

Resolution Plan

KeyCorp

KeyBank National Association

December 2014 - Public Section



Public Section - Table of Contents

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Executive Summary of Resolution Plan

Introduction

Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), and the related rule, 12 C.F.R. Part 243 and 12 C.F.R. Part 381 (the "165(d) Rule"), require each bank holding company ("BHC") with assets greater than \$50 billion to regularly submit to the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Federal Deposit Insurance Corporation (the "FDIC") a plan for such company's rapid and orderly resolution in the event of material financial distress or failure ("Resolution Plan"). KeyCorp ("KeyCorp" or the "Company"), a BHC with consolidated assets greater than \$50 billion, is required to submit a Resolution Plan in accordance with the 165(d) Rule.

Separately, the FDIC, pursuant to its authority under the Federal Deposit Insurance Act ("FDIA"), has issued a rule, 12 C.F.R. Part 360 (the "IDI Rule" and together with the 165(d) Rule, the "Rules"), which requires covered insured depository institutions ("CIDIs") with assets of \$50 billion or more to regularly submit a Resolution Plan that would enable the FDIC, as receiver, to resolve the CIDI in the event of the institution's failure. KeyBank National Association ("KeyBank" or "KBNA"), an insured depository institution ("IDI") with consolidated assets greater than \$50 billion and the principal subsidiary of KeyCorp, is required to submit a Resolution Plan in accordance with the IDI Rule.

To satisfy the requirements of the Rules, and in consideration of the Company's simple organizational structure and business activities, KeyCorp and KBNA have elected to submit a single Resolution Plan. This election is based upon the significance of KeyBank to the consolidated enterprise of KeyCorp. Throughout this Resolution Plan, the term "Parent" is used to refer to the parent BHC on an unconsolidated basis and the term "Bank" is used to refer to the CIDI on an unconsolidated basis. The terms "KeyCorp" and the "Company" are used to refer to the Parent on a consolidated basis with its subsidiaries, and the terms "KeyBank" and "KBNA" are used to refer to KeyBank National Association on a consolidated basis with its subsidiaries.

KBNA is the principal subsidiary and sole IDI subsidiary of KeyCorp. Through KBNA and other subsidiaries, KeyCorp provides a wide range of retail and commercial banking, commercial leasing, investment management, consumer finance, and investment banking products and services, to individual, commercial, and institutional clients.

This public section provides, as set forth in the Rules, an overview of the Resolution Plan for KeyCorp and KBNA. The Resolution Plan contemplates resolution strategies for resolving the Parent, KBNA, and KeyCorp's other Material Entity ("ME") in the unlikely event of material financial distress or failure thereof. The strategies are aimed at providing for rapid and orderly resolution in a manner that minimizes risk to

depositors, taxpayers, regulators, and the financial system. The Resolution Plan is intended to serve as a roadmap to facilitate resolution of KeyCorp and its MEs under applicable insolvency regimes, including receivership under the FDIA, reorganization or liquidation under the United States Bankruptcy Code, and liquidation under the Securities Investor Protection Act of 1970 ("SIPA").

In accordance with the Rules and direction provided by the Federal Reserve and FDIC, this Resolution Plan assumes the occurrence of an idiosyncratic event that results in material financial distress to KeyBank and the Company, and evaluates the resolution strategy under economic conditions consistent with each of the baseline, adverse, and severely adverse scenarios developed by the Federal Reserve pursuant to 12 U.S.C. § 5365. The Resolution Plan further assumes that the capital markets and other market participants are functioning in accordance with the conditions described in the applicable scenario.

Unless otherwise noted in this document, the discussion and underlying information provided herein is as of December 31, 2013.

