

JPMorgan Chase vs Enova

Ratio (FY 2024)	Walmart	Target	What the numbers imply
Quick ratio	0.88	1.57	Enova shows strong short-term liquidity with a quick ratio of 1.57, while JPMC’s lower ratio of 0.88 reflects typical banking practices that rely on regulatory liquidity measures rather than conventional quick-ratio benchmarks.
Net-profit margin	34.1%	8.2%	JPMC’s robust net profit margin of 34.1% highlights strong operating efficiency and diversified income streams, while Enova’s lower 8.2% margin reflects its high-risk, high-cost lending model and significant credit-loss reserves.
Return on Assets (ROA)	1.46%	14.45%	JPMC’s ROA of 1.46% aligns with large global banks, where massive asset bases dilute returns, while Enova’s higher 14.45% ROA reflects its high yield lending strategy, albeit with increased credit and funding risk.
Return on equity (ROE)	21%	71.15%	JPMC’s 21% ROE reflects strong capital efficiency and prudent leverage for a bank, while Enova’s exceptionally high 71.15% ROE is fueled by heavy leverage and earnings volatility, indicating a high-risk, high-reward profile

Aspect	JP Morgan Chase	Enova International	Take-away
Market segment & brand promise	“Every Day-Low-Price,” grocery-heavy basket; serves value-seeking, rural + suburban mass market	Curated discretionary mix (apparel, décor, beauty); appeals to style- and convenience-oriented urban/suburban shopper	Same discount channel, but different value propositions.
Geographic footprint	≈ 10,500 stores in 19 countries; vast import & domestic DC network	≈ 2,000 stores, all U.S.; growth via small urban formats	Only Walmart operates a global network.
Scale (FY 2024)	Revenue \$648 B; Assets \$252 B	Revenue ≈ \$107 B; Assets \$55 B	Walmart is ~6× larger by sales, ~4.5× by assets.
Profitability & returns	Net-margin 2.4 % ; ROI 12.3 % after asset trim ROE 32%	Net profit margin 8.22%; ROI 6.25%; ROE 71.15% (user data)	JPMC delivers stable, high margins and moderate ROA/ROE; Enova’s returns are boosted by higher leverage
Leverage & liquidity	Debt/Equity 2.86 Finance Charts ; Quick Ratio 0.4 x Fin box ; LCR 129%	Debt/Equity 3.92; Quick Ratio 1.57 (user data)	Enova is more leveraged but holds stronger near-term liquidity; JPMC meets strict regulatory liquidity requirements.
Funding & capital structure	Primarily deposit-funded (deposits > \$2.4 trillion) with CET1 ratio 16.8%	No deposit base—funded via wholesale credit lines & securitizations; equity \$260 million (user data)	JPMC’s fortress balance sheet vs. Enova’s non-bank, market-funded mod
Asset quality	NPL ratio ~0.6%; coverage (allowance/LLPs) ~293%	NPL ratio & coverage not publicly disclosed (needs further due diligence)	JPMC’s low credit losses contrast with Enova’s higher-risk lending—requires close monitoring
Efficiency & cost structure	Efficiency (“overhead”) ratio 53.6%	Efficiency ratio 176% (user data)	JPMC’s scale drives strong cost discipline; Enova’s smaller scale means higher expense ratios
Digital & omnichannel	75% of customers digitally active; #1 in J.D. Power 2024 digital experience	100% digital origination; mobile-first platform, AI/ML underwriting	JPMC blends digital & branch channels; Enova is pure-play digital
Technology & innovation	Tech spends \$17 billion in 2024; GenAI toolkit used by > 100,000 employees; ~450 AI use cases	Invests heavily in analytics/ML for credit decisions; tech-driven product development (spend % undisclosed)	Both are technology-led, but JPMC invests at enterprise scale
Risk management & compliance	CET1 ratio 16.8%; passed all Fed stress tests; robust global regulatory oversight	Member of Online Lenders Alliance & ILPA; adheres to multi-jurisdictional lending regulations	JPMC under Basel III; Enova under state and self-regulatory frameworks
Capital intensity	2024 CapEx/Revenue ~9.4% (tech \$17 B / 180.6 B)	Minimal PP&E; capital mainly loan book (capex/revenue negligible) (user data)	JPMC requires substantial tech & branch investment; Enova remains lightly capitalized

