



NEWS RELEASE

Premier of New South Wales

SIR RICHARD BRANSON PICKS SYDNEY FOR NEW AUSTRALIAN BANKING HEADQUARTERS AND WOLLONGONG FOR SUPERANNUATION EXPANSION

Tuesday 27 June, 2010

Virgin Money, the United Kingdom-based financial services giant, has selected Sydney as its new Australian banking headquarters – and Wollongong as the base for its expanded superannuation business.

State Government assistance has meant that the Illawarra is becoming a superannuation investment centre.

More than 150 jobs will be created in Sydney and Wollongong after NSW negotiated for Virgin Money to base its Australian headquarters here.

Premier Kristina Keneally today announced the NSW Government has secured the deal through direct negotiations via Industry and Investment NSW.

Virgin Money has operated in Australia since 2003, providing credit and superannuation products. The company currently has 24 employees based in Sydney.

Virgin will now expand into a fully-fledged banking service, in addition to further growing its superannuation business.

The new investment and expansion will create at least 150 new full-time jobs over seven years, building on NSW's significant presence in this key jobs growth area.

The majority of the new jobs will be based in Sydney, with a number of jobs focussing on superannuation and related services, to be based in Wollongong.

As part of the superannuation expansion Virgin Money Australia has engaged the services of Pillar Administration, based in Wollongong. The Wollongong-based roles will be created at Pillar to service this demand.

This follows the NSW Government's June 10 announcement that services of the NSW Government's Superannuation Administration Corporation, Pillar Administration, would be used to help grow the Illawarra as a centre of excellence in knowledge services.

Pillar administers superannuation funds for about 1.9 million members and fund assets of about \$60 billion.

"I warmly welcome Sir Richard Branson's decision to choose NSW as the headquarters for Virgin Money's banking operations in Australia," Ms Keneally said.

"This will deliver 150 new financial services jobs in Sydney and Wollongong, and more competition in the NSW and Australian financial services sector.

"As Australia's finance base, NSW is best-positioned to capitalise on future industry performance and growth.

“We already have the largest finance sector, a time-zone bridging the US and UK financial markets, an educated and multilingual workforce, and close links to Asia.

“Today’s announcement will further strengthen Sydney’s role in international banking and financial services, and Wollongong in superannuation services.

Financial and insurance services account for a 14 per cent share of the New South Wales economy in 2008-09.

As at May 2010, about 163,000 people were employed in NSW's finance and insurance services industry.

Australia is currently ranked No 1 in the Asia region and No 2 in the world as a global financial centre by the World Economic Forum – above Hong Kong and Singapore.

That reflects and recognises Australia’s strong economic performance, efficiency, stability and low-risk profile.

Today’s announcement follows several other offshore banks choosing to base their operations in Sydney over recent years. That includes:

- The China Construction Bank;
- The Bank of Communications;
- The Bank of Baroda; and
- The People's Bank of China (Australia's first foreign central bank).

Minister for the Illawarra, Paul McLeay, said today’s announcement is good news for Wollongong and the Illawarra region, which will build on its existing strengths.

Pillar is already a major local employer, providing a range of services including customer contact, compliance, IT and business systems, finance and accounting, corporate services, human resources, document management and web services.

“Wollongong has a stable and skilled multilingual workforce, competitive business costs, modern business infrastructure and superb connectivity providing,” Mr McLeay said.

“This is a solid base for future growth in knowledge services, a fact which has been recognised in the choice made by Sir Richard Branson.

“Pillar Administration is a strong financial services business that will help lay the foundation for a knowledge services centre of excellence in the Illawarra.

“Today’s announcement will build on the Illawarra’s financial service strengths, and lead to more jobs, and different types of jobs in the region.”

Ms Keneally said the decade-long redevelopment of Barangaroo will help further cement Sydney and NSW as the financial capital of the Asia Pacific.

“Right now we’re preparing for massive financial services growth with the development of Barangaroo’s southern commercial precinct,” Mr Keneally said.

“The new precinct will increase the available commercial floor space in Sydney by up to 300,000 square metres, which will be progressively opened from 2014.”

Background notes

Virgin Money

- Virgin Money is headquartered in the United Kingdom, where it is a major financial services provider.
- Virgin Money has operated in Australia since 2003. Between 2003 and 2009 the Australian company provided credit card and superannuation products.
- Virgin Money currently operates in the UK, Australia, United States and South Africa to a promise of “giving customers a better deal”.
- In 2009, Virgin Money established a venture with Citibank Australia, whereby a number of Citi’s banking products would be branded and sold by Virgin Money.
- The NSW Government, through the Industry and Investment, started working with Virgin Money in mid-2009.
- As part of the superannuation expansion Virgin Money Australia has engaged the services of Pillar Administration, based in Wollongong. A number of new roles will be created at Pillar to service this demand.
- In total, the expanded business will retain 24 jobs in Sydney, and add more than 150 new full-time equivalent jobs over seven years in Sydney and Wollongong.

Financial services industry in NSW

- Financial and insurance services is NSW’s largest industry, accounting for a 14 per cent share of the New South Wales economy in 2008-09.
- Sydney is Australia’s finance capital - with 44 of the 48 authorised deposit-taking banks with operations in Australia located in NSW.
- As at May 2010, about 163,000 people were employed in NSW's finance and insurance services industry.
- Virgin Money joins a growing number of international banks choosing to establish and expand in Sydney.
- Sydney has seen the recent establishment of several offshore banks including China Construction Bank; Bank of Communications; Bank of Baroda; and Australia’s first foreign central bank, The People’s Bank of China.
- Of the top 20 global banks, 16 have operations in Sydney. The presence of these banks in NSW has a flow-on effect encouraging international companies to invest in the State.