RBC Capital Markets Financial Services Conference

March 12, 2019

KeyCorp

Don Kimble
Vice Chairman and
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, 2018 ("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," "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 in 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 Key's Form 10-K dated December 31, 2018.

GAAP: Generally Accepted Accounting Principles

Delivering Results

Improving efficiency, managing risk, and increasing returns

Why KEY

Distinctive business model and offering

- *Leading commercial and investment banking platform for middle market companies*
- *Attractive market presence*

Targeted scale focused on defined businesses and client segments

- *Businesses aligned against points of differentiation*

Focused execution

- *Investing in targeted areas for growth*
- *Delivering positive operating leverage through revenue momentum and expense discipline*

Disciplined risk profile and capital management

- *Enhanced and transformed risk management approach built to perform through business cycles*
- *Clear capital priorities*

Delivering results

- *Improving overall financial performance → balancing investments and efficiency*
- *Sound, profitable growth driving shareholder returns*

Executing on LT Targets

Positive operating leverage

6 consecutive years

Cash efficiency ratio: 54-56%

59.4% in 2018[(a)]

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

26 bps in 2018

Return on avg. tangible common equity: 16-19%

16.5% in 2018[(a)]

(a) Non-GAAP measure and excludes notable items; see Appendix for detail and reconciliations

Key Overview

Serving targeted clients by leveraging broad capabilities, insights and expertise

Client Continuum

Retail	Private Banking	Small Business	Commercial	Corporate
	Commercial Client Revenue:	*< $10 MM*	*$10 MM - $500 MM*	*>$500 MM*

Lending · *Deposits* · *Financial Wellness* · *Wealth & Investment Management* · *Payments* · *Investment Banking* · *Commercial Mortgage Banking*

3.5 MM
clients

61%
consumer deposits, % of total

$37 B
assets under management

13%
C&I loan growth 5-year CAGR

$650 MM
investment banking & debt placement fees (TTM)

Note: As of 12/31/18 unless otherwise noted

Consumer Capabilities and Expertise

Transformation has created a strong franchise & differentiated offering: positioned for growth

Current State

3.5 Million Clients

5 Consecutive Years of Organic Growth

Strong Market Share

Top 5 in 20 MSAs[(a)]

Accelerating Growth & Profitability

Positioned for Growth

Ease

*Enabling **simple and clear banking** with no surprises*

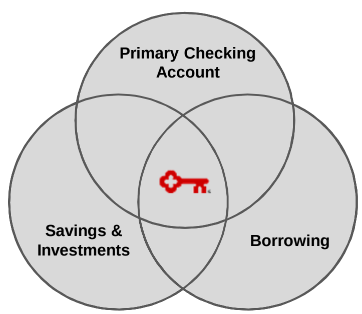
Value

*Knowing the client and **valuing the relationship***

Expertise

*Providing **industry-leading expertise & personalized advice***

Relationship Strategy



Financial Wellness

(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, 2018; 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

Relationship model, paired with expertise and broad capabilities, delivers results

Differentiated Product Set

Traditional Bank Products

Loans	*$89 B average loans*
Deposits & payments	*$108 B average deposits*
Equipment finance	*#5 bank-owned equipment finance co. by net assets[(a)]*
Wealth management & private banking	*$37 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	*>50 transactions, raising $18 B in 2018*
Equity research	*>600 companies under coverage*
M&A, sponsors, leveraged finance	*>385 M&A deals completed since 2013*
Investment grade & high-yield debt	*>150 transactions, raising $156 B in 2018*
Loan syndications	*>210 transactions, raising $109 B in 2018*
Public finance	*>140 transactions, raising $14 B in 2018*

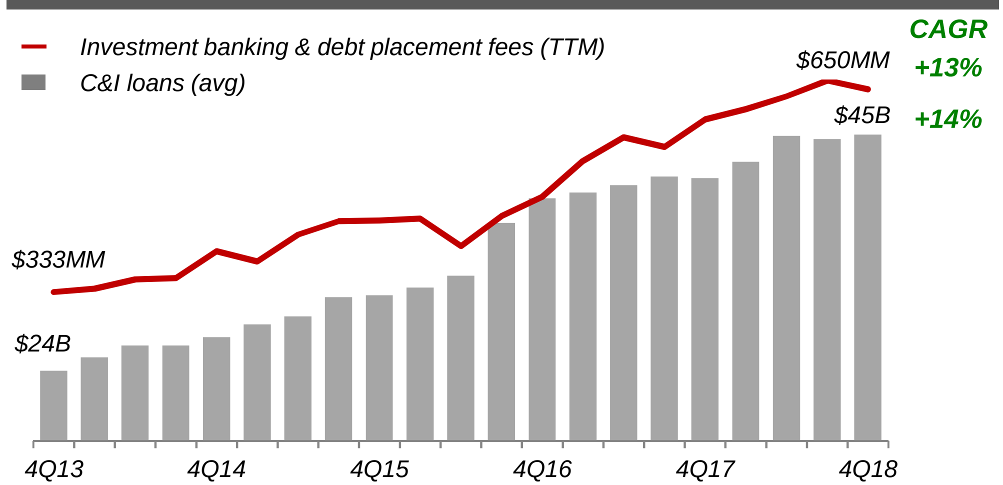
Targeted Industry Verticals

Consumer **Energy** **Healthcare** **Industrial**

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

*Supported by **220+** Industry Experts and **500+** Product Experts*

Growing Loans and Fee Income



Note: As of 12/31/18 unless otherwise noted; loan and deposit figures reflect 4Q18 averages
(a) Monitor Bank 50 as of FY17
(b) Mortgage Bankers Association 2017 Commercial Mortgage Servicer Rankings by volume serviced

Targeted Technology Investments

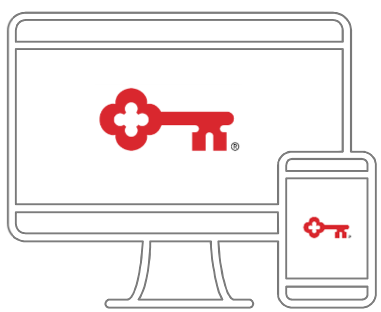
Technology remains foundational to Key's strategy of building enduring client relationships

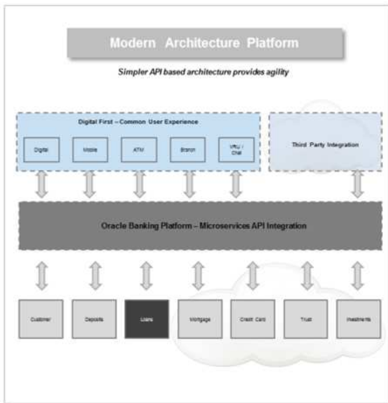
Technology Strategy

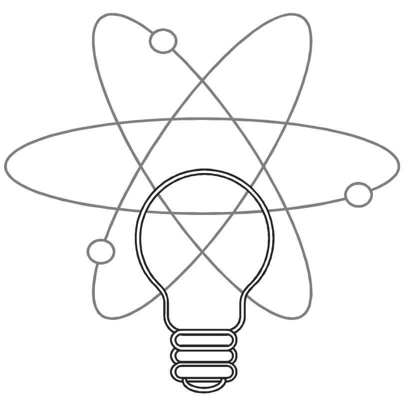
Business Enablement			**Optimization**	
Digitize the Enterprise	Support Business Growth Strategies	Insights and Analytics	Cyber/ Fraud	Modernize/ Operating Efficiency

