

KeyCorp

Fourth Quarter 2013 Earnings Review

January 23, 2014

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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) deterioration of commercial real estate market fundamentals; (2) declining asset prices; (3) adverse changes in credit quality trends; (4) changes in local, regional and international business, economic or political conditions; (5) the extensive and increasing regulation of the U.S. financial services industry; (6) increasing capital and liquidity standards under applicable regulatory rules; (7) 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; (8) our ability to receive dividends from our subsidiary, KeyBank; (9) downgrades in our credit ratings or those of KeyBank; (10) operational or risk management failures by us or critical third-parties; (11) breaches of security or failures of our technology systems due to technological or other factors and cybersecurity threats; (12) adverse judicial proceedings; (13) the occurrence of natural or man-made disasters or conflicts or terrorist attacks; (14) a reversal of the U.S. economic recovery due to economic, political or other shocks; (15) our ability to anticipate interest rate changes and manage interest rate risk; (16) deterioration of economic conditions in the geographic regions where we operate; (17) the soundness of other financial institutions; (18) 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; (19) our ability to timely and effectively implement our strategic initiatives; (20) increased competitive pressure due to industry consolidation; (21) unanticipated adverse effects of acquisitions and dispositions of assets or businesses; and (22) our ability to develop and effectively use the quantitative models we rely upon in our business planning.

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. Reconciliations to the most comparable GAAP measures for 1Q13 and 2Q13 Non-GAAP financial measures are available in our second quarter 2013 earnings press release. All of the foregoing are accessible on Key’s website at www.key.com/ir.



Investor Highlights – 2013

Optimize and Grow Revenue

- Grew commercial and consumer loans
- Total average loans up 5% from 2012, driven by CF&A up 12%
- Net interest income up 3% from prior year
- Fifth straight year of growth for investment banking and debt placement fees
- Benefitted from investments: cards and payments income up 20%; mortgage servicing revenue more than double prior year

Improve Efficiency

- Implemented \$241 million in annualized savings
- Optimized staffing; 2013 FTE down 5% from 2012
- Consolidated 62 branches in 2013; 81 total, or approximately 8% of the franchise since the launch of our efficiency initiative

Effectively Manage Capital

- Repurchased \$474 million of common shares in 2013; \$99 million in 4Q13
- 2013 total shareholder payout of 76%
- Committed to capital priorities: organic growth, dividends, repurchases, opportunistic growth

Execution of strategy and differentiated business model driving results



Financial Review



Financial Highlights

	Metrics	4Q13	3Q13	2Q13	1Q13	4Q12
Financial Performance ^(a)	EPS – assuming dilution	\$.26	\$.25	\$.21	\$.21	\$.20
	Cash efficiency ratio ^(e)	67.4 %	67.5 %	69.1 %	66.0 %	69.0 %
	Adj. cash efficiency ratio (ex. initiative charges ^(f)) ^(e)	65.1	63.6	65.4	64.5	67.5
	Net interest margin (TE)	3.01	3.11	3.13	3.24	3.37
	Return on average total assets	1.08	1.12	.95	.99	.96
Balance Sheet Growth ^{(a), (b)}	Total loans and leases	3 %	5 %	7 %	6 %	7 %
	CF&A loans	8	11	14	16	21
	Deposits (excl. foreign deposits)	8	5	8	7	7
Capital ^(c)	Tier 1 common equity ^{(d), (e)}	11.2 %	11.2 %	11.2 %	11.4 %	11.4 %
	Tier 1 risk-based capital ^(d)	12.0	11.9	11.9	12.2	12.2
	Tangible common equity to tangible assets ^(e)	9.8	9.9	10.0	10.2	10.2
Asset Quality ^(a)	NCOs to average loans	.27 %	.28 %	.34 %	.38 %	.44 %
	NPLs to EOP portfolio loans	.93	1.01	1.23	1.24	1.28
	Allowance for loan losses to EOP loans	1.56	1.62	1.65	1.70	1.68

TE = Taxable equivalent, EOP = End of Period

(a) From continuing operations

(b) Year-over-year average balance growth

(c) From consolidated operations

(d) 12-31-13 ratios are estimated

(e) Non-GAAP measure: see Appendix for reconciliation; 2Q13 and 1Q13 reconciliations are available in our 2Q13 earnings press release, available on our website: www.key.com/ir

