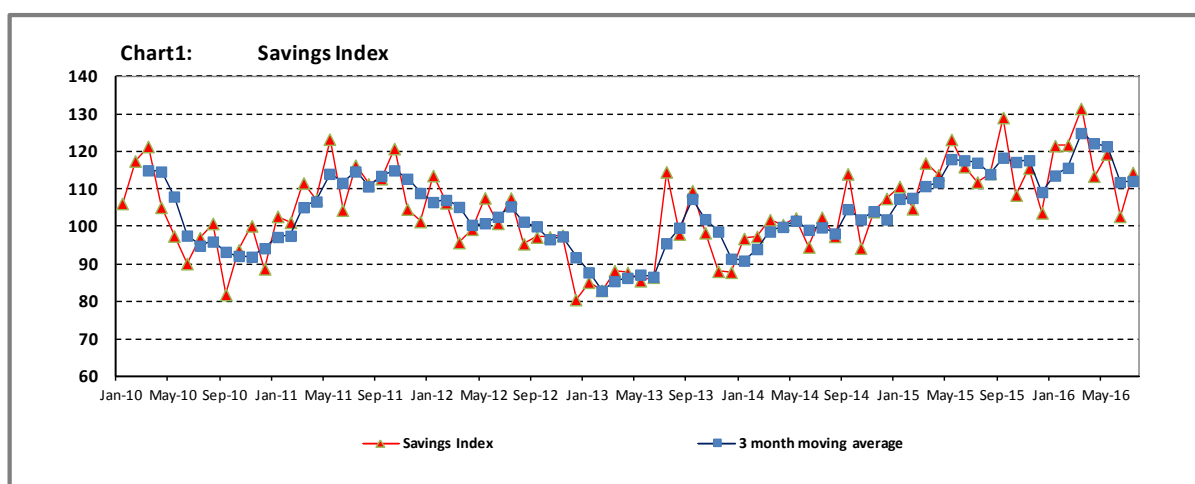


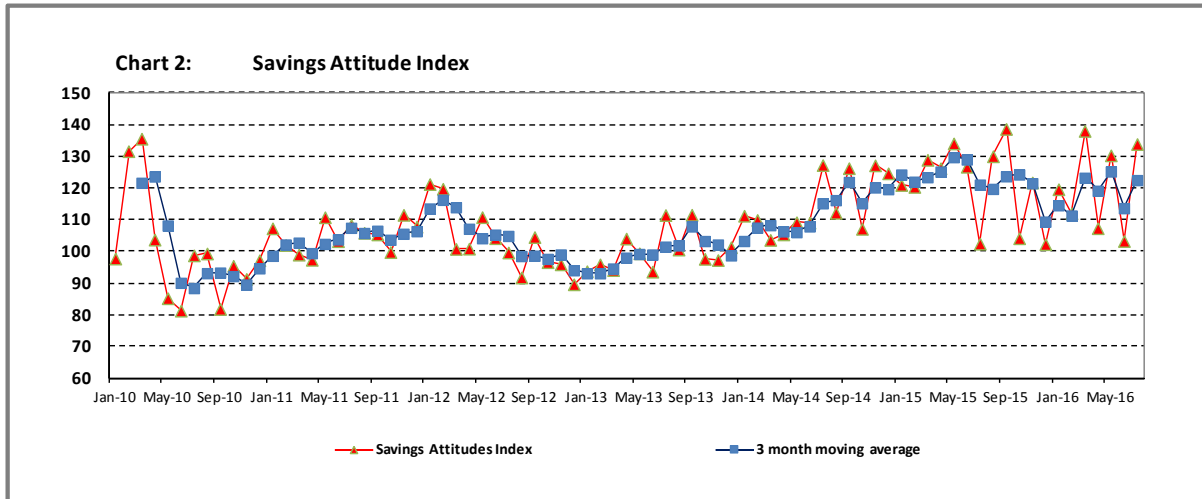
The Nationwide UK (Ireland) Savings Index (Chart 1)

- The Savings Index increased in July to 114 from 103 in June. The three-month moving average, which smoothes out much of the monthly volatility remained constant at 112 in July.
- The Savings Environment sub-index fell this month by 7 index points to 95 in July. A downward trend has emerged in this sub-index in recent months and reflects a decline in consumers thinking that 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 increased to 134 in July from 103 in June. This was driven by a more positive perception by consumers about the amount they save while the proportion of consumers who saved also experienced an increase in July.



