Investor Meetings: May – June 2016

KeyCorp

Focused *Forward*

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION DISCLOSURE

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, KeyCorp's and First Niagara's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "plan," "predict," "project," "forecast," "guidance," "goal," "objective," "prospects," "possible" or "potential," by future conditional verbs such as "assume," "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements. Actual results may differ materially from current projections.

In addition to factors previously disclosed in KeyCorp's and First Niagara's reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the merger, including the risk that regulatory approvals required for the merger are not obtained or are obtained subject to conditions that are not anticipated; delay in closing the merger; difficulties and delays in integrating the First Niagara business or fully realizing cost savings and other benefits; business disruption following the merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of KeyCorp's products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

This presentation also includes certain non-GAAP financial measures related to "tangible common equity," "Common Equity Tier 1," "pre-provision net revenue," "cash efficiency ratio," and certain financial measures excluding merger-related expense. Management believes these measures 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 of this presentation or pages 96-97 of our Form 10-Q dated March 31, 2016.

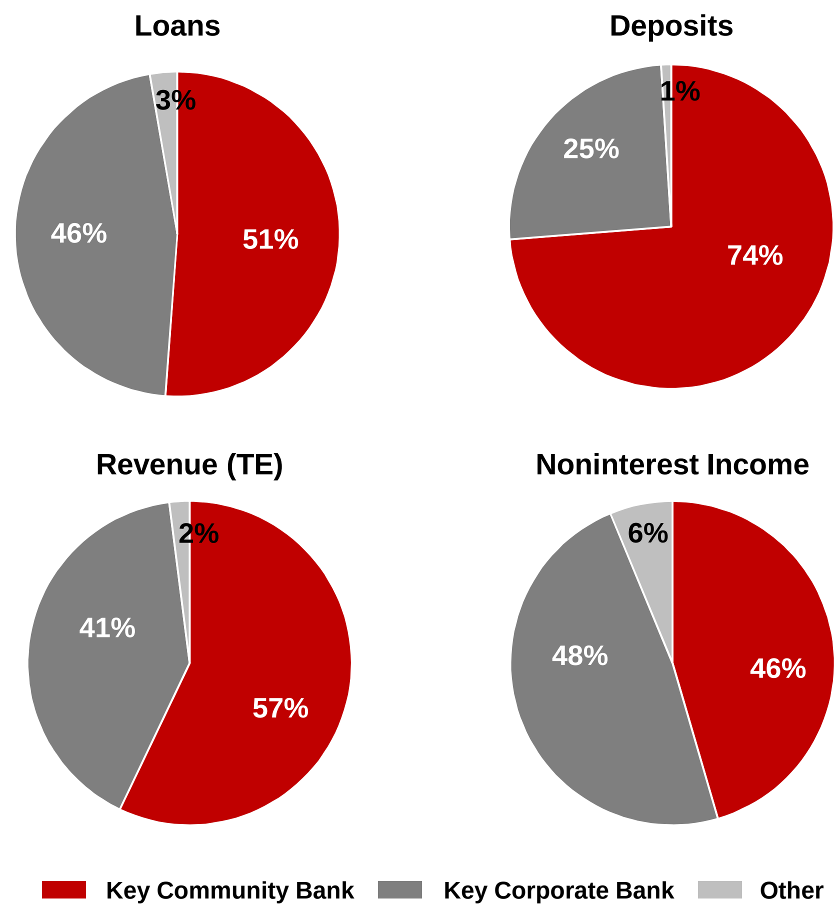
Key: Who We Are

A relationship-focused bank with scale and adaptability

- Top 20 U.S. bank-based financial services company
  - Assets: $96 B
  - Deposits: $72 B
  - Market capitalization: $9 B
  - Strong footprint with 961 branches and 1,249 ATMs
  - Approximately 2 million customers
  - Over 13,000 employees

- Business diversity across the franchise, with two primary lines of business:
  - Key Community Bank
  - Key Corporate Bank

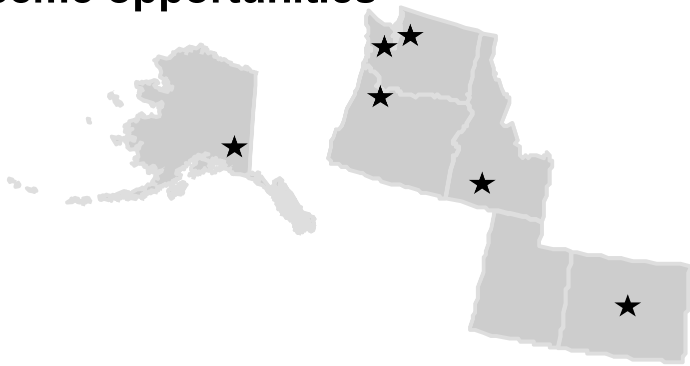
- Strong leadership team
  - New Chairman and CEO in May 2011
  - 11 of 12 CEO direct reports new since 2011



TE = Taxable equivalent
Ranking based on asset size
Data as of 1Q16: balances reflect quarterly averages; market capitalization as of March 31, 2016

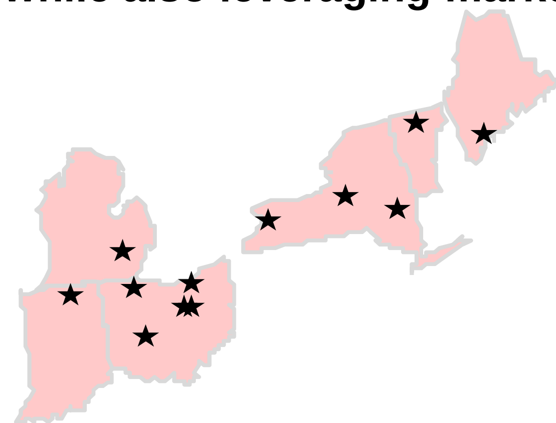
Leveraging our Geographic Diversity

Delivering a consistent strategy across our franchise while also leveraging market-specific opportunities



Western Markets

- Deposits: $18 B
- Branches: 369
- Demographic: younger with high growth potential
- Strong consumer lending
- Healthcare, technology and consumer/retail industry expertise supports high growth markets



Eastern Markets

- Deposits: $35 B
- Branches: 592
- Demographic: mature population with established wealth
- Strong wealth management presence
- Industrial/manufacturing and healthcare expertise aligns with market opportunity

Foundational to Strategy and Delivery

Local leadership and local delivery

Consistent client experience and relationship strategy

Consistent sales management process

Collaboration to deliver all of Key

Growth orientation

Moderate risk appetite

Notes: Deposits and branch count as of 1Q16
★ Denotes MSAs within footprint with greater than $3B in market deposits where Key has a Top 5 market share (i.e., Akron, Albany, Anchorage, Ann Arbor, Boise, Buffalo, Burlington, Canton, Cleveland, Dayton, Denver, Olympia, Portland (ME), Portland (OR), Seattle, South Bend, Syracuse and Toledo); source: FDIC Summary of Deposits Annual Survey, June 30, 2015

Business Model: Aligned and Targeted

Local delivery of broad product set and industry expertise

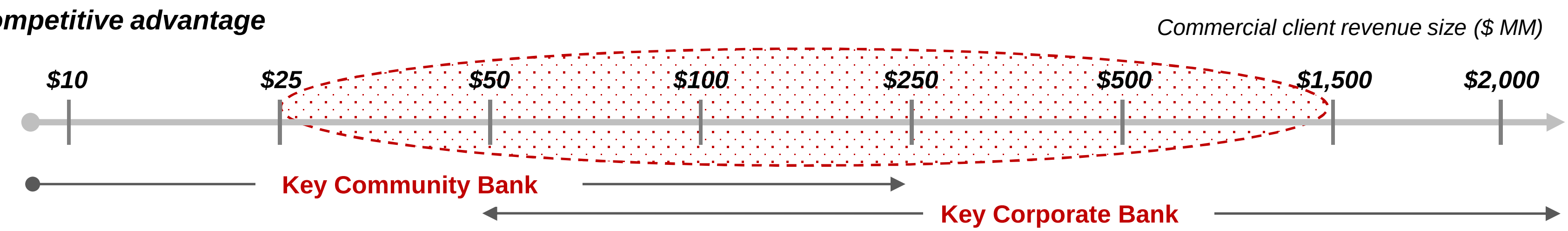
Differentiated platform with depth and maturity

Traditional Bank Products		Capital Markets Capabilities			
Loans	*Deposits & payments*	*Commercial mortgage banking*	*Derivatives & foreign exchange*	*Equity capital markets*	*Equity research*
5% Y-o-Y average loan growth	*$72 B deposits at 17 bps*	*#3 commercial mortgage servicer (master/primary) [b]*	*Rates, commodity & currency solutions*	*>60 transactions, raising $31 B in 2015*	*>750 companies under coverage*
Equipment finance	*Wealth management & private banking*	*M&A / financial sponsors / leveraged finance*	*Investment grade & high-yield debt*	*Loan syndications*	*Public finance*
#3 bank-owned equipment finance co. by new business volume [a]	*$34 B in AUM*	*>145 M&A deals completed since 2011*	*>135 transactions, raising $157 B in 2015*	*>200 transactions, raising $61 B in 2015*	*>150 transactions, raising $15 B in 2015*

Targeted industries

Consumer | **Energy** | **Healthcare** | **Industrial** | **Public Sector** | **Real Estate** | **Technology**

