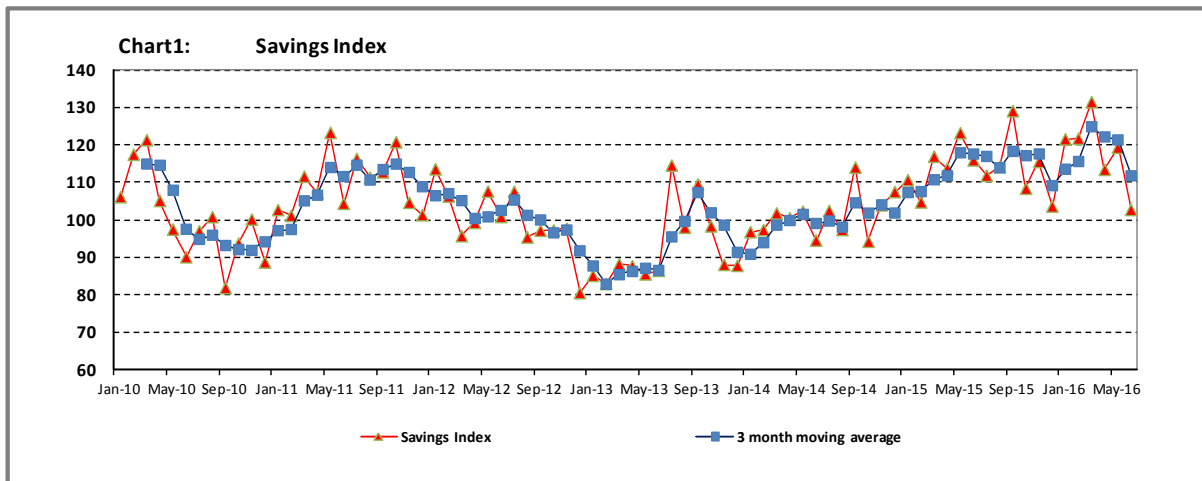


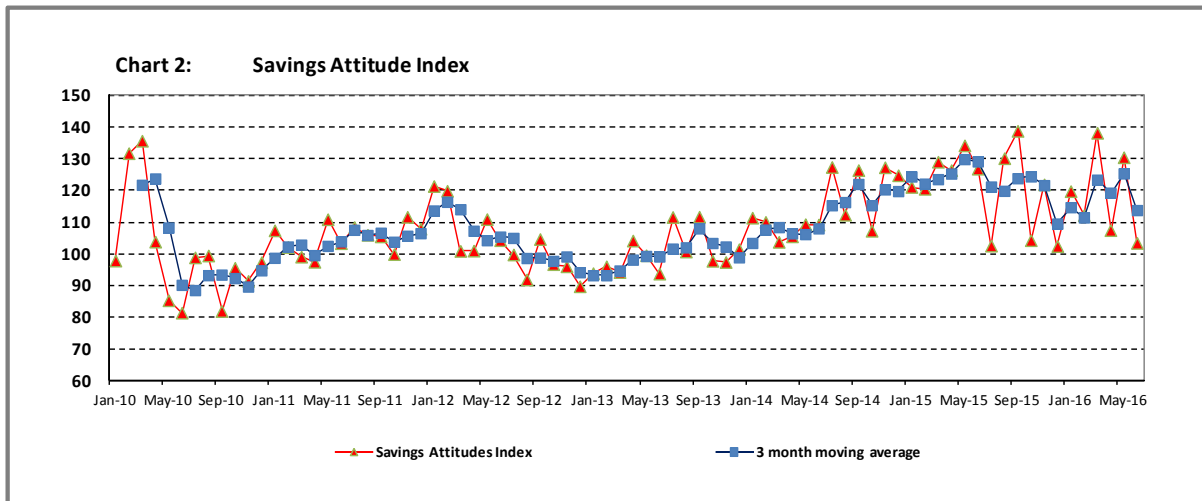
The Nationwide UK (Ireland) Savings Index (Chart 1)

- The Savings Index decreased in June to 103 from 119 in May. The three-month moving average, which smoothes out much of the monthly volatility fell by 9 index points in June.
- The Savings Environment sub-index fell this month by 6 index points to 102 in June. 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 increased to 103 in June from 130 in May. This was driven by a more negative perception by consumers about the amount they save while proportion of consumers who saved also experienced a decline in June.



