

Bank Director

# WEBINAR

# WELCOME

## Bitcoin: What Bank and Credit Union Leaders Need to Know



# Macy Farley

*Client Relations Coordinator at Bank Director*

Macy Farley is a Client Relations Coordinator at Bank Director. Macy helps support the corporate sales team through prospecting efforts, responding to Media Kit requests, assisting on special projects, and managing all print advertisers for Bank Director magazine. Macy graduated from Tennessee Technological University with a bachelor's degree in Marketing.



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**Galoy**

Galoy provides modern core banking infrastructure for financial institutions entering the digital asset era. Its platform combines multicurrency ledgering across bitcoin and fiat, collateral management, and secure APIs so banks and credit unions can launch products such as bitcoin-backed lending, digital asset accounts, payments, and custody workflows. It is designed to operate alongside existing core systems and to preserve optionality, giving banks the flexibility to plug into and out of custodians, stablecoins, and other digital asset partners as their strategy evolves.

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Polls will appear in the sidebar, near the Q&A button. You will be able to submit your response by clicking your choice directly.



# Andrew Begin

*Chief Strategy Officer at Galoy Inc.*

Andrew Begin leads Galoy's institutional strategy, working directly with banks and credit unions evaluating Bitcoin infrastructure. Mr. Begin brings a practitioner's perspective on how regulated financial institutions can approach digital assets safely, compliantly, and strategically. Before joining Galoy, he advised Fortune 500 companies on large-scale digital transformation initiatives through leadership roles within the WPP and Publicis Groupe networks.



[www.linkedin.com/in/agbegin](http://www.linkedin.com/in/agbegin)

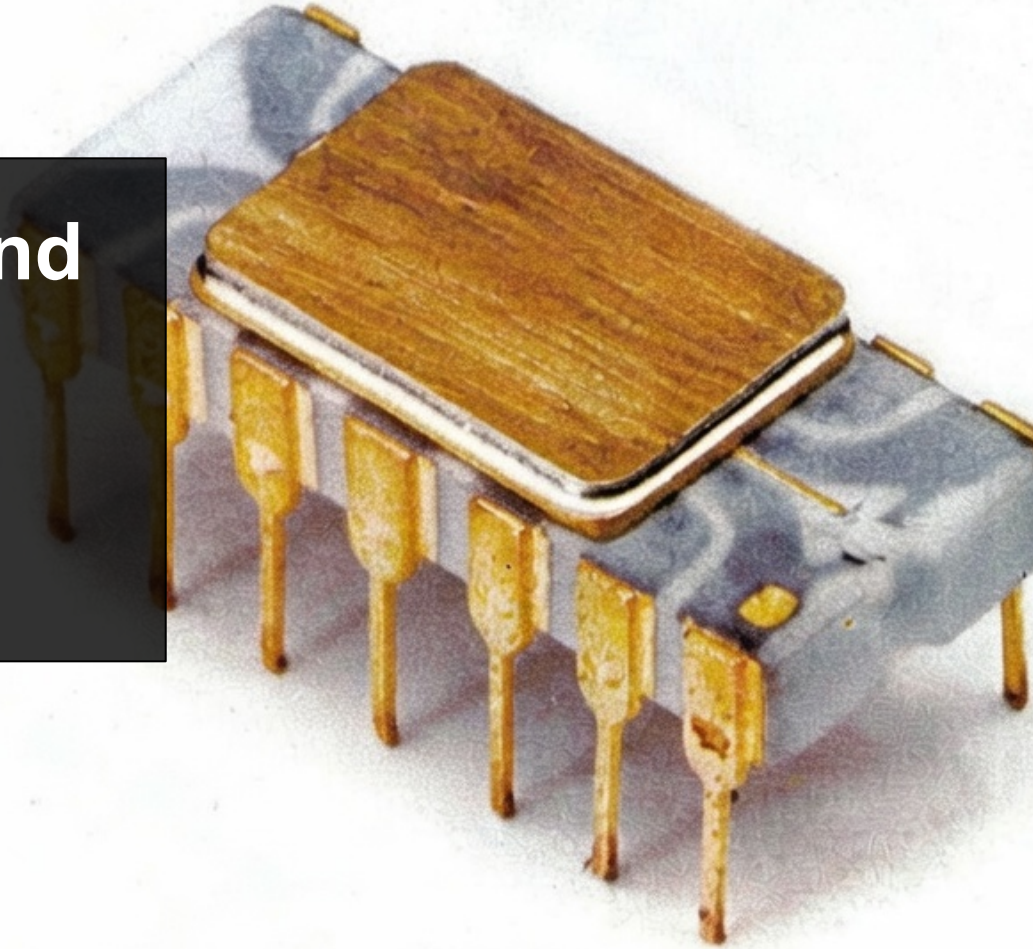


[andrew@galoy.io](mailto:andrew@galoy.io)