Execution Priorities

Balanced Investment *Spend* Portfolio	**Digital First**	**Modern Systems & Architecture**	**Innovative Culture**







Delivering on Efficiency Commitments

Focused on reaching our long-term efficiency commitment

Revenue Momentum

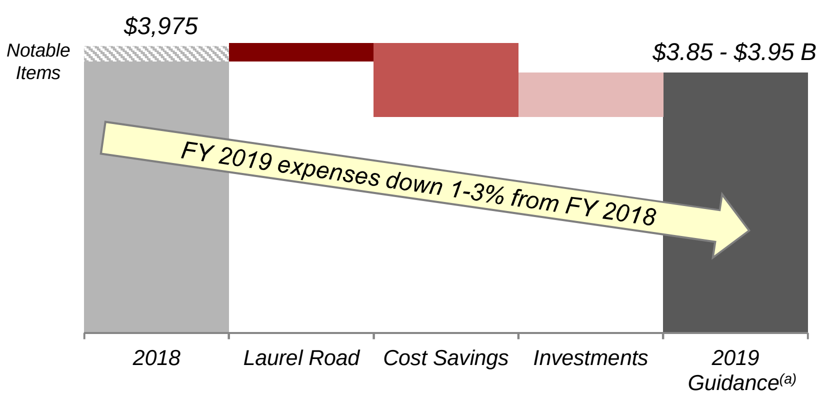
- **Growing and expanding relationships**
- **Extending scale segments**
- **Enhancing products and capabilities**
- **Deepening commercial expertise and Financial Wellness**
- **Productivity and talent: targeted hiring and remixing**
- **First Niagara revenue synergies**

Expense Discipline

- **Targeting 5% cost savings in 2019 ($200MM)**
- **Branch reduction: ↓ 38 in FY 2018, with accelerated reductions expected in 2019**
- **Significant reduction in a number of systems and processes**
  - Digitally-enabled, simplified employee experience
- **Business realignment and staffing model changes**
  - Organizing around two lines of business: consumer and commercial
  - Move to a more client-centric organization: simpler, more efficient structure

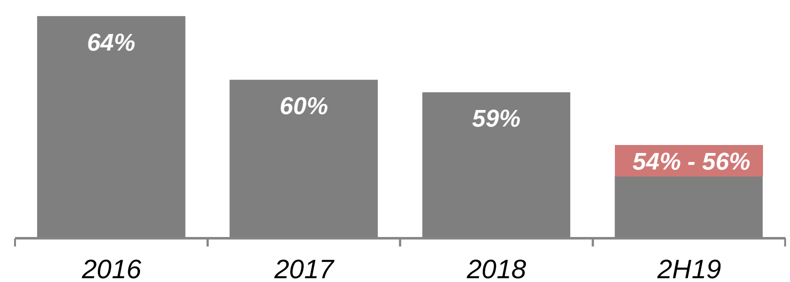
Cost Savings Target

$ in millions



Cash Efficiency Ratio[b]

Accelerating cost saving efforts to achieve efficiency ratio target by 2H19, while maintaining the ability to reinvest in our businesses



(a) 2019 Guidance excludes severance and other efficiency-related expenses
(b) Non-GAAP measure and excludes notable items; see Appendix and 2017 Form 10-K for reconciliation

Strong Risk Management

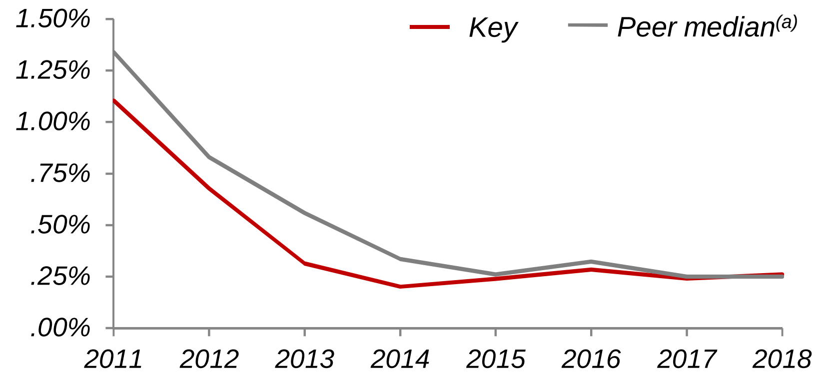
Maintaining a strong risk culture and moderate risk profile

Positioned to Outperform Through the Cycle

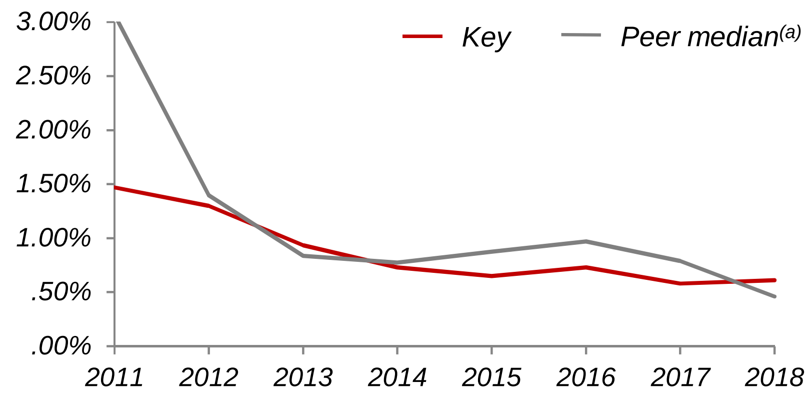
- **Significantly enhanced risk profile: focused on soundness, profitability, and growth**
- **Maintained strong underwriting standards**
- **Improved credit risk profile with strategic exits and growth in targeted client segments**
- **Enhanced framework, governance, and controls, including people & technology investments**
- **Strengthened culture of accountability: everyone owns risk**

Strong Asset Quality

Net Charge-offs to Average Loans



Nonperforming Loans to Total Loans



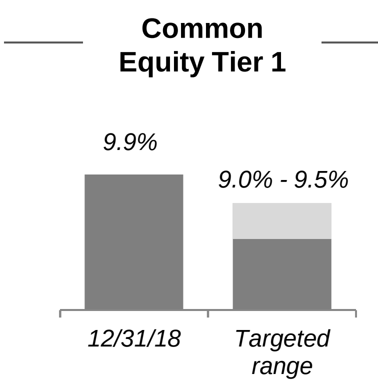
(a) Source: peer filings; peers include: BBT, CFG, CMA, FITB, HBAN, MTB, PNC, RF, STI, USB, and ZION

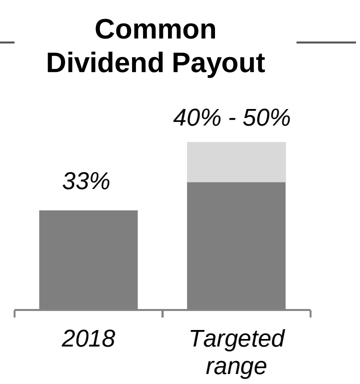
Disciplined Capital Management

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

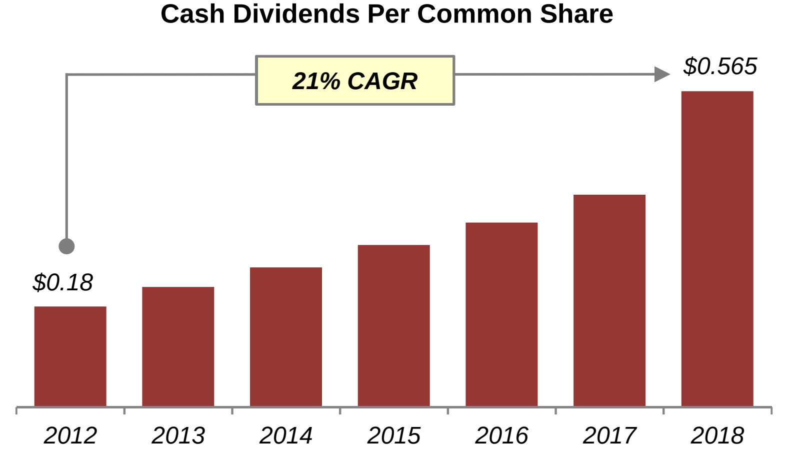
Strong Capital Position

	12/31/18
Common Equity Tier 1	9.9%
Tier 1 risk-based capital	11.1%
Total risk-based capital	12.9%
Key shareholders' equity to assets	11.2%
Key common shareholders' equity to assets	10.2%
Tangible common equity to tangible assets[b]	8.3%
Leverage	9.9%

