KeyCorp Presentation to the CFA Society of Cleveland

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KeyCorp

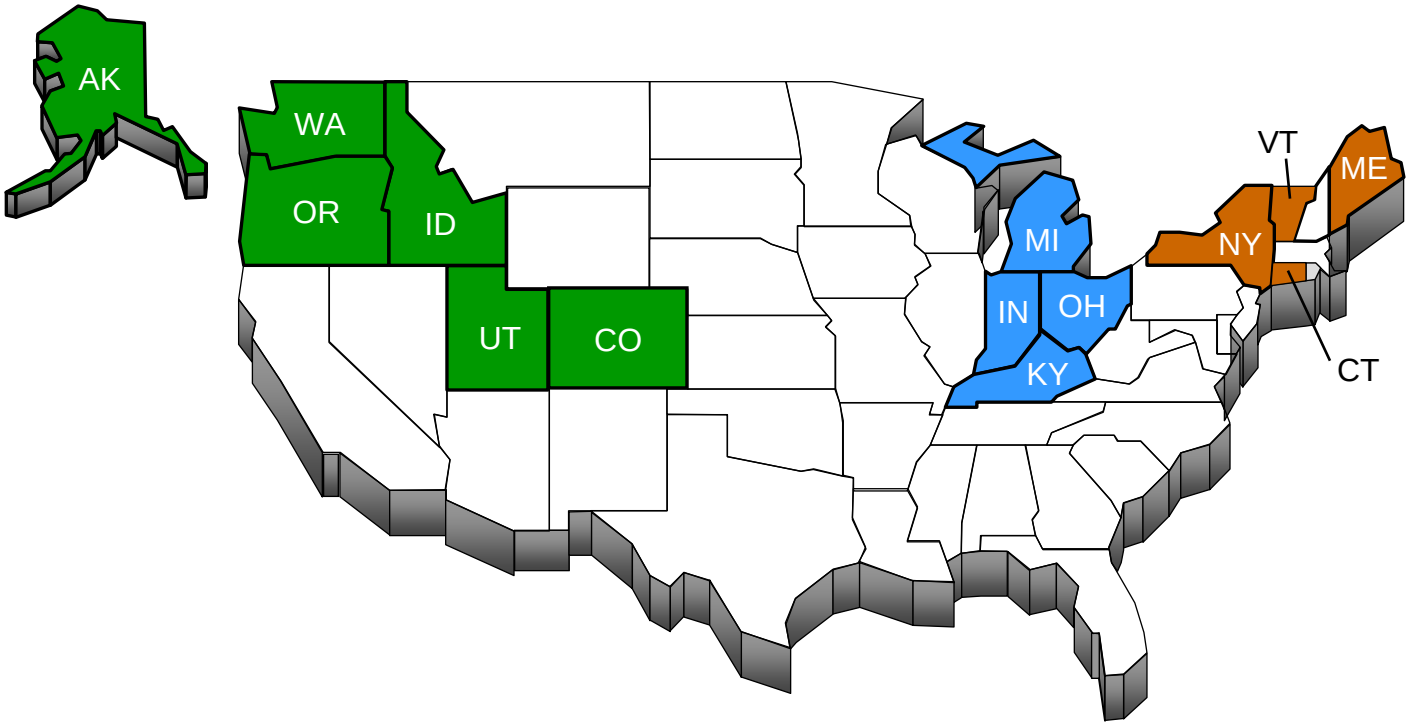
PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 FORWARD-LOOKING STATEMENT DISCLOSURE

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about Key's financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements are not historical facts but instead represent only management's current expectations and forecasts regarding future events, many of which, by their nature, are inherently uncertain and outside of Key's control. Key's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Factors that could cause Key's actual results to differ materially from those described in the forward-looking statements can be found in Key's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009, and September 30, 2009, and in its Annual Report on Form 10-K for the year ended December 31, 2008, each of which has been filed with the Securities and Exchange Commission and is available on Key's website (www.key.com) and on the Securities and Exchange Commission's website (www.sec.gov). 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. Key does not undertake any obligation to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

