

JPMorgan's growth strategy for 2021 encompassed fintechs, digital-only consumer banking—and yes, even crypto

Article

A look back: JPMorgan Chase's strategic moves during 2021 ranged from expanding the range of its business to growing its presence abroad. Here's a recap of its **top six moves** from our coverage:

- 1. Launching a digital-only consumer bank in the UK.** JPMorgan rolled out a direct bank in the UK in September that's under the Chase brand. The digital play's incentives for new customers included **1% cashback** on certain debit-card transactions and **round-ups on debit-card purchases**. The banking giant has also signaled that it will be patient with the UK bank's performance, and the UK could serve as a sandbox for operating in the US and across Europe.
- 2. Buying a UK fintech, bulking up in wealth management.** Its June agreement to acquire Nutmeg, a digital wealth manager, built on an existing asset management relationship between the two. Nutmeg will be integrated into JPMorgan's UK digital-only bank.
- 3. Becoming the first bank to offer crypto access to retail customers beyond the very wealthy.** The crypto funds, which provide investors with indirect exposure to **Bitcoin, Bitcoin Cash, Ethereum, and Ethereum Classic**, are only available through unsolicited trades.
- 4. Demonstrating heft with its tech stack.** Even as other banks are naming primary cloud providers, the bank is running a hybrid-cloud approach, **George Sherman, its CIO of global technology infrastructure**, told Insider in a November interview. This approach is affordable for JPMorgan due to its size, but not necessarily for other financial institutions. The company also invested in core banking provider Thought Machine—and it's used it for retail-banking services in the US and UK.
- 5. Pushing branch staff to get licensed for providing advice.** The bank set a year-end goal, revealed in June by Insider, to have **licensed relationship bankers at its nearly 5,000 US branches**. The initiative includes support for staff to pass **FINRA's Series 6 and 7 exams**. Licensed relationship bankers are a benefit to the bank because they are allowed to **conduct customer-facing tasks** such as **offering advice on opening investment accounts**.
- 6. Making a play for college students.** In September, JPMorgan acquired Frank, a financial planning platform geared toward college students. Customers get access to

Frank's features, such as financial aid advice, and a marketplace that offers courses for eligible credit.

What this means: JPMorgan may appear to be a bastion of tradition, but it's continuously modernizing and staying abreast of market trends in cloud computing, the digital experience, and the changing needs of its targeted demographics.

Just for one example, its leading spokesman, Chairman and CEO Jamie Dimon, has publicly disdained the cryptocurrency, Bitcoin. But he's also made clear that his personal views on the topic are separate from his business decision-making, which remains in accordance with customer demand, saying, "I don't want to be a spokesman ... Our clients are adults. They disagree. That's what makes markets."

That's why JPMorgan now offers private clients access to crypto funds, if they request it, and why it's making preparations in anticipation of central bank digital currency (CBDC) launches.