

Consumers more confident in ability to save

Improvement in attitude to government policy and increasing satisfaction with amount being saved pushes Savings Index upwards

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving, increased to 114 in September, up 17 points on last month.

The overall increase is primarily driven by a 20 point increase in the Savings Environment sub-index, one of two sub-indices that make-up the Savings Index. This asks if people believe now is a good time to save and whether they think government policy encourages them to save.

This sub-index stands at 102 with the proportion of respondents who believe now is a good time to save remaining constant versus last month at 30%. However, there has also been a decrease in the proportion of respondents who believe now is a bad time to save, down to 36% in September from 40% in August. In addition, the proportion of people who think that government policy encourages saving increased to 10% in September from 6% in August, while negativity towards government policy on saving decreased by 6 percentage points to 57%.

Meanwhile, the Savings Attitude sub-index, which asks respondents about their saving behaviour and how they feel about the amount they save, increased to 126 in September from 112 in August. The three-month moving average also increased, by 6 percentage points in September to 122.

The proportion of people saving regularly increased to 37% in September, from 36% last month. This increase is driven by those aged under 50 with 41% of this age group now saving regularly compared to 38% last month. The proportion of people who are satisfied with the amount they are saving increased to 19% compared to 16% last month.

More people are also optimistic about saving in the future. When asked about their ability to save in 6 months' time, 19% of people said they expect to be able to save more than at present. This compares to 11% last month and 14% a year ago. Those aged under 50 are most optimistic with 26% of this age group expressing a positive opinion.

When asked about their preference as to how they might allocate any money over and above their everyday needs, 48% would pay off debts, including their mortgage, compared to 51% a year ago; 11% said they would spend, compared to 9% a year ago; 7% per cent said they would invest, the same as a year ago. The proportion of respondents who would choose to save the money stands at 34% in September, compared to 33% a year ago.

Commenting on the Index, Brendan Synnott Managing Director of Nationwide UK (Ireland), said: *"This month's results are a continuation of the positive trend that has been in place since the start of 2014. The pattern of a return to regular saving continues, particularly amongst the under 50s and people are now saying that the environment for saving is also more positive."*

"Each year the Budget has a significant impact on consumer attitudes and with a neutral budget to be delivered this year following a prolonged period of cutbacks, we would expect overall consumer confidence to continue to improve."

ENDS

Savings Index data

Month	Savings Index	Savings Attitudes index	Savings Environment Index
Sep-13	110	112	107
Oct-13	98	98	99
Nov-13	88	97	79
Dec-13	88	101	74
Jan-14	97	111	82
Feb-14	97	110	85
Mar-14	102	104	100
Apr-14	101	105	96
May-14	102	109	95
Jun-14	95	109	80
Jul-14	102	127	78
Aug-14	97	112	82
Sep-14	114	126	102

About the Savings Index

The Savings Index is constructed from monthly research on the attitudes of Irish consumers towards saving.

The Index measures peoples' responses to questions on their attitudes and behaviour towards saving (Savings Attitude Index) and conditions in the wider environment (Savings Environment Index).

The Nationwide UK (Ireland) Savings Index is produced monthly from a minimum sample of 800 consumers over 15 years of age. The ESRI carries out the Savings Index research to ensure the indices represent a national sample.

Note: Prior to January 2011 the Nationwide (UK) Ireland Savings Index was constructed using quarter one, 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 has been altered to reduce short-term volatility as the impact of small changes in the number of responses was being overstated when the number of respondents in a category was low.

For media queries or interview opportunities, please contact:

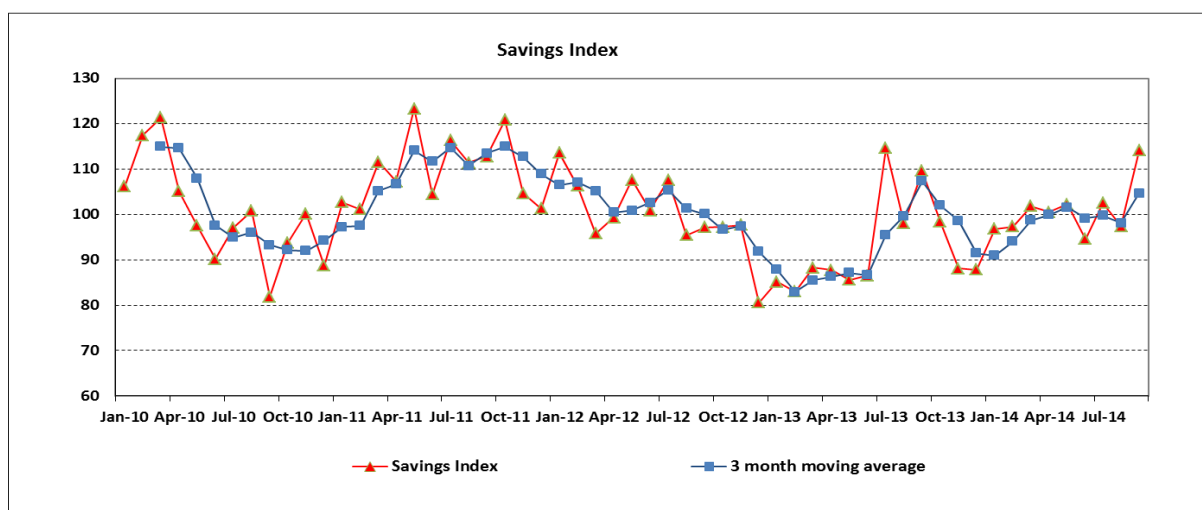
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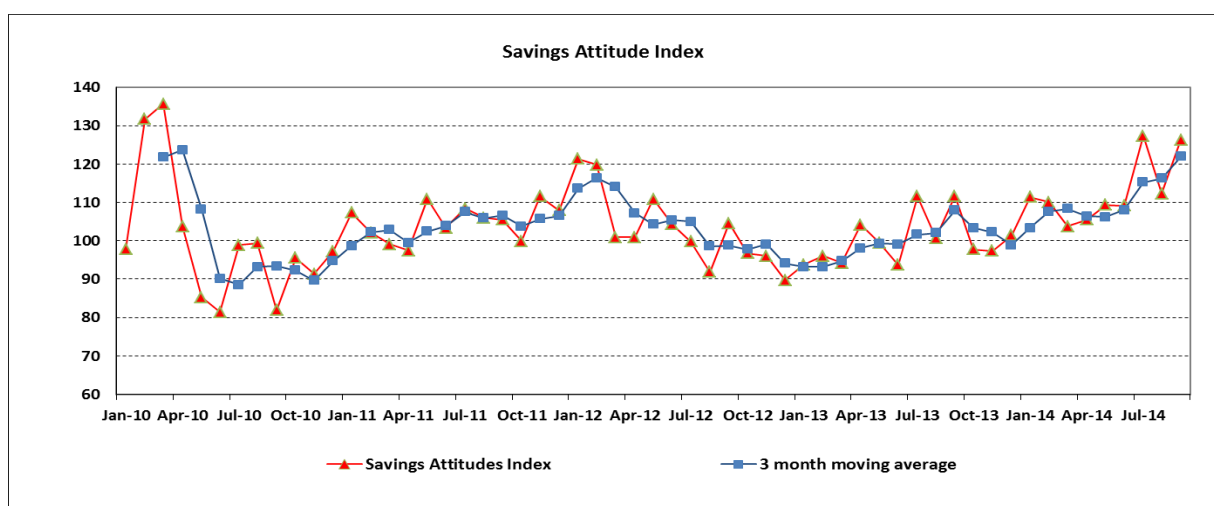
The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index increased in September to 114, from 97 in August. The three-month moving average increased to 105 in September from 98 in August.
- The Savings Environment sub-index increased to 102 in September from 82 in August. The three-month moving average increased to 87 in September from 80 in August.
- The Savings Attitude sub-index increased to 126 in September from 112 in August. The three-month moving average increased to 122 in September from 116 in August.



