Barclays Global Financial Services Conference

September 12, 2018

KeyCorp

Focused *Forward*

Beth 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," "seek," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "plan," "predict," "project," "forecast," "guidance," "goal," "objective," "prospects," "possible," "potential," "strategy," "opportunities," or "trends," 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 based on assumptions that involve risks and uncertainties, which are subject to change based on various important factors (some of which are beyond KeyCorp's control). Actual results may differ materially from current projections.

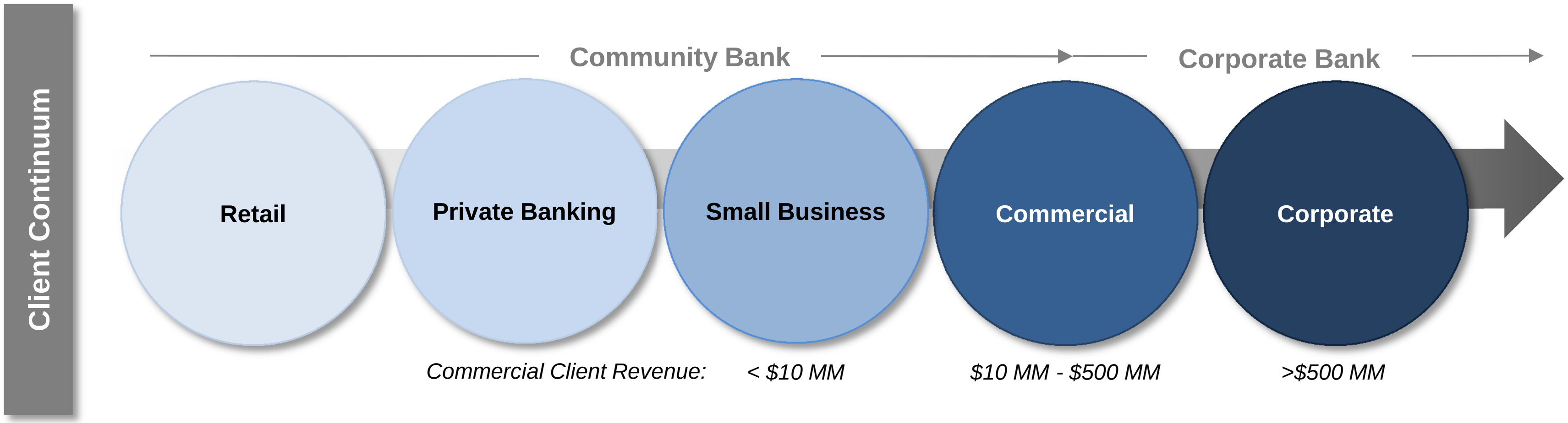
Actual outcomes may differ materially from those expressed or implied as a result of the factors described under "Forward-looking Statements" and "Risk Factors" in KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2017 ("Form 10-K") and in other filings of KeyCorp with the Securities and Exchange Commission (the "SEC"). Such forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events. For additional information regarding KeyCorp, please refer to our SEC filings available at www.key.com/ir.

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. Notable items include certain revenue or expense items that may occur in a reporting period which management does not consider indicative of ongoing financial performance. Management believes it is useful for the investment community to consider financial metrics with and without notable items in order to enable a better understanding of company results, facilitate comparability of period-to-period financial results, and to evaluate and forecast those results. 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 Figure 2 of our Form 10-K dated December 31, 2017.

GAAP: Generally Accepted Accounting Principles

Key Overview

Serving targeted clients by leveraging broad capabilities, insights and expertise



3.5 MM	61%	$40 B	14%	$639 MM
clients	consumer deposits, % of total	assets under management	C&I loan growth 5-year CAGR	investment banking & debt placement fees (TTM)

As of 6/30/18 unless otherwise noted

A Transformed Franchise

Sustained discipline and focused execution has improved market positioning, enhanced productivity and resulted in strong business growth

		Growth	YE 2012	6/30/18
Market Presence	Clients	+52%	2.3 MM	3.5 MM
	# Top 5 markets[(a)]	+29%	17	22
	Deposits per branch	+46%	$61 MM	$89 MM
People	Corporate & Commercial RMs	+46%	248	362
	Retail sales FTE	+60%	2.0 K	3.2 K
	Revenue (TTM) per FTE	+30%	$264 K	$344 K
Products & Capabilities	C&I loans	+92%	$23.2 B	$44.6 B
	IB & debt placement fees (TTM)	+95%	$327 MM	$639 MM
	Cards & payments income (TTM)	+111%	$135 MM	$285 MM
	Servicing assets	+144%	$108 B	$263 B
	Commercial mortgage: capital raised (TTM)	+156%	$6.6 B	$16.9 B

(a) Metropolitan Statistical Areas (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)

Key’s Path Forward

Drive revenue growth by leveraging distinctive relationship-based business model

Focus on innovation and employing digital solutions to reduce costs and enhance the client experience

Continue to execute on expense opportunities, which support business investments

Maintain moderate risk profile and rigor around credit quality

Remain disciplined with capital management

Well positioned to continue to improve productivity, efficiency and returns

Executing on Long-term Targets

Focused execution of relationship-based model drives ability to achieve targets

Long-term Targets

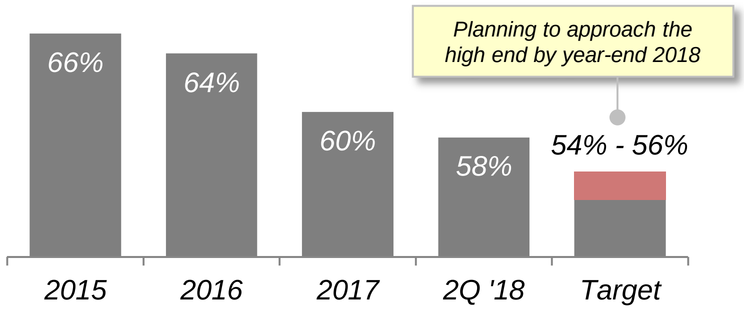
Positive operating leverage

Cash efficiency ratio: 54% - 56%

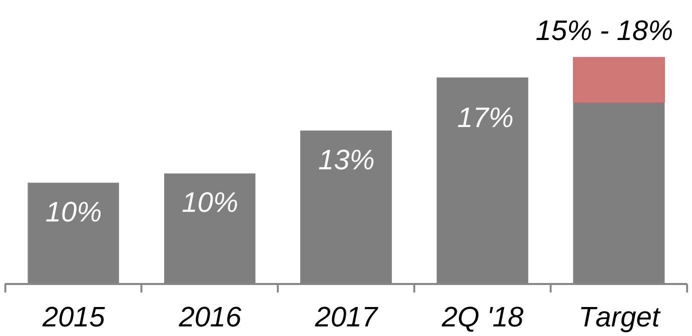
Moderate risk profile:
Net charge-offs to avg. loans targeted range of 40 - 60 bps

Return on avg. tangible common equity: 15% - 18%

Cash Efficiency Ratio[a]



Return on Average Tangible Common Equity[a]



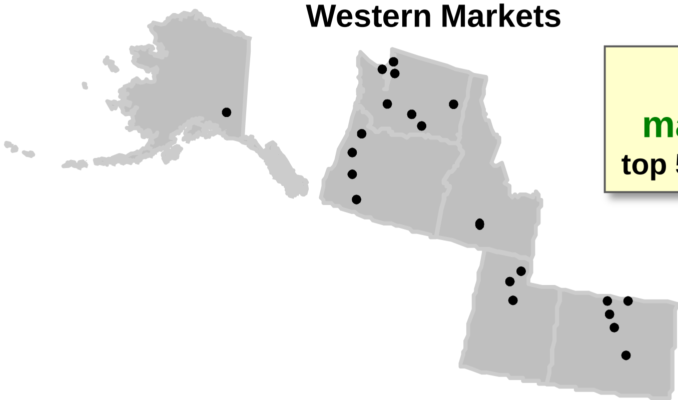
(a) Non-GAAP measure and excludes notable items; see appendix and Key's Form 10-K dated December 31, 2017, for reconciliations

