Section 1: 8-K (FORM 8-K)

KEY 8-K 4/18/2011

UNited States Securities and exchange commission
Washington, D.C. 20549

FORM 8-K
Current report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 18, 2011

KeyCorp
(Exact name of registrant as specified in its charter)

Ohio 1-11302 34-6542451
(State or other jurisdiction of incorporation) Commission File Number (I.R.S. Employer Identification No.)

127 Public Square, Cleveland, Ohio
(Address of principal executive offices)

(216) 689-3000
Registrant’s telephone number, including area code:

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**SIGNATURE**

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Item 2.02 Results of Operations and Financial Condition.

On April 18, 2011, KeyCorp issued a press release announcing its financial results for the three-month period ended March 31, 2011 (the “Press Release”). The Press Release is attached as Exhibit 99.1 to this report and incorporated by reference in this Item 2.02.

The information in the preceding paragraph, as well as Exhibit 99.1 and Exhibit 99.2 referenced therein, shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”).

KeyCorp’s Consolidated Balance Sheets and Consolidated Statements of Income (the “Financial Statements”), included as part of the Press Release, are attached as Exhibit 99.3 to this report and incorporated by reference herein. Exhibit 99.3 is “filed” for purposes of Section 18 of the Exchange Act and, therefore, may be incorporated by reference in filings under the Securities Act.

Item 7.01 Regulation FD Disclosure.

On April 18, 2011, KeyCorp held a conference call and webcast to facilitate a discussion of its financial condition at March 31, 2011, and its financial results for the three-month period ended March 31, 2011. The Supplemental Information Package reviewed by KeyCorp during the conference call and webcast is furnished herewith as Exhibit 99.2 and incorporated by reference in this Item 7.01. All information in the Supplemental Information Package is presented as of the particular dates or for the periods referenced therein, and KeyCorp does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

The information in the preceding paragraph, as well as Exhibit 99.2 referenced therein, is being furnished pursuant to Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that section. Furthermore, the information contained in Exhibit 99.2 shall not be deemed incorporated by reference in any filing of KeyCorp under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished, or filed in the case of Exhibit 99.3, herewith:


99.2 Supplemental Information Package reviewed during the conference call and webcast.

99.3 Financial Statements.

* * *

Forward-Looking Statements This filing 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 KeyCorp’s Annual Report on Form 10-K for the year ended December 31, 2010, which has been filed with the Securities and Exchange Commission and is available on Key’s website (www.key.com/ir) 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.
Section 2: EX-99.1 (EX-99.1)

KEYCORP REPORTS FIRST QUARTER 2011
NET INCOME OF $184 MILLION

- Net income from continuing operations of $184 million, or $.21 per common share, for the first quarter of 2011
- Net interest margin at 3.25% for the first quarter of 2011
- Nonperforming loans declined $183 million to 1.82% of period-end loans
- Nonperforming assets declined $249 million
- Loan loss reserve at 2.83% of total period-end loans
- Net charge-offs declined to $193 million, or 1.59% of average loan balances, for the first quarter of 2011
- Repurchased $2.5 billion of preferred stock related to participation in TARP
- Tier 1 common equity and Tier 1 risk-based capital ratios estimated at 10.70% and 13.44%, respectively, at March 31, 2011

CLEVELAND, April 18, 2011 — KeyCorp (NYSE: KEY) today announced first quarter net income from continuing operations attributable to Key common shareholders of $184 million, or $.21 per common share. These results were after the accelerated amortization of the discount on the repurchased preferred shares from the U.S. Treasury (“deemed dividend”) of $49 million, or $.06 per diluted common share, during the first quarter. Key’s first quarter 2011 results compare to a net loss from continuing operations attributable to Key common shareholders of $98 million, or $.11 per common share, for the first quarter of 2010. The first quarter 2011 results reflect an improvement in noninterest expense and lower credit costs from the same period one-year ago. First quarter 2011 net income attributable to Key common shareholders was $173 million compared to a net loss attributable to Key common shareholders of $96 million for the same quarter one year ago.

During the first quarter of 2011, the Company continued to benefit from improved asset quality in both Key Community Bank and Key Corporate Bank. Nonperforming assets declined $1.3 billion, and nonperforming loans decreased by $1.2 billion from the year-ago.
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quarter to $1.1 billion and $885 million, respectively. Net charge-offs declined $329 million from the first quarter of 2010 to $193 million, or 1.59%, of average loan balances for the first quarter of 2011.

“Our first quarter results demonstrate continued improvement in asset quality and disciplined expense control, and underscore our successful emergence from the recession,” said Chairman and Chief Executive Officer Henry L. Meyer III. “Coupled with our successful capital actions during the quarter and TARP repayment, Key emerges in an excellent position to compete and grow under the leadership of CEO-elect Beth Mooney and her team.”

Meyer added: “Our aggressive actions to exit riskier lending categories, which began over four years ago, have led to significant credit quality improvement again this quarter, placing our credit statistics at or near the top of our peer group. In addition, our concerted efforts to improve Key’s efficiency and effectiveness under Keyvolution have resulted in approximately $317 million in annualized cost savings through the first quarter of 2011.”

“Key is well positioned for a range of opportunities based on our strong capital, balance sheet and liquidity,” said Mooney, who will become KeyCorp Chairman and CEO effective May 1. “We expect to continue to see decreasing levels of net charge-offs and nonperforming assets during 2011. Strong capital provides us the flexibility to make investments in our relationship businesses, look for opportunities to build market share in target markets, and meet our clients’ needs for credit and financial services as demand increases with an improving economy.”

The Company expects to build 40 new branches in 2011, having opened eight new branches in the first quarter of 2011 and 77 others in the prior two calendar years. The Company continues its multi-year branch building and renovation project which has resulted in approximately one-third of Key’s 1,040 branches in its 14 state-branch network either being newly constructed or remodeled over the past four years. In addition, Key originated approximately $6.9 billion in new or renewed lending commitments to consumers and businesses during the first quarter, which is up from $5.3 billion from the same period one year ago.

At March 31, 2011, Key’s estimated Tier 1 common equity and Tier 1 risk-based capital ratios were 10.70% and 13.44%, compared to 9.34% and 15.16%, respectively, at December 31, 2010. During the first quarter of 2011, Key completed the repurchase of the $2.5 billion of Fixed-Rate Perpetual Preferred Stock, Series B issued to the U.S. Treasury Department as a result of Key’s participation in the U.S. Treasury’s Capital Purchase Program of the Troubled Asset Relief Program (“TARP”). The transaction followed Key’s successful completion of a $625 million common equity offering and a $1 billion debt offering. The Board of Directors is expected to consider a dividend increase in the second quarter.

As a result of the repurchase of the U.S. Treasury’s preferred stock investment in Key, the Company recorded a $49 million one-time deemed dividend related to the remaining difference between the repurchase price and the carrying value of the preferred shares at the time of repurchase. Beginning with the second quarter of 2011, the repurchase will result in the elimination of $31 million in dividends and $4 million of discount amortization, or $140 million on an annual basis, related to these preferred shares. The only remaining item related to TARP is the potential repurchase of the warrant granted to the U.S. Treasury for the purchase of 35,244,361 shares of Key common stock at a purchase price of $10.64 per share (the “Warrant”). Key has notified the U.S. Treasury of its intent to repurchase the Warrant.
The following table shows Key’s continuing and discontinued operating results for the three-month periods ended March 31, 2011, December 31, 2010 and March 31, 2010.

### Results of Operations

<table>
<thead>
<tr>
<th>in millions, except per share amounts</th>
<th>Three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-31-11</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key</td>
<td>$274</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes (a)</td>
<td>$(11)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>$263</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key</td>
<td>$274</td>
</tr>
<tr>
<td>Less: Dividends on Series A Preferred Stock</td>
<td>6</td>
</tr>
<tr>
<td>Cash dividends on Series B Preferred Stock</td>
<td>31</td>
</tr>
<tr>
<td>Amortization of discount on Series B Preferred Stock</td>
<td>53</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>184</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes (a)</td>
<td>(11)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>$173</td>
</tr>
</tbody>
</table>

### Per common share — assuming dilution

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$21</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes (a)</td>
<td>(.01)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders (c)</td>
<td>$19</td>
</tr>
</tbody>
</table>

(a) In September 2009, management made the decision to discontinue the education lending business conducted through Key Education Resources, the education payment and financing unit of KeyBank National Association. In April 2009, management made the decision to curtail the operations of Austin Capital Management, Ltd., an investment subsidiary that specializes in managing hedge fund investments for its institutional customer base. As a result of these decisions, Key has accounted for these businesses as discontinued operations. The loss from discontinued operations for the three-month period ended March 31, 2011, was primarily attributable to fair value adjustments related to the education lending securitization trusts.

(b) 3-31-11 includes a $49 million deemed dividend.

(c) Earnings per share may not foot due to rounding.

### SUMMARY OF CONTINUING OPERATIONS

Taxable-equivalent net interest income was $604 million for the first quarter of 2011, and the net interest margin was 3.25%. These results compare to taxable-equivalent net interest income of $632 million and a net interest margin of 3.19% for the first quarter of 2010. The increase in the net interest margin primarily reflects the Company’s efforts to lower funding costs by reducing the level of higher costing certificates of deposit and growing lower costing transaction accounts. This benefit to the net interest margin was offset by a lower level of average earning assets and a change in asset mix as loans paid down.

Compared to the fourth quarter of 2010, taxable-equivalent net interest income decreased by $31 million, and the net interest margin declined six basis points. The decline in the net interest margin and net interest income reflects the combined effect of hedge maturities and the change in the mix and lower levels of earning assets as average loan balances declined.

Key’s noninterest income was $457 million for the first quarter of 2011, compared to $450 million for the year-ago quarter. Investment banking and capital markets income increased $34 million compared to the same period one-year ago. A $10 million increase in investment banking income and a reduction in the customer derivative reserve in the first quarter of 2011 compared to an increase in this reserve one year ago contributed to this improvement. In addition, letter of credit and loan fees and net gains (losses) from loan sales both increased $15 million from the first quarter of 2010. These increases were partially offset by declines in other income of $22 million and operating lease income of $12 million. Also, service charges on deposit accounts decreased $8 million compared to the same period one-year.
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ago as a result of the changes associated with implementing Regulation E in the third quarter of 2010.

The major components of Key’s noninterest income for the past five quarters are shown in the following table.

Noninterest Income — Major Components

<table>
<thead>
<tr>
<th>in millions</th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and investment services income</td>
<td>$110</td>
<td>$108</td>
<td>$110</td>
<td>$112</td>
<td>$114</td>
</tr>
<tr>
<td>Service charges on deposit accounts</td>
<td>68</td>
<td>70</td>
<td>75</td>
<td>80</td>
<td>76</td>
</tr>
<tr>
<td>Operating lease income</td>
<td>35</td>
<td>42</td>
<td>41</td>
<td>43</td>
<td>47</td>
</tr>
<tr>
<td>Letter of credit and loan fees</td>
<td>55</td>
<td>51</td>
<td>61</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>Corporate-owned life insurance income</td>
<td>27</td>
<td>42</td>
<td>39</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Electronic banking fees</td>
<td>30</td>
<td>31</td>
<td>30</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>Insurance income</td>
<td>15</td>
<td>12</td>
<td>15</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Net gains (losses) from loan sales</td>
<td>19</td>
<td>29</td>
<td>18</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Net gains (losses) from principal investing</td>
<td>35</td>
<td>(6)</td>
<td>18</td>
<td>17</td>
<td>37</td>
</tr>
<tr>
<td>Investment banking and capital markets income (loss)</td>
<td>43</td>
<td>63</td>
<td>42</td>
<td>31</td>
<td>9</td>
</tr>
</tbody>
</table>

Compared to the fourth quarter of 2010, noninterest income decreased by $69 million. The decline was a result of lower investment banking and capital markets income of $20 million, corporate-owned life insurance income of $15 million, net securities gains (losses) of $13 million, and net gains (losses) from loan sales of $10 million. In addition, the Company realized a gain of $28 million from the sale of Tuition Management Systems in the fourth quarter of 2010. These decreases were partially offset by an increase of $41 million in net gains (losses) from principal investing (including results attributable to noncontrolling interests).

Key’s noninterest expense was $701 million for the first quarter of 2011, compared to $785 million for the same period last year. Contributing to the decrease in noninterest expense were declines of $22 million in other real estate owned (“OREO”) expense, $11 million in operating lease expense, and $8 million in FDIC deposit insurance premiums. Key also experienced a decline of $43 million in various miscellaneous expenses.

Compared to the fourth quarter of 2010, noninterest expense decreased by $43 million. Decreases in noninterest expense included $18 million in business services and professional fees, $12 million in marketing costs, and $35 million in various miscellaneous expenses. These decreases were partially offset by Key’s provision (credit) for losses on lending-related commitments which declined from a credit of $26 million in the fourth quarter of 2010 to a credit of $4 million in the current quarter.

ASSET QUALITY

Key’s provision for loan and lease losses was a credit of $40 million for the first quarter of 2011, compared to a charge of $413 million for the year-ago quarter and a credit of $97 million for the fourth quarter of 2010. Key’s allowance for loan and lease losses was $1.4 billion, or 2.83% of total period-end loans, at March 31, 2011, compared to 3.20% at December 31, 2010, and 4.34% at March 31, 2010.
Selected asset quality statistics for Key for each of the past five quarters are presented in the following table.

Selected Asset Quality Statistics from Continuing Operations

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loan charge-offs</td>
<td>$193</td>
<td>$256</td>
<td>$357</td>
<td>$435</td>
<td>$522</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.59%</td>
<td>2.00%</td>
<td>2.69%</td>
<td>3.18%</td>
<td>3.67%</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>$1,372</td>
<td>$1,604</td>
<td>$1,957</td>
<td>$2,219</td>
<td>$2,425</td>
</tr>
<tr>
<td>Allowance for credit losses (a)</td>
<td>1,441</td>
<td>1,677</td>
<td>2,056</td>
<td>2,328</td>
<td>2,544</td>
</tr>
<tr>
<td>Allowance for loan and lease losses to period-end loans</td>
<td>2.83%</td>
<td>3.20%</td>
<td>3.81%</td>
<td>4.16%</td>
<td>4.34%</td>
</tr>
<tr>
<td>Allowance for credit losses to period-end loans</td>
<td>2.97</td>
<td>3.35</td>
<td>4.00</td>
<td>4.36</td>
<td>4.55</td>
</tr>
<tr>
<td>Allowance for loan and lease losses to nonperforming loans</td>
<td>155.03</td>
<td>150.19</td>
<td>142.64</td>
<td>130.30</td>
<td>117.43</td>
</tr>
<tr>
<td>Allowance for credit losses to nonperforming loans</td>
<td>162.82</td>
<td>157.02</td>
<td>149.85</td>
<td>136.70</td>
<td>123.20</td>
</tr>
<tr>
<td>Nonperforming loans at period end</td>
<td>$885</td>
<td>$1,068</td>
<td>$1,372</td>
<td>$1,703</td>
<td>$2,085</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>1,089</td>
<td>1,338</td>
<td>1,801</td>
<td>2,086</td>
<td>2,428</td>
</tr>
<tr>
<td>Nonperforming loans to period-end portfolio loans</td>
<td>1.82%</td>
<td>2.13%</td>
<td>2.67%</td>
<td>3.19%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets</td>
<td>2.23</td>
<td>2.66</td>
<td>3.48</td>
<td>3.88</td>
<td>4.31</td>
</tr>
</tbody>
</table>

(a) Includes the allowance for loan losses plus the liability for credit losses on lending-related commitments.

Net loan charge-offs for the quarter totaled $193 million, or 1.59%, of average loans. These results compare to $522 million, or 3.67%, for the same period last year and $256 million, or 2.00%, for the previous quarter. Net loan charge-offs have declined for the last five consecutive quarters.

Key’s net loan charge-offs by loan type for each of the past five quarters are shown in the following table.

Net Loan Charge-offs from Continuing Operations

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial, financial and agricultural</td>
<td>$32</td>
<td>$80</td>
<td>$136</td>
<td>$136</td>
<td>$126</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>43</td>
<td>52</td>
<td>46</td>
<td>126</td>
<td>106</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>30</td>
<td>28</td>
<td>76</td>
<td>75</td>
<td>157</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>11</td>
<td>12</td>
<td>16</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>116</td>
<td>172</td>
<td>274</td>
<td>351</td>
<td>410</td>
</tr>
<tr>
<td>Home equity — Key Community Bank</td>
<td>24</td>
<td>26</td>
<td>35</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Home equity — Other</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Marine</td>
<td>19</td>
<td>17</td>
<td>12</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>28</td>
<td>23</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>77</td>
<td>84</td>
<td>83</td>
<td>84</td>
<td>112</td>
</tr>
<tr>
<td>Total net loan charge-offs</td>
<td>$193</td>
<td>$256</td>
<td>$357</td>
<td>$435</td>
<td>$522</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans from continuing operations</td>
<td>1.59%</td>
<td>2.00%</td>
<td>2.69%</td>
<td>3.18%</td>
<td>3.67%</td>
</tr>
</tbody>
</table>

Net loan charge-offs from discontinued operations — education lending business | $35 | $32 | $22 | $31 | $36 |

Compared to the fourth quarter of 2010, net loan charge-offs in the commercial loan portfolio decreased by $56 million. The decrease was primarily attributable to a decline in the commercial, financial and agricultural and the real estate — commercial mortgage loan portfolios. As shown in the table on page 6, Key’s exit loan portfolio accounted for $41 million, or 21.24%, of Key’s total net loan charge-offs for the first quarter of 2011. Net charge-offs in the exit loan portfolio decreased by $40 million from the fourth quarter of 2010, primarily driven by an improvement in the commercial loan portfolio.

At March 31, 2011, Key’s nonperforming loans totaled $885 million and represented 1.82% of period-end portfolio loans, compared to 2.13% at December 31, 2010, and 3.69% at March 31, 2010. Nonperforming assets at March 31, 2011, totaled $1.1 billion and represented 2.23% of portfolio loans and OREO and other nonperforming assets, compared to 2.66% at
December 31, 2010, and 4.31% at March 31, 2010. The following table illustrates the trend in Key’s nonperforming assets by loan type over the past five quarters.