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "believe," "should," "could," "would," "strategy," "unlikely," "hypothetical," and "in the event that," and other similar references to future periods. Forward-looking statements are not historical facts but instead represent current expectations and forecasts regarding future events, many of which are inherently uncertain and outside of KeyCorp's control. KeyCorp's actual results, and the outcome of any particular resolution strategy, may differ, possibly materially, from the anticipated results indicated in forward-looking statements. Factors that could cause KeyCorp's actual results to differ materially from those described in forward-looking statements can be found in KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2013 and subsequent filings made by KeyCorp under the Securities Exchange Act of 1934, as amended, which have been filed with the Securities and Exchange Commission ("SEC") and are available on KeyCorp's website at www.key.com/ir and on the website for the SEC at 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. KeyCorp 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.

A. The Names of Material Entities

Consistent with the requirements of the Rules, KeyCorp has identified three MEs for the purposes of resolution planning, as identified below.

KeyCorp ("Parent")

The Parent is the BHC under the Bank Holding Company Act of 1956, as amended ("BHCA"), organized in 1958 under the laws of the State of Ohio. The Parent is the parent holding company for KBNA, its principal subsidiary, through which most of the Company's banking services are provided.

KeyBank National Association ("KBNA")

KBNA is the principal subsidiary of the Parent and offers a wide range of banking services to its customers through its 12-state retail bank branch network, as well as through its website, mobile applications, contact centers and sales force across the United States.

KeyBanc Capital Markets Inc. ("KBCMI")

KBCMI is a wholly-owned subsidiary of the Parent. KBCMI is a securities broker and dealer, whose business is comprised of underwriting, investment banking, and principal and agency transactions. KBCMI is an SEC-registered securities broker and dealer.

B. Description of Core Business Lines

For purposes of resolution planning and in accordance with the Rules, KeyCorp has identified two Core Business Lines ("CBLs") that, upon failure, would result in material loss of revenue, profit or franchise value. These CBLs, while solely identified for resolution planning purposes, correspond to the operating segments that the Company uses for management reporting purposes in its SEC-disclosed reports.

Community Banking

Community Banking serves individuals and small to mid-sized businesses by offering lending, deposit, specialty and investment products through its branch network and district offices. Community Banking services clients through a network of 1,028 branches and 1,335 ATMs across a 12-state footprint, as well as through its website, mobile applications, contact centers, and sales force.

Corporate Banking

Corporate Banking provides a full array of commercial and investment banking products and services to clients nationally, both within and beyond KBNA's 12-state retail branch network. Corporate Banking offers products and services including commercial lending, investment banking, equipment leasing, equity and debt underwriting and trading, and syndicated finance, to large corporations, middle-market companies, and public sector entities.

C. Consolidated Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

The asset and liability holdings of both KeyCorp as a consolidated entity and KBNA are presented below, as of December 31, 2013. This financial information was extracted from regulatory filings submitted for that date, specifically the FR Y-9C (KeyCorp) and FFIEC031 (KBNA) Reports.

KeyCorp

Consolidated Balance Sheet - December 31, 2013

(\$ in millions)

Assets		Liabilities	
Cash and due from depository institutions	\$ 5,878	Total deposits	\$ 69,273
Securities	17,102	Federal funds purchased and securities sold under repurchase agreements	1,535
Federal funds sold & reverse repurchase agreements	350	Trading liabilities	763
Loans and leases held for sale	611	Other borrowed funds	6,624
Loans and leases, net of unearned income and allowance	58,068	Subordinated debt	2,861
Trading account assets	1,053	All other liabilities	1,616
Bank premises and fixed assets	885	Total Liabilities	82,672
Other real estate owned	25		
Investments in unconsolidated subsidiaries and real estate ventures	1,036		
Goodwill and other intangibles	1,438	Equity Capital	10,320
All other assets	6,546		
Total Assets	\$ 92,992	Total liabilities and capital	\$ 92,992

Source: FR Y-9C Report

KeyBank National Association

Consolidated Balance Sheet - December 31, 2013

(\$ in millions)

