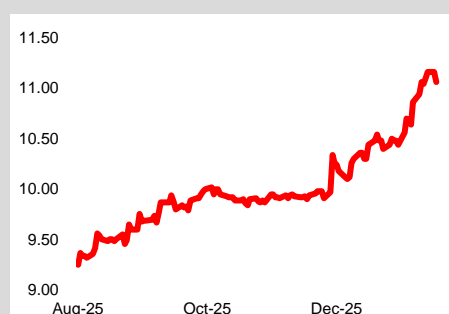


DESCRIPTION

Malaysia's largest banking group by asset size.

12-Month Target Price RM11.70
Current Price RM11.06
Expected Return +5.8%
Previous Target Price RM11.20

Market Main
Sector Financials
Bursa Code 1155
Bloomberg Ticker MAY MK
Shariah-Compliant No

SHARE PRICE CHART


52 Week Range (RM) 9.32 – 11.20
 3-Month Average Vol ('000) 12,406.6

SHARE PRICE PERFORMANCE

	1M	3M	6M
Absolute Returns	6.9	12.8	20.8
Relative Returns	3.9	5.8	4.3

KEY STOCK DATA

Market Capitalisation (RMm) 133,617.0
 No. of Shares (m) 12,081.1

MAJOR SHAREHOLDERS

	%
Amanah Saham Nasional	33.6
Employees Provident Fund	11.8

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Roaring Ahead with ROAR30

Maybank unveiled its new five-year strategic plan, ROAR30, which outlines key growth areas aiming to capitalise on long-term opportunities in ASEAN, supported by rising middle-income population, increasing intra-regional trade, higher FDI inflows and accelerating demand for Islamic finance. Under ROAR30, Maybank targets an ROE of 13-14% by FY30F, which we believe is an achievable target given Maybank's proven track record (ROE grew from 9.3% in FY22 to 11.5% in 9MFY25) and its initiatives to grow non-interest income (NOII ratio to 38-39%). This should also be supported by its capital management initiatives. Management is expected to provide further clarity on capital management plan at the upcoming result briefing. We raise our TP on Maybank to RM11.70 as we lower our cost of equity assumption to 8.3%, on sustained asset quality improvement and higher share of low-cost CASA deposits. Coupled with an attractive dividend yield of c.6%, we maintain our **Outperform** call on Maybank.

§ **ROAR30 targets.** Riding on successful execution momentum under M25+, Maybank has unveiled new financial aspirations under ROAR30: i) CASA ratio above 41% (9MFY25: 39.9%) ii) net interest margin (NIM) of above 2.05% (9MFY25: 2.03%) iii) net credit cost to remain stable at 20bps iv) cost to income ratio (CTI) <47% (9MFY25: 48.9%) v) net operating income to grow at a CAGR of 5-6% for FY25-30F vi) ROE of 13-14% (9MFY25: 11.5%)

§ **The strategy is built on 3 main pillars** namely, i) purpose, ii) business at scale and iii) foundation, which is expected to help Maybank to achieve its FY30F ROE target of 13-14%.

§ **Purpose.** This pillar focuses on delivering humanising financial services across customers, society and the real economy. SME financing remains a key growth area, with plans to expand financing to RM100bn (from RM60bn as of Sept 2025) and another RM100bn into new-economy sectors such as digital economy, technology infrastructure and services and advance manufacturing.

