

# Citigroup Financial Services Conference

February 1, 2006

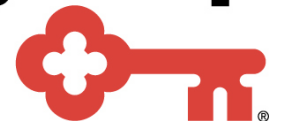
**Henry L. Meyer III**

*Chairman and Chief Executive Officer*

**Jeffrey B. Weeden**

*Senior Executive Vice President and Chief Financial Officer*

**KeyCorp**



# PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 FORWARD-LOOKING STATEMENT DISCLOSURE

This presentation contains forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements provide management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, actual results could differ materially from those contained in or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) changes in general economic conditions, or in the condition of the local economies or industries in which we have significant operations or assets, which could, among other things, materially impact credit quality trends and our ability to generate loans; (4) increased competitive pressure among financial services companies; (5) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (6) consummation of significant business combinations or divestitures; (7) operational or risk management failures due to technological or other factors; (8) heightened regulatory practices, requirements or expectations; (9) new legal obligations or restrictions or unfavorable resolution of litigation; (10) adverse capital markets conditions; (11) disruption in the economy and general business climate as a result of terrorist activities or military actions; and (12) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements. For further information regarding KeyCorp, please read KeyCorp's reports that are filed with the Securities and Exchange Commission and are available at [www.sec.gov](http://www.sec.gov).

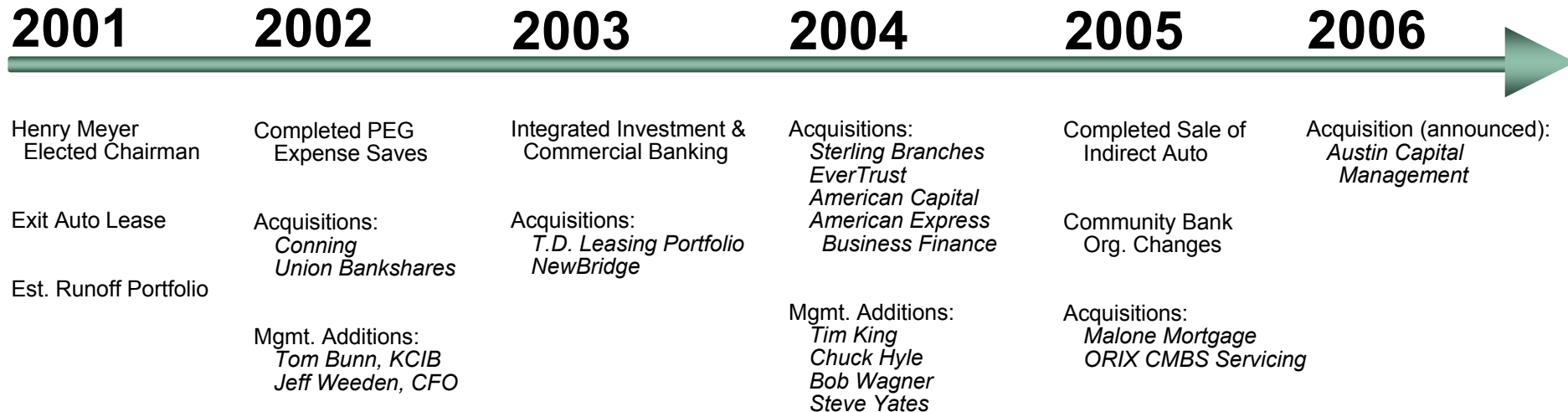


# Key Messages

- **Stronger financial performance**
- **Improved business mix**
  - Executing on relationship strategy
  - Strengthened credit risk profile
- **Better shareholder returns**



# Key's Transformation



# Progress on Strategic Priorities

## STRATEGIC PRIORITIES

## RESULTS (4Q05 vs. 3Q05)

Execute on relationship strategy

Improved business mix (2004 / 2005)

Strengthened Community Bank

Profitably grow revenue

Total revenue (TE) – up 4.1%

Avg. total loans – up 2.1%

Avg. core deposits – up 3.1%

Maintain asset quality and  
compliance practices

NCOs: 98 bps (22 bps ex. airline leases)

NPAs: 46 bps

Strengthened compliance

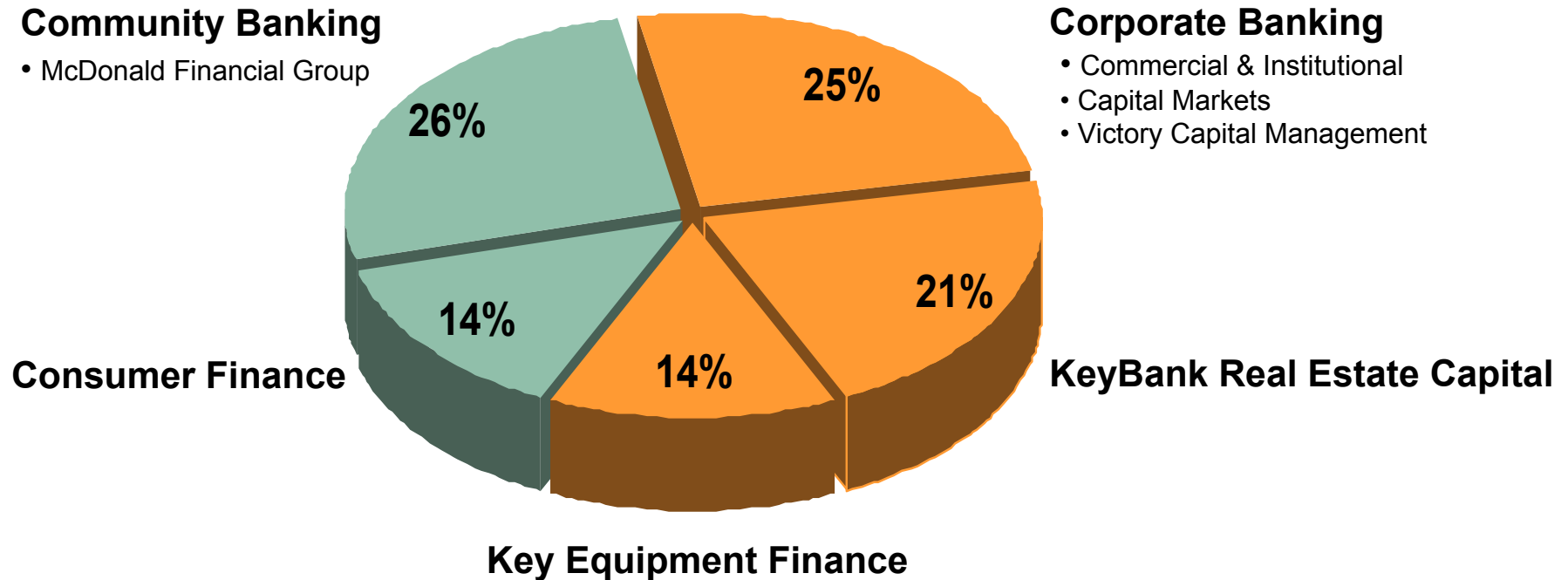
Improve shareholder returns

2005 Total Return: Key 1% vs. Peers (1)%



# Net Income by Line of Business

## Fourth Quarter 2005

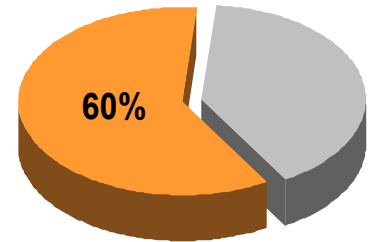


■ Consumer Banking  
■ Corporate & Investment Banking



# Corporate & Investment Banking

Corporate Banking  
KeyBank Real Estate Capital  
Key Equipment Finance



## Business Scale

- #3 Bank-affiliated equipment leasing company (originations)
- #3 Direct real estate lender (originations)
- #3 Lead arranger—number of syndicated CRE deals

