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JPMorgan Eyes Crypto-Backed Lending Expansion in 2025

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Wall Street giant looks to offer loans secured by digital assets like bitcoin and ether, as crypto gains traction in mainstream finance.

JPMorgan Chase is preparing to deepen its role in digital finance by exploring crypto-backed lending, potentially offering loans secured directly by cryptocurrencies such as bitcoin (BTC) and ether (ETH) as early as next year, according to a report from the *Financial*

Times. The move marks a major step for the bank and signals growing institutional acceptance of digital assets as legitimate financial tools.

Sources familiar with the matter say the bank is actively developing a framework to allow high-net-worth and institutional clients to borrow against their crypto holdings much like they would with stocks or real estate. This would be an extension of JPMorgan's current offering, which already permits borrowing against crypto Exchange-Traded Funds (ETFs), including BlackRock's iShares Bitcoin Trust (IBIT).

This initiative comes amid a renewed pro-growth regulatory backdrop and increased confidence from major financial players in the digital asset space. CEO Jamie Dimon, long known for his skepticism of cryptocurrencies, has recently softened his stance. While he remains critical of speculative trading behavior, Dimon acknowledged last week that the bank "plans to get more involved in stablecoins," cryptocurrencies pegged to fiat currencies like the U.S. dollar, even as he expressed reservations about their long-term practicality compared to traditional payment systems.

Despite past reservations, JPMorgan's growing interest in crypto lending suggests the firm sees tangible value in the underlying infrastructure of blockchain-based finance. Loans backed by crypto assets function similarly to those secured by traditional collateral, allowing borrowers to access liquidity without liquidating their holdings. This has appeal for clients who are long-term bullish on assets like BTC or ETH but need cash flexibility.

The bank's potential entry into this space also reflects broader market trends. Institutional demand for crypto exposure has surged over the past year, especially with regulatory clarity improving and products like spot bitcoin ETFs gaining traction in mainstream portfolios. For banks like JPMorgan, offering secured loans against these assets could open up a lucrative new business line, while positioning the firm competitively against fintech and crypto-native lenders.

Moreover, such lending structures may help reduce volatility by encouraging more responsible, collateral-backed crypto usage rather than leveraged speculation. By integrating cryptocurrencies into traditional banking services, JPMorgan is effectively bringing digital assets into the fold of regulated finance without compromising risk standards.

If rolled out, this would be the bank's most direct crypto-facing product yet, and a sharp turn from Dimon's infamous 2017 comments calling bitcoin a "fraud." That shift underlines how rapidly the financial landscape is evolving, with market leaders adapting to client demand and emerging technologies even when they challenge long-standing conventions.

While some hurdles remain, including custodial security and asset volatility, JPMorgan's planned expansion into crypto-backed lending reflects a pragmatic embrace of financial innovation. And as the largest U.S. bank by assets, its entry into the space could help normalize digital assets across the broader banking sector.