Statement of Financial Condition and Supplemental Information

SunTrust Robinson Humphrey, Inc.
(A wholly owned subsidiary of SunTrust Banks, Inc.)
Unaudited as of June 30, 2010

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Statement of Financial Condition and Supplemental Information

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Contents

SunTrust Robinson Humphrey, Inc.
(A Wholly Owned Subsidiary of SunTrust Banks, Inc.)

Statement of Financial Condition

Unaudited as of June 30, 2010
(In Thousands, Except Share Amounts)

Assets		
Cash and cash equivalents	$	383
Cash and securities segregated under Federal and other regulations		16,117
Deposits with clearing organizations and others		28,406
Receivables from brokers and dealers		29,491
Customer receivables		10,154
Securities purchased under agreements to resell *(Note 3)*		755,848
Securities owned:		
U.S. government and agency obligations		583,318
State and municipal obligations		32,004
Corporate debt and equities		606,248
Commercial paper and certificates of deposit		59,904
Securities not readily marketable		20,018
Other		2,780
Total securities owned (including encumbered securities of $592,020)		1,304,272
Accrued interest and other income receivable		36,930
Secured demand note receivable from Parent		160,000
Furniture, equipment, and leasehold improvements, less accumulated depreciation and amortization of $47,157		11,000
Goodwill		123,340
Other assets		24,513
Total assets	$	2,500,454
Liabilities		
Securities sold but not yet purchased	$	646,227
Securities sold under agreements to repurchase *(Note 3)*		725,314
Accrued compensation and benefits		28,548
Payables for unsettled securities transactions		52,839
Accrued interest payable and other liabilities		58,678
Due to related parties		20,534
Lines of credit payable to related parties		265,474
Income Taxes payable to Parent		424
Customer payables		4,390
Payables to brokers and dealers		24,457
Total liabilities		1,826,885
Commitments and contingencies		
Subordinated demand note payable to Parent		160,000
Shareholder's equity:		
Common stock, $1 par value; 100,000 shares authorized, issued, and outstanding		100
Additional paid-in capital		429,870
Retained earnings		83,599
Total shareholder's equity		513,569
Total liabilities and shareholder's equity	$	2,500,454

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

SunTrust Robinson Humphrey, Inc.
(A Wholly Owned Subsidiary of SunTrust Banks, Inc.)

Statement of Changes in Shareholder's Equity

Unaudited as of June 30, 2010
(In Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2009	$ 100	$ 429,870	$ 62,096	$ 492,066
Net gain			21,503	21,503
Balance, June 30, 2010	$ 100	$ 429,870	$ 83,599	$ 513,569

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

SunTrust Robinson Humphrey, Inc.
(A Wholly Owned Subsidiary of SunTrust Banks, Inc.)

Statement of Changes in Subordinated Borrowings

Unaudited as of June 30, 2010
(In Thousands)

Subordinated demand note payable to Parent, beginning of period	$	160,000
Repayment of subordinated demand note		–
Issuance of subordinated demand note		–
Subordinated demand note payable to Parent, end of period	$	160,000

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

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.

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.

Securities Owned

Securities transactions are recorded on a trade-date basis. Marketable securities owned are valued at the last reported price on the exchange that they trade. 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 for 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.

1. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

In accordance with Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment* (ASC 360) 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, 2010.

Goodwill

Under the provisions of ASC 350, *Intangibles - Goodwill and Other*, the Company completed its annual review of goodwill prior to December 31, 2009, 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.

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. Cash and Securities Segregated Under Federal and Other Regulations

At June 30, 2010, a U.S. Treasury bill with a fair value of $10.1 million and cash of $6.1 million have been segregated in a special reserve account for the exclusive benefit of customers of the Company under SEC Rule 15c3-3.

3. Securities Under Agreements To Resell and Repurchase

Securities under agreement to resell and repurchase are collateralized primarily 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 110% of the underlying securities. Collateral is valued daily, and the Company may require counterparties to deposit additional collateral or return collateral pledged when appropriate. The Company has pledged $759.4 million of certain trading assets to secure $725.3 million of repurchase agreements as of June 30, 2010.

4. 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, 2010:

	(In thousands)
U.S. government obligations	$ 260,776
Corporates and other	385,451
	$ 646,227

5. 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 (the 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 Banks, Inc. common stock on the grant date and may be either tax-qualified incentive stock options or nonqualified stock options. Stock options typically vest over three years and generally have a maximum contractual life of 10 years. Upon option exercise, shares are issued to employees from treasury stock.

6. Transactions with Related Parties

During the period ended June 30, 2010, the Company engaged in various transactions with the Parent and its affiliates. Balances with respect to related parties at June 30, 2010 are:

	(In thousands)
Cash and cash equivalents	$ 383
Cash segregated under Federal and other regulations	6,064
Securities owned	267,443
Secured demand note receivable from Parent	160,000
Due to related parties	20,534
Notes payable to related parties	265,474
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 0.46% at June 30, 2010, with interest due monthly. At June 30, 2010, the outstanding balance on this unsecured line of credit was $247 million.

The Company has a $160 million subordinated collateralized non-interest-bearing note payable with the Parent that matures on December 15, 2010. Under the terms of the note payable, the Parent provided the Company with a non-interest-bearing note receivable, collateralized by marketable securities owned by the Parent. The subordinated note payable 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, 2010, no such notices had been presented to FINRA.