# Bitcoin: What Bank and Credit Union Leaders Need to Know

Andrew Begin  
CSO, Galoy

Galoy

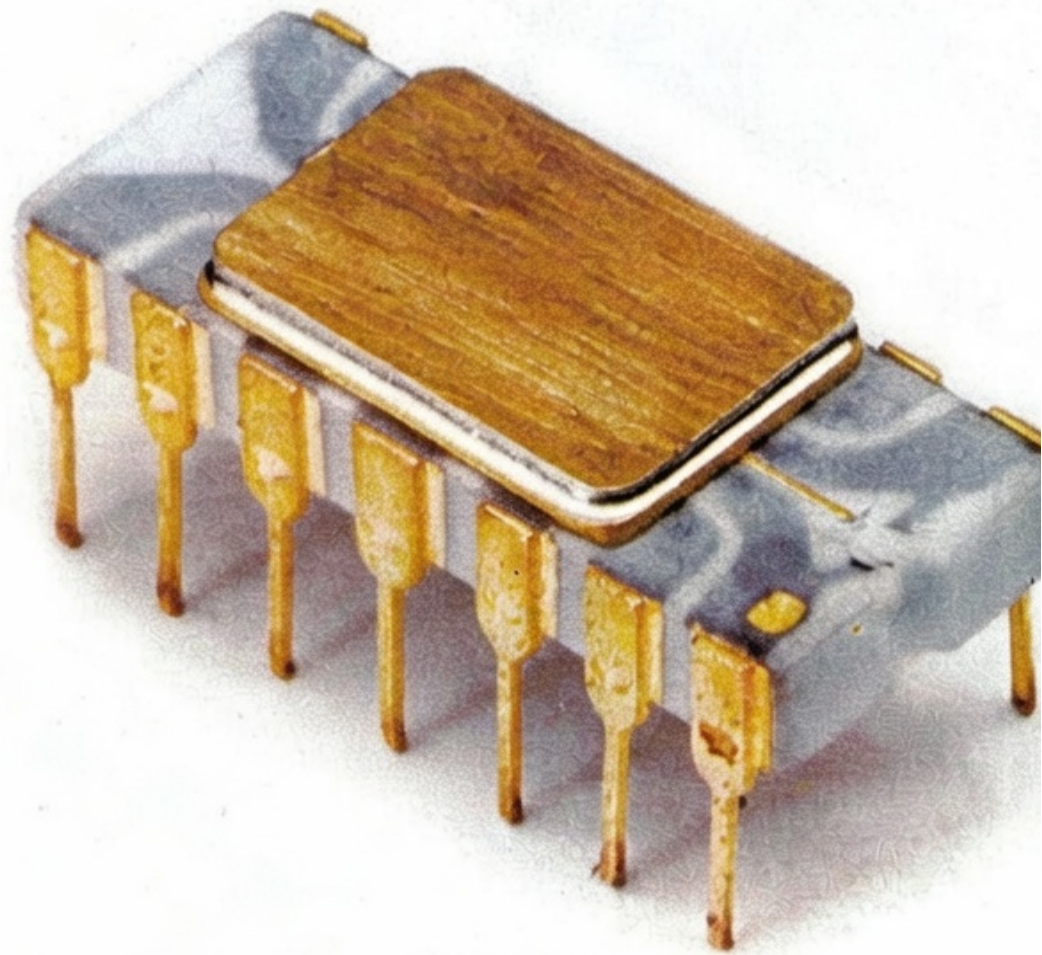


# **Agenda**

**What Is Bitcoin and Why It's Disruptive**

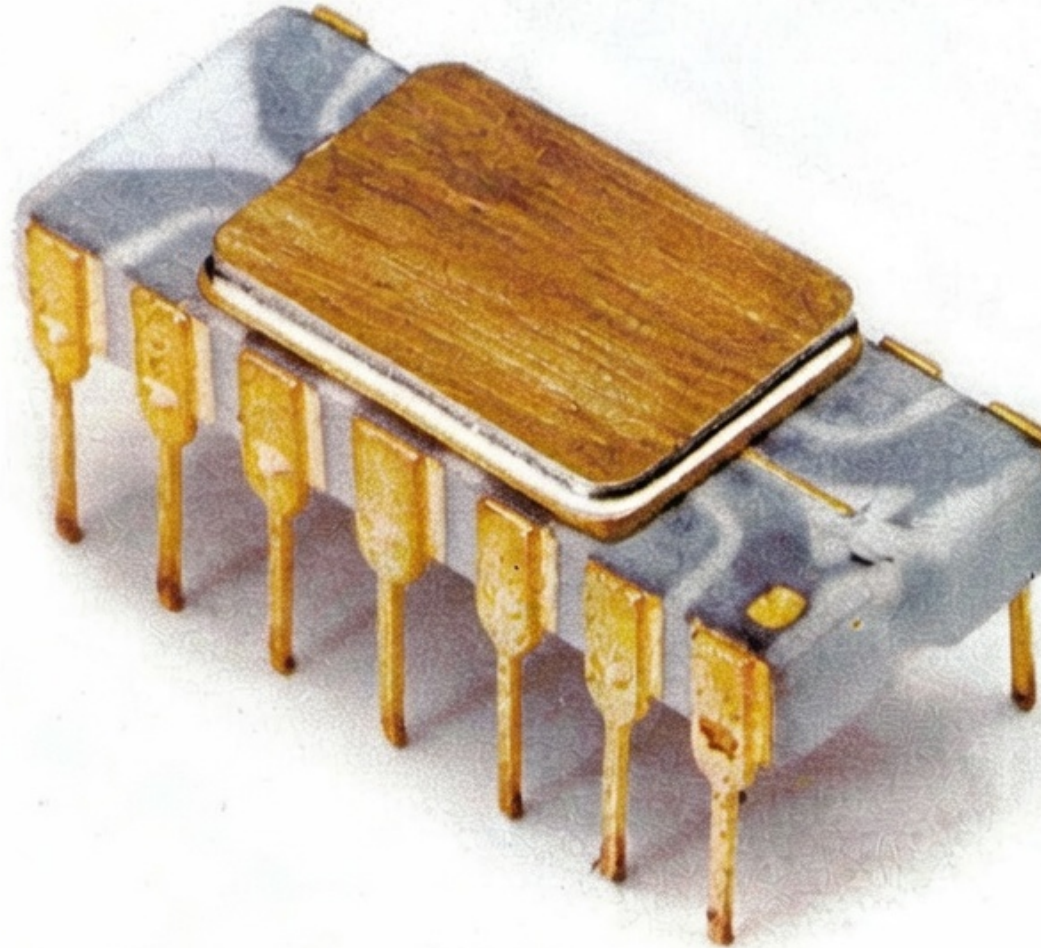
**Opportunity for Banks and Credit Unions**

**Q&A**



**"There is no  
reason anyone  
would want a  
computer in  
their home."**

**Ken Olsen, 1977  
Founder, Digital Equipment  
Corporation (DEC)**





# Bitcoin: A Peer-to-Peer Electronic Cash System

...based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party.

**Satoshi Nakamoto, 2008**  
**Bitcoin Whitepaper**



**"Bitcoin looks like  
a clever notion that  
will likely amount to  
little more than a  
curiosity."**

**The Economist, 2011**



**"You have to really stretch your imagination to infer what the intrinsic value of Bitcoin is. I haven't been able to do it."**

**Alan Greenspan, 2013  
Former Fed Chair**





**MATT  
RIDLEY**

*New York Times* Bestselling Author of  
*The Rational Optimist*



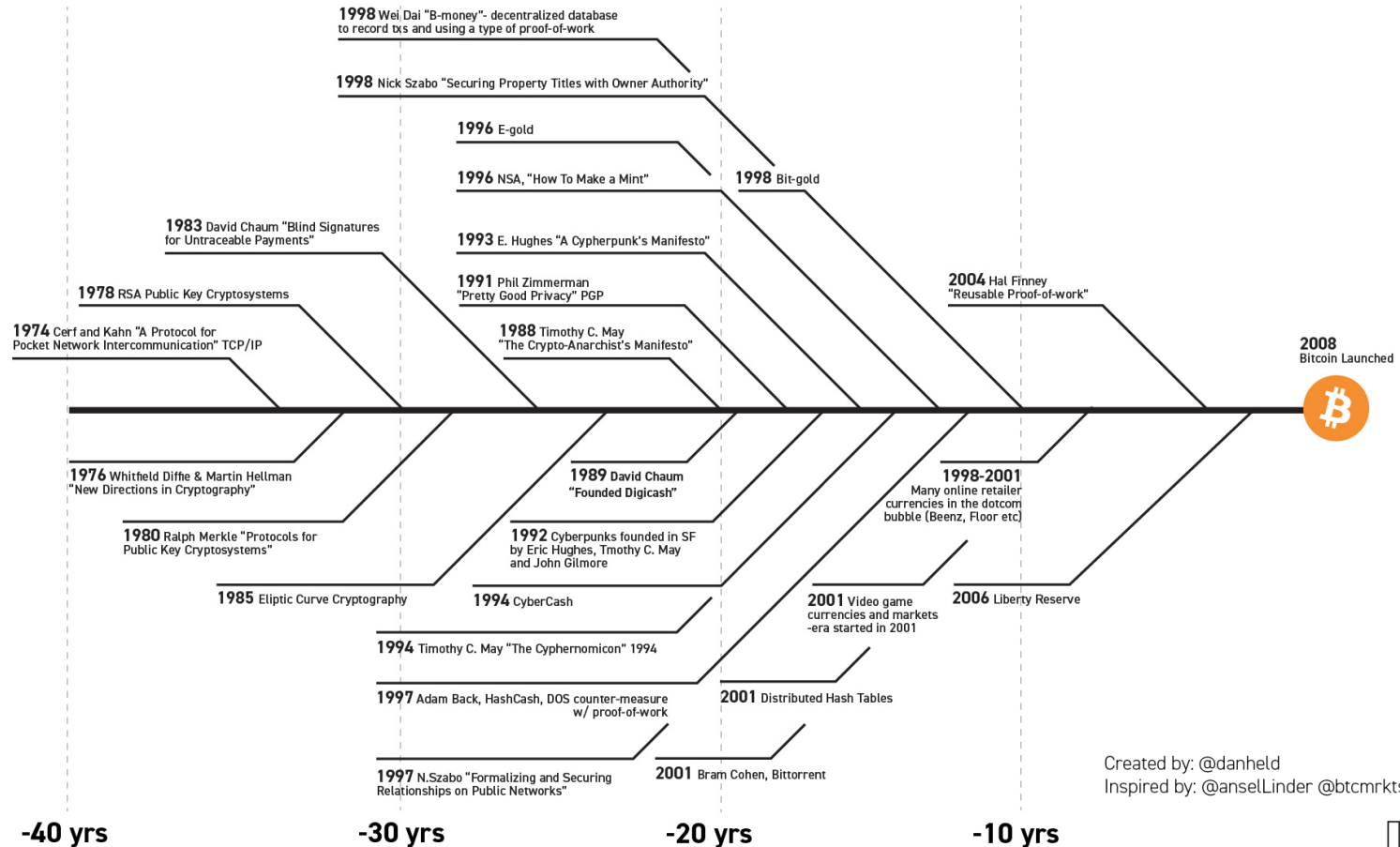
**HOW  
INNOVATION  
WORKS**

**And Why It  
Flourishes in  
Freedom**



"Opinionated, often counterintuitive,  
full of delicious stories, always provocative."  
—*Kirkus Reviews* (starred review)

# Bitcoin prehistory - It's the result of 40 years of research, development and demand



Created by: @danheld  
Inspired by: @anselLinder @btcmrks



# Personal Realization

# **Personal Realization**

- 1. Our financial system is built for a world that requires intermediaries.**

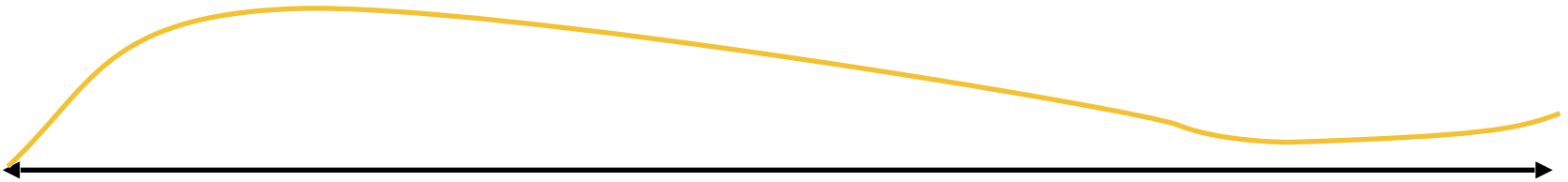
# **Personal Realization**

- 1. Our financial system is built for a world that requires intermediaries.**
- 2. We no longer live in that world.**

# Three monetary epochs

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**Asset-based  
physical money**



