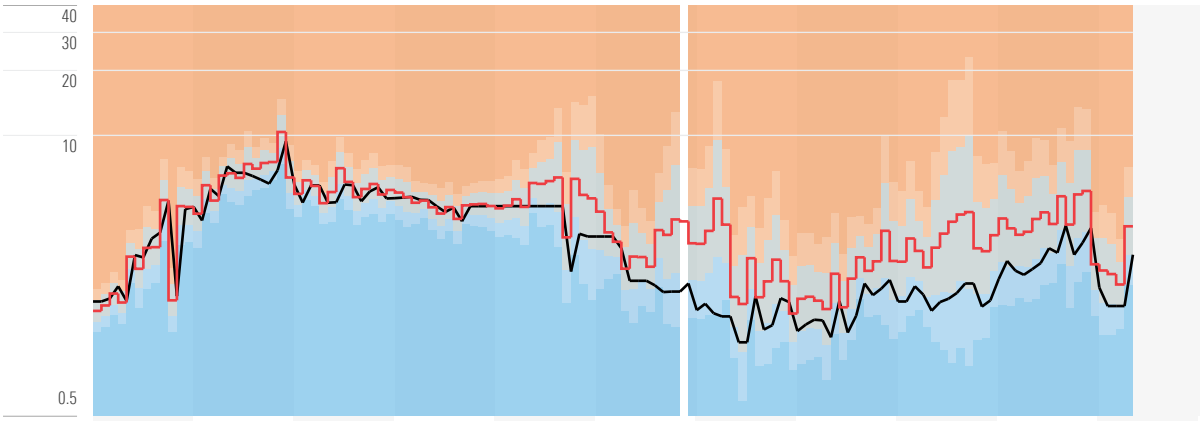
# Banco BBVA Argentina SA XBFR ★★★ Q 23 Apr 2024, 22:37 UTC

| Economic Moat Q | Uncertainty Q | Price/Fair Value Q | ESG Risk Rating Assessment[1] | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
|---|---|---|---|---|---|---|---|---|
| None | Very High | 0.7 | — | 0.62 | 2.2016 Bil | Mid Growth | Financial Services | Banks - Regional |




Fair Value Q
3.79

Last Close
2.80

Overvalued
Fairly Valued
Undervalued

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Performance |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.00 | 0.93 | 0.92 | 1.00 | 0.67 | 0.67 | 0.83 | 0.65 | 0.63 | 0.78 | 0.74 | Price/Fair Value Q |
| 182.84 | 26.90 | -10.92 | -6.81 | -26.37 | -52.12 | -20.00 | 37.10 | 36.19 | -8.80 | 42.13 | Total Return % |
| 195.47 | 57.28 | -40.80 | -31.79 | -20.08 | -72.89 | -5.89 | 46.67 | 28.19 | -43.14 | 48.81 | +/- Index |

As of 23 Apr 2024 | Index: Morningstar Emerging Markets Americas GR USD. Fair Value data as of 23 Apr 2024, 22:37 UTC.

[1]The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit http://global.morningstar.com/equitydisclosures.

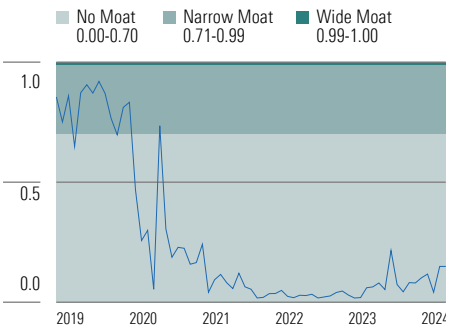
## Key Metrics as of 18 Apr 2024

| Metrics | | Percentile in Sector |
|---|---|---|
| Earnings Yield (%) | 3.5 | 33.0 |
| Sales Yield (%) | 45.1 | 60.0 |
| Book Value Yield (%) | 52.6 | 27.0 |
| Return on Assets (%)* | 1.8 | 67.0 |
| Revenue(Mil)* | 742.6 | 63.0 |
| Market Value (Bil) | 2.0 | 65.0 |
| Enterprise Value (Mil) | 28.2 | 35.0 |
| EVMV Ratio | 0.0 | 19.0 |
| Volatility TTM (%) | 53.3 | 86.0 |
| Drawdown TTM (%) | 35.6 | 78.0 |
| Volume (K) | 809.7 | 67.0 |

*30 Sep 2023

0% 25 50 75 100

## Economic Moat Q History as of 23 Apr 2024




## Business Description

Banco BBVA Argentina SA is a banking services provider in Argentina. It provides financial assistance to large corporations, small and medium-sized companies, as well as individuals. It bank provides services through retail, corporate, investment banking, and Small and medium-sized companies divisions. Through the retail banking segment, it provides banking products and services to individuals, corporate banking deals with services to corporates, and the small and medium-sized companies segment focused on foreign trade, agricultural business, and digital products.