Key Facts

- 14th largest U.S. bank-based financial services company by asset size
- NYSE Symbol: KEY
- Assets: $95 billion
- Market Cap: $8 billion
- Headquarters: Cleveland, Ohio
- Employees: 15,700
- Banking Offices: 14 States
- Web Site: www.key.com

Strong Franchise – Geographically Diverse



	Rocky Mountain and Northwest	Great Lakes	Northeast
Branches	367	343	304
ATMs	530	541	430
Loans [(a)]	$10.7	$6.8	$5.8
Deposits [(a)]	$16.2	$16.7	$15.5
Competitors	Bank of America J.P. Morgan Chase U.S. Bank Wells Fargo	Fifth Third PNC Huntington J.P. Morgan Chase	Citizens Bank M&T Bank TD Banknorth J.P. Morgan Chase

(a) Community Banking average total loans and deposits for the first quarter of 2010

Strategic Update

- First quarter 2010 loss narrows
- Continued improvement in credit quality
- Capital and liquidity positions remain strong
- Management transition completed
- Continued investment in relationship businesses

Financial Summary — First Quarter 2010

	1Q10	1Q09
Loss from continuing operations attributable to Key common shareholders	$ (.11)	$(1.03)
Performance – from continuing operations		
Net interest margin (TE)	3.19%	2.79%
Return on average total assets	(.26)	(1.87)
Capital		
Tier 1 common equity [(a)]	7.53%	5.62%
Tier 1 risk-based capital [(a)]	12.96	11.22
Total risk-based capital [(a)]	17.11	15.18
Asset quality – from continuing operations		
Allowance for credit losses to period-end loans	4.55%	2.96%
Net loan charge-offs to average loans	3.67	2.60
Allowance for loan losses to nonperforming loans	117	116
Liquidity		
Loan to deposit ratio [(b)]	93%	115%

TE = Taxable Equivalent, EOP = End of Period

(a) Ratios are estimated.

(b) From consolidated operations, calculated as loans and loans held for sale (excluding securitized loans) to deposits (excluding deposits in foreign office)

2010 Strategic Priorities

- Return to sustainable profitability
- Sustain strong reserves, capital and liquidity
- Continue building a robust risk management culture
- Expand and acquire client relationships
- Attract and retain a capable, diverse and engaged workforce

Key's Targets for Success

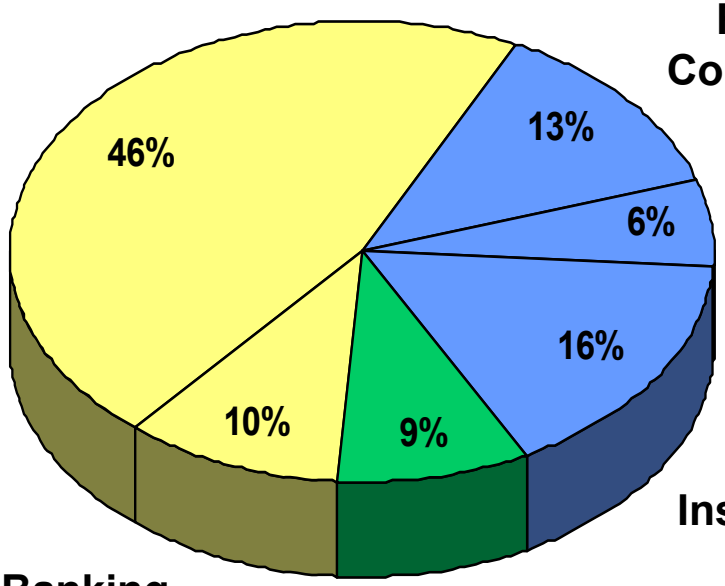
KEY Business Model	KEY Metrics [a]	KEY 1Q10	Targets	Action Plans
Core funded	Loan to deposit ratio [b] [c]	93%	90-100%	▪ Improve risk profile of loan portfolio ▪ Improve mix and grow deposit base
Returning to a moderate risk profile	NCOs to average loans	3.67%	40-50 bps	▪ Focus on relationship clients ▪ Exit noncore portfolios ▪ Limit concentrations ▪ Focus on risk-adjusted returns
Growing high quality, diverse revenue streams	Net Interest Margin	3.19%	>3.50%	• Improve funding mix • Focus on risk-adjusted returns
	Noninterest income/ total revenue	41.6%	>40%	• Leverage Key's total client solutions and cross-selling capabilities
Creating positive operating leverage	Keyvolution cost savings	$191 million implemented	$300-$375 million	▪ Improve efficiency and effectiveness ▪ Leverage technology ▪ Change cost base to more variable from fixed
Executing our strategies	Return on average assets	(.26)%	1.00-1.25%	▪ Execute our client insight-driven relationship model ▪ Improved funding mix with lower cost core deposits ▪ Keyvolution savings

