

**“BANKS AND CYRPTOCURRENCIES:ADVANTAGES AND  
DISADVANTAGES”****Shamsiya Azizkulova Shavkat qizi****Bank and Finance Academy****Faculty of Banking****+998 95 903 09 22****[shamsiya0032209@gmail.com](mailto:shamsiya0032209@gmail.com)**

**Annotation:**This article explores the evolving relationship between traditional banking institutions and cryptocurrencies. It examines how banks are adapting to the rise of digital currencies, the challenges they face in terms of regulation, security, and market volatility, and the potential opportunities for innovation in financial services. The study highlights the impact of blockchain technology on conventional banking operations, including payment systems, lending, and asset management.

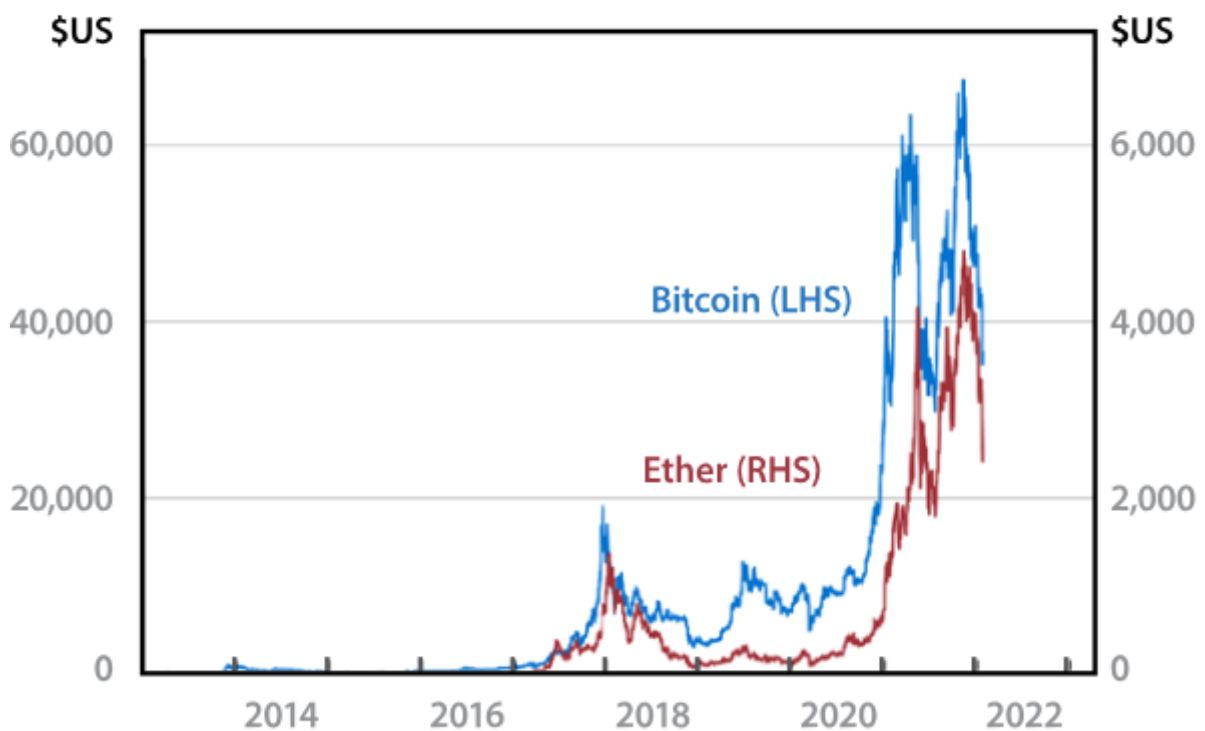
**Keywords:** Banks, Cryptocurrencies, Digital assets, Blockchain technology, Investment strategies, Cryptocurrency risks, Regulatory compliance, Bitcoin, Stablecoins, Digital asset custody