(f) Efficiency initiative charges include pension settlement in 3Q13 and 4Q13

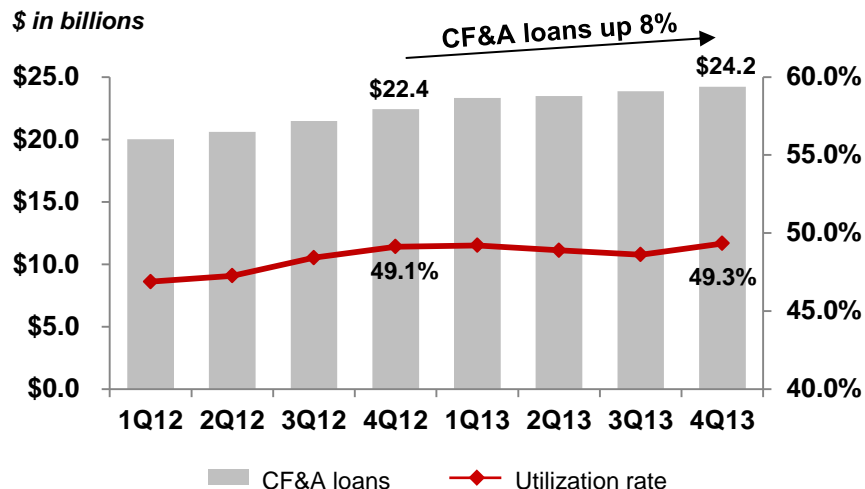


Loan Growth

Highlights

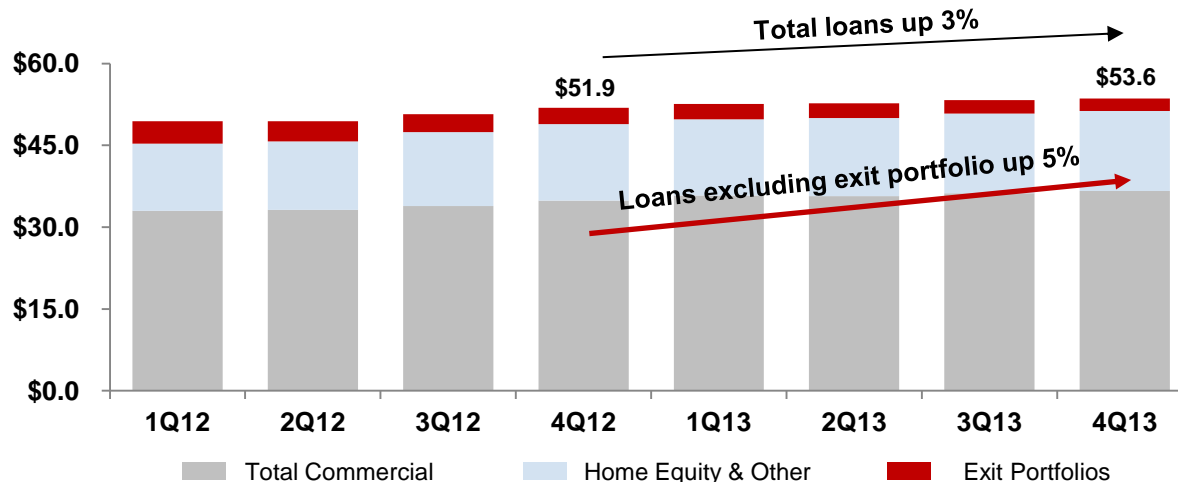
- 4Q13 total average loans up 3% from the prior year; up 5% excluding the exit portfolio
 - Driven by CF&A up 8% in 4Q13 from 4Q12
- Average loans up 1% unannualized from 3Q13 with period-end loans up 2%
- Total commitments up, with utilization relatively stable
- High quality new loan originations: consistent with moderate risk profile

Average Commercial, Financial & Agricultural Loans



Average Loans

\$ in billions

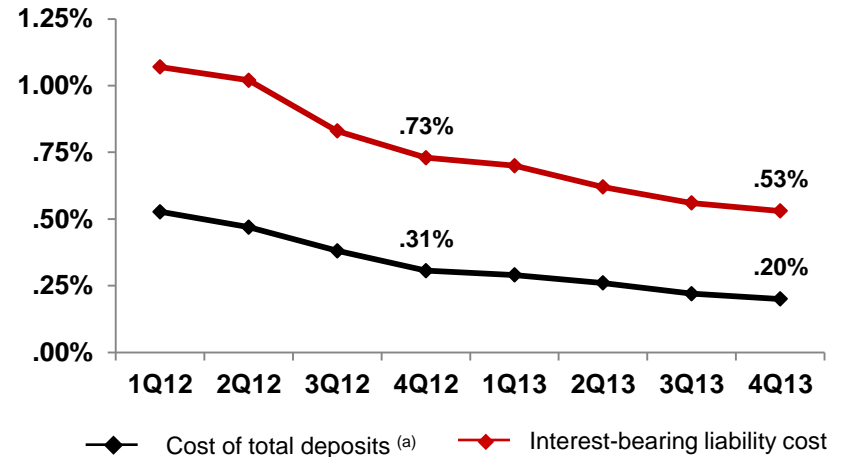


Improving Deposit Mix

Highlights

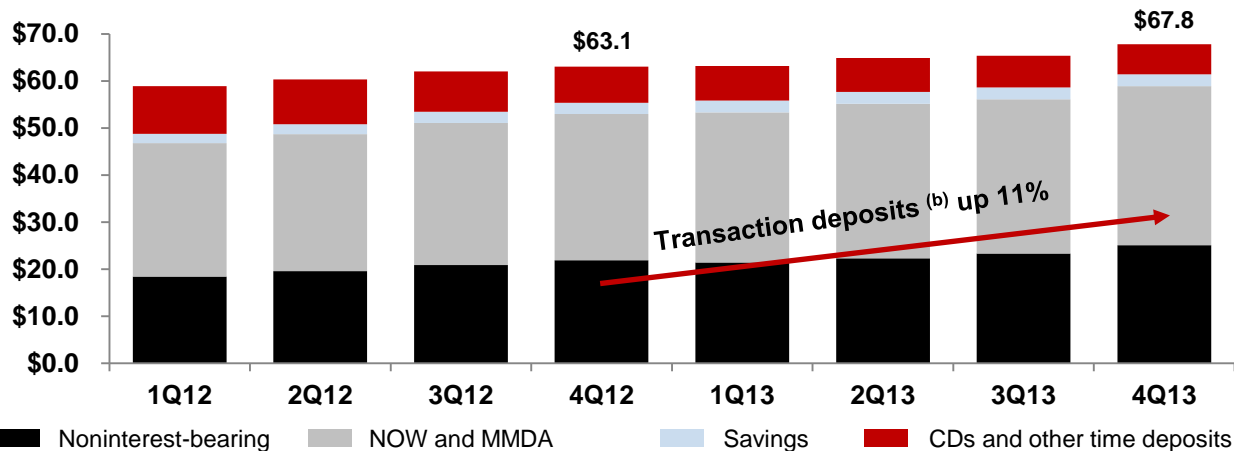
- Overall funding cost continues to improve, with total deposit cost declining to 20 bps
- Transaction deposit balances up 11% from 4Q12
- Total CD maturities and average cost
 - 2014 Q1: \$1.6 billion at .65%
 - 2014 Q2: \$1.2 billion at 1.36%
 - 2014 Q3: \$1.0 billion at 1.62%
 - 2014 Q4: \$.6 billion at .86%
 - 2015 and beyond: \$1.9 billion at 1.75%

Funding Cost



Average Deposits (a)

\$ in billions



(a) Excludes deposits in foreign office

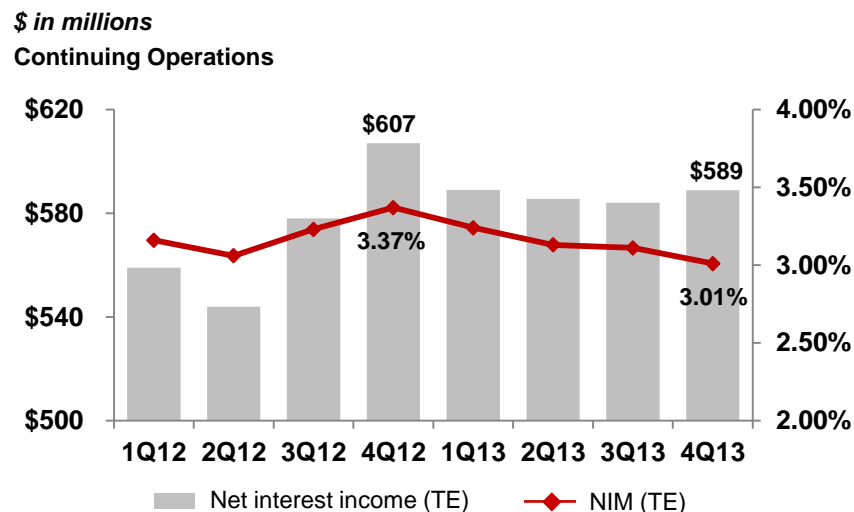
(b) Transaction deposits include noninterest-bearing, and NOW and MMDA

