Statement of Financial Condition and Supplemental Information

SunTrust Robinson Humphrey, Inc.
(A wholly owned subsidiary of SunTrust Banks, Inc.)
Unaudited as of June 30, 2008

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Contents

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Statement of Financial Condition

Unaudited as of June 30, 2008
($ In thousands except share accounts)

Assets		
Cash and cash equivalents	$	304
Cash and securities segregated under Federal and other regulations		10,150
Receivables from brokers and dealers		9,912
Customer receivables		26,013
Securities purchased under agreements to resell (Note 4)		2,382,031
Securities owned:		
U.S. government and agency obligations		834,108
State and municipal obligations		185,613
Corporate debt and equities		343,982
Commercial paper and certificates of deposit		318,192
Securities not readily marketable		21,120
Other		528
Total securities owned (including encumbered securities of $837,161)		1,703,543
Accrued interest and other income receivable		40,746
Secured demand note receivable from Parent		160,000
Other intangible assets		610
Furniture, equipment, and leasehold improvements, less accumulated depreciation and amortization of $50,075		13,325
Goodwill		123,340
Receivables for unsettled securities transactions		47,883
Other assets		40,679
Total assets	$	4,558,536
Liabilities		
Securities sold but not yet purchased	$	375,413
Securities sold under agreements to repurchase (Note 4)		2,948,573
Accrued compensation and benefits		31,458
Accrued interest payable and other liabilities		13,861
Due to related parties		341
Lines of credit payable to related parties		656,378
Income Taxes payable to Parent		945
Customer payables		3,675
Payables to Brokers & Dealers		11,200
Total liabilities		4,041,844
Commitments and contingencies		
Subordinated demand note payable to parrent		160,000
Shareholder's equity:		
Common stock, $1 par value; 100,000 shares authorized, issued, and outstanding		100
Additional paid-in capital		299,870
Retained earnings		56,722
Total shareholder's equity		356,692
Total liabilities and shareholder's equity	$	4,558,536

The accompanying notes are an integral part of this statement of financial condition.

SunTrust Robinson Humphrey, Inc.

(A wholly owned subsidiary of SunTrust Banks, Inc.)

Statement of Changes in Shareholder's Equity

Period Ended June 30, 2008

(In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, December 31, 2007	$ 100	$ 299,870	$ 47,624	$ 347,594
Net gain	–	–	9,098	9,098
Balance, June 30, 2008	$ 100	$ 299,870	$ 56,722	$ 356,692

The accompanying notes are an integral part of these financial statements.

SunTrust Robinson Humphrey, Inc.
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Statement of Changes in Subordinated Borrowings

Period Ended June 30, 2008
(In thousands)

Subordinated Demand Note Payable to Parent, Beginning of Year	$	160,000
Repayment of subordinated demand note		–
Issuance of subordinated demand note		–
Subordinated Demand Note Payable to Parent, End of Year	$	160,000

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Organization

SunTrust Robinson Humphrey, Inc. (the Company) is a wholly owned subsidiary of SunTrust Banks, Inc. (the Parent). The Company's operations consist of buying and selling securities for its customers and its own account and certain underwriting and other brokerage activities. The corporate finance function arranges public and private debt and equity placement services and other products for its customers. In addition, the Company is an active underwriter of debt for municipalities and not-for-profit institutions. The Company is registered with the Securities and Exchange Commission (the SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA).

The Company self clears fixed-income transactions. The Company introduces equity transactions on a fully disclosed basis through a third party clearing broker.

Securities Transactions

Securities transactions are recorded on a trade-date basis. Marketable securities owned are valued at the last reported price on the exchange which they trade, on June 30, 2008, and securities not readily marketable are valued at their estimated fair value based on quoted bid prices or pricing models, as determined by management; except for short positions, which the last quoted ask price is used.

Furniture, Equipment and Leasehold Improvements

Furniture and equipment are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are recorded at historical cost. Amortization is computed using the straight-line method over the lesser of the economic useful life of the improvement or the term of the lease.

Impairment of Long-Lived Assets

In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. To determine recoverability of its long-lived assets, the Company evaluates the probability that future undiscounted net cash flows will be less than the carrying amount of the assets. There were no such impairments as of June 30, 2008.

