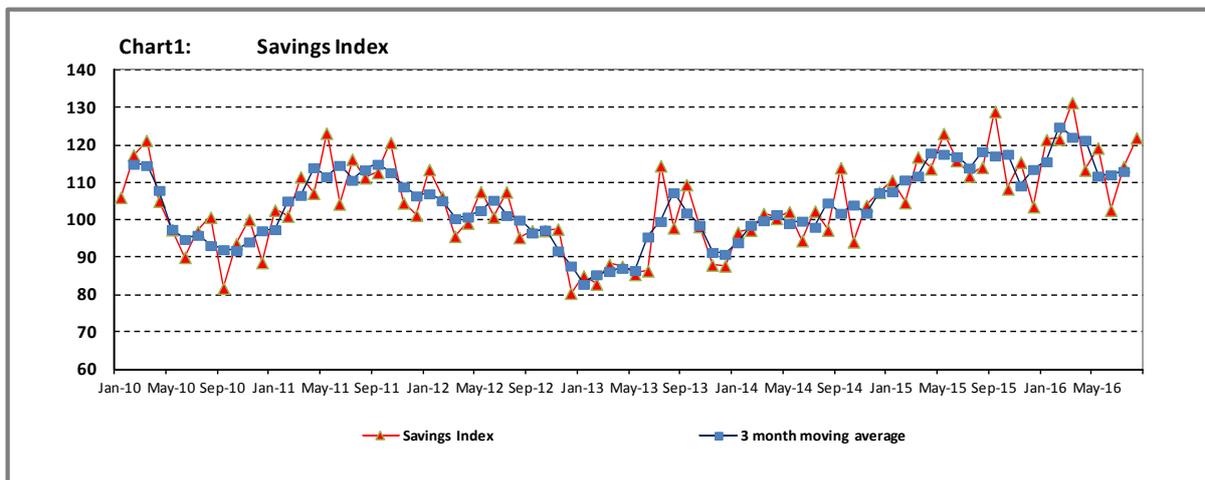


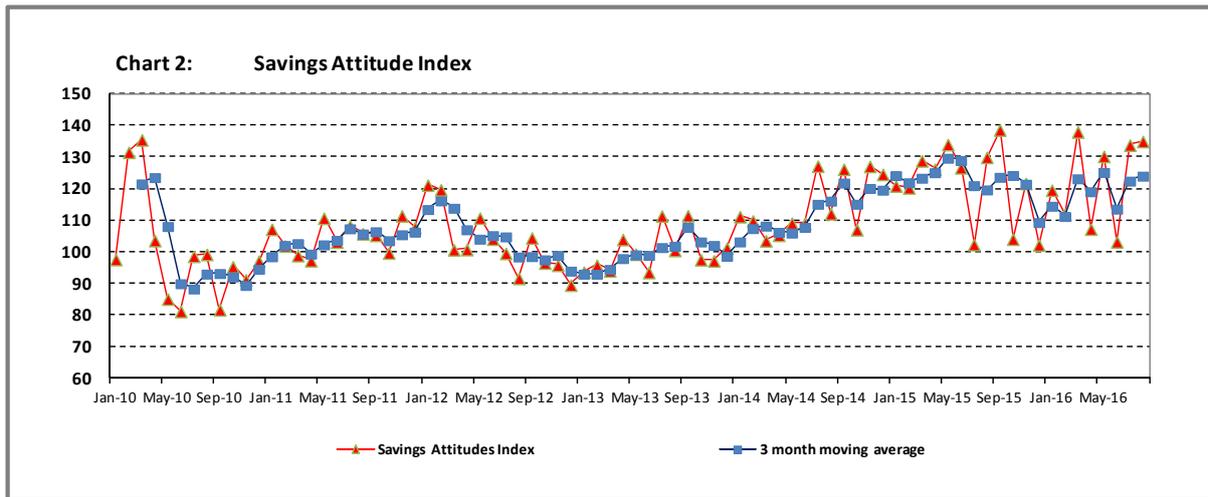
The Nationwide UK (Ireland) Savings Index (Chart 1)

- The Savings Index increased in August to 122 from 114 in July. The three-month moving average, which smoothes out much of the monthly volatility increased marginally to 113 in August, up from 112 in July.
- The Savings Environment sub-index increased this month by 14 index points to 109 in August. This marks a reversal of the downward trend that has emerged in recent months and reflects improving sentiment towards government policy as well as consumers perceiving it to be a good time to save.
- The Savings Attitude sub-index remained relatively unchanged this month with an increase of 1 index point up to 135. This was driven by a more positive perception by consumers about the amount they save.