(a) Continuing operations, unless otherwise noted
(b) Consolidated operations
(c) Loans & loans HFS (excluding securitized loans) to deposits (excluding foreign branch)

Diversified Business Mix

First Quarter 2010 Revenue (TE)

Regional Banking
Retail Banking
Business Banking
Private Banking
Wealth Management



Real Estate Capital and Corporate Banking Services

Equipment Finance

Institutional and Capital Markets
Victory Capital Management
KeyBanc Capital Markets

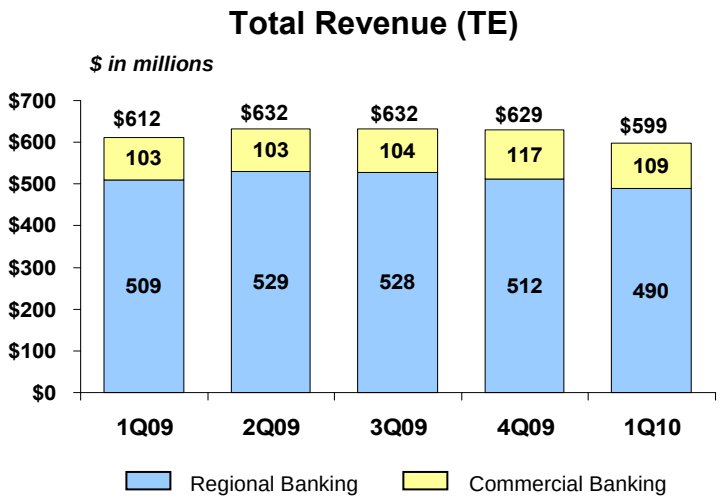
Commercial Banking

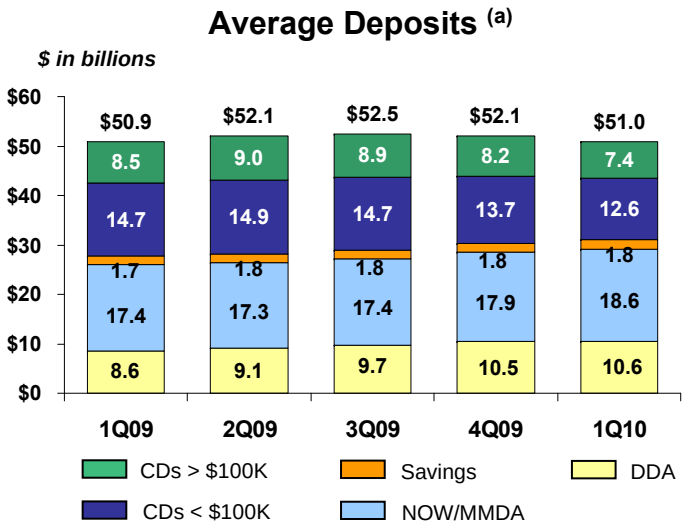
Other Segments
Corporate Treasury
Principal Investing
Exit Portfolios

