



Banco Bilbao Vizcaya Argentaria (BBVA)

Updated January 23rd, 2026, by Ian Bezek

Key Metrics

Current Price:	\$24.80	5 Year Annual Expected Total Return:	5.2%	Market Cap:	\$142 B
Fair Value Price:	\$20.20	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	04/08/26 ¹
% Fair Value:	123%	5 Year Valuation Multiple Estimate:	-4.0%	Dividend Payment Date:	04/24/26 ¹
Dividend Yield:	3.3%	5 Year Price Target	\$27	Years Of Dividend Growth:	4 ²
Dividend Risk Score:	C	Sector:	Financials	Rating:	Hold

Overview & Current Events

Banco Bilbao Vizcaya Argentaria (BBVA) is one of Europe's largest banking franchises. The multinational financial institution is based out of Spain, but only generates about one-quarter of its profits from that country. Rather, its largest opportunity is in Mexico where it earns half its profits while operating one of that country's dominant banks. BBVA generates another 15% or so of its profits from its Turkish operations, with the remainder of its income coming from its branches in several South American countries. The company's financials are in Euros, but this report uses U.S. Dollars unless otherwise noted.

Investors have tended to perceive BBVA as a highly risky operator due to its presence in emerging markets with historically elevated levels of political and economic uncertainty. The bank's exposure to Turkey and Argentina has been particularly worrisome, given the hyperinflationary economic conditions that have occurred in both those markets in recent years. However, the BBVA's EM exposure has turned into a benefit over the past year, as we've seen huge improvement in local macroeconomic conditions in BBVA markets including Argentina, Mexico, and Colombia. Additionally, this emerging market presence allows it to dramatically outearn European banking peers. BBVA is currently generating a 19.7% return on tangible equity, which is far above its 14.3% peer group average.

BBVA has been able to cash in on a significant improvement in Mexico's financial outlook in particular, leading to EPS more than doubling since 2021. The positive momentum continued with its Q3 results, which it released on October 30th, 2025. Earnings per share of 49 cents edged up from 48 cents, though the rise was much larger when measured in Euros. Earnings growth was powered by an 18% rise in net interest income and 15% increase in fee income, though this was partially offset by a large drop in trading income and additional tax expenses. BBVA is on pace to report a significant rise in full-year 2025 earnings, and we see a path to above-average growth for 2026 as well.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$0.40	\$0.52	\$0.54	\$0.85	\$0.52	\$0.17	\$0.76	\$1.04	\$1.41	\$1.76	\$2.02	\$2.70
DPS	\$0.40	\$0.30	\$0.36	\$0.28	\$0.29	\$0.19	\$0.16	\$0.36	\$0.34	\$0.73	\$0.83	\$1.11
Shares	6,647	6,592	6,642	6,636	6,648	6,655	6,401	6,189	5,954	5,769	5,767	5,600

Since 2015, BBVA has reported 17.9% annualized earnings growth, though this is partly due to the fact that the bank's earnings had been unusually low in the early 2010s amid the European financial crisis. Over time, BBVA's exposure to the struggling Spanish market has diminished as the company enjoys stronger growth in overseas locations such as Mexico. These emerging markets are booming at the moment, leading to far above average earnings growth. However, we expect BBVA's EPS growth to decelerate to a 6% annualized rate over the medium-term.

We expect a similar 6% dividend growth rate. The bank's dividend is paid on a semi-annual basis and distributions are set in Euros rather than U.S. Dollars. The bank has also instituted a large share repurchase program in recent years. And, to that end, it just authorized another 4 billion Euros in fresh funding for further share buybacks.

¹ Estimated date.

² As measured in Euros, the company's home reporting currency.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	16.1	12.1	13.6	5.7	9.5	20.7	7.3	5.4	6.1	5.3	12.3	10.0
Avg. Yld.	7.1%	6.1%	4.6%	3.8%	5.5%	8.9%	6.3%	7.1%	6.0%	6.2%	3.3%	4.1%

Over the past decade, BBVA has averaged a P/E ratio of 10.2x, though the P/E ratio fell into the mid-single digits for the past four years. We believe the market had been overly pessimistic on BBVA's valuation in the early 2020s, and we think that a long-term P/E ratio of 10x is appropriate. The bank's current dividend yield of 3.3% is well below the long-term average, and we expect this to move back up to 4.1% over time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