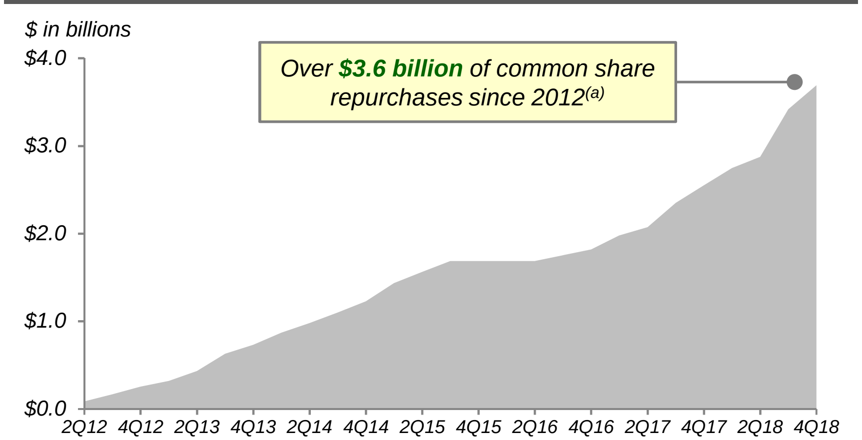




Consistent Dividend Growth



Cumulative Common Share Repurchases[a]



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

FY2019 Outlook & Long-term Targets

	FY 2019
Average Balance Sheet	• Loans: average balances in the range of $90 B - $91 B • Deposits: average balances in the range of $108 B - $109 B
Net Interest Income (TE)	• Net interest income expected to be in the range of $4.0 B - $4.1 B • Outlook assumes no interest rate increases in 2019
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 – Includes realization of $200 MM run-rate cost savings in 2H19 – Achieve cash efficiency ratio target of 54 - 56% by 2H19
Credit Quality	• Net charge-offs to average loans below targeted range of 40 - 60 bps • Provision expected to slightly exceed net charge-offs
Taxes	• GAAP tax rate in the range of 18% - 19%

Note: 2019 Outlook includes the impact of the mid-year acquisition of Laurel Road

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:*** *16 - 19%*

Appendix

Strategic Acquisition: Laurel Road Finance

Acquisition of online lending platform focused on super prime professionals

Transaction Overview

- **Acquisition of leading national, digital-first consumer lending platform**
- Proven end-to-end digital lending platform targeting super-prime millennials with relationship expansion opportunity
- Business built inside an FDIC regulated bank resulting in sound risk and compliance culture
- Emphasis on strategic partnerships with a growing network ➔ pipeline of **>150** affinity groups
- Origination volume of **>$4 billion** since inception (2013)

Solution Set

Student Loan Refinance	Digital Mortgage Origination
Personal Unsecured Loans	Digital Banking Platform

The transaction is subject to customary closing conditions, including regulatory approvals, and expected to close mid-2019

Positioned to Outperform

Revisiting 2018 Investor Day Themes

Distinctive Model
- Leading digital originations capability and front-end customer experience
- Alignment with Key's Financial Wellness focus and relationship strategy

Targeted Scale
- Proven model with targeted scale against defined client set ➔ student lending refinance for super-prime millennial medical professionals

Focused Execution
- Targeted investments in a streamlined suite of distinctive products

Disciplined Capital & Risk Management
- High quality consumer assets ➔ opportunity to balance Key's portfolio by adding proven consumer lending engine

Delivering Results
- **Sound, profitable growth driving shareholder returns over the long term**

Financial Highlights

Continuing operations, unless otherwise noted

		4Q18		3Q18		4Q17		LQ Δ		Y/Y Δ	
Profitability	EPS – assuming dilution	$ .45		$ .45		$ .17		-		N/M	
	EPS – excl. notable items[(a), (b)]	.48		.45		.36		7	%	33	%
	Cash efficiency ratio[(a)]	59.9	%	58.7	%	66.7	%	120	bps	(680)	bps
	Cash efficiency –excl. notable items[(a), (b)]	57.4		58.7		61.3		(130)		(390)	
	Return on average tangible common equity[(a)]	16.4		16.8		6.4		(41)		N/M	
	ROTCE – excl. notable items[(a), (b)]	17.5		16.8		13.6		69		388	
	Return on average total assets	1.37		1.40		.57		(3)		80	
	Net interest margin	3.16		3.18		3.09		(2)		7	
Capital[(c)]	Common Equity Tier 1	9.93	%	9.95	%	10.16	%	(2)	bps	(23)	bps
	Tier 1 risk-based capital	11.08		11.11		11.01		(3)		7	
	Tangible common equity to tangible assets[(a)]	8.30		8.05		8.23		25		7	
Asset Quality	NCOs to average loans	.27	%	.27	%	.24	%	-		3	bps
	NPLs to EOP portfolio loans[(d)]	.61		.72		.58		(11)	bps	3	
	Allowance for loan and lease losses to EOP loans	.99		.99		1.01		-		(2)	

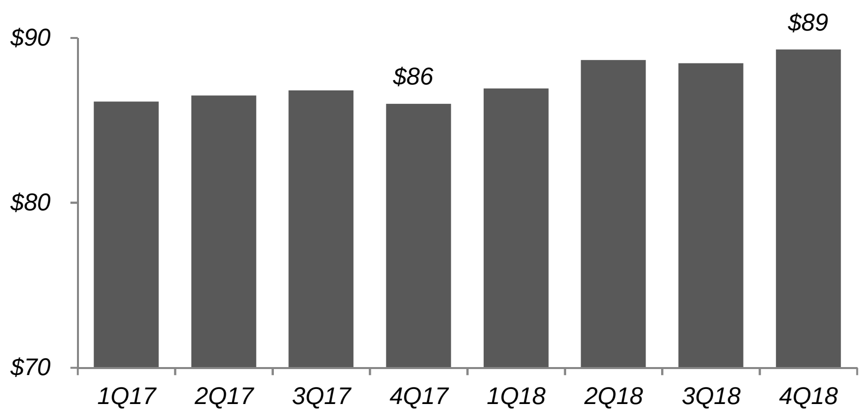
EOP = End of Period
(a) Non-GAAP measure: see slides 26-27 for reconciliation
(b) Excludes notable items; see slides 26-27 for detail and reconciliations
(c) From consolidated operations

(d) Nonperforming loan balances exclude $575 million, $606 million, and $738 million of purchased credit impaired loans at December 31, 2018, September 30, 2018, and December 31, 2017, respectively