Competitive advantage



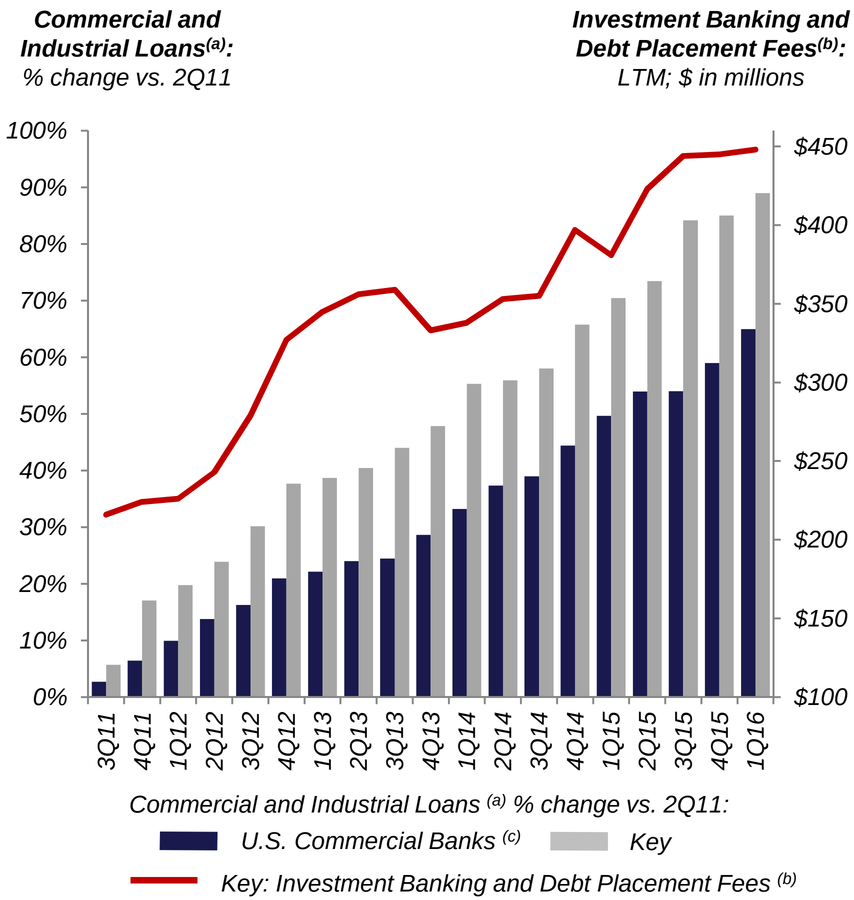
Cross-business collaboration provides additional opportunities across the franchise

Note: Data as of 1Q16 unless otherwise noted
(a) Source: Monitor Bank 100; ranking based on new business volume as of FY14
(b) Source: Mortgage Bankers Association year-end 2014 rankings

Business Model: Growing and Taking Share

Key's business model creates a competitive advantage with targeted clients and has enabled us to take market share

Winning with Clients



Advisory

2015 ROYAL Adhesives & Sealants a portfolio company of Arsenal Capital has been acquired by American Securities *Sell-Side Advisor*	2015 akuoenergy has sold Rocksprings Wind to SunEdison *Sell-Side Advisor*	2015 Kenan Advantage Group Inc. a portfolio company of Goldman Sachs / Centerbridge has been acquired by OMERS Private Equity *Sell-Side Advisor*

Financing

2015 American Securities has acquired ROYAL Adhesives & Sealants a portfolio company of Arsenal Capital Partners $755,000,000 Senior Secured Credit Facilities *Joint Lead Arranger & Joint Bookrunner*	2015 CyrusOne $100,000,000 Senior Notes *Joint Bookrunner*	2015 NN Inc. $182,160,000 Follow-On Offering *Sole Bookrunner*
2015 gtt $255,000,000 Senior Secured Credit Facilities *Joint Lead Arranger, Joint Bookrunner & Administrative Agent*	2015 PATRICK Industries, Inc. $250,000,000 Senior Secured Credit Facilities *Joint Lead Arranger & Joint Bookrunner*	2015 QTS $373,649,375 Follow-On Offering *Joint Bookrunner*

(a) Balances are period-end
(b) Data represents LTM, the twelve preceding months; 3Q11 represents annualized YTD fees
(c) Source: Federal Reserve H8 report dated March 30, 2016

Driving Positive Operating Leverage

Executing action plans across our organization to improve efficiency

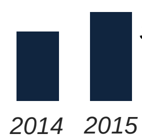
Revenue Growth

Acquiring and expanding relationships to grow revenue in our businesses

Improving Productivity

- **Adding client-facing roles**
- **Enhanced sales management process**

>70 *New RMs hired since 3Q14*



Sales/ FTE/ day: ↑ *8%*

Strengthening Products and Capabilities

- **Added vertical and expertise:** *technology*
- **Product launches:** *Hassle-Free, purchase card, prepaid card*

- **Digital:** *mobile payments*
- **Strategic partnerships**

Expense Savings

Continuous improvement efforts enable identification and execution of expense savings

Right-sizing

- **FTE remixing:** *support, sales and service*
- **Business realignment:** *exit of Victory and international leasing, reduction of fixed income trading platform*

Total FTE: ↓ *13%*

Occupancy

- **Optimizing branch count:** *continued net reduction*
- **Reducing non-branch square footage:** *completed 2016 target for 15% reduction of non-branch square footage*

Operational Efficiencies

- **Lean Six Sigma:** *end-to-end process improvements*

Note: Graphs may not be to scale

Maintaining a Moderate Risk Profile

Enterprise-wide risk management approach

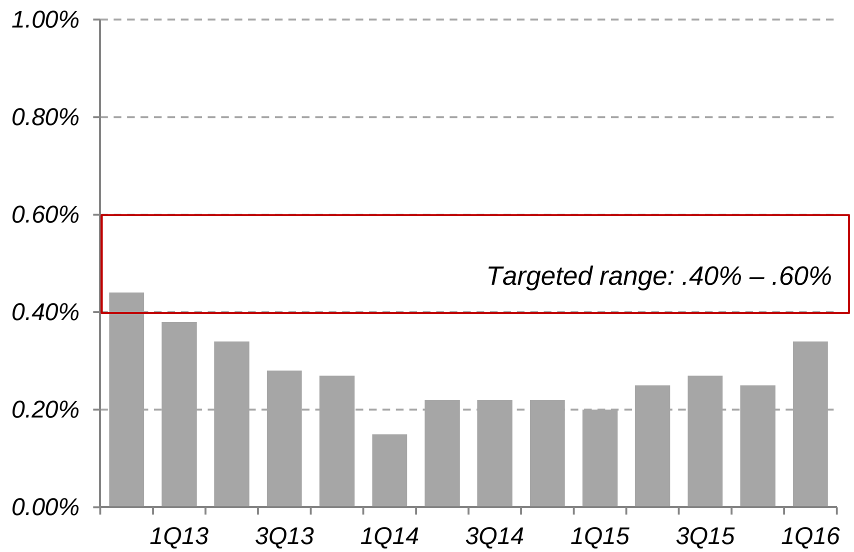
Targeted, Relationship-based Approach

- **Target specific segments and sectors where we have expertise**
- **Execute rigorous and disciplined sales approach**
- **Clearly defined and well understood risk appetite and tolerances**
- **Risk management principles applied actively**

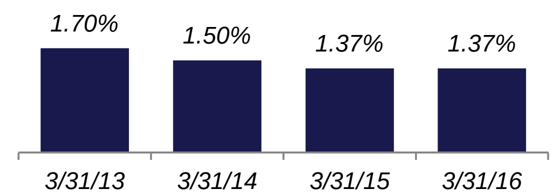
Solid Asset Quality, Net Charge-offs Below Targeted Range

Continuing operations

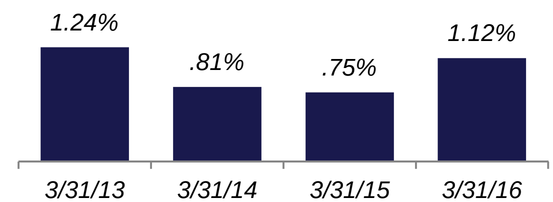
Net Charge-offs to Average Loans



Allowance to Period-End Loans



Nonperforming Loans to Period-End Loans



Progress on Targets for Success: Key Stand-alone

	Metrics [a]	Targets	1Q16	4Q15
Balance Sheet Efficiency	*Loan to deposit ratio [b]*	*90% -100%*	*86%*	*88%*
Moderate Risk Profile	*NCOs to average loans*	*40 - 60 bps*	*.31%*	*.25%*
	Provision for credit losses to average loans		*.60%*	*.30%*
High Quality, Diverse Revenue Streams	*Net interest margin*	*3.00% -3.25%*	*2.89%*	*2.87%*
	Noninterest income to total revenue	*>40%*	*41%*	*44%*
Positive Operating Leverage	*Cash efficiency ratio [c], [d]*	*<60%*	*64.3%*	*65.8%*
Financial Returns	*Return on average assets [c], [d]*	*1.00% - 1.25%*	*.86%*	*.99%*

(a) Continuing operations, unless otherwise noted
(b) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits (excluding deposits in foreign office)
(c) Non-GAAP measure: see slides 34-35 for reconciliation
(d) Excludes $24 million and $6 million in merger-related expense for 1Q16 and 4Q15, respectively; detail provided on slide 26

Outlook and Expectations

	FY 2016: Key Stand-alone
Average Loans	• Mid-single digit growth vs. FY 2015
Net Interest Income	• Up low to mid-single digit percentage without the benefit from higher interest rates • Mid-single digit growth with the benefit of higher interest rates
Noninterest Income	• Low to mid-single digit growth compared to 2015
Expense	• Relatively stable with 2015
Efficiency / Productivity	• Positive operating leverage
Asset Quality	• Net charge-offs to average loans below targeted range of 40 – 60 bps • Allowance, as a percentage of period-end loans, to remain relatively stable with 1Q16 level
Capital	• Dividend expected to increase to $.085 per common share in 2Q16 (subject to Board approval) • 2016 CCAR submission included common share repurchases and an increased dividend

Guidance ranges: relatively stable: +/- 2%; low single-digit: <5%; mid-single digit: 4% - 6%
Note: Guidance provided does not include merger-related expense

First Niagara Financial Group Acquisition

A Compelling Strategic Opportunity

Powerful combination creates high-performing regional bank with compelling shareholder returns

