

- Overall Savings Index stood at 95 in Q4 2019, down from 100 the previous quarter.
- Savings Attitude Sub Index dropped from 95 to 91 in Q4, the weakest since Q3 2017
- Savings Environment Sub-Index dipped from 104 to 99 – the lowest since Q1 2019.

Savings Index

- The Savings Index fell from 100 to 95 in the fourth quarter, the lowest reading since Q3 2017.
- The Savings Attitude sub index fell from 95 to 91 in Q4 2019. The percentage of people that were saving regularly fell slightly to 46%. This was the lowest incidence of regular saving nationally since Q3 2017 although in a long term historical context this is still a positive reading. Weaker saving patterns among older people was the chief cause of the fall in regular saving levels – the percentage of over 50s regularly saving in Q4 dropped to 38%, the lowest since Q3 2017. Seasonal issues could have had a negative impact on saving patterns in Q4 with spending increasing as a result of the Christmas season.
- Peoples' views on the outlook for the savings environment also deteriorated in the fourth quarter. The Savings Environment sub index fell from 104 to 99, its lowest reading since Q1. There was a notable rise in the percentage of people that felt it was a bad time to save now – this rose from 19% to 25%. The negativity was particularly visible among older savers – 40% of over 60s felt that it was a bad time to save in Q4 compared to 28% in Q3.
- This greater negativity could be a response to the fresh interest rate cut in the Euro zone and the signal that this may mean deposit rates remain depressed for the foreseeable future.

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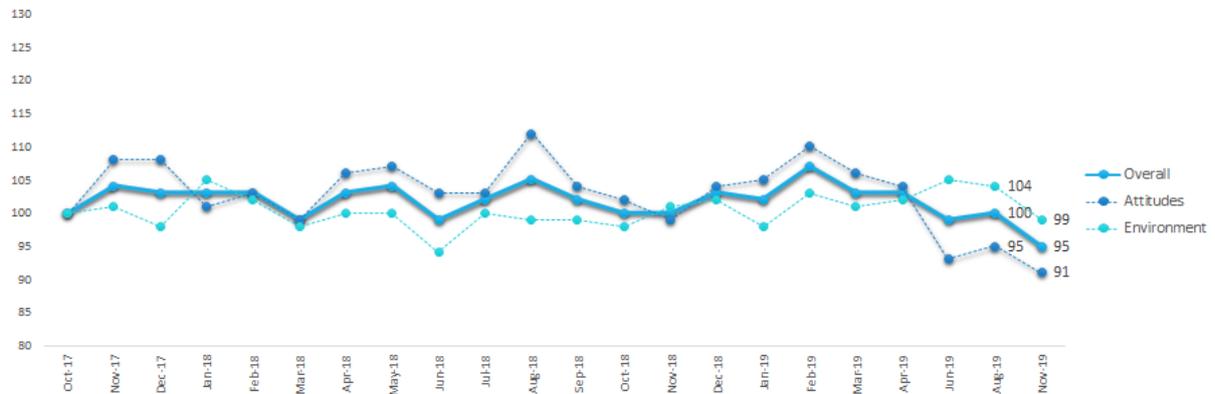
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Appendix:

Figure 1 - Savings Index

Savings Index



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- The Savings Index is an overall measure of consumer sentiment towards saving. It is composed of two sub-indices: Savings Attitudes and Savings Environment. In Q4 2019 the overall Savings Index fell from 100 to 95.

Figure 2 - Savings Attitudes Sub-Index

Savings Attitudes Index



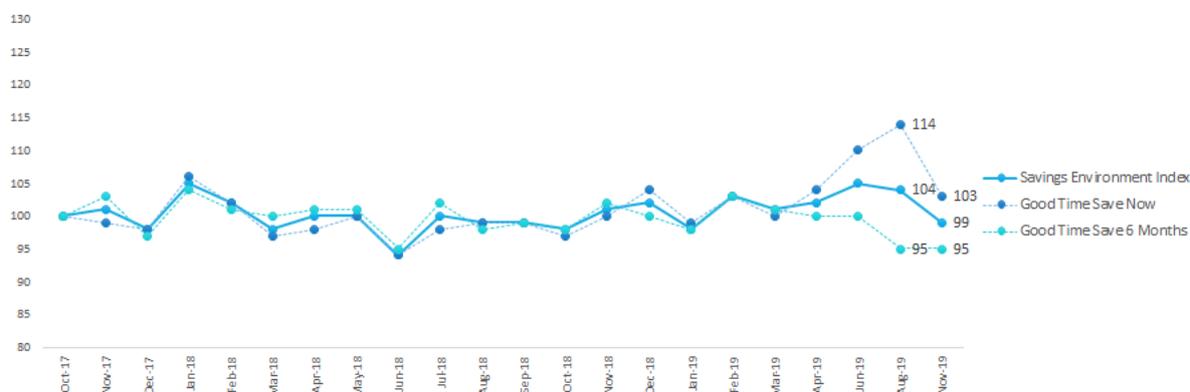
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- The Savings Attitude sub-index is built on two questions which ask respondents about their saving behaviour and how they feel about the amount they save. In Q4 2019, the sub-index dropped from 95 to 91.

Figure 3 - Savings Environment Sub- Index

Savings Environment Index



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- The Savings Environment Index is built on two questions which ask whether or not respondents believe that the current period is a good time to save and whether or not they believe that in 6 months' time it will be a good time to save. This sub-index fell from 104 to 99 in Q4 2019.

About the Savings Index: The Bank of Ireland Savings Index tracks household views on attitudes towards savings as well as understanding their perspectives on the current and future savings environment. Understanding savings behaviour provides insight into how households smooth consumption, plan to make big purchases and build up buffers which can be drawn down in times of economic stress.

The Bank of Ireland Savings Index is produced quarterly from a nationally representative sample of 1,000 consumers aged 16 years and above. The fieldwork is conducted by Ipsos MRBI, an independent research agency.

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