

KEYCORP /NEW/  
Form S-4/A  
January 12, 2016  
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As filed with the Securities and Exchange Commission on January 11, 2016

Registration No. 333-208272

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

**Amendment No. 1**  
**to**  
**FORM S-4**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**(Exact name of registrant as specified in its charter)**

<b>Ohio</b> (State or other jurisdiction of incorporation or organization)	<b>6021</b> (Primary Standard Industrial Classification Code Number) <b>127 Public Square</b>	<b>34-6542451</b> (I.R.S. Employer Identification Number)
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**Cleveland, Ohio 44114**

**(216) 689-3000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Paul N. Harris**

**Secretary and General Counsel**

**127 Public Square**

**Cleveland, Ohio 44114**

**(216) 689-3000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

**Lee A. Meyerson**

**Kristy Berner**

**H. Rodgin Cohen**

**Elizabeth A. Cooper**

**First Niagara Financial Group, Inc.**

**C. Andrew Gerlach**

**Simpson Thacher & Bartlett LLP**

**726 Exchange Street, Suite 618**

**Sullivan & Cromwell LLP**

**425 Lexington Avenue**

**Buffalo, New York 14210**

**125 Broad Street**

**New York, New York 10017**

**Phone: (716) 819-5500**

**New York, New York 10004**

**Phone: (212) 455-2000**

**Phone: (212) 558-4000**

**Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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If applicable, place an x in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ..

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ..

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed	Proposed	Amount of registration fee
		maximum per unit offering price	maximum aggregate offering price	
Common Shares, par value \$1.00 per share	248,473,506 <sup>(1)</sup>	N/A	\$3,051,108,495.25 <sup>(2)</sup>	\$307,246.63 <sup>(3)(6)</sup>
Fixed-to-Floating Rate Perpetual Noncumulative Preferred Stock, Series C, par value \$1.00 per share	14,000,000 <sup>(4)</sup>	N/A	\$380,100,000 <sup>(5)</sup>	\$38,276.07 <sup>(3)(6)</sup>

(1) Based on the maximum number of common shares, par value \$1.00 per share ( KeyCorp common shares ), of the registrant ( KeyCorp ) estimated to be issued in connection with the merger described herein (the merger ). This number is based on the product of (a) the sum of (i) 355,577,829, the aggregate number of shares of common stock, par value \$0.01 per share ( First Niagara common stock ), of First Niagara Financial Group, Inc. ( First Niagara ), outstanding as of November 20, 2015, except for shares of First Niagara common stock owned by First Niagara as treasury stock or otherwise owned by First Niagara or KeyCorp (in each case other than shares of First Niagara common stock (A) held in any First Niagara benefit plan or related trust accounts, managed accounts, mutual funds and the like, or otherwise held in a fiduciary or agent capacity and (B) shares held, directly or indirectly, in respect of debts previously contracted), which number includes 824,469 shares of First Niagara

- common stock granted in respect of outstanding First Niagara restricted stock awards and First Niagara restricted stock awards that may be granted in the future pursuant to the terms of the merger agreement between KeyCorp and First Niagara described herein (the merger agreement ), plus (ii) 3,737,744, the aggregate number of shares of First Niagara common stock reserved for issuance upon the exercise of stock options outstanding as of November 20, 2015 and that may be issued in the future pursuant to the terms of the merger agreement, plus (iii) 6,086,642, the aggregate number of shares of First Niagara common stock reserved for issuance upon the settlement of First Niagara restricted stock unit awards outstanding as of November 20, 2015 and that may be issued in the future pursuant to the terms of the merger agreement, and (b) an exchange ratio of 0.680 KeyCorp common shares for each share of First Niagara common stock.
- (2) Pursuant to Rules 457(c), 457(f)(1) and 457(f)(3) promulgated under the Securities Act and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is an amount equal to (a) \$3,891,533,589.75, calculated as the product of (i) 365,402,215 shares of First Niagara common stock, the estimated maximum number of shares of First Niagara common stock that may be canceled in the merger and exchanged for KeyCorp common shares (calculated as shown in subsection (a) of note (1) above), and (ii) \$10.65, the average of the high and low trading prices of the First Niagara common stock on November 24, 2015 (within five business days prior to the date of this Registration Statement), minus (b) \$840,425,094.50, the estimated aggregate amount of cash to be paid by KeyCorp to First Niagara stockholders in the merger, calculated as a product of (i) 365,402,215 shares of First Niagara common stock, the estimated maximum number of shares of First Niagara common stock that may be canceled in the merger and exchanged for KeyCorp common shares (calculated as shown in subsection (a) of note (1) above), and (ii) \$2.30, the cash portion of the merger consideration.
- (3) Calculated pursuant to Rule 457 of the Securities Act by multiplying the proposed maximum aggregate offering price of securities to be registered by 0.0001007.
- (4) Represents the maximum number of shares of KeyCorp Fixed-to-Floating Rate Perpetual Noncumulative Preferred Stock, Series C ( KeyCorp preferred stock ) estimated to be issuable in connection with the merger, and is based on the product of (x) 1, the exchange ratio for such shares in the merger and (y) 14,000,000, which is the number of shares of First Niagara Fixed-to-Floating Rate Perpetual Noncumulative Preferred Stock, Series B ( First Niagara preferred stock ) issued and outstanding as of November 20, 2015.

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- (5) Pursuant to Rules 457(c), 457(f)(1) and 457(f)(3) promulgated under the Securities Act and solely for the purpose of calculating the registration fee, the proposed aggregate maximum offering price is the product of (x) \$27.15, the average of the high and low trading prices of the First Niagara preferred stock on November 24, 2015 (within five business days prior to the date of this Registration Statement) and (y) 14,000,000, the estimated maximum number of shares of First Niagara preferred stock that may be exchanged for the KeyCorp preferred stock.
- (6) Amount previously paid in connection with KeyCorp's filing of Registration Statement on Form S-4 (No. 333-208272), which was filed with the Securities and Exchange Commission on November 30, 2015.

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**Information contained herein is subject to completion or amendment. A registration statement relating to the KeyCorp common shares and preferred stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY PROXY STATEMENT/PROSPECTUS**

**DATED JANUARY 11, 2016, SUBJECT TO COMPLETION**

Dear Shareholder:

On October 30, 2015, KeyCorp entered into an Agreement and Plan of Merger, or the merger agreement, to acquire First Niagara Financial Group, Inc., or First Niagara, in a stock and cash transaction. If the merger agreement is approved and the merger is subsequently completed, First Niagara will merge with and into KeyCorp, with KeyCorp surviving the merger.

In the merger, each outstanding share of First Niagara common stock (other than shares owned by First Niagara as treasury stock or otherwise owned by First Niagara or KeyCorp and any dissenting shares) will be automatically converted into the right to receive 0.680 KeyCorp common shares and \$2.30 in cash, which we refer to as the merger consideration. Additionally, each share of First Niagara Fixed-to-Floating Rate Perpetual Noncumulative Preferred Stock, Series B, or the First Niagara preferred stock, will be automatically converted in the merger into a share of a newly-created series of KeyCorp preferred stock designated Fixed-to-Floating Rate Perpetual Non-Cumulative Preferred Stock, Series C, or the new KeyCorp preferred stock, that will have rights, preferences, privileges and voting powers, and limitations and restrictions, that are not materially less favorable to the holder thereof than the rights, preferences, privileges and voting powers of the First Niagara preferred stock.

Based on the closing price of KeyCorp's common shares on the New York Stock Exchange, or the NYSE, on October 29, 2015, the last trading day before public announcement of the merger, the value of the per share merger consideration payable to holders of First Niagara common stock would be \$11.40. Based on the closing price of KeyCorp's common shares on the NYSE on [ ], 2016, the last practicable trading date before the date of this joint proxy statement/prospectus, the value of the per share merger consideration payable to holders of First Niagara common stock would be [ ]. Based on the number of shares of First Niagara common stock outstanding and the number of shares of First Niagara common stock issuable pursuant to outstanding First Niagara stock options, restricted stock awards and restricted stock unit awards, in each case as of [ ], 2016, the total number of KeyCorp common shares expected to be issued in connection with the merger is approximately [ ] million. In addition, based on the number of issued and outstanding KeyCorp common shares and shares of First Niagara common stock on [ ], 2016, and based on the exchange ratio of 0.680, holders of shares of First Niagara common stock as of immediately prior to the closing of the merger will hold, in the aggregate, approximately [ ]% of the issued and outstanding KeyCorp common shares immediately following the closing of the merger (without giving effect to any KeyCorp common shares held by First Niagara stockholders prior to the merger). Based on the number of shares of First Niagara preferred stock outstanding

as of [ ], 2016, the total number of shares of new KeyCorp preferred stock expected to be issued in connection with the merger is approximately [ ] million.