1. Summary of Significant Accounting Policies (continued)

Goodwill

Under the provisions of SFAS No. 142, *Goodwill and Other Intangible Assets*, the Company completed its annual review of goodwill prior to December 31, 2007, and determined there was no impairment of goodwill as of that date. The Company reviews goodwill on an annual basis for impairment and as events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount.

Income Taxes

The Company is included in the consolidated income tax return of the Parent. The Company provides for income taxes as if it were filing a separate return and pays for its pro rata share of the consolidated current tax liability or receives a refund for any current tax benefit. Payments to tax authorities are made by the Parent.

Cash and Cash Equivalents

The Company has defined cash and cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held for sale in the ordinary course of business. The carrying amount of cash and cash equivalents approximates their fair values.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

2. Accounting Policies Recently Adopted and Pending Accounting Pronouncements

On January 1, 2007, the Company adopted FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, an interpretation of SFAS No. 109, *Accounting for Income Taxes*. FIN 48 provides a single model to address accounting for uncertainty in tax positions by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not have a material impact on the Company's financial position, results of operations or cash flows and did not result in unrecognized tax benefits being recorded. In connection with its adoption of FIN 48, the Company elected to classify interest and penalties related to tax positions as a component of income tax expense.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which clarifies how companies should measure fair value when companies are required by US GAAP to use a fair value measure for recognition or disclosure. Under SFAS No. 157, a fair value measure should reflect all of the assumptions that market participants would use in pricing the asset or liability, including assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance. In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This Statement permits companies to elect, on an instrument-by-instrument basis, to fair value certain financial assets and financial liabilities with changes in fair value recognized in earnings as they occur. These Statements are effective January 1, 2008 for calendar year companies with the option to early adopt as of January 1, 2007. The Company elected to early adopt the provisions of these Statements effective January 1, 2007 and the adoption did not have a material impact on the Company's financial position and results of operations.

3. Cash and Securities Segregated Under Federal and Other Regulations

At June 30, 2008, a U.S. Treasury bill carried at a market value of $10,148,574 and $1,000 of cash has been segregated in a special reserve account for the benefit of customers of the Company under SEC Rule 15c3-3.

4. Securities Under Agreements To Resell and Repurchase

Securities are collateralized by U.S. government or agency securities and are carried at the amounts at which the securities will be subsequently resold or repurchased.

The collateral is generally required to be between 100% and 105% of the underlying securities. Collateral is valued daily, and the Company may require counterparties to deposit additional collateral or return collateral pledged when appropriate. At June 30, 2008, the Company

4. Securities Under Agreements To Resell and Repurchase (continued)

had accepted collateral with a fair value of $2.40 billion that the Company is permitted by contract or custom, to sell or re-pledge, and had re-pledged $2.10 billion of that collateral.

5. Securities Sold But Not Yet Purchased

Sales of securities not yet purchased represent an obligation of the Company to deliver specified securities at a predetermined date and price. The Company will be obligated to acquire the required securities at prevailing market prices in the future to satisfy this obligation. Securities sold but not yet purchased consisted of the following at quoted market prices at June 30, 2008:

	(In thousands)
U.S. government obligations	$ 221,155
Corporates	153,823
Equity securities	435
	$ 375,413

6. Employee Benefits

The Company participates in the pension and other employee benefit plans of the Parent for the benefit of substantially all employees of the Company. Costs of the pension plan are computed under the projected unit credit method, and the plan is funded using the entry age actuarial cost method. Benefit information is not available from the actuary for individual subsidiaries of the Parent.

The Company also participates in the stock option plan of the Parent. The Parent provides stock-based awards through the SunTrust Banks, Inc. 2004 Stock Plan (Stock Plan) under which the Parent's Compensation Committee has the authority to grant stock options, and restricted stock to key employees of the Company. Stock options are granted at a price which is no less than the fair market value of a share of SunTrust common stock on the grant date and may be either tax-qualified incentive stock options or non-qualified stock options. Stock options typically vest over three years and generally have a maximum contractual life of ten years. Upon option exercise, shares are issued to employees from treasury stock.

