

JPMorgan Chase: Financial Partnerships in Action **CFIN 1 Case Study**

For consumers, there are checking accounts, mortgages, and auto loans. Businesses are offered investment banking services and enterprise start-up loans. For governments, there is tax collection and payment processing. JPMorgan Chase, one of the world's largest financial services companies, serves individuals, businesses, and governments.

This global organization, with offices in more than 50 countries, had its beginnings in 1799. In recent years, JPMorgan Chase expanded by buying several other banks and financial institutions. These purchases included Chemical Bank, Manufacturers Hanover, Bank One, First Chicago, and National Bank of Detroit. As the company grew, it offered more services.

For consumers, the company offers a wide variety of banking services. In addition to traditional savings and checking accounts, JPMorgan Chase provides personal investment assistance, credit cards, insurance advice, and various types of loans. Buying a home, purchasing a car, or financing a college education are all available through JPMorgan Chase.

Investment banking is an important service offered to major companies. Serving as an investment banker, JPMorgan Chase assists corporations with issuing stocks and bonds to raise needed capital. This service allows companies to expand their operations, buy new equipment, and market new products. When serving as an investment banker, JPMorgan Chase earns fees and commissions.

While JPMorgan Chase serves the needs of big corporations, small businesses are also important customers. "Chase Online" helps smaller companies to manage accounts, obtain loans, and plan employee benefits. Also available to small business owners are insurance services and assistance with planning retirement for their employees.

The company's international activities include global banking and foreign investments. JPMorgan Chase can obtain foreign currencies for its customers through an international network of banks.

JPMorgan Chase also contributes to charity. Each year, over \$140 million is donated to non-profit organizations in the U.S. and around the world. In addition, more than \$3 billion of community development lending helps with housing and business start-ups in lower income areas.

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. What are the main benefits JPMorgan Chase provides individuals, businesses, and government?

2. What are benefits and concerns associated with a company buying other companies that become part of its organization?

3. Which services of JPMorgan Chase might you consider using to assist you with your personal financial planning activities?
4. Describe various sources and uses of funds for JPMorgan Chase.
5. What are possible government regulations that may affect the business activities of JPMorgan Chase?
6. JPMorgan Chase has asked you to (a) identify an area of concern for the company, and (b) suggest actions that might be taken to address this concern.