

FINANCIAL HIGHLIGHTS

dollars in millions, except per share amounts

	2009	2008
YEAR ENDED DECEMBER 31,		
Total revenue	\$ 4,415	\$ 4,163
Noninterest expense	3,554	3,476
Provision for loan losses	3,159	1,537
Income (loss) from continuing operations attributable to Key before cumulative effect of accounting change	(1,287)	(1,295)
Income (loss) from discontinued operations, net of taxes	(48)	(173)
Net income (loss) attributable to Key	(1,335)	(1,468)
Income (loss) from continuing operations attributable to Key common shareholders		
	(1,581)	(1,337)
Net income (loss) attributable to Key common shareholders	(1,629)	(1,510)
PER COMMON SHARE		
Income (loss) from continuing operations attributable to Key common shareholders	\$(2.27)	\$(2.97)
Income (loss) from discontinued operations, net of taxes	(.07)	(.38)
Net income (loss) attributable to Key common shareholders	(2.34)	(3.36)
Income (loss) from continuing operations attributable to Key common shareholders—assuming dilution		
	(2.27)	(2.97)
Income (loss) from discontinued operations, net of taxes—assuming dilution	(.07)	(.38)
Net income (loss) attributable to Key common shareholders—assuming dilution	(2.34)	(3.36)
Cash dividends paid	.0925	1.00
Book value at year end	9.04	14.97
Tangible book value at year end	7.94	12.48
Market price at year end	5.55	8.52
Weighted-average common shares (000)	697,155	450,039
Weighted-average common shares and potential common shares (000)	697,155	450,039
AT DECEMBER 31,		
Loans	\$58,770	\$ 72,835
Earning assets	80,318	89,759
Total assets	93,287	104,531
Deposits	65,571	65,127
Key shareholders' equity	10,663	10,480
Common shares outstanding (000)	878,535	495,002
PERFORMANCE RATIOS		
From continuing operations:		
Return on average total assets	(1.35)%	(1.29)%
Return on average common equity	(19.00)	(16.22)
Net interest margin (taxable equivalent)	2.83	2.15
From consolidated operations:		
Return on average total assets	(1.34)%	(1.41)%
Return on average common equity	(19.62)	(18.32)
Net interest margin (taxable equivalent)	2.81	2.16
CAPITAL RATIOS		
Key shareholders' equity to assets	11.43%	10.03
Tangible common equity to tangible assets	7.56	5.95
Tier 1 risk-based capital	12.75	10.92
Total risk-based capital	16.95	14.82

OVERVIEW

Cleveland-based KeyCorp (NYSE: KEY) is one of the nation's largest bank-based financial services companies, with assets of approximately \$95 billion. Key companies provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for certain businesses, internationally.

KeyCorp, whose roots date to 1825, is a fusion of many banking and financial companies. In 1994, two of its most prominent predecessors—Albany, New York-based KeyCorp and Cleveland-based Society Corporation—merged and established headquarters in Cleveland. Since then, Key has continued to grow through numerous acquisitions, adding clients, locations and expertise.

Key's strategy is to build enduring relationships, make a positive impact in our communities, and have an engaged, capable and diverse workforce to create shareholder value.

OUR VISION:

To be the most admired financial services company in the markets we serve.

OUR MISSION:

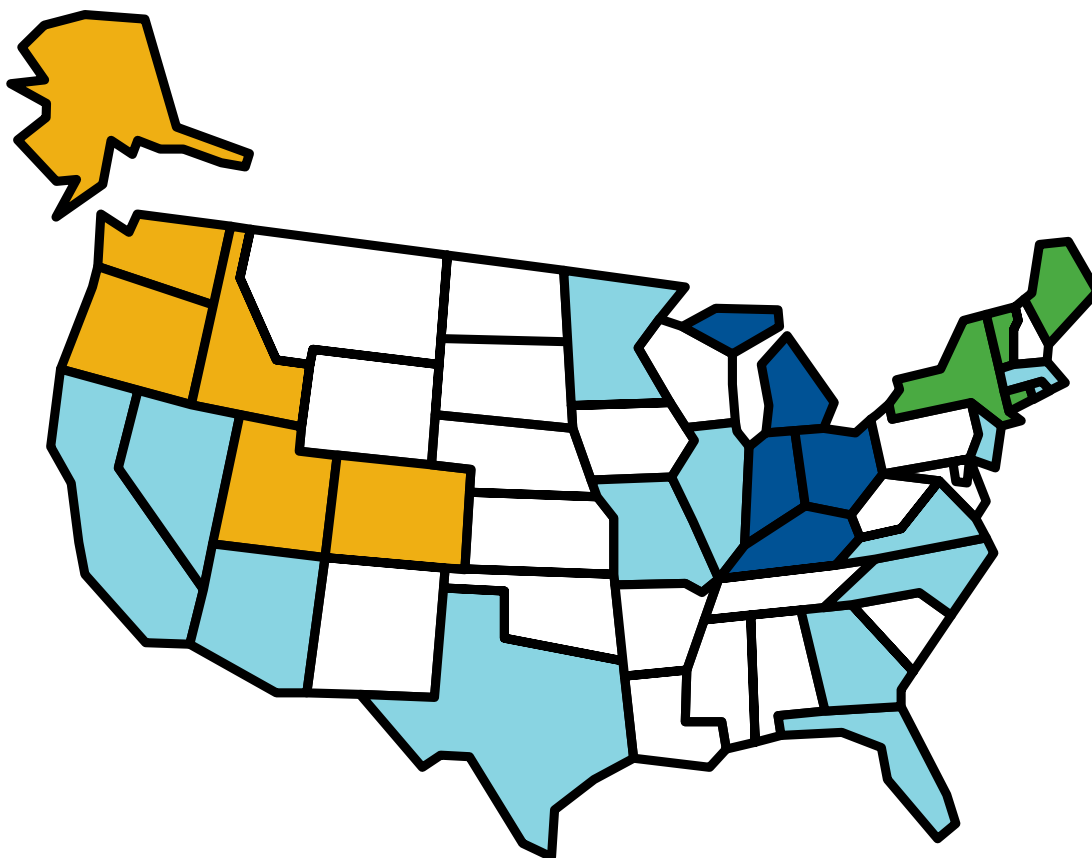
To generate value for our stakeholders by becoming our clients' trusted advisor.

OUR VALUES:

The values of teamwork, respect, integrity, accountability and leadership reflect the behaviors and principles we stand for as a company.



Key at a Glance



FACILITIES AND FINANCIAL DATA BY REGION

	COMMUNITY BANKING			NATIONAL BANKING
	Rocky Mountains and Northwest	Great Lakes	Northeast	Includes offices in these states and all Community Banking regions
Branches	368	342	304	
ATMs	532	540	429	
Loans	\$11.3	\$7.4	\$6.3	
Deposits	\$16.3	\$17.0	\$15.8	

Loan and deposit figures are average balances, in billions, for the year ended December 31, 2009.

KEYCORP HONORS

- Named to *DiversityInc* magazine's "Top 50" companies for CEO commitment, communications, supplier diversity, work/life balance and mentoring, among other qualities, for 2008 and 2009
- Awarded seven consecutive "Outstanding" ratings by the Office of the Comptroller of the Currency for achievements in economic development and community investment. Key is the only bank among the 50 largest national banks in America to achieve this distinction since the passage of the Community Reinvestment Act in 1977
- Recipient of LEED (Leadership in Energy and Environmental Design) certification from the U.S. Green Building Council for rigorous environmental design and energy efficiency at Cleveland technology campus
- Named "Best in Class" by the Commission on Economic Inclusion for its 15.2 percent procurement spend with minority- and women-owned suppliers in 2009, more than three times the national average

Key Community Banking



Key Community Banking includes the consumer and business banking organizations associated with the company's 14-state branch network. The branch network is organized into three geographic regions: Rocky Mountains and Northwest, Great Lakes and Northeast.

