

Nationwide SAVINGS INDEX



Comprehensive monthly insight into the behaviours of individual savers across the UK

www.nationwide.co.uk/savingsindex

12 April 2010

No embargo

REGULAR SAVERS ROAR TO LIFE DURING ISA SEASON

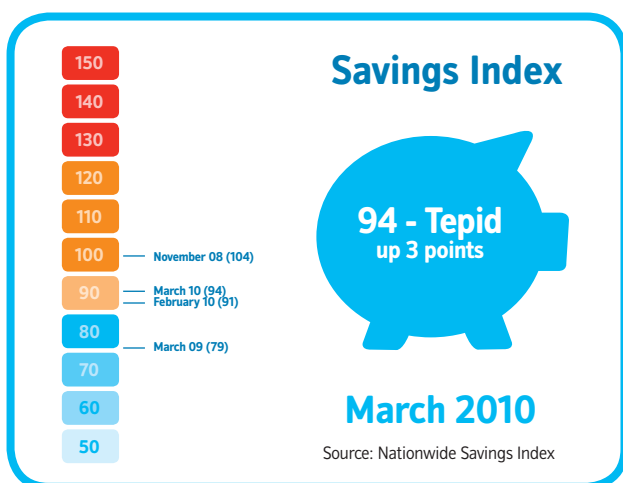
- 'ISA season' coincided with an uplift in consumer sentiment on savings.
- Two thirds of total annual ISA business is expected during the ISA season alone.
- Consumers urged by Nationwide to save regularly throughout the year.
- An improvement in the perception of Government policy.

	Mar 2010	Feb 2010
SAVINGS INDEX	94 (+3)	91
Importance of Savings Index	92 (-5)	97
Savings Environment Index	80 (same)	80
Future Savings Index	125 (-2)	127

March saw a three-point uplift in the Nationwide Savings Index, following on from the previous month's six-point rise. A three percentage point increase in the frequency of regular saving (51% from 48%) played a part in this latest increase and the timing may not be a surprise given that March is in the midst of the busy 'ISA season'.

The months between February and May are sometimes known as the 'ISA season' because this is the time of the year when many savers

rush to use their annual ISA allowance either side of the tax year. And it is possible that March, the last full month before the end of the tax year, may have had a positive impact on consumer sentiment on savings. There has also been a slight improvement in the perception of Government policy encouraging people to save.



Andy Hutchinson, Nationwide's Head of Savings says:

"Last month I said that, as we approach the end of the tax year, we would expect to see more people open or top up their ISAs before they lose this year's annual ISA allowance forever. This certainly seems to be the case and we expect to see around two thirds of the total ISA business in the savings industry happen between February and May.

"Now that the new tax year has started, some savers' attention will be switched onto saving as early as possible in an ISA to maximise their tax benefit. With this in mind, it wouldn't be a surprise to me if the Savings Index rose again in April. There has already been a nine-point increase since January 2010."



Proud to be a building society

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Consumers urged by Nationwide to save regularly throughout the year

- Despite an improvement in the number of regular savers, 21% of consumers are still not saving anything at all.

Andy Hutchinson, said:

“Unfortunately, there are still a lot of people who are not saving. We believe that ISAs should be the first port of call for people’s savings and investments at any time of the year, not just around the time of the end of one tax year and the start of the next. We therefore encourage consumers to consider using their ISA allowance throughout the year, getting into a regular savings habit along the way.”

Andy Hutchinson, said:

“It seems that the continuing low interest rate environment might not be deterring people from putting their money away and good deals continue to be available, especially to those wishing to save over the long-term.”

An improvement in the perception of Government policy

- The number of people who believe the Government encourages people to save increased (19% from 18%), while those who believe the Government discourages them from saving decreased (42% from 43%).

Whilst the increase in the number of regular savers was a main driver in the improvement of the Savings Index, there was also another factor. The feeling towards government policy encouraging people to save improved slightly. With the annual ISA allowance of £10,200 being available to all since 6 April 2010, there may be scope for more improvement in next month’s Savings Index.

