

Media Release
13th April 2015

Savings Index increases as consumer attitude to savings continues to improve

Nationwide UK (Ireland) Savings Index increases 12 points

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving, increased to 117 in March, from 105 in February.

This is primarily driven by a sizeable increase in the Savings Environment sub-index, which asks if people believe that the current period is a good time to save and whether government policy encourages people to save. This rose to 105 in March, from 89 in February.

A third (33 per cent) of respondents believe now is a good time to save, the highest level since May 2014. The number of respondents who believe now is a bad time to save increased from 33 per cent to 35 per cent this month. The proportion who believe government policy encourages saving increased substantially to 9.2 per cent in March, from 5.4 per cent in February.

The Savings Attitude sub-index, which asks respondents about their saving behaviour and how they feel about the amount they save, rose from 120 in February to 129 in March. Meanwhile, the three-month moving average rose marginally from 122 to 123 in March.

The proportion of those who save regularly rose to 40 per cent, from 35 per cent in February. This increase appears to be driven mainly by the decrease in the proportion of those who save occasionally, which dropped from 26.4 per cent to 22.6 per cent this month. The share of those dissatisfied with the amount they save increased to 57.5 per cent, from 55 per cent in February.

Consumers are also asked about their preference as to how they might allocate any money over and above their everyday needs. The share of respondents who would use the surplus to pay off debts, including their mortgage, remained steady at 40 per cent. A further 10 per cent said they would spend it, down from 13 per cent last month, while 9 per cent said they would invest it.

Commenting on the Index, **Brendan Synnott Managing Director of Nationwide UK (Ireland)**, said: *"This month the Index has followed the underlying trend observed throughout 2014 with more people saving regularly, but there is evidence of some discontent with the amount being saved.*

"There are also improvements in economic indicators with increases in household net worth, overall economic growth, increased numbers in employment, and a reduction in numbers unemployed. This means that more people will have disposable income available and so will be in a position to choose between spending and saving."

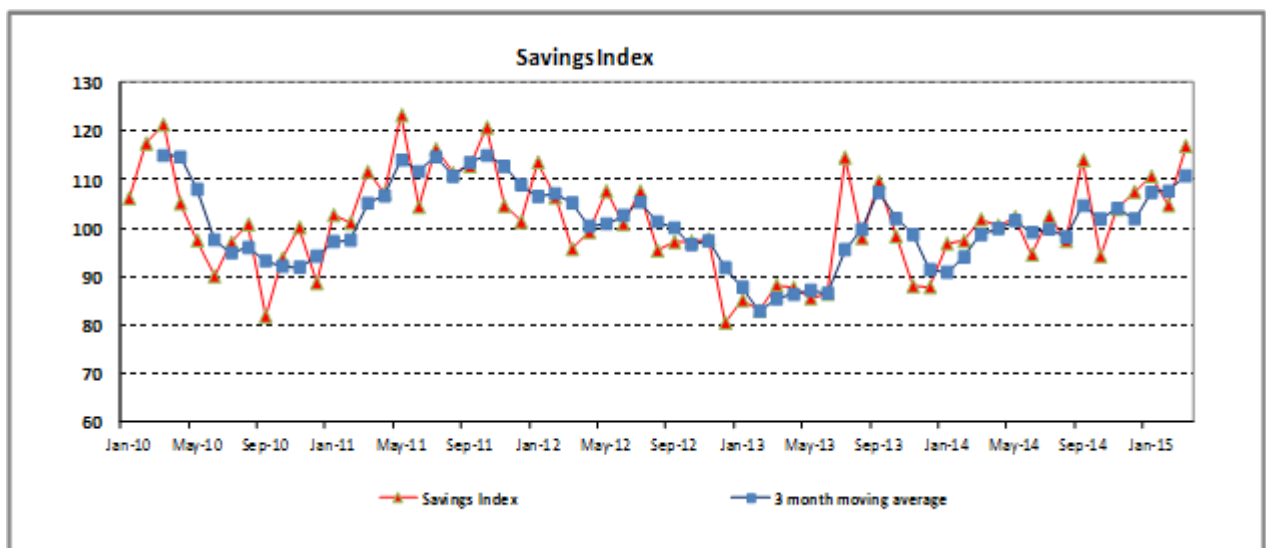
ENDS

Savings Index data

Month	Savings Index	Savings Attitudes index	Savings Environment Index
Feb-14	97	110	85
Mar-14	102	104	100
Apr-14	101	105	96
May-14	102	109	95
Jun-14	95	109	80
Jul-14	102	127	78
Aug-14	97	112	82
Sep-14	114	126	102
Oct-14	94	107	81
Nov-14	104	127	81
Dec-14	107	125	90
Jan-15	111	121	100
Feb-15	105	120	89
March-15	117	129	105

