KeyCorp

Fourth Quarter 2024 Earnings Review
January 21, 2025

Chris Gorman
Chairman and Chief Executive Officer

Clark Khayat
Chief Financial Officer

2024 Results

15%
Increase in strategic, fee-based businesses (Investment Banking, Wealth and Commercial Payments)[(1)]

$61Bn
In Assets Under Management[(2)]

4%
Client Deposit Growth[(1)]

3%
Net New Relationship Household Growth

(7)%
Criticized Loans QoQ

74bps
NPAs / Period-end Loans[(2)]

41bps
NCOs / Average Loans

12.0%
Common Equity Tier 1[(3)], up ~200bps YoY

9.8%
Marked Common Equity Tier 1[(4)], up ~280bps YoY

Differentiated Fee Businesses Focused on Targeted Scale

Driving New Relationships Focused on Primacy

Risk Management Excellence

Strengthening the Balance Sheet

Note: All metrics are FY 2024, unless otherwise noted
(1) FY24 vs. FY23; (2) As of 12/31/2024; (3) 12/31/2024 ratio is estimated and reflects Key's election to adopt the CECL optional transition provision; (4) Adjusted for unrealized AFS Securities and Pension losses and non-GAAP measure: see appendix for reconciliation

Financial Review

4Q24 Highlights

- Reported EPS of $(0.28), or $0.38 adjusted for impact from selected items[(1)]
- Net interest income up 10% QoQ, benefiting from fixed rate asset repricing, funding optimization, and impact of securities repositioning
  - NIM of 2.41%
- Noninterest income was down YoY due to the loss on the sale of securities and an investment agreement valuation, but up 18% excluding these selected items[(1)]
- Expenses of $1.2Bn reflected strong capital markets activity and other elevated expenses not expected to reoccur in 2025
- Provision for Credit Losses of $39MM, and included $114MM of NCOs and $75MM release of allowance for credit losses
- CET1 up ~114 basis points QoQ to 12%[(3)]
- Tangible book value per common share increased 17% YoY

$ in millions, excluding EPS
From continuing operations, unless otherwise noted

	Reported	QoQ ▲	YoY ▲
EPS	$ (0.28)	(40.4) %	N/M
Net Interest Income (TE)	$ 1,061	10.1 %	14.3 %
Noninterest Income	$ (196)	27.1 %	(132.1) %
Revenue (TE)	$ 865	24.5 %	(43.8) %
Noninterest Expense	$ 1,229	12.3 %	(10.4) %
Provision for Credit Losses	$ 39	(58.9) %	(61.8) %
CET1[(3)]	12.0 %	114 bps	195 bps
Cash Efficiency Ratio[(1)]	141.3 %	N/M	N/M
ROTCE[(1)]	(9.69) %	N/M	N/M
Tangible Book Value per Common Share	$ 11.70	(0.2) %	16.8 %

Adjusted metrics, excluding the impact of selected items[(2)], can be found on slide 21

N/M = Not Meaningful
(1) Non-GAAP measure: see appendix for reconciliation; (2) See slide 24 for breakout on Selected Items Impact on Earnings; (3) 12/31/2024 ratio is estimated and reflects Key's election to adopt the CECL optional transition provision

FY 2024 Highlights

- Reported EPS of ($0.32), or $1.16 adjusted for impact of selected items(1)
- Net interest income down 3.4%, reflecting lower loans and changes in interest rates, offset by client deposit growth, fixed rate asset repricing, and funding optimization
- Adjusted noninterest income up 7%(1), reflecting strong growth in investment banking / debt placement fees, commercial mortgage servicing fees, and trust & investment services income
- Adjusted expenses up ~3%(1), reflecting the strong fee environment and higher technology investments
- Provision for credit losses improved ~31% driven by reserve release in 2024 compared to reserve build in 2023

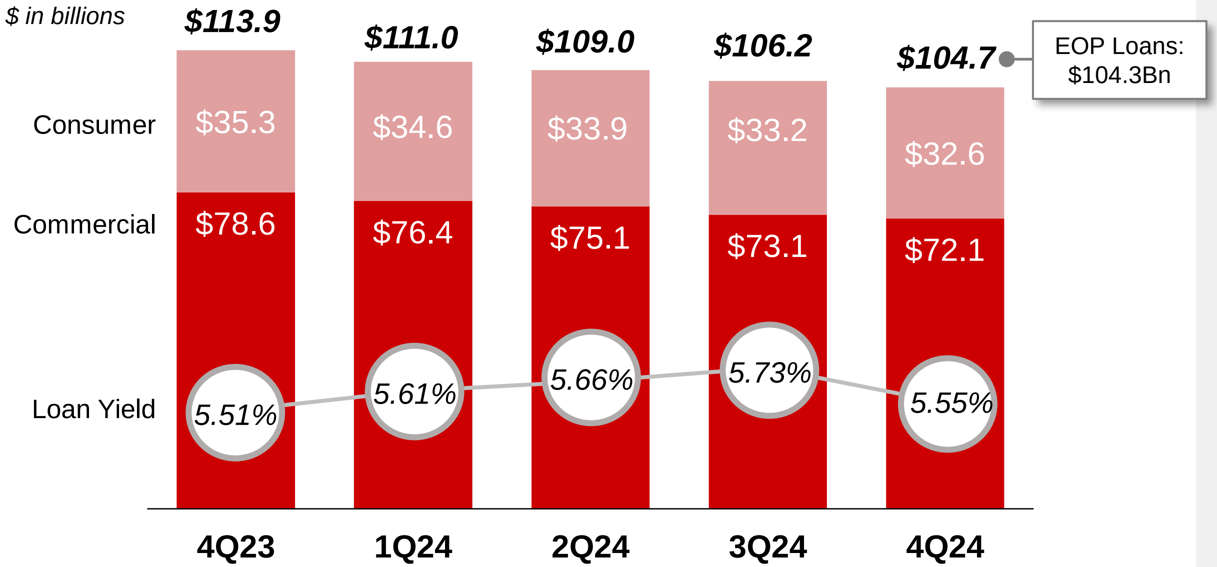
$ in millions, excluding EPS
From continuing operations, unless otherwise noted

	2024 Reported	FY24 vs. FY23	
EPS	$ (0.32)	(136.4) %	**+1%** excl. selected items(1)
Net Interest Income (TE)	$ 3,810	(3.4) %	
Noninterest Income	$ 809	(67.2) %	**+7%** excl. selected items(1)
Total Revenue (TE)	$ 4,619	(28) %	**+1%** excl. selected items(1)
Noninterest Expense	$ 4,545	(4.0) %	**+3%** excl. selected items(1)
Provision for Credit Losses	$ 335	(31.5) %	
Average Loans	$ 107,724	(8.7) %	
Average Deposits	$ 146,155	1.5 %	
NCOs to Avg Loans	41 bps	20 bps	

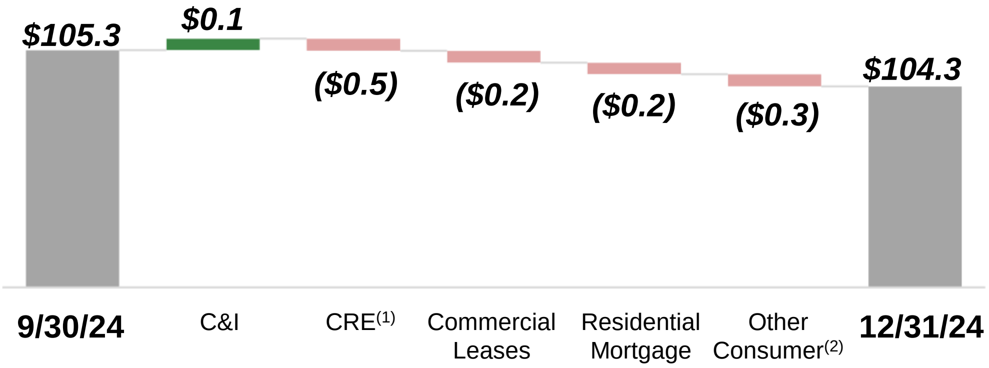
Adjusted metrics, excluding the impact of selected items(2), can be found on slide 22

(1) Non-GAAP measure: see appendix for reconciliation; (2) See slide 25 for breakout on Selected Items Impact on Earnings