KeyCorp and First Niagara will each hold a special meeting of shareholders to consider the proposed merger and related matters. KeyCorp and First Niagara cannot complete the proposed merger unless their respective shareholders vote to adopt the merger agreement and KeyCorp's shareholders vote to approve the amendment to KeyCorp's articles of incorporation to modify the voting rights associated with KeyCorp's preferred stock so that the voting rights associated with the new KeyCorp preferred stock are not materially less favorable to the holders thereof than the voting rights associated with the First Niagara preferred stock. KeyCorp and First Niagara are sending you this joint proxy statement/prospectus to ask you to vote in favor of these and other matters described in this joint proxy statement/prospectus.

The special meeting of KeyCorp's shareholders will be held on [ ], at [ ] local time, on [ ]. The special meeting of First Niagara's stockholders will be held on [ ], at [ ] local time, on [ ].

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF KEYCORP COMMON SHARES OR SHARES OF FIRST NIAGARA COMMON STOCK YOU OWN.** To ensure your representation at the KeyCorp or First Niagara special meeting, as applicable, please complete and return the enclosed proxy card or submit your proxy by following the instructions contained in this joint proxy statement/prospectus and on your proxy card. Please vote promptly whether or not you expect to attend your special meeting. Submitting a proxy now will NOT prevent you from being able to vote in person at your special



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meeting. If you hold your shares in street name, you should instruct your broker, bank or other nominee how to vote in accordance with the voting instruction form you receive from your broker, bank or other nominee.

**The KeyCorp Board of Directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the adoption of the merger agreement and FOR the other matters to be considered at the KeyCorp special meeting.**

**The First Niagara Board of Directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the adoption of the merger agreement and FOR the other matters to be considered at the First Niagara special meeting.**

This joint proxy statement/prospectus provides you with detailed information about the proposed merger. It also contains or references information about KeyCorp and First Niagara and certain related matters. You are encouraged to read this joint proxy statement/prospectus carefully. **In particular, you should read the Risk Factors section beginning on page 26 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact Innisfree M&A Incorporated, KeyCorp's proxy solicitor, by calling toll-free at (877) 800 - 5190, or [ ], First Niagara's proxy solicitor, by calling toll-free at [ ].

Sincerely,

Beth E. Mooney

Chairman of the Board and

Chief Executive Officer

Gary M. Crosby

President and

Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of KeyCorp common shares or the new KeyCorp preferred stock in connection with the merger or the other transactions described in this joint proxy statement/prospectus, or passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This joint proxy statement/prospectus is dated [ ], 2016, and is first being mailed to shareholders of KeyCorp and First Niagara on or about [ ].

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**WHERE YOU CAN FIND MORE INFORMATION**

Both KeyCorp and First Niagara file annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that either KeyCorp or First Niagara files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, KeyCorp and First Niagara file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at [www.sec.gov](http://www.sec.gov) containing this information. You will also be able to obtain these documents, free of charge, from KeyCorp at [www.key.com](http://www.key.com) under the About Key link and then under the heading Investor Relations and then SEC Filings, or from First Niagara by accessing First Niagara's website at [www.firstniagara.com](http://www.firstniagara.com) under the Investor Relations link and then under the heading Documents and then SEC Filings.

KeyCorp has filed a registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may obtain a free copy of the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This joint proxy statement/prospectus incorporates by reference documents that KeyCorp and First Niagara have previously filed with the SEC. These documents contain important information about the companies and their financial condition. See *Incorporation of Certain Documents by Reference* beginning on page 152. These documents are available without charge to you upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below.

KeyCorp	First Niagara Financial Group, Inc.
127 Public Square	726 Exchange Street, Suite 618
Cleveland, Ohio 44114	Buffalo, New York 14210
Attention: Paul N. Harris, Secretary	Attention: Kristy Berner, Corporate Secretary
(216) 689-3000	(716) 819-5500

**To obtain timely delivery of these documents, you must request the information no later than [ ], 2016 in order to receive them before KeyCorp's special meeting of shareholders and no later than [ ], 2016 in order to receive them before First Niagara's special meeting of stockholders.**

KeyCorp common shares are traded on the New York Stock Exchange under the symbol KEY, and First Niagara common stock is traded on the Nasdaq Global Select Market under the symbol FNFG.

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**NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [ ]**

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of KeyCorp will be held on [ ], at [ ] local time, on [ ], for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of October 30, 2015 (which we refer to as the merger agreement ), by and between First Niagara Financial Group, Inc. (which we refer to as First Niagara ) and KeyCorp (which we refer to as the merger proposal );
2. To approve the amendments to KeyCorp s amended and restated articles of incorporation set forth on Appendix D-1 to this joint proxy statement/prospectus, which modify the voting rights associated with KeyCorp s preferred stock so that the voting rights associated with the new KeyCorp preferred stock are not materially less favorable to the holders thereof than the voting rights associated with the First Niagara preferred stock (which we refer to as the articles amendment proposals ), consisting of the following proposals:
  - a. A proposal to approve a provision relating to the mechanics and timing of preferred shareholders rights to call special meetings;
  - b. A proposal to approve a provision requiring the approval by preferred shareholders of amendments of KeyCorp s articles or regulations that would adversely affect their voting powers, rights or preferences; and
  - c. A proposal to approve a provision requiring the approval by preferred shareholders of combinations, majority share acquisitions, mergers or consolidations unless they retain voting powers, rights, privileges and preferences that are not materially less favorable than those prior to such transaction;
3. To approve an amendment to KeyCorp s amended and restated regulations set forth on Appendix E-1 to this joint proxy statement/prospectus in order to increase the maximum size of the KeyCorp Board of Directors from sixteen to seventeen members (which we refer to as the regulations amendment proposal ); and
4. To approve one or more adjournments of the KeyCorp special meeting, if necessary or appropriate to permit further solicitation of proxies in favor of the merger proposal and the articles amendment proposals (which we refer to as the KeyCorp adjournment proposal ).

The affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of KeyCorp is required to approve each of the merger proposal, the articles amendment proposals and the regulations amendment proposal. Assuming a quorum is present, the affirmative vote of a majority of the KeyCorp common shares present in

person or represented by proxy at the KeyCorp special meeting is required to approve the KeyCorp adjournment proposal. KeyCorp will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

KeyCorp shareholders must approve the merger proposal and the articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve either the merger proposal or the articles amendment proposals, the merger will not occur. The joint proxy statement/prospectus accompanying this notice explains the merger agreement and the transactions contemplated thereby, as well as the proposals to be considered at the KeyCorp special meeting. Please review the joint proxy statement/prospectus carefully.

The KeyCorp Board of Directors has set [ ] as the record date for the KeyCorp special meeting. Only holders of record of KeyCorp common shares at the close of business on [ ] will be entitled to notice of and to vote at the

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KeyCorp special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the KeyCorp special meeting is entitled to appoint a proxy to attend and vote on such shareholder's behalf. Such proxy need not be a holder of KeyCorp common shares.

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF KEYCORP COMMON SHARES YOU OWN. Whether or not you plan to attend the KeyCorp special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a broker, bank or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your broker, bank or other nominee.**

**The KeyCorp Board of Directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the merger proposal, FOR the articles amendment proposals, FOR the regulations amendment proposal and FOR the KeyCorp adjournment proposal (if necessary or appropriate).**

**If you have any questions or need assistance with voting, please contact our proxy solicitor, Innisfree M&A Incorporated, toll-free at (877) 800 - 5190.**

If you plan to attend the KeyCorp special meeting, you will be required to bring certain documents with you to be admitted to the meeting. Please read carefully the sections in the joint proxy statement/prospectus regarding attending and voting at the special meeting to ensure that you comply with these requirements.

BY ORDER OF THE BOARD OF DIRECTORS

Paul N. Harris

Secretary and General Counsel

Cleveland, Ohio

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**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON [ ]**

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of First Niagara will be held on [ ], at [ ] local time, on [ ], for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of October 30, 2015 (which we refer to as the merger agreement ), by and between KeyCorp and First Niagara (which we refer to as the merger proposal );
2. To approve, on a non-binding, advisory basis, the compensation to be paid to First Niagara s named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled *The Merger Interests of First Niagara Directors and Executive Officers in the Merger* beginning on page 91 (which we refer to as the merger-related compensation proposal ); and
3. To approve one or more adjournments of the First Niagara special meeting, if necessary or appropriate to permit further solicitation of proxies in favor of the merger proposal (which we refer to as the First Niagara adjournment proposal ).

The affirmative vote of a majority of the outstanding shares of First Niagara common stock entitled to vote thereon is required to approve the merger proposal. Assuming a quorum is present, the affirmative vote of a majority of the votes present in person or represented by proxy and cast at the First Niagara special meeting is required to approve, on a non-binding, advisory basis, the merger-related compensation proposal and to approve the First Niagara adjournment proposal. First Niagara will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

First Niagara stockholders must approve the merger proposal in order for the merger to occur. The merger proposal is not conditioned on the merger-related compensation proposal. The joint proxy statement/prospectus accompanying this notice explains the merger agreement and the transactions contemplated thereby, as well as the proposals to be considered at the First Niagara special meeting. Please review the joint proxy statement/prospectus carefully.

