Barclays Capital Financial Services Conference

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Chairman and Chief Executive Officer

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Senior Executive Vice President
Chief Financial Officer

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 may cause actual results to differ materially include, among other things: (1) adverse capital market conditions and the ability to raise equity and other funding required by the banking regulators or otherwise; (2) further downgrades in Key's credit ratings; (3) unprecedented volatility in the stock markets, public debt markets and other capital markets, including continued disruption in the fixed income markets; (4) potential misinterpretation of the Supervisory Capital Assessment Program ("SCAP") or Key's efforts to raise the required capital could affect Key's ability to attract and retain customers and compete for new business opportunities; (5) changes in interest rates; (6) changes in trade, monetary or fiscal policy; (7) changes in foreign exchange rates, equity markets and the financial soundness of other unrelated financial companies; (8) asset price deterioration, which has had (and may continue to have) a negative effect on the valuation of certain asset categories represented on Key's balance sheet; (9) continuation of the recent deterioration in general economic conditions, or in the condition of the local economies or industries in which Key has significant operations or assets, which could, among other things, materially impact credit quality trends and Key's ability to generate loans; (10) continued disruption in the housing markets and related conditions in the financial markets; (11) increased competitive pressure among financial services companies due to the consolidation of competing financial institutions and the conversion of certain investment banks to bank holding companies; (12) heightened legal standards and regulatory practices, requirements or expectations; (13) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (14) increased FDIC deposit insurance premiums; (15) difficulty in attracting and/or retaining executives and/or relationship managers; (16) consummation of significant business combinations or divestitures; (17) operational or risk management failures due to technological or other factors; (18) changes in accounting or tax practices or requirements; (19) new legal obligations or liabilities or unfavorable resolution of litigation; and (20) disruption in the economy and general business climate as a result of terrorist activities or military actions.

For additional information on KeyCorp and the factors that could cause actual results or financial condition to differ materially from those described in the forward-looking statements consult KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2008, and subsequent filings with the Securities and Exchange Commission available 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 assume any obligation to update these forward-looking statements.

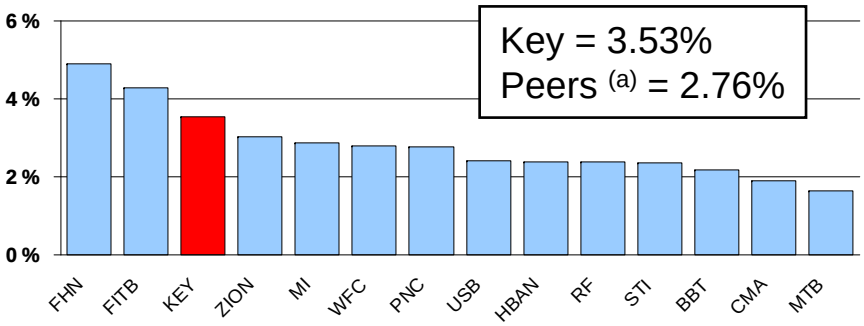
Strategic Priorities

- Strong capital and reserves
- Robust risk-management culture with focus on risk-adjusted returns
- Client relationship-focused business strategies
- Efficient and effective business models
- Capable and engaged workforce

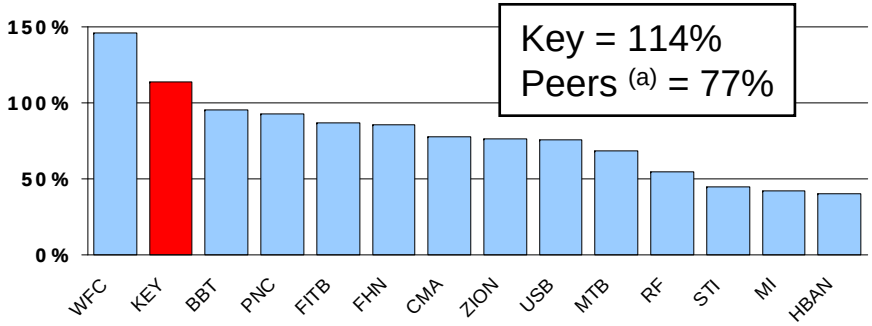
Balance Sheet Strength Compared to Peers

Second Quarter 2009

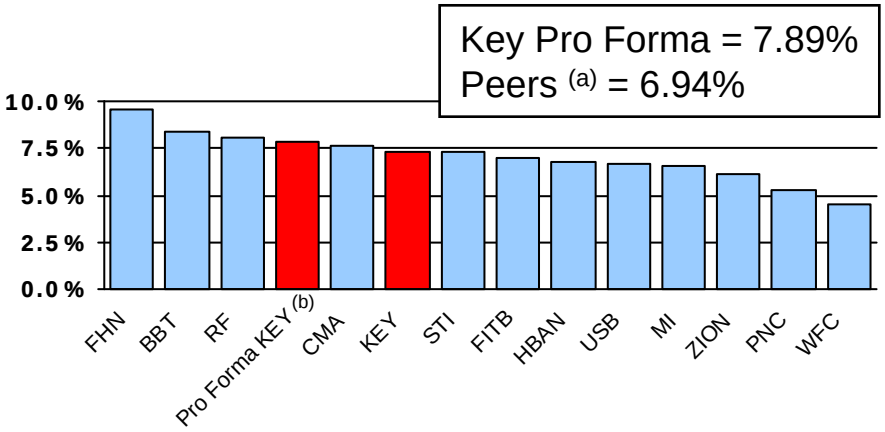
Allowance for Loan Losses to Total Loans



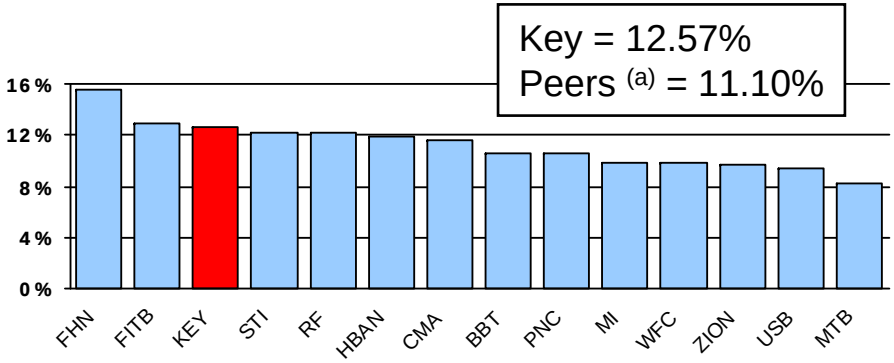
Allowance for Loan Losses to NPLs



Tier 1 Common Equity



Tier 1 Risk-based Capital



(a) Peer info pulled from SNL and the peer calculation represents the median of Key and its 13 peer banks.
(b) Pro forma capital ratios include the impact from the retail capital securities exchange.

Capital Raise Summary

$ in millions

Capital Raise Initiative	Common Equity Raised ($) [b]	Total Common Shares Issued	Preferreds Exchanged ($)
At-the-market equity offering	$986	205,438,975	-
Exchange of series A preferred stock	354	46,601,951	$367
Exchange of institutional capital securities	337	46,338,101	294
Dividends and interest obligations saved through the SCAP assessment period	105	-	-
Net gains from the sale of securities [a]	125	-	-
Exchange of retail capital securities	505	81,278,214	500
Total	**$2,412**	**379,657,241**	**$1,161**

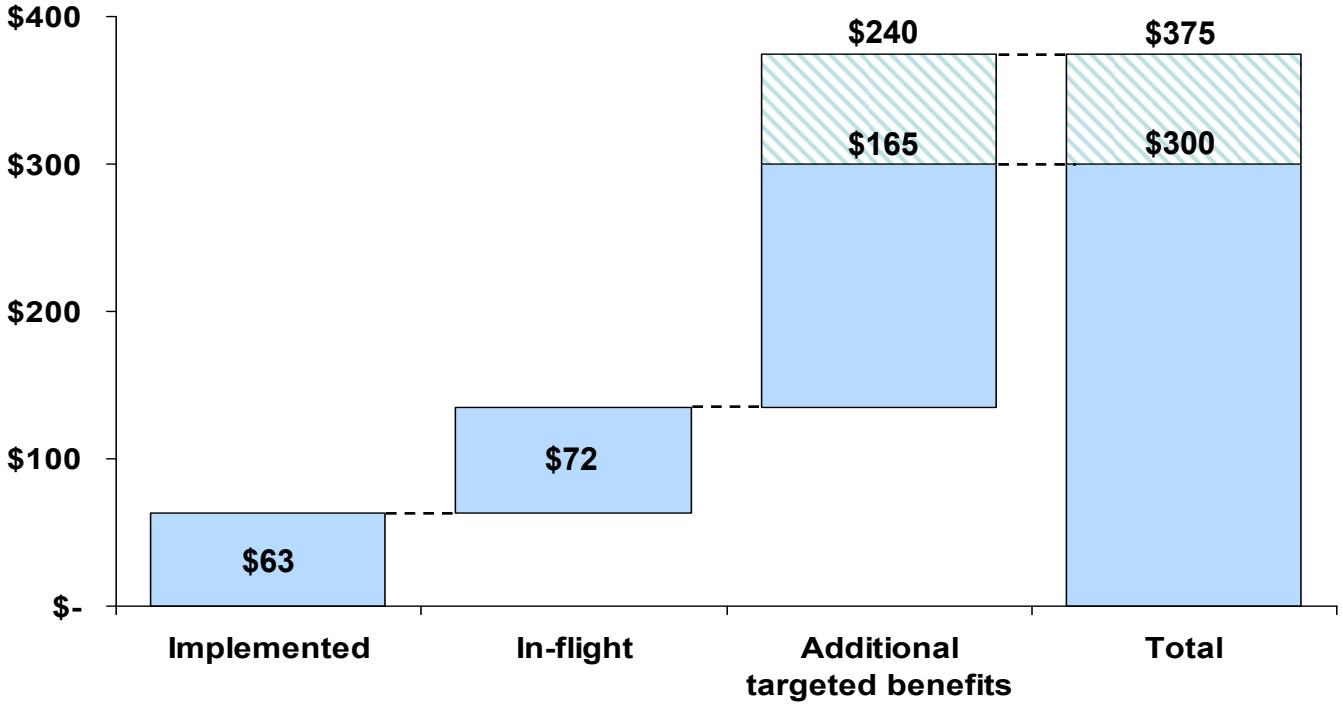
(a) For purposes of the SCAP, the pretax impact was used to match the same basis of the more adverse scenario which included a disallowed deferred tax asset at 12/31/10.

(b) Common equity raised to comply with SCAP requirements. Capital amounts are shown net of costs and include a pre-tax $95 million gain related to the exchange of institutional capital securities.