## Revenue Drivers

- Aligned commercial & investment banking
- Focused on targeted client segments
- Aligned Middle Market business with Community Bank
- Grow national businesses
- Remain focused on credit quality



# Corporate & Investment Banking

## Relationship Strategy:

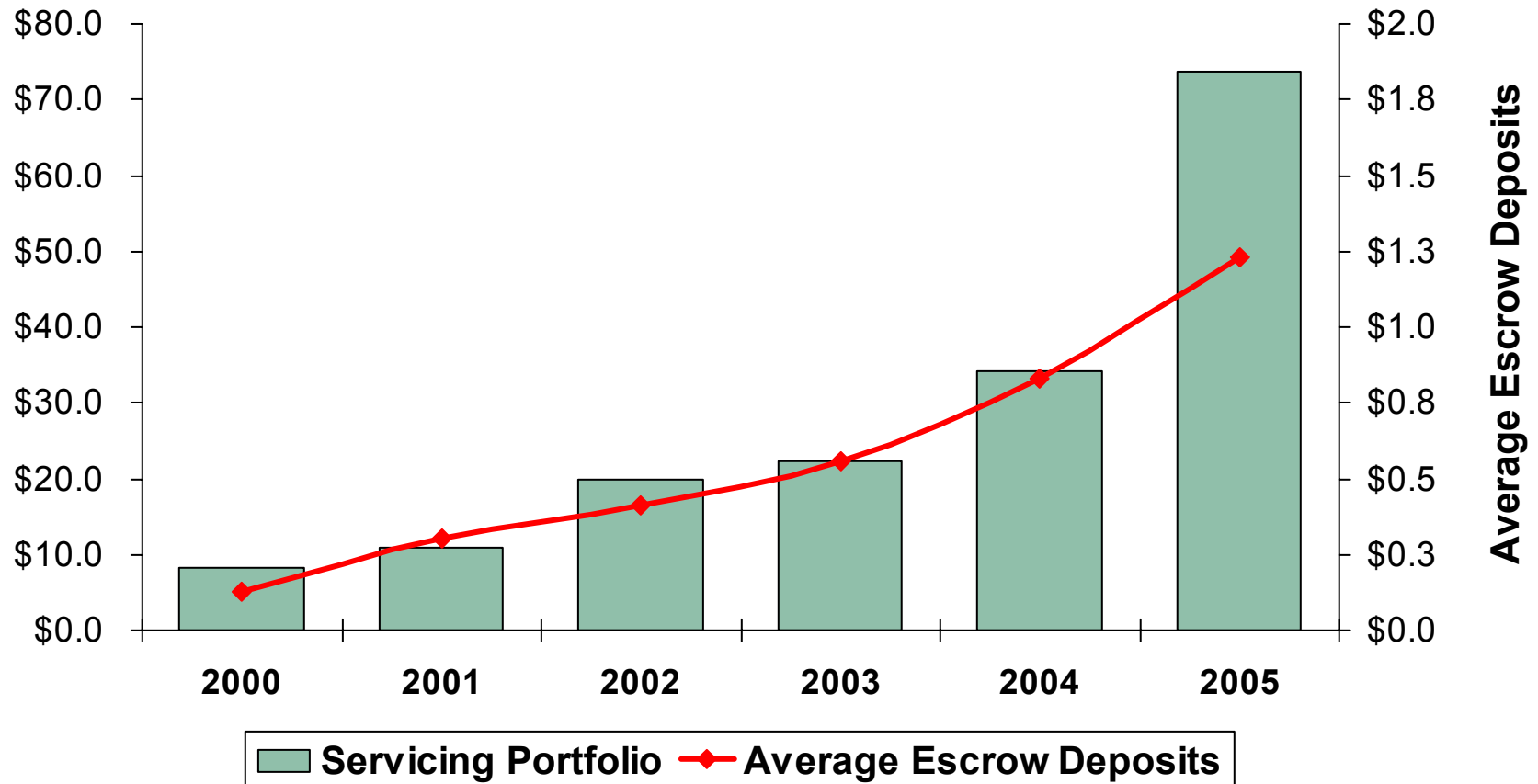
- **Created single client-focused entity—KCIB**
  - Focused on targeted segments
  - One point of contact for clients
  
- **Expanded national businesses—Key Equipment Finance, KeyBank Real Estate Capital and Victory Capital Management**
  - Integrated AEBF into leasing platform
  - Acquired Malone Mortgage
  - Acquired ORIX Capital's CMBS servicing business
  - Announced Austin Capital Management acquisition



# KeyBank Real Estate Capital

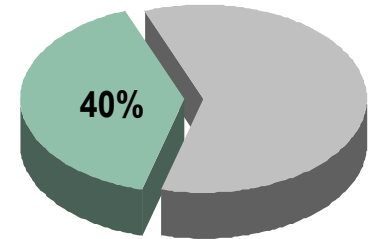
## Servicing Portfolio

*\$ in billions*



# Consumer Banking

Community Banking  
Consumer Finance



## Business Scale

- 947 KeyCenters – 2,180 ATMs
- One of the largest lenders for marine and education
- Online households: 623,000 (50% household penetration)

## Revenue Drivers

- Continue to grow core deposits
- Strengthened accountability in local markets
- Moved from teaser rates to relationship pricing
- Focused on client acquisition and retention



# Consumer Banking

## Relationship Strategy:

- **Community Bank alignment around local markets**
  - New leadership (strengthened accountability)
  - Aligned products, sales and support
  - Relationship pricing
  - Enhanced credit process
  