Average Loans



QoQ Ending Balances by Type



vs. Prior Quarter

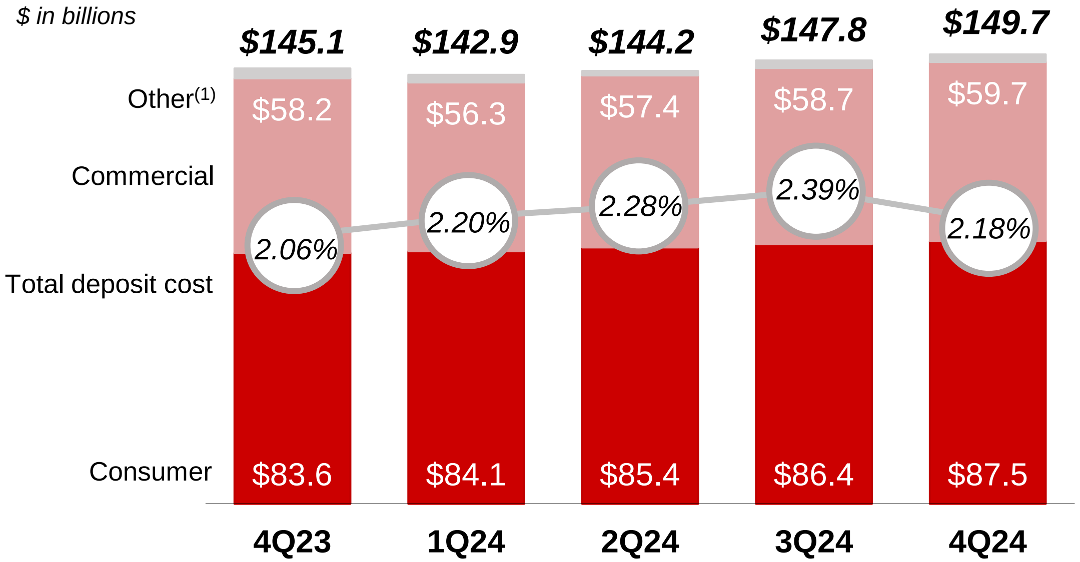
- **Average loans down 1.4% from 3Q24**
  - Decline in commercial loans ($1.0Bn) reflected a decrease in commercial mortgage real estate loans and commercial and industrial loans
  - Decline in average consumer loans ($0.6Bn) reflected a decline in consumer mortgage and home equity loan balances

Portfolio Highlights

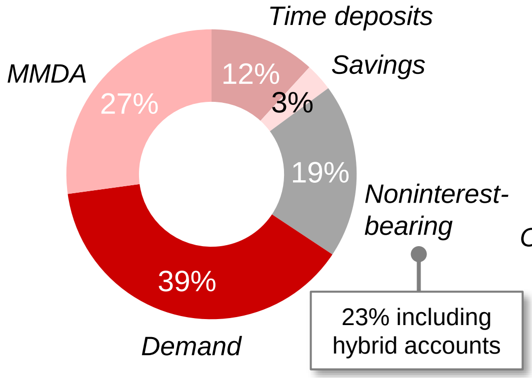
- **~63% variable rate**, or 45% after adjusting for loans swapped to a fixed rate; **loan yields** would have been **6.05% in fourth quarter 2024 excluding the impact from hedges[3]**
- **~92% of commercial loans are made to clients who do additional business with Key[4]**
- **~54% of the C&I portfolio is investment grade; Consumer** book has a **765 weighted average FICO at origination**
- **C&I loan utilization: 31%** in 4Q24 (stable to 3Q24)

Note: Graphs may not foot due to rounding
(1) CRE includes real estate – commercial mortgage and real estate – construction; (2) Other Consumer includes home equity loans, credit cards, and other consumer loans; (3) Non-GAAP measure: see appendix for reconciliation; (4) Defined as capital markets, payments or deposits

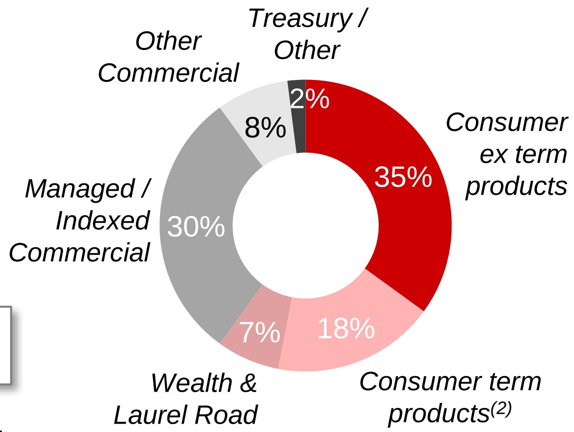
Average Deposits



4Q24 Product Mix



4Q24 Interest-bearing Mix



Note: Graphs may not foot due to rounding
(1) Other includes treasury brokered deposits and other deposits; (2) Includes MMDA promos and retail CDs; (3) Cumulative beta indexed to 3Q24; (4) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits

vs. Prior Quarter

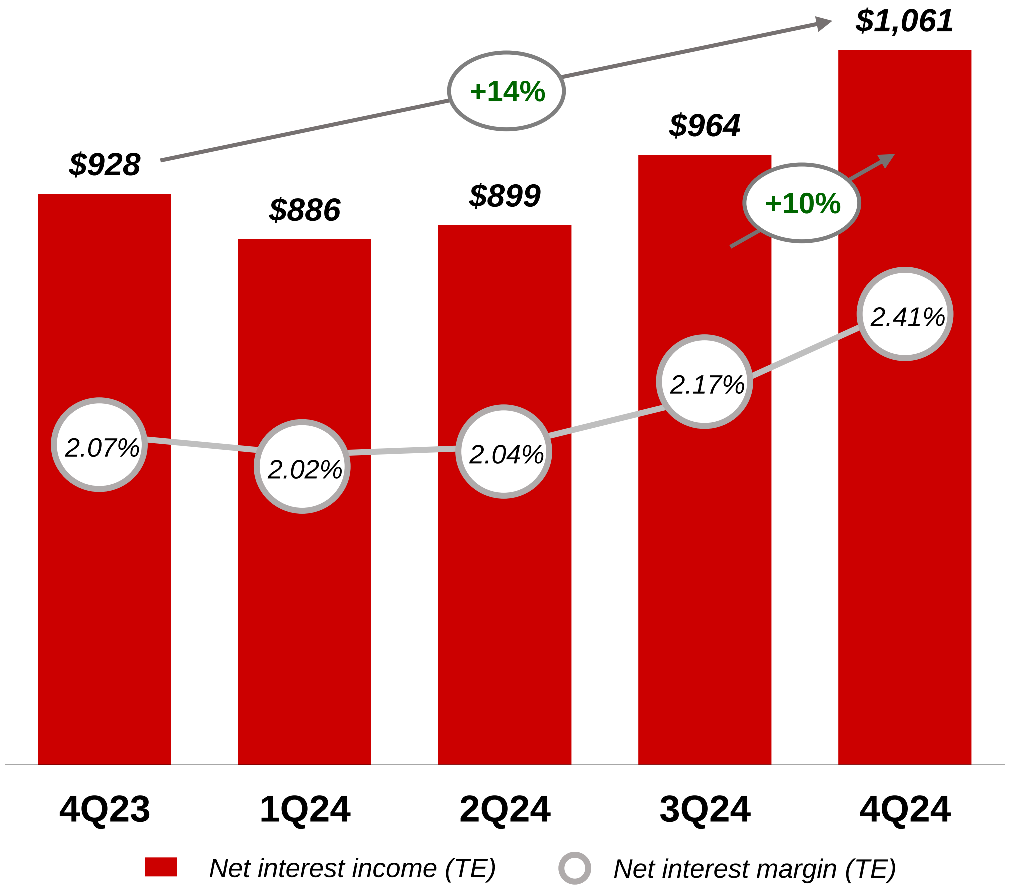
- **Average deposits were up 1.3% from 3Q24**
  - Growth across both consumer and commercial deposits
  - Included ~$160MM decrease in brokered CDs (to $4.4Bn)
- **Total deposit costs declined by 21 basis points**
  - Interest-bearing deposit costs declined by 25bps
  - **Cumulative** down interest-bearing **deposit beta: ~40%**[3]

