Investor Meetings: May 2017

KeyCorp

Focused *Forward*

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

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 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 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: difficulties and delays in integrating the First Niagara business or fully realizing cost savings and other benefits; 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 charges. 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 page 39 of our Form 10-K dated December 31, 2016.

GAAP: Generally Accepted Accounting Principles

Key: Who We Are

A Relationship-focused Bank

Business Diversity

- Key Community Bank
- Key Corporate Bank

Broad Product Set and Industry Expertise

Deposits · *Payments* · *Wealth Mgmt.* · *Advice & Expertise* · *Lending* · *Investments* · *Capital Markets*

Industry Verticals

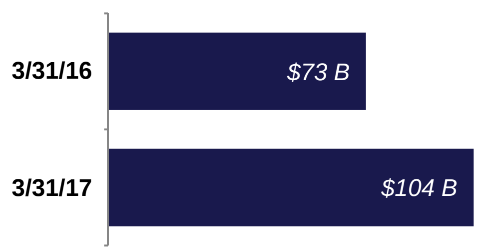
Targeted Verticals: *Consumer, Energy, Healthcare, Industrial, Public Sector, Real Estate, Technology*

Targeted Clients

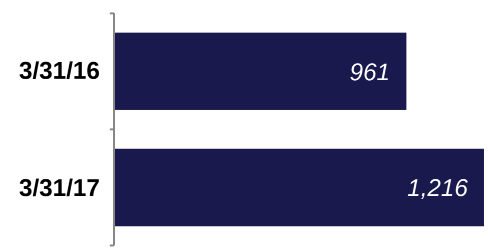
- ✓ Consumers
- ✓ Small businesses
- ✓ Middle market
- ✓ Large corporate

Loans

Deposits

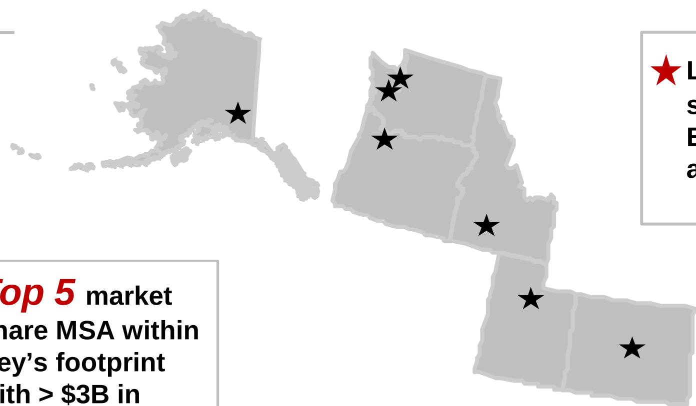


Branches



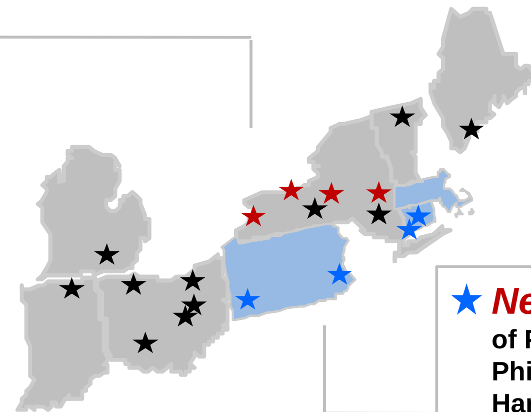
Strong Geographic Presence

FNFG acquisition strengthened Key's brand and presence in shared markets while adding complementary new markets



★ ***Top 5*** **market share MSA within Key's footprint with > $3B in market deposits(a)**

★ **Leading market share in Albany, Buffalo, Rochester, and Syracuse(b)**



★ ***New*** **markets of Pittsburgh, Philadelphia, Hartford, and New Haven**

Longstanding history in Upstate New York, now with an even stronger presence

Leading Market Share

Upstate NY Markets

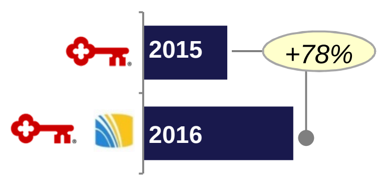
- **Albany**
- **Buffalo**
- **Rochester**
- **Syracuse**

24%

of Key's total Deposits(b)

Stronger Presence

Upstate NY deposits per branch(b), (c)

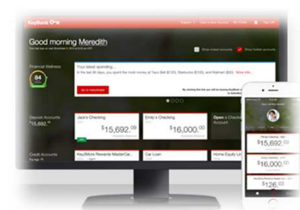


Improved Accessibility

>700

new branches and ATMs in Upstate NY

Enhanced Digital Experience



Notes: MSA denotes Metropolitan Statistical Area

(a) ★ 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, Binghamton, Boise, Buffalo, Burlington, Canton, Cleveland, Dayton, Denver, Kingston, New Haven, Olympia, Portland (ME), Portland (OR), Rochester, Salt Lake City, Seattle, South Bend, Syracuse, and Toledo); source: FDIC Summary of Deposits Annual Survey, June 30, 2016

(b) Source: FDIC Summary of Deposits Annual Survey, June 30, 2016; analysis caps all branches at $250MM to adjust for commercial and headquarters deposits

(c) Reflects data as of 6/30/15 and 6/30/16; Upstate NY branch count adjusted to reflect 2H16 consolidations and divestitures

Business Model: Winning with Clients

Broad product offering creates a competitive advantage with targeted clients and has enabled us to take market share

Compelling Value Proposition for Consumers

Client-centric approach, providing ***ease, value and expertise***

Nine consecutive quarters of average **deposit growth** in the Community Bank

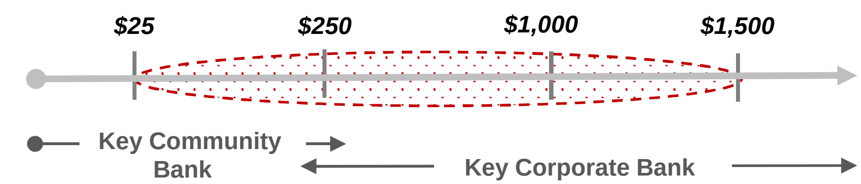
Credit card transactions up 13% 2016 vs. 2015 (excluding FNFG)

Digital originations up 30% 2016 vs. 2015

>90,000 enrollments in Key's **Financial Wellness platform**

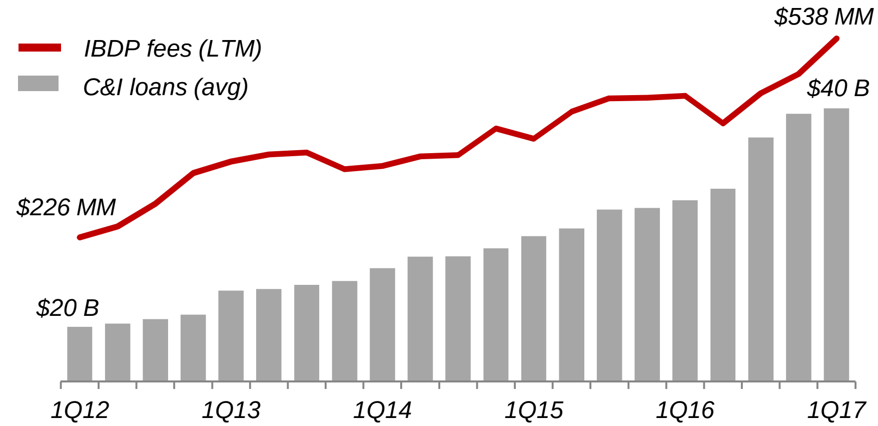
Uniquely Positioned for Middle Market Clients

Commercial client revenue size ($ MM)



Growing Loans and Fee Income

Record investment banking & debt placement (IBDP) fees



+46k
Net retail household growth in 2016[(a)]