Appendix

Strong, Targeted Presence

Market Presence

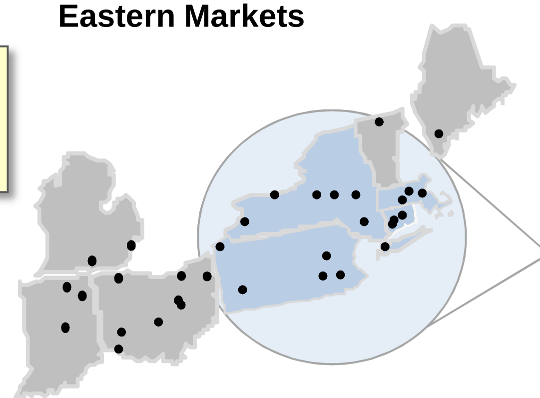
Western Markets



strong market share
top 5 in >20 MSAs(a)

Strong growth and presence in attractive markets

Eastern Markets



First Niagara Acquisition:

- ✓ Added one million clients
- ✓ Enhanced market share with attractive, core & contiguous markets
- ✓ Accelerated performance, with improved profitability and returns

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

Targeted Industry Verticals

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

Broad Products and Capabilities → Creates a Competitive Advantage

- ✓ **Broad suite of lending and capital markets capabilities**
- ✓ **Robust deposit, payments and treasury management solutions**
- ✓ **Proprietary financial wellness and planning tool**
- ✓ **Holistic wealth management and private banking**
- ✓ **Multichannel delivery with strong digital offering**

- • Denotes 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)

Distinctive Offering

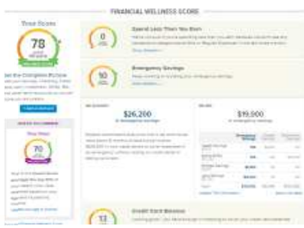
Delivering ease, value and expertise to build enduring client relationships

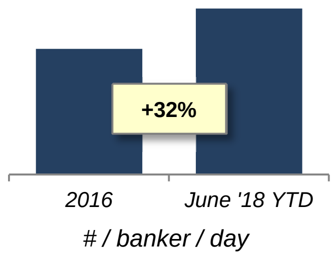
Consumer

Financial Wellness:

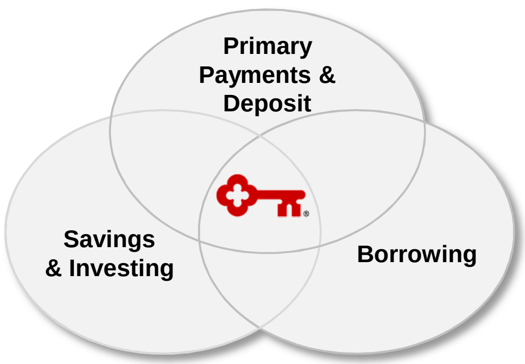
Understanding our clients and helping them succeed

Wellness tools and insight + Active dialogue and wellness conversations





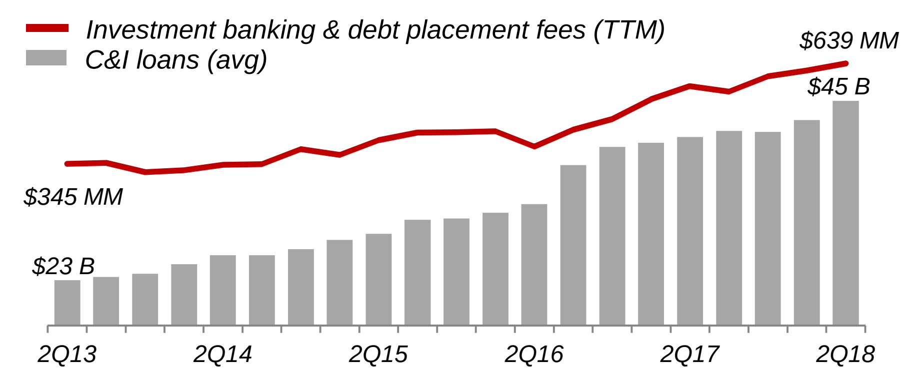
Growing relationships by fulfilling clients' banking needs



Commercial

	Boutiques	Regional Banks		Universal Banks
Capital Markets	✓	✗	✓	✓
Commercial Banking	✗	✓	✓	✓
Industry-driven Model	✓	✗	✓	✓
Middle Market Focus	✓	✓	✓	✗

Growth in Balances and Fees



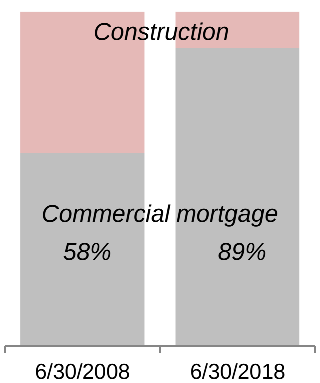
Risk Management

Maintaining a strong risk culture and moderate risk profile

Business Discipline

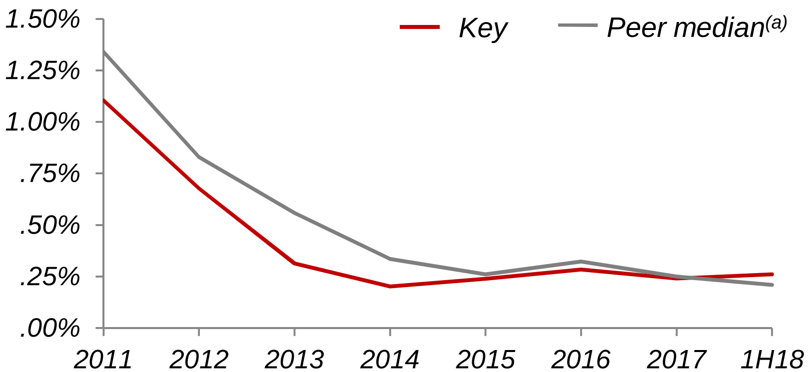
- **Enterprise-wide approach to managing risks and concentrations**
- **Maintaining enhanced underwriting standards**
- **Focus on specific segments and sectors with expertise**
- **Selective, targeted approach to specific markets and asset classes**

Commercial Real Estate Mix Shift

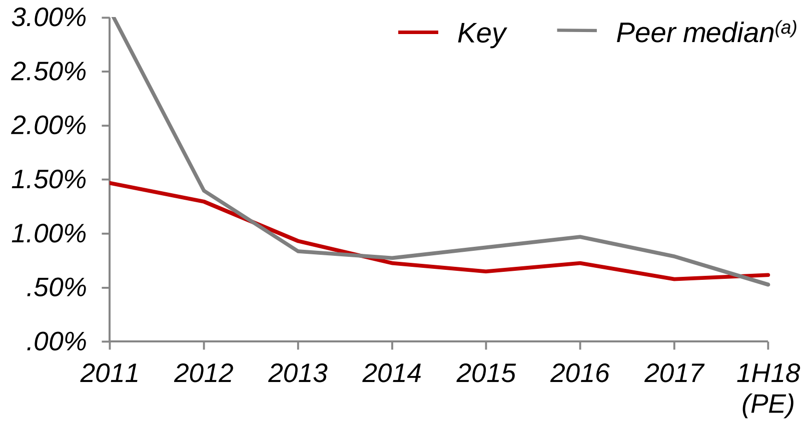


Strong Asset Quality[a]