The First Niagara Board of Directors has set [ ] as the record date for the First Niagara special meeting. Only holders of record of First Niagara common stock at the close of business on [ ] will be entitled to notice of and to vote at the First Niagara special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the First Niagara special meeting is entitled to appoint a proxy to attend and vote on such stockholder s behalf. Such proxy need not be a holder of First Niagara common stock.

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES OF FIRST NIAGARA COMMON STOCK YOU OWN. Whether or not you plan to attend the First Niagara special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a broker, bank or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your broker, bank or other nominee.**

**The First Niagara Board of Directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the merger proposal, FOR the merger-related compensation proposal and FOR the First Niagara adjournment proposal (if necessary or appropriate).**

**If you have any questions or need assistance with voting, please contact our proxy solicitor, [ ], toll-free at [ ].**

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If you plan to attend the First Niagara special meeting in person, please RSVP by marking the appropriate box on the proxy card, or via email to [investor@fnfg.com](mailto:investor@fnfg.com) with RSVP as the subject line. Also, if you are a registered stockholder and will be attending the meeting in person, please bring valid photo identification. Stockholders that hold their shares in street name are required to bring valid photo identification and proof of stock ownership in order to attend the meeting, and a legal proxy from their broker, bank or other nominee to vote their shares.

BY ORDER OF THE BOARD OF  
DIRECTORS

Kristy Berner

Senior Vice President, General Counsel and  
Corporate Secretary

Buffalo, New York



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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS**

*The following are answers to certain questions that you may have regarding the merger and the special meetings. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this joint proxy statement/prospectus.*

**Q: WHAT IS THE MERGER?**

A: KeyCorp, an Ohio corporation (which we refer to as KeyCorp ), and First Niagara Financial Group, Inc., a Delaware corporation (which we refer to as First Niagara ) have entered into an Agreement and Plan of Merger, dated as of October 30, 2015, as it may be amended from time to time (which we refer to as the merger agreement ), pursuant to which First Niagara will merge with and into KeyCorp, with KeyCorp continuing as the surviving company (which we refer to as the merger ).

KeyCorp and First Niagara will hold separate special meetings of their shareholders to obtain the required approvals, and you are receiving this joint proxy statement/prospectus in connection with those special meetings. See *The Merger Agreement* beginning on page 103. In addition, a copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A. We urge you to read carefully this joint proxy statement/prospectus and the merger agreement in their entirety.

**Q: WHY AM I RECEIVING THIS DOCUMENT?**

A: Each of KeyCorp and First Niagara is sending this joint proxy statement/prospectus to its shareholders to help them decide how to vote their KeyCorp common shares or shares of First Niagara common stock, as the case may be, with respect to the merger and other matters to be considered at the special meetings.

The merger cannot be completed unless each of KeyCorp's and First Niagara's shareholders adopt the merger agreement, and KeyCorp's shareholders approve the proposed amendment (which we refer to as the articles amendment ) to KeyCorp's amended and restated articles of incorporation (which we refer to as the articles ) set forth on Appendix D-1 to this joint proxy statement/prospectus, which modify the voting rights associated with KeyCorp's preferred stock so that the voting rights associated with the new KeyCorp preferred stock (described below) are not materially less favorable to the holder thereof than the voting rights associated with the First Niagara preferred stock (described below). Information about these special meetings, the merger and the other business to be considered by shareholders at each of the special meetings is contained in this joint proxy statement/prospectus.

This document constitutes both a joint proxy statement of KeyCorp and First Niagara and a prospectus of KeyCorp. It is a joint proxy statement because each of the Boards of Directors of KeyCorp and First Niagara is soliciting proxies using this document from their respective shareholders. It is a prospectus because KeyCorp, in connection with the merger, is offering (i) its common shares in partial exchange for the outstanding shares of First Niagara common stock and (ii) its newly-created series of preferred stock designated Fixed-To-Floating Rate Perpetual Noncumulative Preferred Stock, Series C (which we refer to as the new KeyCorp preferred stock ) in exchange for the outstanding shares of First Niagara's Fixed-to-Floating Rate Perpetual Noncumulative Preferred Stock, Series B (which we refer to

as the First Niagara preferred stock ), which newly-created series of preferred stock will have rights, preferences, privileges and voting powers, and limitations and restrictions, that are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the First Niagara preferred stock.

**Q: WHAT WILL FIRST NIAGARA COMMON STOCKHOLDERS RECEIVE IN THE MERGER?**

A: If the merger is completed, each share of First Niagara common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Niagara as treasury stock or otherwise owned by First Niagara or KeyCorp and any dissenting shares), will be converted into the right to

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receive 0.680 KeyCorp common shares (which we refer to as the exchange ratio ) and \$2.30 in cash. KeyCorp will not issue any fractional KeyCorp common shares in the merger. Instead, a First Niagara stockholder who otherwise would have received a fraction of a KeyCorp common share will receive an amount in cash (rounded to the nearest cent) determined by multiplying (i) the fraction of a KeyCorp common share to which the holder would otherwise be entitled by (ii) the volume weighted average price of KeyCorp common shares on the New York Stock Exchange (which we refer to as the NYSE ) for the five trading days ending on the day prior to the effective time of the merger.

**Q: WHAT WILL FIRST NIAGARA PREFERRED STOCKHOLDERS RECEIVE IN THE MERGER?**

A: If the merger is completed, each share of First Niagara preferred stock issued and outstanding immediately prior to the effective time of the merger will automatically be converted into a share of the new KeyCorp preferred stock.

**Q: WHEN WILL THE MERGER BE COMPLETED?**

A: The parties currently expect that the merger will be completed during the third quarter of 2016. However, neither KeyCorp nor First Niagara can assure you of when or if the merger will be completed, and it is possible that factors outside of the control of both companies, including whether and when the required regulatory approvals will be received, could result in the merger being completed at a different time or not at all. KeyCorp and First Niagara must first obtain the approval of their respective shareholders for the merger and KeyCorp's shareholders must approve the articles amendment proposals (described below), and KeyCorp and First Niagara must also first obtain certain necessary regulatory approvals and satisfy other closing conditions. See *The Merger Agreement Conditions to the Merger* beginning on page 113.

**Q: WHAT AM I BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?**

A: First Niagara stockholders are being asked to vote on the following proposals:

1. to adopt the merger agreement, a copy of which is attached as Appendix A to this joint proxy statement/prospectus (which we refer to as the merger proposal );
2. to approve, on a non-binding, advisory basis, the compensation to be paid to First Niagara's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled *The Merger Interests of First Niagara Directors and Executive Officers in the Merger* beginning on page 91 (which we refer to as the merger-related compensation proposal ); and
3. to approve one or more adjournments of the First Niagara special meeting, if necessary or appropriate to permit further solicitation of proxies in favor of the merger proposal (which we refer to as the First Niagara

adjournment proposal ).

KeyCorp shareholders are being asked to vote on the following proposals:

1. to adopt the merger agreement, a copy of which is attached as Appendix A to this joint proxy statement/prospectus (which we refer to as the merger proposal );
  
2. to approve the amendments to KeyCorp s articles set forth on Appendix D-1 to this joint proxy statement/prospectus, which modify the voting rights associated with KeyCorp s preferred stock so that the voting rights associated with the new KeyCorp preferred stock are not materially less favorable to the holders thereof than the voting rights associated with the First Niagara preferred stock (which we refer to as the articles amendment proposals ), consisting of the following proposals:
  - a. A proposal to approve a provision relating to the mechanics and timing of preferred shareholders rights to call special meetings;



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- b. A proposal to approve a provision requiring the approval by preferred shareholders of amendments of KeyCorp's articles or regulations that would adversely affect their voting powers, rights or preferences; and
  - c. A proposal to approve a provision requiring the approval by preferred shareholders of combinations, majority share acquisitions, mergers or consolidations unless they retain voting powers, rights, privileges and preferences that are not materially less favorable than those prior to such transaction;
3. to approve an amendment to KeyCorp's amended and restated regulations (which we refer to as the regulations ) set forth on Appendix E-1 to this joint proxy statement/prospectus in order to increase the maximum size of the KeyCorp Board of Directors from sixteen to seventeen members (which we refer to as the regulations amendment proposal ); and
  4. to approve one or more adjournments of the KeyCorp special meeting, if necessary or appropriate to permit further solicitation of proxies in favor of the merger proposal and the articles amendment proposals (which we refer to as the KeyCorp adjournment proposal ).

**Q: WHAT CONSTITUTES A QUORUM AT EACH SPECIAL MEETING?**

A: The presence, in person or represented by proxy, of at least a majority of the total number of outstanding shares of First Niagara common stock entitled to vote is necessary in order to constitute a quorum at the First Niagara special meeting.

The presence, in person or represented by proxy, of at least a majority of KeyCorp's outstanding common shares is necessary in order to constitute a quorum at the KeyCorp special meeting.

**Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE FIRST NIAGARA SPECIAL MEETING?**

A: *The Merger Proposal:* The affirmative vote of a majority of the outstanding shares of First Niagara common stock entitled to vote thereon is required to approve the merger proposal. First Niagara stockholders must approve the merger proposal in order for the merger to occur. If First Niagara stockholders fail to approve the merger proposal, the merger will not occur.

*The Merger-Related Compensation Proposal:* Assuming a quorum is present, the affirmative vote of a majority of votes present in person or represented by proxy and cast on the merger related compensation proposal at the First Niagara special meeting is required to approve the merger-related compensation proposal, which is an advisory vote, and therefore is not binding on First Niagara or on KeyCorp or the Boards of Directors or the compensation committees of First Niagara or KeyCorp. Since compensation and benefits to be paid or provided in connection with the merger are based on contractual arrangements with the named executive officers, the outcome of this advisory vote will not affect the obligation to make these payments. First Niagara is seeking this non-binding advisory stockholder approval pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) of

the Securities Exchange Act of 1934, as amended (which we refer to as the Exchange Act ), which requires First Niagara to provide its stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to First Niagara s named executive officers in connection with the merger. The merger-related compensation proposal gives First Niagara s stockholders the opportunity to express their views on the merger-related compensation of First Niagara s named executive officers. First Niagara stockholders are not required to approve the merger-related compensation proposal in order for the merger to occur. If First Niagara stockholders fail to approve the merger-related compensation proposal, but approve the merger proposal, the merger may nonetheless occur.

*The First Niagara Adjournment Proposal:* Assuming a quorum is present, the affirmative vote of a majority of the votes present in person or represented by proxy and cast on the First Niagara adjournment proposal at the First Niagara special meeting is required to approve the First Niagara adjournment proposal.

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**Q: WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE KEYCORP SPECIAL MEETING?**

A: *The Merger Proposal:* The affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of KeyCorp is required to approve the merger proposal. KeyCorp shareholders must approve the merger proposal in order for the merger to occur. If KeyCorp shareholders fail to approve the merger proposal, the merger will not occur.

*The Articles Amendment Proposals:* The affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of KeyCorp is required to approve the articles amendment proposals. KeyCorp shareholders must approve the articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve the articles amendment proposals, the merger will not occur.

*The Regulations Amendment Proposal:* The affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of KeyCorp is required to approve the regulations amendment proposal. KeyCorp shareholders are not required to approve the regulations amendment proposal in order for the merger to occur. If KeyCorp shareholders fail to approve the regulations amendment proposal, but approve the merger proposal and the articles amendment proposals, the merger may nonetheless occur.

*The KeyCorp Adjournment Proposal:* Assuming a quorum is present, the affirmative vote of a majority of the KeyCorp common shares present in person or represented by proxy at the KeyCorp special meeting is required to approve the KeyCorp adjournment proposal.

**Q: WHAT DO I NEED TO DO NOW?**

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by your broker, bank or other nominee if your shares are held in the name of your broker, bank or other nominee.

**Q: HOW DO I VOTE?**

A: If you are a shareholder of record of KeyCorp as of [ ] (which we refer to as the KeyCorp record date ) you may submit your proxy before the KeyCorp special meeting in any of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

If you are a stockholder of record of First Niagara as of [ ] (which we refer to as the First Niagara record date ), you may submit your proxy before the First Niagara special meeting in any of the following ways:

use the toll-free number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope; or

scan the QR Code on your proxy card with your mobile device.

If you are a shareholder of record of KeyCorp as of the KeyCorp record date or a stockholder of record of First Niagara as of the First Niagara record date, you may also cast your vote in person at your respective company's special meeting.

If your shares are held in street name through a broker, bank or other nominee, your broker, bank or other nominee will send you separate instructions describing the procedure for voting your shares. Street name shareholders who wish to vote at the special meeting will need to obtain a proxy form from their broker, bank or other nominee.

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**Q: WHEN AND WHERE ARE THE KEYCORP AND FIRST NIAGARA SPECIAL MEETINGS?**

A: The special meeting of KeyCorp shareholders will be held on [ ], at [ ] local time, on [ ]. All KeyCorp shareholders as of the KeyCorp record date, or their duly appointed proxies, may attend the KeyCorp special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at [ ], local time.

The special meeting of First Niagara stockholders will be held at the [ ] at [ ] local time, on [ ]. All First Niagara stockholders as of the First Niagara record date, or their duly appointed proxies, may attend the First Niagara special meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at [ ] local time.

**Q: IF MY SHARES ARE HELD IN STREET NAME BY A BROKER, BANK OR OTHER NOMINEE, WILL MY BROKER, BANK OR OTHER NOMINEE VOTE MY SHARES FOR ME?**

A: If your shares are held in street name in a stock brokerage account or by a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to KeyCorp or First Niagara or by voting in person at your respective company's special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. In addition to such legal proxy, if you plan to attend the First Niagara special meeting, but are not a stockholder of record because you hold your shares in street name, please bring evidence of your beneficial ownership of your shares (e.g., a copy of a recent brokerage statement showing the shares) and valid photo identification with you to the First Niagara special meeting. If you plan to attend the KeyCorp special meeting and you hold shares in street name, please bring photo identification and a recent brokerage statement or a letter from your broker, bank or other nominee showing your holdings of KeyCorp common shares as proof of ownership.

Under the rules of the NYSE and the Nasdaq Global Select Market (which we refer to as NASDAQ ), brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not permitted to exercise their voting discretion with respect to the approval of matters that the NYSE or the NASDAQ determines to be non-routine without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the KeyCorp special meeting and the First Niagara special meeting are non-routine matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

If you are a First Niagara stockholder holding your shares in street name and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee will not vote your shares on the merger proposal, which broker non-votes will have the same effect as a vote **AGAINST** such proposal; and

your broker, bank or other nominee will not vote your shares on the merger-related compensation proposal or the First Niagara adjournment proposal, which broker non-votes will have no effect on the vote count for these proposals.

If you are a KeyCorp shareholder holding your shares in street name and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee will not vote your shares on the merger proposal, the articles amendment proposals or the regulations amendment proposal, which broker non-votes will have the same effect as a vote **AGAINST** these proposals; and

your broker, bank or other nominee will not vote your shares on the KeyCorp adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

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**Q: WHAT IF I ATTEND THE MEETING AND ABSTAIN OR DO NOT VOTE?**

A: For purposes of each of the KeyCorp special meeting and the First Niagara special meeting, an abstention occurs when a shareholder attends the applicable special meeting in person and does not vote or returns a proxy with an abstain vote.

If you are a First Niagara or KeyCorp shareholder, you attend your special meeting in person and you fail to vote on the applicable merger proposal, your failure to vote will have the same effect as a vote cast **AGAINST** the applicable merger proposal. If you respond with an abstain vote on the applicable merger proposal, your proxy will have the same effect as a vote cast **AGAINST** the applicable merger proposal.

If you are a KeyCorp shareholder, you attend your special meeting in person and you fail to vote on the articles amendment proposals or the regulations amendment proposal, your failure to vote in each case will have the same effect as a vote cast **AGAINST** such proposals. If you respond to the articles amendment proposals or the regulations amendment proposal with an abstain vote, your proxy will have the same effect as a vote cast **AGAINST** such proposals.

If you are a KeyCorp shareholder, you attend your special meeting in person and you fail to vote on the KeyCorp adjournment proposal, your failure to vote will have the same effect as a vote cast **AGAINST** such proposal. If you respond with an abstain vote, your proxy will have the same effect as a vote cast **AGAINST** the KeyCorp adjournment proposal.

If you are a First Niagara stockholder, you attend your special meeting in person and you fail to vote or respond with an abstain vote on the merger-related compensation proposal or the First Niagara adjournment proposal, such abstention or failure to vote will have no effect on the outcome of such proposals. For each of these proposals, abstentions are not treated as votes cast and will have no effect on the outcome of the vote, although abstentions are counted towards establishing a quorum.

**Q: WHAT WILL HAPPEN IF I RETURN MY PROXY CARD WITHOUT INDICATING HOW TO VOTE?**

If you sign and return your proxy card without indicating how to vote on any particular proposal, the KeyCorp common shares represented by your proxy will be voted as recommended by the KeyCorp Board of Directors with respect to that proposal or the shares of First Niagara common stock represented by your proxy will be voted as recommended by the First Niagara Board of Directors with respect to that proposal, as the case may be.

