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## Sandy Spring Bancorp Incorporated Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions) Our first question comes from Jennifer Demba - SunTrust Robinson.

**Jennifer Demba - SunTrust Robinson**

You mentioned the residential builder portfolio, how much of that is Virginia versus Maryland?

**Hunter Hollar**

It is as you might expect much more concentrated in Maryland than in Virginia. Since the acquisition we did in Virginia was rather small in terms of total assets, so their ability to do larger acquisition development lending was relatively small. Dan you have some other?

**Dan Schrider**

Jennifer that percentage of the portfolio will be less than 10% as out of Virginia.

**Jennifer Demba - SunTrust Robinson**

And it looks like you had some growth in that portfolio from second to third quarter in residential construction loans?

**Hunter Hollar**

The builder business has not seen growth. We may have had some shifting or re-categorization or recoding of some of the loans in our portfolio, but the core portfolio of our builder business did not grow.

**Jennifer Demba - SunTrust Robinson**

Okay and what's the nonperforming asset percentage in that portfolio right now?

**Dan Schrider**

Out of the total non-performers just under 64% are from that portfolio.

**Hunter Hollar**

We'll certainly we'll go back to your specific question. We'll do some calculations here Jennifer.

**Operator**

Our next question comes from Steve Moskowitz - Janney Montgomery Scott.

**Steve Moskowitz - Janney Montgomery Scott**

Just with regard to the loan loss reserve here, where do you expect it to go forward?

**Dan Schrider**

This is Dan, Steve good afternoon. I think the expectations we would have as we said in the prior quarters is that the current levels of provision, we would expect our best crystal ball that they would stay and pretty consistent with what we have seeing in our past couple of quarters.

**Steve Moskowitz - Janney Montgomery Scott**

With regard to loan demands in general, how is it and where you're seeing it from these days.

**Hunter Hollar**

Certainly loan demanded in general is down. Of course we are seeing virtually none in the residential development builder categories, still some small business lending from healthy borrowers who have some track record. We are kind of amazed constantly at various subcontractors in the commercial spaces. People like electrical or drywall contractors, glass contractors, those kinds of folks have full backlogs and so they can see out typically for at least a year of continued healthy results. So there's still health there and naturally even they are skeptical ?okay what happens after this pipeline of another year runs out, but I would say in many areas we are still seeing some loan demand from those kinds of customers.

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