13th Largest U.S. Commercial Bank	$135 billion assets	$100 billion deposits

Strengthens Franchise

- ✓ Strengthens core operating and financial metrics[(a)]
  - – Increases ROTCE by ~200 bps
  - – Cash efficiency ratio improves by ~300 bps
- ✓ Creates leading bank in Upstate New York with a strong presence across the Northeast, Midwest and Pacific Northwest
  - – Adds one million clients and over $20 billion of core deposits
- ✓ Builds on Key's brand and presence in shared markets with complementary new markets
  - – Leading position in MSAs[(b)] of Buffalo, Albany, Syracuse and Rochester
  - – Establishes Key's presence in attractive MSAs[(b)] (Pittsburgh, Philadelphia, Hartford, New Haven)

Leverages Complementary Business Models

- ✓ Significant revenue opportunity by delivering broader suite of products to new and existing clients
  - – KEY: commercial payments; capital markets; commercial mortgage; private banking and investments
  - – FNFG: residential mortgage; indirect auto lending; retail and commercial insurance brokerage
- ✓ Complementary business mix creates a more balanced franchise across consumer and commercial businesses

Generates Attractive Financial Returns

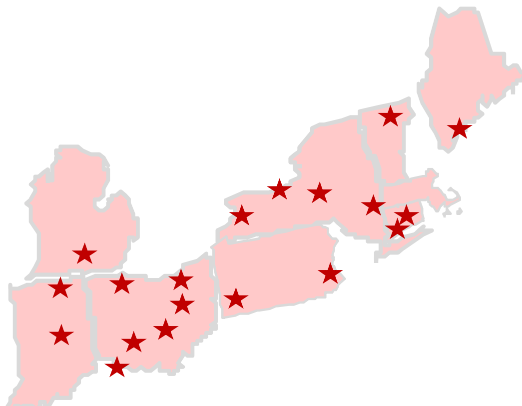
- ✓ EPS accretion of 5%[(a)]
- ✓ IRR approximates 15% and ROIC exceeds 10%
- ✓ Expected cost savings of $400 million create $2.8 billion of shareholder value
- ✓ Drives revenue synergies by deploying stronger combined product set into existing client relationships
- ✓ Efficient use of capital – capital ratios remain strong

(a) Upon full realization of cost savings (FY2018); no revenue synergies assumed
(b) MSA denotes Metropolitan Statistical Area

Combined Company Uniquely Positioned to Unlock Value

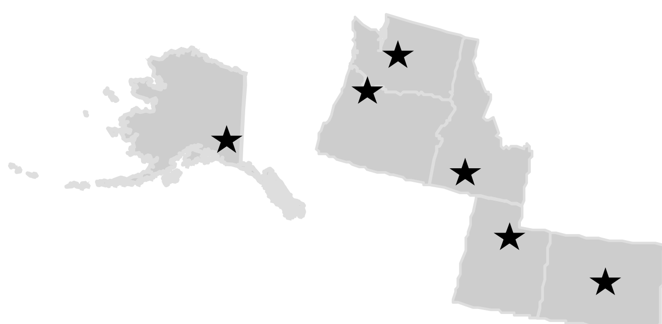
Three Million Clients | **Attractive Geographic Footprint** | **Complementary Product Offering**

High Density Markets



Leading market presence across the I-90 corridor from Toledo, OH to Albany, NY

High Growth Markets



Top 5 branch share in Seattle, Denver, Portland, Salt Lake City and Boise – all growing faster than national average

Broad, Complementary Product Capabilities

Retail banking (branch; card; auto; etc.)	✓	✓
Private banking	✓	✓
Residential mortgage		✓
Indirect auto lending		✓
Insurance brokerage		✓
Small business banking	✓	✓
Business banking	✓	✓
Commercial banking	✓	✓
Asset-based lending	✓	✓
Equipment finance	✓	✓
Commercial payments	✓	✓
Investment banking (mid market/industry focus)	✓	
Commercial mortgage banking & servicing	✓	

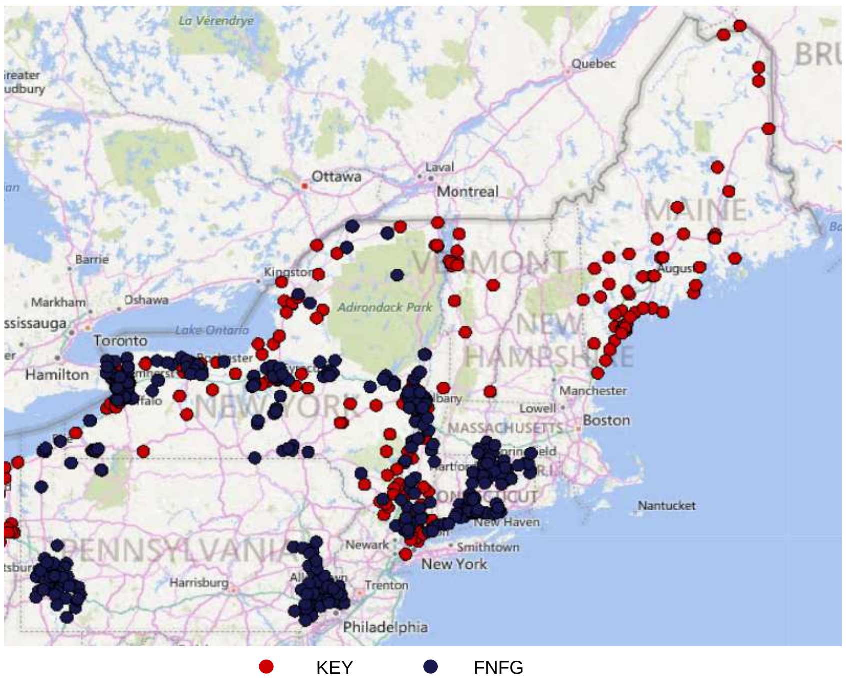
Complementary products provide extensive client cross-sell and revenue growth opportunities

Compelling Franchise and Capabilities

Strengthens Position in Attractive Northeast Markets

Leading Position from Toledo to Albany	Leading Position Banks Outperform	Shared Market Presence Accelerates Value Realization

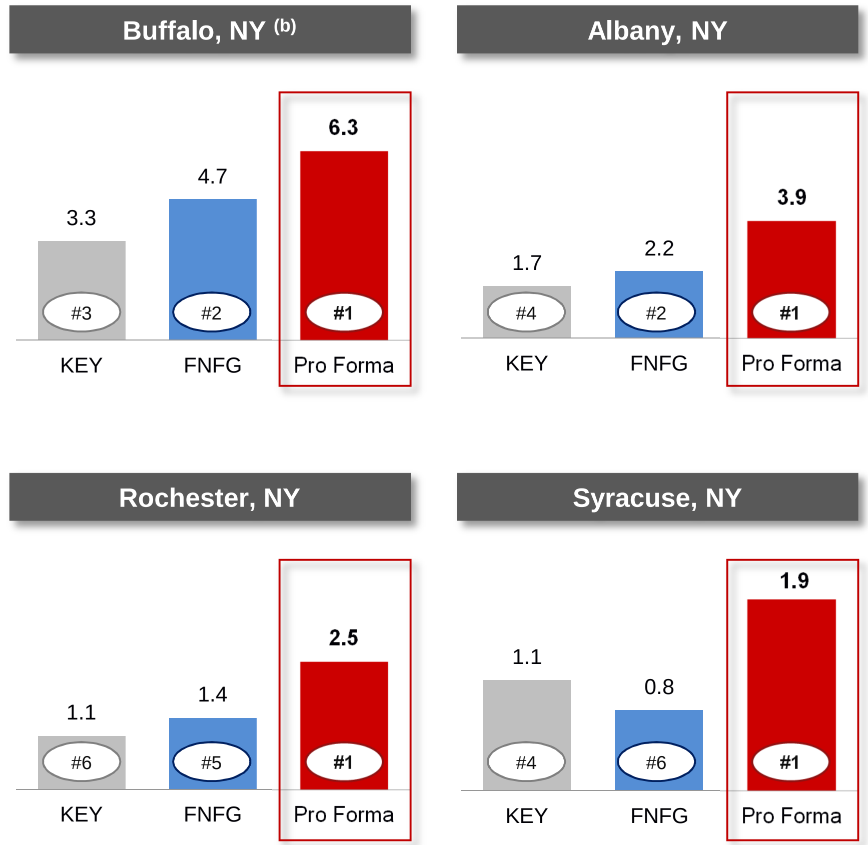
Pro Forma Branch Footprint



- Combination creates the 13th largest U.S. commercial bank
- Approximately $50 billion in deposits and nearly 700 branches in the Northeast, representing approximately half of the combined national franchise (c)

Leading Retail Presence in Upstate NY (a)

$ in billions



Source: SNL Financial; data as of June 2015

(a) Analysis caps all branches for KEY and peers at $250MM to adjust for commercial and headquarters deposits; rankings based on total MSA deposits (capped)

(b) Pro Forma deposits for KEY/FNFG in the Buffalo, NY MSA are adjusted to reflect the impact of KEY's announced $1.7B deposit divestiture within this market

(c) Northeast region defined as Connecticut, Maine, Massachusetts, New York, Pennsylvania and Vermont

First Niagara: Significant Progress Being Made

Acquisition Drives Value → *Attractive Financial Returns* | *Significant Revenue Opportunities* | *Complementary Business Model* | *More Balanced Franchise*

Recent Updates

- **Executing against comprehensive pre-merger integration plan**
- **Shareholder approval at both KEY and FNFG**
  - Over 90% of the votes cast at each company's special meeting were in favor of the merger
- **Focused on continued assessment, detailed planning and the regulatory approval process**
  - Target environment design
  - Talent assessment and selection
  - Change management planning and execution
- **Community Benefits Plan announced**
- **Finalized branch divestiture agreements with Department of Justice and Federal Reserve**
  - Announced sale of 18 branches in the Buffalo MSA to Northwest Bank
- **Expected 3Q16 close**

Continued confidence in value attainment, financial targets and cultural compatibility

Cost savings of $400 MM

Cash efficiency improves ~300 bps

ROTCE ~200 bps higher

IRR of ~15%; ROIC >10%

EPS accretion of ~5%

Value attainment and financial metrics based upon full realization of cost savings (FY 2018); no revenue synergies assumed