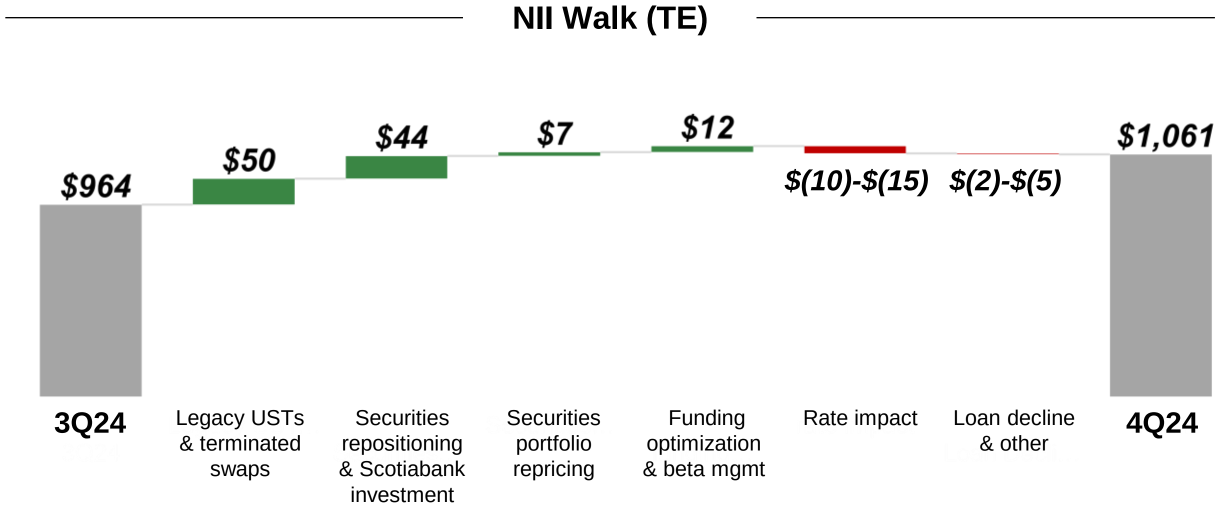
Deposit Franchise Highlights

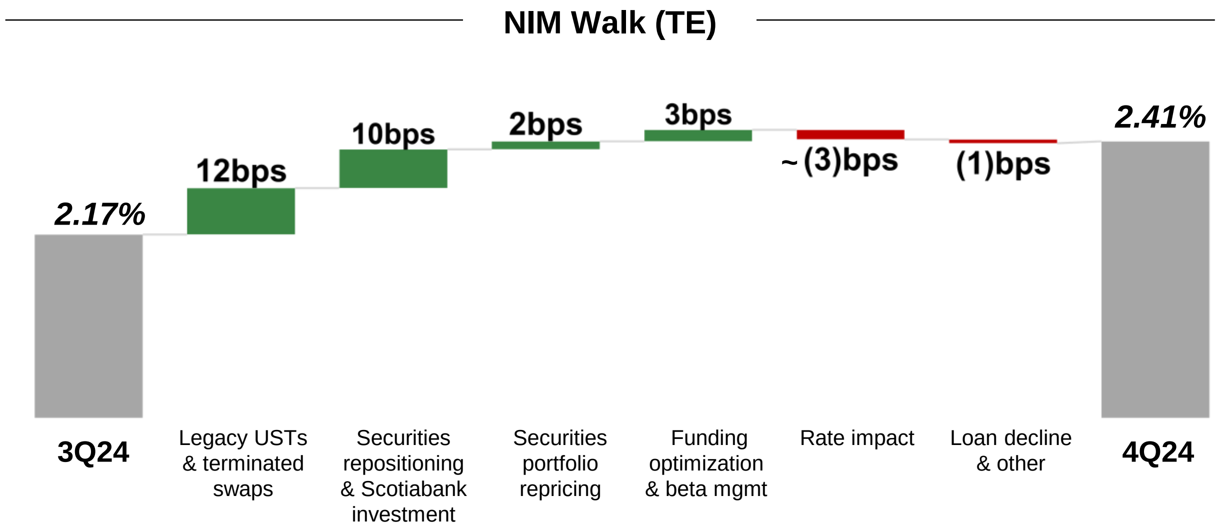
- **Client deposits up 4% year-over-year**
- **NIB deposits:** 23% of total deposits including hybrid accounts
- **Commercial deposit balances driven by relationship clients**
  - 79% of commercial deposits in core operating accounts
  - 90% of commercial deposits have an operating account
- **Loan-to-deposit ratio: 70%**[4]

Net Interest Income and Margin (TE)

From continuing operations, $ in millions

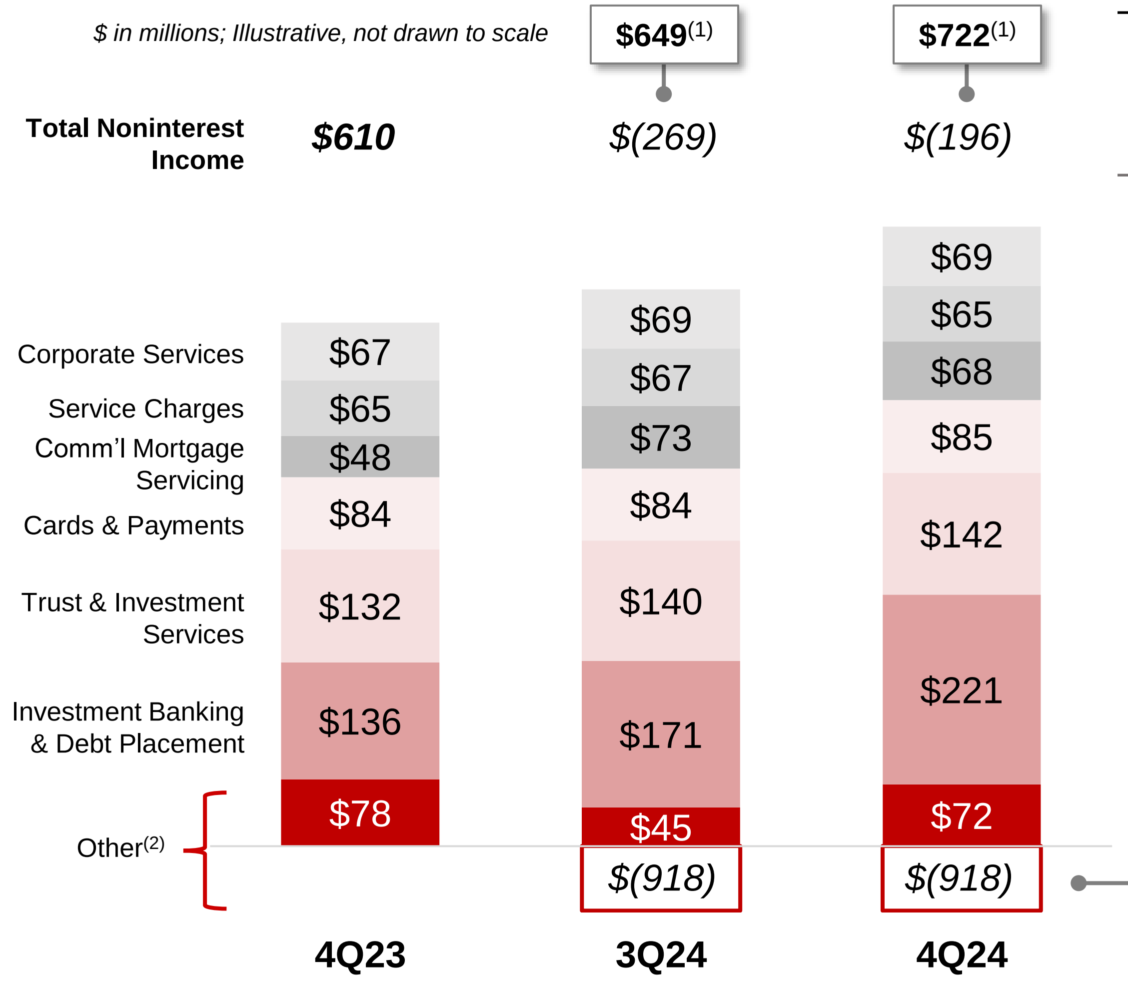






TE = Taxable equivalent
Note: NIM Walk may not foot due to rounding

Noninterest Income



% change	YoY	QoQ
Total Noninterest Income	N/M	27%
Corporate Services	3%	-
Service Charges	-	(3)%
Comm'l Mortgage Servicing	+42%	(7)%
Cards & Payments	+1%	+1%
Trust & Investment Services	+8%	+1%
Investment Banking & Debt Placement	+63%	+29%
Other	(8)%	+60%

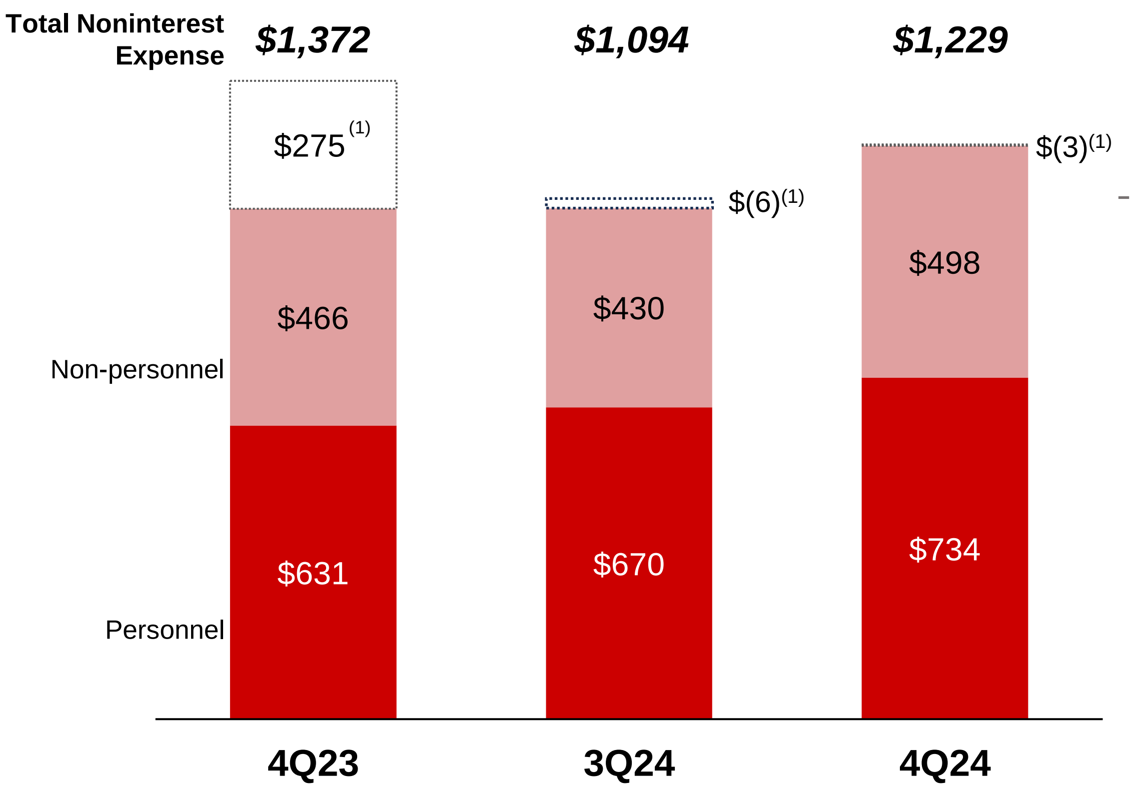
vs. Prior Year

- **Noninterest income included a $918MM pre-tax loss from the sale of securities and investment agreement valuation[3]**
  - Excluding the loss on the sale of securities and investment agreement valuation, fees were **up 18%**[1]
  - Investment Banking & Debt Placement increased (+$85MM), due to higher syndication fees, underwriting fees, and merger and acquisition fees
  - Commercial Mortgage Servicing fees (+$20MM), reflects higher active special servicing balances and growth in the overall portfolio
  - Trust & Investment Services growth (+$10MM) driven by AUM growth and continued strong momentum in Key Private Client

