

KeyCorp

Fourth Quarter 2023 Earnings Review

January 18, 2024

Chris Gorman
Chairman and
Chief Executive Officer

Clark Khayat
Chief Financial Officer



Forward-looking Statements and Additional Information

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, KeyCorp's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "seek," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "plan," "predict," "project," "forecast," "guidance," "goal," "objective," "prospects," "possible," "potential," "strategy," "opportunities," or "trends," by future conditional verbs such as "assume," "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are based on assumptions that involve risks and uncertainties, which are subject to change based on various important factors (some of which are beyond KeyCorp's control). Actual results may differ materially from current projections.

Actual outcomes may differ materially from those expressed or implied as a result of the factors described under "Forward-looking Statements" and "Risk Factors" in KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2022, Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and in other filings of KeyCorp with the Securities and Exchange Commission (the "SEC"). Such forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events. For additional information regarding KeyCorp, please refer to our SEC filings available at www.key.com/ir.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. This presentation also includes certain non-GAAP financial measures related to "tangible common equity" and "cash efficiency ratio." Although Key has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components, they have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of results under GAAP. For more information on these calculations and to view the reconciliations to the most comparable GAAP measures, please refer to the appendix of this presentation, or page 49 of our Form 10-Q dated September 30, 2023.

Certain income or expense items may be expressed on a per common share basis. This is done for analytical and decision-making purposes to better discern underlying trends in total consolidated earnings per share performance excluding the impact of such items. When the impact of certain items is disclosed separately, the after-tax amount is computed using the marginal tax rate, with this then being the amount used to calculate the earnings per share equivalent.

GAAP: Generally Accepted Accounting Principles



2023 Results

Strengthened the foundation to drive sound, profitable growth moving forward



Supported clients through dynamic market conditions

- Growth in commercial clients and consumer households
- Raised \$80Bn in capital for our clients



Navigated balance sheet through volatile markets

- Focused on relationships, primacy and quality deposits, while deemphasizing non-relationship business
- Significantly improved funding and liquidity



Improved capital position

- CET1 ratio increased 90bps in 2023, above target range of 9-9.5%
- Achieved ~\$14Bn reduction in RWAs, exceeding full year target⁽¹⁾



Focused on expense management – simplifying and streamlining our businesses

- Held core expenses relatively stable, despite inflationary headwinds
- Continued to invest in differentiated fee-based businesses



Maintained solid credit quality and strong risk management discipline

- Net charge-offs to average loans remain near historic lows
- Proven and mature underwrite-to-distribute business model
- Low exposure to leveraged lending, office, and other high-risk categories



Well-positioned for the future

- Significant NII opportunity from swaps and US Treasuries maturing
- Advantaged from strong fee businesses; upside as capital markets normalize
- High-quality portfolio with strong credit quality

10.0%

Common Equity
Tier 1⁽²⁾

+16%

Increase in Tangible
Book Value / Share QoQ

+\$3Bn

Increase in Deposits
(period-end basis)

+4% / +3%

Growth in Commercial Clients
and Consumer Relationship
Households

21bps

NCOs to Average
Loans



Note: All metrics are full year unless otherwise noted

(1) 12/31/2023 figures are estimated; (2) 12/31/2023 figures are estimated and reflect Key's election to adopt the CECL optional transition provision

Financial Review

Financial Highlights

Continuing operations, unless otherwise noted

	4Q23	3Q23	4Q22	LQ Δ	Y/Y Δ	
Profitability	EPS – assuming dilution <small>Includes \$0.22 impact from selected items⁽¹⁾</small>	\$.03	\$.29	\$.38	(89.7) %	(92.1) %
	Cash efficiency ratio ⁽²⁾	88.6 %	70.3 %	60.3 %	1,830 bps	2,830 bps
	Return on average tangible common equity ⁽²⁾	1.5	12.4	18.1	(1,090)	(1,660)
	Return on average total assets	.14	.62	.83	(48)	(69)
	Net interest margin	2.07	2.01	2.73	6	(66)
Capital	Common Equity Tier 1 ⁽³⁾	10.0 %	9.8 %	9.1 %	20 bps	90 bps
	Tier 1 risk-based capital ⁽³⁾	11.7	11.4	10.6	30	110
	Tangible common equity to tangible assets ⁽²⁾	5.1	4.4	4.4	70	70
Asset Quality	NCOs to average loans	.26 %	.24 %	.14 %	2 bps	12 bps
	NPLs to EOP portfolio loans	.51	.39	.32	12	19
	Allowance for credit losses to EOP loans	1.60	1.54	1.31	6	29



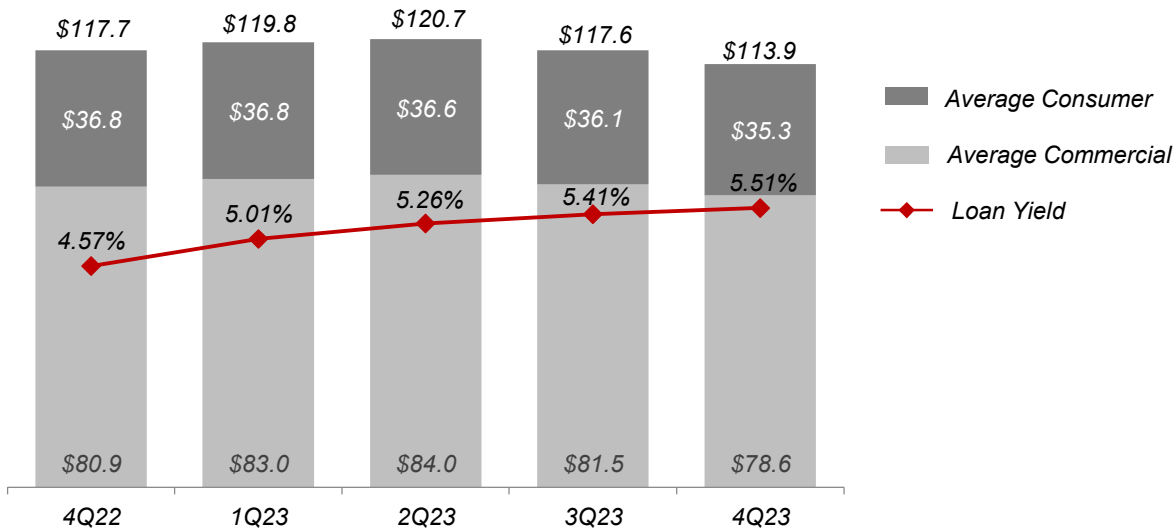
EOP = End of Period; (1) Selected items include FDIC special assessment, efficiency related expenses, and a pension settlement charge; please see slide 30 for breakout on Selected Items Impact on Earnings; (2) Non-GAAP measure: see appendix for reconciliation; (3) 12/31/2023 ratios are estimated and reflect Key's election to adopt the CECL optional transition provision

Loans

Results reflect our balance sheet optimization efforts as we deemphasize non-relationship business

Total Average Loans

\$ in billions



Highlights

vs. Prior Year

- **Average loans down 3% from 4Q22**
 - Decline in C&I loans (-\$1.5Bn)
 - Decrease in average consumer loans (-\$1.4Bn) driven by a decline in home equity and consumer direct loans

vs. Prior Quarter

- **Average loans down 3% from 3Q23**
 - Driven by our balance sheet optimization efforts as we deemphasize non-relationship business
 - Decline in average commercial loans (-\$3.0Bn) reflective of a decrease in C&I loans
 - Decline in average consumer loans (-\$727MM) driven by lower consumer mortgage and home equity loan balances

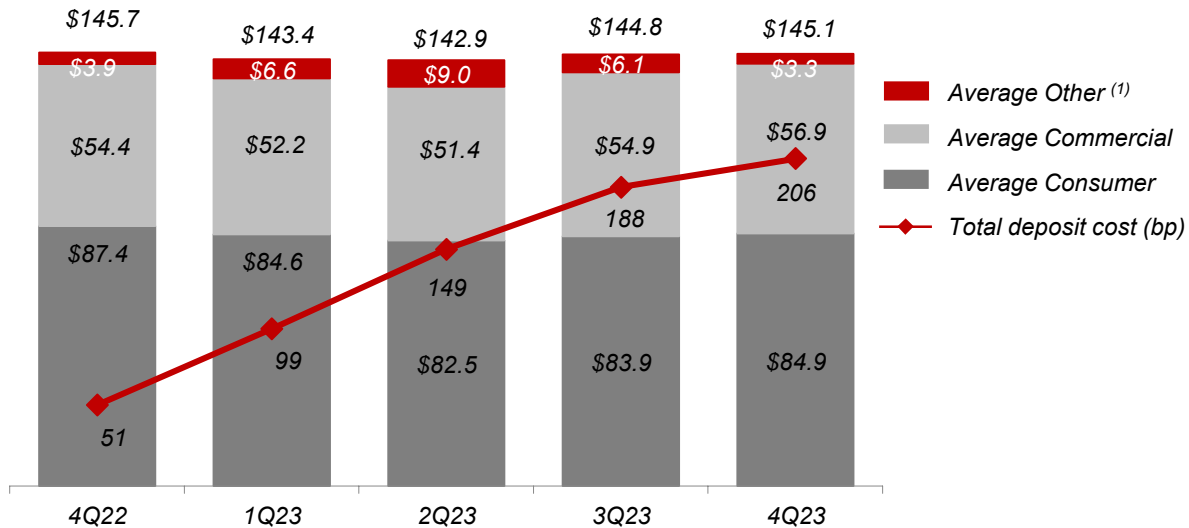


Deposits

Primacy focus driving customer and deposit growth with average and ending balances up vs. prior quarter