KeyCorp Financial Review

Investor Highlights – 1Q16

Positive Operating Leverage

- **Generated positive operating leverage and grew pre-provision net revenue 6% [a] from 1Q15, excluding merger-related expense of $24 MM [b]**
- **Revenue up 3% from 1Q15, driven by 6% growth in net interest income**
- **Total average loans up 5% from prior year; CF&A loans up 12%**
- **Positive trends in several fee-based businesses reflecting ongoing investments**
  - Market sensitive businesses impacted by slowdown in market activity
- **Cash efficiency ratio of 64% [a] excluding merger-related expense, [b] down from prior year and prior quarter**

Strong Risk Management

- **Maintained credit discipline**
- **Credit quality measures impacted by migration in the oil and gas portfolio, reflecting market conditions**
- **NCOs represented 31 bps of average loans, below targeted range**

Disciplined Capital Management

- **Maintained strong capital position**
- **Common Equity Tier 1 ratio of 11.1% at 3/31/16 [a]**
- **Planned common share dividend increase of 13% in 2Q16 (subject to Board approval)**

(a) Non-GAAP measure: see slides 34-35 for reconciliation
(b) Merger-related expense detail provided on slide 26

Financial Highlights

	Metrics	1Q16	4Q15	3Q15	2Q15	1Q15
Financial Performance [a]	EPS – assuming dilution	$ .22	$ .27	$ .26	$ .27	$ .26
	EPS –excl. merger-related expense [d], [e]	.24	.27			
	Cash efficiency ratio [d]	66.6 %	66.4 %	66.9 %	65.1 %	65.1 %
	Cash efficiency –excl. merger-related expense [d], [e]	64.3	65.8			
	Return on average total assets	.80	.97	.95	1.03	1.03
	ROAA –excl. merger-related expense [d], [e]	.86	.99			
Balance Sheet Growth [a], [b]	Total loans and leases	5 %	5 %	6 %	4 %	5 %
	CF&A loans	12	14	15	10	12
	Deposits (excl. foreign deposits)	4	3	3	6	5
Capital [c]	Common Equity Tier 1 [d]	11.1 %	11.0 %	10.5 %	10.7 %	10.6 %
	Tier 1 risk-based capital	11.4	11.4	10.9	11.1	11.0
	Tangible common equity to tangible assets [d]	10.0	10.0	9.9	9.9	9.9
Asset Quality [a]	NCOs to average loans	.31 %	.25 %	.27 %	.25 %	.20 %
	NPLs to EOP portfolio loans	1.12	.65	.67	.72	.75
	Allowance for loan losses to EOP loans	1.37	1.33	1.31	1.37	1.37

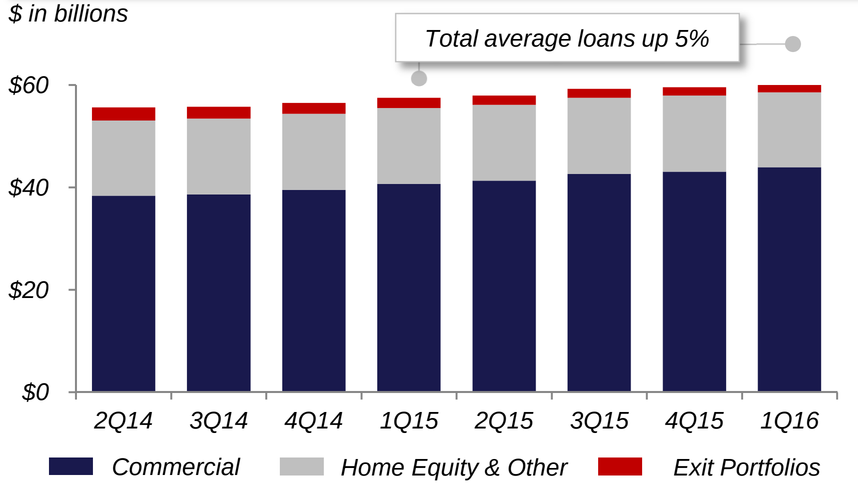
TE = Taxable equivalent; EOP = End of Period

(a) From continuing operations
(b) Year-over-year average balance growth
(c) From consolidated operations
(d) Non-GAAP measure: see slides 34-35 for reconciliation
(e) Merger-related expense detail provided on slide 26

Loans

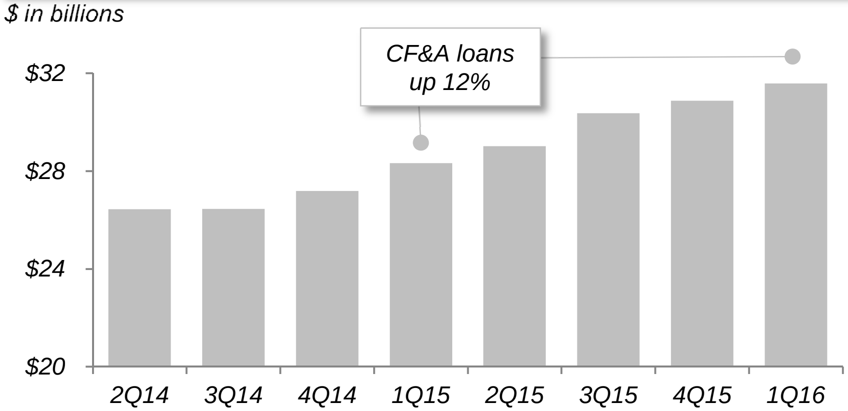
Total Average Loans

$ in billions



Average Commercial, Financial & Agricultural Loans

$ in billions



Highlights

Average Loans

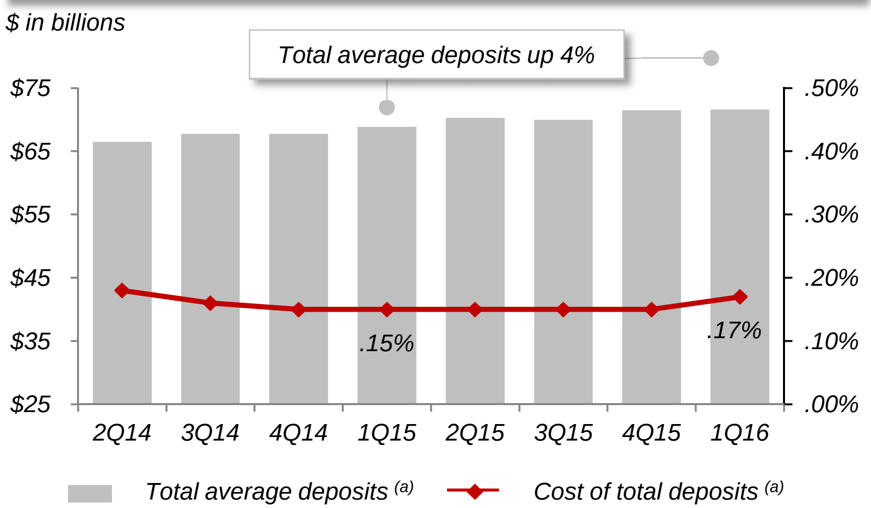
- **Average total loans up 5% in 1Q16 from 1Q15, driven by CF&A loans up 12%**
  - **Broad-based growth across Key's commercial lines of business**
  - **Consumer loan decline related to paydowns in the home equity portfolio and continued run-off in consumer exit portfolios**
- **Average balance growth in both Community Bank and Corporate Bank, compared to 1Q15**

Period-End Loans

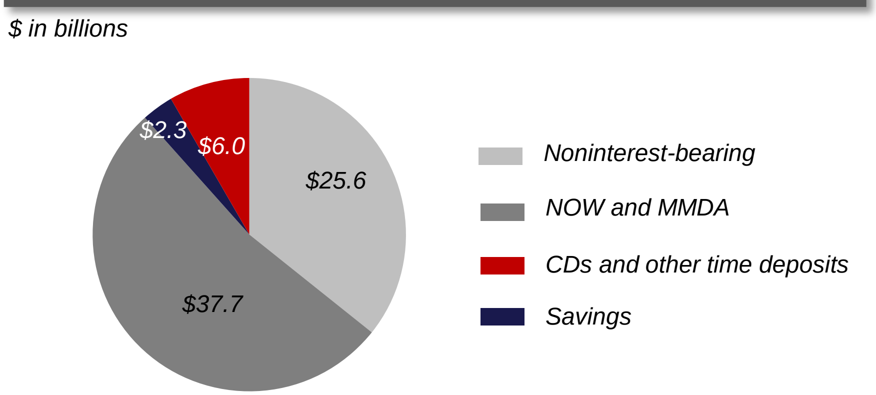
- **Period-end total loans up 4% in 1Q16 from 1Q15, driven by CF&A loans up 11%**
- **Utilization remains relatively stable**

Deposits

Average Deposits [a]



1Q16 Average Deposit Mix



Highlights

- **Deposit cost remains relatively stable, up 2 bps from both 4Q15 and 1Q15**

vs. Prior Year

- **Deposit growth of 4% from 1Q15 related to:**
  - **Growth in commercial mortgage servicing**
  - **Inflows from both commercial and consumer clients**
  - **Growth in certificates of deposit and other time deposits**

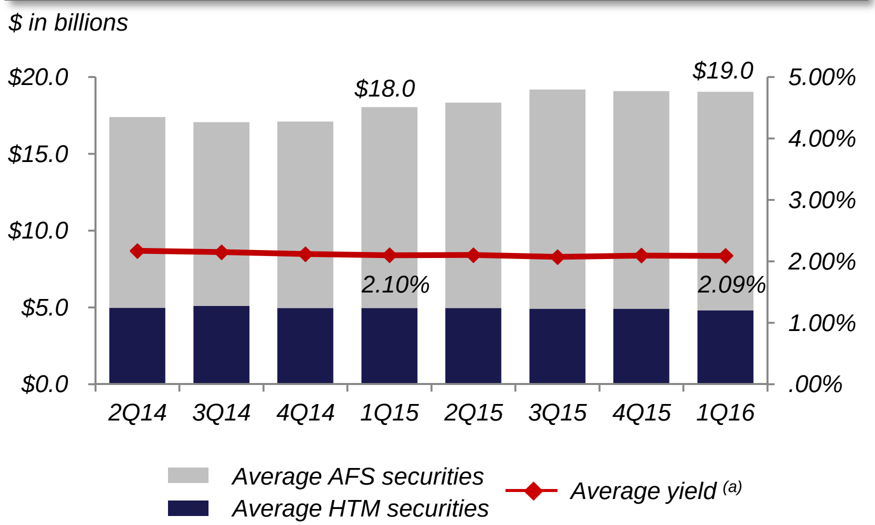
vs. Prior Quarter

- **Deposit balances relatively stable from 4Q15, reflecting:**
  - **Growth in certificates of deposit and other time deposits**
  - **A decline in seasonal and short-term deposit inflows from commercial clients**

