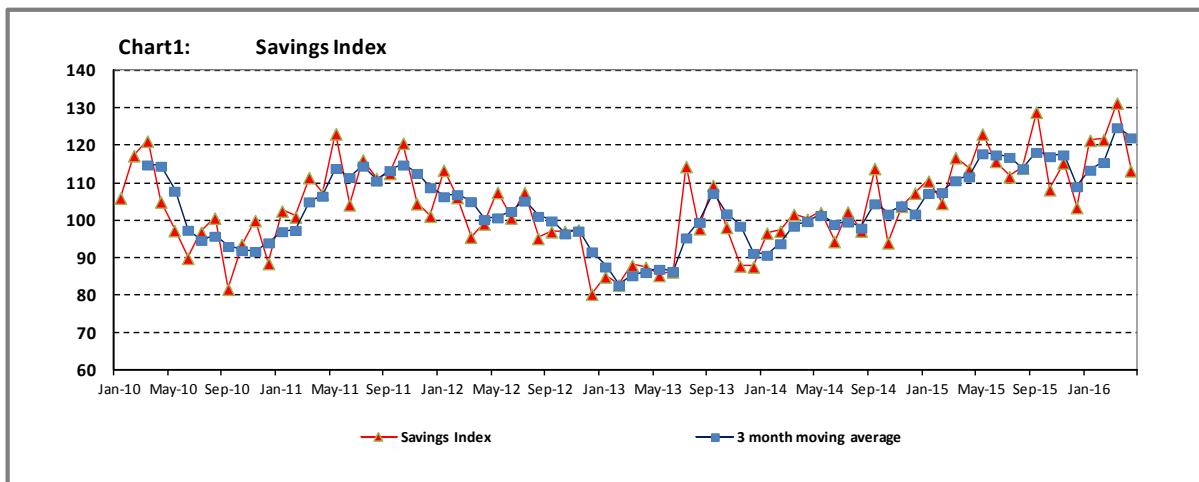


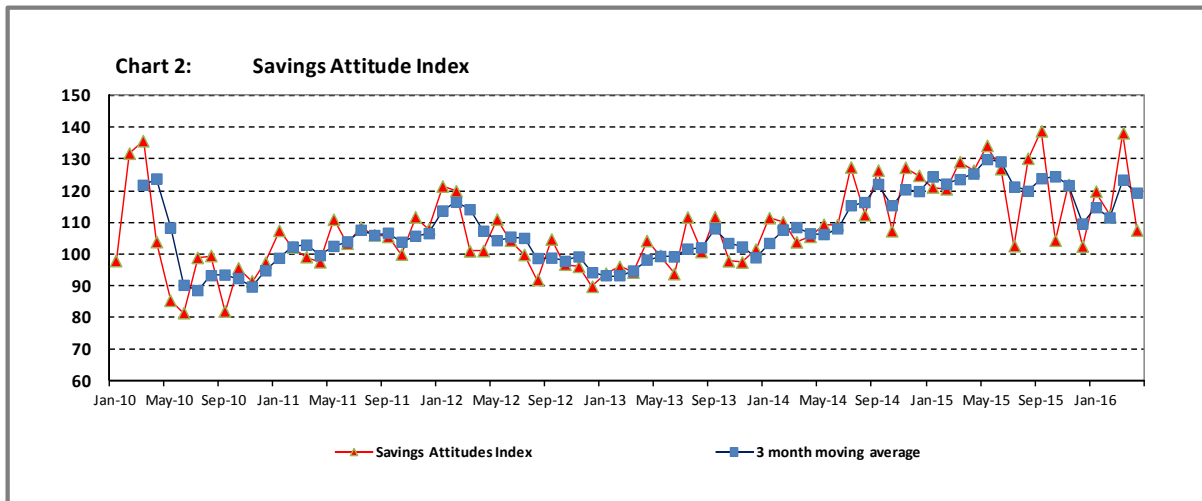
## The Nationwide UK (Ireland) Savings Index (Chart 1)

- The Savings Index decreased in April to 113 from 131 in March reversing some of the increase observed in recent months. The three-month moving average, which smoothes out much of the monthly volatility also decreased in March to 122.
- The Savings Environment sub-index fell this month by 6 index points to 119 in April. This reflects a decline in consumers thinking it is a good time to save as well as a decline in consumers thinking that government policy is accommodative of saving.
- The Savings Attitude sub-index; historically the most volatile of the indices fell to 107 in April from 138 in March. This was driven by a large decrease in the sub index asking how consumers feel about the amount they save while the index that asks consumers if they save experienced a marginal increase of 0.4 index points in April.



