

KEYCORP /NEW/  
Form 10-Q  
November 01, 2018

false--12-31Q320182018-09-300000091576falseLarge Accelerated Filer0.0425000.00025000.0000.025KEYCORP  
/NEW/falseKEY010000001000000000001000000000000.030000.01240.032200.01340.0200.00270.020000.00200.03000.008  
0000091576 2018-01-01 2018-09-30 0000091576 2018-10-30 0000091576 us-gaap:ResidentialMortgageMember  
2018-09-30 0000091576 us-gaap:ResidentialMortgageMember 2017-12-31 0000091576 2018-09-30 0000091576  
2017-12-31 0000091576 2017-01-01 2017-09-30 0000091576 2018-07-01 2018-09-30 0000091576 2017-07-01  
2017-09-30 0000091576 us-gaap:RetainedEarningsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommonStockMember 2017-12-31 0000091576 us-gaap:AdditionalPaidInCapitalMember 2018-07-01  
2018-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2018-06-30 0000091576  
us-gaap:PreferredStockMember 2017-12-31 0000091576 us-gaap:AdditionalPaidInCapitalMember 2018-01-01  
2018-09-30 0000091576 us-gaap:RetainedEarningsMember 2018-09-30 0000091576 us-gaap:CommonStockMember  
2018-07-01 2018-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommonStockMember 2018-01-01 2018-09-30 0000091576 us-gaap:TreasuryStockMember 2018-07-01  
2018-09-30 0000091576 us-gaap:TreasuryStockMember 2017-12-31 0000091576 us-gaap:TreasuryStockMember  
2018-01-01 2018-09-30 0000091576 us-gaap:CommonStockMember 2018-09-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-09-30 0000091576  
us-gaap:PreferredStockMember 2018-01-01 2018-09-30 0000091576 us-gaap:NoncontrollingInterestMember  
2018-07-01 2018-09-30 0000091576 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31  
0000091576 us-gaap:AdditionalPaidInCapitalMember 2018-06-30 0000091576  
us-gaap:AdditionalPaidInCapitalMember 2018-09-30 0000091576 us-gaap:AdditionalPaidInCapitalMember  
2017-12-31 0000091576 us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:TreasuryStockMember 2018-06-30 0000091576 us-gaap:SeriesDPreferredStockMember  
us-gaap:RetainedEarningsMember 2018-07-01 2018-09-30 0000091576 us-gaap:PreferredStockMember 2018-09-30  
0000091576 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-06-30 0000091576  
us-gaap:TreasuryStockMember 2018-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2018-09-30  
0000091576 us-gaap:RetainedEarningsMember 2017-12-31 0000091576 us-gaap:RetainedEarningsMember  
2018-06-30 0000091576 us-gaap:SeriesEPreferredStockMember us-gaap:RetainedEarningsMember 2018-07-01  
2018-09-30 0000091576 us-gaap:CommonStockMember 2018-06-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-09-30 0000091576 us-gaap:PreferredStockMember  
2018-06-30 0000091576 us-gaap:PreferredStockMember 2018-07-01 2018-09-30 0000091576  
us-gaap:SeriesEPreferredStockMember us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NoncontrollingInterestMember 2017-12-31 0000091576 us-gaap:SeriesDPreferredStockMember  
us-gaap:RetainedEarningsMember 2018-01-01 2018-09-30 0000091576 us-gaap:AdditionalPaidInCapitalMember  
2016-12-31 0000091576 us-gaap:TreasuryStockMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AdditionalPaidInCapitalMember 2017-09-30 0000091576 us-gaap:CommonStockMember 2017-01-01  
2017-09-30 0000091576 us-gaap:CommonStockMember 2016-12-31 0000091576 us-gaap:RetainedEarningsMember  
2017-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2017-06-30 0000091576  
us-gaap:TreasuryStockMember 2017-09-30 0000091576 us-gaap:AccumulatedOtherComprehensiveIncomeMember  
2017-07-01 2017-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2017-09-30 0000091576  
us-gaap:CommonStockMember 2017-06-30 0000091576 us-gaap:CommonStockMember 2017-07-01 2017-09-30  
0000091576 us-gaap:TreasuryStockMember 2017-01-01 2017-09-30 0000091576  
us-gaap:SeriesDPreferredStockMember us-gaap:RetainedEarningsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommonStockMember 2017-09-30 0000091576 us-gaap:RetainedEarningsMember 2017-06-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:NoncontrollingInterestMember 2016-12-31 0000091576 us-gaap:RetainedEarningsMember 2017-07-01  
2017-09-30 0000091576 us-gaap:PreferredStockMember 2017-09-30 0000091576 us-gaap:TreasuryStockMember  
2016-12-31 0000091576 us-gaap:AdditionalPaidInCapitalMember 2017-01-01 2017-09-30 0000091576  
us-gaap:TreasuryStockMember 2017-06-30 0000091576 us-gaap:AccumulatedOtherComprehensiveIncomeMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

2016-12-31 0000091576 us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:SeriesEPreferredStockMember us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:PreferredStockMember 2017-01-01 2017-09-30 0000091576 us-gaap:PreferredStockMember 2017-06-30  
0000091576 us-gaap:NoncontrollingInterestMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0000091576  
us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-06-30 0000091576 us-gaap:PreferredStockMember  
2016-12-31 0000091576 us-gaap:SeriesAPreferredStockMember us-gaap:RetainedEarningsMember 2017-01-01  
2017-09-30 0000091576 us-gaap:NoncontrollingInterestMember 2017-07-01 2017-09-30 0000091576  
us-gaap:SeriesCPreferredStockMember us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AdditionalPaidInCapitalMember 2017-07-01 2017-09-30 0000091576  
us-gaap:SeriesEPreferredStockMember us-gaap:RetainedEarningsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AdditionalPaidInCapitalMember 2017-06-30 0000091576 us-gaap:RetainedEarningsMember 2016-12-31  
0000091576 us-gaap:SeriesDPreferredStockMember us-gaap:RetainedEarningsMember 2017-01-01 2017-09-30  
0000091576 us-gaap:SeriesEPreferredStockMember 2017-07-01 2017-09-30 0000091576  
us-gaap:SeriesEPreferredStockMember 2018-01-01 2018-09-30 0000091576 us-gaap:SeriesEPreferredStockMember  
2018-07-01 2018-09-30 0000091576 us-gaap:SeriesDPreferredStockMember 2017-07-01 2017-09-30 0000091576  
us-gaap:SeriesDPreferredStockMember 2018-07-01 2018-09-30 0000091576 us-gaap:SeriesEPreferredStockMember  
2017-01-01 2017-09-30 0000091576 us-gaap:SeriesAPreferredStockMember 2017-01-01 2017-09-30 0000091576  
us-gaap:SeriesDPreferredStockMember 2017-01-01 2017-09-30 0000091576 us-gaap:SeriesCPreferredStockMember  
2017-01-01 2017-09-30 0000091576 us-gaap:SeriesDPreferredStockMember 2018-01-01 2018-09-30 0000091576  
2017-09-30 0000091576 2016-12-31 0000091576 key:CommercialCreditCardMember 2018-09-30 0000091576  
key:EducationLendingMember us-gaap:SegmentDiscontinuedOperationsMember 2017-12-31 0000091576  
key:EducationLendingMember us-gaap:SegmentDiscontinuedOperationsMember 2018-09-30 0000091576  
key:CommercialCreditCardMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CriticizedNonaccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember  
key:CriticizedNonaccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialFinancialAndAgriculturalMember  
key:CriticizedNonaccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember  
key:CriticizedNonaccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialFinancialAndAgriculturalMember  
key:CriticizedNonaccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CriticizedAccruingMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember  
us-gaap:PassMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialRealEstateLoansMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember us-gaap:PassMember  
2018-09-30 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialFinancialAndAgriculturalMember key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
us-gaap:PassMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CriticizedNonaccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember 2017-12-31

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
us-gaap:ConstructionLoansMember key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
key:CriticizedNonaccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember  
key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember us-gaap:PassMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialRealEstateLoansMember key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember  
key:CriticizedNonaccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember  
key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
us-gaap:PassMember 2017-12-31 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
key:CriticizedNonaccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialFinancialAndAgriculturalMember  
key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember 2017-12-31  
0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:PassMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialFinancialAndAgriculturalMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember  
key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:PassMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialFinancialAndAgriculturalMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialRealEstateLoansMember  
key:CriticizedNonaccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember key:CommercialLeasesMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember us-gaap:ConstructionLoansMember  
2018-09-30 0000091576 key:CommercialPortfolioSegmentExcludingPciLoansMember  
key:CommercialFinancialAndAgriculturalMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentExcludingPciLoansMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:PassMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialLeasesMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialRealEstateLoansMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialLeasesMember us-gaap:PassMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentPCIMember key:CommercialRealEstateLoansMember  
key:CriticizedAccruingMember 2017-12-31 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialRealEstateLoansMember key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialFinancialAndAgriculturalMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentPCIMember key:CommercialFinancialAndAgriculturalMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentPCIMember us-gaap:PassMember 2017-12-31  
0000091576 key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

key:CriticizedAccruingMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialRealEstateLoansMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember key:CriticizedAccruingMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialFinancialAndAgriculturalMember us-gaap:PassMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialFinancialAndAgriculturalMember  
key:CriticizedAccruingMember 2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialRealEstateLoansMember 2017-12-31 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialRealEstateLoansMember us-gaap:PassMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialLeasesMember key:CriticizedAccruingMember  
2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember key:CommercialLeasesMember 2018-09-30  
0000091576 key:CommercialPortfolioSegmentPCIMember key:CriticizedAccruingMember 2018-09-30 0000091576  
key:CommercialPortfolioSegmentPCIMember key:CommercialLeasesMember key:CriticizedAccruingMember  
2017-12-31 0000091576 key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember  
2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember key:CommercialLeasesMember 2017-12-31  
0000091576 key:CommercialPortfolioSegmentPCIMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember us-gaap:PassMember 2017-12-31  
0000091576 key:CommercialPortfolioSegmentPCIMember us-gaap:ConstructionLoansMember us-gaap:PassMember  
2018-09-30 0000091576 key:CommercialPortfolioSegmentPCIMember  
key:CommercialFinancialAndAgriculturalMember key:CriticizedAccruingMember 2017-12-31 0000091576  
key:CommercialPortfolioSegmentPCIMember us-gaap:PassMember 2018-09-30 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentExcludingPCIMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerCreditCardMember 2017-12-31 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2018-09-30 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2018-09-30 0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerCreditCardMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerCreditCardMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2018-09-30 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2017-12-31 0000091576 key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerDirectLoansMember 2018-09-30 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerDirectLoansMember 2017-12-31 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember 2018-09-30 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

key:ConsumerDirectLoansMember 2018-09-30 0000091576 key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2018-09-30 0000091576 key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerCreditCardMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerCreditCardMember 2018-09-30 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentExcludingPCIMember 2017-12-31 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerCreditCardMember 2018-09-30 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerCreditCardMember 2017-12-31 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember 2017-12-31 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember 2017-12-31 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember 2017-12-31 0000091576  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2017-12-31 0000091576 key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerDirectLoansMember  
2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2018-09-30 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerIndirectLoansMember 2017-12-31 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember 2017-12-31 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2018-09-30 0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerCreditCardMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ResidentialPrimeFinancingReceivablesMember  
2017-12-31 0000091576 key:FICOScore660to749Member key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ConsumerCreditCardMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentExcludingPCIMember key:ConsumerCreditCardMember 2018-09-30 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentExcludingPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-01-01

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember  
key:CommercialRealEstateCommercialMortgageMember us-gaap:SegmentContinuingOperationsMember 2018-01-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember 2017-07-01 2017-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember 2018-07-01  
2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember  
key:CommercialFinancialAndAgriculturalMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember 2017-01-01  
2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2017-01-01  
2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2018-01-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
2018-01-01 2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember  
key:CommercialRealEstateCommercialMortgageMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember 2018-07-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember 2017-01-01 2017-09-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember 2017-07-01 2017-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
2018-01-01 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
2018-07-01 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember 2017-01-01  
2017-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember 2018-01-01 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember 2018-01-01  
2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
2017-01-01 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember 2017-01-01 2017-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember 2018-01-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2018-07-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
2017-07-01 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
2017-01-01 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember 2018-01-01 2018-09-30 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember 2017-07-01  
2017-09-30 0000091576 key:PurchaseCreditImpairedLoansMember 2018-09-30 0000091576  
key:PurchaseCreditImpairedLoansMember 2018-06-30 0000091576 key:PurchaseCreditImpairedLoansMember  
2017-12-31 0000091576 key:PurchaseCreditImpairedLoansMember 2018-01-01 2018-09-30 0000091576  
key:PurchaseCreditImpairedLoansMember 2018-07-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:CommercialPortfolioSegmentMember  
key:CommercialFinancialAndAgriculturalMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01  
2017-12-31 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:CommercialPortfolioSegmentMember  
key:CommercialFinancialAndAgriculturalMember us-gaap:NonperformingFinancingReceivableMember 2018-01-01  
2018-09-30 0000091576 key:PriorYearAccruingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01 2017-12-31  
0000091576 us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember 2017-01-01 2017-12-31 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:NonperformingFinancingReceivableMember 2018-01-01  
2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:CommercialPortfolioSegmentMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember  
key:CommercialFinancialAndAgriculturalMember key:PriorYearAccruingMember 2017-01-01 2017-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:CommercialPortfolioSegmentMember  
us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember key:PriorYearAccruingMember  
2017-01-01 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:PriorYearAccruingMember  
2018-01-01 2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01  
2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
key:PriorYearAccruingMember 2018-01-01 2018-09-30 0000091576 2017-01-01 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember key:PriorYearAccruingMember  
2018-01-01 2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:CommercialRealEstatePortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:NonperformingFinancingReceivableMember 2017-01-01 2017-12-31 0000091576  
key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:PriorYearAccruingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember 2017-01-01 2017-12-31 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:CommercialRealEstatePortfolioSegmentMember  
key:CommercialRealEstateLoansMember us-gaap:NonperformingFinancingReceivableMember 2018-01-01  
2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30  
0000091576 us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember 2018-01-01 2018-09-30 0000091576



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
key:PriorYearAccruingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerCreditCardMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01 2017-12-31  
0000091576 us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01  
2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
key:PriorYearAccruingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:CommercialRealEstatePortfolioSegmentMember  
key:CommercialRealEstateLoansMember us-gaap:NonperformingFinancingReceivableMember 2017-01-01  
2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576  
us-gaap:NonperformingFinancingReceivableMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember key:PriorYearAccruingMember  
2018-01-01 2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:CommercialRealEstatePortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:NonperformingFinancingReceivableMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:PriorYearAccruingMember 2017-01-01 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember key:PriorYearAccruingMember  
2018-01-01 2018-09-30 0000091576 us-gaap:NonperformingFinancingReceivableMember  
us-gaap:NonperformingFinancingReceivableMember 2017-01-01 2017-12-31 0000091576  
key:PurchaseCreditImpairedLoansMember 2017-01-01 2017-12-31 0000091576  
key:PurchaseCreditImpairedLoansMember 2016-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember 2017-12-31  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember 2017-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember 2017-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember  
2017-12-31 0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember 2017-12-31  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember 2018-09-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember 2018-09-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerCreditCardMember us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2017-01-01  
2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2017-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2016-12-31 0000091576  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerCreditCardMember us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2016-12-31  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:HomeEquityLoanMember us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerDirectLoansMember us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2017-09-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember us-gaap:SegmentContinuingOperationsMember 2016-12-31 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2018-06-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30  
0000091576 2018-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-07-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-06-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2018-06-30 0000091576  
key:ConsumerPortfolioSegmentPCIMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember  
2018-09-30 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerDirectLoansMember 2018-09-30 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember key:ConsumerCreditCardMember  
2017-12-31 0000091576 key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2018-09-30 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentPCIMember key:ResidentialPrimeFinancingReceivablesMember 2018-09-30  
0000091576 key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember 2017-12-31  
0000091576 key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerCreditCardMember 2018-09-30 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember 2017-12-31 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember  
2018-09-30 0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2018-09-30 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2018-09-30 0000091576 key:ConsumerPortfolioSegmentPCIMember 2018-09-30  
0000091576 key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerDirectLoansMember 2017-12-31 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerCreditCardMember 2017-12-31 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember key:ConsumerCreditCardMember  
2017-12-31 0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

key:ConsumerCreditCardMember 2018-09-30 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentPCIMember 2018-09-30 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerCreditCardMember 2017-12-31 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2018-09-30 0000091576 key:FICOScoreNoScoreMember  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerDirectLoansMember 2017-12-31 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentPCIMember 2018-09-30 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentPCIMember key:ResidentialPrimeFinancingReceivablesMember 2018-09-30  
0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember 2017-12-31  
0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentPCIMember key:ResidentialPrimeFinancingReceivablesMember 2018-09-30  
0000091576 key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerCreditCardMember 2018-09-30 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember 2017-12-31 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember 2017-12-31 0000091576  
key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576 key:FICOScore660to749Member  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerCreditCardMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember 2017-12-31 0000091576  
key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember  
key:ResidentialPrimeFinancingReceivablesMember 2017-12-31 0000091576  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember 2018-09-30 0000091576  
key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember key:ConsumerCreditCardMember  
2017-12-31 0000091576 key:FICOScoreNoScoreMember key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:FICOScore750andAboveMember  
key:ConsumerPortfolioSegmentPCIMember key:ResidentialPrimeFinancingReceivablesMember 2018-09-30  
0000091576 key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember 2017-12-31  
0000091576 key:FICOScoreLessthan660Member key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerIndirectLoansMember 2017-12-31 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerDirectLoansMember 2017-12-31 0000091576 key:FICOScoreLessthan660Member  
key:ConsumerPortfolioSegmentPCIMember key:ConsumerIndirectLoansMember 2018-09-30 0000091576  
key:FICOScore660to749Member key:ConsumerPortfolioSegmentPCIMember 2018-09-30 0000091576  
key:FICOScore750andAboveMember key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerIndirectLoansMember 2018-09-30 0000091576 key:ConsumerPortfolioSegmentPCIMember  
key:ConsumerCreditCardMember 2018-09-30 0000091576 2017-06-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:RealEstateResidentialMortgageMember us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
key:ConsumerIndirectLoansMember us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30  
0000091576 us-gaap:SegmentDiscontinuedOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2017-07-01  
2017-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2017-06-30  
0000091576 us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerCreditCardMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576  
us-gaap:SegmentContinuingOperationsMember 2017-06-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
2018-07-01 2018-09-30 0000091576 key:ForeclosedResidentialRealEstateMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember 2018-07-01 2018-09-30 0000091576  
key:RealEstateResidentialMortgageMember 2018-01-01 2018-09-30 0000091576  
key:RealEstateResidentialMortgageMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2017-01-01 2017-09-30 0000091576  
key:PurchaseCreditImpairedLoansMember us-gaap:SegmentContinuingOperationsMember 2018-07-01 2018-09-30  
0000091576 key:PurchaseCreditImpairedLoansMember us-gaap:SegmentContinuingOperationsMember 2018-01-01  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember 2017-07-01 2017-09-30 0000091576  
key:ForeclosedResidentialRealEstateMember 2017-12-31 0000091576 key:PurchaseCreditImpairedLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-12-31 0000091576  
us-gaap:ConsumerPortfolioSegmentMember 2018-01-01 2018-09-30 0000091576  
key:PurchaseCreditImpairedLoansMember us-gaap:SegmentContinuingOperationsMember 2017-01-01 2017-09-30  
0000091576 key:PurchaseCreditImpairedLoansMember us-gaap:SegmentContinuingOperationsMember 2017-07-01  
2017-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:CreditCardReceivablesMember us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:CreditCardReceivablesMember us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:SegmentContinuingOperationsMember 2017-12-31 0000091576 us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:CreditCardReceivablesMember 2018-09-30 0000091576  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
2018-09-30 0000091576 us-gaap:CommercialPortfolioSegmentMember  
key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:CreditCardReceivablesMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerIndirectLoansMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateConstructionMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember  
2018-09-30 0000091576 us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:ConsumerDirectLoansMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateLoansMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30  
0000091576 us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialFinancialAndAgriculturalMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember key:RealEstateResidentialMortgageMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialLeaseFinancingMember  
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2018-09-30 0000091576  
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityLoanMember  
us-gaap:FinancingReceivables30To59DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember key:CommercialRealEstateCommercialMortgageMember  
us-gaap:FinancingReceivables60To89DaysPastDueMember 2018-09-30 0000091576  
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember  
2018-09-30 0000091576 us-gaap:CarryingReportedAmountFairValueDisclosureMember  
us-gaap:NondesignatedMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31  
0000091576 us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0000091576  
us-gaap:FairValueMeasuredAtNetAssetValuePerShareMember  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:NondesignatedMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2017-12-31 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2017-12-31 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0000091576 us-gaap:CarryingReportedAmountFairValueDisclosureMember

us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2017-12-31 0000091576  
key:DirectInvestmentsMember key:PrincipalInvestmentsMember 2018-01-01 2018-09-30 0000091576  
key:IndirectInvestmentsMember key:PrincipalInvestmentsMember 2017-07-01 2017-09-30 0000091576  
key:IndirectInvestmentsMember key:PrincipalInvestmentsMember 2018-09-30 0000091576  
key:PrincipalInvestmentsMember 2018-07-01 2018-09-30 0000091576 key:DirectInvestmentsMember  
key:PrincipalInvestmentsMember 2018-07-01 2018-09-30 0000091576 key:PrincipalInvestmentsMember 2017-07-01  
2017-09-30 0000091576 key:DirectInvestmentsMember key:PrincipalInvestmentsMember 2017-01-01 2017-09-30  
0000091576 key:DirectInvestmentsMember key:PrincipalInvestmentsMember 2017-07-01 2017-09-30 0000091576  
key:PrincipalInvestmentsMember 2017-01-01 2017-09-30 0000091576 key:IndirectInvestmentsMember  
key:PrincipalInvestmentsMember 2017-01-01 2017-09-30 0000091576 key:IndirectInvestmentsMember  
key:PrincipalInvestmentsMember 2018-07-01 2018-09-30 0000091576 key:IndirectInvestmentsMember  
key:PrincipalInvestmentsMember 2018-01-01 2018-09-30 0000091576 key:PrincipalInvestmentsMember 2018-09-30  
0000091576 key:PrincipalInvestmentsMember 2018-01-01 2018-09-30 0000091576 key:DirectInvestmentsMember  
key:PrincipalInvestmentsMember 2018-09-30 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember key:EducationLendingMember  
us-gaap:SegmentDiscontinuedOperationsMember 2017-12-31 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember key:EducationLendingMember  
us-gaap:SegmentDiscontinuedOperationsMember 2018-09-30 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:FairValueMeasurementsNonrecurringMember  
2018-09-30 0000091576 us-gaap:CarryingReportedAmountFairValueDisclosureMember  
key:EducationLendingMember us-gaap:SegmentDiscontinuedOperationsMember 2017-12-31 0000091576  
us-gaap:CarryingReportedAmountFairValueDisclosureMember key:EducationLendingMember  
us-gaap:SegmentDiscontinuedOperationsMember 2018-09-30 0000091576  
key:LIHTCAndHistoricTaxCreditInvestmentsMember 2017-12-31 0000091576 key:IndirectInvestmentsMember  
srt:MaximumMember 2018-01-01 2018-09-30 0000091576 2017-12-31 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30  
0000091576 us-gaap:CarryingReportedAmountFairValueDisclosureMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576  
us-gaap:FairValueMeasuredAtNetAssetValuePerShareMember  
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30 0000091576  
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2018-09-30 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2018-09-30 0000091576 us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:NondesignatedMember 2018-09-30 0000091576 us-gaap:EstimateOfFairValueFairValueDisclosureMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:DesignatedAsHedgingInstrumentMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576  
us-gaap:CarryingReportedAmountFairValueDisclosureMember us-gaap:NondesignatedMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:FairValueMeasurementsNonrecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2017-12-31  
0000091576 us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsNonrecurringMember  
2018-09-30 0000091576 us-gaap:FairValueMeasurementsNonrecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsNonrecurringMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalIndirectInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ShortMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31  
0000091576 us-gaap:ForeignExchangeContractMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2018-09-30 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherDebtSecuritiesMember 2017-12-31 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherDebtSecuritiesMember 2017-12-31 0000091576  
us-gaap:CommodityContractMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherDebtSecuritiesMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576

us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalIndirectInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalIndirectInvestmentsMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherDebtSecuritiesMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30  
0000091576 us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherDebtSecuritiesMember 2018-09-30 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalDirectInvestmentsMember 2017-12-31 0000091576  
us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherDebtSecuritiesMember 2018-09-30 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2017-12-31 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectNAVMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2017-12-31 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2018-09-30 0000091576 us-gaap:CollateralizedMortgageObligationsMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30  
0000091576 us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectNAVMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31  
0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectNAVMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalDirectInvestmentsMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000091576  
us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember 2017-12-31 0000091576  
us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel3Member

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalInvestmentsMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalIndirectInvestmentsMember 2018-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:CollateralizedMortgageObligationsMember us-gaap:FairValueMeasurementsRecurringMember 2018-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2017-12-31 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30  
0000091576 us-gaap:FairValueMeasurementsRecurringMember key:PrincipalInvestmentsMember 2018-09-30  
0000091576 us-gaap:FairValueMeasurementsRecurringMember us-gaap:USStatesAndPoliticalSubdivisionsMember  
2018-09-30 0000091576 us-gaap:CreditRiskContractMember us-gaap:FairValueMeasurementsRecurringMember  
2017-12-31 0000091576 us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectNAVMember 2017-12-31 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:CommodityContractMember us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:LongMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalInvestmentsMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalIndirectInvestmentsMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsMember 2017-12-31 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2017-12-31 0000091576 us-gaap:ForeignExchangeContractMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalInvestmentsMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30  
0000091576 us-gaap:ForeignExchangeContractMember us-gaap:FairValueMeasurementsRecurringMember  
2018-09-30 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectNAVMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2017-12-31 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2017-12-31 0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalInvestmentsMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsDirectNAVMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ShortMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember 2017-12-31 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member

us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsDirectMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalIndirectInvestmentsMember 2017-12-31 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:CreditRiskContractMember us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:OtherDebtSecuritiesMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2017-12-31 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:OtherDebtSecuritiesMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsDirectNAVMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember  
2017-12-31 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel2Member  
us-gaap:FairValueMeasurementsRecurringMember key:EquityInvestmentsDirectNAVMember 2018-09-30  
0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalInvestmentsMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsDirectMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:ShortMember  
2018-09-30 0000091576 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember  
2018-09-30 0000091576 us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2017-12-31 0000091576 us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember  
key:EquityInvestmentsMember 2018-09-30 0000091576 us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember key:PrincipalIndirectInvestmentsMember 2018-09-30



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

0000091576 us-gaap:CommodityContractMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:LongMember 2018-09-30 0000091576  
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000091576  
us-gaap:FairValueMeasurementsRecurringMember us-gaap:USTreasuryAndGovernmentMember 2017-12-31  
0000091576 us-gaap:FairValueMeasurementsRecurringMember key:PrincipalIndirectInvestmentsMember  
2017-12-31 0000091576 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember  
key:PrincipalDirectInvestmentsMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576  
key:LoansHeldForInvestmentFairValueMember 2018-06-30 0000091576 us-gaap:OtherInvestmentsMember  
2018-01-01 2018-09-30 0000091576 key:LoansHeldForSaleFairValueMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember 2018-07-01 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember  
us-gaap:AvailableforsaleSecuritiesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2018-07-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
2018-01-01 2018-09-30 0000091576 key:LoansHeldForInvestmentFairValueMember 2017-12-31 0000091576  
us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2018-07-01 2018-09-30  
0000091576 us-gaap:CreditRiskContractMember 2018-07-01 2018-09-30 0000091576  
key:LoansHeldForSaleFairValueMember 2018-09-30 0000091576 us-gaap:OtherInvestmentsMember  
key:PrincipalDirectInvestmentsMember 2018-07-01 2018-09-30 0000091576 us-gaap:OtherInvestmentsMember  
2018-07-01 2018-09-30 0000091576 us-gaap:CreditRiskContractMember 2018-09-30 0000091576  
key:LoansHeldForInvestmentFairValueMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2018-09-30 0000091576  
key:LoansHeldForSaleFairValueMember 2018-06-30 0000091576 us-gaap:OtherInvestmentsMember  
key:PrincipalDirectInvestmentsMember 2018-06-30 0000091576 us-gaap:CreditRiskContractMember 2018-01-01  
2018-09-30 0000091576 key:LoansHeldForInvestmentFairValueMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember 2017-12-31  
0000091576 us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2018-01-01 2018-09-30  
0000091576 key:LoansHeldForSaleFairValueMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2017-12-31 0000091576  
key:LoansHeldForSaleFairValueMember 2017-12-31 0000091576 us-gaap:OtherInvestmentsMember 2018-06-30  
0000091576 us-gaap:InterestRateContractMember 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember  
us-gaap:AvailableforsaleSecuritiesMember 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember  
us-gaap:AvailableforsaleSecuritiesMember 2018-06-30 0000091576 us-gaap:OtherCreditDerivativesMember  
2018-06-30 0000091576 us-gaap:OtherInvestmentsMember 2017-12-31 0000091576  
us-gaap:InterestRateContractMember 2017-12-31 0000091576 key:LoansHeldForInvestmentFairValueMember  
2018-09-30 0000091576 us-gaap:InterestRateContractMember 2018-06-30 0000091576  
us-gaap:OtherInvestmentsMember 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember  
us-gaap:AvailableforsaleSecuritiesMember 2017-12-31 0000091576 us-gaap:OtherCreditDerivativesMember  
2017-12-31 0000091576 us-gaap:CreditRiskContractMember 2018-06-30 0000091576  
us-gaap:OtherInvestmentsMember us-gaap:FairValueInputsLevel3Member  
us-gaap:FairValueMeasurementsRecurringMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
2017-07-01 2017-09-30 0000091576 us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember  
2017-01-01 2017-09-30 0000091576 us-gaap:CreditRiskContractMember 2017-01-01 2017-09-30 0000091576  
us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2017-07-01 2017-09-30  
0000091576 us-gaap:InterestRateContractMember 2017-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
2017-07-01 2017-09-30 0000091576 us-gaap:CreditRiskContractMember 2017-09-30 0000091576  
us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2016-12-31 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:InterestRateContractMember 2017-01-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember 2016-12-31 0000091576 us-gaap:OtherCreditDerivativesMember 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember 2017-07-01 2017-09-30 0000091576 us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2017-06-30 0000091576 us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2017-01-01 2017-09-30 0000091576 key:LoansHeldForSaleFairValueMember 2017-07-01 2017-09-30 0000091576  
key:LoansHeldForSaleFairValueMember 2017-01-01 2017-09-30 0000091576 us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2016-12-31 0000091576 us-gaap:OtherCreditDerivativesMember 2016-12-31 0000091576 us-gaap:CreditRiskContractMember 2016-12-31 0000091576  
key:LoansHeldForSaleFairValueMember 2016-12-31 0000091576 key:LoansHeldForSaleFairValueMember 2017-09-30 0000091576 us-gaap:OtherInvestmentsMember key:PrincipalDirectInvestmentsMember 2017-09-30 0000091576 key:LoansHeldForSaleFairValueMember 2017-06-30 0000091576 us-gaap:InterestRateContractMember 2017-06-30 0000091576 us-gaap:CreditRiskContractMember 2017-06-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2017-06-30 0000091576 us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2017-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember us-gaap:AvailableforsaleSecuritiesMember 2017-06-30 0000091576 us-gaap:OtherInvestmentsMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-12-31 0000091576  
us-gaap:EstimateOfFairValueFairValueDisclosureMember us-gaap:FairValueMeasurementsNonrecurringMember 2017-12-31 0000091576 key:IndirectInvestmentsMember srt:MinimumMember 2018-01-01 2018-09-30 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember key:EbitdaMember 2017-12-31 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember key:EbitdaMember 2018-09-30 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember key:EbitdaOneMember 2017-12-31 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30 0000091576 srt:MinimumMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember us-gaap:MeasurementInputDiscountRateMember 2017-12-31 0000091576 srt:MinimumMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30 0000091576 srt:MaximumMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember us-gaap:MeasurementInputDiscountRateMember 2017-12-31 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember key:EbitdaOneMember 2018-09-30 0000091576 srt:MaximumMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2018-09-30 0000091576 srt:WeightedAverageMember us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember us-gaap:MeasurementInputDiscountRateMember 2017-12-31 0000091576 us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember 2018-09-30 0000091576 us-gaap:CollateralizedMortgageObligationsMember 2018-09-30 0000091576 us-gaap:CollateralizedMortgageObligationsMember 2018-01-01 2018-09-30 0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-09-30 0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-01-01 2018-09-30 0000091576 us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2018-01-01 2018-09-30 0000091576 us-gaap:CollateralizedMortgageObligationsMember 2018-09-30 0000091576 us-gaap:OtherDebtSecuritiesMember 2017-12-31 0000091576 us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-12-31 0000091576 us-gaap:USStatesAndPoliticalSubdivisionsMember 2018-09-30 0000091576 us-gaap:CollateralizedMortgageObligationsMember 2017-12-31 0000091576 us-gaap:USStatesAndPoliticalSubdivisionsMember 2017-12-31 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:USTreasuryAndGovernmentMember 2017-12-31 0000091576 us-gaap:USTreasuryAndGovernmentMember  
2018-09-30 0000091576 us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember  
2017-12-31 0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember 2018-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember us-gaap:MortgageBackedSecuritiesOtherMember 2017-12-31  
0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember 2017-12-31 0000091576  
us-gaap:CreditRiskContractMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommodityContractMember 2018-01-01 2018-09-30 0000091576 us-gaap:OtherIncomeMember 2017-01-01  
2017-09-30 0000091576 us-gaap:ForeignExchangeContractMember key:ConsumerMortgageIncomeMember  
2018-01-01 2018-09-30 0000091576 key:CorporateServicesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember key:CorporateServicesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember key:CorporateServicesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommodityContractMember key:CorporateServicesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember key:CorporateServicesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CreditRiskContractMember key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember key:CorporateServicesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:CorporateServicesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember 2018-01-01 2018-09-30 0000091576  
key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30  
0000091576 us-gaap:CommodityContractMember key:CorporateServicesMember 2018-01-01 2018-09-30  
0000091576 us-gaap:CommodityContractMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember key:ConsumerMortgageIncomeMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0000091576 key:CorporateServicesMember 2018-01-01  
2018-09-30 0000091576 us-gaap:CommodityContractMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30  
0000091576 us-gaap:CommodityContractMember key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember key:CorporateServicesMember 2017-01-01 2017-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember key:ConsumerMortgageIncomeMember 2018-01-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember key:ConsumerMortgageIncomeMember 2018-01-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30  
0000091576 us-gaap:ForeignExchangeContractMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30 0000091576  
key:ConsumerMortgageIncomeMember 2018-01-01 2018-09-30 0000091576 us-gaap:CommodityContractMember  
key:ConsumerMortgageIncomeMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember key:ConsumerMortgageIncomeMember 2017-01-01 2017-09-30  
0000091576 us-gaap:ForeignExchangeContractMember key:CorporateServicesMember 2017-01-01 2017-09-30  
0000091576 us-gaap:CreditRiskContractMember key:CorporateServicesMember 2017-01-01 2017-09-30  
0000091576 us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2018-01-01 2018-09-30  
0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:InterestExpenseMember 2017-07-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:InterestIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember us-gaap:InterestExpenseMember  
2018-07-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:UnderwritingDiscountsFeesAndCommissionsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

key:UnderwritingDiscountsFeesAndCommissionsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember us-gaap:InterestIncomeMember 2017-07-01  
2017-09-30 0000091576 us-gaap:ForeignExchangeContractMember us-gaap:NetInvestmentHedgingMember  
us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:NetInvestmentHedgingMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
key:BankingSubsidiaryMember srt:MaximumMember us-gaap:UnsecuredDebtMember 2018-09-30 0000091576  
key:BankingSubsidiaryMember 2018-09-30 0000091576 key:BankingSubsidiaryMember srt:MaximumMember  
us-gaap:UnsecuredDebtMember 2017-12-31 0000091576 us-gaap:LongTermDebtMember  
us-gaap:InterestRateContractMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
key:BankingSubsidiaryMember us-gaap:UnsecuredDebtMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:CorporateServicesMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30  
0000091576 us-gaap:CommodityContractMember key:CorporateServicesMember 2017-07-01 2017-09-30  
0000091576 us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember key:ConsumerMortgageIncomeMember 2018-07-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember key:CorporateServicesMember 2017-07-01  
2017-09-30 0000091576 us-gaap:CommodityContractMember key:ConsumerMortgageIncomeMember 2018-07-01  
2018-09-30 0000091576 us-gaap:CreditRiskContractMember key:ConsumerMortgageIncomeMember 2018-07-01  
2018-09-30 0000091576 us-gaap:ForeignExchangeContractMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember key:ConsumerMortgageIncomeMember 2018-07-01 2018-09-30 0000091576  
key:ConsumerMortgageIncomeMember 2018-07-01 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30 0000091576 key:CorporateServicesMember  
2017-07-01 2017-09-30 0000091576 us-gaap:CommodityContractMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember key:CorporateServicesMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ForeignExchangeContractMember key:ConsumerMortgageIncomeMember 2018-07-01 2018-09-30  
0000091576 us-gaap:InterestRateContractMember key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30  
0000091576 us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30  
0000091576 us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CreditRiskContractMember key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember key:ConsumerMortgageIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CreditRiskContractMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommodityContractMember key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CreditRiskContractMember key:CorporateServicesMember 2017-07-01 2017-09-30 0000091576  
key:CorporateServicesMember 2018-07-01 2018-09-30 0000091576 us-gaap:ForeignExchangeContractMember  
2017-12-31 0000091576 us-gaap:CommodityContractMember 2017-12-31 0000091576  
us-gaap:ForeignExchangeContractMember 2018-09-30 0000091576 us-gaap:CommodityContractMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:InterestIncomeMember 2017-01-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueHedgingMember key:InterestExpenseLongTermDebtMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseLongTermDebtMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember us-gaap:InterestIncomeMember 2018-01-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseLongTermDebtMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember us-gaap:OtherIncomeMember 2018-01-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember  
key:InterestExpenseDepositsMember 2018-01-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueHedgingMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember us-gaap:InterestIncomeMember 2018-01-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember  
key:InterestExpenseDepositsMember 2017-01-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember us-gaap:InterestIncomeMember 2017-01-01  
2017-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseDepositsMember 2018-01-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueHedgingMember key:InterestExpenseLongTermDebtMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember key:InterestExpenseDepositsMember  
2017-01-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0000091576 key:TwoRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2017-12-31 0000091576 key:OneRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2017-12-31 0000091576 key:OneRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2018-09-30 0000091576 key:ThreeRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2017-12-31 0000091576 key:OneRatingDowngradeMember  
srt:MoodysA3RatingMember 2017-12-31 0000091576 key:ThreeRatingDowngradeMember  
srt:MoodysA3RatingMember 2018-09-30 0000091576 key:ThreeRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2018-09-30 0000091576 key:TwoRatingDowngradeMember  
srt:StandardPoorsAMinusRatingMember 2018-09-30 0000091576 key:ThreeRatingDowngradeMember  
srt:MoodysA3RatingMember 2017-12-31 0000091576 key:TwoRatingDowngradeMember  
srt:MoodysA3RatingMember 2017-12-31 0000091576 key:OneRatingDowngradeMember  
srt:MoodysA3RatingMember 2018-09-30 0000091576 key:TwoRatingDowngradeMember  
srt:MoodysA3RatingMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueHedgingMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember us-gaap:InterestIncomeMember 2017-07-01  
2017-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember  
key:InterestExpenseLongTermDebtMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember key:InterestExpenseLongTermDebtMember  
2017-07-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseLongTermDebtMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember key:InterestExpenseDepositsMember  
2018-07-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseDepositsMember 2017-07-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:FairValueHedgingMember us-gaap:OtherIncomeMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2018-07-01  
2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember  
us-gaap:InterestIncomeMember 2018-07-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:InterestExpenseLongTermDebtMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember key:InterestExpenseDepositsMember  
2018-07-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember us-gaap:FairValueHedgingMember  
key:InterestExpenseDepositsMember 2017-07-01 2017-09-30 0000091576 us-gaap:CashFlowHedgingMember  
us-gaap:OtherIncomeMember 2017-07-01 2017-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:NondesignatedMember 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:NondesignatedMember 2017-12-31 0000091576 us-gaap:NondesignatedMember 2017-12-31 0000091576  
us-gaap:CreditRiskContractMember us-gaap:NondesignatedMember 2017-12-31 0000091576  
us-gaap:CommodityContractMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:NondesignatedMember 2018-09-30 0000091576 us-gaap:CommodityContractMember  
us-gaap:NondesignatedMember 2017-12-31 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:NondesignatedMember 2017-12-31 0000091576  
key:DerivativeFinancialInstrumentsAssetsLiabilitiesNetMember 2017-12-31 0000091576  
key:CounterpartyAndCashCollateralNettingMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576 us-gaap:CreditRiskContractMember  
us-gaap:NondesignatedMember 2018-09-30 0000091576 us-gaap:DesignatedAsHedgingInstrumentMember  
2017-12-31 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:DesignatedAsHedgingInstrumentMember 2017-12-31 0000091576  
us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30 0000091576  
key:DerivativeFinancialInstrumentsAssetsLiabilitiesNetMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:NondesignatedMember 2017-12-31 0000091576  
key:CounterpartyAndCashCollateralNettingMember 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember us-gaap:NondesignatedMember 2018-09-30 0000091576  
us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-09-30  
0000091576 us-gaap:OtherCreditDerivativesMember 2017-12-31 0000091576  
us-gaap:OtherCreditDerivativesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherCreditDerivativesMember 2018-09-30 0000091576 us-gaap:OtherCreditDerivativesMember  
2017-01-01 2017-09-30 0000091576 us-gaap:CreditIndexProductMember 2018-09-30 0000091576  
us-gaap:CreditDefaultSwapMember 2018-09-30 0000091576 us-gaap:CreditIndexProductMember 2017-12-31  
0000091576 us-gaap:CreditDefaultSwapMember 2017-12-31 0000091576 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember key:UnderwritingDiscountsFeesAndCommissionsMember 2018-01-01  
2018-09-30 0000091576 us-gaap:ForeignExchangeContractMember us-gaap:NetInvestmentHedgingMember  
us-gaap:OtherIncomeMember 2018-01-01 2018-09-30 0000091576 us-gaap:InterestRateContractMember  
us-gaap:CashFlowHedgingMember us-gaap:InterestExpenseMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember us-gaap:InterestExpenseMember  
2018-01-01 2018-09-30 0000091576 us-gaap:ForeignExchangeContractMember  
us-gaap:NetInvestmentHedgingMember us-gaap:OtherIncomeMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:CashFlowHedgingMember  
key:UnderwritingDiscountsFeesAndCommissionsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:LongTermDebtMember us-gaap:InterestRateContractMember 2018-09-30 0000091576  
us-gaap:CertificatesOfDepositMember us-gaap:InterestRateContractMember 2018-09-30 0000091576  
us-gaap:BankTimeDepositsMember us-gaap:InterestRateContractMember 2018-09-30 0000091576  
key:BankingSubsidiaryMember 2017-12-31 0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember  
2017-01-01 2017-09-30 0000091576 us-gaap:CommercialMortgageBackedSecuritiesMember 2018-01-01 2018-09-30  
0000091576 us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-01-01 2018-09-30 0000091576

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-06-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2016-12-31 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-06-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-07-01 2017-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-01-01 2018-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-01-01 2017-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-06-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2018-07-01 2018-09-30 0000091576  
us-gaap:CommercialMortgageBackedSecuritiesMember 2017-06-30 0000091576 srt:MinimumMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2018-01-01 2018-09-30  
0000091576 srt:MaximumMember us-gaap:CommercialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2018-01-01 2018-09-30 0000091576 srt:MinimumMember  
us-gaap:CommercialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2017-01-01 2017-09-30  
0000091576 srt:WeightedAverageMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2018-01-01 2018-09-30 0000091576 srt:WeightedAverageMember  
us-gaap:CommercialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2017-01-01 2017-09-30  
0000091576 srt:MaximumMember us-gaap:CommercialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2017-01-01 2017-09-30 0000091576 srt:WeightedAverageMember  
us-gaap:CommercialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2018-01-01 2018-09-30  
0000091576 srt:MinimumMember us-gaap:CommercialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2018-01-01 2018-09-30 0000091576 srt:MaximumMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2018-01-01 2018-09-30  
0000091576 srt:MinimumMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2017-01-01 2017-09-30 0000091576 srt:MaximumMember  
us-gaap:ResidentialMortgageBackedSecuritiesMember key:DiscountedCashFlowMember 2017-01-01 2017-09-30  
0000091576 srt:WeightedAverageMember us-gaap:ResidentialMortgageBackedSecuritiesMember  
key:DiscountedCashFlowMember 2017-01-01 2017-09-30 0000091576 us-gaap:InvestmentsMember  
us-gaap:VariableInterestEntityPrimaryBeneficiaryMember 2018-09-30 0000091576  
key:QualifiedAffordableHousingProjectsInvestmentMember key:VariableInterestSponsorsMember 2017-12-31  
0000091576 key:QualifiedAffordableHousingProjectsInvestmentMember key:VariableInterestSponsorsMember  
2018-09-30 0000091576 us-gaap:InvestmentsMember us-gaap:VariableInterestEntityPrimaryBeneficiaryMember  
2017-12-31 0000091576 us-gaap:InvestmentsMember key:VariableInterestSponsorsMember 2017-01-01 2017-09-30  
0000091576 key:VariableInterestSponsorsMember 2018-01-01 2018-09-30 0000091576 us-gaap:InvestmentsMember  
key:VariableInterestSponsorsMember 2018-01-01 2018-09-30 0000091576  
key:AccruedIncomeAndOtherAssetsMember key:VariableInterestSponsorsMember 2018-09-30 0000091576  
key:KccIndirectInvestmentsMember 2018-09-30 0000091576 key:KccIndirectInvestmentsMember 2017-12-31  
0000091576 key:KccIndirectInvestmentsMember 2017-01-01 2017-12-31 0000091576  
key:KccIndirectInvestmentsMember 2018-01-01 2018-09-30 0000091576 key:VariableInterestSponsorsMember  
2017-12-31 0000091576 key:VariableInterestSponsorsMember 2017-01-01 2017-12-31 0000091576  
key:VariableInterestSponsorsMember 2018-09-30 0000091576 2018-01-01 2018-03-31 0000091576  
key:KeyCorpMember 2018-09-30 0000091576 key:FirstNiagaraBankN.A.Member 2018-09-30 0000091576  
key:KeyMerchantServicesLLCMember 2017-09-30 0000091576 key:CainBrothersCompanyLLC.Member  
2017-10-02 0000091576 key:KeyMerchantServicesLLCMember 2017-06-29 0000091576  
key>HelloWalletHoldingsLLCMember 2017-07-01 0000091576 key:KeyMerchantServicesLLCMember 2018-09-30  
0000091576 key:KeyMerchantServicesLLCMember 2017-06-30 2017-06-30 0000091576  
key:KeyMerchantServicesLLCMember 2017-06-29 2017-06-29 0000091576 key:KeyMerchantServicesLLCMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

2018-07-01 2018-09-30 0000091576 key:KeyMerchantServicesLLCMember 2017-07-01 2017-09-30 0000091576  
us-gaap:DisposalGroupNotDiscontinuedOperationsMember 2018-07-01 2018-09-30 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember key:GovernmentGuaranteedLoansMember 2017-12-31  
0000091576 us-gaap:DisposalGroupNotDiscontinuedOperationsMember 2018-05-04 2018-05-04 0000091576  
us-gaap:SegmentDiscontinuedOperationsMember key:GovernmentGuaranteedLoansMember 2018-09-30  
0000091576 key:KeyMerchantServicesLLCMember 2018-01-01 2018-09-30 0000091576  
us-gaap:MortgageBackedSecuritiesIssuedByUSGovernmentSponsoredEnterprisesMember 2018-09-30 0000091576  
key:NettingAdjustmentsMember 2018-09-30 0000091576 key:CounterpartyAndCashCollateralNettingMember  
2017-12-31 0000091576 key:CounterpartyAndCashCollateralNettingMember 2018-09-30 0000091576  
key:GrossAmountsPresentedInBalanceSheetsMember 2018-09-30 0000091576 key:NettingAdjustmentsMember  
2017-12-31 0000091576 key:GrossAmountsPresentedInBalanceSheetsMember 2017-12-31 0000091576  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2017-01-01 2017-09-30 0000091576  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2017-07-01 2017-09-30 0000091576  
us-gaap:OtherPostretirementBenefitPlansDefinedBenefitMember 2018-07-01 2018-09-30 0000091576  
us-gaap:PensionPlansDefinedBenefitMember 2017-07-01 2017-09-30 0000091576  
us-gaap:PensionPlansDefinedBenefitMember 2018-07-01 2018-09-30 0000091576  
us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-09-30 0000091576  
us-gaap:PensionPlansDefinedBenefitMember 2017-01-01 2017-09-30 0000091576 key:KeyCorpCapitalOneMember  
2018-09-30 0000091576 key:KeyCorpCapitalTwoMember 2018-09-30 0000091576  
key:HNCStatutoryTrustIVMember 2018-09-30 0000091576 key:BusinessTrustsMember 2018-09-30 0000091576  
key:WestbankCapitalTrustIIMember 2018-09-30 0000091576 key:WestbankCapitalTrustIIIMember 2018-09-30  
0000091576 key:HNCStatutoryTrustIIIMember 2018-09-30 0000091576 key:WillowGroveStatutoryTrustIMember  
2018-09-30 0000091576 key:BusinessTrustsMember 2017-12-31 0000091576 key:KeyCorpCapitalThreeMember  
2018-09-30 0000091576 key:KeycorpCapitalIIandIIIMember us-gaap:DebtInstrumentRedemptionPeriodFiveMember  
key:TreasuryRateMember 2018-01-01 2018-09-30 0000091576 key:WillowGroveStatutoryTrustIMember  
us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30 0000091576  
key:HNCStatutoryTrustIIIMember us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30  
0000091576 key:KeyCorpCapitalThreeMember key:TreasuryRateMember 2018-01-01 2018-09-30 0000091576  
key:KeyCorpCapitalOneMember us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30  
0000091576 key:KeyCorpCapitalTwoMember key:TreasuryRateMember 2018-01-01 2018-09-30 0000091576  
key:HNCStatutoryTrustIVMember us-gaap:LondonInterbankOfferedRateLIBORMember 2018-01-01 2018-09-30  
0000091576 key:WestbankCapitalTrustIIandIIIMember us-gaap:LondonInterbankOfferedRateLIBORMember  
2018-01-01 2018-09-30 0000091576 srt:MinimumMember us-gaap:RiskLevelHighMember 2018-01-01 2018-09-30  
0000091576 key:ResidentialMortgageReserveMember 2018-09-30 0000091576 srt:MaximumMember  
us-gaap:RiskLevelLowMember 2018-01-01 2018-09-30 0000091576 srt:MaximumMember  
us-gaap:FinancialStandbyLetterOfCreditMember 2018-01-01 2018-09-30 0000091576  
key:UnderwritingAndServicingProgramMember 2018-01-01 2018-09-30 0000091576 srt:MinimumMember  
us-gaap:RiskLevelLowMember 2018-01-01 2018-09-30 0000091576 srt:MinimumMember  
us-gaap:RiskLevelMediumMember 2018-01-01 2018-09-30 0000091576  
key:UnderwritingAndServicingProgramMember 2018-09-30 0000091576 key:DefaultGuaranteeMember 2018-09-30  
0000091576 key:ReturnGuaranteeAgreementMember 2018-01-01 2018-09-30 0000091576  
key:ReturnGuaranteeAgreementMember 2018-09-30 0000091576 srt:MinimumMember  
us-gaap:FinancialStandbyLetterOfCreditMember 2018-01-01 2018-09-30 0000091576 us-gaap:PutOptionMember  
2018-01-01 2018-09-30 0000091576 us-gaap:FinancialStandbyLetterOfCreditMember 2018-01-01 2018-09-30  
0000091576 srt:MaximumMember us-gaap:RiskLevelMediumMember 2018-01-01 2018-09-30 0000091576  
us-gaap:PutOptionMember 2018-09-30 0000091576 us-gaap:FinancialStandbyLetterOfCreditMember 2018-09-30  
0000091576 us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-01-01 2018-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-06-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-07-01 2018-09-30 0000091576