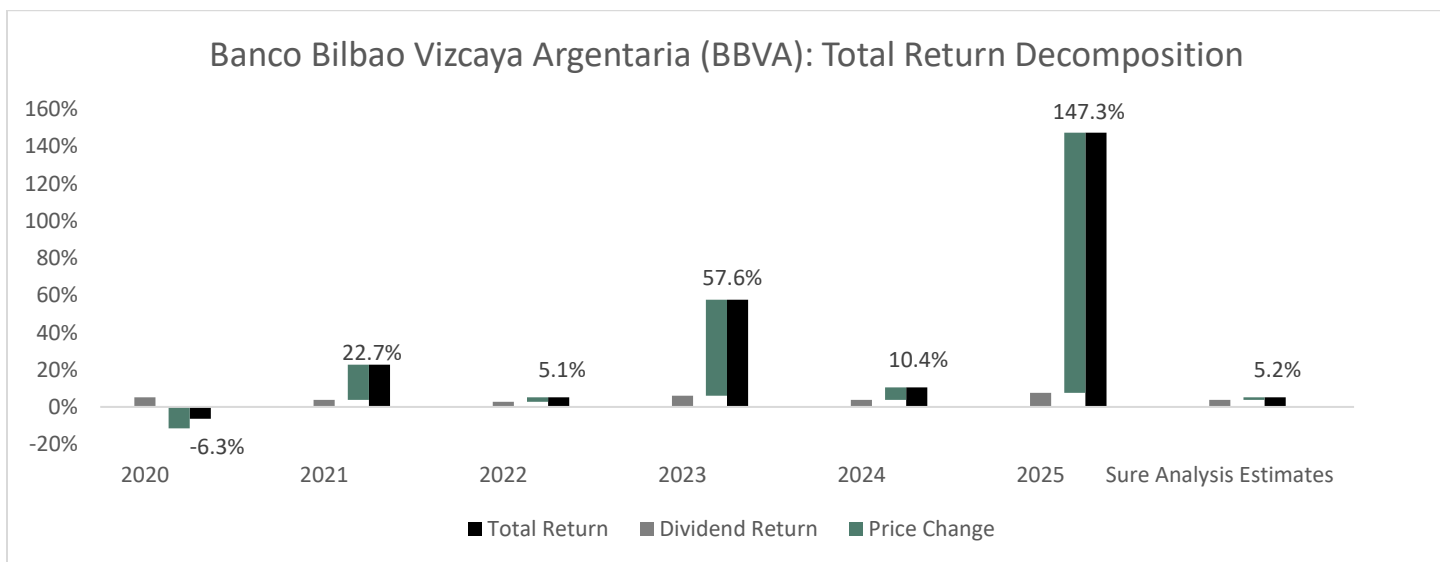
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	100%	58%	67%	33%	56%	112%	21%	35%	24%	41%	41%	41%

Investors may view BBVA as a high-risk bank due to operating in volatile markets like Argentina and Turkey. However, this is significantly offset by the fact that BBVA does not have much investment banking exposure, and that much of its retail lending is in short-term consumer credit products which carry less loan duration risk. The bank's Mexican exposure is also underappreciated; historically Mexico has been a strong banking market with above-average margins and relatively limited competition. We believe BBVA's geographic diversification makes it a fairly unique and attractive option for international banking exposure. The bank's dividend has generally been well-covered out of earnings, though this can be challenged during economic shocks such as during the pandemic when the payout ratio hit 112%. Regardless, the current dividend level should be defensible unless there is a major economic downturn.

Final Thoughts & Recommendation

BBVA is arguably an underappreciated banking franchise, and shares were a compelling opportunity when they were selling below 7x earnings over the past few years. However, BBVA stock has more than doubled over the past 12 months, bringing shares to above our fair value estimate. While there is a lot to like about the bank's strategic positioning, the higher starting valuation drags down our future return estimates. We foresee 5.2% annualized total returns from here, as multiple compression will offset much of the bank's growth potential. Shares earn a hold rating today.

Total Return Breakdown



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	43,680	46,627	48,518	50,784	43,995	38,034	41,880	47,252	68,939	89,867
Gross Profit	-	-	-	-	-	-	-	-	-	-
Gross Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	711	763	782	1,419	585	1,464	1,436	1,390	1,514	1,652
Operating Profit	7,525	7,513	9,878	14,670	13,729	12,827	13,096	16,150	20,499	24,815
Op. Margin	17.2%	16.1%	20.4%	28.9%	31.2%	33.7%	31.3%	34.2%	29.7%	27.6%
Net Profit	3,455	4,904	5,032	6,819	5,243	3,878	5,885	6,779	8,726	11,019
Net Margin	7.9%	10.5%	10.4%	13.4%	11.9%	10.2%	14.1%	14.3%	12.7%	12.3%
Free Cash Flow	12,213	11,241	2,982	22,347	33,827	108961	43,346	66,871	81,456	34,532
Income Tax	1,413	1,879	2,446	2,618	2,175	1,663	2,256	3,684	4,328	5,225

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	814567	771925	828623	773557	783210	897837	753833	759980	856720	799822
Cash & Equivalents	27849	38314	45743	57416	43570	72833	70371	78813	75669	45503
Goodwill & Int.	10919	10322	10164	9504	7819	2869	2498	2301	2610	2578
Total Liabilities	754515	713462	764593	713114	721556	836635	698383	706066	795672	737678
Accounts Payable	2630	3054	4343	45						
Long-Term Debt	153282	179271	182226	155547	102088	147233	127141	112260	101190	98633
Book Value	51371	49957	55650	53854	54693	54508	49931	50048	57112	57631
LT Debt Ratio	4.36	3.97	3.55	3.20	3.43	3.87	3.97	3.42	3.65	2.76
Total Equity	51371	49957	55650	53854	54693	54508	49931	50048	57112	57631
LTD/E Ratio	4.36	3.97	3.55	3.20	3.43	3.87	3.97	3.42	3.65	2.76

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.4%	0.6%	0.6%	0.9%	0.7%	0.5%	0.7%	0.9%	1.1%	1.3%
Return on Equity	5.6%	8.3%	8.2%	11.0%	8.6%	6.3%	10.1%	12.4%	15.2%	17.9%
ROIC	1.2%	1.8%	1.9%	2.8%	2.2%	1.5%	2.2%	2.8%	3.5%	4.5%
Shares Out.	6,647	6,592	6,642	6,636	6,648	6,655	6,401	6,189	5,954	5,769
Revenue/Share	6.70	7.07	7.30	7.65	6.62	5.72	6.54	7.63	11.58	15.58
FCF/Share	1.87	1.71	0.45	3.37	5.09	16.37	6.77	10.80	13.68	5.99

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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