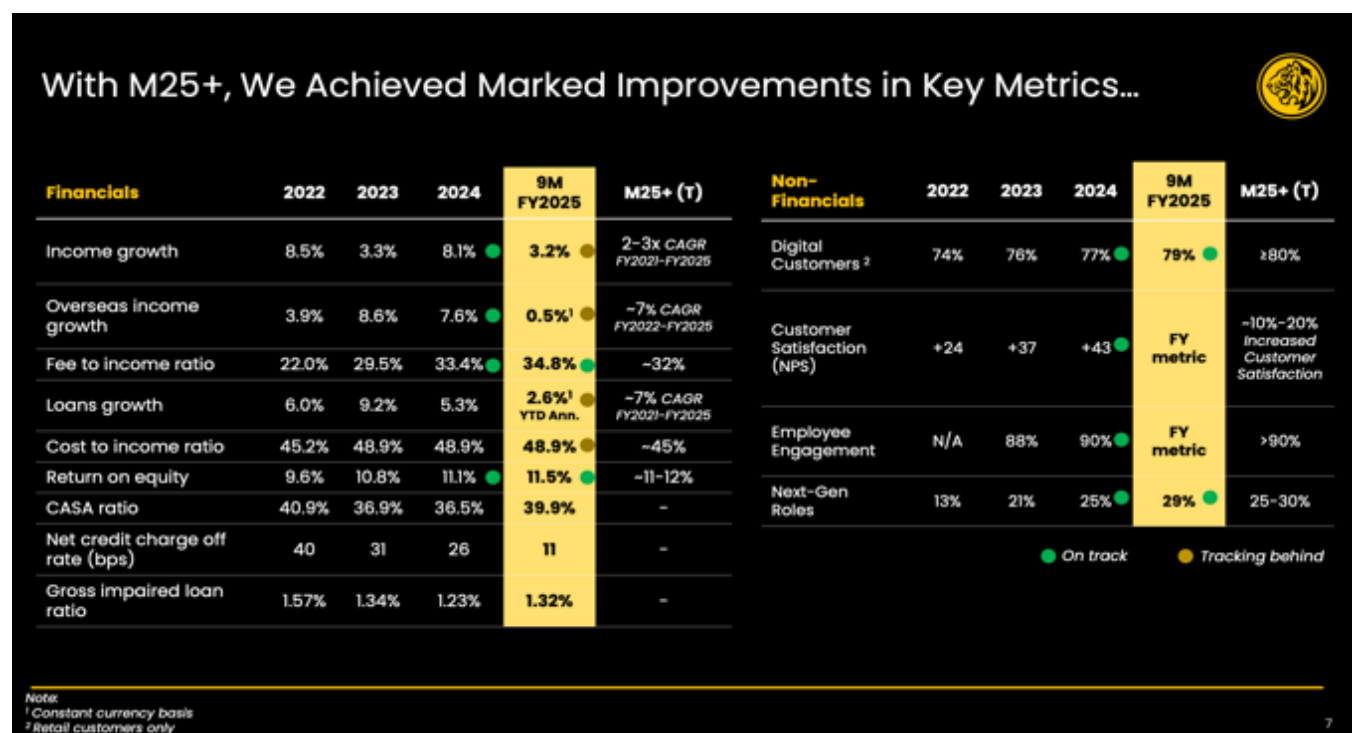
§ **Business at scale.** Maybank intends to leverage on its competitive edge as a deeply entrenched ASEAN bank to establish a regional and global leadership across 4 major areas: Islamic finance, wealth management, transactions and payments as well as corporate and investment banking. This will help Maybank to unlock growth through synergies, providing holistic banking solutions to ring-fence liquidity and fund flows within Maybank's ecosystem, thereby boosting income and profitability.

§ **Foundation.** To future proof the bank, Maybank is allocating RM10bn tech investment over the next 5 years (RM2bn pa), which may result in an upward pressure on the CTI. However, management has indicated that the increase in operating cost will be offset by improving productivity, process re-engineering, automation as well as an estimated 10% workforce attrition. Based on Maybank's FY24 annual report, the bank's staff strength is at c.44,000.

KEY FINANCIAL SUMMARY

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F	CAGR (%)
Operating Revenue	27,361.1	29,572.5	30,448.3	31,700.1	33,402.5	4.1%
Pre-Provision Operating Profit	13,972.3	15,112.3	15,420.2	15,982.1	16,962.6	3.9%
Pre-tax Profit	12,531.6	13,701.6	14,140.0	14,433.1	15,320.2	3.8%
PATAMI	9,349.8	10,088.7	10,322.2	10,536.2	11,183.8	3.5%
EPS (Sen)	77.4	83.5	85.4	87.2	92.6	3.5%
P/E (x)	14.3	13.2	12.9	12.7	11.9	
DPS (Sen)	60.0	61.0	62.0	63.0	64.0	
Dividend Yield	5.4%	5.5%	5.6%	5.7%	5.8%	

