

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SOCIETY CORP

CIK: **91576** | IRS No.: **346542451** | State of Incorporation: **OH** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-11302** | Film No.: **94502251**
SIC: **6021** National commercial banks

Business Address
127 PUBLIC SQ
CLEVELAND OH 44114-1306
2166893000

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 20, 1994

SOCIETY CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>

<S>	Ohio	<C>	0-850	<C>	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)

</TABLE>

Registrant's telephone number, including area code: (216) 689-3000

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Item 5. Other Events

On January 20, 1994, the Registrant issued a press release announcing the declaration of a 14.3 percent increase in its quarterly common share dividend and its earnings results for the three and twelve-month periods ended December 31, 1993. This press release is attached as Exhibit 99 to this report.

Item 7. Financial Statements, Pro Forma Financial Statements and Exhibits

(c) Exhibits

99. January 20, 1994, press release of the Registrant announcing the declaration of a 14.3 percent increase in its quarterly common share dividend and its earnings results for the three and twelve-month periods ended December 31, 1993.

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.

<TABLE>

<S>	<C>
	SOCIETY CORPORATION

	(Registrant)
Date: January 20, 1994	/s/ Thomas M. Neel

	By: Thomas M. Neel

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CONTACT: John Fuller (216) 689-8140 (media)
Jay Gould (216) 689-4721 (analysts)

FOR IMMEDIATE RELEASE

SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE
AND RECORD ANNUAL EARNINGS

CLEVELAND, January 20, 1994 -- Society Corporation (NYSE: SCY) today declared a 14.3 percent increase in its quarterly common share dividend from \$0.28 per share to \$0.32 per share, payable March 15, 1994, to shareholders of record on February 28, 1994, with an ex-dividend date of February 21, 1994.

"This increase marks the 29th consecutive year we have increased the dividend," said Robert W. Gillespie, chairman and chief executive officer, "and reflects a combination of strong operating performance in 1993 as well as confidence in the 1994 outlook as we approach the merger with KeyCorp."

The Board of Directors of KeyCorp is scheduled to meet for the last time before the merger on February 17, 1994. At that meeting, KeyCorp's board is expected to consider a dividend recommendation that, considering the merger exchange ratio of 1.205 shares of stock in the new company for each common share of KeyCorp, would be comparable to the indicated Society dividend, and would have the same record and payable dates. Such a dividend by KeyCorp would represent a 24.4 percent increase over its 1993 dividend.

Society's dividend action was reviewed and approved by KeyCorp (NYSE: KEY) as required by the Merger Agreement between Society and KeyCorp.

1993 FOURTH QUARTER AND ANNUAL EARNINGS REVIEW

Society Corporation also reported fourth quarter operating earnings

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before a restructuring charge of \$96.6 million or \$0.82 per common share, up 14 percent from the year-ago quarter. On the same basis, 1993 earnings were a record \$386.7 million or \$3.26 per common share, up 21 percent. The 1993 fourth quarter's restructuring charge which related to the pending merger with KeyCorp totaled \$39.6 million after-tax, or \$0.33 per common share. Including the impact of this restructuring charge, Society reported fourth quarter and record full-year 1993 earnings of \$57.0 million and \$347.2 million, respectively, or \$0.49 and \$2.93 per common share.

"Obviously, the announced merger with KeyCorp represented the most significant event of the quarter and is a major milestone in the history of both companies," said Gillespie. "I am happy to report that integration planning for the merger, which will expand the franchise and product delivery capabilities for both companies, is proceeding ahead of schedule. The new management team has been announced. Working together they have already completed a plan for 1994, confirming preliminary merger-related expense reduction estimates. Victor J. Riley, Jr., chairman and chief executive officer of KeyCorp, and I have been very much involved throughout this process and could not be more pleased with the teamwork and results we have seen. Shareholder meetings to approve the merger have been scheduled for February 16, 1994, and we expect to close the transaction in early March."

