

# Decision of July 14, 2016

By the [Division of Banks](#)

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DECISION  
RELATIVE TO THE MERGER OF  
EQUITABLE CO-OPERATIVE BANK, LYNN, MASSACHUSETTS  
WITH AND INTO  
WEYMOUTH BANK, EAST WEYMOUTH, MASSACHUSETTS

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Weymouth Bank, East Weymouth, Massachusetts has applied to the Division of Banks (Division) to merge with Equitable Co-operative Bank (Equitable), Lynn, Massachusetts pursuant to the provisions of Massachusetts General Laws chapter 167I, section 3. Under the terms of the Agreement and Plan of Merger dated as of December 16, 2014, Equitable will merge with and into Weymouth Bank under the charter and by-laws of Weymouth Bank (Continuing Institution) and under the name "Equitable Bank." The Continuing Institution will retain the banking offices of Equitable as branch offices after the merger. Equitable Bancorp, Inc. is the bank holding company of both Weymouth Bank and Equitable. Equitable Bancorp, Inc.'s parent company is Equitable Bancorp, MHC. In 2015, the Board of Bank Incorporation approved the merger of Equitable Bancorp, MHC with and into Wessagussett Mutual Holding Company under the name Equitable Bancorp, MHC, and Equitable Bancorp, Inc. merged with and into Wessagussett Bancorp, Inc. under the name Equitable Bancorp, Inc.

### Legal Authority and Procedural Requirements

Notice of Weymouth Bank's application was posted and published as directed by the Division thereby affording opportunity for interested parties to submit comments. The period for filing comments has expired. The Division reviewed the application and supplementary materials in accordance with the statutory criteria of whether competition among banking institutions will be unreasonably affected and whether public convenience and advantage as well as net new benefits would be promoted by approval of the proposed transaction. Both banks' records of performance under the Commonwealth's Community Reinvestment Act (CRA), Massachusetts General Laws chapter 167, section 14 and the Division's regulation, 209 CMR 46.00 as well as financial and managerial factors also were considered by the Division. The Co-operative Central Bank confirmed by letter dated as of April 26, 2016 that satisfactory arrangements have been made relative to providing excess deposit insurance through the Share Insurance Fund for deposits of the Continuing Institution. Accordingly, all documents and materials related to this transaction have been received.

### The Parties

Weymouth Bank was chartered as a Massachusetts co-operative bank in 1889. It reorganized into a mutual holding company form of organization in 2006 after receiving the required approvals from the Division and the Massachusetts Board of Bank Incorporation. As mentioned above, Weymouth Bank is a wholly-owned subsidiary of Equitable Bancorp, Inc., a Maryland corporation, which is a wholly-owned subsidiary of Equitable Bancorp, MHC, a Massachusetts mutual holding company. As of March 31, 2016, Weymouth Bank had total assets of approximately \$228.8 million and total deposits of approximately \$208 million. In addition to its main office in East Weymouth, Massachusetts, Weymouth Bank operates full-service branch offices in Kingston and Weymouth in Plymouth County and Norfolk County, respectively. Weymouth Bank's deposits are insured up to allowable limits by the Federal Deposit Insurance Corporation (FDIC) and amounts in excess of FDIC insurance are insured by the Share Insurance Fund of the Co-operative Central Bank.

Equitable Co-operative Bank was chartered as a Massachusetts co-operative bank in 1877. It too is a wholly-owned subsidiary of Equitable Bancorp, Inc. As of March 31, 2016, Equitable had total assets of approximately \$100.2 million and total deposits of approximately \$86.1 million. In addition to its main office in Lynn, Massachusetts, it operates one

full-service branch office in the town of Nahant in Essex County. Equitable's deposits are also insured up to allowable limits by the FDIC and by the Share Insurance Fund for amounts in excess of the FDIC's insurance limits.

