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## StellarOne Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. (Operator Instructions). We'll go first to Allan Bach with the Davenport & Company.

**Allan Bach - Davenport & Co. LLC**

Hey guys, good morning.

**O. R. Barham Jr.**

Good morning.

**Jeffrey Farrar**

Good morning.

**Allan Bach - Davenport & Co. LLC**

Thanks for the good detail on the call. I was wondering if you wouldn't mind talking a little bit about the commercial real estate portfolio, and any update as far as what you are seeing there, opportunities as well as may be some areas of weakness that you might be seeing; any thoughts there?

**O. R. Barham Jr.**

In general, it continues to hold up. We're not seeing any issues there that concern us. And we are obviously getting an opportunity to look at some better credits from larger banks, where we feel that there are opportunities, we are looking at them.

**Allan Bach - Davenport & Co. LLC**

That's great. Do you... as a follow up, is I think it's about 812 million as the balance there. How much of that is approximately income related in investment properties?

**Jeffrey Farrar**

About 29%.

**Allan Bach - Davenport & Co. LLC**

Okay. Thank you very much.

**O. R. Barham Jr.**

Welcome.

**Operator**

We'll take our next question from Michael Rose of Raymond James.

**Michael Rose - Raymond James Financial Inc.**

Hi, good morning guys. How are you?

**O. R. Barham Jr.**

Good morning.

**Michael Rose - Raymond James Financial Inc.**

Ed, just a question on the mortgage activity; you mentioned it's been pretty strong. We've seen that from most of the industry. What markets is that coming from primarily?

**O. R. Barham Jr.**

Across the board, Michael, it's strong everywhere. The low rates are really making the difference in the marketplace, and so we're seeing good activity across the whole footprint.

**Michael Rose - Raymond James Financial Inc.**

Okay. And secondarily on... what was the OREO balance at the end of the quarter?

**Jeffrey Farrar**

4.2 million.

**Michael Rose - Raymond James Financial Inc.**

Okay, so roughly unchanged. And regards to the auction that you guys are going to do, are other banks selling properties in that area, in the Smith Mountain Lake area? And do you have any sense for kind of what they are selling at as a discount to, I guess the loan value?

**O. R. Barham Jr.**

Michael, really not many options have been held today. And so the May-June auction will be an eye opener for us as to what we think the market really will yield. So it's an important event for us. So, really I'd hesitate to project but I think. I think that May-June auction will tell us what the transaction will bring.

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