>1,200
New or expanded Corporate Bank relationships in 2016[(a)]

+1 million
First Niagara clients

(a) Retail household growth and Corporate Bank relationships exclude First Niagara clients

Driving Positive Operating Leverage

Executing action plans across our organization to improve efficiency

Core Business Momentum

- Adding and expanding relationships
- Revenue strength supported by disciplined expense management; cash efficiency ratio of 60.4%[(a)] in 1Q17
- Return on average tangible common equity of 12.9%[(a)] in 1Q17

9 of 10

past quarters with YoY
positive operating leverage[(b)]

Investing in People, Products and Capabilities

- Adding new bankers; remixing staff
- Enhancing digital offering, including new products and expertise
- Engaging in strategic partnerships

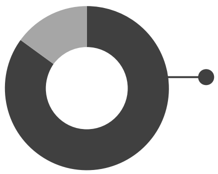
Commercial & Corporate Bank RMs[(c)]:

+ 35%

2013 vs. 2016

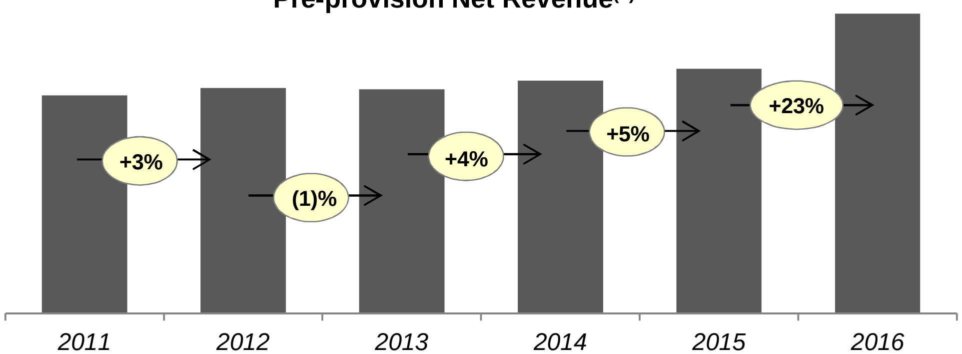
First Niagara Acquisition

- Focused on achieving financial targets
- Increased cost savings target to $450 MM
- Incremental opportunity from revenue synergies



Achieved 85% of $400 MM cost savings target through 1Q17

Pre-provision Net Revenue[(a)]



Efforts to drive positive operating leverage and improve efficiency have resulted in growth of pre-provision net revenue

(a) Non-GAAP measure and excludes merger-related charges; see appendix for reconciliations and detail on merger-related charges
(b) Excludes merger-related charges; see slide appendix for detail
(c) Commercial and Corporate Bank RMs as of December 2013 and December 2016

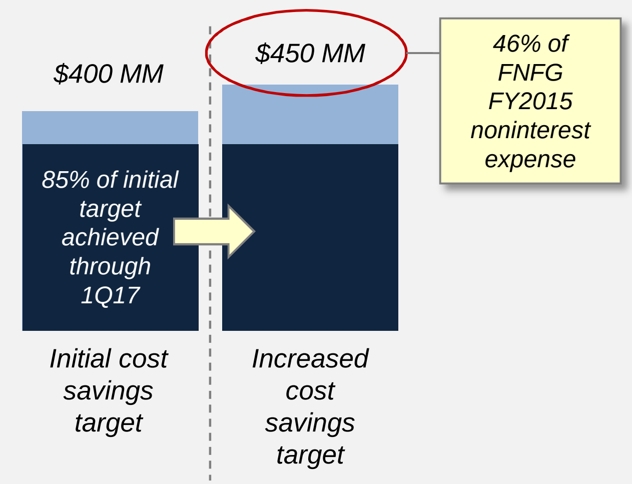
First Niagara: Significant Progress, Achieving Targets

Broad-based Progress

- **Execution of detailed merger plans**
  - Completed 106 planned branch consolidations
  - Reduced nonbranch space by 225k sq. ft. (~45%)
  - Decommissioned 99% of planned applications and servers
  - Exited >200 third party vendor relationships >$100k
- **Transformed Upstate NY market presence**
  - Created leading market share[(a)]
  - Increased deposits/branch by ~70%
  - 1.7x increase in client-facing commercial and private bankers
- **Strengthening relationships with one million new clients**
  - Solid deposit growth from conversion
    - Retail growth in each FNFG market (~$600 MM total)
  - Early results in commercial mortgage banking and payments
  - New residential mortgage platform; continued build-out of business
- **Executing on financial targets**
- **Continued confidence in incremental opportunity from revenue synergies**

Achieving Targets

- **Delivering value through cost savings**
  - Achieved 85% of $400 million initial target
    - Expect remaining savings to be achieved by 2Q17
- **Increased cost savings target to $450 million; expect to achieve by early 2018**



(a) Source: FDIC Summary of Deposits Annual Survey, June 30, 2016; based on analysis that caps all branches at $250 MM to adjust for commercial and headquarters deposits

Outlook and Expectations

	FY 2017 [(a)]
Average Earning Assets	• Loans: mid-single digit growth from 4Q16, which translates to \$87 B - \$88 B for FY17 average balances – Loan growth (%) to exceed deposit growth, with FY17 average deposits expected to be in the range of \$104 B - \$105 B
Net Interest Income	• Outlook includes one additional rate increase in late 2017 • Net interest income expected to be in the range of \$3.7 B - \$3.8 B – Reflects consistent decline in purchase accounting accretion
Noninterest Income	• Expected to be in the range of \$2.3 B - \$2.4 B
Noninterest Expense	• Expected to be in the range of \$3.65 B - \$3.75 B
Credit Quality	• Net charge-offs to average loans below targeted range of 40 – 60 bps • Provision expected to slightly exceed net charge-offs to provide for loan growth
Taxes	• GAAP tax rate in the range of 25% - 27%

Long-term Targets

Positive operating leverage

Cash efficiency ratio:
<60%

Moderate risk profile:
Net charge-offs to avg. loans targeted range of 40-60 bps

ROTCE:
13-15%

Guidance ranges: relatively stable: +/- 2%; low single-digit: <5%; mid-single digit: 4% - 6%; high-single digit 7-9%

(a) Guidance provided does not include merger-related charges

Financial Review

Financial Highlights

Results in 3Q16 and after reflect the impact of the FNFG acquisition, which became effective on 8/1/2016