Assets		Liabilities	
Cash and due from depository institutions	\$ 5,826	Total deposits	71,853
Securities	17,082	Federal funds purchased and securities sold under repurchase agreements	1,021
Federal funds sold & reverse repurchase agreements	5	Trading liabilities	422
Loans and leases held for sale	611	Other borrowed funds	4,184
Net loans & leases	57,995	Subordinated debt	2,463
Trading account assets	345	All other liabilities	1,185
Bank premises and fixed assets	867	Total liabilities	81,128
Other real estate owned	25		
Investments in unconsolidated subsidiaries and real estate ventures	1,007	Equity Capital	9,312
Goodwill and other intangibles	1,271		
All other assets	5,406		
Total assets	\$ 90,440	Total liabilities and capital	\$ 90,440

Source: FFIEC031 ("Call") Report

Capital

KeyCorp's common equity tier 1 capital ratio and tangible common equity ratio were strong at December 31, 2013. These ratios have placed the Company in the top quartile of its peer group for these measures. KBNA qualified as "well capitalized" at December 31, 2013. BHCs are not directly evaluated according to any of the five capital categories applicable to IDIs; if, however, those categories applied to BHCs, management believes that the Parent would satisfy the criteria for a "well capitalized" institution at December 31, 2013 as well. Capital ratios for both KeyCorp as a consolidated entity and KBNA are presented below, as reported in the Company's Form 10-K (KeyCorp) and FFIEC031 Report (KBNA) filings for December 31, 2013.

KeyCorp

Year ended December 31, 2013

Capital ratios

Common Equity Tier 1 Capital to net risk-weighted assets	11.22 %
Tier 1 Capital to net risk-weighted assets	11.96 %
Total Capital to net risk-weighted assets	14.33 %
Tangible Common Equity to tangible assets	9.80 %

Source: Form 10-K

KeyBank National Association

Year ended December 31, 2013

Capital ratios

Common Equity Tier 1 Capital to net risk-weighted assets	10.83 %
Tier 1 Capital to net risk-weighted assets	10.83 %
Total Capital to net risk-weighted assets	13.33 %
Tangible Common Equity to tangible assets	9.45 %

Source: FFIEC031 ("Call") Report

KeyCorp's Corporate Treasury department is responsible for managing the Company's capital, and has fully integrated capital management for KBNA into a consolidated, company-wide process. KeyCorp has four primary capital-related processes that are integrally aligned with strategic planning, performance management, and risk management activities. These four activities include capital planning, capital adequacy, capital attribution, and capital allocation.

Funding and Liquidity

Liquidity and funding are also managed through the central Corporate Treasury function. KeyCorp's primary sources of liquidity include customer deposits, wholesale funding, and liquid assets. If the cash flows needed to support operating and investing activities are not satisfied by deposit balances, the Company relies on wholesale funding or liquid assets. Conversely, excess cash generated by operating, investing, and deposit-gathering activities may be used to repay outstanding debt, pay dividends to or repurchase shares from shareholders, or to invest in liquid assets.

Liquidity risk is the risk of not being able to accommodate liability maturities and/or deposit withdrawals, or of not being able to meet contractual obligations to fund new business opportunities at a reasonable cost, in a timely manner, and without adverse consequences. Market conditions or other events could negatively affect the level or cost of funding, affecting KeyCorp's ongoing ability to accommodate liability maturities and deposit withdrawals, meet contractual obligations, and fund asset growth and new business transactions at a reasonable cost. The Company has implemented strategies to maintain sufficient and diverse sources of funding to accommodate planned as well as unanticipated changes in assets and liabilities under both normal and adverse conditions, or any substantial, unexpected, and/or prolonged change in the level or cost of liquidity that could have a material, adverse effect.

KeyCorp manages liquidity risk primarily through managing and assessing the adequacy of the liquid asset portfolio ("LAP"), including the Parent's cash balance. This process includes understanding the risk

associated with products, the limitations of funding sources under adverse conditions for both KBNA and the Parent, and the ability to respond to a liquidity stress event.