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, 2010 was 0.21%. Any advances and accrued interest are due the following business day. At June 30, 2010, the outstanding balance on this unsecured line of credit was $18.5 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, 2010, there were no outstanding borrowings under the facility.

7. Premises and Equipment

	Useful Life	June 30, 2010 *(In thousands)*
Buildings and improvements	2-40 years	$ 3
Leasehold improvements	1-30 years	9,710
Furniture and equipment	1-20 years	46,586
Construction in progress		1,858
		58,157
Less accumulated depreciation		(47,157)
Total premises and equipment		$ 11,000

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:

2011	2,867
2012	2,719
2013	2,853
2014	2,767
2015	2,725
Thereafter	11,953
Total minimum lease payments	$ 25,884

8. Commitments and Contingencies

In the normal course of business, the Company enters into underwriting commitments. Transactions relating to such underwriting commitments that were open at June 30, 2010, which was subsequently settled, had no material effect on the statement of financial condition as of that date.

The Company has a $300.0 million uncommitted, secured revolving line of credit with the Bank of New York Mellon. The line of credit requires the segregation of the Company's collateral overnight and a rate as determined by the lender at the time of the advance. At June 30, 2010, there were no outstanding borrowings under the facility.

8. Commitments and Contingencies (continued)

In September 2008, the Company entered into an "agreement in principle" with FINRA related to the sales of ARS by the Company regardless whether any claims have been asserted by the investor. This agreement is nonbinding and is subject to the negotiation of a final settlement. At this time, there is no final settlement with FINRA, and FINRA has resumed its investigation. Notwithstanding that fact, the Company announced in November 2008 that it will move forward with ARS repurchases from essentially the same categories of investors who would have been covered by the original term sheet with FINRA. Additionally, the Company has elected to purchase ARS from certain other investors not addressed by the agreement. The total par amount of ARS the Company expects to purchase is approximately $370.0 million, although we expect that calls or redemptions of certain of the ARS could occur before or shortly after purchase by the Company and these would reduce this amount slightly. As of June 30, 2010, the Company has repurchased approximately 83% of the securities it intends to repurchase. The Company concurrently sold these positions to the Parent at market value; therefore, did not hold positions on the Company's balance sheet at June 30, 2010.

Litigation

In the normal course of business, the Company may become subject to litigation or claims which at times result in an accrual being recorded. 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 Rule 15c3-1 (SEC Rule 15c3-1), which requires under Rule 15c3-1, which require the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by SEC Rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, equal to the greater of the minimum dollar net capital requirement 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, 2010, the Company had net capital, as defined, of $348.8 million, which was $347.6 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

10. Financial Instruments with Off-Balance Sheet Risk (continued)

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, 2010, the Company had net TBA commitments totaling $55.9 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 nonperformance 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 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, 2010, the Company experienced minimal net losses as a result of the indemnity. The clearing agreement expires May, 2015.

12. Fair Value of Financial Instruments

The Company's financial instruments are valued based on quoted market prices or, if quoted market prices are not available, on quoted market prices of comparable instruments. In instances when significant valuation assumptions are not readily observable in the market, instruments are valued based on the best available data in order to approximate fair value. This data may be internally developed and considers risk premiums that a market participant would require. As a result, the recorded amounts of these financial instruments reflect management's best estimate of fair value at June 30, 2010.

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 ASC 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, the Company applied the following fair value hierarchy:

12. Fair Value of Financial Instruments (continued)

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.

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

		Fair Value Measurement at June 30, 2010, Using		
(In thousands)	Assets/Liabilities Measured at Fair Value June 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities Owned	$ 1,304,272	$ 101,233	$ 1,169,360	$ 33,679
Securities sold but not yet purchased	$ 646,227	$ 243,596	$ 402,631	–

SunTrust Robinson Humphrey, Inc.
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Schedule I
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission

June 30, 2010
(In Thousands)

Computation of net capital:		
Total shareholder's equity		$ 513,569
Add:		
Subordinated borrowings allowable in computation of net capital		160,000
Total capital and allowable subordinated borrowings		673,569
Deductions and/or charges:		
Nonallowable assets	$ 231,421	
Other deductions or charges	8,901	240,322
Net capital before haircuts on securities positions		433,247
Haircuts on securities:		
Trading assets:		
U.S. government and agency obligations	17,101	
Corporate obligations	65,926	
State and municipal obligations	1,129	
Bankers acceptance and CDs	3	
Stocks and warrants	31	
Other securities	56	
Undue concentration	235	84,481
Net capital		348,766
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 $1.1 million if greater) plus 10% of excess market value, as defined, that is subject to reverse repurchase agreements.		1,182
Excess net capital		$ 347,584
Net capital in excess of 5% of aggregate debit items or 120% of the net capital requirement if greater		$ 347,348

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

June 30, 2010
(In Thousands)

Credit balances:		
Customer free credit balances	$	9,273
Customer-related fails to receive		418
Market value of short securities and credits in all suspense accounts over 30 calendar days		4,646
Total credit balances	$	14,337
Debit balances:		
Customer debit balances	$	13,440
Less 3%		(403)
Total debit balances	$	13,037
Reserve computation:		
Excess of total credits over total debits required to be on deposit in the "Reserve Bank Account"	$	1,300
Amount on deposit in the "Reserve Bank Account" at June 30, 2010	$	16,117