Net Interest Income and Margin

Highlights

- Net interest income up 1% from 3Q13
 - Relatively stable excl. the impact of leveraged lease terminations, which reduced net interest income by \$8 MM in 3Q13 and \$2 MM in 4Q13
- Net interest margin down 10 bps from prior quarter
 - Result of higher levels of liquidity
 - Larger than anticipated deposit inflows
- Compared to prior year, net interest income and margin were impacted by asset repricing, swap terminations and leveraged lease terminations
- Maintaining moderate asset sensitive position
 - Naturally asset sensitive balance sheet: approximately 70% of loans variable rate
 - High quality investment portfolio with average life of 3.6 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. 3Q13
Increased liquidity	(.11)
Loan yield and mix	(.02)
Interest rate risk management / swaps	(.02)
Leveraged lease terminations 4Q13 vs. 3Q13	.03
Deposit pricing / mix	.02
Total Change	(.10)



Noninterest Income

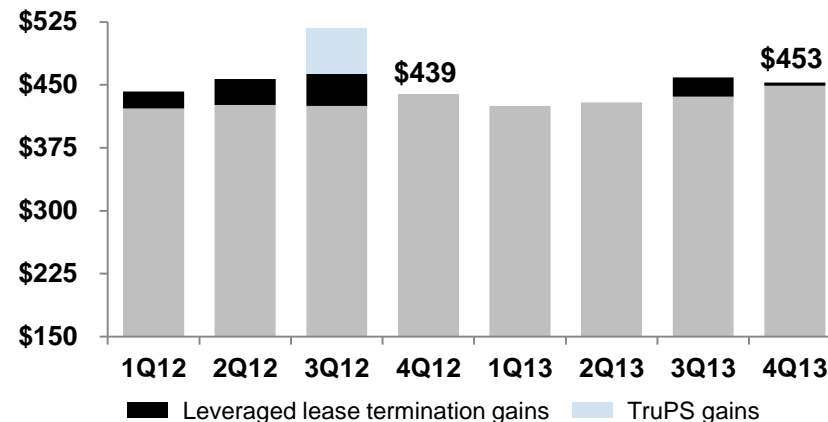
Highlights

- **Core fee income businesses showing strength**
 - Excl. gains from leveraged lease terminations^(a), noninterest income is up 2% from prior year and up 3% from prior quarter

- **Benefitting from investments**
 - Five consecutive years of growth for investment banking and debt placement
 - Cards and payments income up 20% in 2013
 - Mortgage servicing revenue more than double FY12

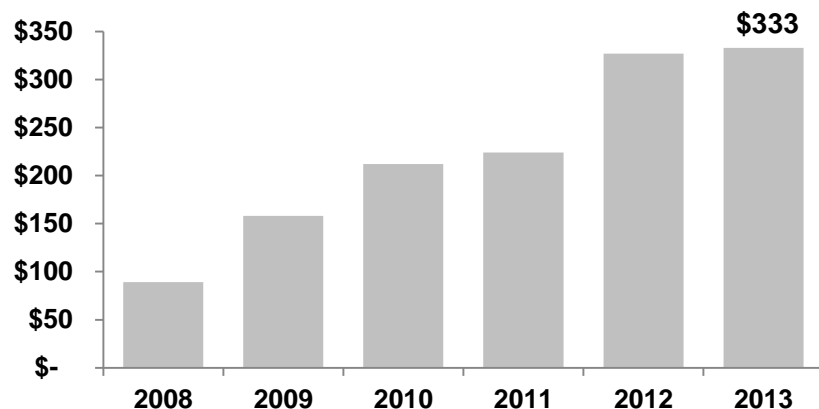
Noninterest Income

Continuing Operations
\$ in millions



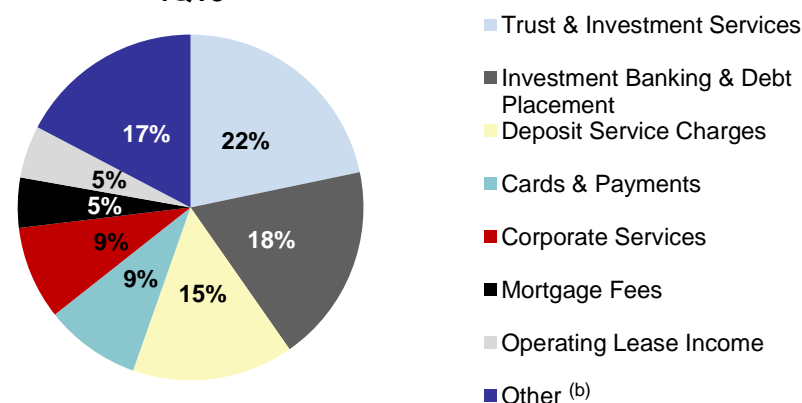
Investment Banking & Debt Placement Fees

\$ in millions



Noninterest Income Components

4Q13



TE = Taxable equivalent

- (a) Excludes gains resulting from the early termination of leveraged leases amounting to \$23 MM in 3Q13 and \$4 MM in 4Q13
- (b) Other includes corporate-owned life insurance, principal investing, etc.

