

SCOTS QUICK TO SPLASH THE CASH

Despite the association of Scots being traditionally frugal with their cash, they are in fact those most likely to splash out on everyday social and luxury items according to latest research out today from ICICI Bank UK.

According to ICICI Bank's research, people living in Edinburgh say they are likely to spend an average of around £250 in addition to their everyday essential costs, such as their mortgage or food costs, each month, whilst Glaswegians report an average spend of £245 a month - nearly 25% more than the national average of £205 across the UK.

However, whilst they are quick to splash the cash, people in Edinburgh are likely to top up their spending by using credit – approximately an extra £75 per month on average – making it the third highest city in the UK to borrow, after Oxford and Nottingham respectively. Glaswegians reported the lowest borrowings with an average of just over £30 per month.

At a time when the increase in VAT has caused the consumer prices index (CPI) to rise in the year to January 2010 by 3.5 per cent*, ICICI Bank UK asked a GB representative sample of over 2,000 adults across key UK cities how much they plan to spend on everyday social and luxury items.

How spending habits have changed in the last three months between Edinburgh and Glasgow:

From the data a clear split has also emerged between the spending habits of those living in Edinburgh and those living in Glasgow.

Overall, those living in Glasgow have seen an increase in the cost of everyday living and luxury spending. They've also had an approximate £17 decrease in the

amount borrowed every month. Despite the fact that the average amount saved every month was down, they are clearly living more frugally as their total savings pot has also risen by just over £1755 compared to three months ago to an average of almost £8260.

In comparison, those living in Edinburgh have moved in the other direction. Not only are people living in Edinburgh spending more on average every month, they are also saving less and borrowing more, with their average savings pot down by more than £3105 to about £8965.

Anubrata Biswas, Head of Retail Banking at ICICI Bank UK commented: “Our research shows, spending more can lead to borrowing more and inevitably, saving less. In order to secure financial stability people need to find a healthy balance between spending and saving, with an emphasis on ‘saving for a rainy day’. Our HiSAVE two and three year fixed rate no asterisk accounts offer the best rates on the market at the moment at 4.10% and 4.60%.”

-endsReferences:

* <http://www.statistics.gov.uk/pdfdir/cpi0210.pdf>

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Notes to editors

Glasgow	Average December 2009	Average March 2010	Difference
Amount committed to essential living costs such as household bills, mortgage payments, insurance, etc for the next month	£648.40	£649.10	£0.70 more

(£)			
Additional everyday nonessential and luxury spending for the next month (£)	£221.20	£244.80	£23.60 more
Saving and investing for the next month (£)	£106.30	£61.20	£44.20 less
Spending on new borrowing for the next month (£)	£49.30	£32.90	£16.40 less
Total savings (including 0) (£)	£6501.98	£8257.69	£1755.71 more
Edinburgh	Average December 2009	Average March 2010	Difference
Amount committed to essential living costs such as household bills, mortgage payments, insurance, etc for the next month (£)	£737.30	£751.80	£14.50 more
Additional everyday nonessential and luxury spending for the next month (£)	£234.70	£250.80	£16.10 more
Saving and investing for the next month (£)	£94.30	£86.80	£7.50 less
Spending on new borrowing for the next month (£)	£34.20	£76.40	£42.20 more
Total savings (including 0) (£)	£12070.23	£8964.25	£3105.75 less

1. The HiSAVE research was conducted by Vision Critical among a weighted, GB representative sample of 2,000 adults in September 2009 and January 2010. This sample was supplemented to give a minimum representative sample of 100 people in each of the 15 cities surveyed.
2. Photography and further HiSAVE product information is available on request.
3. The HiSave City Saving Index will be published every three months to reveal the changing financial fortunes of British cities. To be added to the priority email list for forthcoming releases, email your contact details to: icicipressuk@fd.com
4. About HiSAVE and ICICI Bank UK PLC (website www.hisave.co.uk and www.icicibank.co.uk):

HiSAVE is ICICI Bank UK PLC's range of interest online savings accounts. About 175,000 UK savers trust HiSAVE to look after their hard-earned savings. The HiSAVE savings range consists of:

- The HiSAVE Savings Account: an easy access savings account with one consistently high interest rate for everyone plus a unique guarantee that the AER will beat the Base Rate by at least 0.30% until at least December 2011. The minimum balance is just £1 and there are no penalties or notice periods for withdrawals. The current interest rate is 1.70% AER.
- The HiSAVE Fixed Rate Account: a range of fixed rate savings accounts that enable customers to avoid interest rate fluctuations by saving a lump sum for a fixed term (of either 6, 12, 18, 24, 36 and 48 months) in return for a fixed interest rate (the current interest rates are 2%AER, 3.15%AER, 3.60% AER, 4.10% AER, 4.60% AER and 4.50% AER respectively). The minimum balance is just £1000.

ICICI Bank UK PLC is a UK bank offering retail, corporate and investment banking services in the UK and Europe. It is:

- Authorised and regulated by the Financial Services Authority
- A member of the UK Financial Services Compensation Scheme.
- A subscriber to the Lending Code – a voluntary code that sets the standards for good banking practice

And:

- Has been operating in the UK since 2003 and for the financial year ending 31 March 2009 we had assets in excess of \$7.3 billion.
- Has a strong capital adequacy ratio: 16% (as at 30 June 2009). A bank's capital adequacy ratio is a measure of a bank's capital relative to its risk. Banks have specific capital adequacy requirements to ensure they can absorb a reasonable amount of loss and are complying with their statutory capital requirements. The UK government has recently recapitalised a number of UK banks to help get their capital adequacy ratio up to a healthier ratio – around 12%. ICICI Bank UK PLC's capital adequacy is considerably higher than this 12% benchmark.
- Has a credit rating of Baa2 from Moody's.
- Is part of a global banking group that looks after 25 million customers worldwide.

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