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The Analyst Note.

UBA Plc 9M 2025 Result: Grows Gross Earnings to N2.47trn, and PAT to N537.53bn as Operating Margins Rise.

Image Credit: UBA/**Proshare** Graphics

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Proshare Graphics.

Fundamentals.

United Bank for Africa Plc (UBA) has seen strong earnings growth as operating margins have risen. Indeed, continental diversification has supported a gradual reduction in average deposit costs but put upward pressure on capital expenditure (CAPEX). The bank's continental spread could serve as a concentrated market risk hedge as Africa sees a resurgence of military coups in the Sahel and West Africa. The recent coups in Guinea-Bissau and, more recently, the Benin Republic serve as a warning to national elites in politics and business across the continent that democracy is fragile. If policies, plans, and programmes fail to improve citizens' well-being, a day of reckoning will arrive sooner rather than later.

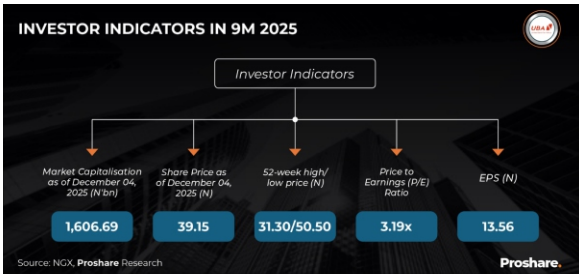
Therefore, banking groups with diversified continental operations may find their earlier decisions to expand outside their country of origin, inspired. The UBA Group operates across multiple African markets and international locations. This geographic spread has enabled it to diversify income sources and reduce reliance on the Nigerian economy. As of FY 2024, over half of UBA's revenue was generated outside Nigeria, a notable shift from 2019, when non-Nigeria operations accounted for roughly one-third of total income.

This development highlights the bank's long-term vision of building a continental footprint capable of absorbing localised macroeconomic shocks while capturing growth opportunities across Sub-Saharan African markets. Furthermore, UBA has made substantial investments in technology, acquiring capabilities that have supported exponential growth in digital earnings. In FY 2024 alone, the bank generated more than N236.31bn in e-banking revenue, an 88.17% year-on-year increase, reflecting the growing importance of digital channels and consumer migration toward electronic payments. These gains complemented the rise in fees and commissions, as UBA widened its digital presence across Africa.

From a market and regulatory perspective, the Nigerian banking sector is experiencing a structural shift. Liquidity conditions have generally improved in 2025, as overnight rates have declined and reliance on central bank borrowing has decreased. However, the persistent dominance of cash and the limited reach of formal financial services constrain banks' ability to benefit from digitalisation initiatives fully. Regulatory policy remains hawkish, with the Central Bank of Nigeria (CBN) introducing measures to restrict cash withdrawals, enhance anti-money laundering compliance, and promote digital adoption. These steps are expected to encourage consumers to use electronic platforms, benefiting banks like UBA that have already invested heavily in scalable digital infrastructure.

Strategically, UBA's strengths are evident in its diversified earnings, large capital base, significant deposits, and brand recognition. The bank has achieved notable brand awareness, ranking as Nigeria's strongest brand in 2025 (according to Brand Finance), supported by customer loyalty, service quality, scale, and technological capabilities. However, the bank also faces significant structural risks. The heavy reliance on cash in Nigeria limits the depth of financial intermediation. At the same time, the rapid growth of fintechs and digital-first players has increased competition in payments, deposit mobilisation, and retail lending (*see illustration 1*).

Illustration 1:



Financials.

Key Highlights in **9M 2025.**

- UBA's gross earnings rose by +2.96% to N2.47trn in 9M 2025 from N2.40trn in 9M 2024.
- Interest income ticked up by +10.08% from N1.79rn in 9M 2024 to N1.96rn in 9M 2025, while Interest expense rose by +16.27% to N808.72bn in 9M 2025 from N695.57bn in 9M 2024.
- Non-interest income declined by -28.85% from N435.84bn in 9M 2024 to N310.08bn in 9M 2025.
- Net fees and commission income increased by +0.42% from N233.85bn in 9M 2024 to N234.84bn in 9M 2025.
- Operating expenses grew by +4.18% to N846.15bn in 9M 2025 from N812.20bn in 9M 2024.
- Impairment charges declined by -53.93% to N56.89bn in 9M 2025 from N123.48bn in 9M 2024.
- Net trading and foreign exchange income fell by -77.33% to N41.36bn in 9M 2025 from N182.48bn in 9M 2024.
- Profit before tax fell by -4.12% from N603.48bn in 9M 2024 to N578.60bn in 9M 2025 while profit after tax rose by +2.33% to N537.53bn in 9M 2025 from N525.31bn in 9M 2024.
- Earnings per share (EPS) declined by -10.50% from N15.15 in 9M 2024 to N13.56 in 9M 2025 (*see table 1*).