Loans

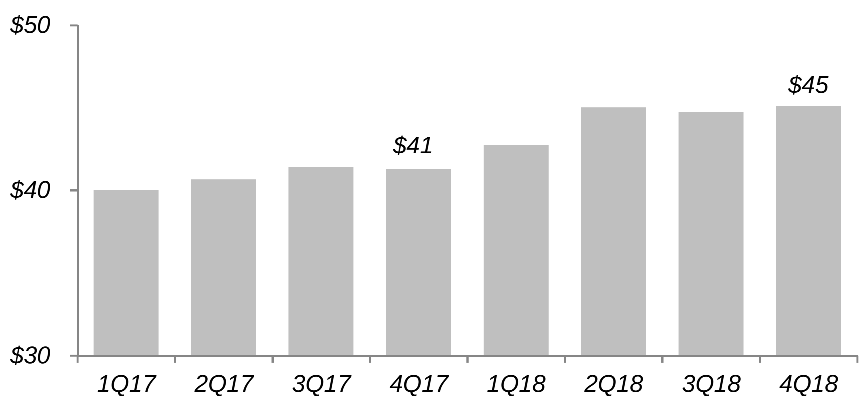
Total Average Loans

$ in billions



Average C&I Loans

$ in billions



Highlights

vs. Prior Year

- **Average loans up 4% from 4Q17**
  - **C&I balances up 9% driven by broad-based growth with middle-market clients**
  - **Home equity loans continue to be impacted by market trends**

vs. Prior Quarter

- **Average loans up 1% from 3Q18**
  - **Strength in CRE and C&I driven by execution of relationship business model in targeted areas and industry verticals**

Loan Portfolio Detail, at 12/31/18

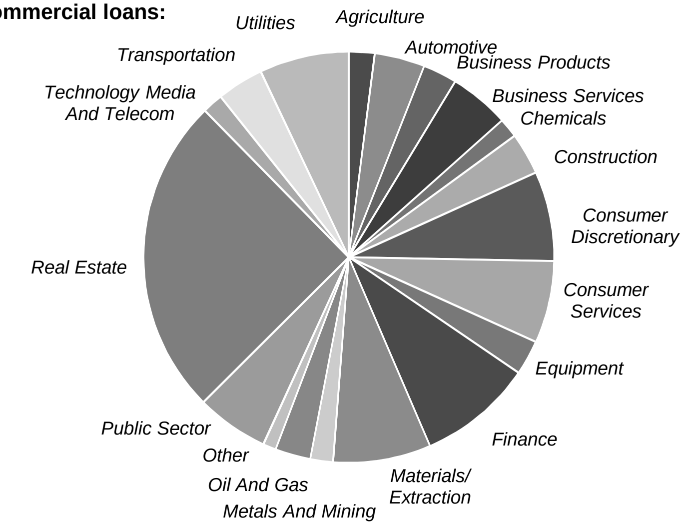
Total Loans

$ in billions	12/31/18	% of total loans
Commercial and industrial	$ 45.8	51
Commercial real estate	16.0	18
Commercial lease financing	4.6	5
Total Commercial	**$ 66.3**	**74**
Residential mortgage	5.5	6
Home equity	11.1	12
Consumer direct	1.8	2
Credit card	1.1	1
Consumer indirect	3.6	4
Total Consumer	**$ 23.2**	**26**

Commercial Loans

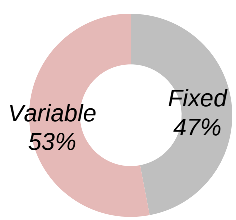
Diversified Portfolio by Industry

Total commercial loans:



Home Equity

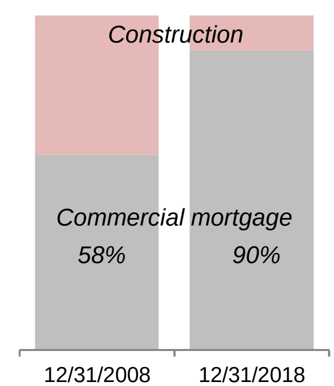
	Outstanding Balances		Average Loan Size	Average FICO	2008/ prior vintage
First lien	$ 6,606	59 %	$ 71,202	773	16 %
Second lien	4,536	41	46,479	772	29
Total home equity	**$ 11,142**				



- Combined weighted-average LTV at origination: 70%
- $563 million in lines outstanding (7.7% of the home equity lines) come to end of draw period by 4Q20

Commercial Real Estate

- Focused on relationships with CRE owners
- Aligned with targeted industry verticals
- Primarily commercial mortgage; selective approach to construction
- Criticized non-accruals: 0.6% of period-end balances(a)

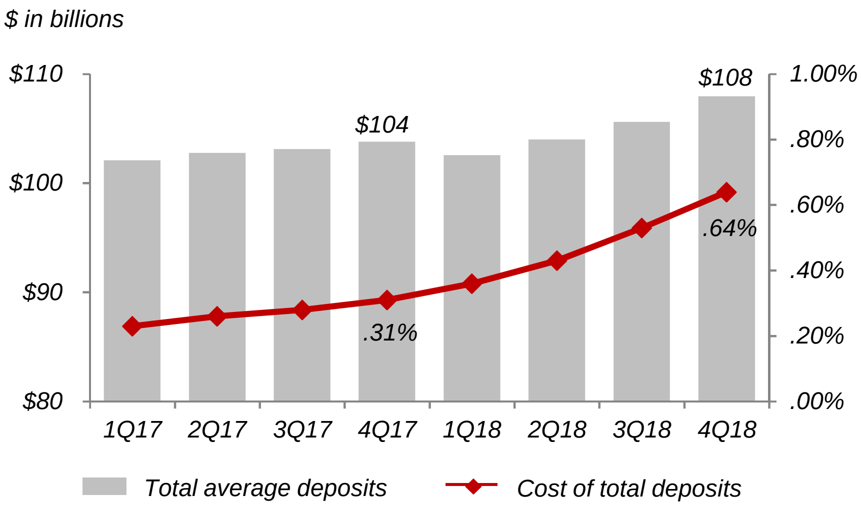


Tables may not foot due to rounding

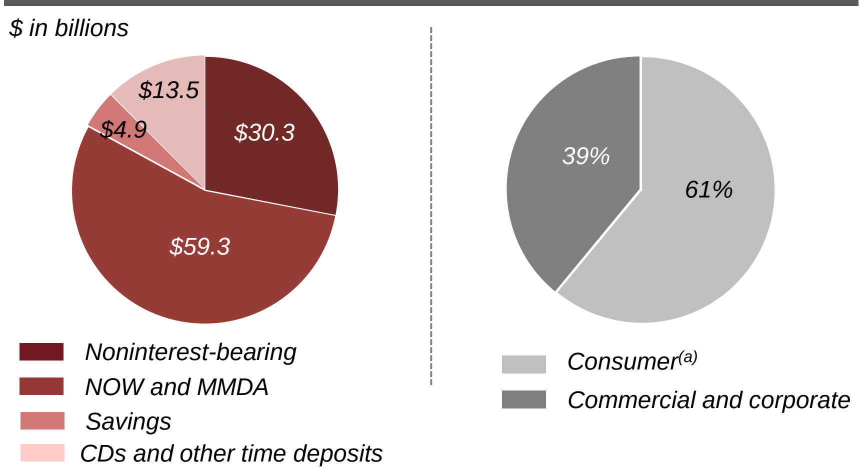
(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition

Deposits

Average Deposits



4Q18 Average Deposit Mix



Highlights

- **Deposit cost up 11 bps from 3Q18, reflecting:**
  - **Higher interest rates and beta**
  - **Continued migration of portfolio into higher-yielding products**
- **Strong and stable deposit base**
  - **28% noninterest-bearing**
  - **~65% stable retail and low-cost escrow**

vs. Prior Year

- **Average deposits up 4% from 4Q17**
- **Continued mix shift to higher-yielding deposit products**
- **Strength in retail banking franchise and growth from commercial relationships**

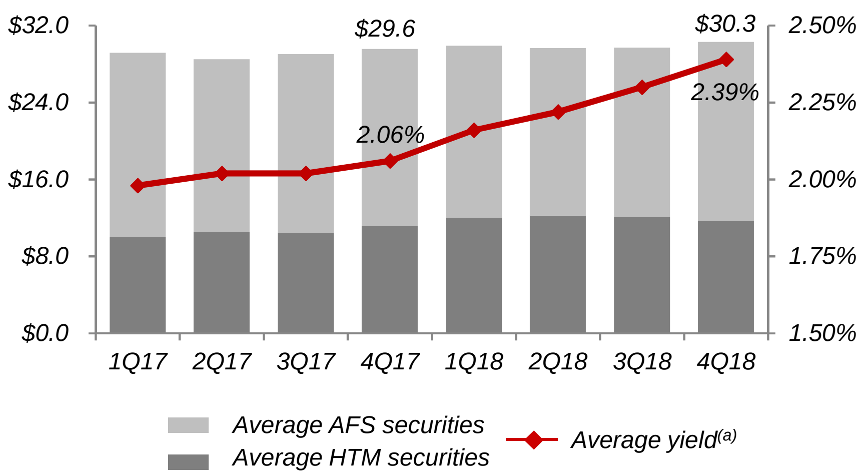
vs. Prior Quarter

- **Average deposit balances up 2% from 3Q18**
- **Penetration of existing retail and commercial relationships**
- **Short-term and seasonal deposit inflows**

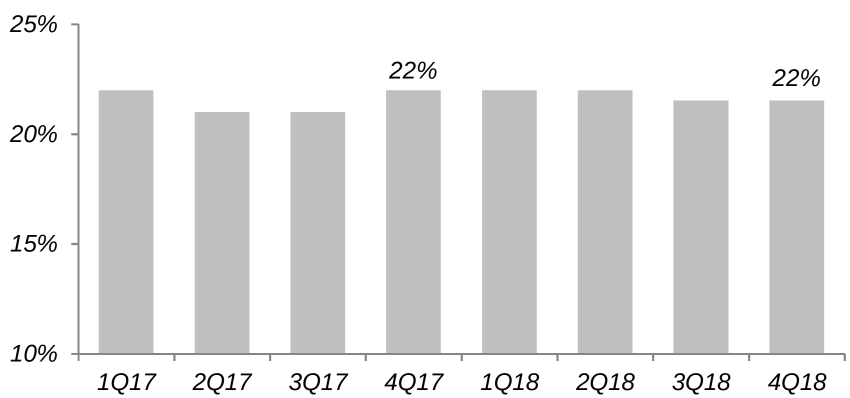
(a) Consumer includes retail banking, small business, and private banking

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 45% of 4Q18 average balances**
- **Portfolio used for funding and liquidity management:**
  - **Securities cash flows of $1.1 billion in 4Q18**
  - **Reinvesting cash flows into High Quality Liquid Assets**
- **Replaced cash flows at higher yields during 4Q18**
  - **Yield on new investments ~135 bps higher than maturities (In 1Q19 continue to replace maturing investments with new investments at ~100 bps yield increase)**
  - **Portfolio yield has increased 33 bps from prior year**
- **Portfolio average life of 4.9 years and duration of 4.1 years at 12/31/2018**

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

Asset & Liability Management Positioning

Moderate asset sensitivity supports strong, stable net interest margin

Business and Balance Sheet Highlights

- **Strong, low-cost deposit base**
  - $78 B interest-bearing deposits at 89 bps
  - $30 B noninterest-bearing deposits
  - Cumulative interest-bearing deposit beta of 33%
  - ~65% stable retail and low-cost escrow
  - >85% from markets where Key maintains Top 5 deposit or branch share
- **Relationship-oriented lending franchise**
  - Distinctive commercial capabilities drive C&I loan growth and ~70% floating-rate loan mix
- **Disciplined balance sheet management with recurring re-investment opportunities**
  - $31 B securities portfolio is >99% government-guaranteed and generates ~$400 MM cash flows per month
  - Discretionary hedge activities help moderate interest rate risk exposure and lock in spreads on new business

Positioning

- **Actively hedging to reduce current and future exposure to declining rates**
  - $4.75 B in interest rate floors purchased in 3Q18 offer immediate protection
  - Executed ~$3 B in forward starting interest rate swaps in 4Q18 to manage down exposure to interest rates
- **Shifting asset sensitivity as the pace of rate increases and economic growth slows**
  - Lower level of exposure due to a more balanced rate outlook
  - Shorter duration loan and investment portfolios provide opportunity for continued benefit to higher rates
  - Higher deposit betas have reduced the benefit to rising short term interest rates

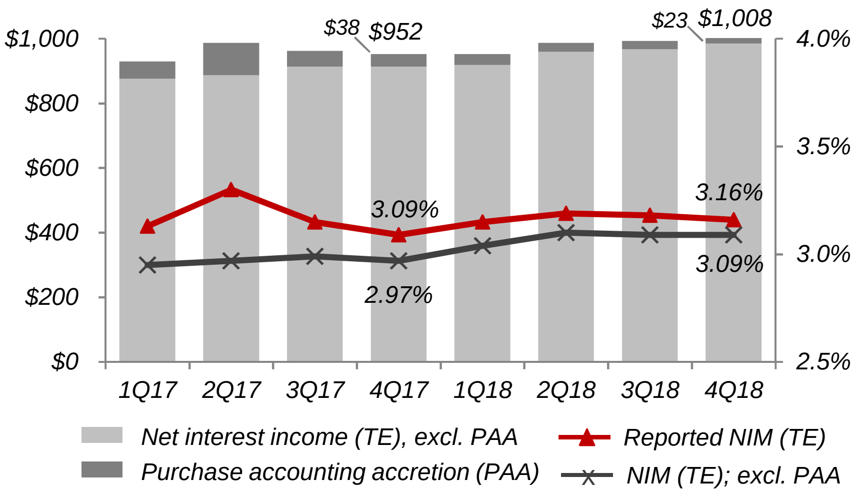
Modest asset sensitive position:
NII impact of +2.2% for a 200 bps increase over 12 months
NII impact of -1.8% for a 100 bps decrease over 12 months

Each 25 bps increase in interest rates results in NII benefit of ~$4-8 MM per quarter

Net Interest Income and Margin

Net Interest Income & Net Interest Margin Trend (TE)

$ in millions; continuing operations



	4Q17	1Q18	2Q18	3Q18	4Q18
NIM – reported	**3.09%**	**3.15%**	**3.19%**	**3.18%**	**3.16%**
PAA	.12	.11	.09	.09	.07
NIM – excl. PAA	**2.97%**	**3.04%**	**3.10%**	**3.09%**	**3.09%**
NII – reported ($MM)	**$ 952**	**$ 952**	**$ 987**	**$993**	**$1,008**
PAA	38	33	28	26	23[(a)]
NII – excl. PAA	**$914**	**$919**	**$959**	**$967**	**$985**