Continuing operations, unless otherwise noted

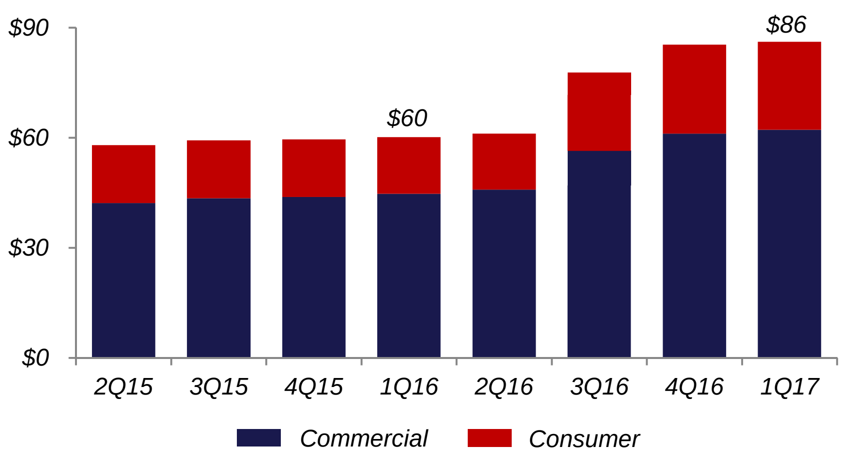
	Metrics	1Q17		4Q16		3Q16		2Q16		1Q16	
Financial Performance	EPS – assuming dilution	$ .27		$ .20		$ .16		$ .23		$ .22	
	EPS –excl. merger-related charges[d], [e]	.32		.31		.30		.27		.24	
	Cash efficiency ratio[d]	65.8	%	76.2	%	80.0	%	69.0	%	66.6	%
	Cash efficiency –excl. merger-related charges[d], [e]	60.4		63.3		64.9		64.8		64.3	
	Return on average total assets	.99		.69		.55		.82		.80	
	ROAA –excl. merger-related charges[d], [e]	1.15		1.06		.98		.94		.86	
	Return on tangible common equity	10.98		7.88		6.16		7.94		7.64	
	ROTCE –excl. merger-related charges[d], [e]	12.87		12.47		11.10		9.09		8.27	
Balance Sheet Growth[a]	Total loans and leases	43	%	43	%	31	%	5	%	5	%
	C&I loans	27		28		23		12		12	
	Deposits (excl. foreign deposits)	43		46		36		5		4	
Capital[b]	Common Equity Tier 1[c], [d]	9.87	%	9.54	%	9.56	%	11.10	%	11.07	%
	Tier 1 risk-based capital[c]	10.70		10.89		10.53		11.41		11.38	
	Tangible common equity to tangible assets[d]	8.51		8.09		8.27		9.95		9.97	
Asset Quality	NCOs to average loans	.27	%	.34	%	.23	%	.28	%	.31	%
	NPLs to EOP portfolio loans[f]	.67		.73		.85		1.00		1.12	
	Allowance for loan and lease losses to EOP loans	1.01		1.00		1.01		1.38		1.37	

TE = Taxable equivalent; EOP = End of Period
(a) Year-over-year average balance growth
(b) From consolidated operations
(c) 3-31-17 ratios are estimated
(d) Non-GAAP measure: see slides 24-25 for reconciliation
(e) Merger-related charges detail available on slide 23
(f) Nonperforming loan balances exclude $812 million, $865 million, $959 million, $11 million, and $11 million of purchased credit impaired loans at March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively

Loans

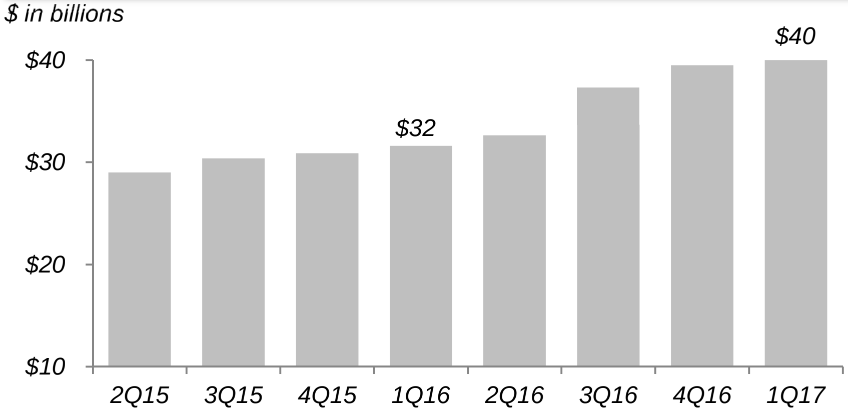
Total Average Loans

$ in billions



Average Commercial & Industrial Loans

$ in billions



Highlights

vs. Prior Year

- **Average loans up 43% from 1Q16**
  - **Growth primarily reflects impact of FNFG**
  - **C&I continues to be a driver**

vs. Prior Quarter

- **Average loans up 1% from 4Q16**
  - **Commercial loan growth (+2%) more than offset lower consumer loan balances**
  - **Commercial loan growth reflects ongoing business activity and lower payoffs in Real Estate Capital**
  - **Consumer loans primarily reflects continued decline in the home equity portfolio, in-line with overall market trends**

Loan Portfolio Detail, at 3/31/17

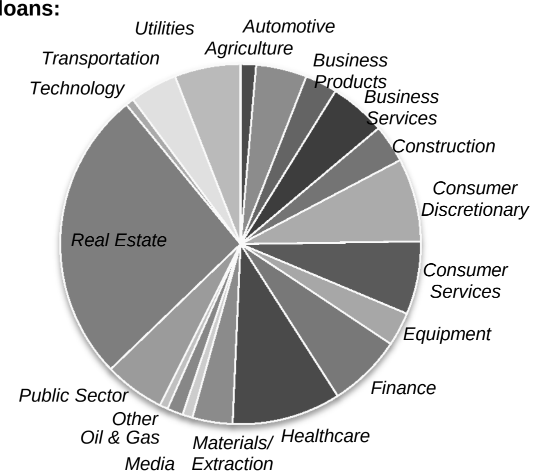
Total Loans

$ in billions		3/31/17	% of total loans
Commercial and industrial	$	40.1	47
Commercial real estate		17.5	20
Commercial lease financing		4.7	5
Total Commercial	$	62.3	72
Residential mortgage	$	5.5	6
Home equity		12.5	15
Consumer direct		1.7	2
Credit card		1.0	1
Consumer indirect		3.0	3
Total Consumer	$	23.8	28

Commercial Loans

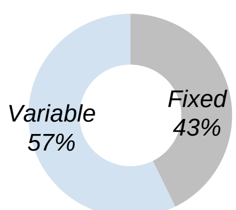
Diversified Portfolio by Industry

Total commercial loans:



Home Equity

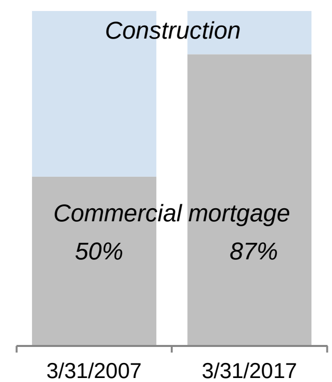
		Outstanding Balances			Average Loan Size	Average FICO	2008/ prior vintage
First lien	$	7,425	59 %	$	65,694	774	23 %
Second lien		5,116	41		41,997	770	41
Total home equity	**$**	**12,541**					



- Combined weighted-average LTV at origination: 71%
- $1.0 billion in lines outstanding (8% of the total portfolio) come to end of draw period by 4Q19

Commercial Real Estate

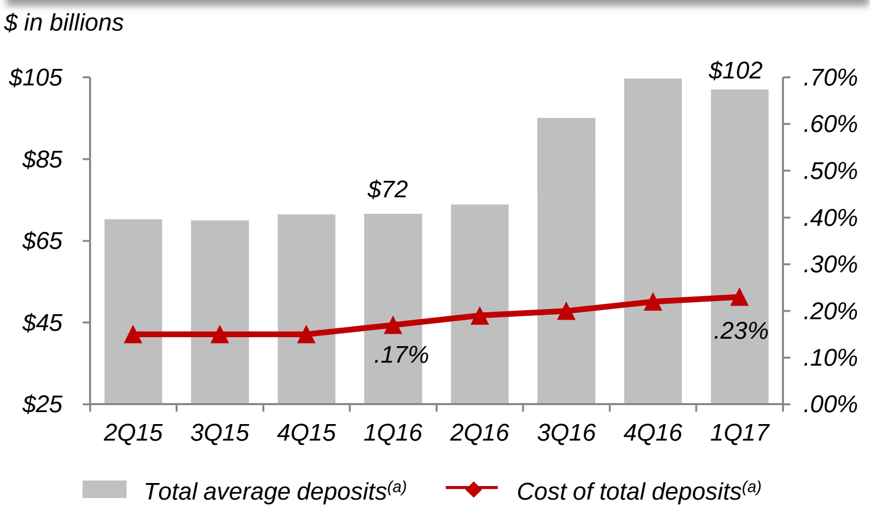
- Focused on relationships with CRE owners
- Aligned with targeted industry verticals
- Primarily commercial mortgage; selective approach to construction
- Criticized non-accruals: 0.2% of period-end balances
- Net recoveries of $1 MM for 1Q17



