Julius Baer Writing Down Its Italian Wealth Manager Investment

Julius Baer is writing down the goodwill on the investment it made in Italian asset and wealth management firm Kairos. A charge will be reflected in the 2022 financial results.

Zurich-based wealth management firm Julius Baer will continue to write down the goodwill on its investment in Kairos Investment Management, even though new money inflows have been positive since a management change at the end of 2020, Julius Baer said in an emailed statement Monday.

In the statement, Julius Baer said «the write-down follows an extremely challenging year for the wealth management industry and active asset managers in particular. Global financial markets have seen significant declines in equities and bonds, both of which are particularly relevant to Kairos.»
Impairment Charges

The impairment for goodwill impairment together with remaining amortizable client relationships will result in a non-cash pre-tax charge of 57 million Swiss francs ($61 million) and reflected in Julius Baer’s financial result in 2022. There will be no intangible assets related to Kairos left in Julius Baer’s consolidated financials as of the end of 2022.

Kairos is part of the Julius Baer Group, with Kairos management holding a stake of approximately 35%. Kairos has assets under management amounting to about billion francs. Although market conditions have created significant headwinds for the industry in 2022, Kairos will continue to strengthen its foundations for long-term business growth, according to the statement.