

Nationwide SAVINGS INDEX



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

www.nationwide.co.uk/savingsindex

9 March 2010

No embargo

SAVERS RISE IN NUMBER – JUST IN TIME FOR THE ISA SEASON

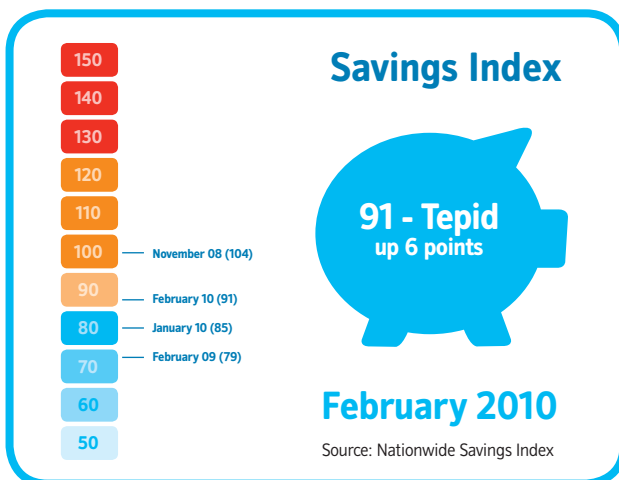
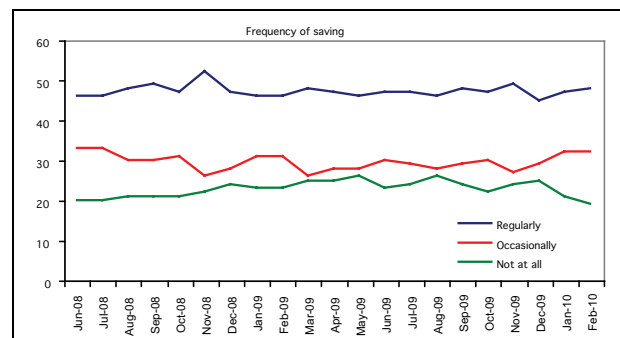
- Total number of regular and occasional savers reaches highest figure since May 2008
- ISA season an important opportunity for savers to make the most of their money
- Consumers feel more positive about it being a good time to save given the current economic situation

	Feb 2010	Jan 2010
SAVINGS INDEX	91 (+6)	85
Importance of Savings Index	97 (-1)	98
Savings Environment Index	80 (+7)	73
Future Savings Index	127 (+5)	122

Following on from the previous month's rise, 80% of consumers in February 2010 described themselves as either regular or occasional savers - the highest figure since May 2008.

This improvement could be as a result of a combination of factors. As shown recently in the most recent Nationwide Consumer Confidence Index, consumers' confidence in the present and future situation have improved¹. We believe that this could have had a positive impact on people's ability to save.

In addition, with the end of the tax year getting closer, the 'ISA season' is now in full swing and it would not be surprising to see this providing a stronger incentive for people to save.



Andy Hutchinson, Nationwide's Head of Savings says:

"As the end of the tax year gets ever closer, we expect to see more and more people open or top up their ISAs before they lose this year's annual ISA allowance forever. There are very few opportunities in life to 'beat the tax man' and one of those opportunities is to take out an ISA, so I encourage eligible savers to use their ISA allowance as soon as possible. We estimate that cash ISAs alone are saving consumers over £680 million in tax over a year², so ISAs can clearly make a substantial saving.

"So although we cannot say for sure, the rise in the total number of regular and occasional savers could be something to do with the fact that this time of year often sees a rise in the number of savers taking out ISAs."

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Consumers feel more positive about it being a good time to save in the current economic situation

- 19% of consumers (an increase of 3%) now believe it is a good time to save given the current economic situation.
- Only 6% of consumers (the lowest figure since the Savings Index began*) see it as unimportant for them to personally save.
- However, nearly half of all consumers still see it as a bad time to save given the current economic situation.

Andy Hutchinson, says:

“It is encouraging to hear that more people are feeling more positive about saving given the current economic situation. Recent reports suggest that economic growth was greater in the last quarter than initially estimated³, so hopefully this will create a positive impact for the general savings environment in the near future.”

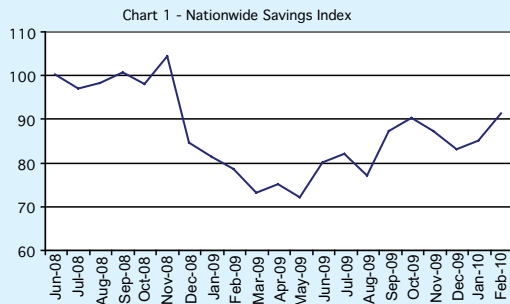
Savings indices - since the beginning

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

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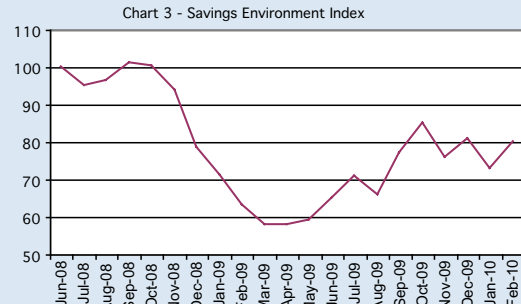


Chart 1. Nationwide Savings Index



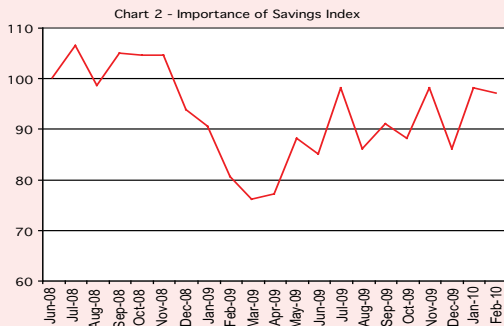
The Savings Index (principal index): made up of consumer opinion about the frequency of saving, current feelings about their current levels of saving, whether it's a good time to save given the external environment and thoughts on government policy.
Source: TNS-Ri research for Nationwide

Chart 3. Savings Environment Index



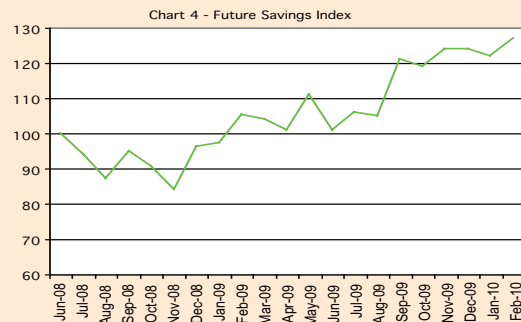
The Savings Environment Index (sub index): made up of consumer opinion about whether it's a good time to save given the economic environment and whether government policy encourages people to save.
Source: TNS-Ri research for Nationwide

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 February 2010, the TNS-Ri research for Nationwide took place from 18 January 2001 to 15 February 2010 with 1,000 people.

* The Nationwide Savings Index began on 19 May 2008.

¹ http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1528

² Based on the current cash ISA stock (c£200bn), and current average interest rate (across the book) for ISAs (1.70%), ISA holders have saved c£680m in tax (assuming basic rate of tax) on the interest received (over the year).

³ <http://news.bbc.co.uk/1/hi/business/8538293.stm>



Proud to be a building society

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