Total Average Deposits

\$ in billions



Highlights

- Cumulative total interest-bearing deposit beta: 49%⁽²⁾

vs. Prior Year

- Average deposits were relatively stable from 4Q22
 - Decrease driven by changing client behavior reflective of higher interest rates
- Grew period-end deposits by \$3Bn

vs. Prior Quarter

- Average deposits were relatively stable from 3Q23
 - Driven by a seasonal increase in commercial deposit balances
 - The increase was partly offset by a decline in other time deposits, reflecting lower wholesale deposits (\$5Bn of average brokered deposits in 4Q23)



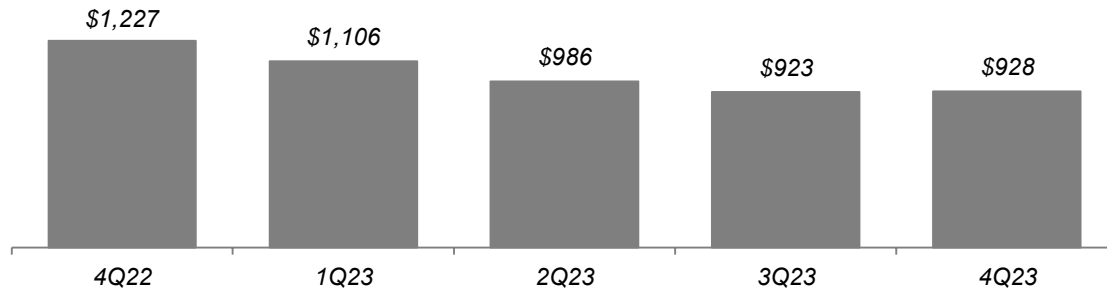
(1) Other includes treasury brokered deposits and other deposits; (2) Cumulative beta indexed to 4Q21

Net Interest Income and Margin

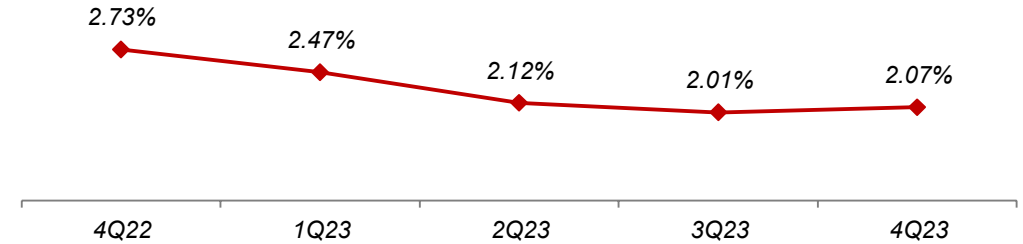
Net interest income in the quarter reflected the continued higher interest rate environment and our balance sheet positioning

Net Interest Income (TE)

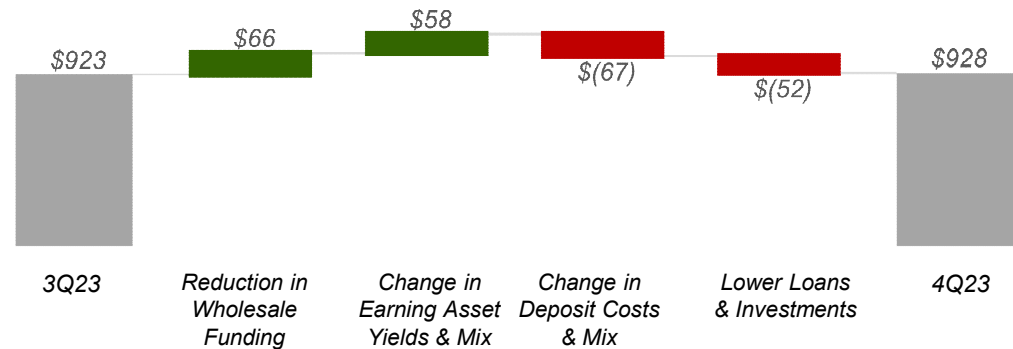
\$ in millions, continuing operations



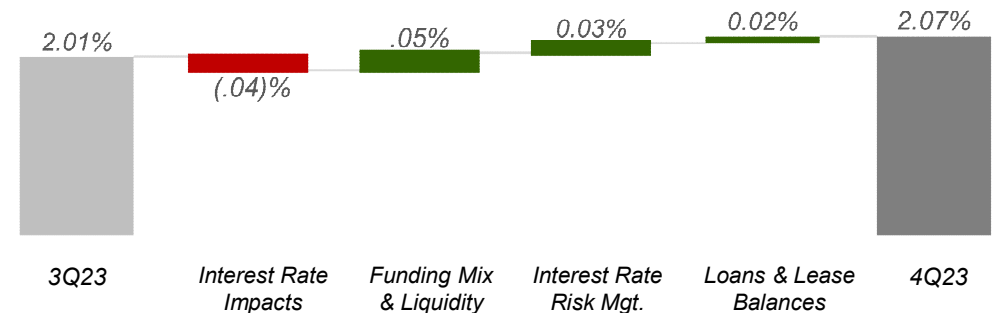
Net Interest Margin Trend (TE)



Net Interest Income Walk (TE)



Net Interest Margin Walk (TE)



TE = Taxable equivalent

Noninterest Income

Continued challenging environment for investment banking and debt placement fees

Noninterest Income

<i>\$ in millions - up / (down)</i>	4Q23	vs. 4Q22	vs. 3Q23
Trust and investment services income	\$ 132	\$ 6	\$ 2
Investment banking and debt placement fees	136	(36)	(5)
Cards and payments income	84	(1)	(6)
Service charges on deposit accounts	65	(6)	(4)
Corporate services income	67	(22)	(6)
Commercial mortgage servicing fees	48	6	2
Corporate-owned life insurance	36	3	1
Consumer mortgage income	11	2	(4)
Operating lease income and other leasing gains	22	(2)	-
Other income	9	(11)	(13)
Total noninterest income	\$ 610	\$ (61)	\$ (33)

Highlights

vs. Prior Year

- **Noninterest income down \$61MM (-9%) from 4Q22**
 - Lower investment banking and debt placement fees (-\$36MM) driven by lower syndication fees and M&A advisory fees
 - Decline in corporate services income (-\$22MM) driven by lower customer derivatives trading activity and related revenue

vs. Prior Quarter

- **Noninterest income down \$33MM (-5%) from 3Q23**
 - Decline in other income (-\$13MM) driven by a gain on a loan sale in the prior quarter
 - Decline in cards and payments income (-\$6MM) and corporate services income (-\$6MM) reflecting lower customer derivatives trading revenue



Noninterest Expense

Excluding the select items⁽¹⁾, expenses remained relatively stable compared to the prior quarter and down from the year-ago period

Noninterest Expense

<i>\$ in millions - favorable / (unfavorable)</i>	4Q23	vs. 4Q22	vs. 3Q23
Personnel	\$ 674	\$ -	\$ (11)
Net occupancy	65	7	2
Computer processing	92	(10)	(3)
Business services and professional fees	44	16	(6)
Equipment	24	(4)	(4)
Operating lease expense	18	4	-
Marketing	31	-	(3)
Other expense	424	(229)	(237)
Total noninterest expense	\$ 1,372	\$ (216)	\$ (262)

Primarily includes (-\$39MM) of severance

Includes pension settlement (-\$18MM), efficiency related expenses (-\$24MM), and FDIC special assessment (-\$190MM)

Highlights

vs. Prior Year

- **Noninterest expense up \$216MM (+19%) from 4Q22**
 - Increase was driven by the following select items⁽¹⁾ in the fourth quarter of 2023:
 - \$190MM FDIC special assessment charge
 - \$67MM from efficiency related expenses
 - \$18MM from a pension settlement charge

vs. Prior Quarter

- **Noninterest expense up \$262MM (+24%) from 3Q23**
 - Increase was driven by the select impacts⁽¹⁾ listed above