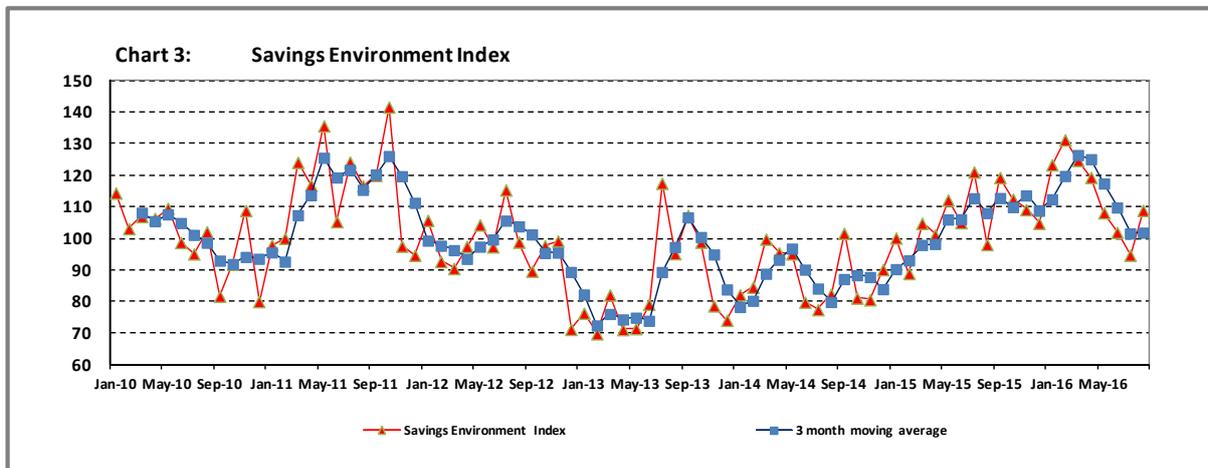
The Savings Attitude Index (Chart 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- This sub-index remained broadly unchanged this month, increasing by 1 index point.
- In relation to the amount people feel they are able to save, there were increases in the proportion of those under 50 who felt positive about the amount they save while for those over 50, there was a marginal decrease in the proportion of respondents who felt positive about the amount they were able to save.
- There was a decrease in the proportion of positive responses in relation to the question asking do you save regularly, falling to 41.6 per cent from 44.2 per cent last month. This resulted in a decrease in this subcomponent in August.



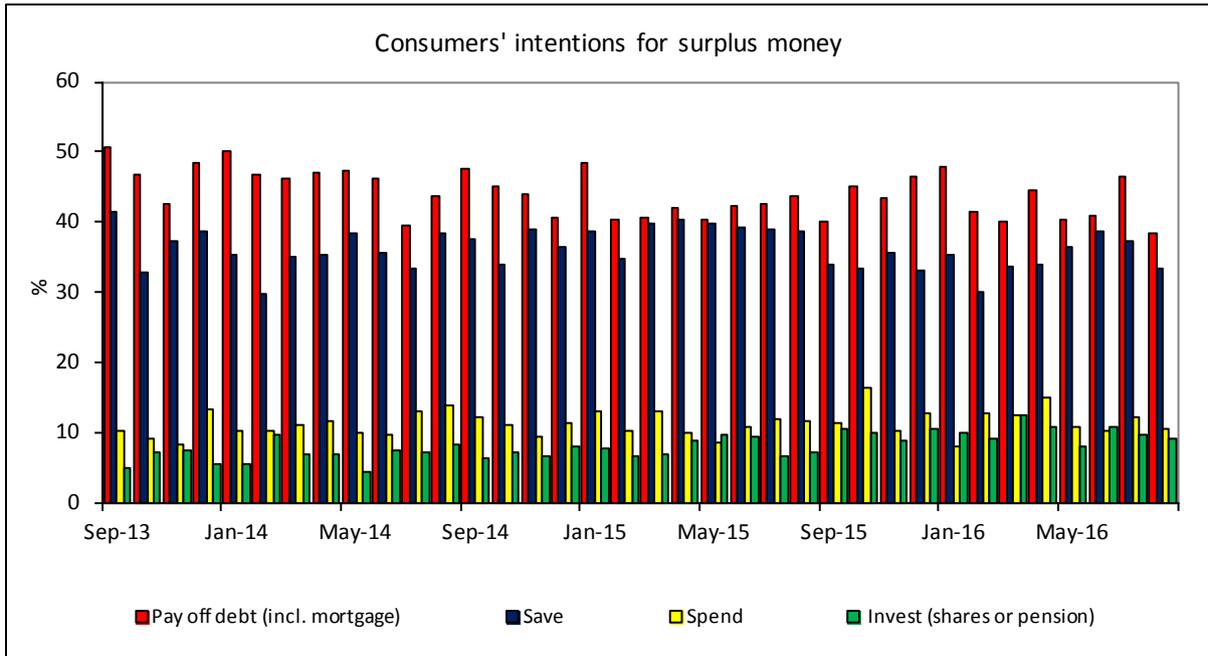
The Savings Environment Index (Chart 3)

- 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 increased in August to 109 index points from 95 in July following a poor performance since April. The downward trend appears to have stopped this month as an improving perception of current government policy towards saving drives much of the increase this month.
- The sub-index which asks people if it is a good time to save increased this month by 5.3 index points. The increase this month seems to be driven mainly by the under 50's with an increase to 10.2 per cent in the proportion feeling positive about current government policy encouraging saving and a fall in the proportion of negative responses to 46.3 per cent



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 38.5 per cent from 46.6 per cent last month. A further 12.4 per cent of respondents indicated they would spend the surplus money, up from 10.6 per cent in July, while 11.9 per cent said they would invest it. The proportion of respondents who would choose to save the money increased this month to 37.2 per cent from 33.5 per cent in July.



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.