

## Fresh off one merger, Abington bank makes another deal

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**Greg Ryan**  
Law and Money  
Reporter  
Boston Business  
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Abington Bank has agreed to merge with Avon Co-operative Bank months after completing another tie-up, with both deals driven by a desire for greater efficiencies in a regulatory and interest rate environment that has been especially tough on small banks.

Abington's merger with [Holbrook Co-operative Bank](#), the earlier deal, was approved by regulators in March. That tie-up [created an institution with just over \\$240 million in assets](#). Even after the merger, Abington remained among the 25 smallest banks in a state that has more than 120 of the institutions.



The merger will bring Abington Bank up to approximately \$330 million in assets.

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In a statement, Abington CEO [Andrew Raczka](#) called Avon "a natural fit for us" that will enable the combined banks to consolidate back-office functions such as risk management, compliance and human resources. "Our larger size will better enable us to provide the products and services our customers expect from their community bank along with access to three banking locations," he said.

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Banking executives and analysts have predicted an increase in mergers among the state's small banks, whose margins have been pinched for close to a decade thanks to low interest rates that are only now beginning to rise. By combining, smaller banks are able to better withstand the higher compliance costs stemming from the Dodd-Frank law.

The Avon branch will operate as "Avon Co-operative Bank, a Division of Abington Bank." Holbrook also operates under its own name.

Practically all of Avon's lending comes in the form of home mortgages. Abington is more active in commercial real estate, construction and multifamily-unit lending.

Avon's 0.22 percent pre-tax return on assets, a key measure of profitability, ranked among the 10 lowest banks in Massachusetts last year. At 0.79 percent, Abington was in the top half of Massachusetts banks.

The deal is expected to close by the end of 2017. Further details were not immediately available.