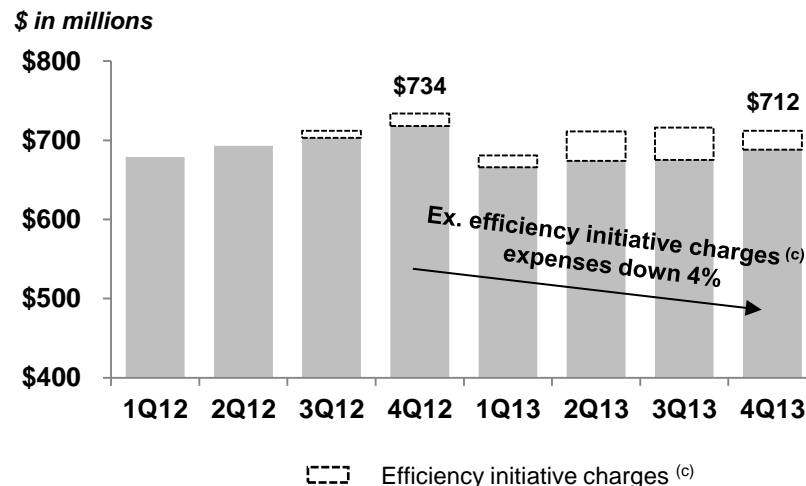


Focused Expense Management

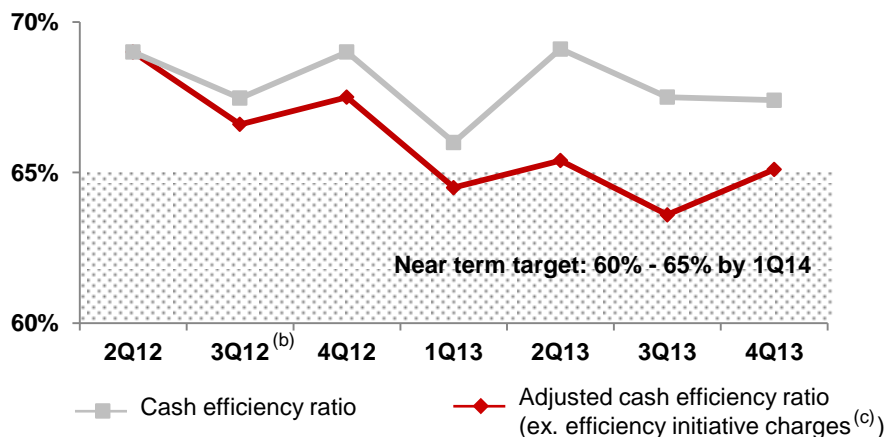
Highlights

- Expenses down 3% from prior year and 1% from prior quarter
- Compared to prior quarter, expenses impacted by:
 - Lower efficiency initiative and pension settlement charges (down \$17 MM)
 - Increased incentives and business services and professional fees (up \$11 MM)
- Implemented \$241 MM in annualized savings
 - Efficiency charges of \$24 MM in 4Q13

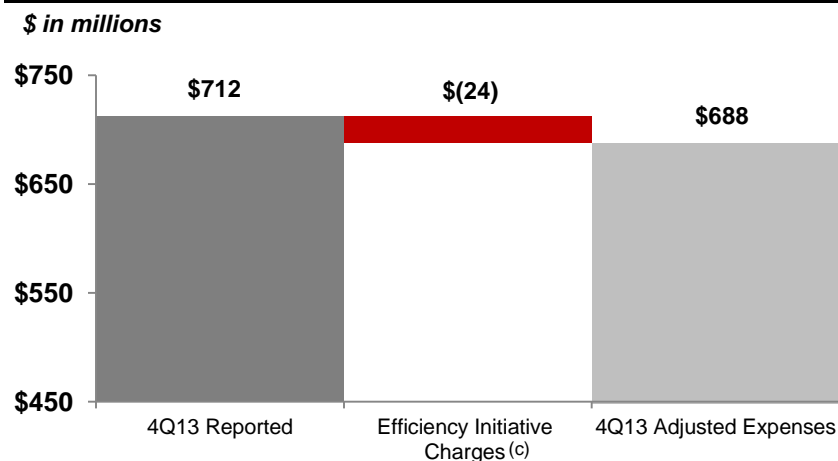
Noninterest Expense



Efficiency Ratio (a)



Noninterest Expense



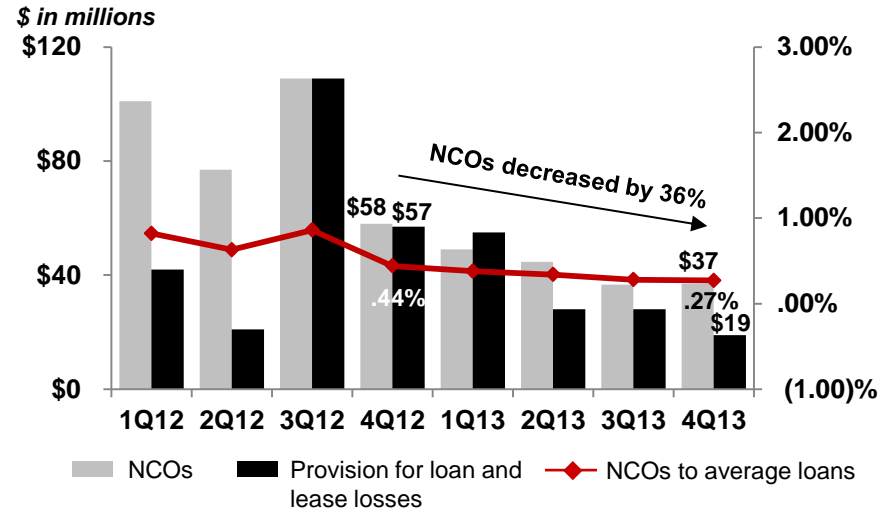
(a) Non-GAAP measures: see Appendix for reconciliation
 (b) Excludes one-time gains of \$54 million related to the redemption of trust preferred securities
 (c) Efficiency initiative charges includes pension settlement in 3Q13 and 4Q13

Continued Improvement in Asset Quality

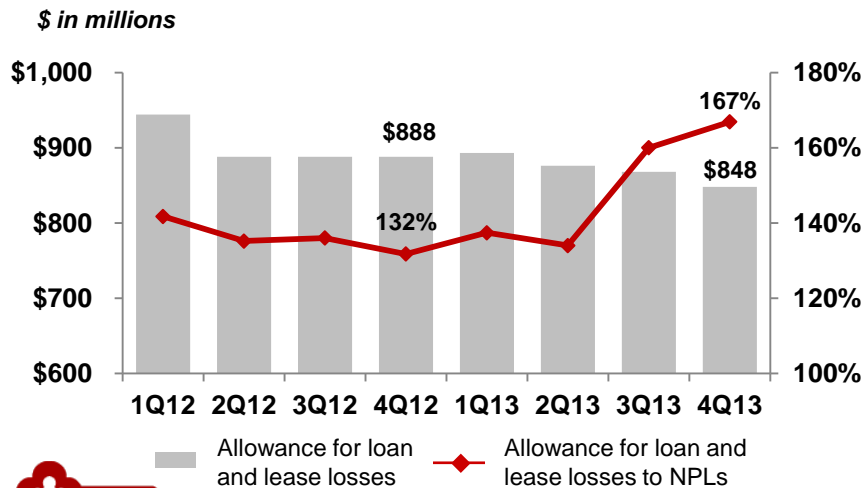
Highlights

- Net loan charge-offs decreased 36% from 4Q12 to \$37MM, or 27 bps of average loans
- 4Q13 commercial loan net charge-offs were \$2MM or 2 bps of average loans
- Gross charge-offs down \$12MM or 15% from 3Q13
- Net charge-offs expected to be at the lower end of or below the targeted range