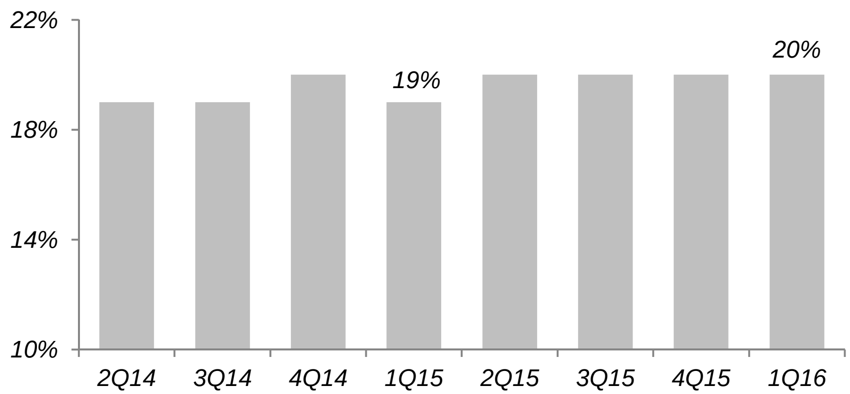
(a) Excludes deposits in foreign office

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets (b)



Highlights

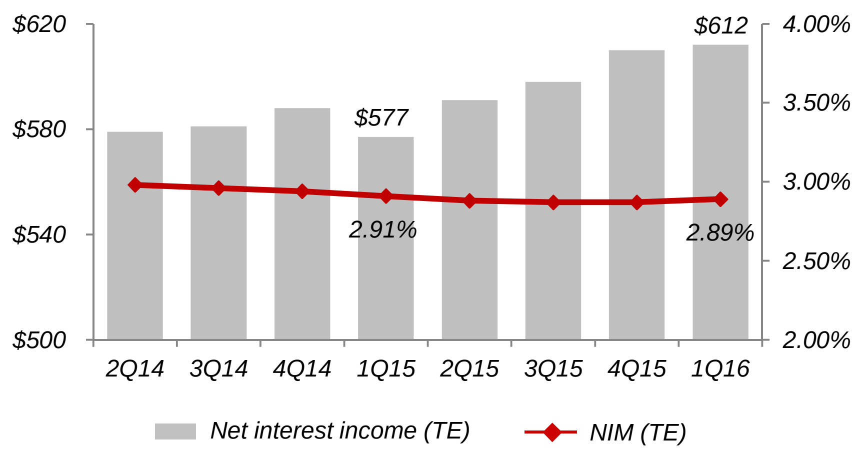
- Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs
- Continue to position portfolio for regulatory liquidity requirements:
  - Reinvesting cash flows into High Quality Liquid Assets, including GNMA securities
  - Average GNMA balances for the quarter were 53% of the total portfolio
- Securities cash flows of $1.0 billion in both 1Q16 and 4Q15
- Average portfolio life at 3/31/16 of 3.7 years, compared to 3.9 years at 12/31/15

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

Net Interest Income and Margin

Net Interest Income & Net Interest Margin Trend (TE)

$ in millions; continuing operations



NIM Change (bps):	vs. 4Q15
Higher earning asset yields	0.06
Loan fees	(0.01)
Other	(0.03)
Total change	**0.02**

Highlights

vs. Prior Year

- **Net interest income up $35 MM, or 6%, from 1Q15, reflecting higher earning asset balances and yields**

vs. Prior Quarter

- **Net interest income up $2 MM from 4Q15, primarily due to higher earning asset balances and yields**

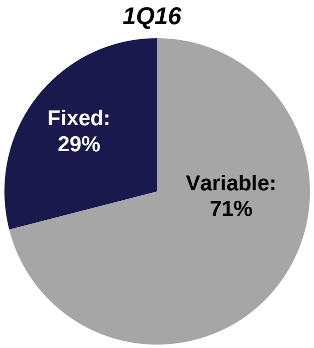
- **Maintained moderate asset sensitivity**
  - **Naturally asset sensitive balance sheet flows: 71% of loans variable rate**
  - **High quality investment portfolio with average life of 3.7 years**
  - **Flexibility to quickly adjust interest rate risk position**

TE = Taxable equivalent

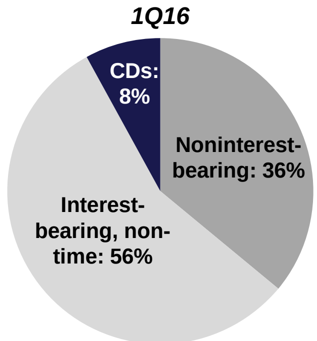
Interest Rate Risk Management

Naturally Asset Sensitive Balance Sheet

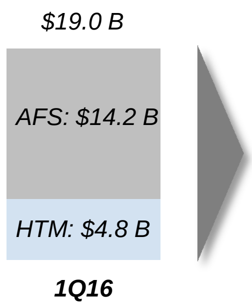
Loan Portfolio



Deposits [(a)]



Investment Portfolio



- High quality
- Fixed rate agency MBS and CMOs
- Average maturity: 3.7 years
- GNMAs total 53% of total portfolio
- Reinvesting cash flows into HQLAs, including GNMAs

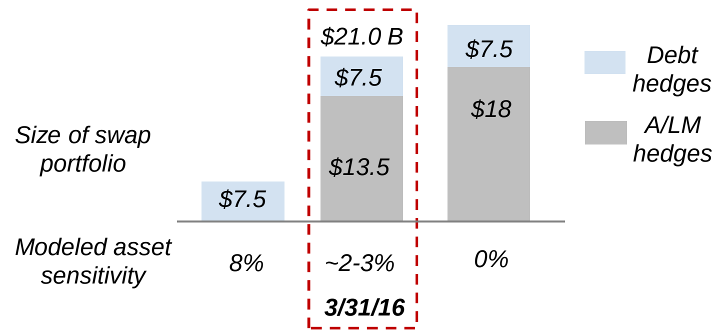
Balance sheet has relatively short duration and is impacted by the short-end of the curve

Actively Managing Rate Risk

- **Maintained moderate asset sensitive position of ~2-3%**
  - Assumes 200 basis point increase in short and intermediate-term rates over a 12-month period
- **Utilize swaps for debt hedging and asset liability management**
  - Fairly even pace of A/LM swap maturities
  - $2.0B A/LM swaps scheduled to mature by year end 2016

Swaps *($ in B)*	3/31/16 Notional Amt.	Wtd. Avg. Maturity (Yrs.)	Receive Rate	Pay Rate
A/L Management	$ 13.5	2.3	1.0%	.4%
Debt	7.5	3.5	1.7	.4
	$ 21.0		**1.3%**	**.4%**

Flexibility to Adjust Rate Sensitivity with Swaps



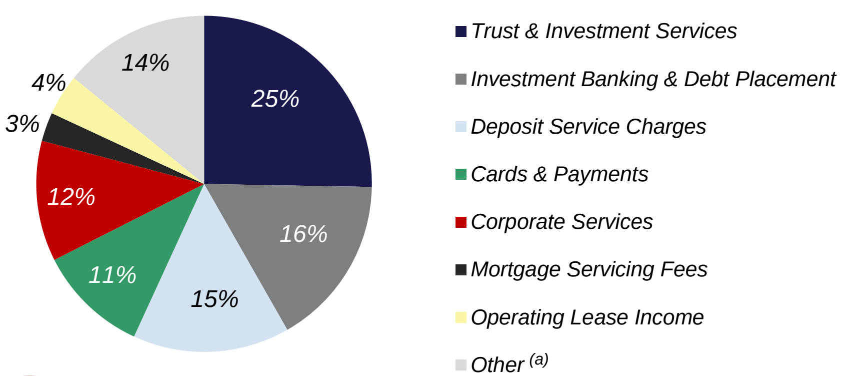
Flexibility to adjust rate sensitivity for changes in balance sheet growth/mix as well as interest rate outlook

Note: Loan, deposit and investment portfolio balances reflect quarterly average balances
(a) Excludes deposits in foreign office

Noninterest Income

Noninterest Income

$ in millions *Up / (Down)*	1Q16	vs. 4Q15	vs. 1Q15
Trust and investment services income	$ 109	$ 4	$ -
Investment banking and debt placement fees	71	(56)	3
Service charges on deposit accounts	65	1	4
Operating lease income and other leasing gains	17	2	(2)
Corporate services income	50	(5)	7
Cards and payments income	46	(1)	4
Corporate-owned life insurance	28	(8)	(3)
Consumer mortgage income	2	-	(1)
Mortgage servicing fees	12	(3)	(1)
Net gains (losses) from principal investing	-	-	(29)
Other income	31	12	12
Total noninterest income	**$ 431**	**$ (54)**	**$ (6)**



Highlights

vs. Prior Year

- **Noninterest income down 1% from 1Q15**
  - **Principal investing down $29 MM**
  - **Continued momentum in core fee-based businesses:**
    - ➢ **Corporate services income +$7 MM**
    - ➢ **Service charges on deposits +$4 MM**
    - ➢ **Cards and payments income +$4 MM**
  - **$12 MM increase in other income related to gains on certain real estate investments**

vs. Prior Quarter

- **Noninterest income down 11% from 4Q15**
  - **Investment banking and debt placement fees down $56 MM, reflecting weaker capital markets activity**
  - **Corporate-owned life insurance income down $8 MM (seasonally high in the fourth quarter)**
  - **$12 MM increase in other income related to gains on certain real estate investments**

(a) Other includes corporate-owned life insurance, principal investing, etc.