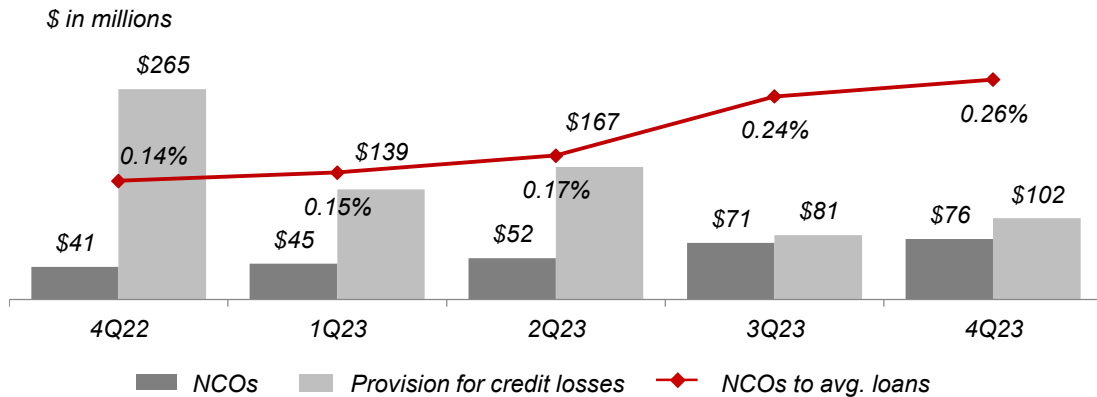


(1) Selected items include FDIC special assessment, efficiency related expenses, and a pension settlement charge; please see slide 30 for breakout on Selected Items Impact on Earnings

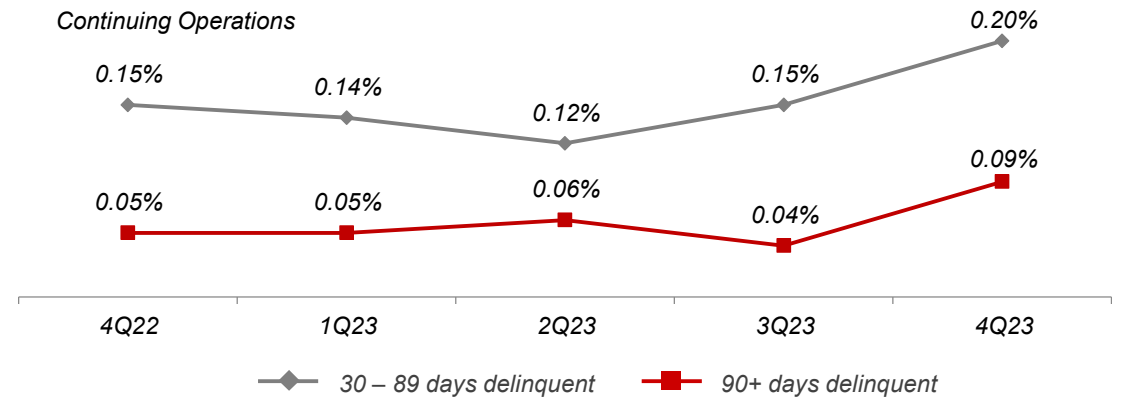
Credit Quality

Disciplined underwriting with net charge-offs remaining below our long-term targeted range

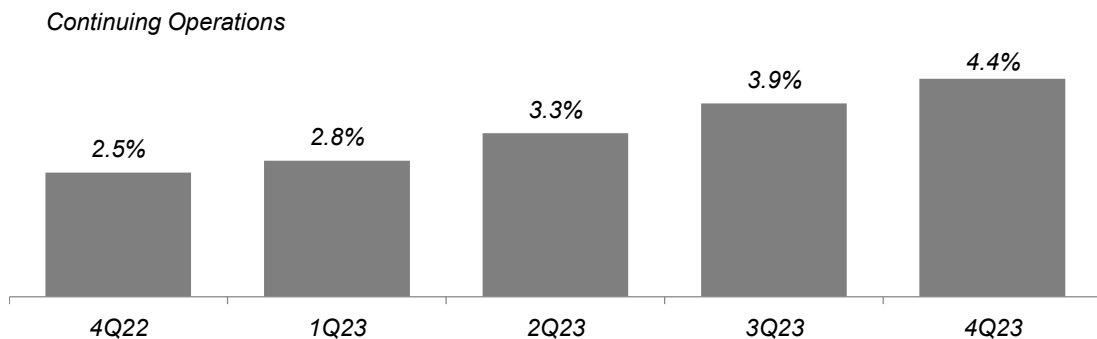
Net Charge-offs & Provision for Credit Losses



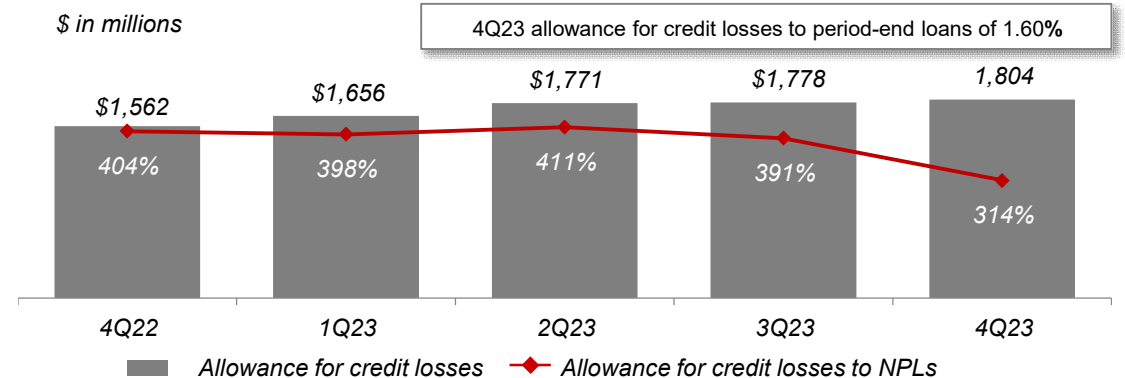
Delinquencies to Period-end Total Loans



Criticized Outstandings⁽¹⁾ to Period-end Total Loans



Allowance for Credit Losses (ACL)



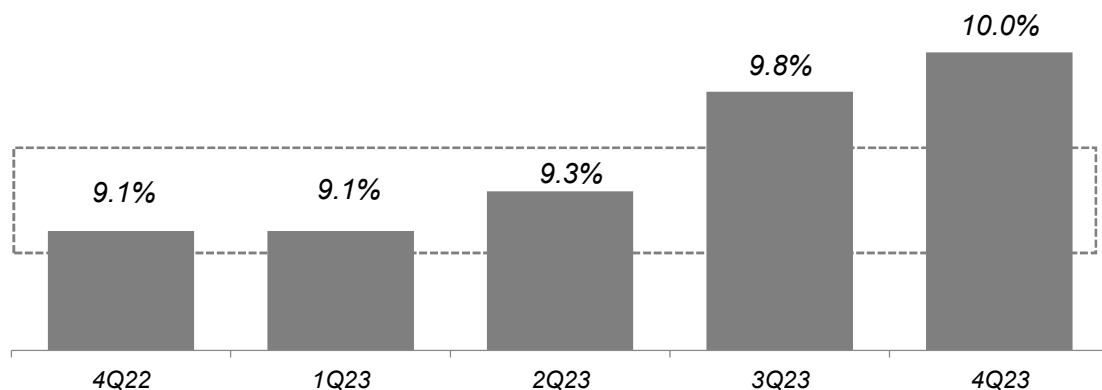
NCO = Net charge-off NPL = Nonperforming Loans
 (1) Loan and lease outstandings

Capital

Strong regulatory capital position with our primary ratio up 20 basis points QoQ and 90 basis points YoY, well above our targeted range

Common Equity Tier 1⁽¹⁾

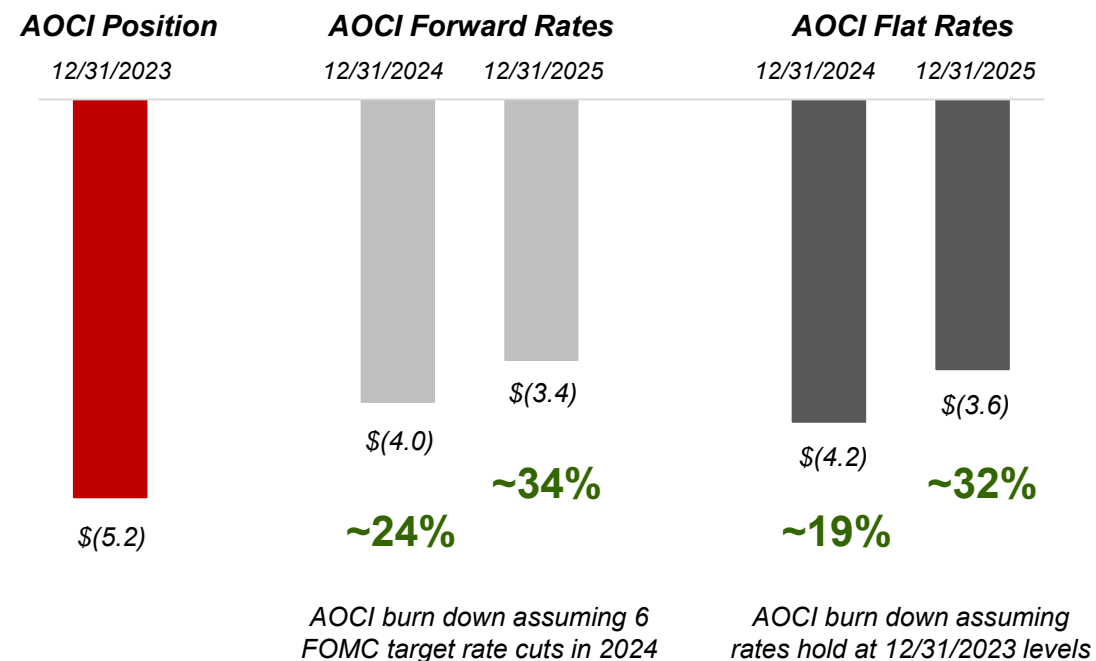
Target operating range: 9% - 9.5%



- Priorities remain unchanged: focused on supporting relationship clients and dividends
- Declared 1Q24 dividend of \$.205 per common share