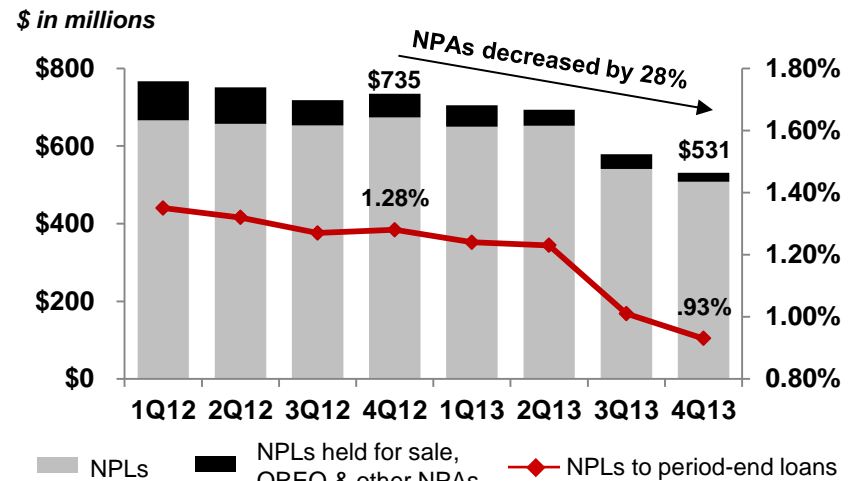
Net Charge-offs & Provision for Loan and Lease Losses



Allowance for Loan and Lease Losses



Nonperforming Assets

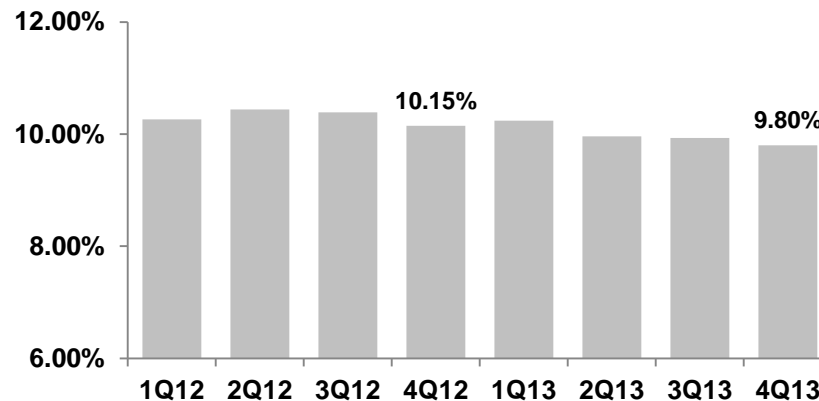


Strong Capital Ratios

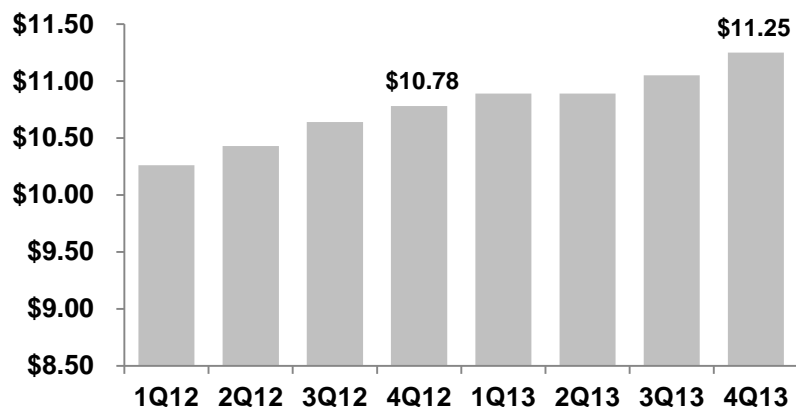
Highlights

- Disciplined execution of capital plan
- Repurchased \$99 million in common shares during 4Q13
- Estimated Tier 1 common equity ratio under the Regulatory Capital Rules of 10.6%^{(a), (b)}

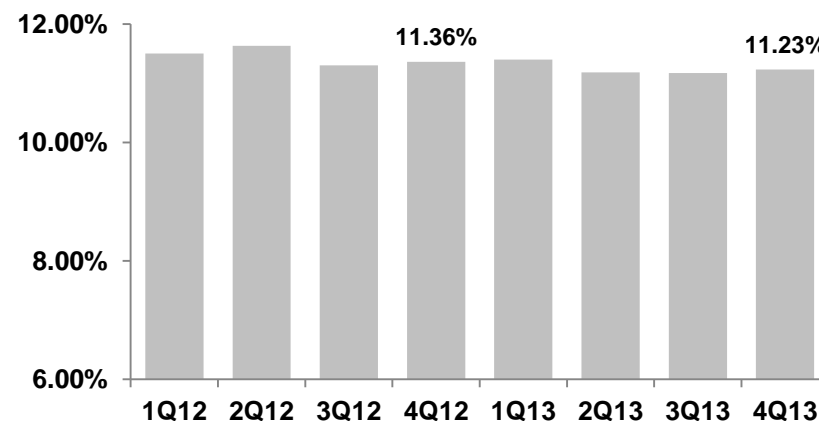
Tangible Common Equity to Tangible Assets ^(b)



Book Value per Share



Tier 1 Common Equity ^{(b), (c)}



(a) Based upon December 31, 2013 pro forma analysis; see Appendix for further detail

(b) Non-GAAP measure: see Appendix for reconciliations

(c) 12-31-13 ratio is estimated

2014 Outlook and Expectations

Loans	<ul style="list-style-type: none">• Mid-single digit average balance growth
Net Interest Income	<ul style="list-style-type: none">• Relatively stable from 2013
Noninterest Income	<ul style="list-style-type: none">• Low single-digit growth compared to prior year
Expense	<ul style="list-style-type: none">• Low single-digit percentage decline from 2013
Efficiency / Productivity	<ul style="list-style-type: none">• Positive operating leverage
Asset Quality	<ul style="list-style-type: none">• At the lower-end or below targeted range of 40 – 60 bps of net charge-offs to average loans
Capital	<ul style="list-style-type: none">• Remaining net share repurchase authority of approximately \$90 million for 2013 CCAR• 2014 capital plan announcement expected in March