Noninterest Expense

Noninterest Expense

$ in millions Up / (Down)	1Q16	vs. 4Q15	vs. 1Q15
Personnel	$ 404	$ (25)	$ 15
Net occupancy	61	(3)	(4)
Computer processing	43	-	5
Business services, professional fees	41	(3)	8
Equipment	21	(1)	(1)
Operating lease expense	13	-	2
Marketing	12	(5)	4
FDIC assessment	9	1	1
Intangible asset amortization	8	(1)	(1)
OREO expense, net	1	-	(1)
Other expense	90	4	6
Total noninterest expense	**$ 703**	**$ (33)**	**$ 34**

Merger-related expense [(a)]	24	18	24
Total noninterest expense, excluding merger-related expense [(b)]	**$ 679**	**$ (51)**	**$ 10**

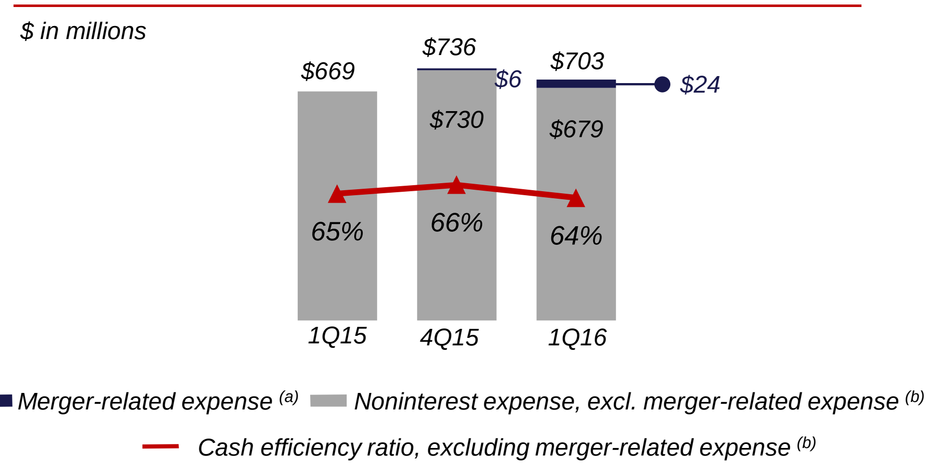
Highlights

vs. Prior Year

- **1Q16 noninterest expense up 5% from 1Q15**
  - **Increase primarily driven by merger-related expense**
  - **Excl. merger-related expense, slight increases across various other line items**

vs. Prior Quarter

- **Expenses down 4% from 4Q15**
  - **Lower personnel expense, including performance-based compensation**
  - **Marketing and professional fees lower**
  - **Higher merger-related expense partially offset declines**



(a) Merger-related expense detail provided on slide 26
(b) Non-GAAP measure: see slides 34-35 for reconciliation

FNFG Merger-related Expense

Expenses related to the acquisition and integration of First Niagara Financial Group

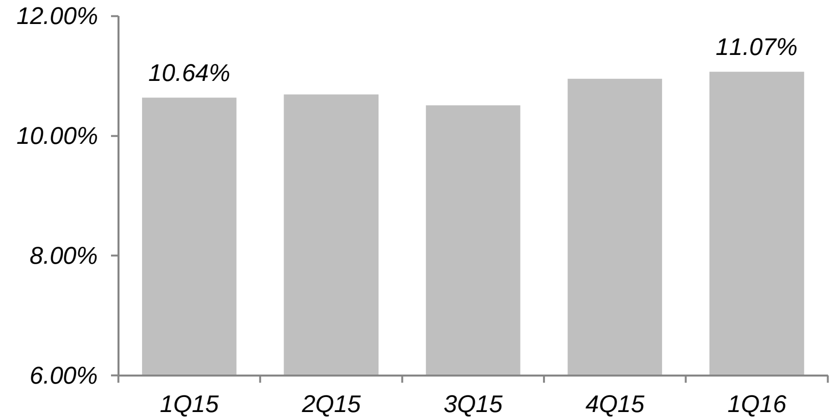
$ in millions *Increase / (Decrease)*	**1Q16**	**4Q15**
Personnel expense [(a)]	**$ 16**	**-**
Business services and professional fees	$ 7	$ 5
Marketing	1	-
Other	-	1
Total nonpersonnel expense	**$ 8**	**$ 6**
Total noninterest expense	**$ 24**	**$ 6**
EPS impact	**$ (.02)**	**-**

- **Total merger-related expense expected to be approximately $550 MM**
- **Majority of expense anticipated to occur in 2016 and the first half of 2017**

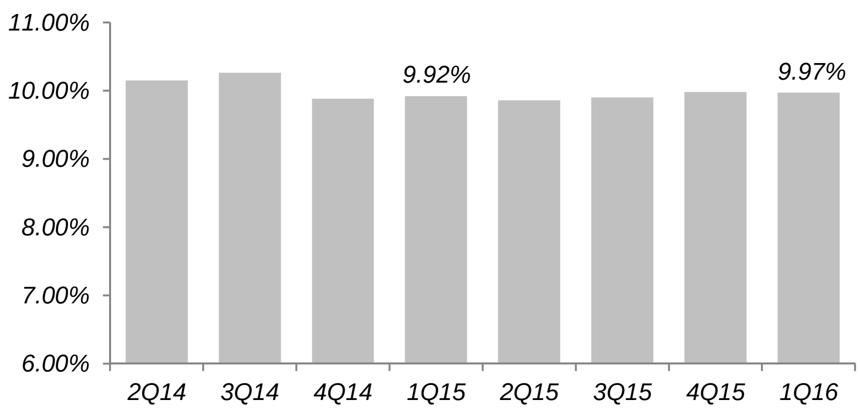
(a) Personnel expense includes technology development related to systems conversions, as well as fully-dedicated personnel for merger and integration efforts

Capital

Common Equity Tier 1 [a]



Tangible Common Equity to Tangible Assets [a]



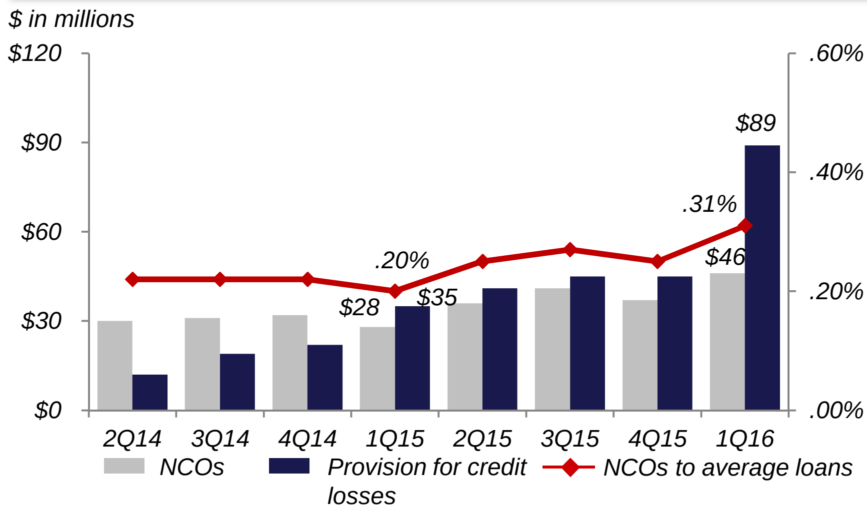
Highlights

- **Maintained strong capital position**
- **Common Equity Tier 1 ratio of 11.07% at 3/31/16**
- **Planned common share dividend increase of 13% in 2Q16 (subject to Board approval)**
- **Common share repurchases and an increased dividend included in 2016 CCAR submission**

(a) Non-GAAP measure: see slides 34-35 for reconciliation

Credit Quality

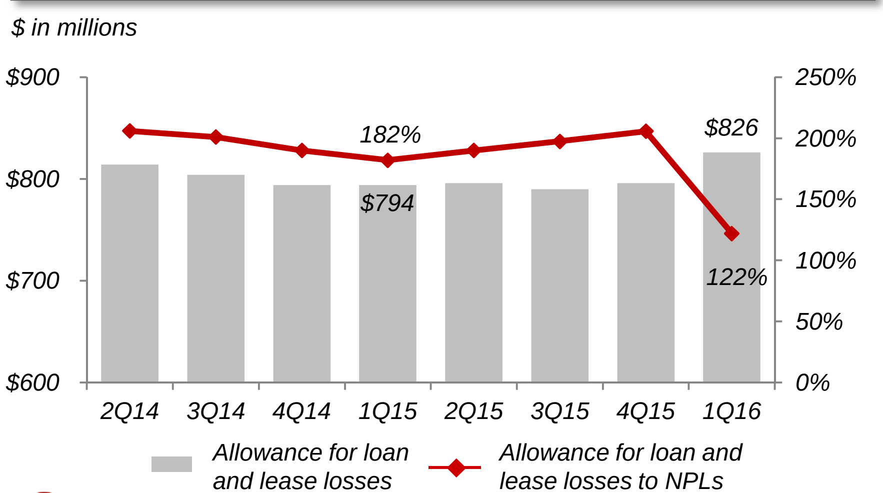
Net Charge-offs & Provision for Credit Losses