Keyvolution — Improving Efficiency and Effectiveness

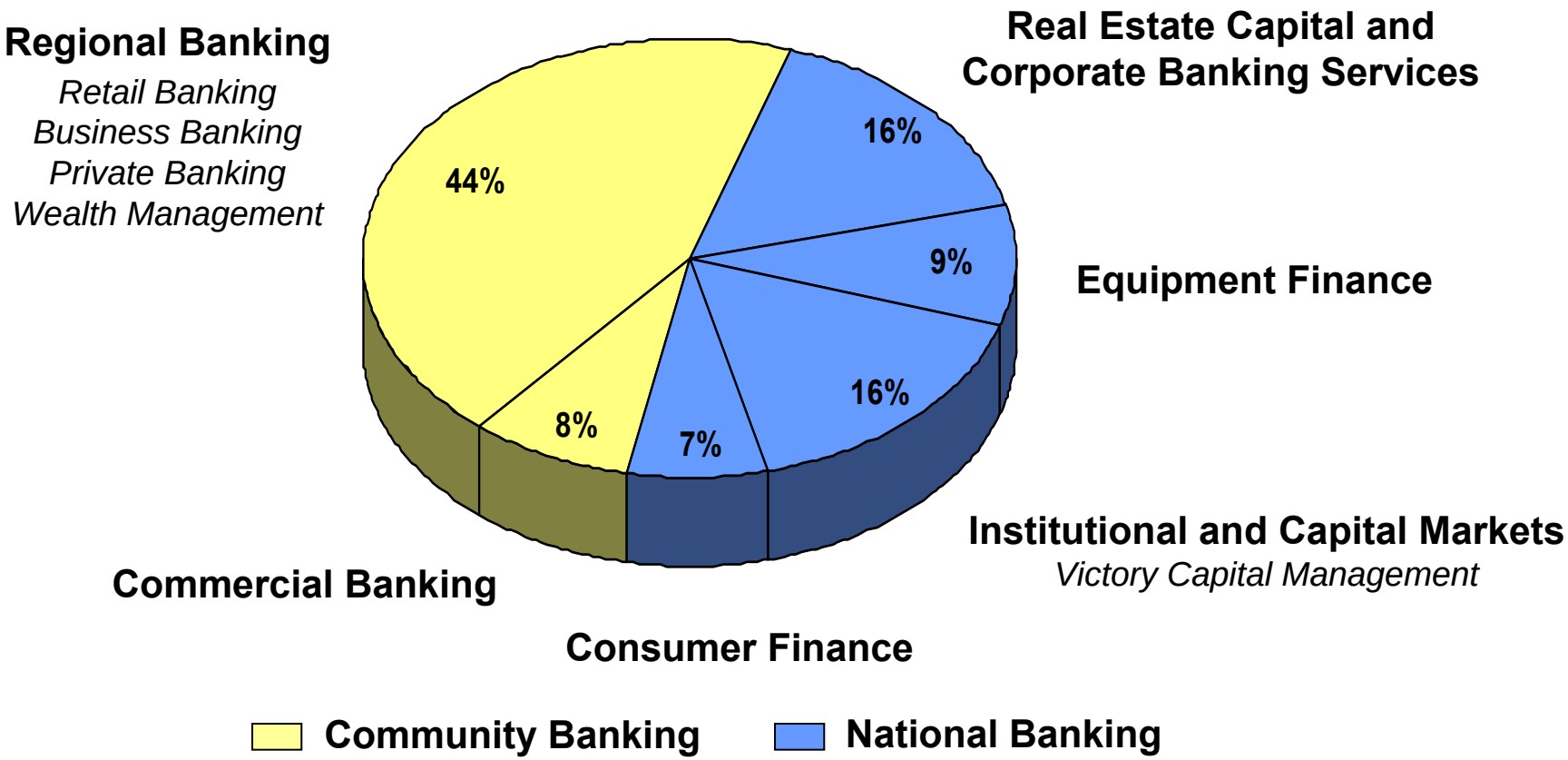
$ in millions

Keyvolution – Cost Savings by 2012
(before one-time costs and investments)



Diversified Business Mix

Second Quarter 2009 Revenue (TE)



Excludes Other Segments (Corporate Treasury and Principal Investing) and Reconciling Items

TE = Taxable Equivalent

Community Banking—Relationship Focused

Strategic Priorities

- **Develop human capital**
- **Execute on sales-service-risk culture**
- **Retain, expand and acquire client relationships**
- **Optimize capital and enhance delivery channels**

Lines of Business

Regional Banking

Retail/ Business Banking/ Private Banking/ Wealth Management

- *993 KeyCenters in 14 states*
- *1,485 ATMs*
- *640,000 online households (41% household penetration)*
- *5.3% growth in average deposits compared to year-ago period*

Commercial Banking

- *4,600 clients with annual revenues of $10 - $250 million*

Geographically Diverse Community Banking

Second Quarter 2009

Northwest/Rocky Mtn

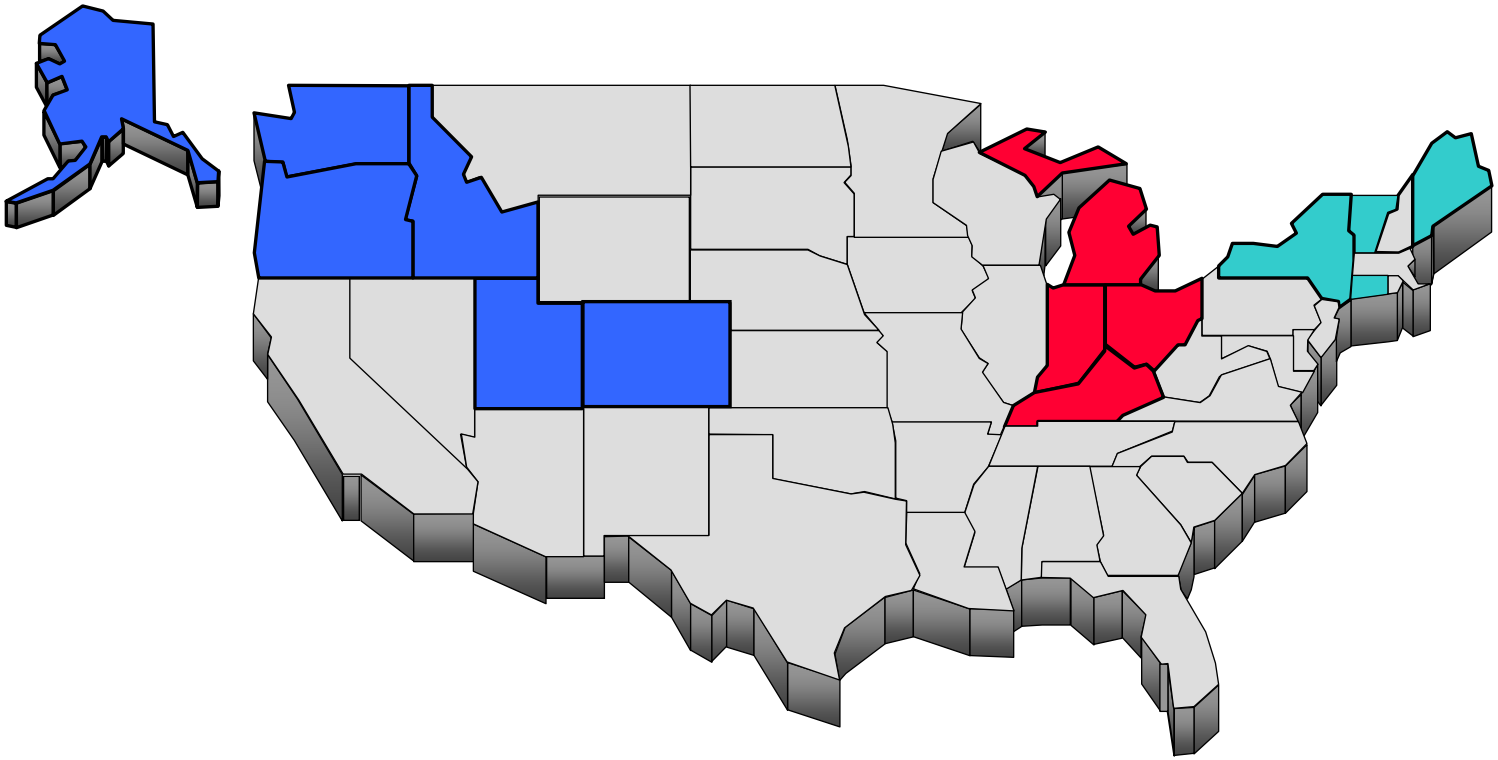
Core Deposits:	*32%*
Commercial Loans:	*42%*
Home Equity Loans:	*44%*

Great Lakes

Core Deposits:	*34%*
Commercial Loans:	*28%*
Home Equity Loans:	*29%*

Northeast

Core Deposits:	*31%*
Commercial Loans:	*21%*
Home Equity Loans:	*26%*



Note: Percentages are based on quarterly average balances and exclude core deposits, commercial loans and home equity loans centrally managed outside of the three Community Banking regions.