KeyCorp's long-term liquidity strategy is to be predominantly funded by core deposits. However, wholesale funds may be used to sustain an adequate LAP, meet daily cash demands, and allow flexibility to execute business initiatives. KeyCorp's client-based relationship strategy provides for a strong core deposit base which, in conjunction with intermediate and long-term wholesale funds managed to a diversified maturity structure and investor base, supports the Company's liquidity risk management strategy. KeyCorp uses the loan-to-deposit ratio as one of the metrics to monitor these strategies.

KeyCorp has several liquidity programs that enable the Parent and KBNA to raise funds in the public and private markets when the capital markets are functioning normally. The proceeds from most of these programs can be used for general corporate purposes, including acquisitions. Each of the programs is replaced or renewed regularly.

The Parent's primary sources of funding are returns on its equity investments in subsidiaries and wholesale term debt issuances. Returns on equity investments in subsidiaries, in the form of intercompany dividends, are dependent on earnings at those subsidiaries. In particular, lack of consistent earnings at KBNA may restrict the flow of dividends to the Parent. The Parent maintains a conservative cash cushion, in the form of deposits at KBNA, to protect against such an adverse event.

D. Description of Derivative Activities and Hedging Activities

KeyCorp is a party to various derivative instruments, mainly through its principal subsidiary, KBNA. The primary derivative types are interest rate swaps, caps, floors, futures, foreign exchange contracts, energy derivatives, credit derivatives, and equity derivatives. Generally, these instruments help manage exposure to interest rate risk, mitigate the credit risk inherent in the loan portfolio, hedge against changes in foreign currency exchange rates, and meet client financing and hedging needs.

KeyCorp uses interest rate swaps primarily to hedge interest rate risk for asset and liability management purposes. These derivative instruments modify the interest rate characteristics of specified on-balance sheet assets and liabilities. KeyCorp's accounting policies related to derivatives reflect the current accounting guidance, which provides that all derivatives should be recognized as either assets or liabilities on the balance sheet at fair value, after taking into account the effects of master netting agreements. Accounting for changes in the fair value (i.e., gains or losses) of a particular derivative depends on whether the derivative

has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship.

A fair value hedge is used to limit exposure to changes in the fair value of existing assets, liabilities and commitments caused by changes in interest rates or other economic factors. The Company designates certain "receive fixed/pay variable" interest rate swaps as fair value hedges. Such contracts convert certain fixed-rate long-term debt into variable-rate obligations, modifying the Company's exposure to changes in interest rates. The effective portion of a change in the fair value of an instrument designated as a fair value hedge is recorded in earnings at the same time as a change in fair value of the hedged item, resulting in no effect on net income. The ineffective portion of a change in the fair value of such a hedging instrument is recognized in "other income" on the income statement, with no corresponding offset.

A cash flow hedge is used to minimize the variability of future cash flows caused by changes in interest rates or other economic factors. The Company designates certain other "receive fixed/pay variable" interest rate swaps as cash flow hedges. These contracts effectively convert certain floating-rate loans into fixed-rate loans to reduce the potential effect of interest rate decreases on future interest income. The effective portion of a gain or loss on a cash flow hedge is recorded as a component of accumulated other comprehensive income ("AOCI") on the balance sheet, and reclassified to earnings in the same period in which the hedged transaction affects earnings. The ineffective portion of a cash flow hedge is included in "other income" on the income statement.

A net investment hedge is used to hedge the exposure of changes in the carrying value of investments as a result of changes in the related foreign exchange rates. The effective portion of a gain or loss on a net investment hedge is recorded as a component of AOCI on the balance sheet when the terms of the derivative match the notional and currency risk being hedged. The effective portion is subsequently reclassified into income when the hedged transaction affects earnings. The ineffective portion of a net investment hedge is included in "other income" on the income statement.

Bilateral collateral and master netting agreements allow KeyCorp to settle all derivative contracts held with a single counterparty on a net basis, and to offset net derivative positions with related cash collateral, where applicable. As a result, the Company might have derivative contracts with negative fair values included in derivative assets on the balance sheet, and contracts with positive fair values included in derivative liabilities. Where master netting agreements do not exist or are not enforceable agreements under bankruptcy laws, those derivative assets and liabilities with counterparties are recorded on a gross basis. Securities collateral related to legally enforceable master netting agreements is not offset on the balance sheet.

