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KEYCORP /NEW/  
Form 8-K  
January 16, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15d of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2002

[LOGO]  
KEYCORP

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

|   |                                    |  |
|---|------------------------------------|--|
| Ohio  | 0-850                              | 34-6542451                                       |
| -----<br>(State or other jurisdiction<br>of incorporation or<br>organization) | -----<br>Commission<br>File Number | -----<br>(I.R.S. Employer<br>Identification No.) |
| 127 Public Square, Cleveland, Ohio  |                                    | 44114-1306                                       |
| -----<br>(Address of principal executive<br>offices)                          |                                    | -----<br>(Zip Code)                              |

Registrant's telephone number, including area code: (216) 689-6300

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

On January 16, 2002, the Registrant issued a press release announcing its earnings results for the three- and twelve-month period ended December 31, 2001. This press release, dated January 16, 2002, is attached as Exhibit 99.1 to this report.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) EXHIBITS

99.1 The Registrant's January 16, 2002, press release announcing its earnings results for the three- and twelve-month period ended December 31, 2001.

ITEM 9. REGULATION FD DISCLOSURE

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On January 16, 2002, the Registrant conducted a conference call/webcast to discuss its quarterly earnings and currently anticipated earnings trends. The slide presentation reviewed by the Registrant in the conference call/webcast follows as Annex A to this Item 9.

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Annex A

FOURTH QUARTER 2001 REVIEW

[LOGO]

January 16, 2002

[LOGO]

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PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995  
FORWARD-LOOKING STATEMENT DISCLOSURE

The conference call and discussion, including related questions and answers, and presentation materials, contain forward-looking statements about issues like anticipated first quarter and full-year 2002 earnings, anticipated level of net loan charge-offs and nonperforming assets and anticipated improvement in profitability and competitiveness. Forward-looking statements by their nature are subject to assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of factors including: changes in interest rates; continued weakness in the economy which could materially impact credit quality trends and the ability to generate loans; failure of the capital markets to function consistent with customary levels; delay in or inability to execute strategic initiatives designed to grow revenues and/or manage expenses; consummation of significant business combinations or divestitures; changes in law imposing new legal obligations or restrictions or unfavorable resolution of litigation; disruption in the economy or business operations or activities as a result of terrorist activities or military actions; and changes in accounting, tax or regulatory practices or requirements.

[LOGO]

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FOURTH QUARTER REVIEW

- INTRODUCTION                    B. SOMERS
- OVERVIEW 2001                    H. MEYER
- FINANCIAL REVIEW                L. IRVING
- ASSET QUALITY                    K. BLAKELY
- OUTLOOK / Q&A                    B. SOMERS

[LOGO]

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OVERVIEW- 2001

- SHARPENED STRATEGIC FOCUS AND SIMPLIFIED ORGANIZATION
- STRENGTHENED ACCOUNTABILITY
- DELIVERED ON PEG COMMITMENTS
- INCREASED LOAN LOSS RESERVE
- ACCELERATED DOWNSIZING OF AUTO AND OTHER LOW SPREAD BUSINESSES
- EXIT NON-RELATIONSHIP CORPORATE LENDING
- INCREASED DIVIDEND

[LOGO]

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FINANCIAL HIGHLIGHTS - 4Q01

- EPS MEETS CONSENSUS \$(0.41)
- ADDITIONAL LOAN LOSS PROVISION: \$590MM
- SPECIAL CHARGES: \$60 MILLION

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- NET INTEREST MARGIN INCREASED 13 B.P.
- FAVORABLE TRENDS IN FEE INCOME
- CONTINUED FOCUS ON EXPENSES

[LOGO]

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NET INTEREST INCOME & Margin (TE)

in millions

[GRAPH]

|                     | 4Q00      | 1Q01      | 2Q01      | 3Q01      | 4Q01      |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| NET INTEREST INCOME | \$709     | \$695     | \$719     | \$730     | \$726     |
| NET INTEREST MARGIN | 3.71%     | 3.63%     | 3.77%     | 3.85%     | 3.98%     |
| AVG. EARNING ASSETS | \$ 76,036 | \$ 76,872 | \$ 76,546 | \$ 75,687 | \$ 72,706 |

[LOGO]

