Independent study title	BANKS' DERIVATIVES HOLDING AND SYSTEMIC RISK IN THAILAND
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ABSTRACT

A recent global financial crisis proves that the distress of a few financial institutions can disrupt the financial system and world economic growth. One of the main reasons is an expansion of underregulated derivatives held by financial institutions. In this study, the contribution of banks' derivatives holding to systematic risk in Thailand is examined; as well as other factors known to capture systematic risks such as size, interconnectedness, leverage, amount of deposits, and derivatives holding. By using a monthly sample of 10 banks publicly traded in the Stock Exchange of Thailand from 2011 to 2017, the result shows that all banks' determinations of systemic risk are statistically significant except for Bond Derivatives Holding, and Equity Derivatives Holding. The Size has the strongest positive contribution to systemic risk, following by Leverage, FX Derivatives Holding, and Credit Derivatives Holding respectively; whereas the Interconnectedness has the weakest impact. On the other hand, Amount of Deposits, Interest Rate Derivatives Holding and Commodities Derivatives Holding have negative contribution to systemic risk.

Keywords: Derivatives Holding, Systemic Risk, Banks, CoVaR