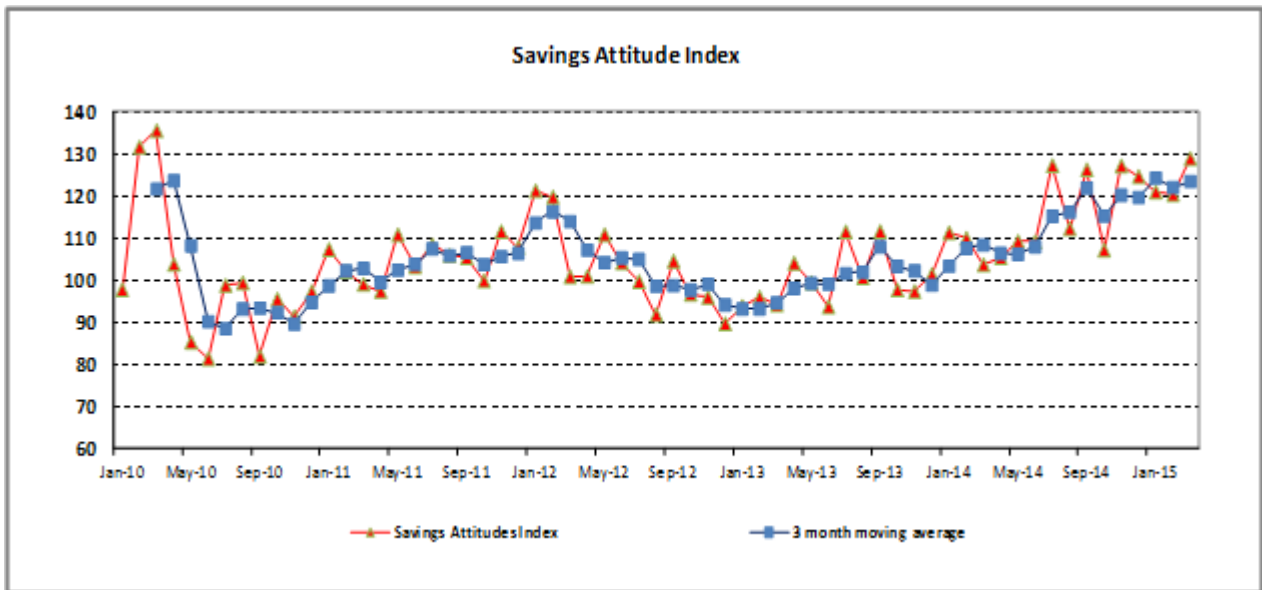
The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index increased in March to 117, from 105 in February. The three-month moving average rose from 108 in February to 111 this month.
- The Savings Environment sub-index also increased in March to 105 from 89 in February. The Savings Attitude sub-index rose from 120 in February to 129 this month.



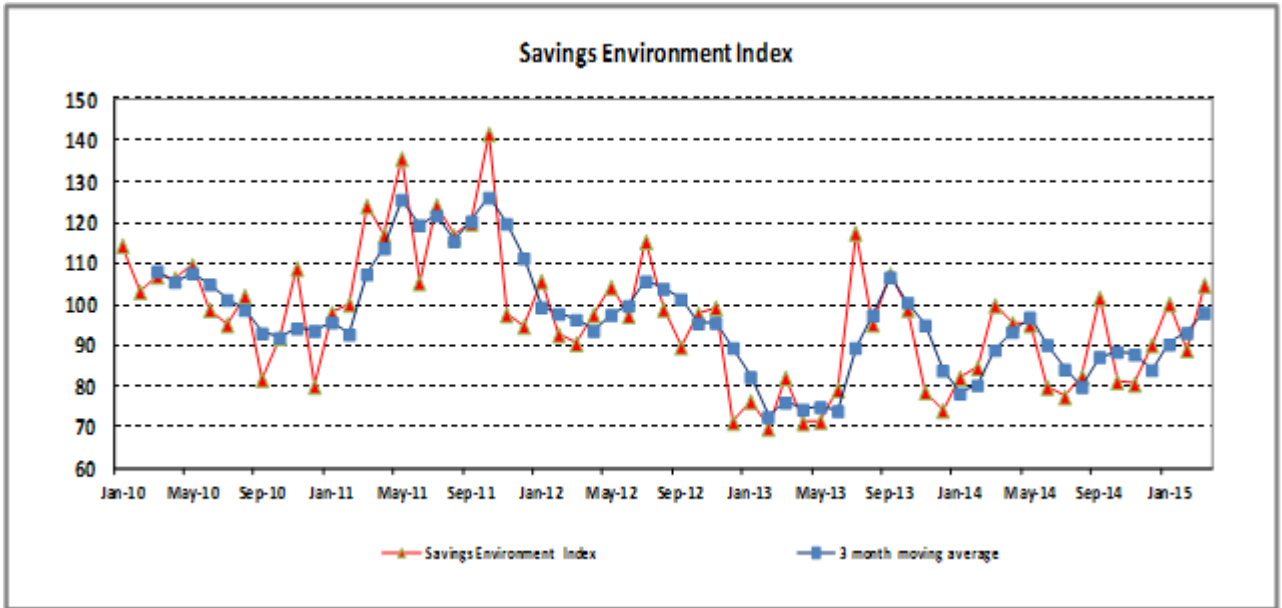
The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- In February, the sub-index rose from 120 in February to 129 in March. The three-month moving average rose marginally from 122 to 123 in March.
- The proportion of those who save regularly rose to 40 per cent, from 35 per cent in February. This increase appears to be driven mainly by the decrease in the proportion of those who save occasionally which dropped from 26.4 per cent to 22.6 per cent this month. The share of those dissatisfied with the amount they save increased to 57.5 per cent, from 55 per cent in February.



