



Banco BBVA Argentina S.A. (BBAR)

Updated March 21st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$13.40	5 Year Annual Expected Total Return:	3.0%	Market Cap:	\$2.90 B
Fair Value Price:	\$13.50	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	03/16/2026
% Fair Value:	99%	5 Year Valuation Multiple Estimate:	0.1%	Dividend Payment Date:	03/23/2026
Dividend Yield:	3.0%	5 Year Price Target	\$13.50	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

Banco BBVA Argentina (formerly BBVA Francés) is the third-largest private bank in Argentina by both deposits and total loans. Operating as a subsidiary of the BBVA Group, the bank leverages its parent company's international expertise to serve a diverse client base of about 3.7 million retail customers and a robust portfolio of small, medium, and large corporate entities. While it provides a full suite of universal banking services, it is widely recognized for its dominance in Corporate & Investment Banking (CIB) and its strategic leadership in the automotive financing market through exclusive partnerships with major global manufacturers. The bank has a market cap of \$2.90 billion. It pays dividends monthly.

On March 4th, 2026, Banco BBVA Argentina reported Q4 and full-year results for the period ending December 31st, 2025. Full-year Net Interest Income fell 29.4% to \$2.72 billion, mainly due to lower interest rates and faster liability repricing, while Net Fee Income rose 36.9% to \$0.51 billion, supported by pricing actions and strong digital banking growth. Net income dropped 43.2% year over year to \$0.27 billion, or \$1.28 per ADR, largely because loan loss allowances surged 181.2% to \$0.81 billion as asset quality weakened in retail and consumer lending. The NPL ratio rose to 4.18% by year-end. Still, Q4 showed improvement, with net income up 44.5% from Q3, helped by the FCA Compañía Financiera acquisition and a smaller drag from the net monetary position as inflation volatility eased. We have set an earnings power of \$1.50 under "normal conditions", which we have embedded in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
EPS	\$1.38	\$1.15	(\$0.26)	\$1.63	\$0.70	\$0.48	\$2.22	\$2.92	\$1.94	\$0.91	\$1.50	\$1.50
DPS	\$0.42	\$0.25	\$0.44	\$0.26	\$0.00	\$0.11	\$0.19	\$0.28	\$1.43	\$0.22	\$0.40	\$0.40
Shares¹	536.9	569.9	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7	612.7	615.0

BBVA Argentina's earnings trajectory over the past decade reflects a sharp shift from traditional credit-driven growth to a balance sheet heavily indexed to Argentine inflation. Prior to 2018, BBAR maintained consistent profitability by in USD terms, leveraging a strong corporate lending base and healthy net interest margins (NIM). However, the 2018 currency crisis triggered the mandatory adoption of IAS 29 hyperinflation accounting, which forces the bank to restate its figures in constant currency. This caused the reported USD loss in 2018 as the massive devaluation of the Peso effectively wiped out nominal gains when translated into ADR-equivalent values.

The recent surge in earnings, particularly in 2023, was primarily driven by the "gain from net monetary position." This accounting phenomenon occurs when a bank's non-monetary assets, such as inflation-linked (CER) government bonds, appreciate faster than its monetary liabilities during periods of hyper-devaluation. This was a "paper-heavy" profit year that did not represent a recovery in private sector lending. In 2024, earnings began to normalize as the BCRA cut rates, compressing securities yields as inflation slowed. In 2025, lower rates and higher provisions further pressured earnings, despite stronger fee income.

We forecast 0% growth from our earnings power moving forward. This is because structural gains in private sector lending are systematically offset by aggressive margin compression. While the bank is successfully pivoting away from

¹ Share count is in millions.

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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government securities, the resulting Net Interest Margin pressure combined with a "normalization" of interest rates can cap near-term upside. Additionally, persistent FX translation risk and IAS 29 hyperinflation accounting mean that local operational growth rarely translates into sustained USD earnings for ADR holders. We also don't forecast any growth in the dividend, which has fluctuated wildly over the years. The bank has now been paying a variable monthly dividend since August of 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.4	17.7	---	5.6	6.0	7.1	1.6	1.6	6.4	17.2	8.9	9.0
Avg. Yld.	2.3%	1.2%	2.8%	2.8%	---	3.2%	5.4%	5.8%	11.4%	1.4%	3.0%	3.0%

BBVA Argentina's valuation recently hit "distressed" lows, largely because hyperinflation accounting artificially inflated earnings with non-cash gains. We believe a 9x fair P/E is justified because it aligns with historical "optimism" peaks and accounts for the bank's superior global governance. This multiple provides a balanced risk-premium for a subsidiary of a major Spanish group while remaining conservative enough to account for the persistent Argentine macro volatility and inflation-adjusted earnings issues.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	30%	22%	---	16%	---	23%	9%	10%	74%	24%	27%	27%