**Q: MAY I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTION CARD?**

Yes. You may change your vote at any time before your proxy is voted at the KeyCorp or First Niagara special meeting. You may do this in one of three ways:

filing a notice with the Corporate Secretary of KeyCorp or First Niagara, as applicable;

filing a new, subsequently dated proxy (whether by proxy card, online, telephone, or, in the case of the First Niagara proxy, QR Code); or

by attending the KeyCorp or First Niagara special meeting and electing to vote your shares in person. If you are a shareholder of record of either KeyCorp or First Niagara and you choose to send a written notice or to mail a new proxy, you must submit your notice of revocation or your new proxy to, in the case of KeyCorp, KeyCorp, Attention: Secretary, 127 Public Square, Cleveland, Ohio 44114, or, in the case of First Niagara, First Niagara Financial Group, Inc., Attention: Corporate Secretary, 726 Exchange Street, Suite 618, Buffalo, New York 14210, and it must be received at any time before the vote is taken at the KeyCorp or the First Niagara special meeting, as applicable. Any proxy that you submitted may also be



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revoked by submitting a new proxy by mail, online, by telephone, or in the case of the First Niagara proxy, QR Code, not later than [ ] on [ ], or by voting in person at the meeting. If you have instructed a broker, bank or other nominee to vote your KeyCorp common shares or shares of First Niagara common stock, as applicable, you must follow the directions you receive from your broker, bank or other nominee in order to change or revoke your vote.

**Q: ARE FIRST NIAGARA STOCKHOLDERS ENTITLED TO APPRAISAL RIGHTS?**

A: Yes, First Niagara stockholders are entitled to appraisal rights under Section 262 of the General Corporation Law of the State of Delaware (which we refer to as the DGCL), provided they satisfy the special criteria and conditions set forth in Section 262 of the DGCL. More information regarding these appraisal rights is provided in this joint proxy statement/prospectus, and the provisions of the DGCL that grant appraisal rights and govern such procedures are attached as Appendix F to this joint proxy statement/prospectus. You should read these provisions carefully and in their entirety. See *Appraisal Rights* beginning on page 148.

**Q: WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO FIRST NIAGARA STOCKHOLDERS?**

A: The obligation of KeyCorp and First Niagara to complete the merger is conditioned upon the receipt of legal opinions from their respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

If the merger qualifies as a reorganization for United States federal income tax purposes, (1) U.S. holders of First Niagara common stock who receive a combination of KeyCorp common shares and cash, other than cash instead of a fractional KeyCorp common share, in exchange for their shares of First Niagara common stock, will recognize gain (but not loss) in an amount equal to the lesser of (x) the amount by which the sum of the fair market value of the KeyCorp common shares and cash (other than cash received instead of a fractional KeyCorp common share) received by such holder in exchange for its shares of First Niagara common stock exceeds the holder's adjusted basis in its shares of First Niagara common stock, and (y) the amount of cash (other than cash received instead of fractional KeyCorp common shares) received by such holder in exchange for its shares of First Niagara common stock; and (2) U.S. holders of First Niagara preferred shares who receive solely new KeyCorp preferred stock in the merger will not recognize any gain or loss. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if the holding period for such shares of First Niagara common stock is more than one year. Depending on certain facts specific to you, gain could instead be characterized as ordinary dividend income.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, see *Material United States Federal Income Tax Consequences of the Merger* beginning on page 118.

The consequences of the merger to any particular shareholder will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

**Q: WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?**

A: If the merger is not completed, First Niagara stockholders will not receive any consideration for their shares of First Niagara common stock and will not receive shares of new KeyCorp preferred stock for their shares of First Niagara preferred stock in connection with the merger. Instead, First Niagara will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ. Under specified circumstances, First Niagara may be required to pay to KeyCorp a fee with respect to the termination of the merger agreement. See *The Merger Agreement Termination; Termination Fee* beginning on page 114.

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**Q: SHOULD FIRST NIAGARA STOCKHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?**

A: No. First Niagara stockholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, transmittal materials, with instructions for their completion, will be provided under separate cover to First Niagara stockholders who hold physical stock certificates and the stock certificates should be sent at that time in accordance with such instructions.

**Q: WHAT ARE THE ARTICLES AMENDMENT PROPOSALS AND WHY ARE KEYCORP SHAREHOLDERS BEING ASKED TO APPROVE THEM?**

A: KeyCorp is asking its shareholders to approve the articles amendment set forth on Appendix D-1 to this joint proxy statement/prospectus, which modifies the voting rights associated with KeyCorp's preferred stock so that the voting rights associated with the new KeyCorp preferred stock are not materially less favorable to the holder thereof than the voting rights associated with the First Niagara preferred stock. At the KeyCorp special meeting, KeyCorp shareholders will be asked to consider and vote on each of the following three proposals relating to the provisions in the articles amendment:

***a. Proposal to approve a provision relating to the mechanics and timing of preferred shareholders' rights to call special meetings***

The articles amendment will (i) provide that KeyCorp is not required to call a special meeting of preferred shareholders for the election of directors in certain circumstances if KeyCorp's annual meeting will be held less than 90 days from the date a request for such special meeting is received from preferred shareholders and (ii) allow any holder of KeyCorp preferred stock to call such a special meeting at KeyCorp's expense if the meeting is not called by KeyCorp within 20 days of receiving such a request (and, solely for the purpose of calling such special meeting, such preferred shareholder will have access to KeyCorp's stock ledger).

***b. Proposal to approve a provision requiring the approval by preferred shareholders of amendments of KeyCorp's articles or regulations that would adversely affect their voting powers, rights or preferences***

The articles amendment will provide that KeyCorp's preferred shareholders must approve any amendment of KeyCorp's articles or regulations that would adversely affect the voting powers, rights or preferences of KeyCorp's preferred shareholders (or any class thereof).

***c. Proposal to approve a provision requiring the approval by preferred shareholders of combinations, majority share acquisitions, mergers or consolidations unless they retain voting powers, rights, privileges and preferences that are not materially less favorable than those prior to such transaction***

The articles amendment will provide that KeyCorp's preferred shareholders must approve any combination, majority share acquisition (each as defined by Ohio law), merger or consolidation of KeyCorp with another entity unless, in each case, (A) KeyCorp's preferred stock remains outstanding or is converted into preference securities of the surviving or resulting corporation or a corporation controlling such corporation (in each case, which is an entity organized in the United States) and (B) the shares of preferred stock remaining outstanding or such new preference securities, as the case may be, have voting powers, rights, privileges and preferences that are not materially less favorable to the holders thereof than the voting powers, rights, privileges and preferences of the holders of KeyCorp's preferred stock.

KeyCorp shareholders must approve each of the above articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve any of the above articles amendment proposals, the merger will not occur.

In accordance with KeyCorp's articles, KeyCorp's Board of Directors has designated the remaining terms and rights of the new KeyCorp preferred stock. See *Description of KeyCorp Capital Stock* for a summary of the material terms of the new KeyCorp preferred stock and the form of second amended and restated articles of incorporation of KeyCorp (which we refer to as the amended articles ) set forth on Appendix D-2 to this joint proxy statement/prospectus. The articles amendment proposals above are a summary of the material provisions of the articles amendment and are not intended to be complete or to provide a comprehensive discussion of the articles amendment. This summary is qualified in its entirety by

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reference to the modifications to the articles set forth on Appendix D-1 and to the form of amended articles set forth on Appendix D-2 to this joint proxy statement/prospectus. We encourage you to read Appendix D-1 and Appendix D-2 carefully and in their entirety.

Upon approval of the articles amendment proposals comprising the articles amendment set forth on Appendix D-1 to this joint proxy statement/prospectus by KeyCorp shareholders, which has been approved by KeyCorp's Board of Directors, KeyCorp would be authorized to file with the Secretary of State of the State of Ohio the amended articles as set forth on Appendix D-2 to this joint proxy statement/prospectus, and the articles amendment will thereafter become effective upon such filing. Except as contemplated by the articles amendment set forth on Appendix D-1 to this joint proxy statement/prospectus and the designation of the new KeyCorp preferred stock by KeyCorp's Board of Directors in accordance with the articles, the provisions of the articles would remain unchanged.

KeyCorp shareholders must approve the articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve the articles amendment proposals, the merger will not occur. Accordingly, KeyCorp is asking KeyCorp shareholders to vote to approve the articles amendment proposals, either by attending the KeyCorp special meeting and voting in person or by submitting a proxy.

### **Q: WHAT IS THE REGULATIONS AMENDMENT PROPOSAL AND WHY ARE KEYCORP SHAREHOLDERS BEING ASKED TO APPROVE IT?**

A: KeyCorp is asking its shareholders to approve an amendment (which we refer to as the regulations amendment) to its regulations set forth on Appendix E-1 to this joint proxy statement/prospectus in order to increase the maximum size of its Board of Directors from sixteen to seventeen members.

Pursuant to the merger agreement, KeyCorp will add three current members of First Niagara's Board of Directors selected by First Niagara and reasonably acceptable to KeyCorp (including its Nominating and Corporate Governance Committee) to KeyCorp's Board of Directors. As of the date of this joint proxy statement/prospectus, KeyCorp's Board of Directors consisted of fourteen members. The regulations provide that KeyCorp's Board of Directors must consist of no fewer than twelve and no more than sixteen members. In order to add First Niagara's director nominees to KeyCorp's existing Board of Directors, KeyCorp intends to amend the regulations to increase the maximum size of its Board of Directors from sixteen to seventeen members.

