

KEYCORP /NEW/
Form 424B5
August 12, 2010

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Maximum aggregate offering price	Amount of registration fee
\$750,000,000 3.750% Senior Notes due August 13, 2015	\$750,000,000	\$53,475 ⁽¹⁾

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

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Registration Statement No. 333-151608**PRICING SUPPLEMENT
(To Prospectus dated June 12, 2008 and
Prospectus Supplement dated June 20, 2008)****KeyCorp****Senior Medium-Term Notes, Series I****\$750,000,000****3.750% Senior Notes, due August 13, 2015**

This pricing supplement describes the series of our senior notes that will be issued under our medium-term note program, Series I. We refer to our 3.750% senior notes, due August 13, 2015 as the notes. This pricing supplement supplements the terms and conditions in the prospectus, dated June 12, 2008, as supplemented by the prospectus supplement, dated June 20, 2008 (as so supplemented, together with all documents incorporated by reference, the Prospectus), which should be read together with this pricing supplement. The notes are unsecured and rank equally with all of our other unsecured and senior indebtedness outstanding from time to time. We do not intend to list any series of the notes on any securities exchange.

The notes will mature on August 13, 2015, and will be issued in minimum denominations of \$1,000 and any larger amount that is a whole multiple of \$1,000. Interest on the notes will accrue from August 13, 2010. We will pay interest on the notes semiannually in arrears on February 13 and August 13 of each year, beginning February 13, 2011. Interest will be paid to the persons in whose name the notes are registered at the close of business on January 30 and July 30 preceding each interest payment date, whether or not a business day. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months. If the maturity date or an interest payment date for the notes is not a business day, we will pay principal, premium, if any, and interest for the notes on the next business day, and no interest will accrue from and after the maturity date or interest payment date. The notes are not subject to redemption or repayment prior to maturity and will not be subject to any sinking fund.

The notes are not deposits or other obligations of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in the notes involves risk. See Risk Factors beginning on page S-3 of the accompanying prospectus supplement for certain information relevant to an investment in the notes, and the discussion of risk factors contained in our annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, which are incorporated by reference into this Prospectus.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of the notes or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

	Per Note(1)	Total
Public Offering Price	99.878%	\$ 749,085,000
Agents' Commissions	0.350%	\$ 2,625,000

Proceeds (before expenses) to KeyCorp	99.528%	\$ 746,460,000
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(1) Plus accrued interest, if any, from August 13, 2010, if settlement occurs after that date.

One of the agents for this offering, KeyBanc Capital Markets Inc., is our affiliate. For more information, see Supplemental Information Concerning the Plan of Distribution (Conflicts of Interest) on page PS-4 of this pricing supplement.

We expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company and its direct participants on or about August 13, 2010.

Joint Book-Running Managers

J.P. Morgan	KeyBanc Capital Markets	Morgan Stanley
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Senior Co-Managers

Deutsche Bank Securities	Goldman, Sachs & Co.	UBS Investment Bank
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Co-Managers

BofA Merrill Lynch	Barclays Capital	Citi	Credit Suisse	Keefe, Bruyette & Woods	Sandler O'Neill + Partners
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August 10, 2010

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ABOUT THIS PRICING SUPPLEMENT

You should rely only on the information contained or incorporated by reference in this Prospectus. We have not, and the agents have not, authorized any person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it in making a decision about whether to invest in the notes. We are not, and the agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this pricing supplement, the accompanying prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since such dates.

Because the notes are part of a series of our debt securities called Medium-Term Notes, Series I, this pricing supplement, the accompanying prospectus supplement and the accompanying prospectus should be read together. Terms used but not defined in this pricing supplement have the meanings given them in the accompanying prospectus supplement or the accompanying prospectus, unless the context requires otherwise. If there is any inconsistency between the information in this pricing supplement and the accompanying prospectus supplement or prospectus, you should rely on the information in this pricing supplement. Unless otherwise indicated or unless the context requires otherwise, all references in this pricing supplement to we, us, our or similar references mean KeyCorp.

RECENT DEVELOPMENTS

Second Quarter 2010 Financial Performance

For the second quarter of 2010, we announced net income from continuing operations attributable to our common shareholders of \$56 million, or \$.06 per common share. These results compare to a net loss from continuing operations attributable to our common shareholders of \$394 million, or \$.68 per common share, for the second quarter of 2009. Second quarter net income attributable to our common shareholders was \$29 million compared to a net loss attributable to our common shareholders of \$390 million for the second quarter of 2009. Net loss attributable to our common shareholders for the six month period ended June 30, 2010 was \$67 million compared to a net loss attributable to our common shareholders of \$926 million for the same period one year ago.

For the first six months of 2010, the net loss from continuing operations attributable to our common shares was \$42 million, or \$.05 per common share, compared to a net loss from continuing operations of \$901 million, or \$1.68 per common share, for the same period last year.

Our net interest margin was 3.17% for the second quarter of 2010. This was a decrease of 2 basis points from the first quarter of 2010 and an increase of 47 basis points from the year-ago quarter. Net charge-offs in the second quarter of 2010 were \$435 million, a decline of \$87 million from the first quarter of 2010.

Our allowance for loan losses decreased to \$2.2 billion from \$2.3 billion from a year ago. At June 30, 2010, our allowance represented 4.16% of total loans compared to 3.48% at June 30, 2009 and 130% of nonperforming loans at the end of the second quarter of 2010 compared to 107% at the end of the year ago quarter. Our consolidated loan to deposit ratio was 93% for the second quarter 2010 compared to 107% for the second quarter of 2009.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of notes offered hereby for general corporate purposes. The precise amounts and timing of our use of the net proceeds of this offering will depend upon our funding requirements and those of our subsidiaries and the availability of other funds.

