Review of: "From Tech Hub to Banking Failure: Exploring the Implications of CBDCs on the Destiny of Silicon Valley Bank"

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The Authors elaborate on very interesting and important topics, namely: bank runs, bank risk management and central bank digital currencies (CBDCs). Such analysis, especially in the field of potential consequences of CBDCs are of the utmost importance, since they support central bankers in their research and preparation to implement CBDCs.

Advantages of the article are the introduction of the Silicon Valley Bank and their profile (including risk profile) and listing of all potential positive consequences of CBDCs, that could have been utilized provided that such currency had been introduced by Fed.

It seems however that the article could be enhanced in a few ways:

1. The title suggests that the article presents the conclusions from the functioning of CBDC in case of SVB, which is not the case, since CBDC is not implemented in the USA (as of April 2023).
2. The description of SVB and its risk deficiences seems to be quite superficial and, for the purpose of a typical scientific article could be enhanced.
3. The point 3 of the article concerns only positive concequences of CBDCs for bank ongoing supervision, while there are multiple drawbacks of such (look e.g. on: Kozińska M., Issue of Central Bank Digital Currencies – potential consequences for the shape of the financial system w: R. Aneja, R. Dygas, Digital Currencies and the New Global Financial System, Routledge, 2022) - such drawbacks should definitely be analyzed, since without them the analysis is incomplete.
4. The authors emphasize posivite consequences of the fact that CBDCs enable strickter oversight over the bank liquidity, but such oversight is already possible, since all commercial banks have their accounts in central bank, what enables monitoring. Moreover, introduction of CBDCs introduces the possibility to convert bank deposits into CBDC at the click of the bottom, what sharpens the problem of bank runs. Bank clients' may even quicker withdraw funds, but such funds' outflow must be somehow managed by the bank (e.g. by acquiring central bank liquidity which requires appropariate collateral - the fact that deposits were converted into CBDC not physical cash does not change the problem of the bank - shortage of liquidity). Looking at these mechanisms the article should be rethinked, since it may incorporate wrong understanding of bank liquidity management systems.

Summarizing, the topic that the authors have taken upp is relevant and the article should be prepared and published. Nevertheless, the suggestions presented above should be considered in order to avoid factual erros.