Net Charge-offs to Average Loans



Nonperforming Loans to Total Loans



PE = Period end

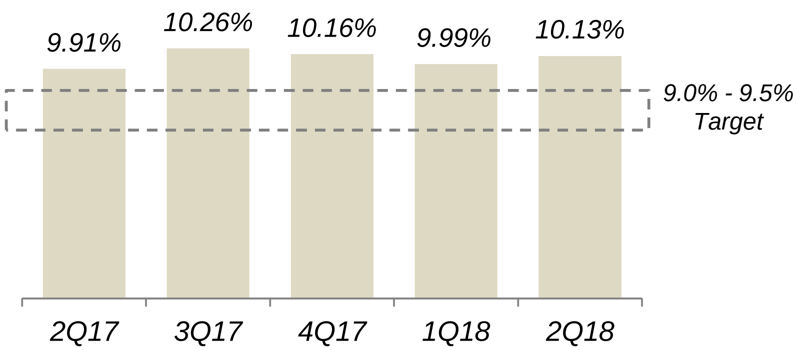
(a) Source: peer filings; peers include: BBT, CFG, CMA, FITB, HBAN, MTB, PNC, RF, STI, USB, and ZION

Capital Management

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

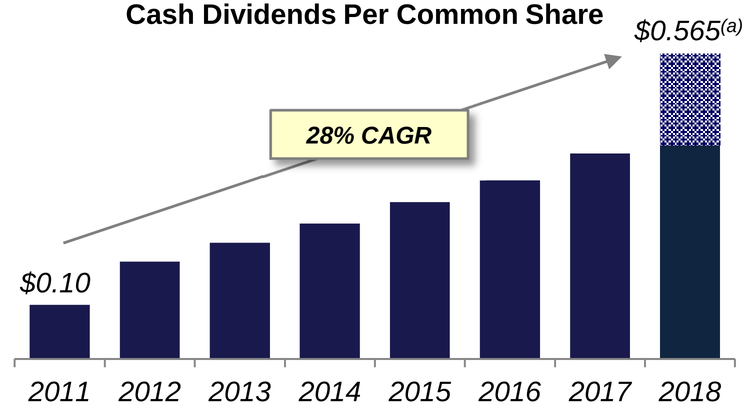
Strong Capital Position

Common Equity Tier 1

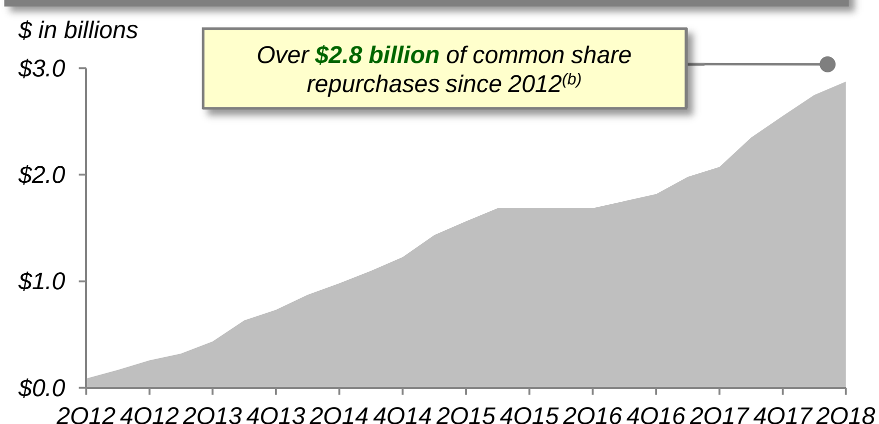


Focus on Dividends

Cash Dividends Per Common Share



Cumulative Common Share Repurchases[b]

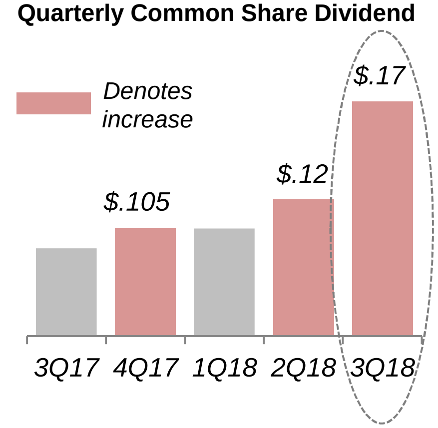


2018 Capital Plan

42%
common share dividend increase (beginning in 3Q18)

$1.225 B
common share repurchase authorization[b]

Quarterly Common Share Dividend



(a) Includes dividend of $0.17 per common share in 4Q18 (subject to Board approval)
(b) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

Outlook and Expectations

	FY 2018
Average Balance Sheet	• Loans: average balances in the range of \$88.5 B - \$89.5 B • Deposits: average balances in the range of \$104.5 B - \$105.5 B
Net Interest Income (TE)	• Net interest income expected to be in the range of \$3.95 B - \$4.05 B • Outlook includes rate increase in November 2018
Noninterest Income	• Expected to be in the range of \$2.5 B - \$2.6 B
Noninterest Expense	• Expected to be in the range of \$3.85 B - \$3.95 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 17% - 18%

Long-term Targets

Positive operating leverage

Cash efficiency ratio:
54%-56%

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

ROTCE:
15-18%

Financial Review

Financial Highlights

Continuing operations, unless otherwise noted

		2Q18		1Q18		2Q17		LQ Δ		Y/Y Δ	
Profitability	EPS – assuming dilution	.44		.38		.36		16	%	22	%
	Cash efficiency ratio[a]	58.8	%	62.9	%	59.3	%	(414)	bps	(56)	bps
	Return on average tangible common equity[a]	16.7		14.9		13.8		184		293	
Capital[b]	Common Equity Tier 1	10.13	%	9.99	%	9.91	%	14	Bps	22	bps
	Tier 1 risk-based capital	10.95		10.82		10.73		13		22	
	Tangible common equity to tangible assets[a]	8.32		8.22		8.56		10		(24)	
Asset Quality	NCOs to average loans	.27	%	.25	%	.31	%	2	bps	(4)	bps
	NPLs to EOP portfolio loans[c]	.62		.61		.59		1		3	
	Allowance for loan and lease losses to EOP loans	1.01		1.00		1.01		1		-	

2Q18 Notable Items

$ in MM (except per share amounts)		**Pre-tax Impact**
Sale of insurance business	$	73
Efficiency-related expenses		(22)
Lease residual loss		(42)
Total impact (pre-tax)	**$**	**9**
Total impact (after-tax)	**$**	**2**

2Q17 Notable Items

$ in MM (except per share amounts)		**Pre-tax Impact**
Merchant services gain	$	64
Purchase accounting finalization		43
Merger-related charges		(44)
Charitable contribution		(20)
Total impact (pre-tax)	**$**	**43**
Total impact (after-tax)	**$**	**27**

EOP = End of Period

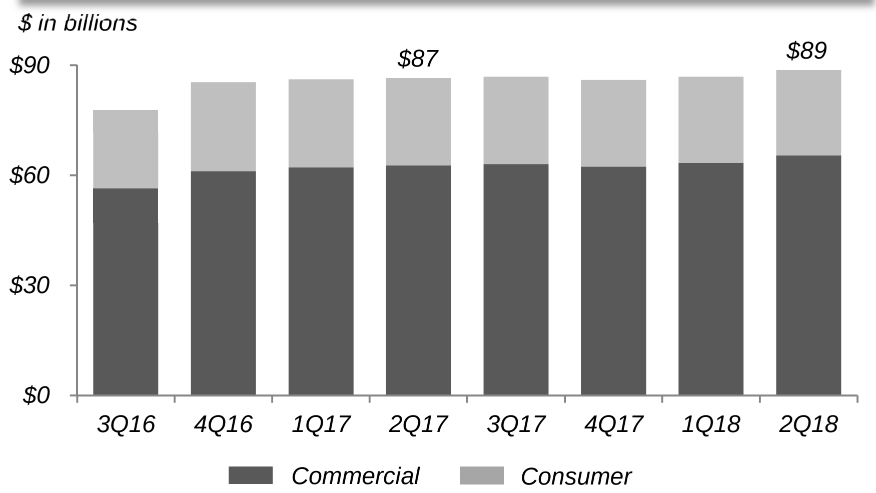
(a) Non-GAAP measure: see slide 28 for reconciliation