Source: Company, PublicInvest Research estimates

Figure 1: Key metrics achieved during M25+


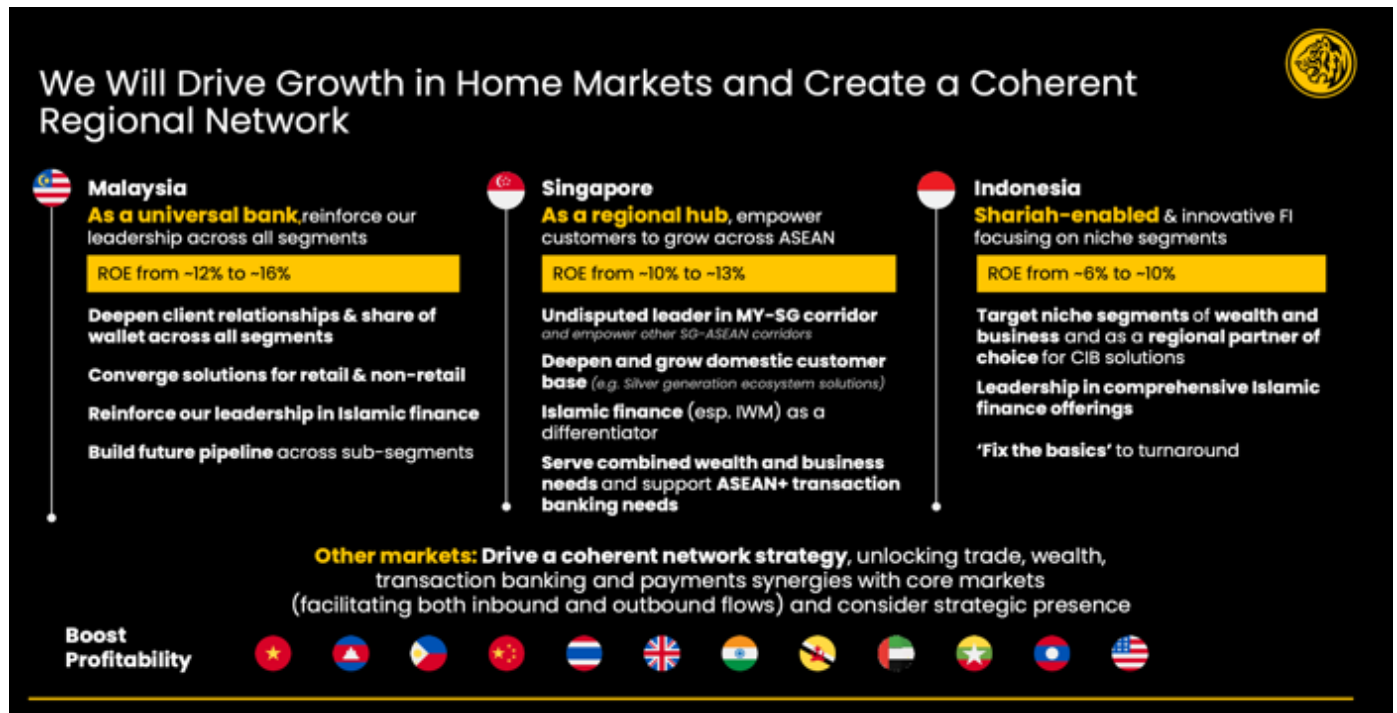
Source: Maybank

Figure 2: The 3 main pillars of growth under ROAR30


Source: Maybank

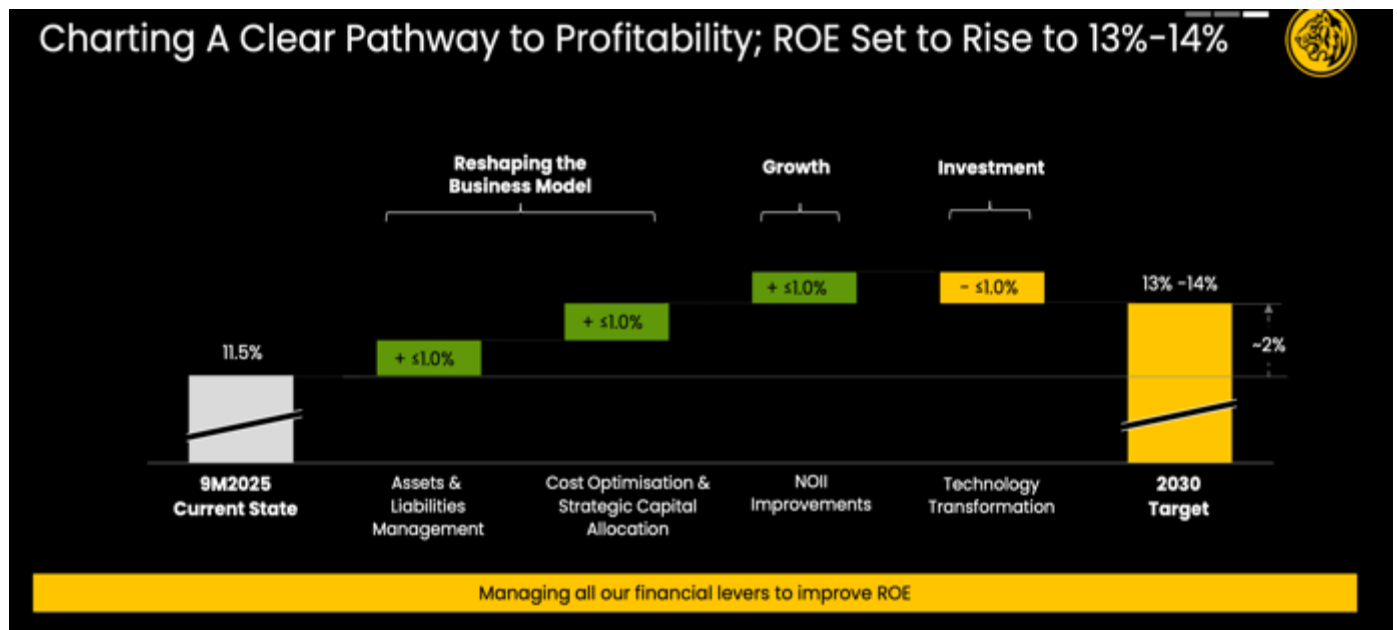


Figure 3: To drive growth in home markets and create coherent regional network



Source: Maybank

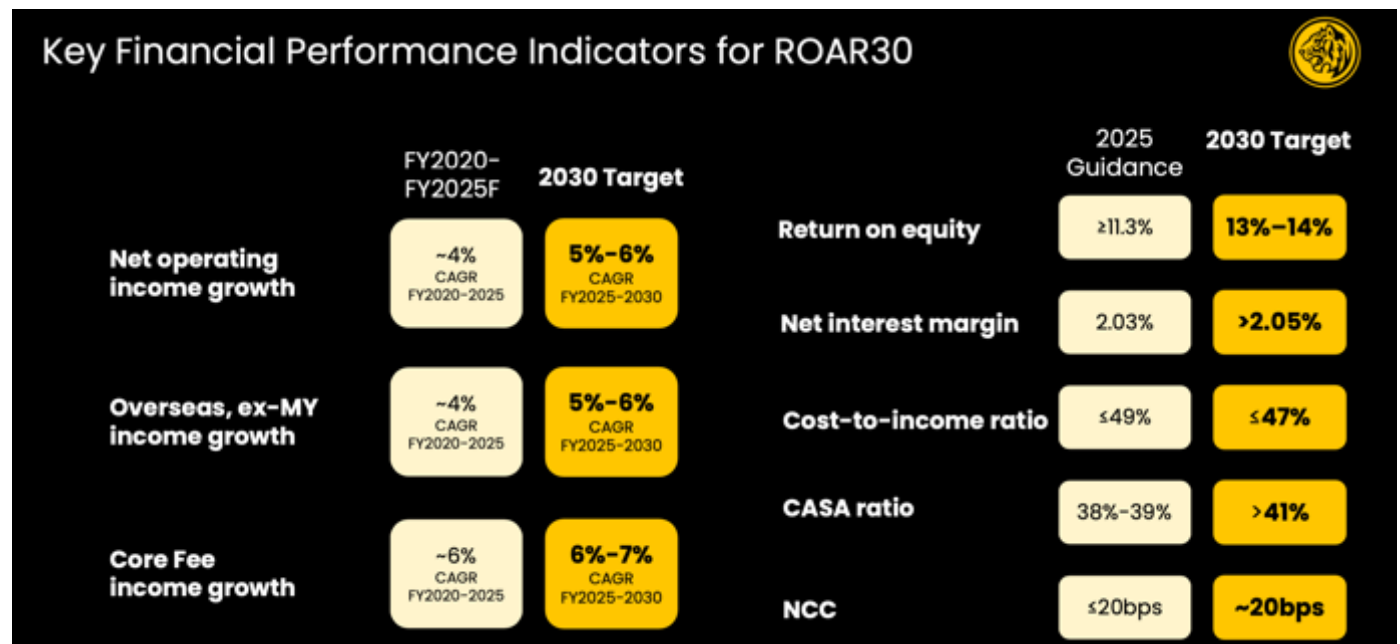
Figure 4: ROE target of 13-14% by 2030



Source: Maybank



Figure 5: Key financial indicators



Source: Maybank

KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Net Interest Income	12,791.5	12,807.4	13,230.6	14,019.7	14,938.8
Total non-interest income	14,569.6	16,765.1	17,217.7	17,680.4	18,463.7
Operating Revenue	27,361.1	29,572.5	30,448.3	31,700.1	33,402.5
Operating Expenses	-13,388.8	-14,460.2	-15,028.1	-15,718.0	-16,439.8
Pre-provision Operating Profit	13,972.3	15,112.3	15,420.2	15,982.1	16,962.6
Total Provision Charges	-1,826.2	-1,670.5	-1,730.2	-1,855.5	-1,925.9
