolio composed of Agency or GSE backed CMOs: Fannie, Freddie & GNMA**
  - **No private label MBS or financial paper**
- **Average portfolio life at 9/30/13 of 3.8 years compared to 3.2 years at 6/30/13**
- **Unrealized net gain of $3 million on available-for-sale securities portfolio at 9/30/13**
- **Securities cash flows of $1.3 billion in 3Q13 and $1.5 billion in 2Q13**
- **Yields on purchases were 67 bps lower than 3Q13 maturities**

Average Total Investment Securities

$ in billions



Securities to Total Assets (b)

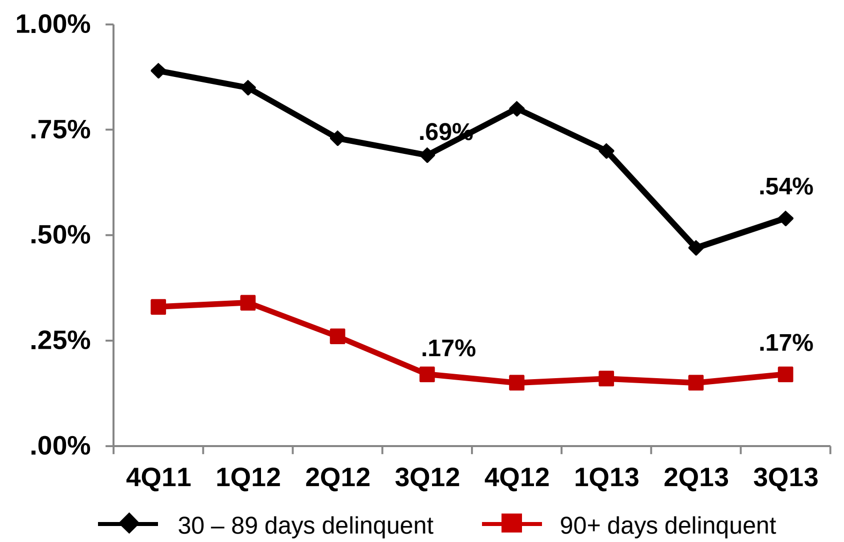


(a) Yield is calculated on the basis of amortized cost
(b) Includes end of period held-to-maturity and available-for-sale securities

Asset Quality Trends

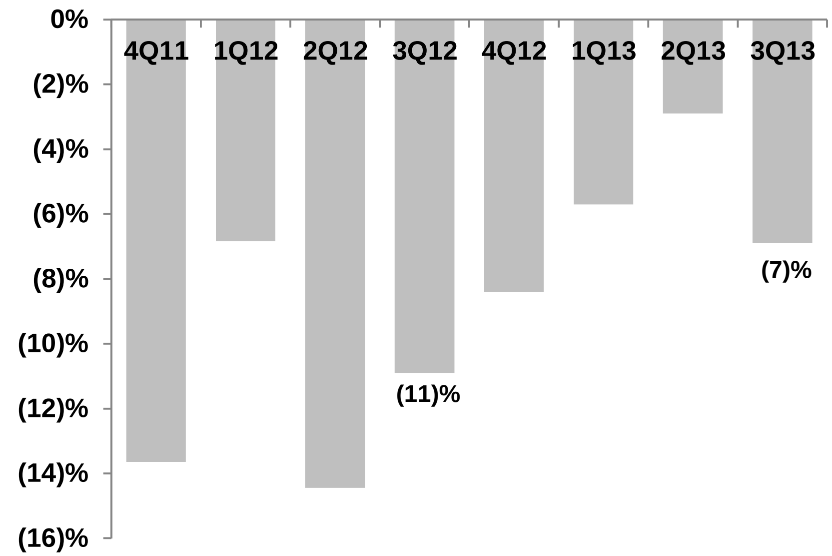
Delinquencies to Period-end Total Loans

Continuing Operations



Quarterly Change in Criticized Outstandings (a)

Continuing Operations



Metric (b)	3Q13		2Q13		1Q13		4Q12		3Q12	
Delinquencies to EOP total loans: 30-89 days	.54	%	.47	%	.70	%	.80	%	.69	%
Delinquencies to EOP total loans: 90+ days	.17		.15		.16		.15		.17	
NPLs to EOP portfolio loans	1.01		1.23		1.24		1.28		1.27	
NPAs to EOP portfolio loans + OREO + Other NPAs	1.08		1.30		1.34		1.39		1.39	
Allowance for loan losses to period-end loans	1.62		1.65		1.70		1.68		1.73	
Allowance for loan losses to NPLs	160.4		134.4		137.4		131.8		136.0	