- **Community Banking**
- **National Banking**
- **Other Segments**

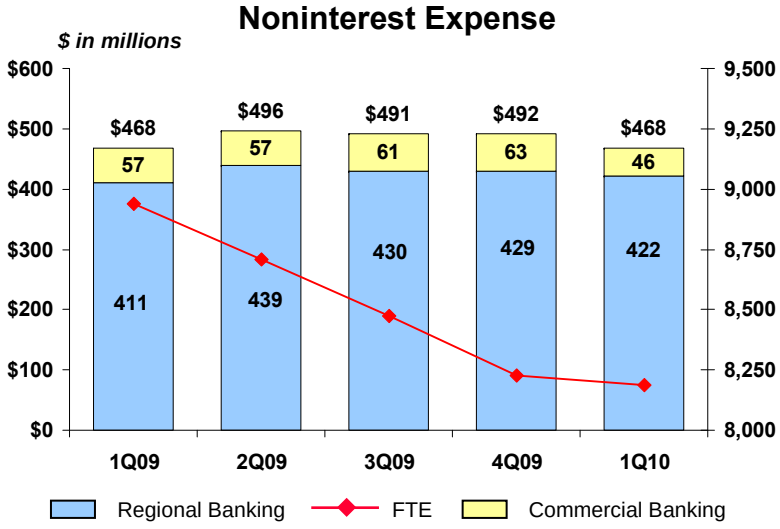
TE = Taxable Equivalent

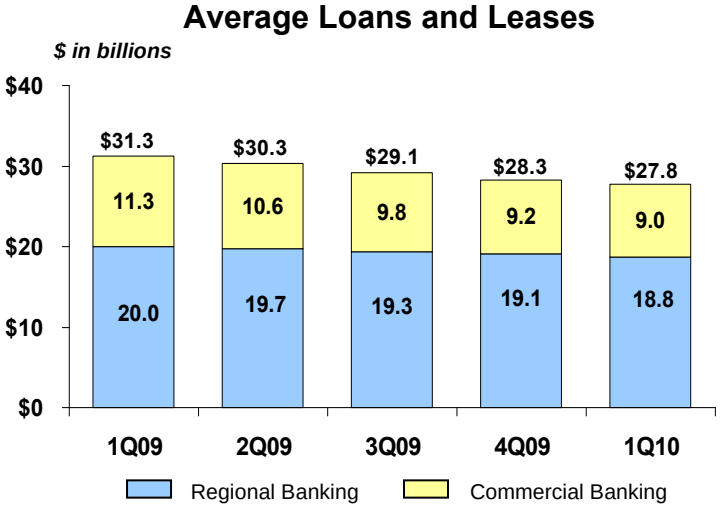
Community Banking – Financial Summary





(a) Excludes foreign office deposits.



