



MALAYSIAN INSTITUTE
OF ACCOUNTANTS



**MALAYSIAN INSTITUTE OF ACCOUNTANTS
FINANCIAL REPORTING STANDARDS IMPLEMENTATION COMMITTEE
("FRSIC")**

FRSIC Issue No. 63 [2017]

Presentation of income and expenses from Islamic banking operations in the consolidated statement of income of the holding company

The issue:

The issue is whether Income and expenses from Islamic banking operations shall be presented gross or net in the consolidated statement of income of the holding companies.

Current accounting practice as observed by the Submitter:

The submitter observes that selected consolidated financial statements of Malaysian bank holding companies (both foreign banks incorporated in Malaysia and local banks) present "net income from Islamic banking operations" as a single line item on the face of the consolidated statement of income. This line item usually consists of profit income and other income (e.g. fair value changes, fee income etc) and net of expenses.

Reasons for the FRSIC to address the issue:

FRSIC Consensus will provide guidance to ensure compliance with MFRS 101 *Presentation of Financial Statements*.

Submitter's proposal or recommendation to address the issue:

None

Submitted on:

28 February 2017

Corresponding FRSIC Consensus:

Ongoing