Nonperforming Assets from Continuing Operations

<table>
<thead>
<tr>
<th>dollars in millions</th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial, financial and agricultural</td>
<td>$221</td>
<td>$242</td>
<td>$335</td>
<td>$489</td>
<td>$558</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>245</td>
<td>255</td>
<td>362</td>
<td>404</td>
<td>579</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>146</td>
<td>241</td>
<td>333</td>
<td>473</td>
<td>607</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>42</td>
<td>64</td>
<td>84</td>
<td>83</td>
<td>99</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>231</td>
<td>266</td>
<td>258</td>
<td>254</td>
<td>222</td>
</tr>
<tr>
<td>Total nonperforming loans</td>
<td>885</td>
<td>1,068</td>
<td>1,372</td>
<td>1,703</td>
<td>2,085</td>
</tr>
<tr>
<td>Nonperforming loans held for sale</td>
<td>86</td>
<td>106</td>
<td>230</td>
<td>221</td>
<td>195</td>
</tr>
<tr>
<td>OREO and other nonperforming assets</td>
<td>118</td>
<td>164</td>
<td>199</td>
<td>162</td>
<td>168</td>
</tr>
<tr>
<td>Total nonperforming assets</td>
<td>$1,089</td>
<td>$1,338</td>
<td>$1,801</td>
<td>$2,086</td>
<td>$2,428</td>
</tr>
<tr>
<td>Restructured loans — accruing and nonaccruing (a)</td>
<td>$242</td>
<td>$297</td>
<td>$360</td>
<td>$343</td>
<td>$325</td>
</tr>
<tr>
<td>Restructured loans included in nonperforming loans (a)</td>
<td>136</td>
<td>202</td>
<td>228</td>
<td>213</td>
<td>226</td>
</tr>
<tr>
<td>Nonperforming assets from discontinued operations — education</td>
<td>22</td>
<td>40</td>
<td>38</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Nonperforming loans to period-end portfolio loans</td>
<td>1.82%</td>
<td>2.13%</td>
<td>2.67%</td>
<td>3.19%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Nonperforming assets to period-end portfolio loans, plus OREO and other nonperforming assets</td>
<td>2.23</td>
<td>2.66</td>
<td>3.48</td>
<td>3.88</td>
<td>4.31</td>
</tr>
</tbody>
</table>

(a) Restructured loans (i.e. troubled debt restructurings) are those for which Key, for reasons related to a borrower’s financial difficulties, grants a concession to the borrower that it would not otherwise consider. These concessions are made to improve the collectability of the loan and generally take the form of a reduction of the interest rate, extension of the maturity date or reduction in the principal balance.

Nonperforming assets continued to decrease during the first quarter of 2011, representing the sixth consecutive quarterly decline. Each of the categories within nonperforming assets experienced reductions in the first quarter. As shown in the following table, Key’s exit loan portfolio accounted for $145 million, or 13.31%, of Key’s total nonperforming assets at March 31, 2011, compared to $210 million, or 15.70%, at December 31, 2010.

The following table shows the composition of Key’s exit loan portfolio at March 31, 2011, and December 31, 2010, the net charge-offs recorded on this portfolio for the first quarter of 2011 and fourth quarter of 2010, and the nonperforming status of these loans at March 31, 2011, and December 31, 2010.

Exit Loan Portfolio from Continuing Operations

<table>
<thead>
<tr>
<th>in millions</th>
<th>Balance Outstanding 3-31-11</th>
<th>12-31-10</th>
<th>Change 3-31-11 vs. 12-31-10</th>
<th>Net Loan Charge-offs 1Q11</th>
<th>4Q10</th>
<th>Balance on Nonperforming Status 3-31-11</th>
<th>12-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential properties — homebuilder</td>
<td>$87</td>
<td>$113</td>
<td>$26</td>
<td>$2</td>
<td>$16</td>
<td>$44</td>
<td>$66</td>
</tr>
<tr>
<td>Marine and RV floor plan</td>
<td>150</td>
<td>166</td>
<td>(16)</td>
<td>3</td>
<td>12</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Commercial lease financing (a)</td>
<td>1,922</td>
<td>2,047</td>
<td>(125)</td>
<td>2</td>
<td>20</td>
<td>21</td>
<td>46</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>2,159</td>
<td>2,326</td>
<td>(167)</td>
<td>7</td>
<td>48</td>
<td>100</td>
<td>149</td>
</tr>
<tr>
<td>Home equity — Other</td>
<td>627</td>
<td>666</td>
<td>(39)</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Marine</td>
<td>2,112</td>
<td>2,234</td>
<td>(122)</td>
<td>19</td>
<td>17</td>
<td>31</td>
<td>42</td>
</tr>
<tr>
<td>RV and other consumer</td>
<td>150</td>
<td>162</td>
<td>(12)</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>2,889</td>
<td>3,062</td>
<td>(173)</td>
<td>34</td>
<td>33</td>
<td>45</td>
<td>61</td>
</tr>
<tr>
<td>Total exit loans in loan portfolio</td>
<td>$5,048</td>
<td>$5,388</td>
<td>$340</td>
<td>$41</td>
<td>$81</td>
<td>$145</td>
<td>$210</td>
</tr>
<tr>
<td>Discontinued operations — education lending business (not included in exit loans above) (b)</td>
<td>$6,318</td>
<td>$6,466</td>
<td>$148</td>
<td>$35</td>
<td>$32</td>
<td>$22</td>
<td>$39</td>
</tr>
</tbody>
</table>

(a) Includes the business aviation, commercial vehicle, office products, construction and industrial leases, and Canadian lease financing portfolios; and all remaining balances related to lease in, lease out; sale in, sale out; service contract leases; and qualified technological equipment leases.

(b) Includes loans in Key’s consolidated education loan securitization trusts.
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CAPITAL

Key’s estimated risk-based capital ratios included in the following table continued to exceed all “well-capitalized” regulatory benchmarks at March 31, 2011.

Capital Ratios

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>9-30-10</th>
<th>6-30-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 common equity (a), (b)</td>
<td>10.70%</td>
<td>9.34%</td>
<td>8.61%</td>
<td>8.07%</td>
<td>7.51%</td>
</tr>
<tr>
<td>Tier 1 risk-based capital (a)</td>
<td>13.44%</td>
<td>15.16%</td>
<td>14.30%</td>
<td>13.62%</td>
<td>12.92%</td>
</tr>
<tr>
<td>Total risk-based capital (a)</td>
<td>17.35%</td>
<td>19.12%</td>
<td>18.22%</td>
<td>17.80%</td>
<td>17.07%</td>
</tr>
<tr>
<td>Tangible common equity to tangible assets (b)</td>
<td>9.16%</td>
<td>8.19%</td>
<td>8.00%</td>
<td>7.65%</td>
<td>7.37%</td>
</tr>
</tbody>
</table>

(a) 3-31-11 ratio is estimated.
(b) The table entitled “GAAP to Non-GAAP Reconciliations” presents the computations of certain financial measures related to “tangible common equity” and “Tier 1 common equity.” The table reconciles the GAAP performance measures to the corresponding non-GAAP measures, which provides a basis for period-to-period comparisons.

As shown in the preceding table, at March 31, 2011, Key’s estimated Tier 1 common equity ratio stood at 10.70%, placing it in the top quartile of its peer group for this ratio. In addition, Key’s estimated Tier 1 risk-based capital ratio stood at 13.44%, and its tangible common equity ratio was 9.16% at March 31, 2011. Since March 31, 2010, Key’s Tier 1 common equity ratio has increased 319 basis points as a result of four consecutive quarters of profitability, a lower level of risk-weighted assets, and the March 2011 $625 million common equity raise.

The changes in Key’s outstanding common shares over the past five quarters are summarized in the following table.

Summary of Changes in Common Shares Outstanding

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding at beginning of period</td>
<td>880,608</td>
<td>880,328</td>
<td>880,515</td>
<td>879,052</td>
<td>878,535</td>
</tr>
<tr>
<td>Common shares issued</td>
<td>70,621</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Shares reissued (returned) under employee benefit plans</td>
<td>2,697</td>
<td>280</td>
<td>(187)</td>
<td>1,463</td>
<td>517</td>
</tr>
<tr>
<td>Shares outstanding at end of period</td>
<td>953,926</td>
<td>880,608</td>
<td>880,328</td>
<td>880,515</td>
<td>879,052</td>
</tr>
</tbody>
</table>

During the first quarter of 2011, Key completed the repurchase of the $2.5 billion of Fixed-Rate Perpetual Preferred Stock, Series B issued to the U.S. Treasury Department as a result of Key’s participation in the U.S. Treasury’s Capital Purchase Program. The transaction followed Key’s successful completion of a $625 million common equity offering and a $1 billion debt offering. The proceeds from the equity and debt offerings, along with other available funds, were used to repurchase the preferred shares.

LINE OF BUSINESS RESULTS

The following table shows the contribution made by each major business segment to Key’s taxable-equivalent revenue from continuing operations and income (loss) from continuing operations attributable to Key for the periods presented. The specific lines of business that comprise each of the major business segments are described under the heading “Line of Business Descriptions.” For more detailed financial information pertaining to each business segment and its respective lines of business, see the tables at the end of this release.
Major Business Segments

Key Community Bank Summary of Operations

Key Community Bank recorded net income attributable to Key of $81 million for the first quarter of 2011, compared to net income attributable to Key of $13 million for the year-ago quarter. A substantial decrease in the provision for loan and lease losses drove the improvement in the first quarter of 2011.

Percent change 1Q11 vs.

dollars in millions 1Q11 4Q10 1Q10 4Q10 1Q10

Revenue from continuing operations (TE)
Key Community Bank $565 $597 $594 (5.4)% (4.9)%
Key Corporate Bank 403 434 372 (7.1) 8.3
Other Segments 96 112 104 (14.3) (7.7)
Total Segments 1,064 1,143 1,070 (6.9) (6)
Reconciling Items (3) 18 12 (116.7) (125.0)
Total $1,061 $1,161 $1,082 (8.6)% (1.9)%

Income (loss) from continuing operations attributable to Key
Key Community Bank $81 $58 $13 39.7% 523.1%
Key Corporate Bank 125 289 (36) (56.7) N/M
Other Segments 58 3 (49) (211.1) N/M
Total Segments 264 350 (72) (24.6) N/M
Reconciling Items 10 (17) 15 (33.3)% N/M
Total $274 $333 $ (57) (17.7)% N/M

TE = Taxable Equivalent, N/M = Not Meaningful

Key Community Bank

Summary of operations

Percent change 1Q11 vs.
dollars in millions 1Q11 4Q10 1Q10 4Q10 1Q10

Net interest income (TE) $378 $394 $412 (4.1)% (8.3)%
Noninterest income 187 203 182 (7.9) 2.7
Total revenue (TE) 565 597 594 (5.4) (4.9)
Provision (credit) for loan and lease losses 11 74 142 (85.1) (92.3)
Noninterest expense 445 456 451 (2.4) (1.3)
Income (loss) before income taxes (TE) 109 67 1 62.7 N/M
Allocated income taxes and TE adjustments 28 9 (12) 211.1 N/M
Net income (loss) attributable to Key $81 $58 $13 39.7% 523.1%

Average balances

Percent change 1Q11 vs.
dollars in millions 1Q11 4Q10 1Q10 4Q10 1Q10

 Loans and leases $26,312 $26,436 $27,769 (5.4)% (5.2)%
Total assets 29,739 29,830 30,886 (3.7) (3.7)
Deposits 48,108 48,124 51,444 — (6.5)

Assets under management at period end $20,057 $18,788 $18,248 6.8% 9.9%

TE = Taxable Equivalent, N/M = Not Meaningful

Additional Key Community Bank Data

Percent change 1Q11 vs.
dollars in millions 1Q11 4Q10 1Q10 4Q10 1Q10

Average deposits outstanding
NOW and money market deposit accounts $21,482 $20,513 $18,651 4.7% 15.2%
Savings deposits 1,901 1,863 1,814 2.0 4.8
Certificates of deposit ($100,000 or more) 4,513 4,885 7,362 (7.6) (18.7)
Other time deposits 7,959 8,638 12,558 (7.9) (36.6)
Deposits in foreign office 398 421 502 (5.5) (20.7)
Noninterest-bearing deposits 11,855 11,804 10,557 4% 12.3
Total deposits $48,108 $48,124 $51,444 — (6.5)%

Home equity loans
Average balance $9,454 $9,582 $9,967
Weighted-average loan-to-value ratio (at date of origination) 70% 70% 70%
Percent first lien positions 53 53 53

Other data
Branches 1,040 1,033 1,014
Automated teller machines 1,547 1,531 1,501

Key Community Bank Summary of Operations

Key Community Bank recorded net income attributable to Key of $81 million for the first quarter of 2011, compared to net income attributable to Key of $13 million for the year-ago quarter. A substantial decrease in the provision for loan and lease losses drove the improvement in the first quarter of 2011.
Taxable-equivalent net interest income declined by $34 million, or 8%, from the first quarter of 2010, due to declines in average earning assets and average deposits. Average earning assets decreased by $1 billion, or 5%, from the year-ago quarter, reflecting reductions in the commercial loan and home equity loan portfolios. Average deposits declined by $3 billion, or 6%, as higher-costing certificates of deposit mature, partially offset by growth in noninterest-bearing deposits and NOW and money market deposit accounts.

Noninterest income increased by $5 million, or 3%, from the year-ago quarter, due to higher income from net gains from loan sales, electronic banking fees, trust and investment services, and a reduction in the provision for credit losses from client derivatives. These factors were partially offset by lower service charges on deposits from the implementation of Regulation E.

The provision for loan and lease losses declined by $131 million, or 92%, compared to the first quarter of 2010 due to improving economic conditions resulting in lower net charge-offs and nonperforming loans from the same period one year ago.

Noninterest expense declined by $6 million, or 1%, from the year-ago quarter. The decrease was driven by reductions in FDIC deposit insurance premiums and corporate allocated costs. These improvements were partially offset by increases in personnel expense and business services and professional fees, reflecting the cost of our third-party mortgage operations.

Key Corporate Bank

<table>
<thead>
<tr>
<th>Summary of operations</th>
<th>1Q11</th>
<th>4Q10</th>
<th>1Q10</th>
<th>Percent change 1Q11 vs. 4Q10</th>
<th>Percent change 1Q11 vs. 1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income (TE)</td>
<td>$185</td>
<td>$204</td>
<td>$195</td>
<td>(9.3)%</td>
<td>(5.1)%</td>
</tr>
<tr>
<td>Noninterest income</td>
<td>218</td>
<td>230</td>
<td>177</td>
<td>(5.2)</td>
<td>23.2</td>
</tr>
<tr>
<td>Total revenue (TE)</td>
<td>403</td>
<td>434</td>
<td>372</td>
<td>(7.1)</td>
<td>8.3</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(21)</td>
<td>(263)</td>
<td>161</td>
<td>N/M</td>
<td>(113.0)</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>228</td>
<td>240</td>
<td>272</td>
<td>(5.0)</td>
<td>(16.2)%</td>
</tr>
<tr>
<td>Income (loss) before income taxes (TE)</td>
<td>196</td>
<td>457</td>
<td>(61)</td>
<td>(57.1)</td>
<td>N/M</td>
</tr>
<tr>
<td>Allocated income taxes and TE adjustments</td>
<td>72</td>
<td>168</td>
<td>(24)</td>
<td>(57.1)</td>
<td>N/M</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>124</td>
<td>289</td>
<td>(37)</td>
<td>(57.1)</td>
<td>N/M</td>
</tr>
<tr>
<td>Less: Net income (loss) attributable to noncontrolling interests</td>
<td>(1)</td>
<td>—</td>
<td>(1)</td>
<td>N/M</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>$125</td>
<td>$289</td>
<td>$36</td>
<td>(56.7)%</td>
<td>N/M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average balances</th>
<th>1Q11</th>
<th>4Q10</th>
<th>1Q10</th>
<th>Percent change 1Q11 vs. 4Q10</th>
<th>Percent change 1Q11 vs. 1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and leases</td>
<td>$17,677</td>
<td>$18,602</td>
<td>$22,440</td>
<td>(5.0)%</td>
<td>(21.2)%</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>275</td>
<td>253</td>
<td>240</td>
<td>8.7</td>
<td>14.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>21,747</td>
<td>22,607</td>
<td>26,270</td>
<td>(3.8)</td>
<td>(17.2)</td>
</tr>
<tr>
<td>Deposits</td>
<td>11,282</td>
<td>12,766</td>
<td>12,220</td>
<td>(11.6)</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Assets under management at period end</td>
<td>$41,461</td>
<td>$41,027</td>
<td>$47,938</td>
<td>1.1%</td>
<td>(13.5)%</td>
</tr>
</tbody>
</table>

TE = Taxable Equivalent, N/M = Not Meaningful

Key Corporate Bank Summary of Operations

Key Corporate Bank recorded net income attributable to Key of $125 million for the first quarter of 2011, compared to a net loss attributable to Key of $36 million for the same period one year ago. This improvement in the first quarter of 2011 was a result of a substantial decrease in the provision for loan and lease losses.

Taxable-equivalent net interest income decreased by $10 million, or 5%, compared to the first quarter of 2010, primarily due to lower earning assets and deposits. Average earning assets decreased by $5 billion, or 21% from the year-ago quarter. Average deposits declined by $938 million, or 8%, from one year ago. During the first quarter of 2011, approximately $1.5 billion of escrow deposits associated with Key’s mortgage servicing operations were moved to...
another financial institution as a result of the previously reported ratings downgrade of KeyBank National Association by Moody's in November 2010.

Noninterest income increased by $41 million, or 23%, from the first quarter of 2010. Investment banking and capital markets income increased $39 million. The first quarter of 2010 included a $21 million provision for losses on customer derivatives compared to a credit of $9 million in the first quarter of 2011. This improvement was partially offset by lower levels of fixed income and equity trading income. Investment banking income increased primarily due to increased levels of debt and equity financings. Also contributing to the improvement in noninterest income was a $16 million increase in letter of credit and loan fees related to an increase in syndication fees. These gains were partially offset by decreases in trust and investment services income of $7 million and operating lease revenue of $5 million.

The provision for loan and lease losses in the first quarter of 2011 was a credit of $21 million compared to a charge of $161 million for the same period one year ago. Key Corporate Bank continued to experience improved asset quality for the sixth quarter in a row.

Noninterest expense decreased by $44 million, or 16%, from the first quarter of 2010 due in part to a $24 million decline in OREO expense. Also contributing to the improvement was a $34 million decrease in various miscellaneous expenses and a $5 million decline in corporate overhead. These improvements were partially offset by an increase in personnel expense.