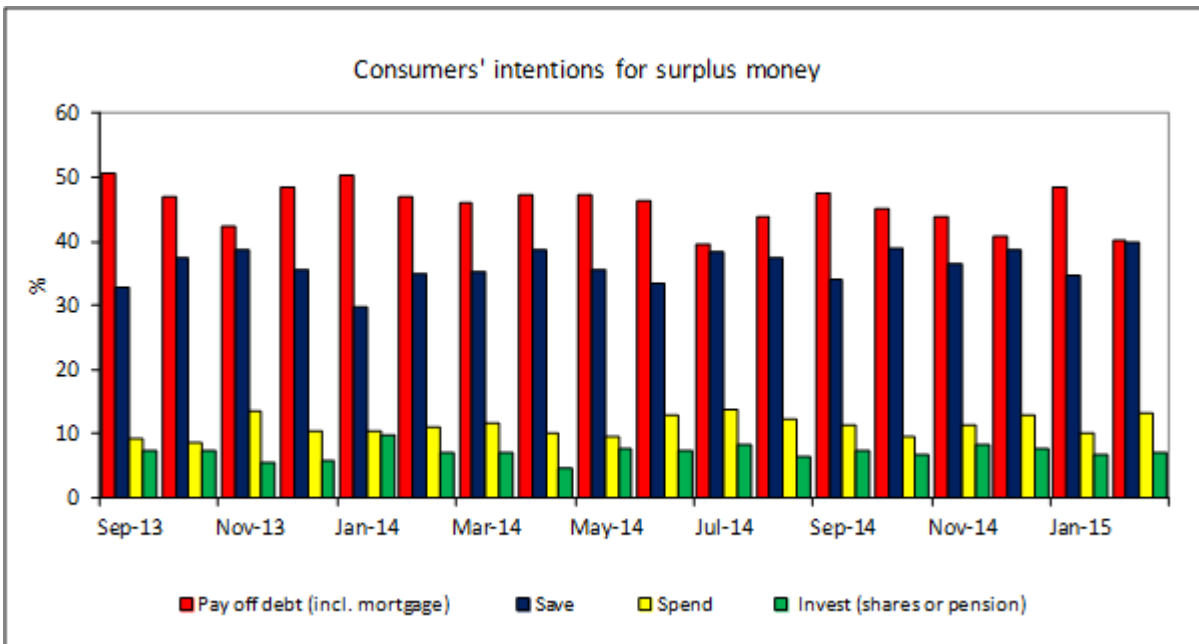
The Savings Environment Index (Graph 3)

- The Savings Environment sub-index asks whether or not respondents believe that the current period is a good time to save and whether they think government policy encourages people to save.
- This sub-index increased to 105 in March from 89 in February. The three-month moving average continued to rise from 93 in February to 98 in March.
- The share of respondents who believe now is a good time to save remains at 33 per cent in March, the highest level since May 2014. There was also an increase in the proportion of respondents who believe now is a bad time to save from 33 per cent to 35 per cent this month. The proportion viewing government policy as encouraging of saving increased substantially to 9.2 per cent in March from 5.4 per cent in February.



Consumer’s intentions for any surplus money (chart 4)

- Consumers are also asked about their preference as to how they might allocate any money over and above their everyday needs. The share of respondents who report that they would use the surplus to pay off debts, including their mortgage, remained steady at 40 per cent. A further 10 per cent said they would spend it, down from 13 per cent last month while 9 per cent said they would invest it. The proportion of respondents who would choose to save the money remains at 40 per cent.



Note: Prior to January 2011 the Nationwide (UK) Ireland Savings Index was constructed using quarter 1, 2010 as its base period. From January 2011, The Index has been rebased using the year 2010 as the base period. The method for calculating the savings attitudes sub-index was altered slightly so as to reflect a constant share of respondents who reported saving about what they should in the positive and negative categories so as to reduce short-term volatility.

Natalie Tennyson / Account Manager
PSG Plus

Corporate Communications & Reputation Management

Cranford House, Montrose,
Donnybrook, Dublin 4.
E: natalie.tennyson@psgplus.ie
M: +353 831271277
T: +353 1 6342558
@: PSG_Plus / @n_tenn