Key Ranks as Customer Service Champ

Key ranks 11th in *BusinessWeek's* 3rd annual ranking of Customer Service Champs

- Based on satisfaction with our employees and our products and services
- Top bank on the list
- Ranked among customer service leaders such as The Ritz-Carlton and Nordstrom

Rank	Brand	Industry
1	Amazon.com	Online/Catalog Retail
2	USAA	Insurance
3	Jaguar	Auto
4	Lexus	Auto
5	The Ritz-Carlton	Hotel
6	Publix Super Markets	Supermarket
7	Zappos.com	Online/Catalog Retail
8	Hewlett-Packard	Consumer Electronics
9	T. Rowe Price	Brokerage
10	Ace Hardware	Home Improvement/Electronics Retail
11	*KeyBank*	*Banking*
12	Four Seasons Hotels & Resorts	Hotel
13	Nordstrom	Department Store
14	Cadillac	Auto
15	Amica	Insurance
16	Enterprise Rent-A-Car	Rental Car
17	American Express	Credit Card
18	Trader Joe's	Supermarket
19	Jetblue Airways	Airline
20	Apple	Consumer Electronics
21	Charles Schwab	Brokerage
22	BMW	Auto
23	True Value	Home Improvement/Electronics Retail
24	L.L. Bean	Online/Catalog Retail
25	JW Marriott	Hotel

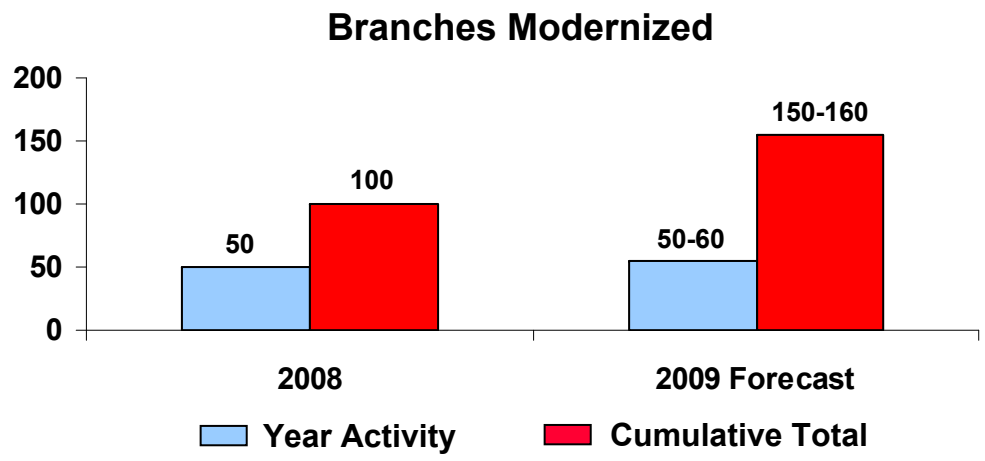
Top Bank For Customer Service Named by BusinessWeek

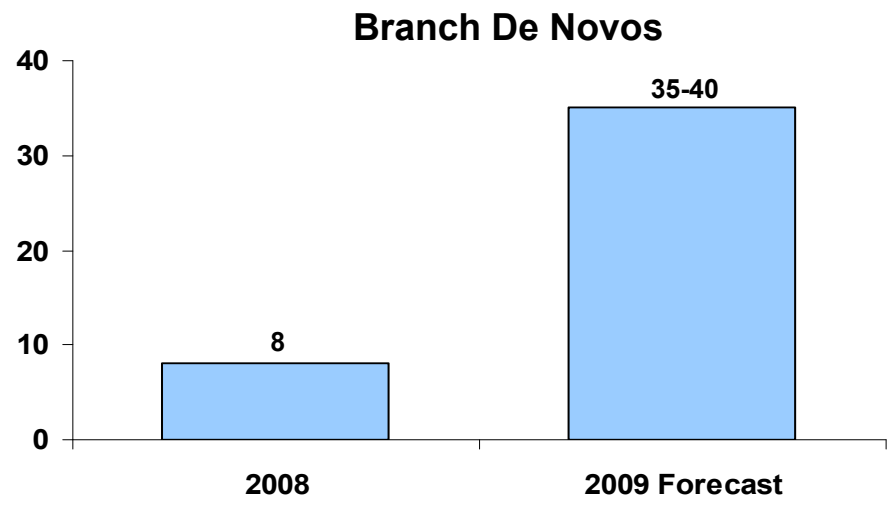
KeyBank

Note: BusinessWeek created its ranking using J.D. Power data as well as its own.

Investing in Community Bank

- **Branch Modernization**
- **De Novo (New branches)**
- **Improving Technology**
  - Client Experience Desktop
  - Teller 21
  - Service Measurement





National Banking—Distinctive Business Mix

Strategic Priorities

- **Reduce risk capital employed**
- **Grow profitable client relationships**
- **Create sustainable operating cost reductions**
- **Develop human capital**
- **Reduce organizational complexity**

Lines of Business

Institutional and Capital Markets

- *1,200 institutional clients with revenues of over $250 million*
- *Industry focus in 4-sectors (consumer, energy/utilities, industrial, real estate investment banking)*

Victory Capital Management

- *Assets Under Management: $45.4 billion*
- *Investment portfolios – equities, fixed income*
- *Client base – institutions, Taft-Hartley, public entities and individuals*

Real Estate Capital and Corporate Banking Services

- *1,000 clients*
- *$127 billion in CRE servicing assets, $2.8 billion in related escrow balances*
- *#4 CMBS master/primary servicer*

Equipment Finance

- *Syndication sourcing capabilities*

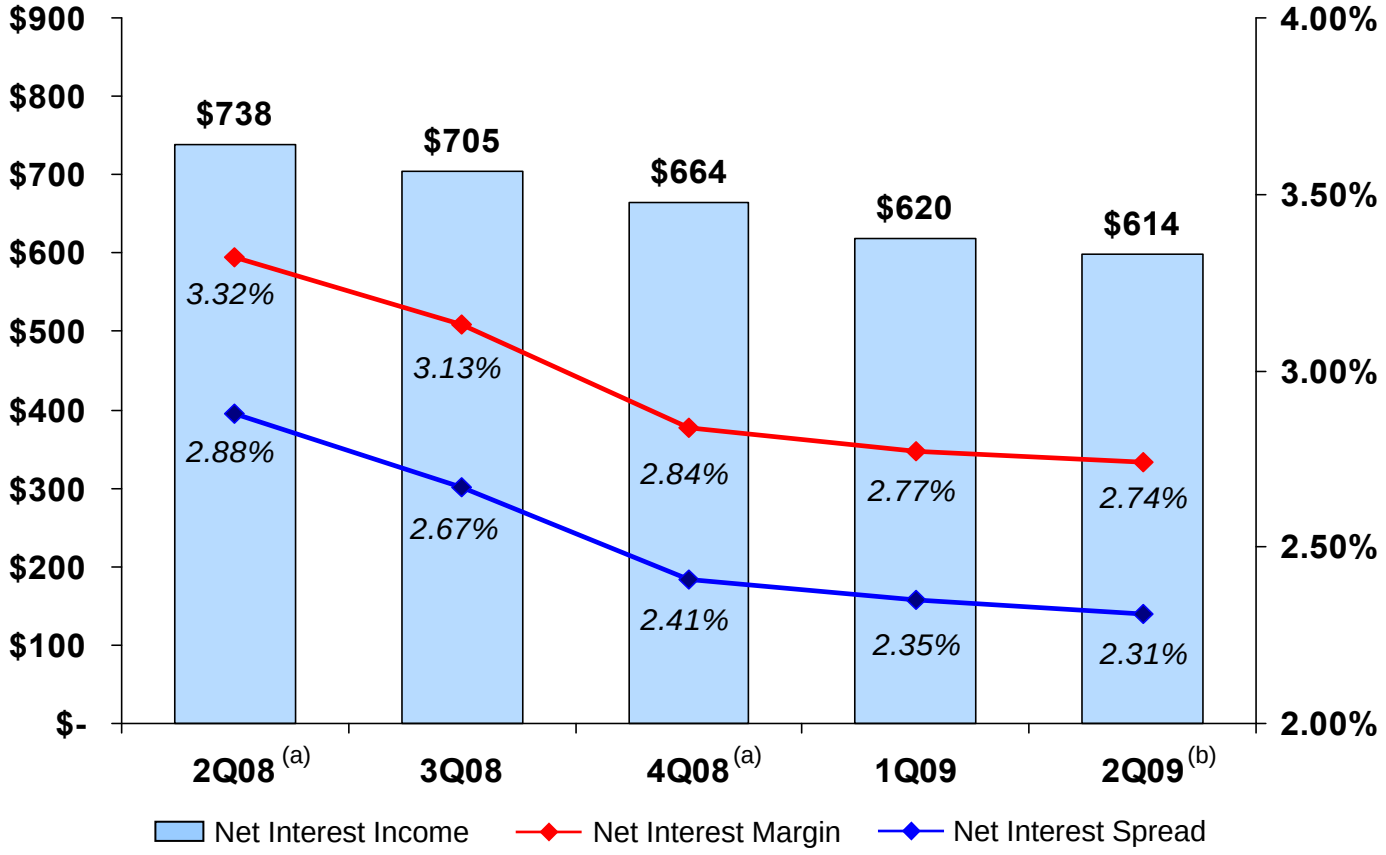
Financial Review

Financial Summary—Second Quarter 2009

Net loss per common share from continuing operations	$ (.69)
Significant Items Included in Net Loss	
Provision for loan losses in excess of net charge-offs	$ (.34)
Noncash deemed dividend	(.20)
FDIC special assessment	(.05)
Net gains from repositioning of securities portfolio	.13
Gain related to exchange of common shares for capital securities	.10
Capital	
Tier 1 common equity	7.36%
Tier 1 risk-based capital	12.57
Total risk-based capital	16.67
Tangible common equity to tangible assets	7.35
Asset Quality	
Allowance for loan losses to period-end loans	3.53%
Net loan charge-offs to average loans	2.99
NPLs to EOP portfolio loans	3.09
NPAs to EOP portfolio loans + OREO + Other NPAs	3.58

Net Interest Margin (TE)

$ in millions



TE = Taxable Equivalent

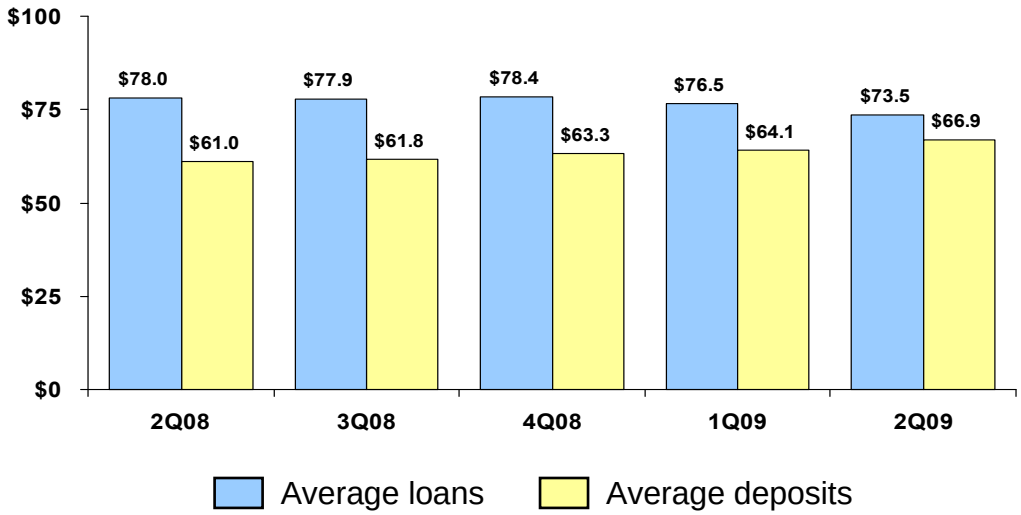
(a) During the second quarter of 2008, Key's taxable-equivalent net interest income was reduced by $838 million as a result of an adverse federal court decision on Key's tax treatment of a Service Contract Lease transaction. Excluding this reduction, Key's taxable-equivalent net interest margin was 3.32%. During the fourth quarter of 2008, Key's taxable-equivalent net interest income was reduced by $18 million as a result of an agreement reached with the IRS on all material aspects related to the IRS global tax settlement pertaining to certain leveraged lease financing transactions. Excluding this reduction, Key's taxable-equivalent net interest margin was 2.84%.