Highlights

- **Excluding PAA, 4Q18 net interest income was $985 MM and net interest margin was 3.09%**

vs. Prior Year

- **Net interest income up $71 MM, or 8%, from 4Q17, excl. PAA**
  - **Largely driven by higher interest rates and earning asset growth**

vs. Prior Quarter

- **Net interest income up $18 MM, or 2%, from 3Q18, excl. PAA**
  - **Reflects earning asset growth and higher loan fees**
  - **Partially offset by higher deposit betas**

NIM Change vs. Prior Quarter	***3Q18:***	***3.18%***
PAA (4Q vs. 3Q)		(.02)
Earning asset growth		.01
Other		(.01)
Total change		**(.02)**
	4Q18:	***3.16%***

TE = Taxable equivalent PAA = Purchase accounting accretion

(a) 4Q18 purchase accounting accretion of $23 MM is made up of $16 MM related to contractual maturities and $7 MM related to prepayments

Noninterest Income

Noninterest Income

$ in millions *up / (down)*	4Q18	vs. 4Q17	vs. 3Q18
Trust and investment services income	$ 121	$ (10)	$ 4
Investment banking and debt placement fees	186	(14)	20
Service charges on deposit accounts	84	(5)	(1)
Operating lease income and other leasing gains	28	1	(7)
Corporate services income	58	2	6
Cards and payments income	68	(9)	(1)
Corporate-owned life insurance	39	2	5
Consumer mortgage income	7	--	(2)
Mortgage servicing fees	21	4	2
Other income	33	18	10
Total noninterest income	**$ 645**	**$ (11)**	**$ 36**

Highlights

vs. Prior Year

- **Noninterest income down $11 MM (-2%) from 4Q17**
- **Trust and investment services income lower, primarily related to the sale of Key's insurance business**
- **Deposit service charges and cards and payments income impacted by revenue recognition changes**
- **Lower investment banking and debt placement fees (record quarter in 4Q17)**

vs. Prior Quarter

- **Noninterest income up $36 MM (+6%) from 3Q18**
- **Investment banking and debt placement fees up $20 MM related to strength in commercial mortgage and advisory fees**
- **Growth in corporate services income from strong derivatives and trading**

Noninterest Expense

Noninterest Expense

$ in millions *up / (down)*	4Q18	vs. 4Q17	vs. 3Q18
Personnel	$ 576	$ (33)	$ 23
Net occupancy	75	(17)	(1)
Computer processing	55	1	3
Business services, professional fees	49	(3)	6
Equipment	26	(5)	(1)
Operating lease expense	32	4	1
Marketing	25	(10)	(1)
FDIC assessment	9	(11)	(12)
Intangible asset amortization	22	(4)	(1)
OREO expense, net	1	(2)	(2)
Other expense	142	(6)	33
Total noninterest expense	**$ 1,012**	**$ (86)**	**$ 48**

Notable items:

$ in millions	4Q18	4Q17	3Q18
Merger-related charges	-	$56	-
Impact of tax reform and related actions	-	29	-
Efficiency initiative expenses	$24	-	
Pension settlement charge	17	-	-
	$41	**$85**	-

Highlights

vs. Prior Year

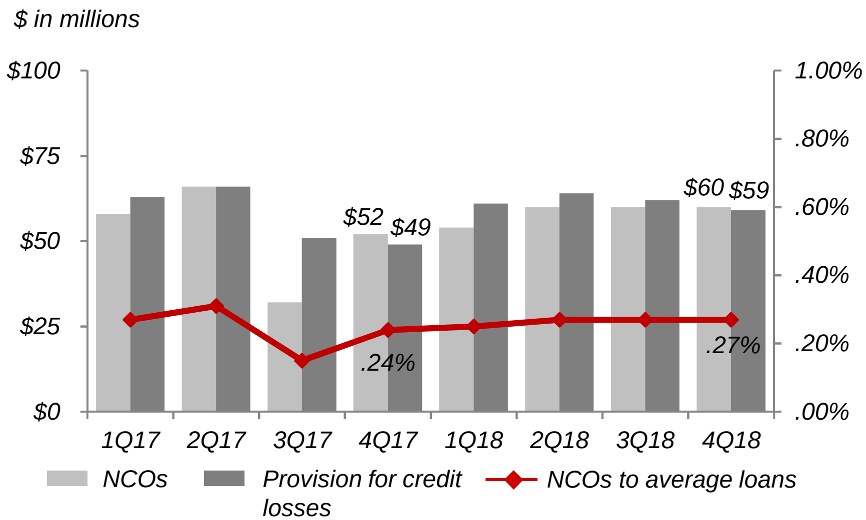
- **Noninterest expense down $86 MM, or 8% (down $42 MM excl. notable items)**
- **Personnel expense reflects:**
  - Lower incentive compensation (IBDP)
  - Lower employee benefits (tax reform in 4Q17)
  - Higher severance (efficiency initiative expenses)
- **Lower net occupancy & marketing expense (merger-related charges in 4Q17)**
- **Lower FDIC assessment reflecting elimination of quarterly surcharge**

vs. Prior Quarter

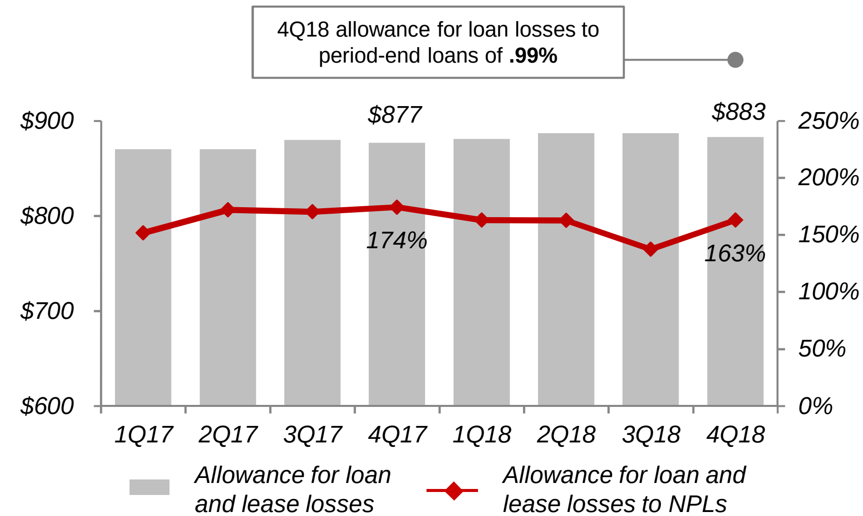
- **Noninterest expense up $48 MM, or 5% (up $7 MM excl. notable items)**
- **Personnel expense up $23 MM, largely related to efficiency initiative expenses**
- **Increase in other expense includes pension settlement charge**
- **FDIC assessment decline of $12 MM from elimination of quarterly surcharge**

Credit Quality

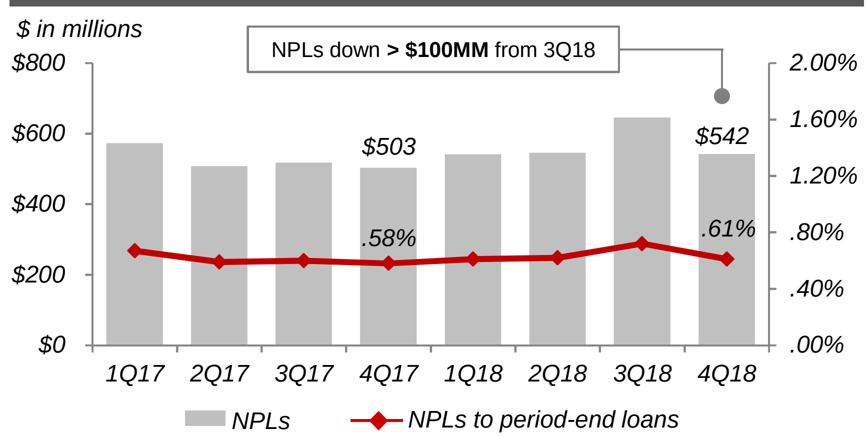
Net Charge-offs & Provision for Credit Losses



