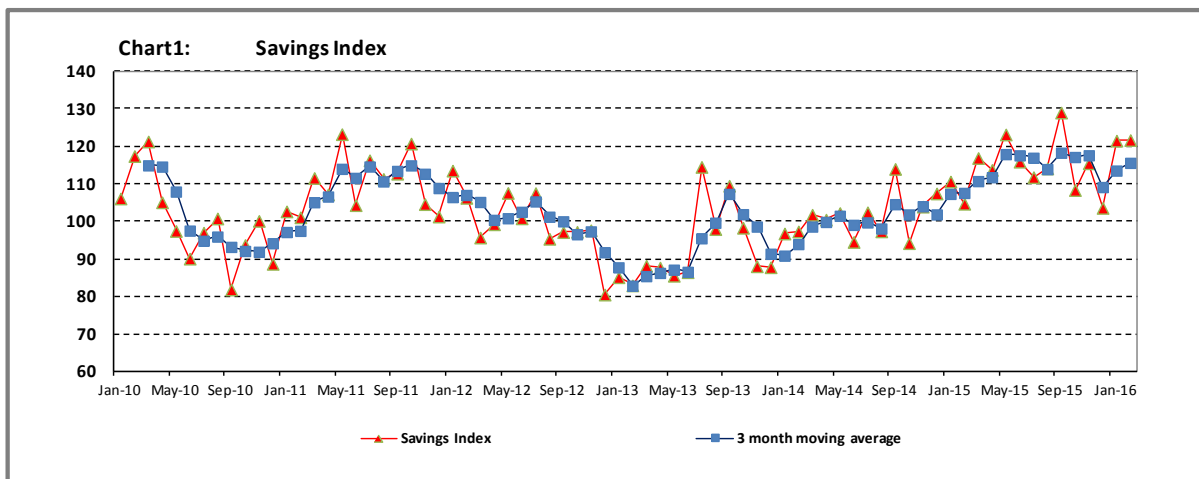


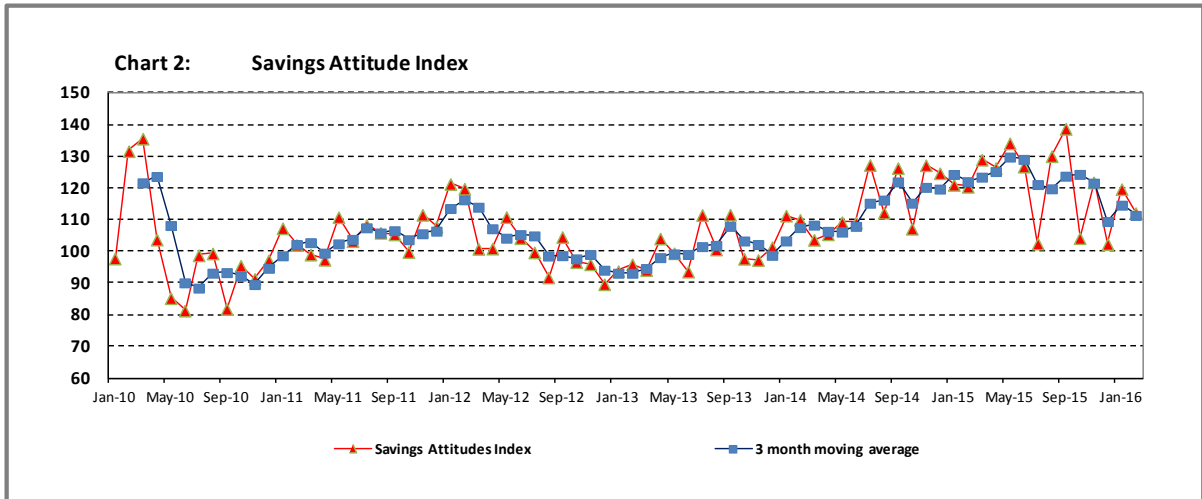
## The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index remained unchanged from last month at 122 index points. The three-month moving average, which smoothes out much of the monthly volatility increased by 2 points to 116 in February.
- The Savings Environment sub-index increased again this month to 131 from 123 in January. This reflects a large increase in consumers thinking that government policy is accommodative of saving.
- The Savings Attitude sub-index decreased by 8 index points down to 112 this month. This was driven by a decrease of 11.6 index points in the sub index asking how consumers feel about the amount they are able to save and a decrease of 3.5 index points in the question that asks consumers if they are able to save.



