

# The Impact of Cryptocurrencies on Traditional Banking Systems

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**Abstract:** *In recent years, cryptocurrencies have evolved from niche assets into mainstream financial instruments, posing new challenges and opportunities for traditional banking systems. This paper investigates the disruptive influence of cryptocurrencies on conventional banking, examining how decentralized digital currencies like Bitcoin and Ethereum are reshaping the landscape of financial transactions, lending, and investment. By analyzing the responses of banks and financial institutions to this rapidly changing market, the research explores both the risks and potential synergies between traditional financial systems and decentralized finance (DeFi). The findings reveal a dynamic interplay between innovation and regulation, offering insights into the future of banking in a digital age*

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