# Banco Bilbao Vizcaya Argentaria (BBVA)

*Updated March 14th, 2026, by Ian Bezek*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $20.50 | **5 Year Annual Expected Total Return:** | 12.0% | **Market Cap:** | $118 B |
| **Fair Value Price:** | $21.80 | **5 Year Growth Estimate:** | 6.0% | **Ex-Dividend Date:** | 04/08/26 |
| **% Fair Value:** | 94% | **5 Year Valuation Multiple Estimate:** | 1.2% | **Dividend Payment Date:** | 04/10/26 |
| **Dividend Yield:** | 5.7% | **5 Year Price Target** | $29 | **Years Of Dividend Growth:** | 5[1] |
| **Dividend Risk Score:** | D | **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 reported 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, 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 19.3% 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 Q4 results, which it released on February 5th, 2026. Earnings per share of 50 cents increased from 42 cents in USD terms, though about half the increase was due to currency fluctuations rather than core earnings growth. A 9% y-o-y rise in net interest income was the leading operational factor in increasing the bank's Q4 figures. BBVA enjoyed a dramatic increase in its full-year 2025 earnings, and we see a path to growth for 2026 as well thanks to solid momentum in several of BBVA's geographic markets.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $0.52 | $0.54 | $0.85 | $0.52 | $0.17 | $0.76 | $1.04 | $1.41 | $1.76 | $2.03 | ***$2.18*** | ***$2.92*** |
| **DPS** | $0.30 | $0.36 | $0.28 | $0.29 | $0.19 | $0.16 | $0.36 | $0.34 | $0.73 | $0.83 | ***$1.16*** | ***$1.55*** |
| **Shares** | 6,592 | 6,642 | 6,636 | 6,648 | 6,655 | 6,401 | 6,189 | 5,954 | 5,769 | 5,748 | ***5,730*** | ***5,600*** |

Since 2016, BBVA has reported 16.3% 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 increased its first-half 2026 gross dividend amount (before accounting for Spanish withholding tax) by 46% versus the 2025 payout level to 60 Euro cents per share.

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[1] As measured in Euros.

*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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 12.1 | 13.6 | 5.7 | 9.5 | 20.7 | 7.3 | 5.4 | 6.1 | 5.3 | 6.7 | ***9.4*** | ***10.0*** |
| **Avg. Yld.** | 6.1% | 4.6% | 3.8% | 5.5% | 8.9% | 6.3% | 7.1% | 6.0% | 6.2% | 6.1% | ***5.7%*** | ***5.3%*** |

Over the past decade, BBVA has averaged a P/E ratio of 9.2x, though the P/E ratio fell into the mid-single digits for the past five 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 5.7% is near the historical average, though we expect this to dip to 5.3% over time.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

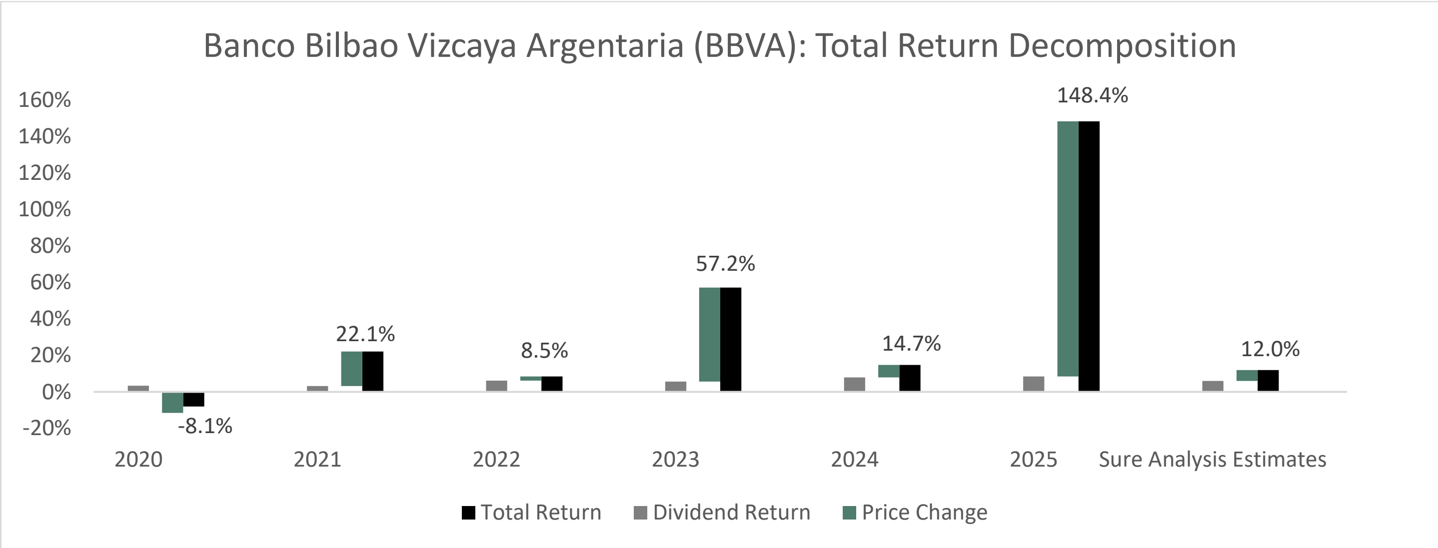
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 58% | 67% | 33% | 56% | 112% | 21% | 35% | 24% | 41% | 41% | ***53%*** | ***53%*** |

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 close to our fair value estimate. We foresee 12.0% annualized total returns from here, driven primarily by the high starting dividend yield and solid earnings growth outlook. While there is a lot to like about the bank's strategic positioning, the bank's lower dividend risk score somewhat tempers our enthusiasm. 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.*