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Table of Contents**MATERIAL UNITED STATES TAX CONSIDERATIONS**

For a brief description of the tax effects of an investment in the notes, see Material United States Tax Considerations on page S-42 of the accompanying prospectus supplement.

SUPPLEMENTAL INFORMATION CONCERNING THE PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

On August 10, 2010, we entered into an agreement with the agents identified below for the purchase and sale of the notes. We have agreed to sell to each of the agents, and each of the agents has agreed to purchase from us, the principal amount of the notes shown opposite its name below, at the public offering price set forth above.

Name	Principal Amount
J.P. Morgan Securities Inc.	\$ 190,000,000
KeyBanc Capital Markets Inc.	190,000,000
Morgan Stanley & Co. Incorporated	190,000,000
Deutsche Bank Securities Inc.	30,000,000
Goldman, Sachs & Co.	30,000,000
UBS Securities LLC	30,000,000
Banc of America Securities LLC	15,000,000
Barclays Capital Inc.	15,000,000
Citigroup Global Markets Inc.	15,000,000
Credit Suisse Securities (USA) LLC	15,000,000
Keefe, Bruyette & Woods, Inc.	15,000,000
Sandler O'Neill & Partners, L.P.	15,000,000
Total	750,000,000

The agents may sell the notes to certain broker-dealers at the public offering price, less a concession which will not exceed the percentage of their principal amount set forth below. The agents and those broker-dealers may resell the notes to other broker-dealers at a reallowance discount which will not exceed the percentage of their principal amount set forth below.

Concession	0.20%
Reallowance Discount	0.125%

After the initial offering of the notes, these concessions and reallowance discounts may change.

We estimate that the total offering expenses for the notes, excluding the agents' commissions, will be approximately \$250,000.

Selling Restrictions

European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes described in this pricing supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the notes that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that,

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with effect from and including the relevant implementation date, an offer of notes may be offered to the public in that relevant member state at any time:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined below) subject to obtaining the prior consent of the representatives for any such offer; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of notes described in this pricing supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an offer to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We have not authorized and do not authorize the making of any offer of notes through any financial intermediary on their behalf, other than offers made by the selling agents with a view to the final placement of the notes as contemplated in this pricing supplement. Accordingly, no purchaser of the notes, other than the selling agents, is authorized to make any further offer of the notes on behalf of us or the selling agents.

Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The notes offered hereby have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the FIEL) and each selling agent has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

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Singapore

This pricing supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this pricing supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

United Kingdom

This pricing supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This pricing supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Conflicts of Interest

Because KeyBanc Capital Markets Inc., our affiliate, is a joint book-running manager, this offering is being conducted in compliance with NASD Conduct Rule 2720, as administered by the Financial Industry Regulatory Authority. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering. KeyBanc Capital Markets Inc. is not permitted to sell notes in this offering to accounts over which it exercises discretionary authority without the prior specific written approval of the account holder.

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Filed Pursuant To Rule 424(b)(5)
Registration No. 333-151608

**PROSPECTUS SUPPLEMENT
(To Prospectus dated June 12, 2008)**

KeyCorp

**Senior Medium-Term Notes, Series I
Subordinated Medium-Term Notes, Series J
Due 9 Months or More from Date of Issue**

We may use this prospectus supplement to offer our medium-term notes from time to time. The specific terms of each note offered will be included in a pricing supplement. Unless the applicable pricing supplement specifies otherwise, they will have the following general terms:

Ranking as our senior or subordinated indebtedness

Stated maturities of 9 months or more from date of issue

Redemption and/or repayment provisions, whether mandatory, at our option, at the option of the holders or none at all

Payments in U.S. dollars or one or more foreign currencies

Book-entry (through The Depository Trust Company) or certificated form

Interest payments on fixed rate notes on each June 15 and December 15

Interest payments on floating rate notes on a monthly, quarterly, semiannual or annual basis

Interest at fixed or floating interest rates or as zero coupon notes without cash interest. We may base the floating interest rate on one or more of the following indices plus or minus a spread and/or multiplied by a spread multiplier, or such other interest basis or interest rate formula as we may specify in the applicable pricing supplement:

CD Rate	EURIBOR
CMS Rate	Federal Funds Rate
CMT Rate	LIBOR
Commercial Paper Rate	Prime Rate
Eleventh District Cost of Funds Rate	Treasury Rate

The notes may be issued at a discount from the principal amount payable at maturity, resulting in then constituting original issue discount notes

We will specify the final terms for each note in the applicable pricing supplement, which may be different from the terms described in this prospectus supplement.

These notes are our obligations and will not be savings accounts or other obligations of our bank or nonbank subsidiaries. These notes are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. The notes are not secured. **Investing in the notes involves certain risks. See Risk Factors beginning on page S-3 for certain information relevant to an investment in the notes.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

We may sell the notes to the agents listed below as principals for resale at varying or fixed offering prices or through the agents using their reasonable best efforts on our behalf. We may also sell notes directly to investors on our own behalf or appoint other agents. If we use agents, commissions payable in respect of sales of notes will be specified in the applicable pricing supplement.

Citi

**Banc of America Securities LLC
Deutsche Bank Securities
HSBC
Keefe, Bruyette & Woods
Lehman Brothers
Morgan Stanley**

**Credit Suisse
Goldman, Sachs & Co.
JPMorgan
KeyBanc Capital Markets
Merrill Lynch & Co.
UBS Investment Bank
Wachovia Securities**

June 20, 2008

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. We have not, and the Agents have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the Agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate as of its date only. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement to we, us, our or similar references mean KeyCorp.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement sets forth certain terms of the notes that we may offer, and it supplements the general information contained in the accompanying prospectus. This prospectus supplement supersedes the accompanying prospectus to the extent that it contains information which differs from the information in the accompanying prospectus.

