

Australia's NAB cuts ties with virtual currencies

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One of Australia's biggest banks confirmed Thursday it was distancing itself from digital currencies after reviewing its risk profile.

The National Australia Bank, one of the country's four main banks, has reportedly sent letters to [business customers](#) whose primary business is trading in Bitcoins and other crypto-currencies, saying their accounts will be closed on May 2.

The letters state that an internal review concluded that ties with virtual currency providers posed an unacceptable level of risk to the bank's [business](#) and reputation, Australian Associated Press reported.

A spokesman for the NAB said it was correct to say the bank was distancing itself from computer-generated currencies, which are unregulated.

"National Australia Bank does not bank or trade in unregulated currencies, or have any plans to do so," the spokesman said in a statement to AFP.

"NAB continually reviews its risk profile and the businesses we bank, ensuring NAB's activities are in the best interest of our customers and our shareholders."

Unlike most currencies, Bitcoin is not backed by a government or central bank.

The [digital currency](#) has suffered a series of blows since February when the Tokyo-based Bitcoin trading exchange MtGox filed for bankruptcy, after admitting it had lost about half a billion dollars of the virtual unit.

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