(1) Adjusted noninterest income, non-GAAP measure: see appendix for reconciliation; (2) Other includes Corporate-Owned Life Insurance Income, Consumer Mortgage Income, Operating Lease Income and Other Leasing Gains, Net Securities gains (losses), and Other Income; (3) See slide 24 for breakout on Selected Items Impact on Earnings

Noninterest Expense

$ in millions



	% change	
	YoY	***QoQ***
Total Noninterest Expense	***(10.4)%***	***12.3%***
Non-personnel	*7%*	*16%*
Personnel	*16%*	*10%*

vs. Prior Year

- **Noninterest expense down $143MM**
  - Driven by ~$275MM of selected items[1] in the fourth quarter of 2023
  - Expenses up excluding selected items due to higher incentive and stock-based compensation related to strong capital markets activity, and higher tech spend

vs. Prior Quarter

- **Noninterest expense up $135MM**
  - Higher personnel expense reflects stronger capital markets activity and an increase in employee benefits
  - Higher other expenses largely driven by seasonality, investment spend, and other miscellaneous costs

4Q24 Notable Expenses

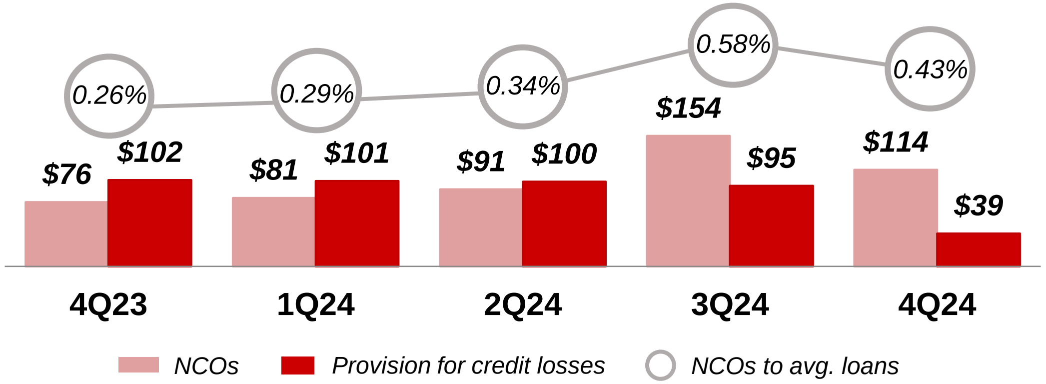
- $18MM charitable contributions
- ~$30MM higher than typical expenses across contract terminations, claims expenses, benefits costs, and other elevated expenses not expected to reoccur in the future

(1) Please see slide 24 for breakout on Selected Items Impact on Earnings

Credit Quality

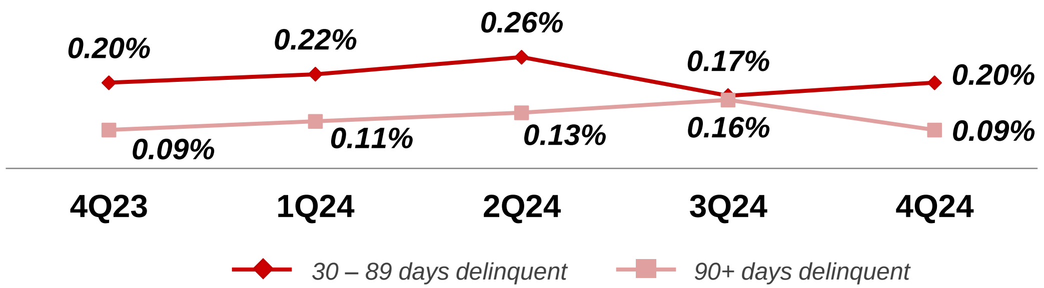
Net Charge-offs & Provision for Credit Losses

$ in millions



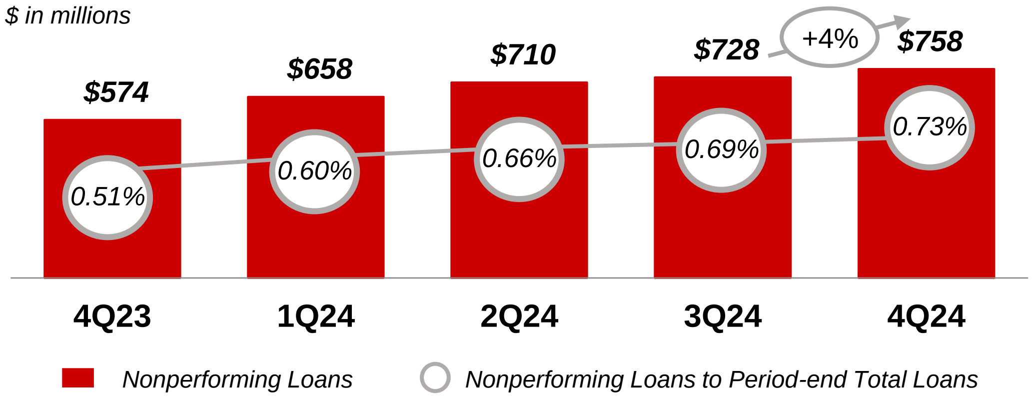
Delinquencies to Period-end Total Loans

Continuing Operations



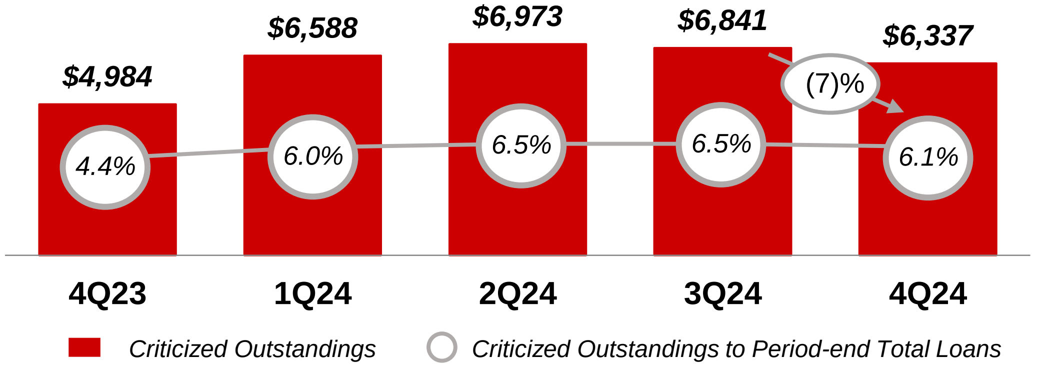
Nonperforming Loans to Period-end Total Loans

$ in millions



Criticized Outstandings[1] to Period-end Total Loans

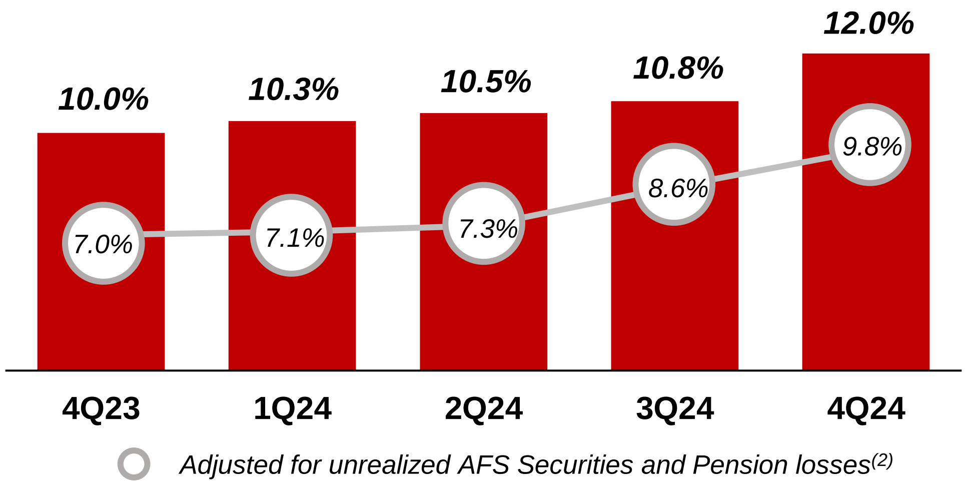
$ in millions; Continuing Operations



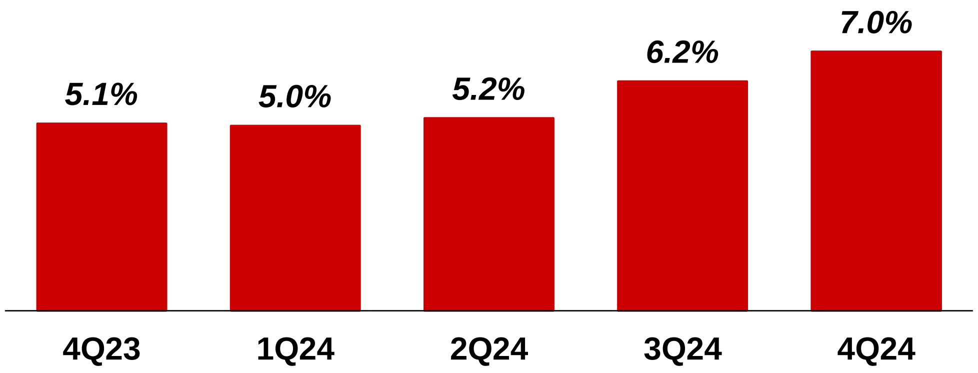
NCOs = Net charge-offs
(1) Loan and lease outstandings