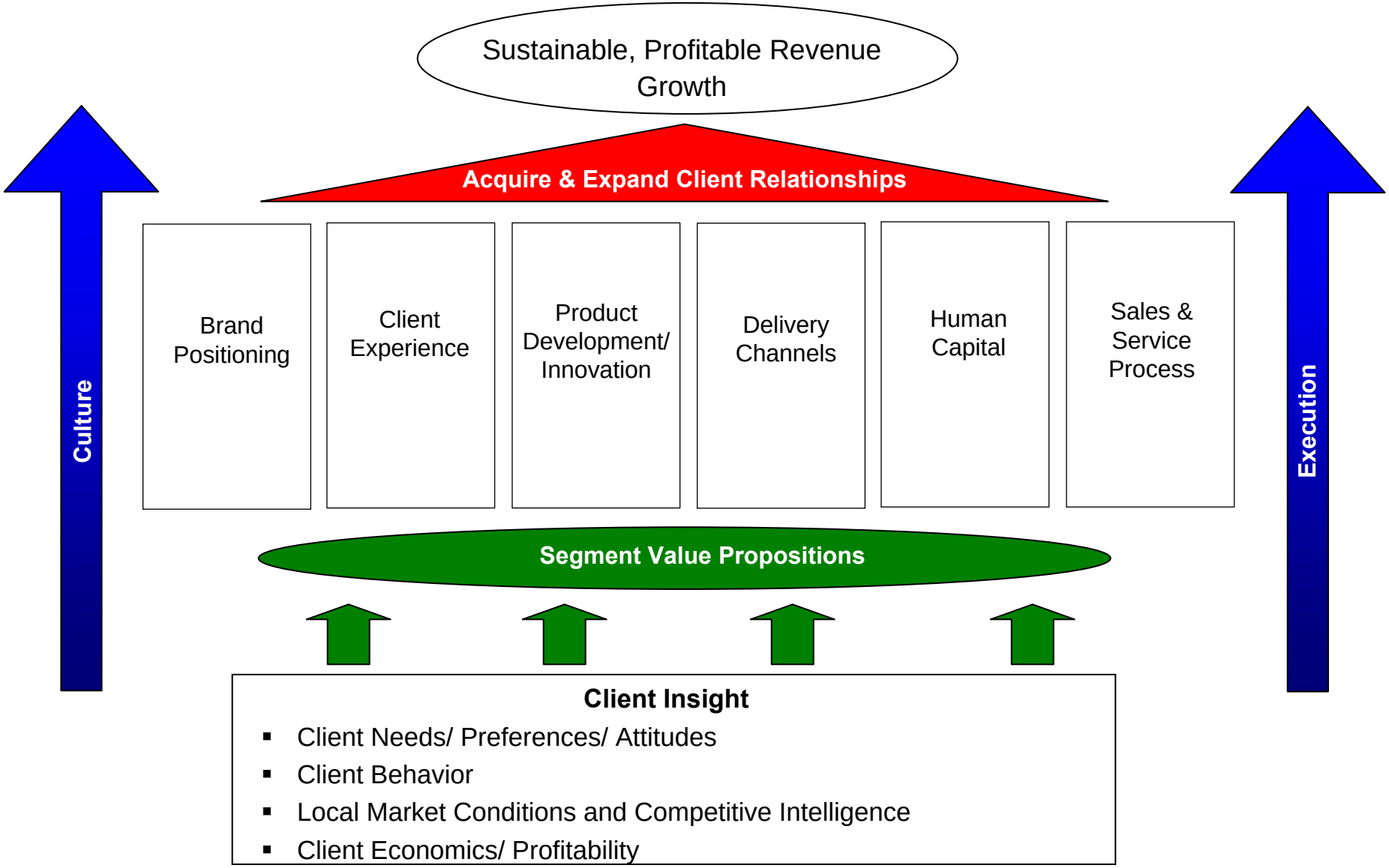


Community Banking Model

Growing and Investing…

- Leveraging Client Insight
- Integrated Delivery Channels
- Enhanced Sales/Service Culture
- Optimizing to Maintain Efficiency and Effectiveness

Leveraging Client Insight



Integrated Delivery Channels

Branch Strategy

Branch Expansion:

Market Portfolio Approach

- Concentrate investment in select markets
- Align capital investment with return
- Build branch density in growth markets
- Relative outlet share drives client acquisition

+

Branch Modernization:

Repair, Revitalize & Re-brand

- Create a look distinctly Key
- Condition of outlet lifts performance

+

Introduce Capabilities:

Differentiate the Client Experience

- Match service levels, functionality & design with client transaction potential
- Leverage client insight to customize and localize the experience
- Use technology as an accelerator of momentum (e.g., Teller21, Remote ATM, Desktop, etc.)
- Integrate with other channels

=

Integrated Branch Strategy

- Reintroduce Key into the market in a concentrated “burst”
- Achieve management focus & in-market efficiencies
- Optimize marketing spend
- Create market awareness
- Increase branch density, deposit market share and maximize revenue lift