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-07-01 2018-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-09-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-12-31 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2016-12-31 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2018-06-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2016-12-31 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-09-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-09-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-01-01 2017-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2016-12-31 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-07-01 2017-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-12-31 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-12-31 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-12-31 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2018-06-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2016-12-31 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-09-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-06-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-09-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-09-30 0000091576  
us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-06-30 0000091576  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-06-30 0000091576  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-06-30 0000091576  
us-gaap:AccumulatedTranslationAdjustmentMember 2017-06-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:InterestIncomeMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestExpenseMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-01-01 2018-09-30 0000091576  
key:AmortizationMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:InterestIncomeMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-01-01 2018-09-30 0000091576  
us-gaap:InterestExpenseMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-01-01 2017-09-30 0000091576  
key:AmortizationMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-01-01 2017-09-30 0000091576  
us-gaap:InterestExpenseMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:InterestIncomeMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-07-01 2017-09-30 0000091576  
us-gaap:InterestRateContractMember us-gaap:InterestIncomeMember  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:InterestExpenseMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-07-01 2018-09-30 0000091576  
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2017-07-01 2017-09-30 0000091576  
key:AmortizationMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-07-01 2018-09-30 0000091576  
key:AmortizationMember us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember  
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2017-07-01 2017-09-30 0000091576  
key:DepositorySharesSeriesFMember 2018-09-30 0000091576 us-gaap:SeriesEPreferredStockMember 2018-09-30  
0000091576 key:DepositorySharesSeriesEMember 2018-09-30 0000091576 key:DepositorySharesSeriesDMember  
2018-09-30 0000091576 us-gaap:SeriesDPreferredStockMember 2018-09-30 0000091576  
us-gaap:SeriesFPreferredStockMember 2018-09-30 0000091576 key:A2018CapitalPlanMember 2018-09-30  
0000091576 us-gaap:SeriesFPreferredStockMember 2018-07-30 0000091576 key:A2018CapitalPlanMember  
2018-07-01 2018-09-30 0000091576 key:DepositorySharesSeriesFMember 2018-07-30 0000091576  
us-gaap:OperatingSegmentsMember key:CorporateBankingMember 2017-01-01 2017-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CorporateBankingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CommunityBankingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CommunityBankingMember 2017-01-01 2017-09-30 0000091576  
us-gaap:MaterialReconcilingItemsMember 2017-07-01 2017-09-30 0000091576 us-gaap:OperatingSegmentsMember  
us-gaap:AllOtherSegmentsMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember us-gaap:AllOtherSegmentsMember  
2017-07-01 2017-09-30 0000091576 us-gaap:OperatingSegmentsMember 2017-07-01 2017-09-30 0000091576  
us-gaap:MaterialReconcilingItemsMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:CorporateBankingMember 2017-07-01 2017-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:CorporateBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:CommunityBankingMember 2017-07-01 2017-09-30 0000091576 us-gaap:OperatingSegmentsMember  
us-gaap:AllOtherSegmentsMember 2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember 2017-01-01 2017-09-30 0000091576  
us-gaap:MaterialReconcilingItemsMember 2018-01-01 2018-09-30 0000091576

us-gaap:MaterialReconcilingItemsMember 2017-01-01 2017-09-30 0000091576 us-gaap:OperatingSegmentsMember  
us-gaap:AllOtherSegmentsMember 2017-01-01 2017-09-30 0000091576 key:CardsAndPaymentsMember 2018-07-01  
2018-09-30 0000091576 us-gaap:OperatingSegmentsMember key:ServiceChargesOnDepositAccountsMember  
key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:ServiceChargesOnDepositAccountsMember key:CorporateBankingMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:InvestmentBankingAndDebtPlacementMember  
key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:CardsAndPaymentsMember key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576  
key:OtherNoninterestIncomeMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:TrustAndInvestmentServicesMember key:CorporateBankingMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:InvestmentBankingAndDebtPlacementMember  
key:CorporateBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:TrustAndInvestmentServicesMember key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576  
key:ServiceChargesOnDepositAccountsMember 2018-07-01 2018-09-30 0000091576  
key:InvestmentBankingAndDebtPlacementMember 2018-07-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CardsAndPaymentsMember key:CorporateBankingMember 2018-07-01  
2018-09-30 0000091576 us-gaap:OperatingSegmentsMember key:OtherNoninterestIncomeMember  
key:CorporateBankingMember 2018-07-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:OtherNoninterestIncomeMember key:CommunityBankingMember 2018-07-01 2018-09-30 0000091576  
key:TrustAndInvestmentServicesMember 2018-07-01 2018-09-30 0000091576  
key:ServiceChargesOnDepositAccountsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:ServiceChargesOnDepositAccountsMember  
key:CommunityBankingMember 2018-01-01 2018-09-30 0000091576 key:TrustAndInvestmentServicesMember  
2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:ServiceChargesOnDepositAccountsMember key:CorporateBankingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:TrustAndInvestmentServicesMember key:CorporateBankingMember  
2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember key:OtherNoninterestIncomeMember  
key:CorporateBankingMember 2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:TrustAndInvestmentServicesMember key:CommunityBankingMember 2018-01-01 2018-09-30 0000091576  
key:InvestmentBankingAndDebtPlacementMember 2018-01-01 2018-09-30 0000091576  
key:OtherNoninterestIncomeMember 2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:OtherNoninterestIncomeMember key:CommunityBankingMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CardsAndPaymentsMember key:CommunityBankingMember 2018-01-01  
2018-09-30 0000091576 key:CardsAndPaymentsMember 2018-01-01 2018-09-30 0000091576  
us-gaap:OperatingSegmentsMember key:CardsAndPaymentsMember key:CorporateBankingMember 2018-01-01  
2018-09-30 0000091576 us-gaap:OperatingSegmentsMember key:InvestmentBankingAndDebtPlacementMember  
key:CommunityBankingMember 2018-01-01 2018-09-30 0000091576 us-gaap:OperatingSegmentsMember  
key:InvestmentBankingAndDebtPlacementMember key:CorporateBankingMember 2018-01-01 2018-09-30  
iso4217:USD xbrli:shares xbrli:shares iso4217:USD key:SecurityLoan xbrli:pure key:loan key:position key:derivative  
key:rating key:employee key:Segment

[Table of contents](#)

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended September 30, 2018**

**Commission File Number 001-11302**

**Exact name of registrant as specified in its charter:**

**Ohio** **34-6542451**  
State or other jurisdiction of incorporation or organization: I.R.S. Employer Identification Number:  
**127 Public Square, Cleveland, Ohio 44114-1306**  
Address of principal executive offices: Zip Code:  
**(216) 689-3000**  
Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<b><u>Common Shares with a par value of \$1 each</u></b>	<b><u>1,034,530,422 shares</u></b>
<b>Title of class</b>	<b>Outstanding at October 30, 2018</b>

---

Table of contents

**KEYCORP**  
**TABLE OF CONTENTS**  
**PART I. FINANCIAL INFORMATION**

	Page Number
Item 1. <u>Financial Statements</u>	<u>52</u>
<u>Consolidated Balance Sheets</u>	<u>52</u>
<u>Consolidated Statements of Income</u>	<u>53</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>54</u>
<u>Consolidated Statements of Changes in Equity</u>	<u>55</u>
<u>Consolidated Statements of Cash Flows</u>	<u>56</u>
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	<u>57</u>
<u>Note 1. Basis of Presentation and Accounting Policies</u>	<u>57</u>
<u>Note 2. Earnings Per Common Share</u>	<u>60</u>
<u>Note 3. Loan Portfolio</u>	<u>60</u>
<u>Note 4. Asset Quality</u>	<u>60</u>
<u>Note 5. Fair Value Measurements</u>	<u>70</u>
<u>Note 6. Securities</u>	<u>77</u>
<u>Note 7. Derivatives and Hedging Activities</u>	<u>79</u>
<u>Note 8. Mortgage Servicing Assets</u>	<u>85</u>
<u>Note 9. Variable Interest Entities</u>	<u>87</u>
<u>Note 10. Income Taxes</u>	<u>88</u>
<u>Note 11. Acquisitions, Divestiture, and Discontinued Operations</u>	<u>90</u>
<u>Note 12. Securities Financing Activities</u>	<u>91</u>
<u>Note 13. Employee Benefits</u>	<u>92</u>
<u>Note 14. Trust Preferred Securities Issued by Unconsolidated Subsidiaries</u>	<u>92</u>
<u>Note 15. Contingent Liabilities and Guarantees</u>	<u>93</u>
<u>Note 16. Accumulated Other Comprehensive Income</u>	<u>96</u>
<u>Note 17. Shareholders' Equity</u>	<u>97</u>
<u>Note 18. Line of Business Results</u>	<u>97</u>
<u>Note 19. Revenue from Contracts with Customers</u>	<u>100</u>
<u>Report of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm</u>	<u>101</u>

Table of contents

Item 2. <u>Management's Discussion &amp; Analysis of Financial Condition &amp; Results of Operations</u>	<u>4</u>
<u>Introduction</u>	<u>4</u>
<u>Terminology</u>	<u>4</u>
<u>Forward-looking statements</u>	<u>5</u>
<u>Selected financial data</u>	<u>7</u>
<u>Long-term financial targets</u>	<u>9</u>
<u>Strategic developments</u>	<u>10</u>
<u>Demographics</u>	<u>11</u>
<u>Supervision and regulation</u>	<u>11</u>
<u>Results of Operations</u>	<u>17</u>
<u>Earnings overview</u>	<u>17</u>
<u>Net interest income</u>	<u>17</u>
<u>Provision for credit losses</u>	<u>21</u>
<u>Noninterest income</u>	<u>21</u>
<u>Noninterest expense</u>	<u>23</u>
<u>Income taxes</u>	<u>25</u>
<u>Line of Business Results</u>	<u>25</u>
<u>Key Community Bank summary of operations</u>	<u>26</u>
<u>Key Corporate Bank summary of operations</u>	<u>27</u>
<u>Other Segments</u>	<u>28</u>
<u>Financial Condition</u>	<u>29</u>
<u>Loans and loans held for sale</u>	<u>29</u>
<u>Securities</u>	<u>33</u>
<u>Deposits and other sources of funds</u>	<u>34</u>
<u>Capital</u>	<u>34</u>
<u>Risk Management</u>	<u>38</u>
<u>Overview</u>	<u>38</u>
<u>Market risk management</u>	<u>38</u>
<u>Liquidity risk management</u>	<u>42</u>
<u>Credit risk management</u>	<u>43</u>
<u>Operational and compliance risk management</u>	<u>46</u>
<u>Critical Accounting Policies and Estimates</u>	<u>48</u>
<u>Accounting and Reporting Developments</u>	<u>48</u>
<u>European Sovereign and Non-Sovereign Debt Exposures</u>	<u>51</u>
Item 3. <u>Quantitative and Qualitative Disclosure about Market Risk</u>	<u>102</u>
Item 4. <u>Controls and Procedures</u>	<u>102</u>
<b>PART II. OTHER INFORMATION</b>	
Item 1. <u>Legal Proceedings</u>	<u>102</u>
Item 1A. <u>Risk Factors</u>	<u>102</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>102</u>
Item 6. <u>Exhibits</u>	<u>103</u>
<u>Signature</u>	<u>105</u>

Table of contents

**PART I. FINANCIAL INFORMATION**

**Item 2. Management's Discussion & Analysis of Financial Condition & Results of Operations**

**Introduction**

This section reviews the financial condition and results of operations of KeyCorp and its subsidiaries for the quarterly and year-to-date periods ended September 30, 2018, and September 30, 2017. Some tables may include additional periods to comply with disclosure requirements or to illustrate trends in greater depth. When you read this discussion, you should also refer to the consolidated financial statements and related notes in this report. The page locations of specific sections and notes that we refer to are presented in the Table of Contents.

References to our "2017 Form 10-K" refer to our Form 10-K for the year ended December 31, 2017, which has been filed with the SEC and is available on its website ([www.sec.gov](http://www.sec.gov)) and on our website ([www.key.com/ir](http://www.key.com/ir)).

**Terminology**

Throughout this discussion, references to "Key," "we," "our," "us," and similar terms refer to the consolidated entity consisting of KeyCorp and its subsidiaries. "KeyCorp" refers solely to the parent holding company, and "KeyBank" refers to KeyCorp's subsidiary bank, KeyBank National Association.

We want to explain some industry-specific terms at the outset so you can better understand the discussion that follows.

We use the phrase **continuing operations** in this document to mean all of our businesses other than the education lending business and Austin. The education lending business and Austin have been accounted for as **discontinued operations** since 2009.

Our **exit loan portfolios** are separate from our **discontinued operations**. These portfolios, which are in a run-off mode, stem from product lines we decided to cease because they no longer fit with our corporate strategy. These exit loan portfolios are included in **Other Segments**.

We engage in **capital markets activities** primarily through business conducted by our Key Corporate Bank segment. These activities encompass a variety of products and services. Among other things, we trade securities as a dealer, enter into derivative contracts (both to accommodate clients' financing needs and to mitigate certain risks), and conduct transactions in foreign currencies (both to accommodate clients' needs and to benefit from fluctuations in exchange rates).

For regulatory purposes, capital is divided into two classes. Federal regulations currently prescribe that at least one-half of a bank or BHC's **total risk-based capital** must qualify as **Tier 1 capital**. Both total and Tier 1 capital serve as bases for several measures of capital adequacy, which is an important indicator of financial stability and condition. Banking regulators evaluate a component of Tier 1 capital, known as **Common Equity Tier 1**, under the **Regulatory Capital Rules**. The "Capital" section of this report under the heading "Capital adequacy" provides more information on total capital, Tier 1 capital, and the Regulatory Capital Rules, including Common Equity Tier 1, and describes how these measures are calculated.

Table of contents

The acronyms and abbreviations identified below are used in the Management’s Discussion & Analysis of Financial Condition & Results of Operations as well as in the Notes to Consolidated Financial Statements (Unaudited). You may find it helpful to refer back to this page as you read this report.

ALCO: Asset/Liability Management Committee.	KBCM: KeyBanc Capital Markets, Inc.
ALLL: Allowance for loan and lease losses.	KCC: Key Capital Corporation.
A/LM: Asset/liability management.	KCDC: Key Community Development Corporation.
AOCI: Accumulated other comprehensive income (loss).	KEF: Key Equipment Finance.
APBO: Accumulated postretirement benefit obligation.	KEF: Key Equipment Finance.
ASC: Accounting Standards Codification.	KIBS: Key Insurance & Benefits Services, Inc.
Austin: Austin Capital Management, Ltd.	KMS: Key Merchant Services, LLC.
BHCs: Bank holding companies.	KPP: Key Principal Partners.
Board: KeyCorp Board of Directors.	KREEC: Key Real Estate Equity Capital, Inc.
Cain Brothers: Cain Brothers & Company, LLC.	LCR: Liquidity coverage ratio.
CCAR: Comprehensive Capital Analysis and Review.	LIBOR: London Interbank Offered Rate.
CMBS: Commercial mortgage-backed securities.	LIHTC: Low-income housing tax credit.
CME: Chicago Mercantile Exchange.	LTV: Loan-to-value.
CMO: Collateralized mortgage obligation.	Moody’s: Moody’s Investor Services, Inc.
Common Shares: KeyCorp common shares, \$1 par value.	MRC: Market Risk Committee.
DIF: Deposit Insurance Fund of the FDIC.	MRM: Market Risk Management group.
Dodd-Frank Act: Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.	N/A: Not applicable.
EBITDA: Earnings before interest, taxes, depreciation, and amortization.	NASDAQ: The NASDAQ Stock Market LLC.
EPS: Earnings per share.	NAV: Net asset value.
ERISA: Employee Retirement Income Security Act of 1974.	N/M: Not meaningful.
ERM: Enterprise risk management.	NMTC: New market tax credit.
EVE: Economic value of equity.	NOW: Negotiable Order of Withdrawal.
FASB: Financial Accounting Standards Board.	NPR: Notice of proposed rulemaking.
FDIC: Federal Deposit Insurance Corporation.	NYSE: New York Stock Exchange.
Federal Reserve: Board of Governors of the Federal Reserve System.	OCC: Office of the Comptroller of the Currency.
FHLB: Federal Home Loan Bank of Cincinnati.	OCI: Other comprehensive income (loss).
FHLMC: Federal Home Loan Mortgage Corporation.	OREO: Other real estate owned.
FICO: Fair Isaac Corporation.	OTTI: Other-than-temporary impairment.
First Niagara: First Niagara Financial Group, Inc.	PBO: Projected benefit obligation.
FNMA: Federal National Mortgage Association, or Fannie Mae.	PCI: Purchased credit impaired.
FSOC: Financial Stability Oversight Council.	S&P: Standard and Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc.
GAAP: U.S. generally accepted accounting principles.	SEC: U.S. Securities and Exchange Commission.
GNMA: Government National Mortgage Association, or Ginnie Mae.	TCJ Act: Tax Cuts and Jobs Act.
HelloWallet: HelloWallet, LLC.	TDR: Troubled debt restructuring.
HTC: Historic tax credit.	TE: Taxable-equivalent.
	U.S. Treasury: United States Department of the Treasury.
	VaR: Value at risk.
	VEBA: Voluntary Employee Beneficiary Association.



ISDA: International Swaps and Derivatives Association. VIE: Variable interest entity.  
KAHC: Key Affordable Housing Corporation.

**Forward-looking statements**

From time to time, we have made or will make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements do not relate strictly to historical or current facts. Forward-looking statements usually can be identified by the use of words such as “goal,” “objective,” “plan,” “expect,” “assume,” “anticipate,” “intend,” “project,” “believe,” “estimate,” or other words of similar meaning. Forward-looking statements provide our current expectations or forecasts of future events, circumstances, results or aspirations. Our disclosures in this report contain forward-looking statements. We may also make forward-looking

Table of contents

statements in other documents filed with or furnished to the SEC. In addition, we may make forward-looking statements orally to analysts, investors, representatives of the media, and others.

Forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, many of which are outside of our control. Our actual results may differ materially from those set forth in our forward-looking statements. There is no assurance that any list of risks and uncertainties or risk factors is complete. Factors that could cause our actual results to differ from those described in forward-looking statements include, but are not limited to:

- deterioration of commercial real estate market fundamentals;
- defaults by our loan counterparties or clients;
- adverse changes in credit quality trends;
- declining asset prices;
- our concentrated credit exposure in commercial and industrial loans;
- the extensive regulation of the U.S. financial services industry;
- changes in accounting policies, standards, and interpretations;
- operational or risk management failures by us or critical third parties;
- breaches of security or failures of our technology systems due to technological or other factors and cybersecurity threats;
- negative outcomes from claims or litigation;
- failure or circumvention of our controls and procedures;
- the occurrence of natural or man-made disasters, conflicts, or terrorist attacks, or other adverse external events;
- evolving capital and liquidity standards under applicable regulatory rules;
- disruption of the U.S. financial system;
- our ability to receive dividends from our subsidiary, KeyBank;
- unanticipated changes in our liquidity position, including but not limited to, changes in our access to or the cost of funding and our ability to secure alternative funding sources;
- downgrades in our credit ratings or those of KeyBank;
- a reversal of the U.S. economic recovery due to financial, political or other shocks;
- our ability to anticipate interest rate changes and manage interest rate risk;
- deterioration of economic conditions in the geographic regions where we operate;
- the soundness of other financial institutions;
- tax reform and other changes in tax laws, including the impact of the TCJ Act;
- our ability to attract and retain talented executives and employees and to manage our reputational risks;
- our ability to timely and effectively implement our strategic initiatives;
- increased competitive pressure from banks and non-banks;
- our ability to adapt our products and services to industry standards and consumer preferences;
- unanticipated adverse effects of strategic partnerships or acquisitions and dispositions of assets or businesses;
- our ability to realize the anticipated benefits of the First Niagara merger; and
- our ability to develop and effectively use the quantitative models we rely upon in our business planning.

Any forward-looking statements made by us or on our behalf speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement to reflect the impact of subsequent events or circumstances. Before making an investment decision, you should carefully consider all risks and uncertainties disclosed in our 2017 Form 10-K and any subsequent reports filed with the SEC by Key as well as our registration statements under the Securities Act of 1933, as amended, all of which are or will upon filing be accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at

[www.key.com/ir](http://www.key.com/ir).

6

---

Table of contents**Selected financial data**

Our financial performance for each of the last five quarters is summarized in Figure 1.

**Figure 1. Selected Financial Data**

	2018			2017		Nine months ended September 30,		
	Third	Second	First	Fourth	Third	2018	2017	
<i>dollars in millions, except per share amounts</i>								
<b>FOR THE PERIOD</b>								
Interest income	\$ 1,239	\$ 1,205	\$ 1,137	\$ 1,114	\$ 1,109	\$ 3,581	\$ 3,276	
Interest expense	253	226	193	176	161	672	437	
Net interest income	986	979	944	938	948	2,909	2,839	
Provision for credit losses	62	64	61	49	51	187	180	
Noninterest income	609	660	601	656	592	1,870	1,822	
Noninterest expense	964	993	1,006	1,098	992	2,963	3,000	
Income (loss) from continuing operations before income taxes	569	582	478	447	497	1,629	1,481	
Income (loss) from continuing operations attributable to Key	482	479	416	195	363	1,377	1,094	
Income (loss) from discontinued operations, net of taxes	—	3	2	1	1	5	6	
Net income (loss) attributable to Key	482	482	418	196	364	1,382	1,100	
Income (loss) from continuing operations attributable to Key common shareholders	468	464	402	181	349	1,334	1,038	
Income (loss) from discontinued operations, net of taxes	—	3	2	1	1	5	6	
Net income (loss) attributable to Key common shareholders	468	467	404	182	350	1,339	1,044	
<b>PER COMMON SHARE</b>								
Income (loss) from continuing operations attributable to Key common shareholders	\$ .45	\$ .44	\$ .38	\$ .17	\$ .32	\$ 1.28	\$ .96	
Income (loss) from discontinued operations, net of taxes	—	—	—	—	—	.01	.01	
Net income (loss) attributable to Key common shareholders <sup>(a)</sup>	.45	.44	.38	.17	.32	1.27	.97	
Income (loss) from continuing operations attributable to Key common shareholders — assuming dilution	.45	.44	.38	.17	.32	1.26	.95	
Income (loss) from discontinued operations, net of taxes — assuming dilution	—	—	—	—	—	.01	.01	
Net income (loss) attributable to Key common shareholders — assuming dilution <sup>(a)</sup>	.45	.44	.38	.17	.32	1.26	.96	
Cash dividends paid	.17	.12	.105	.105	.095	.395	.275	
Book value at period end	13.33	13.29	13.07	13.09	13.18	13.33	13.18	
Tangible book value at period end	10.59	10.59	10.35	10.35	10.52	10.59	10.52	
Market price:								
High	21.91	21.05	22.40	20.58	19.48	22.40	19.37	
Low	19.38	18.72	19.00	17.40	16.28	18.72	16.47	
Close	19.89	19.54	19.55	20.17	18.82	19.89	18.82	
Weighted-average common shares outstanding (000)	1,036,479	1,052,652	1,056,037	1,062,348	1,073,390	1,048,397	1,075,296	
Weighted-average common shares and potential common shares outstanding (000) <sup>(b)</sup>	1,049,976	1,065,793	1,071,786	1,079,330	1,088,841	1,062,816	1,091,655	
<b>AT PERIOD END</b>								
Loans	\$ 89,268	\$ 88,222	\$ 88,089	\$ 86,405	\$ 86,492	\$ 89,268	\$ 86,492	
Earning assets	125,007	123,472	122,961	123,490	122,625	125,007	122,625	
Total assets	138,805	137,792	137,049	137,698	136,733	138,805	136,733	
Deposits	105,780	104,548	104,751	105,235	103,446	105,780	103,446	
Long-term debt	13,849	13,853	13,749	14,333	15,100	13,849	15,100	
Key common shareholders' equity	13,758	14,075	13,919	13,998	14,224	13,758	14,224	
Key shareholders' equity	15,208	15,100	14,944	15,023	15,249	15,208	15,249	
<b>PERFORMANCE RATIOS — FROM CONTINUING OPERATIONS</b>								
Return on average total assets	1.40	% 1.41	% 1.25	% .57	% 1.07	% 1.35	% 1.10	%
Return on average common equity	13.36	13.29	11.76	5.04	9.74	12.81	9.89	
Return on average tangible common equity <sup>(c)</sup>	16.81	16.73	14.89	6.35	12.21	16.16	12.36	

## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Net interest margin (TE)	<b>3.18</b>	3.19	3.15	3.09	3.15	<b>3.17</b>	3.19
Cash efficiency ratio <sup>(c)</sup>	<b>58.7</b>	58.8	62.9	66.7	62.2	<b>60.1</b>	62.4
<b>PERFORMANCE RATIOS — FROM CONSOLIDATED OPERATIONS</b>							
Return on average total assets	<b>1.39</b>	% 1.40	% 1.24	% .57	% 1.06	% <b>1.35</b>	% 1.09 %
Return on average common equity	<b>13.36</b>	13.37	11.82	5.07	9.77	<b>12.86</b>	9.95
Return on average tangible common equity <sup>(c)</sup>	<b>16.81</b>	16.84	14.97	6.39	12.25	<b>16.22</b>	12.43
Net interest margin (TE)	<b>3.16</b>	3.17	3.13	3.07	3.13	<b>3.15</b>	3.17
Loan-to-deposit <sup>(d)</sup>	<b>87.0</b>	86.9	86.9	84.4	86.2	<b>87.0</b>	86.2
<b>CAPITAL RATIOS AT PERIOD END</b>							
Key shareholders' equity to assets	<b>10.96</b>	% 10.96	% 10.90	% 10.91	% 11.15	% <b>10.96</b>	% 11.15 %
Key common shareholders' equity to assets	<b>9.93</b>	10.21	10.16	10.17	10.40	<b>9.93</b>	10.40
Tangible common equity to tangible assets <sup>(c)</sup>	<b>8.05</b>	8.32	8.22	8.23	8.49	<b>8.05</b>	8.49
Common Equity Tier 1	<b>9.95</b>	10.13	9.99	10.16	10.26	<b>9.95</b>	10.26
Tier 1 risk-based capital	<b>11.11</b>	10.95	10.82	11.01	11.11	<b>11.11</b>	11.11
Total risk-based capital	<b>12.99</b>	12.83	12.73	12.92	13.09	<b>12.99</b>	13.09
Leverage	<b>10.03</b>	9.87	9.76	9.73	9.83	<b>10.03</b>	9.83
<b>TRUST ASSETS</b>							
Assets under management	<b>\$ 40,575</b>	\$ 39,663	\$ 39,003	\$ 39,588	\$ 38,660	<b>\$ 40,575</b>	\$ 38,660
<b>OTHER DATA</b>							
Average full-time-equivalent employees	<b>18,150</b>	18,376	18,540	18,379	18,548	<b>18,354</b>	18,427
Branches	<b>1,166</b>	1,177	1,192	1,197	1,208	<b>1,166</b>	1,208

(a) EPS may not foot due to rounding.

(b) Assumes conversion of Common Share options and other stock awards as applicable.

(c) See Figure 2 entitled "GAAP to Non-GAAP Reconciliations," which presents the computations of certain financial measures related to "tangible common equity" and "cash efficiency." The table reconciles the GAAP performance measures to the corresponding non-GAAP measures, which provides a basis for period-to-period comparisons.

(d) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits.

Table of contents

Figure 2 presents certain non-GAAP financial measures related to “tangible common equity,” “return on tangible common equity,” “pre-provision net revenue,” “cash efficiency ratio,” and “Common Equity Tier 1 under the Regulatory Capital Rules (estimates).”

The tangible common equity ratio and the return on tangible common equity ratio have been a focus for some investors, and management believes that these ratios may assist investors in analyzing Key’s capital position without regard to the effects of intangible assets and preferred stock. Since analysts and banking regulators may assess our capital adequacy using tangible common equity, we believe it is useful to enable investors to assess our capital adequacy on these same bases. Figure 2 reconciles the GAAP performance measures to the corresponding non-GAAP measures.

Figure 2 also shows the computation for and reconciliation of pre-provision net revenue, which is not formally defined by GAAP. We believe that eliminating the effects of the provision for credit losses makes it easier to analyze our results by presenting them on a more comparable basis.

The cash efficiency ratio is a ratio of two non-GAAP performance measures. Accordingly, there is no directly comparable GAAP performance measure. The cash efficiency ratio excludes the impact of our intangible asset amortization from the calculation. We believe this ratio provides greater consistency and comparability between our results and those of our peer banks. Additionally, this ratio is used by analysts and investors as they develop earnings forecasts and peer bank analysis.

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not audited. Although these non-GAAP financial measures are frequently used by investors to evaluate a company, they have limitations as analytical tools, and should not be considered in isolation, nor as a substitute for analyses of results as reported under GAAP.

Table of contents**Figure 2. GAAP to Non-GAAP Reconciliations**

<i>dollars in millions</i>	Three months ended					Nine months ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
<b>Tangible common equity to tangible assets at period-end</b>							
Key shareholders' equity (GAAP)	\$ 15,208	\$ 15,100	\$ 14,944	\$ 15,023	\$ 15,249		
Less: Intangible assets (a)	2,838	2,858	2,902	2,928	2,870		
Preferred Stock (b)	1,421	1,009	1,009	1,009	1,009		
Tangible common equity (non-GAAP)	\$ 10,949	\$ 11,233	\$ 11,033	\$ 11,086	\$ 11,370		
Total assets (GAAP)	\$ 138,805	\$ 137,792	\$ 137,049	\$ 137,698	\$ 136,733		
Less: Intangible assets (a)	2,838	2,858	2,902	2,928	2,870		
Tangible assets (non-GAAP)	\$ 135,967	\$ 134,934	\$ 134,147	\$ 134,770	\$ 133,863		
Tangible common equity to tangible assets ratio (non-GAAP)	8.05	% 8.32	% 8.22	% 8.23	% 8.49	%	
<b>Average tangible common equity</b>							
Average Key shareholders' equity (GAAP)	\$ 15,210	\$ 15,032	\$ 14,889	\$ 15,268	\$ 15,241	\$ 15,045	\$ 15,208
Less: Intangible assets (average) (c)	2,848	2,883	2,916	2,939	2,878	2,882	2,802
Preferred Stock (average)	1,316	1,025	1,025	1,025	1,025	1,123	1,175
Average tangible common equity (non-GAAP)	\$ 11,046	\$ 11,124	\$ 10,948	\$ 11,304	\$ 11,338	\$ 11,040	\$ 11,231
<b>Return on average tangible common equity from continuing operations</b>							
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	\$ 468	\$ 464	\$ 402	\$ 181	\$ 349	\$ 1,334	\$ 1,038
Average tangible common equity (non-GAAP)	11,046	11,124	10,948	11,304	11,338	11,040	11,231
Return on average tangible common equity from continuing operations (non-GAAP)	16.81	% 16.73	% 14.89	% 6.35	% 12.21	% 16.16	% 12.36
<b>Return on average tangible common equity consolidated</b>							
Net income (loss) attributable to Key common shareholders (GAAP)	\$ 468	\$ 467	\$ 404	\$ 182	\$ 350	\$ 1,339	\$ 1,044
Average tangible common equity (non-GAAP)	11,046	11,124	10,948	11,304	11,338	11,040	11,231
Return on average tangible common equity consolidated (non-GAAP)	16.81	% 16.84	% 14.97	% 6.39	% 12.25	% 16.22	% 12.43
<b>Pre-provision net revenue</b>							
Net interest income (GAAP)	\$ 986	\$ 979	\$ 944	\$ 938	\$ 948	\$ 2,909	\$ 2,839
Plus: Taxable-equivalent adjustment	7	8	8	14	14	23	39
Noninterest income (GAAP)	609	660	601	656	592	1,870	1,822
Less: Noninterest expense (GAAP)	964	993	1,006	1,098	992	2,963	3,000
Pre-provision net revenue from continuing operations (non-GAAP)	\$ 638	\$ 654	\$ 547	\$ 510	\$ 562	\$ 1,839	\$ 1,700
<b>Cash efficiency ratio</b>							
Noninterest expense (GAAP)	\$ 964	\$ 993	\$ 1,006	\$ 1,098	\$ 992	\$ 2,963	\$ 3,000
Less: Intangible asset amortization	23	25	29	26	25	77	69
Adjusted noninterest expense (non-GAAP)	\$ 941	\$ 968	\$ 977	\$ 1,072	\$ 967	\$ 2,886	\$ 2,931
Net interest income (GAAP)	\$ 986	\$ 979	\$ 944	\$ 938	\$ 948	\$ 2,909	\$ 2,839
Plus: Taxable-equivalent adjustment	7	8	8	14	14	23	39
Noninterest income (GAAP)	609	660	601	656	592	1,870	1,822
Total taxable-equivalent revenue (non-GAAP)	\$ 1,602	\$ 1,647	\$ 1,553	\$ 1,608	\$ 1,554	\$ 4,802	\$ 4,700
Cash efficiency ratio (non-GAAP)	58.7	% 58.8	% 62.9	% 66.7	% 62.2	% 60.1	% 62.4

**Three months  
ended  
September 30,  
2018**

**Common Equity Tier 1 under the Regulatory Capital Rules (estimates)**

Common Equity Tier 1 under current Regulatory Capital Rules	\$ 12,235
Adjustments from current Regulatory Capital Rules to the fully phased-in Regulatory Capital Rules:	
Deferred tax assets and other intangible assets <sup>(d)</sup>	—
Common Equity Tier 1 anticipated under the fully phased-in Regulatory Capital Rules <sup>(e)</sup>	\$ 12,235

## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Net risk-weighted assets under current Regulatory Capital Rules	\$ 122,908	
Adjustments from current Regulatory Capital Rules to the fully phased-in Regulatory Capital Rules:		
Mortgage servicing assets <sup>(f)</sup>	755	
Deferred tax assets	276	
Total risk-weighted assets anticipated under the fully phased-in Regulatory Capital Rules <sup>(e)</sup>	\$ 123,939	
Common Equity Tier 1 ratio under the fully phased-in Regulatory Capital Rules <sup>(e)</sup>	9.87	%

(a) For the three months ended September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, and September 30, 2017, intangible assets exclude \$17 million, \$20 million, \$23 million, \$26 million, and \$30 million, respectively, of period-end purchased credit card receivables.

(b) Net of capital surplus.

For the three months ended September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, and September 30, 2017, average intangible assets exclude \$18 million, \$21 million, \$24 million, \$28 million, and \$32 million, respectively, of average purchased credit card receivables. For the nine months ended September 30, 2018, and September 30, 2017, average

intangible assets exclude \$21 million and \$36 million, respectively, of average purchased credit card receivables.

(d) Includes the deferred tax assets subject to future taxable income for realization, primarily tax credit carryforwards, as well as intangible assets (other than goodwill and mortgage servicing assets) subject to the transition provisions of the final rule.

(e) The anticipated amount of regulatory capital and risk-weighted assets is based upon the federal banking agencies' Regulatory Capital Rules (as fully phased-in on January 1, 2019); we are subject to the Regulatory Capital Rules under the "standardized approach."

(f) Item is included in the 10%/15% exceptions bucket calculation and is risk-weighted at 250%.

### Long-term financial targets

Our long-term financial targets are as follows:

- Generate positive operating leverage and a cash efficiency ratio in the range of 54.0% to 56.0%;
- Maintain a moderate risk profile by targeting a net loan charge-offs to average loans ratio in the range of .40% to .60%; and



Table of contents

Achieve a return on tangible common equity ratio in the range of 16.00% to 19.00%.

Figure 3 shows the evaluation of our long-term financial targets for the three and nine months ended September 30, 2018.

**Figure 3. Evaluation of Our Long-Term Targets**

	Key Metrics <sup>(a)</sup>	3Q18	YTD 2018	Targets
Positive operating leverage	Cash efficiency ratio <sup>(b)</sup>	58.7	%60.1	%54.0 - 56.0%
Moderate Risk Profile	Net loan charge-offs to average loans	.27	%.26	%.40 - .60%
Financial Returns	Return on average tangible common equity <sup>(b)</sup>	16.81%	16.16	%16.00 - 19.00%

(a) Calculated from continuing operations, unless otherwise noted.

(b) Non-GAAP measure; see Figure 2 entitled "GAAP to Non-GAAP Reconciliations" for reconciliation.

**Strategic developments**

Our actions and results during the third quarter of 2018 supported our corporate strategy described in the "Introduction" section under the "Corporate strategy" heading on page 38 of our 2017 Form 10-K.

We continued to **grow profitably** during the third quarter of 2018. Our cash efficiency ratio improved to 58.7%, a decrease of over 300 basis points when compared to the year-ago quarter. This improvement was driven by an increase in both net interest income and noninterest income, with total revenue increasing 3.1% when compared to the third quarter of 2017. Net interest income benefited from higher interest rates and earning asset balances. Noninterest income saw an increase from the same period one year ago because of our continued investment in our differentiated business model.

Our 2017 acquisitions of Cain Brothers and KMS as well as continued strength in our core businesses contributed to the increase in noninterest income during the third quarter of 2018 compared to the year-ago quarter as we **acquire and expand targeted client relationships**. Investment banking and debt placement fees grew \$25 million from the year-ago quarter, benefiting from organic growth and the Cain Brothers acquisition. Excluding the impact of the new revenue recognition accounting standard, cards and payments income increased due to growth in credit and debit card fees, purchase and prepaid card fees, and merchant services income.

During the third quarter of 2018, we **effectively managed risk and rewards** as net loan charge-offs were .27% of average loans, below our targeted range. While net loan charge-offs for the three months ended September 30, 2018, increased from the same period one year ago, this was primarily due to a large recovery that occurred in the third quarter of 2017.

**Maintaining financial strength** while driving long-term shareholder value was again a focus during the third quarter of 2018. At September 30, 2018, our Common Equity Tier 1 and Tier 1 risk-based capital ratios stood at 9.95% and 11.11%, respectively. Consistent with our 2018 Capital Plan, we completed \$542 million of common share repurchases. The Board also declared an increase to our common share dividend, up to \$.17 per share from \$.12 during the quarter, consistent with our 2018 Capital Plan. In total, we have completed \$3.4 billion of common share repurchases since 2012.

During the third quarter, we were recognized by G.I. Jobs and Military Spouse magazines as a Military Friendly® and Military Friendly® Spouse Employer. Also, during the third quarter, we received the Leading Disability Employer Seal from the National Organization on Disability. In September, we hosted the 2018 KeyBank Supplier Summit to lead the conversation on supplier diversity. These awards and initiatives highlight our strategy to **engage a high-performing, talented, and diverse workforce**.

Table of contents**Demographics**

We have two major business segments: Key Community Bank and Key Corporate Bank.

Key Community Bank serves individuals and small to mid-sized businesses by offering a variety of deposit and investment, lending, mortgage and home equity, credit card, and personalized wealth management products and business advisory services. Key Community Bank also purchases retail auto sales contracts via a network of auto dealerships. These products and services are provided through our relationship managers and specialists working in our 15-state branch network, which is organized into ten internally defined geographic regions: Washington, Oregon/Alaska, Rocky Mountains, Indiana/Northwest Ohio/Michigan, Central/Southwest Ohio, East Ohio/Western Pennsylvania, Atlantic, Western New York, Eastern New York, and New England. In addition, some of these product capabilities are delivered by Key Corporate Bank to clients of Key Community Bank.

Key Corporate Bank is a full-service corporate and investment bank focused principally on serving the needs of middle market clients in seven industry sectors: consumer, energy, healthcare, industrial, public sector, real estate, and technology. Key Corporate Bank delivers a broad suite of banking and capital markets products to its clients, including syndicated finance, debt and equity capital markets, commercial payments, equipment finance, commercial mortgage banking, derivatives, foreign exchange, financial advisory, and public finance. Key Corporate Bank is also a significant servicer of commercial mortgage loans and a significant special servicer of CMBS. Key Corporate Bank delivers many of its product capabilities to clients of Key Community Bank.

**Supervision and regulation**

The following discussion provides a summary of recent regulatory developments and should be read in conjunction with the disclosure included in our 2017 Form 10-K under the heading “Supervision and Regulation” in Item 1. Business and under the heading “II. Compliance Risk” in Item 1A. Risk Factors.

Regulatory capital requirements

The final rule to implement the Basel III international capital framework (“Basel III”) was effective January 1, 2015, with a multi-year transition period ending on December 31, 2018 (“Regulatory Capital Rules”). The Basel III capital framework and the U.S. implementation of the Basel III capital framework are discussed in more detail in Item 1. Business of our 2017 Form 10-K under the heading “Supervision and Regulation - Regulatory capital requirements.”

Under the Regulatory Capital Rules, standardized approach banking organizations, such as KeyCorp and KeyBank, are required to meet the minimum capital and leverage ratios set forth in Figure 4 below. At September 30, 2018, Key had an estimated Common Equity Tier 1 Capital Ratio of 9.87% under the fully phased-in Regulatory Capital Rules. Also, at September 30, 2018, based on the fully phased-in Regulatory Capital Rules, Key estimates that its capital and leverage ratios, after adjustment for market risk, would be as set forth in Figure 4.

**Figure 4. Pro Forma Ratios vs. Minimum Capital Ratios Calculated Under the Fully Phased-In Regulatory Capital Rules**

Ratios (including capital conservation buffer)	Key September 30, 2018 Pro forma	Minimum January 1, 2018	Phase-in Period	Minimum January 1, 2019
--	---	-------------------------------	--------------------	-------------------------------

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Common Equity Tier 1 <sup>(a)</sup>	9.87	%	4.5	%	None	4.5	%
Capital conservation buffer <sup>(b)</sup>			—		1/1/16-1/1/19	2.5	
Common Equity Tier 1 + Capital conservation buffer			4.5		1/1/16-1/1/19	7.0	
Tier 1 Capital	11.02	%	6.0		None	6.0	
Tier 1 Capital + Capital conservation buffer			6.0		1/1/16-1/1/19	8.5	
Total Capital	12.89	%	8.0		None	8.0	
Total Capital + Capital conservation buffer			8.0		1/1/16-1/1/19	10.5	
Leverage <sup>(c)</sup>	10.03	%	4.0		None	4.0	

<sup>(a)</sup> See Figure 2 entitled "GAAP to Non-GAAP Reconciliations," which presents the computation of Common Equity Tier 1 capital under the fully phased-in regulatory capital rules.

<sup>(b)</sup> Capital conservation buffer must consist of Common Equity Tier 1 capital. As a standardized approach banking organization, KeyCorp is not subject to the countercyclical capital buffer of up to 2.5% imposed upon an advanced approaches banking organization under the Regulatory Capital Rules.

<sup>(c)</sup> As a standardized approach banking organization, KeyCorp is not subject to the 3% supplemental leverage ratio requirement, which became effective January 1, 2018.

Table of contents*Revised prompt corrective action framework*

The federal prompt corrective action (“PCA”) framework under the FDIA groups FDIC-insured depository institutions into one of five prompt corrective action capital categories: “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized,” and “critically undercapitalized.” In addition to implementing the Basel III capital framework in the United States, the Regulatory Capital Rules also revised the prompt corrective action capital category threshold ratios applicable to FDIC-insured depository institutions such as KeyBank, with an effective date of January 1, 2015. The revised prompt corrective action framework table in Figure 5 identifies the capital category thresholds for a “well capitalized” and an “adequately capitalized” institution under the Prompt Corrective Action Framework.

**Figure 5. "Well Capitalized" and "Adequately Capitalized" Capital Category Ratios under Revised PCA Framework**

Prompt Corrective Action Ratio	Capital Category	
	Well Capitalized	Adequately Capitalized
Common Equity Tier 1 Risk-Based	6.5 %	4.5 %
Tier 1 Risk-Based	8.0	6.0
Total Risk-Based	10.0	8.0
Tier 1 Leverage <sup>(b)</sup>	5.0	4.0

(a) A “well capitalized” institution also must not be subject to any written agreement, order, or directive to meet and maintain a specific capital level for any capital measure.

(b) As a “standardized approach” banking organization, KeyBank is not subject to the 3% supplemental leverage ratio requirement, which became effective January 1, 2018.

We believe that, as of September 30, 2018, KeyBank (consolidated) satisfied the risk-based and leverage capital requirements necessary to be considered “well capitalized” for purposes of the PCA framework. However, investors should not regard this determination as a representation of the overall financial condition or prospects of KeyBank because the prompt corrective action framework is intended to serve a limited supervisory function. Moreover, it is important to note that the prompt corrective action framework does not apply to BHCs, like KeyCorp.

*Recent regulatory capital-related developments*

On September 27, 2017, the federal banking agencies issued a joint proposal to simplify certain aspects of the Regulatory Capital Rules for standardized approach banking organizations (the “Simplification Proposal”), including Key. In anticipation of the Simplification Proposal, on August 22, 2017, the agencies issued a companion proposal to extend the current capital treatment for certain items that are part of the Simplification Proposal and also subject to the multi-year transition period for the Regulatory Capital Rules, which ends on December 31, 2018 (the “Transitions Proposal”). The Transitions Proposal was published as a final rule in the Federal Register on November 21, 2017, and is expected to alleviate the burden that would have resulted from the continued phase-in of those capital requirements as the agencies seek public comment on and work to finalize the Simplification Proposal. The Simplification Proposal and the Transitions Proposal are discussed in more detail in Item 1. Business of our 2017 Form 10-K under the heading “Supervision and Regulation - Regulatory capital requirements - Recent regulatory capital-related developments.”

In December 2017, the Basel Committee released its final revisions to Basel III. The revisions seek to restore credibility in the calculation of risk-weighted assets and improve the comparability of regulatory capital ratios across banking organizations. The revisions are discussed in more detail in Item 1. Business of our 2017 Form 10-K under the heading “Supervision and Regulation - Regulatory capital requirements - Recent regulatory capital-related developments.”

The U.S. federal banking agencies released a statement announcing their support for the Basel Committee's efforts, but cautioned that they will consider how to appropriately incorporate these revisions into the Regulatory Capital Rules, and that any proposed changes based on the Basel Committee revisions would be subject to notice-and-comment rulemaking. In view of the prohibition under the Dodd-Frank Act on the use of credit ratings in federal regulation, there is some uncertainty as to whether or how the agencies would implement the ratings-based aspects of the Basel Committee revisions to Basel III, as well as any other aspect of the Basel Committee revisions that permit the U.S. agencies to exercise home-country discretion, for example, due to differences in accounting or market practices, and legal requirements.

Subsequently, in February 2018, the Basel Committee released for public consultation a proposal to update the Pillar 3 disclosure framework, to more appropriately align it to the changes adopted under the Basel Committee's final revisions to Basel III. The public consultation period ended on May 25, 2018. Before any action is taken by the

## Table of contents

federal banking agencies with respect to the revised Pillar 3 disclosure framework, it first must be adopted in final form by the Basel Committee, and the federal agencies must determine whether and to what extent they will implement the final revisions to Basel III released by the Basel Committee in December 2017.

In April 2018, the federal banking agencies released a joint proposal to amend their Regulatory Capital Rules to address the regulatory capital effects of forthcoming changes to GAAP set forth in Accounting Standards Update No. 2016-13, Topic 326, Financial Instruments - Credit Losses (ASU 2016-13), which introduces the current expected credit losses methodology. The proposal identifies which credit loss allowances under the new accounting standard would be eligible for inclusion in a banking organization's regulatory capital and provides banking organizations with the option to phase in over a three-year period the adverse day-one regulatory capital effects of adoption of the new accounting standard on retained earnings, deferred tax assets, credit loss allowances, and average total consolidated assets. For SEC reporting companies, the new accounting standard will become effective for the first fiscal year starting after December 15, 2019. The banking agencies' proposal was published in the Federal Register on May 14, 2018, with a 60-day public comment period that ended on July 13, 2018.

## Capital planning and stress testing

On December 7, 2017, the Federal Reserve released for public comment a package of proposals that would increase the transparency of its stress testing program while maintaining the Federal Reserve's ability to test the resilience of the nation's largest, most complex banks. The proposals responded to public and industry calls for more transparency around the CCAR program. The proposals are discussed in more detail in Item 1. Business of our 2017 Form 10-K under the heading "Supervision and Regulation - Regulatory capital requirements - Recent developments in capital planning and stress testing."

In a separate release, published April 10, 2018, the Federal Reserve invited comment on a proposal to integrate certain aspects of the Federal Reserve's Regulatory Capital Rules with the CCAR and stress test rules, in order to simplify the overall capital framework that is currently applicable to banking organizations subject to the capital plan rule (including KeyCorp). Under the proposal, the Federal Reserve would (1) amend the capital conservation buffer requirement under the Regulatory Capital Rules by replacing the static risk-weighted assets component of the buffer with a new measure, the stress capital buffer, which would be based on the results of an individual banking organization's annual supervisory stress test; (2) introduce a stress leverage buffer requirement that would replace the existing Tier 1 leverage requirement under CCAR; (3) modify certain assumptions under the supervisory stress test; (4) remove the 30% dividend payout ratio limitation as a criterion for heightened supervisory scrutiny of an organization's capital plan; and (5) eliminate the CCAR quantitative objection.