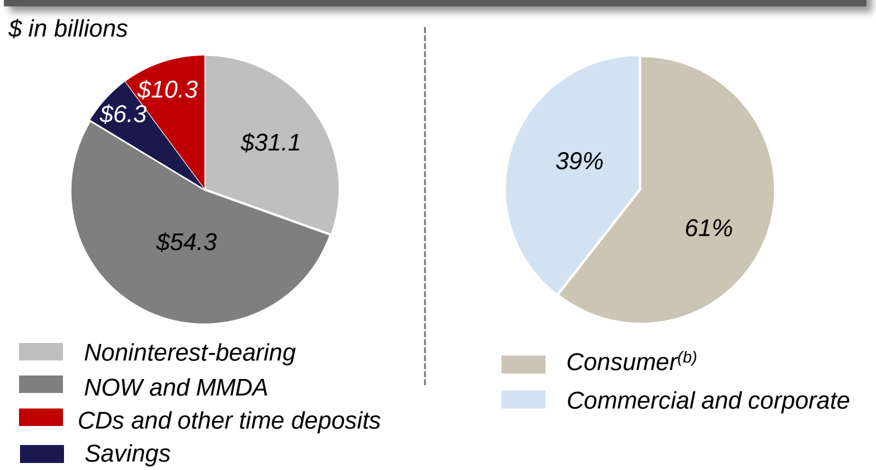
Tables may not foot due to rounding

Deposits

Average Deposits[(a)]



1Q17 Average Deposit Mix



Highlights

- **Relatively stable deposit costs in 1Q17 and beta below 10%[(c)]**

vs. Prior Year

- **Average deposit growth of 43% from 1Q16**
  - **Growth primarily reflects impact of FNFG**
  - **Continued momentum with core retail deposits**

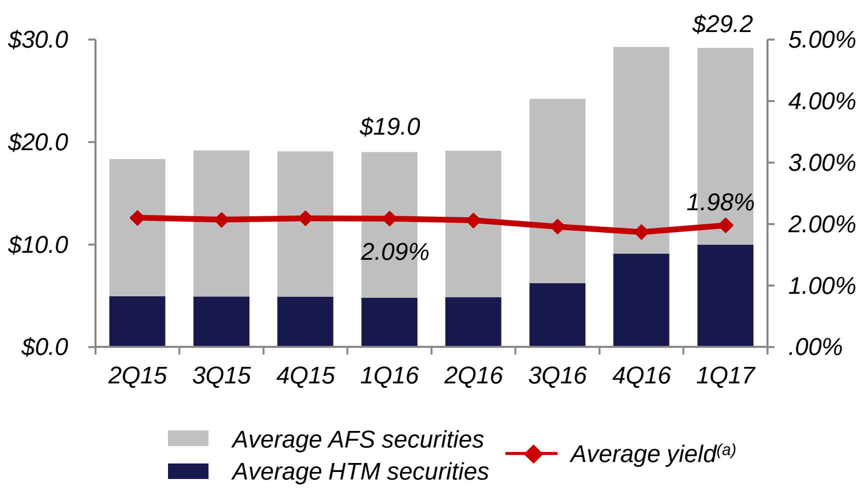
vs. Prior Quarter

- **Average deposit balances down 2% from 4Q16**
  - **Largely driven by escrow deposits and a targeted reduction in certain short-term commercial deposits**
- **Period-end deposits stable**
  - **Reflects core retail deposit growth offset by lower escrow deposits**

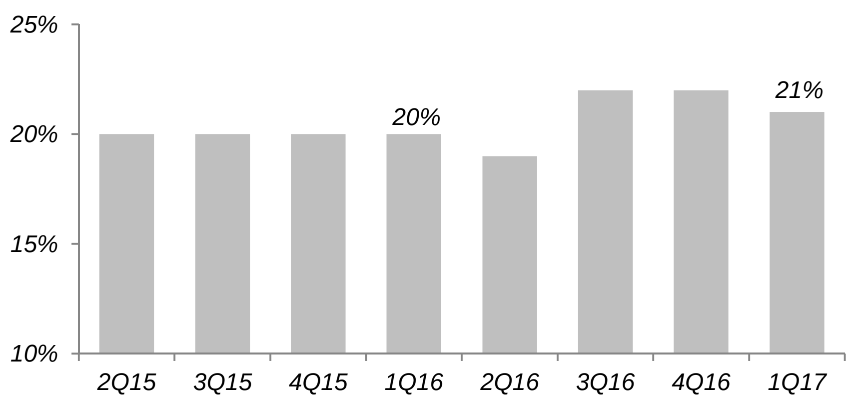
(a) Excludes deposits in foreign office
(b) Consumer includes retail banking, small business, and private banking
(c) Beta based upon change in Key's interest-bearing deposit cost relative to the fed funds target rate, 1Q17 vs. 4Q16

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets[b]



Highlights

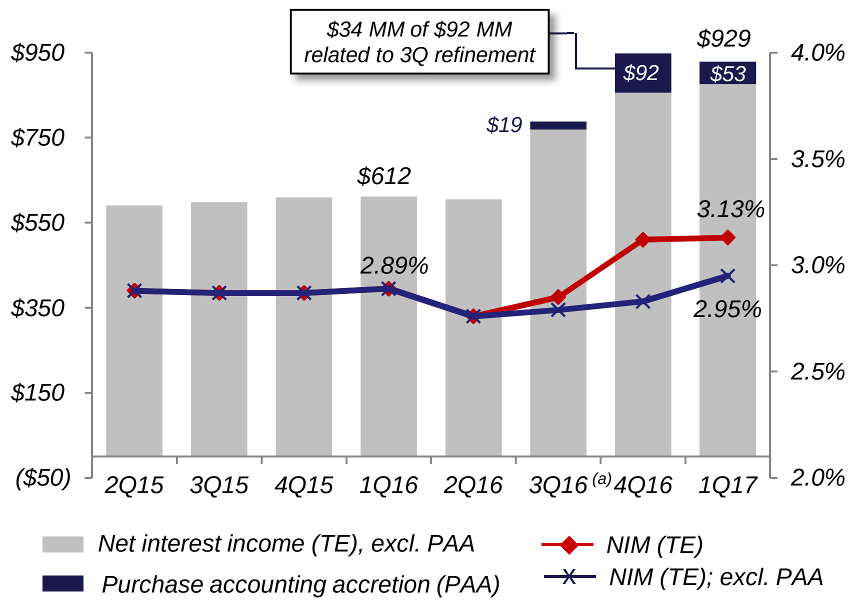
- Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs; primarily fixed rate
- Continue to position portfolio for regulatory liquidity requirements:
  - Reinvesting cash flows into High Quality Liquid Assets, including GNMA securities (47% of 1Q17 average balances)
- Securities cash flows of $1.5 billion in 1Q17 and $2.0 billion in 4Q16
- Portfolio used for funding and liquidity management
  - Reinvested ~40% of 1Q17 cash flows
  - Sold $900 MM of floating rate CMOs during 1Q17
- Average portfolio life at 3/31/17 of 4.3 years (4.3 years at 12/31/16)

(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



	1Q16	2Q16	3Q16	4Q16	1Q17
NIM – reported	**2.89%**	**2.76%**	**2.85%**	**3.12%**	**3.13%**
PAA	-	-	.06	.19	.18
3Q PAA refinement	-	-	-	.11	-
NIM – excl. PAA	**2.89**	**2.76**	**2.79**	**2.82**	**2.95**