Other Segments

Other Segments consist of Corporate Treasury, Key’s Principal Investing unit and various exit portfolios. Other Segments generated net income attributable to Key of $58 million for the first quarter of 2011, compared to a net loss attributable to Key of $49 million for the same period last year. These results are primarily attributable to a decrease in the provision for loan and lease losses and noninterest expense.

Line of Business Descriptions

Key Community Bank

Regional Banking provides individuals with branch-based deposit and investment products, personal finance services and loans, including residential mortgages, home equity and various types of installment loans. This line of business also provides small businesses with deposit, investment and credit products, and business advisory services.

Regional Banking also offers financial, estate and retirement planning, and asset management services to assist high-net-worth clients with their banking, trust, portfolio management, insurance, charitable giving and related needs.

Commercial Banking provides midsize businesses with products and services that include commercial lending, cash management, equipment leasing, investment and employee benefit programs, succession planning, access to capital markets, derivatives and foreign exchange.

Key Corporate Bank

Real Estate Capital and Corporate Banking Services consists of two business units, Real Estate Capital and Corporate Banking Services.

Real Estate Capital is a national business that provides construction and interim lending, permanent debt placements and servicing, equity and investment banking, and other
commercial banking products and services to developers, brokers and owner-investors. This unit deals primarily with nonowner-occupied properties (i.e., generally properties in which at least 50% of the debt service is provided by rental income from nonaffiliated third parties). Real Estate Capital emphasizes providing clients with finance solutions through access to the capital markets.

Corporate Banking Services provides cash management, interest rate derivatives, and foreign exchange products and services to clients served by both the Key Community Bank and Key Corporate Bank groups. Through its Public Sector and Financial Institutions businesses, Corporate Banking Services also provides a full array of commercial banking products and services to government and not-for-profit entities and community banks. A variety of cash management services are provided through the Global Treasury Management unit.

**Equipment Finance** meets the equipment leasing needs of companies worldwide and provides equipment manufacturers, distributors and resellers with financing options for their clients. Lease financing receivables and related revenues are assigned to other lines of business (primarily Institutional and Capital Markets and Commercial Banking) if those businesses are principally responsible for maintaining the relationship with the client.

**Institutional and Capital Markets,** through its KeyBanc Capital Markets unit, provides commercial lending, treasury management, investment banking, derivatives, foreign exchange, equity and debt underwriting and trading, and syndicated finance products and services to large corporations and middle-market companies. Institutional and Capital Markets, through its Victory Capital Management unit, also manages or offers advice regarding investment portfolios for a national client base, including corporations, labor unions, not-for-profit organizations, governments and individuals. These portfolios may be managed in separate accounts, common funds or the Victory family of mutual funds.

Cleveland-based KeyCorp (NYSE: KEY) is one of the nation's largest bank-based financial services companies, with assets of approximately $90 billion at March 31, 2011. Key companies provide investment management, retail and commercial banking, and investment banking products and services to individuals and companies throughout the United States and, for certain businesses, internationally. In 2010, KeyBank scored significantly higher than its four largest competitor banks in a customer satisfaction survey conducted by the American Customer Satisfaction Index, scoring significantly better than bank industry scores across multiple dimensions, most notably Customer Loyalty. Key also has been recognized for excellence in numerous areas of the multi-channel customer banking experience, including Corporate Insight’s 2010 edition of Bank Monitor for online service. For more information about Key, visit [https://www.key.com/](https://www.key.com/).
Notes to Editors:
A live Internet broadcast of KeyCorp’s conference call to discuss quarterly results and currently anticipated earnings trends and to answer analysts’ questions can be accessed through the Investor Relations section at https://www.key.com/ir at 9:00 a.m. ET, on Monday, April 18, 2011. An audio replay of the call will be available through April 25, 2011.

For up-to-date company information, media contacts and facts and figures about Key’s lines of business, visit our Media Newsroom at https://www.key.com/newsroom.

This earnings release 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 KeyCorp’s Annual Report on Form 10-K for the year ended December 31, 2010, which has been filed with the Securities and Exchange Commission and is available on Key’s website (www.key.com/ir) 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.

*****
### Financial Highlights

(dollars in millions, except per share amounts)

#### Summary of operations

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income (TE)</td>
<td>$ 604</td>
<td>$ 635</td>
<td>$ 632</td>
</tr>
<tr>
<td>Noninterest income</td>
<td>457</td>
<td>526</td>
<td>450</td>
</tr>
<tr>
<td>Total revenue (TE)</td>
<td>1,061</td>
<td>1,161</td>
<td>1,082</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(40)</td>
<td>(97)</td>
<td>(413)</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>701</td>
<td>744</td>
<td>785</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key</td>
<td>274</td>
<td>333</td>
<td>(57)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes</td>
<td>(11)</td>
<td>(13)</td>
<td>2</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>263</td>
<td>320</td>
<td>(55)</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$ 184</td>
<td>$ 292</td>
<td>(98)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes</td>
<td>(11)</td>
<td>(13)</td>
<td>2</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>173</td>
<td>279</td>
<td>(96)</td>
</tr>
</tbody>
</table>

#### Per common share

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$.21</td>
<td>$.33</td>
<td>($.11)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes</td>
<td>(0.01)</td>
<td>(0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>0.20</td>
<td>0.32</td>
<td>(0.11)</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders — assuming dilution</td>
<td>.21</td>
<td>.33</td>
<td>(0.11)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes — assuming dilution</td>
<td>(0.01)</td>
<td>(0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders — assuming dilution</td>
<td>.19</td>
<td>.32</td>
<td>(0.11)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>.01</td>
<td>.01</td>
<td>.01</td>
</tr>
<tr>
<td>Book value at period end</td>
<td>9.58</td>
<td>9.52</td>
<td>9.01</td>
</tr>
<tr>
<td>Tangible book value at period end</td>
<td>8.59</td>
<td>8.45</td>
<td>7.91</td>
</tr>
<tr>
<td>Market price at period end</td>
<td>8.88</td>
<td>8.85</td>
<td>7.75</td>
</tr>
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</table>

#### Performance ratios

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average total assets</td>
<td>1.32%</td>
<td>1.53%</td>
<td>(0.26)%</td>
</tr>
<tr>
<td>Return on average common equity</td>
<td>8.75%</td>
<td>13.71%</td>
<td>(4.95)%</td>
</tr>
<tr>
<td>Net interest margin (TE)</td>
<td>3.25%</td>
<td>3.31%</td>
<td>3.19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average total assets</td>
<td>1.18%</td>
<td>1.36%</td>
<td>(0.23)%</td>
</tr>
<tr>
<td>Return on average common equity</td>
<td>8.23%</td>
<td>13.10%</td>
<td>(4.85)%</td>
</tr>
<tr>
<td>Net interest margin (TE)</td>
<td>3.16%</td>
<td>3.22%</td>
<td>3.13%</td>
</tr>
<tr>
<td>Loan to deposit (a)</td>
<td>90.76%</td>
<td>90.30%</td>
<td>93.23%</td>
</tr>
</tbody>
</table>

#### Capital ratios at period end

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key shareholders’ equity to assets</td>
<td>10.42%</td>
<td>12.10%</td>
<td>11.17%</td>
</tr>
<tr>
<td>Tangible Key shareholders’ equity to tangible assets</td>
<td>9.48</td>
<td>11.20%</td>
<td>10.26%</td>
</tr>
<tr>
<td>Tangible common equity to tangible assets (a)</td>
<td>9.16</td>
<td>8.19</td>
<td>7.37%</td>
</tr>
<tr>
<td>Tier 1 common equity (a, b)</td>
<td>10.70%</td>
<td>9.34</td>
<td>7.51%</td>
</tr>
<tr>
<td>Tier 1 risk-based capital (c)</td>
<td>13.44%</td>
<td>15.16%</td>
<td>12.92%</td>
</tr>
<tr>
<td>Total risk-based capital (c)</td>
<td>17.35%</td>
<td>19.12%</td>
<td>17.07%</td>
</tr>
<tr>
<td>Leverage (c)</td>
<td>11.47%</td>
<td>13.02%</td>
<td>11.60%</td>
</tr>
</tbody>
</table>

#### Asset quality — from continuing operations

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loan charge-offs</td>
<td>$ 193</td>
<td>$ 256</td>
<td>$ 522</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.59%</td>
<td>2.00%</td>
<td>3.67%</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>$ 1,372</td>
<td>$ 1,604</td>
<td>$ 2,425</td>
</tr>
<tr>
<td>Allowance for credit losses</td>
<td>1,441</td>
<td>1,677</td>
<td>2,544</td>
</tr>
<tr>
<td>Allowance for loan and lease losses to period-end loans</td>
<td>2.83%</td>
<td>3.20%</td>
<td>4.34%</td>
</tr>
<tr>
<td>Allowance for credit losses to period-end loans</td>
<td>2.97</td>
<td>3.35</td>
<td>4.55</td>
</tr>
<tr>
<td>Allowance for loan and lease losses to nonperforming loans</td>
<td>155.03</td>
<td>150.19</td>
<td>117.43</td>
</tr>
<tr>
<td>Allowance for credit losses to nonperforming loans</td>
<td>162.82</td>
<td>157.02</td>
<td>123.20</td>
</tr>
<tr>
<td>Nonperforming loans at period end</td>
<td>$ 885</td>
<td>$ 1,068</td>
<td>$ 2,085</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>1,089</td>
<td>1,338</td>
<td>2,428</td>
</tr>
<tr>
<td>Nonperforming loans to period-end portfolio loans</td>
<td>1.82%</td>
<td>2.13%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets</td>
<td>2.23</td>
<td>2.66</td>
<td>4.31</td>
</tr>
</tbody>
</table>

#### Trust and brokerage assets

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets under management</td>
<td>$ 61,518</td>
<td>$ 59,815</td>
<td>$ 66,186</td>
</tr>
<tr>
<td>Nonmanaged and brokerage assets</td>
<td>29,024</td>
<td>28,069</td>
<td>27,809</td>
</tr>
</tbody>
</table>

#### Other data

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average full-time equivalent employees</td>
<td>15,301</td>
<td>15,424</td>
<td>15,772</td>
</tr>
<tr>
<td>Branches</td>
<td>1,040</td>
<td>1,033</td>
<td>1,014</td>
</tr>
<tr>
<td>Taxable-equivalent adjustment</td>
<td>$ 7</td>
<td>$ 6</td>
<td>$ 7</td>
</tr>
</tbody>
</table>

---

(a) The following table entitled “GAAP to Non-GAAP Reconciliations” presents the computations of certain financial measures related to “tangible common equity” and “Tier 1 based capital”...
The table reconciles the GAAP performance measures to the corresponding non-GAAP measures, which provides a basis for period-to-period comparisons.

(b) In September 2009, management made the decision to discontinue the education lending business conducted through Key Education Resources, the education payment and financing unit of KeyBank National Association. In April 2009, management made the decision to curtail the operations of Austin Capital Management, Ltd., an investment subsidiary that specializes in managing hedge fund investments for its institutional customer base. As a result of these decisions, Key has accounted for these businesses as discontinued operations.

(c) 3-31-11 ratio is estimated.

(d) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office).

TE = Taxable Equivalent, GAAP = U.S. generally accepted accounting principles
GAAP to Non-GAAP Reconciliations
(dollars in millions, except per share amounts)

The table below presents the computations of certain financial measures related to “tangible common equity,” “Tier 1 common equity” and “pre-provision net revenue.” The tangible common equity ratio has become a focus of some investors, and management believes that this ratio may assist investors in analyzing Key’s capital position absent the effects of intangible assets and preferred stock. Traditionally, the banking regulators have assessed bank and bank holding company capital adequacy based on both the amount and composition of capital, the calculation of which is prescribed in federal banking regulations. As a result of the Supervisory Capital Assessment Program, the Federal Reserve has focused its assessment of capital adequacy on a component of Tier 1 capital, known as Tier 1 common equity. Because the Federal Reserve has long indicated that voting common shareholders’ equity (essentially Tier 1 capital less preferred stock, qualifying capital securities and noncontrolling interests in subsidiaries) generally should be the dominant element in Tier 1 capital, such a focus is consistent with existing capital adequacy guidelines and does not imply a new or ongoing capital standard. Because Tier 1 common equity is neither formally defined by GAAP nor prescribed in amount by federal banking regulations, this measure is considered to be a non-GAAP financial measure. Since analysts and banking regulators may assess Key’s capital adequacy using tangible common equity and Tier 1 common equity, management believes it is useful to provide investors the ability to assess Key’s capital adequacy on these same bases. The table also reconciles the GAAP performance measures to the corresponding non-GAAP measures.

The table also shows the computation for pre-provision net revenue, which is not formally defined by GAAP. Management believes that eliminating the effects of provision for loan and lease losses facilitates the analysis of results by presenting them on a more comparable basis.

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. To mitigate these limitations, Key has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components, and to ensure that Key’s performance is properly reflected to facilitate period-to-period comparisons. Although these non-GAAP financial measures are frequently used by investors in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP.

The table below presents the computations of certain financial measures related to pre-provision net revenue, which is not formally defined by GAAP.

<table>
<thead>
<tr>
<th>Tangible common equity to tangible assets at period end</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key shareholders’ equity (GAAP)</td>
<td>$ 9,425</td>
<td>$ 11,117</td>
<td>$ 10,641</td>
</tr>
<tr>
<td>Less: Intangible assets</td>
<td>937</td>
<td>938</td>
<td>963</td>
</tr>
<tr>
<td>Preferred Stock, Series B</td>
<td>2,446</td>
<td>2,446</td>
<td>2,446</td>
</tr>
<tr>
<td>Preferred Stock, Series A</td>
<td>291</td>
<td>291</td>
<td>291</td>
</tr>
<tr>
<td><strong>Tangible common equity (non-GAAP)</strong></td>
<td>$ 8,197</td>
<td>$ 7,442</td>
<td>$ 6,955</td>
</tr>
<tr>
<td>Total assets (GAAP)</td>
<td>$ 90,438</td>
<td>$ 91,843</td>
<td>$ 95,303</td>
</tr>
<tr>
<td>Less: Intangible assets</td>
<td>937</td>
<td>938</td>
<td>963</td>
</tr>
<tr>
<td><strong>Tangible assets (non-GAAP)</strong></td>
<td>$ 89,501</td>
<td>$ 90,905</td>
<td>$ 94,340</td>
</tr>
<tr>
<td>Tangible common equity to tangible assets ratio (non-GAAP)</td>
<td>9.16%</td>
<td>8.19%</td>
<td>7.37%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier 1 common equity at period end</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key shareholders’ equity (GAAP)</td>
<td>$ 9,425</td>
<td>$ 11,117</td>
<td>$ 10,641</td>
</tr>
<tr>
<td>Qualifying capital securities</td>
<td>1,791</td>
<td>1,791</td>
<td>1,791</td>
</tr>
<tr>
<td>Less: Goodwill</td>
<td>917</td>
<td>917</td>
<td>917</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss) (a)</td>
<td>(92)</td>
<td>(66)</td>
<td>(25)</td>
</tr>
<tr>
<td>Other assets (b)</td>
<td>191</td>
<td>248</td>
<td>765</td>
</tr>
<tr>
<td><strong>Total Tier 1 capital (regulatory)</strong></td>
<td>10,200</td>
<td>11,809</td>
<td>10,775</td>
</tr>
<tr>
<td>Less: Qualifying capital securities</td>
<td>1,791</td>
<td>1,791</td>
<td>1,791</td>
</tr>
<tr>
<td>Preferred Stock, Series B</td>
<td>—</td>
<td>2,446</td>
<td>2,434</td>
</tr>
<tr>
<td>Preferred Stock, Series A</td>
<td>291</td>
<td>291</td>
<td>291</td>
</tr>
<tr>
<td><strong>Total Tier 1 common equity (non-GAAP)</strong></td>
<td>$ 8,118</td>
<td>$ 7,281</td>
<td>$ 6,259</td>
</tr>
<tr>
<td>Net risk-weighted assets (regulatory) (b) (c)</td>
<td>$ 75,878</td>
<td>$ 77,921</td>
<td>$ 83,362</td>
</tr>
<tr>
<td><strong>Tier 1 common equity ratio (non-GAAP)</strong> (c)</td>
<td>10.70%</td>
<td>9.34%</td>
<td>7.51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pre-provision net revenue</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income (GAAP)</td>
<td>$ 597</td>
<td>$ 629</td>
<td>$ 625</td>
</tr>
<tr>
<td>Plus: Taxable-equivalent adjustment</td>
<td>7</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Noninterest income</td>
<td>457</td>
<td>526</td>
<td>450</td>
</tr>
<tr>
<td>Less: Noninterest expense</td>
<td>701</td>
<td>744</td>
<td>785</td>
</tr>
<tr>
<td><strong>Pre-provision net revenue from continuing operations (non-GAAP)</strong></td>
<td>$ 360</td>
<td>$ 417</td>
<td>$ 297</td>
</tr>
</tbody>
</table>

(a) Includes net unrealized gains or losses on securities available for sale (except for net unrealized losses on marketable equity securities), net gains or losses on cash flow hedges, and amounts resulting from the December 31, 2006, adoption and subsequent application of the applicable accounting guidance for defined benefit and other postretirement plans.

(b) Other assets deducted from Tier 1 capital and net risk-weighted assets consist of disallowed deferred tax assets of $102 million at March 31, 2011, $158 million at December 31, 2010 and $651 million at March 31, 2010, disallowed intangible assets (excluding goodwill) and deductible portions of nonfinancial equity investments.

(c) 3-31-11 amount is estimated.