Under the proposed rule, a banking organization would not be subject to any limitations on capital distributions and discretionary bonus payments if it satisfies all minimum capital requirements and its capital conservation requirement (as amended to incorporate the stress capital buffer), stress leverage buffer requirement, and, if applicable, the advanced approaches capital conservation buffer requirement and supplementary leverage ratio standard (the latter two of which do not apply to KeyCorp). If it is adopted as a final rule, the proposal would be effective December 31, 2018; however, the stress capital buffer and stress leverage buffer requirements would generally not be effective until October 1, 2019. The comment period for this proposal ended on June 25, 2018. Key expects that the proposal would have a marginally favorable impact on its capital requirements.

## Liquidity requirements

In October 2014, the federal banking agencies published a final rule to implement the Basel III liquidity coverage ratio (“Basel III LCR”) for U.S. banking organizations (the “Liquidity Coverage Rules”) that establishes a minimum LCR for certain internationally active bank and nonbank financial companies (excluding KeyCorp) and a modified version of the LCR (“Modified LCR”) for BHCs and other depository institution holding companies with over \$50 billion in consolidated assets that are not internationally active (including KeyCorp). KeyBank will not be subject to the LCR or the Modified LCR under the Liquidity Coverage Rules unless the OCC affirmatively determines that application to KeyBank is appropriate in light of KeyBank’s asset size, level of complexity, risk profile, scope of operations, affiliation with foreign or domestic covered entities, or risk to the financial system.

Under the Liquidity Coverage Rules, KeyCorp must calculate a Modified LCR on a monthly basis, and was required to satisfy a minimum Modified LCR requirement of 100% by January 1, 2017. At September 30, 2018, Key’s Modified LCR was above 100%. In the future, KeyCorp may change the composition of our investment portfolio,

## Table of contents

increase the size of the overall investment portfolio, and modify product offerings to enhance or optimize our liquidity position.

### *Net stable funding ratio*

The federal banking agencies commenced the U.S. implementation of the Basel III net stable funding ratio (“NSFR”) in April and May 2016, with the release of a proposed rule to implement a NSFR requirement for certain internationally active banking organizations (excluding KeyCorp) and a modified version of the minimum NSFR requirement (“Modified NSFR”) for BHCs and other depository institution holding companies with over \$50 billion in consolidated assets that are not internationally active (including KeyCorp), together with quarterly public disclosure requirements. The proposed rule would require banking organizations to satisfy a minimum NSFR requirement of 1.0 on an ongoing basis. However, banking organizations subject to the Modified NSFR (like KeyCorp) would be required to maintain a lower minimum amount of available stable funding, equal to 70% of the required stable funding under the NSFR. The proposed rule was scheduled to be effective on January 1, 2018; however, it has not been adopted in final form. The comment period for the NPR expired on August 5, 2016. If the proposed NSFR requirement is adopted as a final rule, then similar to actions taken in connection with the implementation of the Liquidity Coverage Rules, KeyCorp may adjust its balance sheet or modify product offerings to enhance its liquidity position.

### Resolution and recovery planning

BHCs with at least \$50 billion in total consolidated assets, like KeyCorp, are required to periodically submit to the Federal Reserve and FDIC a plan discussing how the company could be rapidly and efficiently resolved if the company failed or experienced material financial distress. Insured depository institutions with at least \$50 billion in total consolidated assets, like KeyBank, are also required to submit a resolution plan to the FDIC. These plans are due annually unless the requirement to submit the plans is deferred by the regulators. On December 1, 2017, KeyCorp submitted its resolution plan to the Federal Reserve and the FDIC. KeyBank submitted its resolution plan to the FDIC on June 20, 2018. KeyCorp will not be required to submit a resolution plan for 2018 because the FDIC and Federal Reserve deferred such requirement (for 14 firms, including KeyCorp) until December 2019. KeyBank will not be required to submit a resolution plan in 2019 because the FDIC extended the next filing due date for all depository institution resolution plan submissions until no sooner than July 1, 2020. The Federal Reserve and FDIC make available on their websites the public sections of resolution plans for the companies, including KeyCorp and KeyBank, that submitted plans. The public sections of the resolution plans of KeyCorp and KeyBank are available at <http://www.federalreserve.gov/supervisionreg/resolution-plans.htm> and <https://www.fdic.gov/regulations/reform/resplans/>.

On September 28, 2016, the OCC released final guidelines that establish standards for recovery planning by certain large OCC-regulated institutions, including KeyBank. The guidelines require such institutions to establish a comprehensive framework for evaluating the financial effects of severe stress events, and recovery actions an institution may pursue to remain a viable, going concern during a period of severe financial stress. Under the final guidelines, an institution’s recovery plan must include triggers to alert the institution of severe stress events, escalation procedures, recovery options, and a process for periodic review and approval by senior management and the board of directors. The recovery plan should be tailored to the complexity, scope of operations, and risk profile of the institution. Because KeyBank had average total consolidated assets of greater than \$100 billion but less than \$750 billion as reported on KeyBank’s Consolidated Reports of Condition and Income for the four most recent consecutive quarters prior to January 1, 2017, it was required to be in compliance with the guidelines not later than January 1, 2018. We believe that KeyBank is in compliance with the guidelines. On September 19, 2018, the OCC



issued a proposal to amend its recovery planning guidelines to increase, from \$50 billion to \$250 billion, the asset threshold for applying the guidelines to national banks. Comments on this proposal are due by November 5, 2018. If this proposal is adopted, KeyBank will no longer be subject to the guidelines.

Economic Growth, Regulatory Relief, and Consumer Protection Act

On May 24, 2018, President Trump signed the Economic Growth, Regulatory Relief, and Consumer Protection Act (“EGRRCPA”) into law. EGRRCPA made certain amendments to the Dodd-Frank Act and other federal banking laws. EGRRCPA raised, from \$50 billion to \$250 billion, the asset threshold above which the Federal Reserve is required to apply to BHCs enhanced prudential standards (including supervisory and company-run stress tests, resolution plan requirements, single counterparty credit limits, risk management requirements, and liquidity requirements) and early remediation requirements (collectively, “EPSs”). EPSs, which were imposed by Sections

## Table of contents

165 and 166 of the Dodd-Frank Act, are discussed in more detail in Item 1. Business of our 2017 Form 10-K under the heading “Supervision and Regulation - Other Regulatory Developments under the Dodd-Frank Act - Enhanced prudential standards and early remediation requirements.”

EGRRCPA raised the asset threshold for applying EPSs to BHCs in two stages. BHCs having total consolidated assets less than \$100 billion were no longer subject to such EPSs immediately upon enactment of this statute. BHCs having at least \$100 billion but less than \$250 billion in total consolidated assets (like KeyCorp) will be no longer subject to these requirements as of 18 months after the date of enactment. However, under this statute, the Federal Reserve is required, after the end of this 18-month period, to conduct periodic supervisory stress tests of BHCs with assets between \$100 billion and \$250 billion (like KeyCorp), and the requirement for a publicly traded BHC to have a risk committee continues to apply if a BHC has assets of at least \$50 billion. In addition, EGRRCPA gives the Federal Reserve the authority, following certain notice and comment procedures, to continue to apply other EPSs to any such firm or firms (including KeyCorp) if it determines that the application of the EPS is appropriate to prevent or mitigate risks to financial stability or to promote the safety and soundness of the BHC or BHCs, taking into consideration the BHC’s or BHCs’ capital structure, riskiness, complexity, financial activities, size, and other relevant factors. The Federal Reserve is also authorized to exempt any BHC with assets between \$100 billion and \$250 billion from any EPS prior to the end of the 18-month period following enactment of EGRRCPA.

On October 31, 2018, the federal banking agencies issued two Notices of Proposed Rulemaking related to the implementation of EGRRCPA. The proposed rules would establish four risk-based categories of institutions and apply tailored capital and liquidity requirements for each respective category. Based on Key’s analysis of the proposal, KeyCorp would fall into the least restrictive of those categories. We are assessing the full extent of the impact to Key.

In addition to raising the asset threshold for the application of EPSs to BHCs, EGRRCPA raised the asset threshold that triggers the requirement in Section 165(i)(2) of the Dodd-Frank Act for federally regulated banks (like KeyBank) to conduct company-run stress tests on an annual basis from \$10 billion to \$250 billion in total consolidated assets. This provision is effective 18 months after the date of enactment of EGRRCPA.

EGRRCPA also amended the capital requirements for certain acquisition, development, and construction (“ADC”) loans. This statute allows the federal banking agencies to require depository institutions to assign a heightened risk weight to a high volatility commercial real estate (“HVCRE”) exposure under the Regulatory Capital Rules only if such exposure comes within the definition of an HVCRE ADC Loan as defined in EGRRCPA. The effect of this provision is to narrow the scope of exposures subject to a heightened risk weight. On July 6, 2018, the federal banking agencies issued a statement providing depository institutions (including KeyBank) and BHCs (including KeyCorp) with interim guidance concerning the application of this provision. On September 18, 2018, the federal banking agencies released a proposal to amend their regulatory capital rules to revise the definition of an HVCRE exposure to conform to the statutory definition of an HVCRE ADC Loan and requested comment on various interpretive issues relating to this proposal. This proposal was published in the Federal Register on September 28, 2018, with comments due by November 27, 2018.

## Single counterparty credit limits

On June 14, 2018, the Federal Reserve released a final rule establishing single counterparty credit limits for BHCs with \$250 billion or more in total consolidated assets. The final rule, which implements Section

165(e) of the Dodd-Frank Act, limits the aggregate net credit exposure of such a BHC to a single counterparty to 25% of the BHC's tier 1 capital and limits the aggregate net credit exposure of a global systemically important bank ("GSIB") to another GSIB to 15% of the GSIB's tier 1 capital. Although the final rule does not apply to KeyCorp, the Federal Reserve said that it will consider, at a later date, the extent to which credit exposure limits or other EPSs should be applied to BHCs with assets between \$100 billion and \$250 billion (such as KeyCorp).

#### Volcker Rule

On June 5, 2018, five federal agencies announced that they are requesting public comment on a proposal that would amend the Volcker Rule. The Volcker Rule implements Section 619 of the Dodd-Frank Act, which prohibits "banking entities," such as KeyCorp, KeyBank, and their affiliates and subsidiaries, from owning, sponsoring, or having certain relationships with hedge funds and private equity funds (referred to as "covered funds") and engaging in short-term proprietary trading of financial instruments, including securities, derivatives, commodity futures, and options on these instruments. The Volcker Rule is discussed in more detail in Item 1. Business of our

## Table of contents

2017 Form 10-K under the heading “Supervision and Regulation - Other Regulatory Developments under the Dodd-Frank Act - Volcker Rule.”

The stated objective of the new proposal is to simplify and tailor compliance requirements relating to the Volcker Rule. Among other things, the new proposal would (1) tailor the rule’s compliance requirements based on the size of a firm’s trading assets and liabilities; (2) revise the term “trading account” by replacing the short-term intent-based prong with a new accounting-based prong; (3) modify the eligibility criteria for a banking entity to be able to rely on certain exemptions from the proprietary trading and covered fund prohibitions; and (4) simplify the trading activity information that a banking entity is required to provide to the agencies. In addition to requesting comment on the proposed changes, the five agencies requested comment on a large number of specific questions on various issues concerning implementation of the Volcker Rule. The proposal was published in the Federal Register on July 17, 2018, with a 60-day comment period. The comment period was later extended to October 17, 2018.

## Deposit insurance and assessments

As required under the Dodd-Frank Act, in March 2015, the FDIC approved a final rule to impose a surcharge on the quarterly deposit insurance assessments of insured depository institutions having total consolidated assets of at least \$10 billion (like KeyBank). The surcharge is 4.5 cents per \$100 of the institution’s assessment base (after making certain adjustments). The final rule became effective on July 1, 2016. As of July 1, 2016, KeyBank must pay a surcharge to assist in bringing the reserve ratio to the statutory minimum of 1.35%. Surcharges will continue through the quarter that the DIF reserve ratio reaches or exceeds 1.35%, but not later than December 31, 2018. If the reserve ratio does not reach 1.35% by December 31, 2018 (provided it is at least 1.15%), the FDIC will impose a shortfall assessment on March 31, 2019, on insured depository institutions with total consolidated assets of \$10 billion or more (like KeyBank).

In December 2016, the FDIC issued a final rule that imposes recordkeeping requirements on insured depository institutions with two million or more deposit accounts (including KeyBank) in order to facilitate rapid payment of insured deposits to customers if the institutions were to fail. The rule requires those insured depository institutions to: (i) maintain complete and accurate data on each depositor’s ownership interest by right and capacity for all of the institution’s deposit accounts; and (ii) develop the capability to calculate the insured and uninsured amounts for each deposit owner within 24 hours of failure. The FDIC will conduct periodic testing of compliance with these requirements, and institutions subject to the rule must submit to the FDIC a certification of compliance, signed by the bank’s chief executive officer, and a deposit insurance coverage summary report on or before the mandatory compliance date and annually thereafter. The final rule became effective on April 1, 2017, with a mandatory compliance date of April 1, 2020. The FDIC has been releasing Frequently Asked Questions on a rolling basis, and has committed to continue this practice as institutions subject to the rule present issues associated with its implementation that require FDIC consultation.

## ERISA fiduciary standard

In April 2016, the Department of Labor published final rules and amendments to certain prohibited transaction exemptions regarding service providers who would be regarded as fiduciaries under ERISA for making investment advice recommendations to: (i) certain retirement plan fiduciaries, participants, or beneficiaries; and (ii) owners or beneficiaries of individual retirement accounts and health savings accounts, among other retirement plans. The purpose of the rules were to place fiduciary obligations, rather than the lesser legal obligations that currently apply, on these service providers. On March 15, 2018, the

United States Court of Appeals for the Fifth Circuit invalidated the rule in its entirety and issued a mandate on June 21, 2018, invalidating the rule on a nationwide basis.

Community Reinvestment Act

The Community Reinvestment Act (“CRA”) was enacted in 1977 to encourage depository institutions to help meet the credit needs of the communities that they serve, including low- and moderate-income (“LMI”) neighborhoods, consistent with the institutions’ safe and sound operations. The CRA requires the federal banking agencies to assess the record of each institution that it supervises in meeting the credit needs of its entire community, including LMI neighborhoods.

On September 5, 2018, the OCC published in the Federal Register an advance notice of proposed rulemaking (“ANPR”) requesting public input on ways to revise the agency’s CRA regulations to update the framework by which the OCC assesses a bank’s CRA performance. The OCC stated that the purpose of updating the agency’s CRA

## Table of contents

regulations is to encourage more community and economic development in areas that need it most, bring greater clarity, consistency and certainty to the CRA evaluation process, and provide flexibility to accommodate banks with different business strategies. The OCC invited comments on a number of questions, including ones that concern the use of a metrics-based framework, the redefinition of assessment areas, and the expansion of CRA-qualifying activities. Comments on the ANPR are due by November 19, 2018. Any revision to the OCC's CRA regulations would apply to national banks, including KeyBank.

## **Results of Operations**

### **Earnings overview**

The following chart provides a reconciliation of net income from continuing operations attributable to Key common shareholders for the three months ended September 30, 2017, to the three months ended September 30, 2018 (dollars in millions):

The following discussion explains the key factors that caused these elements to change.

### **Net interest income**

One of our principal sources of revenue is net interest income. Net interest income is the difference between interest income received on earning assets (such as loans and securities) and loan-related fee income, and interest expense paid on deposits and borrowings. There are several factors that affect net interest income, including:

- the volume, pricing, mix, and maturity of earning assets and interest-bearing liabilities;
- the volume and value of net free funds, such as noninterest-bearing deposits and equity capital;
- the use of derivative instruments to manage interest rate risk;
- interest rate fluctuations and competitive conditions within the marketplace;
- asset quality; and
- fair value accounting of acquired earning assets and interest-bearing liabilities.

To make it easier to compare both the results across several periods and the yields on various types of earning assets (some taxable, some not), we present net interest income in this discussion on a "TE basis" (i.e., as if all income were taxable and at the same rate). For example, \$100 of tax-exempt income would be presented as \$126, an amount that, if taxed at the statutory federal income tax rate of 21%, would yield \$100. Prior to 2018, \$100 of tax-exempt income would be presented as \$154, an amount that, if taxed at the previous statutory federal income tax rate of 35%, would yield \$100.

Figure 6 shows the various components of our balance sheet that affect interest income and expense, and their respective yields or rates over the past five quarters. This figure also presents a reconciliation of TE net interest

Table of contents

income to net interest income reported in accordance with GAAP for each of those quarters. The net interest margin, which is an indicator of the profitability of the earning assets portfolio less cost of funding, is calculated by dividing annualized TE net interest income by average earning assets.

TE net interest income was \$993 million for the third quarter of 2018, and the net interest margin was 3.18%, compared to TE net interest income of \$962 million and a net interest margin of 3.15% for the third quarter of 2017, reflecting the benefit from higher interest rates and higher earning asset balances. Third quarter 2018 net interest income included \$26 million of purchase accounting accretion, a decline of \$22 million from the third quarter of 2017. For the fourth quarter of 2018, we expect net interest income to be up 1% to 3% compared to the third quarter of 2018.

For the nine months ended September 30, 2018, TE net interest income was \$2.9 billion and the net interest margin was 3.17%. Compared to the same period last year, net interest income increased \$54 million and the net interest margin decreased two basis points. Both net interest income and the net interest margin in 2018 benefited from higher interest rates and higher earning asset balances. These benefits were partially offset by higher wholesale funding costs, in addition to a continued expected decline in purchase accounting accretion.

Average loans were \$88.5 billion for the third quarter of 2018, an increase of \$1.7 billion compared to the third quarter of 2017, reflecting broad-based growth in commercial and industrial loans, partially offset by higher paydowns in commercial real estate balances and home equity lines of credit. For the fourth quarter of 2018, we expect average loans to be up 1% to 3% compared to the third quarter of 2018.

Average deposits totaled \$105.6 billion for the third quarter of 2018, an increase of \$2.5 billion compared to the year-ago quarter, reflecting growth in higher-yielding deposit products, as well as strength in our retail banking franchise and growth from commercial relationships. For the fourth quarter of 2018, we expect average deposits to be within 2% of our third quarter of 2018 results.

Table of contents**Figure 6. Consolidated Average Balance Sheets, Net Interest Income, and Yields/Rates and Components of Net Interest Income Changes from Continuing Operations**

<i>dollars in millions</i>	Three months ended September 30, 2018			Three months ended September 30, 2017			Change in Net interest income due to		
	Average Balance	Interest (a)	Yield/ Rate (a)	Average Balance	Interest (a)	Yield/ Rate (a)	Volume	Rate	Total
<b>ASSETS</b>									
Loans <sup>(b), (c)</sup>									
Commercial and industrial <sup>(d)</sup>	\$ 44,749	\$ 495	4.39 %	\$ 41,416	\$ 414	3.97 %	\$ 35	\$ 46	\$ 81
Real estate — commercial mortgage	14,268	176	4.89	14,850	169	4.51	(7 )	14	7
Real estate — construction	1,759	22	5.05	2,054	23	4.51	(4 )	3	(1 )
Commercial lease financing	4,444	43	3.88	4,694	46	3.89	(2 )	(1 )	(3 )
Total commercial loans	65,220	736	4.49	63,014	652	4.11	22	62	84
Real estate — residential mortgage	5,466	55	3.99	5,493	54	3.92	—	1	1
Home equity loans	11,415	137	4.80	12,314	136	4.41	(10 )	11	1
Consumer direct loans	1,789	35	7.71	1,774	33	7.26	—	2	2
Credit cards	1,095	32	11.43	1,049	30	11.34	1	1	2
Consumer indirect loans	3,482	37	4.25	3,170	37	4.64	3	(3 )	—
Total consumer loans	23,247	296	5.06	23,800	290	4.85	(6 )	12	6
Total loans	88,467	1,032	4.64	86,814	942	4.31	16	74	90
Loans held for sale	1,117	12	4.59	1,607	17	4.13	(5 )	—	(5 )
Securities available for sale <sup>(b), (e)</sup>	17,631	102	2.22	18,574	91	1.96	(5 )	16	11
Held-to-maturity securities <sup>(b)</sup>	12,065	72	2.40	10,469	55	2.12	9	8	17
Trading account assets	787	7	3.37	889	7	2.74	(1 )	1	—
Short-term investments	2,928	15	1.93	2,166	6	1.21	3	6	9
Other investments <sup>(e)</sup>	685	6	3.27	728	5	2.46	—	1	1
Total earning assets	123,680	1,246	3.98	121,247	1,123	3.68	17	106	123
Allowance for loan and lease losses	(886 )			(868 )					
Accrued income and other assets	13,935			13,977					
Discontinued assets	1,186			1,417					
<b>Total assets</b>	<b>\$ 137,915</b>			<b>\$ 135,773</b>					
<b>LIABILITIES</b>									
NOW and money market deposit accounts	\$ 56,391	82	.58	\$ 53,826	37	.27	2	43	45
Savings deposits	5,413	3	.20	6,697	5	.25	(1 )	(1 )	(2 )
Certificates of deposit (\$100,000 or more)	8,186	38	1.86	6,402	21	1.31	7	10	17
Other time deposits	5,026	17	1.40	4,664	9	.81	1	7	8
Total interest-bearing deposits	75,016	140	.74	71,589	72	.40	9	59	68
Federal funds purchased and securities sold under repurchase agreements	552	1	1.00	456	—	.23	—	1	1
Bank notes and other short-term borrowings	596	4	2.76	865	3	1.49	(1 )	2	1
Long-term debt <sup>(f), (g)</sup>	12,678	108	3.34	12,631	86	2.75	—	22	22
Total interest-bearing liabilities	88,842	253	1.13	85,541	161	.75	8	84	92
Noninterest-bearing deposits	30,610			31,516					
Accrued expense and other liabilities	2,065			2,057					
Discontinued liabilities (g)	1,186			1,417					
<b>Total liabilities</b>	<b>122,703</b>			<b>120,531</b>					
<b>EQUITY</b>									
Key shareholders' equity	15,210			15,241					
Noncontrolling interests	2			1					
Total equity	15,212			15,242					



## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

<b>Total liabilities and equity</b>	<b>\$ 137,915</b>		\$ 135,773		
Interest rate spread (TE)		2.85 %		2.93 %	
Net interest income (TE) and net interest margin (TE)	993	3.18 %	962	3.15 %	\$9 \$ 22 31
TE adjustment <sup>(b)</sup>	7		14		
Net interest income, GAAP basis	<b>\$ 986</b>		<b>\$ 948</b>		

- (a) Results are from continuing operations. Interest excludes the interest associated with the liabilities referred to in (g), calculated using a matched funds transfer pricing methodology. Interest income on tax-exempt securities and loans has been adjusted to a taxable-equivalent basis using the statutory federal income tax rate of 21% and 35% for the three months ended September 30, 2018, and September 30, 2017, respectively.
- (b) For purposes of these computations, nonaccrual loans are included in average loan balances.
- (c) Commercial and industrial average balances include \$128 million and \$117 million of assets from commercial credit cards for the three months ended September 30, 2018, and September 30, 2017, respectively.
- (d) Yield is calculated on the basis of amortized cost.
- (e) Rate calculation excludes basis adjustments related to fair value hedges.
- (f) A portion of long-term debt and the related interest expense is allocated to discontinued liabilities as a result of applying our matched funds transfer pricing methodology to discontinued operations.

Table of contents**Figure 6. Consolidated Average Balance Sheets, Net Interest Income, and Yields/Rates and Components of Net Interest Income Changes from Continuing Operations**

<i>dollars in millions</i>	Nine months ended September 30, 2018			Nine months ended September 30, 2017			Change in Net interest income due to		
	Average Balance	Interest (a)	Yield/ Rate (a)	Average Balance	Interest (a)	Yield/ Rate (a)	Volume	Yield/Rate	Total
<b>ASSETS</b>									
Loans <sup>(b), (c)</sup>									
Commercial and industrial <sup>(d)</sup>	\$ 44,178	\$ 1,414	4.28 %	\$ 40,700	\$ 1,196	3.93 %	\$ 107	\$ 111	\$ 218
Real estate — commercial mortgage	14,137	513	4.85	15,043	520	4.62	(32)	25	(7)
Real estate — construction	1,834	67	4.88	2,203	80	4.86	(13)	—	(13)
Commercial lease financing	4,552	125	3.67	4,673	140	3.99	(4)	(11)	(15)
Total commercial loans	64,701	2,119	4.38	62,619	1,936	4.13	58	125	183
Real estate — residential mortgage	5,466	163	3.97	5,507	160	3.88	(1)	4	3
Home equity loans	11,629	406	4.67	12,465	402	4.32	(28)	32	4
Consumer direct loans	1,774	101	7.59	1,760	94	7.10	1	6	7
Credit cards	1,085	92	11.32	1,053	88	11.15	3	1	4
Consumer indirect loans	3,363	107	4.27	3,081	112	4.85	10	(15)	(5)
Total consumer loans	23,317	869	4.98	23,866	856	4.79	(15)	28	13
Total loans	88,018	2,988	4.54	86,485	2,792	4.31	43	153	196
Loans held for sale	1,226	40	4.40	1,293	39	4.01	(2)	3	1
Securities available for sale <sup>(b), (e)</sup>	17,653	294	2.14	18,582	276	1.96	(14)	32	18
Held-to-maturity securities <sup>(b)</sup>	12,111	213	2.35	10,311	161	2.08	30	22	52
Trading account assets	879	21	3.19	966	21	2.84	(2)	2	—
Short-term investments	2,334	31	1.76	1,918	14	1.00	4	13	17
Other investments <sup>(e)</sup>	706	17	3.10	708	12	2.20	—	5	5
Total earning assets	122,927	3,604	3.90	120,263	3,315	3.68	59	230	289
Allowance for loan and lease losses	(879)	)		(862)	)				
Accrued income and other assets	13,966			13,801					
Discontinued assets	1,243			1,477					
<b>Total assets</b>	<b>\$ 137,257</b>			<b>\$ 134,679</b>					
<b>LIABILITIES</b>									
NOW and money market deposit accounts	\$ 54,891	187	.46	\$ 54,178	103	.25	1	83	84
Savings deposits	5,971	13	.28	6,635	10	.19	(1)	4	3
Certificates of deposit (\$100,000 or more)	7,563	97	1.72	6,050	56	1.24	16	25	41
Other time deposits	4,947	46	1.25	4,673	27	.78	2	17	19
Total interest-bearing deposits	73,372	343	.63	71,536	196	.37	18	129	147
Federal funds purchased and securities sold under repurchase agreements	1,146	10	1.22	570	1	.27	2	7	9
Bank notes and other short-term borrowings	1,015	17	2.19	1,291	12	1.27	(3)	8	5
Long-term debt <sup>(f), (g)</sup>	12,631	302	3.17	11,510	228	2.66	24	50	74
Total interest-bearing liabilities	88,164	672	1.02	84,907	437	.69	41	194	235
Noninterest-bearing deposits	30,701			31,123					
Accrued expense and other liabilities	2,102			1,962					
Discontinued liabilities (g)	1,243			1,478					
<b>Total liabilities</b>	<b>122,210</b>			<b>119,470</b>					
<b>EQUITY</b>									
Key shareholders' equity	15,045			15,208					
Noncontrolling interests	2			1					
Total equity	15,047			15,209					
<b>Total liabilities and equity</b>	<b>\$ 137,257</b>			<b>\$ 134,679</b>					

## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Interest rate spread (TE)	2.88 %		2.99 %				
Net interest income (TE) and net interest margin (TE)	2,932	3.17 %	2,878	3.19 %	\$ 18	\$ 36	\$ 54
TE adjustment <sup>(b)</sup>	23		39				
Net interest income, GAAP basis	\$ 2,909		\$ 2,839				

(a) Results are from continuing operations. Interest excludes the interest associated with the liabilities referred to in (g) below, calculated using a matched funds transfer pricing methodology.

(b) Interest income on tax-exempt securities and loans has been adjusted to a taxable-equivalent basis using the statutory federal income tax rate of 21% and 35% for the nine months ended September 30, 2018, and September 30, 2017, respectively.

(c) For purposes of these computations, nonaccrual loans are included in average loan balances.

(d) Commercial and industrial average balances include \$125 million and \$116 million of assets from commercial credit cards for the nine months ended September 30, 2018, and September 30, 2017, respectively.

(e) Yield is calculated on the basis of amortized cost.

(f) Rate calculation excludes basis adjustments related to fair value hedges.

(g) A portion of long-term debt and the related interest expense is allocated to discontinued liabilities as a result of applying Key's matched funds transfer pricing methodology to discontinued operations.

Table of contents

**Provision for credit losses**

Our provision for credit losses was \$62 million for the three months ended September 30, 2018, compared to \$51 million for the three months ended September 30, 2017. The increase of \$11 million in our provision for credit losses was related to an increase in net loan-charge offs during the third quarter of 2018 compared to one year ago. For the fourth quarter of 2018, we expect the provision for credit losses and net loan charge-offs to remain relatively stable with our third quarter of 2018 results.

**Noninterest income**

As shown in Figure 7, noninterest income was \$609 million for the third quarter of 2018, compared to \$592 million for the year-ago quarter. Noninterest income represented 38% and 39% of total revenue for the three and nine months ended September 30, 2018, respectively, compared to 38% and 39% for the three and nine months ended September 30, 2017, respectively. For the fourth quarter of 2018, we expect noninterest income to be up 4% to 6% compared to the third quarter of 2018.

The following discussion explains the composition of certain elements of our noninterest income and the factors that caused those elements to change.

**Figure 7. Noninterest Income**

<sup>(a)</sup> Other noninterest income includes operating lease income and other leasing gains, corporate services income, corporate-owned life insurance income, consumer mortgage income, mortgage servicing fees, and other income. See the "Consolidated Statements of Income" in Item 1. Financial Statements of this report.

Table of contentsTrust and investment services income

Trust and investment services income consists of brokerage commissions, trust and asset management fees, and insurance income. The assets under management that primarily generate these revenues are shown in Figure 8. For the three months ended September 30, 2018, trust and investment services income decreased \$18 million, or 13.3%, compared to the same period one year ago. For the nine months ended September 30, 2018, trust and investment services income was down \$26 million, or 6.4%, from the nine months ended September 30, 2017. These decreases were primarily the result of the sale of KIBS in the second quarter of 2018 and lower equity and fixed income commissions in the Key Corporate Bank line of business.

A significant portion of our trust and investment services income depends on the value and mix of assets under management. At September 30, 2018, our bank, trust, and registered investment advisory subsidiaries had assets under management of \$40.6 billion, compared to \$38.7 billion at September 30, 2017. The increase in assets under management, as shown in Figure 8, was primarily attributable to market growth over the past 12 months.

**Figure 8. Assets Under Management**

<i>in millions</i>	<b>September 30, 2018</b>	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>
Assets under management by investment type:					
Equity	<b>\$ 24,958</b>	\$24,125	\$23,629	\$ 24,081	\$ 23,342
Securities lending	<b>1,049</b>	977	837	947	876
Fixed income	<b>10,946</b>	11,276	11,098	10,930	11,009
Money market	<b>3,622</b>	3,285	3,439	3,630	3,433
Total assets under management	<b>\$ 40,575</b>	\$39,663	\$39,003	\$ 39,588	\$ 38,660

Investment banking and debt placement fees

Investment banking and debt placement fees consists of syndication fees, debt and equity financing fees, financial adviser fees, gains on sales of commercial mortgages, and agency origination fees. Investment banking and debt placement fees increased \$25 million, or 17.7%, from the year-ago quarter. For the nine months ended September

## Table of contents

30, 2018, investment banking and debt placement fees increased \$61 million, or 15.1%, from the nine months ended September 30, 2017. These increases were caused by growth in investment banking advisory fees, partially driven by the acquisition of Cain Brothers in the fourth quarter of 2017.

## Cards and payments income

Cards and payments income, which consists of debit card, consumer and commercial credit card, and merchant services income, decreased \$6 million, or 8.0%, from the year-ago quarter. For the nine months ended September 30, 2018, cards and payments income was down \$8 million, or 3.8%, from the nine months ended September 30, 2017. Cards and payments income and other expense were both impacted by the 2018 adoption of the revenue recognition accounting standard. The new accounting standard had no impact to net income during 2018. Excluding the impact of the new revenue recognition accounting standard, cards and payments income increased for the three and nine months ended September 30, 2018, due to growth in credit and debit card fees, purchase and prepaid card fees, and merchant services income.

## Service charges on deposit accounts

Service charges on deposit accounts decreased \$6 million, or 6.6%, for the three months ended September 30, 2018, compared to the same period one year ago. For the nine months ended September 30, 2018, service charges on deposit accounts was down \$3 million, or 1.1%, from the nine months ended September 30, 2017.

## Other noninterest income

Other noninterest income includes operating lease income and other leasing gains, corporate services income, corporate-owned life insurance income, consumer mortgage income, mortgage servicing fees, and other income. Other noninterest income increased \$22 million, or 14.7%, from the year-ago quarter. This increase was primarily attributable to an increase in operating lease income and other leasing gains due to higher volumes, as well as \$13 million of lease residual losses in the year-ago period.

For the nine months ended September 30, 2018, other noninterest income was up \$24 million, or 4.5%, from the nine months ended September 30, 2017. Other income included a \$78 million gain related to the sale of KIBS during the second quarter of 2018, compared to a \$64 million gain from acquiring the remaining ownership in a merchant services joint venture in the second quarter of 2017. Corporate services income also contributed to the increase due to higher derivative income. Operating lease income and other leasing gains were negatively impacted by a \$42 million lease residual loss in the second quarter of 2018, partially offset by \$13 million of lease residual losses recognized in the third quarter of 2017.

## **Noninterest expense**

As shown in Figure 9, noninterest expense was \$964 million for the third quarter of 2018, compared to \$992 million for the third quarter of 2017. Figure 9 gives a breakdown of our major categories of noninterest expense as a percentage of total noninterest expense for the third quarter of 2018. For the fourth quarter of 2018, we expect noninterest expense to be within 2% of our third quarter of 2018 results.



Table of contents**Figure 9. Noninterest Expense**

(a) Other noninterest expense includes equipment, operating lease expense, marketing, FDIC assessment, intangible asset amortization, OREO expense, net, and other expense. See the "Consolidated Statements of Income" in Item 1. Financial Statements of this report.

(a) See Figure 2 entitled "GAAP to Non-GAAP Reconciliations" which presents the computations of certain financial measures related to "cash efficiency." The table reconciles the GAAP performance measures to the corresponding non-GAAP measure, which provides a basis for period-to-period comparisons.

Personnel

As shown in Figure 10, personnel expense, the largest category of our noninterest expense, decreased by \$6 million, or 1.1%, for the three months ended September 30, 2018, compared to the same period one year ago. This decrease was driven by lower levels of severance, salaries, and contract labor.

For the nine months ended September 30, 2018, personnel expense was up \$64 million, or 3.8%, from the nine months ended September 30, 2017. This increase was partially due to recent acquisitions as well as accelerated technology investments and higher performance-based compensation.

**Figure 10. Personnel Expense**

	Three months ended September 30,				Nine months ended September 30,			
	2018	2017	Change	Change	2018	2017	Change	Change
<i>dollars in millions</i>								
Salaries and contract labor	\$335	\$339	\$(4)	(1.2)%	\$1,015	\$995	\$20	2.0%
Incentive and stock-based compensation	138	134	4	3.0	430	398	32	8.0
Employee benefits	79	81	(2)	(2.5)	266	256	10	3.9
Severance	1	5	(4)	(80.0)	22	20	2	10.0
Total personnel expense	\$553	\$559	\$(6)	(1.1)%	\$1,733	\$1,669	\$64	3.8%

Net occupancy

Net occupancy expense increased \$2 million, or 2.7%, for the third quarter of 2018, compared to the same period one year ago. The increase during the third quarter of 2018 was primarily due to higher property reserve expenses partially offset by lower rental expenses.



## Table of contents

For the nine months ended September 30, 2018, net occupancy expense was down \$6 million, or 2.5%, from the nine months ended September 30, 2017. The decrease was primarily due to lower property reserves, rental expenses, and property management fees.

## Other noninterest expense

Other noninterest expense includes equipment, operating lease expense, marketing, FDIC assessment, intangible asset amortization, OREO expense, and other miscellaneous expense categories. Other noninterest expense decreased \$14 million, or 5.5%, from the year-ago quarter. For the nine months ended September 30, 2018, other noninterest expense was down \$74 million, or 9.5%, from the nine months ended September 30, 2017. The declines in other expense were primarily driven by \$20 million charitable contributions made in both the first and second quarters of 2017. Other miscellaneous expenses also declined from the three and nine months ended September 30, 2017. These declines were partially offset by higher operating lease expenses driven by increased operating lease originations and costs related to recent acquisitions.

## **Income taxes**

We recorded tax expense from continuing operations of \$87 million for the third quarter of 2018 and \$134 million for the third quarter of 2017. For the nine months ended September 30, 2018, we recorded tax expense from continuing operations of \$252 million, compared to \$386 million for the same period one year ago.

Our federal tax expense differs from the amount that would be calculated using the federal statutory tax rate, primarily because we generate income from investments in tax-advantaged assets, such as corporate-owned life insurance and credits associated with renewable energy and low-income housing investments, and make periodic adjustments to our tax reserves. Tax expense for the three months ended September 30, 2018, and September 30, 2017, was affected by net discrete income tax benefits of \$12 million and \$13 million, respectively. Excluding the discrete income tax expense, the tax expense for the third quarter of 2018 was \$99 million.

Additional information pertaining to how our tax expense (benefit) and the resulting effective tax rates were derived is included in Note 14 (“Income Taxes”) beginning on page 156 of our 2017 Form 10-K.

## **Line of Business Results**

This section summarizes the financial performance of our two major business segments (operating segments): Key Community Bank and Key Corporate Bank. Note 18 (“Line of Business Results”) describes the products and services offered by each of these business segments, provides more detailed financial information pertaining to the segments, and explains “Other Segments” and “Reconciling Items.”

Figure 11 summarizes the contribution made by each major business segment to our “taxable-equivalent revenue from continuing operations” and “income (loss) from continuing operations attributable to Key” for the three- and nine-month periods ended September 30, 2018, and September 30, 2017.

Table of contents**Figure 11. Major Business Segments — Taxable-Equivalent Revenue from Continuing Operations and Income (Loss) from Continuing Operations Attributable to Key**

<i>dollars in millions</i>	Three months ended				Nine months ended			
	September 30, 2018	September 30, 2017	Change Amount	Change Percent	September 30, 2018	September 30, 2017	Change Amount	Change Percent
<b>REVENUE FROM CONTINUING OPERATIONS (TE)</b>								
Key Community Bank	\$994	\$945	\$49	5.2 %	\$2,949	\$2,834	\$115	4.1 %
Key Corporate Bank	574	561	13	2.3	1,674	1,736	(62)	(3.6)
Other Segments	24	42	(18)	(42.9)	99	132	(33)	(25.0)
Total Segments	1,592	1,548	44	2.8	4,722	4,702	20	.4
Reconciling Items <sup>(a)</sup>	10	6	4	N/M	80	(2)	82	N/M
Total	\$1,602	\$1,554	\$48	3.1 %	\$4,802	\$4,700	\$102	2.2 %
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO KEY</b>								
Key Community Bank	\$241	\$163	\$78	47.9 %	\$681	\$506	\$175	34.6 %
Key Corporate Bank	199	190	9	4.7	574	595	(21)	(3.5)
Other Segments	22	21	1	4.8	65	66	(1)	(1.5)
Total Segments	462	374	88	23.5	1,320	1,167	153	13.1
Reconciling Items <sup>(a)</sup>	20	(11)	31	N/M	57	(73)	130	N/M
Total	\$482	\$363	\$119	32.8 %	\$1,377	\$1,094	\$283	25.9 %

<sup>(a)</sup> Reconciling items consists primarily of the gain on the sale of KIBS for the nine-months ended September 30, 2018, the unallocated portion of merger-related charges for the three- and nine-months ended September 30, 2017, and items not allocated to the business segments because they do not reflect their normal operations.

**Key Community Bank summary of operations**

As shown in Figure 12, Key Community Bank recorded net income attributable to Key of \$241 million for the third quarter of 2018, compared to \$163 million for the year-ago quarter, benefiting from momentum in Key's core businesses and a lower tax rate as a result of tax reform.

TE net interest income increased in the third quarter of 2018 compared to the third quarter of 2017, primarily attributable to the benefit from higher interest rates and balance sheet growth, partially offset by lower purchase accounting accretion. Average loans and leases increased from the year-ago quarter largely driven by an \$831 million, or 4.4%, increase in commercial and industrial loans. Additionally, average deposits increased driven by growth across multiple businesses, from the third quarter of 2017.

The provision for credit losses decreased from the year-ago quarter. Net loan charge-offs increased \$2 million, or 4.9%, from the third quarter of 2017, as overall credit quality remained stable.

Noninterest income was down from the year-ago quarter, driven by lower service charges on deposit accounts and cards and payments income, which were impacted by the revenue recognition changes. This was partially offset by higher trust and investment services income which increased primarily due to higher assets under management from market growth.

Noninterest expense increased from the year-ago quarter. Personnel expense increased, primarily driven by higher production related incentive compensation and ongoing investments, including residential mortgage.



Table of contents**Figure 12. Key Community Bank**

<i>dollars in millions</i>	Three months ended		Change		Nine months ended		Change	
	September 30, 2018	September 30, 2017	Amount	Percent	September 30, 2018	September 30, 2017	Amount	Percent
<b>SUMMARY OF OPERATIONS</b>								
Net interest income (TE)	\$726	\$673	\$53	7.9 %	\$2,129	\$1,978	\$151	7.6 %
Noninterest income	268	272	(4)	(1.5)	820	856	(36)	(4.2)
Total revenue (TE)	994	945	49	5.2	2,949	2,834	115	4.1
Provision for credit losses	43	59	(16)	(27.1)	128	152	(24)	(15.8)
Noninterest expense	635	626	9	1.4	1,928	1,876	52	2.8
Income (loss) before income taxes (TE)	316	260	56	21.5	893	806	87	10.8
Allocated income taxes and TE adjustments	75	97	(22)	(22.7)	212	300	(88)	(29.3)
Net income (loss) attributable to Key	\$241	\$163	\$78	47.9 %	\$681	\$506	\$175	34.6 %
<b>AVERAGE BALANCES</b>								
Loans and leases	\$47,862	\$47,614	\$248	.5 %	\$47,844	\$47,396	\$448	.9 %
Total assets	51,740	51,642	98	.2	51,739	51,361	378	.7
Deposits	82,259	79,563	2,696	3.4	81,053	79,439	1,614	2.0
Assets under management at period end	\$40,575	\$38,660	\$1,915	5.0 %	\$40,575	\$38,660	\$1,915	5.0 %

**ADDITIONAL KEY COMMUNITY BANK DATA**

<i>dollars in millions</i>	Three months ended		Change		Nine months ended		Change	
	September 30, 2018	September 30, 2017	Amount	Percent	September 30, 2018	September 30, 2017	Amount	Percent
<b>NONINTEREST INCOME</b>								
Trust and investment services income	\$90	\$85	\$5	5.9 %	\$271	\$253	\$18	7.1 %
Services charges on deposit accounts	72	78	(6)	(7.7)	226	230	(4)	(1.7)
Cards and payments income	59	65	(6)	(9.2)	170	180	(10)	(5.6)
Other noninterest income	47	44	3	6.8	153	193	(40)	(20.7)
Total noninterest income	\$268	\$272	\$(4)	(1.5)	\$820	\$856	\$(36)	(4.2)
<b>AVERAGE DEPOSITS OUTSTANDING</b>								
NOW and money market deposit accounts	\$45,967	\$44,481	\$1,486	3.3 %	\$45,129	\$44,795	\$334	.7 %
Savings deposits	4,923	5,165	(242)	(4.7)	5,019	5,242	(223)	(4.3)
Certificates of deposits (\$100,000 or more)	5,608	4,195	1,413	33.7	5,269	4,031	1,238	30.7
Other time deposits	5,019	4,657	362	7.8	4,937	4,663	274	5.9
Noninterest-bearing deposits	20,742	21,065	(323)	(1.5)	20,699	20,708	(9)	—
Total deposits	\$82,259	\$79,563	\$2,696	3.4 %	\$81,053	\$79,439	\$1,614	2.0 %
<b>HOME EQUITY LOANS</b>								
Average balance	\$11,317	\$12,182						
Combined weighted-average loan-to-value ratio (at date of origination)	70	%69		%				
Percent first lien positions	60	60						
<b>OTHER DATA</b>								
Branches	1,166	1,208						
Automated teller machines	1,518	1,588						

**Key Corporate Bank summary of operations**

As shown in Figure 13, Key Corporate Bank recorded net income attributable to Key of \$199 million for the third quarter of 2018, compared to \$190 million for the same period one year ago.

TE net interest income decreased in the third quarter of 2018 compared to the third quarter of 2017. This decline is primarily related to \$7 million of lower purchase accounting accretion, as well as loan spread compression. Average loans and leases increased from the year-ago quarter driven by broad-based growth in commercial and industrial loans. Average deposit balances decreased from the year-ago quarter driven by the managed exit of higher cost corporate and public sector deposits offsetting growth in core deposits.

The provision for credit losses increased compared to the third quarter of 2017, mostly due to higher net loan charge-offs.

Noninterest income was up from the prior year. Investment banking and debt placement fees increased related to the acquisition of Cain Brothers and organic growth. Operating lease income and other leasing gains increased due

Table of contents

to higher volumes, as well as lease residual losses in the year-ago period. These increases were slightly offset by lower trust and investment services income as well as declines in both mortgage fees due to lower transactional fees and corporate services income due to lower derivatives income.

Noninterest expense increased from the third quarter of 2017. The increase from the prior year was largely related to acquisitions and investments made throughout the year driving increases in personnel expense and intangible amortization, as well as higher operating lease expense, driven by increased volume.

**Figure 13. Key Corporate Bank**

<i>dollars in millions</i>	Three months ended		Change		Nine months ended		Change	
	September 30, 2018	2017	Amount	Percent	2018	2017	Amount	Percent
<b>SUMMARY OF OPERATIONS</b>								
Net interest income (TE)	\$273	\$292	\$(19)	(6.5)%	\$822	\$909	\$(87)	(9.6)%
Noninterest income	301	269	32	11.9	852	827	25	3.0
Total revenue (TE)	574	561	13	2.3	1,674	1,736	(62)	(3.6)
Provision for credit losses	20	(11)	)31	N/M	62	26	36	138.5
Noninterest expense	316	303	13	4.3	953	902	51	5.7
Income (loss) before income taxes (TE)	238	269	(31)	(11.5)	659	808	(149)	(18.4)
Allocated income taxes and TE adjustments	39	79	(40)	(50.6)	85	213	(128)	(60.1)
Net income (loss) attributable to Key	\$199	\$190	\$9	4.7%	\$574	\$595	\$(21)	(3.5)%
<b>AVERAGE BALANCES</b>								
Loans and leases	\$39,714	\$38,021	\$1,693	4.5%	\$39,232	\$37,804	\$1,428	3.8%
Loans held for sale	1,042	1,521	(479)	(31.5)	1,152	1,208	(56)	(4.6)
Total assets	46,860	45,257	1,603	3.5	46,544	44,506	2,038	4.6
Deposits	21,056	21,559	(503)	(2.3)%	20,977	21,237	(260)	(1.2)%

**ADDITIONAL KEY CORPORATE BANK DATA**

<i>dollars in millions</i>	Three months ended		Change		Nine months ended		Change	
	September 30, 2018	2017	Amount	Percent	2018	2017	Amount	Percent
<b>NONINTEREST INCOME</b>								
Trust and investment services income	\$27	\$34	\$(7)	(20.6)%	\$85	\$106	\$(21)	(19.8)%
Investment banking and debt placement fees	162	137	25	18.2	456	395	61	15.4
Operating lease income and other leasing gains	34	13	21	161.5	51	56	(5)	(8.9)
Corporate services income	37	40	(3)	(7.5)	124	116	8	6.9
Service charges on deposit accounts	13	13	—	—	39	37	2	5.4
Cards and payments income	10	10	—	—	32	29	3	10.3
Payments and services income	60	63	(3)	(4.8)	195	182	13	7.1
Mortgage servicing fees	15	18	(3)	(16.7)	51	47	4	8.5
Other noninterest income	3	4	(1)	(25.0)	14	41	(27)	(65.9)
Total noninterest income	\$301	\$269	\$32	11.9%	\$852	\$827	\$25	3.0%

**Other Segments**

Other Segments consist of Corporate Treasury, Key's Principal Investing unit, and various exit portfolios. Other Segments generated net income attributable to Key of \$22 million for the third quarter of 2018, compared to \$21 million for the same period last year.

Table of contents

**Financial Condition**

**Loans and loans held for sale**

**Figure 14. Breakdown of Loans at September 30, 2018**

(a) Other consumer loans include Consumer direct loans, Credit cards, and Consumer indirect loans. See Note 3 ("Loan Portfolio") Item 1. Financial Statements of this report.

At September 30, 2018, total loans outstanding from continuing operations were \$89.3 billion, compared to \$86.4 billion at December 31, 2017. For more information on balance sheet carrying value, see Note 1 ("Summary of Significant Accounting Policies") under the headings "Loans" and "Loans Held for Sale" on page 100 of our 2017 Form 10-K.

Commercial loan portfolio

Commercial loans outstanding were \$66.0 billion at September 30, 2018, an increase of \$3.2 billion, or 5.2%, compared to December 31, 2017, primarily driven by an increase in commercial and industrial loans. Figure 15 provides our commercial loan portfolios by industry classification at September 30, 2018, and December 31, 2017.