Each time we issue notes, we will provide a pricing supplement to this prospectus supplement. The pricing supplement will contain the specific description of the notes that we are offering and the terms of the offering. The pricing supplement will supersede this prospectus supplement or the accompanying prospectus to the extent that it contains information which differs from the information contained in this prospectus supplement or the accompanying prospectus.

In making your investment decision, it is important for you to read and consider all information contained in this prospectus supplement and in the accompanying prospectus and the applicable pricing supplement. You should also read and consider the information contained in the documents identified under the heading "Where You Can Find More Information" of the accompanying prospectus.

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This section summarizes the legal and financial terms of the notes that are described in more detail in Description of Notes beginning on page S-12. Final terms of any particular notes will be determined at the time of sale and will be contained in the pricing supplement relating to those notes. The terms in that pricing supplement may vary from and supersede the terms contained in this summary and in Description of Notes. This summary is not complete and does not contain all the information that you should consider before investing in the notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, especially the risks of investing in the notes set forth under the caption Risk Factors beginning on page S-3, to determine whether an investment in the notes is appropriate for you.

Issuer	KeyCorp.
Description	Senior Medium-Term Notes, Series I, and Subordinated Medium-Term Notes, Series J.
Amount	We may issue an unspecified amount of notes in connection with these series. The notes will not contain any limitations on our ability to issue additional indebtedness with terms similar to the notes or otherwise.
Denominations	Unless otherwise stated in the applicable pricing supplement, the minimum denomination of the notes will be \$1,000 and any larger amount that is a whole multiple of \$1,000.
Ranking	The Series I notes will rank equally with all of our other unsecured and unsubordinated indebtedness that is not accorded a priority under applicable law. The Series J notes will be subordinated in right of payment to the prior payment in full of our senior indebtedness and, in certain insolvency events, other senior obligations as defined and described in the indenture for the notes. See Description of Notes General.
Maturity	Unless otherwise specified in the applicable pricing supplement, each note will mature on a stated maturity date nine months or more from its date of issue. Notes may be renewable or extendable.
Interest	Each note will bear interest from its issue date at fixed or floating interest rate or as zero coupon notes without cash interest as specified in the applicable pricing supplement. We may base the floating interest rate on one or more of the following indices, plus or minus an applicable spread and/or multiplied by a spread multiplier, or such other interest basis or interest rate formula as we may specify in the applicable pricing supplement: CD Rate, CMS Rate, CMT Rate, Commercial Paper Rate, Eleventh District Cost of Funds Rate, EURIBOR, the Federal Funds Rate, LIBOR, Prime Rate, Treasury Rate, or another negotiated interest rate basis or formula. Interest on each note will be payable either monthly, quarterly, semiannually or annually on each specified interest payment date and on the stated maturity date. Accrued interest will also be paid on

the date of redemption or repayment if a note is redeemed or repurchased prior to its stated maturity in accordance with its terms. We may also issue indexed notes.

Principal

The principal amount of each note will be payable on its stated maturity date or upon earlier redemption or repayment at the

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corporate trust office of the paying agent or at any other place we may designate.

Redemption and Repayment

We will indicate in the applicable pricing supplement for a note whether we will have the option to redeem the note before the stated maturity and the price or prices at which, and date or dates on which, redemption may occur. The pricing supplement relating to a note will also indicate whether you will have the option to elect repayment by us prior to the stated maturity and the price and the date or dates on which repayment may occur.

Sale and Clearance

We expect that we will issue notes in book-entry form only and will clear through The Depository Trust Company. We do not intend to issue notes in certificated form.

Paying Agent

The paying agent for the notes is Deutsche Bank Trust Company Americas.

Use of Proceeds

Except as may be described otherwise in a pricing supplement, we will add the net proceeds from the sale of the notes to our general funds and will use them for general corporate purposes, including investments in and advances to our bank and nonbank subsidiaries, reduction of borrowings, investments and financing possible future acquisitions including, without limitation, the acquisition of banking and nonbanking companies and financial assets and liabilities. All or a portion of the net proceeds from the sale of notes may also be used to finance, in whole or in part, our repurchase of common shares pursuant to our share repurchase program described in our periodic reports filed with the SEC, and additional share repurchases undertaken from time to time in connection with our acquisition of banking and nonbanking companies.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Allocations of the proceeds to specific purposes have not been made at the date of this prospectus supplement.

Risk Factors

See below under the caption **Risk Factors** in this prospectus supplement and the other information in this prospectus supplement and our reports incorporated by reference therein for a discussion of factors you should carefully consider before deciding to invest in the notes.

The principal executive office and mailing address of KeyCorp is 127 Public Square, Cleveland, Ohio 44114-1306. Our telephone number is (216) 689-6300.

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RISK FACTORS

Your investment in the notes is subject to certain risks, especially if the notes involve in some way a foreign currency. This prospectus supplement does not describe all of the risks of an investment in the notes, including, among others, risks arising because the notes are denominated in a currency other than U.S. dollars or because the return on the notes is linked to one or more interest rate or currency indices or formulas. You should consult your own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of your investment in the notes in light of your particular circumstances. The notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions or transactions involving the type of index or formula used to determine amounts payable. Before investing in the notes, you should carefully read this prospectus supplement, carefully consider the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2007 and pay special attention to the risk factors set forth below.

The information set forth in this prospectus supplement is directed to prospective purchasers of the notes who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States regarding any matters that may affect the purchase or holding of, or receipt of payments of principal, premium or interest on, the notes. Such persons should consult their advisors with regard to these matters. Any pricing supplement relating to the notes having a specified currency other than U.S. dollars will contain a description of any material exchange controls affecting such currency and any other required information concerning such currency.