At December 31, 2013, after taking into account the effects of bilateral collateral and master netting agreements, KeyCorp had \$91 million of derivative assets and a positive \$7 million of derivative liabilities that relate to contracts entered into for hedging purposes. The hedging derivative liabilities are in an asset position largely due to contracts with positive fair values as a result of master netting agreements. As of the same date, after taking into account the effects of bilateral collateral and master netting agreements and a reserve for potential future losses, KeyCorp had derivative assets of \$316 million and derivative liabilities of \$421 million that were not designated as hedging instruments.

E. List of Memberships in Material Payment, Clearing and Settlement Systems

KeyCorp participates in payment, clearing, and settlement systems to provide payment services to customers and clients, and to facilitate the clearing and settlement of security, derivative, and cash transactions. These systems, known as Financial Market Utilities ("FMUs"), are an essential part of doing business in the financial services industry. KeyCorp maintains memberships and/or participates in the FMUs listed below.

- Chicago Mercantile Exchange
- CLS Group
- Depository Trust Company
- Electronic Payments Network
- Fed Check
- Fed ACH
- Fedwire Funds Service
- Fedwire Securities Service
- Fixed Income Clearing Corporation
- Intercontinental Exchange Group, Inc.
- LCH.Clearnet Group Ltd.
- MasterCard International Incorporated
- National Securities Clearing Corporation
- Small Value Payments Company
- Society for Worldwide Interbank Financial Telecommunication

F. Description of Foreign Operations

KeyCorp operates primarily within the United States through its retail branch network and other offices outside the retail footprint. KBNA maintains a banking license in the Cayman Islands to support certain deposit activities. KBNA also offers a limited set of products and services internationally through equipment leasing subsidiaries. Neither the international equipment leasing nor the deposit activities conducted under the Cayman Islands license are considered a material component of KBNA's business.

G. Identities of Material Supervisory Authorities

As a BHC, the Parent is subject to regulation, supervision and examination by the Board of Governors of the Federal Reserve System ("Federal Reserve") under the BHCA. As such, the Parent is subject to various restrictions on its activities and investments.

Federal law establishes a system of prudential and functional federal regulation under which the Federal Reserve is the umbrella regulator for BHCs, while their affiliates are principally regulated by prudential and functional regulators such as the Office of the Comptroller of the Currency ("OCC") for national banks and federal savings associations, the Federal Reserve for member state banks, the FDIC for non-member state banks and savings associations, the Consumer Financial Protection Bureau ("CFPB") for federal consumer financial laws and consumer financial products or services, the Securities Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") for securities broker-dealer activities, the SEC and the Commodity Futures Trading Commission ("CFTC") for swaps and other derivatives, and state insurance regulators for insurance activities. Certain specific activities, including traditional bank trust and fiduciary activities, may be conducted in a bank without the bank being deemed a "broker" or a "dealer" in securities for purposes of securities functional regulation. Although the states generally must regulate bank insurance activities in a non-discriminatory manner, the states may continue to adopt and enforce rules that specifically regulate bank insurance activities in certain identifiable risks.

KBNA is subject to regulation, supervision and examination by the OCC. The Bank has one national bank subsidiary that is limited to fiduciary activities; a second fiduciary subsidiary was merged into the Bank in September, 2014. The FDIC also has certain regulatory, supervisory and examination authority over KBNA and the Parent under the FDIA and Dodd-Frank Act.

The Parent has other financial services subsidiaries that are subject to regulation, supervision and examination by the Federal Reserve, as well as other applicable state and federal regulatory agencies and self-regulatory organizations. KeyCorp's securities brokerage and asset management subsidiaries are subject to supervision and regulation by the SEC, FINRA, and state securities regulators, and its insurance subsidiaries are subject to regulation by the insurance regulatory authorities of the states in which they operate. KeyCorp's other non-bank subsidiaries are subject to laws and regulations of both the federal government and the various states in which they are authorized to do business.