Highlights

- **1Q17 net interest income includes $53 MM, or 18 bps, from PAA**
- **Excluding impact of PAA, 1Q17 net interest income was $876 MM and net interest margin was 2.95%**

vs. Prior Year

- **Net interest income up $264 MM from 1Q16, excl. PAA**
  - **Largely driven by the impact of FNFG, and higher earnings asset yields and balances**

vs. Prior Quarter

- **Net interest income up $20 MM from 4Q16, excl. PAA**
  - **Reflects higher earning asset yields, partially offset by day count**

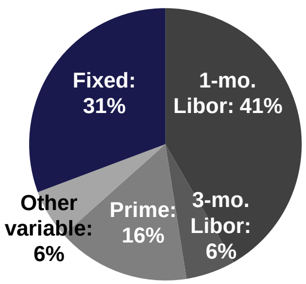
NIM Change vs. Prior Quarter	***4Q16:***	***3.12%***
Higher earning asset yields		.10
Lower levels of liquidity		.03
4Q PAA refinement of 3Q results		(.11)
1Q PAA vs. 4Q PAA		(.01)
Total change		**.01**
	1Q17:	***3.13%***

TE = Taxable equivalent
PAA = Purchase accounting accretion
(a) 3Q16 Net interest income included $6 million of merger-related charges; merger-related charges detail provided on slide 23

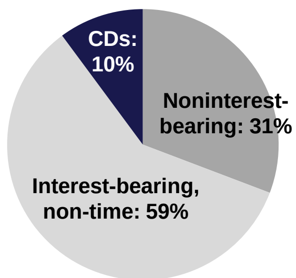
Interest Rate Risk Management

Naturally Asset Sensitive Balance Sheet with Relatively Short Duration[a]

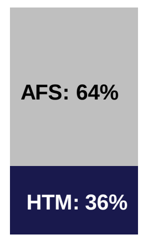
Loans
$86 B



Deposits
$104 B



Investment Portfolio
$29 B



Primarily fixed rate
Average life: 4.3 yrs
1Q17 cash flows: $1.5 B

Actively Managing Rate Risk

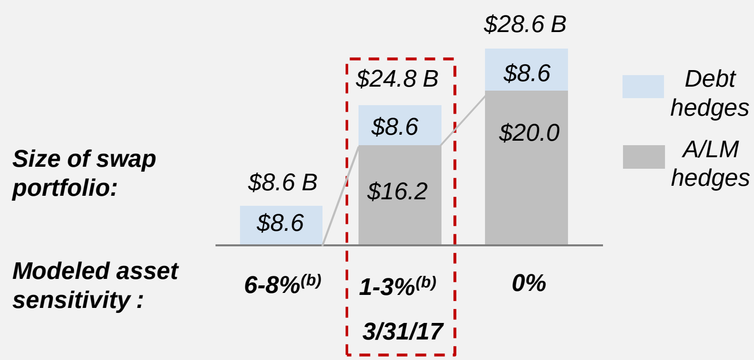
- **Key manages interest rate risk through security purchases, debt issuance, and the use of swaps**
- **Swaps modify the rate characteristics of assets and liabilities**
  - $16.2 B of swaps for A/L management with 1.9 year WAM
  - $8.6 B of debt hedges
- **Modestly asset sensitive[b]**
  - NII impact of 1% -3% for a 200 bps increase over 12 months
    - Reflects a beta of 0% - 55% for deposit repricing for the first 25 bps change in rates and ~55% for the next 175 bps
    - Assumes replacement of swaps and securities cash flows

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

Utilize Swaps to Achieve and Adjust Modest Asset Sensitivity

- **Short weighted average maturity of A/LM swaps**
  - Provides flexibility to reprice and adjust overall sensitivity
  - Fairly even pace of maturities ($3.5 B remaining in 2017)
- **Replacement swaps reflect forward curve at time of origination**

Swaps *($ in B)*	3/31/17 Notional Amt.	Wtd. Avg. Maturity (Yrs.)	Receive Rate	Pay Rate
A/L Management (receive fixed / pay variable)	$ 16.2	1.9	1.1%	.8%
Debt	8.6	3.0	1.6	.9
	$ 24.8	**2.3**	**1.3%**	**.9%**



(a) Loan, deposit and investment portfolio balances reflect 3-31-17 period-end balances
(b) Simulation analysis for net interest income is described in Figure 34 of Key's 2016 Form 10-K

Noninterest Income

Noninterest Income

$ in millions *Up / (Down)*	1Q17	vs. 1Q16	vs. 4Q16
Trust and investment services income	$ 135	$ 26	$ 12
Investment banking and debt placement fees	127	56	(30)
Service charges on deposit accounts	87	22	3
Operating lease income and other leasing gains	23	6	2
Corporate services income	54	4	(7)
Cards and payments income	65	19	(4)
Corporate-owned life insurance	30	2	(10)
Consumer mortgage income	6	4	-
Mortgage servicing fees	18	6	(2)
Net gains (losses) from principal investing	1	1	(3)
Other income	31	-	(2)
Total noninterest income	**$ 577**	**$ 146**	**$ (41)**
Merger-related charges[(a)]	-	-	(9)
Total noninterest income, excluding merger-related charges[(b)]	**$ 577**	**$ 146**	**$ (32)**

Highlights

- **Solid first quarter results, with strength in trust and investments services, and investment banking and debt placement (IBDP)**

vs. Prior Year

- **Noninterest income up $146 MM from 1Q16**
  - **Strength in IBDP from improved capital markets conditions and activity**
  - **Growth in trust & investment services, service charges on deposit accounts, and cards & payments income**

vs. Prior Quarter

- **Noninterest income down $32 MM from 4Q16, excl. 4Q16 benefit from merger-related charges**
  - **Lower IBDP (down $30 MM)**
  - **Seasonally lower COLI (down $10 MM)**
  - **Growth in trust and investment services (up $12 MM)**

(a) Merger-related charges detail provided on slide 23
(b) Non-GAAP measure: see slides 24-25 for reconciliation

Noninterest Expense

Noninterest Expense

$ in millions Up / (Down)	1Q17	vs. 1Q16	vs. 4Q16
Personnel	$ 556	$ 152	$ 92
Net occupancy	87	26	(25)
Computer processing	60	17	(37)
Business services, professional fees	46	5	(32)
Equipment	27	6	(3)
Operating lease expense	19	6	2
Marketing	21	9	(14)
FDIC assessment	20	11	(3)
Intangible asset amortization	22	14	(5)
OREO expense, net	2	1	(1)
Other expense	153	63	3
Total noninterest expense	**$ 1,013**	**$ 310**	**$ (207)**
Merger-related charges[a]	81	57	(126)
Total noninterest expense, excluding merger-related charges[b] and First Niagara	**$ 932**	**$ 253**	**$ (81)**

Charges ($ MM)	1Q17	PY: 1Q16	PQ: 4Q16
Merger-related	81	24	207
Pension settlement	-	-	18