The Notes Are Structurally Subordinated to Debt of Our Subsidiaries.

Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, unless we are ourselves a creditor with recognized claims against the subsidiary. Any capital loans that we make to our bank subsidiary, KeyBank National Association (KeyBank) would be subordinate in right of payment to deposits and to other indebtedness of KeyBank. Claims from creditors (other than us), against the subsidiaries, may include long-term and medium-term debt and substantial obligations related to deposit liabilities, federal funds purchased, securities sold under repurchase agreements, and other short-term borrowings. The notes are not obligations of, nor guaranteed by, our subsidiaries, and our subsidiaries have no obligation to pay any amounts due on the notes. The indentures relating to the notes do not limit our ability or the ability of our subsidiaries to issue or incur additional debt or preferred stock.

The notes are our obligations but our assets consist primarily of equity in our subsidiaries and, as a result, our ability to make payments on the notes depends on our receipt of dividends, loan payments and other funds from our subsidiaries. The payment of dividends by a national bank subsidiary is subject to federal law restrictions.

Subordinated Notes Have Limited Acceleration Rights.

The holders of senior notes may declare those notes in default and accelerate the due date of those notes if an event of default shall occur and be continuing. Acceleration of the senior notes may adversely impact our ability to pay obligations on subordinated notes. Holders of subordinated notes do not have the right to declare those notes in default and may accelerate payment of indebtedness only upon our bankruptcy or reorganization.

You May Not Be Able to Sell Your Notes if an Active Trading Market for the Notes Does Not Develop.

There is currently no secondary market for the notes. The agents currently intend, but are not obligated, to make a market in the notes. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the notes. If the secondary market for the notes is limited, there may be few buyers should you choose to sell your notes prior to maturity and this may reduce the price you receive.

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We May Choose to Redeem the Notes when Prevailing Interest Rates Are Relatively Low.

If your notes are redeemable at our option, we may choose to redeem your notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as the optional redemption date or period approaches.

The Trading Value of the Notes May Be Less than the Principal Amount of the Notes.

The trading market for, and trading value of, the notes may be affected by a number of factors. These factors include:

- the time remaining to maturity of the notes;
- the aggregate amount outstanding of the relevant notes;
- any redemption features of the notes; and
- the level, direction, and volatility of market interest rates generally.

Often, the only way to liquidate your investment in the notes prior to maturity will be to sell the notes. At that time, there may be a very illiquid market for the notes or no market at all.

Changes in Our Credit Ratings May Affect the Value of the Notes.

Our credit ratings are an assessment of our ability to pay our obligations as they become due. Consequently, actual or anticipated changes in our credit ratings may affect the trading value of the notes. However, because your return on the notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

The Amount of Interest We May Pay on the Notes May Be Limited by State Law.

New York law governs the notes. New York usury laws limit the amount of interest that can be charged and paid on loans, including debt securities like the notes. Under present New York law, the maximum permissible rate of interest is 25% per year on a simple interest basis. This limit may not apply to notes in which \$2,500,000 or more has been invested. Floating rate notes may not have a stated rate of interest and may exceed this limit. While we believe that a state or federal court sitting outside of New York may give effect to New York law, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We do not intend to claim the benefits of any laws other than New York law concerning usurious rates of interest.

Changes in Exchange Rates and Exchange Controls Could Result in a Substantial Loss to You.

If you invest in foreign currency notes and currency indexed notes, your investment will be subject to significant risks not associated with investments in debt instruments denominated in U.S. dollars or U.S. dollar-based indices.

Such risks include, but are not limited to:

- the possibility of significant market changes in rates of exchange between the U.S. dollar and your payment currency;

the possibility of significant changes in rates of exchange between U.S. dollars and the specified currency resulting from official redenomination relating to your payment currency; and

the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments.

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Such risks generally depend on factors over which KeyCorp has no control and which cannot be readily foreseen such as:

economic events;

political events; and

the supply for, and demand for, the relevant currencies.

In recent years, rates of exchange between the U.S. dollar and certain foreign currencies have been volatile. This volatility may continue in the future. Past fluctuations in any particular exchange rate are not necessarily indicative, however, of fluctuations that may occur in the rate during the term of the note. Fluctuations in exchange rates against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of the principal or any premium payable at maturity of your notes and, generally, in the U.S. dollar-equivalent market value of your notes. The currency risks with respect to your foreign currency notes or currency indexed notes may be further described in the applicable pricing supplement.

Foreign exchange rates can either float or be fixed by sovereign governments. Governments, however, often do not voluntarily allow their currencies to float freely in response to economic forces. Instead, governments use a variety of techniques, such as intervention by that country's central bank, or the imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments also may issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by the devaluation or revaluation of a currency. Thus, an important risk in purchasing foreign currency notes or currency indexed notes for U.S. dollar-based investors is that their U.S. dollar-equivalent yields could be affected by governmental actions that could change or interfere with currency valuation that was previously freely determined, fluctuations in response to other market forces and the movement of currencies across borders. We will make no adjustment or change in the terms of the foreign currency notes or currency indexed notes if exchange rates become fixed, or if any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes occur, or other developments, affecting the U.S. dollar or any applicable currency occur.

The exchange rate agent will make all calculations relating to your foreign currency notes or currency indexed notes. All such determinations will, in the absence of clear error, be binding on holders of the notes.

For notes with a specified currency other than U.S. dollars, we may include in the applicable pricing supplement information concerning historical exchange rates for that currency against the U.S. dollar and a brief description of any relevant exchange controls.

The Unavailability of Currencies Could Result in a Substantial Loss to You.