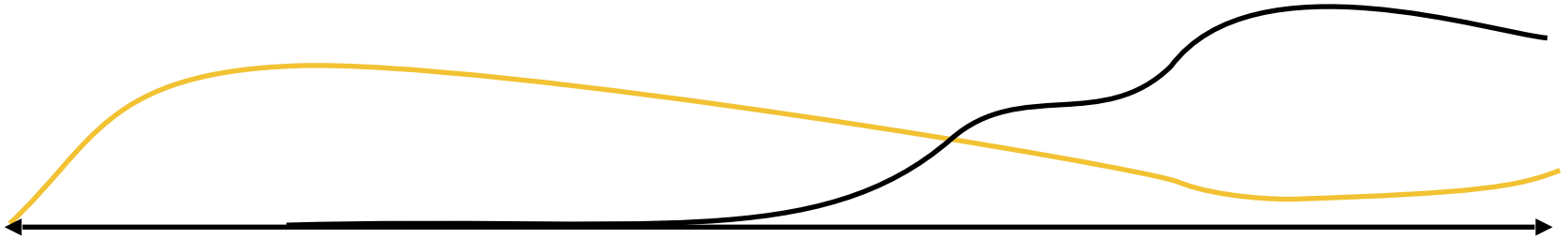
# Three monetary epochs

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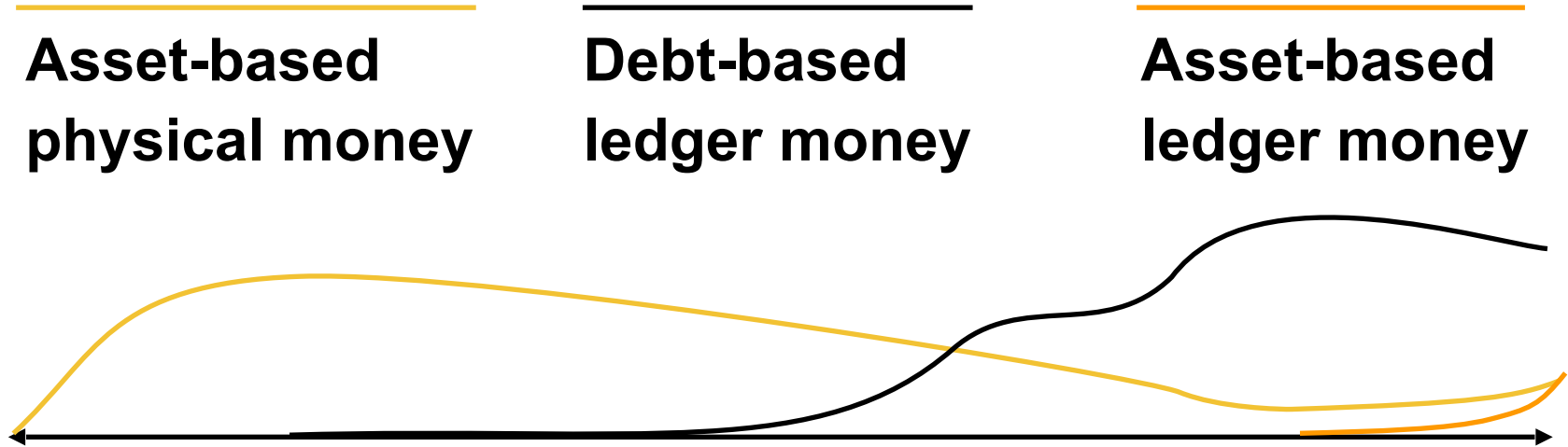
**Asset-based  
physical money**

---

**Debt-based  
ledger money**



# Three monetary epochs





## Post



**Dave Parker**

@Xentagz



The moment you understand [#Bitcoin](#) you will have a panic attack.

8:28 AM · Oct 7, 2021



# 1000 Years of Technological Disruption

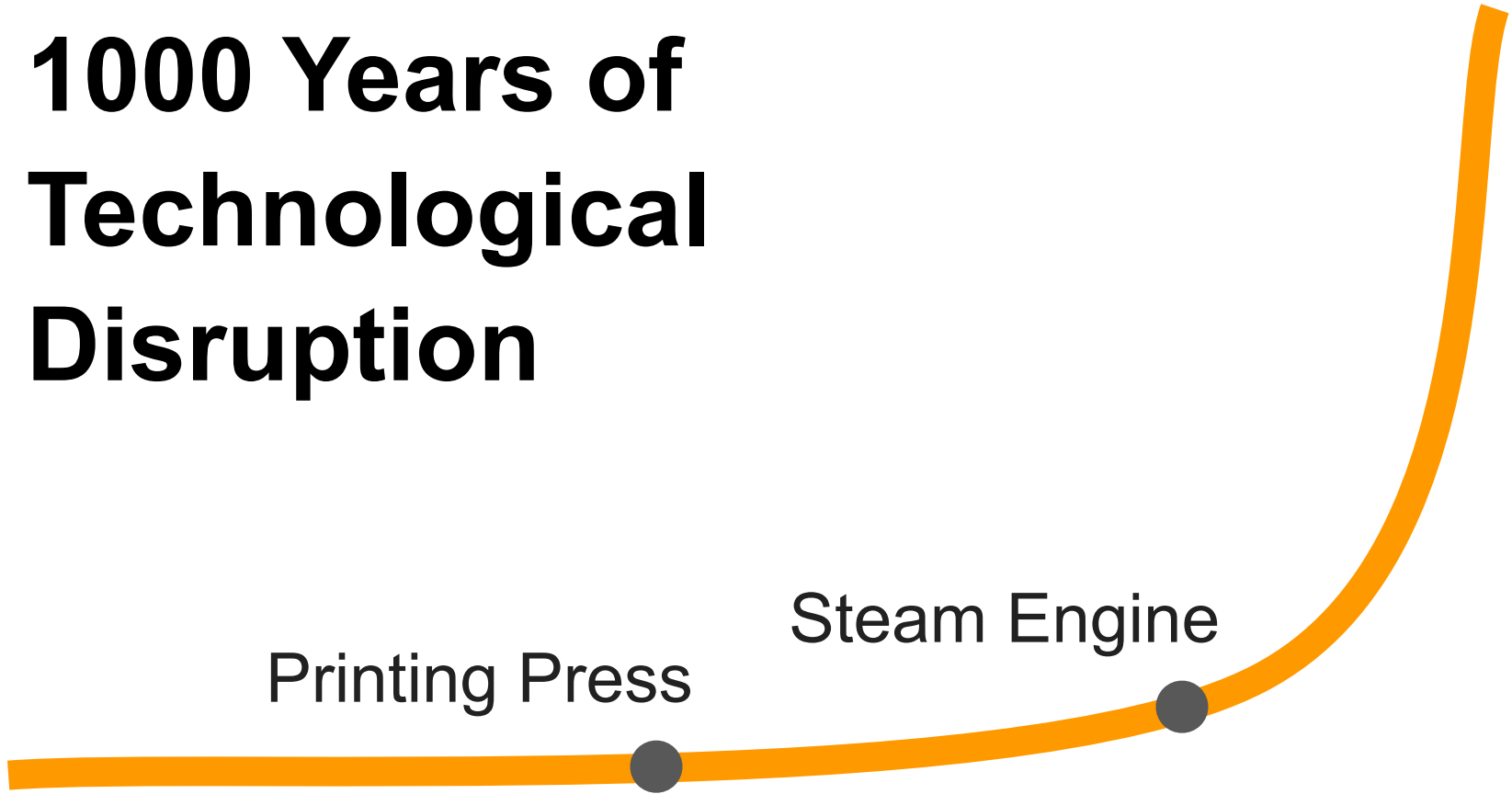


# 1000 Years of Technological Disruption

Printing Press



# 1000 Years of Technological Disruption



# 1000 Years of Technological Disruption



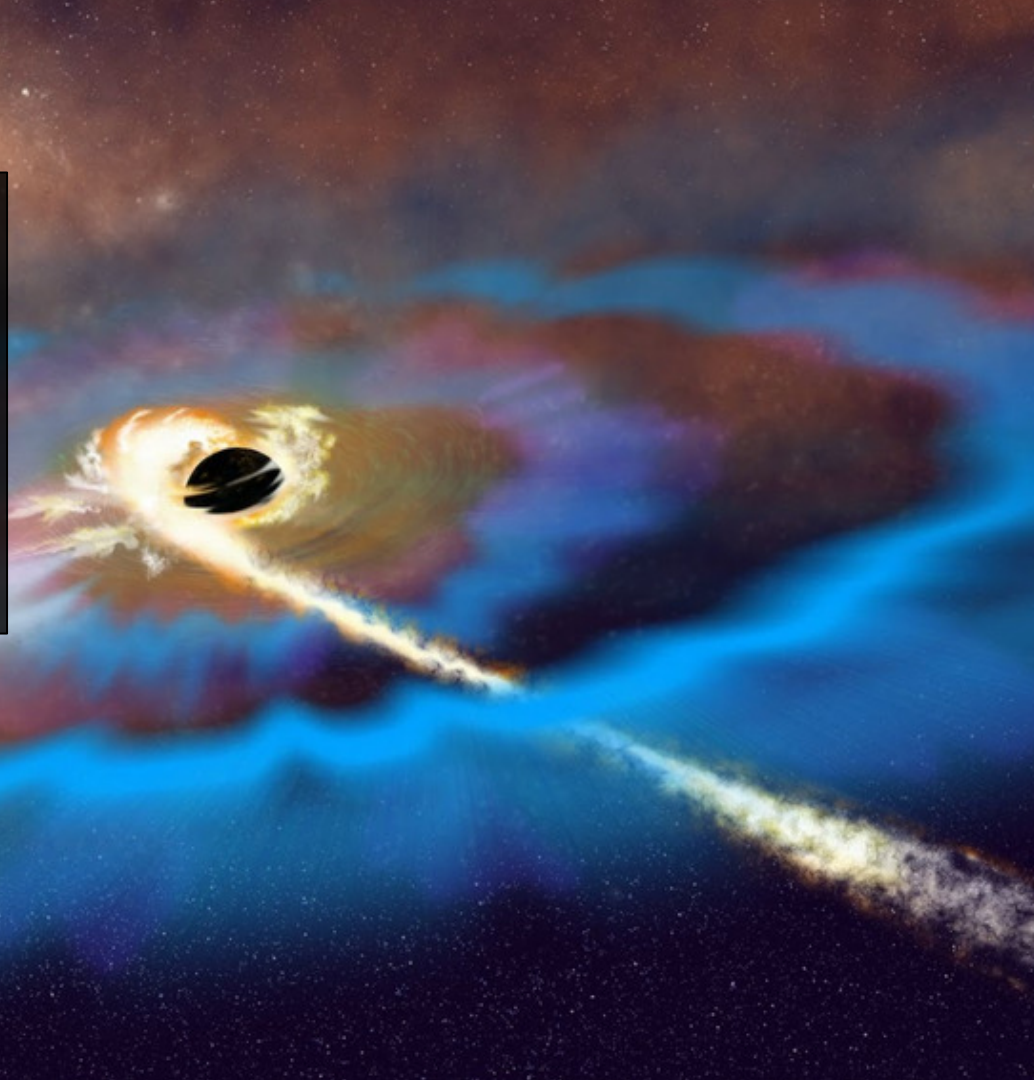
# 1000 Years of Technological Disruption




# 1000 Years of Technological Disruption



# What Is So Disruptive About Bitcoin?





**“Banking is simple, it is just pools and flows”**

**Pools:**

Where money rests – deposits, reserves, and capital powering stability and growth.

**Flows:**

How money moves – payments, loans, and investments driving economic activity.

