

**Question for written answer Z-023/2021
to the Chair of the Single Supervisory Mechanism Board
Rule 141**

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Subject: Exposure of the European banking system to risks arising from speculative investment

Several news agencies have reported that, on 26 March 2021, the hedge fund Archegos Capital Management experienced a crisis due to the deterioration of its speculative investments leveraged on certain Chinese technology securities.

The losses led to a margin call by the exposed banks concerned aimed at replenishing margins and securing investments, and they then availed of their right to declare the fund bankrupt, selling their positions in order to recover the capital committed.

Owing to their exposures vis-à-vis the hedge fund, some major banks registered very poor financial market performances at the 29 March 2021 session.

Can the ECB state:

- whether the banks supervised by the Eurosystem were affected by the bankruptcy of the Archegos Capital Management hedge fund and, if so, to what extent;
- whether it can provide up-to-date statistics on the exposure values relating to speculative financial investments leveraged by the banks supervised and whether it considers action is needed to avoid any systemic risks?