Commenting on financial performance, James W. Wert, vice chairman and chief financial officer, noted, "The high level of financial performance continued in the fourth quarter. On an operating earnings basis, the fourth quarter return on average assets was 1.47 percent and return on average common equity was 18.8 percent. For the full-year 1993, our operating return on average assets and on average common equity were 1.51 percent and 19.8 percent, respectively. These profitability measures

continued to place Society at or near the top of industry performance rankings. During the fourth quarter, average loans increased 3 percent from

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the 1993 third quarter level reflecting growth in a number of loan portfolios. In addition, credit quality measures continued to improve with non-performing assets declining \$80 million or 26 percent during the quarter, representing 0.83 percent of assets. Similarly, net charge-offs declined from 1993 third quarter levels and totaled \$17.5 million during the fourth quarter, representing 0.41 percent of average loans."

Continuing, Wert said, "When we announced the agreement to merge with KeyCorp, it was noted that a one-time restructuring charge representing the estimated costs of consolidating the operations of the two companies would be taken in the 1993 fourth quarter. At that time, the restructuring charge was estimated at \$90-\$110 million pre-tax, which would be split between the two companies. Detailed analyses, completed recently and representing the work of some 40 task forces, indicated a somewhat higher charge of \$118.7 million due largely to increased relocation and severance costs. Society's portion of the charge was \$53.9 million before taxes and, as was the case at KeyCorp, was taken in the 1993 fourth quarter."

Net interest income in the fourth quarter was up \$6.7 million or 2.3 percent from the year-ago quarter reflecting a \$1.4 billion or 6 percent increase in the level of average earning assets which was slightly offset by a decline in the net interest margin to 5.10 percent from 5.33 percent in the 1992 fourth quarter. Compared with the 1993 third quarter, net interest income was up slightly reflecting the favorable impact of an \$896 million or 4 percent increase in average earning assets, which included a \$541 million or 3 percent increase in average loans. This favorable impact was partially offset by a decline in the net interest margin from 5.25 percent in the 1993 third quarter to 5.10 percent in the current quarter. The decline was consistent with expectations and reflected primarily the narrowing of spreads available on the replacement of maturing securities and interest rate swaps.

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Noninterest income in the 1993 fourth quarter was \$113.6 million, little changed from the year-ago quarter but down \$57.3 million from the 1993 third quarter. When non-recurring items are excluded from the 1993 third quarter results, fourth quarter noninterest income was down \$5.7 million. This decline reflected a \$9.5 million decrease in trust income related to a full-quarter's impact from the 1993 third quarter sale of Ameritrust Texas. Fourth quarter noninterest income was up about \$6.5 million from the 1993 third quarter, after adjusting for the impact of the Ameritrust Texas sale.

Noninterest expense totaled \$257.5 million, up \$10.3 million or 4 percent from the year-ago quarter after excluding the current quarter's \$53.9 million restructuring charge. On the same basis, fourth quarter noninterest expense was up \$7.1 million from comparable third quarter expenses, reflecting increased compensation costs as well as higher real estate owned expense and increases spread over a number of other categories.

The provision for loan losses in the 1993 fourth quarter was \$13.2 million, down from \$17.0 million in the 1993 third quarter. This decrease reflected the continued decline in net charge-offs during the current quarter to \$17.5 million, or 0.41 percent of average loans, from \$21.1 million, or 0.51 percent, in the prior quarter.

Nonperforming loans at December 31, 1993, were \$162.8 million and represented 0.91 percent of loans, down \$36.9 million or 18 percent from the end of the 1993 third quarter when nonperforming loans represented 1.17 percent of loans. Compared with the year-ago quarter, nonperforming loans were down \$185.9 million or 53 percent. Coverage of nonperforming loans by the allowance for loan losses increased during the fourth quarter to 295 percent from 243 percent at September 30, 1993, and 144 percent at December 31, 1992.

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Nonperforming assets at the end of the fourth quarter totaled \$224.4 million, down \$79.9 million or 26 percent from September 30, 1993, and down \$272.6 million or 55 percent from the end of the prior year. Nonperforming assets at December 31, 1993, represented 1.25 percent of total loans plus other real estate owned and other nonperforming assets compared with 1.78 percent at September 30, 1993, and 3.07 percent at December 31, 1992.

At December 31, 1993, assets totaled \$27.0 billion and equity capital \$2.0 billion. The December 31, 1993, Tier 1 capital ratio was estimated at 8.44 percent and the Total Capital ratio was estimated at 12.60 percent.