7. Transactions with Related Parties

During the period ended June 30, 2008, the Company engaged in various transactions with the Parent and its affiliates. Balances with respect to related parties at June 30, 2008 are:

	(In thousands)
Cash and cash equivalents	$ 304
Cash segregated under Federal and other regulations	1
Securities purchased under agreements to resell	1,636,263
Secured demand note receivable from Parent	160,000
Securities sold under agreements to repurchase	1,636,263
Due to related parties	341
Notes payable to related parties	656,378
Subordinated demand note payable to Parent	160,000

The Company has a $385 million unsecured demand revolving line of credit with the Parent. The line of credit has a stated interest rate at the Parent's monthly average cost of funds, which was 2.58% at June 30, 2008, with interest due monthly. At June 30, 2008, the outstanding balance on this unsecured line of credit was $385 million.

The Company has a $160 million subordinated collateralized non-interest-bearing note with the Parent that matures on December 15, 2008. Under the terms of the note, the Parent provided the Company with a non-interest-bearing note, collateralized by marketable securities owned by the Parent. The subordinated borrowing is covered by agreements approved by the FINRA, and thus, the amount is available in computing net capital under the SEC's Uniform Net Capital Rule. To the extent that such borrowing is required for the Company's continued compliance with the net capital requirements (Note 9), it may not be repaid. Furthermore, the Company must notify the FINRA within six months of the Company's intent to make payments. As of June 30, 2008, no such notices had been presented to the FINRA.

7. Transactions with Related Parties (continued)

The Company also has a $400 million unsecured line of credit with SunTrust Bank (STB). The line of credit has a stated interest rate equal to STB's overnight cost of funds at the date of the advance plus ten basis points. The interest rate at June 30, 2008 was 2.60 %. Any advances and accrued interest are due the following business day. At June 30, 2008, the outstanding balance was $251.4 million.

The Company also has a $5 million overdraft facility note with STB. The overdraft facility has a stated interest rate equal to STB's overnight cost of funds at the date of advance plus ten basis points. Advances and accrued interest under the facility are due the following business day. At June 30, 2008, there were no outstanding borrowings under the facility.

8. Commitments and Contingencies

The Company leases certain office facilities and equipment under non-cancelable leases that expire through 2016, some of which have stated rate increases. In addition, the Company has various obligations, mostly monthly commitments of less than one year, under other equipment leases. Minimum rental commitments on non-cancelable leases for each of the following years ending June 30 are as follows:

2009	5,451,400
2010	5,557,572
2011	5,464,155
2012	5,547,797
2013	5,502,320
Thereafter	10,545,679
Total minimum lease payments	$ 38,068,923

In the normal course of business, the Company enters into underwriting commitments. Transactions relating to such underwriting commitments that were open at June 30, 2008, which were subsequently settled, had no material effect on the statement of financial condition as of that date.

The Company has a $300 million uncommitted, secured revolving line of credit with the Bank of New York. The line of credit requires the segregation of STRH collateral overnight and a rate of Fed Funds plus 25 bps. At June 30, 2008, there were no outstanding borrowings under the facility.

8. Commitments and Contingencies (continued)

Litigation

In the normal course of business, the Company may become subject to litigation or claims. The Company is not aware of any litigation or claims against the Company which would materially affect its business and operations.

9. Net Capital Requirements

The Company is subject to the SEC's Uniform Net Capital requirements under Rule 15c3-1, which require the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of $1.0 million or 2.0% of aggregate debit balances arising from customer transactions, as defined. Additionally, the Company's minimum net capital must include an amount equal to 10% of excess market value, as defined that is subject to reverse repurchase agreements. At June 30, 2008, the Company had net capital, as defined, of $199.2 million, which was $198.2 million in excess of the required net capital.

10. Financial Instruments with Off-Balance Sheet Risk

Securities transactions that are scheduled to settle beyond the normal settlement date are considered forward contracts and, therefore are not reflected in trading assets or liabilities. The Company enters into various off-balance-sheet financial instruments of this nature regarding mortgage-backed to-be-announced (TBA) securities. These instruments are used to meet the needs of customers, conduct trading activities, and manage market risks and are, therefore, subject to varying degrees of market and credit risk. The net unrealized gains and losses on these transactions are reflected in securities owned, securities sold but not yet purchased, and in current period earnings. At June 30, 2008, the Company had TBA commitments totaling $61.6 million.