Projected AOCI Impacts⁽²⁾

\$ in billions



A = Actual; E = Estimated

(1) 12/31/23 ratio is estimated and reflects Key's election to adopt the CECL optional transition provision; (2) Assumes market forwards as of December 31, 2023

2024 Outlook

FY 2024 Growth (vs. FY 2023)

Balance Sheet	<ul style="list-style-type: none"> • Average Loans: down 5 - 7% EOP Loans: relatively stable vs. YE23 balances • Average Deposits: flat to down 2%
Net Interest Income (TE)	<ul style="list-style-type: none"> • Net interest income: down 2 - 5% <ul style="list-style-type: none"> ➢ Up low-single digits vs. 4Q23 annualized exit rate ➢ 10%+ 4Q24 vs. 4Q23
Noninterest Income	<ul style="list-style-type: none"> • Noninterest income: up 5%+ <ul style="list-style-type: none"> ➢ With upside if capital markets activity normalizes
Noninterest Expense	<ul style="list-style-type: none"> • Noninterest expense: relatively stable⁽¹⁾
Credit Quality	<ul style="list-style-type: none"> • Net charge-offs to average loans: 30 – 40 bps
Taxes	<ul style="list-style-type: none"> • GAAP tax rate: ~20%

Long-term Targets

Positive operating leverage

Cash efficiency ratio:
54% - 56%

Moderate risk profile:
Net charge-offs to avg. loans
targeted range of 40-60 bps

ROTCE:
16% - 19%



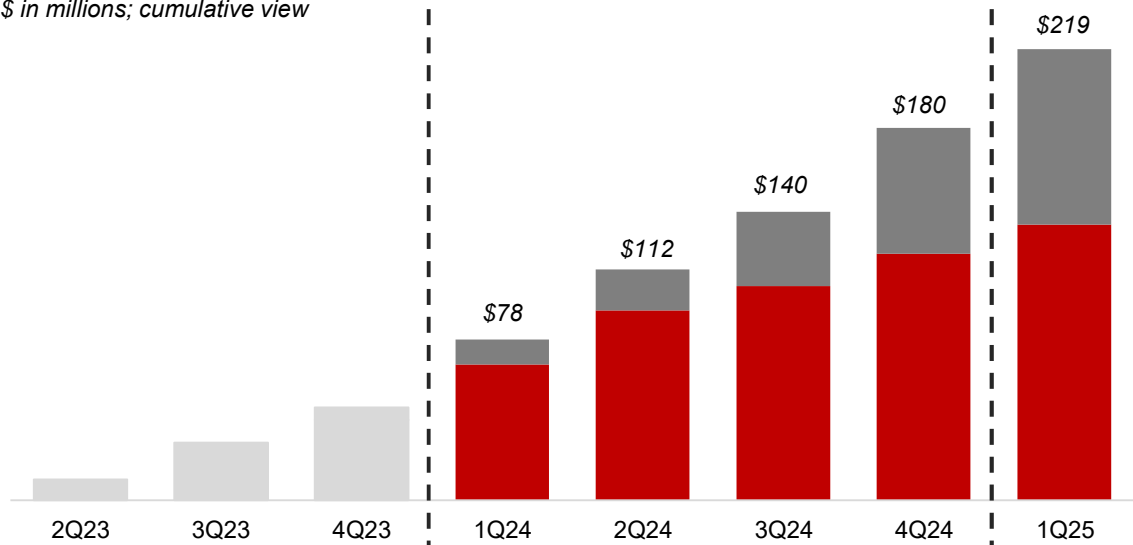
Note: Guidance range: relatively stable: +/- 2%

(1) The noninterest expense guidance excludes the FDIC special assessment of \$190MM, efficiency related expenses of \$131MM, and a pension settlement charge of \$18MM

Net Interest Income Outlook

Tailwinds from Short-term Swaps & Treasuries Maturities⁽¹⁾

\$ in millions; cumulative view



1

- ~\$180MM annualized benefit in 4Q run rate
- ~\$85MM of benefit realized in 2023

2

- ~\$500MM expected total benefit in 2024
- ~\$400MM expected incremental benefit FY24 vs. FY23
- ~\$330MM expected incremental benefit FY24 vs. 4Q23 annualized run rate

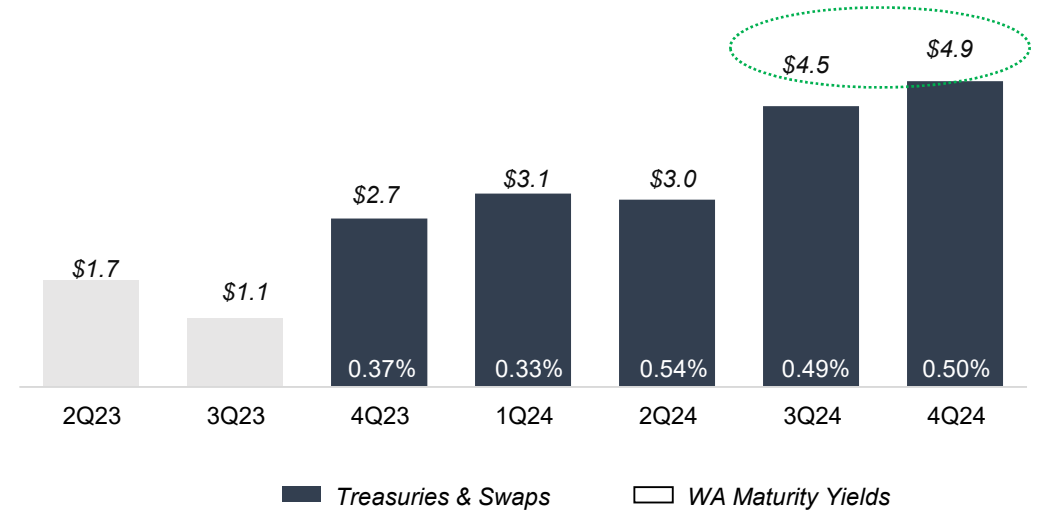
3

- ~\$900MM expected annualized NII opportunity by 1Q25

Benefit Realized Swaps Treasuries

Maturities Schedule

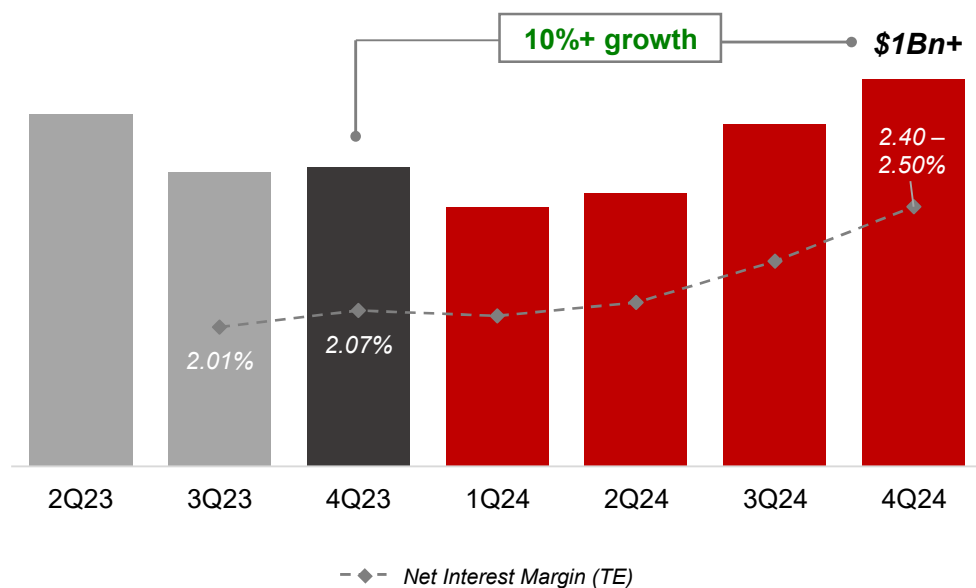
\$ in billions



(1) Assumes the forward curve as of 12/31/2023 and maturities to occur on the last day of each quarter; only includes swap and Treasury maturities