1993 PRO-FORMA RESULTS HIGHLIGHTS

On October 4, 1993, Society Corporation and KeyCorp of Albany, New York, announced the signing of a definitive agreement to merge. The transaction, which requires approval of shareholders of both Society and KeyCorp, as well as the receipt of regulatory approvals, is expected to close in March 1994. The new company will be called Key Bancshares Inc. and will be headquartered in Cleveland. As of December 31, 1993, the new company would have ranked as the 11th-largest bank holding company in the nation with \$59.7 billion in total assets and nearly 1,400 branch and affiliate offices in 18 states.

Commenting on 1993 pro-forma results, Wert noted, "One of the strengths of the pending merger is the fact that based on 1993 performance both KeyCorp and Society are high performing companies. On a pro-forma basis, 1993 earnings for the new company were \$790.6 million. The return on average assets and return on average total equity were 1.39 percent and 18.9 percent, respectively. The restructuring charge taken in the fourth quarter of 1993 by both companies totaled \$118.7 million (\$80.7 million after-tax or \$0.34 per common share), slightly in excess of the \$110 million upper-end of the previously announced expected charge. Personnel costs including

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severance, relocation, and other employee costs (\$49.6 million); systems and facilities costs (\$35.7 million), and merger costs (\$20.5 million) comprised the majority of the restructuring charge. Net charge-offs in 1993 totaled \$212.8 million, representing 0.56 percent of average loans. The December 31, 1993 allowance for loan losses was 2.00 percent of period-end loans and covered 239 percent of nonperforming loans which totaled \$336.3 million and represented 0.84 percent of year-end loans."

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE AND
RECORD ANNUAL EARNINGS
JANUARY 20, 1994
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<TABLE>

FINANCIAL HIGHLIGHTS
(amounts in thousands, except per share amounts)

<CAPTION>

	Three months ended		
	12-31-93	9-30-93	12-31-92
<S>	<C>	<C>	<C>
QUARTERLY DATA			
PERFORMANCE MEASURES			
Net income	\$57,013	\$98,220	\$86,506
Earnings per Common Share	0.49	0.83	0.72
Dividends per Common Share	0.28	0.28	0.245
Return on assets	0.87 %	1.55 %	1.40 %

Return on total equity	11.09	19.81	18.79
Return on common equity	11.09	19.81	19.08
Net interest margin	5.10	5.25	5.33
Efficiency ratio (1)	61.92	59.94	60.15
Overhead ratio (1)	47.54	44.13	44.90
ASSET QUALITY			
Net charge-offs	\$17,518	\$21,089	\$41,101
Provision for loan losses	13,160	17,037	31,109
Net charge-offs to average loans	0.41 %	0.51 %	1.04 %

</TABLE>

<TABLE>
<CAPTION>

	Twelve months ended	
	12-31-93	12-31-92
<S>	<C>	<C>
YEAR-TO-DATE DATA		
PERFORMANCE MEASURES		
Net income	\$347,159	\$301,210
Earnings per Common Share	2.93	2.51
Dividends per Common Share	1.12	0.98
Return on assets	1.36 %	1.26 %
Return on total equity	17.84	17.28
Return on common equity	17.87	17.52
Net interest margin	5.26	5.33
Efficiency ratio (1)	60.41	61.11
Overhead ratio (1)	45.57	45.27
ASSET QUALITY		
Net charge-offs	\$ 95,199	\$171,566
Provision for loan losses	72,240	147,366
Net charge-offs to average loans	0.56 %	1.06 %

<FN>
(1) Excludes non-recurring items (e.g., securities gains, gain on sale of branch offices and loans, gain on sale of subsidiary, restructuring charges, and other non-recurring items).