(b) During the second quarter of 2009, Key's taxable equivalent net interest income was reduced by $16 million as a result of lease terminations. Excluding this reduction, Key's taxable-equivalent net interest margin was 2.74%.

Average Loans and Deposits [a]

$ in billions

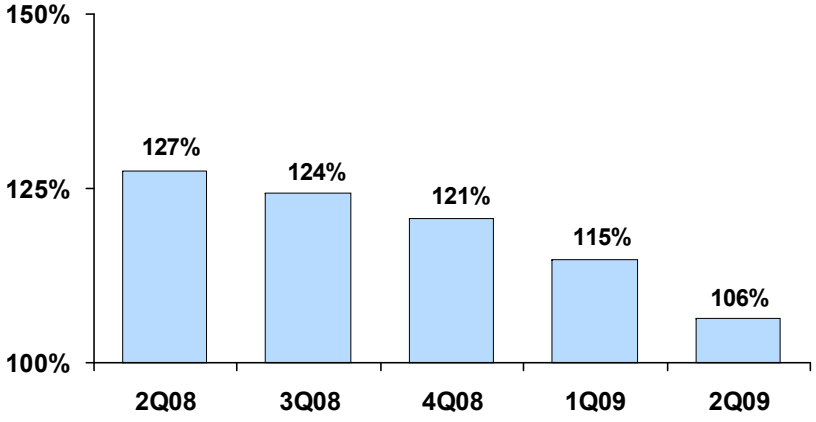
- The decline in average loan balances reflects weak loan demand, paydowns and elevated NCOs
- Deposit flows remain strong for both Community Banking and National Banking



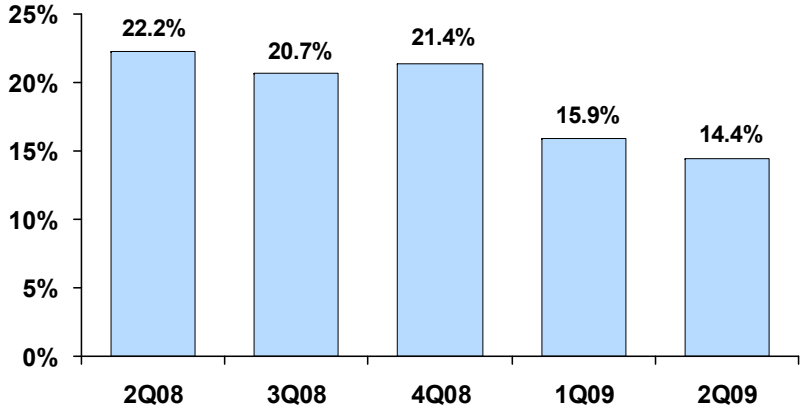
(a) Total loans include loans held for sale. Total deposits exclude deposits in foreign offices.

Improved Liquidity Profile

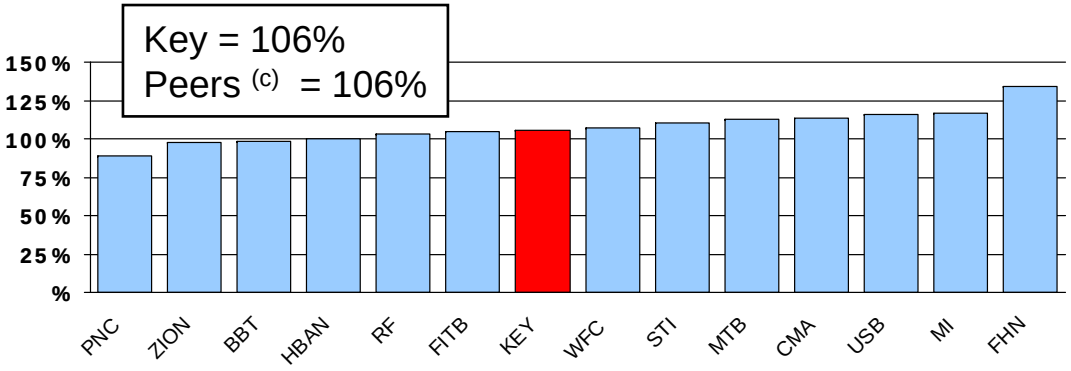
Total Loans to Total Deposits [a]



Wholesale Funding to Net Funded Assets [b]



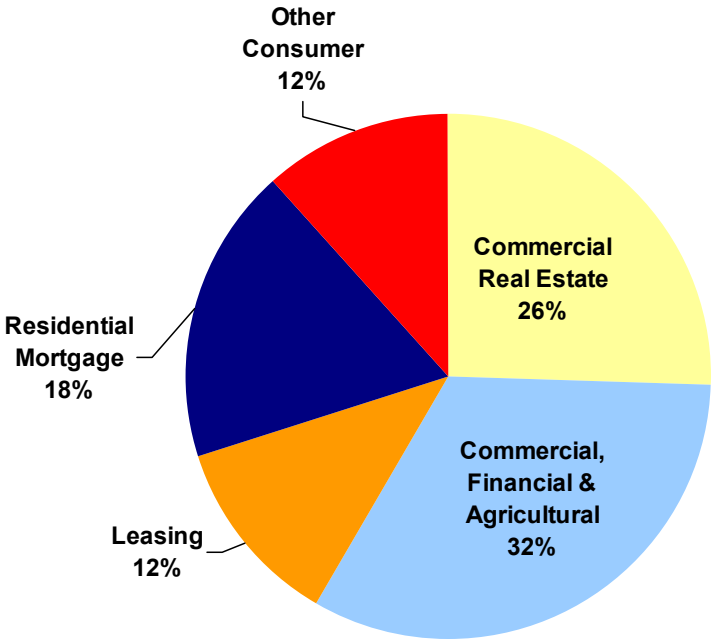
2Q09 Loans to Deposits



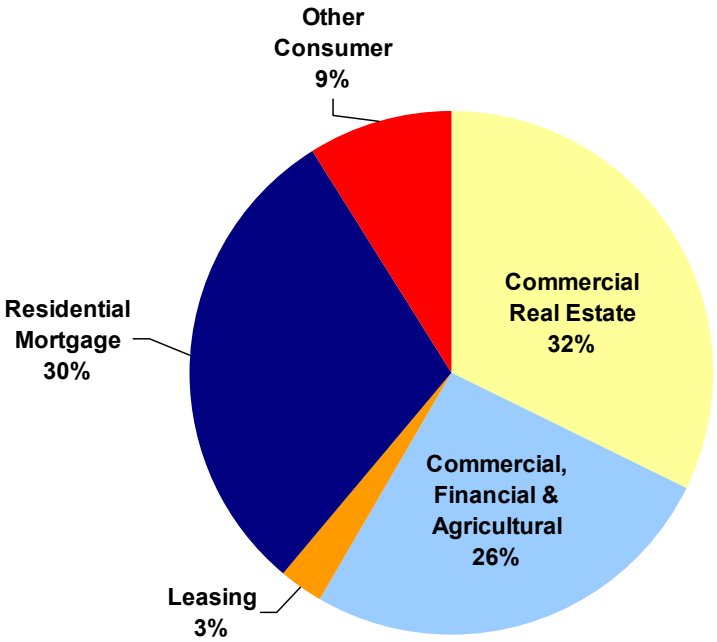
(a) Total loans include loans held for sale. Total deposits exclude deposits in foreign offices.
(b) Calculated as total wholesale liabilities divided by net funded assets.
(c) Peer info pulled from SNL and the peer calculation represents the median of Key and its 13 peer banks.

Loan Composition at June 30, 2009

KEY Loan Composition [a]



Peer Group Loan Composition [a]

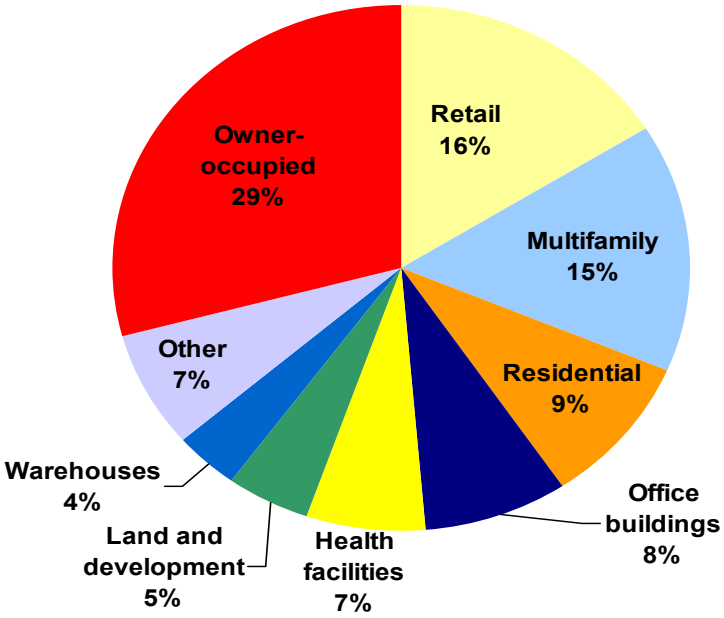


Source: 2Q09 FR-Y9C Report, 2Q09 Press Releases and Form 10-Q Reports

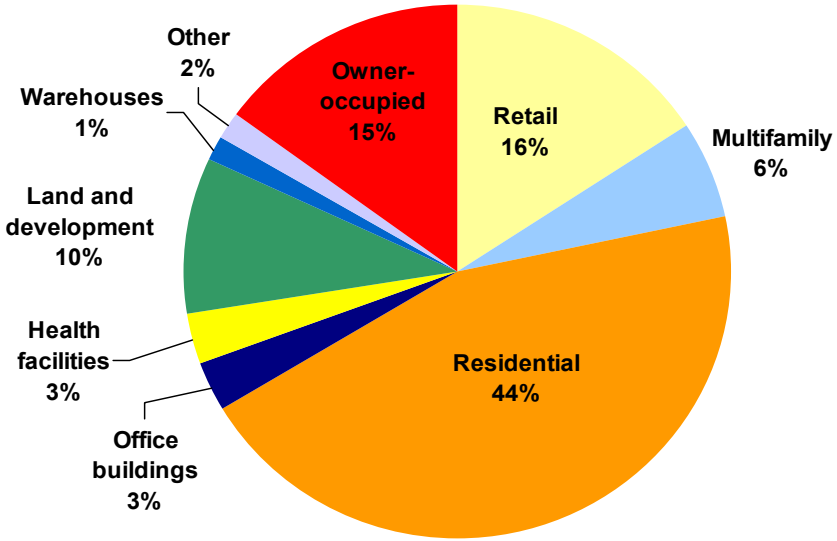
(a) Includes loans held for sale and the residential mortgage category includes home equity loans.