Capital

Common Equity Tier 1(1)

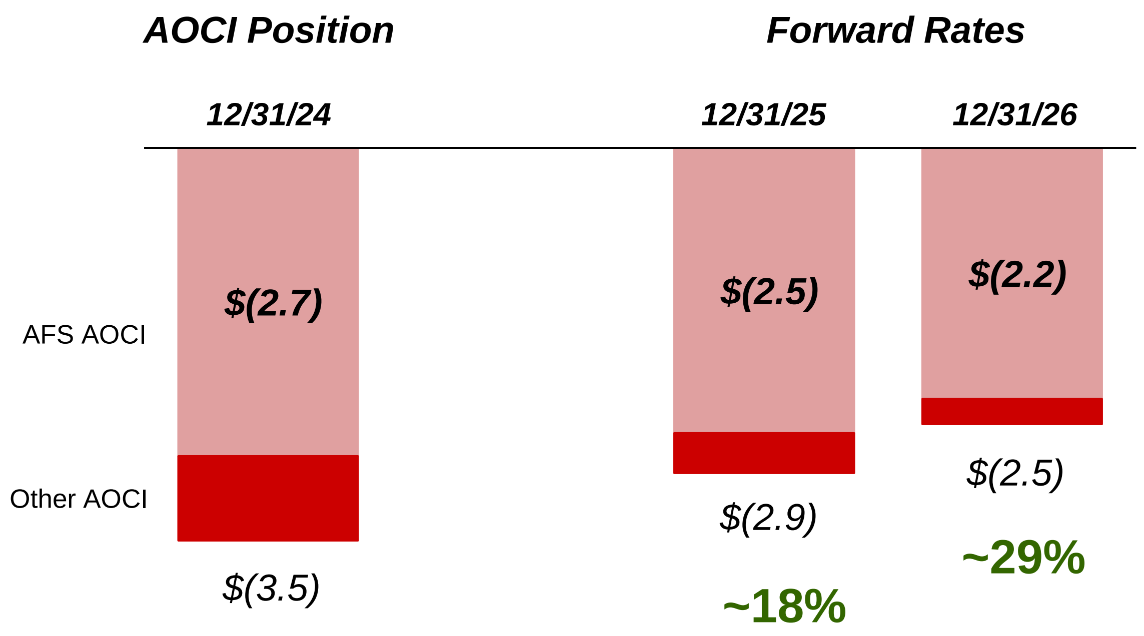


Tangible Common Equity Ratio(2)



Projected AOCI Impacts (Forward Curve)

$ in billions



Projected AOCI burndown assumes ~2 rate cuts in 2025 and 0 cuts in 2026, and 2-5 year UST rates remain relatively unchanged

(1) 12/31/2024 ratio is estimated and reflects Key's election to adopt the CECL optional transition provision; (2) Non-GAAP measure: see appendix for reconciliation

2025 Outlook

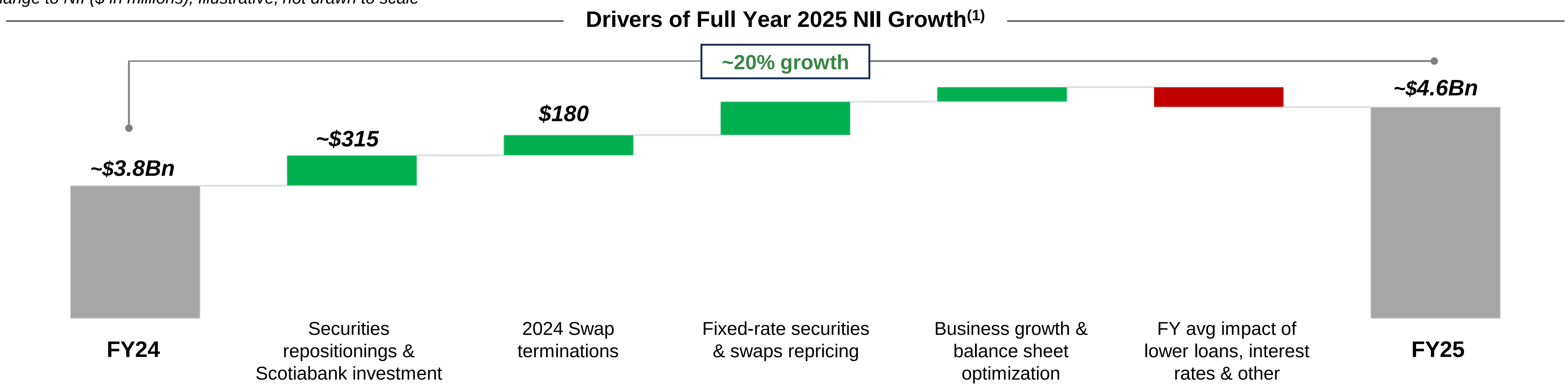
$ in millions, unless otherwise stated

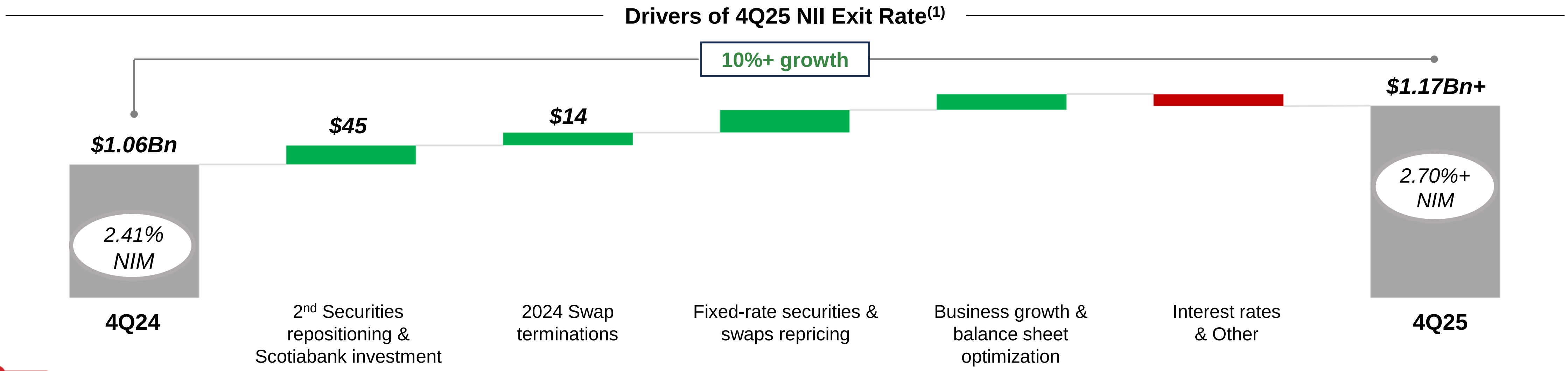
	2024 Baseline	FY2024 (vs. FY2023)	FY2025 (vs. FY2024) *Ranges are shown on an operating basis*
Average Loans	$107.7Bn	(9)%	**down (2 – 5%)**
Ending Loans	$104.3Bn	(7)%	**Flat vs. YE 2024**
PE Commercial Loans	*$71.9Bn*	*(7)%*	**up 2 – 4%**
Net Interest Income (TE)	$3,810	(3)%	**up ~20%** *10%+ 4Q25 vs. 4Q24*
Adjusted Noninterest Income[3]	$2,645[1]	+ 7%	**up 5%+[5]**
Adjusted Noninterest Expense [3]	$4,520[2]	+ 3%	**up 3 – 5 %[5]**
NCOs to Average Loans	41 bps	+ 20 bps	**40-45 bps**
GAAP Tax Rate			**~21 – 22%**
Tax-equivalent Effective Rate[4]			**~23 – 24%**

(1) Noninterest income excludes $1,836MM from losses on sale of securities. See slide 25 for breakout on Selected Items Impact on Earnings; (2) Noninterest expense excludes $25MM from FDIC special assessment. See slide 25 for breakout on Selected Items Impact on Earnings; (3) Non-GAAP measure: see appendix for reconciliation; (4) Reflects the estimated full year taxable-equivalent adjustment. Refer to Basis of Presentation on page 12 of the Earnings Release; (5) Represents a forward-looking Non-GAAP measure. Refer to Basis of Presentation on page 12 of the Earnings Release.