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<TABLE>

FINANCIAL HIGHLIGHTS
(amounts in thousands, except per share amounts)

	12-31-93	9-30-93	12-31-92
<S>	<C>	<C>	<C>
ASSET QUALITY DATA			
Nonaccrual loans	\$162,448	\$199,351	\$347,779
Restructured loans	370	402	934
Nonperforming loans	162,818	199,753	348,713
Other real estate owned	48,095	90,897	133,341
Other nonperforming assets	13,462	13,633	14,903
Nonperforming assets	\$224,375	\$304,283	\$496,957
Nonperforming loans to total loans	0.91 %	1.17 %	2.18 %
Nonperforming assets to loans plus OREO and other nonperforming assets	1.25	1.78	3.07
Nonperforming assets to total assets	0.83	1.18	1.99
Allowance for loan losses	\$480,634	\$484,992	\$502,744
Allowance for loan losses to loans	2.69 %	2.85 %	3.14 %
Allowance for loan losses to nonperforming loans	295.20	242.80	144.17
INTANGIBLE ASSETS			
Goodwill	\$180,992	\$171,322	\$161,573
Other intangibles	33,146	35,446	132,752
COMMON SHARE DATA			
Book value per share	\$ 17.37	\$17.15	\$15.49
Stock price	29.75	32.00	32.13
Shares outstanding	117,377	117,086	116,726
CAPITAL ADEQUACY RATIOS			
Tier 1 risk-based capital (2)	8.44 %	8.71 %	8.53 %
Total risk-based capital (2)	12.60	12.99	12.39
Leverage (2)	7.17	7.34	6.98

Tangible equity to tangible assets	6.81	7.05	6.38
Total equity to total assets	7.55	7.79	7.48

<FN>

(2) 12-31-93 ratio is estimated.

</TABLE>

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE AND
RECORD ANNUAL EARNINGS

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<TABLE>

CONSOLIDATED BALANCE SHEET
(dollars in thousands)

<CAPTION>

	12-31-93	9-30-93	12-31-92
	-----	-----	-----
<S>	<C>	<C>	<C>
ASSETS			
Cash and due from banks	\$ 1,375,645	\$ 979,703	\$ 1,345,085
Interest-bearing deposits with banks	30,469	252,191	677,794
Federal funds sold and security resale agreements	2,000	526,200	98,047
Trading account assets	35,462	13,188	3,034
Mortgage loans held for sale	321,703	280,878	170,300
Securities available for sale	738,078	737,053	1,122,224
Investment securities	5,653,227	4,906,794	4,484,381
Loans, net of unearned income	17,897,647	17,019,340	16,031,488
Allowance for loan losses	(480,634)	(484,992)	(502,744)
	-----	-----	-----
Net loans	17,417,013	16,534,348	15,528,744
Premises and equipment	421,765	430,253	406,560
Customers' liability on acceptances	10,612	16,327	29,428
Other assets	1,001,353	1,083,698	1,112,705
	-----	-----	-----
Total assets	\$27,007,327	\$25,760,633	\$ 24,978,302
	=====	=====	=====

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	12-31-93	9-30-93	12-31-92
	-----	-----	-----
<S>	<C>	<C>	<C>
LIABILITIES			
Noninterest-bearing deposits	\$ 3,803,677	\$ 3,090,748	\$ 3,658,878
Interest-bearing deposits	16,077,027	14,674,240	14,999,122
	-----	-----	-----
Total deposits	19,880,704	17,764,988	18,658,000
Federal funds purchased	1,013,800	1,601,535	1,316,567
Securities sold under repurchase agreements	1,339,940	1,529,235	1,517,538
Other short-term borrowings	1,175,752	1,161,099	276,357
Acceptances outstanding	10,612	16,327	29,428
Other liabilities	595,276	601,621	426,257
Long-term debt	952,657	1,077,832	886,052
	-----	-----	-----
Total liabilities	24,968,741	23,752,637	23,110,199
SHAREHOLDERS' EQUITY			
Preferred stock			60,000
Common shareholders' equity	2,038,586	2,007,996	1,808,103
	-----	-----	-----
Total liabilities and shareholders' equity	\$27,007,327	\$25,760,633	\$24,978,302
	=====	=====	=====

</TABLE>

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE AND
RECORD ANNUAL EARNINGS

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<TABLE>

CONSOLIDATED QUARTERLY INCOME STATEMENT
(amounts in thousands, except per share amounts)