Commercial Real Estate – 2Q09

CRE by Category = $17,880 million



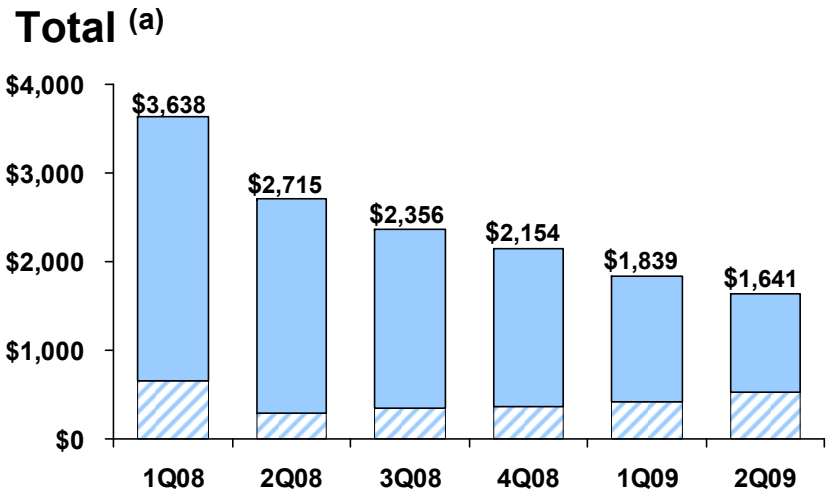
CRE Nonperformers by Category = $1,170 million

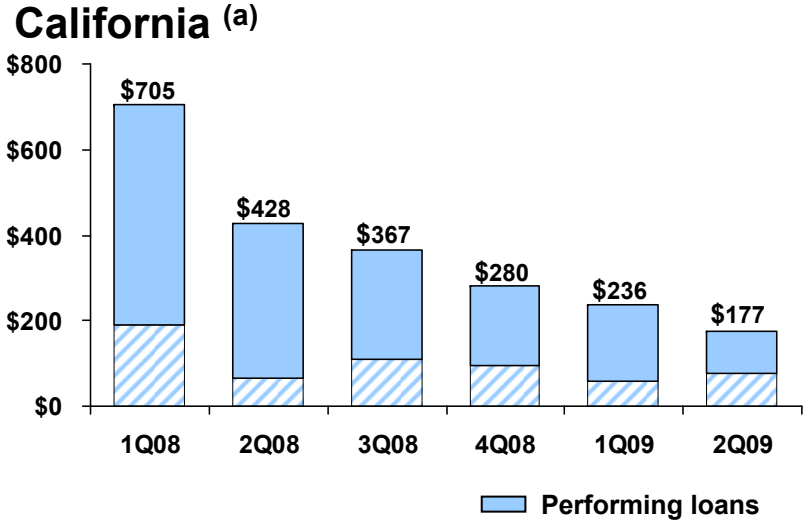


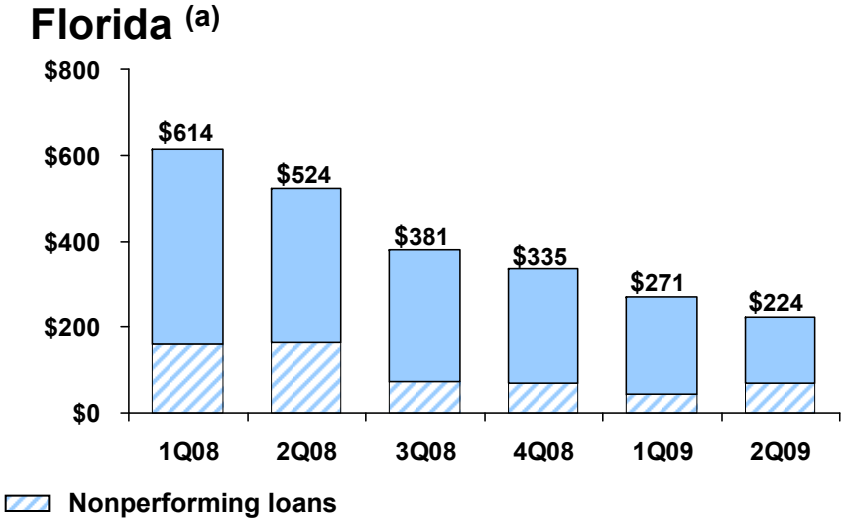
Reducing Risk – CRE Residential Properties

$ in millions

- Reduced the Residential Properties (Homebuilder) portfolio by approximately $2 billion (55%) since 1Q08
- Initiated process in 2Q08 to aggressively sell at-risk homebuilder loans
- Reduced exposure to the California market by 75% and the Florida market by 64% since 1Q08



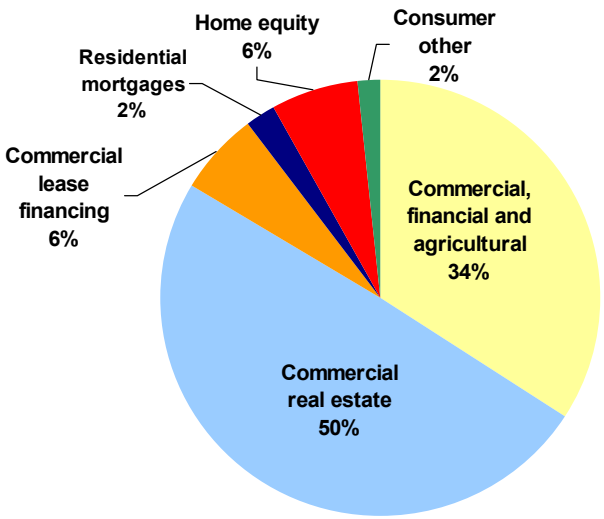




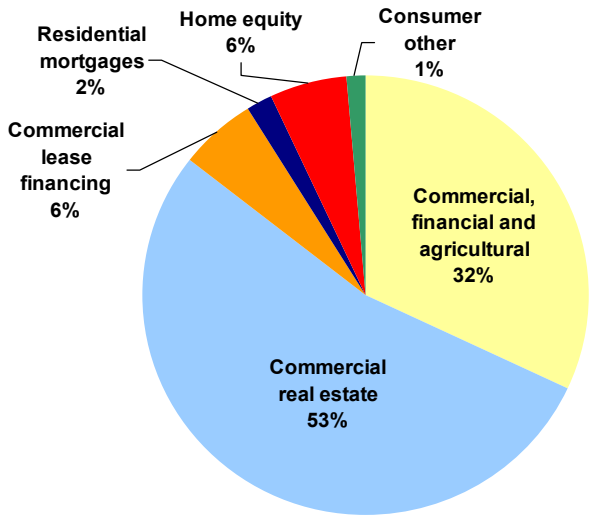
(a) Non-owner occupied

Nonperforming Loans

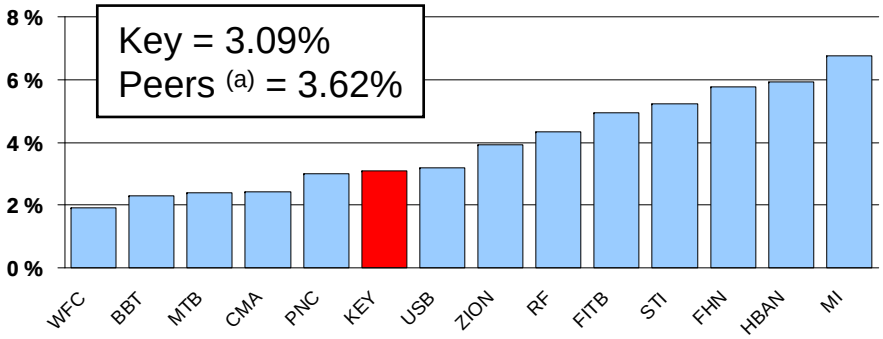
1Q09 Nonperforming Loans = $1.7 billion



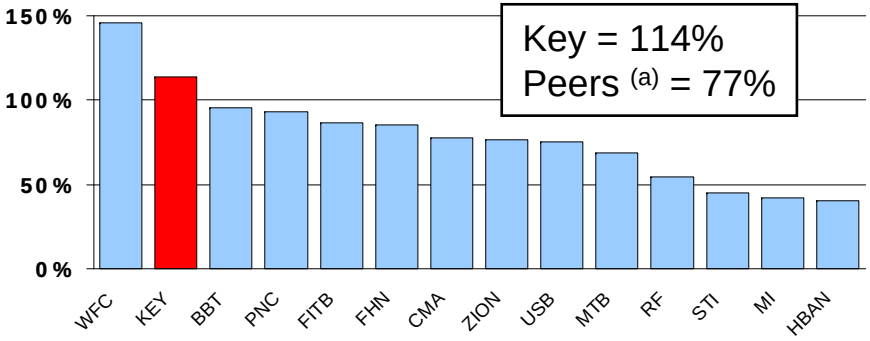
2Q09 Nonperforming Loans = $2.2 billion



Nonperforming Loans to Total Loans



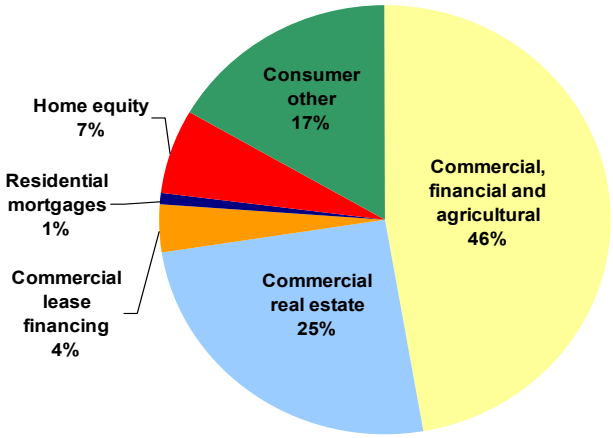
Allowance for Loan Losses to NPLs



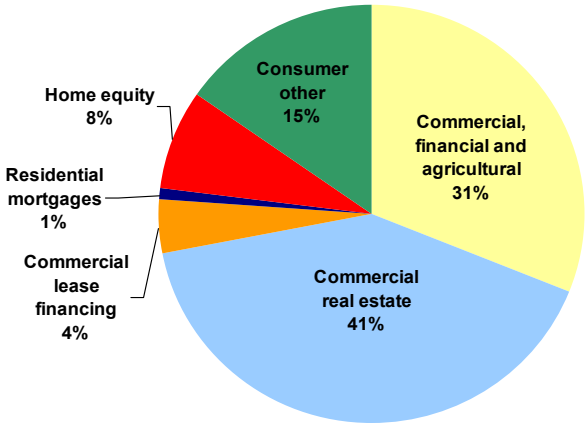
(a) Peer info pulled from SNL and the peer calculation represents the median of Key and its 13 peer banks.