## Valuation Q as of 23 Apr 2024

Morningstar affirms a 3-star quantitative rating for Banco BBVA Argentina. We calculate this outcome using the company's underlying model-driven valuation and uncertainty scores.

The stock's last closing price was 2.80, a discount of 25.22% to its Quantitative Fair Value estimate of 3.74. This discount has ranged between 40.32% and 14.03% over the past year. The stock's price to fair value ratio is at the 53rd percentile in our global equity coverage universe for this methodology and at the 38th percentile relative to its peers in the financial services sector.

Banco BBVA Argentina furthermore holds a Very High quantitative uncertainty rating.

The company's quantitative star rating dates to after 03/12/2024, before which it was 4-star. Similarly, the firm's uncertainty rating changed from Extreme to Very High after 12/13/2023.

We examine the financials and market statistics for Banco BBVA Argentina to determine these ratings. Its earnings yield is 9.41% and its trailing 12-month maximum drawdown is 34.58%. These fall at the 83rd and 58th percentiles in the equity universe and at the 65th and 77th in the financial services sector, respectively.

## Economic Moat Q as of 23 Apr 2024

With a Morningstar quantitative moat rating of None, the quantitative moat score for Banco BBVA Argentina falls at the 16th percentile in the financial services sector and at the 15th in the equity coverage universe. The company has maintained its None quantitative moat rating for the last year.

We also assign a Strong quantitative financial health rating to Banco BBVA Argentina. The company's raw score on this metric, termed Distance to Default, ranks at the 79th percentile overall and 43rd in the financial services sector. Furthermore, this financial health rating has stayed Strong over the last year.

Supporting these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield of 83.80%, ranks at the 63rd percentile in the covered equity universe and at the 45th percentile among its peers. Meanwhile, its enterprise value-to-market value ratio of 0.01, falls at the 5th percentile in the universe and the 19th percentile in the financial services sector.

## Fundamentals as of 23 Apr 2024

Banco BBVA Argentina reports earnings per share of 256.01. We do not have enough information to report on the company's return-on-invested-capital and dividend yield.

As of last market close, Banco BBVA Argentina has a price-to-earnings ratio of 10.15, falling at the 43rd percentile in its sector (where a lower percentile means a lower ratio) and ranging between 6.06 and 31.86 over the past year. The company's price-to-free cash flow ratio is 2.85, falling at the 21st percentile in its sector and ranging between 1.94 and 6.6 over the past year.

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# Banco BBVA Argentina SA XBFR ★★★ Q 23 Apr 2024, 22:37 UTC

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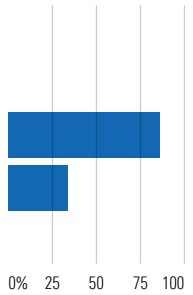
|---|---|---|---|---|---|---|---|---|
| None | Very High | 0.7 | — | 0.62 | 2.2016 Bil | Mid Growth | Financial Services | Banks - Regional |

## Earnings as of 18 Apr 2024

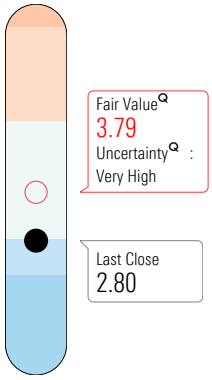
| Earnings | % | Percentile in Sector |
|---|---|---|
| Dividend Yield* | — | — |
| Payout Ratio* | — | — |
| Price to Earnings | 31.8 | 86.0 |
| Price to Cash Flow | 5.3 | 34.0 |
| ROIC** | — | — |




*—
**30 Sep 2023

## Dividends as of 23 Apr 2024

## Valuation Q as of 23 Apr 2024




XBFR is Undervalued at a 26% discount.

**Economic Moat Q**
None

**Financial Health Q**
Strong

**1-Star Price Q**
>7.10

**5-Star Price Q**
<2.02

## Contact

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—
https://www.bbva.com.ar

## Financials as of 23 Apr 2024 (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | 14 | 18 | 55 | 89 | 171 | 289 | 909 | 1,226 | 1,918 | 1,918 | Revenue (Bil) |
| — | — | — | — | — | — | — | — | — | — | — | Operating Income |
| — | — | — | — | — | — | — | — | — | — | — | Operating Margin (%) |
| 3.20 | 3.78 | 3.64 | 2.93 | -3.12 | 32.94 | 29.55 | 57.01 | 183.24 | 156.86 | 156.86 | Net Income (Bil) |
| 5.97 | 7.05 | 6.79 | 5.14 | -5.09 | 53.76 | 48.23 | 93.05 | 299.06 | 256.01 | 256.01 | Diluted Earnings/Share |
| 1.48 | 13.06 | 21.11 | -45.37 | 102.84 | 79.12 | -29.81 | 680.17 | 351.95 | 601.23 | 601.23 | Operating Cash Flow (Bil) |
| -0.30 | -0.28 | -0.42 | -3.84 | -3.98 | -6.16 | -9.25 | -48.79 | -51.10 | -42.15 | -42.15 | Capital Spending (Bil) |
| 1.18 | 12.78 | 20.69 | -49.21 | 98.86 | 72.96 | -39.07 | 631.38 | 300.84 | 559.08 | 559.08 | Free Cash Flow (Bil) |
| 537 | 537 | 537 | 570 | 613 | 613 | 613 | 613 | 613 | 613 | 613 | Avg Shares Outstand(Mil) |

