



Bank Strategy Briefing

Ideas and analysis for community bank executives

Moving away from common bank names

A bank's name is the centerpiece of its long-term branding strategy, reflecting generations of service to a community or the ownership family's legacy. As an opportunity to retell their stories and stand out in the marketplace, a growing number of institutions are changing their names. This bank strategy briefing surveys some of the most common naming elements in the industry and summarizes the legal and regulatory process associated with adopting a new legal name or trade name.



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Many banks share common names

A surprisingly large number of banks in the U.S. share common naming elements, as detailed below:

Name	Active institutions	Inactive institutions	Name	Active institutions	Inactive institutions
State	984	6,196	American	95	1,261
First / 1st	869	8,832	Merchants	92	508
National Bank*	632	8,585	City	75	1,077
Community	307	1,444	Home	63	617
Farmers	208	1,099	Commerce	52	624
Citizens	198	1,378	Town	51	416
Federal**	186	4,021	Commercial	46	400
County	177	2,320	Exchange	37	219
Peoples	114	807	Fidelity	24	267
Security	105	867	Guaranty	11	158

*Excludes institutions with "National Association" or "N.A." in the name.

**Excludes institutions with "F.S.B." in the name.

Source: FDIC BankFind as of Feb. 6, 2020. "Active" institutions are currently conducting business as FDIC-insured institutions. "Inactive" institutions are no longer in business.

While many reasons for this degree of commonality exist, community pride and company history among them, similar names can result in market confusion, or worse, trademark disputes.

To differentiate themselves, a number of banks have begun changing names. In some instances, it's a legal name change as specified in the institution's articles, while in others it's adopting a trade name.

How to change a bank's legal name

The process for changing a legal name is relatively simple. First, a thorough search must be conducted to ensure the new name is available. This search would identify existing bank trademarks for the name as well as other potential uses that could cause marketplace confusion. Then comes amending the bank's articles of incorporation. This requires board and shareholder approval. Once the amendment is effective, customer-facing marketing materials and legal documentation will need to reflect the new legal name.

How to adopt a trade name

Trade names are more nuanced and compliance-sensitive. In addition to validating that a name is available for use, various banking agencies require disclosures about the trade name to appear in signage, advertising and account-opening documentation. This helps customers understand that accounts under each name will be aggregated when calculating FDIC insurance coverage. For example, the Wisconsin Department of Financial Institution's (WDFI's) guidance requires disclosure that trade names be identified as a "branch" of the bank. WDFI does not permit other descriptors like "division" or "unit."

Name changes create new marketing opportunities

Beyond the legal and logistical aspects of a name change, it's important to develop a robust marketing plan to maximize the opportunity a name change creates. Consider ways to reintroduce the bank to the marketplace and retell its story to the community.

For more information on this topic, or to learn how Godfrey & Kahn can help, contact our Banking & Financial Institutions Practice Group.

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