Appendix



Progress on Targets for Success

Focus areas	Metrics ^(a)	4Q13	3Q13	Targets
Improving balance sheet efficiency	Loan to deposit ratio ^(b)	84%	84%	90-100%
Maintaining moderate risk profile	NCOs to average loans	.27%	.28%	40-60 bps
	Provision to average loans	.14%	.21%	
Growing high quality, diverse revenue streams	Net interest margin	3.01%	3.11%	>3.50%
	Noninterest income to total revenue	43%	44%	>40%
Generating positive operating leverage	Adj. cash efficiency ratio (ex. efficiency initiative charges) ^(c)	65%	64%	60-65%
Strengthening returns with disciplined capital management	Return on average assets	1.08%	1.12%	1.00-1.25%

(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

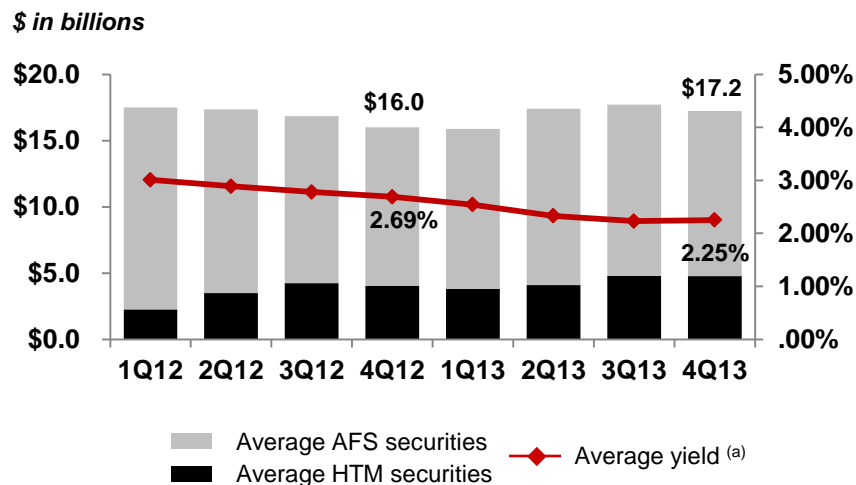


High Quality Investment Portfolio

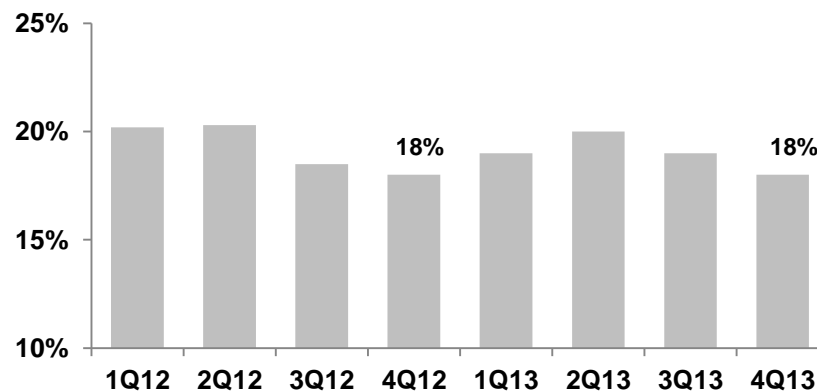
Highlights

- Portfolio composed of Agency or GSE backed CMOs: Fannie, Freddie & GNMA
 - No private label MBS or financial paper
- Average portfolio life at 12/31/13 of 3.6 years compared to 3.8 years at 9/30/13
- Securities cash flows of \$.9 billion in 4Q13 and \$1.3 billion in 3Q13
- Yields on purchases were 78 bps lower than 4Q13 maturities

Average Total Investment Securities



Securities to Total Assets (b)

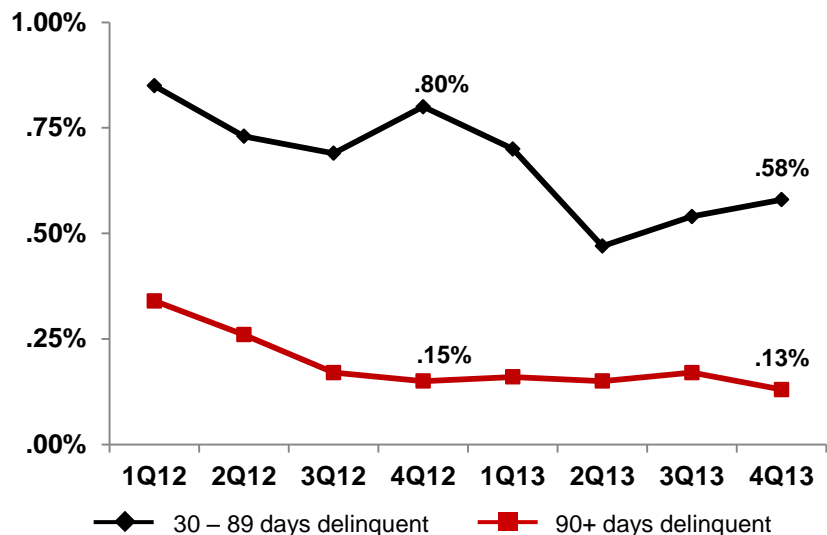


(a) Yield is calculated on the basis of amortized cost
 (b) Includes end of period held-to-maturity and available-for-sale securities

Asset Quality Trends

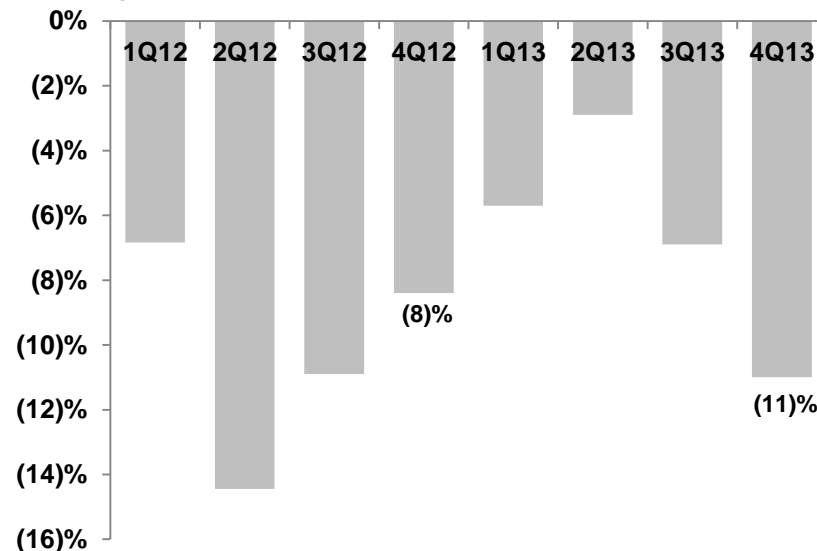
Delinquencies to Period-end Total Loans

Continuing Operations



Quarterly Change in Criticized Outstandings ^(a)