Upon approval of the regulations amendment as set forth on Appendix E-1 to this joint proxy statement/prospectus by KeyCorp's shareholders, which has been approved by KeyCorp's Board of Directors, KeyCorp's regulations would be amended in its entirety as set forth on Appendix E-2 to this joint proxy statement/prospectus. Except as contemplated by the regulations amendment set forth on Appendix E-1 to this joint proxy statement/prospectus, the provisions of KeyCorp's regulations would remain unchanged.

Approval of the regulations amendment proposal is not a condition to completion of the merger. If KeyCorp shareholders fail to approve the regulations amendment proposal, but approve the merger proposal and the articles amendment proposals, the merger may nonetheless occur. It is important, however, that KeyCorp shareholders vote to approve the regulations amendment proposal, either by attending the KeyCorp special meeting and voting in person or by submitting a proxy.

**Q: WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS ABOUT THE PROXY MATERIALS OR VOTING?**

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact the proxy solicitation agent for the company in which you hold shares.

If you are a KeyCorp shareholder, you should contact Innisfree M&A Incorporated (which we refer to as Innisfree ), the proxy solicitation agent for KeyCorp, toll-free at (877) 800-5190. If you are a First Niagara stockholder, you should contact [ ], the proxy solicitation agent for First Niagara, toll-free at [ ].

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**SUMMARY**

*This summary highlights selected information included in this joint proxy statement/prospectus and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which we refer before you decide how to vote. In addition, we incorporate by reference important business and financial information about First Niagara and KeyCorp into this joint proxy statement/prospectus. See *Where You Can Find More Information* in the forepart of this joint proxy statement/prospectus and *Incorporation of Certain Documents by Reference* beginning on page 152. Each item in this summary includes a page reference directing you to a more complete description of that item.*

**The Merger and the Merger Agreement (page 103)**

The terms and conditions of the merger are contained in the merger agreement, which is attached as Appendix A to this joint proxy statement/prospectus. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

If the merger agreement is approved and the merger is subsequently completed, First Niagara will merge with and into KeyCorp, with KeyCorp surviving the merger.

**Merger Consideration (page 103)**

Each share of First Niagara common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Niagara as treasury stock or otherwise owned by First Niagara or KeyCorp and any dissenting shares), will be converted into the right to receive 0.680 KeyCorp common shares (which we refer to as the exchange ratio) and \$2.30 in cash. Each share of First Niagara preferred stock issued and outstanding immediately prior to the effective time of the merger will automatically be converted into a share of the new KeyCorp preferred stock.

Based on the closing trading price of KeyCorp common shares on the NYSE on October 29, 2015, the last trading day before the public announcement of the signing of the merger agreement, the value of the merger consideration per share of First Niagara common stock was \$11.40. Based on the closing trading price of KeyCorp common shares on the NYSE on [ ], 2016, the last practicable trading date before the date of this joint proxy statement/prospectus, the value of the merger consideration per share of First Niagara common stock was [ ]. The value of the merger consideration that you will receive for each share of First Niagara common stock will depend on the price per share of KeyCorp common shares at the time you receive the shares of KeyCorp common shares. Therefore, the value of the merger consideration may be different than its estimated value based on the current price of KeyCorp common shares or the price of KeyCorp common shares at the time of the KeyCorp and First Niagara special meetings.

**Recommendation of the First Niagara Board of Directors (page 59)**

The First Niagara Board of Directors has unanimously determined that the merger, on the terms and conditions set forth in the merger agreement, is advisable and in the best interests of First Niagara and its stockholders and has directed that the merger agreement and the transactions contemplated thereby be submitted to First Niagara's stockholders for adoption at the First Niagara special meeting on the date and at the time and place set forth in this joint proxy statement/prospectus. The First Niagara Board of Directors unanimously recommends that First Niagara's stockholders vote **FOR** the merger proposal, **FOR** the merger-related compensation proposal and **FOR** the First Niagara adjournment proposal (if necessary or appropriate). See *The Merger Recommendation of the First Niagara Board of Directors and Reasons for the Merger* beginning on page 59.





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**Recommendation of the KeyCorp Board of Directors (page 80)**

The KeyCorp Board of Directors has unanimously determined that the merger, on the terms and conditions set forth in the merger agreement, is advisable and in the best interests of KeyCorp and its shareholders and has directed that the merger agreement and the transactions contemplated thereby be submitted to its shareholders for approval at the KeyCorp special meeting on the date and at the time and place set forth in this joint proxy statement/prospectus. The KeyCorp Board of Directors unanimously recommends that KeyCorp's shareholders vote **FOR** the merger proposal, **FOR** the articles amendment proposals, **FOR** the regulations amendment proposal and **FOR** the KeyCorp adjournment proposal (if necessary or appropriate). See *The Merger Recommendation of the KeyCorp Board of Directors and Reasons for the Merger* beginning on page 80.

**BlackRock Solutions Estimated Valuation and Related Analyses (page 62)**

First Niagara engaged the Financial Markets Advisory Group of BlackRock Financial Management, Inc. (which we refer to as BlackRock Solutions) to perform and deliver reports on (i) an estimated, analytically-derived valuation of First Niagara on a standalone basis and related analyses and (ii) an estimated earnings quality of KeyCorp and Party A (as defined below). These reports were presented to the First Niagara Board of Directors on October 12, 2015 and October 27, 2015, respectively.

**BlackRock Solutions provided its analyses and estimates to the First Niagara Board of Directors (in its capacity as such) in connection with and for the purpose of its evaluation of its strategic alternatives. BlackRock Solutions made no recommendation to the management or Board of First Niagara and makes no recommendation to any holder of shares of First Niagara common stock as to how such stockholder should vote with respect to the merger or any other matter at the First Niagara special meeting or whether to take any other action with respect to the merger. BlackRock Solutions' analyses and estimates were among the many factors considered by the First Niagara Board of Directors in its evaluation of the transactions contemplated by the merger agreement and should not be viewed as determinative of the views of the First Niagara Board of Directors or management with respect to the merger consideration or the transactions contemplated by the merger agreement, and the decision to approve and recommend the transactions contemplated by the merger agreement to First Niagara's stockholders was made independently by the First Niagara Board of Directors.**

**Opinion of Financial Advisors**

*First Niagara Financial Advisor (page 70)*

In connection with the merger, First Niagara's financial advisor, J.P. Morgan Securities LLC (which we refer to as J.P. Morgan) rendered to the First Niagara Board of Directors at its meeting on October 29, 2015, J.P. Morgan's oral opinion (which was subsequently confirmed in writing by delivery of J.P. Morgan's written opinion dated the same date) that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in such opinion, the merger consideration to be paid to the holders of First Niagara common stock in the merger was fair, from a financial point of view, to such holders.

**The full text of the written opinion of J.P. Morgan, dated October 29, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken in rendering its opinion, is attached as Appendix B to this joint proxy statement/prospectus and is incorporated herein by reference. First Niagara stockholders should read this opinion carefully and in its entirety. J.P. Morgan's written opinion is addressed to the First Niagara Board of Directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be paid**

**to the holders of First Niagara common stock in the merger as of the date of the opinion, does not address any other aspect of the transactions contemplated by the merger agreement and does not**

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constitute a recommendation to any holder of shares of First Niagara common stock as to how such stockholder should vote with respect to the merger or any other matter at the First Niagara special meeting. J.P. Morgan's opinion does not express any opinion as to the price at which the First Niagara common stock or KeyCorp common shares will trade at any future time. The summary of J.P. Morgan's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. For further information, please see the section entitled *The Merger Opinion of First Niagara's Financial Advisor* beginning on page 70.

*KeyCorp Financial Advisor (page 82)*

In connection with the merger, KeyCorp's financial advisor, Morgan Stanley & Co. LLC (which we refer to as Morgan Stanley) rendered to the KeyCorp Board of Directors at its special meeting on October 29, 2015, its oral opinion, subsequently confirmed by delivery of a written opinion dated October 29, 2015, that, as of such date, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth therein, the merger consideration to be paid by KeyCorp pursuant to the merger agreement was fair, from a financial point of view, to KeyCorp.

**The full text of the written opinion of Morgan Stanley, dated October 29, 2015, is attached as Appendix C and incorporated by reference into this joint proxy statement/prospectus. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Shareholders are urged to, and should, read the opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the KeyCorp Board of Directors and addresses only the fairness, from a financial point of view, to KeyCorp of the merger consideration to be paid by KeyCorp pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion does not address any other aspect of the transactions contemplated by the merger agreement and does not constitute a recommendation to shareholders of KeyCorp or stockholders of First Niagara as to how to vote at any shareholders meetings held with respect to the merger or any other matter or whether to take any other action with respect to the merger. In addition, the opinion does not in any manner address the price at which KeyCorp common shares will trade following the consummation of the merger or at any time. The summary of Morgan Stanley's opinion and the methodology that Morgan Stanley used to render its opinion set forth in this joint proxy statement/prospectus under the caption entitled *The Merger Opinion of KeyCorp's Financial Advisor* is qualified in its entirety by reference to the full text of Morgan Stanley's opinion.**

**First Niagara Special Meeting of Stockholders (page 33)**

The special meeting of First Niagara stockholders will be held on [ ], at [ ] local time, on [ ]. At the First Niagara special meeting, First Niagara stockholders will be asked to approve the merger proposal, the merger-related compensation proposal and the First Niagara adjournment proposal (if necessary or appropriate).