Net Interest Income Outlook

NII & NIM Outlook



Other Key Inputs & Assumptions

- **Interest Rates:** Blend of 12/31/23 and 1/5/24 forward curves
- **Loan Balances**
 - Period-end loans relatively stable (12/31/24 vs 12/31/23)
- **Deposit Costs**
 - Deposit costs peak in 1H24
 - Lag in Consumer betas for first few rate cuts
- **Deposit Balances and Mix**
 - Avg deposits flat to down slightly (4Q24 vs 4Q23)
 - Some continued modest migration from NIB to IB deposits
- **Balance Sheet Trends**
 - 1Q seasonal deposit declines and day count
 - Loan balances trough in 1H24 and build in 2H24



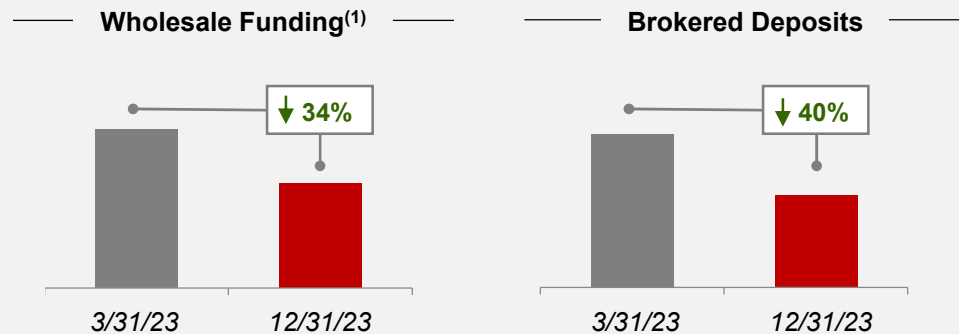
Appendix

Positioned for the Future

Made significant progress in 2023 to position Key for the future and for the new environment

Repositioned Company in 2023

- ✓ **Proactive balance sheet management**
 - Significantly increase CET1 through RWA optimization
 - Vastly improved liquidity and funding profile
- ✓ **Targeted expense reductions to hold expenses relatively stable**
- ✓ **Right-sized the balance sheet**



Well-Positioned Moving Forward

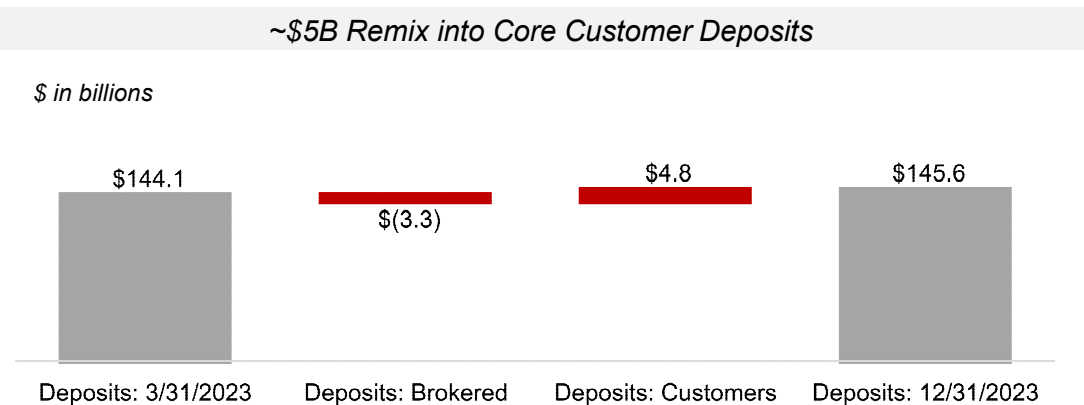
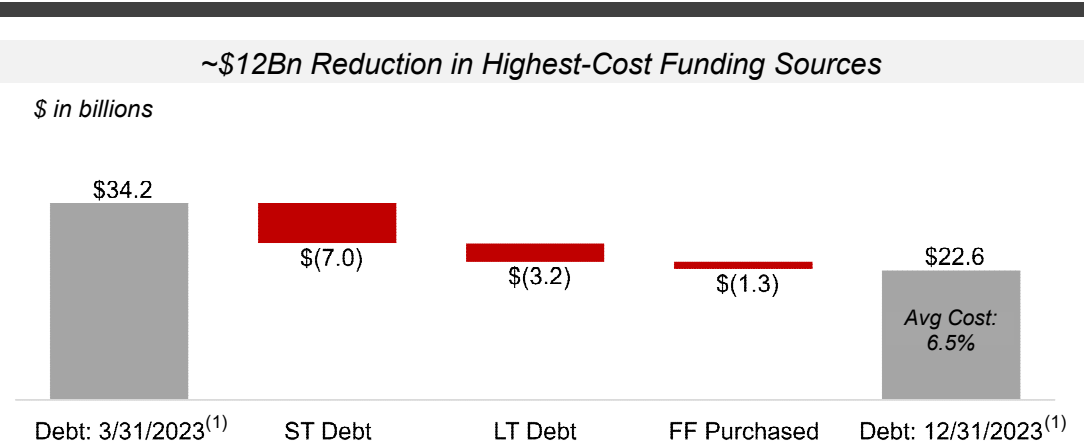
- ✓ **Franchise momentum, client growth, consistent business flows, strong deposit performance**
- ✓ **Upside to capital markets recovery**
- ✓ **Strengths play to market trends**
 - Strong fee businesses
 - Underwrite-to-distribute business model
- ✓ **Core funded balance sheet more resilient to changes in interest rates**
- ✓ **Benefit from the roll-off of swaps and Treasuries**
 - ~\$900MM annualized NII opportunity by 1Q25
- ✓ **High quality portfolio with strong credit quality**
 - Low exposure to hot spots including leveraged lending, office, and construction



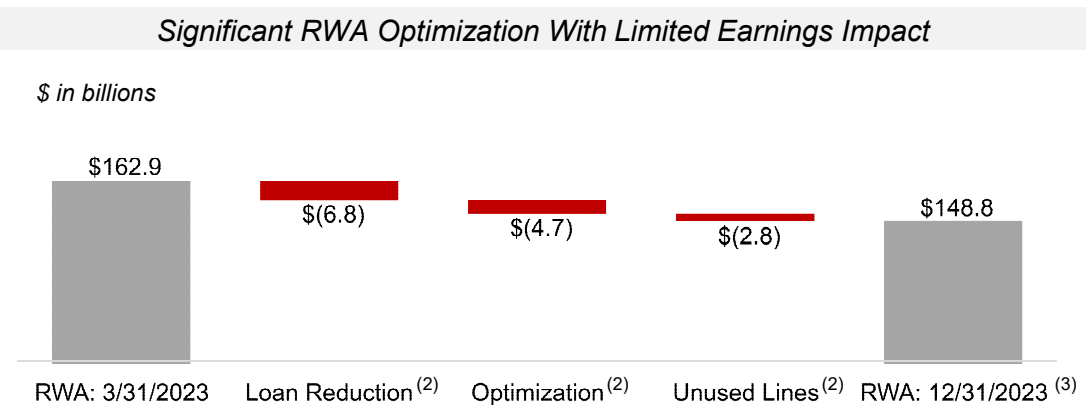
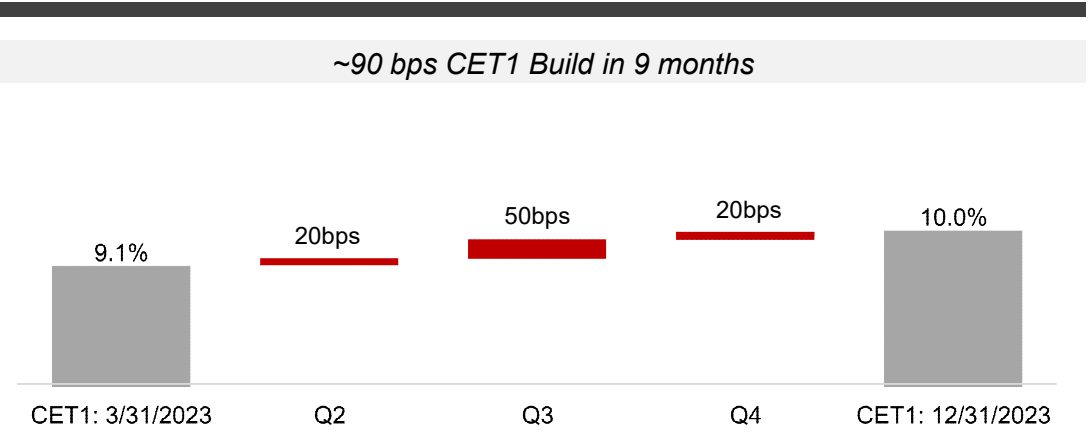
(1) Wholesale funding includes Federal funds purchased and securities sold under repurchase agreements, bank notes and other short-term borrowings, and long-term debt