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NET INTEREST MARGIN (TE)  
3Q01 vs. 4Q01

|                          |               |
|--------------------------|---------------|
| Net Interest Margin 3Q01 | 3.85%         |
| Loan Mix & Spreads       | .08           |
| Deposit Mix & Spreads    | (.08)         |
| Lease Yields             | .06           |
| Seasonal Factors         | .04           |
| Balance Sheet Management | .03           |
| Total                    | -----<br>13bp |
| Net Interest Margin 4Q01 | 3.98%         |

[LOGO]

CORE NONINTEREST INCOME  
3Q01 vs. 4Q01  
in millions

|                                     |       |
|-------------------------------------|-------|
| Noninterest Income 3Q01             | \$454 |
| Higher letter of credit & loan fees | 11    |
| Income from demutualization         | 10    |
| All other-net                       | (10)  |
| Principal investing write-downs     | (37)  |
| Reserve for customer derivatives    | (10)  |
|                                     | ----- |
| Noninterest Income 4Q01             | \$418 |

[LOGO]

CORE NONINTEREST EXPENSE  
3Q01 vs. 4Q01  
in millions

|                              |       |
|------------------------------|-------|
| Noninterest Expense 3Q01     | \$683 |
| Demutualization contribution | 10    |
| Higher IC tied to revenue    | 7     |
| All other-net                | 2     |
|                              | ----- |
| Noninterest Expense 4Q01     | \$702 |

[LOGO]

PEG COST SAVINGS  
NONINTEREST EXPENSE: ACTUAL vs. INFLATIONARY GROWTH

(in millions)

[GRAPH]

1999                      2000                      2001                      2002

Noninterest expense adjusted

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|                         |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|
| for inflation           | \$2,776 (b) | \$2,869 (c) | \$2,949 (d) | \$3,010 (e) |
| Noninterest expense (a) | 2,776       | 2,789       | 2,769       | 2,770T      |
|                         | -----       | -----       | -----       | -----       |
| Savings                 | \$ --       | \$ 80       | \$ 180      | \$ 240      |
|                         | =====       | =====       | =====       | =====       |

(a) Total noninterest expense less significant nonrecurring items, adjusted for divested operations

(b) CPI base

(c) CPI + 3.4% (Bureau of Labor Statistics Jan-Dec 2000)

(d) CPI + 2.8% (Bureau of Labor Statistics Jan-Nov 2001)

(e) CPI + 2.0% (Estimate of 2% for 2002)

T - Target for 2002

[LOGO]

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NET CHARGE-OFFS BY LOAN TYPE

|                                |          |          |          |          |          |
|--------------------------------|----------|----------|----------|----------|----------|
| IN MILLIONS                    | 4Q00     | 1Q01     | 2Q01     | 3Q01     | 4Q01     |
|                                | ----     | ----     | ----     | ----     | ----     |
| CONTINUING PORTFOLIO           |          |          |          |          |          |
| Commercial                     | \$ 43.0  | \$ 51.0  | \$ 39.9  | \$ 47.8  | \$ 62.3  |
| Consumer                       | 64.8     | 58.2     | 59.6     | 68.1     | 70.4     |
|                                | ----     | ----     | ----     | ----     | ----     |
|                                | 107.8    | 109.2    | 99.5     | 115.9    | 132.7    |
| RUN-OFF PORTFOLIO & LOAN SALES |          |          | 71.3     | 57.0     | 87.2     |
|                                |          |          | ----     | ----     | ----     |
| TOTAL NET C/O                  | \$ 107.8 | \$ 109.2 | \$ 170.8 | \$ 172.9 | \$ 219.9 |

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ASSET QUALITY INDICATORS

|                                  |                      |                      |                           |                           |
|----------------------------------|----------------------|----------------------|---------------------------|---------------------------|
| IN MILLIONS                      | TOTAL PORTFOLIO 3Q01 | TOTAL PORTFOLIO 4Q01 | CONTINUING PORTFOLIO 3Q01 | CONTINUING PORTFOLIO 4Q01 |
|                                  | ----                 | ----                 | ----                      | ----                      |
| Nonperforming Loans to EOP Loans | \$ 885<br>1.37%      | \$ 910<br>1.44%      | \$ 652<br>1.03%           | \$ 679<br>1.09%           |