GAAP = U.S. generally accepted accounting principles
KeyCorp Reports First Quarter 2011 Profit
April 18, 2011
Page 15

Consolidated Balance Sheets
(dollars in millions)

<table>
<thead>
<tr>
<th>Assets</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$48,552</td>
<td>$50,107</td>
<td>$55,913</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>426</td>
<td>467</td>
<td>556</td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>19,448</td>
<td>21,933</td>
<td>16,533</td>
</tr>
<tr>
<td>Held-to-maturity securities</td>
<td>1,041</td>
<td>985</td>
<td>1,034</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>3,705</td>
<td>1,344</td>
<td>4,345</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1,402</td>
<td>1,358</td>
<td>1,525</td>
</tr>
<tr>
<td>Total earning assets</td>
<td>74,593</td>
<td>76,211</td>
<td>79,948</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>(1,372)</td>
<td>(1,604)</td>
<td>(2,425)</td>
</tr>
<tr>
<td>Cash and due from banks</td>
<td>540</td>
<td>278</td>
<td>619</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>906</td>
<td>908</td>
<td>872</td>
</tr>
<tr>
<td>Operating lease assets</td>
<td>491</td>
<td>509</td>
<td>652</td>
</tr>
<tr>
<td>Goodwill</td>
<td>917</td>
<td>917</td>
<td>917</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>20</td>
<td>21</td>
<td>46</td>
</tr>
<tr>
<td>Corporate-owned life insurance</td>
<td>3,187</td>
<td>3,167</td>
<td>3,087</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>1,005</td>
<td>1,006</td>
<td>1,063</td>
</tr>
<tr>
<td>Accrued income and other assets</td>
<td>3,758</td>
<td>3,876</td>
<td>4,150</td>
</tr>
<tr>
<td>Discontinued assets</td>
<td>6,393</td>
<td>6,554</td>
<td>6,374</td>
</tr>
<tr>
<td>Total assets</td>
<td>$90,438</td>
<td>$91,843</td>
<td>$95,303</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits in domestic offices:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOW and money market deposit accounts</td>
<td>26,177</td>
<td>27,066</td>
<td>25,068</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>1,964</td>
<td>1,879</td>
<td>1,873</td>
</tr>
<tr>
<td>Certificates of deposit ($100,000 or more)</td>
<td>5,314</td>
<td>5,862</td>
<td>10,188</td>
</tr>
<tr>
<td>Other time deposits</td>
<td>7,597</td>
<td>8,245</td>
<td>12,010</td>
</tr>
<tr>
<td>Total interest-bearing deposits</td>
<td>41,052</td>
<td>43,052</td>
<td>49,139</td>
</tr>
<tr>
<td>Noninterest-bearing deposits</td>
<td>16,495</td>
<td>16,653</td>
<td>15,364</td>
</tr>
<tr>
<td>Deposits in foreign office — interest-bearing</td>
<td>2,232</td>
<td>2,045</td>
<td>1,927</td>
</tr>
<tr>
<td>Total deposits</td>
<td>60,510</td>
<td>60,610</td>
<td>65,149</td>
</tr>
<tr>
<td>Federal funds purchased and securities sold under repurchase agreements</td>
<td>2,232</td>
<td>2,045</td>
<td>1,927</td>
</tr>
<tr>
<td>Bank notes and other short-term borrowings</td>
<td>685</td>
<td>1,151</td>
<td>446</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>1,106</td>
<td>1,242</td>
<td>1,103</td>
</tr>
<tr>
<td>Accrued expense and other liabilities</td>
<td>1,931</td>
<td>1,931</td>
<td>2,089</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>11,048</td>
<td>10,592</td>
<td>11,177</td>
</tr>
<tr>
<td>Discontinued liabilities</td>
<td>2,929</td>
<td>2,998</td>
<td>2,490</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>80,741</td>
<td>80,469</td>
<td>84,381</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred stock, Series A</td>
<td>291</td>
<td>291</td>
<td>291</td>
</tr>
<tr>
<td>Preferred stock, Series B</td>
<td>2,446</td>
<td>2,434</td>
<td></td>
</tr>
<tr>
<td>Common shares</td>
<td>1,017</td>
<td>946</td>
<td>946</td>
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<tr>
<td>Common stock warrant</td>
<td>87</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Capital surplus</td>
<td>4,167</td>
<td>3,711</td>
<td>3,724</td>
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<tr>
<td>Retained earnings</td>
<td>5,721</td>
<td>5,557</td>
<td>5,098</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td>(1,823)</td>
<td>(1,904)</td>
<td>(1,958)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(35)</td>
<td>(17)</td>
<td>19</td>
</tr>
<tr>
<td>Key shareholders’ equity</td>
<td>9,425</td>
<td>11,117</td>
<td>10,641</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>272</td>
<td>257</td>
<td>281</td>
</tr>
<tr>
<td>Total equity</td>
<td>9,697</td>
<td>11,374</td>
<td>10,922</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>90,438</td>
<td>91,843</td>
<td>95,303</td>
</tr>
</tbody>
</table>

Common shares outstanding (000) 953,926 880,608 879,052
Consolidated Statements of Income  
(dollars in millions, except per share amounts)

<table>
<thead>
<tr>
<th>Three months ended</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
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</thead>
<tbody>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$570</td>
<td>$617</td>
<td>$710</td>
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<tr>
<td>Loans held for sale</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Securities available for sale</td>
<td>166</td>
<td>170</td>
<td>150</td>
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<td>Held-to-maturity securities</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Trading account assets</td>
<td>7</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other investments</td>
<td>12</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
<td>760</td>
<td>811</td>
<td>892</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>110</td>
<td>124</td>
<td>212</td>
</tr>
<tr>
<td>Federal funds purchased and securities sold under repurchase agreements</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Bank notes and other short-term borrowings</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>49</td>
<td>53</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total interest expense</strong></td>
<td>163</td>
<td>182</td>
<td>267</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>597</td>
<td>629</td>
<td>625</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(40)</td>
<td>(97)</td>
<td>413</td>
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<tr>
<td><strong>Net interest income (expense) after provision for loan and lease losses</strong></td>
<td>637</td>
<td>726</td>
<td>212</td>
</tr>
<tr>
<td><strong>Noninterest income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust and investment services income</td>
<td>110</td>
<td>108</td>
<td>114</td>
</tr>
<tr>
<td>Service charges on deposit accounts</td>
<td>68</td>
<td>70</td>
<td>76</td>
</tr>
<tr>
<td>Operating lease income</td>
<td>35</td>
<td>42</td>
<td>47</td>
</tr>
<tr>
<td>Letter of credit and loan fees</td>
<td>55</td>
<td>51</td>
<td>40</td>
</tr>
<tr>
<td>Corporate-owned life insurance income</td>
<td>27</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>Net securities gains (losses)</td>
<td>3</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Electronic banking fees</td>
<td>30</td>
<td>31</td>
<td>27</td>
</tr>
<tr>
<td>Gains on leased equipment</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Insurance income</td>
<td>15</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Net gains (losses) from loan sales</td>
<td>19</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Net gains (losses) from principal investing</td>
<td>35</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>Investment banking and capital markets income (loss)</td>
<td>43</td>
<td>63</td>
<td>9</td>
</tr>
<tr>
<td>Other income</td>
<td>17</td>
<td>66</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>457</td>
<td>526</td>
<td>450</td>
</tr>
<tr>
<td><strong>Noninterest expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>371</td>
<td>366</td>
<td>362</td>
</tr>
<tr>
<td>Net occupancy</td>
<td>65</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Operating lease expense</td>
<td>28</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td>Computer processing</td>
<td>42</td>
<td>45</td>
<td>47</td>
</tr>
<tr>
<td>Business services and professional fees</td>
<td>38</td>
<td>56</td>
<td>38</td>
</tr>
<tr>
<td>FDIC assessment</td>
<td>29</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>OREO expense, net</td>
<td>10</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>Equipment</td>
<td>26</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Marketing</td>
<td>10</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Provision (credit) for losses on lending-related commitments</td>
<td>(4)</td>
<td>(26)</td>
<td>(2)</td>
</tr>
<tr>
<td>Other expense</td>
<td>86</td>
<td>121</td>
<td>129</td>
</tr>
<tr>
<td><strong>Total noninterest expense</strong></td>
<td>701</td>
<td>744</td>
<td>785</td>
</tr>
<tr>
<td><strong>Income (loss) from continuing operations before income taxes</strong></td>
<td>393</td>
<td>508</td>
<td>(123)</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>111</td>
<td>172</td>
<td>82</td>
</tr>
<tr>
<td><strong>Income (loss) from continuing operations</strong></td>
<td>282</td>
<td>336</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Income (loss) from discontinued operations, net of taxes</strong></td>
<td>(11)</td>
<td>(13)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>271</td>
<td>323</td>
<td>(39)</td>
</tr>
<tr>
<td>Less: Net income (loss) attributable to noncontrolling interests</td>
<td>8</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td><strong>Net income (loss) attributable to Key</strong></td>
<td>$263</td>
<td>$320</td>
<td>$55</td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$184</td>
<td>$292</td>
<td>$98</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>173</td>
<td>279</td>
<td>96</td>
</tr>
<tr>
<td><strong>Per common share</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$21</td>
<td>$33</td>
<td>($11)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes</td>
<td>(.01)</td>
<td>(.02)</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>.20</td>
<td>.32</td>
<td>(.11)</td>
</tr>
<tr>
<td><strong>Per common share — assuming dilution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$21</td>
<td>$33</td>
<td>($11)</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of taxes</td>
<td>(.01)</td>
<td>(.02)</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>.19</td>
<td>.32</td>
<td>(.11)</td>
</tr>
<tr>
<td>Cash dividends declared per common share</td>
<td>$.01</td>
<td>$.01</td>
<td>$.01</td>
</tr>
<tr>
<td>Weighted-average common shares outstanding (000)</td>
<td>881,894</td>
<td>875,501</td>
<td>874,386</td>
</tr>
<tr>
<td>Weighted-average common shares and potential common shares outstanding (000)</td>
<td>887,836</td>
<td>900,263</td>
<td>874,386</td>
</tr>
</tbody>
</table>

(a) For the three months ended March 31, 2011, December 31, 2010, and March 31, 2010, Key did not have any impairment losses related to securities.

(b) Assumes conversion of stock options and/or Preferred Series A shares, as applicable.
## Consolidated Average Balance Sheets, and Net Interest Income and Yields/Rates From Continuing Operations
(dollars in millions)

<table>
<thead>
<tr>
<th>Assets</th>
<th>First Quarter 2011</th>
<th>Fourth Quarter 2010</th>
<th>First Quarter 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Balance</td>
<td>Interest (%)</td>
<td>Yield/Rate (%)</td>
</tr>
<tr>
<td>Loans:</td>
<td>$16,311 $174 4.33%</td>
<td>$16,562 $189 4.51%</td>
<td>$18,796 $222 4.78%</td>
</tr>
<tr>
<td>Commercial, financial and agricultural</td>
<td>9,238 104 4.58</td>
<td>9,514 117 4.89</td>
<td>10,430 128 4.98</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>2,031 20 3.99</td>
<td>2,531 26 4.15</td>
<td>4,537 45 4.07</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>6,335 60 5.03</td>
<td>6,484 82 5.08</td>
<td>7,195 93 5.19</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>33,915 378 4.51</td>
<td>35,091 414 4.69</td>
<td>40,958 468 4.82</td>
</tr>
<tr>
<td>Real estate — residential mortgage</td>
<td>1,810 24 5.32</td>
<td>1,837 25 5.43</td>
<td>1,803 26 5.65</td>
</tr>
<tr>
<td>Home equity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Community Bank</td>
<td>9,453 97 4.14</td>
<td>9,583 101 4.16</td>
<td>9,967 105 4.26</td>
</tr>
<tr>
<td>Other</td>
<td>647 12 7.60</td>
<td>686 13 7.58</td>
<td>816 15 7.57</td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>10,100 109 4.36</td>
<td>10,269 114 4.39</td>
<td>10,783 120 4.51</td>
</tr>
<tr>
<td>Consumer other — Key Community Bank</td>
<td>1,157 28 9.89</td>
<td>1,170 30 10.38</td>
<td>1,162 36 12.63</td>
</tr>
<tr>
<td>Consumer other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>2,174 34 6.26</td>
<td>2,295 36 6.30</td>
<td>2,713 42 6.15</td>
</tr>
<tr>
<td>Other</td>
<td>156 3 7.91</td>
<td>167 3 7.98</td>
<td>209 4 7.76</td>
</tr>
<tr>
<td>Total consumer other</td>
<td>2,330 37 6.37</td>
<td>2,462 39 6.41</td>
<td>2,922 46 6.27</td>
</tr>
<tr>
<td>Total loans</td>
<td>15,907 198 5.20</td>
<td>15,738 208 5.27</td>
<td>16,670 228 5.51</td>
</tr>
<tr>
<td>Total loans</td>
<td>49,312 576 4.72</td>
<td>50,829 622 4.87</td>
<td>57,628 716 5.02</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>390 4 3.52</td>
<td>403 4 3.16</td>
<td>390 4 4.43</td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>21,159 166 3.18</td>
<td>21,257 171 3.27</td>
<td>16,312 151 3.73</td>
</tr>
<tr>
<td>Held-to-maturity securities</td>
<td>19 1 11.54</td>
<td>17 — 11.92</td>
<td>23 1 8.20</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>1,018 7 2.75</td>
<td>967 8 3.22</td>
<td>1,186 11 3.86</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1,963 1 24</td>
<td>2,521 1 22</td>
<td>2,806 2 28</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,360 12 3.33</td>
<td>1,400 11 2.86</td>
<td>1,498 14 3.32</td>
</tr>
<tr>
<td>Total earning assets</td>
<td>75,221 767 4.12</td>
<td>77,394 817 4.22</td>
<td>79,843 899 4.54</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>(1,494) (1,789) (2,603)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income and other assets</td>
<td>10,568 11,454</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued assets — education lending business</td>
<td>6,479 6,674 6,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$90,774 $93,304 $95,578</td>
<td></td>
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</tbody>
</table>

## Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>First Quarter 2011</th>
<th>Fourth Quarter 2010</th>
<th>First Quarter 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOW and money market deposit accounts</td>
<td>$27,004 19 29</td>
<td>$27,047 21 30</td>
<td>$24,722 23 37</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>1,907 — 0.06</td>
<td>1,873 — 0.06</td>
<td>1,828 — 0.06</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>5,628 43 3.05</td>
<td>6,341 49 3.05</td>
<td>10,538 88 3.39</td>
</tr>
<tr>
<td>(100,000 or more)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other time deposits</td>
<td>7,982 47 2.39</td>
<td>8,664 53 2.43</td>
<td>12,611 100 3.23</td>
</tr>
<tr>
<td>Deposits in foreign office</td>
<td>1,040 1 — 0.31</td>
<td>1,228 1 0.32</td>
<td>693 1 0.30</td>
</tr>
<tr>
<td>Total interest-bearing deposits</td>
<td>43,561 110 1.02</td>
<td>45,153 124 1.09</td>
<td>50,392 212 1.71</td>
</tr>
<tr>
<td>Federal funds purchased and securities sold under repurchase agreements</td>
<td>2,375 1 0.27</td>
<td>2,236 2 0.31</td>
<td>1,790 1 0.32</td>
</tr>
<tr>
<td>Bank notes and other short-term borrowings</td>
<td>738 3 1.71</td>
<td>480 3 2.77</td>
<td>490 3 2.41</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>6,792 49 3.09</td>
<td>7,525 53 3.02</td>
<td>7,001 51 3.16</td>
</tr>
<tr>
<td>Total interest-bearing liabilities</td>
<td>53,466 163 1.24</td>
<td>55,394 182 1.31</td>
<td>59,673 267 1.83</td>
</tr>
<tr>
<td>Noninterest-bearing deposits</td>
<td>16,479 16,841 14,941</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expense and other liabilities</td>
<td>2,878 2,965 3,064</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued liabilities — education lending business</td>
<td>6,479 6,674 6,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>79,302 81,874 84,562</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Equity

<table>
<thead>
<tr>
<th>Equity</th>
<th>First Quarter 2011</th>
<th>Fourth Quarter 2010</th>
<th>First Quarter 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key shareholders’ equity</td>
<td>11,214 11,183 10,747</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>258 247 269</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>11,472 11,430 11,016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### equity

<table>
<thead>
<tr>
<th></th>
<th>$ 90,774</th>
<th>$ 93,304</th>
<th>$ 95,578</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate spread (TE)</td>
<td>2.88%</td>
<td>2.91%</td>
<td>2.71%</td>
</tr>
<tr>
<td>Net interest income (TE) and net interest margin (TE)</td>
<td>604 3.25%</td>
<td>635 3.31%</td>
<td>632 3.19%</td>
</tr>
<tr>
<td>TE adjustment (b)</td>
<td>7</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Net interest income, GAAP basis</td>
<td>$ 597</td>
<td>$ 629</td>
<td>$ 625</td>
</tr>
</tbody>
</table>

---

(a) Results are from continuing operations. Interest excludes the interest associated with the liabilities referred to in (d) below, calculated using a matched funds transfer pricing methodology.

(b) Interest income on tax-exempt securities and loans has been adjusted to a taxable-equivalent basis using the statutory federal income tax rate of 35%.

(c) For purposes of these computations, nonaccrual loans are included in average loan balances.

(d) Discontinued liabilities include the liabilities of the education lending business and the dollar amount of any additional liabilities assumed necessary to support the assets associated with this business.

(e) Yield is calculated on the basis of amortized cost.

(f) Rate calculation excludes basis adjustments related to fair value hedges.

TE = Taxable Equivalent, GAAP = U.S. generally accepted accounting principles
**Noninterest Income**

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and investment services income (a)</td>
<td>$110</td>
<td>$108</td>
<td>$114</td>
</tr>
<tr>
<td>Service charges on deposit accounts</td>
<td>68</td>
<td>70</td>
<td>76</td>
</tr>
<tr>
<td>Operating lease income</td>
<td>35</td>
<td>42</td>
<td>47</td>
</tr>
<tr>
<td>Letter of credit and loan fees</td>
<td>55</td>
<td>51</td>
<td>40</td>
</tr>
<tr>
<td>Corporate-owned life insurance income</td>
<td>27</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>Net securities gains (losses)</td>
<td>(1)</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Electronic banking fees</td>
<td>30</td>
<td>31</td>
<td>27</td>
</tr>
<tr>
<td>Gains on leased equipment</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Insurance income</td>
<td>15</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Net gains (losses) from loan sales</td>
<td>19</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Net gains (losses) from principal investing</td>
<td>35</td>
<td>(6)</td>
<td>37</td>
</tr>
<tr>
<td>Investment banking and capital markets income (loss) (a)</td>
<td>43</td>
<td>63</td>
<td>9</td>
</tr>
<tr>
<td>Other income</td>
<td>17</td>
<td>66</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td><strong>$457</strong></td>
<td><strong>$526</strong></td>
<td><strong>$450</strong></td>
</tr>
</tbody>
</table>

(a) Additional detail provided in tables below.