- **Improved business mix in Consumer Finance**



# Core Deposits & Commercial Loans

## Geographic Diversity

### Northwest

*Core Deposits:* 25%  
*Comm'l Loans:* 29%

### Rocky Mountains

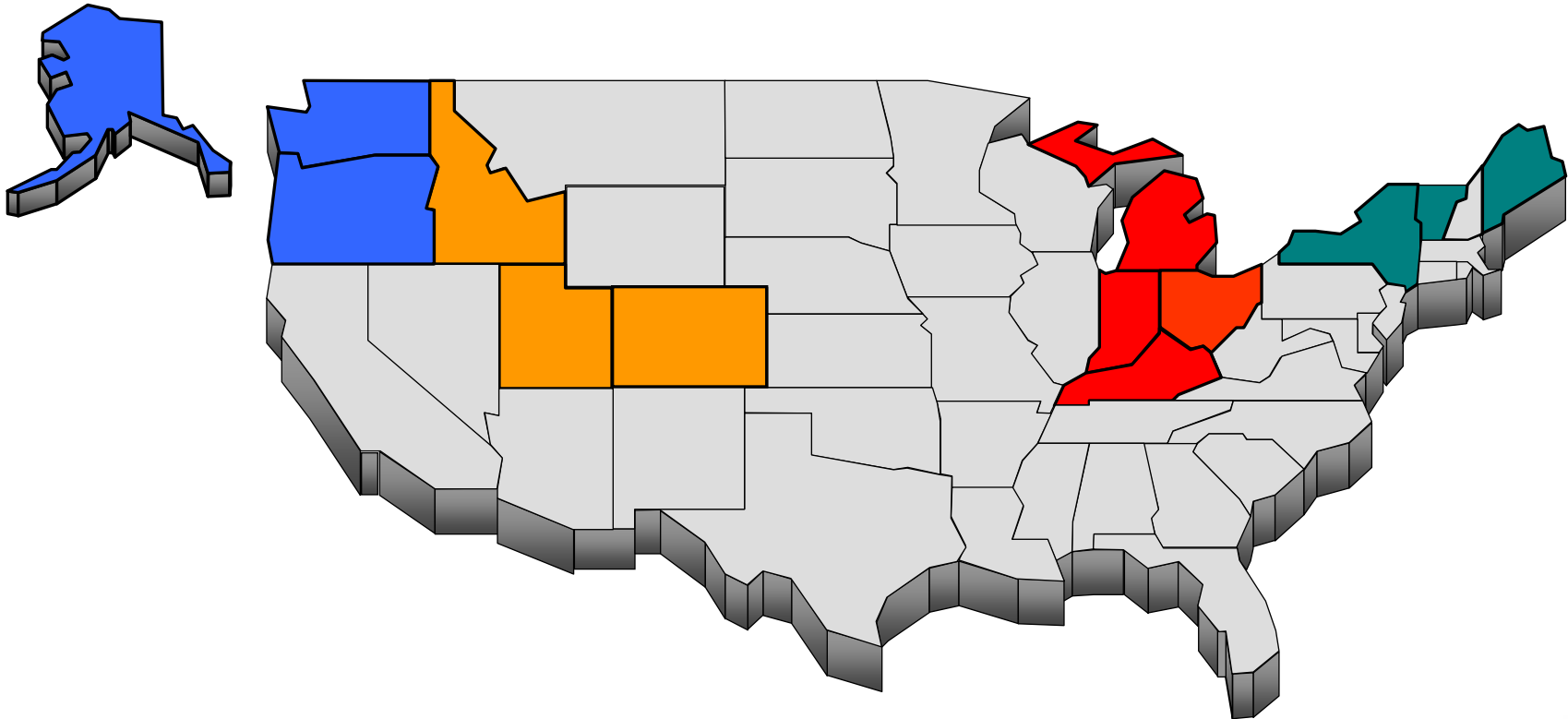
*Core Deposits:* 10%  
*Comm'l Loans:* 14%

### Great Lakes

*Core Deposits:* 34%  
*Comm'l Loans:* 35%

### Northeast

*Core Deposits:* 31%  
*Comm'l Loans:* 22%



*Excludes National Businesses (Commercial Real Estate, Equipment Leasing, Institutional Bank)*





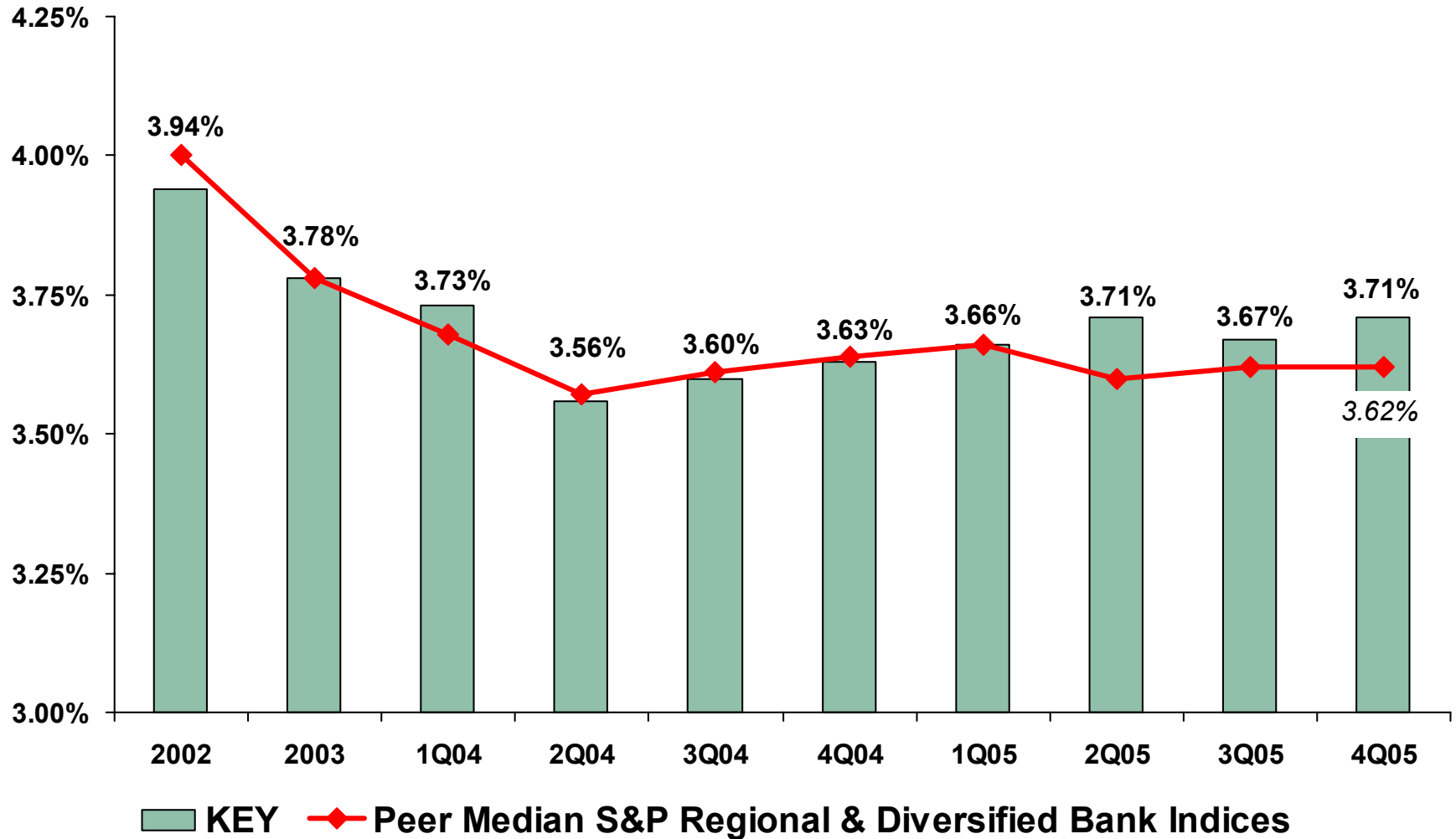
# Financial Review



# Financial Summary—4Q05 vs. 3Q05

- **Reported EPS: \$0.72**
- **Total revenue (TE) – up 4.1%**
  - NIM: 3.71% vs. 3.67%
- **Average total loans – up 2.1%**
- **Average core deposits – up 3.1%**
- **Asset quality**
  - NCOs: 98 bps (22 bps ex. airline lease portfolio)
  - NPAs: 46 bps