Table of contents**Figure 15. Commercial Loans by Industry**

<b>September 30, 2018</b>	<b>Commercial and industrial</b>	<b>Commercial real estate</b>	<b>Commercial lease financing</b>	<b>Total commercial loans</b>	<b>Percent of total</b>	
<i>dollars in millions</i>						
Industry classification:						
Agriculture	\$ 1,022	\$ 174	\$ 119	\$ 1,315	2.0	%
Automotive	1,943	452	46	2,441	3.7	
Business products	1,527	122	35	1,684	2.6	
Business services	2,791	139	223	3,153	4.8	
Chemicals	930	39	57	1,026	1.6	
Commercial real estate	5,868	10,985	20	16,873	25.6	
Construction materials and contractors	1,757	216	199	2,172	3.3	
Consumer discretionary	3,805	534	485	4,824	7.3	
Consumer services	3,252	779	212	4,243	6.4	
Equipment	1,609	96	81	1,786	2.7	
Finance	5,182	610	349	6,141	9.3	
Healthcare	3,129	1,951	375	5,455	8.3	
Materials manufacturing and mining	1,077	53	38	1,168	1.8	
Oil and gas	1,647	42	59	1,748	2.6	
Public exposure	2,670	47	992	3,709	5.6	
Technology	930	26	66	1,022	1.5	
Transportation	1,388	210	801	2,399	3.6	
Utilities	3,912	4	313	4,229	6.4	
Other	584	—	—	584	.9	
<b>Total</b>	<b>\$ 45,023</b>	<b>\$ 16,479</b>	<b>\$ 4,470</b>	<b>\$ 65,972</b>	<b>100.0</b>	<b>%</b>

<b>December 31, 2017</b>	<b>Commercial and industrial</b>	<b>Commercial real estate</b>	<b>Commercial lease financing</b>	<b>Total commercial loans</b>	<b>Percent of total</b>	
<i>dollars in millions</i>						
Industry classification:						
Agriculture	\$ 995	\$ 188	\$ 142	\$ 1,325	2.1	%
Automotive	2,156	473	73	2,702	4.3	
Business products	1,395	132	36	1,563	2.5	
Business services	2,735	159	237	3,131	5.0	
Chemicals	856	48	63	967	1.5	
Commercial real estate	5,731	10,600	23	16,354	26.1	
Construction materials and contractors	1,635	243	161	2,039	3.3	
Consumer discretionary	3,642	584	546	4,772	7.6	
Consumer services	2,907	800	263	3,970	6.3	
Equipment	1,496	134	89	1,719	2.7	
Finance	3,999	49	341	4,389	7.0	
Healthcare	3,236	2,224	390	5,850	9.3	
Materials manufacturing and mining	1,156	46	38	1,240	2.0	
Oil and gas	1,163	30	60	1,253	2.0	
Public exposure	2,796	52	1,054	3,902	6.2	
Technology	961	24	80	1,065	1.7	
Transportation	1,435	245	890	2,570	4.1	
Utilities	3,075	10	340	3,425	5.5	
Other	490	7	—	497	.8	
<b>Total</b>	<b>\$ 41,859</b>	<b>\$ 16,048</b>	<b>\$ 4,826</b>	<b>\$ 62,733</b>	<b>100.0</b>	<b>%</b>

**Commercial and industrial.** Commercial and industrial loans are the largest component of our loan portfolio, representing 50% of our total loan portfolio at September 30, 2018, and 48% at December 31, 2017. This portfolio is approximately 83% variable rate and consists of loans originated in both Key Corporate Bank and Key Community Bank to large corporate, middle market, and small business clients.

Commercial and industrial loans totaled \$45.0 billion at September 30, 2018, an increase of \$3.2 billion, or 7.6%, compared to December 31, 2017. The growth was broad-based and spread across most industry categories, including increased lending in the finance, utilities, and oil and gas industries, which, combined, accounted for approximately 79% of the growth at September 30, 2018.

**Commercial real estate loans.** Our commercial real estate portfolio includes both mortgage and construction loans, and is originated through two primary sources: our 15-state banking franchise, and KeyBank Real Estate Capital, a national line of business that cultivates relationships with owners of commercial real estate located both within and beyond the branch system. Approximately 70% of our average commercial real estate loans are generated by our KeyBank Real Estate Capital line of business. Nonowner-occupied properties, generally properties for which at least 50% of the debt service is provided by rental income from nonaffiliated third parties, represented 81% of total commercial real estate loans outstanding at September 30, 2018. Construction loans, which provide a stream of funding for properties not fully leased at origination to support debt service payments over the term of the contract or project, represented 11% of commercial real estate loans at period end.

Table of contents

At September 30, 2018, commercial real estate loans totaled \$16.5 billion, which includes \$1.8 billion of construction loans. Compared to December 31, 2017, this portfolio increased \$431 million, or 2.7%. We continue to focus primarily on owners of completed and stabilized commercial real estate in accordance with our relationship strategy.

As shown in Figure 16, our commercial real estate loan portfolio includes various property types and geographic locations of the underlying collateral. These loans include commercial mortgage and construction loans in both Key Community Bank and Key Corporate Bank.

**Figure 16. Commercial Real Estate Loans**

<i>dollars in millions</i>	Geographic Region							Total	Percent of Total	Construction	Commercial Mortgage
	West	Southwest	Central	Midwest	Southeast	Northeast	National				
<b>September 30, 2018</b>											
Nonowner-occupied:											
Retail properties	\$ 130	\$ 95	\$ 117	\$ 191	\$ 186	\$ 723	\$ 352	\$ 1,794	10.9	% \$ 125	\$ 1,669
Multifamily properties	441	335	892	516	1,082	1,861	840	5,967	36.2	1,212	4,755
Health facilities	53	—	55	107	189	792	448	1,644	10.0	9	1,635
Office buildings	249	7	125	115	160	946	121	1,723	10.4	107	1,616
Warehouses	87	33	16	41	62	291	131	661	4.0	56	605
Manufacturing facilities	24	—	19	40	25	61	64	233	1.4	16	217
Hotels/Motels	95	—	19	—	6	225	30	375	2.3	—	375
Residential properties	1	—	—	3	20	159	—	183	1.1	72	111
Land and development	22	4	5	2	1	58	—	92	.6	70	22
Other	96	—	47	102	3	372	18	638	3.9	12	626
Total nonowner-occupied	1,198	474	1,295	1,117	1,734	5,488	2,004	13,310	80.8	1,679	11,631
Owner-occupied	858	24	266	504	69	1,448	—	3,169	19.2	84	3,085
Total	\$ 2,056	\$ 498	\$ 1,561	\$ 1,621	\$ 1,803	\$ 6,936	\$ 2,004	16,479	100.0	% \$ 1,763	\$ 14,716
<b>December 31, 2017</b>											
Total	\$ 2,071	\$ 387	\$ 1,320	\$ 1,730	\$ 1,939	\$ 7,758	\$ 843	\$ 16,048		\$ 1,960	\$ 14,088
<b>September 30, 2018</b>											
Nonowner-occupied:											
Nonperforming loans	—	—	—	\$ 1	\$ 9	\$ 10	\$ 62	\$ 82	N/M	—	\$ 82
Accruing loans past due 90 days or more	—	—	—	3	—	16	—	19	N/M	\$ 6	13
Accruing loans past due 30 through 89 days	\$ 7	\$ —	\$ 1	8	11	50	—	77	N/M	35	42
West – Alaska, California, Hawaii, Idaho, Montana, Oregon, Washington, and Wyoming											
Southwest – Arizona, Nevada, and New Mexico											
Central – Arkansas, Colorado, Oklahoma, Texas, and Utah											
Midwest – Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin											
Southeast – Alabama, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Washington D.C., and West Virginia											
Northeast – Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont											
National – Accounts in three or more regions											

Consumer loan portfolio

Consumer loans outstanding decreased by \$376 million, or 1.6%, from December 31, 2017, driven by continued declines in the home equity loan portfolio, largely the result of paydowns on home equity lines of credit, partly offset by growth in indirect auto lending.

The home equity portfolio is comprised of loans originated by our Key Community Bank within our 15-state footprint and is the largest segment of our consumer loan portfolio, representing 49% of consumer loans outstanding at September 30, 2018.

As shown in Figure 12, we held the first lien position for approximately 60% of the Key Community Bank home equity portfolio at both September 30, 2018, and September 30, 2017. For loans with real estate collateral, we track borrower performance monthly. Regardless of the lien position, credit metrics are refreshed quarterly, including recent FICO scores as well as updated loan-to-value ratios. This information is used in establishing the ALLL. Our methodology is described in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Allowance for Loan and Lease Losses” beginning on page 102 of our 2017 Form 10-K.

Table of contents**Figure 17. Consumer Loans by State**

September 30, 2018	Real estate mortgage	Home residential equity loans	Consumer direct loans	Credit cards	Consumer indirect loans	Total
<b>State</b>						
New York	\$ 1,140	\$2,949	\$ 399	\$396	\$ 745	\$5,629
Ohio	461	1,568	389	242	451	3,111
Washington	700	1,745	227	101	11	2,784
Pennsylvania	280	746	79	48	261	1,414
California	49	28	13	4	42	136
Colorado	248	516	78	34	2	878
Connecticut	1,124	424	26	22	147	1,743
Texas	1	16	9	3	19	48
Oregon	357	909	82	45	3	1,396
Massachusetts	263	50	21	5	336	675
Other	874	2,386	484	197	1,538	5,479
<b>Total</b>	<b>\$ 5,497</b>	<b>\$11,339</b>	<b>\$ 1,807</b>	<b>\$1,098</b>	<b>\$ 3,555</b>	<b>\$23,296</b>
<b>December 31, 2017</b>						
<b>Total</b>	<b>\$ 5,483</b>	<b>\$12,028</b>	<b>\$ 1,794</b>	<b>\$1,106</b>	<b>\$ 3,261</b>	<b>\$23,672</b>

Loan sales

As shown in Figure 18, during the first nine months of 2018, we sold \$8.3 billion of loans. Sales of loans classified as held for sale generated net gains of \$130 million in the first nine months of 2018.

Figure 18 summarizes our loan sales for the first nine months of 2018 and all of 2017.

**Figure 18. Loans Sold (Including Loans Held for Sale)**

<i>in millions</i>	Commercial	Commercial Real Estate	Commercial Lease Financing	Residential Real Estate	Total
<b>2018</b>					
Third quarter	\$ 45	\$ 2,161	\$ 52	\$ 302	\$2,560
Second quarter	253	2,266	144	308	2,971
First quarter	141	2,251	66	284	2,742
<b>Total</b>	<b>\$ 439</b>	<b>\$ 6,678</b>	<b>\$ 262</b>	<b>\$ 894</b>	<b>\$8,273</b>
<b>2017</b>					
Fourth quarter	\$ 88	\$ 3,394	\$ 81	\$ 275	\$3,838
Third quarter	337	2,534	93	279	3,243
Second quarter	205	2,097	14	230	2,546
First quarter	49	2,011	83	194	2,337
<b>Total</b>	<b>\$ 679</b>	<b>\$ 10,036</b>	<b>\$ 271</b>	<b>\$ 978</b>	<b>\$11,964</b>

Figure 19 shows loans that are either administered or serviced by us, but not recorded on the balance sheet; this includes loans that were sold.

**Figure 19. Loans Administered or Serviced**

<i>in millions</i>	<b>September 30, 2018</b>	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>
Commercial real estate loans	<b>\$ 270,771</b>	\$ 256,062	\$ 246,089	\$ 238,718	\$ 224,361
Residential mortgage	<b>5,046</b>	4,893	4,585	4,582	4,458
Education loans	<b>804</b>	845	888	932	974
Commercial lease financing	<b>892</b>	915	873	862	856
Commercial loans	<b>534</b>	518	498	488	458
Total	<b>\$ 278,047</b>	\$ 263,233	\$ 252,933	\$ 245,582	\$ 231,107

In the event of default by a borrower, we are subject to recourse with respect to approximately \$3.8 billion of the \$278.0 billion of loans administered or serviced at September 30, 2018. Additional information about this recourse arrangement is included in Note 15 (“Contingent Liabilities and Guarantees”) under the heading “Recourse agreement with FNMA.”

Table of contents

We derive income from several sources when retaining the right to administer or service loans that are sold. We earn noninterest income (recorded as “mortgage servicing fees”) from fees for servicing or administering loans. This fee income is reduced by the amortization of related servicing assets. In addition, we earn interest income from investing funds generated by escrow deposits collected in connection with the servicing loans. Additional information about our mortgage servicing assets is included in Note 8 (“Mortgage Servicing Assets”).

**Securities**

Our securities portfolio totaled \$30.2 billion at September 30, 2018, compared to \$30.0 billion at December 31, 2017. Available-for-sale securities were \$18.3 billion at September 30, 2018, compared to \$18.1 billion at December 31, 2017. Held-to-maturity securities were \$11.9 billion at September 30, 2018, and \$11.8 billion at December 31, 2017.

As shown in Figure 20, all of our mortgage-backed securities, which include both securities available for sale and held-to-maturity securities, are issued by government-sponsored enterprises or GNMA and traded in liquid secondary markets. These securities are recorded on the balance sheet at fair value for the available-for-sale portfolio and at amortized cost for the held-to-maturity portfolio. For more information about these securities, see Note 5 (“Fair Value Measurements”) under the heading “Qualitative Disclosures of Valuation Techniques,” and Note 6 (“Securities”).

**Figure 20. Mortgage-Backed Securities by Issuer**

<i>in millions</i>	September 30, 2018	December 31, 2017
FHLMC	\$ 5,820	\$ 5,897
FNMA	10,781	10,328
GNMA	13,425	13,543
Total <sup>(a)</sup>	\$ 30,026	\$ 29,768

(a) Includes securities held in the available-for-sale and held-to-maturity portfolios.

Securities available for sale

The majority of our securities available for sale portfolio consists of federal agency CMOs and mortgage-backed securities. CMOs are debt securities secured by a pool of mortgages or mortgage-backed securities. These mortgage securities generate interest income, serve as collateral to support certain pledging agreements, and provide liquidity value under regulatory requirements.

Figure 21 shows the composition, yields, and remaining maturities of our securities available for sale. For more information about these securities, including gross unrealized gains and losses by type of security and securities pledged, see Note 6 (“Securities”).

**Figure 21. Securities Available for Sale**

<i>dollars in millions</i>	U.S. Treasury, Agencies, and Corporations	States and Political Subdivisions	Agency Residential Collateralized Mortgage Obligations <sup>(a)</sup>	Agency Residential Mortgage-backed Securities <sup>(a)</sup>	Agency Commercial Mortgage-backed Securities <sup>(a)</sup>	Other Securities	Total	Weighted-Average Yield <sup>(b)</sup>	%
<b>September 30, 2018</b>									
Remaining maturity:									
One year or less	—	\$ 3	\$ 77	\$ 13	—	—	\$ 93	3.32	%

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

After one through five years	\$ 143	4	8,465	1,177	\$ 2,037	\$ 20	11,846	2.30
After five through ten years	1	—	5,650	460	279	—	6,390	2.40
After ten years	1	—	—	11	—	—	12	3.06
Fair value	\$ 145	\$ 7	\$ 14,192	\$ 1,661	\$ 2,316	\$ 20	\$ 18,341	—
Amortized cost	150	7	14,804	1,708	2,439	17	19,125	2.34
Weighted-average yield <sup>(b)</sup>	1.78	% 5.30	% 2.31	% 2.41	% 2.53	% —	2.34	%—
Weighted-average maturity	3.6 years	1.4 years	4.8 years	4.2 years	4.1 years	1.5 years	4.6 years	—
<b>December 31, 2017</b>								
Fair value	\$ 157	\$ 9	\$ 14,660	\$ 1,439	\$ 1,854	\$ 20	\$ 18,139	—
Amortized cost	159	9	14,985	1,456	1,920	17	18,546	2.09

(a) Maturity is based upon expected average lives rather than contractual terms.

(b) Weighted-average yields are calculated based on amortized cost. Such yields have been adjusted to a TE basis using the statutory federal income tax rate in effect that calendar year.



Table of contentsHeld-to-maturity securities

Federal agency CMOs and mortgage-backed securities constitute essentially all of our held-to-maturity securities. The remaining balance is comprised of foreign bonds. Figure 22 shows the composition, yields, and remaining maturities of these securities.

**Figure 22. Held-to-Maturity Securities**

<i>dollars in millions</i>	Agency Residential Collateralized Mortgage Obligations (a)	Agency Residential Mortgage-backed Securities (a)	Agency Commercial Mortgage-backed Securities (a)	Other Securities	Total	Weighted-Average Yield (b)	
<b>September 30, 2018</b>							
Remaining maturity:							
One year or less	\$ 25	—	—	\$ 6	\$ 31	2.32	%
After one through five years	4,104	—	\$ 2,071	6	6,181	2.36	
After five through ten years	3,201	\$ 508	1,948	—	5,657	2.45	
After ten years	—	—	—	—	—	—	
Amortized cost	\$ 7,330	\$ 508	\$ 4,019	\$ 12	\$ 11,869	2.40	%
Fair value	6,930	486	3,833	12	11,261	—	
Weighted-average yield	2.10	% 2.68	% 2.91	% 2.85	% 2.40	%—	
Weighted-average maturity	4.8 years	6.2 years	6.2 years	1.2 years	5.3 years	—	
<b>December 31, 2017</b>							
Amortized cost	\$ 8,055	\$ 574	\$ 3,186	\$ 15	\$ 11,830	2.27	%
Fair value	7,831	571	3,148	15	11,565	—	

(a) Maturity is based upon expected average lives rather than contractual terms.

(b) Weighted-average yields are calculated based on amortized cost. Such yields have been adjusted to a TE basis using the statutory federal income tax rate in effect that calendar year.

**Deposits and other sources of funds****Figure 23. Breakdown of Deposits at September 30, 2018**

Deposits are our primary source of funding. At September 30, 2018, our deposits totaled \$105.8 billion, an increase of \$545 million compared to December 31, 2017. The increase reflects strength in our retail banking franchise and growth from commercial relationships, as well as clients shifting to higher-yielding deposit products.

Wholesale funds, consisting of short-term borrowings and long-term debt, totaled \$15.8 billion at September 30, 2018, compared to \$15.3 billion at December 31, 2017. The increase in wholesale funds from December 31, 2017, reflects an increase in short-term borrowings driven by commercial lending.

**Capital**

The objective of capital management is to maintain capital levels consistent with our risk appetite and of a sufficient amount to operate under a wide range of economic conditions. We have identified three primary uses of capital:

1. Investing in our businesses, supporting our clients, and loan growth;
2. Maintaining or increasing our Common Share dividend; and



Table of contents

3. Returning capital in the form of Common Share repurchases to our shareholders.

The following sections discuss certain ways we have deployed our capital. For further information, see the Consolidated Statements of Changes in Equity and Note 17 (“Shareholders’ Equity”).

Dividends

Consistent with our 2018 capital plan, we paid a quarterly dividend of \$.17 per Common Share for the third quarter of 2018. We made a payment of \$12.50 per depositary share on the depositary shares related to our Series D Preferred Stock during the third quarter of 2018, for a total of \$7 million. We made a payment of \$.382813 per depositary share on the depositary shares related to our Series E Preferred Stock during the third quarter of 2018, for a total of \$7 million.

Further information regarding the capital planning process and CCAR is included under the heading “Capital planning and stress testing” in the “Supervision and Regulation” section beginning on page 12 of our 2017 Form 10-K.

Common shares outstanding

Our Common Shares are traded on the NYSE under the symbol KEY with 34,865 holders of record at September 30, 2018. Our book value per Common Share was \$13.33 based on 1.034 billion shares outstanding at September 30, 2018, compared to \$13.09 per Common Share based on 1.069 billion shares outstanding at December 31, 2017. At September 30, 2018, our tangible book value per Common Share was \$10.59, compared to \$10.35 per Common Share at December 31, 2017.

Figure 24 shows activities that caused the change in outstanding common shares over the past five quarters.

**Figure 24. Changes in Common Shares Outstanding**

<i>in thousands</i>	2018			2017	
	Third	Second	First	Fourth	Third
<b>Shares outstanding at beginning of period</b>	<b>1,058,944</b>	<b>1,064,939</b>	<b>1,069,084</b>	1,079,039	1,092,739
Open market repurchases and return of shares under employee compensation plans	(25,418)	(6,259)	(9,399)	(10,617)	(15,298)
Shares issued under employee compensation plans (net of cancellations)	761	264	5,254	662	1,598
<b>Shares outstanding at end of period</b>	<b>1,034,287</b>	<b>1,058,944</b>	<b>1,064,939</b>	1,069,084	1,079,039

As shown above, Common Shares outstanding decreased by 24.7 million shares during the third quarter of 2018. This decrease was primarily due to common share repurchases under our 2018 capital plan.

At September 30, 2018, we had 222.4 million treasury shares, compared to 187.6 million treasury shares at December 31, 2017. Going forward we expect to reissue treasury shares as needed in connection with stock-based compensation awards and for other corporate purposes.

Table of contents

Information on repurchases of Common Shares by KeyCorp is included in Part II, Item 2. “Unregistered Sales of Equity Securities and Use of Proceeds” of this report.

Preferred stock

On July 30, 2018, we issued \$425 million of depository shares, each representing a 1/40<sup>th</sup> ownership interest in a share of our Fixed Rate Perpetual Noncumulative Series F Preferred Stock. For more information on our preferred stock, see Note 17 (“Shareholders' Equity”).

Capital adequacy

Capital adequacy is an important indicator of financial stability and performance. All of our capital ratios remained in excess of regulatory requirements at September 30, 2018. Our capital and liquidity levels are intended to position us to weather an adverse operating environment while continuing to serve our clients' needs, as well as to meet the Regulatory Capital Rules described in the “Supervision and regulation” section of Item 2 of this report. Our shareholders' equity to assets ratio was 10.96% at September 30, 2018, compared to 10.91% at December 31, 2017. Our tangible common equity to tangible assets ratio was 8.05% at September 30, 2018, compared to 8.23% at December 31, 2017. The minimum capital and leverage ratios under the Regulatory Capital Rules together with the estimated ratios of KeyCorp at September 30, 2018, calculated on a fully phased-in basis, are set forth under the heading “Basel III” in the “Supervision and regulation — Regulatory capital requirements” section in Item 2 of this report.

Figure 25 represents the details of our regulatory capital positions at September 30, 2018, and December 31, 2017, under the Regulatory Capital Rules. Information regarding the regulatory capital ratios of KeyCorp's banking subsidiaries is presented annually, in Note 24 (“Shareholders' Equity”) beginning on page 182 of our 2017 Form 10-K.

Table of contents**Figure 25. Capital Components and Risk-Weighted Assets**

<i>dollars in millions</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>COMMON EQUITY TIER 1</b>		
Key shareholders' equity (GAAP)	<b>\$ 15,208</b>	\$ 15,023
Less: Preferred Stock <sup>(a)</sup>	<b>1,421</b>	1,009
Common Equity Tier 1 capital before adjustments and deductions	<b>13,787</b>	14,014
Less: Goodwill, net of deferred taxes	<b>2,460</b>	2,495
Intangible assets, net of deferred taxes	<b>267</b>	266
Deferred tax assets	<b>27</b>	2
Net unrealized gains (losses) on available-for-sale securities, net of deferred taxes	<b>(599)</b>	(311)
Accumulated gains (losses) on cash flow hedges, net of deferred taxes	<b>(220)</b>	(122)
Amounts in AOCI attributed to pension and postretirement benefit costs, net of deferred taxes	<b>(383)</b>	(391)
Total Common Equity Tier 1 capital	<b>\$ 12,235</b>	\$ 12,075
<b>TIER 1 CAPITAL</b>		
Common Equity Tier 1	<b>\$ 12,235</b>	\$ 12,075
Additional Tier 1 capital instruments and related surplus	<b>1,421</b>	1,009
Less: Deductions	—	1
Total Tier 1 capital	<b>13,656</b>	13,083
<b>TIER 2 CAPITAL</b>		
Tier 2 capital instruments and related surplus	<b>1,344</b>	1,310
Allowance for losses on loans and liability for losses on lending-related commitments <sup>(b)</sup>	<b>962</b>	952
Less: Deductions	—	—
Total Tier 2 capital	<b>2,306</b>	2,262
Total risk-based capital	<b>\$ 15,962</b>	\$ 15,345
<b>RISK-WEIGHTED ASSETS</b>		
Risk-weighted assets on balance sheet	<b>\$ 98,200</b>	\$ 94,735
Risk-weighted off-balance sheet exposure	<b>23,725</b>	23,058
Market risk-equivalent assets	<b>983</b>	1,019
Gross risk-weighted assets	<b>122,908</b>	118,812
Less: Excess allowance for loan and lease losses	—	—
Net risk-weighted assets	<b>\$ 122,908</b>	\$ 118,812
<b>AVERAGE QUARTERLY TOTAL ASSETS</b>		
	<b>\$ 136,201</b>	\$ 134,484
<b>CAPITAL RATIOS</b>		
Tier 1 risk-based capital	<b>11.11</b>	% 11.01
Total risk-based capital	<b>12.99</b>	12.92
Leverage <sup>(c)</sup>	<b>10.03</b>	9.73
Common Equity Tier 1	<b>9.95</b>	10.16

(a) Net of capital surplus.

The ALLL included in Tier 2 capital is limited by regulation to 1.25% of the institution's standardized total risk-weighted assets (excluding its standardized market risk-weighted assets). The ALLL

(b) includes \$14 million and \$16 million of allowance classified as "discontinued assets" on the balance sheet as of September 30, 2018, and December 31, 2017, respectively.

(c) This ratio is Tier 1 capital divided by average quarterly total assets as defined by the Federal Reserve less: (i) goodwill, (ii) the disallowed intangible and deferred tax assets, and (iii) other deductions from assets for leverage capital purposes.

Table of contents

**Risk Management**

**Overview**

Like all financial services companies, we engage in business activities and assume the related risks. The most significant risks we face are credit, compliance, operational, liquidity, market, reputation, strategic, and model risks. Our risk management activities are focused on ensuring that we properly identify, measure, and manage such risks across the entire enterprise to maintain safety and soundness, and to maximize profitability. There have been no significant changes in our Risk Management practices as described under the heading “Risk Management” beginning on page 67 of our 2017 Form 10-K.

**Market risk management**

Market risk is the risk that movements in market risk factors, including interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads, and volatilities will reduce Key’s income and the value of its portfolios. These factors influence prospective yields, values, or prices associated with the instrument. We are exposed to market risk both in our trading and nontrading activities, which include asset and liability management activities. Information regarding our fair value policies, procedures, and methodologies is provided in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Fair Value Measurements” on page 103 of our 2017 Form 10-K and Note 5 (“Fair Value Measurements”) in this report.

Trading market risk

Key incurs market risk as a result of trading activities that are used in support of client facilitation and hedging activities, principally within our investment banking and capital markets businesses. Key has exposures to a wide range of risk factors including interest rates, equity prices, foreign exchange rates, credit spreads, and commodity prices, as well as the associated implied volatilities and spreads. Our primary market risk exposures are a result of trading and hedging activities in the derivative, fixed income, and foreign exchange markets, including securitization exposures. At September 30, 2018, we did not have any re-securitization positions. We maintain modest trading inventories to facilitate customer flow, make markets in securities, and hedge certain risks including but not limited to credit risk and interest rate risk. The risks associated with these activities are mitigated in accordance with the Market Risk hedging policy. The majority of our positions are traded in active markets.

Market risk management is an integral part of Key’s risk culture. The Risk Committee of our Board provides oversight of trading market risks. The ERM Committee and the Market Risk Committee regularly review and discuss market risk reports prepared by our MRM that contain our market risk exposures and results of monitoring activities. Market risk policies and procedures have been defined and approved by the Market Risk Committee, a Tier 2 Risk Governance Committee, and take into account our tolerance for risk and consideration for the business environment. For more information regarding monitoring of trading positions and the activities related to the Market Risk Rule compliance see “Market Risk Management” beginning on page 68 of our 2017 Form 10-K.

***VaR and stressed VaR.*** VaR is the estimate of the maximum amount of loss on an instrument or portfolio due to adverse market conditions during a given time interval within a stated confidence level. Stressed VaR is used to assess extreme conditions on market risk within our trading portfolios. The MRM calculates VaR and stressed VaR on a daily basis, and the results are distributed to appropriate management. VaR and stressed VaR results are also provided to our regulators and utilized in regulatory capital calculations.

We use a historical simulation VaR model to measure the potential adverse effect of changes in interest rates, foreign exchange rates, equity prices, and credit spreads on the fair value of our covered positions and other non-covered positions. We analyze market risk by portfolios and do not separately measure and monitor our portfolios by risk type. VaR is calculated using daily observations over a one-year time horizon and approximates a 95% confidence level. Statistically, this means that we would expect to incur losses greater than VaR, on average, five out of 100 trading days, or three to four times each quarter. We also calculate VaR and stressed VaR at a 99% confidence level. For more information regarding our VaR model, its governance and assumptions, see "Market Risk Management" on page 68 of our 2017 Form 10-K.

Actual losses for the total covered positions did not exceed aggregate daily VaR on any day during the quarters ended September 30, 2018, and September 30, 2017. The MRM backtests our VaR model on a daily basis to evaluate its predictive power. The test compares VaR model results at the 99% confidence level to daily held profit

Table of contents

and loss. Results of backtesting are provided to the MRC. Backtesting exceptions occur when trading losses exceed VaR. We do not engage in correlation trading, or utilize the internal model approach for measuring default and credit migration risk. Our net VaR approach incorporates diversification, but our VaR calculation does not include the impact of counterparty risk and our own credit spreads on derivatives.

The aggregate VaR at the 99% confidence level with a one day holding period for all covered positions was \$.8 million at September 30, 2018, and \$.6 million at September 30, 2017. Figure 26 summarizes our VaR at the 99% confidence level with a one day holding period for significant portfolios of covered positions for the three months ended September 30, 2018, and September 30, 2017.

**Figure 26. VaR for Significant Portfolios of Covered Positions**

in millions	2018 Three months ended September 30,			2017 Three months ended September 30,		
	High	Low	Mean September 30,	High	Low	Mean September 30,
Trading account assets:						
Fixed income	\$ .9	\$ .4	\$ .7	\$ 1.0	\$ .3	\$ .6
Derivatives:						
Interest rate	\$ .2	\$ .1	\$ .1	\$ .2	\$ .1	\$ .1

Stressed VaR is calculated by running the portfolios through a predetermined stress period which is approved by the MRC and is calculated at the 99% confidence level using the same model and assumptions used for general VaR. The aggregate stressed VaR for all covered positions was \$5.9 million at September 30, 2018, and \$2.9 million at September 30, 2017. Figure 27 summarizes our stressed VaR at the 99% confidence level with a one day holding period for significant portfolios of covered positions for the three months ended September 30, 2018, and September 30, 2017.

**Figure 27. Stressed VaR for Significant Portfolios of Covered Positions**

in millions	2018 Three months ended September 30,			2017 Three months ended September 30,		
	High	Low	Mean September 30,	High	Low	Mean September 30,
Trading account assets:						
Fixed income	\$ 4.9	\$ 2.7	\$ 4.0	\$ 4.0	\$ 1.9	\$ 2.5
Derivatives:						
Interest rate	\$ .7	\$ .3	\$ .4	\$ .4	\$ .1	\$ .2

**Internal capital adequacy assessment.** Market risk is a component of our internal capital adequacy assessment. Our risk-weighted assets include a market risk-equivalent asset amount, which consists of a VaR component, stressed VaR component, a *de minimis* exposure amount, and a specific risk add-on including the securitization positions. The aggregate market value of the securitization positions as defined by the Market Risk Rule was \$27 million at September 30, 2018, all of which were nonagency mortgage-backed securities positions. Specific risk is the price risk of individual financial instruments, which is not accounted for by changes in broad market risk factors and is measured through a standardized approach. Market risk weighted assets, including the specific risk calculations, are run quarterly by the MRM in accordance with the Market Risk Rule, and approved by the Chief Market Risk Officer.

Nontrading market risk



Most of our nontrading market risk is derived from interest rate fluctuations and its impacts on our traditional loan and deposit products, as well as investments, hedging relationships, long-term debt, and certain short-term borrowings. Interest rate risk, which is inherent in the banking industry, is measured by the potential for fluctuations in net interest income and the EVE that result from changes in interest rates and differences in the repricing and maturity characteristics of assets and liabilities. We manage the exposure to changes in net interest income and the EVE in accordance with our risk appetite and in accordance with the Board approved ERM policy.

Interest rate risk positions are influenced by a number of factors, including the balance sheet positioning that arises out of customer preferences for loan and deposit products, economic conditions, the competitive environment within our markets, changes in market interest rates that affect client activity, and our hedging, investing, funding, and capital positions. The primary components of interest rate risk exposure consist of reprice risk, basis risk, yield curve risk, and option risk.

Table of contents

**“Reprice risk”** is the exposure to changes in the level of interest rates and occurs when the volume of interest-bearing liabilities and the volume of interest-earning assets they fund (e.g., deposits used to fund loans) do not mature or reprice at the same time.

**“Basis risk”** is the exposure to asymmetrical changes in interest rate indices and occurs when floating-rate assets and floating-rate liabilities reprice at the same time, but in response to different market factors or indexes.

**“Yield curve risk”** is the exposure to nonparallel changes in the slope of the yield curve (where the yield curve depicts the relationship between the yield on a particular type of security and its term to maturity) and occurs when interest-bearing liabilities and the interest-earning assets that they fund do not price or reprice to the same term point on the yield curve.

**“Option risk”** is the exposure to a customer or counterparty’s ability to take advantage of the interest rate environment and terminate or reprice one of our assets, liabilities, or off-balance sheet instruments prior to contractual maturity without a penalty. Option risk occurs when exposures to customer and counterparty early withdrawals or prepayments are not mitigated with an offsetting position or appropriate compensation.

The management of nontrading market risk is centralized within Corporate Treasury. The Risk Committee of our Board provides oversight of nontrading market risk. The ERM Committee and the ALCO review reports on the interest rate risk exposures described above. In addition, the ALCO reviews reports on stress tests and sensitivity analyses related to interest rate risk. The ERM Committee and the ALCO have various responsibilities related to managing nontrading market risk, including recommending, approving, and monitoring strategies that maintain risk positions within approved tolerance ranges. The A/LM policy provides the framework for the oversight and management of interest rate risk and is administered by the ALCO. The MRM, as the second line of defense, provides additional oversight.

**Net interest income simulation analysis.** The primary tool we use to measure our interest rate risk is simulation analysis. For purposes of this analysis, we estimate our net interest income based on the current and projected composition of our on- and off-balance sheet positions, accounting for recent and anticipated trends in customer activity. The analysis also incorporates assumptions for the current and projected interest rate environments, and balance sheet growth projections based on a most likely macroeconomic view. The results of simulation analysis reflect management’s desired interest rate risk positioning. The modeling incorporates investment portfolio and swap portfolio balances consistent with management’s desired interest rate risk positioning. The simulation model estimates the amount of net interest income at risk by simulating the change in net interest income that would occur if interest rates were to gradually increase or decrease over the next 12 months. Our standard rate scenarios encompass a gradual, parallel increase or decrease of 200 basis points. After calculating the amount of net interest income at risk to interest rate changes, we compare that amount with the net interest income generated in an unchanged interest rate environment.

Figure 28 presents the results of the simulation analysis at September 30, 2018, and September 30, 2017. At September 30, 2018, our simulated impact to changes in interest rates was modestly asset-sensitive. In September 2018, the Federal Reserve increased the range for the Federal Funds Target Rate, which led to an increase in the magnitude of the declining rate scenario to 200 basis points. Tolerance levels for risk management require the development of remediation plans to maintain residual risk within tolerance if simulation modeling demonstrates that a gradual, parallel 200 basis point increase or 200 basis point decrease in interest rates over the next 12 months would adversely affect net interest income over the same period by more than 5.5%.

### Figure 28. Simulated Change in Net Interest Income

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

	September 30, 2018		September 30, 2017	
Basis point change assumption (short-term rates)	-200	+200	-125	+200
Tolerance level	-5.50%	-5.50%	-5.50%	-5.50%
Interest rate risk assessment	-5.25%	2.95%	-5.24%	1.07%

Simulation analysis produces a sophisticated estimate of interest rate exposure based on assumptions input into the model. We tailor certain assumptions to the specific interest rate environment and yield curve shape being modeled, and validate those assumptions on a regular basis. However, actual results may differ from those derived in simulation analysis due to unanticipated changes to the balance sheet composition, customer behavior, product pricing, market interest rates, changes in management's desired interest rate risk positioning, investment, funding and hedging activities, and repercussions from unanticipated or unknown events.

Table of contents

We also perform regular stress tests and sensitivity analyses on the model inputs that could materially change the resulting risk assessments. Assessments are performed using different shapes of the yield curve, including steepening or flattening of the yield curve, immediate changes in market interest rates, and changes in the relationship of money market interest rates. Assessments are also performed on changes to the following assumptions: loan and deposit balances, the pricing of deposits without contractual maturities, changes in lending spreads, prepayments on loans and securities, investment, funding and hedging activities, and liquidity and capital management strategies.

The results of additional assessments indicate that net interest income could increase or decrease from the base simulation results presented in Figure 28. Net interest income is highly dependent on the timing, magnitude, frequency, and path of interest rate changes and the associated assumptions for deposit repricing relationships, lending spreads, and the balance behavior of transaction accounts. If fixed rate assets increase by \$1 billion, or fixed rate liabilities decrease by \$1 billion, then the benefit to rising rates would decrease by approximately 25 basis points. If the interest-bearing liquid deposit beta assumption increases or decreases by 5% (e.g. 50% to 55%), then the benefit to rising rates would change by approximately 85 basis points.

Our current interest rate risk position could fluctuate to higher or lower levels of risk depending on the competitive environment and client behavior that may affect the actual volume, mix, maturity, and repricing characteristics of loan and deposit flows. Corporate Treasury discretionary activities related to funding, investing, and hedging may also change as a result of changes in customer business flows or changes in management's desired interest rate risk positioning. As changes occur to both the configuration of the balance sheet and the outlook for the economy, management proactively evaluates hedging opportunities that may change our interest rate risk profile.

We also conduct simulations that measure the effect of changes in market interest rates in the second and third years of a three-year horizon. These simulations are conducted in a manner similar to those based on a 12-month horizon. To capture longer-term exposures, we calculate exposures to changes of the EVE as discussed in the following section.

**Economic value of equity modeling.** EVE complements net interest income simulation analysis as it estimates risk exposure beyond 12-, 24-, and 36-month horizons. EVE modeling measures the extent to which the economic values of assets, liabilities and off-balance sheet instruments may change in response to fluctuations in interest rates. EVE is calculated by subjecting the balance sheet to an immediate 200 basis point increase or decrease in interest rates, measuring the resulting change in the values of assets, liabilities, and off-balance sheet instruments, and comparing those amounts with the base case of the current interest rate environment. This analysis is highly dependent upon assumptions applied to assets and liabilities with non-contractual maturities. Those assumptions are based on historical behaviors, as well as our expectations. We develop remediation plans that would maintain residual risk within tolerance if this analysis indicates that our EVE will decrease by more than 15% in response to an immediate increase or decrease in interest rates. We are operating within these guidelines as of September 30, 2018.

**Management of interest rate exposure.** We use the results of our various interest rate risk analyses to formulate A/LM strategies to achieve the desired risk profile while managing to our objectives for capital adequacy and liquidity risk exposures. Specifically, we manage interest rate risk positions by purchasing securities, issuing term debt with floating or fixed interest rates, and using derivatives. We predominantly use interest rate swaps and options, which modify the interest rate characteristics of certain assets and

liabilities. During the three months ended September 30, 2018, we terminated \$5.2 billion of swaps that were scheduled to mature in 2019 and invested in interest rate floor contracts to enhance our asset sensitivity position and maintain our moderate risk profile.

Figure 29 shows all swap positions that we hold for A/LM purposes. These positions are used to convert the contractual interest rate index of agreed-upon amounts of assets and liabilities (i.e., notional amounts) to another interest rate index. For example, fixed-rate debt is converted to a floating rate through a “receive fixed/pay variable” interest rate swap. The volume, maturity, and mix of portfolio swaps change frequently as we adjust our broader A/LM objectives and the balance sheet positions to be hedged. For more information about how we use interest rate swaps to manage our risk profile, see Note 7 (“Derivatives and Hedging Activities”).

Table of contents**Figure 29. Portfolio Swaps by Interest Rate Risk Management Strategy**

September 30, 2018

<i>dollars in millions</i>	September 30, 2018		Weighted-Average			December 31, 2017	
	Notional Amount	Fair Value	Maturity (Years)	Receive Rate	Pay Rate	Notional Amount	Fair Value
Receive fixed/pay variable — conventional A/LM <sup>(a)</sup>	\$12,345	\$(217)	2.4	2.0 %	2.1 %	\$16,425	\$(126)
Receive fixed/pay variable — conventional debt	10,141	(145 )	3.0	1.9	2.2	9,691	(9 )
Floors — conventional A/LM <sup>(b)</sup>	4,760	—	1.0	—	—	—	—
Pay fixed/receive variable — conventional debt	50	(2 )	9.8	2.3	3.6	50	(6 )
Total portfolio swaps	\$27,296	\$(364) <sup>(c)</sup>	2.4	1.6 %	1.8 %	\$26,166	\$(141) <sup>(c)</sup>

(a) Portfolio swaps designated as A/LM are used to manage interest rate risk tied to both assets and liabilities.

(b) Conventional A/LM floors do not have a stated receive rate or pay rate and are given a strike price on the option.

(c) Excludes accrued interest of \$404 million and \$176 million at September 30, 2018, and December 31, 2017, respectively.

**Liquidity risk management**

Liquidity risk, which is inherent in the banking industry, is measured by our ability to accommodate liability maturities and deposit withdrawals, meet contractual obligations, and fund new business opportunities at a reasonable cost, in a timely manner, and without adverse consequences. Liquidity management involves maintaining sufficient and diverse sources of funding to accommodate planned, as well as unanticipated, changes in assets and liabilities under both normal and adverse conditions.

Factors affecting liquidity

Our liquidity could be adversely affected by both direct and indirect events. An example of a direct event would be a downgrade in our public credit ratings by a rating agency. Examples of indirect events (events unrelated to us) that could impair our access to liquidity would be an act of terrorism or war, natural disasters, political events, or the default or bankruptcy of a major corporation, mutual fund or hedge fund. Similarly, market speculation, or rumors about us or the banking industry in general, may adversely affect the cost and availability of normal funding sources.

Our credit ratings at September 30, 2018, are shown in Figure 30. We believe these credit ratings, under normal conditions in the capital markets, would enable KeyCorp or KeyBank to issue fixed income securities to investors.

**Figure 30. Credit Ratings**

September 30, 2018	Short-Term Borrowings	Long-Term Deposits	Senior Long-Term Debt	Subordinated Long-Term Debt	Capital Securities	Preferred Stock
<b>KEYCORP (THE PARENT COMPANY)</b>						
Standard & Poor's	A-2	N/A	BBB+	BBB	BB+	BB+
Moody's	P-2	N/A	Baa1	Baa1	Baa2	Baa3
Fitch Ratings, Inc.	F1	N/A	A-	BBB+	BB+	BB
DBRS, Inc.	R-1 (low)	N/A	A (low)	BBB (high)	BBB (high)	BBB (low)
<b>KEYBANK</b>						
Standard & Poor's	A-2	N/A	A-	BBB+	N/A	N/A
Moody's	P-2	Aa3	A3	Baa1	N/A	N/A
Fitch Ratings, Inc.	F1	A	A-	BBB+	N/A	N/A
DBRS, Inc.	R-1 (low)	A	A	A (low)	N/A	N/A

Sources of liquidity

Our primary source of funding for KeyBank is retail and commercial deposits. As of September 30, 2018, our loan-to-deposit ratio was 87%. In addition, we also have access to various sources of wholesale funding, maintain a portfolio of liquid assets, and have borrowing capacity at the FHLB and Federal Reserve Bank of Cleveland. Our liquid asset portfolio at September 30, 2018, totaled \$23.5 billion, consisting of \$21.3 billion of unpledged securities, \$217 million of securities available for secured funding at the FHLB, and \$2.0 billion of net balances of federal funds sold and balances in our Federal Reserve account. Additionally, as of September 30, 2018, our unused borrowing capacity secured by loan collateral was \$26.0 billion at the Federal Reserve Bank of Cleveland and \$7.2 billion at the FHLB. During the third quarter of 2018, our outstanding FHLB advances increased as \$30 million of term advances were added.

## Table of contents

### Liquidity for KeyCorp

The primary source of liquidity for KeyCorp is from subsidiary dividends, primarily from KeyBank. KeyCorp has sufficient liquidity when it can service its debt, support customary corporate operations and activities (including acquisitions), support occasional guarantees of subsidiaries' obligations in transactions with third parties at a reasonable cost, in a timely manner, and without adverse consequences, and pay dividends to shareholders.

At September 30, 2018, KeyCorp held \$3.1 billion in cash, which we projected to be sufficient to meet our projected obligations, including the repayment of our maturing debt obligations for the periods prescribed by our risk tolerance.

Typically, KeyCorp meets its liquidity requirements through regular dividends from KeyBank. During the third quarter of 2018, KeyBank paid \$400 million in dividends to KeyCorp. As of September 30, 2018, KeyBank had regulatory capacity to pay \$1.3 billion in dividends to KeyCorp without prior regulatory approval.

### Our liquidity position and recent activity

Over the past quarter, our liquid asset portfolio, which includes overnight and short-term investments, as well as unencumbered, high quality liquid securities held as protection against a range of potential liquidity stress scenarios, has decreased as a result of lower balances held at the Federal Reserve. The liquid asset portfolio continues to exceed the amount that we estimate would be necessary to manage through an adverse liquidity event by providing sufficient time to develop and execute a longer-term solution.

We generate cash flows from operations and from investing and financing activities. We have approximately \$157 million of cash, cash equivalents, and short-term investments in international tax jurisdictions as of September 30, 2018. As we consider alternative long-term strategic and liquidity plans, opportunities to repatriate these amounts would result in approximately \$2 million in taxes to be paid. We have included the appropriate amount as a deferred tax liability at September 30, 2018.

The Consolidated Statements of Cash Flows summarize our sources and uses of cash by type of activity for the nine-month periods ended September 30, 2018, and September 30, 2017.

For more information regarding liquidity governance structure, factorings affecting liquidity, management of liquidity risk at KeyBank and KeyCorp, long-term liquidity strategies, and other liquidity programs, see "Liquidity Risk Management" beginning on page 73 of our 2017 Form 10-K.

## **Credit risk management**

Credit risk is the risk of loss to us arising from an obligor's inability or failure to meet contractual payment or performance terms. Like other financial services institutions, we make loans, extend credit, purchase securities, add financial and payments products, and enter into financial derivative contracts, all of which have related credit risk.

### Credit policy, approval, and evaluation



We manage credit risk exposure through a multifaceted program. The Credit Risk Committee approves management credit policies and recommends for approval significant credit policies to the appropriate Board committee or to the Board. These policies are communicated throughout the organization to foster a consistent approach to granting credit. There have been no significant changes in our Credit Risk Management practices as described under the heading "Credit risk management" beginning on page 76 of our 2017 Form 10-K.

Allowance for loan and lease losses

We estimate the appropriate level of the ALLL on at least a quarterly basis. The methodology used is described in Note 1 ("Summary of Significant Accounting Policies") under the heading "Allowance for Loan and Lease Losses" beginning on page 102 of our 2017 Form 10-K. Briefly, our allowance applies incurred loss rates to existing loans with similar risk characteristics. We exercise judgment to assess any adjustment to the incurred loss rates for the impact of factors such as changes in economic conditions, lending policies including underwriting standards, and the level of credit risk associated with specific industries and markets. The ALLL at September 30, 2018, represents

Table of contents

our best estimate of the incurred credit losses inherent in the loan portfolio at that date. For more information about impaired loans, see Note 4 (“Asset Quality”).

As shown in Figure 31, our ALLL from continuing operations increased by \$10 million, or 1.1%, from December 31, 2017. Our commercial ALLL increased by \$19 million, or 2.6%, from December 31, 2017, primarily because of loan growth in the commercial and industrial loan portfolio, as well as credit quality migration. Our consumer ALLL decreased by \$9 million, or 6.3%, from December 31, 2017, primarily due to continued improvement in credit quality metrics and modest decreases in the portfolio.

**Figure 31. Allocation of the Allowance for Loan Lease Losses**

<i>dollars in millions</i>	September 30, 2018				December 31, 2017			
	Percent of		Percent of		Percent of		Percent of	
	Amount	Allowance to	Loan Type to	Amount	Allowance to	Loan Type to	Amount	Allowance to
	Total Allowance	Total Loans	Total Loans	Total Allowance	Total Loans	Total Loans	Total Allowance	Total Loans
Commercial and industrial	\$543	61.2	% 50.4	%	\$529	60.3	% 48.4	%
Commercial real estate:								
Commercial mortgage	143	16.1	16.5		133	15.2	16.3	
Construction	31	3.5	2.0		30	3.4	2.3	
Total commercial real estate loans	174	19.6	18.5		163	18.6	18.6	
Commercial lease financing	37	4.2	5.0		43	4.9	5.6	
Total commercial loans	754	85.0	73.9		735	83.8	72.6	
Real estate — residential mortgage	9	1.0	6.2		7	.8	6.3	
Home equity loans	34	3.8	12.7		43	4.9	13.9	
Consumer direct loans	26	2.9	2.0		28	3.2	2.1	
Credit cards	45	5.1	1.2		44	5.0	1.3	
Consumer indirect loans	19	2.2	4.0		20	2.3	3.8	
Total consumer loans	133	15.0	26.1		142	16.2	27.4	
Total loans <sup>(a)</sup>	\$887	100.0	% 100.0	%	\$877	100.0	% 100.0	%

(a) Excludes allocations of the ALLL related to the discontinued operations of the education lending business in the amount of \$14 million at September 30, 2018, and \$16 million at December 31, 2017.

Net loan charge-offs

Figure 32 shows the trend in our net loan charge-offs by loan type, while the composition of loan charge-offs and recoveries by type of loan is presented in Figure 33.

Over the past 12 months, net loan charge-offs increased \$28 million. This increase includes a large recovery that occurred in the third quarter of 2017.

**Figure 32. Net Loan Charge-offs from Continuing Operations <sup>(a)</sup>**

<i>dollars in millions</i>	2018		2017	
	Third	Second	First	Fourth/Third
Commercial and industrial	\$33	\$32	\$31	\$24 \$4
Real estate — Commercial mortgage	5	1	1	1 5
Real estate — Construction	—	—	(1 )	— 2
Commercial lease financing	1	4	—	4 (2 )
Total commercial loans	39	37	31	29 9
Real estate — Residential mortgage	—	—	1	1 (1 )

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Home equity loans	<b>1</b>	<b>3</b>	<b>1</b>	4	2	
Consumer direct loans	<b>9</b>	<b>7</b>	<b>6</b>	6	7	
Credit cards	<b>8</b>	<b>10</b>	<b>11</b>	9	10	
Consumer indirect loans	<b>3</b>	<b>3</b>	<b>4</b>	3	5	
Total consumer loans	<b>21</b>	<b>23</b>	<b>23</b>	23	23	
Total net loan charge-offs	<b>\$60</b>	<b>\$ 60</b>	<b>\$ 54</b>	\$52	\$ 32	
Net loan charge-offs to average loans	<b>.27</b>	<b>%.27</b>	<b>%.25</b>	%.24	%.15	%
Net loan charge-offs from discontinued operations — education lending business	<b>\$3</b>	<b>\$ 2</b>	<b>\$ 2</b>	\$4	\$ 8	

(a) Credit amounts indicate that recoveries exceeded charge-offs.

