

Blockchain Adoption in Banking and Finance: A Study of its Benefits, Risks, and Future Prospects

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Abstract: *Blockchain, originally devised for Bitcoin, has evolved beyond cryptocurrencies to become a transformative technology in banking and finance. Its decentralized, secure, and transparent characteristics promise improved efficiency, reduced fraud, and cost savings. However, challenges such as scalability, regulatory uncertainty, and cybersecurity risks persist. This paper explores the benefits, risks, and future prospects of blockchain adoption in the financial sector. The study includes a review of existing literature, real-world applications, and an analysis of ongoing challenges and potential future developments.*

Keywords: Blockchain, Distributed Ledger Technology (DLT), Banking, Finance, Smart Contracts, Cryptocurrency, Risk Management, Regulatory Compliance