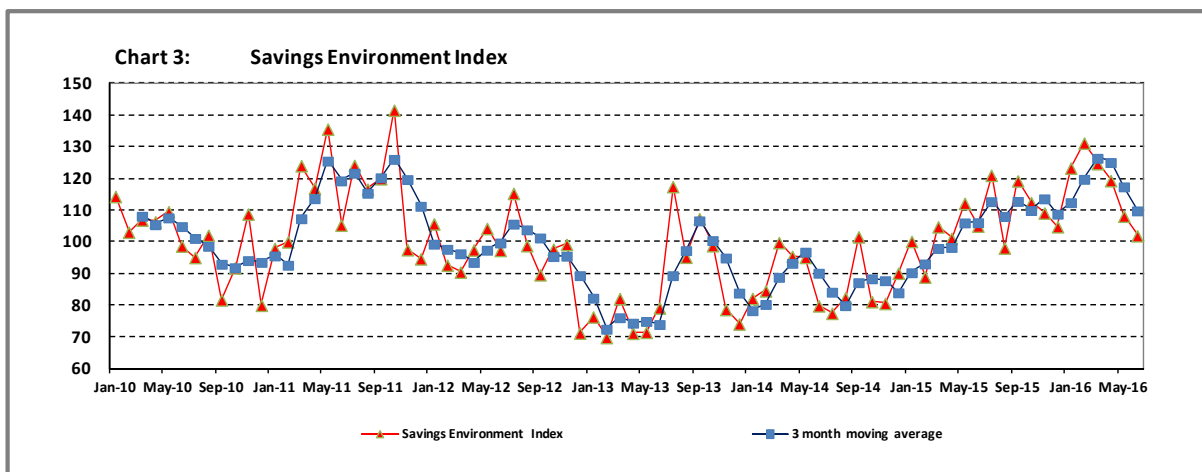
The Savings Attitude Index (Chart 2)

- 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 decrease of the sub indices this month. The results reported in the sub-index this month reflects dis-improving sentiment in both age groups.
- In relation to the amount people feel they are able to save, there were decreases in the proportion of those both under 50 and over 50 who felt positive about the amount they save which contributed to the overall decline in this sub index.
- There was a marginal decrease in the proportion of positive responses in relation to the question asking do you save regularly, falling to 39.1 per cent from 43.3 per cent last month. This resulted in a moderate decrease in this subcomponent in June.



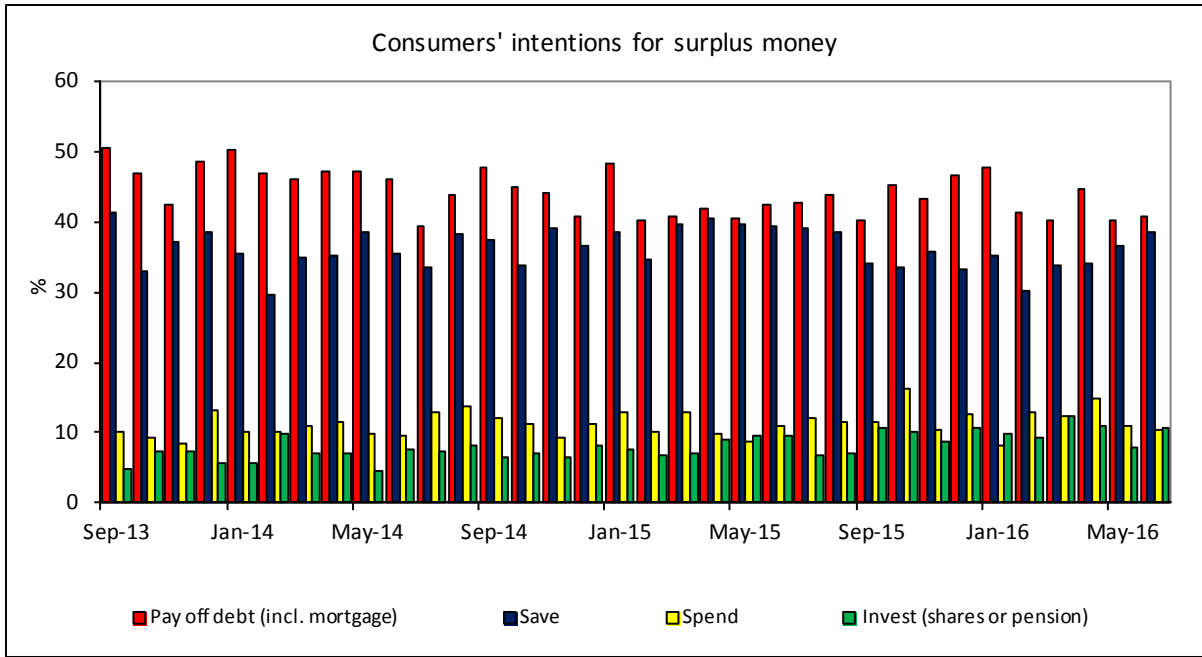
The Savings Environment Index (Chart 3)

- 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 marginally in June to 102 index points from 108 in May. The short term trend appears to have reversed in the last few months indicating 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 3.6 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 with 53.4 per cent 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 marginally this month to 40.9 per cent from 40.3 per cent last month. A further 12.1 per cent of respondents indicated they would spend the surplus money, up from 10.3 per cent in May, while 9.8 per cent said they would invest it. The proportion of respondents who would choose to save the money decreased this month to 37.2 per cent from 38.7 per cent in May.



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.