Highlights

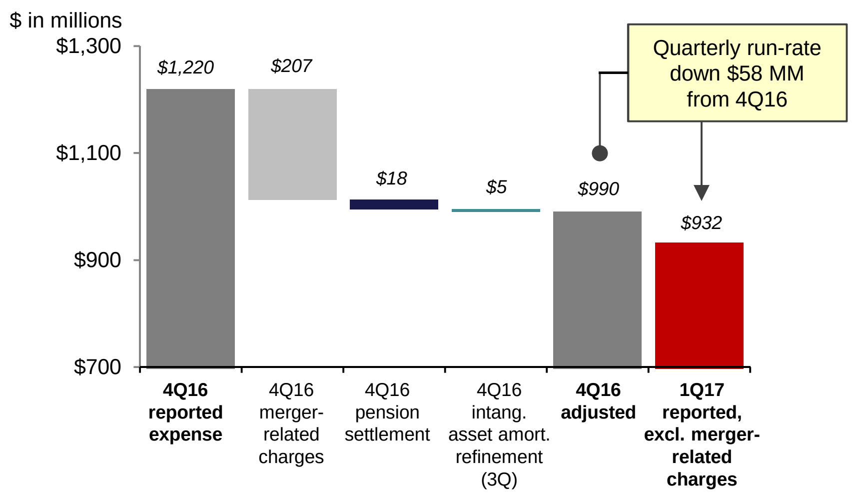
- **1Q17 noninterest expense of $1,013 MM included $81 MM of merger-related charges (compared to $24 MM of merger-related charges in 1Q16 and $207 MM in 4Q16)**
- **Expense levels reflect achievement of 85% of initial targeted cost savings; remainder to be realized by 2Q17**
  - Increased target to $450 MM (early 2018)

vs. Prior Year

- **Noninterest expense up $253 MM, excl. merger charges[b]**
  - Primarily reflects impact of FNFG
  - Higher incentive compensation (stronger capital markets performance)

vs. Prior Quarter

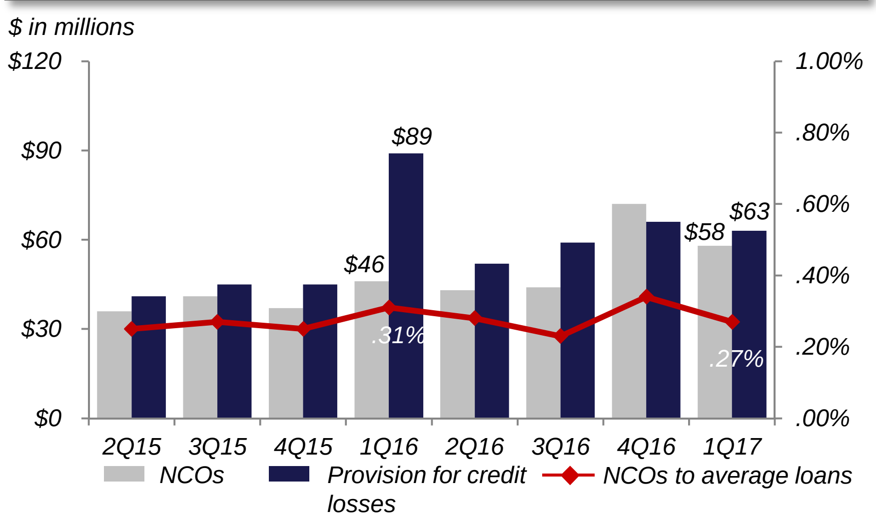
- **Noninterest expense down $81 MM, excl. merger charges[b]**
  - Reflects merger cost savings (85% of annualized target)
  - Absence of 4Q16 pension settlement charge ($18 MM)
  - Lower incentive and stock-based compensation, offset by seasonally higher benefits



(a) Merger-related charges detail provided on slide 23
(b) Non-GAAP measure: see slides 24-25 for reconciliation

Credit Quality

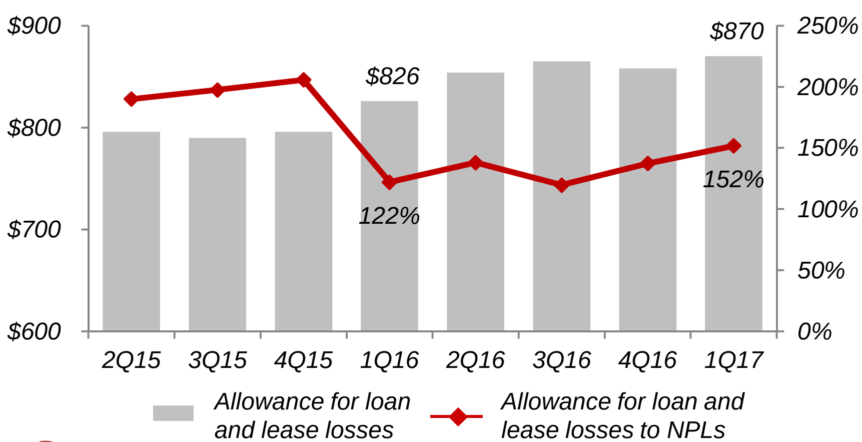
Net Charge-offs & Provision for Credit Losses



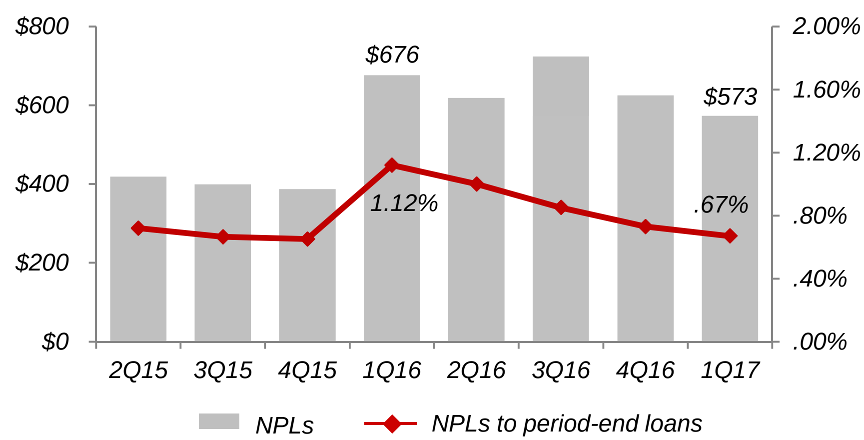
Highlights

- **Portfolios continue to perform well**
- **Net loan charge-offs of $58 MM**
  - **27 basis points of average loans, below targeted range**
- **Nonperforming loans down 8% from 4Q16 and represent 67 bps of period-end loans**

Allowance for Loan and Lease Losses



Nonperforming Loans[(a)]

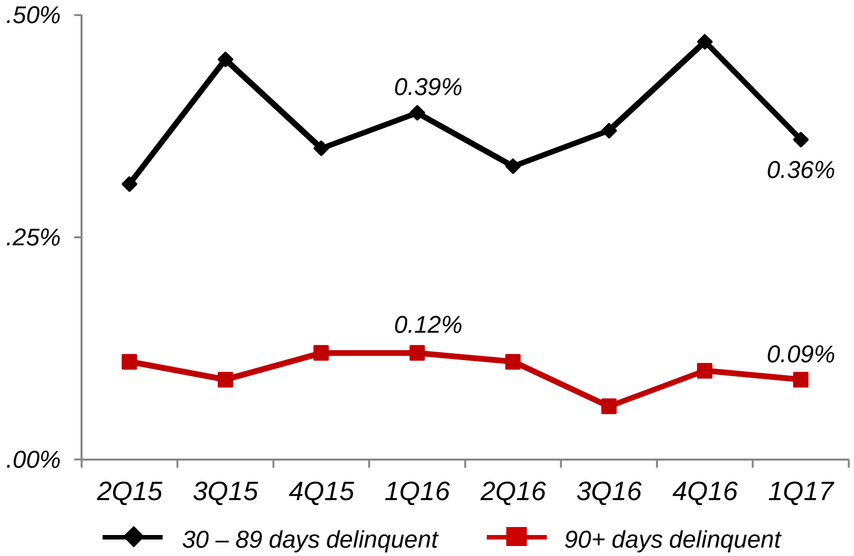


(a) Nonperforming loan balances exclude $812 million, $865 million and $11 million of purchased credit impaired loans at March 31, 2017, December 31, 2016, and March 31, 2016, respectively