Net Interest Income Opportunity

Change to NII ($ in millions); Illustrative, not drawn to scale





(1) Assumes two rate cuts in 2025, one in May and one in December

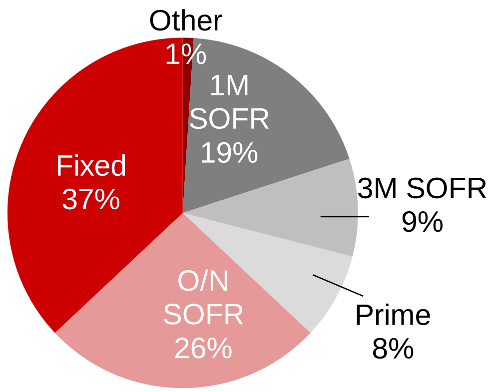
Appendix

Balance Sheet Management Detail

Fixed-rate Asset Repricing Tailwinds – 1Q25 to 2026

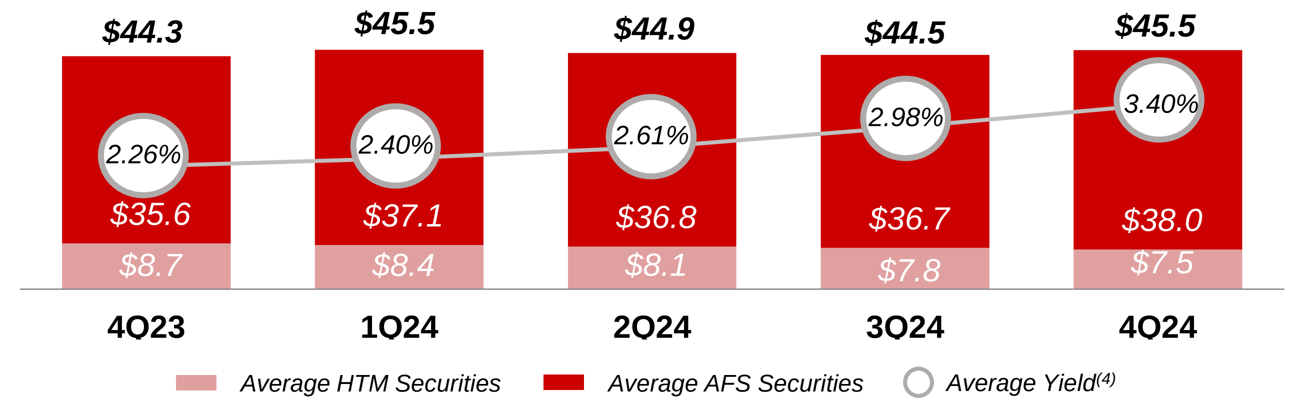
$ in billions	1Q25	2Q25	3Q25	4Q25	2025	2026
Projected receive-fixed swaps maturities	$2.2	$1.3	$0.4	$1.4	$5.2	$9.1
Weighted-average rate received (%)	1.42%	2.17%	2.19%	1.96%	1.80%	2.78%
Projected fixed rate loans cash flows / maturities	$2.6	$2.6	$2.7	$2.7	$10.5	$10.8
Weighted-average rate received (%)	3.87%	3.93%	4.01%	4.10%	3.97%	4.31%
Projected fixed rate investment securities cash flows / maturities	$1.6	$1.8	$1.9	$1.8	$7.1	$7.4
Weighted-average rate received (%)	2.61%	2.40%	3.33%	3.81%	3.06%	3.83%

Loan Composition(1)

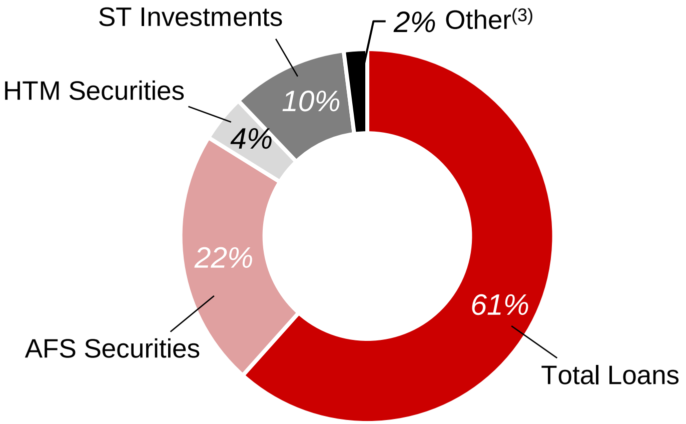


Average Total Investment Securities

$ in billions



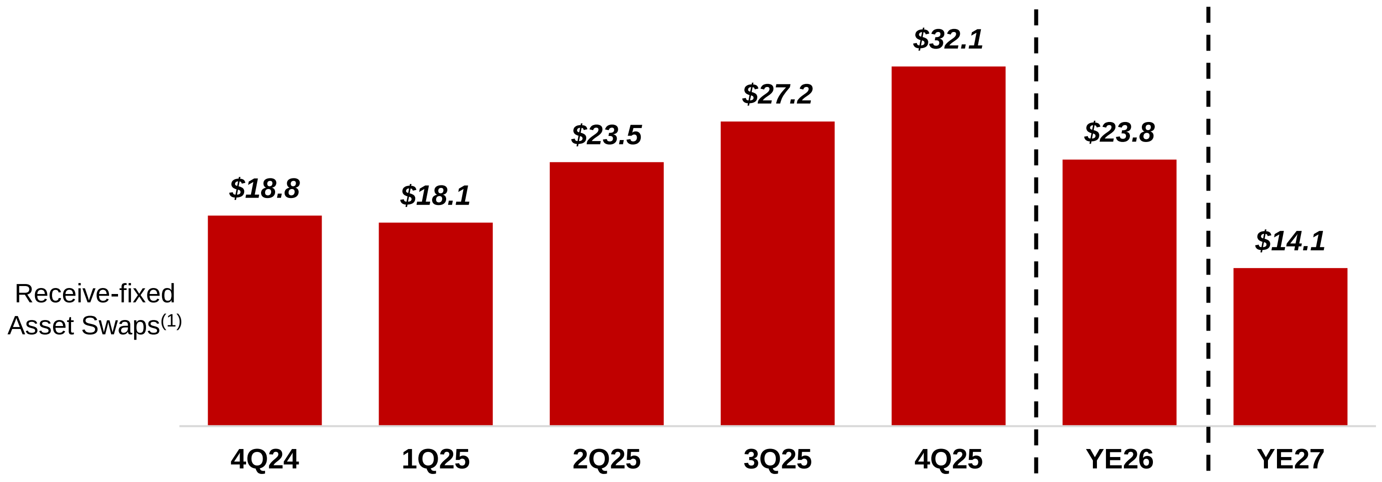
Earning Asset Mix(2)



(1) Loan statistics based on 12/31/2024 period-end balances; (2) Based on 12/31/2024 period-end balances; chart may not foot due to rounding; (3) Other includes loans HFS and trading account assets; (4) Yield is calculated on the basis of amortized cost

Hedging Strategy Opportunity

$ in billions; ending balances



	4Q24	1Q25	2Q25	3Q25	4Q25	YE26	YE27
W.A. Receive-fixed Rate	**2.3%**	**2.6%**	**2.9%**	**3.1%**	**3.2%**	**3.4%**	**3.8%**

	1Q25	**2Q25**	**3Q25**	**4Q25**	**YE26**	**YE27**
Note: Maturing Swaps ($Bn)	*$2.2*	*$1.3*	*$0.4*	*$1.4*	*$9.1*	*$9.7*
W.A. Receive-fixed Rate	*1.4%*	*2.2%*	*2.2%*	*2.0%*	*2.8%*	*3.0%*

4Q24 ALM Hedge Actions

- Executed $9.3Bn of forward-starting receive-fixed swaps – WA receive rate: 3.7% that become effective over the course of 2Q25 to 1Q26
- Terminated $3.0Bn of accruing pay-fixed swaps in conjunction with the securities portfolio rebalancing transaction – WA pay rate: 4.4%

Forward Starting Swaps as of 12/31

- Receive-fixed swaps hedging loans of $19.0B – WA receive rate: 3.8%
  - $1.5B starting in 1Q25 (3.7% WA receive rate)
  - $6.7B starting in 2Q25 (3.7% WA receive rate)
  - $4.0B starting in 3Q25 (3.8% WA receive rate)
  - $6.3B starting in 4Q25 (3.8% WA receive rate)
  - $0.5B starting in 1Q26 (4.1% WA receive rate)

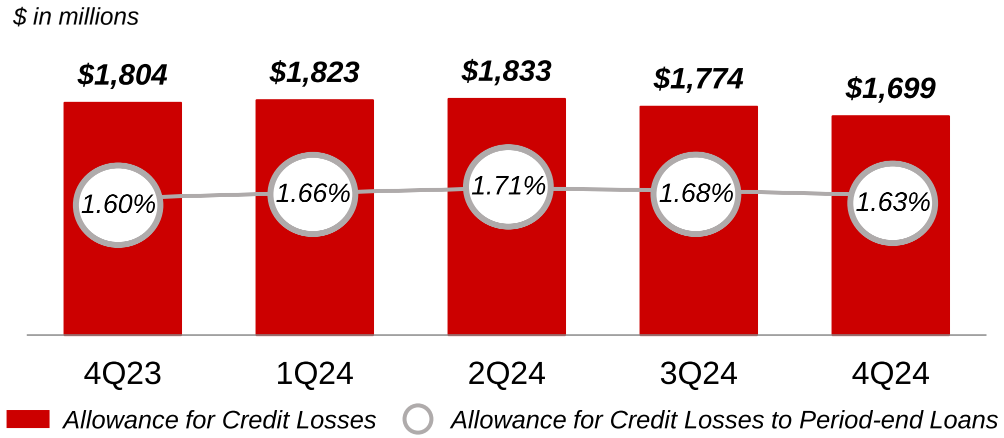
Other Hedge Positions

$ in billions	**12/31/2024**
Debt Hedges	$10.8
Securities Hedges[2]	$9.4
Floor Spreads	$3.3