**Trust and Investment Services Income**

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage commissions and fee income</td>
<td>$32</td>
<td>$32</td>
<td>$33</td>
</tr>
<tr>
<td>Personal asset management and custody fees</td>
<td>38</td>
<td>38</td>
<td>37</td>
</tr>
<tr>
<td>Institutional asset management and custody fees</td>
<td>40</td>
<td>38</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total trust and investment services income</strong></td>
<td><strong>$110</strong></td>
<td><strong>$108</strong></td>
<td><strong>$114</strong></td>
</tr>
</tbody>
</table>

**Investment Banking and Capital Markets Income (Loss)**

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment banking income</td>
<td>$26</td>
<td>$33</td>
<td>$16</td>
</tr>
<tr>
<td>Income (loss) from other investments</td>
<td>2</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Dealer trading and derivatives income (loss)</td>
<td>4</td>
<td>18</td>
<td>(16)</td>
</tr>
<tr>
<td>Foreign exchange income</td>
<td>11</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total investment banking and capital markets income (loss)</strong></td>
<td><strong>$43</strong></td>
<td><strong>$63</strong></td>
<td><strong>$9</strong></td>
</tr>
</tbody>
</table>
### Noninterest Expense
(dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-31-11</td>
</tr>
<tr>
<td>Personnel (a)</td>
<td>$ 371</td>
</tr>
<tr>
<td>Net occupancy</td>
<td>65</td>
</tr>
<tr>
<td>Operating lease expense</td>
<td>28</td>
</tr>
<tr>
<td>Computer processing</td>
<td>42</td>
</tr>
<tr>
<td>Business services and professional fees</td>
<td>38</td>
</tr>
<tr>
<td>FDIC assessment</td>
<td>29</td>
</tr>
<tr>
<td>OREO expense, net</td>
<td>10</td>
</tr>
<tr>
<td>Equipment</td>
<td>26</td>
</tr>
<tr>
<td>Marketing</td>
<td>10</td>
</tr>
<tr>
<td>Provision (credit) for losses on lending-related commitments</td>
<td>(4)</td>
</tr>
<tr>
<td>Other expense</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total noninterest expense</strong></td>
<td><strong>$ 701</strong></td>
</tr>
</tbody>
</table>

**Average full-time equivalent employees (b)**

- 3-31-11: 15,301
- 12-31-10: 15,424
- 3-31-10: 15,772

---

(a) Additional detail provided in table below.

(b) The number of average full-time equivalent employees has not been adjusted for discontinued operations.

### Personnel Expense
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-31-11</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 224</td>
</tr>
<tr>
<td>Incentive compensation</td>
<td>73</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>62</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>5</td>
</tr>
<tr>
<td>Severance</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total personnel expense</strong></td>
<td><strong>$ 371</strong></td>
</tr>
</tbody>
</table>
KeyCorp Reports First Quarter 2011 Profit
April 18, 2011
Page 20

Loan Composition
(dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
<th>Percent change 3-31-11 vs. 12-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial, financial and agricultural</td>
<td>$16,440</td>
<td>$16,441</td>
<td>$18,015</td>
<td>—</td>
</tr>
<tr>
<td>Commercial real estate:</td>
<td></td>
<td></td>
<td></td>
<td>(8.7)%</td>
</tr>
<tr>
<td>Commercial mortgage</td>
<td>8,806</td>
<td>9,502</td>
<td>10,467</td>
<td>(7.3)%</td>
</tr>
<tr>
<td>Construction</td>
<td>1,845</td>
<td>2,106</td>
<td>3,990</td>
<td>(12.4)%</td>
</tr>
<tr>
<td>Total commercial real estate loans</td>
<td>10,651</td>
<td>11,608</td>
<td>14,457</td>
<td>(8.2)%</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>6,207</td>
<td>6,471</td>
<td>6,964</td>
<td>(4.1)%</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>33,298</td>
<td>34,520</td>
<td>39,457</td>
<td>(8.2)%</td>
</tr>
<tr>
<td>Real estate — residential mortgage</td>
<td>1,803</td>
<td>1,844</td>
<td>1,812</td>
<td>(0.5)%</td>
</tr>
<tr>
<td>Home equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Community Bank</td>
<td>9,421</td>
<td>9,514</td>
<td>9,892</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>Other</td>
<td>627</td>
<td>666</td>
<td>795</td>
<td>(5.9)%</td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>10,048</td>
<td>10,180</td>
<td>10,687</td>
<td>(1.3)%</td>
</tr>
<tr>
<td>Consumer other — Key Community Bank</td>
<td>1,141</td>
<td>1,167</td>
<td>1,141</td>
<td>(2.2)%</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>7</td>
<td>8</td>
<td>27</td>
<td>(12.5)%</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>287</td>
<td>118</td>
<td>265</td>
<td>143.2%</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>61</td>
<td>35</td>
<td>147</td>
<td>74.3%</td>
</tr>
<tr>
<td>Total consumer — indirect loans</td>
<td>2,262</td>
<td>2,396</td>
<td>2,837</td>
<td>(5.6)%</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>15,254</td>
<td>15,587</td>
<td>16,477</td>
<td>(2.1)%</td>
</tr>
<tr>
<td>Total loans(a)</td>
<td>$48,552</td>
<td>$50,107</td>
<td>$55,913</td>
<td>(3.1)%</td>
</tr>
</tbody>
</table>

(a) Excluded at March 31, 2011, December 31, 2010, and March 31, 2010, are loans in the amount of $6.3 billion, $6.5 billion, and $6 billion, respectively, related to the discontinued operations of the education lending business.

(b) Excluded at March 31, 2011, December 31, 2010, and March 31, 2010, are loans held for sale in the amount of $14 million, $15 million, and $246 million, respectively, related to the discontinued operations of the education lending business.

N/M = Not Meaningful
### Summary of Loan and Lease Loss Experience from Continuing Operations
(dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-31-11</td>
</tr>
<tr>
<td><strong>Average loans outstanding</strong></td>
<td>$ 49,312</td>
</tr>
<tr>
<td><strong>Allowance for loan and lease losses at beginning of period</strong></td>
<td>$ 1,604</td>
</tr>
<tr>
<td><strong>Loans charged off:</strong></td>
<td></td>
</tr>
<tr>
<td>Commercial, financial and agricultural</td>
<td></td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td></td>
</tr>
<tr>
<td>Real estate — construction</td>
<td></td>
</tr>
<tr>
<td>Total commercial real estate loans</td>
<td></td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td></td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>140</td>
</tr>
<tr>
<td>Real estate — residential mortgage</td>
<td></td>
</tr>
<tr>
<td>Key Community Bank</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>40</td>
</tr>
<tr>
<td>Consumer other — Key Community Bank</td>
<td>12</td>
</tr>
<tr>
<td>Consumer other:</td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>27</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>Total consumer other</td>
<td>30</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>92</td>
</tr>
<tr>
<td><strong>Total loans charged off</strong></td>
<td>232</td>
</tr>
<tr>
<td><strong>Recoveries:</strong></td>
<td></td>
</tr>
<tr>
<td>Commercial, financial and agricultural</td>
<td>10</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>3</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>5</td>
</tr>
<tr>
<td>Total commercial real estate loans</td>
<td>8</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>6</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>24</td>
</tr>
<tr>
<td>Real estate — residential mortgage</td>
<td>1</td>
</tr>
<tr>
<td>Home equity:</td>
<td></td>
</tr>
<tr>
<td>Key Community Bank</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>2</td>
</tr>
<tr>
<td>Consumer other — Key Community Bank</td>
<td>2</td>
</tr>
<tr>
<td>Consumer other:</td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Total consumer other</td>
<td>10</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total recoveries</strong></td>
<td>39</td>
</tr>
<tr>
<td><strong>Net loan charge-offs</strong></td>
<td>(193)</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(40)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>1</td>
</tr>
<tr>
<td><strong>Allowance for loan and lease losses at end of period</strong></td>
<td>$ 1,372</td>
</tr>
<tr>
<td><strong>Liability for credit losses on lending-related commitments at beginning of period</strong></td>
<td>$ 73</td>
</tr>
<tr>
<td>Provision (credit) for losses on lending-related commitments</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Liability for credit losses on lending-related commitments at end of period</strong></td>
<td>$ 69</td>
</tr>
<tr>
<td><strong>Total allowance for credit losses at end of period</strong></td>
<td>$ 1,441</td>
</tr>
<tr>
<td><strong>Net loan charge-offs to average loans</strong></td>
<td>1.59%</td>
</tr>
<tr>
<td><strong>Allowance for loan and lease losses to period-end loans</strong></td>
<td>2.83</td>
</tr>
<tr>
<td><strong>Allowance for credit losses to period-end loans</strong></td>
<td>2.97</td>
</tr>
<tr>
<td><strong>Allowance for loan and lease losses to nonperforming loans</strong></td>
<td>155.03</td>
</tr>
<tr>
<td><strong>Allowance for credit losses to nonperforming loans</strong></td>
<td>162.82</td>
</tr>
<tr>
<td><strong>Discontinued operations — education lending business:</strong></td>
<td></td>
</tr>
<tr>
<td>Loans charged off</td>
<td>$ 38</td>
</tr>
<tr>
<td>Recoveries</td>
<td>3</td>
</tr>
<tr>
<td><strong>Net loan charge-offs</strong></td>
<td>$ (35)</td>
</tr>
</tbody>
</table>

(a) Included in “accrued expense and other liabilities” on the balance sheet.
### Summary of Nonperforming Assets and Past Due Loans From Continuing Operations

(dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>9-30-10</th>
<th>6-30-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial, financial and agricultural</td>
<td>$221</td>
<td>$242</td>
<td>$335</td>
<td>$489</td>
<td>$555</td>
</tr>
<tr>
<td>Real estate — commercial mortgage</td>
<td>245</td>
<td>255</td>
<td>362</td>
<td>404</td>
<td>579</td>
</tr>
<tr>
<td>Real estate — construction</td>
<td>146</td>
<td>241</td>
<td>333</td>
<td>473</td>
<td>607</td>
</tr>
<tr>
<td>Total commercial real estate loans</td>
<td>391</td>
<td>496</td>
<td>695</td>
<td>877</td>
<td>1,186</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>42</td>
<td>64</td>
<td>84</td>
<td>83</td>
<td>99</td>
</tr>
<tr>
<td>Total commercial loans</td>
<td>654</td>
<td>802</td>
<td>1,114</td>
<td>1,449</td>
<td>1,843</td>
</tr>
<tr>
<td>Real estate — residential mortgage</td>
<td>84</td>
<td>98</td>
<td>90</td>
<td>77</td>
<td>72</td>
</tr>
<tr>
<td>Home equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Community Bank</td>
<td>99</td>
<td>102</td>
<td>106</td>
<td>112</td>
<td>111</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>18</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>112</td>
<td>120</td>
<td>122</td>
<td>129</td>
<td>129</td>
</tr>
<tr>
<td>Consumer other — Key Community Bank</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Consumer other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>31</td>
<td>42</td>
<td>41</td>
<td>41</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total consumer other</td>
<td>32</td>
<td>44</td>
<td>43</td>
<td>43</td>
<td>17</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>231</td>
<td>266</td>
<td>258</td>
<td>254</td>
<td>222</td>
</tr>
<tr>
<td>Total nonperforming loans</td>
<td>885</td>
<td>1,068</td>
<td>1,372</td>
<td>1,703</td>
<td>2,065</td>
</tr>
<tr>
<td>Nonperforming loans held for sale</td>
<td>86</td>
<td>106</td>
<td>230</td>
<td>221</td>
<td>195</td>
</tr>
<tr>
<td>OREO</td>
<td>97</td>
<td>129</td>
<td>163</td>
<td>136</td>
<td>130</td>
</tr>
<tr>
<td>Other nonperforming assets</td>
<td>21</td>
<td>35</td>
<td>36</td>
<td>26</td>
<td>38</td>
</tr>
<tr>
<td>Total nonperforming assets</td>
<td>$1,089</td>
<td>$1,338</td>
<td>$1,801</td>
<td>$2,086</td>
<td>$2,428</td>
</tr>
<tr>
<td>Accruing loans past due 90 days or more</td>
<td>$153</td>
<td>$239</td>
<td>$152</td>
<td>$240</td>
<td>$434</td>
</tr>
<tr>
<td>Accruing loans past due 30 through 89 days</td>
<td>474</td>
<td>476</td>
<td>662</td>
<td>610</td>
<td>639</td>
</tr>
<tr>
<td>Restructured loans — accruing and nonaccruing (a)</td>
<td>242</td>
<td>297</td>
<td>360</td>
<td>343</td>
<td>323</td>
</tr>
<tr>
<td>Restructured loans included in nonperforming loans (a)</td>
<td>136</td>
<td>202</td>
<td>228</td>
<td>213</td>
<td>226</td>
</tr>
<tr>
<td>Nonperforming assets from discontinued operations — education lending business</td>
<td>22</td>
<td>40</td>
<td>38</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Nonperforming loans to period-end portfolio loans</td>
<td>1.82%</td>
<td>2.13%</td>
<td>2.67%</td>
<td>3.19%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets</td>
<td>2.23%</td>
<td>2.66%</td>
<td>3.48%</td>
<td>3.88%</td>
<td>4.31%</td>
</tr>
</tbody>
</table>

(a) Restructured loans (i.e. troubled debt restructurings) are those for which Key, for reasons related to a borrower’s financial difficulties, grants a concession to the borrower that it would not otherwise consider. These concessions are made to improve the collectability of the loan and generally take the form of a reduction of the interest rate, extension of the maturity date or reduction in the principal balance.
### Summary of Changes in Nonperforming Loans From Continuing Operations (in millions)

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of period</td>
<td>$1,068</td>
<td>$1,372</td>
<td>$1,703</td>
<td>$2,065</td>
<td>$2,187</td>
</tr>
<tr>
<td>Loans placed on nonaccrual status</td>
<td>335</td>
<td>544</td>
<td>691</td>
<td>682</td>
<td>746</td>
</tr>
<tr>
<td>Charge-offs</td>
<td>(232)</td>
<td>(343)</td>
<td>(430)</td>
<td>(492)</td>
<td>(557)</td>
</tr>
<tr>
<td>Loans sold</td>
<td>(74)</td>
<td>(162)</td>
<td>(92)</td>
<td>(136)</td>
<td>(15)</td>
</tr>
<tr>
<td>Payments</td>
<td>(114)</td>
<td>(250)</td>
<td>(200)</td>
<td>(185)</td>
<td>(102)</td>
</tr>
<tr>
<td>Transfers to OREO</td>
<td>(12)</td>
<td>(14)</td>
<td>(39)</td>
<td>(66)</td>
<td>(20)</td>
</tr>
<tr>
<td>Transfers to nonperforming loans held for sale</td>
<td>(39)</td>
<td>(41)</td>
<td>(163)</td>
<td>(82)</td>
<td>(59)</td>
</tr>
<tr>
<td>Transfers to other nonperforming assets</td>
<td>2</td>
<td>3</td>
<td>(7)</td>
<td>(36)</td>
<td>(3)</td>
</tr>
<tr>
<td>Loans returned to accrual status</td>
<td>(45)</td>
<td>(35)</td>
<td>(91)</td>
<td>(47)</td>
<td>(112)</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$885</td>
<td>$1,068</td>
<td>$1,372</td>
<td>$1,703</td>
<td>$2,065</td>
</tr>
</tbody>
</table>

### Summary of Changes in Other Real Estate Owned, Net of Allowance, From Continuing Operations (in millions)

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of period</td>
<td>$106</td>
<td>$230</td>
<td>$221</td>
<td>$195</td>
<td>$116</td>
</tr>
<tr>
<td>Transfers in</td>
<td>39</td>
<td>41</td>
<td>162</td>
<td>86</td>
<td>129</td>
</tr>
<tr>
<td>Net advances / (payments)</td>
<td>(20)</td>
<td>(26)</td>
<td>(35)</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Loans sold</td>
<td>(38)</td>
<td>(139)</td>
<td>(50)</td>
<td>(53)</td>
<td>(38)</td>
</tr>
<tr>
<td>Transfers to OREO</td>
<td>—</td>
<td>—</td>
<td>(58)</td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td>Valuation adjustments</td>
<td>(1)</td>
<td>—</td>
<td>(6)</td>
<td>(2)</td>
<td>(6)</td>
</tr>
<tr>
<td>Loans returned to accrual status / other</td>
<td>—</td>
<td>—</td>
<td>(4)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$86</td>
<td>$106</td>
<td>$230</td>
<td>$221</td>
<td>$195</td>
</tr>
</tbody>
</table>

### Summary of Changes in Nonperforming Loans Held For Sale From Continuing Operations (in millions)

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of period</td>
<td>$129</td>
<td>$163</td>
<td>$136</td>
<td>$130</td>
<td>$168</td>
</tr>
<tr>
<td>Properties acquired — nonperforming loans</td>
<td>12</td>
<td>14</td>
<td>97</td>
<td>72</td>
<td>26</td>
</tr>
<tr>
<td>Valuation adjustments</td>
<td>(11)</td>
<td>(9)</td>
<td>(7)</td>
<td>(24)</td>
<td>(28)</td>
</tr>
<tr>
<td>Properties sold</td>
<td>(33)</td>
<td>(39)</td>
<td>(65)</td>
<td>(42)</td>
<td>(36)</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$97</td>
<td>$129</td>
<td>$163</td>
<td>$136</td>
<td>$130</td>
</tr>
</tbody>
</table>
### Key Community Bank

#### Summary of operations

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
<th>Percent change 1Q11 vs. 4Q10</th>
<th>Percent change 1Q11 vs. 1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue (TE)</td>
<td>$565</td>
<td>$597</td>
<td>$596</td>
<td>$602</td>
<td>$594</td>
<td>(5.4)%</td>
<td>(4.9)%</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>11</td>
<td>74</td>
<td>75</td>
<td>121</td>
<td>142</td>
<td>(85.1)%</td>
<td>(92.3)%</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>445</td>
<td>456</td>
<td>458</td>
<td>452</td>
<td>451</td>
<td>(2.4)%</td>
<td>(1.3)%</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>81</td>
<td>58</td>
<td>53</td>
<td>31</td>
<td>13</td>
<td>39.7%</td>
<td>523.1%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>26,312</td>
<td>26,436</td>
<td>26,772</td>
<td>27,217</td>
<td>27,769</td>
<td>.5%</td>
<td>(5.2)%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>48,108</td>
<td>48,124</td>
<td>48,082</td>
<td>50,406</td>
<td>51,444</td>
<td>—</td>
<td>(6.5)%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>76</td>
<td>115</td>
<td>129</td>
<td>148</td>
<td>116</td>
<td>(33.9)%</td>
<td>(34.5)%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.17%</td>
<td>1.73%</td>
<td>1.91%</td>
<td>2.18%</td>
<td>1.69%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net revenue attributable to Key</td>
<td>10.03%</td>
<td>6.79%</td>
<td>6.04%</td>
<td>3.49%</td>
<td>1.47%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>8,378</td>
<td>8,291</td>
<td>8,303</td>
<td>8,241</td>
<td>8,182</td>
<td>1.0%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