Except as set forth below, if payment on a note is required to be made in a specified currency other than U.S. dollars and such currency is:

unavailable due to the imposition of exchange controls or other circumstances beyond our control;

no longer used by the government of the country issuing such currency; or

no longer used for the settlement of transactions by public institutions of the international banking community

then all payments on such note shall be made in U.S. dollars until such currency is again available or so used. The amounts so payable on any date in such currency shall be converted into U.S. dollars on the basis of the most recently available market exchange rate for such currency or as otherwise indicated in the applicable pricing supplement. Any payment on such note made under such circumstances in U.S. dollars will not constitute an event of default under the applicable indenture.

If the specified currency of a note is officially redenominated, other than as a result of the European Monetary Union, such as by an official redenomination of any such specified currency that is a composite currency, then our payment obligations on such note will be the amount of redenominated currency that represents the amount of our obligations immediately before the redenomination. The notes will not provide for any adjustment to any amount payable under such notes as a result of:

any change in the value of the specified currency of such notes relative to any other currency due solely to fluctuations in exchange rates; or

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any redenomination of any component currency, unless such composite currency is itself officially redenominated.

Currently, there are limited facilities in the United States for conversion of U.S. dollars into foreign currencies, and vice versa. In addition, banks do not generally offer non-U.S. dollar-denominated checking or savings account facilities in the United States. Accordingly, payments on notes in a currency other than U.S. dollars will be made from an account at a bank located outside the United States, unless otherwise specified in the applicable pricing supplement.

Judgments in a Foreign Currency Could Result in a Substantial Loss to You.

The indentures and the notes, except to the extent specified otherwise in a pricing supplement, will be governed by, and construed in accordance with, the laws of the State of New York. As a holder of notes, you may bring an action based upon an obligation payable in a currency other than U.S. dollars in courts in the United States. However, courts in the United States have not customarily rendered judgments for money damages denominated in any currency other than U.S. dollars. In addition, it is not clear whether in granting such judgment, the rate of conversion would be determined with reference to the date of default, the date judgment is rendered or any other date. The Judiciary Law of the State of New York provides, however, that an action based upon an obligation payable in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation and converted to U.S. dollars at an exchange rate prevailing on the date the judgment or decree is entered. In these cases, holders of foreign currency notes would bear the risk of exchange rate fluctuations between the time the dollar amount of this judgment is calculated and the time U.S. dollars were paid to the holders.

The Risk of Loss to You as a Result of Linking Principal or Interest on Payments on Indexed Notes to an Index Can Be Substantial.

An investment in indexed notes entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. The interest rate of an indexed note may be less than that on a conventional fixed-rate debt security issued at the same time, including the possibility that no interest will be paid. In certain circumstances, the amount of the principal and/or premium, if any, payable on an indexed note may be less than the original purchase price of the indexed note if allowed under the terms of the notes, including the possibility that no amount will be paid. We cannot assure you that there will be a secondary market for indexed notes or of the liquidity of the secondary market if one develops. The secondary market, if any, for indexed notes will be affected by a number of factors, independent of our creditworthiness and the value of the applicable currency, commodity, security or interest rate index, including:

the volatility of the applicable currency, commodity, security or interest rate index;

the time remaining to the maturity of the notes;

the amount outstanding of the notes; and

market interest rates.

The value of the applicable currency, commodity, security or interest rate index depends on a number of interrelated factors, including economic, financial and political events over which we have no control. Additionally, if the formula used to determine the amount of principal, premium, if any, or interest payable on indexed notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, security or interest rate index will be

increased. The historical experience of the relevant currencies, commodities, securities or interest rate indices should not be taken as an indication of future performance of the currencies, commodities, securities, or interest rate indices during the term of any indexed note. Any credit ratings assigned to the notes reflect our credit status and in no way reflect the potential impact of the factors discussed above, or any other factors, on the market value of the notes.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about our long-term goals, financial condition, results of operations, earnings, levels of net loan charge-offs and nonperforming assets, interest rate exposure and profitability. These statements usually can be identified by the use of forward-looking language such as our goal, our objective, our plan, will likely result, expects, plans, anticipates, intends, project, estimates or other similar words or expressions or conditional verbs such as will, would, could and should.

Forward-looking statements express management's current expectations, forecasts of future events or long-term goals and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations, forecasts and goals reflected in these forward-looking statements are reasonable, actual results could differ materially for a variety of reasons, including the following factors:

Interest rates could change more quickly or more significantly than management expects, which may have an adverse effect on KeyCorp's financial results.

Trade, monetary and fiscal policies of various governmental bodies may affect the economic environment in which KeyCorp operates, as well as its financial condition and results of operations.

Changes in the stock markets, public debt markets and other capital markets, including continued disruption in the fixed income markets, could adversely affect KeyCorp's ability to raise capital or other funding for liquidity and business purposes, as well as its revenues from client-based underwriting, investment banking and other capital markets-driven businesses.

Recent problems in the housing markets and related conditions in the financial markets, or other issues, such as the high price of oil or other commodities, could cause further deterioration in general economic conditions, or in the condition of the local economies or industries in which KeyCorp has significant operations or assets, and, among other things, materially impact credit quality in existing portfolios and/or KeyCorp's ability to generate loans in the future.

Increasing interest rates or further weakening economic conditions could constrain borrower's ability to repay outstanding loans or diminish the value of the collateral securing those loans. Additionally, the allowance for loan losses may be insufficient if the estimates and judgments management used to establish that allowance prove to be inaccurate.

Increased competitive pressure among financial services companies may adversely affect KeyCorp's ability to market its products and services.

It could take KeyCorp longer than anticipated to implement strategic initiatives, including those designed to grow revenue or manage expenses; KeyCorp may be unable to implement certain initiatives; or the initiatives may be unsuccessful.

Acquisitions and dispositions of assets, business units or affiliates could adversely affect KeyCorp in ways that management has not anticipated.