## Valuation as of 23 Apr 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.00 | 0.93 | 0.92 | 1.00 | 0.67 | 0.67 | 0.83 | 0.65 | 0.63 | 0.78 | 0.74 | Price/Fair Value Q |
| 2.43 | 3.62 | 2.78 | — | 3.35 | 0.86 | 1.05 | 1.23 | 1.42 | 2.04 | 0.83 | Price/Sales |
| 7.92 | 13.17 | 10.89 | — | 14.85 | 4.15 | 9.72 | 9.93 | 19.17 | 17.30 | 10.13 | Price/Earnings |
| 5.20 | 11.69 | 2.18 | — | — | 29.03 | — | 1.03 | — | 3.43 | 2.64 | Price/Cash Flow |
| 2.77 | 3.67 | 2.98 | — | 2.73 | 1.14 | 0.84 | 0.93 | 1.09 | 1.93 | 1.14 | Price/Book |

## Operating Performance as of — (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q3 | Fiscal (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 4.83 | 4.09 | 2.78 | 2.06 | -0.51 | 3.93 | 1.75 | 1.09 | 3.95 | 3.89 | 1.63 | Return on Assets |
| 36.65 | 31.47 | 24.15 | 18.24 | -4.16 | 24.99 | 10.3 | 6.91 | 22.82 | 17.9 | 7.59 | Return on Equity |
| — | — | — | — | — | — | — | — | — | — | — | Rtn on Invested Capital |

## Dividends as of —

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 0.05 | — | 2.42 | — | 1.58 | 3.93 | — | — | 21.49 | — | — | Dividend Per Share |
| 0.1 | — | 2.03 | — | 1.76 | 5.03 | — | — | 7.26 | — | 0.62 | Trailing Dividend Yield |
| — | — | — | — | — | — | — | — | — | — | — | Buyback Yield |

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# Appendix

**Economic Moat History** as of 23 Apr 2024 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 0.10 | 0.12 | 0.04 | 0.15 | — | — | — | — | — | — | — | — |
| 2023 | 0.03 | 0.02 | 0.02 | 0.06 | 0.06 | 0.08 | 0.05 | 0.21 | 0.07 | 0.04 | 0.08 | 0.08 |
| 2022 | 0.04 | 0.05 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.02 | 0.02 | 0.03 | 0.04 | 0.05 |
| 2021 | 0.24 | 0.04 | 0.09 | 0.12 | 0.08 | 0.06 | 0.12 | 0.06 | 0.05 | 0.02 | 0.02 | 0.04 |
| 2020 | 0.83 | 0.47 | 0.26 | 0.30 | 0.05 | 0.74 | 0.31 | 0.19 | 0.23 | 0.22 | 0.16 | 0.17 |
| 2019 | 0.86 | 0.75 | 0.86 | 0.65 | 0.87 | 0.91 | 0.87 | 0.92 | 0.87 | 0.77 | 0.70 | 0.81 |

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The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

### Quantitative Equity Ratings

Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings).

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to http://global.morningstar.com/equitydisclosures for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

**Narrow** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

**Wide** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

**None** – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.
*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*
*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

★★ - the stock is somewhat overvalued.
*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*
*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.
*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*
*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.
*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*
*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.
*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*
*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

**Low** – the interquartile range for possible fair values is less than 10%

**Medium** – the interquartile range for possible fair values is less than 15% but greater than 10%

**High** – the interquartile range for possible fair values is less than 35% but greater than 15%

**Very High** – the interquartile range for possible fair values is less than 80% but greater than 35%

**Extreme** – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

**Weak** – assigned when Quantitative Financial Health < 0.2

**Moderate** – assigned when Quantitative Financial Health is between 0.2 and 0.7

**Strong** – assigned when Quantitative Financial Health > 0.7

### Other Definitions

i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation**– Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

**Undervalued – Last Price** is below Morningstar's quantitative fair value estimate.

**Farily Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

**Farily Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

**Overvalued – Last Price** is above Morningstar's quantitative fair value estimate.

**Sustainalytics ESG Risk Rating Assessment:** The ESG Risk Rating Assessment is provided by Sustainalytics; a Morningstar company. Sustainalytics' ESG Risk Ratings measure the degree to which company's economic value at risk is driven by environment, social and governance (ESG) factors.

Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

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of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

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