

The calculation of Key's net income and earnings per common share, excluding goodwill amortization, is presented below.

Year ended December 31,

dollars in millions, except per share amounts

	2003	2002	2001
EARNINGS			
Net income	\$903	\$976	\$132
Add: Goodwill amortization	—	—	82 ^a
Adjusted net income	<u>\$903</u>	<u>\$976</u>	<u>\$214</u>
WEIGHTED AVERAGE COMMON SHARES			
Weighted-average common shares outstanding (000)	422,776	425,451	424,275
Weighted-average common shares and potential common shares outstanding (000)	426,157	430,703	429,573
EARNINGS PER COMMON SHARE			
Net income per common share	\$2.13	\$2.29	\$.31
Add: Goodwill amortization	—	—	.19 ^a
Adjusted net income per common share	<u>\$2.13</u>	<u>\$2.29</u>	<u>\$.50</u>
Adjusted net income per common share — assuming dilution	<u>\$2.12</u>	<u>\$2.27</u>	<u>\$.50</u>

^a Goodwill amortization for 2001 excludes a \$150 million write-down (equivalent to \$.35 per both basic and diluted common share) associated with Key's decision to downsize the automobile finance business.

The following table shows the gross carrying amount and the accumulated amortization of intangible assets that are subject to amortization.

December 31,	2003		2002	
<i>in millions</i>	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:				
Core deposit intangibles	\$228	\$208	\$227	\$197
Other intangible assets	24	7	11	6
Total	<u>\$252</u>	<u>\$215</u>	<u>\$238</u>	<u>\$203</u>

During 2003, other intangible assets with a fair value of \$14 million were acquired in conjunction with the purchase of NewBridge Partners and are being amortized using either an accelerated or straight-line method

over periods ranging from 3 to 10 years. Additional information pertaining to this acquisition is discussed in Note 3 ("Acquisitions and Divestiture") on page 57.

Changes in the carrying amount of goodwill by major business group are as follows:

<i>in millions</i>	Consumer Banking	Corporate and Investment Banking	Investment Management Services	Total
BALANCE AT DECEMBER 31, 2002	\$480	\$213	\$449	\$1,142
Changes in goodwill:				
Acquisition of NewBridge Partners	—	—	12	12
Adjustment of Union Bankshares, Ltd. goodwill	(4)	—	—	(4)
BALANCE AT DECEMBER 31, 2003	<u>\$476</u>	<u>\$213</u>	<u>\$461</u>	<u>\$1,150</u>

Key's annual impairment testing of goodwill was performed at October 1, 2003, and was completed during the fourth quarter. The test determined that no impairment of Key's goodwill existed at that date.

Additional information pertaining to the accounting for intangible assets is included in Note 1 ("Summary of Significant Accounting Policies") under the heading "Goodwill and Other Intangible Assets" on page 53.