<CAPTION>

	Three months ended		
	12-31-93	9-30-93	12-31-92
<S>	<C>	<C>	<C>
INTEREST AND FEE INCOME			
Loans	\$337,816	\$334,093	\$327,400
Securities	115,686	114,528	126,327
Short-term investments and assets held for sale	6,601	9,243	10,014
Total interest and fee income	460,103	457,864	463,741
INTEREST EXPENSE			
Deposits	116,367	118,708	132,293
Short-term borrowings	27,855	26,029	26,677
Long-term debt	18,286	19,048	13,887
Total interest expense	162,508	163,785	172,857
NET INTEREST INCOME	297,595	294,079	290,884
PROVISION FOR LOAN LOSSES	13,160	17,037	31,109
Net interest income after provision for loan losses	284,435	277,042	259,775
NONINTEREST INCOME			
Trust income	44,108	53,640	50,524
Service charges on deposit accounts	24,384	25,118	25,282
Credit card fees	12,254	12,390	13,258
Net securities gains (losses)	(321)	25,102	142
Gain on sale of subsidiary	0	29,410	0
Other income	33,212	25,229	24,676
Total noninterest income	113,637	170,889	113,882
NONINTEREST EXPENSE			
Salaries and employee benefits	134,172	131,688	116,634
Net occupancy	22,060	24,743	23,673
Equipment	20,032	19,867	19,965
FDIC insurance	9,659	9,808	10,629
Professional fees	5,473	4,531	10,269
Restructuring charges	53,906	0	0
Other expense	66,095	94,215	65,988
Total noninterest expense	311,397	284,852	247,158
Income before income taxes	86,675	163,079	126,499
PROVISION FOR INCOME TAXES	29,662	64,859	39,993
NET INCOME	\$57,013	\$98,220	\$86,506
Net income applicable to Common Shares	\$57,013	\$98,220	\$84,950
Net income per Common Share	0.49	0.83	0.72
Weighted average outstanding shares (primary)	18,169	118,497	117,791
Memo: Taxable equivalent adjustment	\$4,325	\$5,495	\$6,279

</TABLE>

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE
AND RECORD ANNUAL EARNINGS
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<TABLE>

CONSOLIDATED YEAR-TO-DATE INCOME STATEMENT
(amounts in thousands, except per share amounts)

<CAPTION>

	Twelve months ended	
	12-31-93	12-31-92
<S>	<C>	<C>
INTEREST AND FEE INCOME		
Loans	\$ 1,356,007	\$1,402,680
Securities	481,041	462,635
Short-term investments and assets held for sale	34,248	38,119
Total interest and fee income	1,871,296	1,903,434

INTEREST EXPENSE		
Deposits	492,161	642,944
Short-term borrowings	107,906	89,504
Long-term debt	72,239	40,599
	-----	-----
Total interest expense	672,306	773,047
	-----	-----
NET INTEREST INCOME	1,198,990	1,130,387
PROVISION FOR LOAN LOSSES	72,240	147,366
	-----	-----
Net interest income after provision for loan losses	1,126,750	983,021
NONINTEREST INCOME		
Trust income	204,852	209,952
Service charges on deposit accounts	97,970	99,610
Credit card fees	48,032	54,771
Net securities gains	26,078	9,775
Gain on sale of branch offices and loans	0	20,074
Gain on sale of subsidiary	29,410	0
Other income	103,442	107,352
	-----	-----
Total noninterest income	509,784	501,534
NONINTEREST EXPENSE		
Salaries and employee benefits	506,716	491,718
Net occupancy	92,635	89,109
Equipment	78,950	76,958
FDIC insurance	40,691	43,803
Professional fees	20,371	31,370
Restructuring charges	53,906	50,016
Other expense	308,633	262,977
	-----	-----
Total noninterest expense	1,101,902	1,045,951
	-----	-----
Income before income taxes	534,632	438,604
PROVISION FOR INCOME TAXES	187,473	137,394
	-----	-----
NET INCOME	\$ 347,159	\$ 301,210
	=====	=====
Net income applicable to Common Shares	\$ 346,121	\$ 294,984
Net income per Common Share	2.93	2.51
Weighted average outstanding shares (primary)	118,323	117,349
Memo: Taxable equivalent adjustment	\$ 21,071	\$ 27,558

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE AND RECORD ANNUAL EARNINGS
JANUARY 20, 1994
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<TABLE>

CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET
(dollars in thousands)