(a) Loan and lease outstandings
(b) From continuing operations

Credit Quality

Credit Quality by Portfolio

$ in millions	Period-end loans	Average loans	Net loan charge-offs		Net loan charge-offs [b] / average loans (%)		Nonperforming loans [c]		Ending allowance [d]	Allowance / period-end loans [d] (%)	Allowance / NPLs (%)
	9/30/13	3Q13	3Q13	2Q13	3Q13	2Q13	9/30/13	6/30/13	9/30/13	9/30/13	9/30/13
Commercial, financial and agricultural [a]	$24,317	$23,864	$ 4	$ 8	.07	.14	$ 102	$ 146	$ 370	1.52	362.75
Commercial real estate:											
Commercial Mortgage	7,544	7,575	(8)	(2)	(.42)	(.11)	58	106	172	2.28	296.55
Construction	1,058	1,073	(6)	1	(2.22)	.38	17	26	36	3.40	211.76
Commercial lease financing	4,550	4,633	15	(2)	1.28	(.17)	22	14	64	1.41	290.91
Real estate – residential mortgage	2,198	2,193	2	4	.36	.74	98	94	35	1.59	35.71
Home equity:											
Key Community Bank	10,285	10,247	12	14	.46	.56	198	205	82	.80	41.41
Other	353	364	2	5	2.18	5.16	13	16	14	3.97	107.69
Consumer other – Key Community Bank	1,440	1,435	7	5	1.94	1.44	2	3	27	1.88	N/M
Credit cards	698	700	8	6	4.53	3.45	4	11	34	4.87	850.00
Consumer other:											
Marine	1,083	1,120	1	5	.35	1.66	25	30	31	2.86	124.00
Other	71	67	-	1	-	5.42	2	1	3	4.23	150.00
Continuing total [e]	**$53,597**	**$53,271**	**$ 37**	**$ 45**	**.28**	**.34**	**$ 541**	**$ 652**	**$ 868**	**1.62**	**160.44**
Discontinued operations	4,738	4,905	9	7	1.36	1.04	23	19	38	.80	165.22
Consolidated total	**$58,335**	**$58,176**	**$46**	**$ 52**	**.33**	**.38**	**$ 564**	**$ 671**	**$ 906**	**1.55**	**160.64**

N/M = Not Meaningful

(a) 9-30-13 ending loan balances include $96 million of commercial credit card balances; 9-30-13 average loan balances include $96 million of assets from commercial credit cards

(b) Net loan 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

(c) 9-30-13 and 6-30-13 NPL amounts exclude $18 million and $19 million respectively of purchased credit impaired loans acquired in July 2012.

(d) 9-30-13 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

(e) 9-30-13 ending loan balances include purchased loans of $176 million of which $18 million were purchased credit impaired

Home Equity Loans – 9/30/13

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) 2012 and later	2011	2010	2009	2008 and prior
Home equity loans and lines										
First lien	$ 5,932	$ 67,691	765	67 %	.6 %	40 %	6 %	4 %	4 %	46 %
Second lien	4,353	47,569	760	76	3.2	25	6	4	4	61
Total home equity loans and lines	$ 10,285	57,525	763	71	1.8	33	6	4	4	53
Nonaccrual loans										
First lien	$ 108	$ 58,708	713	73 %	.4 %	2 %	3 %	3 %	5 %	87 %
Second lien	90	48,922	711	78	2.0	-	2	2	4	92
Total home equity nonaccrual loans	$ 198	53,794	712	75	1.1	1	2	3	5	89
Community Bank - Home Equity										
Third quarter net charge-offs	$ 12					-	3 %	-	4 %	93 %
Net loan charge-offs to average loans	.46 %									

Exit Portfolio – Home Equity

$ in millions, except average loan size

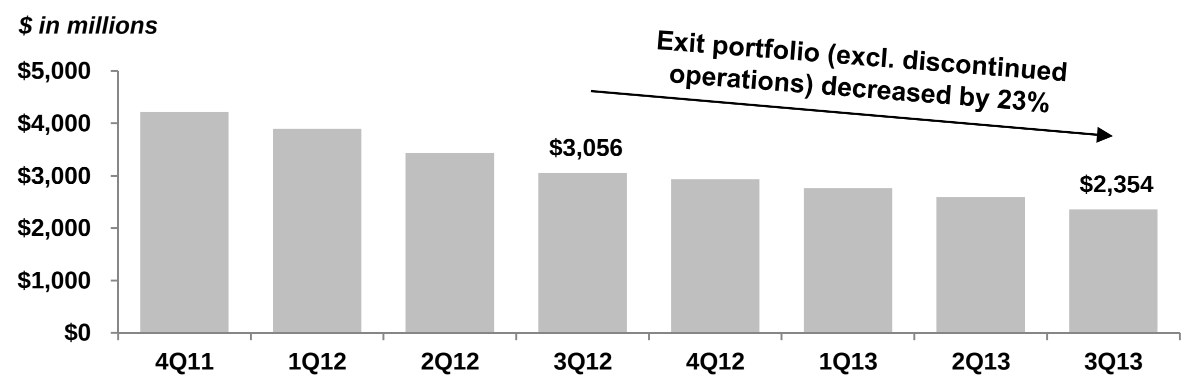
	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV (a)	% of Loans LTV>90%	Vintage (% of Loans) 2012 and later	2011	2010	2009	2008 and prior
Home equity loans and lines										
First lien	$ 16	$ 23,209	744	35 %	.4 %	-	-	1 %	1 %	98 %
Second lien	337	23,003	729	82	32.5	-	-	-	-	100
Total home equity loans and lines	$ 353	23,013	729	80	31.0	-	-	-	-	100
Nonaccrual loans										
First lien	$ 1	$ 24,247	729	33 %	-	-	-	-	-	100 %
Second lien	12	24,712	702	82	35.1 %	-	-	-	-	100
Total home equity nonaccrual loans	$ 13	24,685	703	80	33.0	-	-	-	-	100
Exit Portfolio - Home Equity										
Third quarter net charge-offs	$ 2					-	-	-	-	100 %
Net loan charge-offs to average loans	2.18 %									