# Net Interest Margin (TE)

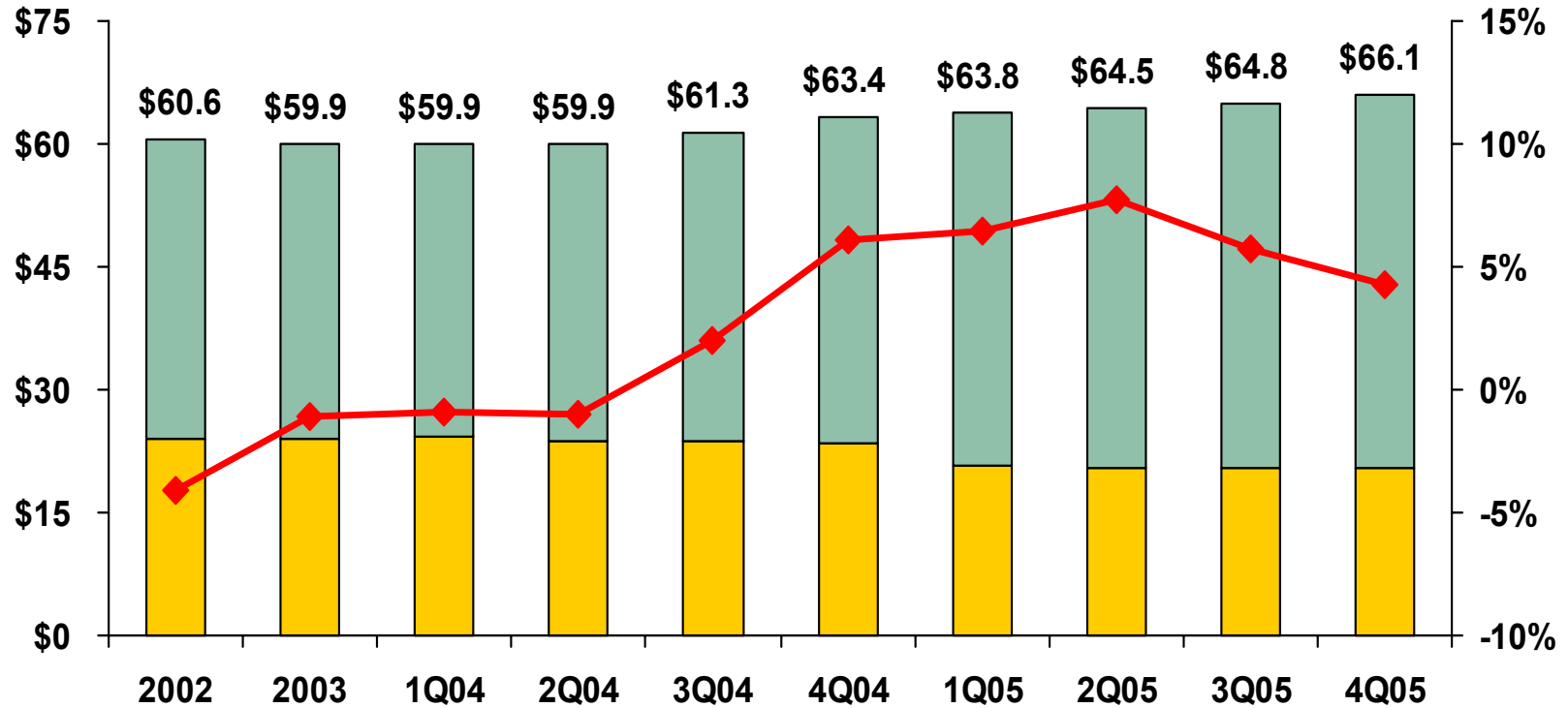


TE = Taxable Equivalent



# Average Loans

\$ in billions



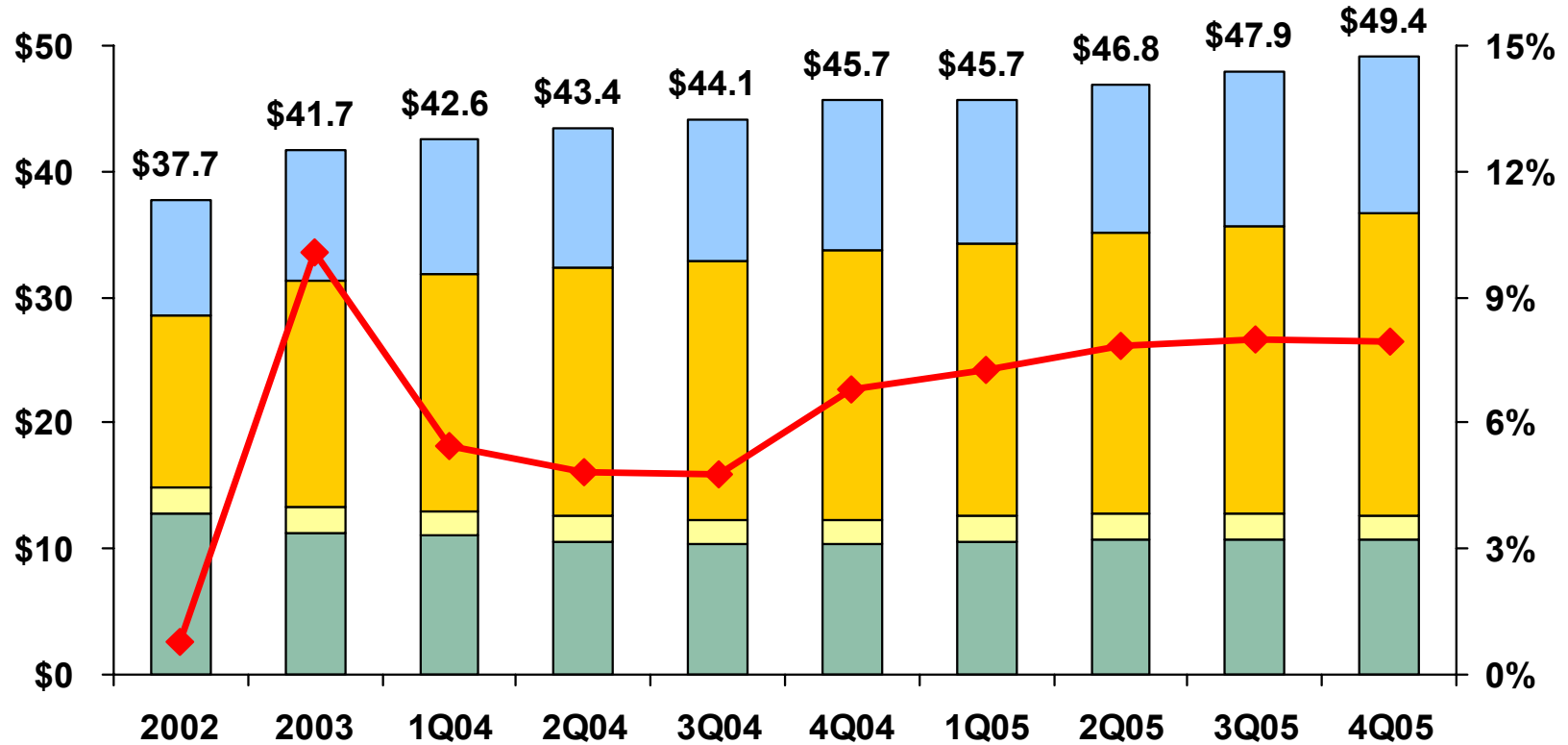
◆ Average Loan Growth from Prior Year

Commercial	\$36.6	\$35.8	\$35.6	\$36.3	\$37.6	\$40.0	\$43.1	\$44.0	\$44.3	\$45.8
Consumer	24.0	24.1	24.3	23.6	23.7	23.4	20.7	20.5	20.5	20.3