KeyCorp may experience operational or risk management failures due to technological or other factors.

Changes in accounting principles, or in tax laws, rules and regulations could have an adverse effect on KeyCorp's financial results or its capital.

KeyCorp may become subject to new legal obligations or liabilities, or the unfavorable resolution of pending litigation may have an adverse effect on its financial results or its capital.

KeyCorp may become subject to new or heightened regulatory practices, requirements or expectations which may impede its profitability.

Terrorist activities or military actions could disrupt the economy and the general business climate, which may have an adverse effect on KeyCorp's financial results or condition and that of its borrowers.

You should refer to our periodic and current reports filed with the SEC (and incorporated by reference herein) for further information on other factors that could cause actual results to be significantly different from those expressed or implied by these forward-looking statements. See below under the caption "Where You Can Find More Information" in the accompanying prospectus.

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The following is our selected audited consolidated financial information for each of the years in the three-year period ended December 31, 2007, and our selected unaudited consolidated financial information for each of the three-month periods ended March 31, 2008 and 2007. You should read the following information together with our consolidated financial statements and notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Three Months Ended		Year Ended December 31,		
	2008	2007	2007	2006	2005
	(Unaudited)		(Audited)		
	(Dollars in millions, except per share amounts)				
For the period					
Interest income	\$ 1,354	\$ 1,368	\$ 5,644	\$ 5,380	\$ 4,383
Interest expense	641	689	2,875	2,565	1,727
Net interest income	713	679	2,769	2,815	2,656
Provision for loan losses	187	44	529	150	143
Noninterest income	528	654	2,229	2,127	2,067
Noninterest expense	732	784	3,248	3,149	3,054
Income from continuing operations before income taxes and cumulative effect of accounting change	322	505	1,221	1,643	1,526
Income from continuing operations before cumulative effect of accounting change	218	358	941	1,193	1,090
(Loss) income from discontinued operations, net of taxes		(8)	(22)	(143)	39
Income before cumulative effect of accounting change	218	350	919	1,050	1,129
Net income	218	350	919	1,055	1,129
Per common share					
Income from continuing operations before cumulative effect of accounting change	\$.55	\$.90	\$ 2.40	\$ 2.95	\$ 2.67
(Loss) income from discontinued operations		(.02)	(.06)	(.35)	.10
Income before cumulative effect of accounting change	.55	.88	2.35	2.60	2.76
Net income	.55	.88	2.35	2.61	2.76
Income from continuing operations before cumulative effect of accounting change assuming dilution	.54	.89	2.38	2.91	2.63
(Loss) income from discontinued operations assuming dilution		(.02)	(.05)	(.35)	.09

Income before cumulative effect of accounting change assuming dilution	.54	.87	2.32	2.56	2.73
Net income assuming dilution	.54	.87	2.32	2.57	2.73
Cash dividends paid	.375	.365	1.46	1.38	1.30
Book value at period end	21.48	19.57	19.92	19.30	18.69
Weighted average common shares outstanding (000)	399,121	397,875	392,013	404,490	408,981
Weighted average common shares and potential common shares outstanding (000)	399,769	403,478	395,823	410,222	414,014
At period end					
Loans	\$ 76,444	\$ 65,711	\$ 70,823	\$ 65,826	\$ 66,478
Earning assets	89,719	81,163	86,557	80,090(1)	80,143(1)
Total assets	101,492	92,256	98,228	92,337(1)	93,126(1)
Deposits	64,702	59,773	63,099	59,116	58,765
Long-term debt	14,337	13,061	11,957	14,533	13,939
Shareholders equity	8,592	7,719	7,746	7,703	7,598

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	Three Months Ended		Year Ended December 31,		
	2008	2007	2007	2006	2005
	(Unaudited)		(Audited)		
	(Dollars in millions, except per share amounts)				
Performance ratios					
From continuing operations:					
Return on average total assets	.85%	1.58%	.99%	1.30%	1.24%
Return on average equity	10.38	19.06	12.19	15.43	14.88
Net interest margin (taxable equivalent)	3.14	3.50	3.46	3.67	3.65
From consolidated operations:					
Return on average total assets	.85%	1.54%	.97%	1.12%	1.24%
Return on average equity	10.38	18.63	11.90	13.64	15.42
Net interest margin (taxable equivalent)	3.14	3.51	3.46	3.69	3.69
Capital ratios at period end					
Equity to assets	8.47%	8.37%	7.89%	8.34%(1)	8.16%(1)
Tangible equity to tangible assets	6.85	7.04	6.58	7.01(1)	6.68(1)
Tier 1 risk-based capital	8.33	8.15	7.44	8.24	7.59
Total risk-based capital	12.34	12.20	11.38	12.43	11.47
Leverage	9.15	9.17	8.39	8.98	8.53
Asset quality data					
Nonperforming loans at period end	\$ 1,054	\$ 254	\$ 687	\$ 215	\$ 277
Nonperforming assets at period end	1,115	353	764	273	307
Allowance for loan losses at period end	1,298	944	1,200	944	966
Net loan charge-offs	121	44	275	170	315
Nonperforming loans to period-end portfolio loans	1.38%	.39%	.97%	.33%	.42%
Nonperforming assets to period-end portfolio loans plus OREO and other nonperforming assets	1.46	.54	1.08	.41	.46
Allowance for loan losses to nonperforming loans	123.15	371.65	174.67	439.07	348.74
Allowance for loan losses to period-end loans	1.70	1.44	1.69	1.43	1.45
Net loan charge-offs to average loans from continuing operations	.67	.27	.41	.26	.51

(1) Amounts have not been restated to reflect KeyCorp's January 1, 2008 adoption of FASB Interpretation No. 39, Offsetting of Amounts Related to Certain Contracts, and FASB Staff Position FIN 39-1, Amendment of FASB Interpretation 39.

