TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: KeyCorp | **Submission date: 3/30/09** | **Person to be contacted about this report: Robert L. Morris**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)	2008 DEC	2009 JAN	2009 FEB	Key	Comments
1. First Mortgage					
a. Average Loan Balance (Daily Average Total Outstanding)	$3,630	$3,494	$3,495	First Mortgage includes loans secured by 1-4 family residential properties including home equity loans secured by first liens.	**Refinance applications continue to drive the increase in mortgage applications. Higher levels of funding reflect increased applications that began in mid-December. Bank operational capacity constraints are limiting growth for this product.**
b. Total Originations	$92	$129	$148	Total Originations include both portfolio and held-for-sale loan originations.	
(1) Refinancings	$44	$101	$117		
(2) New Home Purchases	$48	$28	$31		
2. Home Equity					
a. Average Total Loan Balance	$7,941	$8,092	$8,177	Home Equity includes home equity lines of credit only (Home equity loans secured by first liens are included with First Mortgages above).	**Consumer cautiousness, a short month and apparent product substitution to mortgage refinancings have resulted in a 25% reduction in Home Equity applications from January. Increased utilization and a decrease in account payoffs resulted in outstanding and commitment increases despite the reduction in applications. The year over year decrease is more significant, exceeding 50% compared to February 2008.**
b. Originations (New Lines+Line Increases)	$151	$121	$133		
c. Total Used and Unused Commitments	$16,411	$16,500	$16,548		
3. US Card - Managed					
a. Average Total Loan Balance - Managed	$6	$6	$5	US Card - Managed includes Credit Card loans.	**Key does not originate new credit card receivables for its own portfolio. The existing portfolio was acquired through a bank acquisition.**
b. New Account Originations (Initial Line Amt)	$0	$0	$0		
c. Total Used and Unused Commitments	$49	$47	$46		
4. Other Consumer					
a. Average Total Loan Balance	$8,313	$8,408	$8,430	Other Consumer includes all other non-revolving consumer loans.	**Originations are down from January due to the seasonal spike in student lending that occurs in January. Federally guaranteed student loans still comprise the majority of Key's lending in this category. Federally guaranteed student loans were up 42% year over year.**
b. Originations	$110	$192	$56		

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: KeyCorp | **Submission date: 3/30/09** | **Person to be contacted about this report: Robert L. Morris**

SCHEDULE B: COMMERCIAL LENDING (Millions $)	DEC	JAN	FEB	Key	Comments
1. C & I					
a. Average Total Loan and Lease Balance	$36,506	$36,053	$35,316	C & I includes lease financing receivables, commercial and industrial loans, agricultural loans, loans to depository institutions and other nonconsumer loans.	**In February, continued weak demand for C & I credit was experienced across all segments. Small Business demand for credit, especially by micro-businesses, continues to be well below prior year levels. Middle Market new business volume for February was very low and down from January. Historically, February is a low volume month.**
b. Renewal of Existing Accounts	$1,679	$835	$709	Renewals of existing accounts include outstanding balances and unused commitments for which the terms were extended or changed. A renewed commitment may or may not have an active draw.	
c. New Commitments	$994	$537	$525	New commitments include outstanding balances and unused commitments. Commitment amounts exclude standby letters of credit.	
2. Commercial Real Estate					
a. Average Total Loan and Lease Balance	$19,224	$18,963	$18,952	Commercial Real Estate includes construction and land loans, loans secured by multi-family residential properties and by other nonresidential properties.	**Commercial Real Estate ("CRE") loan demand continued to be weak during February. Key's primary lending activities in CRE continued to be extending and modifying existing credits given the lack of liquidity and refinancing options in the commercial real estate market. Primary refinancing activity off Key's balance sheet has been in the multi-family space with Fannie Mae, Freddie Mac, and FHA agencies.**
b. Renewal of Existing Accounts	$1,263	$908	$583	Renewals of existing accounts include outstanding balances and unused commitments for which the terms were extended or changed. A renewed commitment may or may not have an active draw.	
c. New Commitments	$229	$344	$87	New commitments include outstanding balances and unused commitments. Commitment amounts exclude standby letters of credit.	
SCHEDULE C: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	$146	-$113	-$60	February MBS includes $90 MM in purchases and $150MM in paydowns, calls and maturities.	**Over time, purchases of GSE-guaranteed MBS and CMO security types are targeted to replace maturing or prepaying volumes. Monthly variances reflect investment timing differences for changing near term market opportunities.**
b. Asset Backed Securities	$0	$0	$0		
2. Secured Lending (Repo, PB, Margin Lending)					
a. Average Total Matched Book (Repo/Reverse Repo)[1]	N/A	N/A	N/A		
b. Average Total Debit Balances[2]	N/A	N/A	N/A		
3. Underwriting					
a. Total Equity Underwriting	$0	$18	$0		**Equity Underwriting continues to be slow due to extreme market volatility and pressure on valuation. Investment grade credit spreads for the month of February widened from the lows set in January due to increased supply and further downward pressure in the equity markets. The CDX Investment Grade for the month of February widened from 200 bps to 230 bps. New issue volume was strong for the month with roughly $70 billion issued in the investment grade bond market. Secondary trading volumes remain robust, however inventory levels remain low for all the major dealers.**
b. Total Debt Underwriting	$519	$311	$461		