(a) Average LTVs are at origination. Current average LTVs for Community Bank total home equity loans and lines is approximately 74%, which compares to 75% at the end of the second quarter 2013.

Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding		Change	Net Loan Charge-offs		Balance on Nonperforming Status	
	9-30-13	6-30-13	9-30-13 vs. 6-30-13	3Q13 [c]	2Q13 [c]	9-30-13	6-30-13
Residential properties – homebuilder	$ 26	$ 26	-	-	$ 1	$ 8	$ 8
Marine and RV floor plan	25	28	$ (3)	-	-	6	7
Commercial lease financing [a]	796	931	(135)	$ (2)	(2)	1	1
Total commercial loans	847	985	(138)	(2)	(1)	15	16
Home equity – Other	353	375	(22)	2	5	14	16
Marine	1,083	1,160	(77)	1	5	25	31
RV and other consumer	71	69	2	-	1	2	-
Total consumer loans	1,507	1,604	(97)	3	11	41	47
Total exit loans in loan portfolio	**$ 2,354**	**$ 2,589**	**$ (235)**	**$ 1**	**$ 10**	**$ 56**	**$ 63**
Discontinued operations – education lending business (not included in exit loans above) [b]	$ 4,738	$ 4,992	$ (254)	$ 9	$ 7	$ 23	$ 19



(a) Includes (1) the business aviation, commercial vehicle, office products, construction and industrial leases; (2) Canadian lease financing portfolios; and (3) all remaining balances related to lease in, lease out; sale in, lease 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

GAAP to Non-GAAP Reconciliation

$ in millions

	Three months ended 9-30-13	6-30-13	9-30-12
Tangible common equity to tangible assets at period end			
Key shareholders' equity (GAAP)	$ 10,206	$ 10,229	$ 10,251
Less: Intangible assets [(a)]	1,017	1,021	1,031
Preferred Stock, Series A [(b)]	282	282	291
Tangible common equity (non-GAAP)	$ 8,907	$ 8,926	$ 8,929
Total assets (GAAP)	$ 90,708	$ 90,639	$ 86,950
Less: Intangible assets [(a)]	1,017	1,021	1,031
Tangible assets (non-GAAP)	$ 89,691	$ 89,618	$ 85,919
Tangible common equity to tangible assets ratio (non-GAAP)	9.93 %	9.96 %	10.39 %
Tier 1 common equity at period end			
Key shareholders' equity (GAAP)	$ 10,206	$ 10,229	$ 10,251
Qualifying capital securities	339	339	339
Less: Goodwill	979	979	979
Accumulated other comprehensive income (loss) [(c)]	(409)	(359)	(109)
Other assets [(d)]	97	101	121
Total Tier 1 capital (regulatory)	9,878	9,847	9,599
Less: Qualifying capital securities	339	339	339
Preferred Stock, Series A [(b)]	282	282	291
Total Tier 1 common equity (non-GAAP)	$ 9,257	$ 9,226	$ 8,969
Net risk-weighted assets (regulatory) [(d), (e)]	$ 83,335	$ 82,528	$ 79,363
Tier 1 common equity ratio (non-GAAP) [(e)]	11.11 %	11.18 %	11.30 %
Pre-provision net revenue			
Net interest income (GAAP)	$ 578	$ 581	$ 572
Plus: Taxable-equivalent adjustment	6	5	6
Noninterest income (GAAP)	459	429	518
Less: Noninterest expense (GAAP)	716	711	712
Pre-provision net revenue from continuing operations (non-GAAP)	$ 327	$ 304	$ 384

(a) Three months ended September 30, 2013, June 30, 2013, and September 30, 2012 exclude $99 million, $107 million, and $130 million, respectively, of period end purchased credit card receivable intangible assets

