Goldman Sachs US Financial Services Conference

December 5, 2017

KeyCorp

Focused *Forward*

Beth E. Mooney
Chairman and
Chief Executive Officer

Don Kimble
Chief Financial Officer

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,” “pre-provision net revenue,” “cash efficiency ratio,” and certain financial measures excluding notable items, including 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 18 of our Form 10-Q dated September 30, 2017.

GAAP: Generally Accepted Accounting Principles

Delivering Results

Differentiated value proposition for consumer and middle market clients, while continuing to improve efficiency, manage risk and increase returns

Why KEY

Transformed company, with distinctive business model and offering

- *Successful acquisition of First Niagara*
- *Balanced and diverse franchise*
- *Strong market presence, products and capabilities*

Positioned for revenue growth

- *Executing core relationship strategy*
- *Investing in targeted areas for growth*
- *Achieving revenue synergies from acquisition*

Strong risk profile and capital management

Delivering positive operating leverage by improving efficiency and returns

- *Momentum across business → acquiring and expanding relationships*
- *Executing cost savings discipline to reinvest in businesses*

Executing on LT Targets

Positive operating leverage

4 consecutive years[(a)]

Cash efficiency ratio: <60%

59.7% in 3Q17[(b)]

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

15 bps in 3Q17

Return on avg. tangible common equity: 13-15%

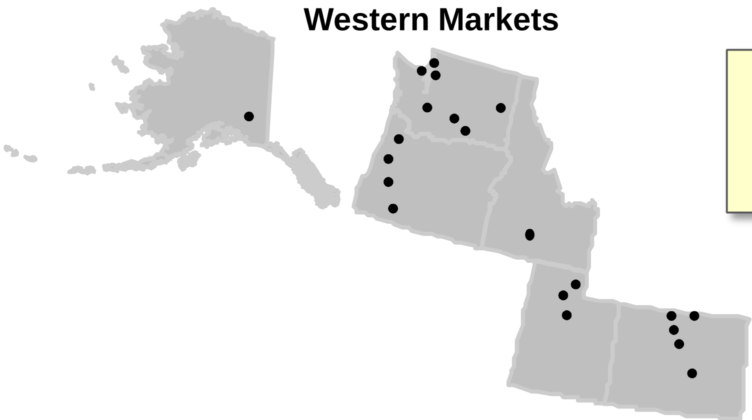
13.2% in 3Q17[(b)]

(a) Excludes merger-related charges and notable items; see Appendix for detail on merger-related charges and notable items
(b) Non-GAAP measure and excludes notable items; see Appendix for detail and reconciliations

Strong Franchise with Distinctive Capabilities

Market Presence

Western Markets



Strong growth and presence in attractive markets

strong market share

top 5 in >20 MSAs[(a)]

Eastern Markets

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

First Niagara acquisition strengthened Key's core retail deposit base and market presence

Created leading market share in Upstate NY and added complementary new markets (CT, MA & PA)

Broad Products and Capabilities → Creates a Competitive Advantage

- ✓ **Broad suite of lending and capital markets capabilities**
- ✓ **Robust deposit, payments and treasury management solutions**
- ✓ **Strong fee-based businesses: growth and mix**
- ✓ **Deep industry expertise in seven industry verticals**
- ✓ **Holistic wealth management and private banking**
- ✓ **Multichannel delivery with strong digital offering**
- ✓ **Integrated financial wellness platform**

- ● Denotes Metropolitan Statistical Area (MSA) within retail footprint with greater than $3B in market deposits; branches capped at $250MM to adjust for commercial and headquarters deposits

(a) MSAs within retail footprint with greater than $3B in market deposits where Key has a Top 5 market share; source: FDIC Summary of Deposits Annual Survey, June 30, 2017; analysis caps all branches for KEY and peers at $250MM to adjust for commercial and headquarters deposits; rankings based on total MSA deposits (capped)

Commercial Capabilities and Expertise

Competitive advantage with targeted clients

Traditional Bank Products

- *Loans* — *12% Y-o-Y average loan growth*
- *Deposits & payments* — *$103 B deposits at 28 bps*
- *Equipment finance* — *#5 bank-owned equipment finance co. by new business volume[a]*
- *Wealth management & private banking* — *$39 B in AUM*

Capital Markets Capabilities

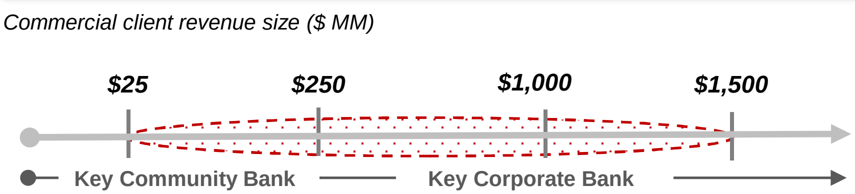
- *Commercial mortgage banking* — *#3 commercial mortgage servicer (master/primary)[b]*
- *Derivatives & foreign exchange* — *Rates, commodity & currency solutions*
- *Equity capital markets* — *>75 transactions, raising $14 B YTD 2017*
- *Equity research* — *>700 companies under coverage*
- *M&A, financial sponsors, leveraged finance* — *>250 M&A deals completed since 2011*
- *Investment grade & high-yield debt* — *>110 transactions, raising $112 B YTD 2017*
- *Loan syndications* — *>200 transactions, raising $38 B YTD 2017*
- *Public finance* — *>75 transactions, raising $12 B YTD 2017*

Targeted Industry Verticals

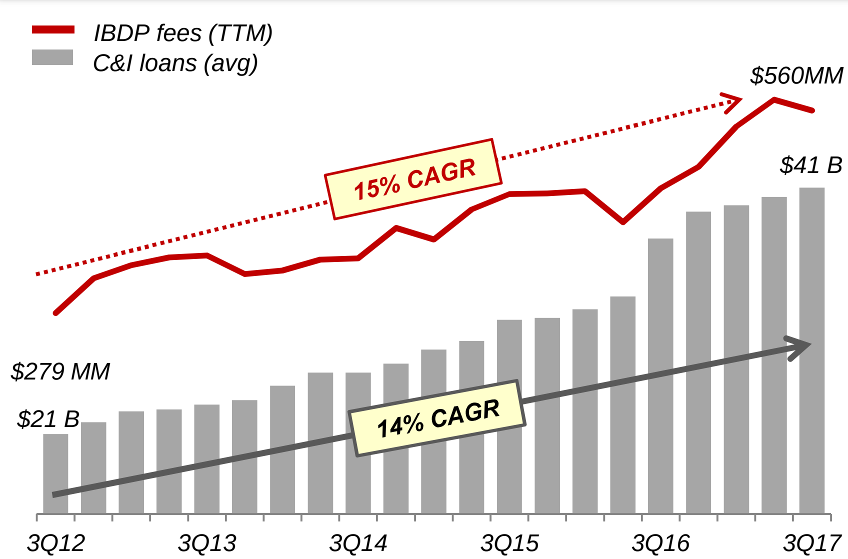
Consumer **Energy** **Healthcare**

Industrial **Public Sector** **Real Estate** **Technology**

Uniquely Positioned for Middle Market Clients



Growing Loans and Fee Income



Note: Data as of 3Q17 unless otherwise noted

(a) Source: Monitor Bank 50; ranking based on new business volume as of FY16

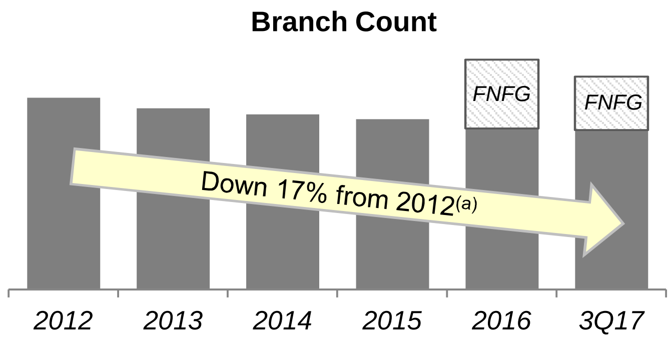
(b) Source: Mortgage Bankers Association year-end 2016 rankings

Retail Transformation

Delivering ease, value and expertise with a balanced multi-channel presence

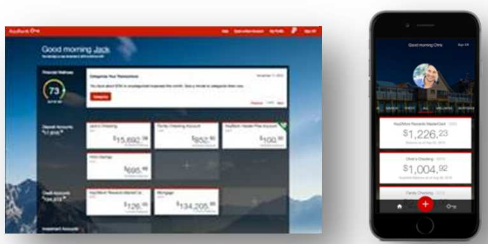
Balanced Multi-channel Presence

Physical Presence



Shift from transaction hub to service & advice center

Digital Investments



4x
digital interactions vs. branch transactions
2016[b]