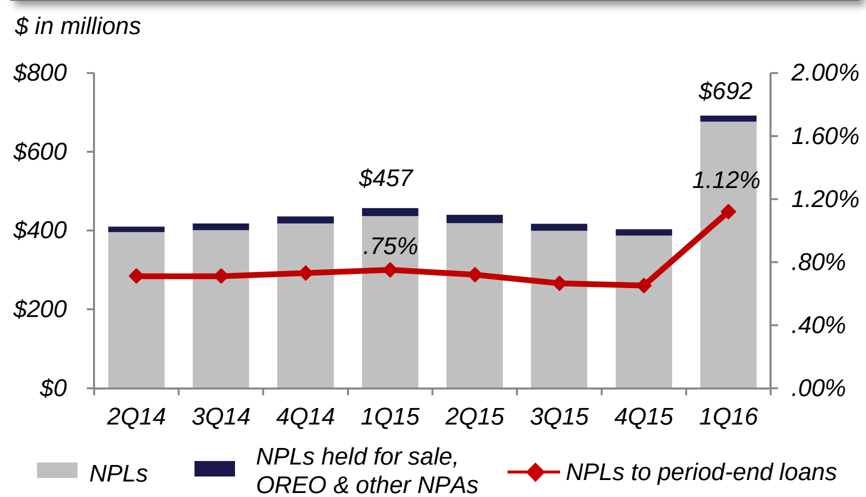
Highlights

- **Credit quality measures impacted by migration in the oil and gas portfolio, reflecting market conditions**
- **Net loan charge-offs remain below targeted range, at 31 basis points of average loans**
- **Nonperforming loans increased $289 MM from 4Q15, with 90% of the increase related to oil & gas**
- **Allowance for loan and lease losses represented 1.37% of period-end loans; 122% coverage of nonperforming loans**

Allowance for Loan and Lease Losses



Nonperforming Assets



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	Allowance / period-end loans (%)	Allowance / NPLs (%)
	3/31/16	**1Q16**	**1Q16**	**1Q16**	**3/31/16**	**3/31/16**	**3/31/16**	**3/31/16**
Commercial, financial and agricultural [a]	$ 31,976	$ 31,590	$ 23	.29%	$ 380	$ 477	1.49%	125.53%
Commercial real estate:								
Commercial Mortgage	8,364	8,138	(1)	(.05)	16	135	1.66	843.75
Construction	841	1,016	(1)	(.40)	12	23	2.73	191.67
Commercial lease financing	3,934	3,957	3	.30	11	43	1.09	390.91
Real estate – residential mortgage	2,234	2,236	-	-	59	20	.90	33.90
Home equity	10,149	10,240	7	.27	191	64	.63	33.51
Credit cards	782	784	7	3.59	2	31	3.95	N/M
Consumer direct loans	1,579	1,593	5	1.26	1	20	1.27	N/M
Consumer indirect loans	579	602	3	2.00	4	13	2.25	325.00
Continuing total [d]	**$ 60,438**	**$ 60,156**	**$ 46**	**.31%**	**$ 676**	**$ 826**	**1.37**	**122.19%**
Discontinued operations	1,760	1,787	6	1.35	6	24	1.36	400.00
Consolidated total	**$ 62,198**	**$ 61,943**	**$ 52**	**.34%**	**$ 682**	**$ 850**	**1.37**	**124.63%**

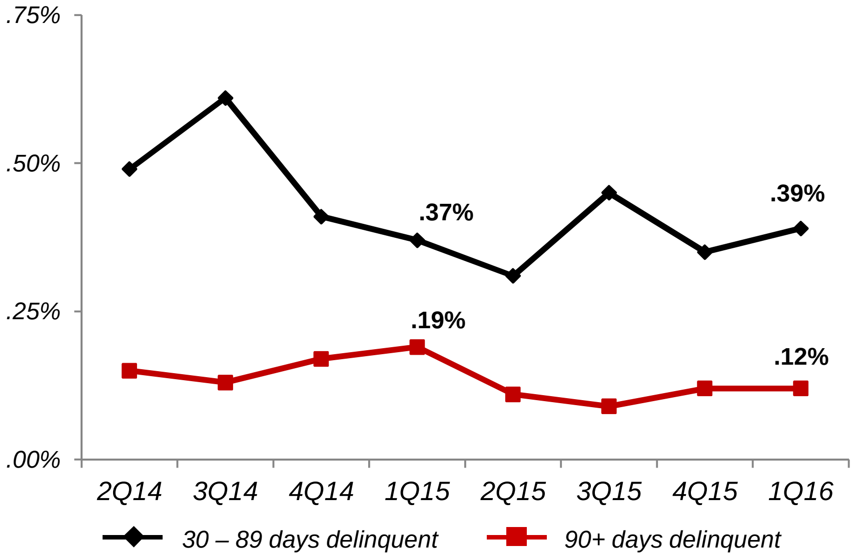
N/M = Not meaningful

(a) 3-31-16 ending loan balance includes $85 million of commercial credit card balances; 3-31-16 average loan balance includes $85 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 3-31-16 NPL amount excludes $11 million of purchased credit impaired loans
(d) 3-31-16 ending loan balance includes purchased loans of $109 million, of which $11 million were purchased credit impaired

Credit Quality Trends

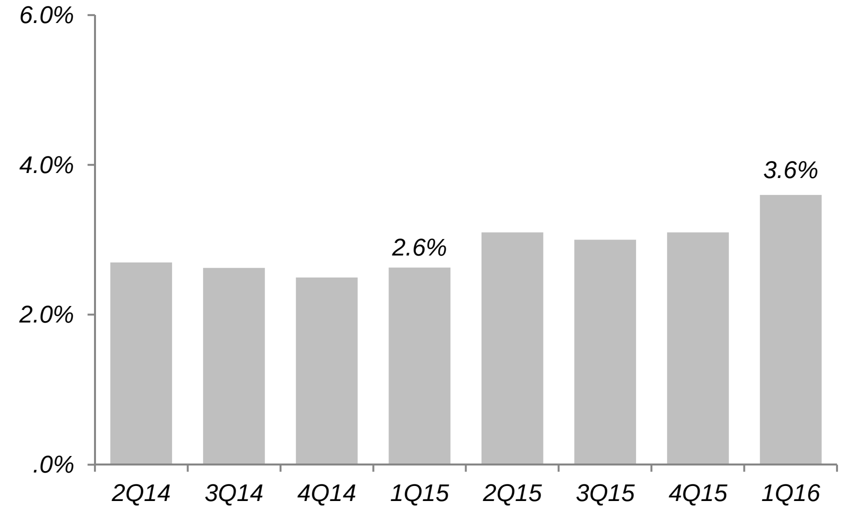
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings [(a)] to Period-end Total Loans

Continuing operations



Metric [(b)]	1Q16		4Q15		3Q15		2Q15		1Q15	
Delinquencies to EOP total loans: 30-89 days	.39	%	.35	%	.45	%	.31	%	.37	%
Delinquencies to EOP total loans: 90+ days	.12		.12		.09		.11		.19	
NPLs to EOP portfolio loans	1.12		.65		.67		.72		.75	
NPAs to EOP portfolio loans + OREO + Other NPAs	1.14		.67		.69		.75		.79	
Allowance for loan losses to period-end loans	1.37		1.33		1.31		1.37		1.37	
Allowance for loan losses to NPLs	122.2		205.7		197.5		190.0		181.7	

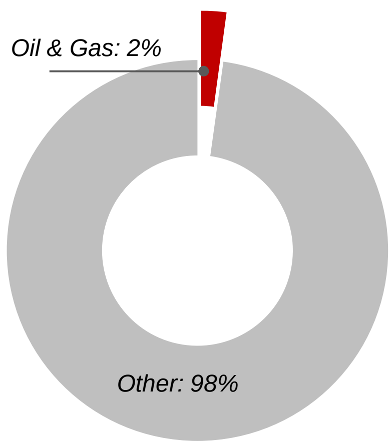
(a) Loan and lease outstandings
(b) From continuing operations

Oil & Gas

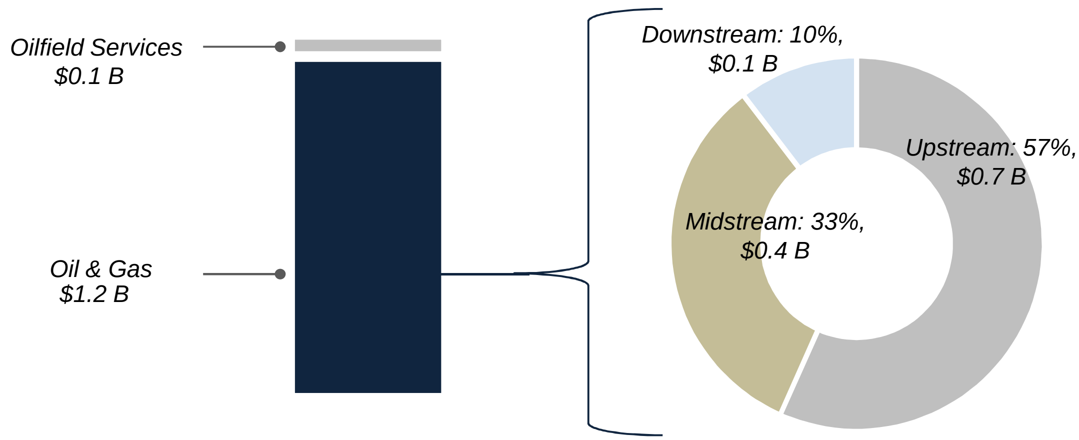
Longstanding history, expertise and relationships

- Total commitments of $3.1 B, including upstream commitments of $1.6 B
- Upstream portfolio is primarily secured by proven, developed and producing reserves
- Spring borrowing base redetermination in process
- Credit migration reflects recent regulatory guidance, which was applied to the entire portfolio
- Reserve coverage: 8% of outstanding oil and gas loans at period-end

Total Loans Outstanding, 3/31/16



Oil & Gas Outstanding Balances, 3/31/16



Home Equity Portfolio

Highlights

- High quality portfolio
- Community bank loans and lines: 98% of total portfolio; branch-originated
  - 61% first lien position
  - Average FICO score of 770
  - Average LTV at origination: 71%
- $4.0 billion of the total portfolio are fixed rate loans that require principal and interest payments; $6.1 billion are lines
- $1.0 billion in lines outstanding (10% of the total portfolio) come to end of draw period in the next three years
  - Proactive communication and client outreach initiated near end of draw period