- **KeyBank Regional Banking** professionals serve individuals and small businesses with a wide array of deposit, investment, lending, mortgage and wealth management products and services. These products and services allow clients to manage their personal finances, start or expand a business, save for retirement or other purposes, or purchase or renovate their homes. Business units include: Retail Banking, Business Banking, Wealth Management, Private Banking, Key Investment Services and KeyBank Mortgage. Clients enjoy access to services through a network of

1,014 branches, 1,501 ATMs, state-of-the-art call centers and an award-winning Internet site, key.com.

- **KeyBank Commercial Banking** relationship managers and specialists advise midsize businesses across the branch network. They offer a broad range of products and services, including commercial lending, cash management, equipment leasing, investment and employee benefit programs, succession planning, derivatives, foreign exchange and access to capital markets.

NOTEWORTHY • Nation's 15th largest branch network • One of the nation's top providers, by total loan balance, of small business loans.

Key National Banking

Key National Banking includes those corporate and consumer business units that operate from offices within and outside Key's 14-state branch network. Its reach extends across the U.S. and to more than 40 countries. National Banking includes: KeyBank Real Estate Capital, Corporate Banking Services, Key Equipment Finance, KeyBanc Capital Markets and Victory Capital Management.

- **KeyBank Real Estate Capital** is one of the nation's leading providers of capital to professional real estate developers, owners, investors, real estate investment trusts (REITs) and public companies. The group delivers financial solutions for all phases of a real estate project, including interim and construction lending, permanent debt placements, project mezzanine and equity, cash management and investment banking. The group also includes one of the country's largest and highest-rated commercial mortgage servicers.

- **Corporate Banking Services** provides treasury management, interest rate derivatives, and foreign exchange products and services to clients throughout the Community Banking and National Banking organizations. Through its Public Sector and Financial Institutions businesses, Corporate Banking Services provides a full array of commercial banking products and services to government and not-for-profit entities, and to community banks.

- **Key Equipment Finance** includes Lease Advisory and Distribution Services and Equipment Finance. Lease Advisory and Distribution Services provides large-ticket structured financing, equipment securitization products, and syndication and advisory

capabilities for commercial, industrial and financial companies. Equipment Finance provides tailored equipment financing solutions for small-to-large businesses, and supports equipment vendors by developing and administering leasing programs for their business customers.

- **KeyBanc Capital Markets** provides corporate and investment banking and capital markets capabilities to deliver strategic ideas and capital to emerging and middle market clients. Clients benefit from the group's focused industry expertise and consistent, integrated team approach that brings product-neutral financing solutions that help businesses succeed.

- **Victory Capital Management** is an investment advisory firm that manages more than \$48 billion in investment portfolios for both institutional and retail clients. Victory's institutional client base is derived from four primary channels: public plans, Taft-Hartley plans, corporations, and endowments and foundations. The firm also manages more than 20 proprietary mutual funds for both the retirement and retail channels, which are distributed through external wirehouses and broker dealers.

NOTEWORTHY • Nation's fifth largest servicer of commercial mortgage loans • One of the nation's largest capital providers to the multi-family housing sector including FHA, Fannie Mae and Freddie Mac programs • Nation's fourth largest bank-held equipment financing company (originations) • Victory Capital Management ranks among the nation's 125 largest investment managers (assets under management).



Key Tower, Cleveland, Ohio

KEY IN THE COMMUNITY

The most significant investment we make is in our communities. Our commitment takes many forms, including philanthropic investments, volunteerism and civic leadership. We focus our philanthropic investments on supporting workforce development and financial education programs that promote economic self-sufficiency. Our objective is to improve the quality of life and economic vibrancy of the places where our clients, employees and shareholders live and work.

FOSTERING INCLUSION IN A DIVERSE WORLD

Diversity means understanding and valuing differences, while drawing on similarities to achieve a common goal. At Key, we are developing a workforce and way of doing business that reflects the diversity of our clients and communities. We do this by recruiting and developing top talent that blends participation of minorities and women into the management of our business.