Integrated Delivery Channels

Branch Expansion

128th & Thornton, Colorado

North French & Transit, Western NY

Shoppes of Solon, Cleveland

Integrated Delivery Channels

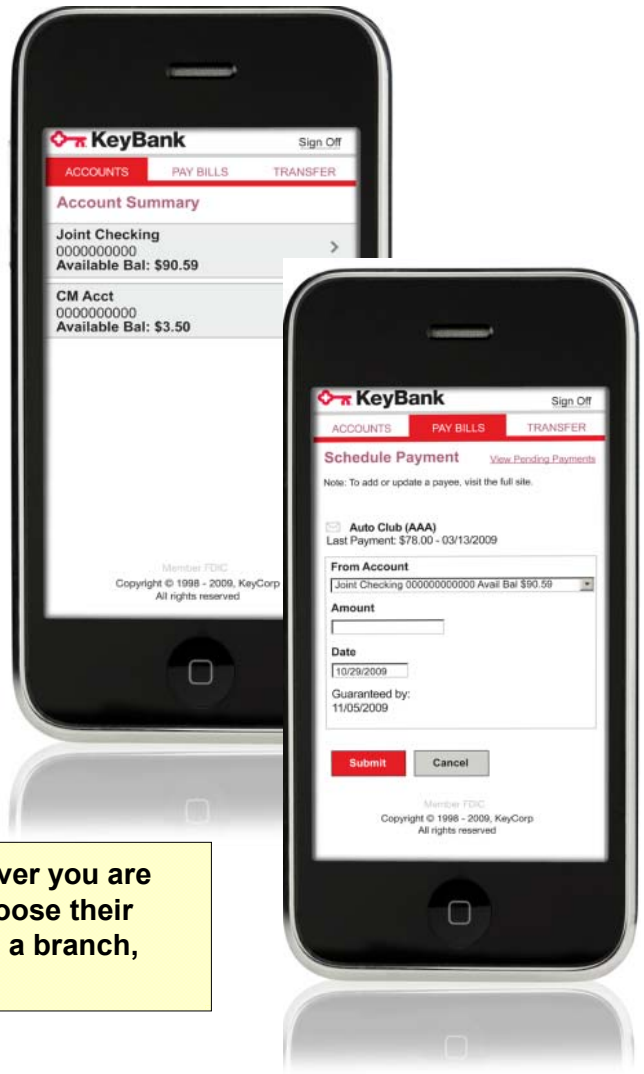
Branch Modernization

Integrated Delivery Channels

Mobile Banking

- Online Banking clients with iPhone or Blackberry phones can:
  - View accounts balances and transactions
  - Make payments to existing payees
  - Transfer money between Key accounts
  - Locate ATMs and Branches

- Introduced in Q1 2010:
  - Text messaging capabilities for all clients and phones, including:
    - Mobile Alerts
    - Real-time inquiries



Convenience is more than a nearby branch or ATM — it's being able to bank wherever you are when you want, and being convenient is still one of the top reasons why people choose their bank. Key's Mobile Banking is ideal for clients on the go — it allows them to locate a branch, view account information, pay bills and transfer funds from anywhere at any time.

Integrated Delivery Channels

Online Banking

- In Corporate Insight's 2010 ***Bank Monitor Report***, Key was cited for enhancements made to its online banking site Key.com for 2009:
  - 1 GOLD MEDAL (Online Application capabilities)
  - 2 SILVER MEDALS (Online Banking Account Information and Account Transfer Capabilities)
  - 2 BRONZE MEDALS (Online Banking Alerts and Help Area)