Strengthened the Balance Sheet

Significant Funding Improvement



Earning Asset Optimization



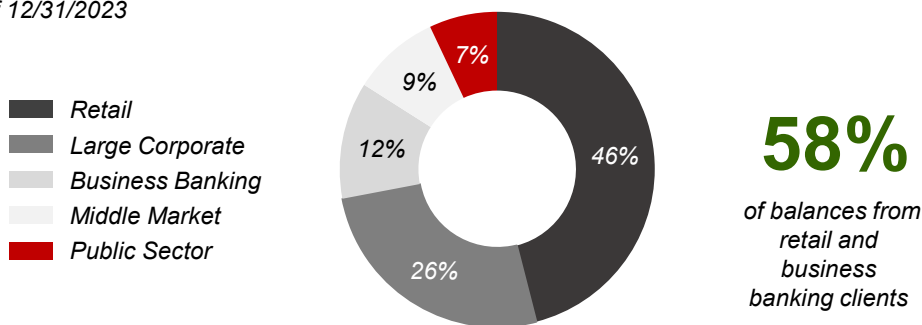
(1) Wholesale funding includes Federal funds purchased and securities sold under repurchase agreements, bank notes and other short-term borrowings, and long-term debt; (2) Information may not foot to data contained in FR Y-9C; (3) 12/31/2023 figures are estimated; table may not foot due to rounding

Deposits: A Diverse Core Base

Key's deposit base is made up of over 3.5 million retail, small business, private banking, and commercial clients, with two-thirds of balances covered by FDIC insurance or collateralized

4Q23 Mix by Client

As of 12/31/2023

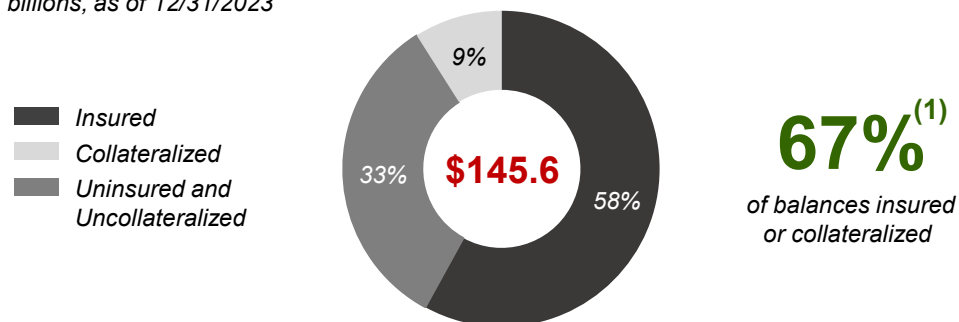


Highlights

- \$13.1Bn of uninsured deposits are collateralized by government-backed securities
- Commercial deposit balances driven by relationship client
 - 79% of commercial deposits in core operating accounts
 - ~96% of all commercial deposits have an operating account
- Loan-to-deposit ratio: 78%⁽²⁾

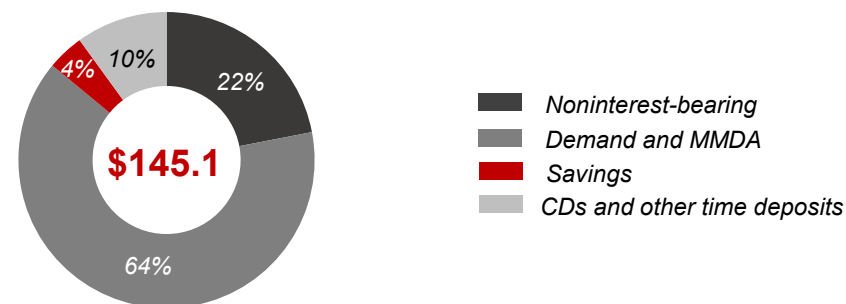
4Q23 Mix by Insurance Coverage

\$ in billions, as of 12/31/2023



4Q23 Average Deposit Mix

\$ in billions



Note: All figures are based on 12/31/2023 period-end data unless otherwise noted

(1) Includes collateralized state and municipal balances and excludes bank and nonbank subsidiaries; (2) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits

Commercial Business Loan Detail

Total Commercial Loans

\$ in millions	12/31/23	% of total loans
Commercial and industrial	\$ 55,815	50%
Commercial real estate	18,253	16
Commercial lease financing	3,523	3
Total Commercial	\$ 77,591	69%

Portfolio Highlights

- Target specific client segments focused in seven industry verticals
- Experienced bankers with deep industry expertise
- Focused on high quality clients
- Small, stable leveraged portfolio: ~2% of total loans
- Strong credit quality metrics
 - Disciplined, consistent underwriting
 - Active surveillance with ongoing portfolio reviews
 - Dynamic assessment of ratings migration

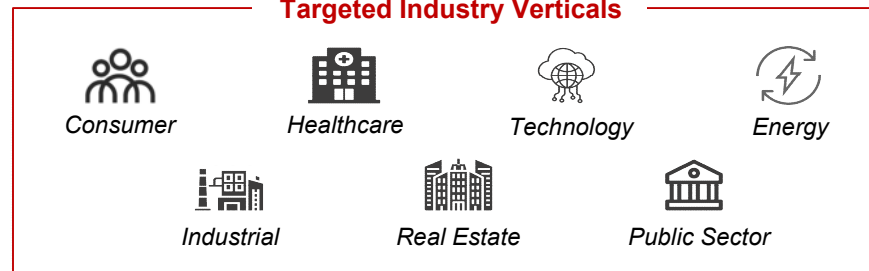


~80% commercial bank credit exposure from relationship⁽¹⁾ clients



>50% of C&I portfolio is investment grade

Targeted Industry Verticals



Commercial & Industrial (C&I)

- Solid middle market portfolio, high-quality borrowers
- Aligning bankers to areas of market opportunity and growth - investing in strategic hires with industry vertical expertise
- C&I loan utilization: 32% in 4Q23

Commercial Real Estate (CRE)

- Focused on relationships with select owners and operators
- Strengthened credit risk profile with strategic exits and growth in targeted client segments
- Since the global financial crisis, we have reduced our overall construction loans (42% in 2008 → 17% at 12/31/23)
- Strategic focus on multifamily, primarily affordable housing



(1) Relationship client is defined as having two or more of the following: credit, capital markets, or payments

Commercial Real Estate Loan Portfolio Detail

Key has limited exposure to riskier asset classes like office, lodging, and retail

Portfolio by Asset Class

<i>\$ in millions, non-owner occupied</i>	12/31/23	% of total loans
Multifamily	\$ 8,853	7.9%
Industrial	802	<1%
Retail	1,098	1%
Senior Housing	775	<1%
Office	824	<1%
<i>B and C Class Office in Central Business Districts</i>	112	N/A
Lodging	222	<1%
Other	1,884	1.7%
Total Non-owner Occupied Commercial Real Estate	\$ 14,458	13%

Office Loan Detail

Office Loans as a Portion of Total Loans



Office Highlights

- \$0 non-owner-occupied construction
- Nonperforming loans: 6.9%
- Delinquencies:
 - 30 – 89 Day: 1.79%
 - 90+ day: 0.00%



(1) Source: 10-Q filing data as of 9/30/2023 – peers include BAC, CFG, JPM, MTB, PNC, TFC, WFC, and ZION, as others do not report data on office balances

Consumer Business Detail

Total Consumer Loans

<i>\$ in billions</i>	12/31/23	% of total loans	WA FICO at origination
Consumer mortgage	\$ 20,958	19%	753
Home equity	7,139	6	801
Consumer direct	5,890	5	757
Credit card	1,002	1	792
Consumer indirect ⁽¹⁾	26	N/A	N/A
Total Consumer	\$ 35,015	31%	768

Portfolio Highlights

- Prime & super prime client base focused on relationships
- Continuing to invest in digital to drive future growth

768
weighted average
FICO at origination



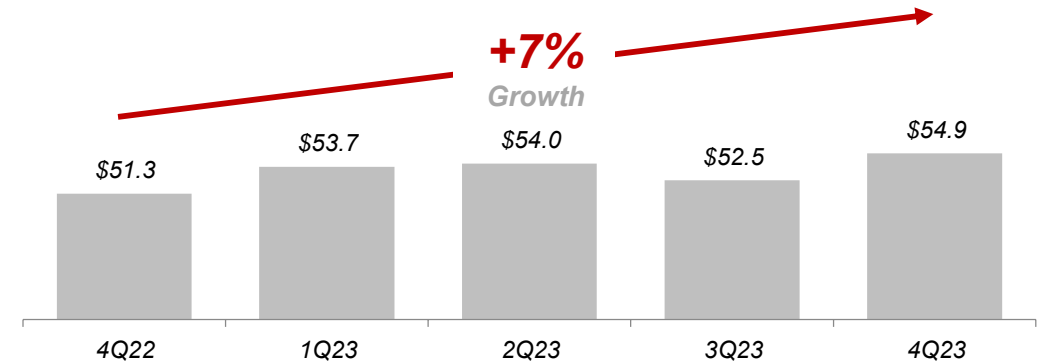
Note: Table may not foot due to rounding
(1) Indirect auto portfolio was sold on 9/10/21

Wealth Management

- Assets under management of \$54.9Bn, up \$3.6Bn from the year-ago period
- Collaborating with businesses across Key, representing strong cross-sell opportunities
- Launched Key Private Client in 2023 and have seen compelling traction, adding mass affluent households, growing both investments and deposits