### Competition

Materials have been submitted to address the issue that competition among banks will not be unreasonably affected by the proposed transaction. In analyzing the impact of a proposed transaction on banking competition, the Division considers, but does not rely exclusively upon, the guidelines used by federal authorities to review bank mergers. Essentially, these guidelines define relevant markets and measure concentration, which is considered an important indicator of competitiveness. The Division also considers the competitive impact of the proposed transaction on a community-by-community basis, as well as on the overall banking structure of the Commonwealth. In this case, the proposed transaction will not unreasonably affect competition as Weymouth Bank and Equitable are already affiliates as wholly-owned subsidiaries of Equitable Bancorp, Inc. Furthermore, the Continuing Institution plans to maintain the banking offices of Equitable as branch offices. Accordingly, the review of the transaction's impact on competition supports its approval.

### Public Convenience and Advantage

The Division has also considered the record of this application to determine whether public convenience and advantage will be promoted. Materials provided state that the Continuing Institution does not expect to eliminate or reduce any of the products or services currently offered by either bank. The application also indicates that customers of each bank will benefit from operational synergies and the larger lending limit made available through the combined institution.

In determining whether to approve a petition under the statutory criteria, the Commissioner is also required to consider a showing of net new benefits related to the transaction, including initial capital investments, job creation plans, consumer and business services and commitments to maintain and open branch offices, among other factors that the Commissioner may deem necessary. Weymouth Bank has addressed this requirement of the statute. The employees of both banks are expected to be offered employment with the Continuing Institution. Furthermore, Weymouth Bank believes that the Continuing Institution will be more competitive and profitable due to its increased size and improved operational efficiency, which may result in future job creation. As stated above, the Continuing Institution does not plan to eliminate or reduce any products or services of either bank, and the banking offices of Equitable will be maintained as branch offices of the Continuing Institution. Accordingly, the Division has reviewed the factors related to public convenience and advantage, including net new benefits, and has determined that they are consistent with approval of Weymouth Bank's application.

Related to the issue of public convenience and advantage is the record of performance under the CRA by the banks which are parties to this transaction. Such review for state-chartered banks includes examination by personnel of the Division. A publicly available descriptive rating and evaluation by a federal bank regulatory agency will also be considered. Weymouth Bank received a "Satisfactory" rating in its most recent CRA performance evaluations conducted concurrently by the Division and the Federal Reserve Bank of Boston as of March 24, 2014, and Equitable received a "Satisfactory" rating in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of July 15, 2013. The Division's consideration of the CRA performance of Weymouth Bank and Equitable also support the approval of the proposed merger.

### Financial and Managerial Considerations

The application indicates that all of the directors of Weymouth Bank and of Equitable will be members of the board of directors of the Continuing Institution. The proposed management of the Continuing Institution is also detailed in the application documents and includes personnel from both Weymouth Bank and Equitable. No consideration will be paid in connection with the transaction since it is a merger of two subsidiary banks of the same mid-tier bank holding company in a mutual holding company form of organization. Accordingly, upon review, the financial and managerial considerations support approval of the application.

### Conclusion

Upon review of the complete record of the application with reference to the relevant statutory and regulatory requirements, the Division has concluded that all such requirements have been met and that consummation of the proposed consolidation would be in the public interest. On the basis of these considerations, approval is granted to merge Equitable with and into Weymouth Bank under the charter and by-laws of Weymouth Bank and under the name "Equitable Bank" pursuant to section 3 of chapter 167I of the General Laws. Upon consummation of the merger, the charter of Equitable will cease to exist and the separate existence of Equitable shall cease and all rights, privileges, powers, franchises, properties, assets, liabilities, and obligations of Equitable shall be vested in and assumed by Weymouth Bank.

The approval granted herein is subject to the following conditions:

1. That the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks, or other duly authorized officers of each bank, indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 167I, section 3 has been returned for my endorsement thereon;
2. That the proposed merger shall not become effective unless the Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
3. That the proposed merger shall be consummated within one year of the date of this Decision.

July 14, 2016

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Date

David J. Cotney

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Commissioner of Banks