Continuing Operations



Metric ^(b)	4Q13		3Q13		2Q13		1Q13		4Q12	
Delinquencies to EOP total loans: 30-89 days	.58	%	.54	%	.47	%	.70	%	.80	%
Delinquencies to EOP total loans: 90+ days	.13		.17		.15		.16		.15	
NPLs to EOP portfolio loans	.93		1.01		1.23		1.24		1.28	
NPAs to EOP portfolio loans + OREO + Other NPAs	.97		1.08		1.30		1.34		1.39	
Allowance for loan losses to period-end loans	1.56		1.62		1.65		1.70		1.68	
Allowance for loan losses to NPLs	166.9		160.4		134.4		137.4		131.8	



(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 (%)
	12/31/13	4Q13	4Q13	4Q13	12/31/13	12/31/13	12/31/13	12/31/13
Commercial, financial and agricultural ^(a)	\$ 24,963	\$ 24,218	\$ 9	.15	\$ 77	\$ 362	1.45	470.13
Commercial real estate:								
Commercial Mortgage	7,720	7,678	(5)	(.26)	37	165	2.14	445.95
Construction	1,093	1,075	1	.37	14	32	2.93	228.57
Commercial lease financing	4,551	4,513	(3)	(.26)	19	62	1.36	326.32
Real estate – residential mortgage	2,187	2,199	6	1.08	107	37	1.69	34.58
Home equity	10,674	10,653	13	.48	220	95	.89	43.18
Credit cards	722	701	5	2.83	4	34	4.71	850.00
Consumer other – Key Community Bank	1,449	1,446	5	1.37	3	29	2.00	966.67
Consumer other – Exit Portfolio	1,098	1,125	6	2.12	27	32	2.91	118.52
Continuing total ^(e)	\$ 54,457	\$ 53,608	\$ 37	.27	\$ 508	\$ 848	1.56	166.93
Discontinued operations	4,497	4,663	9	1.34	25	39	1.54	156.00
Consolidated total	\$ 58,954	\$ 58,271	\$ 46	.32	\$ 533	\$ 887	1.56	166.42

- (a) 12-31-13 ending loan balances include \$94 million of commercial credit card balances; 12-31-13 average loan balances include \$97 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) 12-31-13 and 9-30-13 NPL amounts exclude \$16 million and \$18 million respectively of purchased credit impaired loans acquired in July 2012
- (d) 12-31-13 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) 12-31-13 ending loan balances include purchased loans of \$166 million of which \$16 million were purchased credit impaired



Home Equity Portfolio

Highlights

- High quality portfolio
- Community bank loans and lines: 97% of total portfolio; branch-originated
 - 58% first lien position
 - Average FICO score of 764
 - Average LTV at origination: 71%
- \$3.9 billion of the total portfolio are fixed rate loans that require principal and interest payments; \$6.8 billion are lines
- \$1.3 billion in lines outstanding (12% of the total portfolio) come to end of draw period in the next four years
 - Proactive communication and client outreach initiated near end of draw period

Home Equity Portfolio – 12/31/13

\$ 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
Loans and lines										
First lien	\$ 6,007	\$ 68,571	766	67%	.6%	43%	6%	4%	4%	43%
Second lien	4,323	47,518	761	76	3.3	27	6	4	4	59
Community Bank	\$ 10,340	57,833	764	71	1.8	35	6	4	4	51
Exit portfolio	334	22,728	729	80	31.1	-	-	-	-	100
Total home equity portfolio	\$ 10,674									
Nonaccrual loans and lines										
First lien	\$ 106	\$ 57,353	713	73%	.5%	3%	3%	3%	6%	85%
Second lien	99	47,112	710	78	3.1	1	2	2	3	92
Community Bank	\$ 205	51,893	712	76	1.5	2	3	2	4	89
Exit portfolio	15	23,647	704	79	30.6	-	-	-	-	100
Total home equity nonaccruals	\$ 220									
Fourth quarter net charge-offs (NCOs)										
Community Bank	\$ 10					1%	1%	3%	2%	93%
% of average loans	.38%									
Exit Portfolio	\$ 3					-	-	-	-	100
% of average loans	3.47%									

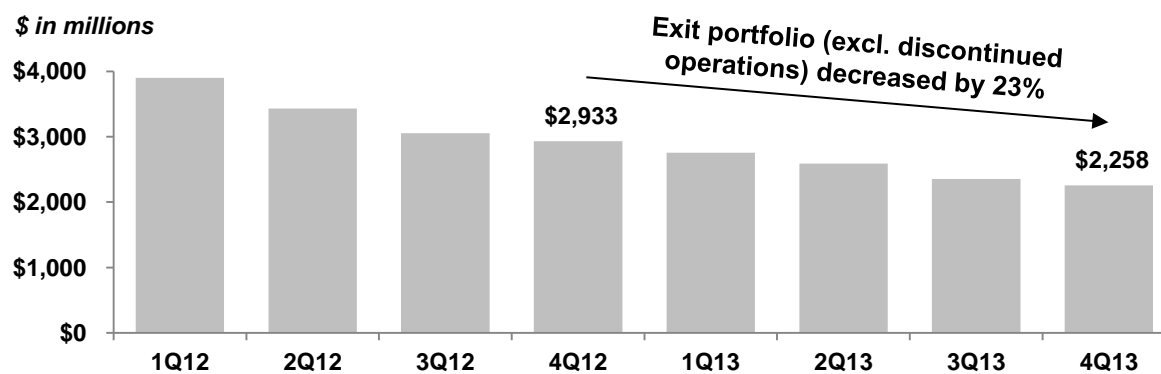


(a) Average LTVs are at origination. Current average LTVs for Community Bank total home equity loans and lines is approximately 73%, which compares to 74% at the end of the third quarter 2013.