Net Loan Charge-offs

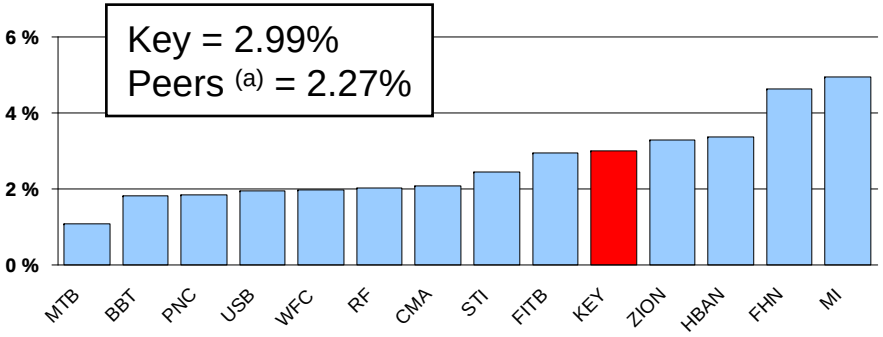
1Q09 Net Loan Charge-offs = $492 million



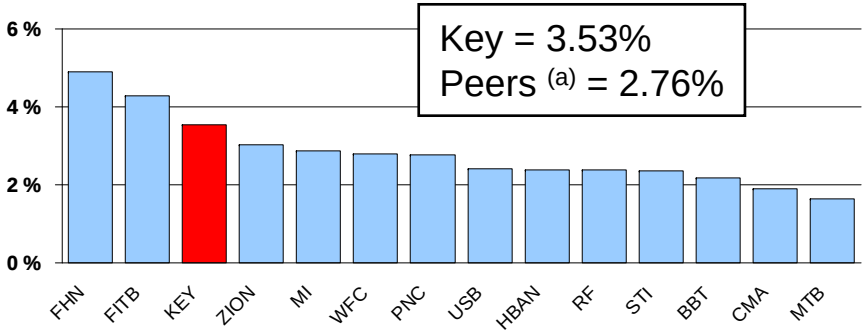
2Q09 Net Loan Charge-offs = $539 million



Net Loan Charge-offs to Average Loans [a]



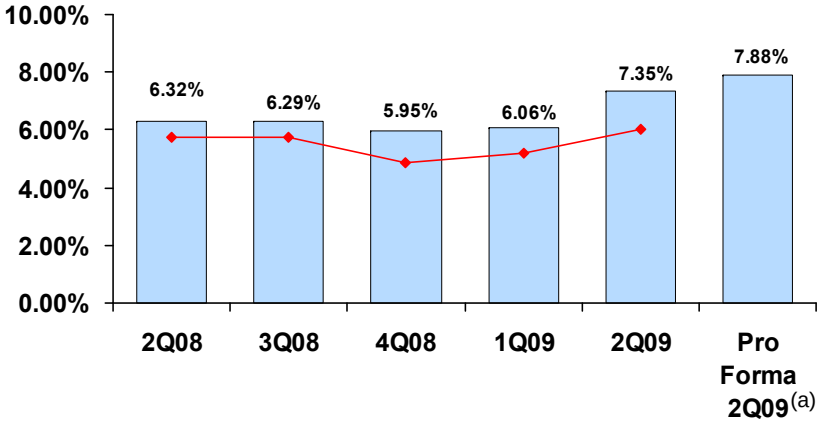
Allowance for Loan Losses to Total Loans



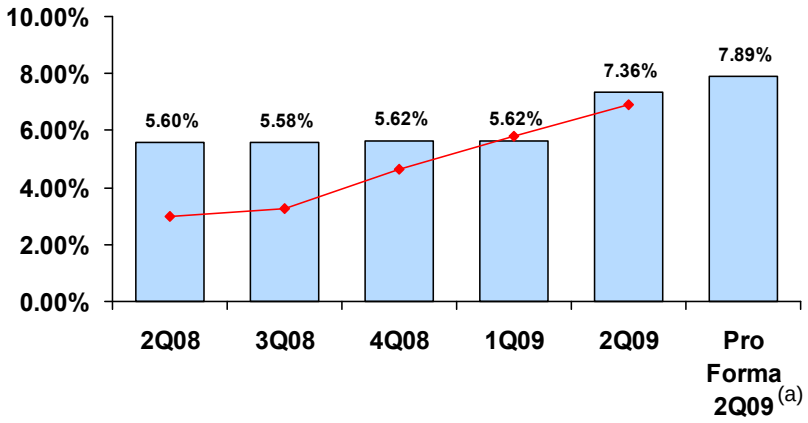
(a) Peer info pulled from SNL and the peer calculation represents the median of Key and its 13 peer banks.

Capital Ratios

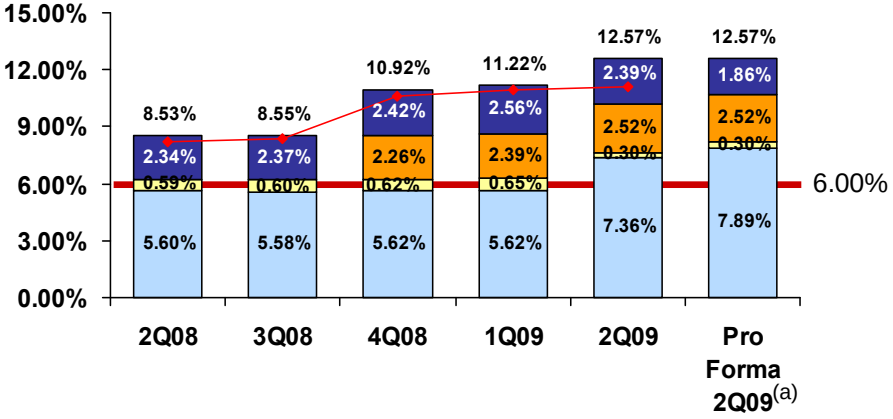
Tangible Common Equity To Tangible Assets



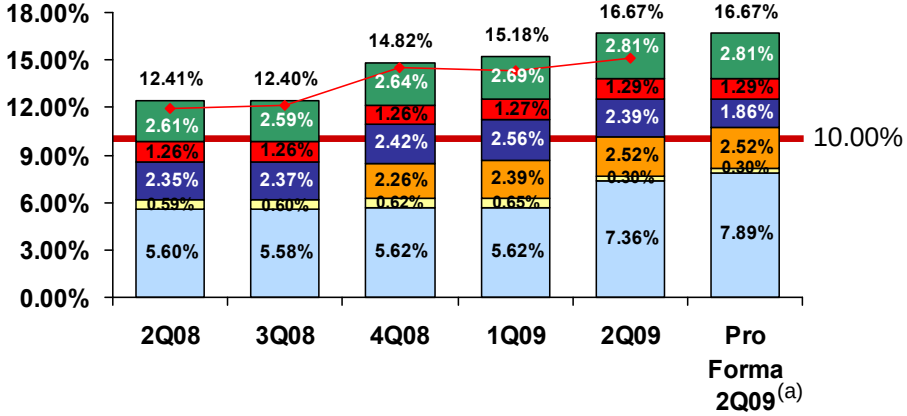
Tier 1 Common Equity



Tier 1 Risk-Based Capital



Total Risk-Based Capital



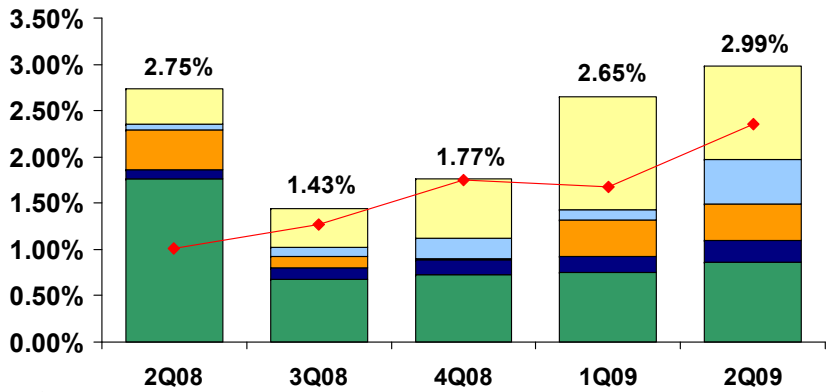
Qualifying Common
Capital Securities
Convertible Preferred
Qualifying ALLL/Unfunded Comm.
Capital Purchase Plan (CPP)
Qualifying LTD
Peer Median
Fed-defined minimum for a "well capitalized" bank

(a) Pro forma capital ratios include the impact from the retail capital securities exchange.

Appendix

Asset Quality

Net Loan Charge-Offs to Average Loans

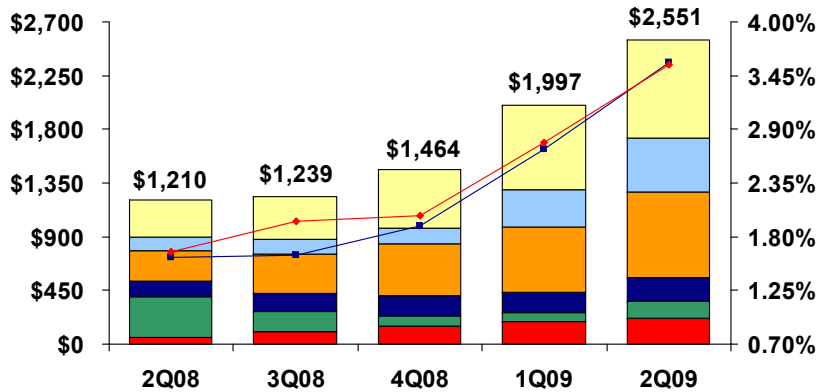


Net Charge-Offs, $ in millions

	2Q08	3Q08	4Q08	1Q09	2Q09
CF&A & Leasing	$75	$81	$126	$227	$182
CRE - Comml Mtg	15	20	43	20	87
CRE - Construction	82	21	2	73	71
Consumer	18	20	32	33	44
Exit Portfolios	334	131	139	139	155
Total	$524	$273	$342	$492	$539