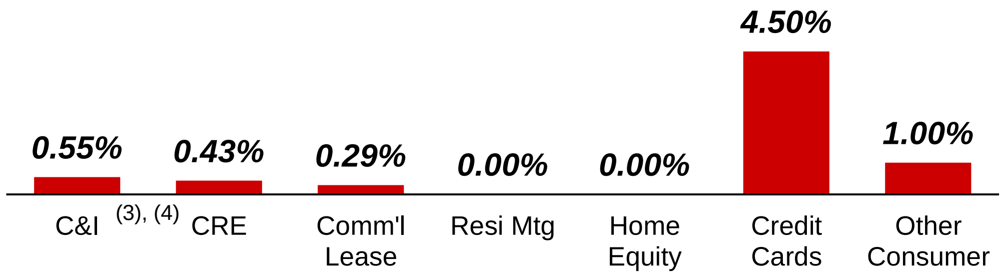
(1) Portfolio as of 12/31/2024 and includes already executed forward starting swaps; (2) AFS securities swapped to floating rate

Credit Quality by Portfolio

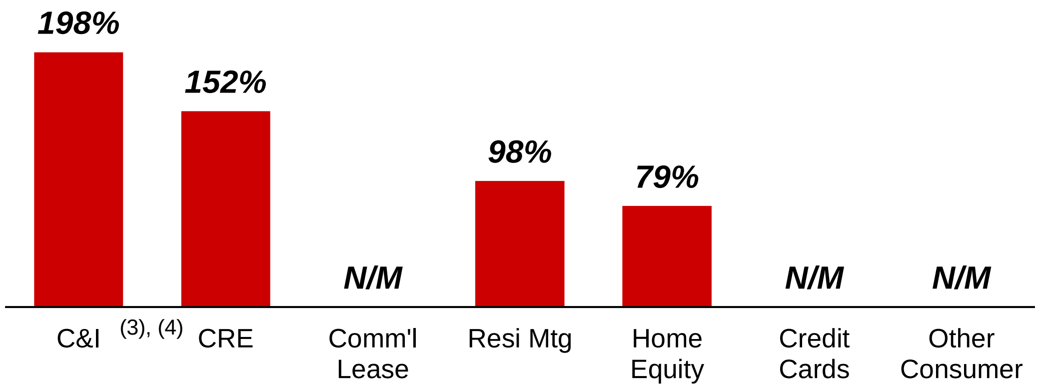
Allowance for Credit Losses (ACL)



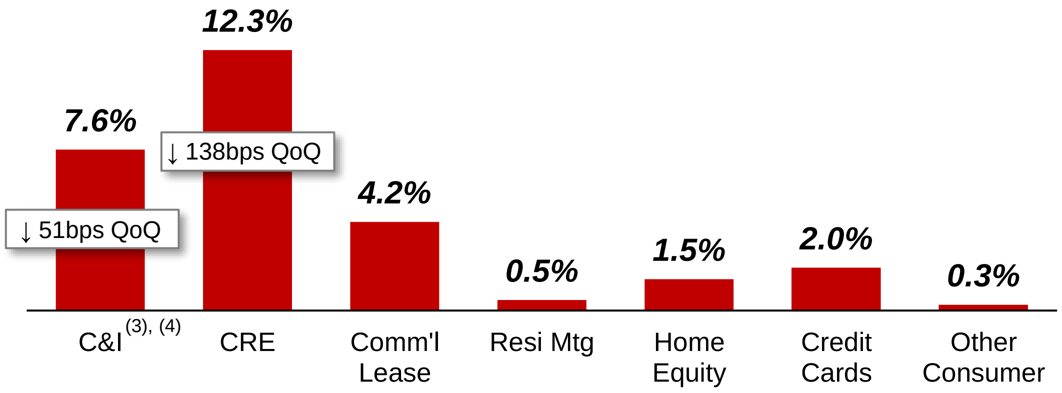
Net Loan Charge-offs[1] to Average Loans (%)[2]



Allowance to NPLs (%)[2]



Criticized Outstandings to Period-end Loans (%)[2]



N/M = Not Meaningful

Note: All metrics are as of 12/31/2024 unless otherwise noted; (1) Net loan charge-off amounts are annualized in calculation; (2) Ratios calculated using unrounded figures and therefore may not foot to calculation using rounded figures presented in chart; (3) Loan balances include $212 million of commercial credit card balances at December 31, 2024; (4) Commercial and industrial includes receivables held as collateral for a secured borrowing of $211 million at December 31, 2024. Principal reductions are based on the cash payments received from these related receivables

GAAP to Non-GAAP Reconciliation

$ in millions	4Q24		3Q24		4Q23	
Tangible common equity to tangible assets at period end						
Key shareholders' equity (GAAP)	$ 18,176		$ 16,852		$ 14,637	
Less: Intangible assets[1]	2,779		2,786		2,806	
Preferred stock[2]	2,446		2,446		2,446	
Tangible common equity (non-GAAP)	$ 12,951		$ 11,620		$ 9,385	
Total assets (GAAP)	$ 187,168		$ 189,763		$ 188,281	
Less: Intangible assets[1]	2,779		2,786		2,806	
Tangible assets (non-GAAP)	$ 184,389		$ 186,977		$ 185,475	
Tangible common equity to tangible assets ratio (non-GAAP)	7.02	%	6.21	%	5.06	%
Average tangible common equity						
Average Key shareholders' equity (GAAP)	$ 16,732		$ 15,759		$ 13,471	
Less: Intangible assets (average) [3]	2,783		2,789		2,811	
Preferred stock (average)	2,500		2,500		2,500	
Average tangible common equity (non-GAAP)	$ 11,449		$ 10,470		$ 8,160	

(1) For the three months ended December 31, 2024, September 30, 2024, and December 31, 2023, intangible assets exclude less than $1 million, $1 million, and $1 million, respectively, of period-end purchased credit card receivables; (2) Net of capital surplus; (3) For the three months ended December 31, 2024, September 30, 2024, and December 31, 2023, average intangible assets exclude less than $1 million, $1 million, and $1 million, respectively, of average purchased credit card receivables

GAAP to Non-GAAP Reconciliation

$ in millions		4Q24			3Q24			4Q23	
Return on average tangible common equity from continuing operations									
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$	(279)		$	(447)		$	30	
Average tangible common equity (non-GAAP)		11,449			10,470			8,160	
Return on average tangible common equity from continuing operations (non-GAAP)		(9.69)	%		(16.98)	%		1.46	%
Return on average tangible common equity consolidated									
Net income (loss) attributable to Key common shareholders (GAAP)	$	(279)		$	(446)		$	30	
Average tangible common equity (non-GAAP)		11,449			10,470			8,160	
Return on average tangible common equity consolidation (non-GAAP)		(9.69)	%		(16.95)	%		1.46	%
Cash efficiency ratio									
Noninterest expense (GAAP)	$	1,229		$	1,094		$	1,372	
Less: Intangible asset amortization		7			7			10	
Adjusted noninterest expense (non-GAAP)	$	1,222		$	1,087		$	1,362	
Net interest income (GAAP)	$	1,051		$	952		$	921	
Plus: Taxable-equivalent adjustment		10			12			7	
Net interest income TE (non-GAAP)		1,061			964			928	
Noninterest income (GAAP)		(196)			(269)			610	
Total taxable-equivalent revenue (non-GAAP)	$	865		$	695		$	1,538	
Cash efficiency ratio (non-GAAP)		141.3	%		156.4	%		88.6	%

GAAP to Non-GAAP Reconciliation

$ in millions	4Q24	3Q24	4Q23
Adjusted taxable-equivalent revenue			
Noninterest income (GAAP)	$ (196)	$ (269)	$ 610
Plus: Selected Items[1]	918	918	-
Adjusted noninterest income (non-GAAP)	$ 722	$ 649	$ 610
Net interest income TE (non-GAAP)	1,061	964	928
Total adjusted taxable-equivalent revenue (non-GAAP)	$ 1,783	$ 1,613	$ 1,538
Noninterest expense adjusted for selected items			
Noninterest expense (GAAP)	$ 1,229	$ 1,094	$ 1,372
Plus: Selected Items[1]	3	6	(275)
Noninterest expense adjusted for selected items (non-GAAP)	$ 1,232	$ 1,100	$ 1,097
Adjusted income (loss) available from continuing operations attributable to Key common shareholders			
Income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ (279)	$ (447)	$ 30
Plus: Selected Items[1]	657	732	209
Adjusted income (loss) available from continuing operations attributable to Key common shareholders	$ 378	$ 285	$ 239
Diluted earnings per common share (EPS) - adjusted			
Diluted EPS from continuing operations attributable to Key common shareholders (GAAP)	$ (.28)	$ (.47)	$ .03
Plus: EPS impact of selected items[1]	.66	.77	.22
Diluted EPS from continuing operations attributable to Key common shareholders - adjusted (non-GAAP)	$ .38	$ .30	$ .25