Assets Under Management

\$ in millions



Credit Quality

Credit Quality by Portfolio

\$ in millions	Period-end loans	Average loans	Net loan charge-offs	Net loan charge-offs ⁽³⁾ / average loans (%) ⁽⁴⁾	Nonperforming loans	Ending allowance	Allowance / period-end loans (%) ⁽⁴⁾	Allowance / NPLs (%) ⁽⁴⁾
	12/31/23	4Q23	4Q23	4Q23	12/31/23	12/31/23	12/31/23	12/31/23
Commercial and industrial ⁽¹⁾	\$ 55,815	\$ 56,664	\$ 38	.27%	\$ 297	\$ 556	1.00%	187.28%
Commercial real estate:								
Commercial Mortgage	15,187	15,346	23	.59	100	419	2.76	418.99
Construction	3,066	3,028	(1)	(.13)	-	53	1.72	-
Commercial lease financing ⁽²⁾	3,523	3,568	(1)	(.11)	-	33	.92	N/M
Real estate – residential mortgage	20,958	21,113	(1)	(.02)	71	162	.77	228.15
Home equity	7,139	7,227	(2)	(.11)	97	86	1.20	88.18
Consumer direct loans	5,890	5,987	13	.86	3	121	2.06	N/M
Credit cards	1,002	987	7	2.81	5	78	7.80	N/M
Consumer indirect loans	26	28	-	-	1	1	4.17	106.87
Continuing total	\$ 112,606	\$ 113,948	\$ 76	.26%	\$ 574	\$ 1,508	1.34%	262.78%
Discontinued operations	339	348	1	1.14	3	16	4.84	546.82
Consolidated total	\$ 112,945	\$ 114,296	\$ 77	.27%	\$ 577	\$ 1,525	1.35%	264.25%

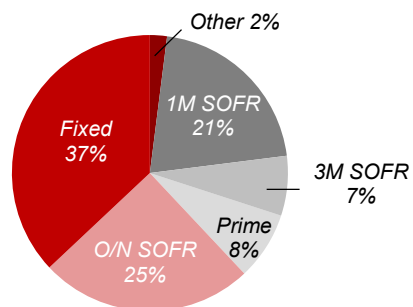


(1) Loan balance includes \$207 million of commercial credit card balances at December 31, 2023; (2) Commercial lease financing includes receivables held as collateral for a secured borrowing of \$7 million at December 31, 2023. Principal reductions are based on the cash payments received from these related receivables; (3) Net loan charge-off amounts are annualized in calculation; (4) Ratios calculated using unrounded figures and therefore may not foot to calculation using rounded figures presented in table

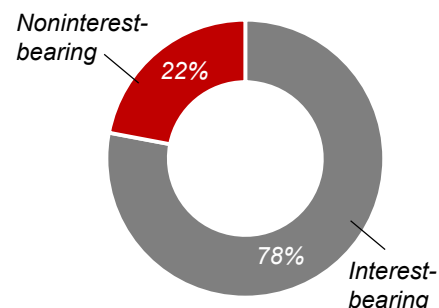
Balance Sheet Management Detail

4Q23 Balance Sheet Mix and Trends

Loan Composition⁽¹⁾

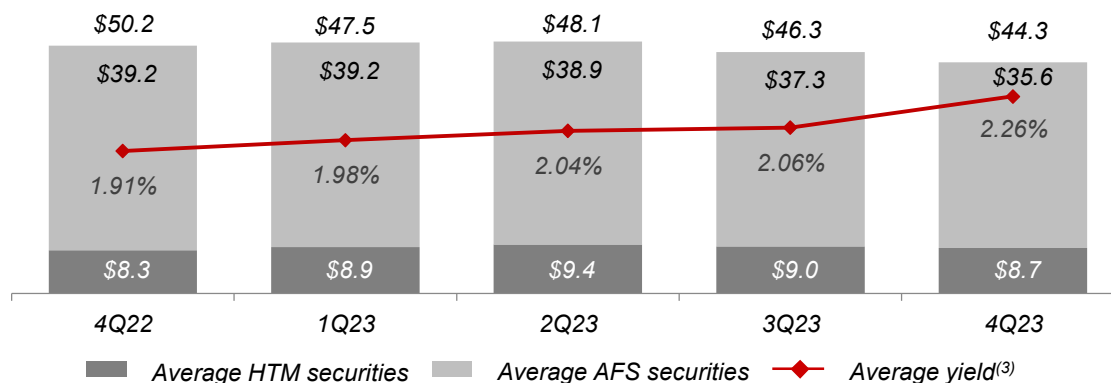


Deposit Mix⁽²⁾



Average Total Investment Securities

\$ in billions



Highlights

- **Attractive business model with relationship-oriented lending franchise**
 - Over 60% of loans are floating rate
 - Core funded franchise with loan to deposit ratio of 78%⁽⁴⁾
- **Investment portfolio positioned to store liquidity, manage interest rate risk, and supplement earnings by reinvesting maturing securities at higher rates**
- **Average investment balances reflect portfolio runoff and limited reinvestment in 4Q23**



(1) Loan statistics based on 12/31/2023 ending balances; (2) Deposit statistics based on 12/31/2023 average balances; (3) Yield is calculated on the basis of amortized cost; (4) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits

Hedging Strategy

Opportunistically locking in future benefit while managing downside risk

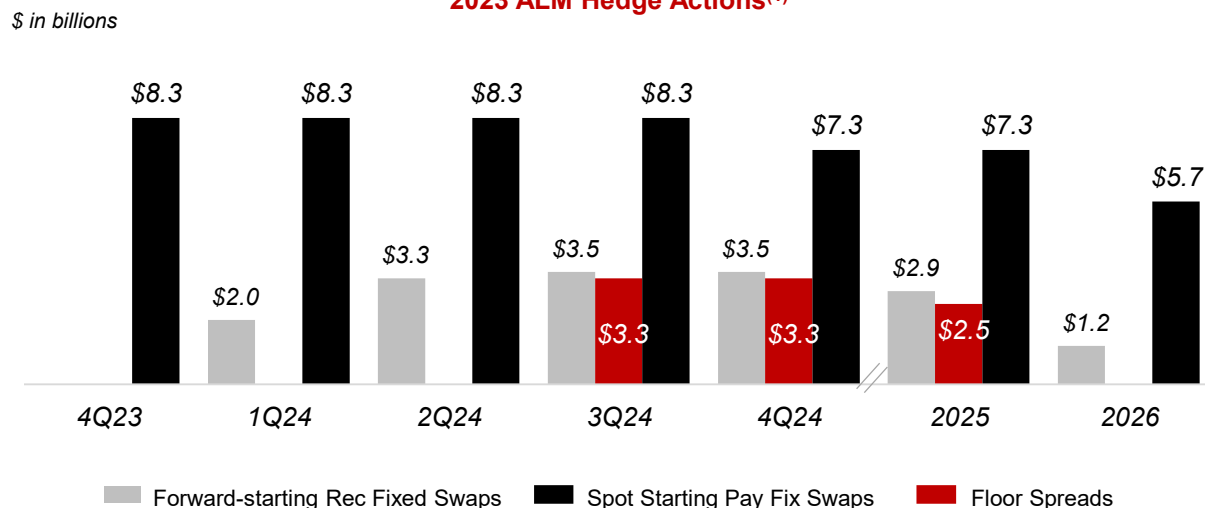
Hedging Strategy

- Balancing desire to lock in potential benefit in the midst of macroeconomic uncertainty and an inverted yield curve
 - Sensitive to the level of short-term rates while positioning for potential economic weakness
 - Mindful towards increased levels of current and expected volatility
- Continually evaluating opportunities to protect and enhance NII and capital while taking a measured approach to hedge replacement

Hedge Portfolio

<i>\$ in billions</i>	12/31/2023
ALM Hedges	\$ 15.0
ALM Forward Hedges	7.3
Debt Swaps	10.4
Securities Hedges	8.7
Non-zero Loan Floors	8.1

2023 ALM Hedge Actions⁽¹⁾



2023 ALM Hedge Actions

- **1Q23:** Added \$3Bn of forward-starting receive fixed swaps - WA receive rate: 3.4%
- **1Q23:** Executed \$3.3Bn of forward-starting floor spreads - WA buy strike: 3.4%, WA sold strike: 2.3%
- Executed \$8.3Bn of spot pay fix swaps (\$1.0Bn in 1Q23, \$6.75Bn in 3Q23, \$500MM in 4Q23) – WA pay rate: 4.2%
- **4Q23:** Terminated \$7.5Bn of receive fixed CF swaps scheduled to mature throughout 2024 – WA receive rate 0.5%