**Bitcoin**

|

**asset**

|

**network**

|

~~“Banking is simple, it is just pools and flows”~~

**Bitcoin**

|

**scarce**

|

**asset**

|

**decentralized**

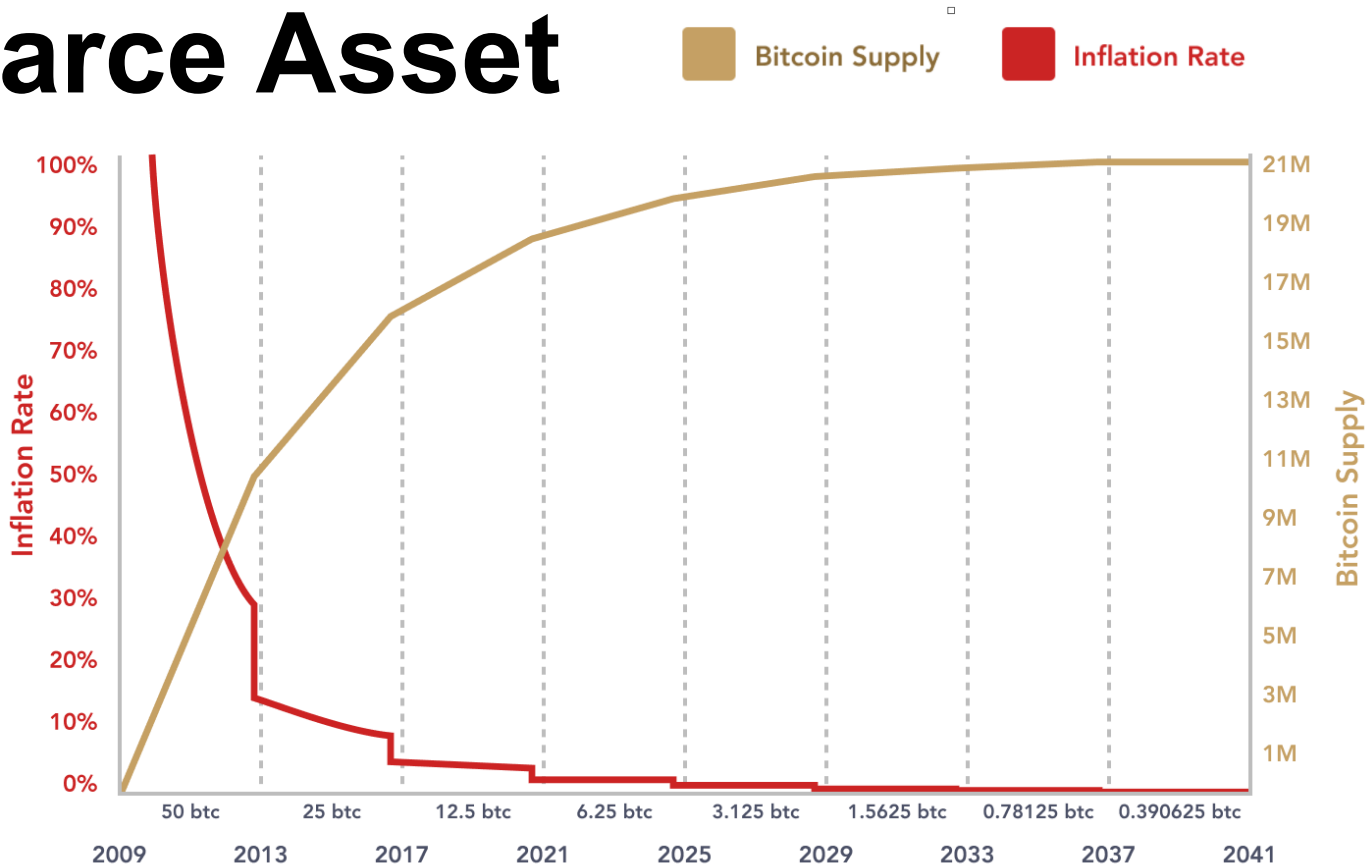
|

**network**

|

~~“Banking is simple, it is just pools and flows”~~

# Scarce Asset



# Decentralized Network

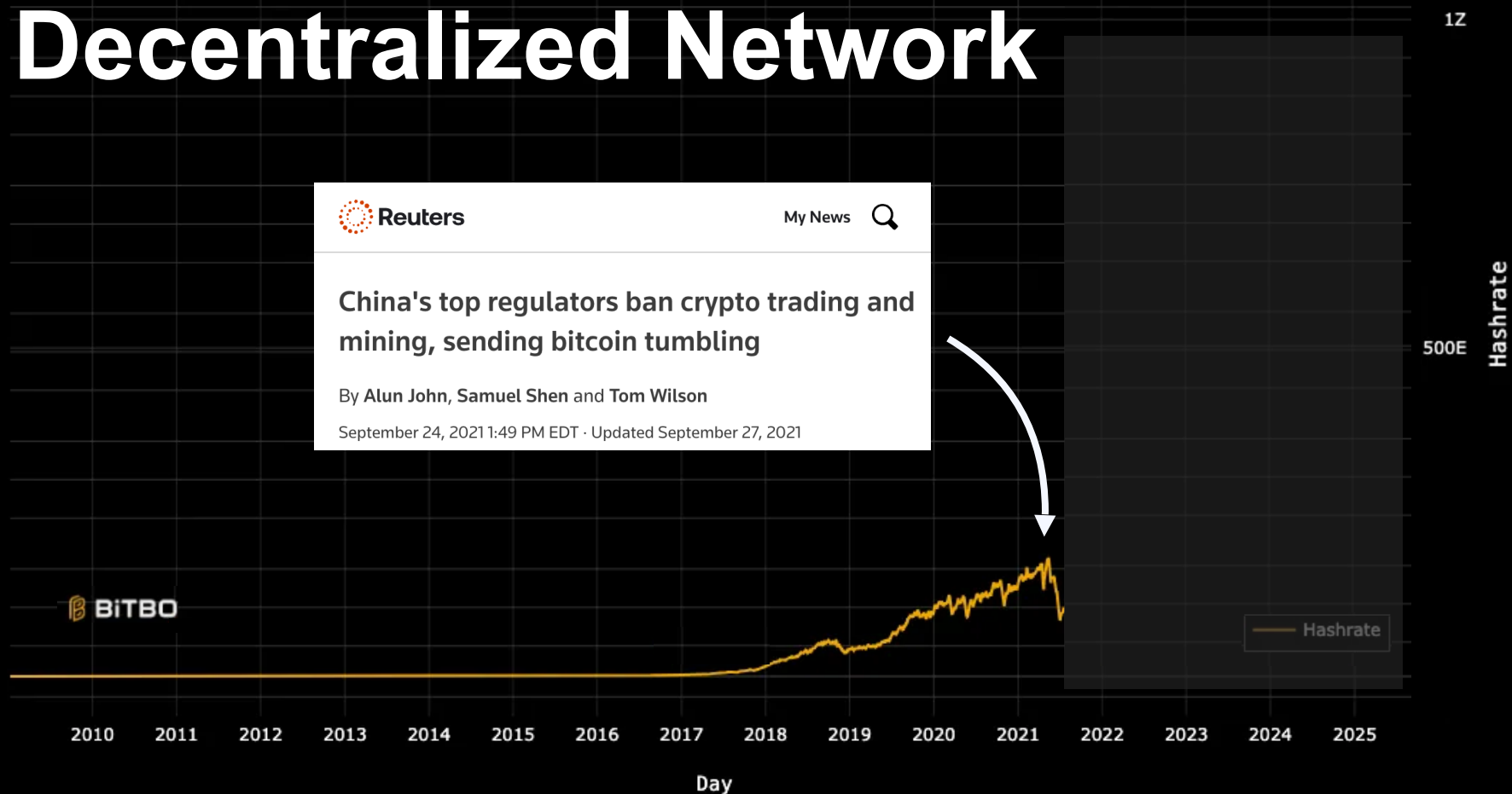
 Reuters My News 

**China's top regulators ban crypto trading and mining, sending bitcoin tumbling**

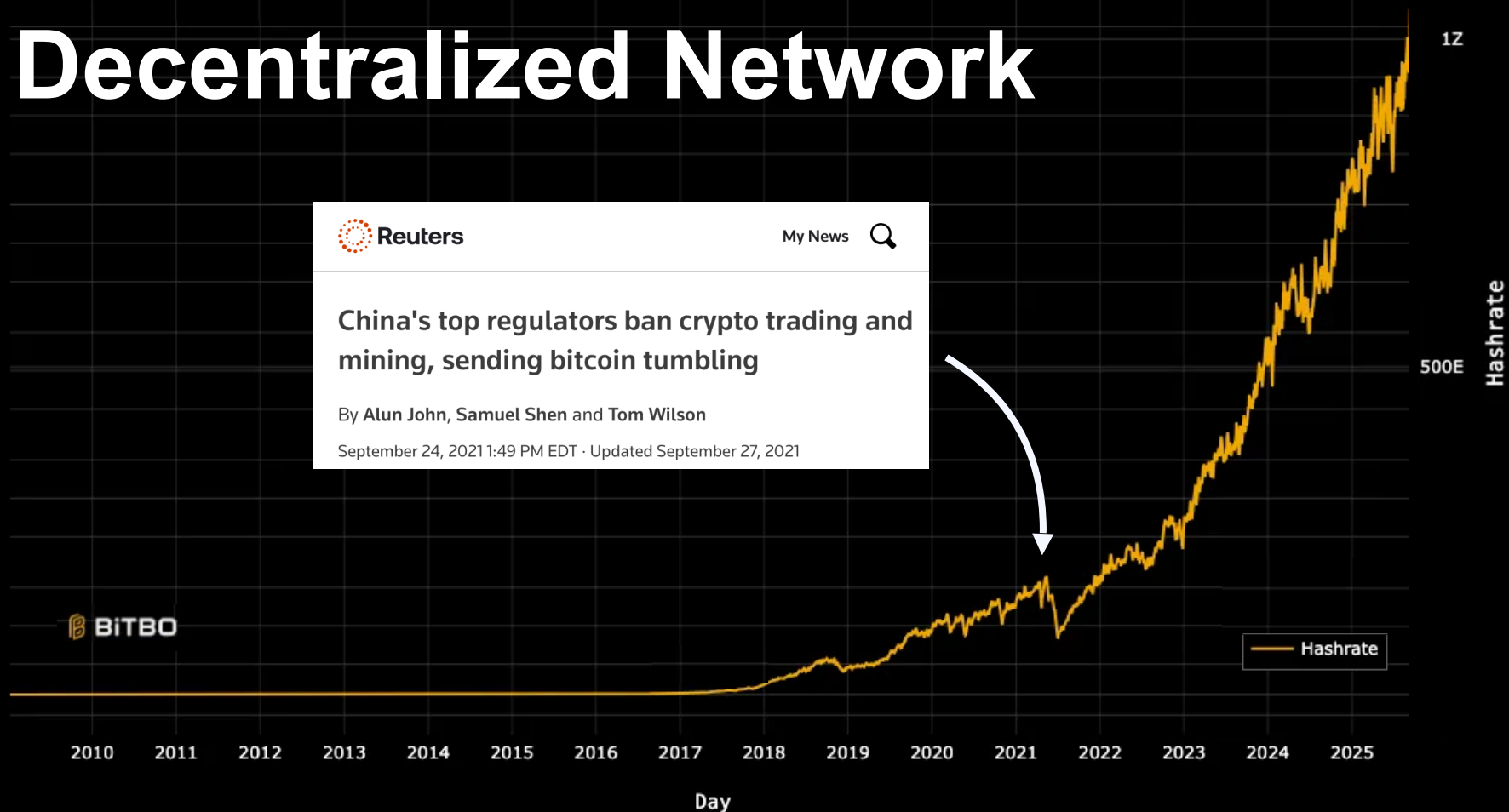
By Alun John, Samuel Shen and Tom Wilson

September 24, 2021 1:49 PM EDT · Updated September 27, 2021

 BITBO



# Decentralized Network



Reuters

My News

China's top regulators ban crypto trading and mining, sending bitcoin tumbling

By Alun John, Samuel Shen and Tom Wilson

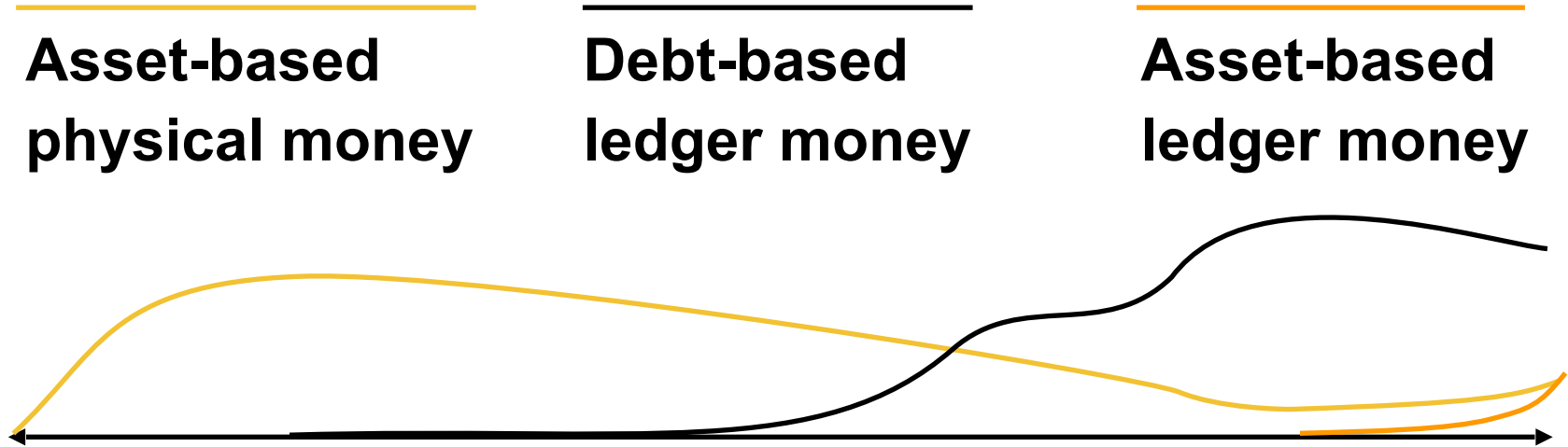
September 24, 2021 1:49 PM EDT · Updated September 27, 2021

BITBO

Hashrate











Day







# Three monetary epochs



# “Bitcoin’s Value is Driven by its Enforceable Scarcity”

Fidelity, 2023  
Bitcoin-First: Revisited





	 GOLD	 BITCOIN	 FIAT CURRENCY	
 DURABLE	+	+	-	While all are physically durable, fiat currency has not maintained purchasing power durability over time
 DIVISIBLE	-	+	+	Physical gold is only divisible to small pieces; bitcoin is divisible to eight decimals
 FUNGIBLE	+	+	-	Gold and bitcoin are fungible, but fiat currency is not fungible with other fiat (i.e. U.S. dollar is not fungible with Canadian dollar)
 PORTABLE	-	+	+	Gold has a high value-to-weight ratio, but compared to the others, is still heavy and cumbersome to transport
 VERIFIABLE	-	+	-	Both gold and fiat currency have been counterfeited; gold can be verified, but only through cumbersome testing
 SCARCE	+	+	-	Gold is relatively scarce, bitcoin is scarce and finite; the only supply constraint on fiat currency is willingness of government or central bank
 TRACK RECORD	+	-	-	Gold has the longest track record as money and maintaining purchasing power; bitcoin's history is the shortest; fiat currency has poor track record?

	 <b>GOLD</b>	 <b>BITCOIN</b>	 <b>FIAT CURRENCY</b>
 <b>DURABLE</b>	+	+	-
 <b>DIVISIBLE</b>	-	+	+