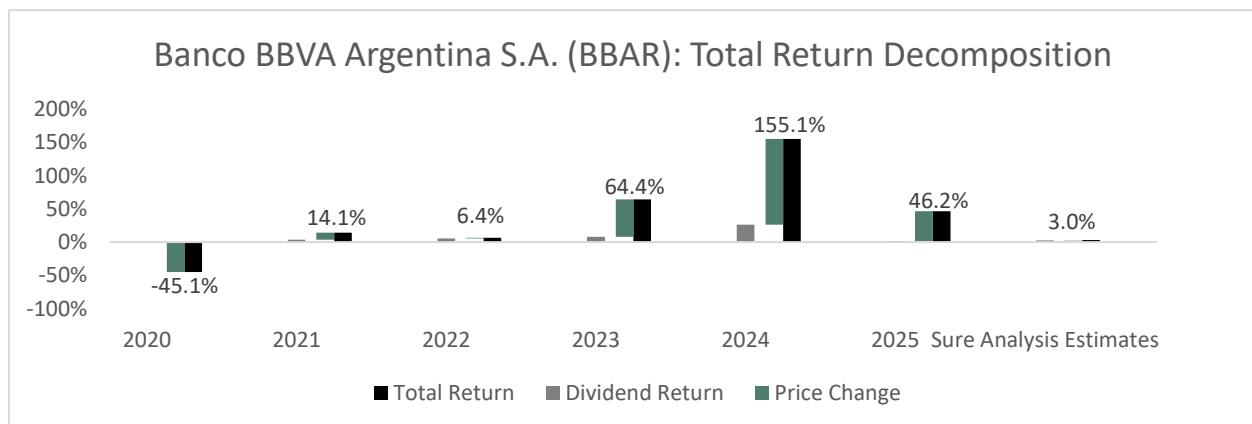
BBVA Argentina's resilience stems from its backing by the global BBVA Group, providing institutional stability and risk-management standards that surpass local peers. Also, its competitive edge is rooted in a dominant corporate banking presence and exclusive automotive partnerships, securing a high-quality loan book. The bank maintains a defensive stance with a CET1 capital ratio of ~25.2%, offering a buffer against domestic shocks as well.

However, for US investors, this "quality" is deceptive. While operationally sound, BBAR is highly sensitive to Argentine sovereign risk. The primary threat is FX translation. Basically, aggressive Peso devaluation and hyperinflation accounting (IAS 29) can mathematically erase local success when converted to USD. It remains a high-risk play where global brand safety is perpetually challenged by a volatile macroeconomic setup.

Final Thoughts & Recommendation

BBVA Argentina represents a high-quality global banking subsidiary with a dominant corporate moat and robust capital. Still, it remains a high-risk investment for U.S.-based ADR holders due to structural FX translation risks. In addition, the stock lacks progressive dividend growth. For these reasons, we rate the stock as a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,381	2,015	2,021	2,292	2,604	2,173	2,706	5,445	11,332	6,030
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.	22	17	36	29	27	43	44	76	91	84
Operating Profit	649	366	280	430	658	605	677	1,598	3,807	2,113
Operating Margin	27.2%	18.2%	13.9%	18.8%	25.3%	27.8%	25.0%	29.3%	33.6%	35.0%
Net Profit	423	254	273	345	649	170	222	443	534	391
Net Margin	17.8%	12.6%	13.5%	15.1%	24.9%	7.8%	8.2%	8.1%	4.7%	6.5%
Free Cash Flow	1,967	1,740	450	49	342	154	1,451	2,403	2,018	3,243
Income Tax	221	166	97	143	92	122	(1)	30	530	95

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	8,554	9,589	11,312	9,416	7,394	8,275	10,033	11,060	7,557	14,282
Cash & Equivalents	2,193	2,943	2,160	2,543	2,576	1,765	2,106	1,575	1,344	2,464
Accounts Receivable										
Inventories										
Goodwill & Int. Ass.	-	0	18	14	10	18	36	54	41	67
Total Liabilities	7,469	8,510	9,706	8,392	6,303	7,029	8,450	8,994	5,807	11,740
Accounts Payable			111	187	2	23	22	37		29
Long-Term Debt	901	840	144	2	261	51	41	24	64	226
Shareholder's Equity	1,060	1,040	1,590	1,024	1,065	1,220	1,552	2,035	1,728	2,501
LTD/E Ratio	0.85	0.81	0.11	0.21	0.25	0.14	0.10	0.07	0.05	0.14

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.9%	2.8%	2.6%	3.3%	7.7%	2.2%	2.4%	4.2%	5.7%	3.6%
Return on Equity	36.2%	23.4%	20.3%	26.2%	61.4%	14.6%	15.7%	24.3%	28.0%	18.2%
ROIC	20.9%	13.0%	14.8%	22.9%	50.0%	12.3%	14.1%	22.5%	26.5%	16.6%
Shares Out.	536.9	536.9	569.9	612.7	612.7	612.7	612.7	612.7	612.7	612.7
Revenue/Share	13.02	11.02	10.64	11.22	12.75	10.64	13.25	26.66	55.48	29.52
FCF/Share	10.76	9.51	2.37	0.24	1.67	0.75	7.11	11.77	9.88	15.88

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

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