

# Business Investment Account



With First Horizon Bank's Business Investment Account, you receive a competitive return on your excess working capital.

## How It Works

The Business Investment Account is a separate account linked to your operating account. Each evening, we automatically transfer ("sweep") the excess collected funds in your operating account (over a target, aka "peg" balance you establish) into the Business Investment Account. Funds swept to the Business Investment Account will be invested immediately in a repurchase agreement, maturing the following business day. Upon maturity of each Daily Repurchase Agreement, funds will sweep back to the operating account. The funds swept back to the operating account(s) are memo-posted in early morning so the funds may be used by the operating account(s) intraday.

Interest will be compounded daily and credited monthly to the Business Investment Account, then swept to your operating account(s).

## The Investment

Funds swept to the Business Investment Account will be invested immediately in a repurchase agreement, maturing the following business day ("Daily Repurchase Agreement").

Each Daily Repurchase Agreement represents an undivided interest in obligations owned by the Bank and issued, or guaranteed by, the United States Government or agency thereof (the "Underlying Securities").

You will receive a daily confirmation notice referencing (via CUSIP) the specific security investment pledged to your Daily Repurchase Agreement. This information can be used to identify your interest in those specific securities.

The securities are maintained by the Bank in a specific account at the Federal Reserve Bank of St. Louis. This account is used for the sole purpose of maintaining these securities held on behalf of our Business Investment Account clients and are not commingled with other general obligations of the Bank.

## Frequently Asked Questions

**1. What rate will this investment account earn?**

The rate is subject to change daily. The daily confirmation will provide you the rate used for that business day. The monthly statement will provide you an overall rate for the month. You should contact your Relationship Manager to determine the current rate being paid on this investment type.

**2. Why do I get these daily notices of the investment?**

This notification is required by Federal Law and gives you notice of the securities involved in the Repurchase Agreement. You need not receive the notice via U.S. Mail; however, you may elect to receive the notice via email.

**3. At what point in the day does the Repurchase Agreement transaction actually take effect?**

At the end of the day, after business hours, the actual amount available to invest is calculated on your operating account. That operating account may be a “master” account which accumulated funds from several of your other linked operating accounts. That account may also incorporate a “target balance.” This is a reference amount that will ensure a certain balance will remain in the operating account and not be moved to the investment account each evening. Only the “collected” balance in excess of the target balance is moved.

Pending funds, such as ACH transactions not yet received or uncollected checks, will not be included in the total for movement to the investment account.

By the open of business the following day, the funds are moved back into the operating account for use for your daily activities. At this point, the repurchase has taken place and your funds are normal balances in an operating account and insured by the FDIC up to \$250,000.

**4. If I need to exercise my rights to the ownership in the underlying securities under the Repurchase Agreement, how do I go about doing so?**

If the FDIC is appointed receiver of the Bank, operations from that point forward would be under the FDIC’s policies and procedures in effect at that time. Generally, the deposit liabilities and secured liabilities, including Repurchase Agreements, and the custody of the underlying securities are transferred to a successor financial institution. Generally, within one business day, the FDIC would send you a letter informing you that the Repurchase Agreement you entered into with the Bank, which is a form of qualified financial contract, has been transferred to the successor institution. The successor financial institution would repurchase the securities, and the value of the securities would again be available in your account.

For more information, please contact your  
Relationship Manager or Treasury Management  
Sales Officer.