Investing in Talent & Tools to Deliver Advice & Expertise

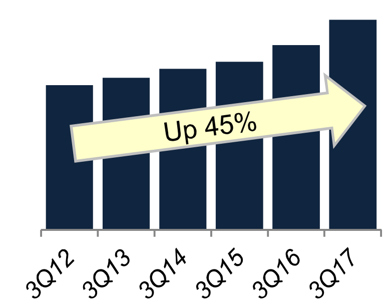
- ✓ Shift in workforce skills and expectations from transactional roles to advice roles
- ✓ Financial Wellness: proprietary digital planning and financial wellness tool

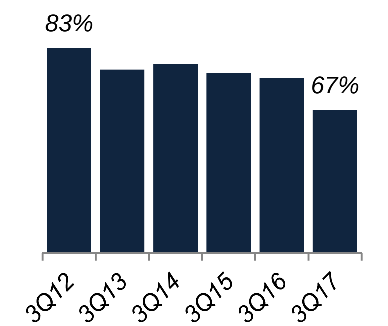
+65% **branch advice & sales roles**

(24)% **branch transaction roles**

(September 2017 vs. December 2012)

Growing the Franchise and Improving Efficiency





(a) Percentage decrease excludes impact from First Niagara branches
(b) Through September 2016 (annualized) and excludes impact of First Niagara
(c) 3Q16 adjusted for a full-quarter impact of First Niagara deposit balances

Levers to Improve Efficiency and Returns

Delivering positive operating leverage with opportunities across our businesses

Executing Strategic Priorities → Growing Relationships → Taking Share

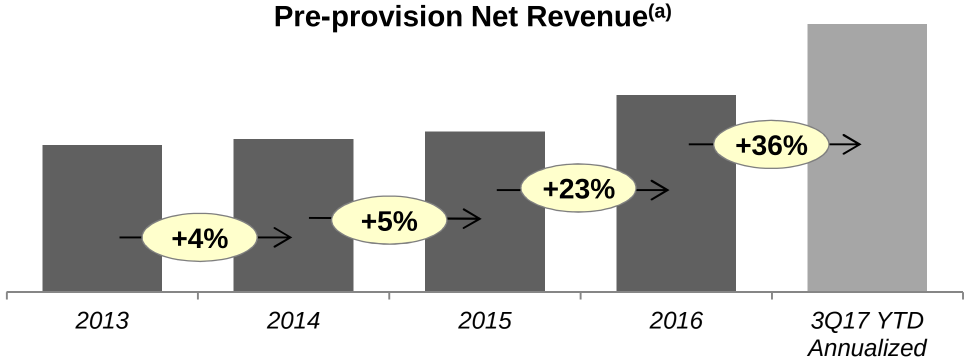
Accelerating Revenue Momentum

- **Continued momentum with core relationship strategy**
- **Enhancing products and capabilities**
  - *Strategic partnerships*
  - *Payments solutions*
  - *Robust digital tools and capabilities*
  - *Targeted industry verticals*
- **Investing in talent and a more productive workforce**
  - *Growth in senior bankers and client-facing FTE*
- **Executing on First Niagara revenue synergies**

Continuing Expense Discipline

- **Achieving remaining First Niagara cost savings**
- **Reducing costs in the legacy Key franchise**
  - *Transforming and simplifying the client experience*
  - *Multi-channel optimization*
  - *Continued square footage reduction (branch and corporate space)*
  - *Leveraging technology for operational efficiencies*

Pre-provision Net Revenue[(a)]



(a) Non-GAAP measure and excludes notable items (merger-related charges in 2015-2017, one-time gain in merchant services, purchase accounting finalization, and charitable contribution in 2Q17 and merchant services gain adjustment in 3Q17); see Key's Form 10-K dated December 31, 2016 and Appendix for reconciliations and detail on notable items

Strategic Investments Differentiate & Enable Growth

Investments accelerate growth, supported by technology enhancements

Commercial Payments

- ✓ **Highly ranked core treasury capabilities**
- ✓ **Investments in people, technology and partnerships differentiate offering**
- ✓ **Merchant services:** acquired remaining ownership interest in joint venture
- ✓ **Added capabilities:** purchase & prepaid cards, AP/AR automation, property management & payment software, healthcare payment platform
- ✓ **Gaining significant market share, with opportunity to better penetrate existing relationships**

37% growth in purchase card spend

33% increase in merchant processing volume

(2017 annualized vs. 2016)

Financial Wellness

- ✓ **Core component of retail relationship strategy**
- ✓ **Acquisition of HelloWallet creates proprietary financial wellness offering**
  - Strengthens ability to acquire and deepen relationships
- ✓ **Personalized financial wellness and planning tool**
  - Aggregates client data for full relationship view
  - Creates actionable plans
  - Digital-led experience, integrated into branches
- ✓ **Leveraging enhanced data and analytics**
  - Ability to provide targeted offers and advice (deposits, lending and investment)
- ✓ **Continued growth in platform enrollment**

46% higher annual revenue for clients enrolled in wellness platform[(a)]

36% growth in financial wellness reviews (monthly average/sales FTE; YTD 2017 vs. 2015)

Enhancements to Technology Infrastructure Support Growth

(a) Based on May 2017 analysis of retail clients enrolled in HelloWallet compared to those not enrolled

First Niagara Opportunity

Incremental opportunity from cost savings and revenue synergies

Cost Savings

Achieved $400 MM in annualized savings

Executing incremental $50 MM by 1H18

1. **Systems conversions**
   – *Leasing, loan collections, consumer loan/mortgage servicing*
2. **Occupancy**
   – *Corporate and back office space*
3. **Third party/vendor management**
   – *Contract savings*

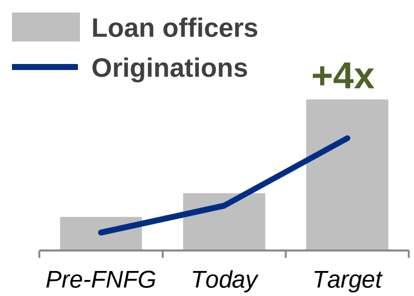
$450 MM annualized cost savings in total

46% of FNFG FY2015 noninterest expense

Revenue Synergies

Targeting $300 million in annual revenue synergies in 2-3 years

1. Residential Mortgage

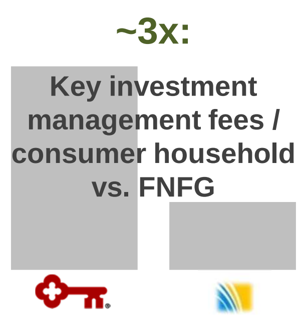


2. Commercial Payments

~2x: Key payments penetration vs. FNFG[(a)]

23% Progress on FNFG fee opportunity

3. Private Banking



4. Commercial Banking & Capital Markets

~3x: Key commercial deposit penetration vs. FNFG[(a)]

>$300 MM FNFG commercial mortgages placed into capital markets (through 3Q17)

(a) Penetration represents payments fee income or commercial deposits, both as a percentage of loan commitments, for Key's Business Bank, Middle Market and Commercial Real Estate, compared to First Niagara

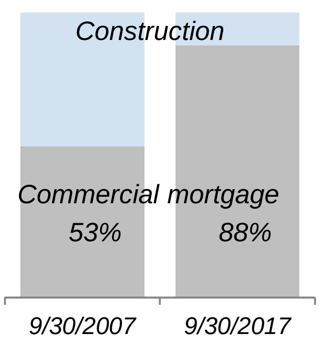
Risk Management

Maintaining a strong risk culture and moderate risk profile

Business Discipline

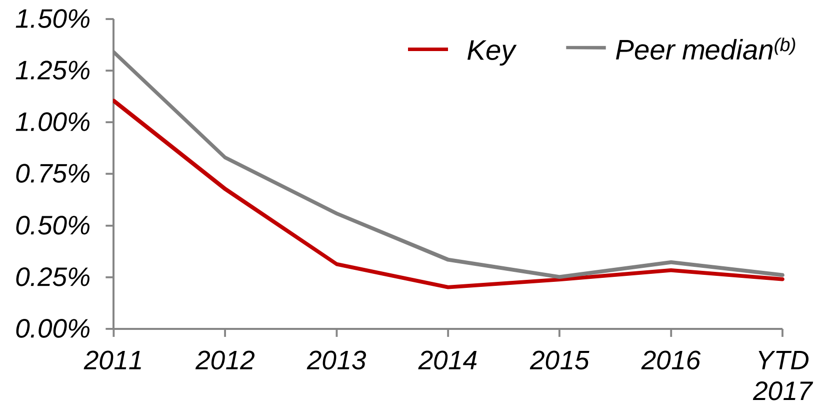
- Enterprise-wide approach to managing risks and concentrations
- Maintaining enhanced underwriting standards
- Focus on specific segments and sectors with expertise
- Selective, targeted approach to specific markets and asset classes