Credit Quality Trends

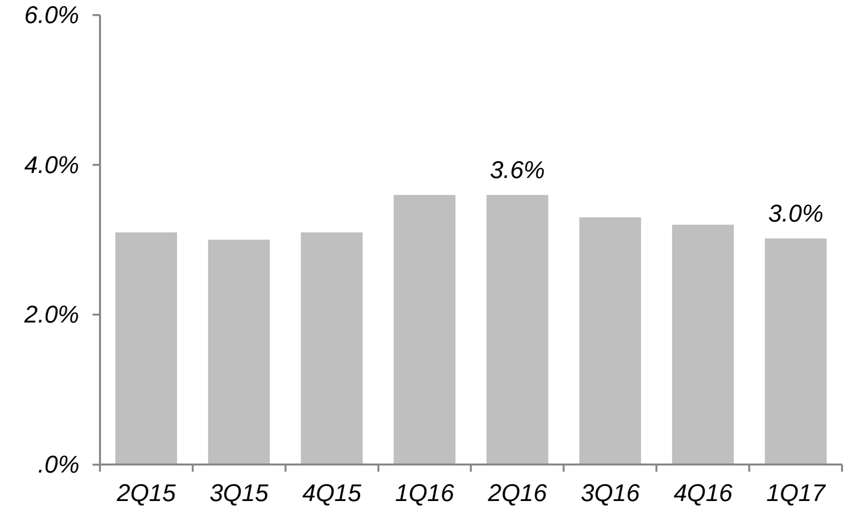
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations



Metric[b]	1Q17	4Q16	3Q16	2Q16	1Q16
Delinquencies to EOP total loans: 30-89 days	.36 %	.47 %	.37 %	.33 %	.39 %
Delinquencies to EOP total loans: 90+ days	.09	.10	.06	.11	.12
NPLs to EOP portfolio loans[c]	.67	.73	.85	1.00	1.12
NPAs to EOP portfolio loans + OREO + Other NPAs[c]	.72	.79	.89	1.03	1.14
Allowance for loan losses to period-end loans	1.01	1.00	1.01	1.38	1.37
Allowance for loan losses to NPLs	151.8	137.3	119.6	138.0	122.2

(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition
(b) From continuing operations
(c) Nonperforming loan balances exclude $812 million, $865 million, $959 million, $11 million, and $11 million of purchased credit impaired loans at March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively

Credit Quality

Credit Quality by Portfolio

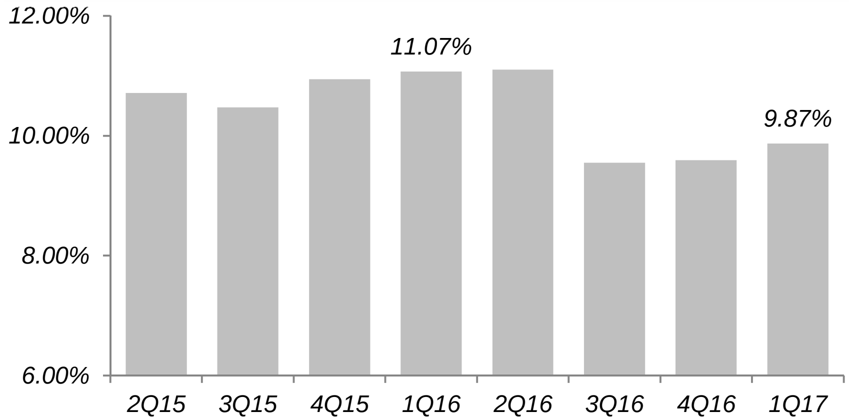
$ in millions	Period-end loans	Average loans	Net loan charge-offs	Net loan charge-offs[b] / average loans (%)	Nonperforming loans[c]	Ending allowance[d]	Allowance / period-end loans[d] (%)	Allowance / NPLs (%)
	3/31/17	1Q17	1Q17	1Q17	3/31/17	3/31/17	3/31/17	3/31/17
Commercial and industrial[a]	$ 40,112	$ 40,002	$ 27	.27%	$ 258	$ 512	1.28%	198.45%
Commercial real estate:								
Commercial Mortgage	15,260	15,187	-	-	32	147	.96	459.38
Construction	2,270	2,353	(1)	(.17)	2	29	1.28	N/M
Commercial lease financing	4,665	4,635	5	.44	5	40	.86	800.00
Real estate – residential mortgage	5,507	5,520	(4)	(.29)	54	18	.33	33.33
Home equity	12,541	12,611	5	.16	207	53	.42	25.60
Credit cards	1,037	1,067	10	3.80	3	38	3.66	N/M
Consumer direct loans	1,735	1,762	9	2.07	3	23	1.33	766.67
Consumer indirect loans	2,998	2,996	7	.95	9	10	0.33	111.11
Continuing total[e]	**$ 86,125**	**$ 86,133**	**$ 58**	**.27%**	**$ 573**	**$ 870**	**1.01%**	**151.83%**
Discontinued operations	1,500	1,524	4	1.06	4	23	1.53	575.00
Consolidated total	**$ 87,625**	**$ 87,657**	**$ 62**	**.29%**	**$ 577**	**$ 893**	**1.02%**	**154.77%**

N/M = Not meaningful

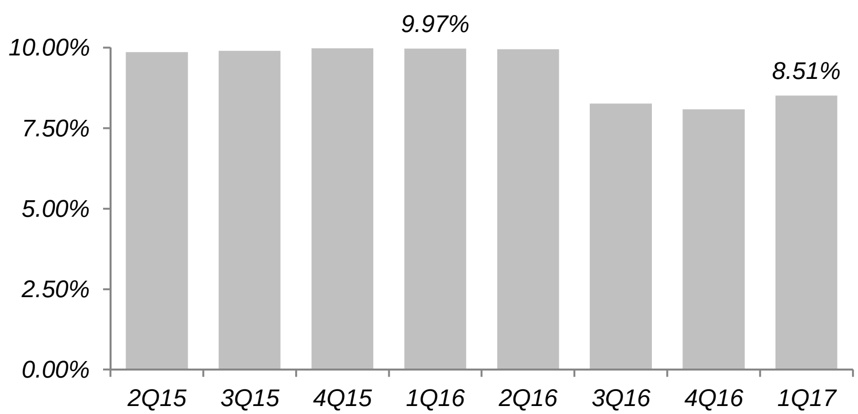
(a) 3-31-17 ending loan balance includes $114 million of commercial credit card balances; 3-31-17 average loan balance includes $114 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 3-31-17 NPL amount excludes $812 million of purchased credit impaired loans
(d) 3-31-17 allowance by portfolio is estimated
(e) 3-31-17 ending loan balance includes purchased loans of $19.0 billion, of which $812 million were purchased credit impaired

Capital

Common Equity Tier 1[a], [b]



Tangible Common Equity to Tangible Assets[a]



Highlights

- **Strong capital position with Common Equity Tier 1 ratio of 9.87%[b] at 3/31/17**
- **Repurchased $160 MM[c] in common shares during 1Q17**
- **Redeemed Preferred Stock Series C ($350 MM) in February**
- **Converted all shares of 7.75% Preferred Stock Series A ($290 MM) to common shares, adding 20.6 MM common shares outstanding in March**

(a) Non-GAAP measure: see slides 24-25 for reconciliation
(b) 3-31-17 figures are estimated
(c) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

FNFG Merger-related Charges

$ in millions *Increase / (Decrease)*	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15
Net interest income	**-**	**-**	**$ (6)**	**-**	**-**	**-**
Operating lease income and other leasing gains	-	-	$ (2)	-	-	-
Other income	-	$ 9	(10)	-	-	-
Noninterest income	**-**	**$ 9**	**$ (12)**	**-**	**-**	**-**
Personnel expense	**$ 30**	**$ 80**	**$ 97**	**$ 35**	**$ 16**	**-**
Net Occupancy	$ 5	$ 29	-	-	-	-
Business services and professional fees	5	22	$ 32	$ 5	$ 7	$ 5
Computer processing	5	38	15	-	-	-
Marketing	6	13	9	3	1	-
All other nonpersonnel	30	25	36	2	-	1
Total nonpersonnel expense	**$ 51**	**$ 127**	**$ 92**	**$ 10**	**$ 8**	**$ 6**
Total merger-related charges	**$ 81**	**$ 198**	**$ 207**	**$ 45**	**$ 24**	**$ 6**
EPS impact	**$ (.05)**	**$ (.11)**	**$ (.14)**	**$ (.04)**	**$ (.02)**	**-**