# Average Core Deposits

\$ in billions

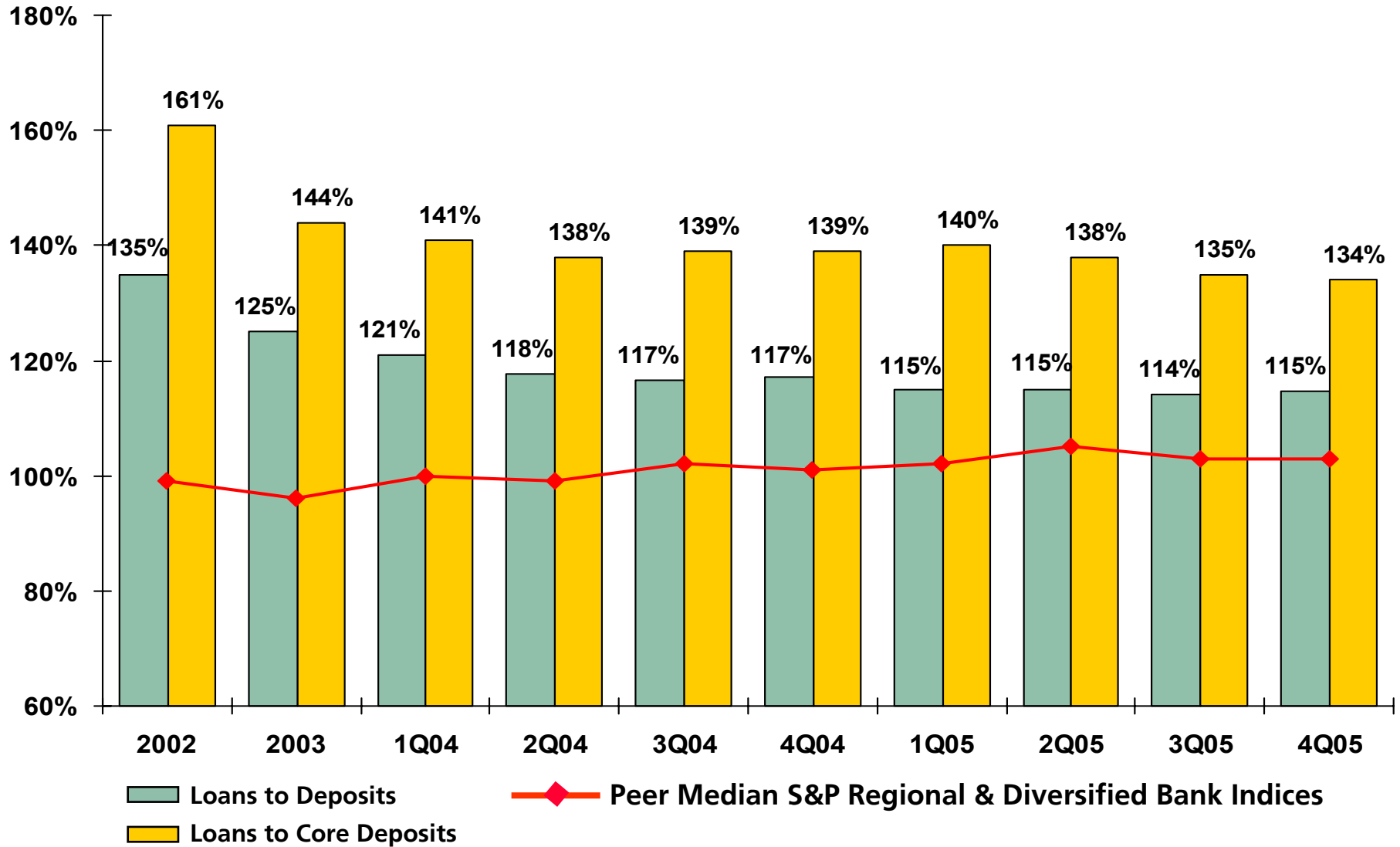


◆ Average Core Deposit Growth from Prior Year

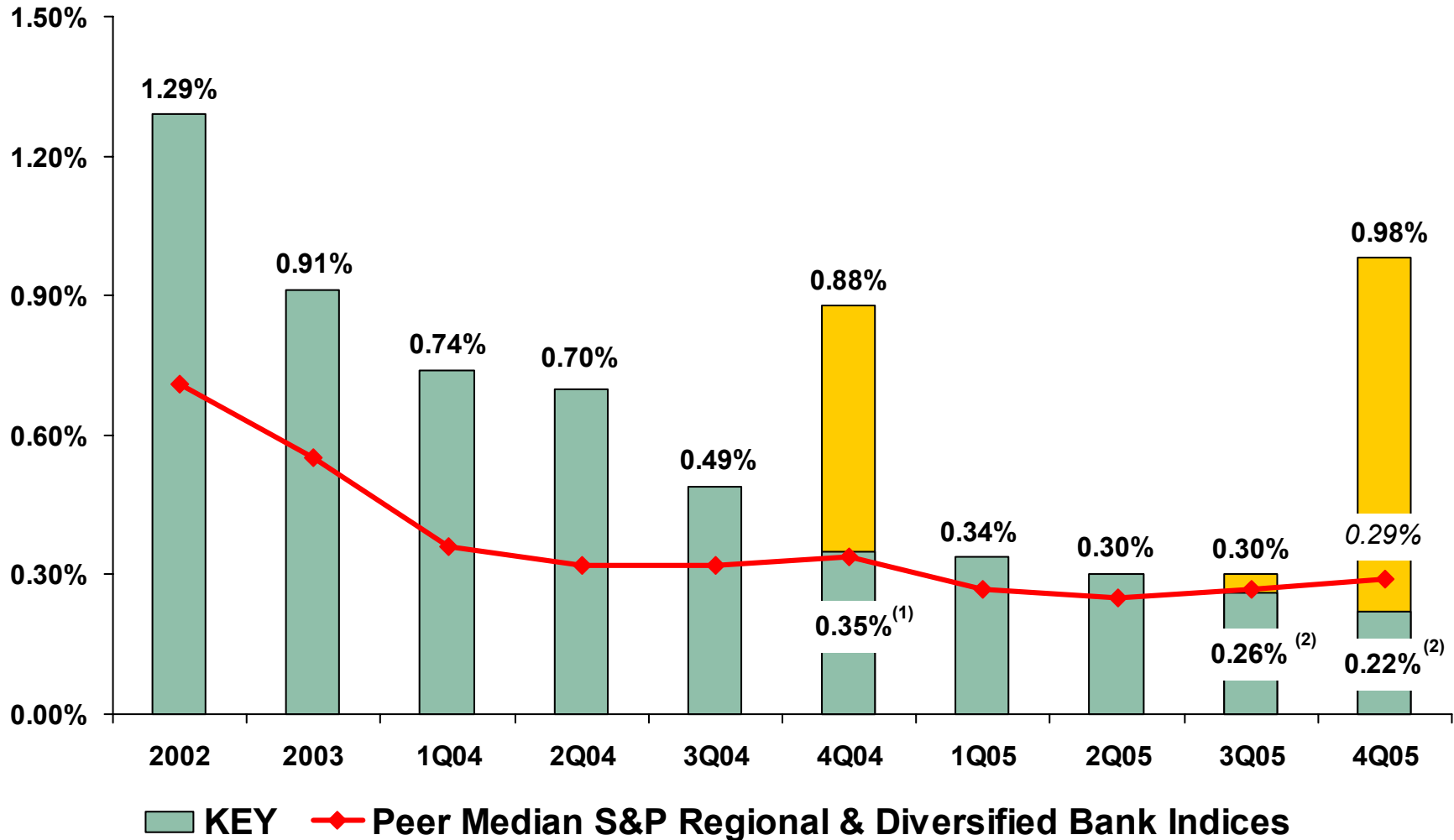
DDA	\$9.1	\$10.4	\$10.7	\$11.0	\$11.3	\$11.8	\$11.5	\$11.7	\$12.2	\$12.6
NOW/MMDA	13.8	17.9	18.9	19.8	20.5	21.6	21.6	22.3	22.9	23.9
Savings	2.0	2.1	2.0	2.0	2.0	1.9	2.0	2.0	2.0	1.9
CD's	12.8	11.3	11.0	10.6	10.3	10.4	10.6	10.8	10.8	11.0