<CAPTION>

THREE MONTHS ENDED

ASSETS	THREE MONTHS ENDED		
	12-31-93	9-30-93	12-31-92
<S>	<C>	<C>	<C>
Interest-bearing deposits with banks	\$ 38,489	\$ 387,255	\$ 671,997
Federal funds sold and security resale agreements	18,917	84,899	37,308
Trading account assets	13,814	15,634	18,441
Mortgage loans held for sale	322,036	277,264	175,830
Securities available for sale	737,744	872,873	0
Investment securities	5,265,021	4,402,584	5,542,813
Loans, net of unearned income	17,241,631	16,700,937	15,830,681
	-----	-----	-----
Total earning assets	23,637,652	22,741,446	22,277,070
Allowance for loan losses	(486,755)	(491,479)	(512,830)
Cash and due from banks	1,344,890	1,263,471	1,263,981
Premises and equipment	430,969	438,453	412,689
Customers' liability on acceptances	15,656	19,297	61,298
Other assets	1,104,631	1,185,944	1,111,930
	-----	-----	-----
Total assets	\$26,047,043	\$25,157,132	\$24,614,138
	-----	-----	-----

LIABILITIES			
Noninterest-bearing deposits	\$ 3,247,267	\$ 3,148,712	\$ 3,266,767
Interest-bearing deposits	15,294,733	14,947,576	14,507,387
	-----	-----	-----
Total deposits	18,542,000	18,096,288	17,774,154
Federal funds purchased	1,001,912	875,700	1,440,550
Securities sold under repurchase agreements	1,718,609	1,493,117	1,841,615
Other short-term borrowings	910,058	990,029	282,422
Acceptances outstanding	15,656	19,297	61,298
Other liabilities	768,776	624,099	568,384
Long-term debt	1,050,869	1,091,383	814,332
	-----	-----	-----
Total liabilities	24,007,880	23,189,913	22,782,755
SHAREHOLDERS' EQUITY			
Preferred stock			60,000
Common shareholders' equity	2,039,163	1,967,219	1,771,383
	-----	-----	-----
Total liabilities and shareholders' equity	\$26,047,043	\$25,157,132	\$24,614,138
	-----	-----	-----

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SOCIETY CORPORATION DECLARES 14 PERCENT DIVIDEND INCREASE AND
RECORD ANNUAL EARNINGS
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<TABLE>

CONSOLIDATED YEAR-TO-DATE AVERAGE BALANCE SHEET
(dollars in thousands)

<CAPTION>

ASSETS	TWELVE MONTHS ENDED	
	12-31-93	12-31-92
	-----	-----
<S>	<C>	<C>
Interest-bearing deposits with banks	\$ 409,864	\$ 409,630
Federal funds sold and security resale agreements	45,371	168,863
Trading account assets	16,778	20,559
Mortgage loans held for sale	243,421	148,855
Securities available for sale	911,146	0
Investment securities	4,622,370	4,834,621
Loans, net of unearned income	16,952,094	16,148,612
	-----	-----
Total earning assets	23,201,044	21,731,140
Allowance for loan losses	(496,304)	(522,185)
Cash and due from banks	1,298,115	1,232,573
Premises and equipment	433,705	383,842
Customers' liability on acceptances	21,923	89,767
Other assets	1,134,481	951,383
	-----	-----
Total assets	\$25,592,964	\$23,866,520
	-----	-----
LIABILITIES		
Noninterest-bearing deposits	\$ 3,152,758	\$ 3,062,851
Interest-bearing deposits	15,286,024	15,190,636
	-----	-----
Total deposits	18,438,782	18,253,487
Federal funds purchased	1,063,530	807,654
Securities sold under repurchase agreements	1,665,644	1,504,562
Other short-term borrowings	817,953	360,575
Acceptances outstanding	21,923	89,767
Other liabilities	610,134	497,874
Long-term debt	1,028,646	609,312
	-----	-----
Total liabilities	23,646,612	22,123,231
SHAREHOLDERS' EQUITY		
Preferred stock	9,863	60,000
Common shareholders' equity	1,936,489	1,683,289
	-----	-----
Total liabilities and shareholders' equity	\$25,592,964	\$23,866,520
	-----	-----

</TABLE>

KEY BANCSHARES INC. (PRO FORMA)
 FINANCIAL HIGHLIGHTS
 (dollars in thousands, except per share amounts)

