

KEYCORP /NEW/  
Form 8-K  
October 18, 2005

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 8-K**  
**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
Date of Report (Date of earliest event reported): October 17, 2005  
**KEYCORP**

(Exact name of registrant as specified in charter)

Ohio

0-850

34-6542451

(State or other jurisdiction of  
incorporation)

Commission File Number

(I.R.S. Employer  
Identification No.)

127 Public Square, Cleveland, Ohio

44114-1306

(Address of principal executive offices)

(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Section 2 Financial Information**

### **Item 2.02 Results of Operations and Financial Condition**

On October 18, 2005, KeyCorp conducted a conference call/webcast to discuss its quarterly earnings and currently anticipated earnings trends. The slide presentation reviewed by KeyCorp in the conference call/webcast follows as Annex A to this Item 2.02.

On October 18, 2005, KeyCorp issued a press release announcing its earnings results for the three- and nine-month periods ended September 30, 2005. This press release, dated October 18, 2005, is attached as Exhibit 99.1 to this report.

## **Section 8 Other Events**

### **Item 8.01 Other Events**

KeyBank National Association ( KeyBank ), a wholly-owned subsidiary of KeyCorp, announced today that it has consented to the issuance of a consent order ( Order ) from the Comptroller of the Currency ( OCC ) pursuant to which KeyBank is required to improve its compliance and operations infrastructure designed to detect and prevent money laundering under the Bank Secrecy Act ( BSA ). At the same time, KeyCorp entered into a Memorandum of Understanding ( MOU ) with the Federal Reserve Bank of Cleveland ( FRB ) covering compliance with the BSA and other related matters. Neither the OCC nor the FRB imposed a fine or civil money penalty in connection with these actions.

As part of the Order, KeyBank has agreed to strengthen its BSA internal controls, including the development and implementation of enhanced policies and procedures for BSA compliance; to enhance its programs and controls for Suspicious Activity Reporting; to enhance its BSA audit functions and its independent audit program; and to improve employee training relating to the detection and prevention of money laundering. KeyCorp and its KeyBank subsidiary have already taken significant steps to strengthen the organizations compliance policies and procedures, and operations infrastructure in areas related to those specified in the Order and the MOU, as well as in other respects.

Management is committed to ensuring that all of the requirements of these regulatory actions are met.

Management does not expect the actions to have a material impact on KeyBank s or KeyCorp s financial condition or results of operations. However, KeyBank has incurred additional expenses related to making the improvements necessary to strengthen its BSA operations and compliance, and expects that some increased expenses in connection with these regulatory actions may be incurred in the future. The actions may also have some impact on KeyCorp s ability to engage in certain acquisitions while the Order and MOU are outstanding.

A copy of the OCC Order may be obtained at the OCC website: [www.occ.treas.gov/](http://www.occ.treas.gov/).

## **Section 9 Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits**

#### **(d) Exhibits**

- 99.1 KeyCorp s October 18, 2005, press release announcing its earnings results for the three- and nine-month periods ended September 30, 2005.

**Forward-Looking Statement.** *This filing contains forward-looking statements about financial condition, results of operations and certain other matters. 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: (1) changes in interest rates; (2) failure of the economy to continue to improve, which could materially impact credit quality trends and our ability to generate loans; (3) increased competitive pressure among financial services companies; (4) inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (5) consummation of significant business combinations or*

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*divestitures; (6) operational or risk management failures due to technological or other factors; (7) new legal obligations or restrictions or unfavorable resolution of litigation; (8) disruption in the economy and general business climate as a result of terrorist activities or military actions; and (9) changes in accounting, tax or regulatory practices or requirements.*

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ANNEX A

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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

(Registrant)

Date: October 18, 2005

/s/ Lee Irving

By: Lee Irving

Title: Executive Vice President and Chief Accounting  
Officer