#### Supplementary information (lines of business)

##### Regional Banking

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
<th>Percent change 1Q11 vs. 4Q10</th>
<th>Percent change 1Q11 vs. 1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue (TE)</td>
<td>$448</td>
<td>$470</td>
<td>$478</td>
<td>$489</td>
<td>$485</td>
<td>(4.7)%</td>
<td>(7.6)%</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>17</td>
<td>77</td>
<td>105</td>
<td>57</td>
<td>115</td>
<td>(77.9)%</td>
<td>(85.2)%</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>400</td>
<td>412</td>
<td>415</td>
<td>409</td>
<td>406</td>
<td>(2.9)%</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>32</td>
<td>4</td>
<td>(13)</td>
<td>27</td>
<td>(10)</td>
<td>700.0% (N/M)</td>
<td>N/A</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>17,597</td>
<td>17,810</td>
<td>18,072</td>
<td>18,404</td>
<td>18,753</td>
<td>(1.2)%</td>
<td>(6.2)%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>42,189</td>
<td>42,371</td>
<td>43,327</td>
<td>45,219</td>
<td>46,182</td>
<td>(4)%</td>
<td>(8.6)%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>62</td>
<td>77</td>
<td>89</td>
<td>82</td>
<td>96</td>
<td>(19.5)%</td>
<td>(35.4)%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.43%</td>
<td>1.72%</td>
<td>1.95%</td>
<td>1.79%</td>
<td>2.08%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net revenue attributable to Key</td>
<td>1.17%</td>
<td>1.73%</td>
<td>1.91%</td>
<td>2.18%</td>
<td>1.69%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>5.76%</td>
<td>.69%</td>
<td>(2.23)%</td>
<td>4.65%</td>
<td>(1.74)%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>8,009</td>
<td>7,930</td>
<td>7,950</td>
<td>7,886</td>
<td>7,831</td>
<td>1.0%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

##### Commercial Banking

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>4Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
<th>Percent change 1Q11 vs. 4Q10</th>
<th>Percent change 1Q11 vs. 1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue (TE)</td>
<td>$117</td>
<td>$127</td>
<td>$118</td>
<td>$113</td>
<td>$109</td>
<td>(7.9)%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>6</td>
<td>3</td>
<td>(30)</td>
<td>64</td>
<td>27</td>
<td>N/M</td>
<td>(122.2)%</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>45</td>
<td>44</td>
<td>43</td>
<td>43</td>
<td>45</td>
<td>2.3%</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>49</td>
<td>54</td>
<td>66</td>
<td>66</td>
<td>43</td>
<td>(9.3)%</td>
<td>113.0%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>8,715</td>
<td>8,626</td>
<td>8,700</td>
<td>8,813</td>
<td>9,016</td>
<td>1.0%</td>
<td>(3.3)%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>5,919</td>
<td>5,753</td>
<td>5,355</td>
<td>5,187</td>
<td>5,262</td>
<td>2.9%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>14</td>
<td>38</td>
<td>40</td>
<td>66</td>
<td>20</td>
<td>(63.2)%</td>
<td>(30.0)%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>.65%</td>
<td>1.75%</td>
<td>1.82%</td>
<td>3.00%</td>
<td>.90%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net revenue attributable to Key</td>
<td>19.41%</td>
<td>19.64%</td>
<td>22.51%</td>
<td>1.30%</td>
<td>7.43%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>369</td>
<td>361</td>
<td>353</td>
<td>355</td>
<td>351</td>
<td>2.2%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
### Key Corporate Bank

<table>
<thead>
<tr>
<th>Summary of operations</th>
<th>1Q11</th>
<th>4Q10</th>
<th>1Q10</th>
<th>3Q10</th>
<th>2Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue (TE)</td>
<td>$403</td>
<td>$434</td>
<td>$424</td>
<td>$406</td>
<td>$372</td>
<td>(7.1)%</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease</td>
<td>(21)</td>
<td>(263)</td>
<td>(25)</td>
<td>99</td>
<td>161</td>
<td>N/M</td>
</tr>
<tr>
<td>losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(113.0)%</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>228</td>
<td>240</td>
<td>237</td>
<td>249</td>
<td>272</td>
<td>(5.0)%</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>125</td>
<td>289</td>
<td>134</td>
<td>38</td>
<td>(36)</td>
<td>(56.7)%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>17,677</td>
<td>18,602</td>
<td>19,540</td>
<td>20,949</td>
<td>22,440</td>
<td>(5.0)%</td>
</tr>
<tr>
<td>Average loans held for sale</td>
<td>275</td>
<td>253</td>
<td>380</td>
<td>391</td>
<td>240</td>
<td>8.7%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>11,282</td>
<td>12,766</td>
<td>11,565</td>
<td>12,391</td>
<td>12,220</td>
<td>(11.6)%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>75</td>
<td>61</td>
<td>122</td>
<td>173</td>
<td>251</td>
<td>23.0%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.72%</td>
<td>1.30%</td>
<td>2.48%</td>
<td>3.31%</td>
<td>4.54%</td>
<td>N/A</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>($427)</td>
<td>($575)</td>
<td>($866)</td>
<td>($1,089)</td>
<td>$1,285</td>
<td>(25.7)%</td>
</tr>
<tr>
<td>Return on average allocated equity</td>
<td>19.65%</td>
<td>40.70%</td>
<td>17.56%</td>
<td>4.58%</td>
<td>(4.32)%</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent</td>
<td>2,155</td>
<td>2,169</td>
<td>2,210</td>
<td>2,175</td>
<td>2,213</td>
<td>(6)%</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2.6)%</td>
</tr>
</tbody>
</table>

### Supplementary information (lines of business)

#### Real Estate Capital and Corporate Banking Services

<table>
<thead>
<tr>
<th>Total revenue (TE)</th>
<th>$165</th>
<th>$177</th>
<th>$169</th>
<th>$173</th>
<th>$141</th>
<th>(6.8)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>9</td>
<td>(211)</td>
<td>22</td>
<td>77</td>
<td>145</td>
<td>N/M</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>69</td>
<td>83</td>
<td>87</td>
<td>97</td>
<td>120</td>
<td>(16.9)%</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>56</td>
<td>192</td>
<td>38</td>
<td>—</td>
<td>(77)</td>
<td>(70.8)%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>8,583</td>
<td>9,381</td>
<td>10,306</td>
<td>11,466</td>
<td>12,341</td>
<td>(8.5)%</td>
</tr>
<tr>
<td>Average loans held for sale</td>
<td>140</td>
<td>199</td>
<td>202</td>
<td>194</td>
<td>115</td>
<td>(29.6)%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>8,611</td>
<td>10,409</td>
<td>9,146</td>
<td>9,728</td>
<td>9,639</td>
<td>(17.3)%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>65</td>
<td>57</td>
<td>103</td>
<td>142</td>
<td>207</td>
<td>14.0%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>3.07%</td>
<td>2.41%</td>
<td>3.97%</td>
<td>4.97%</td>
<td>6.80%</td>
<td>N/A</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>$334</td>
<td>$442</td>
<td>$719</td>
<td>$867</td>
<td>$1,067</td>
<td>(24.4)%</td>
</tr>
<tr>
<td>Return on average allocated equity</td>
<td>15.22%</td>
<td>45.53%</td>
<td>8.18%</td>
<td>—</td>
<td>(15.39)%</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>882</td>
<td>889</td>
<td>895</td>
<td>901</td>
<td>921</td>
<td>(8)%</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(4.2)%</td>
</tr>
</tbody>
</table>

#### Equipment Finance

<table>
<thead>
<tr>
<th>Total revenue (TE)</th>
<th>$63</th>
<th>$66</th>
<th>$63</th>
<th>$61</th>
<th>$61</th>
<th>(4.5)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(26)</td>
<td>(16)</td>
<td>(12)</td>
<td>10</td>
<td>4</td>
<td>N/M</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>51</td>
<td>51</td>
<td>53</td>
<td>49</td>
<td>45</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>24</td>
<td>19</td>
<td>14</td>
<td>1</td>
<td>8</td>
<td>26.3%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>4,621</td>
<td>4,656</td>
<td>4,515</td>
<td>4,478</td>
<td>4,574</td>
<td>(8)%</td>
</tr>
<tr>
<td>Average loans held for sale</td>
<td>4</td>
<td>—</td>
<td>2</td>
<td>16</td>
<td>1</td>
<td>N/M</td>
</tr>
<tr>
<td>Average deposits</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>200.0%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>10</td>
<td>7</td>
<td>25</td>
<td>18</td>
<td>18</td>
<td>42.9%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>.88%</td>
<td>.60%</td>
<td>2.20%</td>
<td>1.61%</td>
<td>1.60%</td>
<td>N/A</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>$44</td>
<td>$68</td>
<td>$86</td>
<td>$106</td>
<td>$111</td>
<td>(35.3)%</td>
</tr>
<tr>
<td>Return on average allocated equity</td>
<td>31.30%</td>
<td>22.98%</td>
<td>17.14%</td>
<td>1.15%</td>
<td>8.86%</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>521</td>
<td>529</td>
<td>536</td>
<td>549</td>
<td>563</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(7.5)%</td>
</tr>
</tbody>
</table>

#### Institutional and Capital Markets

<table>
<thead>
<tr>
<th>Total revenue (TE)</th>
<th>$175</th>
<th>$191</th>
<th>$192</th>
<th>$172</th>
<th>$170</th>
<th>(8.4)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>(4)</td>
<td>(36)</td>
<td>(35)</td>
<td>12</td>
<td>12</td>
<td>N/M</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>108</td>
<td>106</td>
<td>97</td>
<td>103</td>
<td>107</td>
<td>1.9%</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key</td>
<td>45</td>
<td>78</td>
<td>82</td>
<td>37</td>
<td>33</td>
<td>(42.3)%</td>
</tr>
<tr>
<td>Average loans and leases</td>
<td>4,473</td>
<td>4,565</td>
<td>4,719</td>
<td>5,005</td>
<td>5,525</td>
<td>(2.0)%</td>
</tr>
<tr>
<td>Average loans held for sale</td>
<td>131</td>
<td>149</td>
<td>176</td>
<td>171</td>
<td>124</td>
<td>142.6%</td>
</tr>
<tr>
<td>Average deposits</td>
<td>2,665</td>
<td>2,355</td>
<td>2,414</td>
<td>2,658</td>
<td>2,575</td>
<td>3.5%</td>
</tr>
<tr>
<td>Net loan charge-offs</td>
<td>—</td>
<td>(3)</td>
<td>(6)</td>
<td>13</td>
<td>26</td>
<td>N/M</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>—</td>
<td>(.26)%</td>
<td>(.50)%</td>
<td>1.04%</td>
<td>1.91%</td>
<td>N/A</td>
</tr>
<tr>
<td>Nonperforming assets at period end</td>
<td>$49</td>
<td>$65</td>
<td>$81</td>
<td>$116</td>
<td>$107</td>
<td>(24.6)%</td>
</tr>
<tr>
<td>Return on average allocated equity</td>
<td>23.49%</td>
<td>37.92%</td>
<td>37.85%</td>
<td>15.46%</td>
<td>13.56%</td>
<td>N/A</td>
</tr>
<tr>
<td>Average full-time equivalent employees</td>
<td>752</td>
<td>751</td>
<td>779</td>
<td>725</td>
<td>729</td>
<td>1.32%</td>
</tr>
</tbody>
</table>

**Note:** TE = Taxable Equivalent, N/A = Not Applicable, N/M = Not Meaningful
First Quarter 2011 Review
April 18, 2011

Speakers: Henry Meyer
          Beth Mooney
          Jeff Weeden
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 KeyCorp’s Annual Report on Form 10-K for the year ended December 31, 2010, 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.
Capital Actions – First Quarter 2011

- Repurchased TARP Capital (CPP Preferred): $2.5 billion
  - Eliminates $125 million of annual preferred dividends
- Successful completion of capital issuance
  - $625 million common equity (25% of CPP Preferred)
  - $1.0 billion senior unsecured debt offering
- Notified U.S. Treasury of intent to repurchase warrants
- Dividend increase to be considered by Board of Directors at May meeting
Significant Progress on Keyvolution

**Highlights**

- Keyvolution focused on business simplification, process improvement & demand management
- From 4Q08 to 1Q11, $317 million in annual run rate savings were achieved
  - Personnel costs were reduced by $205 million related to headcount reductions of over 2,300
  - Non-personnel expense declined by $112 million, including occupancy, communications & travel
- Continued focus on disciplined expense management will drive further cost savings

**Keyvolution Cost Savings (a)**

<table>
<thead>
<tr>
<th></th>
<th>$ (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings through 1Q11</td>
<td>$317</td>
</tr>
<tr>
<td>Savings Goal</td>
<td>$300 - $375</td>
</tr>
</tbody>
</table>

(a) Before one-time costs and investments.
## Investor Highlights – First Quarter 2011

<table>
<thead>
<tr>
<th>Financial performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 1Q11 EPS (continuing operations): $0.21</td>
</tr>
<tr>
<td>• Lower expense levels through Keyvolution and other cost initiatives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improved credit quality (1Q11 vs. 4Q10)</td>
</tr>
<tr>
<td>- NPLs down $183 million (1.82% of period-end loans)</td>
</tr>
<tr>
<td>- NPAs down $240 million (61% decrease from peak level in 3Q09)</td>
</tr>
<tr>
<td>- NCOs declined to $193 million (decreased 5 consecutive quarters)</td>
</tr>
<tr>
<td>• Asset sales continue near Key’s carrying values</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strong balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Capital remains strong - Tier 1 common equity: 10.70%</td>
</tr>
<tr>
<td>• Superior reserve coverage: 2.83% allowance to period-end loans</td>
</tr>
<tr>
<td>• Core funded institution. Loan to deposit ratio of 91%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Delivering on growth initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Refocused business model – stronger alignment between Community Bank and Corporate Bank</td>
</tr>
<tr>
<td>• Momentum in the business – new client acquisition and growth</td>
</tr>
<tr>
<td>• Leveraging strong balance sheet – continuing to invest in businesses</td>
</tr>
</tbody>
</table>

Key remains focused on what it does best: Serving customers and small/midsize businesses through its relationship-based banking model.
## Financial Summary – First Quarter 2011

<table>
<thead>
<tr>
<th>Metrics</th>
<th>1Q11</th>
<th>4Q10</th>
<th>1Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Performance</strong> <img src="https://example.com" alt="a" /></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$0.21</td>
<td>$0.33</td>
<td>$(0.11)</td>
</tr>
<tr>
<td>Net interest margin (TE)</td>
<td>3.26%</td>
<td>3.31%</td>
<td>3.19%</td>
</tr>
<tr>
<td>Return on average total assets</td>
<td>1.32</td>
<td>1.53</td>
<td>(2.6)%</td>
</tr>
<tr>
<td><strong>Capital</strong> <img src="https://example.com" alt="b" /></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1 common equity <img src="https://example.com" alt="c" /></td>
<td>10.70%</td>
<td>9.34%</td>
<td>7.51%</td>
</tr>
<tr>
<td>Tier 1 risk-based capital <img src="https://example.com" alt="d" /></td>
<td>13.44</td>
<td>15.16</td>
<td>12.92</td>
</tr>
<tr>
<td>Tangible common equity to tangible assets</td>
<td>9.16</td>
<td>8.19</td>
<td>7.37</td>
</tr>
<tr>
<td>Book value per common share</td>
<td>$9.58</td>
<td>$9.52</td>
<td>$9.01</td>
</tr>
<tr>
<td><strong>Asset Quality</strong> <img src="https://example.com" alt="e" /></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.59%</td>
<td>2.00%</td>
<td>3.67%</td>
</tr>
<tr>
<td>NPLs to EOP portfolio loans</td>
<td>1.82</td>
<td>2.13</td>
<td>3.69</td>
</tr>
<tr>
<td>NPLs to EOP portfolio loans + OREO + Other NPLs</td>
<td>2.23</td>
<td>2.66</td>
<td>4.31</td>
</tr>
<tr>
<td>Allowance for loan losses to period-end loans</td>
<td>2.85</td>
<td>3.20</td>
<td>4.34</td>
</tr>
<tr>
<td>Allowance for loan losses to NPLs</td>
<td>155.03</td>
<td>150.19</td>
<td>117.43</td>
</tr>
</tbody>
</table>

TE = Taxable equivalent, EOP = End of Period

[a] From continuing operations.
[b] From consolidated operations.
[c] 3-31-11 ratios are estimated.
### Key’s Targets for Success (a)

<table>
<thead>
<tr>
<th>KEY Business Model</th>
<th>KEY Metrics</th>
<th>KEY 1Q11</th>
<th>Targets</th>
<th>Action Plans</th>
</tr>
</thead>
</table>
| Core funded        | Loan to deposit ratio (2) | 91% | 90-100% | • Improve risk profile of loan portfolio and grow relationships  
                     |              |          |         | • Improve deposit mix and grow deposit base  |
| Returning to a moderate risk profile | NCDs to average loans | 1.59% | 40-50 bps | • Focus on relationship clients  
                     |              |          |         | • Exit noncore portfolios  
                     |              |          |         | • Limit concentration  
                     |              |          |         | • Focus on risk-adjusted returns  |
| Growing high quality, diverse revenue streams | Net interest margin | 3.25% | >3.50% | • Improve funding mix  
                     | Noninterest income to total revenue | 4.9% | >4% | • Focus on risk-adjusted returns  
                     |              |          |         | • Grow client relationships  
                     |              |          |         | • Leverage Key’s total client solutions and cross-selling capabilities  |
| Creating positive operating leverage | Keyvation cost savings | $17 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 | 1.32% | 1.00-1.25% | • Execute our client insight-driven relationship model  
                     |              |          |         | • Lower credit costs  
                     |              |          |         | • Improved funding mix with lower cost core deposits  
                     |              |          |         | • Keyvation savings  |

---

(a) Continuing operations, unless otherwise noted.

(b) Ending balances; loans & loans held for sale (excluding education loans in the securitization trusts) to deposits (excluding deposits in foreign office).