(b) From consolidated operations

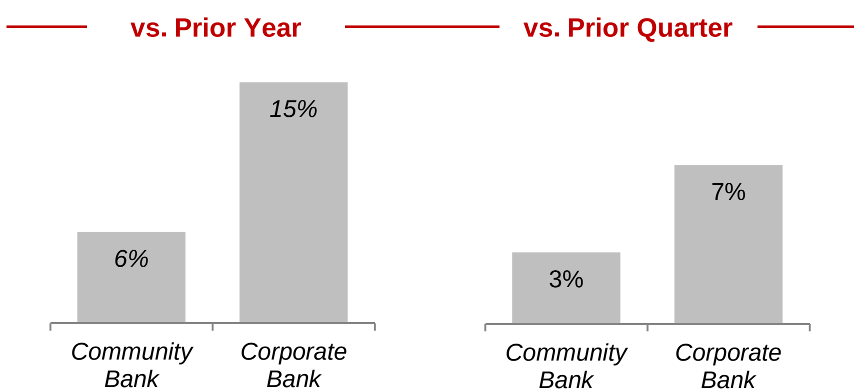
(c) Nonperforming loan balances exclude $629 million, $690 million, and $835 million of purchased credit impaired loans at June 30, 2018, March 31, 2018, and June 30, 2017, respectively

Loans

Total Average Loans



C&I Loans



Highlights

vs. Prior Year

- **Average loans up 2% from 2Q17**
  - **C&I balances up 11%**
  - **Broad-based growth with middle-market clients**
  - **CRE and home equity continue to be impacted by market trends**

vs. Prior Quarter

- **Average loans up 2% from 1Q18**
  - **C&I balances up 5%**
  - **Growth across client segments, including both Community Bank and Corporate Bank**

Loan Portfolio Detail, at 6/30/18

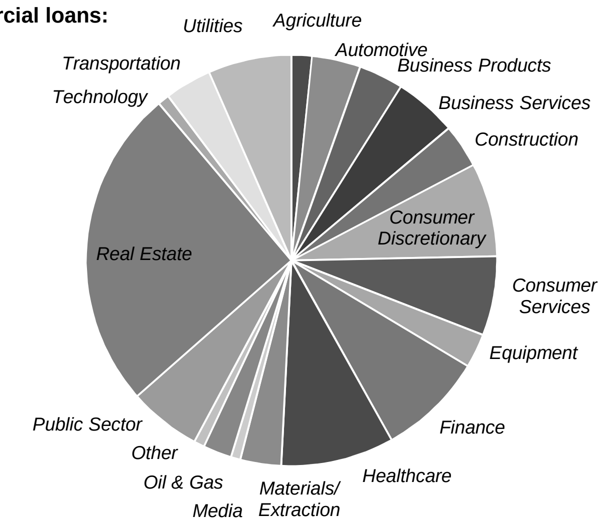
Total Loans

$ in billions		6/30/18	% of total loans
Commercial and industrial	$	44.6	51
Commercial real estate		15.9	18
Commercial lease financing		4.5	5
Total Commercial	**$**	**65.0**	**74**
Residential mortgage	$	5.5	6
Home equity		11.5	13
Consumer direct		1.8	2
Credit card		1.1	1
Consumer indirect		3.4	4
Total Consumer	**$**	**23.2**	**26**

Commercial Loans

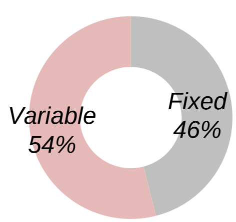
Diversified Portfolio by Industry

Total commercial loans:



Home Equity

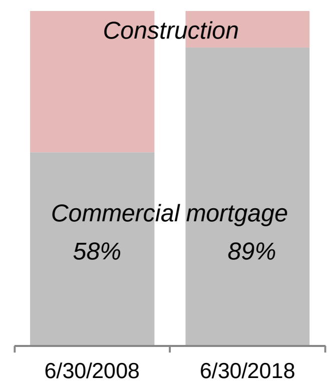
		Outstanding Balances			Average Loan Size	Average FICO	2008/ prior vintage
First lien	$	6,879	60 %	$	71,798	772	18 %
Second lien		4,640	40		46,324	769	32
Total home equity	**$**	**11,519**					



- Combined weighted-average LTV at origination: 70%
- $560 million in lines outstanding (7% of the home equity lines) come to end of draw period by 2Q20

Commercial Real Estate

- Focused on relationships with CRE owners
- Aligned with targeted industry verticals
- Primarily commercial mortgage; selective approach to construction
- Criticized non-accruals: 0.3% of period-end balances[(a)]

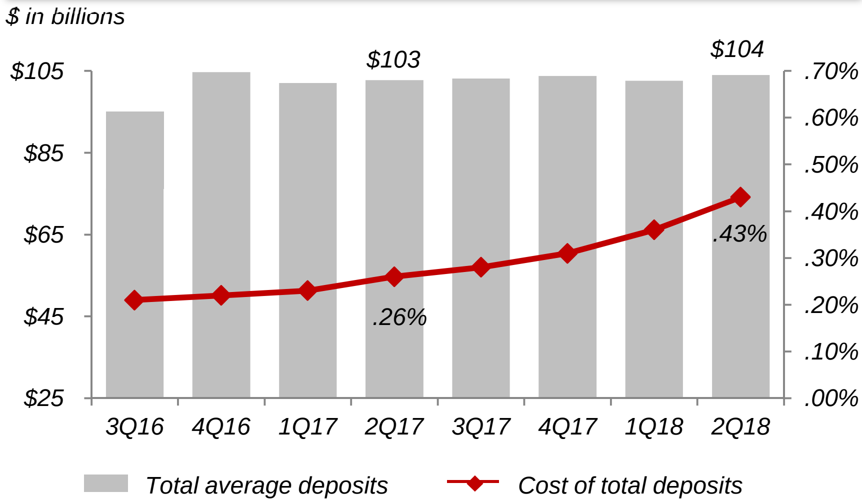


Tables may not foot due to rounding

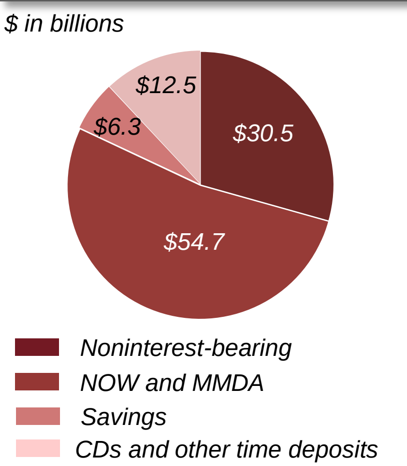
(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition

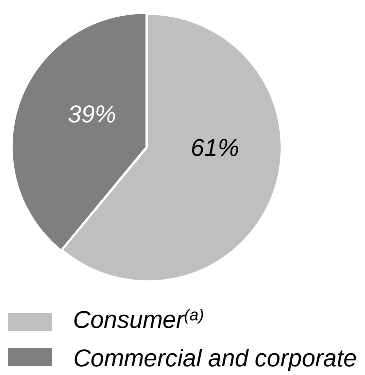
Deposits

Average Deposits



2Q18 Average Deposit Mix





Highlights

- **Deposit cost up 7 bps from 1Q18, reflecting:**
  - **Higher interest rates and beta**
  - **Continued migration of portfolio into higher-yielding products**
- **Strong and stable deposit base**
  - **29% noninterest-bearing**
  - **>85% from markets where Key maintains top-5 deposit or branch share**

vs. Prior Year

- **Average deposit balances up 1% from 2Q17**
- **Strength in retail banking franchise and growth from commercial relationships**
- **Continued mix shift to higher-yielding deposit products**

