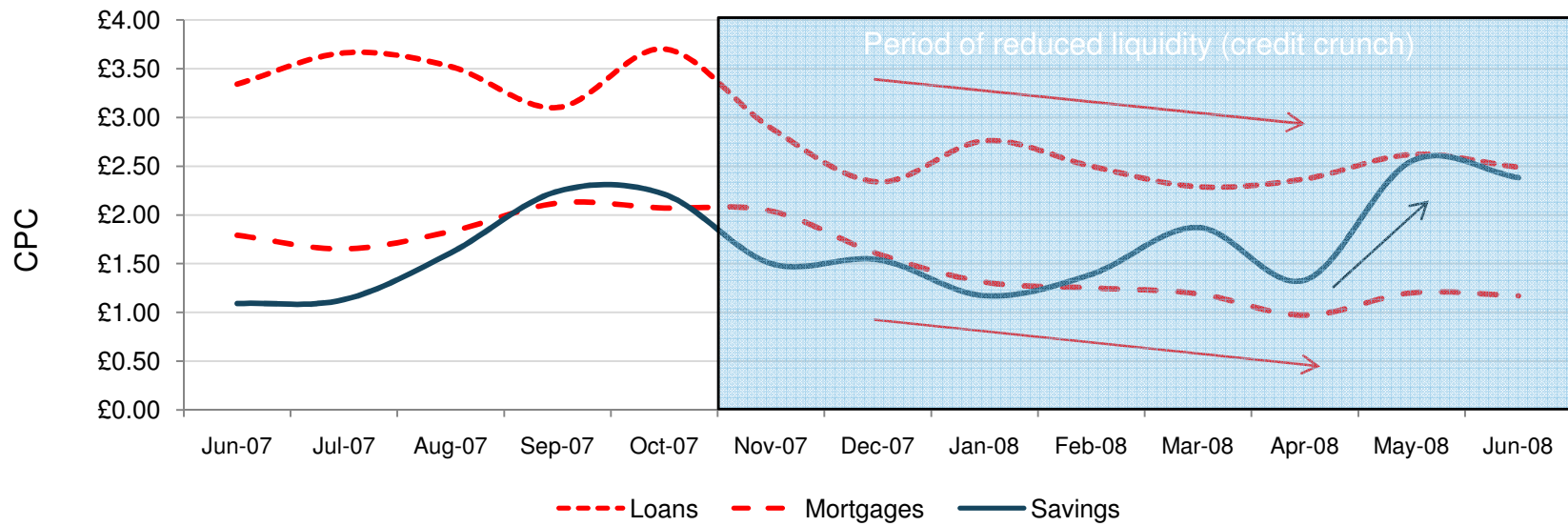




## How does the credit crunch impact online finance advertisers?

- 1 An unstable economic environment will make ad spend harder to justify. The ROI-focus of Google's advertising products offer a competitive advantage over other media.
- 2 Consumer interest in credit scoring is likely to increase. Price-comparison sites that promote products based on price rather than quality are also likely to grow.
- 3 Current accounts and savings products are seeing increased demand in the market place. This is shown by rising CPCs for savings and falling CPCs for loans and mortgages.



# How is the credit crunch impacting savings and lending products?

## Credit Cards

The amount of lending on credit cards has actually risen since July 2007, contrary to a general trend which has seen declining growth in credit card lending since 2005.

## Loans

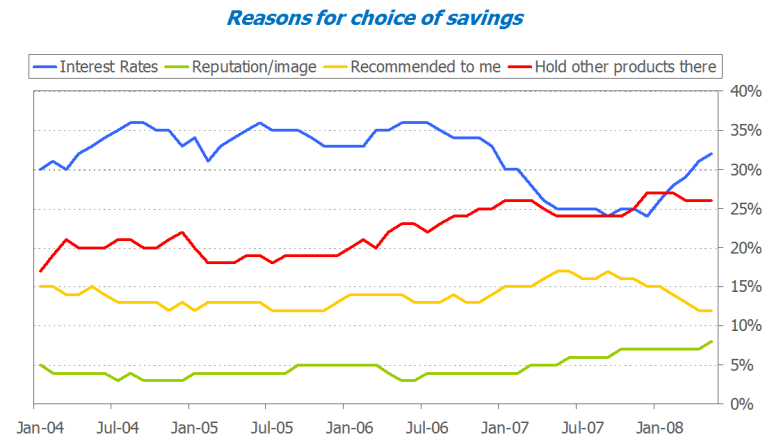
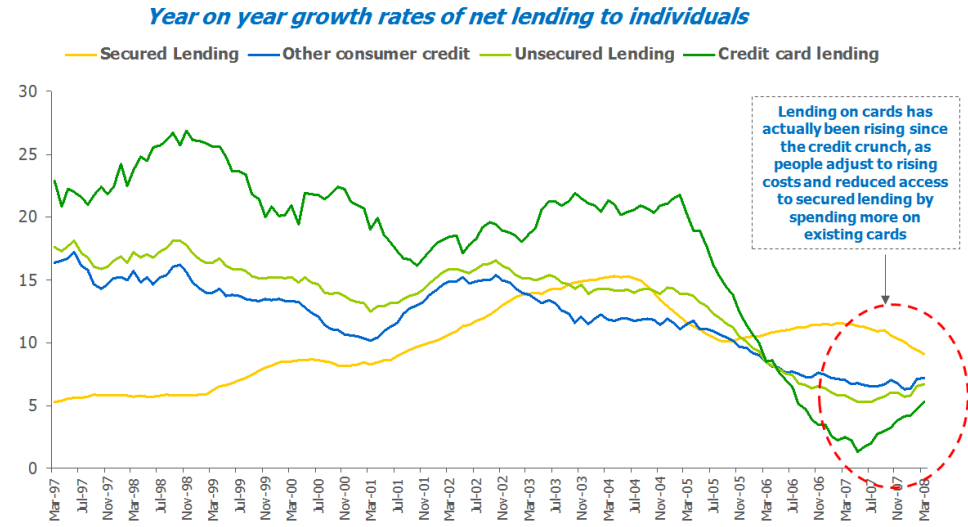
The recent trend for rising value and term loans is likely to reverse in the crunch as banks readjust their LTV ratios.

## Savings

The growth of new savings has increased in 2008 and is at a historically high level. Biggest beneficiaries of the crisis are likely to be the high-street current account providers.

## Mortgages

Rising interest rates have increased the popularity of longer-term fixed rate deals. As banks pull these deals in the face of rising demand, and interest rates rise, house prices are seeing downward price pressure.



LIBOR remains high, suggesting the mortgage market is unlikely to loosen in the short-term. As a consequence banks are expected to focus on alternative revenue streams.