The First Niagara Board of Directors has fixed the close of business on [ ] as the record date for determining the holders of First Niagara common stock entitled to receive notice of and to vote at the First Niagara special meeting. As of the First Niagara record date, there were [ ] shares of First Niagara common stock outstanding and entitled to vote at the First Niagara special meeting held by [ ] holders of record. Each share of First Niagara common stock entitles the holder thereof to one vote at the First Niagara special meeting on each proposal to be considered at the First Niagara special meeting. As of the First Niagara record date, directors and executive officers of First Niagara and their affiliates owned and were entitled to vote [ ] shares of First Niagara common stock, representing approximately [ ]% of the shares of First Niagara common stock outstanding on that date. First Niagara currently expects that its directors and executive officers will vote their shares in favor of the merger proposal, the merger-related

compensation proposal and the First Niagara adjournment proposal (if necessary or appropriate), although none of them has entered into any agreements obligating them to do so. As of the record date, KeyCorp did not beneficially hold any shares of First Niagara common stock.

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The presence, in person or represented by proxy, of at least a majority of the total number of outstanding shares of First Niagara common stock entitled to vote is necessary in order to constitute a quorum at the First Niagara special meeting.

The affirmative vote of a majority of the outstanding shares of First Niagara common stock entitled to vote is required to approve the merger proposal. Assuming a quorum is present, the affirmative vote of a majority of the votes present in person or represented by proxy and cast on each of the merger-related compensation proposal and the adjournment proposal at the First Niagara special meeting is required to approve each such proposal. First Niagara stockholders must approve the merger proposal in order for the merger to occur. First Niagara stockholders are not, however, required to approve the merger-related compensation proposal or the First Niagara adjournment proposal in order for the merger to occur. If First Niagara stockholders fail to approve the merger-related compensation proposal or the First Niagara adjournment proposal, but approve the merger proposal, the merger may nonetheless occur.

**KeyCorp Special Meeting of Shareholders (page 40)**

The special meeting of KeyCorp shareholders will be held on [ ], at [ ] local time, on [ ]. At the KeyCorp special meeting, KeyCorp shareholders will be asked to approve the merger proposal, the articles amendment proposals, the regulations amendment proposal and the KeyCorp adjournment proposal (if necessary or appropriate).

The KeyCorp Board of Directors has fixed the close of business on [ ] as the record date for determining the holders of KeyCorp common shares entitled to receive notice of and to vote at the KeyCorp special meeting. As of the KeyCorp record date, there were [ ] KeyCorp common shares outstanding and entitled to vote at the KeyCorp special meeting held by [ ] holders of record. Each KeyCorp common share entitles the holder to one vote at the KeyCorp special meeting on each proposal to be considered at the KeyCorp special meeting. As of the KeyCorp record date, directors and executive officers of KeyCorp and their affiliates owned and were entitled to vote [ ] KeyCorp common shares, representing approximately [ ]% of KeyCorp common shares outstanding on that date. KeyCorp currently expects that its directors and executive officers will vote their shares in favor of the merger proposal, the articles amendment proposals, the regulations amendment proposal and the KeyCorp adjournment proposal (if necessary or appropriate), although none of them has entered into any agreements obligating them to do so. As of the record date, First Niagara did not beneficially hold any KeyCorp common shares.

The presence, in person or represented by proxy, of at least a majority of the total number of KeyCorp outstanding common shares is necessary in order to constitute a quorum at the KeyCorp special meeting.

The affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of KeyCorp is required to approve each of the merger proposal, the articles amendment proposals and the regulations amendment proposal. Assuming a quorum is present, the affirmative vote of a majority of the KeyCorp common shares present in person or represented by proxy at the KeyCorp special meeting is required to approve the KeyCorp adjournment proposal (if necessary or appropriate). KeyCorp shareholders must approve the merger proposal and the articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve either the merger proposal or the articles amendment proposals, the merger will not occur. KeyCorp shareholders are not, however, required to approve the regulations amendment proposal and the KeyCorp adjournment proposal in order for the merger to occur. If KeyCorp shareholders fail to approve the regulations amendment proposal or the KeyCorp adjournment proposal, but approve the merger proposal and the articles amendment proposals, the merger may nonetheless occur.

**First Niagara's Directors and Executive Officers Have Financial Interests in the Merger (page 91)**

Certain of First Niagara's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of First Niagara's stockholders. The members of the First Niagara Board of

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Directors were aware of and considered these interests, among other matters, when they approved the merger agreement and recommended that First Niagara stockholders approve the merger proposal. See *The Merger Interests of First Niagara Directors and Executive Officers in the Merger* beginning on page 91.

**Treatment of First Niagara Stock Options and Other Equity Awards (page 104)**

At the effective time of the merger, subject to the terms and conditions of the merger agreement, each option granted by First Niagara to purchase shares of First Niagara common stock will be converted into an option to purchase KeyCorp common shares (rounded down to the nearest whole share), on the same terms and conditions, including vesting, as were applicable to such option prior to the merger, equal to the product of (i) the number of shares of First Niagara common stock subject to such First Niagara stock option multiplied by (ii) the sum of (a) the exchange ratio and (b) \$2.30 divided by the volume weighted average price of KeyCorp common shares on the NYSE for the five trading days ending the day prior to the effective time of the merger (we refer to such sum as the KeyCorp equity award exchange ratio), with an exercise price per KeyCorp common share (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (x) the exercise price per share of First Niagara common stock of such First Niagara stock option by (y) the KeyCorp equity award exchange ratio. At the effective time of the merger, subject to the terms and conditions of the merger agreement, each First Niagara restricted stock award and restricted stock unit award will be converted into a number of shares, or into a restricted stock unit award for a number of shares (with any performance-based vesting conditions applicable to such restricted stock unit awards immediately prior to the effective time deemed satisfied at target level), respectively, of KeyCorp common shares (rounded down to the nearest whole share) equal to the product of (a) the number of shares of First Niagara common stock underlying such award multiplied by (b) the KeyCorp equity award exchange ratio, subject to the same terms and conditions, including vesting, as were applicable to such awards prior to the merger, plus a pro rata share of the merger consideration with respect to any fractional KeyCorp common shares subject to each restricted stock unit award. We refer to the First Niagara restricted options, First Niagara restricted stock awards and First Niagara restricted stock unit awards collectively as First Niagara equity awards.

**Regulatory Approvals Required for the Merger (page 98)**

Completion of the merger is subject to various regulatory approvals, including approval from the Board of Governors of the Federal Reserve System (which we refer to as the Federal Reserve Board). Notifications and/or applications requesting approval for the merger may also be submitted to other federal and state regulatory authorities and self-regulatory organizations, including state insurance departments. KeyCorp and First Niagara have agreed to use their reasonable best efforts to obtain all required regulatory approvals. We have filed, or are in the process of filing, notices and applications to obtain the necessary regulatory approvals. Although we currently believe we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to KeyCorp or its subsidiaries after the completion of the merger or will contain any condition or restriction that would be more likely than not to have a material and adverse effect on KeyCorp and its subsidiaries, taken as a whole, giving effect to the merger (measured on a scale relative to First Niagara and its subsidiaries, taken as a whole) (which we refer to as a materially burdensome regulatory condition). The regulatory approvals to which completion of the merger are subject are described in more detail in the section of this joint proxy statement/prospectus entitled *Regulatory Approvals Required for the Merger* beginning on page 98.

**Appraisal Rights (page 148)**

Under Section 262 of the DGCL, holders of shares of First Niagara common stock who do not vote in favor of the adoption of the merger agreement and who otherwise follow the procedures set forth in Section 262 of the DGCL

(which we refer to as Section 262 ) will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares, exclusive of any element of value



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arising from the accomplishment or expectation of the merger, together with interest. Shareholders considering seeking appraisal should be aware that the fair value of their shares as so determined could be more than, the same as or less than the consideration they would receive pursuant to the merger agreement if they did not seek appraisal of their shares.

Any holder of shares of First Niagara common stock wishing to exercise appraisal rights must deliver to First Niagara, before the vote on the adoption of the merger agreement at the First Niagara special meeting, a written demand for the appraisal of the stockholder's shares, and that stockholder must not vote in favor of the adoption of the merger agreement. Failure to follow exactly the procedures specified under the DGCL will result in the loss of appraisal rights. See *Appraisal Rights* beginning on page 148 and *Section 262* attached to this joint proxy statement/prospectus as Appendix F.