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|   |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Nonperforming Assets<br>to EOP Loans + OREO           | \$ 913<br>1.41%          | \$ 947<br>1.49%          | \$ 680<br>1.07%          | \$ 716<br>1.15%          |
| Net C/O<br>to Average Loans                           | \$ 173<br>1.04%          | \$ 220<br>1.37%          | \$ 116<br>0.71%          | \$ 133<br>0.84%          |
| Allowance<br>to Total Loans<br>to Nonperforming Loans | \$1,174<br>1.82%<br>133% | \$1,677<br>2.65%<br>184% | \$1,002<br>1.58%<br>154% | \$1,402<br>2.25%<br>206% |

[LOGO]

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RUN-OFF PORTFOLIO &  
NONREPLENISHING RESERVES

IN MILLIONS

|                              | 5/17/01<br>----- | 6/30/01<br>----- | 9/30/01<br>----- | 12/31/01<br>----- |
|------------------------------|------------------|------------------|------------------|-------------------|
| COMMITMENTS                  | \$2,648          | \$2,393          | \$2,019          | \$1,694           |
| OUTSTANDINGS                 | 1,611            | 1,423            | 1,176            | 1,023             |
| ALLOWANCE FOR<br>LOAN LOSSES | 300              | 229              | 172              | 275               |
| NPLs                         | 257              | 242              | 233              | 231               |

[LOGO]

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NONPERFORMING LOANS: 4Q01

4Q01 INCREASE IN NPL: \$ 25MM OR 3%

LARGEST NPL: \$ 32MM (HEALTHCARE-CP)

10TH LARGEST: \$ 12MM (STRUCTURED FINANCE- ROP)

20TH LARGEST: \$ 9MM (STRUCTURED FINANCE-ROP)

CP: CONTINUING PORTFOLIO

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ROP: RUN-OFF PORTFOLIO

[LOGO]

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NONPERFORMING LOANS: 4Q01

Composition of Top 20 NPLs:  
in millions

|                        | CP    | ROP   | TP    |
|------------------------|-------|-------|-------|
|                        | --    | ---   | --    |
| Healthcare             | \$120 | --    | \$120 |
| Structured Finance     | --    | \$ 75 | 75    |
| Middle Market          | 10    | 21    | 31    |
| Large Corporate        | 10    | 20    | 30    |
| Leasing                | 14    | --    | 14    |
| Key Capital Partners   | 13    | --    | 13    |
| Commercial Real Estate | --    | --    | --    |

CP: Continuing Portfolio \$167M

ROP: Run-off Portfolio 116M

-----  
TP: Total Portfolio \$283M

Top 20 Average Size \$14.2M

[LOGO]

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SUMMARY OF SIGNIFICANT ACTIONS - 2001

- Accelerated downsizing of auto business
  - Reduced auto leases and indirect loans by \$1.2 billion
- Exit non-relationship corporate lending
  - Runoff portfolio reduced by \$588 million
- Sold \$4.4 billion of loans
- Reduced dependence on wholesale funding by \$4.1 billion
- Added \$676 million to loan loss reserve

[LOGO]



FIRST QUARTER 2002 OUTLOOK  
(COMPARED WITH 4Q01)

|                |   |
|----------------|---|
| REVENUE        | SLIGHT INCREASE (4Q INCLUDES SPECIAL CHARGES OF \$60 MILL.)<br>- FLAT TO SLIGHTLY LOWER LOANS<br>- SEASONAL DECLINE IN NIM<br>- MODEST FEE GROWTH |
| EXPENSE        | MODEST DECREASE   |
| CREDIT QUALITY | NPA's ARE EXPECTED TO INCREASE<br>SLIGHT INCREASE IN CORE NET CHARGE-OFFS   |
| EARNINGS       | EPS RANGE: \$0.54 TO \$0.57   |

[LOGO]

APPENDIX

[LOGO]

[B

LINE OF BUSINESS PERFORMANCE

RETAIL BANKING  
(A DIVISION OF KEY CONSUMER BANKING)

IN MILLIONS

[GRAPH]

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|            | 4Q00  | 1Q01  | 2Q01  | 3Q01  | 4Q01  |
|------------|-------|-------|-------|-------|-------|
| REVENUE    | \$341 | \$339 | \$341 | \$361 | \$343 |
| NET INCOME | \$ 73 | \$ 74 | \$ 73 | \$ 88 | \$ 80 |

NONINTEREST INCOME AND EXPENSE ATTRIBUTABLE TO KEY CAPITAL PARTNERS IS ASSIGNED TO RETAIL BANKING, HOME EQUITY AND CONSUMER FINANCE OR KEY CORPORATE FINANCE IF ONE OF THOSE BUSINESSES IS PRINCIPALLY RESPONSIBLE FOR MAINTAINING THE RELATIONSHIP WITH THE CLIENT THAT USED KEY CAPITAL PARTNERS' PRODUCTS AND SERVICES.