Commercial Real Estate Mix Shift

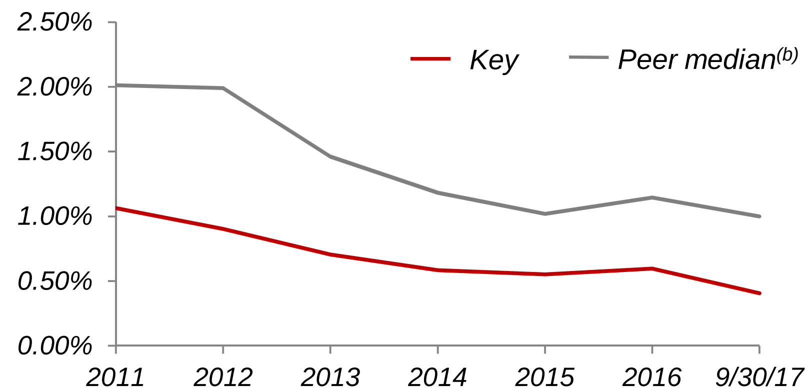


Strong Asset Quality[a]

Net Charge-offs to Average Loans



Nonperforming Assets to Total Assets



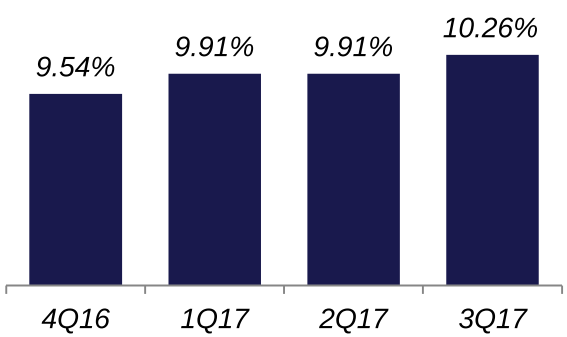
(a) Source: SNL Financial
(b) Peers include: BBT, CFG, CMA, FITB, HBAN, MTB, PNC, RF, STI, USB, and ZION

Capital Management

Disciplined in how we manage, invest, deploy and return our strong capital position

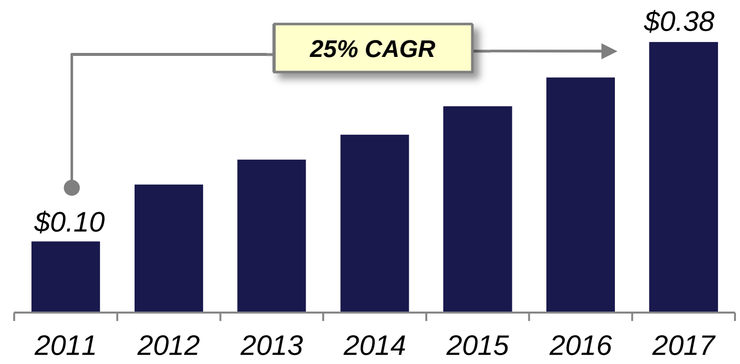
Strong Capital Position

Common Equity Tier 1

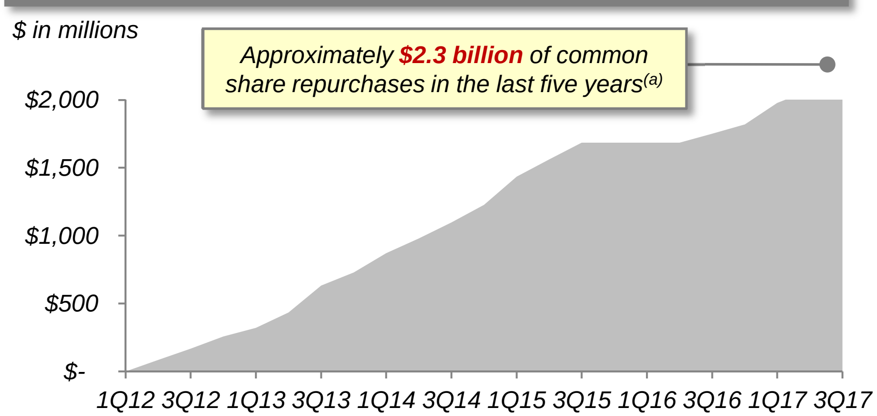


Focus on Dividends

Cash Dividends Per Common Share



Cumulative Common Share Repurchases[a]



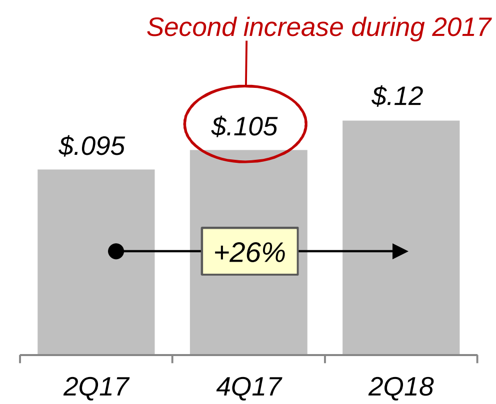
2017 Capital Plan

two

common share dividend increases *(4Q17, and 2Q18 which is subject to Board approval)*

$800MM

common share repurchase authorization



(a) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

Appendix

Outlook and Expectations

	FY 2017[a]
Average Balance Sheet	• Loans: 4Q17 average balances in the range of $87.0 B - $87.5 B • Deposits: FY17 average balances in the range of $102.5 B - $103.0 B
Net Interest Income	• Net interest income expected to be in the range of $3.8 B - $3.9 B • Outlook includes no additional rate increases in 2017
Noninterest Income	• Expected to be in the range of $2.35 B - $2.45 B
Noninterest Expense	• Expected to be in the range of $3.7 B - $3.8 B – Includes impact of merchant services, HelloWallet and Cain Brothers acquisitions
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 26% - 28%

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%*

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

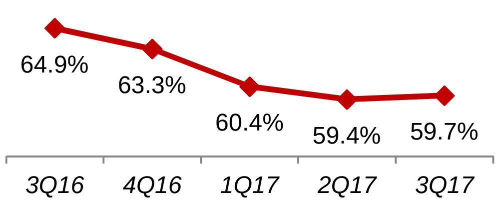
Financial Highlights

Continuing operations, unless otherwise noted

		3Q17	2Q17	3Q16	LQ Δ	Y/Y Δ
Profitability	EPS – assuming dilution	$ .32	$ .36	$ .16	(11) %	100 %
	EPS – excl. notable items[(a), (b)]	.35	.34	.30	3	17
	Cash efficiency ratio[(a)]	62.2 %	59.3 %	80.0 %	290 bps	(1,773) bps
	Cash efficiency –excl. notable items[(a), (b)]	59.7	59.4	64.9	32	(522)
	Return on average tangible common equity[(a)]	12.21	13.80	6.16	(159)	605
	ROTCE – excl. notable items[(a), (b)]	13.19	12.86	11.10	33	209
Capital[(c)]	Common Equity Tier 1	10.26 %	9.91 %	9.56 %	35 bps	70 bps
	Tier 1 risk-based capital	11.11	10.73	10.53	38	58
	Tangible common equity to tangible assets[(a)]	8.49	8.56	8.27	(7)	22
Asset Quality	NCOs to average loans	.15 %	.31 %	.23 %	(16) bps	(8) bps
	NPLs to EOP portfolio loans[(d)]	.60	.59	.85	1	(25)
	Allowance for loan and lease losses to EOP loans	1.02	1.01	1.01	1	1

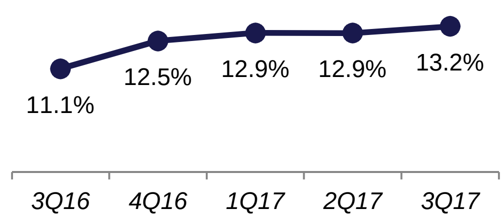
Cash Efficiency Ratio[(a)]

excl. notable items[(b)]

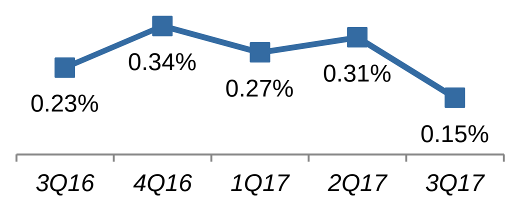


ROTCE[(a)]

excl. notable items[(b)]



NCOs to Avg. Loans



EOP = End of Period

(a) Non-GAAP measure: see slides 29-30 for reconciliation

(b) Notable items include merger-related charges (all periods), the 2Q17 merchant services gain and 3Q17 adjustment, 2Q17 purchase accounting finalization, and the 2Q17 charitable contribution; see slide 28 for detail on merger-related charges