Enhanced Sales / Service Culture

2009 BusinessWeek
Customer Service Champ

2010 American Customer
Satisfaction Index Recognition

Optimizing to Maintain Efficiency and Effectiveness

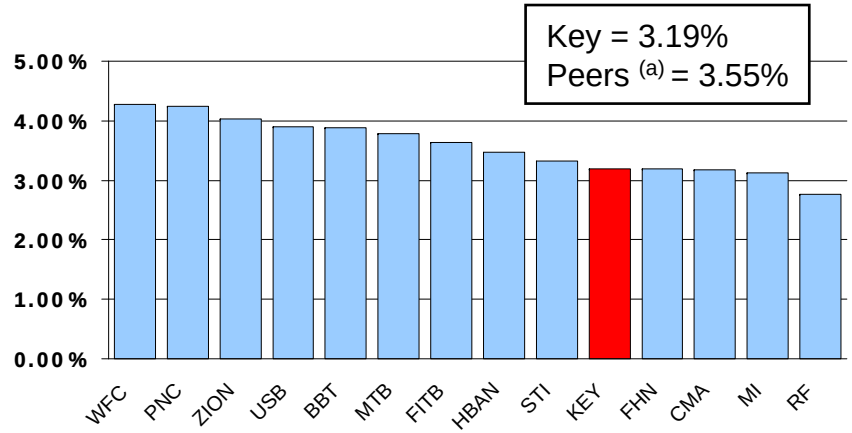
- Capital optimization
  - Exiting unprofitable relationships
  - Differentiating return thresholds based on risk model
- Focus on operating efficiency and effectiveness
  - Consolidation of regions, branches, management, and headcount
- Strong risk management
  - Net charge-offs at 1st Qtr 2010:
    - Home Equity 122 bps
    - Commercial Banking 90 bps
  - Balance risk and reward
- Enhancing profitability of deposit portfolio

Improving Net Interest Margin

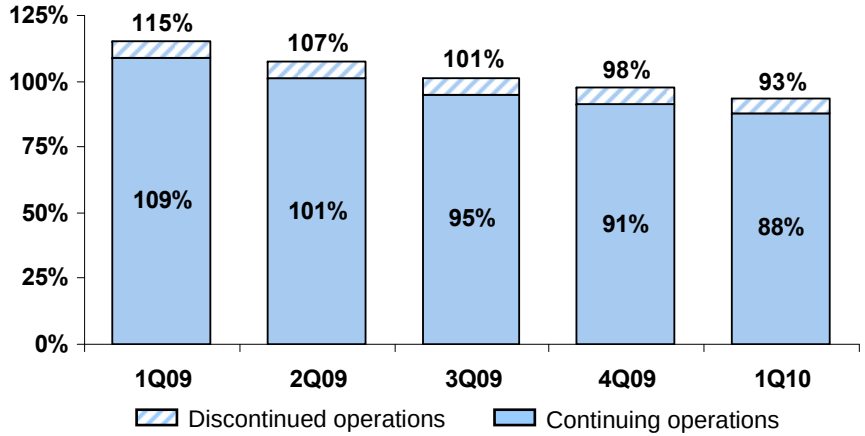
First Quarter 2010

- Net interest margin increased by 40 bps compared to the 1Q09
- Core funded; loan to deposit ratio improved from 115% in 1st quarter 2009 to 93% in 1st quarter 2010
- Continued benefit from improved funding mix as maturing CDs re-price or move into lower cost deposits