[LOGO]

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LINE OF BUSINESS PERFORMANCE

HOME EQUITY & CONSUMER FINANCE  
(A DIVISION OF KEY CONSUMER BANKING)

[GRAPH]

IN MILLIONS

|            | 4Q00  | 1Q01  | 2Q01   | 3Q01  | 4Q01  |
|------------|-------|-------|--------|-------|-------|
| REVENUE    | \$146 | \$147 | \$146  | \$154 | \$144 |
| NET INCOME | \$ 17 | \$ 19 | \$ 17* | \$ 19 | \$ 12 |

\* EXCLUDES ONE-TIME CHARGE FOR RETAINED INTERESTS IN SECURITIZED ASSETS

NONINTEREST INCOME AND EXPENSE ATTRIBUTABLE TO KEY CAPITAL PARTNERS IS ASSIGNED TO RETAIL BANKING, HOME EQUITY AND CONSUMER FINANCE OR KEY CORPORATE FINANCE IF ONE OF THOSE BUSINESSES IS PRINCIPALLY RESPONSIBLE FOR MAINTAINING THE RELATIONSHIP WITH THE CLIENT THAT USED KEY CAPITAL PARTNERS' PRODUCTS AND SERVICES.

[LOGO]

LINE OF BUSINESS PERFORMANCE

KEY CORPORATE FINANCE

[GRAPH]

IN MILLIONS

|            | 4Q00  | 1Q01  | 2Q01  | 3Q01  | 4Q01  |
|------------|-------|-------|-------|-------|-------|
| REVENUE    | \$480 | \$442 | \$474 | \$459 | \$498 |
| NET INCOME | \$141 | \$109 | \$130 | \$127 | \$150 |

NONINTEREST INCOME AND EXPENSE ATTRIBUTABLE TO KEY CAPITAL PARTNERS IS ASSIGNED TO RETAIL BANKING, HOME EQUITY AND CONSUMER FINANCE OR KEY CORPORATE FINANCE IF ONE OF THOSE BUSINESSES IS PRINCIPALLY RESPONSIBLE FOR MAINTAINING THE RELATIONSHIP WITH THE CLIENT THAT USED KEY CAPITAL PARTNERS' PRODUCTS AND SERVICES.

[LOGO]

LINE OF BUSINESS PERFORMANCE

KEY CAPITAL PARTNERS

[GRAPH]

IN MILLIONS

|            | 4Q00  | 1Q01  | 2Q01  | 3Q01  | 4Q01  |
|------------|-------|-------|-------|-------|-------|
| REVENUE    | \$250 | \$244 | \$240 | \$243 | \$241 |
| NET INCOME | \$ 24 | \$ 13 | \$ 13 | \$ 19 | \$ 20 |

NONINTEREST INCOME AND EXPENSE ATTRIBUTABLE TO KEY CAPITAL PARTNERS IS ASSIGNED TO RETAIL BANKING, HOME EQUITY AND CONSUMER FINANCE OR KEY CORPORATE FINANCE IF ONE OF THOSE BUSINESSES IS PRINCIPALLY RESPONSIBLE FOR MAINTAINING THE RELATIONSHIP WITH THE CLIENT THAT USED KEY CAPITAL PARTNERS' PRODUCTS AND SERVICES.

[LOGO]

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NONINTEREST INCOME

| IN MILLIONS                       | 4Q00  | 1Q01  | 2Q01  | 3Q01  | 4Q01  |
|-----------------------------------|-------|-------|-------|-------|-------|
|                                   | ----  | ----  | ----  | ----  | ----  |
| RECURRING ITEMS                   |       |       |       |       |       |
| 1. Trust & Invest Services Inc.   | \$150 | \$141 | \$132 | \$140 | \$137 |
| 2. Inv. Banking & Cap. Mkts. Inc. | 94    | 65    | 72    | 46    | 6     |
| 3. Service Charges on Deposits    | 85    | 84    | 90    | 107   | 106   |
| 4. COLI Income                    | 31    | 27    | 27    | 28    | 32    |
| 5. L/C & Loan Fees                | 34    | 29    | 30    | 27    | 38    |
| 6. Electronic Banking Fees        | 18    | 17    | 18    | 20    | 19    |
| 7. Other Income                   | 96    | 92    | 29    | 86    | 80    |
|                                   | ----  | ----  | ----  | ----  | ----  |
| CORE NONINTEREST INCOME           | 508   | 455   | 398   | 454   | 418   |
| NON-CORE ITEMS                    |       |       |       |       |       |
|                                   | -     | -     | -     | -     | -     |
|                                   | ----  | ----  | ----  | ----  | ----  |
| TOTAL NONINTEREST INCOME          | \$508 | \$455 | \$398 | \$454 | \$418 |