KeyCorp is subject to supervision by the following authorities and agencies:

- Board of Governors of the Federal Reserve System
- Federal Deposit Insurance Corporation
- Securities and Exchange Commission
- Office of the Comptroller of the Currency
- Consumer Financial Protection Bureau
- Financial Industry Regulatory Authority
- Commodity Futures Trading Commission

H. Identities of Principal Officers

The principal officers of KeyCorp and their positions, as of June 30, 2014 are listed below.

Name	Position
Beth E. Mooney	Chairman of the Board, Chief Executive Officer and President
Amy G. Brady	Chief Information Officer
Craig A. Buffie	Chief Human Resources Officer
Edward J. Burke	Co-President, Community Bank, Commercial & Private Banking
Robert A. DeAngelis	Director, Enterprise Program Management Office
Dennis A. Devine	Co-President, Community Bank, Consumer & Small Business
Trina M. Evans	Director, Corporate Center
Christopher M. Gorman	President, Corporate Bank
Paul N. Harris	General Counsel and Secretary
William L. Hartmann	Chief Risk Officer
Donald R. Kimble	Chief Financial Officer

The principal officers of KBNA and their positions, as of June 30, 2014, are listed below.

Name	Position
Christopher M. Gorman	Chairman of the Board, Chief Executive Officer and President
Edward J. Burke	Co-President, Community Bank
Dennis A. Devine	Co-President, Community Bank
Paul N. Harris	General Counsel and Secretary
William L. Hartmann	Chief Risk Officer
Kevin T. Ryan	Chief Risk Review Officer and General Auditor
Joseph M. Vayda	Treasurer
Mark D. Whitham	Chief Financial Officer

I. Description of Corporate Governance Structure and Processes Related to Resolution Planning

KeyCorp assumes and manages risk in support of its vision, mission and strategy. The Resolution Plan framework draws upon KeyCorp's existing risk management planning, controls, procedures and commitments. KeyCorp assumes risk and ensures that existing and emerging risks are identified and managed consistently within approved risk appetites and tolerances.

Following the submission of KeyCorp's 2013 Resolution Plan, the Company transitioned the resolution planning function from a project management governance structure into a business-as-usual ("BAU") function responsible for the preparation, development and maintenance of the Resolution Plan on an ongoing basis. On January 1, 2014, the resolution planning function was formally moved into KeyCorp's Corporate Treasury unit, which reports to the Company's CFO.

KeyCorp has established a robust governance structure for resolution planning. As part of the BAU governance structure, the Resolution Planning Core Team ("RPCT") was formed; this team includes the Resolution Planning Manager and additional support staff. The Resolution Planning Manager coordinates KeyCorp's resolution planning efforts across the enterprise using a decentralized process that involves a dedicated working group of subject matter experts representing teams from the lines of business and support areas across the Company.

The RPCT receives sponsorship and direction from a Resolution Planning Executive Oversight Team, comprised of the Chief Financial Officer and Chief Risk Officer, along with the Company's Corporate Treasurer, Capital Management Director, and Resolution Planning Manager. KeyCorp also engages the services of external counsel to ensure completeness of the content and alignment with guidance provided by

the regulators. KeyCorp's 2014 Resolution Plan has been approved by the Boards of Directors of the Parent (the "Board") and KBNA ("KBNA Board"). The Resolution Plan is approved by the Board and the KBNA Board annually, prior to its submission to the regulators.