Table of contents**Figure 33. Summary of Loan and Lease Loss Experience from Continuing Operations**

<i>dollars in millions</i>	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Average loans outstanding	\$88,467	\$86,814	\$88,018	\$86,485
Allowance for loan and lease losses at beginning of period	\$887	\$870	\$877	\$858
Loans charged off:				
Commercial and industrial	38	29	114	101
Real estate — commercial mortgage	6	6	9	9
Real estate — construction	—	2	—	2
Commercial lease financing	4	1	9	9
Total commercial loans	48	38	132	121
Real estate — residential mortgage	2	—	3	2
Home equity loans	4	6	14	23
Consumer direct loans	10	8	27	26
Credit cards	10	11	34	34
Consumer indirect loans	7	8	22	24
Total consumer loans	33	33	100	109
Total loans charged off	81	71	232	230
Recoveries:				
Commercial and industrial	5	25	18	32
Real estate — commercial mortgage	1	1	2	1
Real estate — construction	—	—	1	1
Commercial lease financing	3	3	4	5
Total commercial loans	9	29	25	39
Real estate — residential mortgage	2	1	2	4
Home equity loans	3	4	9	12
Consumer direct loans	1	1	5	4
Credit cards	2	1	5	4
Consumer indirect loans	4	3	12	11
Total consumer loans	12	10	33	35
Total recoveries	21	39	58	74
Net loan charge-offs	(60)	(32)	(174)	(156)
Provision (credit) for loan and lease losses	60	42	184	178
Allowance for loan and lease losses at end of period	\$887	\$880	\$887	\$880
Liability for credit losses on lending-related commitments at beginning of period	\$58	\$48	\$57	\$55
Provision (credit) for losses on lending-related commitments	2	9	3	2
Liability for credit losses on lending-related commitments at end of period <sup>(a)</sup>	\$60	\$57	\$60	\$57
Total allowance for credit losses at end of period	\$947	\$937	\$947	\$937
Net loan charge-offs to average total loans	.27	%.15	%.26	%.24
Allowance for loan and lease losses to period-end loans	.99	1.02	.99	1.02
Allowance for credit losses to period-end loans	1.06	1.08	1.06	1.08
Allowance for loan and lease losses to nonperforming loans	137.5	170.2	137.5	170.2
Allowance for credit losses to nonperforming loans	146.8	181.2	146.8	181.2
Discontinued operations — education lending business:				
Loans charged off	\$4	\$10	\$11	\$20
Recoveries	1	2	4	6
Net loan charge-offs	\$(3)	\$(8)	\$(7)	\$(14)

(a) Included in "accrued expense and other liabilities" on the balance sheet.

45

---

Table of contentsNonperforming assets

Figure 34 shows the composition of our nonperforming assets. As shown in Figure 34, nonperforming assets at September 30, 2018, increased \$140 million from December 31, 2017. This increase was largely driven by several credits that were not concentrated in a particular industry or geography. Overall, our credit quality trends remain benign. For a summary of our nonaccrual and charge-off policies, see Note 1 (“Summary of Significant Accounting Policies”) under the headings “Nonperforming Loans,” “Impaired Loans,” and “Allowance for Loan and Lease Losses” beginning on page 101 of our 2017 Form 10-K.

**Figure 34. Summary of Nonperforming Assets and Past Due Loans from Continuing Operations**

<i>dollars in millions</i>	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	
Commercial and industrial	\$ 227	\$ 178	\$ 189	\$ 153	\$ 169	
Real estate — commercial mortgage	98	42	33	30	30	
Real estate — construction	2	2	2	2	2	
Total commercial real estate loans <sup>(a)</sup>	100	44	35	32	32	
Commercial lease financing	10	21	5	6	11	
Total commercial loans <sup>(b)</sup>	337	243	229	191	212	
Real estate — residential mortgage	62	55	59	58	57	
Home equity loans	221	222	229	229	227	
Consumer direct loans	4	4	4	4	3	
Credit cards	2	2	2	2	2	
Consumer indirect loans	19	19	18	19	16	
Total consumer loans	308	302	312	312	305	
Total nonperforming loans <sup>(c)</sup>	645	545	541	503	517	
OREO	28	26	28	31	39	
Other nonperforming assets	1	—	—	—	—	
Total nonperforming assets <sup>(c)</sup>	\$ 674	\$ 571	\$ 569	\$ 534	\$ 556	
Accruing loans past due 90 days or more	\$ 87	\$ 103	\$ 82	\$ 89	\$ 86	
Accruing loans past due 30 through 89 days	368	429	305	359	329	
Restructured loans — accruing and nonaccruing <sup>(d)</sup>	366	347	317	317	315	
Restructured loans included in nonperforming loans <sup>(d)</sup>	211	184	179	189	187	
Nonperforming assets from discontinued operations — education lending business	6	6	6	7	8	
Nonperforming loans to period-end portfolio loans <sup>(c)</sup>	.72	%.62	%.61	%.58	%.60	%
Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets <sup>(c)</sup>	.75	.65	%.65	%.62	%.64	%

(a) See Figure 16 and the accompanying discussion in the “Loans and loans held for sale” section for more information related to our commercial real estate loan portfolio.

(b) See Figure 15 and the accompanying discussion in the “Loans and loans held for sale” section for more information related to our commercial loan portfolio.

(c) Nonperforming loan balances exclude \$606 million, \$629 million, \$690 million, \$738 million, and \$783 million of PCI loans at September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, and September 30, 2017, respectively.

(d) Restructured loans (i.e., TDRs) are those for which Key, for reasons related to a borrower’s financial difficulties, grants a concession to the borrower that it would not otherwise consider. These concessions are made to improve the collectability of the loan and generally take the form of a reduction of the interest rate, extension of the maturity date or reduction in the principal balance.

Figure 35 shows the types of activity that caused the change in our nonperforming loan balance during each of the last five quarters.

**Figure 35. Summary of Changes in Nonperforming Loans from Continuing Operations**

<i>in millions</i>	2018		2017		
	Third	Second	First	Fourth	
Balance at beginning of period	\$ 545	\$ 541	\$ 503	\$ 517	\$ 507

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Loans placed on nonaccrual status	263	175	182	137	181
Charge-offs	(81)	(78)	(70)	(67)	(71)
Loans sold	—	(1)	—	—	(1)
Payments	(57)	(33)	(29)	(52)	(32)
Transfers to OREO	(5)	(5)	(4)	(8)	(10)
Loans returned to accrual status	(20)	(54)	(41)	(24)	(57)
<b>Balance at end of period</b> <sup>(a)</sup>	<b>\$645</b>	<b>\$545</b>	<b>\$541</b>	<b>\$503</b>	<b>\$517</b>

(a) Nonperforming loan balances exclude \$606 million, \$629 million, \$690 million, \$738 million, and \$783 million of PCI loans at September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, and September 30, 2017, respectively.

## Operational and compliance risk management

Like all businesses, we are subject to operational risk, which is the risk of loss resulting from human error or malfeasance, inadequate or failed internal processes and systems, and external events. These events include,

46

---

## Table of contents

among other things, threats to our cybersecurity, as we are reliant upon information systems and the Internet to conduct our business activities. Operational risk also encompasses compliance risk, which is the risk of loss from violations of, or noncompliance with, laws, rules and regulations, prescribed practices, and ethical standards. Under the Dodd-Frank Act, large financial companies like Key are subject to heightened prudential standards and regulation. This heightened level of regulation has increased our operational risk. Resulting operational risk losses and/or additional regulatory compliance costs could take the form of explicit charges, increased operational costs, harm to our reputation, or foregone opportunities.

We seek to mitigate operational risk through identification and measurement of risk, alignment of business strategies with risk appetite and tolerance, and a system of internal controls and reporting. We continuously strive to strengthen our system of internal controls to improve the oversight of our operational risk and to ensure compliance with laws, rules, and regulations. For example, an operational event database tracks the amounts and sources of operational risk and losses. This tracking mechanism helps to identify weaknesses and to highlight the need to take corrective action. We also rely upon software programs designed to assist in assessing operational risk and monitoring our control processes. This technology has enhanced the reporting of the effectiveness of our controls to senior management and the Board.

The Operational Risk Management Program provides the framework for the structure, governance, roles, and responsibilities, as well as the content, to manage operational risk for Key. The Compliance Risk Committee serves the same function in managing compliance risk for Key. The Operational Risk Committee supports the ERM Committee by identifying early warning events and trends, escalating emerging risks, and discussing forward-looking assessments. The Operational Risk Committee includes attendees from each of the Three Lines of Defense. Primary responsibility for managing and monitoring internal control mechanisms lies with the managers of our various lines of business. The Operational Risk Committee and Compliance Risk Committee are senior management committees that oversee our level of operational and compliance risk and direct and support our operational and compliance infrastructure and related activities. These committees and the Operational Risk Management and Compliance functions are an integral part of our ERM Program. Our Risk Review function regularly assesses the overall effectiveness of our Operational Risk Management and Compliance Programs and our system of internal controls. Risk Review reports the results of reviews on internal controls and systems to senior management and the Risk and Audit Committees and independently supports the Risk Committee's oversight of these controls.

## Cybersecurity

We maintain comprehensive Cyber Incident Response Plans, and we devote significant time and resources to maintaining and regularly updating our technology systems and processes to protect the security of our computer systems, software, networks, and other technology assets against attempts by third parties to obtain unauthorized access to confidential information, destroy data, disrupt or degrade service, sabotage systems, or cause other damage. We and many other U.S. financial institutions have experienced distributed denial-of-service attacks from technologically sophisticated third parties. These attacks are intended to disrupt or disable online banking services and prevent banking transactions. We also periodically experience other attempts to breach the security of our systems and data. These cyberattacks have not, to date, resulted in any material disruption of our operations or material harm to our customers, and have not had a material adverse effect on our results of operations.

Cyberattack risks may also occur with our third-party technology service providers, and may result in financial loss or liability that could adversely affect our financial condition or results of operations. Cyberattacks could also interfere with third-party providers' ability to fulfill their contractual obligations to us. Recent high-profile cyberattacks have targeted retailers, credit bureaus, and other businesses for the



purpose of acquiring the confidential information (including personal, financial, and credit card information) of customers, some of whom are customers of ours. We may incur expenses related to the investigation of such attacks or related to the protection of our customers from identity theft as a result of such attacks. We may also incur expenses to enhance our systems or processes to protect against cyber or other security incidents. Risks and exposures related to cyberattacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of Internet banking, mobile banking, and other technology-based products and services by us and our clients.

As described in more detail starting on page 67 of our 2017 Form 10-K under the heading “Risk Management - Overview,” the Board serves in an oversight capacity ensuring that Key’s risks are managed in a manner that is effective and balanced and adds value for the shareholders. The Board’s Risk Committee has primary oversight for

Table of contents

enterprise-wide risk at KeyCorp, including operational risk (which includes cybersecurity). The Risk Committee reviews and provides oversight of management's activities related to the enterprise-wide risk management framework, including cyber-related risk. The ERM Committee, chaired by the Chief Executive Officer and comprising other senior level executives, is responsible for managing risk (including cyber-related risk) and ensuring that the corporate risk profile is managed in a manner consistent with our risk appetite. The ERM Committee reports to the Board's Risk Committee.

**Critical Accounting Policies and Estimates**

Our business is dynamic and complex. Consequently, we must exercise judgment in choosing and applying accounting policies and methodologies. These choices are critical – not only are they necessary to comply with GAAP, they also reflect our view of the appropriate way to record and report our overall financial performance. All accounting policies are important, and all policies described in Note 1 (“Summary of Significant Accounting Policies”) beginning on page 100 of our 2017 Form 10-K should be reviewed for a greater understanding of how we record and report our financial performance. Note 1 (“Basis of Presentation and Accounting Policies”) of this report should also be reviewed for more information on accounting standards that have been adopted during the period.

In our opinion, some accounting policies are more likely than others to have a critical effect on our financial results and to expose those results to potentially greater volatility. These policies apply to areas of relatively greater business importance, or require us to exercise judgment and to make assumptions and estimates that affect amounts reported in the financial statements. Because these assumptions and estimates are based on current circumstances, they may prove to be inaccurate, or we may find it necessary to change them.

We rely heavily on the use of judgment, assumptions, and estimates to make a number of core decisions, including accounting for the ALLL; contingent liabilities, guarantees and income taxes; derivatives and related hedging activities; and assets and liabilities that involve valuation methodologies. In addition, we may employ outside valuation experts to assist us in determining fair values of certain assets and liabilities. A brief discussion of each of these areas appears on pages 86 through 89 of our 2017 Form 10-K.

During the first nine months of 2018, we did not significantly alter the manner in which we applied our critical accounting policies or developed related assumptions and estimates.

**Accounting and Reporting Developments****Accounting Guidance Pending Adoption at September 30, 2018**

<b>Standard</b>	<b>Required Adoption</b>	<b>Description</b>	<b>Effect on Financial Statements or Other Significant Matters</b>
ASU 2016-02, Leases (Topic 842)	January 1, 2019	The ASU creates ASC Topic 842, <i>Leases</i> , and supersedes Topic 840, <i>Leases</i> . The ASU requires that a lessee recognize assets and liabilities for leases with lease terms of more than 12 months.	The implementation team has substantially completed the identification of leases for adoption of the standard including the evaluation of service contracts for embedded leases. Ongoing implementation efforts include the consideration of available practical expedients, development of new lease accounting policies, and deployment of a new lease software solution. Additionally, in conjunction with the implementation, Key is reviewing business processes and evaluating potential changes to the control environment.
ASU 2018-01, Leases (Topic 842): Land Easement Practical Expedient	Early adoption is permitted	For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. Leveraged leases that commenced before the effective date of the new guidance are grandfathered. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease.	Key's adoption of this guidance on January 1, 2019, will result in an increase in right-of-use assets and associated lease liabilities arising from operating leases in which Key is the lessee on our Consolidated Balance Sheet. Key will utilize the adoption date
ASU 2018-10 Codification Improvements to			

Topic 842

ASU 2018-11,  
Leases (Topic  
842): Targeted  
Improvements

However, the ASU will require both types of leases to be recognized on the balance sheet. It also requires enhanced disclosures to better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements.

The guidance should be adopted using a modified retrospective approach. However, entities may choose to measure and present the changes at the beginning of the earliest period presented, or to reflect the changes as of the adoption date.

transition method and record a cumulative effect adjustment to retained earnings on January 1, 2019. Therefore, right of use assets, lease liabilities, and other changes as a result of adoption will not be reflected in comparable periods presented prior to that date. The amount of the right-of-use assets and associated lease liabilities recorded at adoption will be primarily based on the present value of unpaid future minimum lease payments, the amount of which will reflect the population of leases in effect at the date of adoption. Key's minimum future rental payments under noncancelable operating leases at December 31, 2017 were \$962 million (refer to Note 22 ("Commitments, Contingent Liabilities, and Guarantees") in our 2017 Form 10-K). Based on the lease portfolio at that time, Key would anticipate a balance sheet impact upon adoption in the range of \$850 million to \$950 million. Key expects the impact on January 1, 2019, to be consistent with this estimate, subject to changes to Key's lease portfolio and the applicable discount rates at adoption. The evaluation and review of leases and service contracts will continue through the adoption date as Key enters into new agreements and as lease portfolios change.

We do not expect the adoption of this guidance to have a material impact on the recognition of operating lease expense in our Consolidated Statements of Income.

Table of contents

Standard	Required Adoption	Description	Effect on Financial Statements or Other Significant Matters
ASU 2017-08, <i>Premium Amortization on Purchased Callable Debt Securities</i>	January 1, 2019 Early adoption is permitted.	The ASU amends ASC Topic 310-20, <i>Receivables — Nonrefundable Fees and Other Costs</i> , and shortens the amortization period to the earliest call date for certain callable debt securities held at a premium. Securities held at a discount will continue to be amortized to maturity.  The guidance should be implemented on a modified retrospective basis using a cumulative-effect adjustment.	The adoption of this guidance is not expected to have a material effect on our financial condition or results of operations.  This new guidance will affect the accounting for our loans, debt securities held to maturity and available for sale, and liabilities for credit losses on unfunded lending related commitments as well as purchased financial assets with a more-than insignificant amount of credit deterioration since origination.
ASU 2016-13, <i>Measurement of Credit Losses on Financial Instruments</i>	January 1, 2020 Early adoption is permitted as of January 1, 2019	The ASU amends ASC Topic 326, <i>Financial Instruments—Credit Losses</i> , and significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The standard replaces today's "incurred loss" approach with an "expected loss" model for instruments such as loans and held-to-maturity securities that are measured at amortized cost. The standard requires credit losses relating to available-for-sale debt securities to be recorded through an allowance rather than a reduction of the carrying amount. It also changes the accounting for purchased credit-impaired debt securities and loans. The ASU retains many of the current disclosure requirements in current GAAP and expands certain disclosure requirements.	Key has formed cross-functional implementation working groups comprised of teams throughout Key, including finance, credit, and modeling. The implementation team has developed a detailed project plan, identified and documented certain key policy decisions, and determined modeling techniques and technology solutions to meet the requirements of the new guidance. Education sessions on the substantial changes caused by the standard are ongoing. Significant progress has been made on the identification of required data, development and validation of models, establishment of macroeconomic forecasting methodologies and approaches, including the reasonable and supportable period, and documentation of accounting policy decisions. Additionally, a software tool is being implemented to execute models in a controlled, automated environment. A CECL parallel production is expected to be run during 2019.  Key expects that the new guidance will generally result in an increase in its allowance for credit losses for loans, unfunded lending-related commitments, and purchased financial assets with credit deterioration, as it will cover credit losses over the full remaining expected life of loans and commitments and will consider future changes in macroeconomic conditions. Since the magnitude of the anticipated increase in the allowance for credit losses will be impacted by economic conditions and trends in the Company's portfolio at the time of adoption and the implementation and testing of forecasting methodologies, the quantitative impact cannot yet be reasonably estimated. While we are still assessing the new standard, the adoption of this guidance is not anticipated to have a material impact on the available-for-sale debt securities or held-to-maturity securities measured at amortized cost.
ASU 2017-04, <i>Simplifying the Test for Goodwill Impairment</i>	January 1, 2020 Early adoption is permitted	The ASU amends ASC Topic 350, <i>Intangibles - Goodwill and Other</i> and eliminates the second step of the test for goodwill impairment. Under the new guidance, entities will compare the fair value of a reporting unit with its carrying amount. If the carrying amount exceeds the reporting unit's fair value, the entity is required to recognize an impairment charge for this amount. The new method applies to all reporting units and the performance of a qualitative assessment is still allowable.  The guidance should be implemented using a prospective approach.	The adoption of this accounting guidance is not expected to have a material effect on our financial condition or results of operations.

Table of contents

Standard	Required Adoption	Description	Effect on Financial Statements or Other Significant Matters
ASU 2018-14, <i>Changes to the Disclosure Requirements for Defined Benefit Plans</i>	January 1, 2020 Early adoption is permitted	The ASU amends the disclosure requirements for sponsors of defined benefit plans. Entities are required to provide new disclosures, including the weighted-average interest crediting rate for cash balance plans and explanations for the significant gains and losses related to changes in the benefit obligation for the period. Certain existing disclosure requirements are eliminated.  The guidance should be adopted using a retrospective approach.	The adoption of this standard will not result in significant changes to Key's disclosures and there will be no effect to our financial condition or results of operations. Key is evaluating the impact of the adoption of this accounting guidance on its financial statements and related disclosures.
ASU 2018-15, <i>Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract</i>	January 1, 2020 Early adoption is permitted	The ASU amends ASC Topic 350-40 to align the accounting for costs incurred in a cloud computing arrangement with the guidance on developing internal use software. Specifically, if a cloud computing arrangement is deemed to be a service contract, certain implementation costs are eligible for capitalization. The new guidance prescribes the balance sheet and income statement presentation and cash flow classification for the capitalized costs and related amortization expense. It also requires additional quantitative and qualitative disclosures.  The guidance may be adopted prospectively or retrospectively.	Key is evaluating the impact of the adoption of this accounting guidance on its financial statements and related disclosures.

Table of contents**European Sovereign and Nonsovereign Debt Exposures**

Our total European sovereign and Nonsovereign debt exposure is presented in Figure 36.

**Figure 36. European Sovereign and Nonsovereign Debt Exposures**

September 30, 2018 <i>in millions</i>	Short-and Long- Term Commercial Total <sup>(a)</sup>	Foreign Exchange and Derivatives with Collateral <sup>(b)</sup>	Net Exposure
France:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	\$ (2 )	\$ (2 )
Nonsovereign non-financial institutions	\$ 2	—	2
Total	2	(2 )	—
Germany:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	—	—
Nonsovereign non-financial institutions	19	—	19
Total	19	—	19
Italy:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	—	—
Nonsovereign non-financial institutions	4	—	4
Total	4	—	4
Luxembourg:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	—	—
Nonsovereign non-financial institutions	8	—	8
Total	8	—	8
Spain:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	—	—
Nonsovereign non-financial institutions	1	—	1
Total	1	—	1
Switzerland:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	(1 )	(1 )
Nonsovereign non-financial institutions	56	—	56
Total	56	(1 )	55
United Kingdom:			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	142	142
Nonsovereign non-financial institutions	29	—	29
Total	29	142	171
Other Europe: <sup>(c)</sup>			
Sovereigns	—	—	—
Nonsovereign financial institutions	—	—	—
Nonsovereign non-financial institutions	—	—	—
Total	—	—	—
Total Europe:			
Sovereigns	—	—	—

## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Nonsovereign financial institutions	—	139	139
Nonsovereign non-financial institutions	119	—	119
Total	\$ 119	\$ 139	\$ 258

(a) Represents our outstanding leases.

(b) Represents contracts to hedge our balance sheet asset and liability needs, and to accommodate our clients' trading and/or hedging needs. Our derivative mark-to-market exposures are calculated and reported on a daily basis. These exposures are largely covered by cash or highly marketable securities collateral with daily collateral calls.

(c) Other Europe consists of the following countries: Austria, Belarus, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Finland, Greece, Hungary, Iceland, Ireland, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Sweden, and Ukraine. 100% of our current exposure in Other Europe is in Austria.

Our credit risk exposure is largely concentrated in developed countries with emerging market exposure essentially limited to commercial facilities; these exposures are actively monitored by management. We do not have at-risk exposures in the rest of the world.

Table of contents**Item 1. Financial Statements****Consolidated Balance Sheets***in millions, except per share data*

	<b>September 30, 2018 (Unaudited)</b>	<b>December 31, 2017</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 319	\$ 671
Short-term investments	2,272	4,447
Trading account assets	958	836
Securities available for sale	18,341	18,139
Held-to-maturity securities (fair value: \$11,261 and \$11,565)	11,869	11,830
Other investments	681	726
Loans, net of unearned income of \$674 and \$736	89,268	86,405
Less: Allowance for loan and lease losses	(887)	(877)
Net loans	88,381	85,528
Loans held for sale <sup>(a)</sup>	1,618	1,107
Premises and equipment	891	930
Operating lease assets	930	821
Goodwill	2,516	2,538
Other intangible assets	338	416
Corporate-owned life insurance	4,156	4,132
Accrued income and other assets	4,378	4,237
Discontinued assets	1,157	1,340
Total assets	\$ 138,805	\$ 137,698
<b>LIABILITIES</b>		
Deposits in domestic offices:		
NOW and money market deposit accounts	\$ 57,219	\$ 53,627
Savings deposits	4,948	6,296
Certificates of deposit (\$100,000 or more)	8,453	6,849
Other time deposits	5,130	4,798
Total interest-bearing deposits	75,750	71,570
Noninterest-bearing deposits	30,030	33,665
Total deposits	105,780	105,235
Federal funds purchased and securities sold under repurchase agreements	1,285	377
Bank notes and other short-term borrowings	637	634
Accrued expense and other liabilities	2,044	2,094
Long-term debt	13,849	14,333
Total liabilities	123,595	122,673
<b>EQUITY</b>		
Preferred stock	1,450	1,025
Common Shares, \$1 par value; authorized 1,400,000,000 shares; issued 1,256,702,081, and 1,256,702,081 shares	1,257	1,257



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Capital surplus	<b>6,315</b>		6,335	
Retained earnings	<b>11,262</b>		10,335	
Treasury stock, at cost (222,414,857 and 187,617,832 shares)	<b>(3,910)</b>	)	(3,150)	)
Accumulated other comprehensive income (loss)	<b>(1,166)</b>	)	(779)	)
Key shareholders' equity	<b>15,208</b>		15,023	
Noncontrolling interests	<b>2</b>		2	
Total equity	<b>15,210</b>		15,025	
Total liabilities and equity	<b>\$ 138,805</b>		\$ 137,698	

(a) Total loans held for sale include real estate — residential mortgage loans held for sale at fair value of \$87 million at September 30, 2018, and \$71 million at December 31, 2017. See Notes to Consolidated Financial Statements (Unaudited).

Table of contents**Consolidated Statements of Income***dollars in millions, except per share amounts*

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>INTEREST INCOME</b>				
Loans	\$1,025	\$ 928	\$2,965	\$ 2,753
Loans held for sale	12	17	40	39
Securities available for sale	102	91	294	276
Held-to-maturity securities	72	55	213	161
Trading account assets	7	7	21	21
Short-term investments	15	6	31	14
Other investments	6	5	17	12
Total interest income	1,239	1,109	3,581	3,276
<b>INTEREST EXPENSE</b>				
Deposits	140	72	343	196
Federal funds purchased and securities sold under repurchase agreements	1	—	10	1
Bank notes and other short-term borrowings	4	3	17	12
Long-term debt	108	86	302	228
Total interest expense	253	161	672	437
<b>NET INTEREST INCOME</b>	<b>986</b>	<b>948</b>	<b>2,909</b>	<b>2,839</b>
Provision for credit losses	62	51	187	180
Net interest income after provision for credit losses	924	897	2,722	2,659
<b>NONINTEREST INCOME</b>				
Trust and investment services income	117	135	378	404
Investment banking and debt placement fees	166	141	464	403
Service charges on deposit accounts	85	91	265	268
Operating lease income and other leasing gains	35	16	61	69
Corporate services income	52	54	175	163
Cards and payments income	69	75	202	210
Corporate-owned life insurance income	34	31	98	94
Consumer mortgage income	9	7	23	19
Mortgage servicing fees	19	21	61	54
Other income <sup>(a)</sup>	23	21	143	138
Total noninterest income	609	592	1,870	1,822
<b>NONINTEREST EXPENSE</b>				
Personnel	553	559	1,733	1,669
Net occupancy	76	74	233	239
Computer processing	52	56	155	171
Business services and professional fees	43	49	135	140
Equipment	27	29	79	83
Operating lease expense	31	24	88	64
Marketing	26	34	77	85
FDIC assessment	21	21	63	62
Intangible asset amortization	23	25	77	69
OREO expense, net	3	3	5	8
Other expense	109	118	318	410
Total noninterest expense	964	992	2,963	3,000
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>569</b>	<b>497</b>	<b>1,629</b>	<b>1,481</b>

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Income taxes	87	134	252	386
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>482</b>	<b>363</b>	<b>1,377</b>	<b>1,095</b>
Income (loss) from discontinued operations	—	1	5	6
<b>NET INCOME (LOSS)</b>	<b>482</b>	<b>364</b>	<b>1,382</b>	<b>1,101</b>
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	1
<b>NET INCOME (LOSS) ATTRIBUTABLE TO KEY</b>	<b>\$482</b>	<b>\$ 364</b>	<b>\$1,382</b>	<b>\$ 1,100</b>
Income (loss) from continuing operations attributable to Key common shareholders	<b>\$468</b>	<b>\$ 349</b>	<b>\$1,334</b>	<b>\$ 1,038</b>
Net income (loss) attributable to Key common shareholders	<b>468</b>	<b>350</b>	<b>1,339</b>	<b>1,044</b>
Per Common Share:				
Income (loss) from continuing operations attributable to Key common shareholders	<b>\$.45</b>	<b>\$ .32</b>	<b>\$1.28</b>	<b>\$.96</b>
Income (loss) from discontinued operations, net of taxes	—	—	.01	.01
Net income (loss) attributable to Key common shareholders <sup>(b)</sup>	<b>.45</b>	<b>.32</b>	<b>1.27</b>	<b>.97</b>
Per Common Share — assuming dilution:				
Income (loss) from continuing operations attributable to Key common shareholders	<b>\$.45</b>	<b>\$ .32</b>	<b>\$1.26</b>	<b>\$.95</b>
Income (loss) from discontinued operations, net of taxes	—	—	.01	.01
Net income (loss) attributable to Key common shareholders <sup>(b)</sup>	<b>.45</b>	<b>.32</b>	<b>1.26</b>	<b>.96</b>
Cash dividends declared per Common Share	<b>\$.17</b>	<b>\$ .095</b>	<b>\$ .395</b>	<b>\$.275</b>
Weighted-average Common Shares outstanding (000)	<b>1,036,479</b>	<b>73,390</b>	<b>1,048,397</b>	<b>75,296</b>
Effect of Common Share options and other stock awards	<b>13,497</b>	<b>15,451</b>	<b>14,419</b>	<b>16,359</b>
Weighted-average Common Shares and potential Common Shares outstanding (000) <sup>(c)</sup>	<b>1,049,976</b>	<b>88,841</b>	<b>1,062,816</b>	<b>91,655</b>

(a) For the three and nine months ended September 30, 2018, net securities gains totaled less than \$1 million. For the three and nine months ended September 30, 2017, net securities gains totaled \$1 million. For the three and nine months ended September 30, 2018, and September 30, 2017, we did not have any impairment losses related to securities.

(b) EPS may not foot due to rounding.

(c) Assumes conversion of Common Share options and other stock awards and/or convertible preferred stock, as applicable. See Notes to Consolidated Financial Statements (Unaudited).

Table of contents**Consolidated Statements of Comprehensive Income**

<i>in millions</i>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
(Unaudited)	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net income (loss)	<b>\$482</b>	\$364	<b>\$1,382</b>	\$1,101
Other comprehensive income (loss), net of tax:				
Net unrealized gains (losses) on securities available for sale, net of income taxes of (\$22), \$0, (\$89), and \$24	<b>(72)</b>	)—	<b>(288)</b>	)40
Net unrealized gains (losses) on derivative financial instruments, net of income taxes of (\$5), (\$6), (\$29), and (\$16)	<b>(12)</b>	)(10 )	<b>(92)</b>	)(27 )
Foreign currency translation adjustments, net of income taxes of \$0, \$4, \$3, and \$8	<b>1</b>	7	<b>(15)</b>	)14
Net pension and postretirement benefit costs, net of income taxes of \$1, \$1, \$3, and \$4	<b>2</b>	3	<b>8</b>	8
Total other comprehensive income (loss), net of tax	<b>(81)</b>	)—	<b>(387)</b>	)35
Comprehensive income (loss)	<b>401</b>	364	<b>995</b>	1,136
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	1
Comprehensive income (loss) attributable to Key	<b>\$401</b>	\$364	<b>\$995</b>	\$1,135

See Notes to Consolidated Financial Statements (Unaudited).

Table of contents**Consolidated Statements of Changes in Equity**

<i>dollars in millions, except per share amounts</i> (Unaudited)	Key Shareholders' Equity					Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests
	Preferred Shares Outstanding (000)	Common Shares Outstanding (000)	Preferred Stock	Common Shares	Capital Surplus				
<b>BALANCE AT DECEMBER 31, 2017</b>	521,069	1,084	\$ 1,025	\$ 1,257	\$ 6,335	\$ 10,335	\$(3,150)	\$(779)	\$ 2
Cumulative effect from changes in accounting principle <sup>(a)</sup>						(2)			
Other reclassification of AOCI						5			
Net income (loss)						1,382			—
Other comprehensive income (loss)								(387)	
Deferred compensation					16				
Cash dividends declared									
Common Shares (\$.395 per share)						(415)			
Series D Preferred Stock (\$37.50 per depositary share)						(20)			
Series E Preferred Stock (\$1.148439 per depositary share)						(23)			
Issuance of Series F Preferred Stock	425	425		(13)					
Open market Common Share repurchases		(38,806)					(820)		
Employee equity compensation program Common Share repurchases		(2,271)					(47)		
Common Shares reissued (returned) for stock options and other employee benefit plans		6,280		(23)			107		
<b>BALANCE AT SEPTEMBER 30, 2018</b>	<b>946,103</b>	<b>4,287</b>	<b>\$ 1,450</b>	<b>\$ 1,257</b>	<b>\$ 6,315</b>	<b>\$ 11,262</b>	<b>\$(3,910)</b>	<b>\$(1,166)</b>	<b>\$ 2</b>
<b>BALANCE AT JUNE 30, 2018</b>	521,105	8,944	1,025	1,257	6,315	10,970	(3,382)	(1,085)	2
Net income (loss)						482			—
Other comprehensive income (loss)								(81)	
Deferred compensation					4				
Cash dividends declared									
Common Shares (\$.17 per share)						(176)			
Series D Preferred Stock (\$12.50 per depositary share)						(7)			
Series E Preferred Stock (\$.382813 per depositary share)						(7)			
Issuance of Series F Preferred Stock	425	425		(13)					
Open market Common Share repurchases		(25,368)					(541)		
Employee equity compensation program Common Share repurchases		(50)					(1)		
Common Shares reissued (returned) for stock options and other employee benefit plans		761		9			14		
Net contribution from (distribution to) noncontrolling interests									—
<b>BALANCE AT SEPTEMBER 30, 2018</b>	<b>946,103</b>	<b>4,287</b>	<b>\$ 1,450</b>	<b>\$ 1,257</b>	<b>\$ 6,315</b>	<b>\$ 11,262</b>	<b>\$(3,910)</b>	<b>\$(1,166)</b>	<b>\$ 2</b>

(a) Includes the impact of implementing ASU 2014-09, ASU 2016-01, and ASU 2017-12. See Notes to Consolidated Financial Statements (Unaudited).

**Consolidated Statements of Changes in Equity**

<i>dollars in millions, except per share amounts</i> (Unaudited)	Key Shareholders' Equity					Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests
	Preferred Shares Outstanding (000)	Common Shares Outstanding (000)	Preferred Stock	Common Shares	Capital Surplus				
<b>BALANCE AT DECEMBER 31, 2016</b>	17,421	1,079,314	\$ 1,665	\$ 1,257	\$ 6,385	\$ 9,378	\$(2,904)	\$(541)	\$ —
Net income (loss)						1,100			1
Other comprehensive income (loss)								35	
Deferred compensation					11				
Cash dividends declared									
Common Shares (\$.275 per share)						(296)			

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Series A Preferred Stock (\$1.9375 per share)						(6	)			
Series C Preferred Stock (\$.539063 per share)						(7	)			
Series D Preferred Stock (\$37.50 per depositary share)						(20	)			
Series E Preferred Stock (\$1.161199 per depositary share)						(24	)			
Open market Common Share repurchases	(25,564	)						(466	)	
Employee equity compensation program Common Share repurchases	(3,479	)						(65	)	
Series A Preferred Stock exchanged for Common Shares	(2,900	)	20,568	(290	)	(49	)	338		
Redemption of Series C Preferred Stock	(14,000)			(350	)					
Common Shares reissued (returned) for stock options and other employee benefit plans	8,200					(37	)	135		
<b>BALANCE AT SEPTEMBER 30, 2017</b>	521	1,079,039	\$ 1,025	\$ 1,257	\$ 6,310	\$ 10,125	\$(2,962)	\$( 506	) \$ 1	
<b>BALANCE AT JUNE 30, 2017</b>	521	1,092,739	\$ 1,025	\$ 1,257	\$ 6,310	\$ 9,878	\$(2,711)	\$( 506	) \$ 2	
Net income (loss)						364			—	
Other comprehensive income (loss):								\$ —		
Deferred compensation				4						
Cash dividends declared										
Common Shares (\$.095 per share)						(102	)			
Series D Preferred Stock (\$12.50 per depositary share)						(7	)			
Series E Preferred Stock (\$.382813 per depositary share)						(8	)			
Open market Common Share repurchases	(14,962	)						(270	)	
Employee equity compensation program Common Share repurchases	(336	)						(6	)	
Common shares reissued (returned) for stock options and other employee benefit plans	1,598					(4	)	25		
Net contribution from (distribution to) noncontrolling interests									(1	)
<b>BALANCE AT SEPTEMBER 30, 2017</b>	521	1,079,039	\$ 1,025	\$ 1,257	\$ 6,310	\$ 10,125	\$(2,962)	\$( 506	) \$ 1	

See Notes to Consolidated Financial Statements (Unaudited).

Table of contents**Consolidated Statements of Cash Flows**

<i>in millions</i>	<b>Nine months ended September 30,</b>	
(Unaudited)	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	<b>\$1,382</b>	\$1,101
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for credit losses	<b>187</b>	180
Depreciation and amortization expense, net	<b>290</b>	301
Accretion of acquired loans	<b>69</b>	171
Increase in cash surrender value of corporate-owned life insurance	<b>(84)</b>	(85 )
Stock-based compensation expense	<b>78</b>	74
FDIC reimbursement (payments), net of FDIC expense	<b>2</b>	(2 )
Deferred income taxes (benefit)	<b>103</b>	134
Proceeds from sales of loans held for sale	<b>8,234</b>	8,109
Originations of loans held for sale, net of repayments	<b>(8,631)</b>	(8,287 )
Net losses (gains) on sales of loans held for sale	<b>(130)</b>	(111 )
Net losses (gains) and writedown on OREO	<b>(2)</b>	3
Net losses (gains) on leased equipment	<b>(34)</b>	2
Net securities losses (gains)	<b>—</b>	(1 )
Net losses (gains) on sales of fixed assets	<b>8</b>	16
Net decrease (increase) in trading account assets	<b>(122)</b>	84
Gain on sale of KIBS	<b>(83)</b>	—
Other operating activities, net	<b>(473)</b>	(610 )
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>794</b>	1,079
<b>INVESTING ACTIVITIES</b>		
Cash received (used) in acquisitions, net of cash acquired	<b>—</b>	(74 )
Proceeds from sale of KIBS	<b>124</b>	—
Net decrease (increase) in short-term investments, excluding acquisitions	<b>2,175</b>	(1,218 )
Purchases of securities available for sale	<b>(3,058)</b>	(2,725 )
Proceeds from sales of securities available for sale	<b>—</b>	914
Proceeds from prepayments and maturities of securities available for sale	<b>2,456</b>	3,038
Proceeds from prepayments and maturities of held-to-maturity securities	<b>1,206</b>	1,350
Purchases of held-to-maturity securities	<b>(1,242)</b>	(1,395 )
Purchases of other investments	<b>(21)</b>	(78 )
Proceeds from sales of other investments	<b>36</b>	99
Proceeds from prepayments and maturities of other investments	<b>37</b>	2
Net decrease (increase) in loans, excluding acquisitions, sales and transfers	<b>(3,249)</b>	(896 )
Proceeds from sales of portfolio loans	<b>143</b>	129
Proceeds from corporate-owned life insurance	<b>60</b>	40
Purchases of premises, equipment, and software	<b>(73)</b>	(56 )
Proceeds from sales of premises and equipment	<b>1</b>	—
Proceeds from sales of OREO	<b>22</b>	37
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(1,383)</b>	(833 )
<b>FINANCING ACTIVITIES</b>		
Net increase (decrease) in deposits, excluding acquisitions	<b>545</b>	(641 )
Net increase (decrease) in short-term borrowings	<b>911</b>	(1,322 )
Net proceeds from issuance of long-term debt	<b>1,802</b>	2,850

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Payments on long-term debt	(2,127 )	(43 )
Issuance of preferred shares	412	—
Open market Common Share repurchases	(820 )	(466 )
Employee equity compensation program Common Share repurchases	(47 )	(65 )
Redemption of Preferred Stock Series C	—	(350 )
Net proceeds from reissuance of Common Shares	19	29
Cash dividends paid	(458 )	(353 )
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	237	(361 )
<b>NET INCREASE (DECREASE) IN CASH AND DUE FROM BANKS</b>	<b>(352 )</b>	<b>(115 )</b>
<b>CASH AND DUE FROM BANKS AT BEGINNING OF PERIOD</b>	<b>671</b>	<b>677</b>
<b>CASH AND DUE FROM BANKS AT END OF PERIOD</b>	<b>\$319</b>	<b>\$562</b>
Additional disclosures relative to cash flows:		
Interest paid	\$632	\$442
Income taxes paid (refunded)	22	3
Noncash items:		
Reduction of secured borrowing and related collateral	\$18	33
Loans transferred to portfolio from held for sale	21	93
Loans transferred to held for sale from portfolio	7	41
Loans transferred to OREO	19	29

See Notes to Consolidated Financial Statements (Unaudited).



Table of contents

## **Notes to Consolidated Financial Statements (Unaudited)**

### **1. Basis of Presentation and Accounting Policies**

The consolidated financial statements include the accounts of KeyCorp and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Some previously reported amounts have been reclassified to conform to current reporting practices.

The consolidated financial statements include any voting rights entities in which we have a controlling financial interest. In accordance with the applicable accounting guidance for consolidations, we consolidate a VIE if we have: (i) a variable interest in the entity; (ii) the power to direct activities of the VIE that most significantly affect the entity's economic performance; and (iii) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE (i.e., we are considered to be the primary beneficiary). Variable interests can include equity interests, subordinated debt, derivative contracts, leases, service agreements, guarantees, standby letters of credit, loan commitments, and other contracts, agreements, and financial instruments. See Note 9 ("Variable Interest Entities") for information on our involvement with VIEs.

We use the equity method to account for unconsolidated investments in voting rights entities or VIEs if we have significant influence over the entity's operating and financing decisions (usually defined as a voting or economic interest of 20% to 50%, but not controlling). Unconsolidated investments in voting rights entities or VIEs in which we have a voting or economic interest of less than 20% are carried at the cost measurement alternative or at fair value. Investments held by our registered broker-dealer and investment company subsidiaries (principal investing entities and Real Estate Capital line of business) are carried at fair value.

We believe that the unaudited consolidated interim financial statements reflect all adjustments of a normal recurring nature and disclosures that are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim period are not necessarily indicative of the results of operations to be expected for the full year. The interim financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our 2017 Form 10-K.

In preparing these financial statements, subsequent events were evaluated through the time the financial statements were issued. Financial statements are considered issued when they are widely distributed to all shareholders and other financial statement users or filed with the SEC.

Table of contents

**Accounting Guidance Adopted in 2018**

58

---

Table of contents

Standard	Date of Adoption	Description	Effect on Financial Statements or Other Significant Matters
ASU 2018-13, <i>Fair Value Measurement: Disclosure Framework</i>	September 30, 2018 (removed disclosures only)	The ASU amends disclosure requirements related to fair value measurements. Specifically, entities are no longer required to disclose transfers between Level 1 and Level 2 of the fair value hierarchy, or qualitatively disclose the valuation process for Level 3 fair value measurements. The updated guidance requires disclosure of the changes in unrealized gains and losses for the period included in Other Comprehensive Income for recurring Level 3 fair value measurements. Entities also will be required to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements.	Key has early adopted the disclosures no longer required by the guidance as of September 30, 2018, and anticipates early adopting the additional provisions of the standard in the first quarter of 2019. The adoption of this standard will not result in significant changes to Key's disclosures and there will be no effect to our financial condition or results of operations.
ASU 2014-09, <i>Revenue from Contracts with Customers (Topic 606)</i>	January 1, 2018	These ASUs supersede the revenue recognition guidance in ASC 605, <i>Revenue Recognition</i> , and most industry-specific guidance. The core principle of these ASUs is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	On January 1, 2018, we adopted ASC 606, <i>Revenue from Contracts with Customers (ASC 606)</i> , using the modified retrospective method for those contracts which were not completed as of that date. Results for reporting periods beginning January 1, 2018, are presented under ASC 606. As allowed under the new guidance, the comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.
ASU 2015-14, <i>Deferral of Effective Date</i>			
ASU 2016-08, <i>Principal versus Agent Considerations</i>			
ASU 2016-10, <i>Identifying Performance Obligations and Licensing</i>		These ASUs can be implemented using a retrospective method, or a cumulative-effect approach to new contracts and existing contracts with performance obligations as of the effective date.	As a result of adopting ASC 606, we changed the timing of recognition for revenues related to insurance commissions, securities underwriting, and deposit account maintenance fees, however, those changes did not have a material impact on our consolidated financial statements, results of operations, equity, or cash flows as of the adoption date or for the nine months ended September 30, 2018.
ASU 2016-11, <i>Rescission of SEC Guidance because of Accounting Standard Updates 2014-09 and 2014-16 pursuant to Staff Announcements at the March 3, 2016 EITF Meeting</i>			
ASU 2016-12, <i>Narrow-scope Improvements and Practical Expedients</i>			The presentation of underwriting costs and reimbursed out-of-pocket expenses related to underwriting and M&A advisory services was changed from net to gross within the income statement as Key acts as the principal in the transactions. Securities underwriting revenue is recorded within "investment banking and debt placement fees" and underwriting costs and reimbursed out-of-pocket expenses within "other expense" on the income statement. Additionally, because Key acts as an agent, certain credit and debit card reward costs and certain card network costs were changed from a gross presentation to net within "cards and payment income" on the income statement. Credit and debit card reward costs and card network costs were recorded as "other expense" on the income statement in prior periods. These changes in presentation did not have a material impact on our consolidated financial statements for the nine months ended September 30, 2018.
ASU 2016-20, <i>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</i>			ASC 606 requires quantitative disclosure of the allocation of the transaction price to the remaining performance obligations when those amounts are expected to be recognized as revenue. However, the standard provides exemptions from this disclosure for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services provided.

Most of our revenue subject to ASC 606 fits into one of these exemptions, or is immaterial. We elected to use the optional exemption to not disclose the aggregate amount of the transaction price to remaining performance obligations.

On January 1, 2018, we adopted this ASU using a modified retrospective basis. Accordingly, our financial statements for the quarter ended September 30, 2018, include an immaterial cumulative-effect adjustment to decrease opening retained earnings to reflect the application of the new guidance as of January 1, 2018. The primary impact to Key at adoption was the election to measure the change in fair value of hedged items in fair value hedges on the basis of the benchmark interest rate component of contractual coupon cash flows. This change has resulted in a reduction of hedge ineffectiveness for impacted fair value hedges.

Instruments designated as hedges are recorded at fair value and included in "accrued income and other assets" or "accrued expense and other liabilities" on the balance sheet. Under the revised guidance, the change in the fair value of an instrument designated as a fair value hedge is recorded in earnings at the same time and in the same income statement line as the offsetting change in the fair value of the hedged item. For cash flow hedges, the change in the fair value of an instrument designated as a cash flow hedge is initially recorded in AOCI on the balance sheet. This amount is subsequently reclassified into income when the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item.

ASU 2017-12, <i>Targeted Improvements to Accounting for Hedging Activities</i>	January 1, 2018	<p>The ASU amends ASC Topic 815, <i>Derivatives and Hedging</i>, to simplify the requirements for hedge accounting and facilitate financial reporting that more closely aligns with an entity's risk management activities. Key amendments include: eliminating the requirement to separately measure and report hedge ineffectiveness, requiring changes in the value of the hedging instrument to be presented in the same income statement line as the earnings effect of the hedged item, and the ability to measure the hedged item based on the benchmark interest rate component of the total contractual coupon for fair value hedges.</p> <p>Additional disclosures are also required for reporting periods subsequent to the date of adoption.</p> <p>The guidance should be implemented on a modified retrospective basis to existing hedge relationships as of the adoption date.</p>
---	-----------------	---

Standard	Date of Adoption	Description	Effect on Financial Statements or Other Significant Matters
ASU 2016-01, <i>Recognition and Measurement of Financial Assets and Financial Liabilities</i>	January 1, 2018	<p>The ASU amends ASC Topic 825, <i>Financial Instruments-Overall</i>, and requires equity investments, except those accounted for under the equity method of accounting or consolidated, to be measured at fair value with changes recognized in net income. If there is no readily determinable fair value, the guidance allows entities the ability to measure investments at cost less impairment, whereby impairment is based on a qualitative assessment. The guidance eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value of financial instruments measured at the balance sheet or in the footnotes. If an entity has elected the fair value option to measure liabilities, the new accounting guidance requires the portion of the change in the fair value of a liability resulting from credit risk to be presented in OCI.</p> <p>With the exception of disclosure requirements that will be adopted prospectively, the ASU must be adopted on a modified retrospective basis.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>
ASU 2016-15, <i>Classification of Certain Cash Receipts and Cash Payments</i>	January 1, 2018	<p>The ASU amends ASC Topic 230, <i>Statement of Cash Flows</i>, and clarifies how cash receipts and cash payments in certain transactions should be presented and classified in the statement of cash flows. These specific transactions include, but are not limited to, debt prepayment or extinguishment costs, contingent considerations made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, and distributions from equity method investees. This guidance also clarifies that in instances of cash flows with multiple aspects that cannot be separately identified, classification should be based on the activity that is likely to be the predominant source of or use of cash flow.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>
ASU 2017-01, <i>Clarifying the Definition of a Business</i>	January 1, 2018	<p>The guidance should be implemented using a retrospective approach.</p> <p>The ASU amends Topic 805, <i>Business Combinations</i>, and clarifies the definition of a business and removes the requirement for a market participant to consider whether it could replace missing elements in an integrated set of assets and activities. The guidance states that if substantially all of the fair value of the assets acquired or disposed of is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

<p>ASU 2017-05, <i>Other Income- Gains and Losses from the Derecognition of Nonfinancial Assets</i></p>	<p>January 1, 2018</p>	<p>The guidance should be implemented using a prospective approach.</p> <p>The ASU amends ASC Topic 610-20, <i>Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets</i> to clarify the scope of the Topic by clarifying the definition of the term "in substance nonfinancial asset" and also adding guidance for partial sales of nonfinancial assets. Under the new guidance, an entity will derecognize a nonfinancial asset when it does not have or ceases to have a controlling interest in the legal entity that holds the asset and when control of the asset has transferred in accordance with ASC 606. The ASU can be adopted on a retrospective or modified retrospective approach.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>
<p>ASU 2017-07, <i>Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</i></p>	<p>January 1, 2018</p>	<p>The ASU amends ASC Topic 715, <i>Compensation - Retirement Benefits</i>, and requires service costs to be included in the same line item as certain other compensation costs related to services rendered by employees. We record compensation costs under personnel expense on the income statement. Other elements of net benefit cost should be presented separately.</p> <p>The guidance should be implemented on a retrospective basis.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>
<p>ASU 2017-09, <i>Scope of Modification Accounting</i></p>	<p>January 1, 2018</p>	<p>The ASU amends ASC Topic 718, <i>Compensation - Stock Compensation</i>, and clarifies when changes to terms and conditions for share-based payment awards should be accounted for as modifications. Under the new guidance, entities should apply the modification guidance unless the fair value of the modified award is the same as the fair value of the original award immediately before modification, the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before modification, and the classification of the modified award (as equity or liability instrument) is the same as the classification of the original award immediately before modification.</p> <p>The guidance should be applied on a prospective basis.</p>	<p>The adoption of this guidance did not have a material effect on our financial condition or results of operations.</p>

Table of contents**2. Earnings Per Common Share**

Basic earnings per share is the amount of earnings (adjusted for dividends declared on our preferred stock) available to each Common Share outstanding during the reporting periods. Diluted earnings per share is the amount of earnings available to each Common Share outstanding during the reporting periods adjusted to include the effects of potentially dilutive Common Shares. Potentially dilutive Common Shares include stock options and other stock-based awards. Potentially dilutive Common Shares are excluded from the computation of diluted earnings per share in the periods where the effect would be antidilutive.