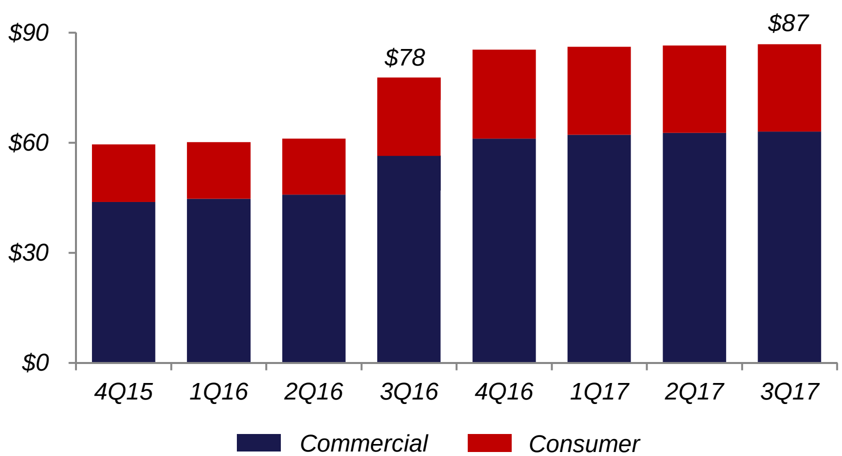
(c) From consolidated operations

(d) Nonperforming loan balances exclude $783 million, $835 million, and $959 million of purchased credit impaired loans at September 30, 2017, June 30, 2017, and September 30, 2016, respectively

Loans

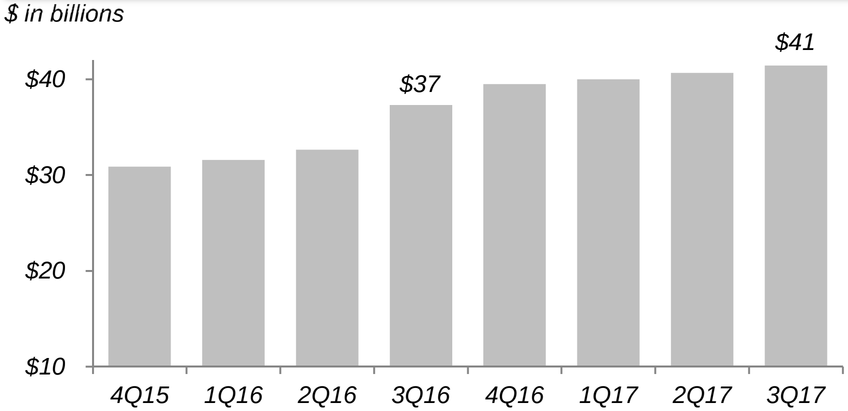
Total Average Loans

$ in billions



Average Commercial & Industrial Loans

$ in billions



Highlights

vs. Prior Year

- **Average loans up 12% from 3Q16**
  - **Growth reflects a full-quarter impact of FNFG (vs. 2 months in 3Q16)**
  - **Broad-based C&I growth**

vs. Prior Quarter

- **Average loans up .4% from 2Q17**
  - **Strength in C&I → up 2% from linked quarter unannualized**
  - **Higher levels of late-quarter paydowns, primarily in C&I and CRE**
  - **Home equity lines continue to decline, consistent with overall market trends**

Loan Portfolio Detail, at 9/30/17

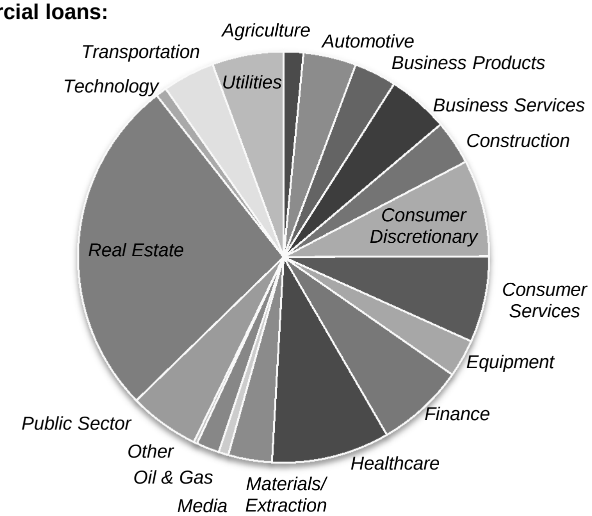
Total Loans

$ in billions		9/30/17	% of total loans
Commercial and industrial	$	41.1	48
Commercial real estate		16.9	20
Commercial lease financing		4.7	5
Total Commercial	$	62.7	73
Residential mortgage	$	5.5	6
Home equity		12.2	14
Consumer direct		1.8	2
Credit card		1.0	1
Consumer indirect		3.2	4
Total Consumer	$	23.7	27

Commercial Loans

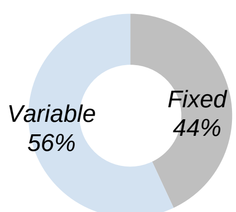
Diversified Portfolio by Industry

Total commercial loans:



Home Equity

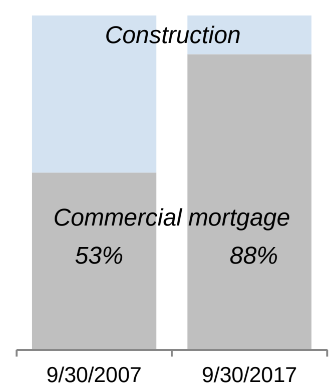
		Outstanding Balances			Average Loan Size	Average FICO	2008/ prior vintage
First lien	$	7,264	59 %	$	72,531	771	21 %
Second lien		4,973	41		46,417	767	37
Total home equity	**$**	**12,238**					



- Combined weighted-average LTV at origination: 70%
- $775 million in lines outstanding (6% 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(a)



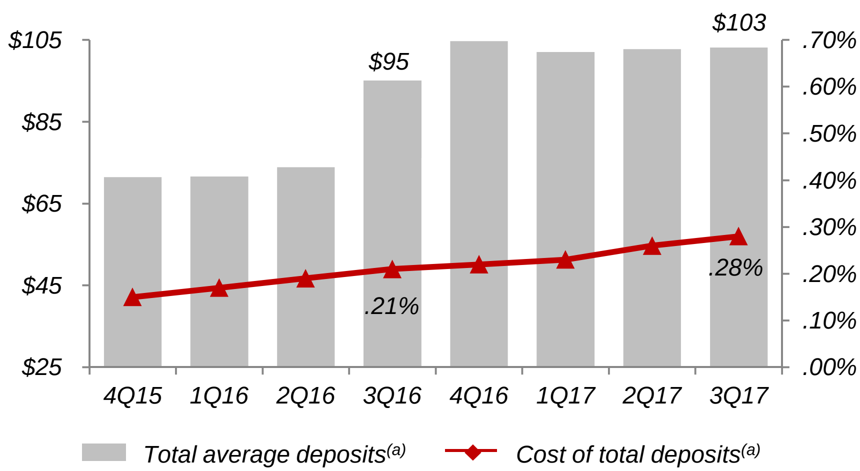
Tables may not foot due to rounding

(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition

Deposits

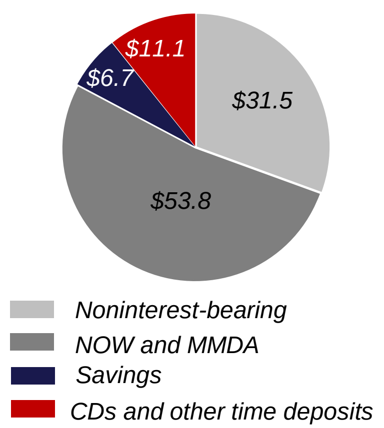
Average Deposits(a)

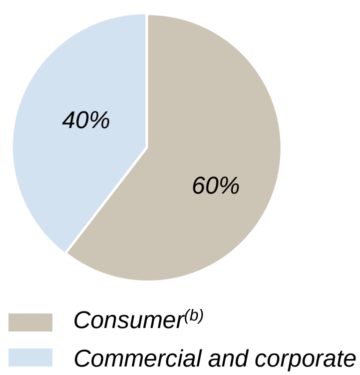
$ in billions



3Q17 Average Deposit Mix

$ in billions





Highlights

- **Deposit cost up 2 bps from 2Q17**
  - **Largely driven by contractual commercial rate increases and deposit mix**
- **3Q17 beta of 17% (total interest-bearing deposits)**

vs. Prior Year

- **Average deposit growth of 9% from 3Q16**
  - **Growth primarily reflects a full-quarter impact of FNFG (vs. 2 months in 3Q16)**
  - **Core retail and commercial deposit growth**