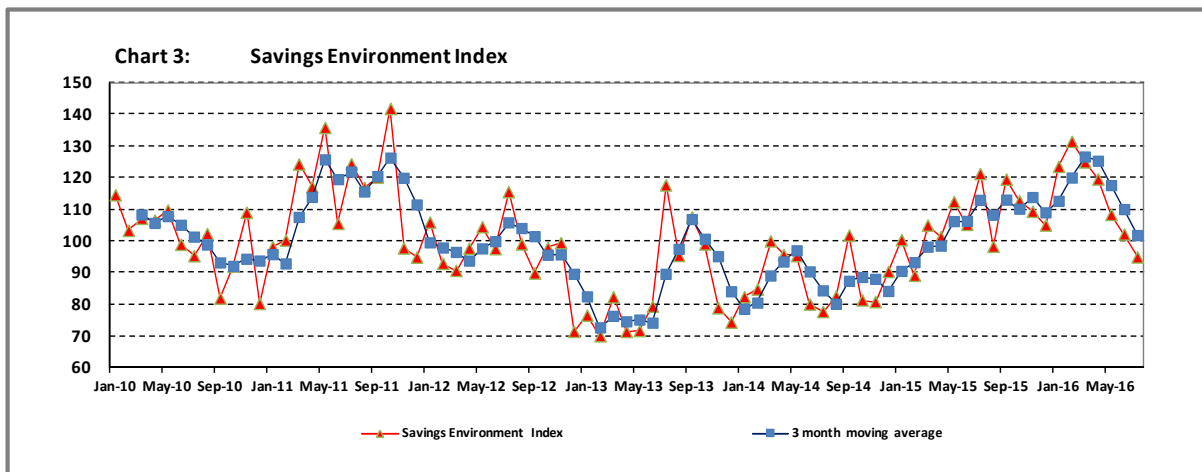
The Savings Attitude Index (Chart 2)

- 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 increase of the sub indices this month. The results reported in the sub-index reflects improving sentiment in both age groups.
- In relation to the amount people feel they are able to save, there were increases in the proportion of those both under 50 and over 50 who felt positive about the amount they save which contributed to the overall increase in this sub index.
- There was an increase in the proportion of positive responses in relation to the question asking do you save regularly, rising to 44.2 per cent from 39.1 per cent last month. This resulted in an increase in this subcomponent in June.



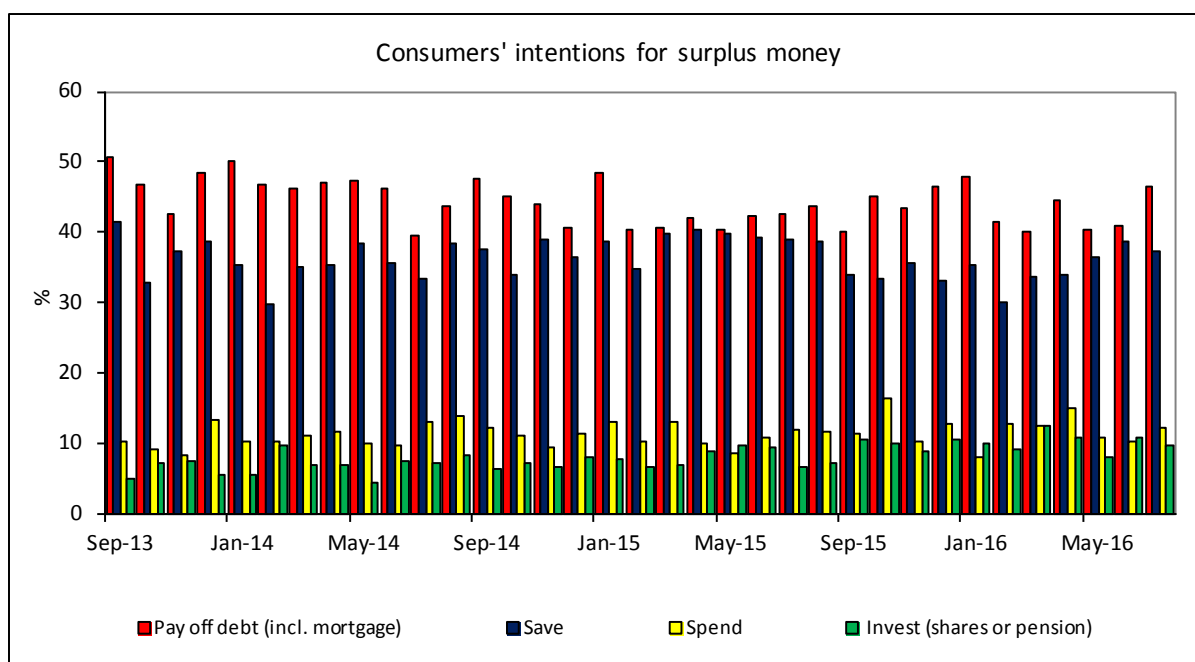
The Savings Environment Index (Chart 3)

- 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 decreased in July to 95 index points from 102 in June. A downward trend has emerged as of late and the result this month is due to a worsening perception of current government policy encouraging saving.
- The sub-index which asks people if it is a good time to save increased this month by 4.6 index points. The decline this month seems to be driven by both the over 50's and under 50's with 59.0 and 47.5 per cent respectively feeling negative in their view of current government policy encouraging saving.



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 46.6 per cent from 40.9 per cent last month. A further 10.6 per cent of respondents indicated they would spend the surplus money, down from 12.1 per cent in June, while 9.3 per cent said they would invest it. The proportion of respondents who would choose to save the money decreased this month to 33.5 per cent from 37.2 per cent in June.



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.