# Loans to Deposits – Average



# Net Charge-Offs to Average Loans

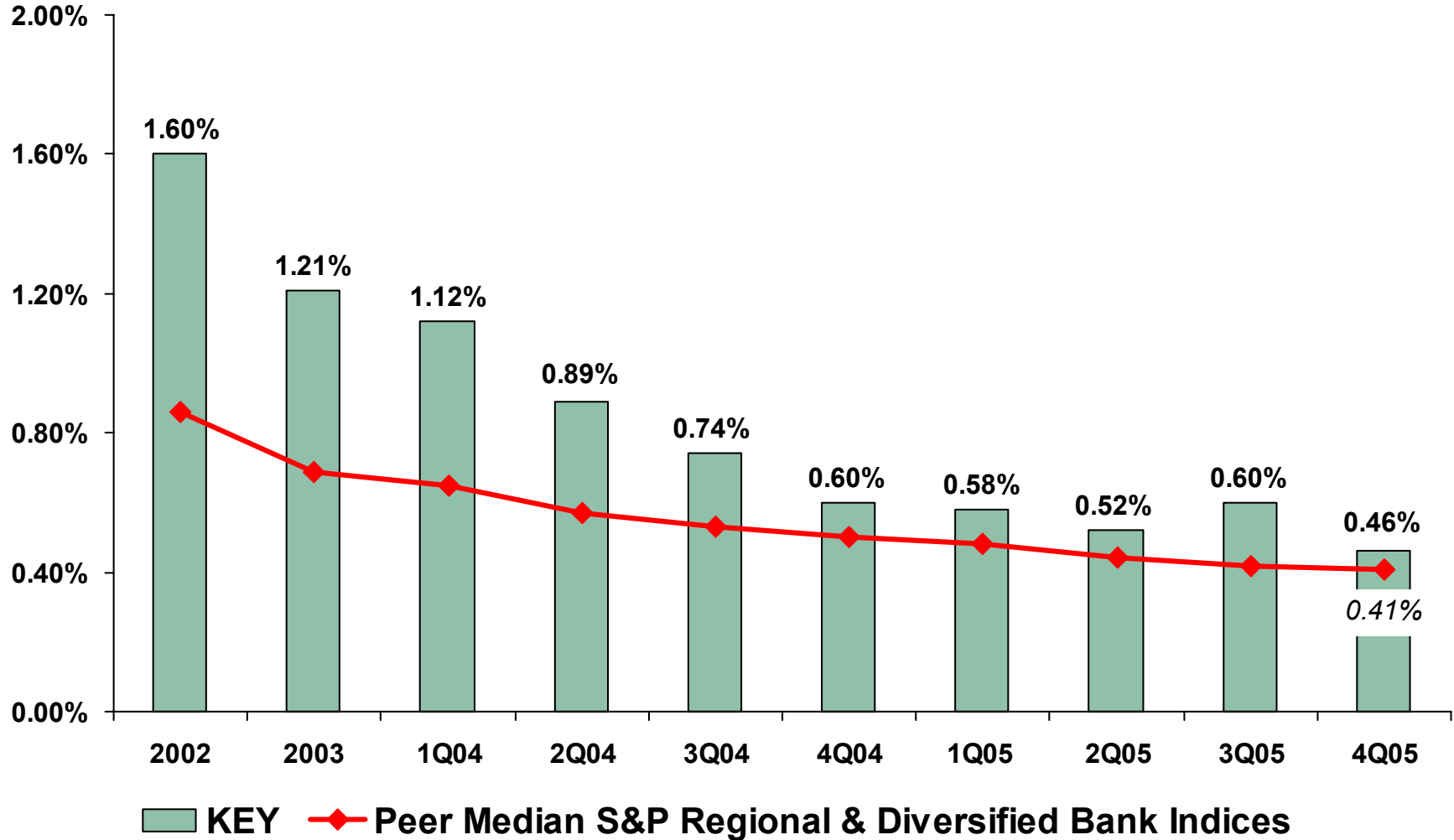


(1) Continuing Portfolio

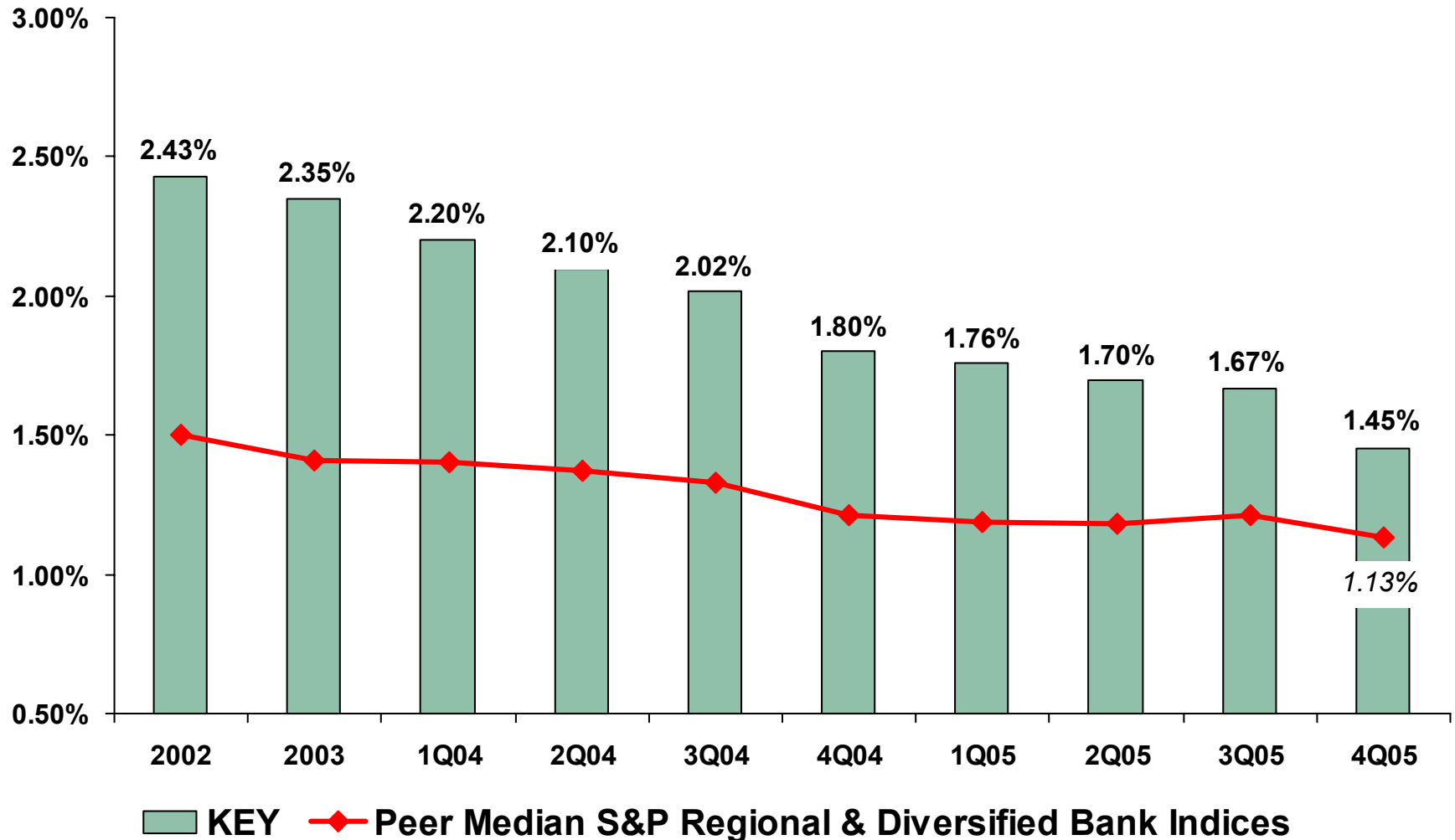
(2) Excludes Passenger Airline Lease Portfolio



