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Sandy Spring Bancorp Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We'll take our first question from Jennifer Demba - SunTrust Robinson Humphrey.

Jennifer Demba– SunTrust Robinson

I'm just wondering what you see in terms of competed opportunities from the recent sales or pending sales of Chevy Chase and Provident.

Daniel J. Schrider

Jennifer, when you break down our branch locations into micro markets, which is how we look at it, to identify it, particularly deposit opportunities. There are several billion dollars at play so to speak in terms of the banks that are being acquired. Wachovia, which has obviously already had legal day one, provident in Chevy Chase, collectively represent \$10 to \$12 billion dollars in deposits and we think obviously our goal is to take advantage of that, so significant opportunity for us.

Jennifer Demba– SunTrust Robinson

Is there more opportunity with Chevy Chase than with Wachovia and Provident?

Ron Kuykendall

Yes.

Daniel J. Schrider

Chevy Chase probably maps to our location or our geography better than the other two. So, yes, the answer to that question would be yes.

Operator

(Operator Instructions) We'll go next to Steve Moskowitz – Janney Montgomery Scott.

Steve Moskowitz - Janney Montgomery Scott

Just want to touch on what you're seeing for low-end demand and growth expectations in '09.

Daniel J. Schrider

Right now, as you might imagine, what we're finding is that commercially and from a retail perspective that the economy has got folks pretty hunkered down from a retail standpoint working their way out of debt, and commercially a pretty conservative approach to expansion right now. So we think our net gains in the loan portfolio are going to be predominately from our commercial portfolio growth and related to the last call, which is us being a beneficiary from some of the consolidations.

So, a combination of our client base growing, but also, we think we can attract some new clients to our company through the consolidation. So we're looking at a pretty modest loan growth number when compared to our last couple of years of history.

Steve Moskowitz - Janney Montgomery Scott

Within the commercial loan balances, I'm just wondering, what is the mix of residential mortgage construction, residential lot loans, and acquisition development as of period end?

Daniel J. Schrider

Our residential mortgage business, which includes the construction lot and our arm portfolio, is just under \$650 million or 26% of our total portfolio today. Our AD and C portfolio, which we've commented on previously, is down significantly from prior quarters at approximately \$180 million.

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