Exit Loan Portfolio

Exit Loan Portfolio

\$ in millions	Balance Outstanding		Change	Net Loan Charge-offs		Balance on Nonperforming Status	
	12-31-13	9-30-13	12-31-13 vs. 9-30-13-	4Q13 (c)	3Q13 (c)	12-31-13	9-30-13
Residential properties – homebuilder	\$ 20	\$ 26	\$ (6)	-	-	\$ 7	\$ 8
Marine and RV floor plan	24	25	(1)	-	-	6	6
Commercial lease financing (a)	782	796	(14)	\$ (2)	\$ (2)	-	1
Total commercial loans	826	847	(21)	(2)	(2)	13	15
Home equity – Other	334	353	(19)	3	2	16	14
Marine	1,028	1,083	(55)	5	1	26	25
RV and other consumer	70	71	(1)	1	-	1	2
Total consumer loans	1,432	1,507	(75)	9	3	43	41
Total exit loans in loan portfolio	\$ 2,258	\$ 2,354	\$ (96)	\$ 7	\$ 1	\$ 56	\$ 56
Discontinued operations – education lending business (not included in exit loans above) (b)	\$ 4,497	\$ 4,738	\$ (241)	\$ 9	\$ 9	\$ 25	\$ 23



- (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 (4) 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 (a)

\$ in millions

	Three months ended		
	12-31-13	9-30-13	12-31-12
Tangible common equity to tangible assets at period end			
Key shareholders' equity (GAAP)	\$ 10,303	\$ 10,206	\$ 10,271
Less: Intangible assets ^(b)	1,014	1,017	1,027
Preferred Stock, Series A ^(c)	282	282	291
Tangible common equity (non-GAAP)	<u>\$ 9,007</u>	<u>\$ 8,907</u>	<u>\$ 8,953</u>
Total assets (GAAP)	\$ 92,934	\$ 90,708	\$ 89,236
Less: Intangible assets ^(b)	1,014	1,017	1,027
Tangible assets (non-GAAP)	<u>\$ 91,920</u>	<u>\$ 89,691</u>	<u>\$ 88,209</u>
Tangible common equity to tangible assets ratio (non-GAAP)	9.80 %	9.93 %	10.15 %
Tier 1 common equity at period end			
Key shareholders' equity (GAAP)	\$ 10,303	\$ 10,206	\$ 10,271
Qualifying capital securities	339	340	339
Less: Goodwill	979	979	979
Accumulated other comprehensive income (loss) ^(d)	(394)	(409)	(172)
Other assets ^(e)	91	96	114
Total Tier 1 capital (regulatory)	<u>9,966</u>	<u>9,880</u>	<u>9,689</u>
Less: Qualifying capital securities	339	340	339
Preferred Stock, Series A ^(c)	282	282	291
Total Tier 1 common equity (non-GAAP)	<u>\$ 9,345</u>	<u>\$ 9,258</u>	<u>\$ 9,059</u>
Net risk-weighted assets (regulatory) ^{(e), (f)}	\$ 83,251	\$ 82,913	\$ 79,734
Tier 1 common equity ratio (non-GAAP) ^(f)	11.23 %	11.17 %	11.36 %
Pre-provision net revenue			
Net interest income (GAAP)	\$ 583	\$ 578	\$ 601
Plus: Taxable-equivalent adjustment	6	6	6
Noninterest income (GAAP)	453	459	439
Less: Noninterest expense (GAAP)	712	716	734
Pre-provision net revenue from continuing operations (non-GAAP)	<u>\$ 330</u>	<u>\$ 327</u>	<u>\$ 312</u>

(a) 2Q13 and 1Q13 reconciliations available in our 2Q13 earnings press release, available on our website: www.key.com/ir

(b) Three months ended December 31, 2013, September 30, 2013, and December 31, 2012 exclude \$92 million, \$99 million, and \$123 million, respectively, of period end purchased credit card receivable intangible assets

(c) Net of capital surplus for the three months ended December 31, 2013 and September 30, 2013

(d) 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

(e) 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 12-31-13, 9-30-13, and 12-31-12

(f) 12-31-13 amount is estimated



GAAP to Non-GAAP Reconciliation ^(a) (continued)

\$ in millions

	Three months ended		
	12-31-13	9-30-13	12-31-12
Average tangible common equity			
Average Key shareholders' equity (GAAP)	\$ 10,272	\$ 10,237	\$ 10,261
Less: Intangible assets (average) ^(b)	1,016	1,019	1,030
Preferred Stock, Series A (average)	291	291	291
Average tangible common equity (non-GAAP)	<u>\$ 8,965</u>	<u>\$ 8,927</u>	<u>\$ 8,940</u>
Return on average tangible common equity from continuing operations			
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	\$ 229	\$ 229	\$ 190
Average tangible common equity (non-GAAP)	8,965	8,927	8,940
Return on average tangible common equity from continuing operations (non-GAAP)	10.13 %	10.18 %	8.45 %
Return on average tangible common equity consolidated			
Net income (loss) attributable to Key common shareholders (GAAP)	\$ 224	\$ 266	\$ 197
Average tangible common equity (non-GAAP)	8,965	8,927	8,940
Return on average tangible common equity consolidated (non-GAAP)	9.91 %	11.82 %	8.77 %
Cash efficiency ratio			
Noninterest expense (GAAP)	\$ 712	\$ 716	\$ 734
Less: Intangible asset amortization on credit cards (GAAP)	7	8	8
Other intangible asset amortization (GAAP)	3	4	4
Adjusted noninterest expense (non-GAAP)	<u>\$ 702</u>	<u>\$ 704</u>	<u>\$ 722</u>
Net interest income (GAAP)	\$ 583	\$ 578	\$ 601
Plus: Taxable-equivalent adjustment	6	6	6
Noninterest income (GAAP)	453	459	439
Total taxable-equivalent revenue (non-GAAP)	<u>\$ 1,042</u>	<u>\$ 1,043</u>	<u>\$ 1,046</u>
Cash efficiency ratio (non-GAAP)	67.4 %	67.5 %	69.0 %
Adjusted cash efficiency ratio			
Adjusted noninterest expense (non-GAAP)	\$ 702	\$ 704	\$ 722
Less: Efficiency initiative and pension settlement charges (non-GAAP)	24	41	16
Net adjusted noninterest expense (non-GAAP)	<u>\$ 678</u>	<u>\$ 663</u>	<u>\$ 706</u>
Total taxable-equivalent revenue (non-GAAP)	\$ 1,042	\$ 1,043	\$ 1,046
Adjusted cash efficiency ratio (non-GAAP)	65.1 %	63.6 %	67.5 %



(a) 2Q13 and 1Q13 reconciliations available in our 2Q13 earnings press release, available on our website: www.key.com/ir

(b) Three months ended December 31, 2013, September 30, 2013, and December 31, 2012 exclude \$96 million, \$103 million and \$126 million, respectively, of average ending purchased credit card receivable intangible assets

Tier 1 Common Equity Under the Regulatory Capital Rules (estimated) (a)

KeyCorp & Subsidiaries

<i>\$ in billions</i>	Quarter ended Dec. 31, 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)	\$ 9.2
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Total risk-weighted assets under current regulatory rules	\$ 83.3
Adjustments from current regulatory rules to the Regulatory Capital Rules:	
Loan commitments <1 year	.9
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	\$ 86.7
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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, analysts 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%