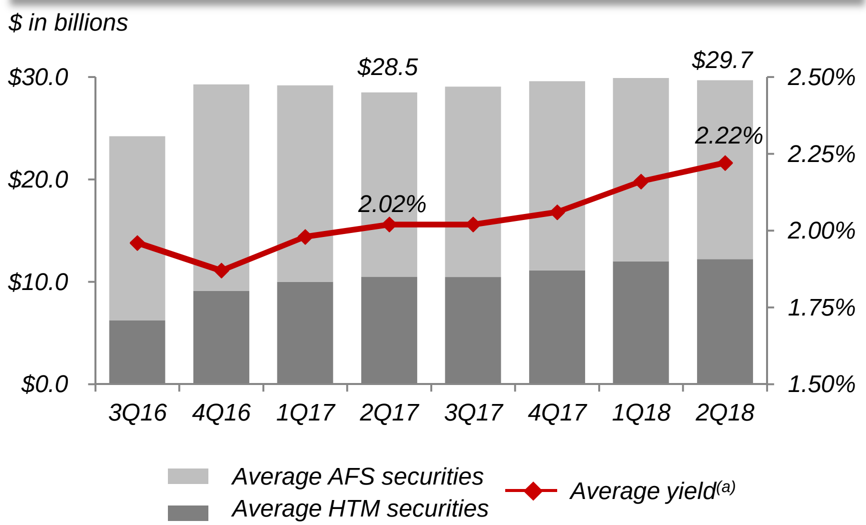
vs. Prior Quarter

- **Average deposit balances up 1% from 1Q18**
- **Growth from retail and commercial relationships**
- **Continued mix shift to higher-yielding deposit products**

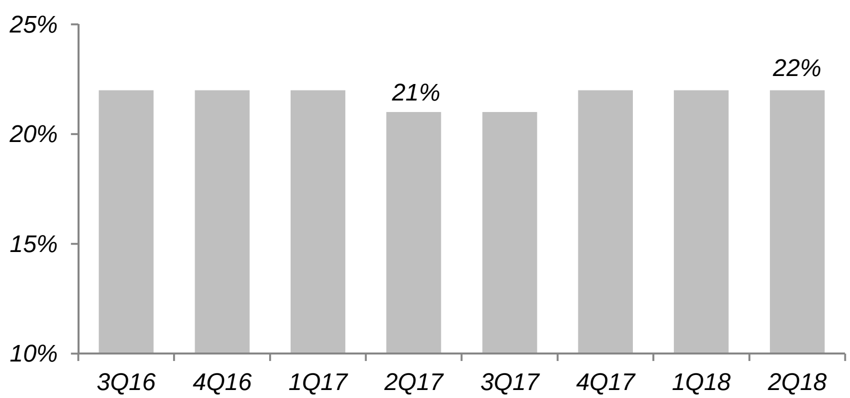
(a) Consumer includes retail banking, small business, and private banking

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets[b]



Highlights

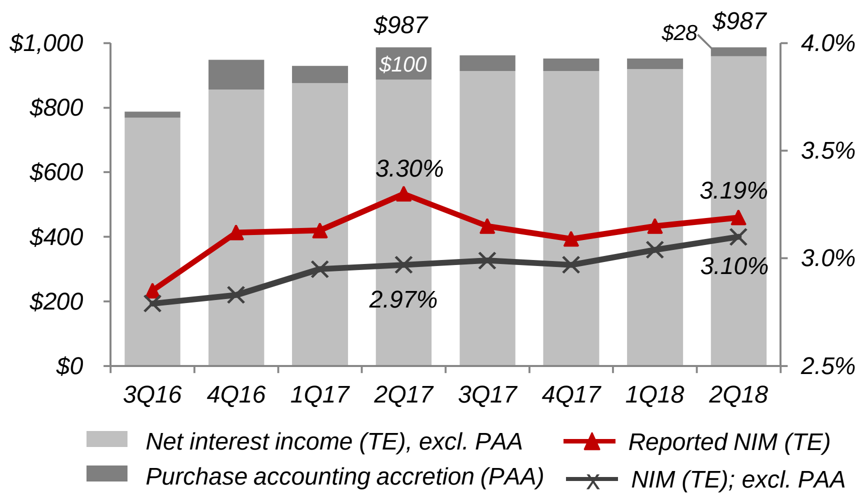
- **Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs**
  - **Primarily fixed rate**
  - **GNMA 46% of 2Q18 average balances**
- **Portfolio used for funding and liquidity management:**
  - **Securities cash flows of $1.2 billion in 2Q18**
  - **Reinvesting cash flows into High Quality Liquid Assets**
- **Replaced cash flows at higher yields during 2Q18**
  - **Yield on new investments ~125 bps higher than maturities**
  - **Portfolio yield has increased 20 bps from prior year and 35 bps from the post-FNFG acquisition low in 4Q16**
- **Portfolio average life of 4.9 years and duration of 4.2 years at 6/30/18**

(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



	2Q17	3Q17	4Q17	1Q18	2Q18
NIM – reported	**3.30%**	**3.15%**	**3.09%**	**3.15%**	**3.19%**
PAA	.19	.16	.12	.11	.09
PAA refinement/ finalization	.14	-	-	-	-
NIM – excl. PAA	**2.97%**	**2.99%**	**2.97%**	**3.04%**	**3.10%**
NII – reported ($MM)	**$ 987**	**$ 962**	**$ 952**	**$ 952**	**$ 987**
PAA	58	48	38	33	28[(a)]
PAA refinement/ finalization	42	-	-	-	-
NII – excl. PAA	**$887**	**$914**	**$914**	**$919**	**$959**

Highlights

- **Excluding PAA, 2Q18 net interest income was $959 MM and net interest margin was 3.10%**

vs. Prior Year

- **Net interest income up $72 MM, or 8%, from 2Q17, excl. PAA**
  - **Largely driven by higher interest rates and earning asset growth**

vs. Prior Quarter

- **Net interest income up $40 million, or 4%, from 1Q18, excl. PAA**
  - **Reflects benefit from higher interest rates, strong commercial loan growth, and day count**

NIM Change vs. Prior Quarter	***1Q18:***	***3.15%***
Higher interest rates		.06
PAA (2Q vs. 1Q)		(.02)
Total change		**.04**
	2Q18:	***3.19%***

TE = Taxable equivalent PAA = Purchase accounting accretion

(a) 2Q18 purchase accounting accretion of $28 MM is made up of $20 MM related to contractual maturities and $8 MM related to prepayments

Asset & Liability Management Positioning

The strength and diversity of our franchise positions Key to benefit from economic growth and a rising rate environment

Business and Balance Sheet Highlights

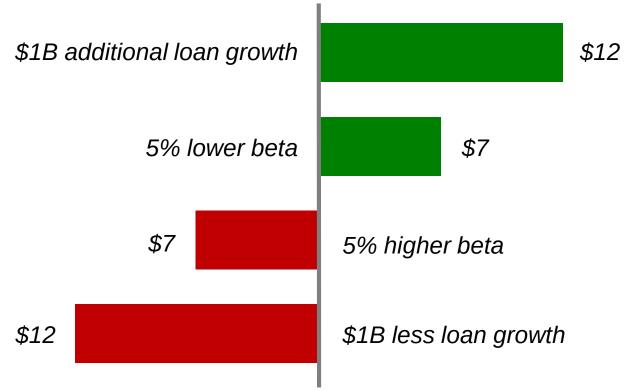
- **Strong, low-cost deposit base**
  - $73 B interest-bearing deposits at 61 bps
  - $31 B noninterest-bearing deposits
  - ~65% stable retail and low-cost escrow
  - > 85% from markets where Key maintains top-5 deposit or branch share
  - $88 MM deposits per branch, up 20% vs. pre-FNFG
  - Payments investments drive commercial deposit growth

- **Relationship-oriented lending franchise**
  - Distinctive commercial capabilities drive C&I loan growth and ~70% floating-rate loan mix
  - Recent investments in residential mortgage and auto lending enhance Key's growth trajectory and balance our ALM position

