



**A-level
BUSINESS**

Paper 2 Business 2

7132/2

Insert

Source Materials for answering question one.

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BANKING ON CHANGE

The UK banking industry is dominated by the ‘Big 5’ banks. These banks have had costly networks of physical branches. Recently they have closed many branches, particularly in rural areas.

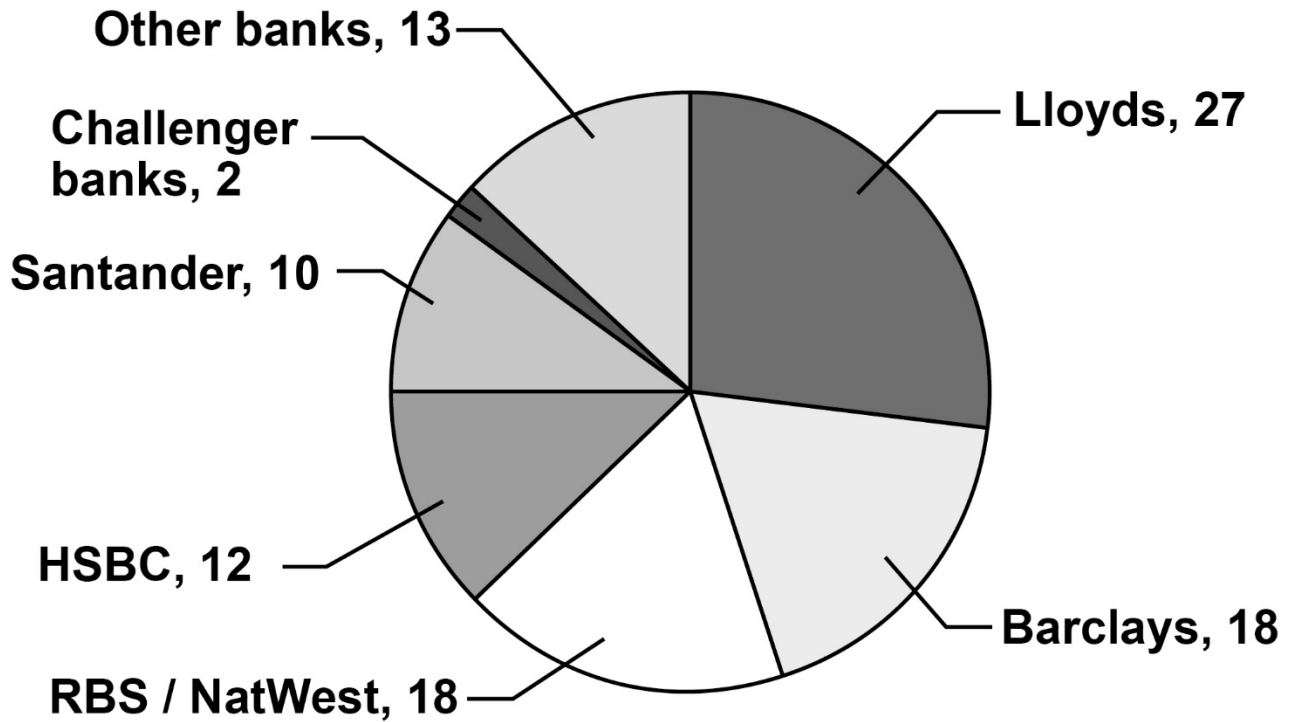
New technology and changes to government rules have opened the market to competition from relatively new entrants called ‘challengers’. Challenger banks target a niche and aim to provide better customer service.

Metro Bank, like other challengers, has grown fast, but unfortunately it had to declare losses after a major accounting error in early 2019.