Table 1:

UBA'S KEY HIGHLIGHTS

Key Highlights	9M 2024(N'bn)	9M 2025 (N'bn)	Growth Rate (%)
Gross Earnings	2,398.00	2,468.91	2.96%
Interest Income	1,798.89	1,980.28	10.08%
Interest Expense	695.57	808.72	16.27%
Net Interest Income	1,103.32	1,171.56	6.18%
Non-Interest Income	435.84	310.08	-28.85%
Net Fee and Commission Income	233.85	234.84	0.42%
Net Trading and FX Income	182.48	41.36	-77.33%
Impairment Charges	123.48	56.89	-53.93%
Operating Income	1,539.16	1,481.64	-3.74%
Operating Expenses	812.20	846.15	4.18%
Profit Before Tax	603.48	578.60	-4.12%
Profit After Tax	525.31	537.53	2.33%
Earnings Per Share (N)	15.15	13.56	-10.50%

Source: Financial Statement, Proshare Research

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Financial Position.

The group's statement of financial position improved, with total assets rising by +2.17% to N32.49trn in 9M 2025 from N31.80trn in 9M 2024. This rise came from a +160.73% rise in financial assets at fair value to N220.16bn in 9M 2025 from N84.44bn in 9M 2024, +2.77% rise in investment securities from N13.23trn in 9M 2024 to N13.59trn in 9M 2023, and +0.07% rise in cash and bank balances to N9.11trn.

The lender's customer deposits rose by +3.62% to N23.80trn in 9M 2025 from N22.97trn in 9M 2024. Shareholders' equity rose by +19.96% from N3.59trn in 9M 2024 to N4.30trn in 9M 2025. This growth is driven by a +233.83% increase in share premium to N329.56bn in 9M 2024 from N98.72bn in 9M 2024 and a +35.66% growth in retained earnings to N1.70trn (*see table 2*).

Table 2:

UBA'S FINANCIAL POSITION

Financial Position	9M 2024(N'bn)	9M 2025 (N'bn)	Growth Rate (%)
Total Assets	31,801.36	32,491.56	2.17%
Shareholders' Equity	3,585.45	4,301.14	19.96%
Customers' Deposit	22,968.67	23,799.28	3.62%
Loans and Advances to Customers	7,675.18	7,199.00	-6.20%
Investmnet Securities	13,225.25	13,591.08	2.77%
Share Capital	17.10	20.52	20.00%
Share Premium	98.72	329.56	233.83%
Retained Earnings	1,305.20	1,770.63	35.66%
Borrowings	1,120.13	695.37	-37.92%

Source: Financial Statement, Proshare Research Proshare.

Financial Ratios.

UBA's net profit margin decreased from 21.91% in 9M 2024 to 21.77% in 9M 2025. Despite a -3.74% decrease in operating income and a +4.18% increase in operational expenses, the cost-to-income ratio declined from 52.77% in 9M 2024 to 57.11% in 9M 2025. Return on equity (ROE) decreased from 14.65% in 9M 2024 to 12.50% 9M 2025, while return on assets (ROA) remained steady at 1.65% (*see table 3*).

Table 3:

UBA'S FINANCIAL RATIOS

Financial Ratios	9M 2024	9M 2025
Net profit margin	21.91%	21.77%
Net Interest Margin	3.60%	3.78%
Return on Equity	14.65%	12.50%
Return on Assets	1.65%	1.65%
Cost to Income ratio	52.77%	57.11%
Non-Performing Loans (NPL) Ratio	4.61%	1.37%
Cost of Risk		
Loan to Assets	24.13%	22.16%
Loan to Deposit	33.42%	30.25%

Source: Financial Statements, Proshare Research Proshare.

