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Comerica Incorporated Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Steven Alexopoulos.

Steven Alexopoulos – J.P. Morgan

The first question, just looking at the dividend cut down to \$0.33, just wondering was that dividend level set to where you thought you could cover it with earnings for the next couple of quarters?

Dale Green

Steven, we look at the dividend and we will evaluate that every quarter as we do with our board in due course, and we'll base it on what our current outlook is and maintaining a solid capital position so we're positioned for future growth.

Steven Alexopoulos – J.P. Morgan

Is that a yes?

Ralph Babb

It means we evaluate it every quarter and looking on our current outlook and where that's going and where we think it should be accordingly and make the appropriate decision.

Steven Alexopoulos – J.P. Morgan

Dale, could you just give the full year charge-offs for middle market in 2008 just in the Michigan portfolio, and wonder where you think that's going to go here in 2009?

Dale Green

Well, actually the charge-off, it's interesting, the charge-offs in the middle market portfolio in Michigan have been very well behaved. When you look at charge-offs without the real estate component in our total picture it's only 66 basis points in the fourth quarter, which is only up slightly 52 basis points from the third quarter. Since the bulk of what we have tends to middle market and small business that will give you a sense of what we've done there. So in any recessionary environment for us to achieve charge-offs that would be at that level would be pretty fabulous. So that business has performed for us in a very tough economic environment for a number of years, very, very well.

Steven Alexopoulos – J.P. Morgan

And maybe just one final one, Beth, could you give some color on the, it was the OCI change was \$180 million increase in the OCI loss. Was that a pension adjustment? Why did that loss go up so much?

Beth Acton

Yes. Actually there were two things. There was a positive move related to the investment portfolio gains increased but it was offset by the pension adjustment that you mentioned as 158 increased because of performance. Very common with all pension funds because of the equity market's performance in last year was reduced, so that adjustment was a bigger negative at year end versus the prior period.

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