

The New Evli



Stockholm (HedgeNordic) - Finnish digital bank Fellow Finance has agreed on a merger with Evli Bank's banking services business, with the combined business running under a new company called Fellow Bank. Evli's asset management business, meanwhile, will be demerged through a partial demerger into a new publicly-listed asset management group, New Evli.

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In late January of this year, Evli Bank's Board of Directors decided to commence a strategic evaluation of its banking services business, suggesting a potential exit from banking services to focus on wealth management. “Evli's strategic goal is to strengthen its position as a leading Nordic wealth manager,” says Evli's CEO, Maunu Lehtimäki, in a press release. The combination agreement between Evli Bank and Fellow Finance separates Evli's banking services from the assets and resources employed in Evli's investment services business. “The separation of investment services would free up both financial and human resources for the development of existing and new products and services in order to strengthen Evli's market position,” writes Evli in a press release.

“Evli announced in January that its board of directors had decided to commence a strategic review regarding the future of its banking services. The review found that significant improvement of the profitability of credit institution operations

would require a more extensive customer base and service offering,” says Lehtimäki. “The proposed solution in which Evli’s banking services would merge with one of Finland’s leading digital service providers in the field of consumer credit and corporate lending, Fellow Finance, will make this possible and create a solid foundation for a well-capitalised new bank for the digital age that will combine the core expertise of both companies.”

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“I am looking forward to launching the new banking business. Combining the strengths of Evli’s banking services with Fellow Finance will open up excellent opportunities for the new Fellow Bank to grow profitably,” comments Fellow Finance’s Chairman of the Board, Kai Myllyneva. In connection with the arrangement, the new Evli asset management group, asset manager Taaleri, which is a significant shareholder of Fellow Finance, and a company owned by Fellow Finance’s CEO, Teemu Nyholm, will capitalize Fellow Bank in a directed share issue. “The new bank will be backed by financially strong owners who are highly committed to developing the bank’s operations. The commitment of and funding by the main owners will give the new Fellow Bank a very high level of own funds,” adds Myllyneva.

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“The combination of Fellow Finance and Evli will create a unique new bank in Finland,” comments Nyholm. “Our future business model will enable us to offer even more comprehensive services to our private and corporate customers, to expand our client base and offer our customers a variety of financing products at highly competitive interest rates,” he continues. “Our digital and customer-oriented service model, operative efficiency and credit risk management expertise, as well as our existing extensive customer base, will enable profitable future growth for Fellow Bank.”