

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

15 January 2009

Dear Sirs:

Exposure Draft: Investment in Debt Instruments

We appreciate the opportunity to comment on the above Exposure Draft on behalf of Bank of China Limited.

We agree with the Exposure Draft proposed in paragraph 30A (b), which is consistent with paragraph 25 and provides useful information for readers. The readers can analyse the company's operating results with the information provided.

However, we believe the Exposure Draft proposed in paragraph 30A (a) is not ready enough to publish. Our concerns are as following:

1. Historically, one pre-tax profit number has been disclosed to readers of financial statements under IFRS. The requirement to disclose pre-tax profit under several different measurement bases for investments in debt instruments other than those classified as at fair value through profit or loss will confuse readers and will also increase criticism of the International Financial Reporting Standards for a lack of clarity.
2. It is not clear why disclosure of the impact on pre-tax profit of using alternative measurement bases for investments in debt instruments other than those classified as at fair value through profit or loss is required, and not required for all other financial instruments. The target of eliminating difference of measurement models is not achieved.
3. Classification of financial instruments should reflect an entity's intentions with regard to that instrument. If a different measurement basis is shown for an instrument, the impact of this alternative measurement basis will be inconsistent with the entity's intention. For example, for investments which an entity intends to hold to maturity, disclosing the impact on pre-tax profit of fair valuing such investments will mislead the readers as the fair value gains or losses disclosed will not be able to be realised by the entity due to the classification as held-to-maturity.

4. The proposed effective date for the amendment is for annual periods ending on or after 15 December 2008. We feel that the effective date does not take account of the time required to gather such information to support the proposed disclosure, particularly with regard to calculation and disclosure of impairment of assets on an amortised cost basis.

If you have any questions in relation to this letter, please do not hesitate to contact Mr Zhuangyong at ck_zhuangyong@bank-of-china.com.

Your faithfully

A handwritten signature in black ink, appearing to read 'Han Wang', with a stylized flourish at the end.

Deputy General Manager of Financial Management Department
Bank of China Limited