J. Description of Material Management Information Systems

KeyCorp recognizes the need to have timely access to critical management information systems and reports (collectively referred to as "MIS") at the time of resolution. As required by the Rules, this Resolution Plan provides information on critical risk, finance, accounting, and regulatory management information systems and reports. KeyCorp has robust and sound MIS that include a wide variety of application systems, platforms, databases, and infrastructure, enabling business users to generate standard and *ad hoc* reports and perform business analytics. Additionally, KeyCorp maintains a comprehensive Business Continuity Program ("BCP") to ensure that the Company has the capability to recover information assets and business processes lost or interrupted as a result of an unexpected business disruption. It is KeyCorp's policy that all lines of business and subsidiaries develop, implement, maintain, and test viable and comprehensive business continuity plans. In addition, all critical vendors are required to maintain a BCP and Disaster Recovery Plan that is subject to KeyCorp's approval and must meet the specified criteria set forth in the agreement governing the vendor relationship. KeyCorp has the right to audit such plans. The Board, acting through its Audit Committee, is responsible for overseeing KeyCorp's BCP and ensuring that resources are dedicated to this activity.

KeyCorp has established a central authority responsible for the overall governance of the enterprise BCP. This authority maintains the program based on KeyCorp's risk appetite, delivers consulting, training, and awareness, and provides management reporting on the Company's recovery posture. KeyCorp regularly and independently tests the controls and procedures of the BCP using both internal and external means.

K. High-level Description of Resolution Strategy Including Such Items as the Range of Potential Purchasers of the Company and the CIDI, its MEs, and CBLs

As required by the Rules, KeyCorp has developed strategies for resolution in the unlikely and hypothetical event of failure. These strategies, subject to certain assumptions, include the resolution scenarios of designated MEs and CBLs, and the considerations for delivery and continuation of critical services ("CSs"), including MIS, intellectual property, contractual relationships, facilities, and personnel, during resolution. The resolution strategies identify a range of sale and disposition options for KBNA, KBCMI, and other assets of the Company. Depending on the timing and circumstances of resolution of the Company, a range of potential purchasers could include, but is not limited to, international, national, and regional financial institutions.

Resolution Under Chapter 11

In the unlikely event of failure, KeyCorp would be resolved through bankruptcy proceedings under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 1101 *et seq.* ("Chapter 11"). The Bankruptcy Code and the Chapter 11 process offer a number of protections to a Chapter 11 debtor, including the ability to continue operating as a going concern (generally free from creditor interference) in order to fashion an orderly Chapter 11 plan. Absent extenuating circumstances, a Chapter 11 debtor's management continues to operate the business in the ordinary course, as "debtor-in-possession," and its Board of Directors remains in control of the fundamental business direction and emergence strategy.

FDIC Receivership and Bridge Depository Institution

In the unlikely event of failure, KBNA, a CIDI, would be resolved under the FDIA. The FDIC would succeed to all the rights, titles, powers, and privileges of the IDI and of its stockholders, officers, and directors with respect to the failed bank and its assets, subject to the provisions of the FDIA. The specific actions taken by the FDIC as receiver, including the decision whether to cause any subsidiaries of KBNA to commence bankruptcy proceedings, would depend in part upon the circumstances under which the FDIC is appointed as receiver. Among other things, the FDIC's decisions could be affected by the rate of deterioration of KBNA, the then-current state of the economy, the availability of potential purchasers, and the potential impact of the failure on the Deposit Insurance Fund ("DIF").

When resolving an IDI, the FDIC can pursue several alternative options. Historically, when a buyer can be found at or before the commencement of the receivership, the FDIC has effected an immediate sale of assets, deposits, and selected other liabilities of the failed bank through a whole-bank purchase and assumption ("P&A") agreement. Where this is not possible, the FDIC will typically establish a Bridge

Depository Institution (“BDI”) to maintain the assets and operations of the failed bank until a buyer (or buyers) can be found.

Resolution Pursuant to the Securities Investor Protection Act

In the unlikely event of failure, broker-dealer subsidiaries such as KBCMI would be resolved pursuant to SIPA. KBCMI's resolution thereunder would likely be administered by the Securities Investor Protection Corporation (“SIPC”). Under SIPA, the SEC or another regulatory agency would notify SIPC that KBCMI is in difficulty. If SIPC determines that KBCMI (a) has failed or is in danger of failing to meet its obligations to its customers, or (b) is insolvent, in bankruptcy or is not in compliance with regulatory requirements, SIPC would move forward toward a liquidation process.