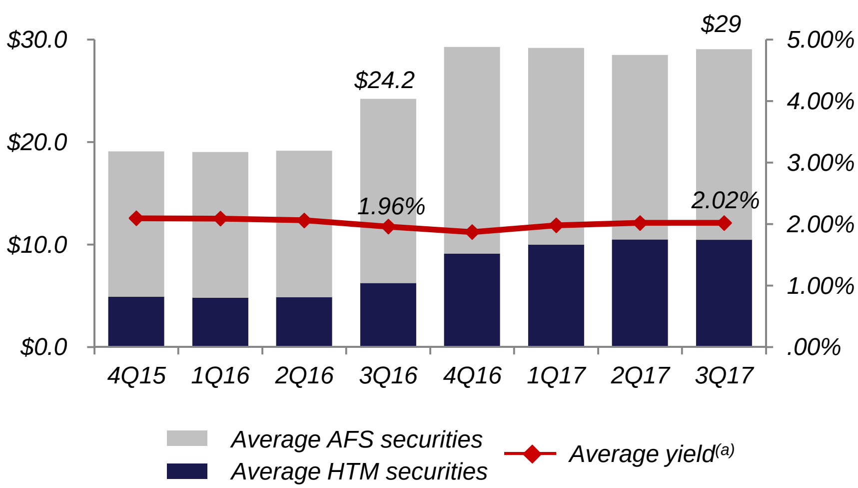
vs. Prior Quarter

- **Average deposit balances up .3% from 2Q17**
  - **Noninterest bearing deposits up 2.5% (commercial deposit inflows and short-term escrow balances)**
  - **Growth in certificates of deposit also helped offset managed exit of certain public sector deposits**

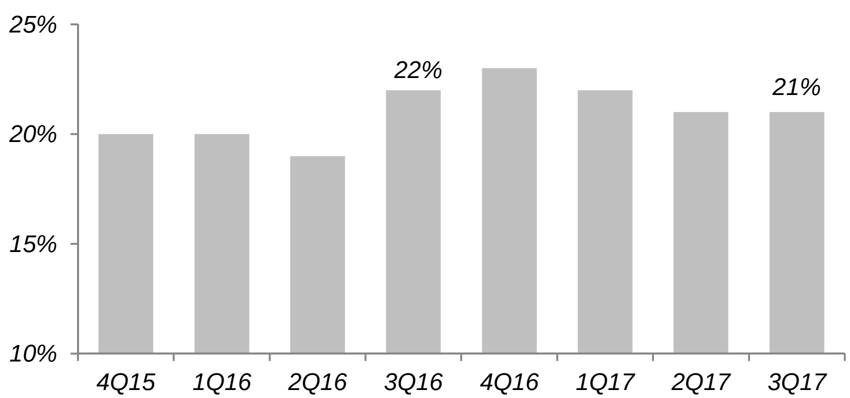
(a) Excludes deposits in foreign office
(b) Consumer includes retail banking, small business, and private banking

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets[b]



Highlights

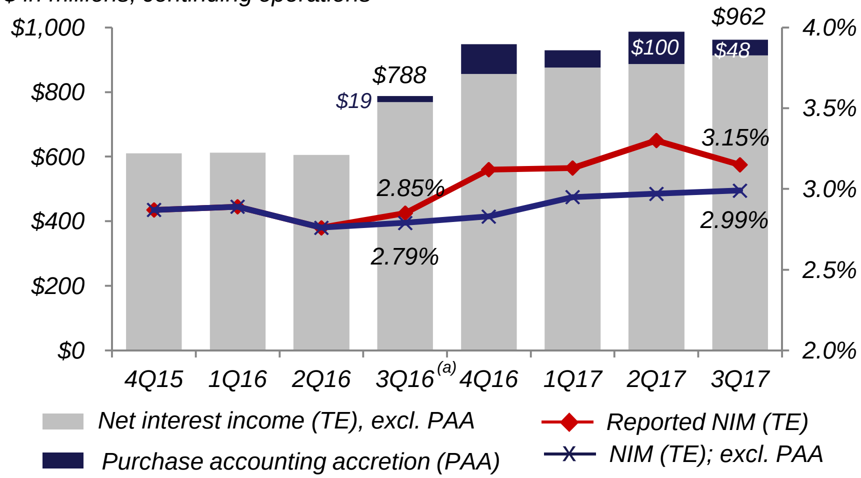
- **Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs; primarily fixed rate**
- **Continue to position portfolio for regulatory liquidity requirements:**
  - **Reinvesting cash flows into High Quality Liquid Assets, including GNMA securities (47% of 3Q17 average balances)**
- **Portfolio used for funding and liquidity management**
  - **Securities cash flows of $1.5 billion in 3Q17 and $1.4 billion in 2Q17**
  - **$560 million growth in average balance**
- **Average portfolio life at 9/30/17 of 4.2 years (unchanged from 6/30/17)**

(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



	3Q16	4Q16	1Q17	2Q17	3Q17
NIM – reported	**2.85%**	**3.12%**	**3.13%**	**3.30%**	**3.15%**
PAA	.06	.19	.18	.19	.16
PAA refinement/ finalization	-	.11	-	.14	-
NIM – excl. PAA	**2.79**	**2.82**	**2.95**	**2.97**	**2.99**
NII – reported ($MM)	**$ 788**	**$ 948**	**$ 929**	**$ 987**	**$ 962**
PAA	19	58	53	58	48
PAA refinement/ finalization	-	34	-	42	-

$34 MM related to contractual maturities; $14 MM related to prepayments

Highlights

- **Excluding impact of PAA, 3Q17 net interest income was $914 MM and net interest margin was 2.99%**

vs. Prior Year

- **Net interest income up $145 MM from 3Q16, excl. PAA**
  - **Largely driven by the First Niagara acquisition and higher earning asset yields and balances**

vs. Prior Quarter

- **Net interest income up $27 MM from 2Q17, excl. PAA**
  - **Reflects higher earning asset yields and balances**

NIM Change vs. Prior Quarter	***2Q17:***	***3.30%***
PAA finalization		(.14)
PAA (3Q vs. 2Q)		(.03)
Net interest rate benefit		.03
Loan fees		(.01)
Total change		**(.15)**
	3Q17:	***3.15%***

- FNFG loan mark at 9/30/17: $302 MM ($238 MM purchased performing, $64 MM purchased credit impaired)
- Purchased credit impaired accretable yield at 9/30/17: $150 MM

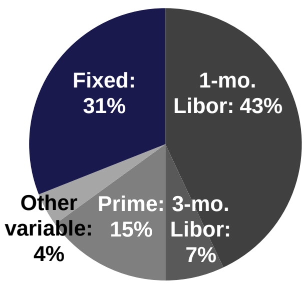
TE = Taxable equivalent
PAA = Purchase accounting accretion
(a) 3Q16 Net interest income included $6 million of merger-related charges; see slide 28 for detail on merger-related charges

Interest Rate Risk Management

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

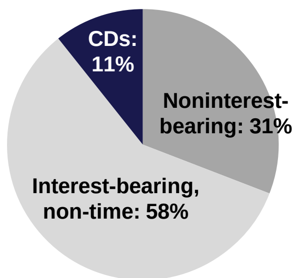
Loans

$88 B



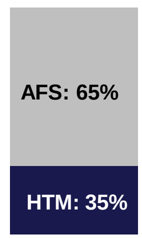
Deposits

$103 B



Investment Portfolio

$29 B



Primarily fixed rate
Average life: 4.2 yrs
3Q17 cash flows: $1.5 B

Actively Managing Rate Risk

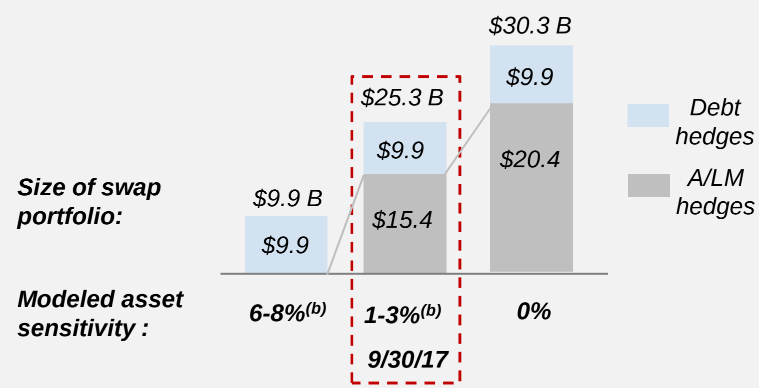
- **Key manages interest rate risk through security purchases, debt issuance, and the use of swaps**
- **Swaps modify the rate characteristics of assets and liabilities**
  - $15.4 B of swaps for A/L management with 1.9 year WAM
  - $9.9 B of debt hedges
- **Modestly asset sensitive[(b)]**
  - NII impact 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

- **A/LM hedges aligned to floating rate LIBOR-based loans**
- **Short weighted average maturity of A/LM swaps**
  - Provides flexibility to reprice and adjust overall sensitivity
  - Fairly even pace of maturities ($1-1.5 B maturities /per quarter remaining in 2018 & 2019)
- **Replacement swaps reflect forward curve at time of origination**