APPENDIX A Examples of types of challenger bank

BANK(S)	TYPE OF SERVICE
Monzo, Starling	Fully online bank (this type includes 90% of challengers)
Tesco, M&S	Bank linked to retailer brand
Metro Bank	City branches open 12 hours a day

APPENDIX B Market share of banks in UK, 2019 (%)



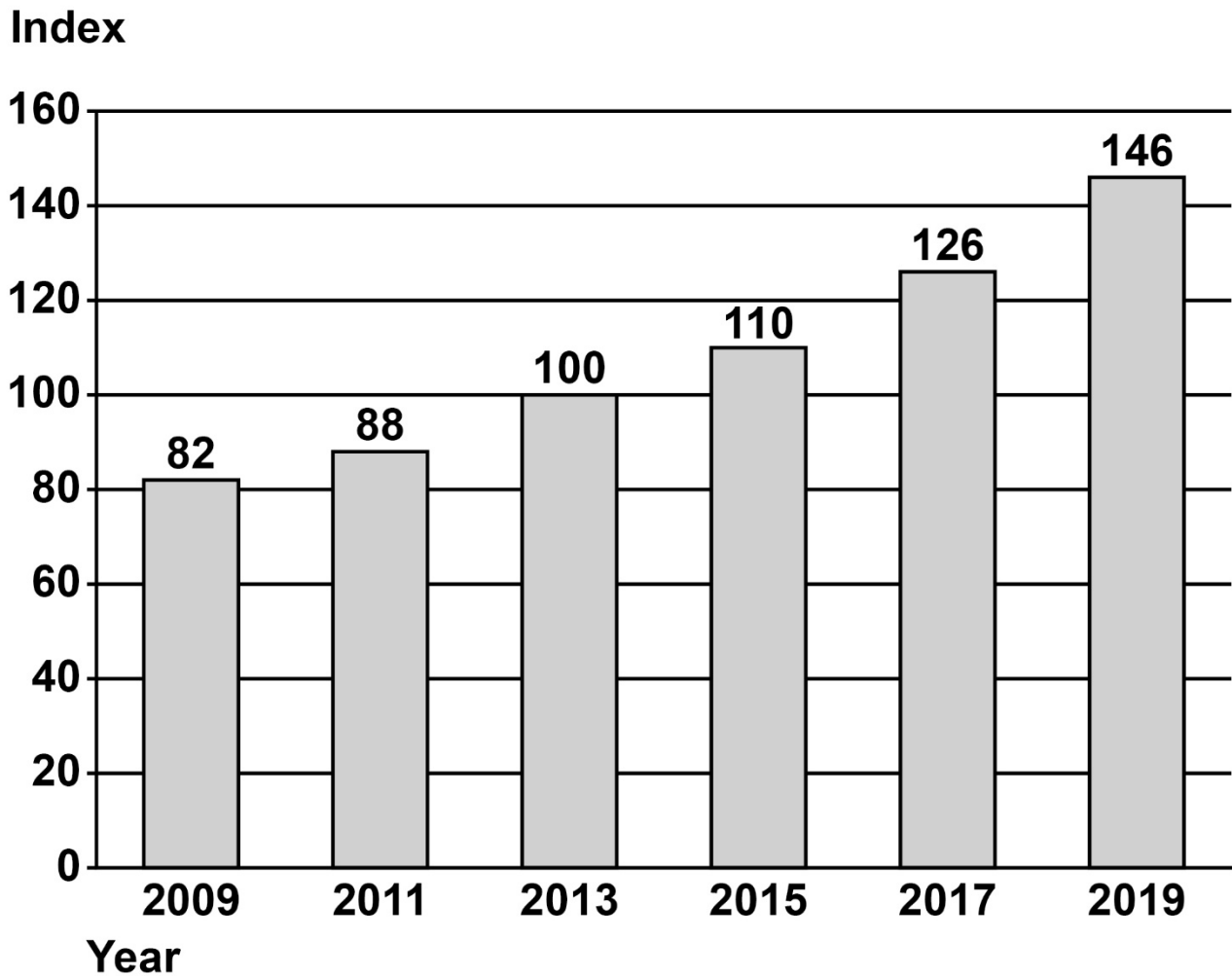
Note: The 'Big 5' banks are Lloyds, Barclays, RBS/NatWest, HSBC, Santander

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APPENDIX C Selected share price and market capitalisation information