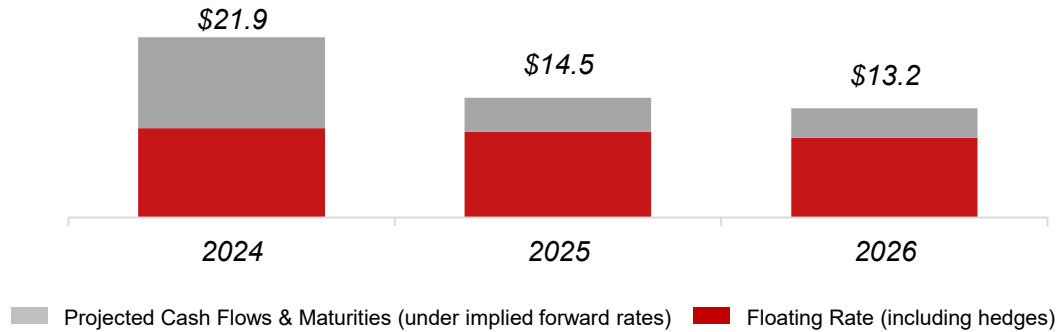


(1) Chart includes forward-starting swaps and floor spreads since 4Q22

Investment Portfolio

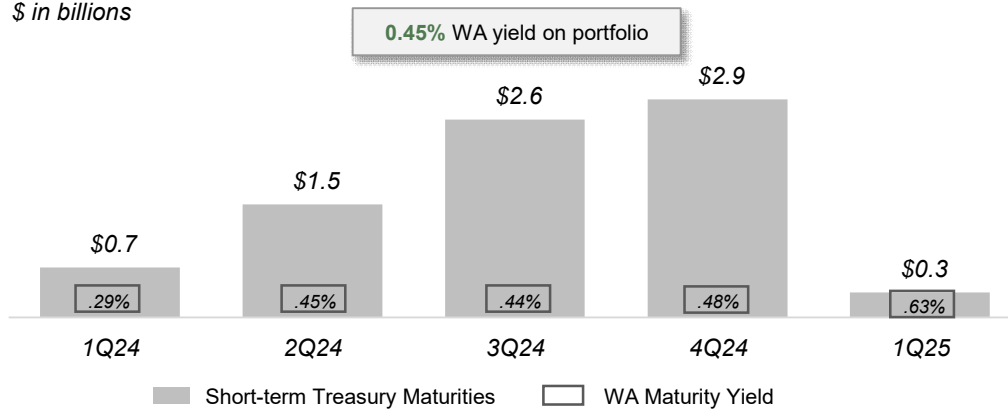
Existing Portfolio Repricing Characteristics

\$ in billions



Short-term Treasury Maturities

\$ in billions



Highlights

- **Portfolio used primarily for liquidity and interest rate risk management**
 - Portfolio composed primarily of agency MBS and CMOs
 - Agency MBS/CMO investments constructed to limit extension risk
 - Short-term Treasury/Agency portfolio stores liquidity and provides yield enhancement opportunity with runoff through 1Q25
 - Portfolio yield excluding short-term Treasury/Agency securities: 2.6%
- **Available for sale portfolio duration of 4.3 years as of 12/31/2023 (including securities hedges)**
- **Executed \$500MM of fair value securities hedges (4.46% WA rate) to manage interest rate risk**



Securities Maturity Schedule

Available for Sale (AFS)

Remaining maturity, as of December 31, 2023 \$ in millions	U.S. Treasury, Agencies, and Corporations	Agency Residential Collateralized Mortgage Obligations	Agency Residential Mortgage-backed Securities	Agency Commercial Mortgage-backed Securities	Total
One year or less	\$ 7,711	\$ 29	\$ 1	\$ 72	\$ 7,813
After 1 through 5 years	1,090	1,653	2,303	2,633	7,679
After 5 through 10 years	117	8,949	830	5,372	15,268
After 10 years	108	4,847	455	1,015	6,425
Fair Value	9,026	15,478	3,589	9,092	37,185

Held to Maturity (HTM)

Remaining maturity, as of December 31, 2023 \$ in millions	Agency Residential Collateralized Mortgage Obligations	Agency Residential Mortgage-backed Securities	Agency Commercial Mortgage-backed Securities	Asset-backed Securities	Other	Total
One year or less	\$ 14	\$ -	\$ 4	\$ 733	\$ 4	\$ 755
After 1 through 5 years	1,446	112	2,155	2	25	3,740
After 5 through 10 years	2,562	8	278	3	-	2,851
After 10 years	1,148	45	36	-	-	1,229
Amortized Cost	5,170	165	2,473	738	29	8,575
Fair Value	4,896	152	2,270	709	29	8,056



GAAP to Non-GAAP Reconciliation

\$ in millions

Tangible common equity to tangible assets at period end

Key shareholders' equity (GAAP)
Less: Intangible assets ⁽¹⁾
Preferred Stock ⁽²⁾
Tangible common equity (non-GAAP)
Total assets (GAAP)
Less: Intangible assets ⁽¹⁾
Tangible assets (non-GAAP)
Tangible common equity to tangible assets ratio (non-GAAP)

Average tangible common equity

Average Key shareholders' equity (GAAP)
Less: Intangible assets (average) ⁽³⁾
Preferred Stock (average)
Average tangible common equity (non-GAAP)

Three months ended		
12/31/2023	9/30/2023	12/31/2022
\$ 14,637	\$ 13,356	\$ 13,454
2,806	2,816	2,844
2,446	2,446	2,446
\$ 9,385	\$ 8,094	\$ 8,164
\$ 188,281	\$ 187,851	\$ 189,813
2,806	2,816	2,844
\$ 185,475	\$ 185,035	\$ 186,969
5.06%	4.37%	4.37%
\$ 13,471	\$ 13,831	\$ 13,168
2,811	2,821	2,851
2,500	2,500	2,500
\$ 8,160	\$ 8,510	\$ 7,817



(1) For the three months ended December 31, 2023, September 30, 2023, and December 31, 2022, intangible assets exclude \$1 million, \$1 million, and \$2 million, respectively, of period-end purchased credit card receivables; (2) Net of capital surplus; (3) For the three months ended December 31, 2023, September 30, 2023, and December 31, 2022, average intangible assets exclude \$1 million, \$1 million, and \$2 million, respectively, of average purchased credit card receivables

GAAP to Non-GAAP Reconciliation

\$ in millions

	Three months ended		
	12/31/2023	9/30/2023	12/31/2022
Return on average tangible common equity from continuing operations			
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	\$ 30	\$ 266	\$ 356
Average tangible common equity (non-GAAP)	8,160	8,510	7,817
Return on average tangible common equity from continuing operations (non-GAAP)	1.46%	12.40%	18.07%
Return on average tangible common equity consolidated			
Net income (loss) attributable to Key common shareholders (GAAP)	\$ 30	\$ 267	\$ 356
Average tangible common equity (non-GAAP)	8,160	8,510	7,817
Return on average tangible common equity consolidation (non-GAAP)	1.46%	12.45%	18.07%
Cash efficiency ratio			
Noninterest expense (GAAP)	\$ 1,372	\$ 1,110	\$ 1,156
Less: Intangible asset amortization	10	9	12
Adjusted noninterest expense (non-GAAP)	\$ 1,362	\$ 1,101	\$ 1,144
Net interest income (GAAP)	\$ 921	\$ 915	\$ 1,220
Plus: Taxable-equivalent adjustment	7	8	7
Noninterest income	610	643	671
Total taxable-equivalent revenue (non-GAAP)	\$ 1,538	\$ 1,566	\$ 1,898
Cash efficiency ratio (non-GAAP)	88.6%	70.3%	60.3%



Selected Items Impact on Earnings

\$ in millions; except per share amounts

Selected Items Impact on Earnings ^(a)
(Dollars in millions, except per share amounts)

	Pretax ^(b)	After-tax at marginal rate ^(b)	
	Amount	Net Income	EPS ^(c)
Quarter to date results			
Three months ended December 31, 2023			
Efficiency related expenses ^(d)	\$ (67)	\$ (51)	\$ (0.05)
Pension settlement (other expense)	(18)	(14)	(0.02)
FDIC special assessment (other expense)	(190)	(144)	(0.15)
Total selected items	(275)	(209)	(0.22)
Three months ended September 30, 2023			
None	--	--	--
Three months ended June 30, 2023			
None	--	--	--
Three months ended March 31, 2023			
Efficiency related expenses ^(e)	(64)	(49)	(0.05)
Year to date results			
Twelve months ended December 31, 2023			
Efficiency related expenses	(131)	(100)	(0.10)
Pension settlement (other expense)	(18)	(14)	(0.02)
FDIC special assessment (other expense)	(190)	(144)	(0.15)
Total selected items	\$ (339)	\$ (258)	\$ (0.27)

(a) Includes items impacting results or trends during the period but are not considered non-GAAP adjustments; (b) Favorable (unfavorable) impact; (c) Impact to EPS reflected on a fully diluted basis; (d) Efficiency related expenses for the three months ended December 31, 2023 consist primarily of \$39 million of severance recorded in personnel expense and \$24 million of corporate real estate related rationalization and other contract termination or renegotiation costs recorded in other expense; (e) Efficiency related expenses for the three months ended March 31, 2023 consist primarily of \$31 million of severance recorded in personnel expense and \$28 million of corporate real estate related rationalization and other contract termination or renegotiation costs recorded in other expense.