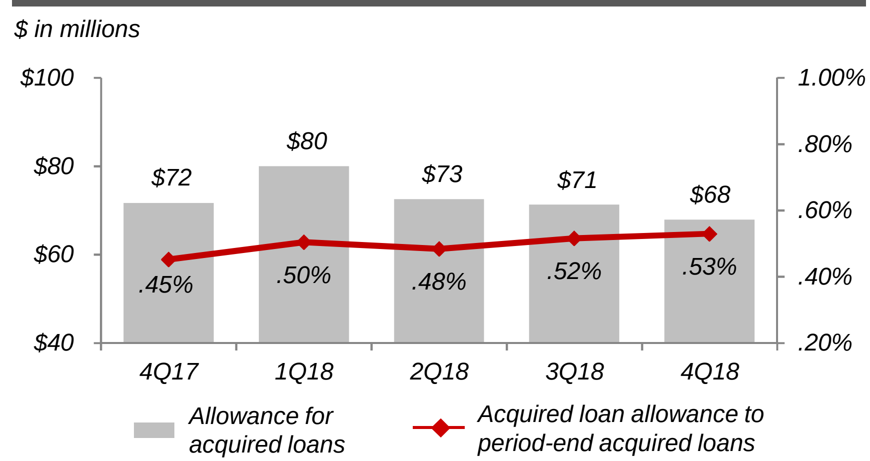
Allowance for Loan and Lease Losses



Nonperforming Loans[a]



Acquired Loans



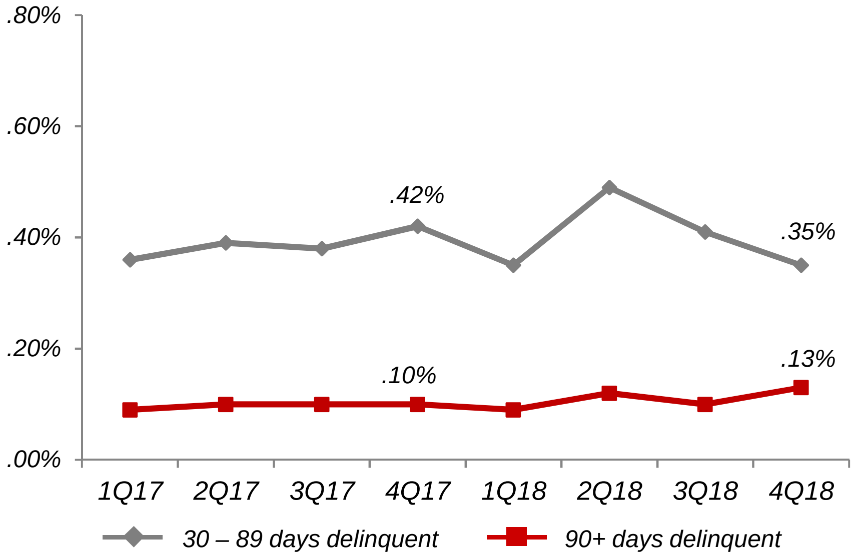
NCO = Net charge-off

(a) Nonperforming loan balances exclude $575 million and $738 million of purchased credit impaired loans at December 31, 2018, and December 31, 2017, respectively

Credit Quality Trends

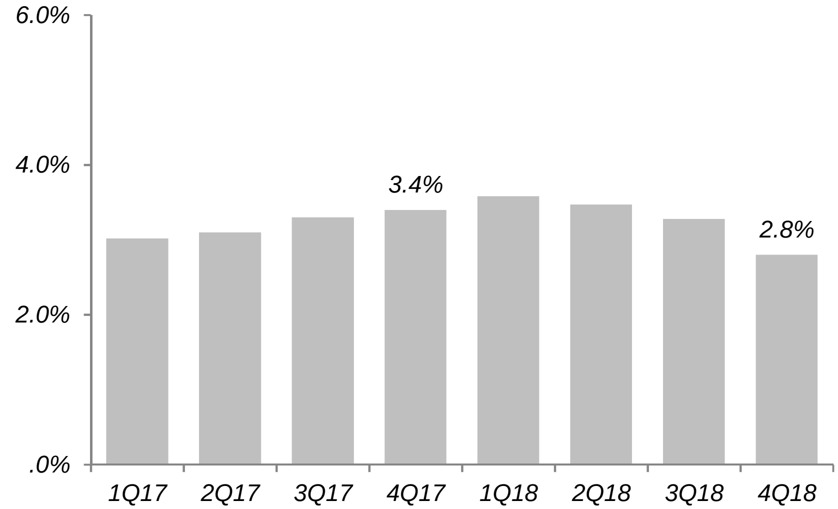
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations

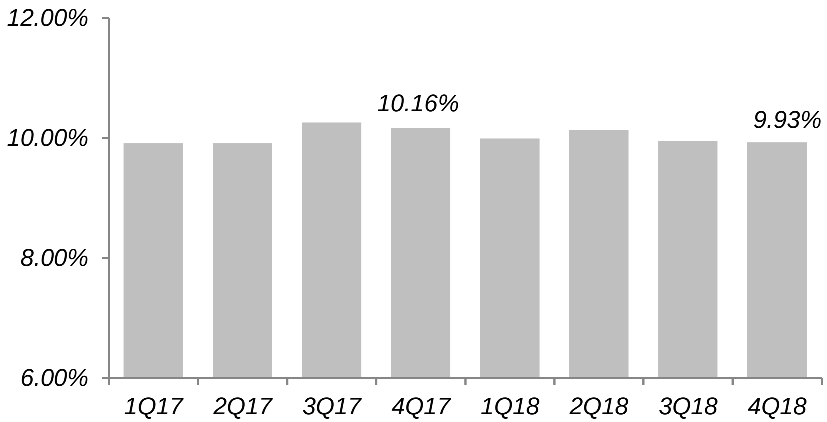


Metric[b]	4Q18		3Q18		2Q18		1Q18		4Q17	
Delinquencies to EOP total loans: 30-89 days	.35	%	.41	%	.49	%	.35	%	.42	%
Delinquencies to EOP total loans: 90+ days	.13		.10		.12		.09		.10	
NPLs to EOP portfolio loans[c]	.61		.72		.62		.61		.58	
NPAs to EOP portfolio loans + OREO + Other NPAs[c]	.64		.75		.65		.65		.62	
Allowance for loan losses to period-end loans	.99		.99		1.01		1.00		1.01	
Allowance for loan losses to NPLs	162.9		137.5		162.8		162.8		174.4	

(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition
(b) From continuing operations
(c) Nonperforming loan balances exclude $575 million, $606 million, $629 million, $690 million, and $738 million of purchased credit impaired loans at December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018, and December 31, 2017, respectively