Economic inclusion also is a part of Key's overall diversity strategy. It means we're expanding mutually beneficial business relationships with minority- and women-owned suppliers. In 2009, Key's spend with minority- and women-owned business enterprises (M/WBEs) was 15.2 percent of our national procurement spend, more than 3 times the national corporate average of 5 percent. Since 2001, Key's aggregate spend with M/WBEs has reached nearly \$500 million. This enables Key to deliver exceptional products and services to our clients. It also builds the economic wealth of the communities we serve by providing open opportunities and fair competition. "Inclusion is a bridge between our workplace and our marketplace. It helps our business grow. Expanding the diversity of our workforce expands the depth of our talent and that increases our ability to perform. And, a collaborative working environment creates a more stable workforce, which helps us work more productively," says Key CEO Henry Meyer.

WORKING AT KEY

We encourage the highest achievements. Making a personal difference. If these beliefs are important to your professional satisfaction, you will be in good company at Key. Every day throughout our organization, our employees exhibit the highest level of initiative, which has made us one of America's most recognized names in bank-based financial services. Our success is achieved through our greatest asset—our people. People dedicated to our core values. As such, Key seeks individuals who share our core values.

HOW TO REACH KEY

Corporate Headquarters
216.689.6300
key.com
Hearing Impaired—800.539.8336

Client Information

Consumers
800.KEY2YOU®

Corporate and Institutional Banking
800.821.2829

Equipment Finance
888.301.6238
KEFonline.com

Business Banking
888.KEY4BIZ®
key.com/smallbiz
key.com/women

Victory Capital Management
800.523.7248
VictoryConnect.com

Key Corporate Information

Employment
key.com/careers

Government Relations
216.689.4486

Investor Relations
216.689.4221
key.com/IR

KeyBank Foundation
216.828.7397
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News Media Relations
216.828.7416
key.com/newsroom

KEYCORP MANAGEMENT COMMITTEE

<p>Henry L. Meyer III <i>Chairman and Chief Executive Officer</i></p> <p>Michael P. Barnum <i>Executive Vice President Key Enterprise Operations</i></p> <p>Alvin B. Coppolo <i>Executive Vice President Key Enterprise Technology</i></p> <p>Christopher M. Gorman <i>Senior Executive Vice President Key National Banking</i></p> <p>Karen R. Haefling <i>Executive Vice President Chief Marketing and Communications Officer</i></p> <p>Paul N. Harris <i>Executive Vice President Secretary and General Counsel</i></p>	<p>Thomas E. Helfrich <i>Executive Vice President Chief Human Resources Officer</i></p> <p>Charles S. Hyle <i>Senior Executive Vice President Chief Risk Officer</i></p> <p>Beth E. Mooney <i>Vice Chair Key Community Banking</i></p> <p>Thomas C. Stevens <i>Vice Chair Chief Administrative Officer</i></p> <p>Jeffrey B. Weeden <i>Senior Executive Vice President Chief Financial Officer</i></p>
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GREEN AT KEY



In 2009, *Newsweek* ranked Key among the top 500 greenest companies in America. Our multi-year branch renovation project – which includes hundreds of Key branches around the country – includes biodegradable materials, energy-efficient systems and lighting, and video walls that reduce paper merchandising.

KeyBank Capital Markets has been a leading provider of financing for wind turbine generators and wind power projects, and we now are funding solar plants. Our Go Green Auto Loan program offers a discounted rate for qualifying hybrid, alternate-fuel or fuel-efficient vehicles.

As a leader in check imaging, which allows tellers to capture check images at the teller station, Key has reduced the handling and transporting of paper checks around the country, which conserves fuel and paper, and has saved Key an estimated \$7-\$8 million annually in transportation costs.

The company's SmartPrint program has cut the number of printers and copiers by 75 percent and reduced impressions and color printing by half. To help monitor paper use, automated reports now tell each employee how much they print.