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KEYCORP /NEW/  
Form 8-K  
January 15, 2003

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 15, 2003

[KEYCORP LOGO]

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

Ohio

0-850

34-6542451

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
Commission File Number

-----  
(I.R.S. Employer Identification

127 Public Square, Cleveland, Ohio

44114-1306

-----  
(Address of principal executive offices)

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(Zip Code)

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

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

On January 15, 2003, the Registrant issued a press release announcing its earnings results for the three- and twelve-month period ended December 31, 2002. This press release, dated January 15, 2003, is attached as Exhibit 99.1 to this report.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(C) Exhibits

99.1 The Registrant's January 15, 2003, press release announcing its earnings results for the three- and twelve-month period ended December 31, 2002.

ITEM 9. REGULATION FD DISCLOSURE

On January 15, 2003, 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

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## FOURTH QUARTER 2002 REVIEW

JANUARY 15, 2003

SPEAKERS: HENRY MEYER  
JEFF WEEDEN

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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 2003 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; new legal obligations or restrictions or unfavorable resolution of litigation; further disruption in the economy or the general business climate as a result of terrorist activities or military actions; and changes in accounting, tax or regulatory practices or requirements.

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## STRATEGIC OVERVIEW

- DEPOSIT GROWTH
- EXPENSE MANAGEMENT
- CREDIT QUALITY
- UNION BANKSHARES ACQUISITION

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## FINANCIAL SUMMARY - 4Q02

- EPS OF \$0.57
- TOTAL REVENUE UP \$26 MILLION
- NONPERFORMING LOANS DECLINED

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- REPURCHASED 1.2 MILLION SHARES

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NET INTEREST INCOME & MARGIN (TE)  
\$ IN MILLIONS

[BAR GRAPH]

	4Q01 ----	1Q02 ----	2Q02 ----	3Q02 ----	4Q02 ----
NET INTEREST INCOME	\$726	\$702	\$721	\$722	\$724
NET INTEREST MARGIN	3.98%	3.93%	3.98%	3.99%	3.98%
AVG. EARNING ASSETS	\$ 72,706	\$ 71,981	\$ 72,579	\$ 72,083	\$ 72,554

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NONINTEREST INCOME 4Q02 VS. 3Q02  
IN MILLIONS

NONINTEREST INCOME 3Q02	\$ 432
Investment Banking & Capital Markets	8
Net Securities Gains	5
Trust & Investment Services	(9)
All other-net	10
Total	14
NONINTEREST INCOME 4Q02	\$ 446

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NONINTEREST EXPENSE 4Q02 VS. 3Q02  
IN MILLIONS

NONINTEREST EXPENSE 3Q02	\$ 659
Personnel	(4)

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Professional Fees	8
All other	5
	-----
Total	9

NONINTEREST EXPENSE 4Q02 \$ 668

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NET CHARGE-OFFS BY LOAN TYPE

IN MILLIONS	4Q01	1Q02	2Q02	3Q02	4Q02
-----	----	----	----	----	----
CONTINUING PORTFOLIO					
Commercial	\$ 62	\$ 69	\$ 76	\$ 84	\$ 84
Consumer	71	67	59	51	63
	-----	-----	-----	-----	-----
	133	136	135	135	147
RUN-OFF PORTFOLIO & LOAN SALES	87	70	68	50	39
	-----	-----	-----	-----	-----
TOTAL NET C/O	\$220	\$206	\$203	\$185	\$186

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ASSET QUALITY INDICATORS

\$ IN MILLIONS	4Q01	1Q02	2Q02	3Q02	4Q02
-----	----	----	----	----	----
Nonperforming Loans to EOP Loans	\$ 910 1.44%	\$ 973 1.52%	\$ 957 1.50%	\$ 987 1.57%	\$ 943 1.51%
Nonperforming Assets to EOP Loans + OREO	\$ 947 1.49%	\$1,012 1.58%	\$ 995 1.56%	\$1,017 1.61%	\$ 993 1.59%
Net C/O to Average Loans	\$ 220 1.37%	\$ 206 1.32%	\$ 203 1.27%	\$ 185 1.16%	\$ 186 1.18%
Allowance to Total Loans	\$1,677 2.65%	\$1,607 2.51%	\$1,539 2.41%	\$1,489 2.37%	\$1,452 2.32%
to Nonperforming Loans	184%	165%	161%	151%	154%

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RUN-OFF PORTFOLIO &  
NONREPLENISHING RESERVES

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IN MILLIONS

	12/31/01 -----	3/31/02 -----	6/30/02 -----	9/30/02 -----	12/31/02 -----
COMMITMENTS	\$ 1,694	\$ 1,532	\$ 1,143	\$ 1,005	\$ 940
OUTSTANDINGS	1,023	941	724	662	599
ALLOWANCE FOR LOAN LOSSES	275	205	137	87	48
NPLs	231	208	132	91	85

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FIRST QUARTER 2003 OUTLOOK  
(COMPARED WITH 4Q02)

COMMENTS  
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REVENUE                    NIM pressure due to rate environment  
                              Seasonal decline in noninterest income

EXPENSES                   Higher employee benefits cost  
                              Continued focus on expense control

CREDIT QUALITY

NPLs                        Stable to down

Net Charge-offs           Stable to down

Watch List                 Stable to down

EPS                         Down from 4Q02

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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

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(Registrant)

Date: January 15, 2003

/s/ Lee Irving

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By: Lee Irving  
Executive Vice President  
and Chief Accounting Officer