 <b>FUNGIBLE</b>	+	+	-

While all are physically durable, fiat currency has not maintained purchasing power durability over time

Physical gold is only divisible to small pieces; bitcoin is divisible to eight decimals

Gold and bitcoin are fungible, but fiat currency is not fungible with other fiat (i.e. U.S. dollar is not fungible with Canadian dollar)

 <p><b>PORTABLE</b></p>	—	+	+
 <p><b>VERIFIABLE</b></p>	—	+	—
 <p><b>SCARCE</b></p>	+	+	—
 <p><b>TRACK RECORD</b></p>	+	—	—

---

Gold has a high value-to-weight ratio, but compared to the others, is still heavy and cumbersome to transport

---

Both gold and fiat currency have been counterfeited; gold can be verified, but only through cumbersome testing

---

Gold is relatively scarce, bitcoin is scarce and finite; the only supply constraint on fiat currency is willingness of government or central bank

---

Gold has the longest track record as money and maintaining purchasing power; bitcoin's history is the shortest; fiat currency has poor track record<sup>2</sup>

# Three Cohorts of Adoption

Unbanked



Banked



Banks



# The Unbanked



# The “Unbanked”

2024+

2013



Bitcoin Puerto Rico  
Puerto Rico



Arnhem Bitcoinstad  
Netherlands



Bitcoin Club  
Malta



Bitcoin Reef  
Curacao

2016



Bitcoin Valley  
Trentino, North Italy

2019



Bitcoin Beach  
El Zonte, El Salvador

2020-21



Praia Bitcoin  
Jencoaçara  
Brazil



MOTIV  
Peru



Bitcoin Lake  
Lake Ahtitlán,  
Guatemala



Bitcoin Jungle  
Uvita, Costa  
Rica



Bitcoin Ekasi  
Mossel Bay, SA

2022-23



Bitcoin Ubuntu  
Swellendam, SA



F.R.E.E. Madeira  
Portugal



Bitcoin Dua  
Agbozume  
Ghana



AmityAge  
Honduras



Bitcoin Witsand



Bitcoin Islands  
Philippines



Montanha Bitcoin  
São Thomé das  
Letras, Brazil



Cloud21Siargao  
Philippines



Aceita Bitcoin  
Portugal



Bitcoin Kampala  
Uganda



Bitcoin Berlin  
El Salvador



Bitcoin Victoria Falls  
Zambia



Bitcoin Chiavenna  
Italy



Calabar BTC Club  
Nigeria



Bitcoin Haiti  
Haiti



Bitcoin House Bali  
Indonesia



B is for Bosa  
Sardinia



Bitcoin Babies  
Kenya



Bitcoin Bay  
USA (Tampa Bay, FL)



