

**GUIDELINES ON THE CAPITAL TREATMENT OF BANKS' HOLDINGS OF  
REPUBLIC OF THE PHILIPPINES GLOBAL BONDS PAIRED WITH WARRANTS**  
***(Appendix to Section 125)***

A bank's holdings of ROP Global Bonds that are paired with Warrants (paired Bonds), which give the bank the option or right to exchange its holdings of ROP Global Bonds into Peso-denominated government securities upon occurrence of a predetermined credit event, shall be risk weighted at zero percent (0%): *Provided*, That the zero percent (0%) risk weight shall be applied only to bank's holdings of paired Bonds equivalent to not more than fifty percent (50%) of the total qualifying capital, as defined under *Appendix 59*.

*(Circular No. 890 dated 02 November 2015)*