Our basic and diluted earnings per Common Share are calculated as follows:

<i>dollars in millions, except per share amounts</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>EARNINGS</b>				
Income (loss) from continuing operations	<b>\$ 482</b>	\$ 363	<b>\$ 1,377</b>	\$ 1,095
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	1
Income (loss) from continuing operations attributable to Key	<b>482</b>	363	<b>1,377</b>	1,094
Less: Dividends on Preferred Stock	<b>14</b>	14	<b>43</b>	56
Income (loss) from continuing operations attributable to Key common shareholders	<b>468</b>	349	<b>1,334</b>	1,038
Income (loss) from discontinued operations, net of taxes	—	1	<b>5</b>	6
Net income (loss) attributable to Key common shareholders	<b>\$ 468</b>	\$ 350	<b>\$ 1,339</b>	\$ 1,044
<b>WEIGHTED-AVERAGE COMMON SHARES</b>				
Weighted-average Common Shares outstanding (000)	<b>1,036,477</b>	1,390	<b>1,048,397</b>	1,296
Effect of Common Share options and other stock awards	<b>13,497</b>	15,451	<b>14,419</b>	16,359
Weighted-average Common Shares and potential Common Shares outstanding (000) <sup>(a)</sup>	<b>1,049,974</b>	15,841	<b>1,062,816</b>	16,655
<b>EARNINGS PER COMMON SHARE</b>				
Income (loss) from continuing operations attributable to Key common shareholders	<b>\$ .45</b>	\$ .32	<b>\$ 1.28</b>	\$ .96
Income (loss) from discontinued operations, net of taxes	—	—	<b>.01</b>	.01
Net income (loss) attributable to Key common shareholders <sup>(b)</sup>	<b>.45</b>	.32	<b>1.27</b>	.97
Income (loss) from continuing operations attributable to Key common shareholders — assuming dilution	<b>\$ .45</b>	\$ .32	<b>\$ 1.26</b>	\$ .95
Income (loss) from discontinued operations, net of taxes — assuming dilution	—	—	<b>.01</b>	.01
Net income (loss) attributable to Key common shareholders — assuming dilution <sup>(b)</sup>	<b>.45</b>	.32	<b>1.26</b>	.96

(a) Assumes conversion of Common Share options and other stock awards and/or convertible preferred stock, as applicable.

(b) EPS may not foot due to rounding.

**3. Loan Portfolio**

<i>in millions</i>	<b>September 30, December 31,</b>	
	<b>2018</b>	<b>2017</b>
Commercial and industrial <sup>(a)</sup>	<b>\$ 45,023</b>	\$ 41,859
Commercial real estate:		
Commercial mortgage	<b>14,716</b>	14,088
Construction	<b>1,763</b>	1,960
Total commercial real estate loans	<b>16,479</b>	16,048
Commercial lease financing <sup>(b)</sup>	<b>4,470</b>	4,826
Total commercial loans	<b>65,972</b>	62,733
Residential — prime loans:		
Real estate — residential mortgage	<b>5,497</b>	5,483

## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Home equity loans	<b>11,339</b>	12,028
Total residential — prime loans	<b>16,836</b>	17,511
Consumer direct loans	<b>1,807</b>	1,794
Credit cards	<b>1,098</b>	1,106
Consumer indirect loans	<b>3,555</b>	3,261
Total consumer loans	<b>23,296</b>	23,672
Total loans <sup>(c)</sup>	<b>\$ 89,268</b>	\$ 86,405

<sup>(a)</sup> Loan balances include \$129 million and \$119 million of commercial credit card balances at September 30, 2018, and December 31, 2017, respectively.

Commercial lease financing includes receivables held as collateral for a secured borrowing of \$12 million and \$24 million at September 30, 2018, and December 31, 2017, respectively.

<sup>(b)</sup> Principal reductions are based on the cash payments received from these related receivables. Additional information pertaining to this secured borrowing is included in Note 20 ("Long-Term Debt") beginning on page 174 of our 2017 Form 10-K.

<sup>(c)</sup> Total loans exclude loans of \$1.1 billion at September 30, 2018, and \$1.3 billion at December 31, 2017, related to the discontinued operations of the education lending business.

## 4. Asset Quality

We assess the credit quality of the loan portfolio by monitoring net credit losses, levels of nonperforming assets, delinquencies, and credit quality ratings as defined by management.

60

---

Table of contents**Credit Quality Indicators**

The prevalent risk characteristic for both commercial and consumer loans is the risk of loss arising from an obligor's inability or failure to meet contractual payment or performance terms. Evaluation of this risk is stratified and monitored by the loan risk rating grades assigned for the commercial loan portfolios and the refreshed FICO score assigned for the consumer loan portfolios.

Most extensions of credit are subject to loan grading or scoring. Loan grades are assigned at the time of origination, verified by credit risk management, and periodically re-evaluated thereafter. This risk rating methodology blends our judgment with quantitative modeling. Commercial loans generally are assigned two internal risk ratings. The first rating reflects the probability that the borrower will default on an obligation; the second rating reflects expected recovery rates on the credit facility. Default probability is determined based on, among other factors, the financial strength of the borrower, an assessment of the borrower's management, the borrower's competitive position within its industry sector, and our view of industry risk in the context of the general economic outlook. Types of exposure, transaction structure, and collateral, including credit risk mitigants, affect the expected recovery assessment.

**Commercial Credit Exposure — Excluding PCI****Credit Risk Profile by Creditworthiness Category** (a), (b)

in millions	Commercial and industrial		RE — Commercial		RE — Construction		Commercial lease		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
<b>RATING</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Pass	\$ 43,052	\$ 39,833	\$ 14,016	\$ 13,328	\$ 1,679	\$ 1,894	\$ 4,405	\$ 4,730	\$ 63,152	\$ 59,785
Criticized (Accruing)	1,691	1,790	398	482	79	38	55	90	2,223	2,400
Criticized (Nonaccruing)	226	153	98	30	2	2	10	6	336	191
Total	\$ 44,969	\$ 41,776	\$ 14,512	\$ 13,840	\$ 1,760	\$ 1,934	\$ 4,470	\$ 4,826	\$ 65,711	\$ 62,376

(a) Credit quality indicators are updated on an ongoing basis and reflect credit quality information as of the dates indicated.

(b) The term criticized refers to those loans that are internally classified by Key as special mention or worse, which are asset quality categories defined by regulatory authorities. These assets have an elevated level of risk and may have a high probability of default or total loss. Pass rated refers to all loans not classified as criticized.

**Consumer Credit Exposure — Excluding PCI****Non-PCI Loans by Refreshed FICO Score** (a)

in millions	Residential — Prime		Consumer direct loans		Credit cards		Consumer indirect loans		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
<b>FICO SCORE</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
750 and above	\$ 10,040	\$ 10,226	\$ 551	\$ 519	\$ 485	\$ 477	\$ 1,620	\$ 1,472	\$ 12,696	\$ 12,694
660 to 749	4,850	5,181	701	690	501	508	1,315	1,184	7,367	7,563
Less than 660	1,384	1,519	211	225	112	121	514	529	2,221	2,394
No Score	220	208	341	356	—	—	106	76	667	640
Total	\$ 16,494	\$ 17,134	\$ 1,804	\$ 1,790	\$ 1,098	\$ 1,106	\$ 3,555	\$ 3,261	\$ 22,951	\$ 23,291

(a) Borrower FICO scores provide information about the credit quality of our consumer loan portfolio as they provide an indication as to the likelihood that a debtor will repay its debts. The scores are obtained from a nationally recognized consumer rating agency and are presented in the above table at the dates indicated.

**Commercial Credit Exposure — PCI****Credit Risk Profile by Creditworthiness Category** (a), (b)

in millions	Commercial and industrial		RE — Commercial		RE — Construction		Commercial Lease		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
<b>RATING</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>



## Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Pass	<b>\$ 23</b>	\$ 41	<b>\$ 134</b>	\$ 153	<b>\$ 3</b>	\$ 26	—	—	<b>\$ 160</b>	\$ 220
Criticized	<b>31</b>	42	<b>70</b>	95	—	—	—	—	<b>101</b>	137
Total	<b>\$ 54</b>	\$ 83	<b>\$ 204</b>	\$ 248	<b>\$ 3</b>	\$ 26	—	—	<b>\$ 261</b>	\$ 357

(a) Credit quality indicators are updated on an ongoing basis and reflect credit quality information as of the dates indicated.

(b) The term "criticized" refers to those loans that are internally classified by Key as special mention or worse, which are asset quality categories defined by regulatory authorities. These assets have an elevated level of risk and may have a high probability of default or total loss. Pass rated refers to all loans not classified as criticized.

Table of contentsConsumer Credit Exposure – PCI  
PCI Loans by Refreshed FICO Score (a)

in millions	Residential — Prime		Consumer direct loans		Credit cards		Consumer indirect loans		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
<b>FICO SCORE</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
750 and above	\$ 138	\$ 149	—	—	—	—	—	—	\$ 138	\$ 149
660 to 749	97	117	\$ 1	\$ 2	—	—	—	—	98	119
Less than 660	99	105	2	2	—	—	—	—	101	107
No Score	8	6	—	—	—	—	—	—	8	6
Total	\$ 342	\$ 377	\$ 3	\$ 4	—	—	—	—	\$ 345	\$ 381

(a) Borrower FICO scores provide information about the credit quality of our consumer loan portfolio as they provide an indication as to the likelihood that a debtor will repay its debts. The scores are obtained from a nationally recognized consumer rating agency and are presented in the above table at the dates indicated.

**Nonperforming and Past Due Loans**

Our policies for determining past due loans, placing loans on nonaccrual, applying payments on nonaccrual loans, and resuming accrual of interest for our commercial and consumer loan portfolios are disclosed in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Nonperforming Loans” beginning on page 101 of our 2017 Form 10-K.

The following aging analysis of past due and current loans as of September 30, 2018, and December 31, 2017, provides further information regarding Key’s credit exposure.

Aging Analysis of Loan Portfolio (a)

September 30, 2018	Current	30-59 Days Past Due (b)	60-89 Days Past Due (b)	90 and Greater Days Past Due (b)	Non-performing Loans	Total Past Due and Non-performing Loans	Purchased Credit Impaired	Total Loans (c), (d)
<b>LOAN TYPE</b>								
Commercial and industrial	\$44,561	\$ 74	\$ 83	\$ 24	\$ 227	\$ 408	\$ 54	\$45,023
Commercial real estate:								
Commercial mortgage	14,347	24	20	23	98	165	204	14,716
Construction	1,715	20	14	9	2	45	3	1,763
Total commercial real estate loans	16,062	44	34	32	100	210	207	16,479
Commercial lease financing	4,449	9	1	1	10	21	—	4,470
Total commercial loans	\$65,072	\$ 127	\$ 118	\$ 57	\$ 337	\$ 639	\$ 261	\$65,972
Real estate — residential mortgage	\$5,094	\$ 13	\$ 3	\$ 2	\$ 62	\$ 80	\$ 323	\$5,497
Home equity loans	11,044	36	11	8	221	276	19	11,339
Consumer direct loans	1,779	9	5	7	4	25	3	1,807
Credit cards	1,075	6	5	10	2	23	—	1,098
Consumer indirect loans	3,498	29	6	3	19	57	—	3,555
Total consumer loans	\$22,490	\$ 93	\$ 30	\$ 30	\$ 308	\$ 461	\$ 345	\$23,296
Total loans	\$87,562	\$ 220	\$ 148	\$ 87	\$ 645	\$ 1,100	\$ 606	\$89,268

(a) Amounts in table represent recorded investment and exclude loans held for sale. Recorded investment represents the face amount of the loan increased or decreased by applicable accrued interest, net deferred loan fees and costs, and unamortized premium or discount, and reflects direct charge-offs.

(b) Past due loan amounts exclude PCI, even if contractually past due (or if we do not expect to collect principal or interest in full based on the original contractual terms), as we are currently accruing income over the remaining term of the loans.

(c) Net of unearned income, net deferred loan fees and costs, and unamortized discounts and premiums.

(d) Future accretable yield related to PCI loans is not included in the analysis of the loan portfolio.



Table of contents

December 31, 2017

*in millions*

	Current	30-59 Days Past Due <sup>(b)</sup>	60-89 Days Past Due <sup>(b)</sup>	90 and Greater Days Past Due <sup>(b)</sup>	Non-performing Loans	Total Past Due and Non-performing Loans	Purchased Credit Impaired	Total Loans <sup>(c), (d)</sup>
<b>LOAN TYPE</b>								
Commercial and industrial	\$41,444	\$ 111	\$ 34	\$ 34	\$ 153	\$ 332	83	\$41,859
Commercial real estate:								
Commercial mortgage	13,750	26	13	21	30	90	248	14,088
Construction	1,919	4	9	—	2	15	26	1,960
Total commercial real estate loans	15,669	30	22	21	32	105	274	16,048
Commercial lease financing	4,791	23	4	2	6	35	—	4,826
Total commercial loans	\$61,904	\$ 164	\$ 60	\$ 57	\$ 191	\$ 472	357	\$62,733
Real estate — residential mortgage	\$5,043	\$ 16	\$ 7	\$ 4	\$ 58	\$ 85	\$ 355	\$5,483
Home equity loans	11,721	32	15	9	229	285	22	12,028
Consumer direct loans	1,768	9	4	5	4	22	4	1,794
Credit cards	1,081	7	5	11	2	25	—	1,106
Consumer indirect loans	3,199	33	7	3	19	62	—	3,261
Total consumer loans	\$22,812	\$ 97	\$ 38	\$ 32	\$ 312	\$ 479	\$ 381	\$23,672
Total loans	\$84,716	\$ 261	\$ 98	\$ 89	\$ 503	\$ 951	\$ 738	\$86,405

(a) Amounts in table represent recorded investment and exclude loans held for sale. Recorded investment represents the face amount of the loan increased or decreased by applicable accrued interest, net deferred loan fees and costs, and unamortized premium or discount, and reflects direct charge-offs.

(b) Past due loan amounts exclude PCI, even if contractually past due (or if we do not expect to collect principal or interest in full based on the original contractual terms), as we are currently accruing income over the remaining term of the loans.

(c) Net of unearned income, net deferred loan fees and costs, and unamortized discounts and premiums.

(d) Future accretable yield related to purchased credit impaired loans is not included in the analysis of the loan portfolio.

At September 30, 2018, the approximate carrying amount of our commercial nonperforming loans outstanding represented 80% of their original contractual amount owed, total nonperforming loans outstanding represented 83% of their original contractual amount owed, and nonperforming assets in total were carried at 83% of their original contractual amount owed.

Nonperforming loans and loans held for sale reduced expected interest income by \$8 million and \$22 million for the three and nine months ended September 30, 2018, respectively, and \$6 million and \$18 million for the three and nine months ended September 30, 2017, respectively.

Table of contents

The following tables set forth a further breakdown of individually impaired loans as of September 30, 2018, and December 31, 2017:

<i>in millions</i>	September 30, 2018			December 31, 2017		
	Recorded Investment	Unpaid Principal Balance <sup>(a)</sup> Balance <sup>(b)</sup>	Specific Allowance	Recorded Investment	Unpaid Principal Balance <sup>(a)</sup> Balance <sup>(b)</sup>	Specific Allowance
With no related allowance recorded:						
Commercial and industrial	\$ 187	\$ 255	—	\$ 126	\$ 153	—
Commercial real estate:						
Commercial mortgage	11	15	—	12	18	—
Total commercial real estate loans	11	15	—	12	18	—
Total commercial loans	198	270	—	138	171	—
Real estate — residential mortgage	15	22	—	17	17	—
Home equity loans	50	57	—	56	56	—
Consumer Direct	—	1	—	—	—	—
Consumer indirect loans	2	4	—	2	2	—
Total consumer loans	67	84	—	75	75	—
Total loans with no related allowance recorded	265	354	—	213	246	—
With an allowance recorded:						
Commercial and industrial	45	48	\$ 5	10	28	\$ 6
Commercial real estate:						
Commercial mortgage	65	66	11	—	—	—
Total commercial real estate loans	65	66	11	—	—	—
Total commercial loans	110	114	16	10	28	6
Real estate — residential mortgage	34	52	4	32	32	5
Home equity loans	77	84	7	61	61	9
Consumer direct loans	4	4	—	4	4	—
Credit cards	3	3	—	2	2	—
Consumer indirect loans	33	33	3	32	32	3
Total consumer loans	151	176	14	131	131	17
Total loans with an allowance recorded	261	290	30	141	159	23
Total	\$ 526	\$ 644	\$ 30	\$ 354	\$ 405	\$ 23

(a) The Recorded Investment represents the face amount of the loan increased or decreased by applicable accrued interest, net deferred loan fees and costs, and unamortized premium or discount, and reflects direct charge-offs. This amount is a component of total loans on our Consolidated Balance Sheet.

(b) The Unpaid Principal Balance represents the customer's legal obligation to us.

The following table sets forth a further breakdown of the average individually impaired loans reported by Key:

<i>in millions</i>	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Average Recorded Investment <sup>(a)</sup>	\$ 209	\$ 162	\$ 184	\$ 221
Commercial and industrial				
Commercial real estate:				
Commercial mortgage	48	14	44	8
Total commercial real estate loans	48	14	44	8
Total commercial loans	257	176	228	229
Real estate — residential mortgage	49	49	49	50
Home equity loans	126	118	122	121

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Consumer direct loans	<b>4</b>	4	<b>4</b>	3
Credit cards	<b>3</b>	2	<b>3</b>	3
Consumer indirect loans	<b>35</b>	33	<b>34</b>	32
Total consumer loans	<b>217</b>	206	<b>212</b>	209
Total	<b>\$ 474</b>	\$ 382	<b>\$ 440</b>	\$ 438

(a) The Recorded Investment represents the face amount of the loan increased or decreased by applicable accrued interest, net deferred loan fees and costs, and unamortized premium or discount, and reflects direct charge-offs. This amount is a component of total loans on our Consolidated Balance Sheet.

Interest income recognized on the outstanding balances of accruing impaired loans totaled \$4 million and \$9 million for the three and nine months ended September 30, 2018, respectively, and \$3 million and \$9 million for the three and nine months ended September 30, 2017, respectively.

## TDRs

We classify loan modifications as TDRs when a borrower is experiencing financial difficulties and we have granted a concession without commensurate financial, structural, or legal consideration. An acquired loan may only be classified as a TDR if a modification meeting the above TDR criteria is performed after the acquisition date. PCI loans cannot be classified as TDRs. All commercial and consumer loan TDRs, regardless of size, are individually evaluated for impairment to determine the probable loss content and are assigned a specific loan allowance. This

Table of contents

designation has the effect of moving the loan from the general reserve methodology (i.e., collectively evaluated) to the specific reserve methodology (i.e., individually evaluated) and may impact the ALLL through a charge-off or increased loan loss provision. These components affect the ultimate allowance level.

As TDRs are individually evaluated for impairment under the specific reserve methodology, subsequent defaults do not generally have a significant additional impact on the ALLL. Commitments outstanding to lend additional funds to borrowers whose loan terms have been modified in TDRs are \$4 million and \$2 million at September 30, 2018, and December 31, 2017, respectively.

Our loan modifications are handled on a case-by-case basis and are negotiated to achieve mutually agreeable terms that maximize loan collectability and meet the borrower's financial needs. The consumer TDR other concession category primarily includes those borrowers' debts that are discharged through bankruptcy and have not been formally re-affirmed. At September 30, 2018, and December 31, 2017, the recorded investment of consumer residential mortgage loans in the process of foreclosure was approximately \$130 million and \$142 million, respectively. At September 30, 2018, and December 31, 2017, we had \$28 million and \$31 million, respectively, of OREO which included the carrying value of foreclosed residential real estate of approximately \$25 million and \$26 million, respectively.

The following table shows the post-modification outstanding recorded investment by concession type for our commercial and consumer accruing and nonaccruing TDRs that occurred during the periods indicated:

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
<i>in millions</i>				
<b>Commercial loans:</b>				
Extension of Maturity Date	\$ 20	\$ 7	\$ 20	\$ 24
Payment or Covenant Modification/Deferment	26	—	46	32
Bankruptcy Plan Modification	—	—	7	30
Total	\$ 46	\$ 7	\$ 73	\$ 86
<b>Consumer loans:</b>				
Interest rate reduction	\$ 4	\$ 3	\$ 22	\$ 10
Other	10	8	29	21
Total	\$ 14	\$ 11	\$ 51	\$ 31
Total commercial and consumer TDRs	\$ 60	\$ 18	\$ 124	\$ 117

The following table summarizes the change in the post-modification outstanding recorded investment of our accruing and nonaccruing TDRs during the periods indicated:

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
<i>in millions</i>				
Balance at beginning of the period	\$347	\$333	\$317	\$280
Additions	58	20	133	134
Payments	(28)	(36)	(69)	(83)
Charge-offs	(11)	(2)	(15)	(16)
Balance at end of period <sup>(a)</sup>	\$366	\$315	\$366	\$315





Table of contents

A further breakdown of TDRs included in nonperforming loans by loan category for the periods indicated are as follows:

<i>dollars in millions</i>	September 30, 2018			December 31, 2017		
	Number of Loans	Outstanding Recorded Investment	Post-modification Outstanding Recorded Investment	Number of Loans	Outstanding Recorded Investment	Post-modification Outstanding Recorded Investment
<b>LOAN TYPE</b>						
<b>Nonperforming:</b>						
Commercial and industrial	30	\$ 120	\$ 101	20	\$ 109	\$ 86
Commercial real estate:						
Commercial mortgage	6	14	10	8	16	12
Total commercial real estate loans	6	14	10	8	16	12
Total commercial loans	36	134	111	28	125	98
Real estate — residential mortgage	257	18	18	308	18	18
Home equity loans	1,233	72	66	1,025	64	57
Consumer direct loans	137	2	2	114	2	2
Credit cards	249	1	1	322	2	1
Consumer indirect loans	973	17	13	825	16	13
Total consumer loans	2,849	110	100	2,594	102	91
Total nonperforming TDRs	2,885	244	211	2,622	227	189
<b>Prior-year accruing:<sup>(a)</sup></b>						
Commercial and industrial	18	53	37	4	30	13
Total commercial loans	18	53	37	4	30	13
Real estate — residential mortgage	508	37	31	484	31	31
Home equity loans	1,305	77	61	1,276	75	59
Consumer direct loans	81	4	2	48	3	2
Credit cards	522	3	2	430	1	1
Consumer indirect loans	512	34	22	320	31	22
Total consumer loans	2,928	155	118	2,558	141	115
Total prior-year accruing TDRs	2,946	208	155	2,562	171	128
Total TDRs	5,831	\$ 452	\$ 366	5,184	\$ 398	\$ 317

<sup>(a)</sup> All TDRs that were restructured prior to January 1, 2018, and January 1, 2017, and are fully accruing.

Commercial loan TDRs are considered defaulted when principal and interest payments are 90 days past due. Consumer loan TDRs are considered defaulted when principal and interest payments are more than 60 days past due. During the three months ended September 30, 2018, there were no commercial loan TDRs and 82 consumer loan TDRs with a combined recorded investment of \$2 million that experienced payment defaults after modifications resulting in TDR status during 2017. During the three months ended September 30, 2017, there were no commercial loan TDRs and 45 consumer loan TDRs with a combined recorded investment of \$1 million that experienced payment defaults after modifications resulting in TDR status during 2016.

During the nine months ended September 30, 2018, there were no commercial loan TDRs and 178 consumer loan TDRs with a combined recorded investment of \$4 million that experienced payment defaults after modifications resulting in TDR status during 2017. During the nine months ended September 30, 2017, there were no commercial loan TDRs and 100 consumer loan TDRs with a combined recorded investment of \$3 million that experienced payment defaults after modifications resulting in TDR status during 2016.

### **ALLL and Liability for Credit Losses on Unfunded Lending-Related Commitments**

We determine the appropriate level of the ALLL on at least a quarterly basis. The methodology is described in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Allowance for Loan and Lease Losses” beginning on page 102 of our 2017 Form 10-K.

The ALLL on the acquired non-impaired loan portfolio is estimated using the same methodology as the originated portfolio, however, the estimated ALLL is compared to the remaining accretable yield to determine if an ALLL must be recorded. For PCI loans, Key estimates cash flows expected to be collected quarterly. Decreases in expected cash flows are recognized as impairment through a provision for loan and lease losses and an increase in the ALLL. There was less than \$1 million of provision for loan and lease losses on PCI loans during the nine months ended September 30, 2018, and a credit of \$1 million during the three months ended September 30, 2018. There was \$4 million of provision for loan and lease losses on PCI loans during the nine months ended September 30, 2017, and less than \$1 million of provision for loan and lease losses on PCI loans during the three months ended September 30, 2017. There was \$3 million of provision for loan and lease losses on PCI loans during the twelve months ended December 31, 2017.

Table of contents

The ALLL at September 30, 2018, represents our best estimate of the incurred credit losses inherent in the loan portfolio at that date. The changes in the ALLL by loan category for the periods indicated are as follows:

**Three months ended September 30, 2018:**

<i>in millions</i>	June 30, 2018	Provision	Charge-offs	Recoveries	September 30, 2018
Commercial and Industrial	\$ 542	\$ 34	\$ (38)	\$ 5	\$ 543
Commercial real estate:					
Real estate — commercial mortgage	139	9	(6)	1	143
Real estate — construction	28	3	—	—	31
Total commercial real estate loans	167	12	(6)	1	174
Commercial lease financing	40	(2)	(4)	3	37
Total commercial loans	749	44	(48)	9	754
Real estate — residential mortgage	10	(1)	(2)	2	9
Home equity loans	37	(2)	(4)	3	34
Consumer direct loans	26	9	(10)	1	26
Credit cards	46	7	(10)	2	45
Consumer indirect loans	19	3	(7)	4	19
Total consumer loans	138	16	(33)	12	133
Total ALLL — continuing operations	887	60	(a) (81)	21	887
Discontinued operations	14	3	(4)	1	14
Total ALLL — including discontinued operations	\$ 901	\$ 63	\$ (85)	\$ 22	\$ 901

(a) Excludes a provision for losses on lending-related commitments of \$2 million.

**Three months ended September 30, 2017:**

<i>in millions</i>	June 30, 2017	Provision	Charge-offs	Recoveries	September 30, 2017
Commercial and Industrial	\$ 528	\$ 8	\$ (29)	\$ 25	\$ 532
Commercial real estate:					
Real estate — commercial mortgage	144	(1)	(6)	1	138
Real estate — construction	28	3	(2)	—	29
Total commercial real estate loans	172	2	(8)	1	167
Commercial lease financing	40	1	(1)	3	43
Total commercial loans	740	11	(38)	29	742
Real estate — residential mortgage	9	(2)	—	1	8
Home equity loans	42	(1)	(6)	4	39
Consumer direct loans	25	10	(8)	1	28
Credit cards	44	10	(11)	1	44
Consumer indirect loans	10	14	(8)	3	19
Total consumer loans	130	31	(33)	10	138
Total ALLL — continuing operations	870	42	(a) (71)	39	880
Discontinued operations	21	5	(10)	2	18
Total ALLL — including discontinued operations	\$ 891	\$ 47	\$ (81)	\$ 41	\$ 898

(a) Excludes a provision for losses on lending-related commitments of \$9 million.



Table of contents**Nine months ended September 30, 2018:**

<i>in millions</i>	December 31, 2017	Provision	Charge-offs	Recoveries	September 30, 2018
Commercial and Industrial	529	\$ 110	\$ (114 )	\$ 18	\$ 543
Commercial real estate:					
Real estate — commercial mortgage	133	17	(9 )	2	143
Real estate — construction	30	—	—	1	31
Total commercial real estate loans	163	17	(9 )	3	174
Commercial lease financing	43	(1 )	(9 )	4	37
Total commercial loans	735	126	(132 )	25	754
Real estate — residential mortgage	7	3	(3 )	2	9
Home equity loans	43	(4 )	(14 )	9	34
Consumer direct loans	28	20	(27 )	5	26
Credit cards	44	30	(34 )	5	45
Consumer indirect loans	20	9	(22 )	12	19
Total consumer loans	142	58	(100 )	33	133
Total ALLL — continuing operations	877	184	(a) (232 )	58	887
Discontinued operations	16	5	(11 )	4	14
Total ALLL — including discontinued operations	\$ 893	\$ 189	\$ (243 )	\$ 62	\$ 901

(a) Excludes a provision for losses on lending-related commitments of \$3 million.

**Nine months ended September 30, 2017:**

<i>in millions</i>	December 31, 2016	Provision	Charge-offs	Recoveries	September 30, 2017
Commercial and Industrial	\$ 508	\$ 93	\$ (101 )	\$ 32	\$ 532
Commercial real estate:					
Real estate — commercial mortgage	144	2	(9 )	1	138
Real estate — construction	22	8	(2 )	1	29
Total commercial real estate loans	166	10	(11 )	2	167
Commercial lease financing	42	5	(9 )	5	43
Total commercial loans	716	108	(121 )	39	742
Real estate — residential mortgage	17	(11 )	(2 )	4	8
Home equity loans	54	(4 )	(23 )	12	39
Consumer direct loans	24	26	(26 )	4	28
Credit cards	38	36	(34 )	4	44
Consumer indirect loans	9	23	(24 )	11	19
Total consumer loans	142	70	(109 )	35	138
Total ALLL — continuing operations	858	178	(a) (230 )	74	880
Discontinued operations	24	8	(20 )	6	18
Total ALLL — including discontinued operations	\$ 882	\$ 186	\$ (250 )	\$ 80	\$ 898

(a) Excludes a provision for losses on lending-related commitments of \$2 million.

A breakdown of the individual and collective ALLL and the corresponding loan balances as of September 30, 2018, follows:

September 30, 2018	Allowance			Outstanding			
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Purchased Credit Impaired	Loans	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Purchased Credit Impaired
<i>in millions</i>							

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Commercial and industrial	\$ 5	\$ 536	\$ 2	\$ 45,023	\$ 232	\$ 44,737	\$ 54
Commercial real estate:							
Commercial mortgage	11	129	3	14,716	76	14,436	204
Construction	—	31	—	1,763	—	1,760	3
Total commercial real estate loans	11	160	3	16,479	76	16,196	207
Commercial lease financing	—	37	—	4,470	—	4,470	—
Total commercial loans	16	733	5	65,972	308	65,403	261
Real estate — residential mortgage	4	5	—	5,497	49	5,125	323
Home equity loans	7	26	1	11,339	127	11,193	19
Consumer direct loans	—	26	—	1,807	4	1,800	3
Credit cards	—	45	—	1,098	3	1,095	—
Consumer indirect loans	3	16	—	3,555	35	3,520	—
Total consumer loans	14	118	1	23,296	218	22,733	345
Total ALLL — continuing operations	30	851	6	89,268	526	88,136	606
Discontinued operations	2	12	—	1,130	(a) 22	1,108	(a) —
Total ALLL — including discontinued operations	\$ 32	\$ 863	\$ 6	\$ 90,398	\$ 548	\$ 89,244	\$ 606

(a) Amount includes \$2 million of loans carried at fair value that are excluded from ALLL consideration.

Table of contents

A breakdown of the individual and collective ALLL and the corresponding loan balances as of December 31, 2017, follows:

December 31, 2017 <i>in millions</i>	Allowance			Outstanding Loans	Allowance		Purchased Credit Impaired
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Purchased Credit Impaired		Individually Evaluated for Impairment	Collectively Evaluated for Impairment	
Commercial and Industrial	\$ 6	\$ 520	\$ 3	\$ 41,859	\$ 136	\$ 41,640	\$ 83
Commercial real estate:							
Commercial mortgage	—	131	2	14,088	12	13,828	248
Construction	—	30	—	1,960	—	1,934	26
Total commercial real estate loans	—	161	2	16,048	12	15,762	274
Commercial lease financing	—	43	—	4,826	—	4,826	—
Total commercial loans	6	724	5	62,733	148	62,228	357
Real estate — residential mortgage	5	2	—	5,483	49	5,079	355
Home equity loans	9	33	1	12,028	117	11,889	22
Consumer direct loans	—	28	—	1,794	4	1,786	4
Credit cards	—	44	—	1,106	2	1,104	—
Consumer indirect loans	3	17	—	3,261	34	3,227	—
Total consumer loans	17	124	1	23,672	206	23,085	381
Total ALLL — continuing operations	23	848	6	86,405	354	85,313	738
Discontinued operations	3	13	—	1,314 (a)	21	1,293	(a) —
Total ALLL — including discontinued operations	\$ 26	\$ 861	\$ 6	\$ 87,719	\$ 375	\$ 86,606	\$ 738

(a) Amount includes \$2 million of loans carried at fair value that are excluded from ALLL consideration.

The liability for credit losses inherent in unfunded lending-related commitments, such as letters of credit and unfunded loan commitments, is included in “accrued expense and other liabilities” on the balance sheet. We establish the amount of this reserve by considering both historical trends and current market conditions quarterly, or more often if deemed necessary.

Changes in the liability for credit losses on unfunded lending-related commitments are summarized as follows:

<i>in millions</i>	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Balance at beginning of period	\$ 58	\$ 48	\$ 57	\$ 55
Provision (credit) for losses on lending-related commitments	2	9	3	2
Balance at end of period	\$ 60	\$ 57	\$ 60	\$ 57

**PCI Loans**

Purchased loans that have evidence of deterioration in credit quality since origination and for which it is probable, at acquisition, that all contractually required payments will not be collected are deemed PCI. Our policies for determining, recording payments on, and derecognizing PCI loans are disclosed in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Purchased Loans” beginning on page 107 of our 2017 Form 10-K.

We have PCI loans from two separate acquisitions, one in 2012 and one in 2016. The following tables present the roll-forward of the accretable yield and the beginning and ending outstanding unpaid principal balance and carrying amount of all PCI loans for the three and nine months ended September 30, 2018, and the twelve months ended December 31, 2017.

<i>in millions</i>	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	Accretable Yield	Carrying Amount	Outstanding Unpaid Principal Balance	Accretable Yield	Carrying Amount	Outstanding Unpaid Principal Balance
Balance at beginning of period	\$ 121	\$ 622	\$ 669	\$ 131	\$ 738	\$ 803
Accretion	(10 )			(33 )		
Net reclassifications from nonaccretable to accretable	13			41		
Payments received, net	(3 )			(18 )		
Balance at end of period	\$ 121	\$ 599	\$ 642	\$ 121	\$ 599	\$ 642



Table of contents

<i>in millions</i>	Twelve Months Ended December 31, 2017		
	Accretible Yield	Outstanding Unpaid Amount	Outstanding Unpaid Principal Balance
Balance at beginning of period	\$ 197	\$ 865	\$ 1,002
Additions	(32 )		
Accretion	(44 )		
Net reclassifications from nonaccretable to accretable	15		
Payments received, net	(4 )		
Disposals	(1 )		
Balance at end of period	\$ 131	\$ 738	\$ 803

**5. Fair Value Measurements****Fair Value Determination**

In accordance with GAAP, Key measures certain assets and liabilities at fair value. Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between market participants in our principal market.

Additional information regarding our accounting policies for determining fair value is provided in Note 7 ("Fair Value Measurements") and Note 4 ("Summary of Significant Accounting Policies") under the heading "Fair Value Measurements" of our 2017 Form 10-K.

Table of contents**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

Certain assets and liabilities are measured at fair value on a recurring basis in accordance with GAAP. The following tables present these assets and liabilities at September 30, 2018, and December 31, 2017.

	September 30, 2018				December 31, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>in millions</i>								
<b>ASSETS MEASURED ON A RECURRING BASIS</b>								
Trading account assets:								
U.S. Treasury, agencies and corporations	—	\$759	—	\$759	—	615	—	615
States and political subdivisions	—	54	—	54	—	37	—	37
Other mortgage-backed securities	—	86	—	86	—	104	—	104
Other securities	3	39	—	42	—	65	—	65
Total trading account securities	3	938	—	941	—	821	—	821
Commercial loans	—	17	—	17	—	15	—	15
Total trading account assets	3	955	—	958	—	836	—	836
Securities available for sale:								
U.S. Treasury, agencies and corporations	—	145	—	145	—	157	—	157
States and political subdivisions	—	7	—	7	—	9	—	9
Agency residential collateralized mortgage obligations	—	14,192	—	14,192	—	14,660	—	14,660
Agency residential mortgage-backed securities	—	1,661	—	1,661	—	1,439	—	1,439
Agency commercial mortgage-backed securities	—	2,316	—	2,316	—	1,854	—	1,854
Other securities	—	—	\$ 20	20	—	—	20	20
Total securities available for sale	—	18,321	20	18,341	—	18,119	20	18,139
Other investments:								
Principal investments:								
Direct	—	—	12	12	—	—	13	13
Indirect (measured at NAV) <sup>(a)</sup>	—	—	—	101	—	—	—	124
Total principal investments	—	—	12	113	—	—	13	137
Equity investments:								
Direct	—	1	7	8	—	4	3	7
Direct (measured at NAV) <sup>(a)</sup>	—	—	—	1	—	—	—	—
Total equity investments	—	1	7	9	—	4	3	7
Total other investments	—	1	19	122	—	4	16	144
Loans, net of unearned income	—	—	3	3	—	—	2	2
Loans held for sale	—	87	—	87	—	70	1	71
Derivative assets:								
Interest rate	—	304	6	310	—	713	9	722
Foreign exchange	\$70	32	—	102	\$100	\$30	\$ —	\$130
Commodity	—	491	—	491	—	255	—	255
Credit	—	—	—	—	—	—	1	1
Other	—	5	2	7	—	1	3	4
Derivative assets	70	832	8	910	100	999	13	1,112
Netting adjustments <sup>(b)</sup>	—	—	—	(162)	—	—	—	(443)
Total derivative assets	70	832	8	748	100	999	13	669
Accrued income and other assets	—	—	—	—	—	—	—	—
Total assets on a recurring basis at fair value	\$73	\$20,196	\$ 50	\$20,259	\$100	\$20,028	\$ 52	\$19,861
<b>LIABILITIES MEASURED ON A RECURRING BASIS</b>								
Bank notes and other short-term borrowings:								

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Short positions	\$37	\$600	—	\$637	\$72	\$562	\$	—	\$634
Derivative liabilities:									
Interest rate	—	445	—	445	—	520	—	—	520
Foreign exchange	62	31	—	93	98	26	—	—	124
Commodity	—	481	—	481	—	246	—	—	246
Credit	—	3	—	3	—	4	—	—	4
Other	—	3	—	3	—	13	—	—	13
Derivative liabilities	62	963	—	1,025	98	809	—	—	907
Netting adjustments <sup>(b)</sup>	—	—	—	(582)	)—	—	—	—	(616)
Total derivative liabilities	62	963	—	443	98	809	—	—	291
Accrued expense and other liabilities	—	—	—	—	—	—	—	—	—
Total liabilities on a recurring basis at fair value	\$99	\$1,563	—	\$1,080	\$170	\$1,371	\$	—	\$925

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Netting adjustments represent the amounts recorded to convert our derivative assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The (b) net basis takes into account the impact of bilateral collateral and master netting agreements that allow us to settle all derivative contracts with a single counterparty on a net basis and to offset the net derivative position with the related cash collateral. Total derivative assets and liabilities include these netting adjustments.

Table of contents**Qualitative Disclosures of Valuation Techniques**

The following describes the valuation techniques and significant inputs for Level 2 and Level 3 assets and liabilities:

**Securities (trading account assets and available for sale).** We own several types of securities, requiring a range of valuation methods:

Level 2 securities include municipal bonds, bonds backed by the U.S. government, corporate bonds, agency residential and CMBS, securities issued by the U.S. Treasury, money markets, and certain agency and corporate CMOs. Fair value is determined using pricing models (either by a third-party pricing service or internally) or quoted prices of similar securities.

Our Level 3 instruments consist principally of debt securities. The securities are valued using a cash flow analysis of the associated private company issuers based on internal models or a third-party valuation service. We also employ a market approach that utilizes revenue multiples of comparable companies. We reference guideline public companies with growth prospects, margin, and risks that are comparable to the subject companies. The valuations of the securities are negatively affected by projected net losses of the associated private companies and positively affected by projected net gains.

The valuations provided by the third-party pricing service are based on observable market inputs, which include benchmark yields, reported trades, issuer spreads, benchmark securities, bids, offers, and reference data obtained from market research publications. Inputs used by the third-party pricing service in valuing CMOs and other mortgage-backed securities also include new issue data, monthly payment information, whole loan collateral performance, and “To Be Announced” prices. We validate the pricing methodologies utilized by our third-party pricing service to ensure that the fair value determination is consistent with the applicable accounting guidance. This includes comparing the actual inputs used by our third-party pricing service to comparable inputs for similar securities and comparing the fair values to prices from other independent sources for the same and similar securities.

**Commercial loans (trading account assets).** Commercial loans recorded as trading account assets are valued based on market spreads since there is an active market for similar assets. Bid and ask prices are received from multiple loan dealers and valuations reflect prices within the bid-ask spread that are most representative of fair value for the respective loans. The price point used within the bid/ask spread is further validated using an independent, third party service provider.

**Principal investments.** Principal investments consist of investments in equity and debt instruments made by our principal investing entities. They include direct investments (investments made in a particular company) and indirect investments (investments made through funds that include other investors). In most cases, quoted market prices are not available for our direct investments, and we must estimate the fair value based on operating performance, market multiples for comparable businesses, and unique facts and circumstances related to each individual investment. Indirect investments are valued using a methodology that is consistent with accounting guidance allowing us to estimate fair value based upon net asset value per share (or its equivalent, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed).

The following table presents the fair value of our direct and indirect principal investments and related unfunded commitments at September 30, 2018, as well as financial support provided for the three and nine months ended September 30, 2018, and September 30, 2017.



Table of contents

<i>in millions</i>	Financial support provided								
	September 30, 2018		Three months ended September 30,			Nine months ended September 30,			
	Fair Value	Unfunded Commitments	2018	2017	Other	2018	2017	2018	2017
		Funded Commitments	Funded Commitments	Funded Commitments	Funded Commitments	Funded Commitments	Funded Commitments	Funded Commitments	Funded Commitments
<b>INVESTMENT TYPE</b>									
Direct investments (a)	\$ 12	—	—	—	—	—	—	—	\$ —
Indirect investments (measured at NAV)	101	\$ 28	—	\$ —	—	\$ 1	—	\$ 1	—
Total	\$ 113	\$ 28	—	\$ —	—	\$ 1	—	\$ 1	\$ —

Our direct investments consist of equity and debt investments directly in independent business enterprises. Operations of the business enterprises are handled by management of the portfolio (a) company. The purpose of funding these enterprises is to provide financial support for business development and acquisition strategies. We infuse equity capital based on an initial contractual cash contribution and later from additional requests on behalf of the companies' management.

Our indirect investments consist of buyout funds, venture capital funds, and fund of funds. These investments are generally not redeemable. Instead, distributions are received through the liquidation of the underlying investments of the fund. An investment in any one of these funds typically can be sold only with the approval of the fund's general partners. We estimate that the

(b) underlying investments of the funds will be liquidated over a period of one to six years. The purpose of funding our capital commitments to these investments is to allow the funds to make additional follow-on investments and pay fund expenses until the fund dissolves. We, and all other investors in the fund, are obligated to fund the full amount of our respective capital commitments to the fund based on our and their respective ownership percentages, as noted in the applicable Limited Partnership Agreement.

**Other Equity Investments.** Our other equity investments measured on a recurring basis are direct investments in equity instruments of private companies. Quoted market prices are not available for these investments and we must perform valuations using other methods in a similar manner to our direct principal investments.

**Loans Held for Sale and Held for Investment.** Residential mortgage loans are valued based on quoted market prices, where available, prices for other traded mortgage loans with similar characteristics, and purchase commitments and bid information received from market participants. We have elected the fair value option for residential mortgage loans held for sale as this aligns with the related forward mortgage loan sale commitments.

Our residential mortgage activity also includes temporarily unsalable residential mortgage loans that are included in "Loans, net of unearned income" and loans with salability issues included in "Loans held for sale" on the balance sheet. These loans have an origination defect that makes them temporarily unable to be sold into the performing loan sales market. Because transaction details regarding sales of this type of loan are often unavailable, unobservable bid information from brokers and investors is heavily relied upon. Accordingly, based on the significance of unobservable inputs, these loans are classified as Level 3.

**Derivatives.** The majority of our derivative positions are Level 2 instruments, which are valued using internally developed models, based on market convention. These models use observable market inputs, such as interest rate curves, LIBOR and Overnight Index Swap discount rates and curves, index pricing curves, foreign currency curves, volatility surfaces (a three-dimensional graph of implied volatility against strike price and maturity) and current prices for mortgage securities and investor supplied prices.

Level 3 derivative instruments primarily consist of interest rate lock commitments and several customized derivative instruments. The value of interest rate lock commitments is based on interest rates observable in the market and the probability of the loan closing. Therefore, the valuation methodology employs a model which uses current interest rates and adjusts the probability of the loan closing at the approved terms in the current interest rate environment. Various other customized derivative instruments are priced using internally developed models which leverage market and internal data and assumptions.

**Liability for short positions.** Level 2 items are fixed income securities held by our broker dealer in its trading inventory. These items are measured at fair value based upon market activity, spreads, credit ratings and interest rates for each security type. Additionally, recent values used in transactions for the same or similar securities are also utilized in the valuation.

### **Changes in Level 3 Fair Value Measurements**

The following table shows the components of the change in the fair values of our Level 3 financial instruments for the three and nine months ended September 30, 2018, and September 30, 2017.

73

---

Table of contents

<i>in millions</i>	Beginning of Period Balance	Gains (Losses) Included in Other Comprehensive Income	Gains (Losses) Included in Earnings	Purchases	Sales	Settlements	Transfers Other	Transfers into Level 3 (a)	Transfers out of Level 3 (a)	End of Period Balance	Unrealized Gains (Losses) Included in Earnings
<b>Nine months ended September 30, 2018</b>											
Securities available for sale											
Other securities	\$ 20	\$ —	—	—	—	—	—	—	—	\$ 20	—
Other investments											
Principal investments											
Direct	13	—	\$ (1 ) (b)	1	(1 )	—	—	—	—	12	\$ 1 (b)
Equity investments											
Direct	3	—	—	—	—	—	—	\$ 4	—	7	—
Loans held for sale	1	—	—	—	(1 )	—	—	—	—	—	—
Loans held for investment	2	—	—	—	—	—	1	—	—	3	—
Derivative instruments (c)											
Interest rate	9	—	(2 ) (d)	1	(2 )	—	—	6 (e)	\$(6 ) (e)	6	—
Credit	1	—	(26 ) (d)	—	—	\$ 25	—	—	—	—	—
Other (f)	3	—	—	—	—	—	(1 )	—	—	2	—
<b>Three months ended September 30, 2018</b>											
Securities available for sale											
Other securities	\$ 20	\$ —	—	—	—	—	—	—	\$ —	\$ 20	—
Other investments											
Principal investments											
Direct	13	—	\$ (1 ) (b)	—	—	—	—	—	—	12	(1 ) (b)
Equity investments											
Direct	7	—	—	—	—	—	—	—	—	7	—
Loans held for sale	—	—	—	—	—	—	—	—	—	—	—
Loans held for investment	3	—	—	—	—	—	—	—	—	3	—
Derivative instruments (c)											
Interest rate	5	—	— (d)	—	—	—	—	2 (e)	(1 ) (e)	6	—
Credit	(9 )	—	(6 ) (d)	—	—	\$ 15	—	—	—	—	—
Other (f)	3	—	—	—	—	—	(1 )	—	—	2	—
<i>in millions</i>											
<b>Nine months ended September 30, 2017</b>											
Securities available for sale											
Other securities	\$ 17	\$ 3	—	—	—	—	—	—	—	\$ 20	—
Other investments											
Principal investments											
Direct	27	\$ —	\$ (7 ) (b)	—	(7 )	—	—	—	—	13	\$ (1 ) (b)
Loans held for sale	—	—	—	—	(1 )	—	3	—	—	2	—
Derivative instruments (c)											
Interest rate	7	—	—	—	—	—	—	\$ 13 (e)	\$(9 ) (e)	11	—
Credit	1	—	(12 ) (d)	—	—	\$ 12	—	—	—	1	—
Other (f)	2	—	—	—	—	—	\$ 2	—	—	4	—
<b>Three months ended September 30, 2017</b>											
Securities available for sale											
Other securities	\$ 20	\$ 1	—	—	—	—	—	—	\$(1 )	\$ 20	—
Other investments											



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Principal investments											
Direct	15	\$	—	\$ (2 ) (b)	—	\$—	—	—	—	13	\$ 2 (b)
Loans held for sale	—	—	—	—	(1 )	—	3	—	—	2	—
Derivative instruments (c)											
Interest rate	16	—	—	—	—	—	—	\$ 1 (e)	\$(6 ) (e)	11	—
Credit	1	—	(5 ) (d)	—	—	\$ 5	—	—	—	1	—
Other (f)	4	—	—	\$	—	—	\$	—	—	4	—

(a) Our policy is to recognize transfers into and transfers out of Level 3 as of the end of the reporting period.

(b) Realized and unrealized gains and losses on principal investments are reported in "other income" on the income statement.

(c) Amounts represent Level 3 derivative assets less Level 3 derivative liabilities.

(d) Realized and unrealized gains and losses on derivative instruments are reported in "corporate services income" and "other income" on the income statement.

(e) Certain derivatives previously classified as Level 2 were transferred to Level 3 because Level 3 unobservable inputs became significant. Certain derivatives previously classified as Level 3 were transferred to Level 2 because Level 3 unobservable inputs became less significant.

(f) Amounts represent Level 3 interest rate lock commitments.

## Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in accordance with GAAP. The adjustments to fair value generally result from the application of accounting guidance that requires assets and liabilities to be recorded at the lower of cost or fair value, or assessed for impairment. There were no liabilities measured at fair value on a nonrecurring basis at September 30, 2018, and December 31, 2017.

The following table presents our assets measured at fair value on a nonrecurring basis at September 30, 2018, and December 31, 2017:

Table of contents

<i>in millions</i>	September 30, 2018			December 31, 2017		
	Level 2	Level 3	Total	Level 2	Level 3	Total
<b>ASSETS MEASURED ON A NONRECURRING BASIS</b>						
Impaired loans and leases	\$-	\$ 97	\$ 97	—	\$ 9	\$ 9
Accrued income and other assets	—	24	24	\$ 5	133	(a) 138
Total assets on a nonrecurring basis at fair value	\$-	\$ 121	\$ 121	\$ 5	\$ 142	\$ 147

(a) At December 31, 2017, we recorded \$31 million of impairment related to \$119 million of LIHTC and Historic Tax Credit investments impacted by the enactment of the TCJ Act. Refer to the "LIHTC and Historic Tax Credit Investments" section below for a description of the valuation technique and inputs applied for this fair value measurement.

**Impaired loans and leases.** The following two internal methods are used to value impaired loans and leases:

Cash flow analysis considers internally developed inputs, such as discount rates, default rates, costs of foreclosure, and changes in collateral values.

The fair value of the underlying collateral, which may take the form of real estate or personal property, is based on internal estimates, field observations, and assessments provided by third-party appraisers.

Reviews are done on a quarterly basis for non-accrual and TDRs greater than \$2.5 million to determine the amount of specific allocations for impairment needed. Impairment valuations are back-tested each quarter, based on a look-back of actual incurred losses on closed deals previously evaluated for impairment. The overall percent variance of actual net loan charge-offs on closed deals compared to the specific allocations on such deals is considered in determining each quarter's specific allocations.