- **Disciplined balance sheet management with recurring re-investment opportunities**
  - $30 B securities portfolio is >99% government-guaranteed and generates ~$400 MM cash flows per month
  - Discretionary hedge activities (~$18.7 B) help moderate interest rate risk exposure while providing near-term earnings upside ($2.8 B swaps mature through 4Q18 at weighted-average receive rate of 1.10%)

Net Interest Income Sensitivities (FY18) ($MM)

(change vs. FY 2018 outlook)[a]



- **Modestly asset sensitive positioning[b]**
  - NII impact of 1%-3% for a 200 bps increase over 12 months
    - Reflects a deposit repricing beta that ramps to ~55%
    - Each 25 bps increase in the Fed Funds rate results in NII benefit of ~$4-8MM per quarter

(a) Outlook and Expectations for FY 2018 is as described on page 12 of this presentation and assumes market forward interest rates as of December 2017 and deposit betas increasing modestly from recent levels.
(b) Simulation analysis for net interest income is described in Figure 31 of Key's 2017 Form 10-K

Noninterest Income

Noninterest Income

$ in millions *up / (down)*	2Q18	vs. 2Q17	vs. 1Q18
Trust and investment services income	$ 128	$ (6)	$ (5)
Investment banking and debt placement fees	155	20	12
Service charges on deposit accounts	91	1	2
Operating lease income and other leasing gains	(6)	(36)	(38)
Corporate services income	61	6	(1)
Cards and payments income	71	1	9
Corporate-owned life insurance	32	(1)	-
Consumer mortgage income	7	1	-
Mortgage servicing fees	22	7	2
Other income	99	14	78
Total noninterest income	**$ 660**	**$ 7**	**$ 59**
Notable items	36	(25)	36
Total noninterest income, excluding notable items[(a)]	**$ 624**	**$ 32**	**$ 23**

Notable items ($ MM)	**2Q18**	**2Q17**	**1Q18**
Lease residual loss (op. lease income)	(42)	-	-
Insurance sale gain (other income)	78	-	-
Merchant services gain (other income)	-	64	-
Purchase accounting finalization (other income)	-	(3)	-
	$36	**$61**	**-**

Highlights

vs. Prior Year

- **Noninterest income up $7 MM (+1%) from 2Q17**
  - Excluding notable items up $32 MM, or 5%[(a)]
- **Continued momentum in fee-based businesses resulting from ongoing investments**
  - Investment banking and debt placement fees (+$20 MM), mortgage servicing fees (+$7 MM), corporate services (+$6 MM)
- **Operating lease income impacted by a $42 MM lease residual loss in 2Q18**
- **Both periods impacted by gains: 2Q18 sale of insurance business ($78 MM); 2Q17 merchant services gain ($64 MM)**

vs. Prior Quarter

- **Noninterest income up $59 MM (+10%) from 1Q18**
  - Excluding notable items up $23 MM, or 4%[(a)]
- **Strength in fee based-businesses**
  - Investment banking and debt placement: +$12 MM, or 8%
  - Cards and payments income: +$9 MM, or 15%
- **2Q18 includes impact from sale of insurance business**
  - $78 MM gain in other income
  - Lower trust and investment services income
- **Operating lease income impacted by a $42 MM lease residual loss**

(a) Non-GAAP measure

Noninterest Expense

Noninterest Expense

$ in millions up / (down)	2Q18	vs. 2Q17	vs. 1Q18
Personnel	$ 586	$ 33	$ (8)
Net occupancy	79	1	1
Computer processing	51	(4)	(1)
Business services, professional fees	51	6	10
Equipment	26	(1)	-
Operating lease expense	30	9	3
Marketing	26	(4)	1
FDIC assessment	21	-	-
Intangible asset amortization	25	3	(4)
OREO expense, net	-	(3)	(2)
Other expense	98	(42)	(13)
Total noninterest expense	$ 993	**$ (2)**	**$ (13)**
Notable items	27	(33)	27
Total noninterest expense, excluding notable items[a]	**$ 966**	**$ 31**	**$ (40)**

Notable items ($ MM)	2Q18	2Q17	1Q18
Efficiency-related expenses *($18 MM personnel / $4 MM nonpersonnel)*	22	-	-
Sale of insurance business *($1 MM personnel / $4 MM nonpersonnel)*	5	-	-
Merger-related charges *($31 MM personnel / $13 MM nonpersonnel)*	-	44	-
Charitable contribution (other expense)	-	20	-
Purchase accounting finalization (other expense)	-	(4)	-
	$27	**$60**	**-**

vs. Prior Year

- **Noninterest expense relatively stable**
  - Excluding notable items up $31 MM, or 3%[a]
- **Reflects acquisitions (Cain Brothers and HelloWallet) as well as the addition of client-facing roles and investment in our residential mortgage business**
- **Realization of merger cost savings and lower notable items offset growth from acquisitions and investments**

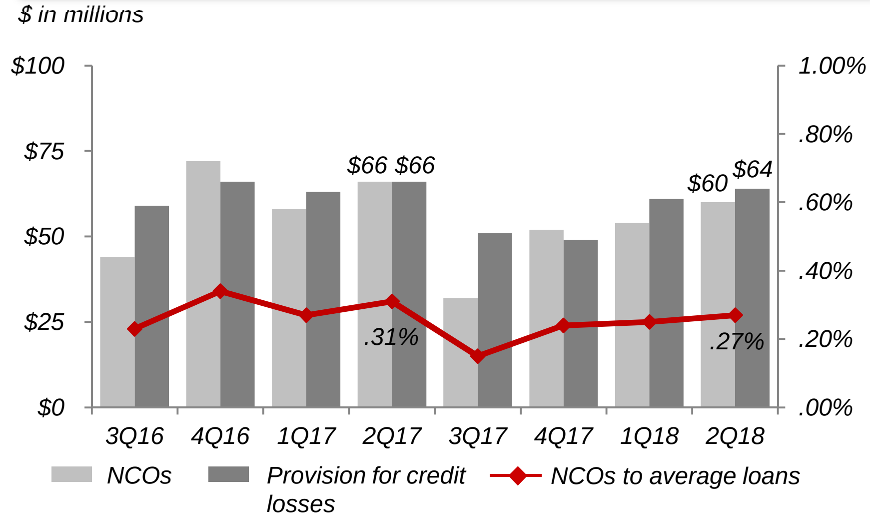
vs. Prior Quarter

- **Noninterest expense down $13 MM, or 1%**
  - Excluding notable items down $40 MM, or 4%[a]
- **Reported personnel expense down $8 MM, including $19 MM in 2Q18 from severance and the insurance sale → personnel down $27 MM excluding these items**
  - Benefits expense down $23 MM