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KEYCORP

KeyCorp (formerly known as Society Corporation) was organized in 1958 under the laws of the State of Ohio and is headquartered in Cleveland, Ohio. We are a bank holding company and financial holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"). As of March 31, 2008, we were one of the nation's largest bank-based financial services companies with consolidated total assets of approximately \$101.5 billion. KeyCorp is the parent holding company for KeyBank, its principal subsidiary, through which most of its banking services are provided. Through KeyBank and certain other subsidiaries, KeyCorp provides a wide range of retail and commercial banking, commercial leasing, investment management, consumer finance and investment banking products and services to individual, corporate and institutional clients through two major business groups: Community Banking and National Banking. As of March 31, 2008, these services were provided across much of the country through subsidiaries operating 985 full-service banking offices, a telephone banking call center services group and a network of 1,479 ATMs in 16 states. We and our subsidiaries had 18,426 average full-time equivalent employees during the three months ended March 31, 2008.

Contact Information

Our principal office and mailing address is 127 Public Square, Cleveland, Ohio 44114-1306. Our telephone number is (216) 689-6300.

Subsidiaries

Our principal subsidiary, KeyBank, is headquartered in Cleveland, Ohio. In addition to the customary banking services of accepting deposits and making loans, KeyBank and our trust company subsidiary provide specialized services, including personal and corporate trust services, personal financial services, customer access to mutual funds, cash management services, investment banking and capital markets products and international banking services. Through KeyBank, our trust company subsidiary (a bank serving solely as a fiduciary) and our registered investment advisor subsidiary, we provide investment management services to individual and institutional clients, including large corporate and public retirement plans, foundations and endowments, high net worth individuals and multiemployer trust funds established for providing pension, vacation and other benefits to employees.

KeyCorp provides other financial services both inside and outside of its primary banking markets through its nonbank subsidiaries. These services include accident and health insurance on loans made by KeyBank, principal investing, community development financing, securities underwriting, brokerage and other financial services. KeyCorp is an equity participant in a joint venture with Key Merchant Services, LLC, which provides merchant services to businesses.

Major Lines of Business

The following is a description of KeyCorp's and its subsidiaries (collectively, "Key") major lines of business:

Community Banking

Regional Banking provides individuals with branch-based deposit and investment products, personal finance services and loans, including residential mortgages, home equity and various types of installment loans. This line of business also provides certain small businesses with deposit, investment and credit products, and business advisory services.

Regional Banking also offers financial, estate and retirement planning, and asset management services to assist high-net-worth clients with their banking, trust, portfolio management, insurance, charitable giving and related needs.

Commercial Banking provides midsize businesses with products and services that include commercial lending, cash management, equipment leasing, investment and employee benefit programs, succession planning, access to capital markets, derivatives and foreign exchange.

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National Banking

Real Estate Capital and Corporate Banking Services consists of two business units. Real Estate Capital is a national business that provides construction and interim lending, permanent debt placements and servicing, equity and investment banking, and other commercial banking products and services to developers, brokers and owner-investors. This unit deals primarily with nonowner-occupied properties (*i.e.*, generally properties in which at least 50% of the debt service is provided by rental income from nonaffiliated third parties). Particular emphasis has been placed on providing clients with finance solutions through access to the capital markets.

Corporate Banking Services provides cash management, interest rate derivatives, and foreign exchange products and services to clients throughout the Community Banking and National Banking groups. Through its Public Sector and Financial Institutions businesses, Corporate Banking Services provides a full array of commercial banking products and services to government and not-for-profit entities, and to community banks.

Equipment Finance meets the equipment leasing needs of companies worldwide and provides equipment manufacturers, distributors and resellers with financing options for their clients. Lease financing receivables and related revenues are assigned to other lines of business (primarily Institutional and Capital Markets, and Commercial Banking) if those businesses are principally responsible for maintaining the relationship with the client.

Institutional and Capital Markets, through its KeyBanc Capital Markets unit, provides commercial lending, treasury management, investment banking, derivatives and foreign exchange, equity and debt underwriting and trading, and syndicated finance products and services to large corporations and middle-market companies.

Through its Victory Capital Management unit, Institutional and Capital Markets also manages or offers advice regarding investment portfolios for a national client base, including corporations, labor unions, not-for-profit organizations, governments and individuals. These portfolios may be managed in separate accounts, common funds or the Victory family of mutual funds.

Consumer Finance includes Indirect Lending and Commercial Floor Plan Lending.

Indirect Lending offers loans to consumers through dealers. This business unit also provides federal and private education loans to students and their parents, and processes tuition payments for private schools.

Commercial Floor Plan Lending finances inventory for automobile, recreation and marine dealers.

Other Segments

Other Segments consist of Corporate Treasury and Key's Principal Investing unit.

USE OF PROCEEDS

Except as may be described otherwise in a pricing supplement, we will add the net proceeds from the sale of the notes to our general funds and will use them for general corporate purposes, including investments in and advances to our bank and nonbank subsidiaries, reduction of borrowings, investments and financing possible future acquisitions including, without limitation, the acquisition of banking and nonbanking companies and financial assets and liabilities. All or a portion of the net proceeds from the sale of notes may also be used to finance, in whole or in part, our repurchase of common shares pursuant to our share repurchase program described in our periodic reports filed with the SEC, which are incorporated herein by reference (see *Where You Can Find More Information* in the accompanying prospectus), and additional share repurchases undertaken from time to time in connection with our

acquisition of banking and nonbanking companies.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Allocations of the proceeds to specific purposes have not been made at the date of this prospectus supplement.