Afribit Kibera  
Kenya



Simply Sow BTC  
South Africa



Bitcoin Indonesia



SowetoBTC



Bitcoin Dominicana  
Dominican Republic



Bitcoin Anambra  
Nigeria



Bitcoin Platt  
South Africa



BTC Shule  
Burundi



Bitcoin Karoo  
South Africa



Bitcoin Arusha  
Tanzania



Bitcoin El Zera  
South Africa



Bitcoin El Zera  
South Africa



Bitcoin Montserrat  
Caribbean



Bitcoin Anambra  
Nigeria



Bitcoin Platt  
South Africa



BTC Shule  
Burundi



Bitcoin Karoo  
South Africa



Bitcoin Arusha  
Tanzania



Bitcoin El Zera  
South Africa



Bitcoin El Zera  
South Africa



Bitcoin Nairobi  
Kenya



Bitcoin Campus  
Zambia



Bitcoin Yucatán  
Mexico



The Core Bitcoin  
Githurai, Kenya



The Core Bitcoin  
Githurai, Kenya



Engthyve  
Denmark



Bitcoin House  
Montevideo  
Uruguay



Bitcoin House  
Montevideo  
Uruguay



Siamstr  
Thailand



Bitfiba  
Initiative



Bitfiba  
Initiative



Plebs Together  
Strong  
India



Plebs Together  
Strong  
India



Hual Phueing P  
Thailand



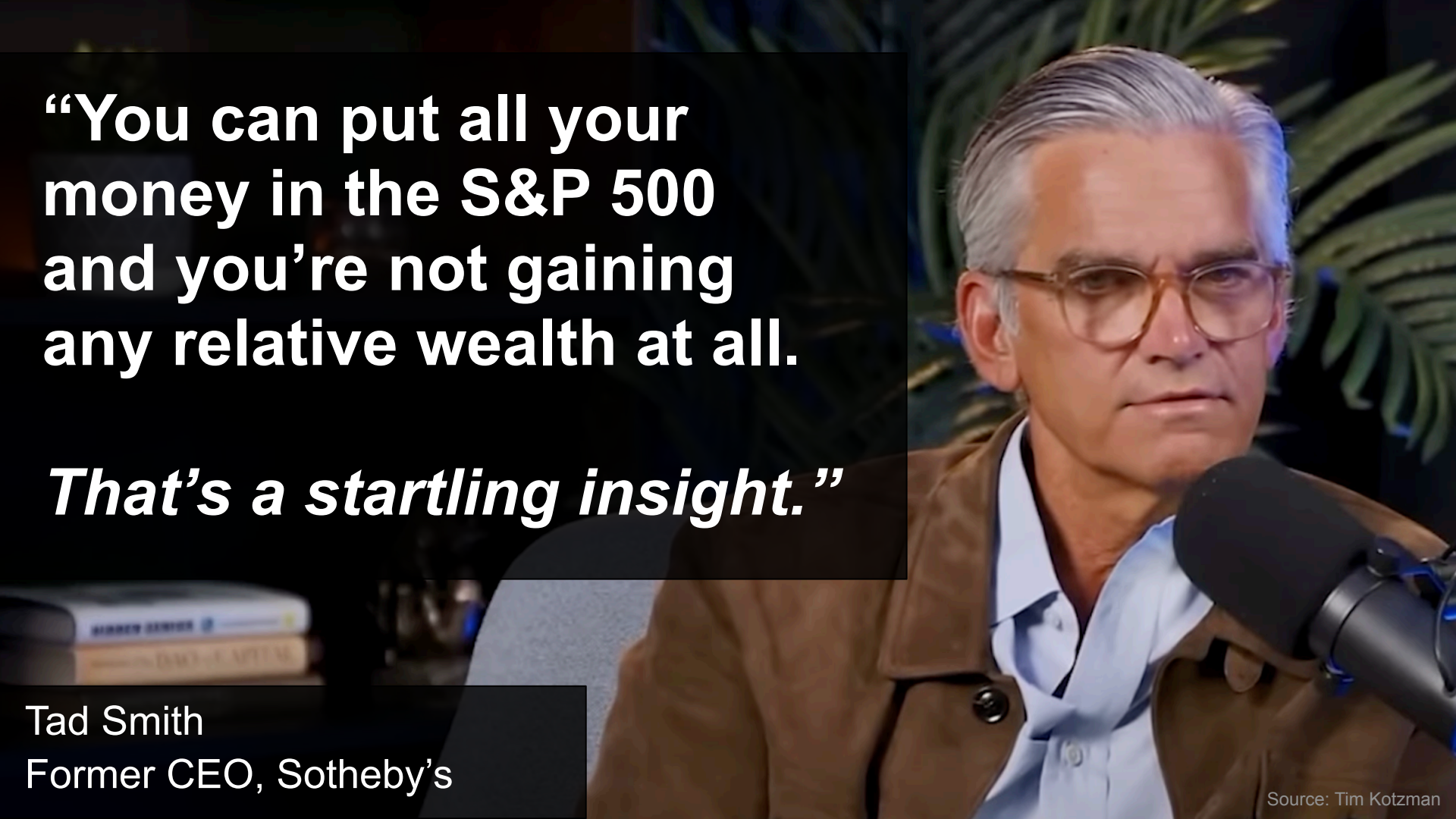
Bitcoin Coalition  
Canada



Lightning Vill  
Africa

# The Banked



A man with grey hair and glasses, wearing a brown jacket over a light blue shirt, is speaking into a microphone. The background is dark with some green foliage. A large black box with white text is overlaid on the left side of the image.

**“You can put all your  
money in the S&P 500  
and you’re not gaining  
any relative wealth at all.**

***That’s a startling insight.”***

Tad Smith  
Former CEO, Sotheby’s

Source: Tim Kotzman

# The Banks



**“BlackRock’s U.S.-based  
Bitcoin exchange-traded  
product (ETP) was the largest  
exchange-traded product  
launch in history”**

Larry Fink  
CEO, Blackrock

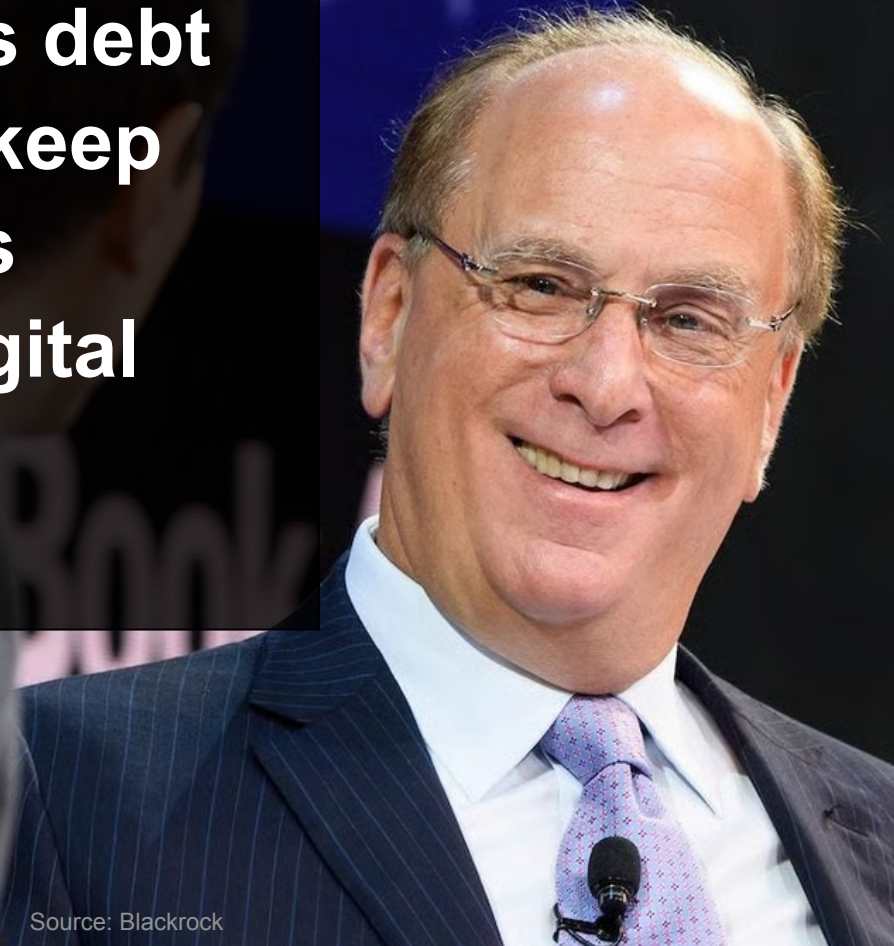
Source: Blackrock



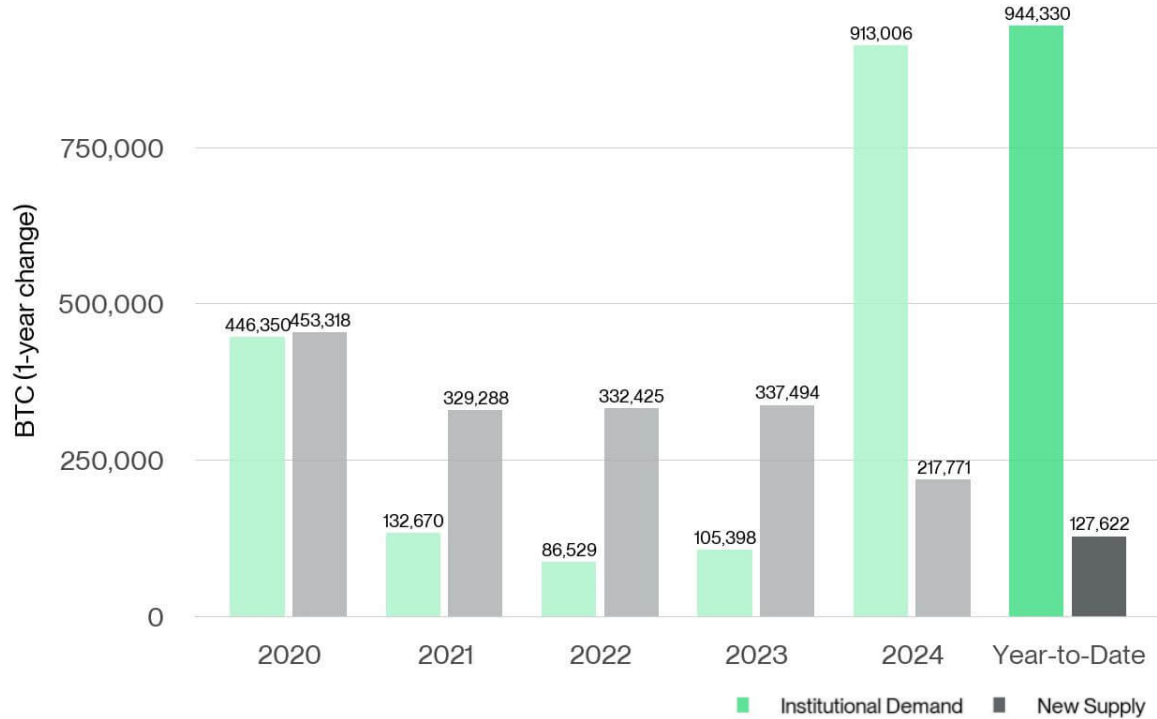
**“If the U.S. doesn’t get its debt under control, if deficits keep ballooning, America risks losing that position to digital assets like Bitcoin.”**