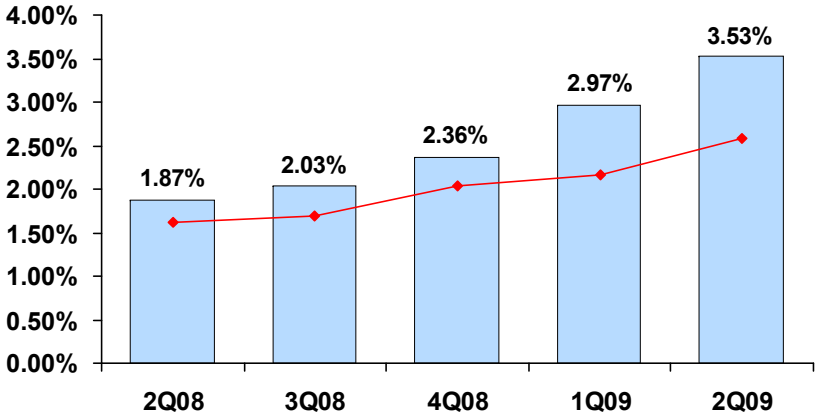
Nonperforming Asset Trends

$ in millions

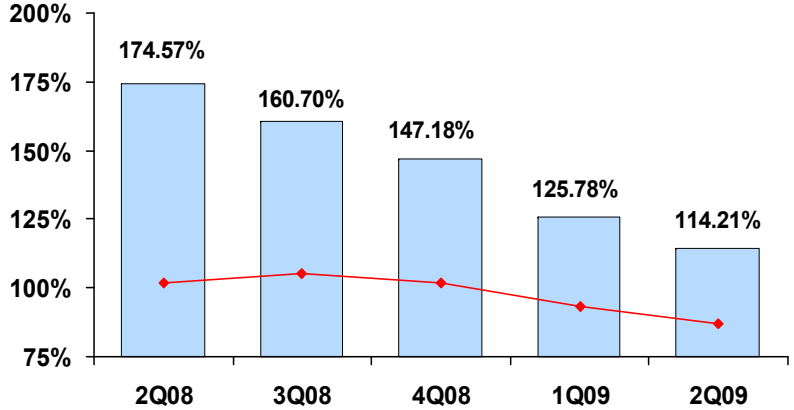


	2Q08	3Q08	4Q08	1Q09	2Q09
CF&A & Leasing	$316	$364	$496	$704	$822
CRE - Comml Mtg	107	119	128	310	454
CRE - Construction	256	334	436	546	716
Consumer	135	150	165	178	196
Held for Sale	342	169	90	72	145
OREO + Other	54	103	149	187	218
Total	$1,210	$1,239	$1,464	$1,997	$2,551

Allowance to Period-End Loans



Allowance to NPLs



Peer Median — NPA to Loans + OREO

Credit Quality by Portfolio—2Q09

$ in millions

	Period-end loans	Average loans	Net loan charge-offs		Net loan charge-offs [(a)] / average loans		Nonperforming loans		Ending allowance[(b)]	Allowance / period-end loans	Allowance / NPLs
	6/30/09	2Q09	2Q09	1Q09	2Q09	1Q09	6/30/09	3/31/09	6/30/09	6/30/09	6/30/09
Commercial, financial and agricultural	$23,542	$24,468	$168	$232	*2.75 %*	*3.56 %*	$700	$595	$769	*3.27 %*	*109.86 %*
Real estate - commercial mortgage	11,761	11,892	87	21	*2.93*	*.78*	454	310	465	*3.95*	*102.42*
Real estate - construction	6,119	6,264	133	104	*8.52*	*5.62*	716	546	456	*7.45*	*63.69*
Commercial leasing financing	8,263	8,432	22	18	*1.05*	*.83*	122	109	192	*2.32*	*157.38*
Real estate - residential mortgage	1,753	1,750	4	3	*.92*	*.69*	46	39	19	*1.08*	*41.30*
Home equity:											
Community Banking	10,256	10,289	24	17	*.94*	*.67*	101	91	118	*1.15*	*116.83*
National Banking	934	974	18	15	*7.41*	*5.85*	20	19	91	*9.74*	*455.00*
Consumer other—Community Banking	1,199	1,207	15	13	*4.98*	*4.30*	5	3	65	*5.42*	*N/M*
Consumer other—National Banking:											
Marine	3,095	3,178	29	32	*3.66*	*3.90*	19	21	151	*4.88*	*794.74*
Education	3,636	3,671	37	32	*4.04*	*3.49*	3	3	160	*4.40*	*N/M*
Other	245	256	2	5	*3.13*	*7.40*	2	2	13	*5.31*	*650.00*
Total loans	**$70,803**	**$72,381**	**$539**	**$492**	***2.99 %***	***2.65 %***	**$2,188**	**$1,738**	**$2,499**	***3.53 %***	***114.21 %***

(a) Net charge-off amounts are annualized in calculation.
(b) 06-30-09 allowance by Portfolio is estimated.

N/M = Not Meaningful

Commercial Portfolio

Average Loans, NCOs and NPLs

Second Quarter 2009

$ in millions

	Regional Banking	Commercial Banking	Real Estate Capital & Corp. Bank Srvs.	Equipment Finance	Institutional & Capital Markets	Consumer Finance	Total
Average Loans							
Commercial, financial and agricultural	$3,470	$5,307	$4,196	$2,117	$7,295	$2,083	$24,468
Commercial real estate	2,994	2,398	11,211	–	746	807	18,156
Commercial lease financing	240	735	458	6,652	347	–	8,432
Total commercial loans	$6,704	$8,440	$15,865	$8,769	$8,388	$2,890	$51,056
Net Charge-Offs							
Commercial, financial and agricultural	$27	$11	$62	$24	$12	$32	$168
Commercial real estate	2	4	211	–	–	3	220
Commercial lease financing	–	–	–	22	–	–	22
Total commercial loan NCOs	$29	$15	$273	$46	$12	$35	$410
NCO to Average Commercial Loans (%)	**1.74%**	**.71%**	**6.90%**	**2.10%**	**.57%**	**4.86%**	**3.22%**
Nonperforming Loans							
Commercial, financial and agricultural	$54	$86	$145	$158	$84	$173	$700
Commercial real estate	39	38	974	–	–	119	1,170
Commercial lease financing	1	9	–	112	–	–	122
Total commercial NPLs	$94	$133	$1,119	$270	$84	$292	$1,992
NPLs to Average Commercial Loans (%)	**1.40%**	**1.58%**	**7.05%**	**3.08%**	**1.00%**	**10.10%**	**3.90%**

First Quarter 2009

$ in millions

Average Loans							
Commercial, financial and agricultural	$3,663	$5,607	$4,734	$2,139	$7,843	$2,441	$26,427
Commercial real estate	3,019	2,510	11,363	–	757	827	18,476
Commercial lease financing	259	768	462	6,952	349	–	8,790
Total commercial loans	**$6,941**	**$8,885**	**$16,559**	**$9,091**	**$8,949**	**$3,268**	**$53,693**
Net Charge-Offs							
Commercial, financial and agricultural	$18	$1	$108	$27	$44	$34	$232
Commercial real estate	2	–	109	–	–	14	125
Commercial lease financing	1	–	–	17	–	–	18
Total commercial loan NCOs	**$21**	**$1**	**$217**	**$44**	**$44**	**$48**	**$375**
NCO to Average Commercial Loans (%)	**1.23%**	**.05%**	**5.31%**	**1.96%**	**1.99%**	**5.96%**	**2.83%**
Nonperforming Loans							
Commercial, financial and agricultural	$41	$68	$138	$114	$57	$177	$595
Commercial real estate	35	40	694	–	–	87	856
Commercial lease financing	1	6	–	102	–	–	109
Total commercial NPLs	**$77**	**$114**	**$832**	**$216**	**$57**	**$264**	**$1,560**
NPLs to Average Commercial Loans (%)	**1.11%**	**1.28%**	**5.02%**	**2.38%**	**.64%**	**8.08%**	**2.91%**

Commercial Real Estate Loans

June 30, 2009

$ in millions

	Geographic Region									
	West	Southwest	Central	Midwest	Southeast	Northeast	Total	% of Total CRE	Commercial Mortgage	Construction
Nonowner-occupied:										
Retail properties	$476	$236	$427	$732	$776	$224	$2,871	16.1 %	$1,484	$1,387
Multifamily properties	473	483	530	253	657	340	2,736	15.3	1,564	1,172
Residential properties	453	61	181	119	424	403	1,641	9.2	263	1,378
Office buildings	381	110	217	181	185	362	1,436	8.0	882	554
Health facilities	322	43	171	228	180	242	1,186	6.6	993	193
Land and development [(a)]	146	187	148	55	175	124	835	4.7	327	508
Warehouses	168	24	63	86	210	114	665	3.7	480	185
Hotels/Motels	58	-	56	16	117	77	324	1.8	241	83
Manufacturing facilities	30	17	1	26	-	34	108	.6	64	44
Other	130	2	160	107	224	242	865	4.8	721	144
Total nonowner-occupied	2,637	1,163	1,954	1,803	2,948	2,162	12,667	70.8	7,019	5,648
Owner-occupied	1,946	88	395	1,397	254	1,133	5,213	29.2	4,742	471
Total	$4,583	$1,251	$2,349	$3,200	$3,202	$3,295	$17,880	100.0 %	$11,761	$6,119
Nonowner-occupied: June 30, 2009										
Nonperforming loans	$243	$189	$80	$44	$255	$185	$996	N/M	$292	$704
90+ days past due	83	98	53	8	108	9	359	N/M	136	223
30-89 days past due	83	72	31	10	74	79	349	N/M	93	256
Nonowner-occupied: March 31, 2009										
Nonperforming loans	$207	$115	$43	$57	$217	$65	$704	N/M	$167	$537
90+ days past due	85	23	36	5	36	42	227	N/M	125	102
30-89 days past due	66	94	71	15	195	93	534	N/M	169	365

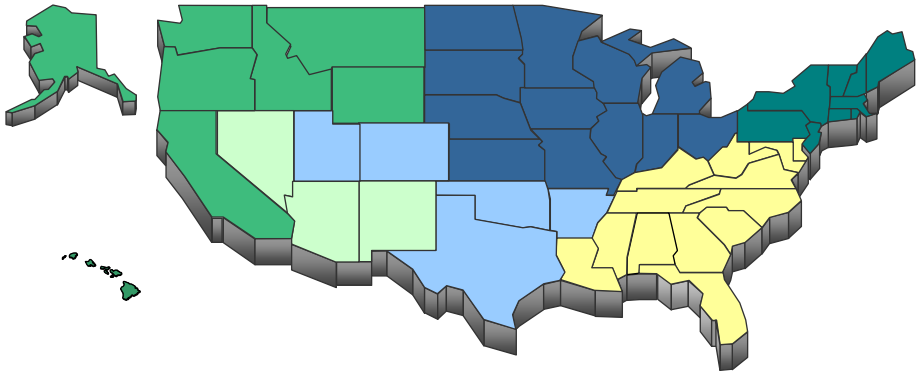
(a) Nonresidential land and development loans