**Commercial loans held for sale.** Through a quarterly analysis of our loan portfolios held for sale, which include both performing and nonperforming commercial loans, we determine any adjustments necessary to record the portfolios at the lower of cost or fair value in accordance with GAAP. For loans sold in an active market, we utilize non-binding bids for the respective loans or similar loans, or recent sales to determine the fair value. For inactive markets, we assess appraisal values, strength of sponsor/guarantor, loan pricing relative to current comparable transactions, current market conditions and market demographics. Our analysis concluded that there were no commercial loans held for sale adjusted to fair value at September 30, 2018, and December 31, 2017.

**Direct financing leases and operating lease assets held for sale.** Valuations of direct financing leases and operating lease assets held for sale are performed using an internal model that relies on market data, such as swap rates and bond ratings, as well as on our own assumptions about the exit market for the leases and details about the individual leases in the portfolio. The inputs based on our assumptions include changes in the value of leased items and internal credit ratings. These leases have been classified as Level 3 assets. Leases for which we receive a current nonbinding bid, and for which the sale is considered probable, may be classified as Level 2. No direct financing leases and operating lease assets held for sale were adjusted to fair value at September 30, 2018, and December 31, 2017.

**Other assets.** OREO and other repossessed properties are valued based on inputs such as appraisals and third-party price opinions, less estimated selling costs. Generally, we classify these assets as Level 3, but OREO and other repossessed properties for which we receive binding purchase agreements are classified as Level 2. Returned lease inventory is valued based on market data for similar assets and is classified as Level 2.

**LIHTC, HTC, and NMTC Investments.** Valuation of LIHTC, HTC, and NMTC investments involves measuring the present value of future tax benefits and comparing that value against the current carrying

value of the investments. LIHTC, HTC, and NMTC investments are impaired when it is more likely than not that the carrying amount of the investments will not be realized. A primary driver of impairment in the fourth quarter of 2017 was the enactment of the TCJ Act, which reduced future depreciation tax benefits expected to be realized by certain LIHTC, HTC, and NMTC investments. No impairment was recorded for the three and nine months ended September 30, 2018.

***Other Equity Investments.*** We have other investments in equity securities that do not have readily determinable fair values and do not qualify for the practical expedient to measure the investment using a net asset value per share. We have elected to measure these securities at cost less impairment plus or minus adjustments due to observable orderly transactions. Impairment is recorded when there is evidence that the expected fair value of the investment has declined to below the recorded cost. At each reporting period, we assess if these investments continue to qualify for this measurement alternative. At September 30, 2018, the carrying amount of equity investments recorded under this method was \$106 million. No impairment was recorded for the three and nine months ended September 30, 2018.

Table of contents**Quantitative Information about Level 3 Fair Value Measurements**

The range and weighted average of the significant unobservable inputs used to fair value our material Level 3 recurring and nonrecurring assets at September 30, 2018, and December 31, 2017, along with the valuation techniques used, are shown in the following table:

September 30, 2018 <i>dollars in millions</i>	Fair Value of Level 3 Assets	Valuation Technique	Significant Unobservable Input (Weighted-Average)	Range (Weighted-Average)
<b>Recurring</b>				
Other investments — principal investments — direct:	\$ 12	Individual analysis of the condition of each investment		
Debt instruments			EBITDA multiple	N/A (6.88)
Equity instruments of private companies			EBITDA multiple	N/A (6.88)
<b>Nonrecurring</b>				
Impaired loans	97	Fair value of underlying collateral	Discount	0.00 - 75.00% (20.00%)
<b>December 31, 2017</b>				
<i>dollars in millions</i>	Fair Value of Level 3 Assets	Valuation Technique	Significant Unobservable Input	Range (Weighted-Average)
<b>Recurring</b>				
Other investments — principal investments — direct:	\$ 13	Individual analysis of the condition of each investment		
Debt instruments			EBITDA multiple	N/A (6.00)
Equity instruments of private companies			EBITDA multiple	N/A (6.00)
<b>Nonrecurring</b>				
Impaired loans	9	Fair value of underlying collateral	Discount	0.00 - 50.00% (23.00%)

**Fair Value Disclosures of Financial Instruments**

The levels in the fair value hierarchy ascribed to our financial instruments and the related carrying amounts at September 30, 2018, and December 31, 2017, are shown in the following tables. Assets and liabilities are further arranged by measurement category.

<i>in millions</i>	September 30, 2018					Total
	Carrying Amount	Level 2	Level 3	Measured at NAV	Netting Adjustment	
<b>ASSETS (by measurement category)</b>						
<b>Fair value - net income</b>						
Trading account assets <sup>(b)</sup>	\$ 958	3	\$ 955	—	—	\$ 958
Other investments <sup>(b)</sup>	681	—	1	\$ 578	\$ 102	681
Loans, net of unearned income <sup>(d)</sup>	3	—	—	3	—	3
Loans held for sale <sup>(b)</sup>	87	—	87	—	—	87
Derivative assets - trading <sup>(b)</sup>	700	\$ 68	794	8	\$ (170)	700 <sup>(f)</sup>
<b>Fair value - OCI</b>						
Securities available for sale <sup>(b)</sup>	18,341	—	18,321	\$ 20	—	18,341
Derivative assets - hedging <sup>(b)</sup>	48	2	38	—	8	48 <sup>(f)</sup>
<b>Amortized cost</b>						
Held-to-maturity securities <sup>(c)</sup>	11,869	—	11,261	—	—	11,261
Loans, net of unearned income <sup>(d)</sup>	88,378	—	—	86,418	—	86,418
Loans held for sale <sup>(b)</sup>	1,531	—	—	1,531	—	1,531
<b>Other</b>						
Cash and short-term investments <sup>(a)</sup>	2,591	2,591	—	—	—	2,591
<b>LIABILITIES (by measurement category)</b>						

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

<b>Fair value - net income</b>									
Derivative liabilities - trading <sup>(b)</sup>	\$ 446	\$ 61	\$ 967	—	—	\$ (582)	) (f)	\$ 446	
<b>Fair value - OCI</b>									
Derivative liabilities - hedging <sup>(b)</sup>	(3	) 1	(4	) —	—	—	(f)	(3	)
<b>Amortized cost</b>									
Time deposits <sup>(e)</sup>	13,583	—	13,654	—	—	—		13,654	
Short-term borrowings <sup>(a)</sup>	1,922	\$ 37	1,885	—	—	—		1,922	
Long-term debt <sup>(e)</sup>	13,849	12,65	9205	—	—	—		13,864	
<b>Other</b>									
Deposits with no stated maturity (a)	92,197	—	92,197	—	—	—		92,197	

Table of contents

in millions	December 31, 2017					Total	
	Carrying Amount	Level 1	Level 2	Level 3	Measured at NAV		Netting Adjustment
<b>ASSETS (by measurement category)</b>							
<b>Fair value - net income</b>							
Trading account assets <sup>(b)</sup>	\$ 836	—	\$ 836	—	—	—	\$ 836
Other investments <sup>(b)</sup>	726	—	4	\$ 598	\$ 124	—	726
Loans, net of unearned income <sup>(d)</sup>	2	—	—	2	—	—	2
Loans held for sale <sup>(b)</sup>	71	—	70	1	—	—	71
Derivative assets - trading <sup>(b)</sup>	681	\$ 99	918	13	—	\$ (349)	(f) 681
<b>Fair value - OCI</b>							
Securities available for sale <sup>(b)</sup>	18,139	—	18,119	20	—	—	18,139
Derivative assets - hedging <sup>(b)</sup>	(12)	(1)	81	—	—	(94)	(f) (12)
<b>Amortized cost</b>							
Held-to-maturity securities <sup>(c)</sup>	11,830	—	11,565	—	—	—	11,565
Loans, net of unearned income <sup>(d)</sup>	85,526	—	—	84,003	—	—	84,003
Loans held for sale <sup>(b)</sup>	1,036	—	—	1,036	—	—	1,036
<b>Other</b>							
Cash and short-term investments <sup>(a)</sup>	5,118	5,118	—	—	—	—	5,118
<b>LIABILITIES (by measurement category)</b>							
<b>Fair value - net income</b>							
Derivative liabilities - trading <sup>(b)</sup>	\$ 289	\$ 94	\$ 763	—	—	\$ (568)	(f) \$ 289
<b>Fair value - OCI</b>							
Derivative liabilities - hedging <sup>(b)</sup>	2	4	46	—	—	(48)	(f) 2
<b>Amortized cost</b>							
Time deposits <sup>(e)</sup>	11,647	—	11,750	—	—	—	11,750
Short-term borrowings <sup>(a)</sup>	1,011	72	939	—	—	—	1,011
Long-term debt <sup>(e)</sup>	14,333	13,407	7,219	—	—	—	14,626
<b>Other</b>							
Deposits with no stated maturity <sup>(a)</sup>	93,588	—	93,588	—	—	—	93,588

Valuation Methods and Assumptions

(a) Fair value equals or approximates carrying amount. The fair value of deposits with no stated maturity does not take into consideration the value ascribed to core deposit intangibles.

Information pertaining to our methodology for measuring the fair values of these assets and liabilities is included in the sections entitled "Qualitative Disclosures of Valuation Techniques" and "Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis" in this Note. Investments accounted for under the cost method (or cost less impairment adjusted for observable price

(b) changes for certain equity investments) are classified as Level 3 assets. These investments are not actively traded in an open market as sales for these types of investments are rare. The carrying amount of the investments carried at cost are adjusted for declines in value if they are considered to be other-than-temporary (or due to observable orderly transactions of the same issuer for equity investments eligible for the cost less impairment measurement alternative). These adjustments are included in "other income" on the income statement.

Fair values of held-to-maturity securities are determined by using models that are based on security-specific details, as well as relevant industry and economic factors. The most significant of (c) these inputs are quoted market prices, interest rate spreads on relevant benchmark securities, and certain prepayment assumptions. We review the valuations derived from the models to ensure that they are reasonable and consistent with the values placed on similar securities traded in the secondary markets.

The fair value of loans is based on the present value of the expected cash flows. The projected cash flows are based on the contractual terms of the loans, adjusted for prepayments and use of a (d) discount rate based on the relative risk of the cash flows, taking into account the loan type, maturity of the loan, liquidity risk, servicing costs, and a required return on debt and capital. In addition, an incremental liquidity discount is applied to certain loans, using historical sales of loans during periods of similar economic conditions as a benchmark. The fair value of loans includes lease financing receivables at their aggregate carrying amount, which is equivalent to their fair value.

(e) Fair values of time deposits and long-term debt are based on discounted cash flows utilizing relevant market inputs.

Netting adjustments represent the amounts recorded to convert our derivative assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The (f) net basis takes into account the impact of bilateral collateral and master netting agreements that allow us to settle all derivative contracts with a single counterparty on a net basis and to offset the net derivative position with the related cash collateral. Total derivative assets and liabilities include these netting adjustments.

**Education lending business.** The discontinued education lending business consists of loans in portfolio recorded at carrying value with appropriate valuation reserves, and loans in portfolio recorded at fair value. All of these loans were excluded from the table above as follows:

Loans at carrying value, net of allowance, of \$1.1 billion (\$1.0 billion at fair value) at September 30, 2018, and \$1.3 billion (\$1.0 billion at fair value) at December 31, 2017;

Portfolio loans at fair value of \$2 million at September 30, 2018, and \$2 million at December 31, 2017.

These loans and securities are classified as Level 3 because we rely on unobservable inputs when determining fair value since observable market data is not available.

## 6. Securities

The amortized cost, unrealized gains and losses, and approximate fair value of our securities available for sale and held-to-maturity securities are presented in the following tables. Gross unrealized gains and losses represent the difference between the amortized cost and the fair value of securities on the balance sheet as of the dates indicated. Accordingly, the amount of these gains and losses may change in the future as market conditions change.

Table of contents

<i>in millions</i>	September 30, 2018				December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>SECURITIES AVAILABLE FOR SALE</b>								
U.S. Treasury, agencies, and corporations	\$ 150	—	\$ 5	\$ 145	\$ 159	—	\$ 2	\$ 157
States and political subdivisions	7	—	—	7	9	—	—	9
Agency residential collateralized mortgage obligations	14,804	\$ 4	616	14,192	14,985	\$ 10	335	14,660
Agency residential mortgage-backed securities	1,708	2	49	1,661	1,456	3	20	1,439
Agency commercial mortgage-backed securities	2,439	—	123	2,316	1,920	—	66	1,854
Other securities	17	3	—	20	17	3	—	20
Total securities available for sale	\$ 19,125	\$ 9	\$ 793	\$ 18,341	\$ 18,546	\$ 16	\$ 423	\$ 18,139
<b>HELD-TO-MATURITY SECURITIES</b>								
Agency residential collateralized mortgage obligations	\$ 7,330	—	\$ 400	\$ 6,930	\$ 8,055	—	\$ 224	\$ 7,831
Agency residential mortgage-backed securities	508	—	22	486	574	\$ 1	4	571
Agency commercial mortgage-backed securities	4,019	—	186	3,833	3,186	6	44	3,148
Other securities	12	—	—	12	15	—	—	15
Total held-to-maturity securities	\$ 11,869	\$ —	\$ 608	\$ 11,261	\$ 11,830	\$ 7	\$ 272	\$ 11,565

The following table summarizes our securities that were in an unrealized loss position as of September 30, 2018, and December 31, 2017.

<i>in millions</i>	Duration of Unrealized Loss Position					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<b>September 30, 2018</b>						
Securities available for sale:						
U.S Treasury, agencies, and corporations	—	—	\$ 145	\$ 5	\$ 145	\$ 5
Agency residential collateralized mortgage obligations	\$ 3,121	54	10,062	562	13,183	616
Agency residential mortgage-backed securities	409	3	1,089	46	1,498	49
Agency commercial mortgage-backed securities	558	2	1,758	121	2,316	123
Held-to-maturity securities:						
Agency residential collateralized mortgage obligations	1,275	44	5,655	356	6,930	400
Agency residential mortgage-backed securities	153	6	333	16	486	22
Agency commercial mortgage-backed securities	2,629	98	1,205	88	3,834	186
Other securities <sup>(a)</sup>	2	—	—	—	2	—
Total temporarily impaired securities	\$ 8,147	\$ 207	\$ 20,247	\$ 1,194	\$ 28,394	\$ 1,401
<b>December 31, 2017</b>						
Securities available for sale:						
U.S. Treasury, agencies, and corporations	\$ 41	—	\$ 116	2	\$ 157	\$ 2
Agency residential collateralized mortgage obligations	6,153	\$ 74	7,270	\$ 261	13,423	335
Agency residential mortgage-backed securities	666	7	702	13	1,368	20
Agency commercial mortgage-backed securities	205	4	1,649	62	1,854	66
Held-to-maturity securities:						
Agency residential collateralized mortgage obligations	2,201	27	5,599	197	7,800	224
Agency residential mortgage-backed securities	252	1	206	3	458	4
Agency commercial mortgage-backed securities	1,470	12	495	32	1,965	44
Other securities <sup>(a)</sup>	3	—	4	—	7	—



Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Total temporarily impaired securities	\$ 10,991\$ 125	\$ 16,041\$ 570	\$ 27,032\$ 695
---------------------------------------	-----------------	-----------------	-----------------

(a) Gross unrealized losses totaled less than \$1 million for other securities held-to maturity at September 30, 2018, and December 31, 2017.

At September 30, 2018, we had \$616 million of gross unrealized losses related to 482 fixed-rate agency residential CMOs that we invested in as part of our overall A/LM strategy. These securities had a weighted-average maturity of 4.69 years at September 30, 2018. At September 30, 2018, we also had \$49 million of gross unrealized losses related to 262 agency residential mortgage-backed securities positions and \$123 million of gross unrealized losses related to 20 agency commercial mortgage backed securities positions with weighted-average maturities of 4.30 years and 4.15 years, respectively. Because these securities have a fixed interest rate, their fair value is sensitive to movements in market interest rates. These unrealized losses are considered temporary since we expect to collect all contractually due amounts from these securities. Accordingly, these investments were reduced to their fair value through OCI, not through earnings.

We regularly assess our securities portfolio for OTTI. The assessments are based on the nature of the securities, the underlying collateral, the financial condition of the issuer, the extent and duration of the loss, our intent related to

78

---

Table of contents

the individual securities, and the likelihood that we will have to sell securities prior to expected recovery. As shown in the following table, we did not have any impairment losses recognized in earnings for the nine months ended September 30, 2018.

**Nine months ended September 30, 2018***in millions*

<b>Balance at December 31, 2017</b>	\$4
Impairment recognized in earnings	—
<b>Balance at September 30, 2018</b>	\$4

At September 30, 2018, securities available for sale and held-to-maturity securities totaling \$8.4 billion were pledged to secure securities sold under repurchase agreements, to secure public and trust deposits, to facilitate access to secured funding, and for other purposes required or permitted by law.

The following table shows our securities by remaining maturity. CMOs and other mortgage-backed securities in the available for sale portfolio and held-to-maturity portfolio are presented based on their expected average lives. The remaining securities, in both the available-for-sale and held-to-maturity portfolios, are presented based on their remaining contractual maturity. Actual maturities may differ from expected or contractual maturities since borrowers have the right to prepay obligations with or without prepayment penalties.

<b>September 30, 2018</b> <i>in millions</i>	<b>Securities Available for Sale</b>		<b>Held to Maturity Securities</b>	
	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>
Due in one year or less	\$93	\$93	\$31	\$30
Due after one through five years	12,365	11,846	6,181	5,910
Due after five through ten years	6,655	6,390	5,657	5,321
Due after ten years	12	12	—	—
Total	\$19,125	\$18,341	\$11,869	\$11,261

## 7. Derivatives and Hedging Activities

We are a party to various derivative instruments, mainly through our subsidiary, KeyBank. The primary derivatives that we use are interest rate swaps, caps, floors, and futures; foreign exchange contracts; commodity derivatives; and credit derivatives. Generally, these instruments help us manage exposure to interest rate risk, mitigate the credit risk inherent in our loan portfolio, hedge against changes in foreign currency exchange rates, and meet client financing and hedging needs.

At September 30, 2018, after taking into account the effects of bilateral collateral and master netting agreements, we had \$48 million of derivative assets and a positive \$3 million of derivative liabilities that relate to contracts entered into for hedging purposes. 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, we had derivative assets of \$700 million and derivative liabilities of \$446 million that were not designated as hedging instruments. These positions are primarily comprised of derivative contracts entered into for client accommodation purposes.

Additional information regarding our accounting policies for derivatives is provided in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Derivatives and Hedging” beginning on page 105 of our 2017 Form 10-K. Our derivative strategies and related risk management objectives are described in Note 9 (“Derivatives and Hedging Activities”) beginning on page 143 of our 2017 Form 10-K.

### **Fair Values, Volume of Activity, and Gain/Loss Information Related to Derivative Instruments**

The following table summarizes the fair values of our derivative instruments on a gross and net basis as of September 30, 2018, and December 31, 2017. The derivative asset and liability balances are presented on a gross basis, prior to the application of bilateral collateral and master netting agreements, but after the variation margin payments with central clearing organizations have been applied as settlement, as applicable. Total derivative assets and liabilities are adjusted to take into account the impact of legally enforceable master netting agreements that allow us to settle all derivative contracts with a single counterparty on a net basis and to offset the net derivative position with the related cash collateral. Securities collateral related to legally enforceable master netting

Table of contents

agreements is not offset on the balance sheet. Our derivative instruments are included in “accrued income and other assets” or “accrued expenses and other liabilities” on the balance sheet, as follows:

<i>in millions</i>	September 30, 2018			December 31, 2017		
	Fair Value			Fair Value		
	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities
Derivatives designated as hedging instruments:						
Interest rate	\$27,445	\$38	\$ (4)	\$26,176	\$81	\$ 46
Foreign exchange	254	2	1	302	1	4
Total	27,699	40	(3)	26,478	82	50
Derivatives not designated as hedging instruments:						
Interest rate	65,617	272	449	61,390	641	474
Foreign exchange	7,695	100	92	8,317	129	120
Commodity	2,235	491	481	1,687	255	246
Credit	401	—	3	315	1	4
Other <sup>(a)</sup>	1,795	7	3	2,006	4	13
Total	77,743	870	1,028	73,715	1,030	857
Netting adjustments <sup>(b)</sup>	—	(162)	(582)	—	(443)	(616)
Net derivatives in the balance sheet	105,442	748	443	100,193	669	291
Other collateral <sup>(c)</sup>	—	(1)	(50)	—	(5)	(84)
Net derivative amounts	\$105,442	\$747	\$393	\$100,193	\$664	\$207

Other derivatives include interest rate lock commitments and forward sale commitments related to our residential mortgage banking activities, forward purchase and sales contracts consisting of (a) contractual commitments associated with “to be announced” securities and when-issued securities, and when-issued security transactions in connection with an “at-the-market” equity offering program.

(b) Netting adjustments represent the amounts recorded to convert our derivative assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance.

(c) Other collateral represents the amount that cannot be used to offset our derivative assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The other collateral consists of securities and is exchanged under bilateral collateral and master netting agreements that allow us to offset the net derivative position with the related collateral. The application of the other collateral cannot reduce the net derivative position below zero. Therefore, excess other collateral, if any, is not reflected above.

**Fair value hedges.** During the nine-month period ended September 30, 2018, we did not exclude any portion of fair value hedging instruments from the assessment of hedge effectiveness.

The following table summarizes the amounts that were recorded on the balance sheet as of September 30, 2018, related to cumulative basis adjustments for fair value hedges.

<i>in millions</i>	September 30, 2018	Balance sheet line item in which the hedge item is included	Carrying	Hedge
			amount of hedged item <sup>(a)</sup>	accounting basis adjustment <sup>(b)</sup>
Interest rate contracts	Long-term debt		\$ 9,442	\$ (145)
Interest rate contracts	Certificate of deposit (\$100,000 or more)		344	(1)
Interest rate contracts	Other time deposits		178	—

(a) The carrying amount represents the portion of the liability designated as the hedged item.

(b) Basis adjustment includes \$10 million related to de-designated hedged items no longer in qualifying fair value hedging relationships.

**Cash flow hedges.** During the nine-month period ended September 30, 2018, we did not exclude any portion of cash flow hedging instruments from the assessment of hedge effectiveness.

Considering the interest rates, yield curves, and notional amounts as of September 30, 2018, we expect to reclassify an estimated \$45 million of after-tax net gains on derivative instruments designated as cash flow hedges from AOCI to income during the next 12 months. In addition, we expect to reclassify approximately

\$45 million of net losses related to terminated cash flow hedges from AOCI to income during the next 12 months. As of September 30, 2018, the maximum length of time over which we hedge forecasted transactions is 10 years.

The following tables summarize the effect of fair value and cash flow hedge accounting on the income statement for the three- and nine-month periods ended September 30, 2018, and September 30, 2017.

80

---

Table of contents

<i>in millions</i>	Location and amount of net gains (losses) recognized in income on fair value and cash flow hedging relationships (a)			
	Interest expense — long-term debt	Interest income — loans	Interest expense — deposits	Other income
<b>Three months ended September 30, 2018</b>				
Total amounts presented in the consolidated statement of income	\$(108)	\$1,025	\$(140)	\$23
<b>Net gains (losses) on fair value hedging relationships</b>				
Interest contracts				
Recognized on hedged items	41	—	—	—
Recognized on derivatives designated as hedging instruments	(46)	—	—	—
Net income (expense) recognized on fair value hedges	(5)	—	—	—
<b>Net gain (loss) on cash flow hedging relationships</b>				
Interest contracts				
Realized gains (losses) (pre-tax) reclassified from AOCI into net income	(2)	(15)	—	—
Net income (expense) recognized on cash flow hedges	\$(2)	\$(15)	—	—
<b>Three months ended September 30, 2017</b>				
Total amounts presented in the consolidated statement of income	\$(86)	\$928	\$(72)	\$21
<b>Net gains (losses) on fair value hedging relationships</b>				
Interest contracts				
Recognized on hedged items	—	—	—	20
Recognized on derivatives designated as hedging instruments	10	—	—	(19)
Net income (expense) recognized on fair value hedges	10	—	—	1
<b>Net gain (loss) on cash flow hedging relationships</b>				
Interest contracts				
Realized gains (losses) (pre-tax) reclassified from AOCI into net income	(1)	1	—	—
Gains (losses) (before tax) recognized in income for hedge ineffectiveness	—	—	—	—
Net income (expense) recognized on cash flow hedges	\$(1)	\$1	—	—
<b>Nine months ended September 30, 2018</b>				
Total amounts presented in the consolidated statement of income	\$(302)	\$2,965	\$(343)	\$143
<b>Net gains (losses) on fair value hedging relationships</b>				
Interest contracts				
Recognized on hedged items	134	—	1	—
Recognized on derivatives designated as hedging instruments	(140)	—	—	—
Net income (expense) recognized on fair value hedges	(6)	—	1	—
<b>Net gain (loss) on cash flow hedging relationships</b>				
Interest contracts				
Realized gains (losses) (pre-tax) reclassified from AOCI into net income	(2)	(42)	—	—
Net income (expense) recognized on cash flow hedges	\$(2)	\$(42)	—	—

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Nine months ended September 30, 2017

Total amounts presented in the consolidated statement of income                      \$ (228 ) \$ 2,753   \$ (196 ) \$ 138

**Net gains (losses) on fair value hedging relationships**

Interest contracts

Recognized on hedged items	—	—	—	50
Recognized on derivatives designated as hedging instruments	42	—	—	(49 )
Net income (expense) recognized on fair value hedges	42	—	—	1

**Net gain (loss) on cash flow hedging relationships**

Interest contracts

Realized gains (losses) (pre-tax) reclassified from AOCI into net income	(3 )	21	—	—
Gains (losses) (before tax) recognized in income for hedge ineffectiveness	—	—	—	—
Net income (expense) recognized on cash flow hedges	\$ (3 )	\$ 21	—	—

(a) Prior period gain or loss amounts were not restated to conform to the new hedge accounting guidance adopted in 2018.

**Net investment hedges.** We enter into foreign currency forward contracts to hedge our exposure to changes in the carrying value of our investments as a result of changes in the related foreign exchange rates. At September 30, 2018, AOCI reflected unrecognized, after-tax gains totaling \$43 million related to cumulative changes in the fair value of our net investment hedges, which offset the unrecognized, after-tax foreign currency losses on net investment balances. We did not exclude any portion of our hedging instruments from the assessment of hedge effectiveness during the nine-month period ended September 30, 2018.

Table of contents

The following tables summarize the pre-tax net gains (losses) on our cash flow and net investment hedges for the three- and nine-month periods ended September 30, 2018, and September 30, 2017, and where they are recorded on the income statement. The table includes net gains (losses) recognized in OCI during the period and net gains (losses) reclassified from OCI into income during the current period.

<i>in millions</i>	Net Gains (Losses) Recognized in OCI	Income Statement Location of Net Gains (Losses) Reclassified From OCI Into Income	Net Gains (Losses) Reclassified From OCI Into Income(a)	Net Gains (Losses) Recognized in Other Income(a)
<b>Three months ended September 30, 2018</b>				
<b>Cash Flow Hedges</b>				
Interest rate	\$ (32 )	Interest income — Loans	\$ (15 )	\$ —
Interest rate	(1 )	Interest expense — Long-term debt	(2 )	—
Interest rate	1	Investment banking and debt placement fees	—	—
<b>Net Investment Hedges</b>				
Foreign exchange contracts	(2 )	Other Income—	—	—
Total	\$ (34 )		\$ (17 )	\$ —
<b>Three months ended September 30, 2017</b>				
<b>Cash Flow Hedges</b>				
Interest rate	\$ (1 )	Interest income — Loans	\$ 1	\$ —
Interest rate	(1 )	Interest expense — Long-term debt	(1 )	—
Interest rate	(1 )	Investment banking and debt placement fees	—	—
<b>Net Investment Hedges</b>				
Foreign exchange contracts	(12 )	Other Income—	—	—
Total	\$ (15 )		\$ —	\$ —
<b>Nine months ended September 30, 2018</b>				
<b>Cash Flow Hedges</b>				
Interest rate	\$ (178 )	Interest income — Loans	\$ (42 )	\$ —
Interest rate	3	Interest expense — Long-term debt	(2 )	—
Interest rate	2	Investment banking and debt placement fees	—	—
<b>Net Investment Hedges</b>				
Foreign exchange contracts	8	Other Income—	—	—
Total	\$ (165 )		\$ (44 )	\$ —



Nine months ended September 30, 2017

**Cash Flow Hedges**

Interest rate	\$ (1 )	)	Interest income —	\$ 21	\$ —
			Loans		
Interest rate	(1 )	)	Interest expense —	(3 )	—
			Long-term debt		
Interest rate	(1 )	)	Investment banking and debt placement fees	—	—

**Net Investment Hedges**

Foreign exchange contracts	(22 )	)	Other Income—	—	—
Total	\$ (25 )	)		\$ 18	\$ —

(a) Prior period gain or loss amounts were not restated to conform to the new hedge accounting guidance adopted in 2018.

**Nonhedging instruments**

The following tables summarize the pre-tax net gains (losses) on our derivatives that are not designated as hedging instruments for the three- and nine-month periods ended September 30, 2018, and September 30, 2017, and where they are recorded on the income statement.

<i>in millions</i>	Three months ended September 30, 2018				Three months ended September 30, 2017			
	Corporate services income	Consumer mortgage income	Other income	Total	Corporate services income	Consumer mortgage income	Other income	Total
<b>NET GAINS (LOSSES)</b>								
Interest rate	\$8	\$ —	\$ 2	\$10	\$5	—	\$ 1	\$6
Foreign exchange	10	—	—	10	10	—	—	10
Commodity	—	—	—	—	1	—	—	1
Credit	—	—	(7 )	(7 )	—	—	(6 )	(6 )
Other	—	1	1	2	—	\$ (1 )	7	6
Total net gains (losses)	\$18	\$ 1	\$ (4 )	\$15	\$16	\$ (1 )	\$ 2	\$17

Table of contents

<i>in millions</i>	Nine months ended September 30, 2018				Nine months ended September 30, 2017			
	Corporate services income	Consumer mortgage income	Other income	Total	Corporate services income	Consumer mortgage income	Other income	Total
<b>NET GAINS (LOSSES)</b>								
Interest rate	\$28	\$ —	\$ 4	\$ 32	\$21	\$ —	\$ (1)	\$ 20
Foreign exchange	32	—	—	32	31	—	—	31
Commodity	6	—	—	6	4	—	—	4
Credit	2	—	(26)	(24)	1	—	(16)	(15)
Other	—	1	13	14	—	\$	—(4)	(4)
Total net gains (losses)	\$68	\$ 1	\$ (9)	\$ 60	\$57	\$	—\$(21)	\$ 36

**Counterparty Credit Risk**

We use several means to mitigate and manage exposure to credit risk on derivative contracts. We enter into bilateral collateral and master netting agreements that provide for the net settlement of all contracts with a single counterparty in the event of default. Additionally, we monitor counterparty credit risk exposure on each contract to determine appropriate limits on our total credit exposure across all product types. We review our collateral positions on a daily basis and exchange collateral with our counterparties in accordance with standard ISDA documentation, central clearing rules, and other related agreements. We hold collateral in the form of cash and highly rated securities issued by the U.S. Treasury, government-sponsored enterprises, or GNMA. Cash collateral of \$116 million was included in derivative assets on the balance sheet at September 30, 2018, compared to \$23 million of cash collateral netted against derivative assets at December 31, 2017. The cash collateral netted against derivative liabilities totaled \$304 million at September 30, 2018, and \$150 million at December 31, 2017.

The following table summarizes the fair value of our derivative assets by type at the dates indicated. These assets represent our gross exposure to potential loss after taking into account the effects of bilateral collateral and master netting agreements and other means used to mitigate risk.

<i>in millions</i>	September 30, 2018	December 31, 2017
Interest rate	\$ 189	\$ 401
Foreign exchange	61	77
Commodity	376	163
Credit	(1)	) 1
Other	7	4
Derivative assets before collateral	632	646
Less: Related collateral	(116)	) (23)
Total derivative assets	\$ 748	\$ 669

We enter into derivative transactions with two primary groups: broker-dealers and banks, and clients. Given that these groups have different economic characteristics, we have different methods for managing counterparty credit exposure and credit risk.

We enter into transactions with broker-dealers and banks for various risk management purposes. At September 30, 2018, we had gross exposure of \$148 million to broker-dealers and banks. We had net exposure of \$215 million after the application of master netting agreements and cash collateral, where such

qualifying agreements exist. We had net exposure of \$205 million after considering \$10 million of additional collateral held in the form of securities.

We enter into transactions with clients to accommodate their business needs. Due to the smaller size and magnitude of the individual contracts with clients, we generally do not exchange collateral in connection with these derivative transactions. To address the risk of default associated with the uncollateralized contracts, we have established a credit valuation adjustment (included in “accrued income and other assets”) in the amount of \$4 million at September 30, 2018, which we estimate to be the potential future losses on amounts due from client counterparties in the event of default. At September 30, 2018, we had gross exposure of \$592 million to client counterparties and other entities that are not broker-dealers or banks for derivatives that have associated master netting agreements. We had net exposure of \$534 million on our derivatives with these counterparties after the application of master netting agreements, collateral, and the related reserve.

Table of contents**Credit Derivatives**

We are a buyer and, under limited circumstances, may be a seller of credit protection through the credit derivative market. We purchase credit derivatives to manage the credit risk associated with swap obligations as well as exposures to debt securities.

The following table summarizes the fair value of our credit derivatives purchased and sold by type as of September 30, 2018, and December 31, 2017. The fair value of credit derivatives presented below does not take into account the effects of bilateral collateral or master netting agreements.

<i>in millions</i>	September 30, 2018		December 31, 2017	
	Purchase	Sold Net	Purchase	Sold Net
Single-name credit default swaps	\$ (1 )	—	\$ (1 )	—
Traded credit default swap indices	(1 )	—	(2 )	—
Other	—	(1 )	(1 )	—
Total credit derivatives	\$ (2 )	(1 )	\$ (3 )	—

The majority of transactions represented by the “other” category shown in the above table consist of risk participation agreements as described in Note 9. Derivatives and Hedging Activities of our 2017 Form 10-K under the heading “Credit Derivatives.” In addition, the other category includes credit default swap options in which we are given the right, but not the obligation, to purchase credit protection on a stated entity for a specified period of time.

The following table provides information on the types of credit derivatives sold by us and held on the balance sheet at September 30, 2018, and December 31, 2017. The notional amount represents the maximum amount that the seller could be required to pay. The payment/performance risk assessment is based on the default probabilities for the underlying reference entities’ debt obligations using a Moody’s credit ratings matrix known as Moody’s “Idealized” Cumulative Default Rates. The payment/performance risk shown in the table represents a weighted-average of the default probabilities for all reference entities in the respective portfolios. These default probabilities are directly correlated to the probability that we will have to make a payment under the credit derivative contracts.

<i>dollars in millions</i>	September 30, 2018			December 31, 2017		
	Notional Amount (Years)	Average Term (Years)	Payment / Performance Risk	Notional Amount (Years)	Average Term (Years)	Payment / Performance Risk
Other	\$ 122.47	5.01	%	\$ 153.08	6.64	%
Total credit derivatives sold	\$ 12—	—		\$ 15—	—	

**Credit Risk Contingent Features**

We have entered into certain derivative contracts that require us to post collateral to the counterparties when these contracts are in a net liability position. The amount of collateral to be posted is based on the amount of the net liability and thresholds generally related to our long-term senior unsecured credit ratings with Moody’s and S&P. Collateral requirements also are based on minimum transfer amounts, which are specific to each Credit Support Annex (a component of the ISDA Master Agreement) that we have signed with the counterparties. In a limited number of instances, counterparties have the right to terminate their ISDA Master Agreements with us if our ratings fall below a certain level, usually investment-grade level

(i.e., “Baa3” for Moody’s and “BBB-” for S&P). September 30, 2018, KeyBank’s rating was “A3” with Moody’s and “A-” with S&P, and KeyCorp’s rating was “Baa1” with Moody’s and “BBB+” with S&P. September 30, 2018, the aggregate fair value of all derivative contracts with credit risk contingent features (i.e., those containing collateral posting or termination provisions based on our ratings) held by KeyBank that were in a net liability position totaled \$335 million, which was comprised of \$144 million in derivative assets and \$479 million in derivative liabilities. We had \$317 million in cash and securities collateral posted to cover those positions as of September 30, 2018. There were no derivative contracts with credit risk contingent features held by KeyCorp at September 30, 2018.

The following table summarizes the additional cash and securities collateral that KeyBank would have been required to deliver under the ISDA Master Agreements had the credit risk contingent features been triggered for the derivative contracts in a net liability position as of September 30, 2018, and December 31, 2017. The additional collateral amounts were calculated based on scenarios under which KeyBank’s ratings are downgraded one, two, or three ratings as of September 30, 2018, and December 31, 2017, and take into account all collateral already posted. A similar calculation was performed for KeyCorp, and no additional collateral would have been required as

Table of contents

of September 30, 2018, and December 31, 2017. For more information about the credit ratings for KeyBank and KeyCorp, see the discussion under the heading “Factors affecting liquidity” in the section entitled “Liquidity risk management” in Item 2 of this report.

<i>in millions</i>	September 30, 2018		December 31, 2017	
	Moody's	S&P	Moody's	S&P
KeyBank's long-term senior unsecured credit ratings	A3	A-	A3	A-
One rating downgrade	\$ 1	\$ 1	\$ 2	\$ 2
Two rating downgrades	1	1	2	2
Three rating downgrades	1	1	2	2

KeyBank's long-term senior unsecured credit rating was four ratings above noninvestment grade at Moody's and S&P as of September 30, 2018, and December 31, 2017. If KeyBank's ratings had been downgraded below investment grade as of September 30, 2018, or December 31, 2017, payments of up to \$2 million and \$12 million, respectively, would have been required to either terminate the contracts or post additional collateral for those contracts in a net liability position, taking into account all collateral already posted. If KeyCorp's ratings had been downgraded below investment grade as of September 30, 2018, or December 31, 2017, no payments would have been required to either terminate the contracts or post additional collateral for those contracts in a net liability position, taking into account all collateral already posted.

## 8. Mortgage Servicing Assets

We originate and periodically sell commercial and residential mortgage loans but continue to service those loans for the buyers. We also may purchase the right to service commercial mortgage loans for other lenders. We record a servicing asset if we purchase or retain the right to service loans in exchange for servicing fees that exceed the going market servicing rate and are considered more than adequate compensation for servicing. Additional information pertaining to the accounting for mortgage and other servicing assets is included in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Servicing Assets” beginning on page 106 of our 2017 Form 10-K.

### Commercial

Changes in the carrying amount of commercial mortgage servicing assets are summarized as follows:

<i>in millions</i>	Three months ended September 30, 2018		Nine months ended September 30, 2018	
	2018	2017	2018	2017
Balance at beginning of period	\$451	\$373	\$412	\$356
Servicing retained from loan sales	25	24	81	71
Purchases	17	10	50	24
Amortization	(25)	(22)	(75)	(66)
Balance at end of period	\$468	\$385	\$468	\$385
Fair value at end of period	\$672	\$508	\$672	\$508

The fair value of commercial mortgage servicing assets is determined by calculating the present value of future cash flows associated with servicing the loans. This calculation uses a number of assumptions that are based on current market conditions. The range and weighted average of the significant unobservable inputs used to determine the fair value of our commercial mortgage servicing assets at September 30, 2018, and September 30, 2017, along with the valuation techniques, are shown in the following table:

<i>dollars in millions</i>		<b>September 30, 2018</b>	<b>September 30, 2017</b>
<b>Valuation Technique</b>	<b>Significant Unobservable Input</b>	<b>Range (Weighted Average)</b>	
Discounted cash flow	Expected defaults	<b>1.00 - 3.00% (1.16%)</b>	1.00 - 3.00% (1.20%)
	Residual cash flows discount rate	<b>7.00 - 15.00% (9.10%)</b>	7.00 - 15.00% (8.90%)
	Escrow earn rate	<b>2.38 - 3.94% (3.07%)</b>	.80 - 3.00% (2.40%)
	Servicing cost	<b>\$150 - \$38,500 (\$1,445)</b>	\$150 - \$38,500 (\$1,468)
	Loan assumption rate	<b>0.00 - 3.22% (1.34%)</b>	0.00 - 3.00% (1.24%)
	Percentage late	<b>0.00 - 2.00% (.20%)</b>	0.00 - 2.00% (.27%)

If these economic assumptions change or prove incorrect, the fair value of commercial mortgage servicing assets may also change. Expected credit losses, escrow earning rates, and discount rates are critical to the valuation of

Table of contents

commercial mortgage servicing assets. Estimates of these assumptions are based on how a market participant would view the respective rates, and reflect historical data associated with the commercial mortgage loans, industry trends, and other considerations. Actual rates may differ from those estimated due to changes in a variety of economic factors. A decrease in the value assigned to the escrow earning rates would cause a decrease in the fair value of our commercial mortgage servicing assets. An increase in the assumed default rates of commercial mortgage loans or an increase in the assigned discount rates would cause a decrease in the fair value of our commercial mortgage servicing assets. Prepayment activity on commercial serviced loans does not significantly affect the valuation of our commercial mortgage servicing assets. Unlike residential mortgages, commercial mortgages experience significantly lower prepayments due to certain contractual restrictions affecting the borrower's ability to prepay the mortgage.

The amortization of commercial servicing assets is determined in proportion to, and over the period of, the estimated net servicing income. The amortization of commercial servicing assets for each period, as shown in the table at the beginning of this note, is recorded as a reduction to contractual fee income. The contractual fee income from servicing commercial mortgage loans totaled \$126 million for the nine-month period ended September 30, 2018, and \$113 million for the nine-month period ended September 30, 2017. This fee income was offset by \$75 million of amortization for the nine-month period ended September 30, 2018, and \$66 million for the nine-month period ended September 30, 2017. Both the contractual fee income and the amortization are recorded, net, in "mortgage servicing fees" on the income statement.

**Residential**

Changes in the carrying amount of residential mortgage servicing assets are summarized as follows:

<i>in millions</i>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Balance at beginning of period	<b>\$ 34</b>	\$ 29	<b>\$ 31</b>	\$ 28
Servicing retained from loan sales	<b>2</b>	2	<b>7</b>	5
Purchases	—	—	—	—
Amortization	<b>(1 )</b>	(1 )	<b>(3 )</b>	(3 )
Balance at end of period	<b>\$ 35</b>	\$ 30	<b>\$ 35</b>	\$ 30
Fair value at end of period	<b>\$ 49</b>	\$ 34	<b>\$ 49</b>	\$ 34

The fair value of mortgage servicing assets is determined by calculating the present value of future cash flows associated with servicing the loans. This calculation uses a number of assumptions that are based on current market conditions. The range and weighted-average of the significant unobservable inputs used to fair value our mortgage servicing assets at September 30, 2018, and September 30, 2017, along with the valuation techniques, are shown in the following table:

<i>dollars in millions</i>		<b>September 30, 2018</b>	<b>September 30, 2017</b>
<b>Valuation Technique</b>	<b>Significant Unobservable Input</b>	<b>Range (Weighted Average)</b>	
Discounted cash flow	Prepayment speed	<b>8.27 - 55.15% (9.35%)</b>	7.95 - 32.49% (10.15%)
	Discount rate	<b>7.50 - 10.00% (7.54%)</b>	8.50 - 11.00% (8.55%)
	Servicing cost	<b>\$62 - \$4,375 (\$67.76)</b>	\$76 - \$3,335 (\$82.19)



If these economic assumptions change or prove incorrect, the fair value of residential mortgage servicing assets may also change. Prepayment speed, discount rates, and servicing cost are critical to the valuation of servicing assets. Estimates of these assumptions are based on how a market participant would view the respective rates, and reflect historical data associated with the loans, industry trends, and other considerations. Actual rates may differ from those estimated due to changes in a variety of economic factors. An increase in the prepayment speed, assigned discount rates, and servicing cost assumptions would also cause a negative impact on the fair value of our residential mortgage servicing assets.

The amortization of residential servicing assets is determined in proportion to, and over the period of, the estimated net residential servicing income. The amortization of servicing assets for September 30, 2018, as shown in the table above, is recorded as a reduction to contractual fee income. The contractual fee income from servicing residential mortgage loans totaled \$10 million for the nine-month period ended September 30, 2018, and \$11 million for the nine-month period ended September 30, 2017. This fee income was offset by \$3 million of amortization for both the

Table of contents

nine-month periods ended September 30, 2018, and September 30, 2017. Both the contractual fee income and the amortization are recorded, net, in “mortgage servicing fees” on the income statement.

## 9. Variable Interest Entities

A VIE is a partnership, limited liability company, trust, or other legal entity that meets any one of the following criteria:

- The entity does not have sufficient equity to conduct its activities without additional subordinated financial support from another party.

- The entity’s investors lack the power to direct the activities that most significantly affect the entity’s economic performance.

- The entity’s equity at risk holders do not have the obligation to absorb losses or the right to receive residual returns.

The voting rights of some investors are not proportional to their economic interests in the entity, and substantially all of the entity’s activities involve, or are conducted on behalf of, investors with disproportionately few voting rights.

Our significant VIEs are summarized below. We define a “significant interest” in a VIE as a subordinated interest that exposes us to a significant portion, but not the majority, of the VIE’s expected losses or residual returns, even though we do not have the power to direct the activities that most significantly affect the entity’s economic performance.

**LIHTC investments.** Through KCDC, we have made investments directly and indirectly in LIHTC operating partnerships formed by third parties. As a limited partner in these operating partnerships, we are allocated tax credits and deductions associated with the underlying properties. We have determined that we are not the primary beneficiary of these investments because the general partners have the power to direct the activities that most significantly influence the economic performance of their respective partnerships and have the obligation to absorb expected losses and the right to receive residual returns. As we are not the primary beneficiary of these investments, we do not consolidate them.

Our maximum exposure to loss in connection with these partnerships consists of our unamortized investment balance plus any unfunded equity commitments and tax credits claimed but subject to recapture. We had \$1.3 billion of investments in LIHTC operating partnerships at both September 30, 2018, and December 31, 2017. These investments are recorded in “accrued income and other assets” on our balance sheet. We do not have any loss reserves recorded related to these investments because we believe the likelihood of any loss to be remote. For all legally binding, unfunded equity commitments, we increase our recognized investment and recognize a liability. As of September 30, 2018, and December 31, 2017, we had liabilities of \$447 million and \$476 million, respectively, related to investments in qualified affordable housing projects, which are recorded in “accrued expenses and other liabilities” on our balance sheet. We continue to invest in these LIHTC operating partnerships.

The assets and liabilities presented in the table below convey the size of KCDC’s direct and indirect investments at September 30, 2018, and December 31, 2017. As these investments represent unconsolidated VIEs, the assets and liabilities of the investments themselves are not recorded on our balance sheet.

<i>in millions</i>	Unconsolidated VIEs		
	Total Assets	Total Liabilities	Maximum Exposure to Loss
September 30, 2018			

LIHTC investments \$5,955 \$ 2,589 \$ 1,567

**December 31, 2017**

LIHTC investments \$6,003 \$ 2,943 \$ 1,561

We amortize our LIHTC investments over the period that we expect to receive the tax benefits. During the first nine months of 2018, we recognized \$126 million of amortization and \$122 million of tax credits associated with these investments within “income taxes” on our income statement. During the first nine months of 2017, we recognized \$124 million of amortization and \$115 million of tax credits associated with these investments within “income taxes” on our income statement.

Table of contents

**Principal investments.** Through our principal investing entities, we have made investments in private equity funds engaged in venture- and growth-oriented investing. As a limited partner to these funds, we record these investments at fair value and receive distributions from the funds in accordance with the funds' partnership agreements. We are not the primary beneficiary of these investments as we do not hold the power to direct the activities that most significantly affect the funds' economic performance. Such power rests with the funds' general partners. In addition, we have neither the obligation to absorb the funds' expected losses nor the right to receive their residual returns. Our voting rights are also disproportionate to our economic interests, and substantially all of the funds' activities are conducted on behalf of investors with disproportionately few voting rights. Because we are not the primary beneficiary of these investments, we do not consolidate them.

Our maximum exposure to loss associated with indirect principal investments consists of the investments' fair value plus any unfunded equity commitments. The fair value of our indirect principal investments totaled \$101 million and \$124 million at September 30, 2018, and December 31, 2017, respectively. These investments are recorded in "other investments" on our balance sheet. Additional information on indirect principal investments is provided in Note 5 ("Fair Value Measurements"). The table below reflects the size of the private equity funds in which we were invested as well as our maximum exposure to loss in connection with these investments at September 30, 2018 and December 31, 2017.

<i>in millions</i>	Unconsolidated VIEs		
	Total Assets	Total Liabilities	Maximum Exposure to Loss
<b>September 30, 2018</b>			
Indirect investments	\$ 21,088	\$ 376	\$ 129
<b>December 31, 2017</b>			
Indirect investments	\$ 26,817	\$ 292	\$ 153

Through our principal investing entities, we have formed and funded operating entities that provide management and other related services to our investment company funds, which directly invest in portfolio companies. In return for providing services to our direct investment funds, these entities receive a minority equity interest in the funds. This minority equity ownership is recorded at fair value on the entities' financial statements. Additional information on our direct principal investments is provided in Note 5 ("Fair Value Measurements"). While other equity investors manage the daily operations of these entities, we retain the power, through voting rights, to direct the activities of the entities that most significantly affect their economic performance. In addition, we have the obligation to absorb losses and the right to receive residual returns that could potentially be significant to these entities. As a result, we have determined that we are the primary beneficiary of these funds and have consolidated them since formation. The entities had no assets at September 30, 2018, that can only be used to settle the entities' obligations, and \$4 million of such assets at December 31, 2017. These assets are recorded in "cash and due from banks" and "accrued income and other assets" on our balance sheet. The entities had no liabilities at September 30, 2018, and December 31, 2017, and other equity investors have no recourse to our general credit.

**Other unconsolidated VIEs.** We are involved with other various entities in the normal course of business which we have determined to be VIEs. We have determined that we are not the primary beneficiary of these VIEs because we do not have the power to direct the activities that most significantly impact their economic performance. Our assets associated with these unconsolidated VIEs totaled \$220 million at September 30, 2018, and \$230 million at December 31, 2017. These assets are recorded in "accrued income and other assets," "other investments," "securities available for sale", and "loans, net of unearned income" on our balance sheet. We had liabilities totaling less than \$1 million and \$4 million associated with these unconsolidated VIEs at September 30, 2018 and December 31, 2017, respectively. These liabilities are recorded in "accrued expenses and other liabilities" on our balance sheet. We have excluded certain

transactions with unconsolidated VIEs from the balances above where we determine our continuing involvement is not significant. In addition, where we only have a lending arrangement in the normal course of business with unconsolidated VIEs we present the balances related to the lending arrangements in Note 4 (“Asset Quality”).