Larry Fink  
CEO, Blackrock

Source: Blackrock



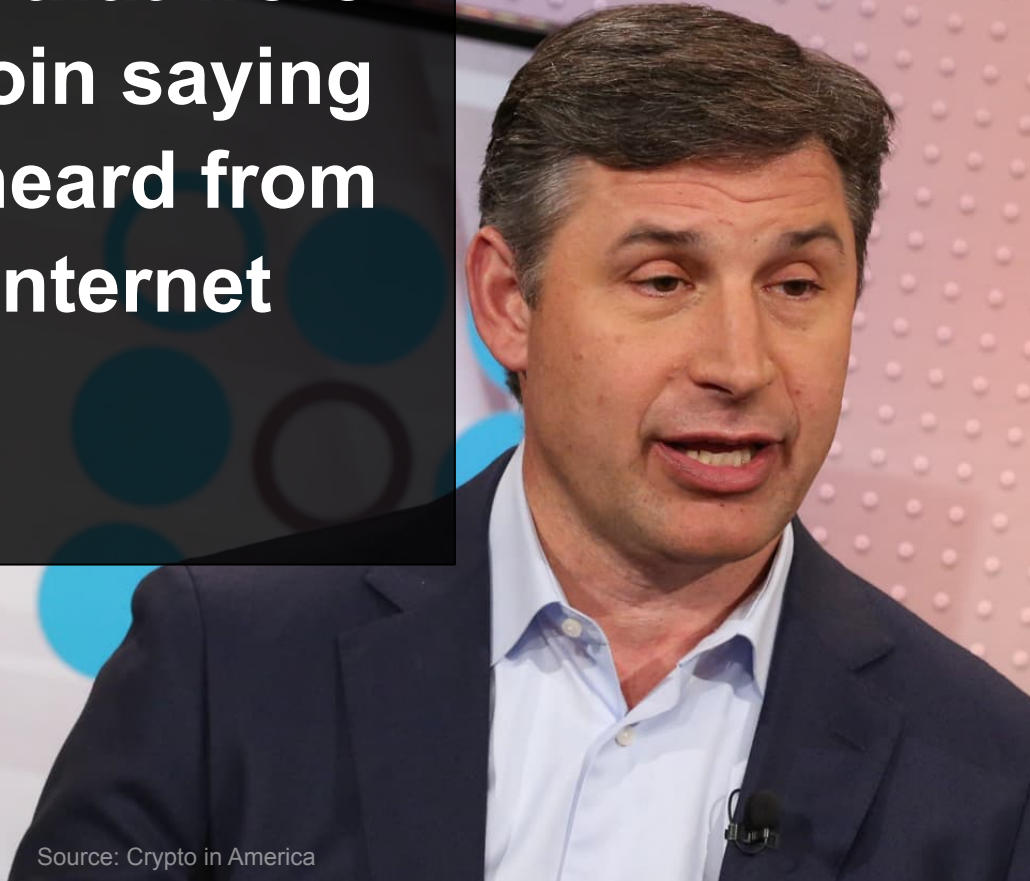
# Demand = 7.4x Supply



**“I heard many people that were naysayers about bitcoin saying many of the things I heard from naysayers about the internet back in 1999-2000.”**

Anthony Noto  
CEO, SoFi

Source: Crypto in America



**“This looks real, this is something going on here. It could lead to radical changes in our business. And wouldn’t that be interesting and exciting.”**

Abigail Johnson  
CEO, Fidelity

Source: a16z crypto



# It's Still Early

15 of top 25 largest US banks reportedly have or are building bitcoin products.

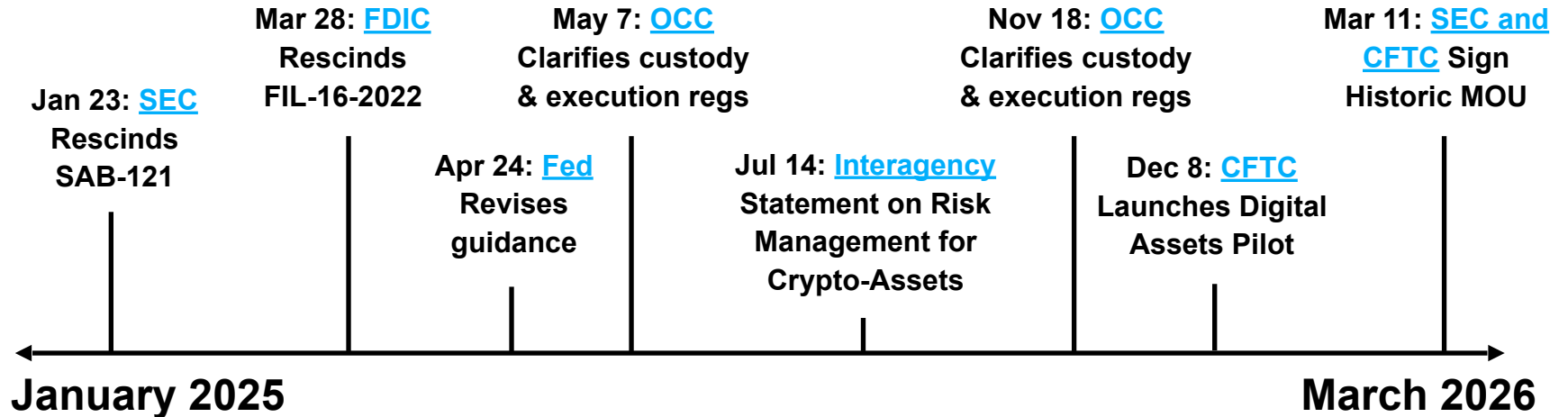
## Bitcoin Products by Top 25 Banks in the U.S.

Rank	Bank	Custody	Trading
1	JP Morgan Chase	Not yet	Announced
2	Bank of America	Not yet	Not yet
3	Citigroup	Exploring	HNW Clients Only
4	Wells Fargo	Not yet	HNW Clients Only
5	Goldman Sachs	Not yet	HNW Clients Only
6	Morgan Stanley	Not yet	HNW Clients Only
7	US Bank	HNW Clients Only	Not yet
8	PNC Group	Launched	Launched
9	Truist Financial	Not yet	Not yet
10	TD Bank (US)	Not yet	Not yet
11	Capital One	Not yet	Not yet
12	Charles Schwab	Not yet	Announced
13	BNY Mellon	HNW Clients Only	Not yet
14	State Street	Announced	Not yet
15	BMO Financial (US)	Not yet	Not yet
16	American Express	Not yet	BTC Rewards Card
17	HSBC (US)	Announced	Not yet
18	First Citizens	Not yet	Not yet
19	USAA	Not yet	Exchange Integration
20	Citizens Financial	Not yet	Not yet
21	Fifth Third	Exploring	Exploring
22	UBS (US)	Not yet	Announced
23	M&T Bank	Not yet	Not yet
24	Huntington Bank	Not yet	Not yet
25	Barclays (US)	Not yet	Not yet

As of January 2026



# 2025-2026 Regulatory Updates



# Opportunity for Banks



# Opportunity for Banks



**1. Education & Guidance**

**2. Custody & Safekeeping**

**3. Currency Exchange**

**4. Payments**

**5. Asset-backed Lending**

**6. Correspondent Banking**

# Education & Guidance



# Education & Guidance

**14% of US Adults own crypto**

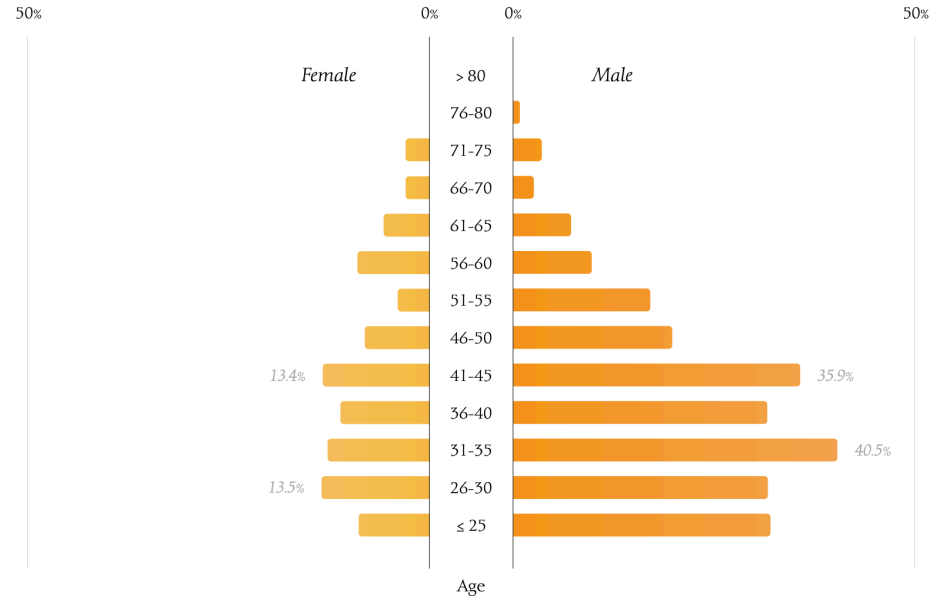
**35% of US Adults “Know something about crypto”**

**This happened largely outside their banking relationship**

# Education & Guidance

**40% of males and  
13% of females aged  
31-35 own Bitcoin**

Bitcoin Ownership By Gender & Age



# Custody & Safekeeping



**Custodian Integration** → *Partner with qualified custodian*

**Self-Custody Support** → *Customer-controlled*

**Bank-Managed Custody** → *Bank-controlled*

# **BTC/USD Exchange**

**Enable customers to invest without leaving the trusted environment of the bank**

**Add net new fee revenue**

**Reduce “soft-switching” toward fintechs**

# Payments

A faded, black and white photograph of a historical office scene. Two men in suits are seated at a large, dark wooden desk. The man on the left is leaning forward, pointing at a document. The man on the right is looking down at a document. The desk is cluttered with papers, a typewriter, and other office supplies. In the background, there are bookshelves and a lamp.