Net Interest Margin

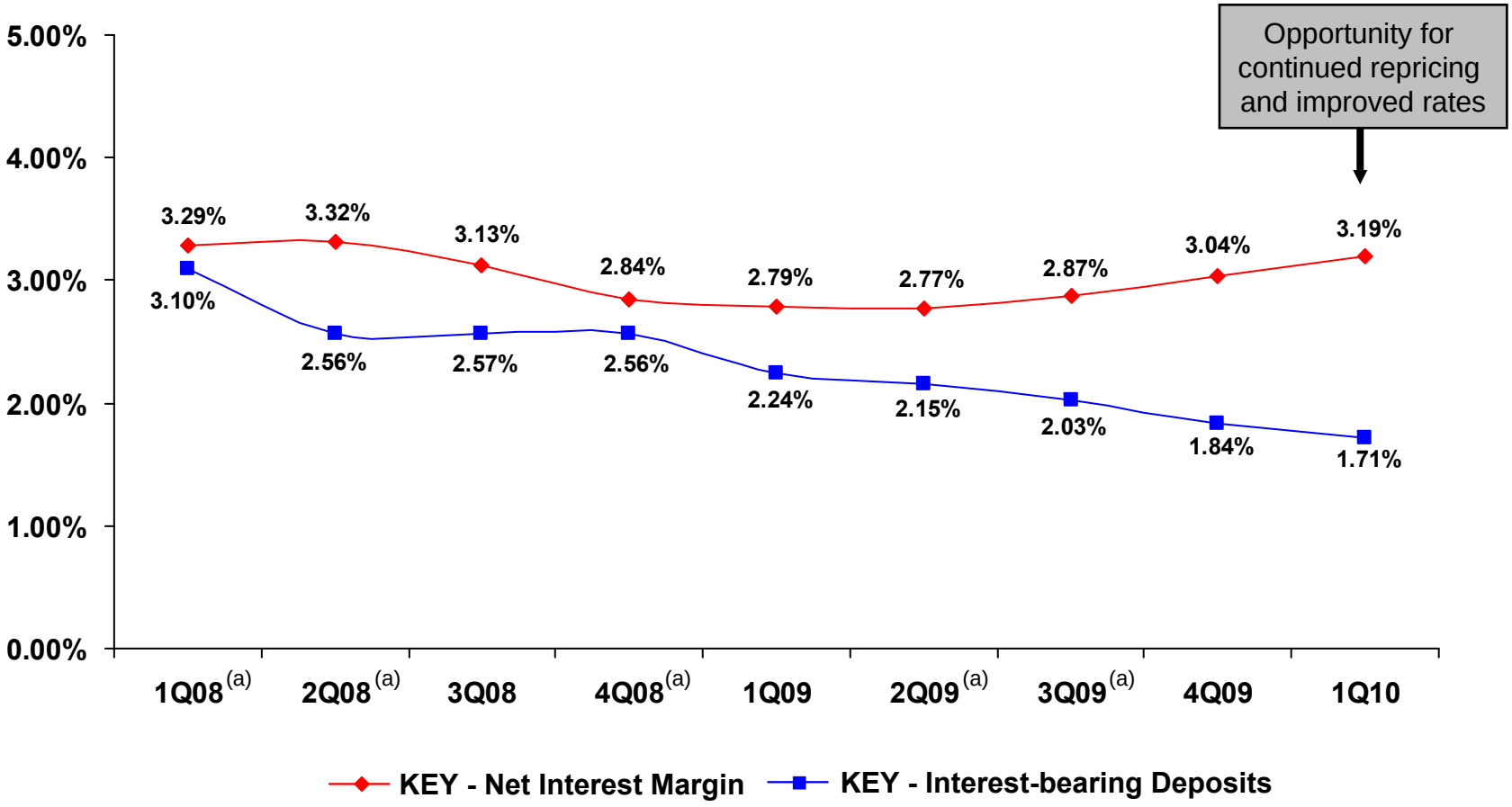


Loan to Deposit Ratio (b)



(a) Peer data pulled from 1Q10 earnings releases and the peer calculation represents the median of Key and its 13 peer banks.
(b) Ending balances; loans & loans held for sale (excluding securitized loans) to deposits (excluding foreign branch)

Deposit Repricing Opportunity



Community Bank
$ in billions

CDs	**$19.2**	**$19.4**	**$20.0**	**$22.6**	**$23.2**	**$23.9**	**$23.6**	**$21.9**	**$20.0**

(a) Net interest margin is adjusted to exclude the impact of certain items related to leveraged leases.

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KeyBank
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*You must have or open a KeyBank personal checking account with a KeyBank Rewards Debit Card and enroll in the KeyBank Rewards program to earn points for rewards.
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