Swaps *($ in B)*	9/30/17 Notional Amt.	Wtd. Avg. Maturity (Yrs.)	Receive Rate	Pay Rate
A/L Management (receive fixed / pay variable)	$ 15.4	1.9	1.2%	1.2%
Debt	9.9	2.7	1.6	1.2
	$ 25.3	**2.3**	**1.4%**	**1.2%**



(a) Loan, deposit and investment portfolio balances reflect 9/30/17 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)	3Q17	vs. 3Q16	vs. 2Q17
Trust and investment services income	$ 135	$ 13	$ 1
Investment banking and debt placement fees	141	(15)	6
Service charges on deposit accounts	91	6	1
Operating lease income and other leasing gains	16	10	(14)
Corporate services income	54	3	(1)
Cards and payments income	75	9	5
Corporate-owned life insurance	31	2	(2)
Consumer mortgage income	7	1	1
Mortgage servicing fees	21	6	6
Net gains (losses) from principal investing	3	(2)	3
Other income	18	10	(67)
Total noninterest income	**$ 592**	**$ 43**	**$ (61)**
Notable items[(a)]	(5)	7	(66)
Total noninterest income, excluding notable items[(b)]	**$ 597**	**$ 36**	**$ 5**

Highlights

vs. Prior Year

- **Noninterest income up $36 MM from 3Q16, excl. notable items[(a),(b)]**
  - **Reflects a full-quarter impact of FNFG (vs. 2 months in 3Q16)**
  - **Broad-based growth offset decline in investment banking and debt placement fees (strong market conditions in prior year)**

vs. Prior Quarter

- **Noninterest income up $5MM from 2Q17, excl. notable items[(a),(b)]**
  - **Growth in fee-based businesses, including investment banking and debt placement fees, mortgage servicing fees, and cards and payments income**
  - **Lower operating lease income and other leasing gains (lease residual losses of $13 MM in 3Q17)**

(a) Notable items in 3Q17 include $(5) MM merchant services gain adjustment; notable items in 2Q17 include merchant services gain of $64 MM and $(3) MM associated with purchase accounting finalization; notable items in 3Q16 include $(12) of merger-related charges

(b) Non-GAAP measure

Noninterest Expense

Noninterest Expense

$ in millions *Up / (Down)*	3Q17	vs. 3Q16	vs. 2Q17
Personnel	$ 558	$ (36)	$ 7
Net occupancy	74	1	(4)
Computer processing	56	(14)	1
Business services, professional fees	49	(27)	4
Equipment	29	3	2
Operating lease expense	24	9	3
Marketing	34	2	4
FDIC assessment	21	-	-
Intangible asset amortization	25	12	3
OREO expense, net	3	-	-
Other expense	119	(40)	(23)
Total noninterest expense	**$ 992**	**$ (90)**	**$ (3)**
Merger-related charges[a]	36	(153)	(8)
Other notable items[a]	-	-	(16)
Total noninterest expense, excluding notable items[a],[c]	**$ 956**	**$ 63**	**$ 21**

Highlights

- **Notable items:**

$ in millions	3Q17	3Q16	2Q17
Merger-related charges	$36	$189	$44
Charitable contribution[b]	-	-	20
Purchase accounting finalization[b]	-	-	(4)
	$36	$189	$60

vs. Prior Year

- **Noninterest expense up $63 MM, excl. notable items[a],[c]**
  - **Reflects full-quarter impact of FNFG, recent acquisitions and business investments**

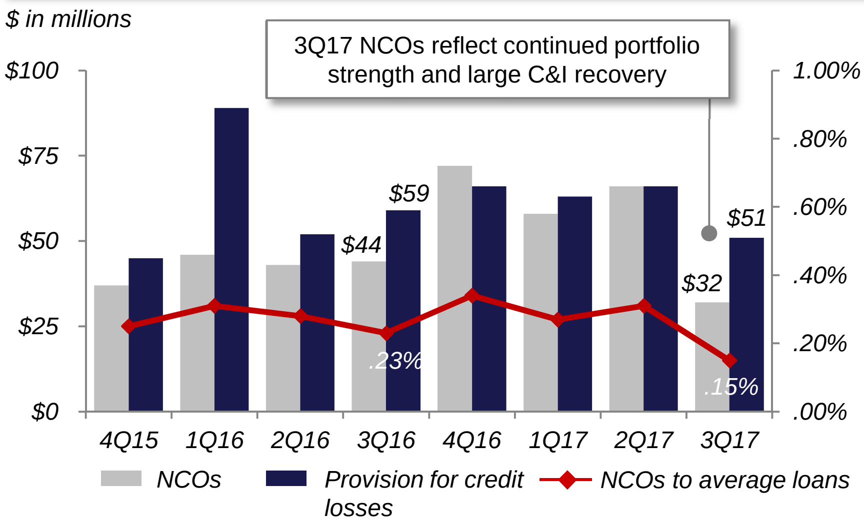
vs. Prior Quarter

- **Noninterest expense up $21 MM, excl. notable items[a],[c]**
  - **Reflects recent acquisitions: HelloWallet and merchant services (totaling $8 MM)**
  - **Seasonal trends in marketing ($5 MM) and personnel ($5 MM)**
  - **Higher business services and professional fees related to short-term initiatives ($3 MM)**

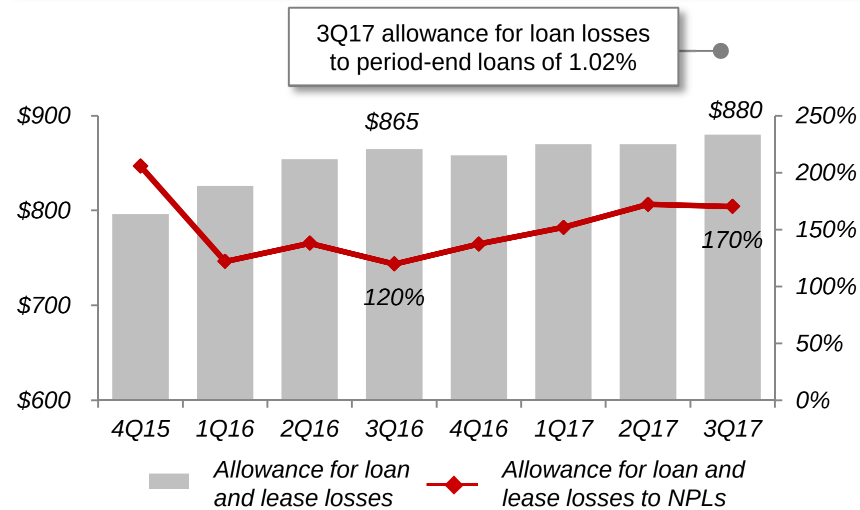
(a) Notable items of $36 MM in 3Q17 (merger-related charges), $189 MM in 3Q16 (merger-related charges) and $60 MM in 2Q17 (merger-related charges, charitable contribution and purchase accounting finalization); see slide 28 for detail on merger-related charges
(b) Charitable contribution and the impact from finalization of purchase accounting in other expense
(c) Non-GAAP measure

Credit Quality

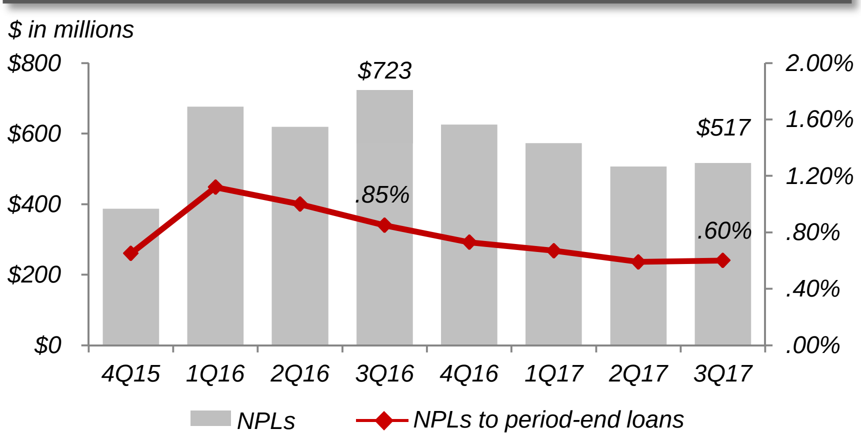
Net Charge-offs & Provision for Credit Losses