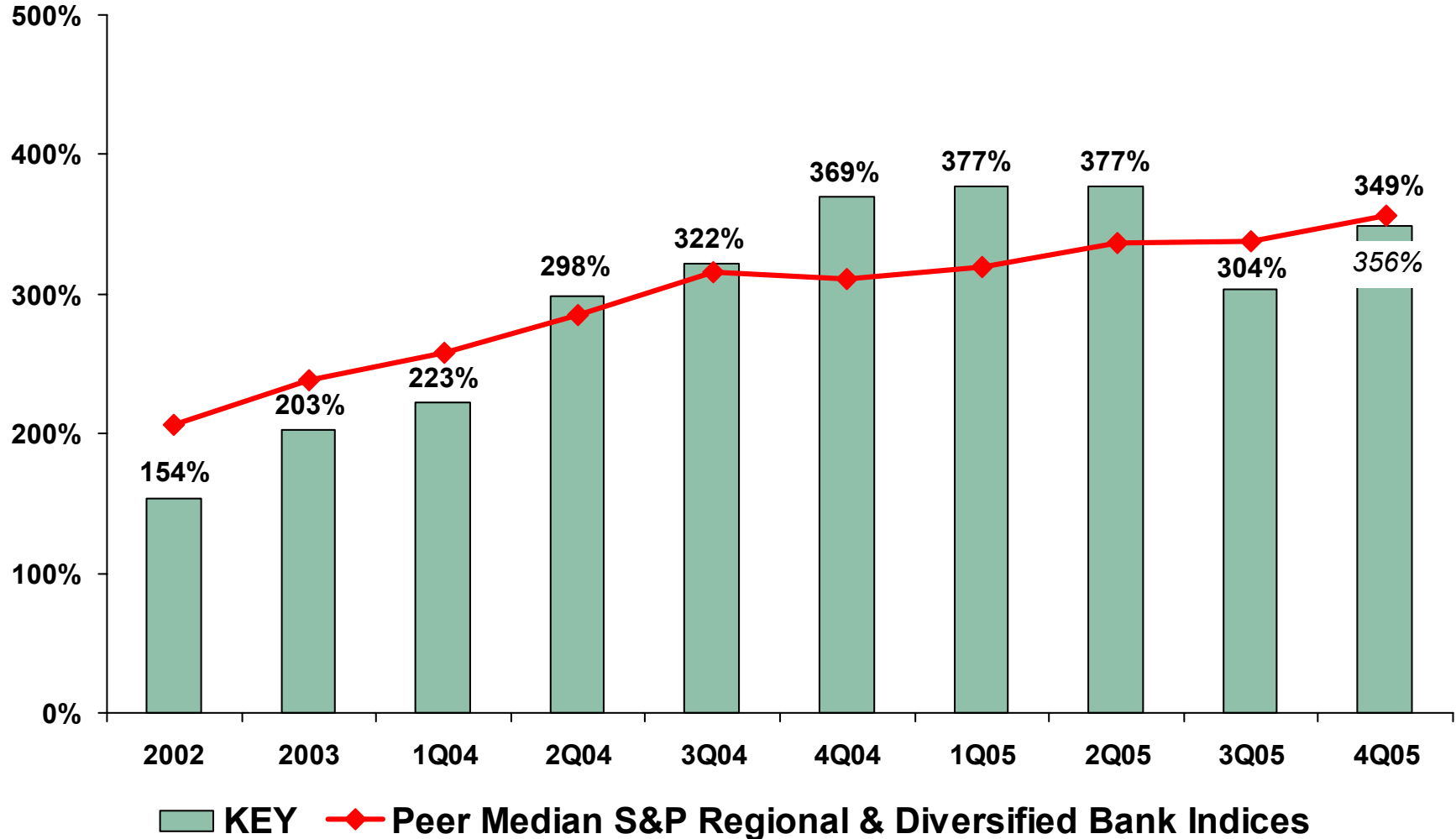
# NPA to Loans and OREO



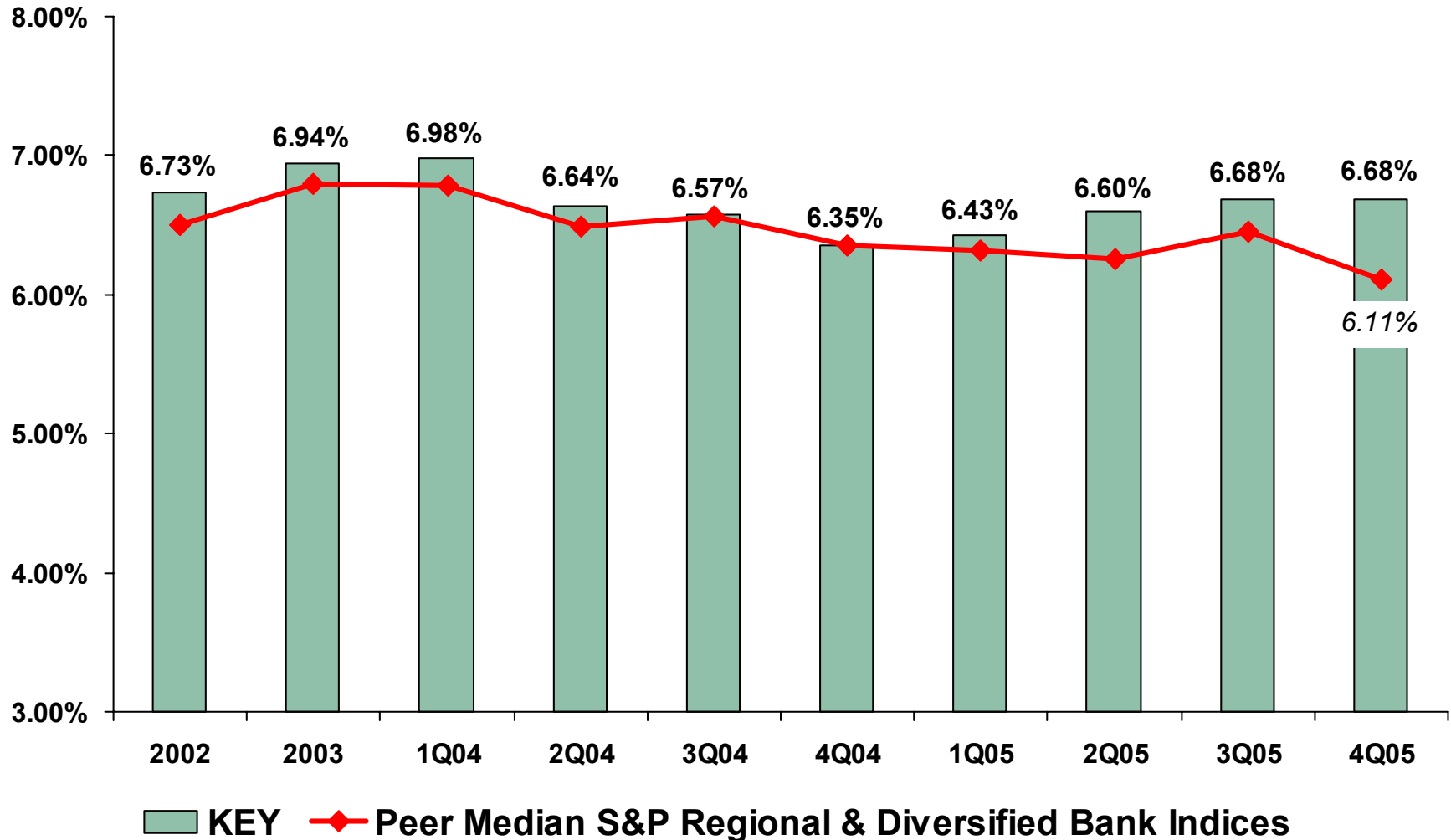
# Allowance to Period-end Loans



# Allowance to NPLs



# Tangible Equity to Tangible Assets



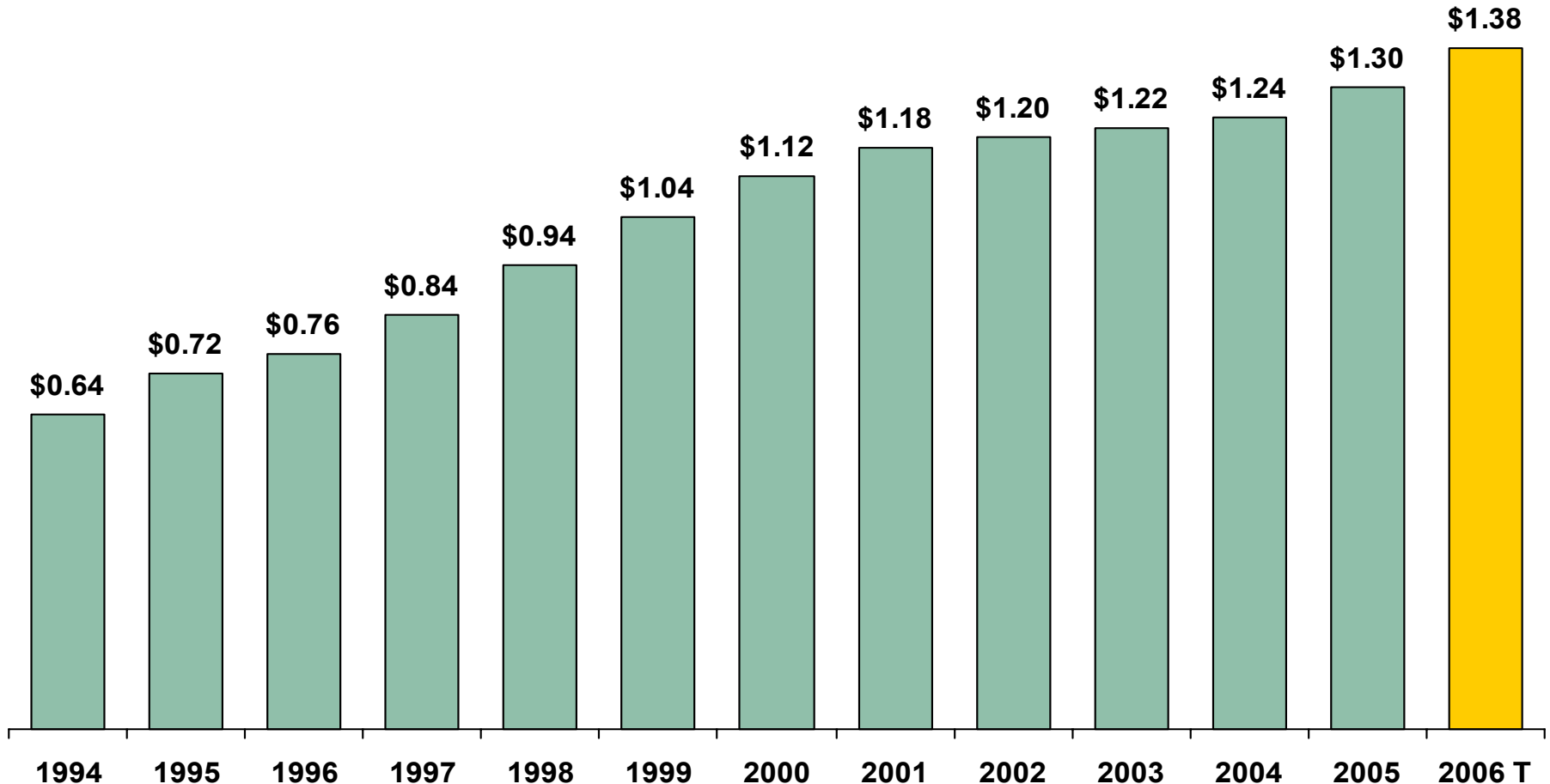
# 2006 Outlook

- **NIM:** **Stable to improving**
- **Earning Assets:** **Mid-single digit growth**
- **Expense Growth:** **Low single digit**
- **Asset Quality:** **NCOs in the 30 bps range**