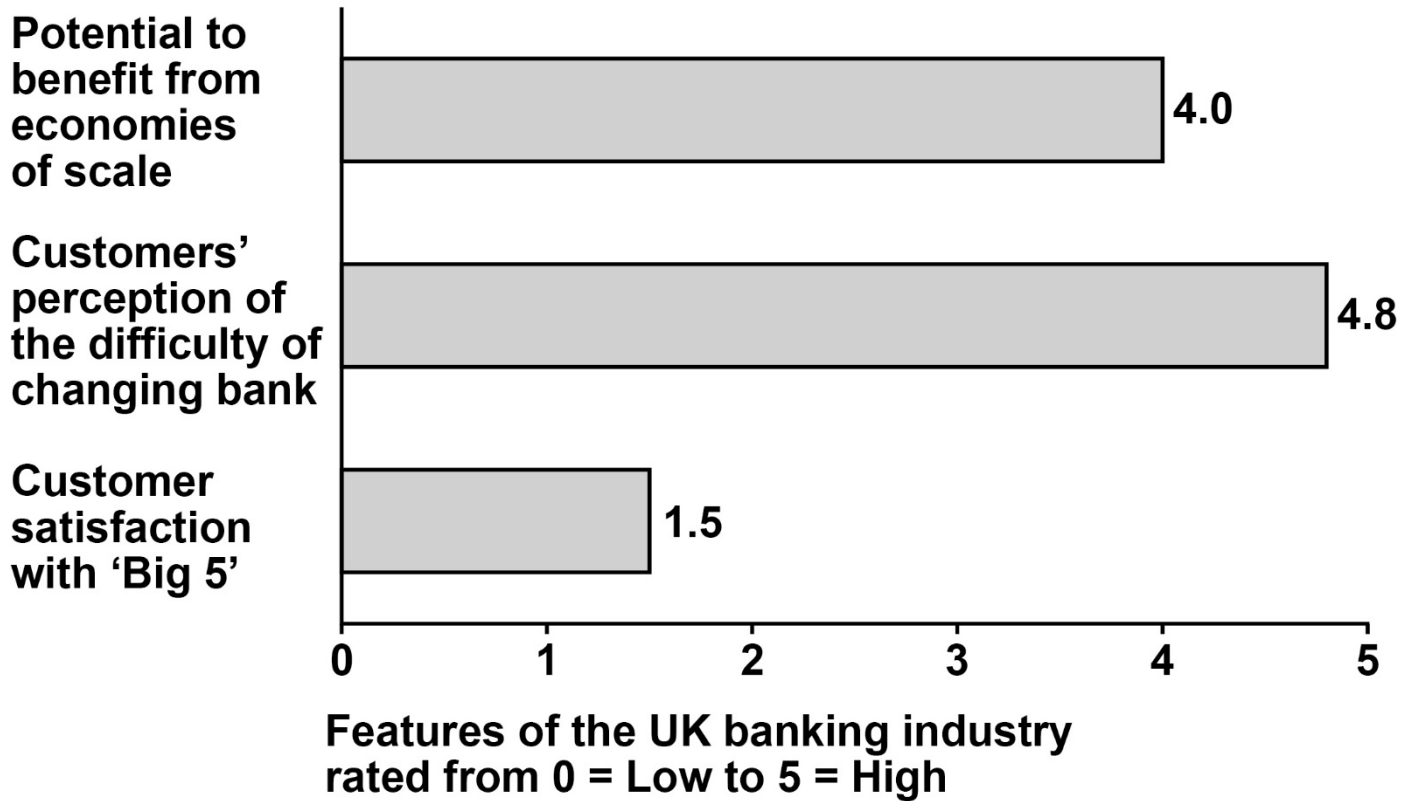
	22 February 2019	6 March 2020
Metro Bank share price (pence)	1430.0	128.0
Metro Bank market capitalisation (£)	N/A	218.8m
Barclays Bank market capitalisation (£)	N/A	16 850m

**APPENDIX D People using online banking (2009–2019)
(Index: base year 2013)**



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APPENDIX E Analysis of UK banking industry (2019)



END OF SOURCE MATERIALS

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2 1 6 A 7 1 3 2 / 2