- 1. Standard Chartered:** According to well-known trade experts like Blockdata, the London-based Standard Chartered bank has made a staggering \$380 million investment in cryptocurrencies. Investments at the bank include the blockchain network, Ripple. XRP is currently one of the top cryptocurrencies in the market.
- 2. Morgan Stanley:** Morgan Stanley, another prominent player in the banking industry, has embraced cryptocurrency as part of its investment strategy.
- 3. Citibank:** is the fourth-largest bank in the US by assets has invested in SETL, whose ledger technology is used to move cash and other assets.
- 4. JPMorgan Chase:** One of the most active institutions in the cryptocurrency and blockchain field is JPMorgan Chase. JP Morgan has focused on developing digital blockchain assets.
- 5. Goldman Sachs:** For some years, Goldman Sachs has been researching blockchain technology and cryptocurrencies.
- 6. DBS Bank:** DBS Bank, based in Singapore, is one of the largest banks in Asia.
- 7. BBVA:** BBVA, a Spanish multinational banking group, has actively explored the potential of blockchain technology and cryptocurrencies.
- 8. Banks of Wells Fargo, United States:** After the recent crash in the crypto market, the central US bank planned to introduce cryptocurrency funds.

**9. UBS:** UBS is making great strides with private stablecoins. UBS' financial institutions Santander, Lloyds Banking have developed utility tokens for cross-border transactions.

**10. BNP Paribas:** is a French financial group that owns its crypto startup known as the Curv. The institution's securities services are currently experimenting with the transfer of security tokens, taking a step forward to provide custodial services for digital assets.

### Cryptocurrency Prices



Source: Coindesk.com

Activity in cryptocurrency markets has increased significantly. The fascination with these currencies appears to have been more speculative (buying cryptocurrencies to make a profit) than related to their use as a new and unique system for making payments. Related to this, there has also been a high degree of volatility in the prices of many cryptocurrencies. For example, the price of Bitcoin increased from about US\$30,000 in mid 2021 to almost US\$70,000 toward the end of 2021 before falling to around US\$35,000 in early 2022. Rival cryptocurrencies like Ether have experienced similar volatility. The extraordinary interest in cryptocurrencies has also seen a growing amount of computing power used to solve the complex codes that many of these systems use to help protect them from being corrupted. Despite the increased level of

interest in cryptocurrencies, there is scepticism about whether they could ever replace more traditional payment methods or national currencies.

### **Cryptocurrency Risks**

There are many ways that paying with cryptocurrency is different from paying with a credit card or other traditional payment methods. Cryptocurrency payments do not come with legal protections. Credit cards and debit cards have legal protections if something goes wrong. For example, if you need to dispute a purchase, your credit card company has a process to help you get your money back. Cryptocurrencies typically do not come with any such protections. Cryptocurrency payments typically are not reversible. Once you pay with cryptocurrency, you can usually only get your money back if the person you paid sends it back. Before you buy something with cryptocurrency, know the seller's reputation, by doing some research before you pay.

### **Protect Your Money and Avoid Investment Scams**

Investments tied to cryptocurrencies and digital assets were cited by state securities regulators as a top threat to investors in 2025, according to the North American Securities Administrators Association (NASAA). Investors are urged to practice the following tips to identify and avoid investment scams: Anyone can be anyone on the Internet. Scammers are spoofing websites and using fake social media accounts to obscure their identities. Investors should always take steps to identify phony accounts by looking closely at content, analyzing dates of inception and considering the quality of engagement. To ensure investors do not accidentally deal with an imposter firm, pay careful attention to domain names and learn more about how to protect your online accounts.

### **Conclusion**

Cryptocurrencies have emerged as a significant force in the global financial landscape, compelling traditional banks to rethink their strategies and explore digital assets as both investment opportunities and operational tools. Leading banks such as Standard Chartered, Morgan Stanley, JPMorgan Chase, Citibank, and Goldman Sachs have made strategic moves to integrate blockchain technology, develop digital tokens, and provide cryptocurrency services to institutional and retail clients. This adoption reflects not only the growing demand for decentralized assets but also the recognition of blockchain as a transformative technology capable of enhancing transaction efficiency, security, and transparency. However, despite these opportunities, the cryptocurrency ecosystem presents substantial risks, including high volatility,

lack of legal protections, cybersecurity threats, and regulatory uncertainties. Investors must approach digital assets with caution, conducting thorough research, verifying the credibility of platforms, and employing protective measures to mitigate potential losses. As banks continue to innovate and regulatory frameworks evolve, a more structured and secure environment for cryptocurrency adoption is likely to emerge.

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