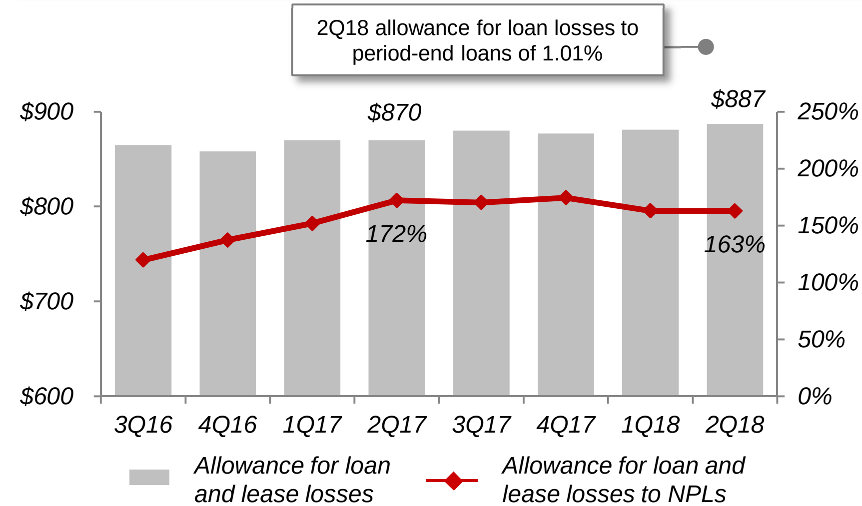
(a) Non-GAAP measure

Credit Quality

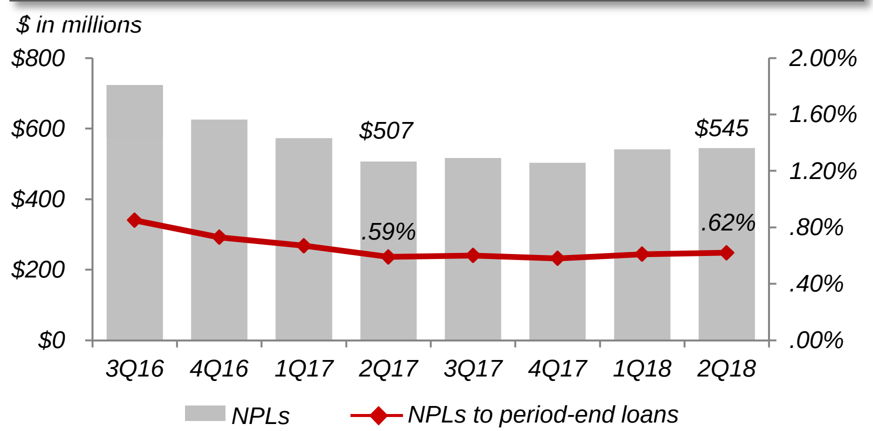
Net Charge-offs & Provision for Credit Losses



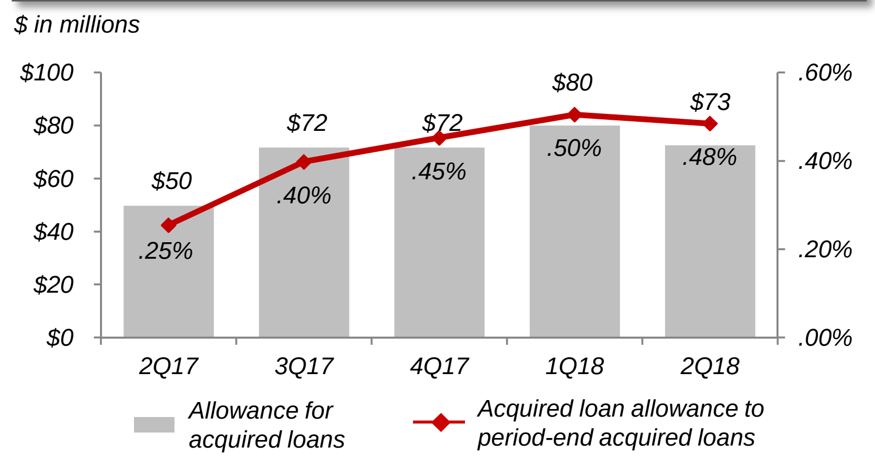
Allowance for Loan and Lease Losses



Nonperforming Loans[a]



Acquired Loans



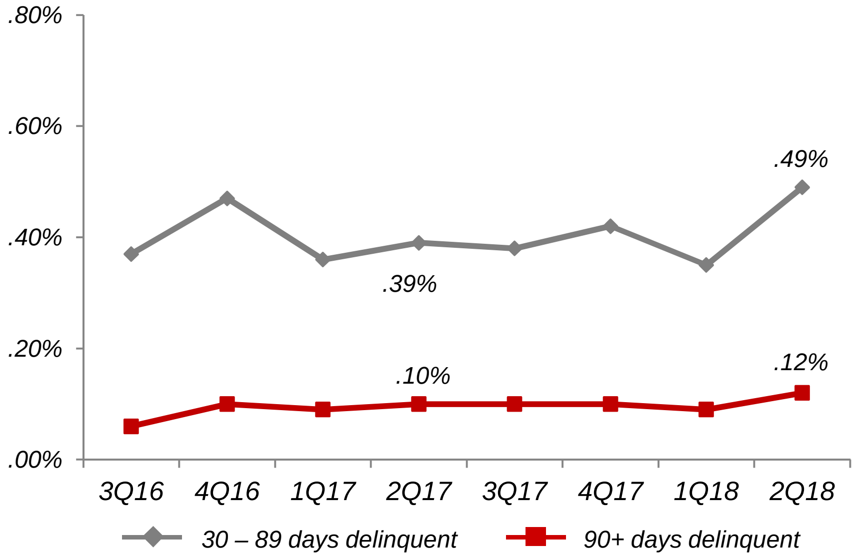
NCO = Net charge-off

(a) Nonperforming loan balances exclude $629 million and $835 million of purchased credit impaired loans at June 30, 2018, and June 30, 2017, respectively

Credit Quality

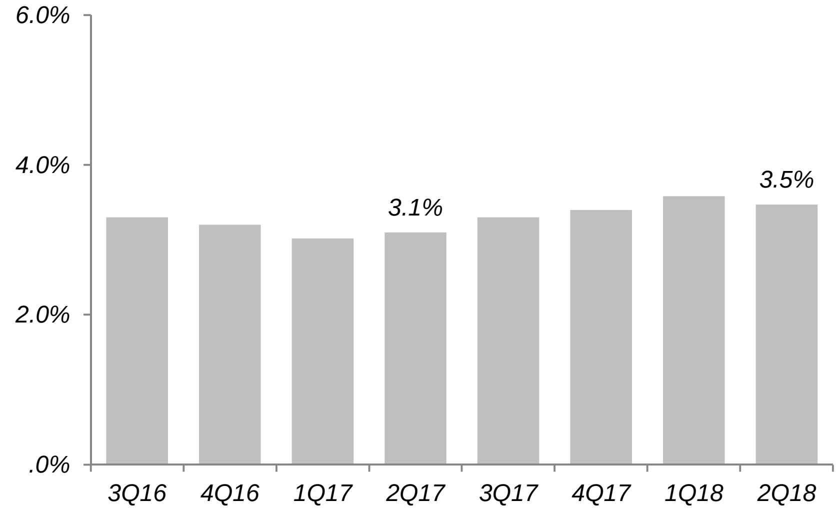
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations



Metric[b]	2Q18	1Q18	4Q17	3Q17	2Q17	
Delinquencies to EOP total loans: 30-89 days	.49	.35	.42	.38	.39	%
Delinquencies to EOP total loans: 90+ days	.12	.09	.10	.10	.10	
NPLs to EOP portfolio loans[c]	.62	.61	.58	.60	.59	
NPAs to EOP portfolio loans + OREO + Other NPAs[c]	.65	.65	.62	.64	.64	
Allowance for loan losses to period-end loans	1.01	1.00	1.01	1.02	1.01	
Allowance for loan losses to NPLs	162.8	162.8	174.4	170.2	171.6	

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

(b) From continuing operations

(c) Nonperforming loan balances exclude $629 million, $690 million, $738 million, $783 million, and $835 million of purchased credit impaired loans at June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017, and June 30, 2017, respectively