(1) See slide 24 for breakout on Selected Items Impact on Earnings

GAAP to Non-GAAP Reconciliation

$ in millions	FY2024	FY2023
Adjusted taxable-equivalent revenue		
Noninterest income (GAAP)	$ 809	$ 2,470
Plus: Selected Items[1]	1,836	-
Adjusted noninterest income (non-GAAP)	$ 2,645	$ 2,470
Net interest income TE (non-GAAP)	3,810	3,943
Total adjusted taxable-equivalent revenue (non-GAAP)	$ 6,455	$ 6,413
Noninterest expense adjusted for selected items		
Noninterest expense (GAAP)	$ 4,545	$ 4,734
Less: Selected items[1]	(25)	(339)
Noninterest expense adjusted for selected items (non-GAAP)	$ 4,520	$ 4,395
Adjusted income (loss) available from continuing operations attributable to Key common shareholders		
Income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ (306)	$ 821
Plus: Selected items (net of tax)[1]	1,415	258
Adjusted income (loss) available from continuing operations attributable to Key common shareholders (non-GAAP)	$ 1,109	$ 1,079
Diluted earnings per common share (EPS) – adjusted		
Diluted EPS from continuing operations attributable to Key common shareholders (GAAP)	$ (.32)	$ .88
Plus: EPS impact of selected items[1]	1.48	.27
Diluted EPS from continuing operations attributable to Key common shareholders - adjusted (non-GAAP)	$ 1.16	$ 1.15

(1) See slide 25 for breakout on Selected Items Impact on Earnings

GAAP to Non-GAAP Reconciliation

CET1 – AOCI Impact[1] (*$ in millions*)		4Q23			1Q24			2Q24			3Q24			4Q24	
Common Equity Tier 1 (A)	$	14,894		$	14,821		$	14,893		$	15,043		$	16,563	
Add: AFS and Pension accumulated other Comprehensive income (loss)		(4,573)			(4,608)			(4,530)			(3,118)			(3,032)	
Adjusted Common Equity Tier 1 (B)	$	10,321		$	10,213		$	10,363		$	11,925		$	13,532	
Risk Weighted Assets (C)	$	148,575		$	144,295		$	142,179		$	138,933		$	138,348	
Common Equity Tier 1 ratio (A/C)		10.02	%		10.27	%		10.47	%		10.83	%		11.97	%
Adjusted CET1 Ratio (B/C)		6.95	%		7.08	%		7.29	%		8.58	%		9.78	%

Loan Yields Excluding Impact from Hedges[2]	4Q23		1Q24		2Q24		3Q24		4Q24	
Loan Yield	5.51	%	5.61	%	5.66	%	5.73	%	5.55	%
Subtract: Loan Yield Impact of Realized Hedge Gains/(Losses)	(0.84)	%	(0.78)	%	(0.73)	%	(0.69)	%	(0.50)	%
Loan Yield Excluding Impact from Hedges	6.35	%	6.39	%	6.39	%	6.42	%	6.05	%

(1) Under the current applicable regulatory capital rules, Key has made the AOCI opt out election, which enables us to exclude components of AOCI from regulatory capital, notably the AOCI relative to securities and pension. Adjusted CET1 ratio is a non-GAAP measure and is calculated based on Common Equity Tier 1 capital, inclusive of the AOCI impact from securities and pension, divided by risk weighted assets. We believe this non-GAAP measure provides useful information in light of the potential for change in the regulatory capital framework; (2) Loan Yields Excluding Impact from Hedges is a non-GAAP metric and is calculated by excluding losses realized on derivatives which hedge the interest rate risk of our loans. We believe this metric is meaningful as it provides information on loan yields excluding the impacts of hedge-related interest rate risk management programs

Selected Items Impact on Earnings

Selected Items Impact on Earnings			
$ in millions, except per share amounts	Pretax[1]	After-tax at marginal rate[1]	
Quarter to date results	**Amount**	**Net Income**	**EPS[3]**
Three months ended December 31, 2024			
Loss on sale of securities[2]	$ (915)	$ (657)	$ (0.66)
Scotiabank investment agreement valuation (other income)	(3)	(2)	-
FDIC special assessment (other expense)[4]	3	2	-
Three months ended September 30, 2024			
Loss on sale of securities[2]	(918)	(737)	(0.77)
FDIC special assessment (other expense)[4]	6	5	-
Three months ended June 30, 2024			
FDIC special assessment (other expense)[4]	(5)	(4)	-
Three months ended March 31, 2024			
FDIC special assessment (other expense)[4]	(29)	(22)	(0.02)
Three months ended December 31, 2023			
Efficiency related expenses[5]	(67)	(51)	(0.05)
Pension settlement (other expense)	(18)	(14)	(0.02)
FDIC special assessment (other expense)[4]	(190)	(144)	(0.15)

(1) Favorable (unfavorable) impact; (2) After-tax loss on sale of securities for the three months ended September 30, 2024 adjusted to reflect impact of GAAP accounting for income taxes in interim periods, with related adjustments recorded in the fourth quarter of 2024; (3) Impact to EPS reflected on a fully diluted basis; (4) In November 2023, the FDIC issued a final rule implementing a special assessment on insured depository institutions to recover the loss to the FDIC's deposit insurance fund (DIF) associated with protecting uninsured depositors following the 2023 closures of Silicon Valley Bank and Signature Bank. KeyCorp recorded the initial loss estimate related to the special assessment during the fourth quarter of 2023. In late February 2024, the FDIC provided updated estimates on the uninsured deposit losses and recoverable assets related to the 2023 closures of Silicon Valley Bank and Signature Bank. KeyCorp recorded the additional expense related to the revised special assessment during the first quarter of 2024. Amounts reflected for the three-months ended June 30, 2024, September 30, 2024, and December 31, 2024, represent adjustments from initial estimates based on quarterly invoices received by the FDIC; (5) 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

Selected Items Impact on Earnings

Selected Items Impact on Earnings						
$ in millions, except per share amounts	Pretax[1]		After-tax at marginal rate[1]			
Year to date results		**Amount**		**Net Income**		**EPS[2,5]**
Twelve months ended December 31, 2024						
Loss on sale of securities	$	(1,833)	$	(1,394)	$	(1.45)
Scotiabank investment agreement valuation (other income)		(3)		(2)		-
FDIC special assessment (other expense)[3]		(25)		(19)		(0.02)
Total selected items[5]	$	(1,861)	$	(1,415)	$	(1.48)
Twelve months ended December 31, 2023						
Efficiency related expenses[4]	$	(131)	$	(100)	$	(0.10)
Pension settlement (other expense)		(18)		(14)		(0.02)
FDIC special assessment (other expense)[3]		(190)		(144)		(0.15)
Total selected items[5]	$	(339)	$	(258)	$	(0.27)

(1) Favorable (unfavorable) impact; (2) Impact to EPS reflected on a fully diluted basis; (3) In November 2023, the FDIC issued a final rule implementing a special assessment on insured depository institutions to recover the loss to the FDIC's deposit insurance fund (DIF) associated with protecting uninsured depositors following the 2023 closures of Silicon Valley Bank and Signature Bank. KeyCorp recorded the initial loss estimate related to the special assessment during the fourth quarter of 2023. In late February 2024, the FDIC provided updated estimates on the uninsured deposit losses and recoverable assets related to the 2023 closures of Silicon Valley Bank and Signature Bank. KeyCorp recorded the additional expense related to the revised special assessment during the first quarter of 2024, as well as adjustments from initial estimates throughout 2024 based on quarterly invoices received from the FDIC; (4) Efficiency related expenses for the twelve-months ended December 31, 2023, consist primarily of $70 million of severance recorded in personnel expense and $52 million of corporate real estate related rationalization and other contract termination or renegotiation costs recorded in other expense; (5) Earnings per share may not foot due to rounding

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, 2023, Quarterly Report on Form 10-Q for the quarter ended September 30, 2024**,** and in subsequent 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.

Non-GAAP Measures. This document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding Key's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the appendix to this presentation, the financial supplement, or the press release related to this presentation, all of which can be found on Key's website (www.key.com/ir).

Forward-Looking Non-GAAP Measures. From time to time we may discuss forward-looking non-GAAP financial measures. We are unable to provide a reconciliation of forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures because we are unable to provide, without unreasonable effort, a meaningful or accurate calculation or estimation of amounts that would be necessary for the reconciliation due to the complexity and inherent difficulty in forecasting and quantifying future amounts or when they may occur. Such unavailable information could be significant for future results.

Annualized Data. Certain returns, yields, performance ratios, or quarterly growth rates are presented on an "annualized" basis. This is done for analytical and decision-making purposes to better discern underlying performance trends when compared to full-year or year-over-year amounts.

Taxable Equivalent. Income from tax-exempt earning assets is increased by an amount equivalent to the taxes that would have been paid if this income had been taxable at the federal statutory rate. This adjustment puts all earning assets, most notably tax-exempt municipal securities, and certain lease assets, on a common basis that facilitates comparison of results to results of peers.

Earnings Per Share Equivalent. 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 income or expense items is disclosed separately, the after-tax amount is computed using the marginal tax rate, unless otherwise specified, with this then being the amount used to calculate the earnings per share equivalent.

GAAP: Generally Accepted Accounting Principles