[LOGO]

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NONINTEREST EXPENSE

| IN MILLIONS                    | 4Q00   | 1Q01   | 2Q01   | 3Q01   | 4Q01   |
|--------------------------------|--------|--------|--------|--------|--------|
|                                | ----   | ----   | ----   | ----   | ----   |
| RECURRING ITEMS                |        |        |        |        |        |
| 1. Personnel                   | \$ 360 | \$ 364 | \$ 345 | \$ 334 | \$ 335 |
| 2. Net Occupancy & Equipment   | 97     | 95     | 96     | 97     | 96     |
| 3. Computer Processing         | 62     | 62     | 63     | 62     | 65     |
| 4. Marketing                   | 28     | 27     | 29     | 31     | 25     |
| 5. Amortization of Intangibles | 25     | 26     | 24     | 22     | 23     |

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|                           |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|
| 6. Professional Fees      | 19     | 18     | 19     | 26     | 25     |
| 7. Postage & Delivery     | 16     | 17     | 16     | 16     | 14     |
| 8. Telecommunications     | 12     | 11     | 12     | 10     | 11     |
| 9. Other Expense          | 89     | 78     | 82     | 85     | 108    |
|                           | -----  | -----  | -----  | -----  | -----  |
| CORE NONINTEREST EXPENSE  | 708    | 698    | 686    | 683    | 702    |
| NON-CORE ITEMS            | (3)    | -      | 172    | -      | -      |
|                           | -----  | -----  | -----  | -----  | -----  |
| TOTAL NONINTEREST EXPENSE | \$ 705 | \$ 698 | \$ 858 | \$ 683 | \$ 702 |

[LOGO]

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STATEMENT OF INCOME-REPORTED

|                                    |        |        |           |        |           |
|------------------------------------|--------|--------|-----------|--------|-----------|
| IN MILLIONS, EXCEPT PER SHARE DATA | 4Q00   | 1Q01   | 2Q01      | 3Q01   | 4Q01      |
|                                    | ----   | ----   | ----      | ----   | ----      |
| Net Interest Income (TE)           | \$ 709 | \$ 695 | \$ 719    | \$ 730 | \$ 726    |
| Loan Loss Provision                | 108    | 110    | 401       | 116    | 723       |
| Noninterest Income                 | 508    | 455    | 398       | 454    | 418       |
| Noninterest Expense                | 705    | 698    | 858       | 683    | 702       |
|                                    | -----  | -----  | -----     | -----  | -----     |
|                                    | 404    | 342    | (142)     | 385    | (281)     |
| Income Taxes & TE adj.             | 138    | 124    | (6)       | 136    | (107)     |
| Accounting Change, Net of Tax      | -      | (1)    | (24)      | -      | -         |
|                                    | -----  | -----  | -----     | -----  | -----     |
| Net Income (Loss)                  | \$266  | \$217  | \$ (160)  | \$ 249 | \$ (174)  |
| Avg. Common Shares O/S             |        |        |           |        |           |
| Assuming Dilution                  | 430.6  | 429.9  | 424.7     | 430.3  | 423.6     |
| EPS - Assuming Dilution            | \$0.62 | \$0.51 | \$ (0.38) | \$0.58 | \$ (0.41) |

[LOGO]

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SIGNIFICANT NON-CORE ITEMS

|                                    |       |       |        |       |       |
|------------------------------------|-------|-------|--------|-------|-------|
| IN MILLIONS, EXCEPT PER SHARE DATA | 4Q00  | 1Q01  | 2Q01   | 3Q01  | 4Q01  |
|                                    | ----  | ----  | ----   | ----  | ----  |
| Net Interest Income (TE)           | -     | -     | -      | -     | -     |
| Loan Loss Provision                | \$ 13 | -     | -      | -     | -     |
| Noninterest Income                 | -     | -     | -      | -     | -     |
| Noninterest Expense                | (3)   | -     | \$ 172 | -     | -     |
|                                    | ----- | ----- | -----  | ----- | ----- |
|                                    | (10)  | -     | (172)  | -     | -     |
| Income Taxes and TE adj.           | (4)   | -     | (8)    | -     | -     |