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 3-31-17	12-31-16	9-30-16	6-30-16	3-31-16
Tangible common equity to tangible assets at period end					
Key shareholders' equity (GAAP)	$14,976	$ 15,240	$ 14,996	$ 11,313	$ 11,066
Less: Intangible assets [a]	2,751	2,788	2,855	1,074	1,077
Preferred Stock [b]	1,009	1,640	1,150	281	281
Tangible common equity (non-GAAP)	$11,216	$ 10,812	$ 10,991	$ 9,958	$ 9,708
Total assets (GAAP)	$134,476	$ 136,453	$ 135,805	$ 101,150	$ 98,402
Less: Intangible assets [a]	2,751	2,788	2,855	1,074	1,077
Tangible common equity to tangible assets ratio (non-GAAP)	$131,725	$ 133,665	$ 132,950	$ 100,076	$ 97,325
Tangible common equity to tangible assets ratio (non-GAAP)	8.51%	8.09%	8.27%	9.95%	9.97%
Common Equity Tier 1 at period end					
Key shareholders' equity (GAAP)	$14,976	$15,240	$ 14,996	$ 11,313	$ 11,066
Less: Preferred Stock [b]	1,009	1,640	1,150	281	281
Common Equity Tier 1 capital before adjustments and deductions	13,967	13,600	13,846	11,032	10,785
Less: Goodwill, net of deferred taxes	2,386	2,405	2,450	1,031	1,033
Intangible assets, net of deferred taxes	189	155	216	30	35
Deferred tax assets	6	4	6	1	1
Net unrealized gains (losses) on available-for-sale securities, net of deferred taxes	(179)	(185)	101	129	70
Accumulated gains (losses) on cash flow hedges, net of deferred taxes	(75)	(52)	39	77	46
Amounts in accumulated other comprehensive income (loss) attributed to pension and postretirement benefit costs, net of deferred taxes	(336)	(339)	(359)	(362)	(365)
Total Common Equity Tier 1 capital [c]	$ 11,976	$ 11,612	$ 11,393	$ 10,126	$ 9,965
Net risk-weighted assets (regulatory) [c]	$ 121,305	$ 121,671	$ 119,120	$ 91,195	$ 90,014
Common Equity Tier 1 ratio (non-GAAP) [c]	9.87%	9.54%	9.56%	11.10%	11.07%
Noninterest expense excluding merger-related charges					
Noninterest expense (GAAP)	$ 1,013	$ 1,220	$ 1,082	$ 751	$ 703
Less: Merger-related charges	81	207	189	45	24
Noninterest expense excluding merger-related charges (non-GAAP)	$ 932	$ 1,013	$ 893	$ 706	$ 679
Earnings per common share (EPS) excluding merger-related charges					
EPS from continuing operations attributable to Key common shareholders — assuming dilution	$ .27	$ .20	$ .16	$ .23	$ .22
Add: EPS impact of merger-related chrges	.05	.11	.14	.04	.02
EPS from continuing operations attributable to Key common shareholders excluding merger-related charges (non-GAAP)	$ .32	$ .31	$ .30	$ .27	$ .24
Pre-provision net revenue excluding merger-related charges					
Net interest income (GAAP)	$ 918	$ 938	$ 780	$ 597	$ 604
Plus: Taxable-equivalent adjustment	11	10	8	8	8
Noninterest income excluding merger-related charges (non-GAAP)	577	618	549	473	431
Less: Noninterest expense excluding merger-related charges (non-GAAP)	1,013	1,220	1,082	751	703
Pre-provision net revenue from continuing operations	$ 493	$ 346	$ 255	$ 327	$ 340
Plus: Merger-related charges	81	198	207	45	24
Pre-provision net revenue from continuing operations excluding merger-related charges (non-GAAP)	$ 574	$ 444	$ 364	$ 372	$ 364

(a) Three months ended 3/31/17, 12/31/16, 9/30/16, 6/30/16, and 3/31/16, exclude $38 million, $42 million, $51 million, $36 million, and $40 million, respectively, of period-end purchased credit card receivables
(b) Net of capital surplus
(c) 3-31-17 amount is estimated

GAAP to Non-GAAP Reconciliation (continued)

$ in millions

$ in millions

	Three months ended				
	3-31-17	12-31-16	9-30-16	6-30-16	3-31-16
Average tangible common equity					
Average Key shareholders' equity (GAAP)	$ 15,184	$ 14,901	$ 13,552	$ 11,147	$ 10,953
Less: Intangible assets (average) [a]	2,772	2,874	2,255	1,076	1,079
Preferred Stock (average)	1,480	1,274	648	290	290
Average tangible common equity (non-GAAP)	$ 10,932	$ 10,753	$ 10,649	$ 9,781	$ 9,584
Return on average tangible common equity from continuing operations					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 296	$ 213	$ 165	$ 193	$ 182
Average tangible common equity (non-GAAP)	10,932	10,753	10,649	9,781	9,584
Return on average tangible common equity from continuing operations (non- GAAP)	10.98%	7.88%	6.16%	7.94%	7.64%
Return on average tangible common equity from continuing operations, excl. merger-related charges					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 296	$ 213	$ 165	$ 193	$ 182
Merger-related charges, after tax	51	124	132	28	15
Net income (loss) from continuing operations attributable to Key common shareholders excl. merger-related charges	$ 347	$ 337	$ 297	$ 221	$ 197
Average tangible common equity (non-GAAP)	10,932	10,753	10,649	9,781	9,584
Return on average tangible common equity from continuing operations excl. merger-related charges (non- GAAP)	12.87%	12.47%	11.22%	9.09%	8.27%
Return on average total assets, excluding merger-related charges					
Net income (loss) from continuing operations attributable to Key (GAAP)	$ 324	$ 233	$ 171	$ 199	$ 187
Add: Merger-related charges after tax	51	124	132	28	15
Net income (loss) from continuing operations attributable to Key excluding merger-related charges after tax (non-GAAP)	$ 375	$ 357	$ 303	$ 227	$ 202
Average total assets from continuing operations	$ 132,741	$ 134,428	$ 123,469	$ 97,413	$ 94,477
Return on average assets excluding merger-related charges (non-GAAP)	1.15%	1.06%	.98%	.94%	.86%
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 1,013	$ 1,220	$ 1,082	$ 751	$ 703
Less: Intangible asset amortization	22	27	13	7	8
Adjusted noninterest expense (non-GAAP)	$ 991	$ 1,193	$ 1,069	$ 744	$ 695
Less: Merger-related charges	81	207	189	45	24
Adjusted noninterest expense excluding merger-related charges (non-GAAP)	$ 910	$ 986	$ 880	$ 699	$ 671
Net interest income (GAAP)	$ 918	$ 938	$ 780	$ 597	$ 604
Plus: Taxable-equivalent adjustment	11	10	8	8	8
Noninterest income	577	618	549	473	431
Total taxable-equivalent revenue (non-GAAP)	$ 1,506	$ 1,566	$ 1,337	$ 1,078	$ 1,043
Plus: Merger-related charges	—	(9)	18	—	—
Adjusted total taxable-equivalent revenue excl. merger-related charges (non-GAAP)	$ 1,506	$ 1,557	$ 1,355	$ 1,078	$ 1,043
Cash efficiency ratio (non-GAAP)	65.8%	76.2%	80.0%	69.0%	66.6%