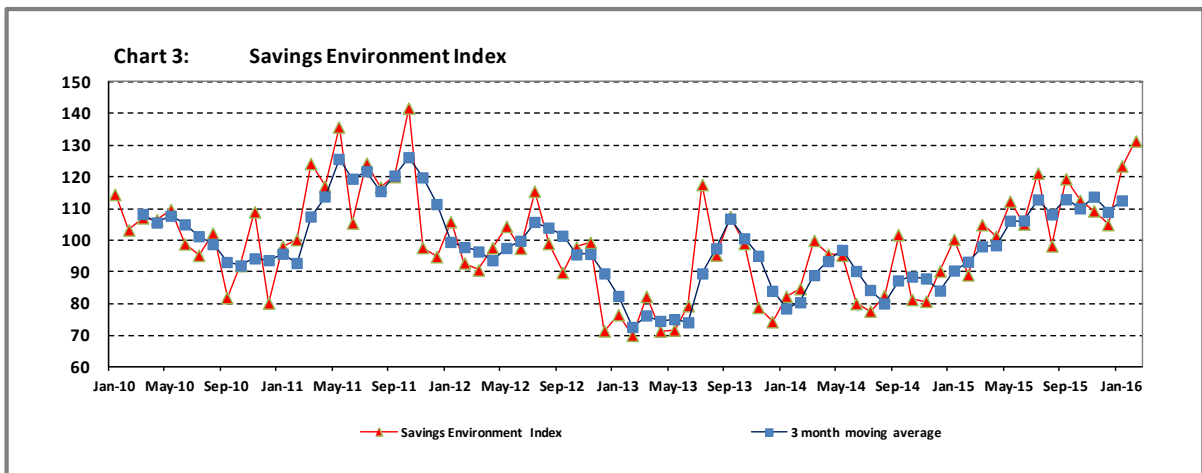
## The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- The sub-index decreased this month to 112 index points from 120 in January. There has been significant volatility from the index in the last 6 months attributed to large changes in the amount people feel they can save.
- The results reported in this sub-index this month primarily reflects both an increase in the proportion of those aged over 50 who are not able to save and also the amount they are able to save and also more concern in the less than 50 age category about the amount they are able to save. The indices fell by 11.6 and 40.6 index points respectively.



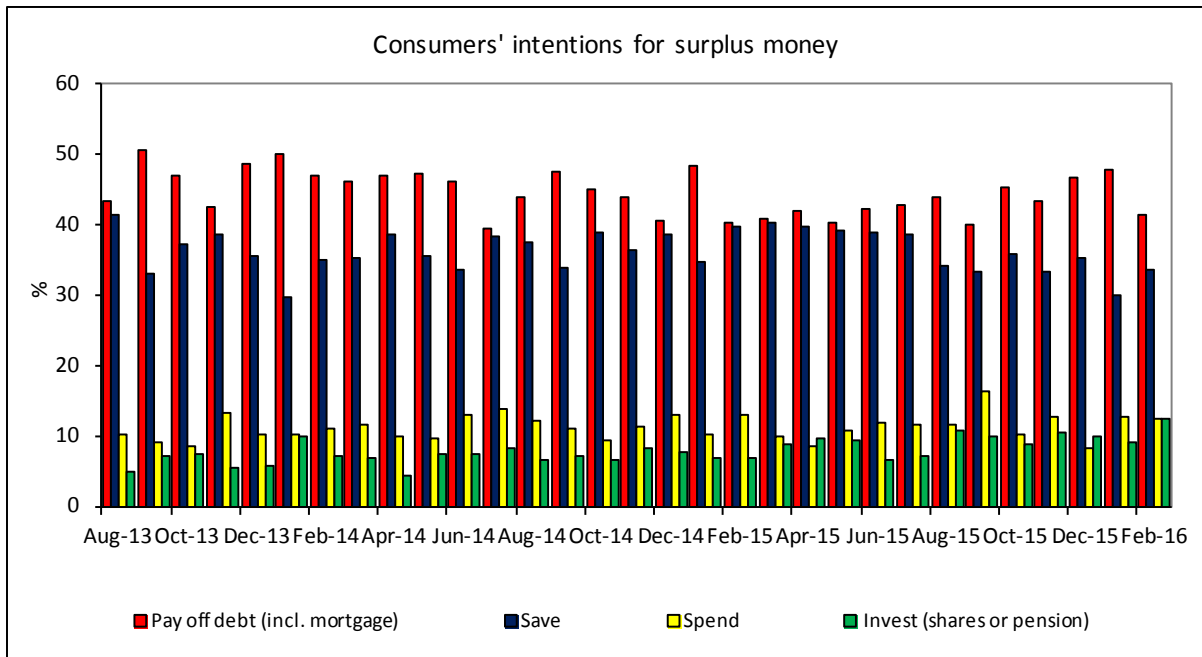
### The Savings Environment Index (Graph 3)

- 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 was the only index to experience an increase this month. It rose to 131 index points from 123 in January. The three-month moving average also increased from 113 to 120.
- The increase in the index this month is primarily being driven by changes in younger people's perception of current government policy encouraging saving, while the results for the over 50's seem to be relatively unchanged compared to last month.
- The sub-index which asks people is it a good time to save declined slightly this month but this was more than offset by the large increase in the sub index relating to government policy encouraging saving. The decline this month seems to be driven by the over 50's age group with 44.9 per cent of them feeling negative in their view of it being a good time to save given the current economic situation.



### 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 decreased this month to 41.4 per cent from 47.9 per cent last month. A further 12.4 per cent of respondents indicated they would spend the surplus money, down marginally from 12.9 per cent in January, while 12.5 per cent said they would invest it. The proportion of respondents who would choose to save the money increased this month to 33.7 per cent from 30.1 per cent in January.



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.