Profit from Associates and JV	240.3	236.3	250.0	250.0	250.0
Pre-tax Profit	12,531.6	13,701.6	14,140.0	14,433.1	15,320.2
Tax Expense	-2,916.7	-3,195.2	-3,393.6	-3,463.9	-3,676.9
Effective Tax Rate	23.3%	23.3%	24.0%	24.0%	24.0%
Minorities	-265.1	-417.7	-424.2	-433.0	-459.6
PATAMI	9,349.8	10,088.7	10,322.2	10,536.2	11,183.8
Growth (%)					
Operating Income	-7.4%	0.1%	3.3%	6.0%	6.6%
Gross Operating Profit	-3.8%	8.2%	2.0%	3.6%	6.1%
PATAMI	17.5%	7.9%	2.3%	2.1%	6.1%

Source: Company, PublicInvest Research estimates

BALANCE SHEET DATA

FYE Dec (RM m)	2023A	2024A	2025F	2026F	2027F
Net loans and advances	630,422.0	664,774.1	698,228.4	726,231.2	755,357.2
Trading and Investment Assets	265,915.5	253,762.8	266,450.9	279,773.5	293,762.1
Goodwill and Intangible Assets	7,361.9	6,993.3	7,120.6	7,239.1	7,348.7
Other Assets	123,975.1	149,791.8	144,359.5	141,210.0	141,692.2
Total Assets	1,027,674.6	1,075,322.0	1,116,159.4	1,154,453.7	1,198,160.2
Customer Deposits	696,834.7	741,897.3	771,573.2	802,436.1	834,533.6
