

Note 40 - Business acquisitions/business combinations

General

Upon acquisition of businesses a purchase price analysis is prepared in accordance with IFRS 3 where identifiable assets and liabilities are recognised at fair value on the acquisition date.

Acquisition of accounting firms

SpareBank 1 Regnskapshuset SMN has in 2017 acquired SpareBank 1 Regnskapshuset Brekstad (prev. Fosen Rådgivning) and Økonomisenteret Kunderegnskap. These businesses are fully integrated into SpareBank 1 Regnskapshuset SMN in 2018.

SpareBank 1 Regnskapshuset Hareid, SpareBank 1 Regnskapshuset Ørsta, SpareBank 1 Regnskapshuset Volda, Areto Solutions, Datainformasjon og PR Regnskap has been merged into Sparebank1 Regnskapshuset SMN in 2017.

Purchase price allocations have been prepared in accordance with IFRS 3 in which identifiable assets and liabilities are recognised at fair value on the acquisition date. The difference between the group's acquisition cost and book value of net assets is allocated to goodwill. Effective from January 1, 2018 an agreement to acquire Tinde Økonomi, Rauma Regnskapsservice and Aktiva Regnskap has been made.

Acquisitions in SpareBank1 Markets

In 2017 SpareBank 1 Markets acquired Allegro Kapitalforvaltning and SpareBank 1 Nord-Norge Forvaltning. The companies have been merged to SpareBank 1 Kapitalforvaltning, and is a subsidiary of SpareBank1 Markets. The company will spearhead SpareBank 1 Markets' asset management business with combined assets under management of NOK 10 billion. The company has 15 employees.

Purchase price allocations have been prepared in accordance with IFRS 3 in which identifiable assets and liabilities are recognised at fair value on the acquisition date. The difference between the group's acquisition cost and book value of net assets is allocated to client portfolio. The excess value allocated to Allegro Kapitalforvaltning has been eliminated in the group since this was already a subsidiary prior to the acquisition.

During fourth quarter the company acquired the trading table in SpareBank 1 SR-Bank Markets. The acquisition was financed by a share issue (176.341 shares at NOK 167, and premium of MNOK 37). In this transaction SpareBank 1 SR-Bank became share holders. The purchase price has been allocated to the client portfolio.

	Allegro Kapital- forvaltning	SNN Kapital- forvaltning	Trading Table i SR-Bank
Assets			
Fair value of client portfolio	34	15	37
Net identifiable assets and liabilities at fair value	17	3	0
Purchase price	50	18	37
Shares issued, at fair value	-	-	37
Cash	50	18	-
Purchase price	50	18	37