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BB&T Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Your first question comes from Jason Goldberg - Barclays Capital.

Jason Goldberg - Barclays Capital

I guess I was a little bit unclear on your charge-off outlook. I think you mentioned last quarter 140 dips, with first half being higher than the second half. Is that through your view you reiterated or you thought it would be something different?

Kelly S. King

Say that last part again, Jason?

Jason Goldberg - Barclays Capital

Is that the view you reiterated this morning or was it intended to change it?

Kelly S. King

No. That's basically fine. We basically said last time that we thought it would be in the 140 to 50ish kind of range. We thought it would start out higher earlier in the year and then it would moderate some towards the end of the year, and frankly that's basically the same kind of numbers we're looking at now.

Jason Goldberg - Barclays Capital

And then when looking at the EDC book, I guess MP is up about 100 bips and charge-offs I think were kind of you know in the sub-2% last quarter and now I guess over 5% this quarter. How should we think about that figure going forward?

Kelly S. King

Well, I think first of all that portfolio is declining and will continue to decline so the percentage of charge-offs is mathematically, you know, you'll see a little bit of that. I don't think you should think in terms of that rate of change from the fourth to the first as being a curve or linear kind of expectation. Frankly, as I alluded to during the latter part of the fourth and the first, we did a very, very intensive

review of all of our ADC portfolio and we consciously decided to be very aggressive, you know, because we did not want to get behind the curve on this thing. And so we were very, very aggressive in terms of pushing these loans to a resolution, so that did two things. It drove the charge-off rate up and did also drove the non-accruals, the nonperforming assets up.

Daryl Bible

Jason, one other thing just to point out is if you're comparing our credit supplements from this quarter those are first quarter numbers. And if you look at the fourth quarter, that credit supplement, those were year-to-date numbers. If you calculate the fourth quarter charge-off rate for this portfolio it was 2.81% in the fourth quarter.

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