11. Guarantees to Third Parties

The Company uses a third party clearing broker to clear and execute customers' equity securities transactions and to hold customer accounts. Under the agreement, the Company will indemnify the broker for amounts paid to purchase the security. The maximum potential liability could be equal to the aggregate trading volume of the customers' transactions during the settlement period; however, this amount cannot be estimated due to the volatility in daily trading volumes. The liability is minimized by the fact that, in the event of non-performance by the customer, the underlying security would be transferred to the Company who would in turn immediately liquidate the position, limiting the loss exposure to the market fluctuation in the underlying price

11. Guarantees to Third Parties (continued)

of the security. Additionally, the Company may seek recourse from the customer by reimbursing itself from any cash or securities in the defaulting customer's account. For the period ended June 30, 2008, the Company experienced minimal net losses as a result of the indemnity. The clearing agreement expires May 12, 2010.

12. Fair Value of Financial Instruments

The Company's financial instruments are either at quoted market prices or have stated rates of interest, which approximate current market rates, with the exception of the \$160 million subordinated non-interest bearing note with the Parent, for which the fair value cannot be estimated. As a result, the recorded amounts of these financial instruments approximate their estimated fair values at June 30, 2008.

As discussed in Note 2, the Company early adopted the recently issued fair value financial accounting standard SFAS No. 157 as of January 1, 2007. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, the Company uses various valuation techniques and assumptions when estimating fair value, which are in accordance with SFAS No. 157. In accordance with SFAS No. 157, the Company applied the following fair value hierarchy:

Level 1 - Assets and liabilities for which the identical item is traded on an active exchange, such as publicly-traded instruments or futures contracts.

Level 2 - Assets and liabilities valued based on observable market data for similar instruments.

Level 3 - Assets and liabilities for which significant valuation assumptions are not readily observable in the market; instruments valued based on the best available data, some of which is internally-developed, and considers risk premiums that a market participant would require.

12. Fair Value of Financial Instruments (continued)

The following table represents trading assets and liabilities measured at fair value on a recurring basis.

		Fair Value Measurement at June 30, 2008, Using		
(In thousands)	Assets/Liabilities Measured at Fair Value June 30, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Assets	$ 1,703,543	$ 161,519	$ 1,503,300	$38,724
Trading Liabilities	$ 375,413	$ 224,234	$151,179	–

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Schedule I
Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

June 30, 2008
(In thousands)

Computation of Net Capital:		
Total shareholder's equity		$ 356,692
Add:		
Subordinated borrowings allowable in computation of net capital		160,000
Total capital and allowable subordinated borrowings		516,692
Deductions and/or charges:		
Nonallowable assets	$ 232,963	
Additional charges for customers' and non-customers' security accounts	191	
Other deductions or charges	440	233,594
Net capital before haircuts on securities positions		283,098
Haircuts on securities		
Trading assets:		
Open Contractual Commitments	1,950	
U.S. government and agency obligations	27,069	
Corporate obligations	51,151	
State and municipal obligations	2,310	
Bankers Acceptance and CD's	705	
Stocks and warrants	584	
Other securities	11	
Undue concentration	102	83,882
Net capital		199,216
Computation of alternative net capital requirement		
2% of aggregate debit items as shown in formula for reserve requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation (or $1,000 if greater) plus 10% of excess market value, as defined, that is subject to reverse repurchase agreements.		1,026
Excess net capital		$ 198,190
Net capital in excess of 5% of aggregate debit items or 120% of the net capital requirement if greater		$ 197,779

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Schedule II
Computation of Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission

June 30, 2008

(In thousands)

Credit balances:		
Customer-related fails to receive	$	6,155
Market value of short securities and credits in all suspense accounts over 7 calendar days		4,154
Total credit balances		10,309
Debit balances:		
Customer debit balances		28,734
Less 3%		(862)
Total debit balances		27,872
Reserve computation:		
Excess of total credits over total debits required to be on deposit in the "Reserve Bank Account"	$	–
Amount on deposit in the "Reserve Bank Account" at June 30, 2008	$	10,150