Valuation.

The group's price-to-earnings (P/E) ratio stood at 3.19x in 9M 2025 from 1.87x in 9M 2024, and the price–to–book (P/B) ratio increased to 0.41x in 9M 2025 from 0.27x in 9M 2024, reflecting the market's pricing of the company above its book value (see table 4 below).

Table 4:

Table 4:

UBA'S VALUATION

Valuation	9M 2024	9M 2025
Price to Earnings (P/E)	1.87x	3.19x
Price to Book (P/B)	0.27x	0.41x

Source: Financial Statements, Proshare Research Proshare.

UBA Plc: Five-Year Financial Summary (9M 2021 – 9M 2025).

Over the last five reporting cycles, UBA Plc has recorded an upward trajectory in scale and profitability, driven primarily by rapid asset growth, balance sheet expansion, and aggressive market capture across its African operations. Gross earnings increased consistently from N492.35bn in 9M 2021 to N2.47trn in 9M 2025, reflecting both organic growth and the inflationary/economic adjustments within core markets. Interest income grew in tandem, rising from N343.71bn in 9M 2021 to N1.98trn in 9M 2025, underscoring UBA's ability to capitalise on increasing yields and expanding loan volumes despite an elevated interest rate environment. The acceleration in earnings during 2023–2024 was particularly significant, reflecting macroeconomic shocks, FX revaluations, and mark-to-market impacts, which boosted nominal performance. By 2025, the bank's earnings profile stabilised at a higher base, supported by a diversified loan book, solid treasury operations, and Pan-African diversification that reduced concentration risk to Nigeria's volatile macro landscape.

Profitability improvements have been underpinned by favourable net interest margins, disciplined cost management, and declining impairment charges, which materially boosted earnings quality. Across the five years (9M 2021 – 9M 2025), UBA shifted from modest mid-cycle growth to strong earnings resilience, with a balance sheet increasingly characterised by higher-quality risk assets and rising deposit mobilisation. Capital adequacy remains robust, enabling balance sheet expansion without eroding solvency. While the non-interest income profile has been more volatile due to shifting FX gains and regulatory pressures on fees, the underlying franchise strength remains evident. Overall, UBA's five-year performance reflects a structural transformation into a scale-efficient, regionally diversified institution with a sustainable earnings base, supported by a favourable mix of interest income and improved asset quality metrics (*see illustration 2*).

Illustration 2:

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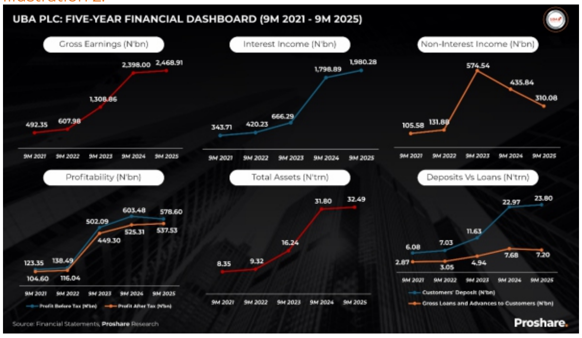

Peer Analysis: **UBA Boosts Position with Top Asset Quality and Robust Earnings.**

Among Tier-1 peers in 9M 2025, UBA delivered a balanced and resilient performance, combining earnings scale with asset quality and sustained market confidence. The bank ranked mid-pack on gross earnings (N2.47trn) and profit after tax (N537.53bn), demonstrating solid profitability despite operating a more diversified pan-African franchise than most competitors.

At the same time, its industry-leading NPL ratio of 1.37% signals strong credit risk management relative to peers such as First Holdco (8.50%) and ETI (5.31%). Although UBA's ROE of 12.50% trails GTCO and Zenith, it reflects a circumspect approach to balance sheet expansion, with one of the lowest loan-to-deposit ratios (30.25%), indicating significant headroom to scale lending without compromising asset quality. Despite its more conservative positioning, UBA remains a considerable market player with a market capitalisation of N1.61trn, firmly anchored by strategic earnings momentum and rising investor appetite for its regional growth model. (*See table 5*).