Credit Quality

Credit Quality by Portfolio

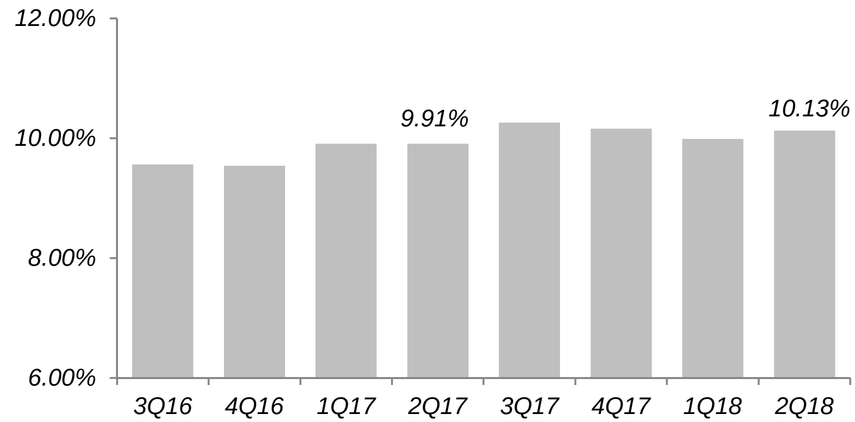
$ in millions	Period-end loans	Average loans	Net loan charge-offs	Net loan charge-offs[b] / average loans (%)	Nonperforming loans[c]	Ending allowance	Allowance / period-end loans (%)	Allowance / NPLs (%)
	6/30/18	2Q18	2Q18	2Q18	6/30/18	6/30/18	6/30/18	6/30/18
Commercial and industrial[a]	$ 44,569	$ 45,030	$ 32	0.29%	$ 178	$ 542	1.22%	304.49%
Commercial real estate:								
Commercial Mortgage	14,162	14,055	1	.03	42	139	.98	330.95
Construction	1,736	1,789	-	-	2	28	1.61	N/M
Commercial lease financing[d]	4,509	4,550	4	.35	21	40	.89	190.48
Real estate – residential mortgage	5,452	5,451	-	-	55	10	.18	18.18
Home equity	11,519	11,601	3	.10	222	37	.32	16.67
Credit cards	1,094	1,080	10	3.71	2	46	4.20	N/M
Consumer direct loans	1,785	1,768	7	1.59	4	26	1.46	650.00
Consumer indirect loans	3,396	3,320	3	.36	19	19	.56	100.00
Continuing total	**$ 88,222**	**$ 88,644**	**$ 60**	.27%	**$ 545**	**$ 887**	**1.01%**	**162.75%**
Discontinued operations	1,194	1,217	2	.66	6	14	1.17	233.33
Consolidated total	**$ 89,416**	**$ 89,861**	**$ 62**	**.28%**	**$ 551**	**$ 901**	**1.01%**	**163.52%**

N/M = Not meaningful

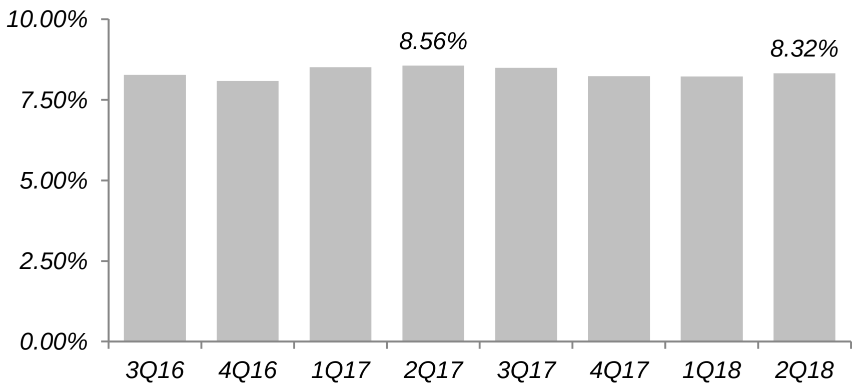
(a) 6/30/18 ending loan balance includes $128 million of commercial credit card balances; average loan balance includes $126 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 6/30/18 NPL amount excludes $629 million of purchased credit impaired loans
(d) Commercial lease financing includes receivables held as collateral for a secured borrowing of $16 million at June 30, 2018. Principal reductions are based on the cash payments received from these related receivables

Capital

Common Equity Tier 1



Tangible Common Equity to Tangible Assets[a]



Highlights

- **Strong capital position with Common Equity Tier 1 ratio of 10.13% at 6/30/18**
- **Increased common share dividend by 14% (to $0.12 per quarter) and repurchased $126 MM[b] in common shares during 2Q18**

2018 Capital Plan

- **Common share dividend increase: up 42%, from $0.12 to $0.17, in 3Q18**
- **Common share repurchase authorization: up to $1.225 billion**

(a) Non-GAAP measure: see slide 28 for reconciliation
(b) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

2Q18 Notable Items

$ in millions increase / (decrease)	**Sale of insurance business**	**Efficiency-related expenses**	**Lease residual loss**	**Total**
Net interest income	**-**	**-**	**-**	**-**
Operating lease income and other leasing gains	-	-	$ (42)	$ (42)
Other income	$ 78	-	-	78
Noninterest income	**$ 78**	**-**	**$ (42)**	**$ 36**
Personnel expense	**$ 1**	**$ 18**	**-**	**$ 19**
Net occupancy	-	$ 3	-	$ 3
Business services and professional fees	$ 4	-	-	4
Computer processing	-	-	-	-
Marketing	-	-	-	-
All other nonpersonnel	-	1	-	1
Total nonpersonnel expense	**$ 4**	**$ 4**	**-**	**$ 8**
Total notable items (pre-tax)	**$ 73**	**$ (22)**	**$ (42)**	**$ 9**
Total notable items (after-tax)	**$ 51**	**$ (17)**	**$ (32)**	**$ 2**

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 6/30/2018	3/31/2018	6/30/2017
Average tangible common equity			
Average Key shareholders' equity (GAAP)	$ 15,032	$ 14,889	$ 15,200
Less: Intangible assets (average) [(a)]	2,883	2,916	2,756
Preferred Stock (average)	1,025	1,025	1,025
Average tangible common equity (non-GAAP)	$ 11,124	$ 10,948	$ 11,419
Return on average tangible common equity from continuing operations			
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 464	$ 402	$ 393
Plus: Notable items, after tax	(2)	-	(27)
Net income (loss) from continuing operations attributable to Key common shareholders excl. notable items (GAAP)	$ 462	$ 402	$ 366
Average tangible common equity (non-GAAP)	11,124	10,948	11,419
Return on average tangible common equity from continuing operations (non- GAAP)	16.73%	14.89%	13.80%
Return on average tangible common equity from continuing operations excl. notable items (non- GAAP)	16.66%	14.89%	12.86%
Tangible common equity to tangible assets at period end			
Key shareholders' equity (GAAP)	$ 15,100	$ 14,944	$ 15,253
Less: Intangible assets [(a)]	2,858	2,902	2,866
Preferred Stock [(b)]	1,009	1,009	1,009
Tangible common equity (non-GAAP)	$ 11,233	$ 11,033	$ 11,378
Total assets (GAAP)	$ 137,792	$ 137,049	$ 135,824
Less: Intangible assets [(a)]	2,858	2,902	2,866
Tangible common equity to tangible assets ratio (non-GAAP)	$ 134,194	$ 134,147	$ 132,958
Tangible common equity to tangible assets ratio (non-GAAP)	8.32%	8.22%	8.56%
Cash efficiency ratio			
Noninterest expense (GAAP)	$ 993	$ 1,006	$ 995
Less: Intangible asset amortization	25	29	22
Adjusted noninterest expense (non-GAAP)	$ 968	$ 977	$ 973
Less: Notable items	27	-	60
Adjusted noninterest expense (non-GAAP)	$ 941	$ 977	$ 913
Net interest income (GAAP)	$ 979	$ 944	$ 973
Plus: Taxable-equivalent adjustment	8	8	14
Noninterest income	660	601	653
Total taxable-equivalent revenue (non-GAAP)	$ 1,647	$ 1,553	$ 1,640
Plus: Notable items	(36)	-	(103)
Adjusted total taxable-equivalent revenue (non-GAAP)	$ 1,611	$ 1,553	$ 1,537
Cash efficiency ratio (non-GAAP)	58.8%	62.9%	59.3%
Cash efficiency ratio excluding notable items (non-GAAP)	58.4%	62.9%	59.4%

(a) For the three months ended June 30, 2018, March 31, 2018, and June 30, 2017, intangible assets exclude $20 million, $23 million, and $33 million, respectively, of period-end purchased credit card receivables
(b) Net of capital surplus
(c) Notable item detail on slides 14 & 27