## **Conditions to the Merger (page 113)**

The obligations of KeyCorp and First Niagara to complete the merger are each subject to the satisfaction (or waiver, if permitted) of the following conditions:

receipt of the requisite approval of the KeyCorp shareholders and First Niagara stockholders of the merger agreement and receipt of the requisite approval of the KeyCorp shareholders of the articles amendment;

authorization for listing on the NYSE of the KeyCorp common shares and the new KeyCorp preferred stock to be issued in the merger;

the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, and the absence of a stop order or proceeding initiated or threatened by the SEC for that purpose;

the receipt of all regulatory authorizations, consents, orders or approvals which are necessary to consummate the merger (and the failure of which to be obtained would reasonably be likely to have, individually or in the aggregate, a material adverse effect on the surviving company) and the expiration of all statutory waiting periods without the imposition of any materially burdensome regulatory condition;

the accuracy of the other party's representations and warranties as of the date of the merger agreement and as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be likely to have a material adverse effect on the other party or the surviving company;

the prior performance in all material respects by the other party of the obligations required to be performed by it at or prior to the closing date of the merger; and

receipt by each party of an opinion from its counsel as to certain tax matters.

## **No Solicitation (page 110)**

Under the terms of the merger agreement, First Niagara has agreed not to initiate, solicit, knowingly encourage or knowingly facilitate inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have or participate in any discussions with any person relating to, or enter into any binding acquisition agreement, merger agreement or other definitive transaction agreement (other than a confidentiality agreement described in this paragraph) relating to, any acquisition proposal. Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances, in response to an unsolicited bona fide written acquisition proposal which, in the good faith judgment of the First Niagara Board of Directors (after receiving the advice of its outside counsel and financial advisors), is or is more likely than not to result in a proposal which is superior to the merger with

KeyCorp, if the First Niagara Board of Directors determines in good faith (after receiving the advice of its

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outside counsel and financial advisors) that failure to take such actions would reasonably be expected to violate its fiduciary duties under applicable law, First Niagara may furnish nonpublic information or data regarding First Niagara and participate in discussions or negotiations with such third party, provided that prior to providing any such nonpublic information or data, First Niagara will have entered into a confidentiality agreement with such third party on terms, in all material respects, no less favorable to it than the confidentiality agreement between First Niagara and KeyCorp.

**Termination; Termination Fee (page 114)**

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after adoption of the merger agreement by each of KeyCorp's and First Niagara's shareholders:

by mutual written consent of KeyCorp and First Niagara;

by either KeyCorp or First Niagara, if a required regulatory approval is denied by final, non-appealable action, or if a governmental entity has issued a final, non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the closing of the merger, unless the failure to obtain a required regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the agreement;

by either KeyCorp or First Niagara, if the merger has not closed by the close of business on October 30, 2016, unless the failure to close by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the agreement;

by either KeyCorp or First Niagara, if there is a breach by the other party that would, individually or in the aggregate with other breaches by such party, result in the failure of a closing condition, unless the breach is cured by the earlier of October 30, 2016 and 60 days following written notice of the breach (provided that the terminating party is not then in material breach of the merger agreement); or

by KeyCorp, if, (i) prior to the adoption by First Niagara stockholders of the merger agreement, the First Niagara Board of Directors (A) submits the merger agreement to its stockholders without a recommendation for adoption, or otherwise withdraws or materially and adversely modifies its recommendation for adoption (or publicly discloses an intention to do so), or recommends to its stockholders an acquisition proposal other than the merger agreement, or (B) materially breaches its obligation to call a stockholder meeting and recommend to its stockholders, in accordance with the terms of the merger agreement, the adoption of the merger agreement or to refrain from soliciting alternative acquisition proposals or (ii) a tender offer or exchange offer for 20% or more of First Niagara's outstanding shares of common stock is commenced (other than by KeyCorp or its subsidiaries) and the First Niagara Board of Directors recommends that First Niagara's stockholders tender or exchange their shares (or fails to recommend a rejection of such tender or exchange offer within ten business days).

First Niagara may be required to pay KeyCorp a termination fee of \$137.5 million in certain circumstances. See *The Merger Agreement Termination; Termination Fee* beginning on page 114.

**Litigation Related to the Merger (page 117)**

Certain litigation is pending in connection with the merger. See *Litigation Related to the Merger* beginning on page 117.

**Comparison of Shareholders Rights (page 129)**

Following the merger, the rights of First Niagara stockholders who become KeyCorp shareholders in the merger will no longer be governed by the laws of the State of Delaware, First Niagara's restated certificate of

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incorporation (which we refer to as the *charter* ) and First Niagara's amended and restated bylaws (which we refer to as *bylaws* ) and instead will be governed by the laws of the State of Ohio, as well as by the KeyCorp articles and regulations. See *Comparison of Shareholders' Rights* beginning on page 129.

### **Articles Amendment (page 45)**

At the KeyCorp special meeting, KeyCorp shareholders will be asked to approve the articles amendment proposals to modify the voting rights associated with KeyCorp's preferred stock as set forth on Appendix D-1 to this joint proxy statement/prospectus so that the voting rights associated with the new KeyCorp preferred stock are not materially less favorable to the holder thereof than the voting rights associated with the First Niagara preferred stock. KeyCorp shareholders must approve the articles amendment proposals in order for the merger to occur. If KeyCorp shareholders fail to approve the articles amendment proposals, the merger will not occur.

### **Regulations Amendment (page 47)**

At the KeyCorp special meeting, KeyCorp shareholders will be asked to approve the regulations amendment proposal to increase the maximum size of KeyCorp's Board of Directors from sixteen to seventeen members. Approval of the regulations amendment proposal is not a condition to completion of the merger. If KeyCorp shareholders fail to approve the regulations amendment proposal, but approve the merger proposal and the articles amendment proposals, the merger may nonetheless occur.

### **Risk Factors (page 26)**

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under *Risk Factors* beginning on page 26.

### **The Parties (page 49)**

#### *KeyCorp*

127 Public Square

Cleveland, Ohio 44114

Phone: (216) 689-3000

KeyCorp is an Ohio business corporation that is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. KeyCorp was organized in 1958 and serves as the parent holding company for KeyBank National Association (which we refer to as *KeyBank* ), its principal subsidiary, through which it provides most of its banking services. As of December 31, 2014, KeyCorp had consolidated total assets of \$93.8 billion, deposits of \$72 billion and shareholders' equity of \$10.5 billion. KeyCorp and its subsidiaries had an average of 13,853 full-time equivalent employees for 2014.

#### *First Niagara Financial Group, Inc.*

726 Exchange Street, Suite 618

Buffalo, New York 14210

Phone: (716) 819-5500

First Niagara is a Delaware corporation and a bank holding company, subject to supervision and regulation by the Federal Reserve Board, serving both retail and commercial customers through its bank subsidiary, First Niagara Bank, National Association (which we refer to as First Niagara Bank ). At December 31, 2014, First Niagara had \$38.6 billion of assets, \$27.8 billion of deposits and \$4.1 billion of stockholders equity.

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA FOR KEYCORP**

The following table summarizes financial results achieved by KeyCorp for the periods and at the dates indicated and should be read in conjunction with KeyCorp's consolidated financial statements and the notes to the consolidated financial statements contained in reports that KeyCorp has previously filed with the SEC. Historical financial information for KeyCorp can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and its Annual Report on Form 10-K for the year ended December 31, 2014. See *Where You Can Find More Information* in the forepart of this joint proxy statement/prospectus for instructions on how to obtain the information that has been incorporated by reference into this joint proxy statement/prospectus. Financial amounts as of and for the nine months ended September 30, 2015 and 2014 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), but management of KeyCorp believes that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for past periods and for the nine months ended September 30, 2015 and 2014 indicate results for any future period.

<i>dollars in millions, except per share data</i>	<b>Nine months ended September 30,</b>		<b>Years ended December 31,</b>				<b>2010 (a)</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	
	<b>(unaudited)</b>						
<b>RESULTS OF OPERATIONS FOR THE PERIOD</b>							
Interest income	\$ 1,949	\$ 1,908	\$ 2,554	\$ 2,620	\$ 2,705	\$ 2,889	\$ 3,408
Interest expense	203	197	261	295	441	622	897
Net interest income	1,746	1,711	2,293	2,325	2,264	2,267	2,511
Provision for credit losses	121	35	57	138	213	(88)	590
Net interest income after provision for credit losses	1,625	1,676	2,236	2,187	2,051	2,355	1,921
Noninterest income	1,395	1,307	1,797	1,766	1,856	1,688	1,954
Noninterest expense	2,104	2,057	2,761	2,812	2,834	2,712	3,082
Income (loss) from continuing operations before income taxes	916	926	1,272	1,141	1,073	1,331	793
Income taxes	230	232	326	271	231	364	186
Income (loss) from continuing operations	686	694	946	870	842	967	607
Income (loss) from discontinued operations, net of taxes <sup>(b)</sup>	5	(41)	(39)	40	23	(35)	(23)
Net income (loss)	691	653	907	910	865	932	584
Less: Net income (loss) attributable to noncontrolling interests	1	6	7		7	12	30