

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 AS has in 2019 acquired Reinheim Regnskap AS, Viken Regnskap and the assets of Taraldsen Regnskap. Taraldsen are fully integrated into SpareBank 1 Regnskapshuset SMN AS from 1 May 2019, while Reinheim and Viken will be integrated into SpareBank 1 Regnskapshuset SMN AS from 2020 .

Spjelkavik Regnskap AS, Flatanger Regnskapskontor AS and Grongstad Regnskap AS have been integrated with SpareBank1 Regnskapshuset SMN in 2019.

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.

Acquisition of SpareBank 1 SMN Spire Finans (formerly DeBank)

At 5 February 2019 SpareBank 1 SMN acquired 100 per cent of the shares in SpareBank 1 SMN Spire Finans AS for MNOK 40. The acquisition led to a negative goodwill of MNOK 31 included as a gain in net return of financial investments. The reason for the gain from this transaction is that fair value of net assets is higher than the acquisition cost. The allocation of fair value is distributed as follows:

	Fair value recognised at acquisition date
Assets	
Loans	207
Other assets	14
Total assets	221
Liabilities	
Deposits	142
Accruals	5
Other liabilities	4
Total liabilities	151
Net identifiable assets and liabilities	70
Goodwill	-31
Acquisition cost	40