Interest-bearing Debt	83,218.8	75,041.0	75,041.0	75,041.0	75,041.0
Other Liabilities	146,966.4	157,940.0	165,421.0	169,061.1	176,298.7
Minority Interests	3,006.5	3,236.5	3,660.7	4,093.7	4,553.3
Total Liabilities	930,026.5	978,114.8	1,015,695.9	1,050,631.9	1,090,426.6
Shareholders' Equity	94,641.6	93,970.6	96,802.8	99,728.1	103,180.3
Total Equity and Liabilities	1,027,674.6	1,075,322.0	1,116,159.4	1,154,453.7	1,198,160.2

Source: Company, PublicInvest Research estimates

PER SHARE DATA & RATIOS

FYE Dec	2023A	2024A	2025F	2026F	2027F
Book Value Per Share	7.85	7.79	8.03	8.27	8.56
NTA Per Share	7.24	7.21	7.44	7.67	7.95
EPS (Sen)	77.4	83.5	85.4	87.2	92.6
DPS (Sen)	60.0	61.0	62.0	63.0	64.0
Payout Ratio (%)	77.4%	73.0%	72.6%	72.2%	69.1%
ROA (%)	0.9%	0.9%	0.9%	0.9%	0.9%
ROE (%)	10.4%	10.7%	10.8%	10.8%	11.0%

Source: Company, PublicInvest Research estimates

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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