Home Equity Portfolio – 3/31/16

$ 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	$ 6,042	$ 70,422	771	67 %	.6 %	60 %	4 %	2 %	2 %	32 %
Second lien	3,912	45,896	768	77	3.5	42	4	3	3	48
Community Bank	$ 9,954	58,200	770	71	1.7	53	4	2	3	38
Exit portfolio	195	18,941	728	80	29.1	-	-	-	-	100
Total home equity portfolio	**$ 10,149**									
Nonaccrual loans and lines										
First lien	$ 111	$ 63,744	717	73 %	2.7 %	15 %	3 %	3 %	4 %	75 %
Second lien	73	47,584	710	80	2.2	7	2	2	4	85
Community Bank	$ 184	56,191	714	77	2.5	12	3	2	4	79
Exit portfolio	7	22,005	706	83	20.5	-	-	-	-	100
Total home equity nonaccruals	**$ 191**									
First quarter net charge-offs (NCOs)										
Total home equity portfolio	$ 7									
% of average loans	.27 %									

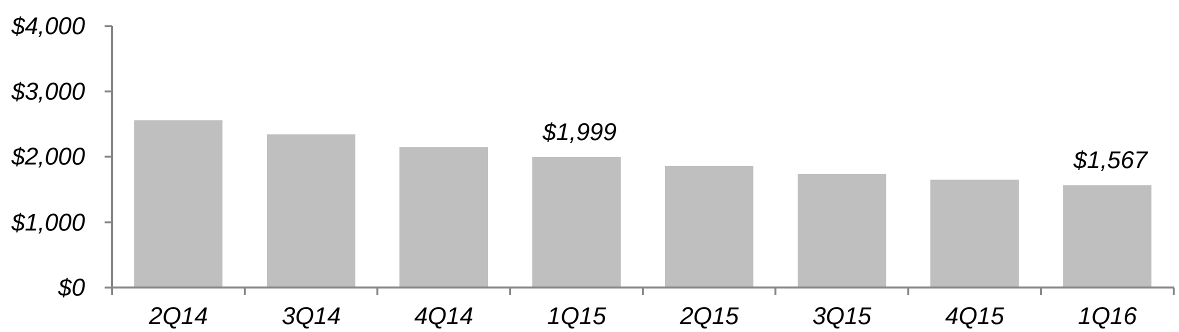
(a) Average LTVs are at origination; current average LTVs for Community Bank total home equity loans and lines is approximately 66%, which compares to 67% at the end of the fourth quarter of 2015

Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding		Change	Net Loan Charge-offs		Balance on Nonperforming Status	
	3-31-16	**12-31-15**	**3-31-16 vs. 12-31-15**	**1Q16**	**4Q15**	**3-31-16**	**12-31-15**
Residential properties – homebuilder	-	$ 6	$ (6)	-	-	$ 3	$ 8
Marine and RV floor plan	-	1	(1)	-	-	-	-
Commercial lease financing [(a)]	$ 743	765	(22)	$ 1	-	-	1
Total commercial loans	743	772	(29)	1	-	3	9
Home equity – Other	195	208	(13)	1	$ 2	7	8
Marine	544	583	(39)	2	1	4	6
RV and other consumer	39	41	(2)	-	-	-	-
Total consumer loans	778	832	(54)	3	3	11	14
Total exit loans in loan portfolio	**$ 1,521**	**$ 1,604**	**$ (83)**	**$ 4**	**$ 3**	**$ 14**	**$ 23**
Discontinued operations – education lending business (not included in exit loans above)	$ 1,760	$ 1,828	$ (68)	$ 6	$ 7	$ 6	$ 7

$ in millions; average balances



(a) Includes (1) the business aviation, commercial vehicle, office products, construction and industrial leases; (2) Canadian lease financing portfolios; (3) European lease financing portfolios; and (4) all remaining balances related to lease in, lease out; sale in, lease out; service contract leases; and qualified technological equipment leases.

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 3-31-16	12-31-15	9-30-15	6-30-15	3-31-15
Tangible common equity to tangible assets at period end					
Key shareholders' equity (GAAP)	$ 11,066	$ 10,746	$ 10,705	$ 10,590	$ 10,603
Less: Intangible assets [(a)]	1,077	1,080	1,084	1,085	1,088
Preferred Stock, Series A [(b)]	281	281	281	281	281
Tangible common equity (non-GAAP)	$ 9,708	$ 9,385	$ 9,340	$ 9,224	$ 9,234
Total assets (GAAP)	$ 98,402	$ 95,133	$ 95,422	$ 94,606	$ 94,206
Less: Intangible assets [(a)]	1,077	1,080	1,084	1,085	1,088
Tangible common equity to tangible assets ratio (non-GAAP)	$ 97,325	$ 94,053	$ 94,338	$ 93,521	$ 93,118
Tangible common equity to tangible assets ratio (non-GAAP)	9.97%	9.98%	9.90%	9.86%	9.92%
Common Equity Tier 1 at period end					
Key shareholders' equity (GAAP)	$ 11,066	$ 10,746	$ 10,705	$ 10,590	$ 10,603
Less: Preferred Stock, Series A [(b)]	281	281	281	281	281
Common Equity Tier 1 capital before adjustments and deductions	10,785	10,465	10,424	10,309	10,322
Less: Goodwill, net of deferred taxes	1,033	1,034	1,036	1,034	1,036
Intangible assets, net of deferred taxes	35	26	29	33	36
Deferred tax assets	1	1	1	1	1
Net unrealized gains (losses) on available-for-sale securities, net of deferred taxes	70	(58)	54	-	-
Accumulated gains (losses) on cash flow hedges, net of deferred taxes	46	(20)	21	(20)	8
Amounts in accumulated other comprehensive income (loss) attributed to pension and postretirement benefit costs, net of deferred taxes	(365)	(365)	(385)	(361)	(364)
Total Common Equity Tier 1 capital	$ 9,965	$ 9,847	$ 9,668	$ 9,622	$ 9,569
Net risk-weighted assets (regulatory)	$ 90,014	$ 89,980	$ 92,307	$ 89,851	$ 89,967
Common Equity Tier 1 ratio (non-GAAP)	11.07%	10.94%	10.47%	10.71%	10.64%
Noninterest expense excluding merger-related expense					
Noninterest expense (GAAP)	$ 703	$ 736	$ 724	$ 711	$ 669
Less: Merger-related expense	24	6	-	-	-
Noninterest expense excluding merger-related expense (non-GAAP)	$ 679	$ 730	$ 724	$ 711	$ 669
Earnings per common share (EPS) excluding merger-related expense					
EPS from continuing operations attributable to Key common shareholders — assuming dilution	$ .22	$ .27	$ .26	$ .27	$ .26
Add: EPS impact of merger-related expense	.02	-	-	-	-
EPS from continuing operations attributable to Key common shareholders excluding merger-related expense (non-GAAP)	$ .24	$ .27	$ .26	$ .27	$ .26

(a) Three months ended 3/31/16, 12/31/15, 9/30/15, 6/30/15, and 3/31/15, exclude $40 million, $45 million, $50 million, $55 million, and $61 million, respectively, of period-end purchased credit card receivables
(b) Net of capital surplus

GAAP to Non-GAAP Reconciliation (continued)

$ in millions	Three months ended 3-31-16	12-31-15	9-30-15	6-30-15	3-31-15
Pre-provision net revenue excluding merger-related expense					
Net interest income (GAAP)	$ 604	$ 602	$ 591	$ 584	$ 571
Plus: Taxable-equivalent adjustment	8	8	7	6	6
Noninterest income	431	485	470	488	437
Less: Noninterest expense excluding merger-related expense (non-GAAP)	679	730	724	711	669
Pre-provision net revenue from continuing operations excluding merger-related expense (non-GAAP)	$ 364	$ 365	$ 344	$ 368	$ 345
Return on average assets excluding merger-related expense					
Net income (loss) from continuing operations attributable to Key (GAAP)	$ 187	$ 230	$ 222	$ 235	$ 228
Less: Merger-related expense, after tax	(15)	(4)	-	-	-
Net income (loss) from continuing operations attributable to Key excluding merger-related expense, after tax (non-GAAP)	$ 202	$ 234	$ 222	$ 235	$ 228
Average total assets from continuing operations	$ 94,477	$ 94,117	$ 92,649	$ 91,658	$ 89,627
Return on average assets excluding merger-related expense (non-GAAP)	.86%	.99%	.95%	1.03%	1.03%
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 703	$ 736	$ 724	$ 711	$ 669
Less: Intangible asset amortization	8	9	9	9	9
Adjusted noninterest expense (non-GAAP)	$ 695	$ 727	$ 715	$ 702	$ 660
Less: Merger-related expense	24	6	-	-	-
Adjusted noninterest expense excluding merger-related expense (non-GAAP)	$ 671	$ 721	$ 715	$ 702	$ 660
Net interest income (GAAP)	604	602	591	584	571
Plus: Taxable-equivalent adjustment	8	8	7	7	6
Noninterest income	431	485	470	488	437
Total taxable-equivalent revenue (non-GAAP)	$ 1,043	$ 1,095	$ 1,068	$ 1,079	$ 1,014
Cash efficiency ratio (non-GAAP)	66.6%	66.4%	66.9%	65.1%	65.1%
Cash efficiency ratio excluding merger-related expense (non-GAAP)	64.3%	65.8%	66.9%	65.1%	65.1%

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

KeyCorp & Subsidiaries

$ in billions		Quarter ended March 31, 2016	
Common Equity Tier 1 under current RCR	$	10.0	
Adjustments from current RCR to the fully phased-in RCR:			
Deferred tax assets and other intangible assets [b]		-	
Common Equity Tier 1 anticipated under the fully phased-in RCR [c]	$	9.9	
Net risk-weighted assets under current RCR	$	90.0	
Adjustments from current RCR to the fully phased-in RCR:			
Mortgage servicing assets [d]		.5	
Volcker Funds		(.3)	
All other assets		-	
Total risk-weighted assets anticipated under the fully phased-in RCR [c]	$	90.2	
Common Equity Tier 1 under the fully phased-in RCR		**11.02**	**%**

Table may not foot due to rounding

(a) Common Equity Tier 1 capital 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 Common Equity Tier 1 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 intangible assets (other than goodwill and mortgage servicing assets) subject to the transition provisions of the final rule

(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%