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Sir David Tweedie
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Dear Sir

Exposure Draft of Proposed Amendments to IAS39 – The Fair Value Option

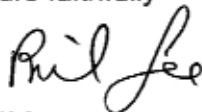
Britannia Building Society is the second largest mutually owned building society with total assets of £22bn. It has Treasury Assets and Liabilities in excess of £5.6BN and £7.2BN respectively.

I welcome the opportunity to comment on the exposure draft as follows:

- The Fair Value Option allows a less onerous treatment of matched assets or liabilities with derivatives and will reduce the amount of administration required for these positions compared to the hedge accounting method.
- Britannia intends to adopt the Fair Value approach for its Treasury Assets and Liabilities that are matched with derivatives.

I feel that the introduction of this approach is helpful in achieving compliance with the new standard.

Yours faithfully



Phil Lee
Group Finance Director