(c) Consolidated operations.
Core Funded and Focused on Relationship Businesses

Average Loans

Average Deposits

Loan to Deposit Ratio (a)

(a) Ending balances; loans & loans held for sale (excluding education loans in the securitization trusts); to deposits (excluding deposits in foreign office).
### Substantial Reduction in Net Charge-offs

<table>
<thead>
<tr>
<th>Net Charge-offs by Loan Type</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q11</td>
</tr>
<tr>
<td>GF&amp;A</td>
<td>$32</td>
</tr>
<tr>
<td>CRE - mortgage</td>
<td>43</td>
</tr>
<tr>
<td>CRE - construction</td>
<td>30</td>
</tr>
<tr>
<td>Leasing</td>
<td>11</td>
</tr>
<tr>
<td>Total commercial</td>
<td>116</td>
</tr>
<tr>
<td>Home equity</td>
<td>39</td>
</tr>
<tr>
<td>Other consumer</td>
<td>39</td>
</tr>
<tr>
<td>Total consumer</td>
<td>77</td>
</tr>
<tr>
<td>Total</td>
<td>$193</td>
</tr>
</tbody>
</table>

- NOCOs to avg. loans: 1.59% 2.00% 3.67%
- Exit portfolio: $41 $81 $153 $(48) $(112)
- Exit portfolio NOCOs as a % of total NOCOs: 21.2% 31.9% 29.3%

### Net Charge-offs 1Q10 = $522 million

- Home equity: 9%
- CRE mortgage: 26%
- CRE construction: 30%
- Leasing: 4%
- Other consumer: 12%

### Net Charge-offs 1Q11 = $193 million

- Home equity: 20%
- CRE mortgage: 22%
- CRE construction: 19%
- Leasing: 6%
- Other consumer: 20%

(a) Exit portfolio NOCOs are included in the individual loan types listed above.
Significant Improvement in Asset Quality

**Net Charge-offs & Provision for Loan Losses**
- $500 million (2010)
- $305 million (2011)

- NCOs decreased by 36%
- Provision for loan losses decreased by 19%

**Nonperforming Assets**
- $3.2 billion (2010)
- $1.1 billion (2011)

- NPAs decreased by 65%
- NPLs to period-end loans decreased by 36%

**Allowance for Loan Losses**
- $2.6 billion (2010)
- $1.4 billion (2011)

- ALLL decreased by 45%
- Allowance for loan losses decreased by 40%

**Allowance to Nonperforming Loans**
- 117.4% (2010)
- 108.3% (2011)

- Key expects NCOs and NPAs to continue to decline in 2011
Net Interest Margin (TE)

**Highlights**
- Net interest margin up 6 bps compared to 1Q10
- Improved funding mix has reduced cost of deposits
- Positioned to benefit from rising rates
  - Approximately 3.4% increase in net interest income from a 200 bps increase in rates

**Net Interest Margin (TE) Trend**

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>Continuing Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2.95%</td>
</tr>
<tr>
<td>2003</td>
<td>2.81%</td>
</tr>
<tr>
<td>2010</td>
<td>2.32%</td>
</tr>
<tr>
<td>4Q 2011</td>
<td>2.87%</td>
</tr>
<tr>
<td>1Q 2011</td>
<td>2.88%</td>
</tr>
</tbody>
</table>

**Non-time Deposits & Cost of Interest-bearing Deposits**

<table>
<thead>
<tr>
<th>$ in billions</th>
<th>Non-time deposits</th>
<th>Cost of interest-bearing deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>$41.4</td>
<td>2.1%</td>
</tr>
<tr>
<td>2Q10</td>
<td>$51.9</td>
<td>1.5%</td>
</tr>
<tr>
<td>3Q10</td>
<td>$43.8</td>
<td>0.9%</td>
</tr>
<tr>
<td>4Q10</td>
<td>$65.9</td>
<td>1.0%</td>
</tr>
<tr>
<td>1Q11</td>
<td>$61.6</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

**Average CD Balances and Cost**

<table>
<thead>
<tr>
<th>$ in billions</th>
<th>CDS decreased by 45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>$23.1</td>
</tr>
<tr>
<td>2Q10</td>
<td>$20.5</td>
</tr>
<tr>
<td>3Q10</td>
<td>$17.3</td>
</tr>
<tr>
<td>4Q10</td>
<td>$15.6</td>
</tr>
<tr>
<td>1Q11</td>
<td>$13.8</td>
</tr>
</tbody>
</table>

**Key:**
- TE = Taxable equivalent
- (a) Average balances, excludes time deposits and deposits in foreign office.
### Enhancing Noninterest Income

#### Areas of Focus

- Targeting specific high-opportunity client segments in our Corporate Bank – using the balance sheet strategically
- Leveraging investment banking and capital markets opportunities
- Continuing to build out Private Banking platform and Key Investment Services
- Improving alignment of products and services across organization – business decisions based on highest value to clients and Key
- Evaluating response to Dodd-Frank for potential offsets to lost revenue

### Noninterest Income and % of Total Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Noninterest Income</th>
<th>Noninterest Income as % of Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>$400</td>
<td>40.0%</td>
</tr>
<tr>
<td>2Q10</td>
<td>$430</td>
<td>43.1%</td>
</tr>
<tr>
<td>3Q10</td>
<td>$440</td>
<td>44.1%</td>
</tr>
<tr>
<td>4Q10</td>
<td>$480</td>
<td>48.2%</td>
</tr>
<tr>
<td>1Q11</td>
<td>$470</td>
<td>47.1%</td>
</tr>
</tbody>
</table>

#### Diverse Noninterest Income – 1Q11

- Regional Banking: 39%
- Commercial Banking: 5%
- Real Estate Capital and Corporate Banking Services: 13%
- Institutional and Capital Markets: 29%
- Equipment Finance: 7%
- Other: 11%
Focused Expense Management

**Highlights**

- Implemented $317 million run rate of Keyvolution cost savings through 1Q11
- FDIC assessment expense expected to decline by $30 - $60 million in 2011
- Key expects quarterly noninterest expense to be in the range $700 - $725 in 2011

**Noninterest Expense and Average FTEs**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Noninterest Expense</th>
<th>Average FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>$785</td>
<td>10,200</td>
</tr>
<tr>
<td>2Q10</td>
<td>$769</td>
<td>10,400</td>
</tr>
<tr>
<td>3Q10</td>
<td>$726</td>
<td>9,900</td>
</tr>
<tr>
<td>4Q10</td>
<td>$744</td>
<td>10,300</td>
</tr>
<tr>
<td>1Q11</td>
<td>$701</td>
<td>10,500</td>
</tr>
</tbody>
</table>

**Lowering Noninterest Expense Base**

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-year noninterest expense</th>
<th>Qtr. Average noninterest expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$3,246</td>
<td>$812</td>
</tr>
<tr>
<td>2010</td>
<td>3,052</td>
<td>771</td>
</tr>
<tr>
<td>2011</td>
<td>2,600 - 2,900</td>
<td>700 - 725</td>
</tr>
</tbody>
</table>

(a) Noninterest expense excludes provision (credit) for losses on lending-related commitments and intangible asset impairment.
Pre-Provision Net Revenue (a) and ROAA (b)

(a) Net interest income plus taxable-equivalent adjustment and noninterest income less noninterest expense.
(b) From continuing operations.
Strong Capital Ratios

**Tangible Common Equity to Tangible Assets**

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7.97%</td>
<td>7.00%</td>
<td>6.99%</td>
<td>8.18%</td>
<td>9.18%</td>
</tr>
</tbody>
</table>

**Tier 1 Common Equity**

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7.35%</td>
<td>8.07%</td>
<td>8.51%</td>
<td>9.54%</td>
<td>10.79%</td>
</tr>
</tbody>
</table>

**Tier 1 Risk-Based Capital**

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>12.02%</td>
<td>13.02%</td>
<td>14.33%</td>
<td>14.66%</td>
<td>13.84%</td>
</tr>
</tbody>
</table>

**Total Risk-Based Capital**

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>17.02%</td>
<td>17.06%</td>
<td>16.32%</td>
<td>18.18%</td>
<td>17.08%</td>
</tr>
</tbody>
</table>

(a) 3-31-11 ratio is estimated.
Appendix
### Highlights

- **Portfolio composed of Agency or GSE backed:** GNMA, Fannie & Freddie
  - No private label MBS or financial paper
- Average portfolio maturity at March 31, 2011: 3.2 years
- Unrealized net gain of $366 million on available-for-sale securities portfolio at 3/31/11
- March CMO sale of $1.5 billion in connection with loss of CRE escrow deposits (brings quarter-end total down to $19.4 billion)

### Available for Sale Securities

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value in $M</th>
<th>Average Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q13</td>
<td>$153</td>
<td>3.12%</td>
</tr>
<tr>
<td>2Q13</td>
<td>$173</td>
<td>2.81%</td>
</tr>
<tr>
<td>3Q13</td>
<td>$203</td>
<td>2.47%</td>
</tr>
<tr>
<td>4Q13</td>
<td>$303</td>
<td>2.27%</td>
</tr>
<tr>
<td>1Q14</td>
<td>$513</td>
<td>2.10%</td>
</tr>
</tbody>
</table>

- **Average NGS securities**
- **Average yield**
### Credit Quality by Portfolio

#### $ in millions

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>3/31/11</th>
<th>9/30/11</th>
<th>12/31/10</th>
<th>06/30/10</th>
<th>3/31/11</th>
<th>3/31/10</th>
<th>Allowance / period-end loans</th>
<th>Allowance NPLs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial, financial and agricultural</td>
<td>$315,440</td>
<td>$315,311</td>
<td>$320,583</td>
<td>$324,535</td>
<td>$325,252</td>
<td>$346,819</td>
<td>2.52 %</td>
<td>189.38 %</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial mortgage</td>
<td>8,806</td>
<td>9,238</td>
<td>9,716</td>
<td>9,838</td>
<td>9,221</td>
<td>9,341</td>
<td>197.5</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>1,545</td>
<td>1,631</td>
<td>1,734</td>
<td>1,751</td>
<td>1,546</td>
<td>1,546</td>
<td>634</td>
<td>83.14</td>
</tr>
<tr>
<td>Commercial lease financing</td>
<td>0.350</td>
<td>0.525</td>
<td>0.719</td>
<td>0.908</td>
<td>0.327</td>
<td>0.441</td>
<td>2.34</td>
<td>314.04</td>
</tr>
<tr>
<td>Real estate - residential mortgage</td>
<td>1,803</td>
<td>1,810</td>
<td>1,888</td>
<td>2,003</td>
<td>1,806</td>
<td>1,806</td>
<td>222</td>
<td>47.67</td>
</tr>
<tr>
<td>Home equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community loan</td>
<td>4,471</td>
<td>4,653</td>
<td>4,824</td>
<td>4,868</td>
<td>4,461</td>
<td>4,461</td>
<td>172.74</td>
<td></td>
</tr>
<tr>
<td>ELB</td>
<td>1,827</td>
<td>1,907</td>
<td>2,020</td>
<td>2,020</td>
<td>1,827</td>
<td>1,827</td>
<td>172.74</td>
<td></td>
</tr>
<tr>
<td>Consumer - Community Bank</td>
<td>1,141</td>
<td>1,157</td>
<td>1,257</td>
<td>1,257</td>
<td>1,141</td>
<td>1,141</td>
<td>172.74</td>
<td></td>
</tr>
<tr>
<td>Consumer - Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage</td>
<td>2,112</td>
<td>2,174</td>
<td>2,217</td>
<td>2,217</td>
<td>2,122</td>
<td>2,122</td>
<td>172.74</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>150</td>
<td>156</td>
<td>156</td>
<td>156</td>
<td>150</td>
<td>150</td>
<td>172.74</td>
<td></td>
</tr>
<tr>
<td>Continuing total</td>
<td>$455,802</td>
<td>$493,212</td>
<td>$513,245</td>
<td>$524,647</td>
<td>$479,610</td>
<td>$499,610</td>
<td>$2.62 %</td>
<td>$153.61 %</td>
</tr>
</tbody>
</table>

NPL = Not Meaningful

(a) Net charge-off amounts are annualized in calculation. NCO ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value.

(b) 3/31/11 allowance by portfolio is estimated. Micro-averaged loans ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value.
### 1Q11 Loan Activity

#### Total Loans

<table>
<thead>
<tr>
<th></th>
<th>$ in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q11 loans</td>
<td>$60.1</td>
</tr>
<tr>
<td>Exit portfolio runoff</td>
<td>$(5)</td>
</tr>
<tr>
<td>Leases charged off</td>
<td>$(1.2)</td>
</tr>
<tr>
<td>Net decrease</td>
<td>$(1.0)</td>
</tr>
<tr>
<td>3Q11 loans</td>
<td>$48.5</td>
</tr>
</tbody>
</table>

#### CF&A and Leasing

<table>
<thead>
<tr>
<th></th>
<th>$ in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q11 loans</td>
<td>$22.0</td>
</tr>
<tr>
<td>Exit portfolio runoff</td>
<td>$(1)</td>
</tr>
<tr>
<td>Leases charged off</td>
<td>$(1)</td>
</tr>
<tr>
<td>Net decrease</td>
<td>$(1)</td>
</tr>
<tr>
<td>3Q11 loans</td>
<td>$22.6</td>
</tr>
</tbody>
</table>

#### Total Commercial Real Estate

<table>
<thead>
<tr>
<th></th>
<th>$ in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q11 loans</td>
<td>$11.6</td>
</tr>
<tr>
<td>Exit portfolio runoff</td>
<td>$0</td>
</tr>
<tr>
<td>Leases charged off</td>
<td>$(1)</td>
</tr>
<tr>
<td>Net decrease</td>
<td>$(0)</td>
</tr>
<tr>
<td>3Q11 loans</td>
<td>$10.6</td>
</tr>
</tbody>
</table>

#### Total Consumer

<table>
<thead>
<tr>
<th></th>
<th>$ in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q11 loans</td>
<td>$15.0</td>
</tr>
<tr>
<td>Exit portfolio runoff</td>
<td>$(1)</td>
</tr>
<tr>
<td>Leases charged off</td>
<td>$(1)</td>
</tr>
<tr>
<td>Net decrease</td>
<td>$(1)</td>
</tr>
<tr>
<td>3Q11 loans</td>
<td>$15.3</td>
</tr>
</tbody>
</table>

Decline in loan balances primarily due to reducing Commercial Real Estate exposure.

Numbers may not cross foot due to rounding.

(a) Exit portfolio runoff/paydown excludes net charge-offs.
## Commercial Real Estate Loans – 3/31/11

### Commercial Real Estate by Property Type and Geography

<table>
<thead>
<tr>
<th>Property Type</th>
<th>West</th>
<th>Southeast</th>
<th>Central</th>
<th>Midwest</th>
<th>Southwest</th>
<th>Total</th>
<th>% of Total CR$</th>
<th>Commercial Mortgage</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonowner-occupied</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail properties</td>
<td>$260</td>
<td>$193</td>
<td>$336</td>
<td>$271</td>
<td>$213</td>
<td>$1.92B</td>
<td>17.9%</td>
<td>$1.557B</td>
<td>$330</td>
</tr>
<tr>
<td>Multifamily properties</td>
<td>178</td>
<td>179</td>
<td>178</td>
<td>196</td>
<td>201</td>
<td>1.51M</td>
<td>14.2%</td>
<td>1.254M</td>
<td>464</td>
</tr>
<tr>
<td>Health facilities</td>
<td>800</td>
<td>174</td>
<td>132</td>
<td>144</td>
<td>157</td>
<td>1.05M</td>
<td>9.8%</td>
<td>983</td>
<td>53</td>
</tr>
<tr>
<td>Office buildings</td>
<td>147</td>
<td>74</td>
<td>132</td>
<td>134</td>
<td>72</td>
<td>885</td>
<td>8.1%</td>
<td>714</td>
<td>151</td>
</tr>
<tr>
<td>Warehouses</td>
<td>288</td>
<td>-</td>
<td>78</td>
<td>74</td>
<td>89</td>
<td>490</td>
<td>4.7%</td>
<td>480</td>
<td>18</td>
</tr>
<tr>
<td>Residential properties</td>
<td>98</td>
<td>26</td>
<td>36</td>
<td>77</td>
<td>73</td>
<td>4.25K</td>
<td>0.4%</td>
<td>119</td>
<td>313</td>
</tr>
<tr>
<td>Vacant land</td>
<td>75</td>
<td>-</td>
<td>4</td>
<td>147</td>
<td>37</td>
<td>337</td>
<td>2.9%</td>
<td>247</td>
<td>60</td>
</tr>
<tr>
<td>Other</td>
<td>83</td>
<td>72</td>
<td>13</td>
<td>51</td>
<td>98</td>
<td>335</td>
<td>3.1%</td>
<td>311</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total nonowner-occupied</strong></td>
<td>1,465</td>
<td>604</td>
<td>1,107</td>
<td>1,182</td>
<td>1,495</td>
<td>1.28B</td>
<td>11.0%</td>
<td>1.140B</td>
<td>6.58B</td>
</tr>
<tr>
<td>Owner-occupied</td>
<td>1,488</td>
<td>60</td>
<td>1,343</td>
<td>782</td>
<td>110</td>
<td>3,511</td>
<td>31.3%</td>
<td>3,247</td>
<td>391</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,973</td>
<td>551</td>
<td>1,441</td>
<td>1,300</td>
<td>1,685</td>
<td>5,785</td>
<td>100.0%</td>
<td>5,815</td>
<td>5,961</td>
</tr>
</tbody>
</table>

### Notes:
- N/A: Not meaningful
- Nonresidential land and development loans.
Commercial Real Estate Transformation

Total Outstanding Balances at 12/31/07 = $17.7 billion
- Owner-occupied: 26%
- Nonowner-occupied commercial mortgage: 24%
- Nonowner-occupied construction: 40%

Total Outstanding Balances at 3/31/11 = $10.7 billion
- Owner-occupied: 32%
- Nonowner-occupied construction: 18%
- Nonowner-occupied commercial mortgage: 52%

Commercial Real Estate loan balances decreased by 40% since 2007
## Commercial Real Estate Credit Quality

