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AMP Limited to repurchase MUTB's shareholding in AMP Capital

AMP Limited today announces it has entered into a binding agreement to repurchase Mitsubishi UFJ Trust and Banking Corporation's (MUTB) 15 per cent shareholding in AMP Capital.

The amount payable under the purchase agreement is a total cash consideration of A\$460 million comprising:

- A\$451 million representing the agreed market value of the AMP Capital stake; and
- A\$9 million being MUTB's 15 per cent share of an AMP Capital dividend in respect of the six months ended 30 June 2020

The transaction will be funded primarily from AMP Limited's existing capital reserves and is expected to complete in Q3 2020, subject to receipt of required approvals¹.

At transaction completion, the existing business and capital alliances between MUTB, AMP Limited and AMP Capital will end. MUTB will no longer have a representative on the AMP Capital Board.

The transaction reflects the decision of AMP and MUTB to focus on their respective strategies. AMP Capital and MUTB will continue to cooperate strategically, building on their mutually beneficial business relationship in Japan, with AMP Capital continuing to deliver its investment products through MUTB's network.

AMP Chief Executive Francesco De Ferrari said:

"MUTB has been a strong and valued partner since becoming a shareholder in the AMP Capital business in 2012. Together, we've grown the AMP Capital business internationally including significant growth in Asia. In Japan, the alliance has considerably grown assets under management and delivered strong investment outcomes for MUTB's clients.

"With the launch of our new AMP Capital strategy, it was an appropriate time for us to reacquire the 15 per cent stake in AMP Capital as we position the business for its next phase of growth and the significant opportunity in international markets."

¹ Completion of the repurchase is conditional on clearance under New Zealand overseas investment notification requirements. Changes to New Zealand foreign investment legislation in June 2020, in response to COVID-19, now require notification and receipt of a 'direction order' to give effect to an increase to 100 per cent ownership by 'overseas persons' of existing holdings in New Zealand businesses. Assessment and clearance is typically completed within 10 working days of notification, however this can be extended by up to a further 60 working days.

AMP Capital Chief Executive Boe Pahari said:

“Japan remains one of AMP Capital’s most successful and strategically important markets, presenting a number of valuable opportunities. The long standing and trusted relationship between AMP Capital and MUTB has provided AMP Capital with the ability to cement its position as a leading global investment manager with a strong presence in Asia.”

About the AMP Capital and MUTB business alliance

AMP announced a strategic alliance between AMP Capital and MUTB in December 2011, including MUTB’s agreement to acquire a 15 per cent shareholding in the AMP Capital business and have a nominee director on the AMP Capital Board.

The alliance was focused on expanding AMP Capital’s distribution footprint in Asia and providing MUTB’s institutional and retail investors with access to AMP Capital’s products covering balanced strategies, Australian and global fixed interest, global infrastructure as well as hedged and unhedged listed real estate.

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Approved for release by the AMP Limited Board.