N/M = Not Meaningful

Commercial Real Estate

June 30, 2009

Residential Properties: $1.64 Billion

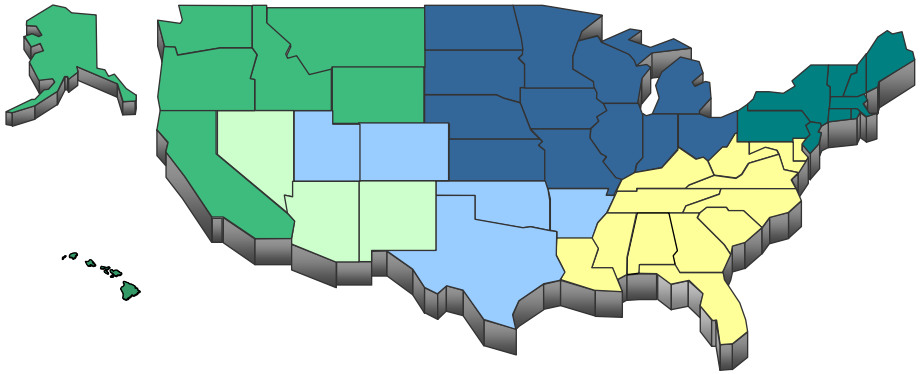


Nonowner-occupied *$ in millions*	Geographic Region							Select Markets	
	West	SW	Central	MW	SE	NE	Total	California	Florida
Loan Balances									
Condo	$61	$13	$5	$33	$187	$109	$408	$33	$110
Land, Acquisition & Development	242	47	92	37	171	266	855	79	84
1-4, Single Family	150	1	84	49	66	28	378	65	30
Residential properties	**$453**	**$61**	**$181**	**$119**	**$424**	**$403**	**$1,641**	**$177**	**$224**
Totals as of March 31, 2009	$576	$73	$233	$145	$469	$343	$1,839	$236	$271
Totals as of December 31, 2008	684	77	253	111	623	406	2,154	280	335
Totals as of September 30, 2008	770	92	235	136	712	411	2,356	367	381
Totals as of June 30, 2008	904	100	290	139	850	432	2,715	428	524
June 30, 2009:									
Nonperforming loans	$175	$15	$35	$16	$138	$144	$523	$77	$69
90+ days past due	–	–	–	6	18	6	30	–	16
30-89 days past due	10	13	6	1	23	55	108	–	8
March 31, 2009:									
Nonperforming loans	$173	$13	$36	$33	$113	$46	$414	$57	$45
90+ days past due	39	–	4	–	1	27	71	17	1
30-89 days past due	26	20	13	9	66	10	144	13	14

Commercial Real Estate

June 30, 2009

Retail Properties: $2.87 Billion



Nonowner-occupied *$ in millions*	Geographic Region							Select Markets	
	West	SW	Central	MW	SE	NE	Total	California	Florida
Loan Balances									
Power Center	$170	$100	$238	$288	$278	$55	$1,129	$98	$155
Community Center	113	81	37	270	183	67	751	48	74
Regional Mall	74	32	44	34	33	3	220	24	–
Single Tenant	32	17	5	66	77	38	235	8	10
Strip Center	87	6	103	74	205	61	536	47	102
Retail properties	**$476**	**$236**	**$427**	**$732**	**$776**	**$224**	**$2,871**	**$225**	**$341**
Totals as of March 31, 2009	$478	$234	$381	$762	$793	$213	$2,861	$223	$331
Totals as of December 31, 2008	473	226	385	741	841	213	2,879	220	354
Totals as of September 30, 2008	428	232	362	531	851	215	2,619	198	351
Totals as of June 30, 2008	408	270	355	538	849	164	2,584	169	348
June 30, 2009:									
Nonperforming loans	$44	$36	$17	$13	$76	–	$186	$44	$6
90+ days past due	1	27	–	1	29	–	58	1	7
30-89 days past due	18	3	21	–	25	$5	72	18	19
March 31, 2009:									
Nonperforming loans	$25	$44	–	$19	$77	–	$165	$25	$6
90+ days past due	–	–	–	–	24	–	24	5	–
30-89 days past due	18	–	$38	4	15	$15	90	17	6

Home Equity Loans

June 30, 2009

$ in millions

	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV	% of Loans LTV>90%	Vintage (% of Loans) 2009	2008	2007	2006	2005 and prior
Regional Banking										
Home Equity loans and lines										
First Lien	$ 5,436	$ 57,365	748	66 %	.5 %	11 %	13 %	10 %	10 %	56 %
Second Lien	4,820	42,209	745	75	3.1	8	20	20	14	38
Total Home Equity loans and lines	$ 10,256	$ 49,089	746	70	1.7	10	16	15	12	47
Nonaccrual Loans										
First Lien	$ 52	$ 74,593	700	74 %	.4 %	–	2 %	13 %	10 %	75 %
Second Lien	49	50,150	696	77	4.1	–	10	22	16	52
Total Home Equity nonaccrual loans	$ 101	$ 60,259	698	76	2.2	–	6	17	13	64
Second quarter net charge-offs	$ 24					–	8 %	36 %	17 %	39 %
Net loan charge-offs to average loans	.94 %									
National Banking										
Home Equity Loans										
First Lien	$ 37	$ 23,577	750	31 %	.4 %	–	1 %	25 %	16 %	58 %
Second Lien	897	27,589	731	81	33.3	–	1	40	28	31
Total Home Equity loans	$ 934	$ 27,397	732	79	32.0	–	1	40	27	32
Nonaccrual Loans										
First Lien	$ 1	$ 22,548	736	37 %	–	–	–	14 %	6 %	80 %
Second Lien	19	28,812	698	86	44.1 %	–	1 %	32	35	32
Total Home Equity nonaccrual loans	$ 20	$ 28,491	699	85	42.3	–	1	31	34	34
Second quarter net charge-offs	$ 18					–	1 %	41 %	38 %	20 %
Net loan charge-offs to average loans	7.41 %									

Exit Loan Portfolio

$ in millions

	Balance Outstanding		Change 6-30-09 vs. 3-31-09	Net Loan Charge-offs		Balance on Nonperforming Status	
	6-30-09	**3-31-09**		**2Q09**	**1Q09**	**6-30-09**	**3-31-09**
Residential properties – homebuilder	$614	$766	$(152)	$62	$44	$298	$306
Residential properties – held for sale	65	70	(5)	–	–	65	70
Total residential properties	679	836	(157)	62	44	363	376
Marine and RV floor plan	696	817	(121)	8	11	149	80
Total commercial loans	1,375	1,653	(278)	70	55	512	456
Private education	2,847	2,897	(50)	37	32	2	–
Home equity – National Banking	934	998	(64)	18	15	20	19
Marine	3,095	3,256	(161)	29	32	19	21
RV and other consumer	245	262	(17)	2	5	6	6
Total consumer loans	7,121	7,413	(292)	86	84	47	46
Total loans in exit portfolio	$8,496	$9,066	$(570)	$156	$139	$559	$502

- Total exit portfolio loans represent 11.8% of total period-end loans and loans held for sale at June 30, 2009.
- Net charge-offs on exit portfolio loans represented 28.9% of total net charge-offs for the 2nd quarter.
- Exit portfolio nonperforming assets represent 21.9% of total nonperforming assets at June 30, 2009.

Net Charge-Offs to Average Loans

	2Q09	1Q09	4Q08	3Q08	2Q08
Commercial, financial and agricultural	2.75 %	3.56 %	1.71 %	.94 %	.94 %
Real estate — commercial mortgage	2.93	.78	1.60	.74	.57
Real estate — construction	8.52	5.62	2.54	4.03	16.07
Commercial lease financing	1.05	.83	.91	.79	.57
Total commercial loans	3.22	2.83	1.67	1.32	3.14
Real estate — residential mortgage	.92	.69	1.46	.42	.21
Home equity:					
Community Banking	.94	.67	.55	.36	.37
National Banking	7.41	5.85	6.22	4.20	3.35
Total home equity	1.50	1.15	1.11	.76	.70
Consumer other — Community Banking	4.98	4.30	3.47	3.15	3.16
Consumer other — National Banking:					
Marine	3.66	3.90	2.87	1.78	1.10
Education	4.04	3.49	3.59	4.38	6.04
Other	3.13	7.40	4.14	5.17	1.24
Total consumer other — National Banking	3.84	3.82	3.27	3.17	3.46
Total consumer loans	2.43	2.19	2.02	1.70	1.76
Net loan charge-offs to average loans	2.99 %	2.65 %	1.77 %	1.43 %	2.75 %

Nonperforming Assets

$ in millions	2Q09	1Q09	4Q08	3Q08	2Q08
Commercial, financial and agricultural	$700	$595	$415	$309	$259
Real estate — commercial mortgage	454	310	128	119	107
Real estate — construction	716	546	436	334	256
Total commercial real estate loans	1,170	856	564	453	363 [b]
Commercial lease financing	122	109	81	55	57
Total commercial loans	1,992	1,560	1,060	817	679
Real estate — residential mortgage	46	39	39	35	32
Home equity:					
Community Banking	101	91	76	70	61
National Banking	20	19	15	16	14
Total home equity loans	121	110	91	86	75
Consumer other — Community Banking	5	3	3	3	2
Consumer other — National Banking:					
Marine	19	21	26	22	20
Education	3	3	4	3	4
Other	2	2	2	1	2
Total consumer other — National Banking	24	26	32	26	26
Total consumer loans	196	178	165	150	135
Total nonperforming loans	2,188	1,738	1,225	967	814
Nonperforming loans held for sale	145	72	90	169	342 [b]
OREO	182	147	110	64	26
Allowance for OREO losses	(11)	(4)	(3)	(4)	(2)
OREO, net of allowance	171	143	107	60	24
Other nonperforming assets [a]	47	44	42	43	30
Total nonperforming assets	$2,551	$1,997	$1,464	$1,239	$1,210
Accruing loans past due 90 days or more	$581	$458	$433	$328	$367
Accruing loans past due 30 through 89 days	1,169	1,407	1,314	937	852
Nonperforming loans to period-end portfolio loans	3.09 %	2.36 %	1.60 %	1.26 %	1.07 %
Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets	3.58	2.70	1.91	1.61	1.59

(a) Primarily investments held by the Private Equity unit within Key's Real Estate Capital and Corporate Banking Services line of business.
(b) During the second quarter of 2008, Key transferred $384 million of commercial real estate loans ($719 million of primarily construction loans, net of $335 million in net charge-offs) from the loan portfolio to held-for-sale status.