## **10. Income Taxes**

### **Bipartisan Budget Act of 2018**

On February 9, 2018, the Bipartisan Budget Act (“BBA”) of 2018 was signed into law. The BBA includes a retroactive one year tax extenders package back to January 1, 2017, which reinstated several energy investment

## Table of contents

tax credits that had expired on December 31, 2016. Due to these retroactive provisions, Key recognized additional net investment tax credits in the first quarter of 2018 of \$14 million, or a 2.8% reduction to our income tax provision, for energy tax credit transactions entered into during 2017.

### **TCJ Act**

On December 22, 2017, the TCJ Act was signed into law. This comprehensive tax legislation provides for significant changes to the U.S. Internal Revenue Code of 1986, as amended, that impact corporate taxation requirements, such as the reduction in the federal corporate income tax rate from 35% to 21% effective January 1, 2018. The TCJ Act retains the low-income housing and research and development credits and repeals the corporate alternative minimum tax. Other relevant corporate changes include earlier recognition of certain revenue; accelerating expensing of investments in tangible property, including leasing assets; and limiting several deductions such as FDIC premiums, certain executive compensation, and meals and entertainment expenses.

Key was required to re-value certain tax-related assets under the provisions of the TCJ Act at December 31, 2017. Under current U.S. GAAP, deferred tax assets and liabilities are to be adjusted for the effect of a change in tax laws or rates with the effect included in income from continuing operations in the reporting period that includes the enactment date. The tax-related assets consist primarily of deferred tax assets and liabilities and investments in low-income housing transactions. Due to the close proximity of our year end to the date the TCJ Act was signed into law, we estimated the impact of the income tax effects as of December 31, 2017, based upon currently available information which resulted in a reduction to our net income of \$161 million. The significant components of this reduction included a \$14 million reduction in our investments in certain low-income housing that is reflected in other expenses and a \$147 million, or 7.6%, increase in our income tax provision for the twelve months ended December 31, 2017, due to the reduction to our net deferred tax asset and related actions. This reduction was primarily the result of the lower federal corporate income tax rate and was based on information available at that time.

During the current quarter, Key completed and filed its 2017 federal income tax return and management finalized its assessment of the initial impact of the TCJ Act and related regulatory guidance. As a result, our income tax provision was increased by \$7 million during the quarter, and the total impact to Key of the TCJ Act was a reduction to our net income of \$168 million.

The accounting for the changes in tax law resulted in stranded tax effects within accumulated other comprehensive income for items that were originally recognized in other comprehensive income rather than in net income. The FASB issued an accounting standard update allowing companies to reclassify stranded tax effects resulting from the TCJ Act from accumulated other comprehensive income to retained earnings. We early adopted this guidance during the quarter ended December 31, 2017, and utilizing the portfolio method reclassified \$141 million from accumulated other comprehensive income to retained earnings to eliminate the stranded tax effects.

### **Income Tax Provision**

In accordance with the applicable accounting guidance, the principal method established for computing the provision for income taxes in interim periods requires us to make our best estimate of the effective tax rate expected to be applicable for the full year. This estimated effective tax rate is then applied to interim consolidated pre-tax operating income to determine the interim provision for income taxes.

The effective tax rate, which is the provision for income taxes as a percentage of income from continuing operations before income taxes, was 15.5% for the third quarter of 2018 and 26.9% for the third quarter of 2017. The effective tax rates are below our combined federal and state statutory tax rate of 23.7% for the third quarter of 2018 and 37.2% for the third quarter of 2017, primarily due to income from investments in tax-advantaged assets such as corporate-owned life insurance and credits associated with renewable energy and low-income housing investments. The effective tax rates for the three months ended September 30, 2018, and September 30, 2017, were affected by net discrete income tax benefit of 2.2%, respectively.

### **Deferred Tax Asset**

At September 30, 2018, from continuing operations we had a net deferred tax asset of \$331 million, compared to a net deferred tax asset of \$320 million at December 31, 2017, included in “accrued income and other assets” on the balance sheet.

Table of contents

To determine the amount of deferred tax assets that are more likely than not to be realized, and therefore recorded, we conduct a quarterly assessment of all available evidence. This evidence includes, but is not limited to, taxable income in prior periods, projected future taxable income, and projected future reversals of deferred tax items. These assessments involve a degree of subjectivity and may undergo change. Based on these criteria, we had a valuation allowance of \$11 million at September 30, 2018, and \$15 million at December 31, 2017. The valuation allowance is associated with certain state net operating loss carryforwards, state credit carryforwards, and federal and state capital loss carryforwards.

**Unrecognized Tax Benefits**

As permitted under the applicable accounting guidance for income taxes, it is our policy to recognize interest and penalties related to unrecognized tax benefits in "income tax expense." As of September 30, 2018, Key's unrecognized tax benefits were \$46 million.

**Pre-1988 Bank Reserves Acquired in a Business Combination**

Retained earnings of KeyBank included approximately \$92 million of allocated bad debt deductions for which no income taxes have been recorded. Under current federal law, these reserves are subject to recapture into taxable income if KeyBank, or any successor, fails to maintain its bank status under the Internal Revenue Code or makes non-dividend distributions or distributions greater than its accumulated earnings and profits. No deferred tax liability has been established as these events are not expected to occur in the foreseeable future.

**11. Acquisitions, Divestiture, and Discontinued Operations****Acquisitions**

**Cain Brothers & Company, LLC.** On October 2, 2017, KBCM acquired all outstanding interests in Cain Brothers, a healthcare-focused investment banking and public finance firm. This acquisition expands KBCM's investment banking group in the healthcare vertical by adding distinctive capabilities and broadening KBCM's existing healthcare investment banking network. The acquisition was accounted for as a business combination. As a result of the acquisition, Key recognized identifiable intangible assets with a fair value of \$30 million and goodwill of \$53 million, which are deductible for tax purposes. The valuation of the acquired assets and liabilities of Cain Brothers was final at March 31, 2018.

**HelloWallet Holdings, Inc.** On July 1, 2017, KeyBank acquired all of the outstanding capital stock of HelloWallet Holdings, Inc., the sole owner of HelloWallet, LLC, a digital financial wellness company. Key's retail banking franchise is leveraging HelloWallet's technology to provide data-driven insights to clients, allowing clients to better understand and improve their personal finances. The acquisition was accounted for as a business combination. As a result of the acquisition, Key recognized identifiable intangible assets with a fair value of \$12 million, comprised primarily of proprietary software, and goodwill of \$17 million, which are not deductible for tax purposes. The valuation of the acquired assets and liabilities of HelloWallet was final at March 31, 2018.

**Key Merchant Services, LLC.** On June 30, 2017, KeyBank (consolidated) acquired an additional 51% interest in KMS, increasing our ownership interest from 49% to 100%. This acquisition enables us to grow our merchant services business and enhance our merchant product offerings. This transaction is accounted for as a business combination achieved in stages. Prior to the acquisition, KMS was operated as a



merchant services joint venture and accounted for as an equity method investment in our consolidated financial statements.

As of June 30, 2017, the provisional estimated fair value of our equity interest in KMS immediately before the acquisition was \$74 million. The fair value of our previously held equity interest was measured using discounted cash flow modeling that incorporates an appropriate risk premium and forecast earnings information. On June 30, 2017, we recognized a provisional non-cash holding gain of \$64 million for the difference between the fair value and the book value of our previously held equity interest. In the third quarter of 2017, we recognized a measurement-period adjustment of \$5 million to reduce the provisional estimated fair value of our equity interest immediately before the acquisition to \$69 million, which reduced the total non-cash holding gain to \$59 million. The initial gain and subsequent adjustment were included in "other income" on the income statement for the three months ended September 30, 2017. Upon acquisition, we recorded estimated identifiable intangible assets of \$95 million and goodwill of less than \$1 million. In the third quarter of 2017, we recognized a measurement-period adjustment of

Table of contents

\$10 million to reduce the fair value of acquired intangible assets to \$85 million. In the fourth quarter of 2017, we recognized a measurement period adjustment increasing deferred tax assets and decreasing goodwill by \$2 million. In aggregate, the measurement-period adjustments recognized as of December 31, 2017, increased goodwill recorded in connection with the KMS acquisition to \$4 million. The valuation of the acquired assets and liabilities of Key Merchant Services, LLC was final at June 30, 2018.

**Divestiture**

**Key Insurance & Benefits Services, Inc.** On March 29, 2018, we announced that we had entered into a definitive agreement to sell KIBS to USI Insurance Services. We acquired KIBS as a part of the 2016 merger with First Niagara. We completed the sale to USI Insurance Services on May 4, 2018. At the close of the sale, we recognized a \$73 million net gain on sale. In the third quarter of 2018, we recognized an additional \$5 million gain upon the finalization of the purchase price.

**Discontinued operations**

Discontinued operations primarily includes our government-guaranteed education lending business. At September 30, 2018, and December 31, 2017, approximately \$1.1 billion and \$1.3 billion, respectively, of education loans are included in discontinued assets on the consolidated balance sheets. Net interest income after provision for credit losses for this business is not material and is included in income (loss) from discontinued operations, net of taxes on the consolidated statements of income.

**12. Securities Financing Activities**

We enter into repurchase agreements to finance overnight customer sweep deposits. We also enter into repurchase and reverse repurchase agreements to settle other securities obligations. We account for these securities financing agreements as collateralized financing transactions. Repurchase and reverse repurchase agreements are recorded on the balance sheet at the amounts for which the securities will be subsequently sold or repurchased. Securities borrowed transactions are recorded on the balance sheet at the amounts of cash collateral advanced. While our securities financing agreements incorporate a right of set off, the assets and liabilities are reported on a gross basis. Reverse repurchase agreements and securities borrowed transactions are included in "short-term investments" on the balance sheet; repurchase agreements are included in "federal funds purchased and securities sold under repurchase agreements." Additional information regarding our securities financing activities, including risk management activities, is provided in Note 16. Securities Financing Activities beginning on page 160 of our 2017 Form 10-K.

The following table summarizes our securities financing agreements at September 30, 2018, and December 31, 2017:

<i>in millions</i>	September 30, 2018				December 31, 2017			
	Gross Amount Presented in Balance Sheet	Netting Adjustments (a)	Collateral (b)	Net Amounts	Gross Amount Presented in Balance Sheet	Netting Adjustments (a)	Collateral (b)	Net Amounts
<b>Offsetting of financial assets:</b>								
Reverse repurchase agreements	\$7	\$ (1 )	\$ (6 )	—	\$3	\$ (3 )	—	—
Total	\$7	\$ (1 )	\$ (6 )	—	\$3	\$ (3 )	—	—

**Offsetting of financial liabilities:**

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Repurchase agreements <sup>(c)</sup>	\$285	\$ (2 )	\$ (283 )	—	\$374	\$ (4 )	\$ (370 )	—
Total	\$285	\$ (2 )	\$ (283 )	—	\$374	\$ (4 )	\$ (370 )	—

(a) Netting adjustments take into account the impact of master netting agreements that allow us to settle with a single counterparty on a net basis.

(b) These adjustments take into account the impact of bilateral collateral agreements that allow us to offset the net positions with the related collateral. The application of collateral cannot reduce the net position below zero. Therefore, excess collateral, if any, is not reflected above.

(c) Repurchase agreements are collateralized by mortgaged-backed agency securities and are contracted on an overnight or continuous basis.

As of September 30, 2018, the carrying amount of assets pledged as collateral against repurchase agreements totaled \$416 million. Assets pledged as collateral are reported in “securities available for sale” and “held-to-maturity securities” on our balance sheet. As September 30, 2018, the liabilities associated with collateral pledged were solely comprised of customer sweep financing activity and had a carrying value of \$283 million. The collateral pledged under customer sweep repurchase agreements is posted to a third-party custodian and cannot be sold or

Table of contents

repledged by the secured party. The risk related to a decline in the market value of collateral pledged is minimal given the collateral's high credit quality and the overnight duration of the repurchase agreements.

## 13. Employee Benefits

### Pension Plans

Effective December 31, 2009, we amended our cash balance pension plan and other defined benefit plans to freeze all benefit accruals and close the plans to new employees. We will continue to credit participants' existing account balances for interest until they receive their plan benefits. We changed certain pension plan assumptions after freezing the plans.

The components of net pension cost (benefit) for all funded and unfunded plans are as follows:

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
<i>in millions</i>	2018	2017	2018	2017
Interest cost on PBO	\$ 10	\$ 12	\$ 30	\$ 36
Expected return on plan assets	(13 )	(17 )	(39 )	(51 )
Amortization of losses	4	4	12	12
Net pension cost	\$ 1	\$ (1 )	\$ 3	\$ (3 )

### Other Postretirement Benefit Plans

We sponsor a retiree healthcare plan in which all employees age 55 with five years of service (or employees age 50 with 15 years of service who are terminated under conditions that entitle them to a severance benefit) are eligible to participate. Participant contributions are adjusted annually. Key may provide a subsidy toward the cost of coverage for certain employees hired before 2001 with a minimum of 15 years of service at the time of termination. We use a separate VEBA trust to fund the retiree healthcare plan.

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
<i>in millions</i>	2018	2017	2018	2017
Interest cost on APBO	\$ 1	\$ 1	\$ 1	\$ 1
Expected return on plan assets	(1 )	(1 )	(1 )	(1 )
Net postretirement benefit cost	—	—	—	—

## 14. Trust Preferred Securities Issued by Unconsolidated Subsidiaries

We own the outstanding common stock of business trusts formed by us that issued corporation-obligated, mandatorily redeemable, trust preferred securities. The trusts used the proceeds from the issuance of their

trust preferred securities and common stock to buy debentures issued by KeyCorp. These debentures are the trusts' only assets; the interest payments from the debentures finance the distributions paid on the mandatorily redeemable trust preferred securities. The outstanding common stock of these business trusts is recorded in "other investments" on our balance sheet.

We unconditionally guarantee the following payments or distributions on behalf of the trusts:

~~r~~required distributions on the trust preferred securities;  
~~t~~he redemption price when a capital security is redeemed; and  
~~t~~he amounts due if a trust is liquidated or terminated.

The Regulatory Capital Rules, discussed in "Supervision and regulation" in Item 2 of this report, require us to treat our mandatorily redeemable trust preferred securities as Tier 2 capital.

Table of contents

The trust preferred securities, common stock, and related debentures are summarized as follows:

<i>dollars in millions</i>	<b>Trust Preferred Securities, Net of Discount</b> (a)	<b>Common Stock</b>	<b>Principal Amount of Debentures, Net of Discount</b> (b)	<b>Interest Rate of Trust Preferred Securities and Debentures</b> (c)	<b>Maturity of Trust Preferred Securities and Debentures</b>
<b>September 30, 2018</b>					
KeyCorp Capital I	\$ 155	\$ 6	\$ 161	3.077 %	2028
KeyCorp Capital II	99	4	103	6.875	2029
KeyCorp Capital III	128	4	132	7.750	2029
HNC Statutory Trust III	18	1	19	3.710	2035
Willow Grove Statutory Trust I	18	1	19	3.644	2036
HNC Statutory Trust IV	16	1	17	3.619	2037
Westbank Capital Trust II	7	—	7	4.528	2034
Westbank Capital Trust III	7	—	7	4.528	2034
Total	\$ 448	\$ 17	\$ 465	5.364 %	—
<b>December 31, 2017</b>					
	\$ 463	\$ 17	\$ 480	4.977 %	—

The trust preferred securities must be redeemed when the related debentures mature, or earlier if provided in the governing indenture. Each issue of trust preferred securities carries an interest (a) rate identical to that of the related debenture. Certain trust preferred securities include basis adjustments related to fair value hedges totaling \$40 million at September 30, 2018, and \$55 million

at December 31, 2017. See Note 7 ("Derivatives and Hedging Activities") for an explanation of fair value hedges.

We have the right to redeem these debentures. If the debentures purchased by KeyCorp Capital I, HNC Statutory Trust III, Willow Grove Statutory Trust I, HNC Statutory Trust IV, Westbank Capital Trust II, or Westbank Capital Trust III are redeemed before they mature, the redemption price will be the principal amount, plus any accrued but unpaid interest. If the debentures purchased by KeyCorp Capital II or KeyCorp Capital III are redeemed before they mature, the redemption price will be the greater of: (i) the principal amount, plus any accrued but unpaid interest, or (ii) the sum of the present values of principal and interest payments discounted at the Treasury Rate (as defined in the applicable indenture), plus 20 basis points for KeyCorp Capital (b) II or 25 basis points for KeyCorp Capital III, or 50 basis points in the case of redemption upon either a tax or a capital treatment event for either KeyCorp Capital II or KeyCorp Capital III, plus any accrued but unpaid interest. The principal amount of certain debentures includes basis adjustments related to fair value hedges totaling \$40 million at September 30, 2018, and \$55 million at

December 31, 2017. See Note 7 ("Derivatives and Hedging Activities") for an explanation of fair value hedges. The principal amount of debentures, net of discounts, is included in "long-term debt" on the balance sheet.

The interest rates for the trust preferred securities issued by KeyCorp Capital II and KeyCorp Capital III are fixed. The trust preferred securities issued by KeyCorp Capital I have a floating interest rate, equal to three-month LIBOR plus 74 basis points, that reprices quarterly. The trust preferred securities issued by HNC Statutory Trust III have a floating interest rate, equal to three-month LIBOR plus 140 basis points, that reprices quarterly. The trust preferred securities issued by Willow Grove Statutory Trust I have a floating interest rate, equal to three-month LIBOR (c) plus 131 basis points, that reprices quarterly. The trust preferred securities issued by HNC Statutory Trust IV have a floating interest rate, equal to three-month LIBOR plus 128 basis points, that reprices quarterly. The trust preferred securities issued by Westbank Capital Trust II and Westbank Capital Trust III each have a floating interest rate, equal to three-month LIBOR plus 219 basis points, that reprices quarterly. The total interest rates are weighted-average rates.

## 15. Contingent Liabilities and Guarantees

### Legal Proceedings

**Litigation.** From time to time, in the ordinary course of business, we and our subsidiaries are subject to various litigation, investigations, and administrative proceedings. Private, civil litigations may range from individual actions involving a single plaintiff to putative class action lawsuits with potentially thousands of class members. Investigations may involve both formal and informal proceedings, by both government agencies and self-regulatory bodies. These matters may involve claims for substantial monetary relief. At times, these matters may present novel claims or legal theories. Due to the complex nature of these various other matters, it may be years before some matters are resolved. While it is impossible to ascertain the ultimate resolution or range of financial liability, based on information presently known to us, we do not believe there is any matter to which we are a party, or involving any of our properties that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on our financial condition. We continually monitor and reassess the potential materiality of these litigation matters. We note, however, that in light of the inherent uncertainty in legal proceedings there can be no assurance that the ultimate resolution will not exceed established reserves. As a result, the outcome of a particular matter, or a combination of matters, may be material to our results of operations for a particular period, depending upon the size of the loss or our income for that particular period.

## Guarantees

We are a guarantor in various agreements with third parties. The following table shows the types of guarantees that we had outstanding at September 30, 2018. Information pertaining to the basis for determining the liabilities recorded in connection with these guarantees is included in Note 1 (“Summary of Significant Accounting Policies”) under the heading “Guarantees” beginning on page 108 of our 2017 Form 10-K.

Table of contents

September 30, 2018 <i>in millions</i>	Maximum Potential Undiscounted Future Payments	Liability Recorded
Financial guarantees:		
Standby letters of credit	\$ 3,097	\$ 71
Recourse agreement with FNMA	3,750	7
Residential mortgage reserve	1,500	6
Return guarantee agreement with LIHTC investors	2	2
Written put options <sup>(a)</sup>	2,346	82
Total	\$ 10,695	\$ 168

(a) The maximum potential undiscounted future payments represent notional amounts of derivatives qualifying as guarantees.

We determine the payment/performance risk associated with each type of guarantee described below based on the probability that we could be required to make the maximum potential undiscounted future payments shown in the preceding table. We use a scale of low (0% to 30% probability of payment), moderate (greater than 30% to 70% probability of payment), or high (greater than 70% probability of payment) to assess the payment/performance risk, and have determined that the payment/performance risk associated with each type of guarantee outstanding at September 30, 2018, is low.

**Standby letters of credit.** KeyBank issues standby letters of credit to address clients' financing needs. These instruments obligate us to pay a specified third party when a client fails to repay an outstanding loan or debt instrument or fails to perform some contractual nonfinancial obligation. Any amounts drawn under standby letters of credit are treated as loans to the client; they bear interest (generally at variable rates) and pose the same credit risk to us as a loan. At September 30, 2018, our standby letters of credit had a remaining weighted-average life of two years, with remaining actual lives ranging from less than one year to as many as 16 years.

**Recourse agreement with FNMA.** We participate as a lender in the FNMA Delegated Underwriting and Servicing program. FNMA delegates responsibility for originating, underwriting, and servicing mortgages, and we assume a limited portion of the risk of loss during the remaining term on each commercial mortgage loan that we sell to FNMA. We maintain a reserve for such potential losses in an amount that we believe approximates the fair value of our liability. At September 30, 2018, the outstanding commercial mortgage loans in this program had a weighted-average remaining term of 7.9 years, and the unpaid principal balance outstanding of loans sold by us as a participant was \$13.1 billion. The maximum potential amount of undiscounted future payments that we could be required to make under this program, as shown in the preceding table, is equal to approximately 29% of the principal balance of loans outstanding at September 30, 2018. If we are required to make a payment, we would have an interest in the collateral underlying the related commercial mortgage loan; any loss we incur could be offset by the amount of any recovery from the collateral.

**Residential Mortgage Banking.** We often originate and sell residential mortgage loans with servicing retained. Our loan sales activity is generally conducted through loan sales in a secondary market sponsored by FNMA and FHLMC. Subsequent to the sale of mortgage loans, we do not typically retain any interest in the underlying loans except through our relationship as the servicer of the loans.

As is customary in the mortgage banking industry, we, or banks we have acquired, have made certain representations and warranties related to the sale of residential mortgage loans (including loans sold with servicing released) and to the performance of our obligations as servicer. The breach of any such representations or warranties could result in losses for us. Our maximum exposure to loss is equal to the



outstanding principal balance of the sold loans; however, any loss would be reduced by any payments received on the loans or through the sale of collateral.

At September 30, 2018, the outstanding residential mortgage loans in this program had a weighted-average LTV ratio of 74%, and the unpaid principal balance outstanding of loans sold by us was \$5.0 billion. The risk assessment is low for the residential mortgage product. The maximum potential amount of undiscounted future payments that we could be required to make under this program, as shown in the preceding table, is equal to approximately 30% of the principal balance of loans outstanding at September 30, 2018.

Our liability for estimated repurchase obligations on loans sold, which is included in other liabilities on our balance sheet, was \$6.0 million at September 30, 2018.

## Table of contents

**Return guarantee agreement with LIHTC investors.** KAHC, a subsidiary of KeyBank, offered limited partnership interests to qualified investors. Partnerships formed by KAHC invested in low-income residential rental properties that qualify for federal low-income housing tax credits under Section 42 of the Internal Revenue Code. In certain partnerships, investors paid a fee to KAHC for a guaranteed return that is based on the financial performance of the property and the property's confirmed LIHTC status throughout a 15-year compliance period. Typically, KAHC fulfills these guaranteed returns by distributing tax credits and deductions associated with the specific properties. If KAHC defaults on its obligation to provide the guaranteed return, KeyBank is obligated to make any necessary payments to investors. No recourse or collateral is available to offset our guarantee obligation other than the underlying income streams from the properties and the residual value of the operating partnership interests.

As shown in the previous table, KAHC maintained a reserve in the amount of \$2 million at September 30, 2018, which is sufficient to cover estimated future obligations under the guarantees. The maximum exposure to loss reflected in the table represents undiscounted future payments due to investors for the return on and of their investments.

These guarantees have expiration dates that extend through 2018, but KAHC has not formed any new partnerships under this program since October 2003. Additional information regarding these partnerships is included in Note 9 ("Variable Interest Entities").

**Written put options.** In the ordinary course of business, we "write" put options for clients that wish to mitigate their exposure to changes in interest rates and commodity prices. At September 30, 2018, our written put options had an average life of three years. These instruments are considered to be guarantees, as we are required to make payments to the counterparty (the client) based on changes in an underlying variable that is related to an asset, a liability, or an equity security that the client holds. We are obligated to pay the client if the applicable benchmark interest rate or commodity price is above or below a specified level (known as the "strike rate"). These written put options are accounted for as derivatives at fair value, as further discussed in Note 7 ("Derivatives and Hedging Activities"). We mitigate our potential future payment obligations by entering into offsetting positions with third parties.

Written put options where the counterparty is a broker-dealer or bank are accounted for as derivatives at fair value but are not considered guarantees since these counterparties typically do not hold the underlying instruments. In addition, we are a purchaser and seller of credit derivatives, which are further discussed in Note 7 ("Derivatives and Hedging Activities").

**Default guarantees.** Some lines of business participate in guarantees that obligate us to perform if the debtor (typically a client) fails to satisfy all of its payment obligations to third parties. We generally undertake these guarantees for one of two possible reasons: (i) either the risk profile of the debtor should provide an investment return, or (ii) we are supporting our underlying investment in the debtor. We do not hold collateral for the default guarantees. If we were required to make a payment under a guarantee, we would receive a *pro rata* share should the third party collect some or all of the amounts due from the debtor. At September 30, 2018, we had less than \$1 million of default guarantees.

## **Other Off-Balance Sheet Risk**

Other off-balance sheet risk stems from financial instruments that do not meet the definition of a guarantee as specified in the applicable accounting guidance, and from other relationships.

**Indemnifications provided in the ordinary course of business.** We provide certain indemnifications, primarily through representations and warranties in contracts that we execute in the ordinary course of business in connection with loan and lease sales and other ongoing activities, as well as in connection with purchases and sales of businesses. We maintain reserves, when appropriate, with respect to liability that reasonably could arise as a result of these indemnities.

**Intercompany guarantees.** KeyCorp, KeyBank, and certain of our affiliates are parties to various guarantees that facilitate the ongoing business activities of other affiliates. These business activities include issuing debt, assuming certain lease and insurance obligations, and purchasing or issuing investments and securities.

Table of contents**16. Accumulated Other Comprehensive Income**

Our changes in AOCI for the three and nine months ended September 30, 2018, and September 30, 2017, are as follows:

<i>in millions</i>	Unrealized gains (losses) on securities available for sale	Unrealized gains (losses) on derivative financial instruments	Foreign currency translation adjustment	Net pension and postretirement benefit costs	Total
Balance at December 31, 2017	\$ (311 )	\$ (86 )	\$ 9	\$ (391 )	\$ (779 )
Other comprehensive income before reclassification, net of income taxes	(288 )	(126 )	(10 )	—	(424 )
Amounts reclassified from AOCI, net of income taxes (a)	—	34	—	8	42
Other amounts reclassified from AOCI, net of income taxes	—	—	(5 )	—	(5 )
Net current-period other comprehensive income, net of income taxes	(288 )	(92 )	(15 )	8	(387 )
Balance at September 30, 2018	\$ (599 )	\$ (178 )	\$ (6 )	\$ (383 )	\$ (1,166 )
Balance at June 30, 2018	\$ (527 )	\$ (166 )	\$ (7 )	\$ (385 )	\$ (1,085 )
Other comprehensive income before reclassification, net of income taxes	(72 )	(26 )	1	—	(97 )
Amounts reclassified from AOCI, net of income taxes (a)	—	14	—	2	16
Other amounts reclassified from AOCI, net of income taxes	—	—	—	—	—
Net current-period other comprehensive income, net of income taxes	(72 )	(12 )	1	2	(81 )
Balance at September 30, 2018	\$ (599 )	\$ (178 )	\$ (6 )	\$ (383 )	\$ (1,166 )
Balance at December 31, 2016	\$ (185 )	\$ (14 )	\$ (3 )	\$ (339 )	\$ (541 )
Other comprehensive income before reclassification, net of income taxes	40	(16 )	14	—	38
Amounts reclassified from AOCI, net of income taxes (a)	—	(11 )	—	8	(3 )
Net current-period other comprehensive income, net of income taxes	40	(27 )	14	8	35
Balance at September 30, 2017	\$ (145 )	\$ (41 )	\$ 11	\$ (331 )	\$ (506 )
Balance at June 30, 2017	(145 )	\$ (31 )	\$ 4	\$ (334 )	\$ (506 )
Other comprehensive income before reclassification, net of income taxes	—	(10 )	7	—	(3 )
Amounts reclassified from AOCI, net of income taxes (a)	—	—	—	3	3
Net current-period other comprehensive income, net of income taxes	—	(10 )	7	3	—
Balance at September 30, 2017	\$ (145 )	\$ (41 )	\$ 11	\$ (331 )	\$ (506 )

(a) See table below for details about these reclassifications.

Our reclassifications out of AOCI for the three and nine months ended September 30, 2018, and September 30, 2017, are as follows:

<i>in millions</i>	Nine months ended September 30, 2018 2017		Affected Line Item in the Statement Where Net Income is Presented
Unrealized gains (losses) on derivative financial instruments			
Interest rate	\$ (42 )	\$ 21	Interest income — Loans
Interest rate	(2 )	(3 )	Interest expense — Long-term debt
	(44 )	18	Income (loss) from continuing operations before income taxes
	(10 )	7	Income taxes
	\$ (34 )	\$ 11	Income (loss) from continuing operations

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

Net pension and postretirement benefit costs

Amortization of losses

**\$(12)** **\$(12)** Personnel expense  
**(12)** **(12)** Income (loss) from continuing operations before income taxes  
**(4)** **(4)** Income taxes  
**\$(8)** **\$(8)** Income (loss) from continuing operations

**Three  
months**

**ended**

**September** **Affected Line Item in the Statement Where Net Income is Presented**

**30,**

**2018 2017**

*in millions*

Unrealized gains (losses) on derivative financial instruments

Interest rate

**\$(15)** **\$1** Interest income — Loans

Interest rate

**(2)** **(1)** Interest expense — Long-term debt

**(17)** — Income (loss) from continuing operations before income taxes

**(3)** — Income taxes

**\$(14)** — Income (loss) from continuing operations

Net pension and postretirement benefit costs

Amortization of losses

**\$(4)** **(4)** Personnel expense

**(4)** **(4)** Income (loss) from continuing operations before income taxes

**(2)** **(1)** Income taxes

**\$(2)** **\$(3)** Income (loss) from continuing operations

Table of contents**17. Shareholders' Equity****Comprehensive Capital Plan**

As previously reported and as authorized by the Board and pursuant to our 2018 capital plan (which is effective through the second quarter of 2019) submitted and not objected to by the Federal Reserve, we have authority to repurchase up to \$1.225 billion of our Common Shares. We completed \$542 million of Common Share repurchases, including \$541 million of Common Share repurchases in the open market and \$1 million of Common Share repurchases related to employee equity compensation programs, in the third quarter of 2018 under this authorization.

Consistent with our 2018 capital plan, the Board declared a quarterly dividend of \$.17 per Common Share for the third quarter of 2018.

**Preferred Stock**

On July 30, 2018, we issued \$425 million of depositary shares, each representing a 1/40<sup>th</sup> ownership interest in a share of our Fixed Rate Perpetual Noncumulative Series F Preferred Stock. Our Series F Preferred Stock has a \$1 par value with a \$1,000 liquidation preference (equivalent to \$25 per depositary share).

Preferred stock series	Amount outstanding (in millions)	Shares authorized and outstanding	Par value	Liquidation preference	Ownership interest per depositary share	Liquidation preference per share	Third quarter 2018 dividends paid per depositary share
Fixed-to-Floating Rate Perpetual Noncumulative Series D	\$ 525	21,000	\$ 1	\$ 25,000	1/25th	\$ 1,000	\$ 12.50
Fixed-to-Floating Rate Perpetual Noncumulative Series E	500	500,000	1	1,000	1/40th	25	.382813
Fixed Rate Perpetual Noncumulative Series F	425	425,000	1	1,000	1/40th	25	—

**18. Line of Business Results**

The specific lines of business that constitute each of the major business segments (operating segments) align with how management reviews performance and makes business decisions. We have two major business segments, Key Community Bank and Key Corporate Bank. We also have Other Segments that consists of corporate treasury, our principal investing unit, and various exit portfolios. Total assets included under "Reconciling Items" primarily represents the unallocated portion of nonearning assets of corporate support functions. Charges related to the funding of these assets are part of net interest income and are allocated to the business segments through noninterest expense. Reconciling items also includes intercompany eliminations and certain items that are not allocated to the business segments because they do not reflect their normal operations. For more information on our business segments, see Note 25 ("Line of Business Results") on page 183 of our 2017 Form 10-K.

The development and application of the methodologies that we use to allocate items among our lines of business is a dynamic process. Accordingly, financial results may be revised periodically to reflect

enhanced alignment of expense base allocations drivers, changes in the risk profile of a particular business, or changes in our organizational structure.

The table on the following pages shows selected financial data for our major business segments for the three- and nine-month periods ended September 30, 2018, and September 30, 2017.

Table of contents

<b>Three months ended September 30,</b> <i>dollars in millions</i>	<b>Key Community Bank</b>		<b>Key Corporate Bank</b>		
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	
<b>SUMMARY OF OPERATIONS</b>					
Net interest income (TE)	\$ 726	\$ 673	\$ 273	\$ 292	
Noninterest income	268	272	301	269	
Total revenue (TE) <sup>(a)</sup>	994	945	574	561	
Provision for credit losses	43	59	20	(11 )	
Depreciation and amortization expense	27	30	34	25	
Other noninterest expense	608	596	282	278	
Income (loss) from continuing operations before income taxes (TE)	316	260	238	269	
Allocated income taxes and TE adjustments	75	97	39	79	
Income (loss) from continuing operations	241	163	199	190	
Income (loss) from discontinued operations, net of taxes	—	—	—	—	
Net income (loss)	241	163	199	190	
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	—	
Net income (loss) attributable to Key	\$ 241	\$ 163	\$ 199	\$ 190	
<b>AVERAGE BALANCES <sup>(b)</sup></b>					
Loans and leases	\$ 47,862	\$ 47,614	\$ 39,714	\$ 38,021	
Total assets <sup>(a)</sup>	51,740	51,642	46,860	45,257	
Deposits	82,259	79,563	21,056	21,559	
<b>OTHER FINANCIAL DATA</b>					
Net loan charge-offs <sup>(b)</sup>	\$ 43	\$ 41	\$ 19	\$ (9 )	
Return on average allocated equity <sup>(b)</sup>	19.80	% 13.39	% 26.91	% 27.08 %	
Return on average allocated equity	19.80	13.39	26.91	27.08	
Average full-time equivalent employees <sup>(c)</sup>	10,529	10,696	2,546	2,460	
<b>Nine months ended September 30,</b> <i>dollars in millions</i>					
		<b>Key Community Bank</b>		<b>Key Corporate Bank</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>SUMMARY OF OPERATIONS</b>					
Net interest income (TE)	\$ 2,129	\$ 1,978	\$ 822	\$ 909	
Noninterest income	820	856	852	827	
Total revenue (TE) <sup>(a)</sup>	2,949	2,834	1,674	1,736	
Provision for credit losses	128	152	62	26	
Depreciation and amortization expense	84	86	101	68	
Other noninterest expense	1,844	1,790	852	834	
Income (loss) from continuing operations before income taxes (TE)	893	806	659	808	
Allocated income taxes and TE adjustments	212	300	85	213	
Income (loss) from continuing operations	681	506	574	595	
Income (loss) from discontinued operations, net of taxes	—	—	—	—	
Net income (loss)	681	506	574	595	
Less: Net income (loss) attributable to noncontrolling interests	—	—	—	—	
Net income (loss) attributable to Key	\$ 681	\$ 506	\$ 574	\$ 595	
<b>AVERAGE BALANCES <sup>(b)</sup></b>					
Loans and leases	\$ 47,844	\$ 47,396	\$ 39,232	\$ 37,804	
Total assets <sup>(a)</sup>	51,739	51,361	46,544	44,506	
Deposits	81,053	79,439	20,977	21,237	



**OTHER FINANCIAL DATA**

Net loan charge-offs <sup>(b)</sup>	<b>\$ 119</b>	\$ 131	<b>\$56</b>	\$24
Return on average allocated equity <sup>(b)</sup>	<b>18.80</b>	% 14.14	% <b>26.36</b>	% 27.93 %
Return on average allocated equity	<b>18.80</b>	14.14	<b>26.36</b>	27.93
Average full-time equivalent employees <sup>(c)</sup>	<b>10,604</b>	10,573	<b>2,542</b>	2,403

(a) Substantially all revenue generated by our major business segments is derived from clients that reside in the United States. Substantially all long-lived assets, including premises and equipment, capitalized software, and goodwill held by our major business segments, are located in the United States.

(b) From continuing operations.

(c) The number of average full-time equivalent employees was not adjusted for discontinued operations.

Table of contents

Other Segments		Total Segments		Reconciling Items		Key	
2018	2017	2018	2017	2018	2017	2018	2017
<b>\$(13)</b>	<b>\$(10)</b>	<b>\$986</b>	\$955	<b>\$7</b>	\$7	<b>\$993</b>	\$962
<b>37</b>	52	<b>606</b>	593	<b>3</b>	(1)	<b>609</b>	592
<b>24</b>	42	<b>1,592</b>	1,548	<b>10</b>	6	<b>1,602</b>	1,554
<b>(2)</b>	2	<b>61</b>	50	<b>1</b>	1	<b>62</b>	51
—	1	<b>61</b>	56	<b>37</b>	41	<b>98</b>	97
<b>7</b>	25	<b>897</b>	899	<b>(31)</b>	(4)	<b>866</b>	895
<b>19</b>	14	<b>573</b>	543	<b>3</b>	(32)	<b>576</b>	511
<b>(3)</b>	(6)	<b>111</b>	170	<b>(17)</b>	(22)	<b>94</b>	148
<b>22</b>	20	<b>462</b>	373	<b>20</b>	(10)	<b>482</b>	363
—	—	—	—	—	1	—	1
<b>22</b>	20	<b>462</b>	373	<b>20</b>	(9)	<b>482</b>	364
—	(1)	—	(1)	—	1	—	—
<b>\$22</b>	<b>\$21</b>	<b>\$462</b>	\$374	<b>\$20</b>	<b>\$(10)</b>	<b>\$482</b>	\$364
<b>\$888</b>	\$1,175	<b>\$88,464</b>	\$86,810	<b>\$3</b>	\$4	<b>\$88,467</b>	\$86,814
<b>37,769</b>	36,895	<b>136,369</b>	133,794	<b>360</b>	562	<b>136,729</b>	134,356
<b>2,292</b>	2,010	<b>105,607</b>	103,132	<b>19</b>	(27)	<b>105,626</b>	103,105
<b>(1)</b>	—	<b>\$62</b>	\$32	<b>(1)</b>	\$—	<b>\$60</b>	\$32
<b>73.35%</b>	55.54%	<b>23.26%</b>	19.11%	<b>1.08%</b>	(.58)%	<b>12.57%</b>	9.45%
<b>73.35</b>	55.54	<b>23.26</b>	19.11	<b>1.08</b>	(0.53)	<b>12.57</b>	9.48
<b>2</b>	337	<b>13,077</b>	13,493	<b>5,073</b>	5,055	<b>18,150</b>	18,548
Other Segments		Total Segments		Reconciling Items		Key	
2018	2017	2018	2017	2018	2017	2018	2017
<b>\$(40)</b>	<b>\$(22)</b>	<b>\$2,911</b>	\$2,865	<b>\$21</b>	\$13	<b>\$2,932</b>	\$2,878
<b>139</b>	154	<b>1,811</b>	1,837	<b>59</b>	(15)	<b>1,870</b>	1,822
<b>99</b>	132	<b>4,722</b>	4,702	<b>80</b>	(2)	<b>4,802</b>	4,700
<b>(4)</b>	2	<b>186</b>	180	<b>1</b>	—	<b>187</b>	180
<b>1</b>	2	<b>186</b>	156	<b>114</b>	127	<b>300</b>	283
<b>47</b>	77	<b>2,743</b>	2,701	<b>(80)</b>	16	<b>2,663</b>	2,717
<b>55</b>	51	<b>1,607</b>	1,665	<b>45</b>	(145)	<b>1,652</b>	1,520
<b>(10)</b>	(16)	<b>287</b>	497	<b>(12)</b>	(72)	<b>275</b>	425
<b>65</b>	67	<b>1,320</b>	1,168	<b>57</b>	(73)	<b>1,377</b>	1,095
—	—	—	—	<b>5</b>	6	<b>5</b>	6
<b>65</b>	67	<b>1,320</b>	1,168	<b>62</b>	(67)	<b>1,382</b>	1,101
—	1	—	1	—	—	—	1
<b>\$65</b>	<b>\$66</b>	<b>\$1,320</b>	\$1,167	<b>\$62</b>	<b>\$(67)</b>	<b>\$1,382</b>	\$1,100
<b>\$938</b>	\$1,263	<b>\$88,014</b>	\$86,463	<b>\$4</b>	\$22	<b>\$88,018</b>	\$86,485
<b>37,345</b>	36,569	<b>135,628</b>	132,436	<b>386</b>	766	<b>136,014</b>	133,202

Edgar Filing: KEYCORP /NEW/ - Form 10-Q

<b>1,992</b>	2,030	<b>104,022</b>	102,706	<b>51</b>	(47 )	<b>104,073</b>	102,659	
—	\$1	<b>\$175</b>	\$156	<b>(1)</b>	—	<b>\$174</b>	\$156	
<b>67.37%</b>	56.20 %	<b>22.39</b>	%20.03	%	<b>1.06%</b>	(1.32)%	<b>12.24</b>	%9.62 %
<b>67.37</b>	56.20	<b>22.39</b>	20.03	<b>1.16</b>	(1.21)	<b>12.28</b>	9.67	
<b>173</b>	341	<b>13,319</b>	13,317	<b>5,035</b>	5,110	<b>18,354</b>	18,427	

Table of contents**19. Revenue from Contracts with Customers**

The following table represents a disaggregation of revenue from contracts with customers, by line of business, for the three- and nine-month periods ended September 30, 2018:

**Three months ended September 30, 2018**

<i>dollars in millions</i>	<b>Key Community Bank</b>	<b>Key Corporate Bank</b>	<b>Total Contract Revenue</b>
<b>NONINTEREST INCOME</b>			
Trust and investment services income	\$ 90	\$ 16	\$ 106
Investment banking and debt placement fees	1	69	70
Services charges on deposit accounts	72	13	85
Cards and payments income	40	28	68
Other noninterest income	5	—	5
Total revenue from contracts with customers	\$ 208	\$ 126	\$ 334
Other noninterest income <sup>(a)</sup>			\$ 235
Noninterest income from other segments <sup>(b)</sup>			37
Reconciling items <sup>(c)</sup>			3
Total noninterest income			\$ 609

(a) Noninterest income considered earned outside the scope of contracts with customers.

(b) Other Segments consist of corporate treasury, our principle investing unit, and various exit portfolios.

(c) Reconciling items consists of intercompany eliminations, and items not allocated to the business segments because they do not reflect their normal operations. Refer to the Line of Business Results footnote for more information.

**Nine months ended September 30, 2018**

<i>dollars in millions</i>	<b>Key Community Bank</b>	<b>Key Corporate Bank</b>	<b>Total Contract Revenue</b>
<b>NONINTEREST INCOME</b>			
Trust and investment services income	\$ 268	\$ 50	\$ 318
Investment banking and debt placement fees	2	183	185
Services charges on deposit accounts	226	39	265
Cards and payments income	115	82	197
Other noninterest income	15	1	16
Total revenue from contracts with customers	\$ 626	\$ 355	\$ 981
Other noninterest income <sup>(a)</sup>			\$ 691
Noninterest income from other segments <sup>(b)</sup>			139
Reconciling items <sup>(c)</sup>			59
Total noninterest income			\$ 1,870

(a) Noninterest income considered earned outside the scope of contracts with customers.

(b) Other Segments consist of corporate treasury, our principle investing unit, and various exit portfolios.

(c) Reconciling items consists primarily of the gain on the sale of, and contract revenue recognized prior to the sale of, KIBS for the second quarter of 2018, intercompany eliminations, and items not allocated to the business segments because they do not reflect their normal operations. Refer to the Line of Business Results footnote for more information.

We have no material contract assets or contract liabilities for the three- and nine-month periods ended September 30, 2018.

Table of contents

**Report of Ernst & Young LLP, Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of KeyCorp

**Results of Review of Interim Financial Statements**

We have reviewed the accompanying consolidated balance sheet of KeyCorp as of September 30, 2018, the related consolidated statements of income, comprehensive income and consolidated statements of changes in equity for the three- and nine-month periods ended September 30, 2018 and 2017, and consolidated statement of cash flows for the nine-month periods ended September 30, 2018 and 2017, and the related notes (collectively referred to as the “consolidated interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of KeyCorp as of December 31, 2017, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated February 26, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2017 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

**Basis for Review Results**

These financial statements are the responsibility of the KeyCorp’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to KeyCorp in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Cleveland, Ohio  
November 1, 2018

Table of contents

**Item 3. Quantitative and Qualitative Disclosure about Market Risk**

The information presented in the “Market risk management” section of the Management’s Discussion & Analysis of Financial Condition & Results of Operations is incorporated herein by reference.

**Item 4. Controls and Procedures**

As of the end of the period covered by this report, KeyCorp carried out an evaluation, under the supervision and with the participation of KeyCorp’s management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of KeyCorp’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)), to ensure that information required to be disclosed by KeyCorp in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to KeyCorp’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. Based upon that evaluation, KeyCorp’s Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective, in all material respects, as of the end of the period covered by this report.

No changes were made to KeyCorp’s internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the last quarter that materially affected, or are reasonably likely to materially affect, KeyCorp’s internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

The information presented in the Legal Proceedings section of Note 15 (“Contingent Liabilities and Guarantees”) of the Notes to Consolidated Financial Statements (Unaudited) is incorporated herein by reference.

On at least a quarterly basis, we assess our liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that we will incur a loss and the amount of the loss can be reasonably estimated, we record a liability in our consolidated financial statements. These legal reserves may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of the loss is not estimable, we have not accrued legal reserves, consistent with applicable accounting guidance. Based on information currently available to us, advice of counsel, and available insurance coverage, we believe that our established reserves are adequate and the liabilities arising from the legal proceedings will not have a material adverse effect on our consolidated financial condition. We note, however, that in light of the inherent uncertainty in legal proceedings there can be no assurance that the ultimate resolution will not exceed established reserves. As a result, the outcome of a particular matter or a combination of matters may be material to our results of operations for a particular period, depending upon the size of the loss or our income for that particular period.

**Item 1A. Risk Factors**

For a discussion of certain risk factors affecting us, see the section titled “Supervision and Regulation” in Part I, Item 1. Business, on pages 8-20 of our 2017 Form 10-K; Part I, Item 1A. Risk Factors, on pages 20-29 of our 2017 Form 10-K; the section titled “Supervision and regulation” in this Form 10-Q; and our disclosure regarding forward-looking statements in this Form 10-Q.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

From time to time, KeyCorp or its principal subsidiary, KeyBank, may seek to retire, repurchase, or exchange outstanding debt of KeyCorp or KeyBank, and capital securities or preferred stock of KeyCorp, through cash purchase, privately negotiated transactions, or otherwise. Such transactions, if any, depend on prevailing market conditions, our liquidity and capital requirements, contractual restrictions, and other factors. The amounts involved may be material.

Table of contents

In April 2018, we submitted to the Federal Reserve and provided to the OCC our 2018 capital plan under the annual CCAR process. On June 28, 2018, the Federal Reserve announced that it did not object to our 2018 capital plan. Share repurchases of up to \$1.225 billion were included in the 2018 capital plan, which is effective from the third quarter of 2018 through the second quarter of 2019.

We completed \$542 million of Common Share repurchases, including \$541 million of Common Share repurchases in the open market and \$1 million of Common Share repurchases related to employee equity compensation programs, in the third quarter of 2018 under our 2018 capital plan authorization.

The following table summarizes our repurchases of our Common Shares for the three months ended September 30, 2018.

Calendar month	Total number of shares purchased <sup>(a)</sup>	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased as part of publicly announced plans or programs <sup>(b)</sup>
July 1-31	7,414,270	21.07	7,414,270	51,210,190
August 1-31	16,527,481	21.47	16,527,481	33,885,363
September 1-30	1,426,124	21.06	1,426,124	34,385,928
Total	25,367,875	21.33	25,367,875	

(a) Includes Common Shares deemed surrendered by employees in connection with our stock compensation and benefit plans to satisfy tax obligations.

(b) Calculated using the remaining general repurchase amount divided by the closing price of KeyCorp Common Shares as follows: on July 31, 2018 at \$20.87; on August 31, 2018, at \$21.07; and on September 28, 2018, at \$19.89

**Item 6. Exhibits**

3.1 Certificate of Amendment to Second Amended and Restated Articles of Incorporation of KeyCorp, effective July 26, 2018, filed as Exhibit 4.1 to Form 8-K on July 30, 2018.

4.1 Form of Certificate representing Fixed Rate Perpetual Non-Cumulative Preferred Stock, Series F, filed as Exhibit 4.2 to Form 8-K on July 30, 2018.

4.2 Deposit Agreement, dated July 30, 2018, among KeyCorp, Computershare Inc. and Computershare Trust Company, N.A., jointly as depository, and the holders from time to time of the depository receipts described therein, filed as Exhibit 4.3 to Form 8-K on July 30, 2018.

4.3 Form of Depository Receipt (included as part of Exhibit 4.2), filed as Exhibit 4.4 to Form 8-K on July 30, 2018.

15 Acknowledgment of Independent Registered Public Accounting Firm.

10.1 Form of Performance Shares Award Agreement (2018-2020).

10.2 Form of Stock Option Award Agreement under KeyCorp 2013 Equity Compensation Plan.

10.3 Form of Restricted Stock Unit Award Agreement under KeyCorp 2013 Equity Compensation Plan.

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.



32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*

32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*

The following materials from KeyCorp's Form 10-Q Report for the quarterly period ended September 30, 2018, formatted in inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income; (iii) the Consolidated Statements of Changes in Equity; (iv) the Consolidated Statements of Cash Flows; and (v) the Notes to Consolidated Financial Statements.

\* Furnished herewith.

Table of contents

**Information Available on Website**

KeyCorp makes available free of charge on its website, [www.key.com](http://www.key.com), its 2017 Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports as soon as reasonably practicable after KeyCorp electronically files such material with, or furnishes it to, the SEC. We also make available a summary of filings made with the SEC of statements of beneficial ownership of our equity securities filed by our directors and officers under Section 16 of the Exchange Act. The “Regulatory Disclosures and Filings” tab of the investor relations section of our website includes public disclosures concerning our annual and mid-year stress-testing activities under the Dodd-Frank Act. Information contained on or accessible through our website or any other website referenced in this report is not part of this report.

Table of contents

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the date indicated.

KEYCORP  
(Registrant)

Date: November 1, 2018 /s/ Douglas M. Schosser  
By: Douglas M. Schosser  
Chief Accounting Officer  
(Principal Accounting Officer)