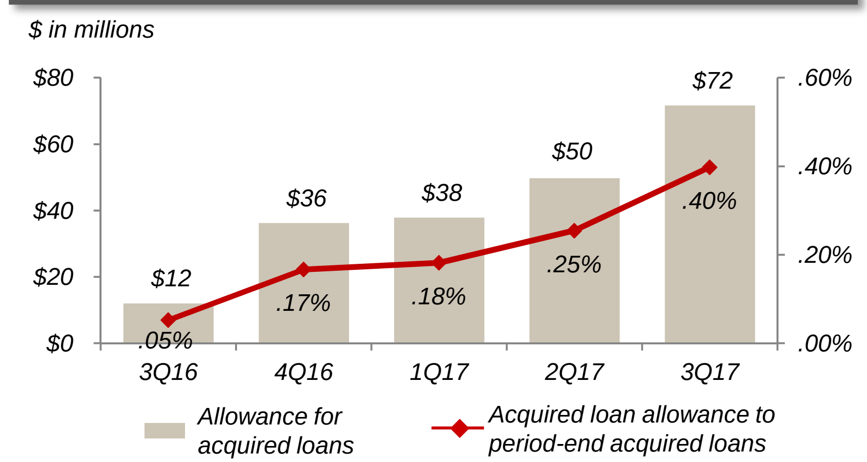
Allowance for Loan and Lease Losses



Nonperforming Loans(a)



Acquired Loans



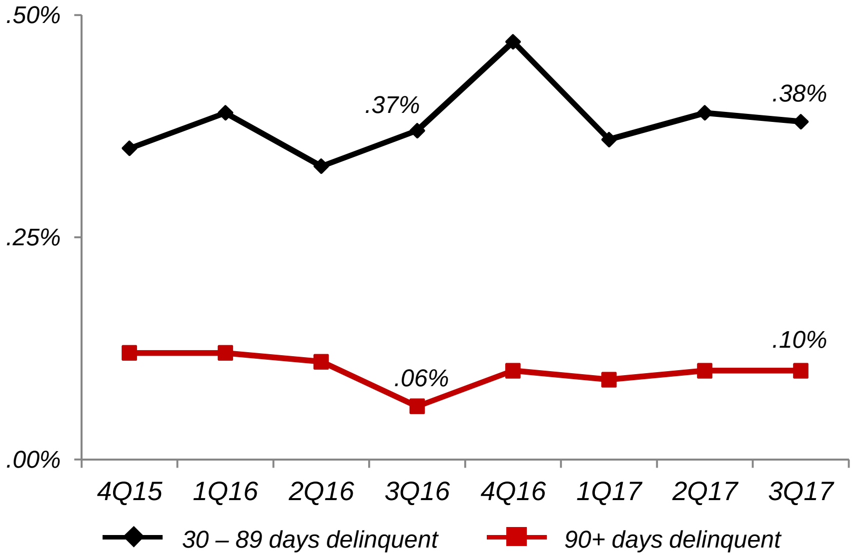
NCO = Net charge-off

(a) Nonperforming loan balances exclude $783 million and $959 million of purchased credit impaired loans at September 30, 2017, and September 30, 2016, respectively

Credit Quality Trends

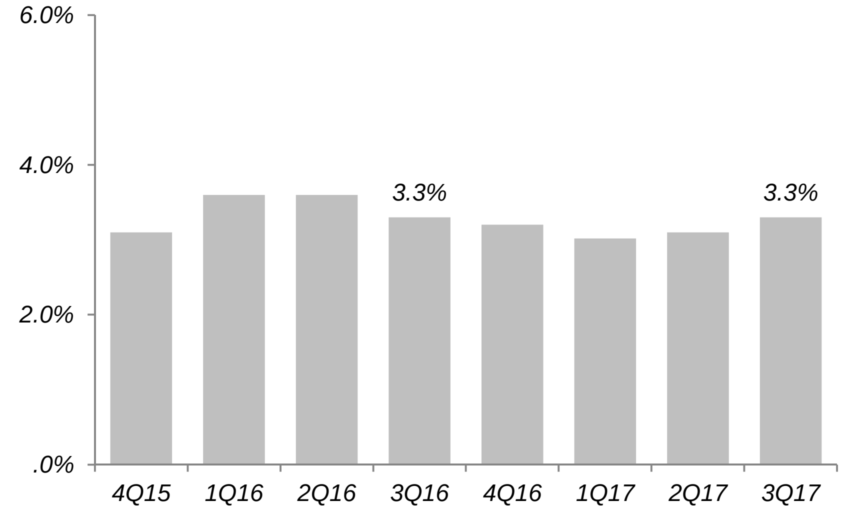
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations



Metric[b]	3Q17	2Q17	1Q17	4Q16	3Q16
Delinquencies to EOP total loans: 30-89 days	.38 %	.39 %	.36 %	.47 %	.37 %
Delinquencies to EOP total loans: 90+ days	.10	.10	.09	.10	.06
NPLs to EOP portfolio loans[c]	.60	.59	.67	.73	.85
NPAs to EOP portfolio loans + OREO + Other NPAs[c]	.64	.64	.72	.79	.89
Allowance for loan losses to period-end loans	1.02	1.01	1.01	1.00	1.01
Allowance for loan losses to NPLs	170.2	171.6	151.8	137.3	119.6

(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition

(b) From continuing operations

(c) Nonperforming loan balances exclude $783 million, $835 million, $812 million, $865 million, and $959 million of purchased credit impaired loans at September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, and September 30, 2016, respectively

Credit Quality

Credit Quality by Portfolio

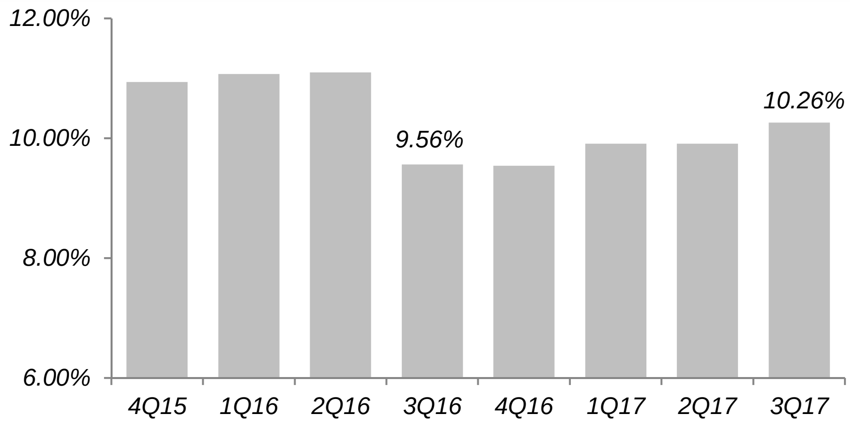
$ in millions	Period-end loans	Average loans	Net loan charge-offs	Net loan charge-offs[b] / average loans (%)	Nonperforming loans[c]	Ending allowance	Allowance / period-end loans (%)	Allowance / NPLs (%)
	9/30/17	3Q17	3Q17	3Q17	9/30/17	9/30/17	9/30/17	9/30/17
Commercial and industrial[a]	$ 41,147	$ 41,416	$ 4	.04%	$ 169	$ 532	1.29%	314.79%
Commercial real estate:								
Commercial Mortgage	14,929	14,850	5	.13	30	138	.92	460.00
Construction	1,954	2,054	2	.39	2	29	1.48	N/M
Commercial lease financing[d]	4,716	4,694	(2)	(.17)	11	43	.91	390.91
Real estate – residential mortgage	5,476	5,493	(1)	(.07)	57	8	.15	14.04
Home equity	12,238	12,314	2	.06	227	39	.32	17.18
Credit cards	1,045	1,049	10	3.78	2	44	4.21	N/M
Consumer direct loans	1,789	1,774	7	1.57	3	28	1.57	933.33
Consumer indirect loans	3,198	3,170	5	.63	16	19	.59	118.75
Continuing total[e]	**$ 86,492**	**$ 86,814**	**$ 32**	**.15%**	**$ 517**	**$ 880**	**1.02%**	**170.21%**
Discontinued operations	1,372	1,397	8	2.27	8	18	1.31	225.00
Consolidated total	**$ 87,864**	**$ 88,211**	**$ 40**	**.18%**	**$ 525**	**$ 898**	**1.02%**	**171.05%**

N/M = Not meaningful

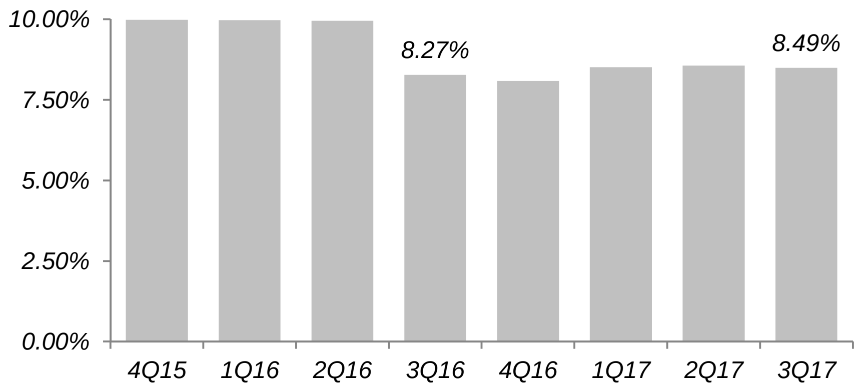
(a) 9/30/17 ending loan balance includes $118 million of commercial credit card balances; average loan balance includes $117 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 9/30/17 NPL amount excludes $783 million of purchased credit impaired loans
(d) Commercial lease financing includes receivables held as collateral for a secured borrowing of $31 million at September 30, 2017. Principal reductions are based on the cash payments received from these related receivables.
(e) 9/30/17 ending loan balance includes purchased loans of $16.7 billion, of which $783 million were purchased credit impaired