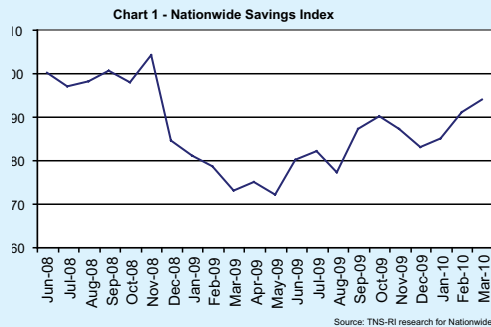
Savings indices - since the beginning

Index	Savings Index	Importance of Savings Index	Savings Environment Index	Future Savings Index
Jun-08	100	100	100	100
Jul-08	97	106	95	94
Aug-08	98	99	97	87
Sep-08	101	105	101	95
Oct-08	98	104	100	91
Nov-08	104	105	94	84
Dec-08	84	94	78	96
Jan-09	81	90	71	97
Feb-09	79	80	63	105
Mar-09	73	76	58	104
Apr-09	75	77	58	101
May-09	72	88	59	111
Jun-09	80	85	65	101
Jul-09	82	98	71	106
Aug-09	77	86	66	105
Sep-09	87	91	77	121
Oct-09	90	88	85	119
Nov-09	87	98	76	124
Dec-09	83	86	81	124
Jan-10	85	98	73	122
Feb-10	91	97	80	127
Mar-10	94	92	80	125

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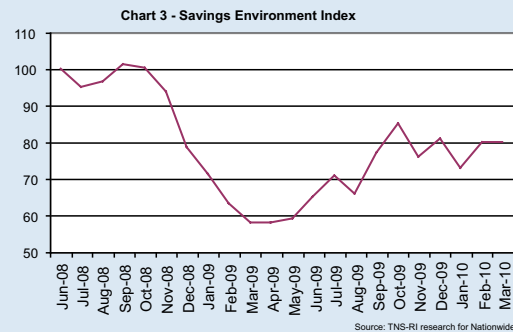


Chart 1. Nationwide Savings Index



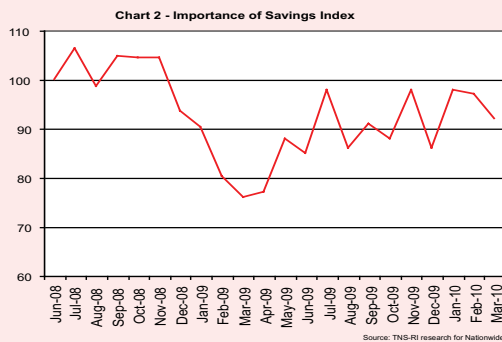
The Savings Index (principal index): made up of consumer opinion about the frequency of saving, current feelings about their current levels of saving, whether it's a good time to save given the external environment and thoughts on government policy.
Source: TNS-RI research for Nationwide

Chart 3. Savings Environment Index



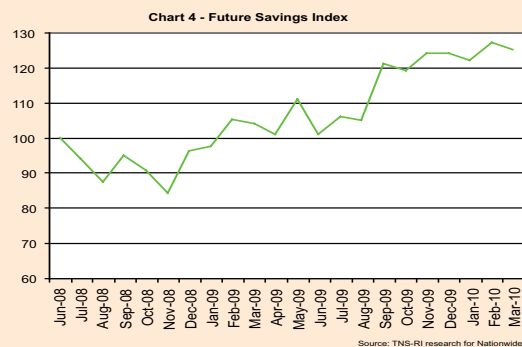
The Savings Environment Index (sub index): made up of consumer opinion about whether it's a good time to save given the economic environment and whether government policy encourages people to save.
Source: TNS-RI research for Nationwide

Chart 2. Importance of Saving Index



The Importance of Savings Index (sub index): made up of consumer opinion about the importance of saving both generally and personally.
Source: TNS-RI research for Nationwide

Chart 4. Future Savings Index



The Future Savings Index (sub index): made up of consumer opinion about whether they think they'll be saving more, less or about the same in six months' time, than they do now.
Source: TNS-RI research for Nationwide

Note to editors:

Nationwide's Savings Index is based on a monthly survey representative of the UK population. For March 2010, the TNS-RI research for Nationwide took place from 15 February 2010 to 21 March 2010 with 1,000 people.

* The Nationwide Savings Index began on 19 May 2008.