<table>
<thead>
<tr>
<th></th>
<th>Period-end loans</th>
<th>Nonperforming loans</th>
<th>Net loan charge-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-31-11</td>
<td>12-31-10</td>
<td>3-31-11</td>
</tr>
<tr>
<td>Retail properties</td>
<td>$1,907</td>
<td>$2,117</td>
<td>$69</td>
</tr>
<tr>
<td>Multifamily properties</td>
<td>1,518</td>
<td>1,085</td>
<td>21</td>
</tr>
<tr>
<td>Health facilities</td>
<td>1,056</td>
<td>1,097</td>
<td>35</td>
</tr>
<tr>
<td>Office buildings</td>
<td>865</td>
<td>990</td>
<td>30</td>
</tr>
<tr>
<td>Warehouses</td>
<td>498</td>
<td>507</td>
<td>12</td>
</tr>
<tr>
<td>Residential properties</td>
<td>425</td>
<td>525</td>
<td>100</td>
</tr>
<tr>
<td>Hotels/motels</td>
<td>307</td>
<td>308</td>
<td>1</td>
</tr>
<tr>
<td>Land and development&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>209</td>
<td>262</td>
<td>12</td>
</tr>
<tr>
<td>Other CRE</td>
<td>355</td>
<td>374</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total nonowner-occupied</strong></td>
<td><strong>7,140</strong></td>
<td><strong>7,875</strong></td>
<td><strong>302</strong></td>
</tr>
<tr>
<td>Owner-occupied</td>
<td>3,511</td>
<td>3,733</td>
<td>89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,651</strong></td>
<td><strong>$11,608</strong></td>
<td><strong>$391</strong></td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Nonresidential land and development loans.
### Community Bank – Home Equity

<table>
<thead>
<tr>
<th>$ In millions, except average loan size</th>
<th>Loan Balance</th>
<th>Average Loan Size ($)</th>
<th>Average PICO (%)</th>
<th>Average LTV (%)</th>
<th>% of Loans</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 and prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home equity loans and lines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First lien</td>
<td>4,969</td>
<td>$ 57,717</td>
<td>750</td>
<td>66 %</td>
<td>.5 %</td>
<td>14 %</td>
<td>11 %</td>
<td>12 %</td>
<td>8 %</td>
<td>6 %</td>
<td>9 %</td>
<td>55 %</td>
<td></td>
</tr>
<tr>
<td>Second lien</td>
<td>4,452</td>
<td>$ 44,205</td>
<td>748</td>
<td>79</td>
<td>3.5 %</td>
<td>10 %</td>
<td>9 %</td>
<td>9 %</td>
<td>8 %</td>
<td>6 %</td>
<td>7 %</td>
<td>45 %</td>
<td></td>
</tr>
<tr>
<td>Total home equity loans and lines</td>
<td>9,421</td>
<td>$ 101,922</td>
<td>749</td>
<td>70</td>
<td>1.9 %</td>
<td>10 %</td>
<td>9 %</td>
<td>9 %</td>
<td>6 %</td>
<td>4 %</td>
<td>5 %</td>
<td>50 %</td>
<td></td>
</tr>
<tr>
<td>Nonacquial loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First lien</td>
<td>93</td>
<td>$ 70,888</td>
<td>700</td>
<td>73 %</td>
<td>.4 %</td>
<td>1 %</td>
<td>2 %</td>
<td>4 %</td>
<td>3%</td>
<td>4 %</td>
<td>4 %</td>
<td>79 %</td>
<td></td>
</tr>
<tr>
<td>Second lien</td>
<td>40</td>
<td>$ 54,738</td>
<td>707</td>
<td>79</td>
<td>5.0 %</td>
<td>-</td>
<td>2 %</td>
<td>15 %</td>
<td>23 %</td>
<td>5 %</td>
<td>10 %</td>
<td>70 %</td>
<td></td>
</tr>
<tr>
<td>Total home equity nonacquial loans</td>
<td>133</td>
<td>$ 125,626</td>
<td>708</td>
<td>75</td>
<td>2.4 %</td>
<td>-</td>
<td>3 %</td>
<td>15 %</td>
<td>23 %</td>
<td>5 %</td>
<td>10 %</td>
<td>70 %</td>
<td></td>
</tr>
<tr>
<td>First quarter net charge-offs</td>
<td>26</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>1.93 %</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Exit Portfolio – Home Equity

<table>
<thead>
<tr>
<th>$ In millions, except average loan size</th>
<th>Loan Balance</th>
<th>Average Loan Size ($)</th>
<th>Average PICO (%)</th>
<th>Average LTV (%)</th>
<th>% of Loans</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 and prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home equity loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First lien</td>
<td>27</td>
<td>$ 22,946</td>
<td>748</td>
<td>32 %</td>
<td>.5 %</td>
<td>-</td>
<td>1 %</td>
<td>26 %</td>
<td>75 %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second lien</td>
<td>600</td>
<td>$ 25,657</td>
<td>731</td>
<td>87</td>
<td>32.8 %</td>
<td>-</td>
<td>2</td>
<td>40</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total home equity loans</td>
<td>627</td>
<td>$ 48,603</td>
<td>731</td>
<td>83</td>
<td>31.4 %</td>
<td>-</td>
<td>1</td>
<td>40</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonacquial loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First lien</td>
<td>11</td>
<td>$ 18,002</td>
<td>692</td>
<td>39 %</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7 %</td>
<td>93 %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second lien</td>
<td>122</td>
<td>$ 28,648</td>
<td>702</td>
<td>84</td>
<td>35.6 %</td>
<td>-</td>
<td>2 %</td>
<td>35</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total home equity nonacquial loans</td>
<td>133</td>
<td>$ 46,650</td>
<td>703</td>
<td>83</td>
<td>34.1 %</td>
<td>-</td>
<td>2</td>
<td>37</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First quarter net charge-offs</td>
<td>14</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>6.76 %</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

(e) Average LTVs are at origination. Current average LTVs for Community Bank total home equity loans and lines is approximately 79%, which compares to 76% at the end of the fourth quarter of 2010.
## Exit Loan Portfolio

### Exit Loan Portfolio

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>3-31-12</th>
<th>3-31-13</th>
<th>Change 3-31-11 vs. 3-31-12</th>
<th>Net Loan Charge-offs</th>
<th>Balance on Nonperforming Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential properties—homebuilder</td>
<td>957</td>
<td>913</td>
<td>829</td>
<td>32</td>
<td>896</td>
<td>544</td>
</tr>
<tr>
<td>Marine and RV floor plan</td>
<td>150</td>
<td>150</td>
<td>(18)</td>
<td>3</td>
<td>12</td>
<td>35</td>
</tr>
<tr>
<td>Commercial lease financing(1)</td>
<td>1,983</td>
<td>2,043</td>
<td>(135)</td>
<td>2</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Total commercial leases</td>
<td>2,136</td>
<td>2,226</td>
<td>(190)</td>
<td>7</td>
<td>46</td>
<td>149</td>
</tr>
<tr>
<td>Home equity—Other</td>
<td>1,087</td>
<td>1,056</td>
<td>(31)</td>
<td>14</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Marine</td>
<td>2,112</td>
<td>2,234</td>
<td>(122)</td>
<td>19</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>RV and other consumer</td>
<td>150</td>
<td>150</td>
<td>(12)</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>2,990</td>
<td>3,002</td>
<td>(17)</td>
<td>34</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>Total exit loans in loan portfolio</td>
<td>55,045</td>
<td>55,395</td>
<td>3,340</td>
<td>341</td>
<td>381</td>
<td>3,145</td>
</tr>
</tbody>
</table>

**Discontinued operations—educational lending business (not included in exit loans above)**(2)  
$6,318   $6,468   $(148)   $35     $72      $19

### Exit Loan Portfolio Trend (Excluding Discontinued Operations)

![Graph](image)

(a) Includes the business aviation, commercial vehicle, office products, construction and industrial leases, Canadian lease financing portfolios, and all remaining balances related to lease in, lease out, sale in, sale out, service contract leases, and qualified technological equipment leases.

(b) Includes loans in Key's consolidated education loan securitization trusts.
Credit Quality Trends

![Delinquencies to Period-end Total Loans](chart1.png)

![Quarterly Change in Criticized Outstandings](chart2.png)

(Back To Top)

**Section 4: EX-99.3 (EX-99.3)**

**Exhibit 99.3**

**Consolidated Balance Sheets**

(dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$48,552</td>
<td>$50,107</td>
<td>$55,913</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>426</td>
<td>467</td>
<td>556</td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>19,448</td>
<td>21,933</td>
<td>16,553</td>
</tr>
<tr>
<td>Held-to-maturity securities</td>
<td>19</td>
<td>17</td>
<td>22</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>1,041</td>
<td>985</td>
<td>1,034</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>3,705</td>
<td>1,344</td>
<td>4,345</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,402</td>
<td>1,358</td>
<td>1,525</td>
</tr>
<tr>
<td><strong>Total earning assets</strong></td>
<td>74,593</td>
<td>76,211</td>
<td>79,948</td>
</tr>
<tr>
<td>Allowance for loan and lease losses</td>
<td>(1,372)</td>
<td>(1,604)</td>
<td>(2,425)</td>
</tr>
<tr>
<td>Cash and due from banks</td>
<td>540</td>
<td>278</td>
<td>619</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>906</td>
<td>908</td>
<td>872</td>
</tr>
<tr>
<td>Operating lease assets</td>
<td>491</td>
<td>509</td>
<td>652</td>
</tr>
<tr>
<td>Goodwill</td>
<td>917</td>
<td>917</td>
<td>917</td>
</tr>
<tr>
<td><strong>Other intangible assets</strong></td>
<td>20</td>
<td>21</td>
<td>46</td>
</tr>
<tr>
<td>Corporate-owned life insurance</td>
<td>3,187</td>
<td>3,167</td>
<td>3,087</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>1,005</td>
<td>1,006</td>
<td>1,063</td>
</tr>
<tr>
<td>Accrued income and other assets</td>
<td>3,758</td>
<td>3,876</td>
<td>4,150</td>
</tr>
<tr>
<td>Discontinued assets</td>
<td>6,393</td>
<td>6,554</td>
<td>6,374</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$90,438</td>
<td>$91,843</td>
<td>$95,303</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits in domestic offices:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOW and money market deposit accounts</td>
<td>$26,177</td>
<td>$27,066</td>
<td>$25,068</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>1,964</td>
<td>1,879</td>
<td>1,873</td>
</tr>
<tr>
<td>Certificates of deposit ($100,000 or more)</td>
<td>5,314</td>
<td>5,862</td>
<td>10,188</td>
</tr>
<tr>
<td>Other time deposits</td>
<td>7,597</td>
<td>8,245</td>
<td>12,010</td>
</tr>
<tr>
<td><strong>Total interest-bearing deposits</strong></td>
<td>41,052</td>
<td>43,052</td>
<td>49,139</td>
</tr>
<tr>
<td>Noninterest-bearing deposits</td>
<td>16,495</td>
<td>16,653</td>
<td>15,364</td>
</tr>
<tr>
<td>Deposits in foreign office — interest-bearing</td>
<td>3,263</td>
<td>905</td>
<td>646</td>
</tr>
<tr>
<td><strong>Total deposits</strong></td>
<td>$60,810</td>
<td>$60,610</td>
<td>$65,149</td>
</tr>
<tr>
<td>Federal funds purchased and securities sold under repurchase agreements</td>
<td>2,232</td>
<td>2,045</td>
<td>1,927</td>
</tr>
<tr>
<td>Bank notes and other short-term borrowings</td>
<td>685</td>
<td>1,151</td>
<td>446</td>
</tr>
<tr>
<td></td>
<td>1,106</td>
<td>1,142</td>
<td>1,103</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expense and other liabilities</td>
<td>1,931</td>
<td>1,931</td>
<td>2,089</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>11,048</td>
<td>10,592</td>
<td>11,177</td>
</tr>
<tr>
<td>Discontinued liabilities</td>
<td>2,929</td>
<td>2,998</td>
<td>2,490</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>80,741</td>
<td>80,469</td>
<td>84,381</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th></th>
<th>291</th>
<th>291</th>
<th>291</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred stock, Series A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock, Series B</td>
<td></td>
<td>2,446</td>
<td>2,434</td>
</tr>
<tr>
<td>Common shares</td>
<td>1,017</td>
<td>946</td>
<td>946</td>
</tr>
<tr>
<td>Common stock warrant</td>
<td>87</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>4,167</td>
<td>3,711</td>
<td>3,724</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>5,721</td>
<td>5,557</td>
<td>5,098</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td>(1,823)</td>
<td>(1,904)</td>
<td>(1,958)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(35)</td>
<td>(17)</td>
<td>19</td>
</tr>
<tr>
<td>Key shareholders' equity</td>
<td>9,425</td>
<td>11,17</td>
<td>10,641</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>272</td>
<td>257</td>
<td>281</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>9,697</td>
<td>11,434</td>
<td>10,922</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>90,438</th>
<th>91,843</th>
<th>95,303</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Common shares outstanding (000) | 953,926 | 880,608 | 879,052 |
## Consolidated Statements of Income

(dollars in millions, except per share amounts)

<table>
<thead>
<tr>
<th>Interest income</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$570</td>
<td>$617</td>
<td>$710</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>166</td>
<td>170</td>
<td>150</td>
</tr>
<tr>
<td>Held-to-maturity securities</td>
<td>—</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Trading account assets</td>
<td>7</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other investments</td>
<td>12</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
<td>$760</td>
<td>$811</td>
<td>$892</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest expense</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>110</td>
<td>124</td>
<td>212</td>
</tr>
<tr>
<td>Federal funds purchased and securities sold under repurchase agreements</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Bank notes and other short-term borrowings</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>49</td>
<td>53</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total interest expense</strong></td>
<td>$163</td>
<td>$182</td>
<td>$267</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net interest income</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>$597</td>
<td>$629</td>
<td>$625</td>
</tr>
<tr>
<td>Provision (credit) for loan and lease losses</td>
<td>$(40)</td>
<td>$(97)</td>
<td>$413</td>
</tr>
<tr>
<td><strong>Net interest income (expense) after provision for loan and lease losses</strong></td>
<td>$637</td>
<td>$726</td>
<td>$212</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noninterest income</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and investment services income</td>
<td>110</td>
<td>108</td>
<td>114</td>
</tr>
<tr>
<td>Service charges on deposit accounts</td>
<td>68</td>
<td>70</td>
<td>76</td>
</tr>
<tr>
<td>Operating lease income</td>
<td>35</td>
<td>42</td>
<td>47</td>
</tr>
<tr>
<td>Letter of credit and loan fees</td>
<td>55</td>
<td>51</td>
<td>40</td>
</tr>
<tr>
<td>Corporate-owned life insurance income</td>
<td>27</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td>Net securities gains (losses)</td>
<td>(1)</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Electronic banking fees</td>
<td>30</td>
<td>31</td>
<td>27</td>
</tr>
<tr>
<td>Gains on leased equipment</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Insurance income</td>
<td>15</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Net gains (losses) from loan sales</td>
<td>19</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Net gains (losses) from principal investing</td>
<td>35</td>
<td>(6)</td>
<td>37</td>
</tr>
<tr>
<td>Investment banking and capital markets income (loss)</td>
<td>43</td>
<td>65</td>
<td>9</td>
</tr>
<tr>
<td>Other income</td>
<td>17</td>
<td>66</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>$457</td>
<td>$526</td>
<td>$450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noninterest expense</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>371</td>
<td>365</td>
<td>362</td>
</tr>
<tr>
<td>Net occupancy</td>
<td>65</td>
<td>70</td>
<td>66</td>
</tr>
<tr>
<td>Operating lease expense</td>
<td>28</td>
<td>28</td>
<td>39</td>
</tr>
<tr>
<td>Computer processing</td>
<td>42</td>
<td>45</td>
<td>47</td>
</tr>
<tr>
<td>Business services and professional fees</td>
<td>38</td>
<td>56</td>
<td>38</td>
</tr>
<tr>
<td>FDIC assessment</td>
<td>29</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>OREO expense, net</td>
<td>10</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>Equipment</td>
<td>26</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Marketing</td>
<td>10</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Provision (credit) for losses on lending-related commitments</td>
<td>(4)</td>
<td>(26)</td>
<td>(2)</td>
</tr>
<tr>
<td>Other expense</td>
<td>86</td>
<td>121</td>
<td>129</td>
</tr>
<tr>
<td><strong>Total noninterest expense</strong></td>
<td>$701</td>
<td>$744</td>
<td>$785</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income (loss) from continuing operations before income taxes</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income taxes</td>
<td>393</td>
<td>508</td>
<td>(123)</td>
</tr>
<tr>
<td><strong>Income (loss) from continuing operations</strong></td>
<td>$282</td>
<td>$336</td>
<td>(41)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income (loss) from continuing operations, net of taxes</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income (loss) (net)</strong></td>
<td>$271</td>
<td>$323</td>
<td>(39)</td>
</tr>
<tr>
<td>Less: Net income (loss) attributable to noncontrolling interests</td>
<td>8</td>
<td>3</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net income (loss) attributable to Key</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss) attributable to Key</strong></td>
<td>$263</td>
<td>$320</td>
<td>$(55)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income (loss) from continuing operations attributable to Key common shareholders</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income (loss) from continuing operations attributable to Key common shareholders</strong></td>
<td>$184</td>
<td>$292</td>
<td>$(98)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>173</td>
<td>279</td>
<td>(96)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per common share</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) from continuing operations attributable to Key common shareholders</td>
<td>$21</td>
<td>$33</td>
<td>$(11)</td>
</tr>
<tr>
<td><strong>Income (loss) from continuing operations, net of taxes</strong></td>
<td>$(0.01)</td>
<td>$(0.02)</td>
<td>--</td>
</tr>
<tr>
<td>Net income (loss) attributable to Key common shareholders</td>
<td>0.20</td>
<td>0.32</td>
<td>(0.11)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per common share — assuming dilution</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
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<td><strong>Income (loss) from continuing operations, net of taxes</strong></td>
<td>$(0.01)</td>
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<td>0.19</td>
<td>0.32</td>
<td>(0.11)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash dividends declared per common share</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash dividends declared per common share</strong></td>
<td>$0.01</td>
<td>$0.01</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weighted-average common shares outstanding (000)</th>
<th>3-31-11</th>
<th>12-31-10</th>
<th>3-31-10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weighted-average common shares outstanding (000)</strong></td>
<td>881,894</td>
<td>875,501</td>
<td>874,386</td>
</tr>
<tr>
<td>Weighted-average common shares and potential common shares outstanding (000)</td>
<td>887,836</td>
<td>900,263</td>
<td>874,386</td>
</tr>
</tbody>
</table>
(a) For the three months ended March 31, 2011, December 31, 2010 and March 31, 2010, Key did not have any impairment losses related to securities.

(b) Assumes conversion of stock options and/or Preferred Series A shares, as applicable.

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