Capital

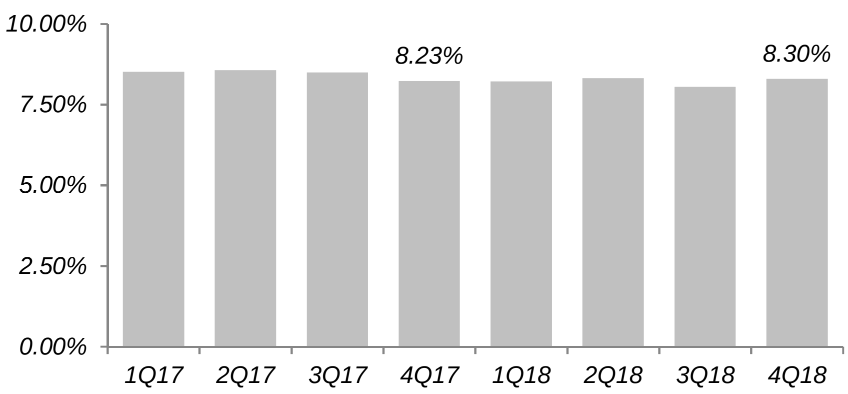
Common Equity Tier 1



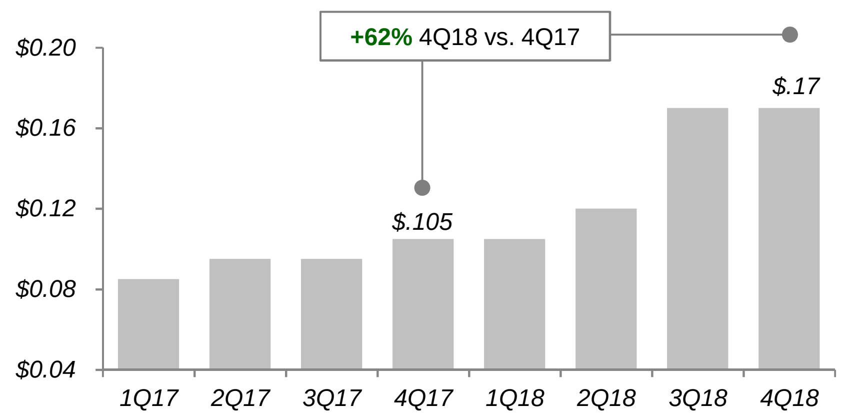
Highlights

- **Strong capital position with Common Equity Tier 1 ratio of 9.93% at 12/31/2018**
- **Increased common share dividend by 62% (from $0.105 to $0.17 per quarter) from 4Q17**
- **Repurchased $278 MM[b] in common shares during 4Q18**

Tangible Common Equity to Tangible Assets[a]



Quarterly Common Share Dividend



(a) Non-GAAP measure: see slides 26-27 for reconciliation
(b) Common share repurchase amount includes repurchases to offset issuances of common shares under our employee compensation plans

GAAP to Non-GAAP Reconciliation

$ in millions

	Three months ended			Twelve months ended	
	12/31/2018	9/30/2018	12/31/17	12/31/2018	12/31/2017
Notable Items					
Efficiency initiative expenses	$ 24	-	-	$ 24	-
Pension settlement charge	17	-	-	17	-
Merger-related charges	-	-	$ (56)	-	$ (217)
Impacts of tax reform and related actions	-	-	(30)	-	(30)
Merchant services gain	-	-	-	-	59
Purchase accounting finalization, net	-	-	-	-	43
Charitable contribution	-	-	-	-	(20)
Total notable items	$ 41	$ -	$ (86)	$ 41	$ (165)
Income taxes	$ 10	-	$ (26)	$ 10	$ (53)
Revaluation of certain tax related assets	-	-	147	-	147
Total notable items after tax	$ 31	$ -	$ (207)	$ 31	$ (259)
Earnings per common share (EPS) excluding notable items					
EPS from continuing operations attributable to Key common shareholders — assuming dilution	$ .45	$ .45	$ .17		
Add: EPS impact of notable items	.03	-	.19		
EPS from continuing operations attributable to Key common shareholders excluding notable items (non-GAAP)	$ .48	$ .45	$ .36		
Tangible common equity to tangible assets at period end					
Key shareholders' equity (GAAP)	$ 15,959	$ 15,208	$ 15,023		
Less: Intangible assets [(a)]	2,818	2,838	2,928		
Preferred Stock [(b)]	1,421	1,421	1,009		
Tangible common equity (non-GAAP)	$ 11,356	$ 10,949	$ 11,086		
Total assets (GAAP)	$ 136,613	$ 138,805	$ 137,698		
Less: Intangible assets [(a)]	2,818	2,838	2,928		
Tangible common equity to tangible assets ratio (non-GAAP)	$ 136,795	$ 135,967	$ 134,770		
Tangible common equity to tangible assets ratio (non-GAAP)	8.30%	8.05%	8.23%		

(a) For the three months ended December 31, 2018, September 30, 2018, and December 31, 2017, intangible assets exclude $14 million, $17 million, and $26 million, respectively, of period-end purchased credit card receivables
(b) Net of capital surplus

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 12/31/2018	Three months ended 9/30/2018	Three months ended 12/31/17	Twelve months ended 12/31/2018	Twelve months ended 12/31/2017
Average tangible common equity					
Average Key shareholders' equity (GAAP)	$ 15,384	$ 15,210	$ 15,268	$ 15,131	$ 15,224
Less: Intangible assets (average) [(a)]	2,828	2,848	2,939	2,869	2,837
Preferred Stock (average)	1,450	1,316	1,025	1,205	1,137
Average tangible common equity (non-GAAP)	$ 11,106	$ 11,046	$ 11,304	$ 11,057	$ 11,250
Return on average tangible common equity from continuing operations					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 459	$ 468	$ 181	$ 1,793	$ 1,219
Plus: Notable items, after tax	31	-	207	31	259
Net income (loss) from continuing operations attributable to Key common shareholders excl. notable items	$ 490	$ 468	$ 388	$ 1,824	$ 1,478
Average tangible common equity (non-GAAP)	11,106	11,046	11,304	11,057	11,250
Return on average tangible common equity from continuing operations (non- GAAP)	16.40%	16.81%	6.35%	16.22%	10.84%
Return on average tangible common equity from continuing operations excl. notable items (non- GAAP)	17.50%	16.81%	13.62%	16.50%	13.14%
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 1,012	$ 964	$ 1,098	$ 3,975	$ 4,098
Less: Intangible asset amortization	22	23	26	99	95
Adjusted noninterest expense (non-GAAP)	$ 990	$ 941	$ 1,072	$ 3,876	$ 4,003
Less: Notable items	41	-	85	41	262
Adjusted noninterest expense (non-GAAP)	$ 949	$ 941	$ 987	$ 3,835	$ 3,741
Net interest income (GAAP)	$ 1,000	$ 986	$ 938	$ 3,909	$ 3,777
Plus: Taxable-equivalent adjustment	8	7	14	31	53
Noninterest income	645	609	656	2,515	2,478
Total taxable-equivalent revenue (non-GAAP)	$ 1,653	$ 1,602	$ 1,608	$ 6,455	$ 6,308
Plus: Notable items	-	-	1	-	(97)
Adjusted total taxable-equivalent revenue (non-GAAP)	$ 1,653	$ 1,602	$ 1,609	$ 6,455	$ 6,211
Cash efficiency ratio (non-GAAP)	59.9%	58.7%	66.7%	60.0%	63.5%
Cash efficiency ratio excluding notable items (non-GAAP)	57.4%	58.7%	61.3%	59.4%	60.2%

(a) For the three months ended December 31, 2018, September 30, 2018, and December 31, 2017, average intangible assets exclude $15 million, $18 million, and $28 million, respectively, of average purchased credit card receivables. For the twelve months ended December 31, 2018, and December 31, 2017, average intangible assets exclude $20 million and $34 million, respectively, of average purchased credit card receivables