**On-chain bitcoin payments** (akin to Fedwire)

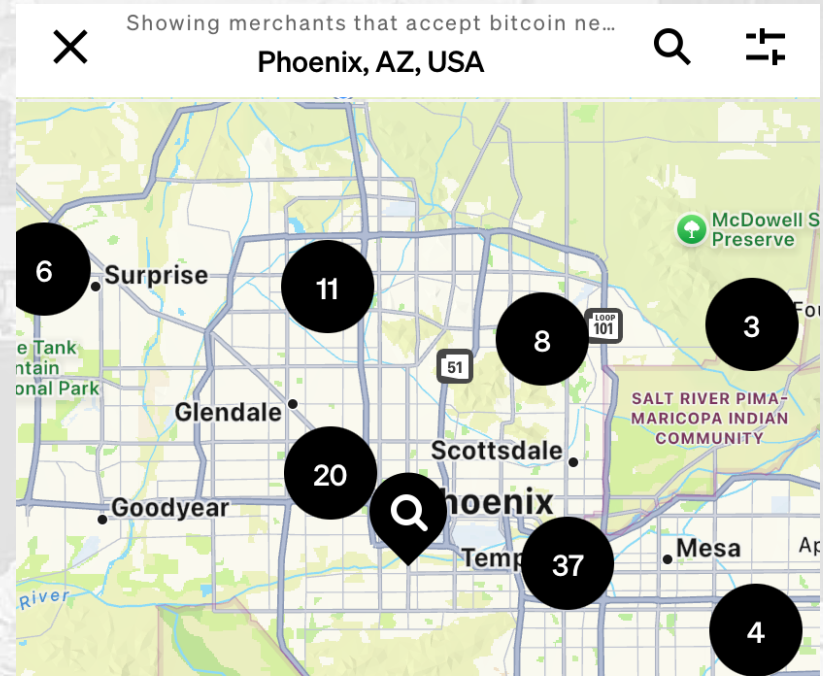
**Layer 2 Lightning Network** (real time payments)

**Digital bitcoin wallet** (eBanking, mobile channels)

# Payments

**Square:** 4M US merchants can accept BTC (or USD) via Lightning Network (Nov '25)

**SoFi & Lightspark:**  
Remittances payments over  
Lightning: USD → BTC → MXN



# Asset-backed Lending



## A win for banks

- Overcollateralized (~50% LTV) with liquid, 24/7-priced collateral
- Higher interest rates with lower credit risk
- Continuous collateral monitoring improves balance sheet efficiency

# Asset-backed Lending

## A win for banks

- Overcollateralized (~50% LTV) with liquid, 24/7-priced collateral
- Higher interest rates with lower credit risk
- Continuous collateral monitoring improves balance sheet efficiency

## A win for customers

- Access liquidity without selling long-term assets
- Borrow from a regulated, trusted bank counterparty
- Avoid reliance on opaque or untested counterparties

# **Correspondent Banking**

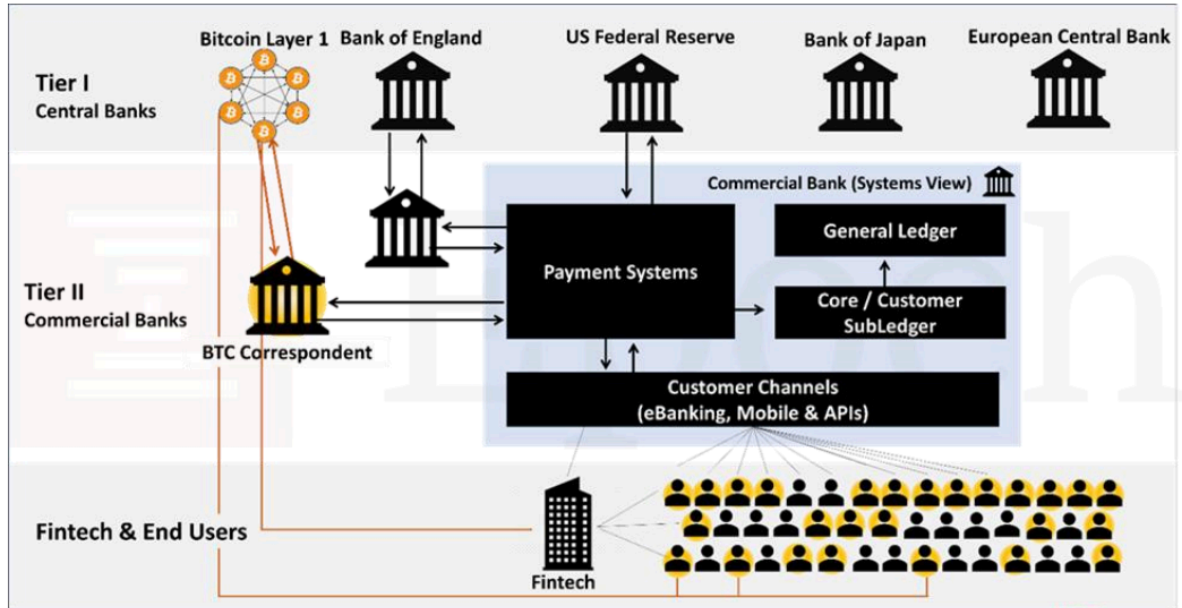
**Operate Bitcoin banking infrastructure for other banks**

**Institutional custody, exchange, and settlement rails**

**Extend distribution using existing compliance and operations capabilities**

# Correspondent Banking

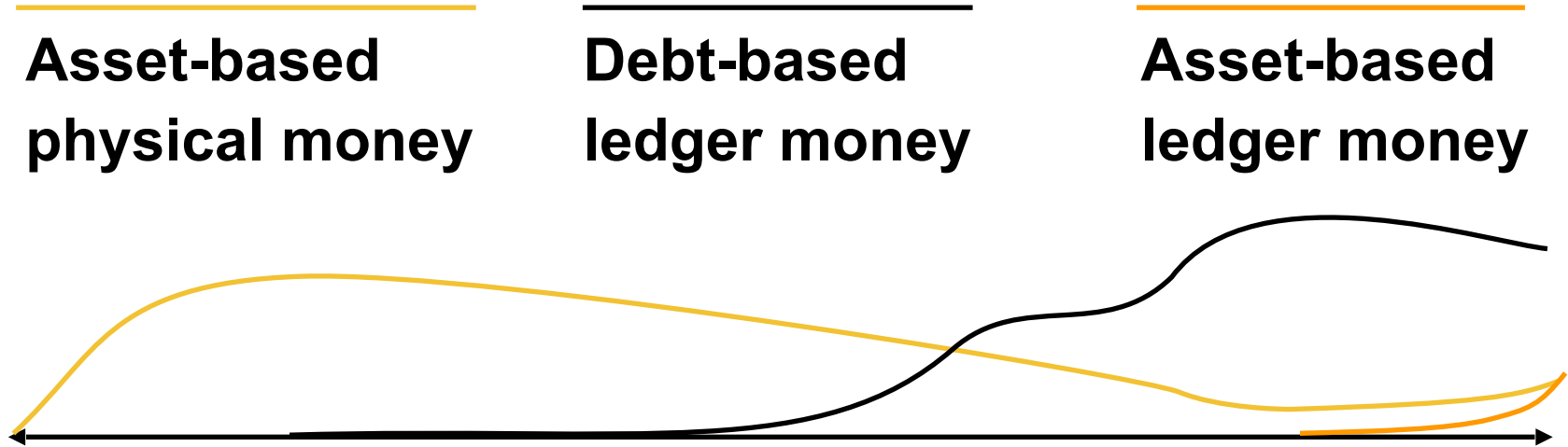
Figure 9: Near-Term Future State — the Bitcoin Correspondent



@D\_CentralBanker

Epoch

# Three monetary epochs



# **Wrap-Up**

- 1. Bitcoin is disruptive technology**
- 2. Banks are uniquely positioned**
- 3. The decision is how to engage**

# Next Steps

- 1. Answer: “Is it real?”**
- 2. Analyze: Use cases and business models**
- 3. Act: Build, buy, or partner**

**SURVEY QUESTION 1**

**What is the current maturity level of your organization's digital asset capabilities?**

- A. Nascent – info gathering, working group forming**
- B. Early – strategy development, experimentation**
- C. Underway – consensus and product building**
- D. Mature – live products in market**

**SURVEY QUESTION 2**

**Which digital asset category is your organization currently prioritizing most?**

- A. Bitcoin**
- B. Stablecoins / tokenized deposits**
- C. Other digital assets**
- D. No active priority yet**

**SURVEY QUESTION 3**

**Which digital asset use case is your organization most likely to pursue first?**

- A. Payments / digital wallet**
- B. Custody**
- C. Asset-backed lending**
- D. Exchange (buy/sell)**

# Thank you!

## Questions?

Andrew Begin  
CSO, Galoy

**Galoy**



**X / LinkedIn**  
**@agbegin**

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**It will also be available on [BankDirector.com](https://www.bankdirector.com).**

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# WEBINAR

**Bitcoin: What Bank and Credit Union  
Leaders Need to Know**

# THANKYOU

**Galoy**