<TABLE>
 <CAPTION>

SUMMARY OF OPERATIONS	Year Ended December 31, 1993		
	Society	KeyCorp	Key Bancshares (Pro Forma)
<S>	<C>	<C>	<C>
Net income before restructuring charges(1)	\$386,712	\$403,851	\$790,563
Earnings per common share before restructuring charges(1)	3.26	3.84	3.22
SELECTED FINANCIAL RATIOS			
Return on average total assets (1)	1.51 %	1.28 %	1.39 %
Return on average total shareholders' equity(1)	19.87	18.01	18.87
Net interest margin	5.26	5.36	5.31
Net charge-offs to average loans	.56	.55	.56

</TABLE>

<TABLE>
 <CAPTION>

BALANCE SHEET DATA	As of December 31, 1993		
	Society	KeyCorp	Key Bancshares (Pro Forma)
<S>	<C>	<C>	<C>
Total assets	\$27,007,327	\$32,647,832	\$59,655,159
Loans, net of unearned income	17,897,647	22,197,605	40,095,252
Allowance for loan losses	480,634	322,078	802,712
Deposits	19,880,704	26,618,444	46,499,148
Total shareholders' equity	2,038,586	2,370,586	4,409,172
Book value per common share	17.37	21.45	17.59
SELECTED FINANCIAL RATIOS			
Total shareholders' equity to total assets	7.55 %	7.26 %	7.39 %
Allowance for loan losses to nonperforming loans	295.20	185.64	238.68
Allowance for loan losses to loans	2.69	1.45	2.00
Nonperforming loans to loans	.91	.78	.84
Nonperforming assets to loans+other real estate owned+other nonperforming assets	1.25	1.24	1.24

</TABLE>

NOTES TO PRO FORMA FINANCIAL HIGHLIGHTS

(1) The pro forma combined summary of operations does not reflect per-tax restructuring charges, including one-time merger expenses, of \$118.7 million (as categorized below). These charges were recognized by Society and KeyCorp in the fourth quarter of 1993. Reported net income including restructuring charges was \$347.2 million, or \$2.93 per share, for Society and \$362.8 million, or \$3.43 per share, for KeyCorp. On a pro forma basis, the net income for the new company was \$709.9 million, or \$2.89 per share. The pro forma balance sheet data and the summary of operations prior to the effective time of the merger may not be indicative of the results that actually would have occurred if the merger had been in effect during the periods presented or which may be attained in the future.

<TABLE>
 <CAPTION>

TYPE OF COST	(in millions)
<S>	<C>
Merger expense	\$ 20.5
Restructuring charges:	
Severance, relocation, and other employee costs	49.6
Systems and facilities costs	35.7
Other restructuring costs	12.9

Total restructuring charges	\$118.7
	=====

</TABLE>

KEY BANCSHARES INC. (PRO FORMA)

NOTES TO PRO FORMA FINANCIAL HIGHLIGHTS (CONTINUED)

- (2) Although no assurance can be given, KeyCorp and Society also expect that cost savings will be achieved by Key Bancshares Inc. at an annual rate of \$80 to \$105 million by the end of the first quarter of 1995 as a result of steps to be taken to integrate their operations and to achieve efficiencies in certain combined lines of business. Merger integration task forces, made up of representatives of both companies, have confirmed these preliminary estimates. It is presently expected that approximately 50% of the anticipated annualized savings will be achieved in 1994. The pro forma financial highlights do not give effect to these expected cost savings.
- (3) Pro forma financial highlights reflect the combination of KeyCorp and Society, accounted for as a pooling of interests, through the exchange of 124,169,748 shares of Key Bancshares Inc. Common Stock for all outstanding shares of KeyCorp Common Stock at an Exchange Ratio of 1.205 shares of Key Bancshares Inc. Common Stock for each share of KeyCorp Common Stock. In addition, 1,280,000 shares of Key Bancshares Inc. Preferred Stock will be exchanged for all outstanding shares of KeyCorp Preferred Stock on a share-for-share basis.
- (4) The pro forma financial highlights do not give effect to the pending acquisitions by KeyCorp of Commercial Bancorporation of Colorado and the Greeley Bank (Colorado) due to immateriality. During the fourth quarter, KeyCorp completed its previously announced acquisition of Jackson Bank and Society completed its previously announced acquisition of Schaenen Wood and Associates.