Rationale for Selecting JPMorgan Chase -

JPMorgan Chase's \$4 trillion balance sheet and global footprint across 60+ countries give us a rich, diversified dataset and transparent financial disclosures—like CET1, LCR, and efficiency ratios—essential for rigorous modeling. Its strong net margins (30–35%), ROE (~21%), and disciplined leverage (D/E ~2.7×) provide a stable yet dynamic profile for evaluating expansion scenarios. The bank's existing network of tech hubs and shared-services centers makes facility-location analysis both practical and strategically impactful. Readily available data on labor markets, real-estate costs, and tax incentives allows us to quantitatively compare sites and craft recommendations that can guide decisions affecting thousands of employees and trillions in assets.

Factor	Option A – Plano, TX	Option B – Columbus, OH
Strategic role	Tech hub for digital innovation and analytics	Shared-services center for operations and risk management
Service coverage	DFW airport + major highways for Central/Western U.S. access	Central time-zone with Port Columbus nonstop to 48 domestic destinations
Incentives	Texas Enterprise Fund, R&D tax credits, no state income tax	Job Creation Tax Credit, PORTS development grants, low CAT rate

Option	Concept & Role	Strategic Upside	Key Risks
Plano, TX	Tech & innovation hub for digital platforms and analytics	<ul style="list-style-type: none"> Fast-growing tech talent pool Pro-growth incentives: Texas Enterprise Fund, R&D tax credits, no state income tax Excellent connectivity via DFW airport 	<ul style="list-style-type: none"> Competitive tech labor market driving up wages Higher office rents (~\$42.94/sq ft) Exposure to regional economic cycles
Columbus, OH	Midwest shared-services center for ops, risk management, support	<ul style="list-style-type: none"> Lower operating costs: office rents (~\$21.63/sq ft) Established finance talent pool & central U.S. coverage Incentives: Job Creation Tax Credit, PORTS grants 	<ul style="list-style-type: none"> Limited tech talent for advanced digital roles Fewer nonstop routes (48 domestic, 2 international) Potential exposure to CAT on gross receipts

Metric	Plano, TX	Columbus, OH
IRR	40.7%	48.2%
NPV	\$1.42 billion	\$1.65 billion
Annual Worth	\$144.8 million	\$168.1 million
Discounted Payback	3 years	3 years

Analysis & Justification

While Plano's access to deep tech talent, R&D credits and world-class connectivity make it an attractive innovation hub, Columbus's superior financial returns and balanced service-coverage role align more closely with JPMC's dual objectives of maximizing shareholder value and maintaining prudent cost discipline. Hence, Columbus, OH, is the recommended site for JPMC's next regional facility, both Plano and Columbus achieve a discounted payback of three years, but Columbus delivers stronger value across all financial metrics. At an IRR of 48.2% (vs. 40.7% for Plano) and an NPV of \$1.65 billion (vs. \$1.42 billion), Columbus's lower initial capex and operating costs translate into a higher Annual Worth (\$168.1 million vs. \$144.8 million). These figures reflect Columbus's cost-efficient labor and real-estate base combined with generous state incentives.

Recommendations

- Select Columbus, OH as the preferred site and advance it into the due-diligence phase.
- Negotiate Job Creation Tax Credits and PORTS grants with Ohio's economic-development authorities.
- Develop a 12-month implementation roadmap covering real-estate acquisition, IT setup, and staffing.
- Establish KPIs (e.g., cost per employee, facility utilization, time-to-fill) and a monthly executive dashboard.
- Build contingency buffers for CAT exposure and construction or wage-inflation risks.