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DESCRIPTION OF NOTES

The following is a description of certain terms of the notes offered hereby which does not purport to be complete in all respects. This description is subject to, and qualified in its entirety by reference to, the indentures referred to below. The particular terms of the notes sold under any pricing supplement will be described in that pricing supplement. The terms and conditions stated in this section will apply to each note unless the applicable pricing supplement indicates otherwise. References to interest payments and interest-related information do not apply to the zero coupon notes defined below.

General

The Senior I notes will be issued under an indenture dated as of June 10, 1994, as supplemented from time to time (the senior indenture), between us and Deutsche Bank Trust Company Americas (formerly Bankers Trust Company), as trustee. The Series J notes will be issued by us under an indenture dated as of June 10, 1994, as supplemented from time to time (the subordinated indenture), also between us and Deutsche Bank Trust Company Americas, as trustee. Forms of the indentures have been filed with the Securities and Exchange Commission and are incorporated by reference or included in the registration statement on Form S-3 (No. 333-151608) under the Securities Act of 1933, as amended (the Act), of which this prospectus supplement and the accompanying prospectus are a part.

We will refer to the senior indenture and the subordinated indenture together as the indentures and each as an indenture. The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). Deutsche Bank Trust Company Americas is hereinafter referred to as the senior trustee when referring to it in its capacity as trustee under the senior indenture, as the subordinated trustee when referring to it in its capacity as trustee under the subordinated indenture, and as the trustee when referring to it in its capacity under both of the indentures.

Because this section is a summary, it does not describe every aspect of the notes and the indentures. We urge you to read the indenture that is applicable to you because it, and not this description, defines your rights as a holder of notes. For example, in this section, we use capitalized words to signify terms that are specifically defined in the indentures. Some of the definitions are repeated in this prospectus supplement, but for the rest you will need to read the indentures. We have filed the form of each indenture as an exhibit to the registration statement that we have filed with the SEC. See **Where You Can Find More Information** in the accompanying prospectus on how to obtain a copy of the indentures.

The notes are our direct, unsecured obligations. Series I notes issued under our senior indenture will rank equally with all of our other unsecured and unsubordinated indebtedness that is not accorded a priority under applicable law. Series J notes issued under our subordinated indenture will be subordinated in right of payment to the prior payment in full of our Senior Indebtedness and, in certain insolvency events, our Other Senior Obligations.

The Series I notes constitute a single series for purposes of the senior indenture (separate from our other series of senior medium-term notes) and the aggregate principal amount of such series is not limited. At March 31, 2008, our total Senior Indebtedness was \$16.8 billion and there were no Other Senior Obligations.

The Series J notes constitute a single series for purposes of the subordinated indenture (separate from our other series of subordinated medium-term notes) and the aggregate principal amount of such series is not limited. At March 31, 2008, we also had outstanding \$2.8 billion of subordinated debt securities, consisting of \$200,972,741 of 5.469% Subordinated Notes due 2028; \$178,742,164 of 6.875% Subordinated Notes due 2029; \$217,320,121 of

7.75% Subordinated Notes due 2029; \$195,239,955 of 5.875% Subordinated Notes due 2033; \$82,854,752 of 6.125% Subordinated Notes due 2033; \$278,758,331 of 5.70% Subordinated Notes due 2035; \$291,860,835 of 7.00% Subordinated Notes due 2066; \$532,767,186 of 6.75% Subordinated Notes due 2066; \$740,010,000 of 8.00% Subordinated Notes due 2068; \$29,446,334 of 9.58% Subordinated Notes due 2027; \$29,110,133 of 6.824% Subordinated Notes due 2031; \$22,367,498 of 7.058% Subordinated Notes due 2034; and any renewals, extensions, modifications and refundings of any such indebtedness.

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The indentures do not limit the amount of our notes or other debt obligations that may be issued thereunder.

The notes (other than the amortizing notes) will not be subject to any sinking fund, unless otherwise specified in the applicable pricing supplement.

We will offer the notes on a continuous basis as senior notes or subordinated notes. The pricing supplement for each offering of notes will contain the specific information and terms for that offering. If any information in the pricing supplement, including any changes in the method of calculating interest on any note, is inconsistent with this prospectus supplement, you should rely on the information in the pricing supplement. The pricing supplement may also add, update or change information contained in the prospectus and this prospectus supplement. It is important for you to consider the information contained in the accompanying prospectus, this prospectus supplement and the applicable pricing supplement in making your investment decision.

We may from time to time, without your consent, reopen an outstanding tranche of notes and issue additional notes having the same terms as conditions as such outstanding notes (or the same terms and conditions except for the offering price, issue date and amount of the first interest payment).

General Terms of Notes. Unless the applicable pricing supplement states otherwise:

the notes will mature on a business day that is nine (9) months or more from the date of issue, but a note payable at the Commercial Paper Rate will mature after at least nine months and one day from its date of issue;

we will pay interest on fixed rate notes semi-annually;

the Series J notes will mature after at least five years from their date of issue;

if the maturity date of any note or the interest payment date of any note (other than a floating rate note) specified in the applicable pricing supplement for such note is a day that is not a business day, interest, principal and premium, if any, will be paid on the next day that is a business day with the same force and effect as if made on the maturity date or the interest payment date, as the case may be, and no interest on that payment will accrue for the period from and after that maturity date or the interest payment date, as the case may be;

we will issue the notes at 100% of their principal amount;

holders will not be able to elect to have their notes repaid before the maturity date;

we will issue the notes, other than the foreign currency notes, in U.S. dollars;

we will issue the notes, other than the foreign currency notes, in fully registered form and in authorized denominations of \$1,000 or any integral multiple of \$1,000 and we will designate the authorized denominations of foreign currency notes in the applicable pricing supplement.;

the principal, premium, and interest, if any, payable at maturity or at redemption on each note will be paid in immediately available funds when the note is presented at the corporate trust office of the paying agent; and