- **1Q06 EPS Range:** **\$0.67 to \$0.71**  
**2006 F.Y.:** **\$2.80 to \$2.90**



# Strong Dividend Record

Dividend increased 41 consecutive years

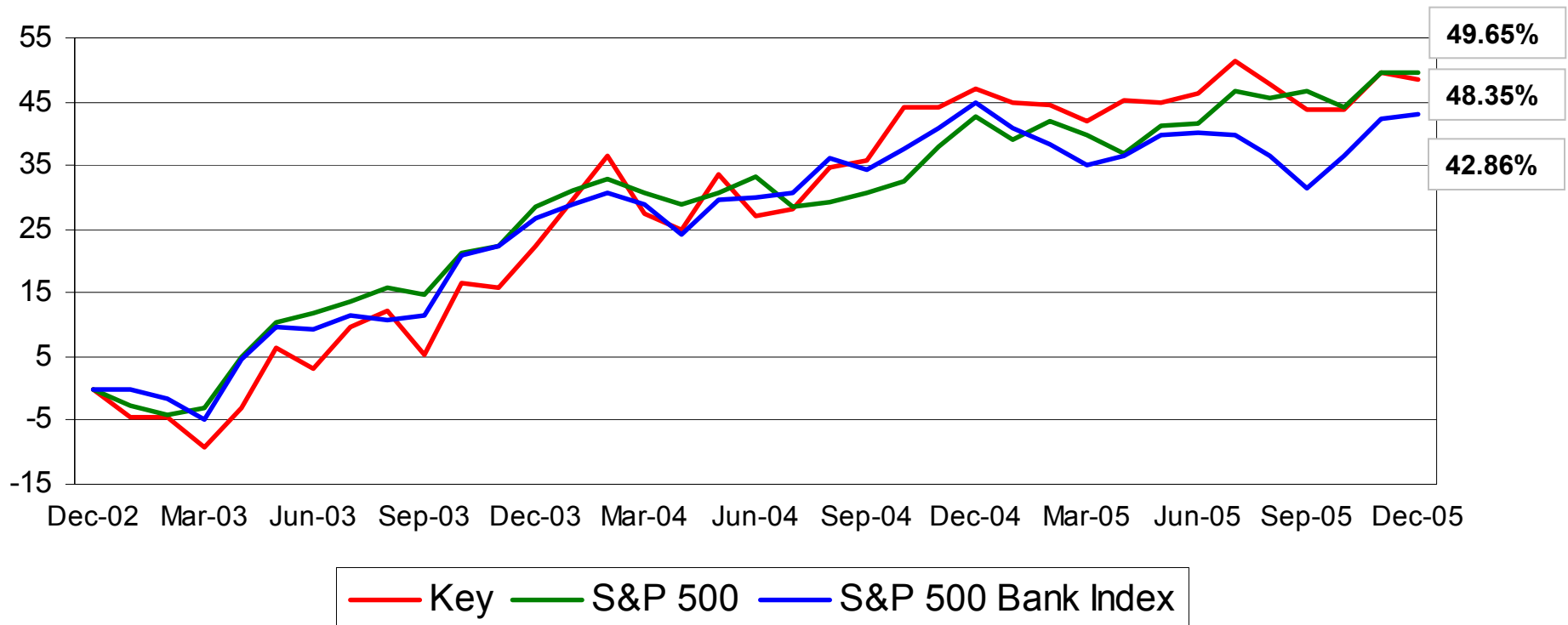


T = Target



# Total Return

12/31/02 – 12/31/05



# Key Messages

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- **Improved business mix**
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  - Strengthened credit risk profile
- **Better shareholder returns**