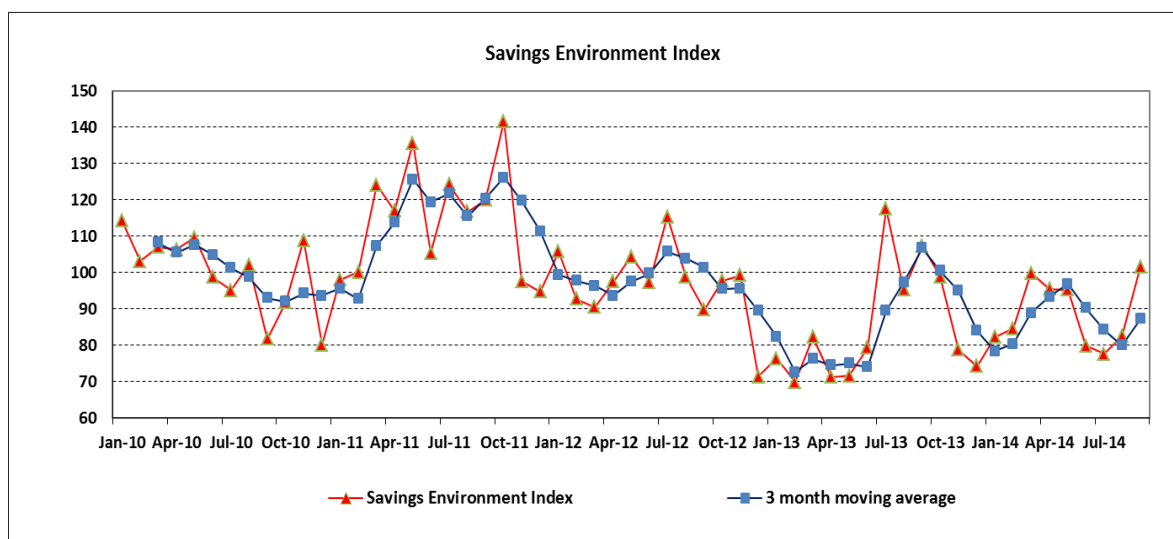
The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- In September, the sub-index increased to 126 from 112 in August. The three-month moving average increased from 116 in August to 122 in September.
- The proportion of people saving regularly increased to 37% in September, from 36% last month. This increase is driven by those aged under 50 with 41% of this age group now saving regularly compared to 38% last month.
- The proportion of people who are satisfied with the amount they are saving increased to 19% compared to 16% last month.
- Optimism about ability to save in the future is also improving with 19% of people saving they expect to be able to save more in 6 months' time. This compares to 11% last month and 14% a year ago. Those aged under 50 are most optimistic with 26% of this age group expressing a positive opinion.



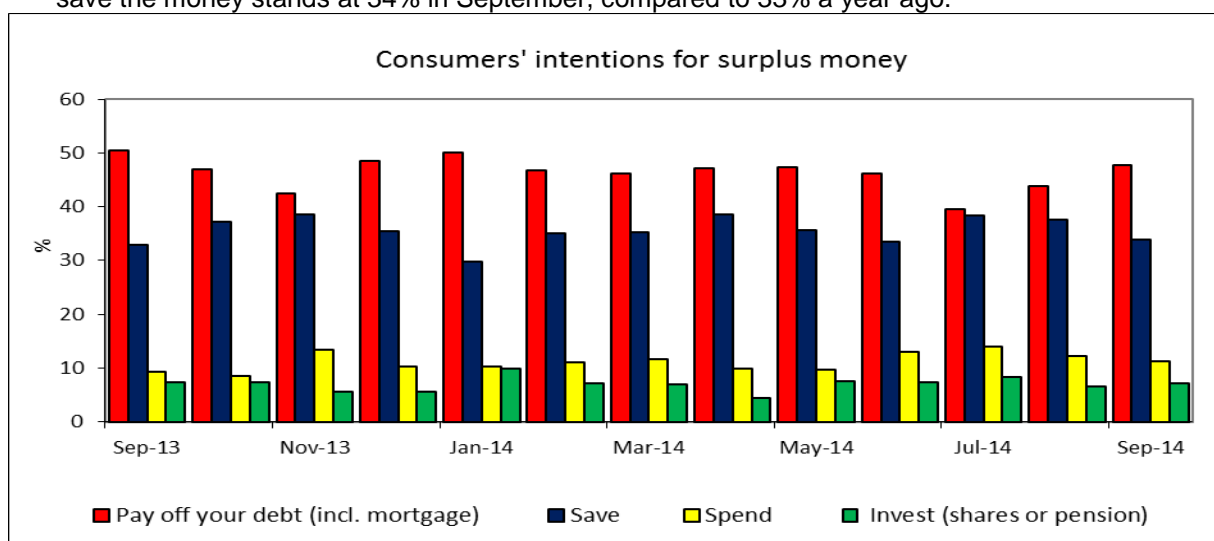
The Savings Environment Index (Graph 3)

- 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 index increased to 102 from 82 in August.
- The proportion of respondents who believe now is a good time remained constant versus last month at 30%, while at the same time there has been a decrease in the proportion of respondents who believe now is a bad time to save to 36% in September from 40% in August.
- The proportion of people who think that government policy encourages saving, increased to 10% in September from 6% in August.



Consumer's intentions for any surplus money (chart 4)

- When asked about their preference as to how they might allocate any money over and above their everyday needs, 48% would pay off debts, including their mortgage, compared to 51% a year ago; 11% said they would spend, compared to 9% a year ago; 7% per cent said they would invest, the same as a year ago. The proportion of respondents who would choose to save the money stands at 34% in September, compared to 33% a year ago.



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.