(b) Net of capital surplus for the three months ended September 30, 2013 and June 30, 2013

(c) Includes net unrealized gains or losses on securities available for sale (except for net unrealized losses on marketable equity securities), net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans

(d) Other assets deducted from Tier 1 capital and net risk-weighted assets consist of disallowed intangible assets (excluding goodwill) and deductible portions of nonfinancial equity investments. There were no disallowed deferred tax assets at 9-30-13, 6-30-13, and 9-30-12

(e) 9-30-13 amount is estimated

GAAP to Non-GAAP Reconciliation (continued)

$ in millions

	Three months ended		
	9-30-13	6-30-13	9-30-12
Average tangible common equity			
Average Key shareholders' equity (GAAP)	$ 10,237	$ 10,314	$ 10,222
Less: Intangible assets (average) [(a)]	1,019	1,023	1,026
Preferred Stock, Series A (average)	291	291	291
Average tangible common equity (non-GAAP)	$ 8,927	$ 9,000	$ 8,905
Return on average tangible common equity from continuing operations			
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 229	$ 193	$ 211
Average tangible common equity (non-GAAP)	8,927	9,000	8,905
Return on average tangible common equity from continuing operations (non-GAAP)	10.18 %	8.60 %	9.43 %
Return on average tangible common equity consolidated			
Net income (loss) attributable to Key common shareholders (GAAP)	$ 266	$ 198	$ 214
Average tangible common equity (non-GAAP)	8,927	9,000	8,905
Return on average tangible common equity consolidated (non-GAAP)	11.82 %	8.82 %	9.56 %
Cash efficiency ratio			
Noninterest expense (GAAP)	$ 716	$ 711	$ 712
Less: Intangible asset amortization on credit cards (GAAP)	8	7	6
Other intangible asset amortization (GAAP)	4	3	3
Adjusted noninterest expense (non-GAAP)	$ 704	$ 701	$ 703
Net interest income (GAAP)	$ 578	$ 581	$ 572
Plus: Taxable-equivalent adjustment	6	5	6
Noninterest income (GAAP)	459	429	518
Total taxable-equivalent revenue (non-GAAP)	$ 1,043	$ 1,015	$ 1,096
Cash efficiency ratio (non-GAAP)	67.5 %	69.1 %	64.1 %
Adjusted cash efficiency ratio			
Adjusted noninterest expense (non-GAAP)	$ 704	$ 701	$ 703
Less: Efficiency initiative and pension settlement charges (non-GAAP)	41	37	9
Net adjusted noninterest expense (non-GAAP)	$ 663	$ 664	$ 694
Total taxable-equivalent revenue (non-GAAP)	$ 1,043	$ 1,015	$ 1,096
Adjusted cash efficiency ratio (non-GAAP)	63.6 %	65.4 %	63.3 %

(a) Three months ended September 30, 2013, June 30, 2013, and September 30, 2012 exclude $103 million, $110 million and $86 million, respectively, of average ending purchased credit card receivable intangible assets

Tier 1 Common Equity Under the Regulatory Capital Rules, Incorporating Basel III Guidance (estimated) [(a)]

KeyCorp & Subsidiaries

$ in billions		Quarter ended Sept. 30, 2013	
Tier 1 common equity under current regulatory rules	$	9.3	
Adjustments from current regulatory rules to the Regulatory Capital Rules:			
Deferred tax assets and PCCRs [(b)]		(.1)	
Tier 1 common equity anticipated under the Regulatory Capital Rules [(c)]	$	9.1	
Total risk-weighted assets under current regulatory rules	$	83.3	
Adjustments from current regulatory rules to the Regulatory Capital Rules:			
Loan commitments <1 year		.5	
Past Due Loans		.2	
Mortgage servicing assets [(d)]		.6	
Deferred tax assets [(d)]		.2	
Other		1.5	
Total risk-weighted assets anticipated under the Regulatory Capital Rules	$	86.3	
Tier 1 common equity ratio under the Regulatory Capital Rules		**10.6**	**%**

Table may not foot due to rounding

(a) Tier 1 common equity is a non-generally accepted accounting principle (GAAP) financial measure that is used by investors, analysis and bank regulatory agencies to assess the capital position of financial services companies; management reviews Tier 1 common equity along with other measures of capital as part of its financial analyses

(b) Includes the deferred tax asset subject to future taxable income for realization, primarily tax credit carryforwards as well as the deductible portion of purchased credit card receivables

(c) The anticipated amount of regulatory capital and risk-weighted assets is based upon the federal banking agencies' Regulatory Capital Rules (as fully phased-in on January 1, 2019); Key is subject to the Regulatory Capital Rules under the "standardized approach"

(d) Item is included in the 10%/15% exceptions bucket calculation and is risk-weighted at 250%