

Paine Andrew J III
 Form 4
 February 21, 2018

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Paine Andrew J III

(Last) (First) (Middle)

C/O KEYCORP, 127 PUBLIC SQUARE

(Street)

CLEVELAND, OH 44114

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 KEYCORP /NEW/ [KEY]

3. Date of Earliest Transaction (Month/Day/Year)
 02/17/2018

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___X___ Officer (give title below) ___ Other (specify below)

Co-Head Corporate Bank

6. Individual or Joint/Group Filing (Check Applicable Line)
 ___X___ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
Common Shares	02/17/2018		M	V	110,852 A	Ⓐ	195,904	D		
Common Shares	02/17/2018		F		43,137 D	\$	21.02	152,767	D	
Common Shares							18,042	(2)	I	401(k) Plan
Common Shares							26,930		I	By spouse
Common Shares							445		I	By Paine Investments LP

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V	(A)	(D)	Title	Amount or Number of Shares	
Restricted Stock Units	(1)	02/17/2018		M			53,003	(3) (3)	Common Shares	53,003
Restricted Stock Units	(1)	02/17/2018		M			8,841	(5) (5)	Common Shares	8,841
Restricted Stock Units	(1)	02/17/2018		M			10,506	(7) (7)	Common Shares	10,506
Restricted Stock Units	(1)	02/17/2018		M			28,813	(9) (9)	Common Shares	28,813
Restricted Stock Units	(1)	02/17/2018		M			9,689	(11) (11)	Common Shares	9,689
Restricted Stock Units	(1)	02/19/2018		A			36,156	(13) (13)	Common Shares	36,156
Option to Buy	\$ 21.02	02/19/2018		A			37,109	(14) 02/19/2028	Common Shares	37,109

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Paine Andrew J III C/O KEYCORP 127 PUBLIC SQUARE			Co-Head	Corporate Bank

CLEVELAND, OH 44114

Signatures

Carrie A. Benedict POA for Andrew J.
Paine III

02/21/2018

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents the right to receive one KeyCorp common share at vesting.
- (2) Reported as of January 26, 2018.
- (3) These restricted stock units, granted on February 16, 2015, vested in full on February 17, 2018.
- (4) Includes approximately 2,028 dividend-equivalent restricted stock units accrued since June 2016.
- (5) These restricted stock units, granted on February 17, 2014, vested in four equal annual installments ending on February 17, 2018.
- (6) Includes approximately 177 dividend-equivalent restricted stock units accrued between March and December 2017.
- (7) The restricted stock units, granted on February 16, 2015, vest in four equal annual installments beginning on February 17, 2016.
- (8) Includes approximately 423 dividend-equivalent restricted stock units accrued between March and December 2017.
- (9) The restricted stock units, granted on February 15, 2016, vest in four equal annual installments beginning on February 17, 2017.
- (10) Includes approximately 1,736 dividend-equivalent restricted stock units accrued between March and December 2017.
- (11) The restricted stock units, granted on February 20, 2017, vest in four equal annual installments beginning on February 17, 2018.
- (12) Includes approximately 777 dividend-equivalent restricted stock units accrued between March and December 2017.
- (13) The restricted stock units, granted on February 19, 2018, vest in four equal annual installments beginning on February 17, 2019.
- (14) The options to buy, granted on February 19, 2018, vest in four equal annual installments beginning on February 17, 2019.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.