



## When You're Republic Bank — But Not That Republic Bank

marketing management

**Summary:** Public perception has been hard for many CFIs to endure in the wake of recent bank failures. But financial institutions with the words “Signature” or “Republic” have had a particularly tough row to hoe. If the next bank failures have the words “National” or “First” in their names, yet more CFIs may find themselves tainted by association, even if they've done nothing wrong. We discuss how to distinguish yourself in the public's perception.

Emily, Emily, Emily. The name is everywhere among women in their twenties and thirties, probably because it spent the 1990s as one of the top five names for girls, according to Social Security records.

Community financial institutions (CFIs) aren't generally called Emily. But words such as “First,” “National,” “Republic,” “Savings,” “Community,” “State,” and the names of states and other areas frequently appear, alone and in combination, in the names of CFIs.

That's fine — until it isn't. When the name of an institution that's failed or otherwise stumbled is similar to the names of other, problem-free financial institutions, customers grow wary, even though the association is only in name. The two names get tangled in their minds anyway, and cautious consumers begin avoiding financial institutions with names that remind them of the troubled organization. If that's your business, how do you make sure consumers understand that your CFI is in good health and open for business?

### Communication is key.

Get ahead of the problem by taking control of your message. If another financial institution with a name that's even vaguely similar to yours hits rough waters, it could help bolster your customers' confidence in you to get the word out that your institution is in good shape. Customers making that unfortunate connection in their heads will appreciate the transparency and your immediate action to assuage their fears and remind them of how well you are performing and taking care of them.

### Know when a statement is appropriate — and when it's not.

Not every bank failure requires an emergency response from every financial institution. Some CFIs with no linguistic connection to a troubled financial institution may think to do well by issuing statements to customers, but making an association when there isn't one could inadvertently backfire. Other CFIs might prefer to avoid any suggestion that they protest too much for that very reason. You know your audience best, so use your own discretion before deciding if and when to make a public statement.

### How to address the “Republic” in the room.

Here are some examples of how some CFIs with very similar names to failed financial institutions have addressed this confusing situation:

Republic Bank of Arizona has \$250MM in assets and no connection at all to First Republic Bank in San Francisco, which struggled in the wake of the Silicon Valley Bank (SVB) failure. To satisfy deposit withdrawal demands, both First Republic and SVB were forced to sell long-term securities for less than they paid, making their losses permanent.

Republic Bank of Arizona, by contrast, is well capitalized and has strong liquidity and a Bauer five-star rating. It had recently undergone an FDIC bank exam and came through with excellent results. The CFI didn't even use the Federal Reserve's Bank Term Funding Program, which was developed to provide all banks and credit unions with liquidity to cover deposits on demand during the emergency.

After a customer texted its CEO to ask about the CFI's health, Republic Bank of Arizona put out a [press release](#) explaining these facts to its customer base and to the public at large. Republic Bank posted that press release on the landing page of its website, along with a letter from CEO Brian Ruisinger. The CFI also shared the message on social media channels.

Other "Republic" financial institutions also worked to get ahead of any misunderstanding. Republic Bank in Philadelphia posted a letter on its website that began with, *"Amid everything going on, Republic Bank would like to make very clear: We are Republic Bank, Inc.; we are NOT First Republic Bank."* The letter also showed the two financial institutions' different logos to underscore the separation between them.

Republic Bank of Chicago added a note to its website explaining that it is strong and has *"no exposure to cryptocurrency or venture capital."*

While many financial institutions share part of their names, this doesn't mean they're anything alike. When and if an organization with a name similar to yours lands in a tough position, keep an eye on how your customers respond to assess whether a statement is necessary. Above all, when it is important to clarify that your CFI is strong, it's crucial to address the potential mix-up immediately with a straightforward message to assuage your customers' worries.

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## ECONOMY & RATES

Rates As Of: 04/26/2023 10:05AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.12	0.27	0.70
6M	4.98	0.04	0.22
1Y	4.69	0.08	-0.02
2Y	3.98	-0.05	-0.45
5Y	3.51	-0.06	-0.49
10Y	3.45	-0.02	-0.43
30Y	3.69	0.04	-0.27
<b>FF Market</b>		<b>FF Disc</b>	<b>IORB</b>

4.83	5.00	4.90
<b>SOFR</b>	<b>Prime</b>	<b>QBER</b>
4.80	8.00	4.82

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