

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## Fifth Third Bancorp Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question comes from Matthew O'Connor – UBS.

#### Matthew O'Connor – UBS

I appreciate the commentary regarding the tangible common equity which seems like it matters during bad days and doesn't matter so much during the good days, but just trying to get my arms around, is there a magic number that if it dipped down to, would cause you to reconsider selling assets or asking the government for additional help? It's very tough for the investor and analyst community I think to figure out what number is kind of the floor before something happens.

#### Ross Kari

I don't think we have a magic number. Clearly as we said, at 4.25%, we're below where we'd like to stay long term so it leads us to look at all of the avenues that we have which may include some that you mentioned. But there is no magic number. There's no absolute floor that we would consider.

#### Matthew O'Connor – UBS

I think your new expectations are implying another 20 basis points or so decline in the quadrant in 1Q. As we look forward to the rest of the year, a lot of moving pieces, you said it would bottom, but do you think that stabilizes or is there an opportunity for expansion? What's your best guess on that outlook?

#### Ross Kari

I think clearly it's going to be driven by market pricing and opportunities and spreads on both asset and deposit side. But, as we model it right now, we see it bottoming in the first quarter with some expansion opportunity going forward into 2009.

#### Kevin Kabat

Obviously in this environment, it's hard for the Fed to get below 0.5% and so again, I think Ross kind of summarized our expectations in terms of where we are and what we can do in terms of an outlook perspective to try and really address that.

#### Operator

Your next question comes from Betsy Graseck – Morgan Stanley.

**Betsy Graseck – Morgan Stanley**

Two questions. One is on how you assess the degree which you'll be moving future loan pools to held-for-sale. What are the triggers that you look for to make that decision?

**Ross Kari**

I think clearly it's a very detailed evaluation of markets, products sets, the economy and where we feel that the opportunity to recover non-performing assets through work out is less than what may be available in the secondary market we will seriously consider. We don't have any other markets or product sets that we're focused on right now, but that's a quarter to quarter, month to month activity we're undertaking.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.