

**Malaysia to give greater flexibility for some foreign banks**  
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**KUALA LUMPUR:** Bank Negara Malaysia (BNM) says it will give greater flexibility to newly-licensed locally-incorporated foreign banks from complying with the distribution ratio requirement for branches.

The flexibility is also being extended to locally-incorporated foreign banks that have yet to reach a sizeable scale of operation.

Currently, locally-incorporated foreign banks can open up to eight additional branches subject to a specified distribution ratio of 1 (market centre) : 2 (semi-urban) : 1 (non-urban).

With this, locally-incorporated foreign banks that have yet to set up new branches or have less than eight branches will not be required to comply with the distribution ratio for the setting up of their branches.

"This will facilitate these banks to better serve their targeted customer segments and niche areas," said governor Tan Sri Zeti Akhtar Aziz when reading out the announcement here yesterday.

"This flexibility would also enable the existing locally-incorporated foreign banks to achieve a meaningful scale of operations to contribute more effectively to the overall development of the financial sector," she added.



**BNM governor Tan Sri Dr Zeti Akhtar and other officials at the press conference on Malaysia's second-quarter economic performance yesterday**

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