

## Note 24 Business combination

On 20 May Swedbank AB acquired all the shares in Sparbanken Öresund AB. On the same date, immediately after the share purchase, Sparbanken Öresund AB sold a number of bank branches to

Sparbanken Skåne AB. Because certain assets and liabilities in the combination were acquired to be immediately divested, they were classified as held for sale on the acquisition date.

Group SEKm	Carrying amount in the Group at acquisition date 20 May 2014
Cash and balances with central banks	20
Loans to credit institutions	4 461
Loans to the public	16 331
Interest-bearing securities	1 973
Shares and participating interests	33
Investments in associates	60
Derivatives	26
Intangible fixed assets	205
Tangible assets	113
Other assets	219
Prepaid expenses and accrued income	134
Group of assets classified as held for sale	10 503
<b>Total assets</b>	<b>34 078</b>
Amounts owed to credit institutions	2 841
Deposits and borrowings from the public	11 596
Debt securities in issue	2 028
Derivatives	49
Deferred tax liabilities	176
Other liabilities	1 363
Subordinated liabilities	947
Liabilities directly associated with group of assets classified as held for sale	11 417
<b>Total liabilities</b>	<b>30 680</b>
<b>Total identifiable net assets</b>	<b>3 398</b>
<b>Acquisition cost, cash</b>	<b>2 938</b>
<b>Bargain purchase, reported as other income</b>	<b>461</b>

The gain recognised on the acquisition was a result of the fact that Swedbank must make extensive changes in the acquired operations, including the divestment of branches and associated system solutions. For this reason, a restructuring reserve was established and immediately after the acquisition amounted to SEK 591m.

Group SEKm	Carrying amount in the Group at acquisition date 20 May 2014
<b>Cash flow</b>	
Cash and cash equivalents in the acquired company	20
Acquisition cost, cash	-2 938
<b>Net</b>	<b>-2 918</b>
Acquired loans, fair value	16 331
Acquired loans, gross contractual amounts	16 654
Acquired loans, best estimate of the contractual cash flows not expected to be collected	258

As from the acquisition date the acquired company contributed SEK 78m to income and SEK -9m to profit after tax, excluding the bargain purchase gain. If the company had been acquired at the beginning of the 2014 financial year, consolidated income for the first half-year 2014 would have amounted to SEK 20 285m instead of SEK 19 775m. The Group's profit after tax would have amounted to SEK 8 099m instead of SEK 8 101m.