Table 5:

PEERS ANALYSIS IN 9M 2025

	GTCO	Zenith	UBA	First Holdco	Access Corp	ETI
Gross Earnings (N'bn)	1,604.42	3,371.83	2,468.91	2,636.70	3,901.08	3,548.37
Profit Before Tax (N'bn)	900.80	917.41	578.60	566.54	616.25	1,014.80
Profit After Tax (N'bn)	699.64	764.20	537.53	458.08	447.55	702.40
Total Assets (N'bn)	16,659.40	31,176.36	32,491.56	26,399.98	52,195.26	47,974.90
Return on Equity	21.42%	23.30%	12.50%	14.06%	15.40%	19.06%
Return on Assets	4.20%	3.30%	1.65%	1.74%	1.30%	1.46%
Cost to Income ratio	28.78%	45.39%	57.11%	52.44%	54.64%	48.01%
Non-Performing Loans (NPL) Ratio	4.36%	3.00%	1.37%	8.50%	2.53%	5.31%
Gross Loan to Deposit	28.43%	42.28%	30.25%	56.12%	47.24%	50.50%
Mkt Cap as at Dec.04, 2025 (N'bn)	2,923.39	2,484.74	1,606.69	1,321.25	1,114.34	907.47
EPS (N)	20.71	18.60	13.56	10.65	8.00	19.86

Source: Financial Statements, NGX, **Proshare** Research

Technical

Technical.

UBA's share price rose from N33.45 on December 04, 2024, to N39.15 on December 04, 2025, a +17.04% increase despite fluctuations. It hit a 52-week high of N50.50 on July 16, 2025, amid increased buying after a July breakout, and a low of N31.30 on April 14, 2025, due to profit-taking and macro concerns. Early 2025 saw prices between N33 and N35, until a rally in late January, peaking in February at N39.15, followed by a decline to N31.30 in mid-April. Recovery occurred, stabilising through May and June, then surpassing N40, N50, and trading between N46 and N49 in August and September. A correction from September to November brought prices down to N39.15, reflecting profit-taking and sentiment shifts, influenced by liquidity, speculation, and macro news (*see chart 1*).

Chart 1:

Opinion.

UBA remains well-positioned for operational sustainability, with a diverse business model spanning traditional banking and digital services. Its pan-African presence offers advantages in coverage, customer base, and risk management. Large capital reserves and a growing deposit franchise add resilience to the group's operations. However, a sharp drop in non-interest income in 9M 2025 raises concerns about sustaining online earnings growth unless digital transactions, fee services, or regional expansion rise.

Based on these indicators, analysts have recommended a "Buy" rating for UBA's stock. For investors seeking long-term exposure to a scalable African banking franchise, UBA remains compelling, especially as digital adoption deepens and cross-border banking integration expands. Short-term investors, however, should expect earnings volatility and slower profit growth relative to the exceptional 2024 outcome. The fear of a growing coup domino effect across the African continent also raises sociopolitical risks that could trickle down to the economic performance of different continental economies.

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17. UBA 9M 2024 Result: Rising Net Interest Income Strengthens Bottomline
18. UBA Plc Declares N525.3bn PAT in Q3 2024 Results; (SP: N25.40k)
19. UBA H1 2024 Result: Lower Non-Interest Income Squeezes Net Profit by -16.36%
20. UBA Plc to Hold Board Meeting & Closed Period on October 17, 2024
21. UBA Plc Declares N316bn PAT in H1 2024 Unaudited Results, (SP: N28.30)
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23. UBA FY 2023 Result: Diversification Cushions Rising Operating Costs, PBT Grows +277.19%
24. UBA Plc Declares N607.70bn PAT in FY 2023 Results,(SP:N25.15)
25. Dangote Cement Hits N11trn Market CAP; Airtel, MTN, UBA, Access Holdings and 7 Others Retain Over N1trn Market CAP Mark as of January 25th 2024
26. UBA Board Approves FY 2023 Audited Financial Statements and Payment of Final Dividend; Awaits Regulatory Approval
27. Seasons of Honours: UBA Wins Several International Awards, including Global Finance Best SME Bank for 2023
28. UBA Plc Market Capitalisation Hits N1.02trn
29. UBA Plc to Hold Board Meeting on January 25th 2024 to Consider FY 2023 Financial Statements and Proposals for Final Dividend

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