Notes:
1. Not applicable if matched book activity does not exceed $50 billion.
2. Applicable only for institutions offering prime brokerage or other margin lending services to clients.

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: **KeyCorp**
Reporting month(s): February 2009
Submission date: 3/30/09
Person to be contacted regarding this report: Robert L. Morris

PART II. QUALITATIVE OVERVIEW

Please provide a brief overview of the intermediation activity during the month. This discussion should include a general commentary on the lending environment, loan demand, any changes in lending standards and terms, and any other intermediation activity.

Cleveland-based KeyCorp is one of the nation's largest bank-based financial services companies with assets of approximately $105 billion at December 31, 2008. Through KeyBank and certain 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, corporate and institutional clients through two major business groups, Community Banking and National Banking. Community Banking includes the consumer and business banking organizations associated with the company's 14-state branch network. The branch network is organized into four geographic regions: Northwest, Rocky Mountains, Great Lakes and Northeast. National Banking includes those corporate and consumer business units that operate from offices within and outside Key's 14-state branch network. Its reach extends across the U.S. and to 26 countries.

General

February 2009 was characterized by weak credit demand in the commercial client segment. As in January, consumer loan growth was experienced in two segments: residential mortgages and student lending.

Key's lending strategies continue to focus on serving the needs of existing and new relationship clients while being mindful of risk-reward and strategic capital allocation.

Consumer

Consumer loan demand continues to be constrained for new borrowings as families remain cautious in taking on additional debt. It appears that the refinancing of first mortgage loans is becoming a substitute for lower LTV Home Equity products. Key is experiencing a greater decrease in application volume in these products versus higher LTV products in past few months. As expected, residential mortgages and Federal Guaranteed student loans continue to show year-over-year growth, with mortgage funding up 118% and federally-guaranteed student loans up 42% over February 2008. Federally-guaranteed student loan volume is experiencing growth as alternative loan products become less available due to capital market funding constraints of non-bank entities and the withdrawal of several lenders from the segment.

C & I

Borrower credit inquiries, excluding renewals, declined in February. This follows the previously established trend. Present inquiries represent about 25% of the new business demand from a year earlier. Demand remained weak across all sectors, but especially with micro-business borrowers (requests under $100,000).

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: **KeyCorp**
Reporting month(s): February 2009
Submission date: 3/30/09
Person to be contacted regarding this report: Robert L. Morris

As noted in prior months' reports, Key had previously undertaken actions to limit and/or manage its exposure to higher risk industries. There were no material changes to underwriting standards in February. The emphasis on pricing for risk and term liquidity, initiated in the third quarter of 2008, also continued in February.

Commercial Real Estate
Commercial Real Estate ("CRE") loan demand continued to be weak during February. This weak demand follows the established trend of prior months. The CRE market outlook continues to be weak.

In February, Key continued to extend and modify existing credits, given the lack of liquidity and refinancing options in the commercial real estate market. Primary refinancing activity off Key's balance sheet has been in the multi-family space with Fannie Mae, Freddie Mac and FHA agencies.