

# Chase profit booms, mobile user growth erodes

Article

The biggest US bank by assets reported its Q1 2021 [earnings](#), revealing that profit jumped 18.2% to \$14.3 billion, up from \$12.1 billion in [Q4 2020](#). The growth was driven in part by a \$5.2 billion release of funds from its loan loss reserves, in light of recent economic data that has been consistently positive, Chase CFO Jennifer Piepszak said in an earnings [call](#). The

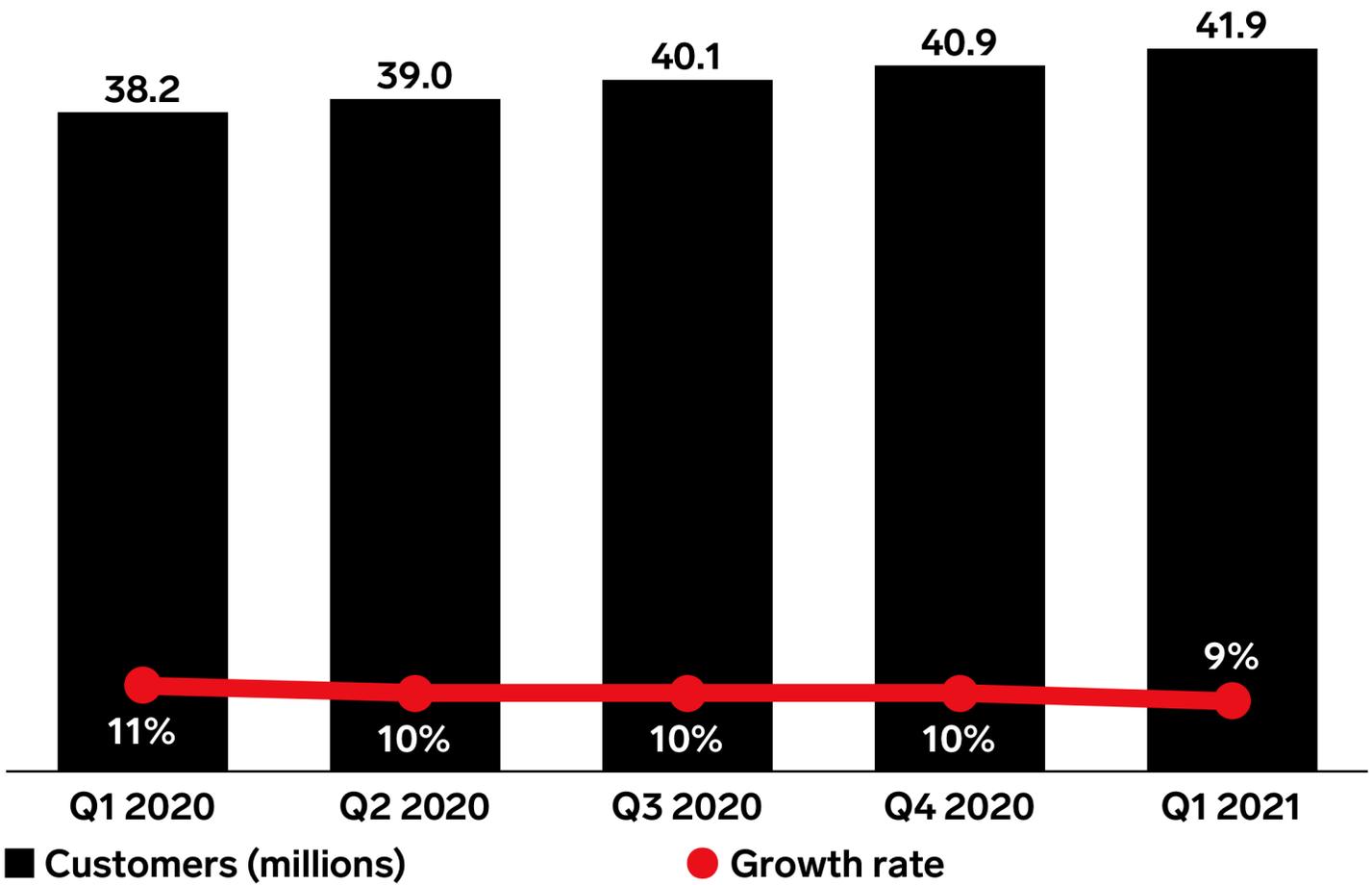
reserve release created a \$4.2 billion boost for Chase after a total of \$1.1 billion in charge-offs.

**Chase also reported 9% year-over-year (YoY) growth in total active mobile banking users in Q4, continuing a steady decline in this growth rate over the past few quarters.** While the health concerns brought on by the coronavirus pandemic set the stage for a spike in first-time mobile banking users as consumers stayed home and branches [closed](#), Chase's user growth has remained flat or ticked down in the past year. This suggests the bank is sliding toward a saturation point where all clients who are willing to try mobile banking will have done so and any mobile customer growth will be limited to new customers.

**The next stage for Chase as mobile user growth levels out will be to deepen engagement, which it could do by rolling out in-demand mobile banking features it doesn't offer yet.** Insider Intelligence's 2020 US Mobile Banking Competitive Edge [Study](#) reveals mobile banking tools that Chase currently lacks, which it could introduce to more fully meet customer needs with its app:

- **The ability to cancel subscriptions from within the Chase app.** This feature is both in high demand and exceedingly rare. It was the most valued digital money management feature in the study—deemed “extremely valuable” by 35% of respondents—but not one of the top 25 US banks by assets offers it, meaning Chase could get a major leg up on its competition by rolling it out.
- **The ability to chat with a human agent in-app.** This feature was the most in-demand customer service feature in the study, with 38% of respondents calling it “extremely valuable.” And while Chase doesn't offer it currently, it's coming close, [debuting](#) an in-app virtual assistant in late 2020. Enabling this virtual assistant to pass client chats that it can't handle off to a human agent could help drive usage.

# Chase Active Mobile Customers



Source: Company earnings presentation, 2021

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