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|                          |        |       |          |       |       |
|--------------------------|--------|-------|----------|-------|-------|
| Acct. Change, Net of Tax | -      | -     | (24)     | -     | -     |
|                          | -----  | ----- | -----    | ----- | ----- |
| Net Loss                 | \$ (6) | -     | \$ (188) | -     | -     |

4Q00 Adjustment to loan loss provision (FFIEC), restructuring credit and other one-time charges

2Q01 Goodwill write-down, additional litigation reserves, restructuring and other one-time net charges, accounting change for retained interests

[LOGO]

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STATEMENT OF INCOME-CORE

| IN MILLIONS, EXCEPT PER SHARE DATA | 4Q00   | 1Q01   | 2Q01   | 3Q01   | 4Q01      |
|------------------------------------|--------|--------|--------|--------|-----------|
|                                    | ----   | ----   | ----   | ----   | ----      |
| Net Interest Income (TE)           | \$ 709 | \$ 695 | \$ 719 | \$ 730 | \$ 726    |
| Loan Loss Provision                | 95     | 110    | 401    | 116    | 723       |
| Noninterest Income                 | 508    | 455    | 398    | 454    | 418       |
| Noninterest Expense                | 708    | 698    | 686    | 683    | 702       |
|                                    | -----  | -----  | -----  | -----  | -----     |
|                                    | 414    | 342    | 30     | 385    | (281)     |
| Income Taxes & TE adj.             | 142    | 124    | 2      | 136    | (107)     |
| Accounting Change, Net of Tax      | -      | (1)    | -      | -      | -         |
|                                    | -----  | -----  | -----  | -----  | -----     |
| Net Income                         | \$ 272 | \$ 217 | \$ 28  | \$ 249 | \$ (174)  |
| Avg. Common Shares O/S             |        |        |        |        |           |
| Assuming Dilution                  | 430.6  | 429.9  | 424.7  | 430.3  | 423.6     |
| EPS - Core                         | \$0.63 | \$0.51 | \$0.07 | \$0.58 | \$ (0.41) |

[LOGO]

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ASSET QUALITY INDICATORS

CP: CONTINUING PORTFOLIO

TP: TOTAL PORTFOLIO

| IN MILLIONS          | 4Q00   | 1Q01   | 2Q01   | 3Q01   | CP<br>4Q01 | TP<br>4Q01 |
|----------------------|--------|--------|--------|--------|------------|------------|
|                      | ----   | ----   | ----   | ----   | ----       | ----       |
| Nonperforming Loans  | \$ 650 | \$ 713 | \$ 797 | \$ 885 | \$ 679     | \$ 910     |
| to EOP Loans         | 0.97%  | 1.06%  | 1.20%  | 1.37%  | 1.09%      | 1.44%      |
| Nonperforming Assets | \$ 672 | \$ 740 | \$ 823 | \$ 913 | \$ 716     | \$ 947     |
| to EOP Loans + OREO  | 1.00%  | 1.10%  | 1.23%  | 1.41%  | 1.15%      | 1.49%      |

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|                        |         |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|---------|
| Net C/O                | \$ 95*  | \$ 109  | \$ 171  | \$ 173  | \$ 133  | \$ 220  |
| to Average Loans       | 0.57%*  | 0.66%   | 1.02%   | 1.04%   | 0.84%   | 1.37%   |
| Allowance              | \$1,001 | \$1,001 | \$1,231 | \$1,174 | \$1,402 | \$1,677 |
| to Total Loans         | 1.50%   | 1.49%   | 1.85%   | 1.82%   | 2.25%   | 2.65%   |
| to Nonperforming Loans | 154%    | 140%    | 154%    | 133%    | 206%    | 184%    |

\* EXCLUDES FFIEC AND ONE-TIME ITEMS

[LOGO]

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KEYCORP

-----  
(Registrant)

Date: January 16, 2002

/s/ Lee Irving

-----  
By: Lee Irving  
Executive Vice President  
and Chief Accounting Officer