Capital

Common Equity Tier 1



Tangible Common Equity to Tangible Assets[a]



Highlights

- **Strong capital position with Common Equity Tier 1 ratio of 10.26% at 9/30/17**
  - **Increase in 9/30/17 capital measures primarily reflects a change in methodology for multipurpose facilities[b]**
- **Repurchased $277 MM[c] in common shares during 3Q17**

(a) Non-GAAP measure: see slides 29-30 for reconciliation
(b) Increase in 9/30/17 capital measures primarily reflects implementation of methodology for commitments to issue standby letters of credit that were issued under multipurpose facilities; these multipurpose facilities are now presented as commitments to extend credit
(c) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

Corporate Governance and Responsibility

Strong Corporate Governance

Committed to high standards of corporate governance, ethical behavior, and business conduct, with shareholder interests at the center of all we do

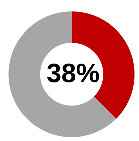
Independent, Diverse and Highly-Qualified Board of Directors

- Robust Independent Lead Director role
- Independent Board committee chairs
- Diverse representation
- Broad industry expertise and experience
- Active oversight of risk management and involvement in holding management accountable (current year and long-term performance)

44% women and minority representation

5 years

average Board tenure



new Board members since 2014

Balanced, Performance-based Compensation Philosophy

- Pay-for-performance approach
- Balances short-term and long-term performance
- Focuses on prudent risk-taking and the risk-reward balance

Active Shareholder Engagement Program

Strong Corporate Citizen

Responsible Banking
- ✓ Invest in underserved & low-to-moderate income communities
- ✓ Fair, responsible & equitable products
- ✓ Promote financial wellness and education

Responsible Citizenship
- ✓ Encourage and support philanthropy and volunteerism
- ✓ Cultivate diversity and inclusion

Responsible Operations
- ✓ Engage, support, and encourage sustainability and efficiency efforts

National Community Benefits Plan

Lending and investing $16.5 billion nationwide over five years, beginning in 2017

Strong Disclosures and Transparency

CDP DRIVING SUSTAINABLE ECONOMIES

2016 score: A-

Global Reporting Initiative™

2016 G-4 core

KeyCorp Corporate Responsibility Report

key.com/CRreport

8 Consecutive "Outstanding" CRA ratings

4x: One of America's Most Community-minded Companies

8x: Top 50 Company for Diversity & Inclusion

FNFG Merger-related Charges

$ in millions *Increase / (Decrease)*	3Q17	2Q17	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	**$ 25**	**$ 31**	**$ 30**	**$ 80**	**$ 97**	**$ 35**	**$ 16**	**-**
Net Occupancy	$ (2)	$ (1)	$ 5	$ 29	-	-	-	-
Business services and professional fees	2	6	5	22	$ 32	$ 5	$ 7	$ 5
Computer processing	4	2	5	38	15	-	-	-
Marketing	5	6	6	13	9	3	1	-
All other non-personnel	2	-	30	25	36	2	-	1
Total non-personnel expense	**$ 11**	**$ 13**	**$ 51**	**$ 127**	**$ 92**	**$ 10**	**$ 8**	**$ 6**
Total merger-related charges	**$ 36**	**$ 44**	**$ 81**	**$ 198**	**$ 207**	**$ 45**	**$ 24**	**$ 6**
EPS impact	**$ (.02)**	**$ (.03)**	**$ (.05)**	**$ (.11)**	**$ (.14)**	**$ (.04)**	**$ (.02)**	**-**

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 9/30/17	6/30/17	9/30/16	Nine months ended 9/30/17
Tangible common equity to tangible assets at period end				
Key shareholders' equity (GAAP)	$15,249	$15,253	$ 14,996	
Less: Intangible assets [(a)]	2,870	2,866	2,855	
Preferred Stock [(b)]	1,009	1,009	1,150	
Tangible common equity (non-GAAP)	$11,370	$11,378	$ 10,991	
Total assets (GAAP)	$136,733	$135,824	$ 135,805	
Less: Intangible assets [(a)]	2,870	2,866	2,855	
Tangible common equity to tangible assets ratio (non-GAAP)	$133,863	$132,958	$ 132,950	
Tangible common equity to tangible assets ratio (non-GAAP)	8.49%	8.56%	8.27%	
Notable Items				
Merger-related charges	$ (36)	$ (44)	$ (207)	
Merchant services gain	(5)	64	-	
Purchase accounting finalization, net	-	43	-	
Charitable contribution	-	(20)	-	
Total notable items	$ (41)	$ 43	$ (207)	
Income taxes	(13)	16	(75)	
Total notable items after tax	$ (28)	$ 27	$ (132)	
Earnings per common share (EPS) excluding notable items				
EPS from continuing operations attributable to Key common shareholders — assuming dilution	$ .32	$ .36	$ .16	
Add: EPS impact of notable items	.03	(.02)	.14	
EPS from continuing operations attributable to Key common shareholders excluding notable items (non-GAAP)	$ .35	$ .34	$ .30	
Pre-provision net revenue excluding notable items				
Net interest income (GAAP)	$ 948	$ 973	$ 780	$ 2,839
Plus: Taxable-equivalent adjustment	14	14	8	39
Noninterest income	592	653	549	1,822
Less: Noninterest expense	992	995	1,082	3,000
Pre-provision net revenue from continuing operations	$ 562	$ 645	$ 255	$ 1,700
Plus: Notable items	41	(43)	207	(79)
Pre-provision net revenue from continuing operations excluding notable items (non-GAAP)	$ 603	$ 602	$ 462	$ 1,779

(a) For the three months ended September 30, 2017, June 30, 2017, and September 30, 2016, intangible assets exclude $30 million, $33 million, and $51 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				
	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16
Average tangible common equity					
Average Key shareholders' equity (GAAP)	$ 15,241	$ 15,200	$ 15,184	$ 14,901	$ 13,552
Less: Intangible assets (average) [(a)]	2,878	2,756	2,772	2,874	2,255
Preferred Stock (average)	1,025	1,025	1,480	1,274	648
Average tangible common equity (non-GAAP)	$ 11,338	$ 11,419	$ 10,932	$ 10,753	$ 10,649
Return on average tangible common equity from continuing operations					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 349	$ 393	$ 296	$ 213	$ 165
Plus: Notable items, after tax	28	(27)	51	124	132
Net income (loss) from continuing operations attributable to Key common shareholders excl. notable items	$ 377	$ 366	$ 347	$ 337	$ 297
Average tangible common equity (non-GAAP)	11,338	11,419	10,932	10,753	10,649
Return on average tangible common equity from continuing operations (non- GAAP)	12.21%	13.80%	10.98%	7.88%	6.16%
Return on average tangible common equity from continuing operations excl. notable items (non- GAAP)	13.19%	12.86%	12.87%	12.47%	11.10%
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 992	$ 995	$ 1,013	$ 1,220	$ 1,082
Less: Intangible asset amortization	25	22	22	27	13
Adjusted noninterest expense (non-GAAP)	$ 967	$ 973	$ 991	$ 1,193	$ 1,069
Less: Notable items [(b)]	36	60	81	207	189
Adjusted noninterest expense excluding notable items (non-GAAP)	$ 931	$ 913	$ 910	$ 986	$ 880
Net interest income (GAAP)	$ 948	$ 973	$ 918	$ 938	$ 780
Plus: Taxable-equivalent adjustment	14	14	11	10	8
Noninterest income	592	653	577	618	549
Total taxable-equivalent revenue (non-GAAP)	$ 1,554	$ 1,640	$ 1,506	$ 1,566	$ 1,337
Plus: Notable items [(c)]	5	(103)	-	(9)	18
Adjusted total taxable-equivalent revenue excl. notable items (non-GAAP)	$ 1,559	$ 1,537	$ 1,506	$ 1,557	$ 1,355
Cash efficiency ratio (non-GAAP)	62.2%	59.3%	65.8%	76.2%	80.0%
Cash efficiency ratio excluding notable items (non-GAAP)	59.7%	59.4%	60.4%	63.3%	64.9%

(a) For the three months ended September 30, 2017, June 30, 2017, March 30, 2017, December 31, 2016, and September 30, 2016, average intangible assets exclude $32 million, $36 million, $40 million, $46 million, and $47 million, respectively, of average purchased credit card receivables
(b) Notable items for the three months ended September 30, 2017, includes $36 million of merger-related charges
(c) Notable items for the three months ended September 30, 2017, includes a $5 million adjustment related to the merchant services acquisition gain