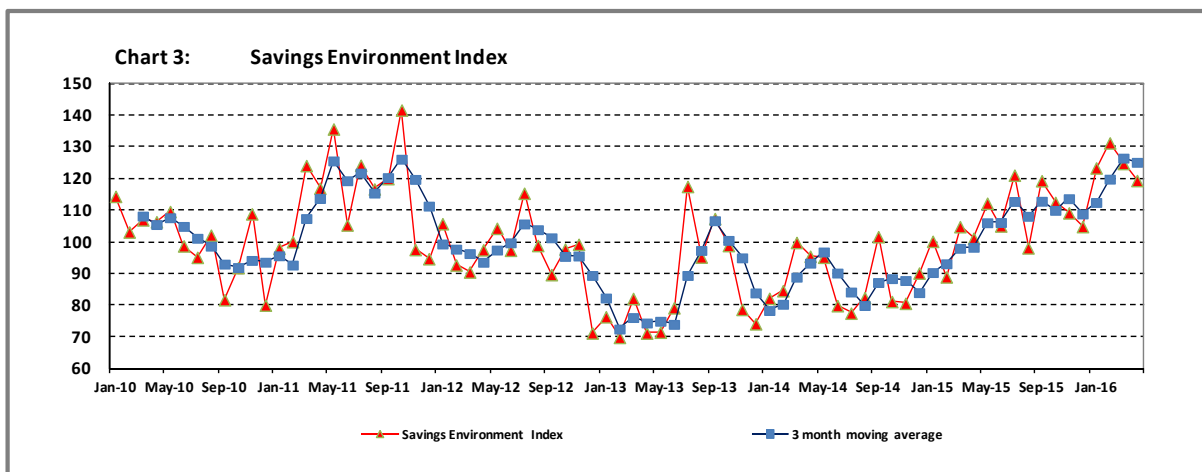
## The Savings Attitude Index (Chart 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- This sub-index experienced the largest decline of the sub indices this month. The results reported in the sub-index this month primarily reflects a decrease in the proportion of those aged under 50 who feel positive in the amount they are able to save.
- In relation to the amount people feel they are able to save, there was a decrease in the proportion of those over 50 who felt positive about the amount they save and a larger decrease in the proportion in those under 50 who felt positive about the amount they saved.
- There was an increase in the proportion of positive responses in relation to the question asking do you save regularly, increasing to 43.5 per cent from 42.3 per cent last month. This resulted in this component remaining relatively unchanged in April.



### The Savings Environment Index (Chart 3)

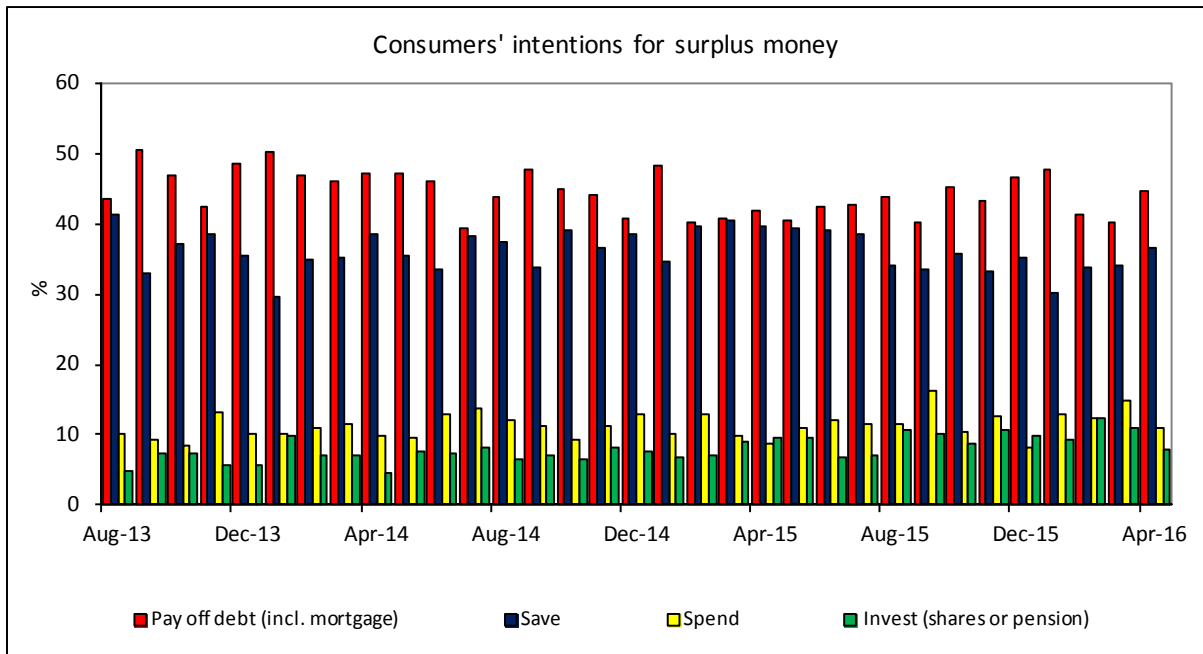
- The Savings Environment sub-index asks whether or not respondents believe that the current period is a good time to save and whether they think government policy encourages people to save.
- The index fell to 119 index points in April from 125 in March. The three-month moving average also decreased in April, albeit marginally to 125 from 127 in March.
- The decrease in the index this month is being driven by a more negative view of the current saving environment and of government policy encouraging saving.
- The sub-index which asks people if it is a good time to save decreased this month by 5.1 index points. There was also an accompanying decrease 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 38.4 per cent 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 increased this month to 44.6 per cent from 40.1 per cent last month. A further 10.9 per cent of respondents indicated they would spend the surplus money, down from 15.0 per cent in March, while 8.0 per cent said

they would invest it. The proportion of respondents who would choose to save the money increased this month to 36.5 per cent from 34.1 per cent in March.



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.