

BBVA: THE STRATEGY PODCAST

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BBVA at a Glance



25+ Countries



82.8 Million Active Customers



78.9% Digital Product Sales



66% New Digital Customers

Sources: [1]-[4]

Our Strategic Question

How can BBVA speed up its digital transformation to improve customer experience, boost efficiency, and drive sustainable growth?

Three Forces Shaping Banking

Regulation

- GDPR: personal-data protection
- EU AI Act: rules for AI use
- AML / CFT: customer checks and monitoring

Customer Behavior

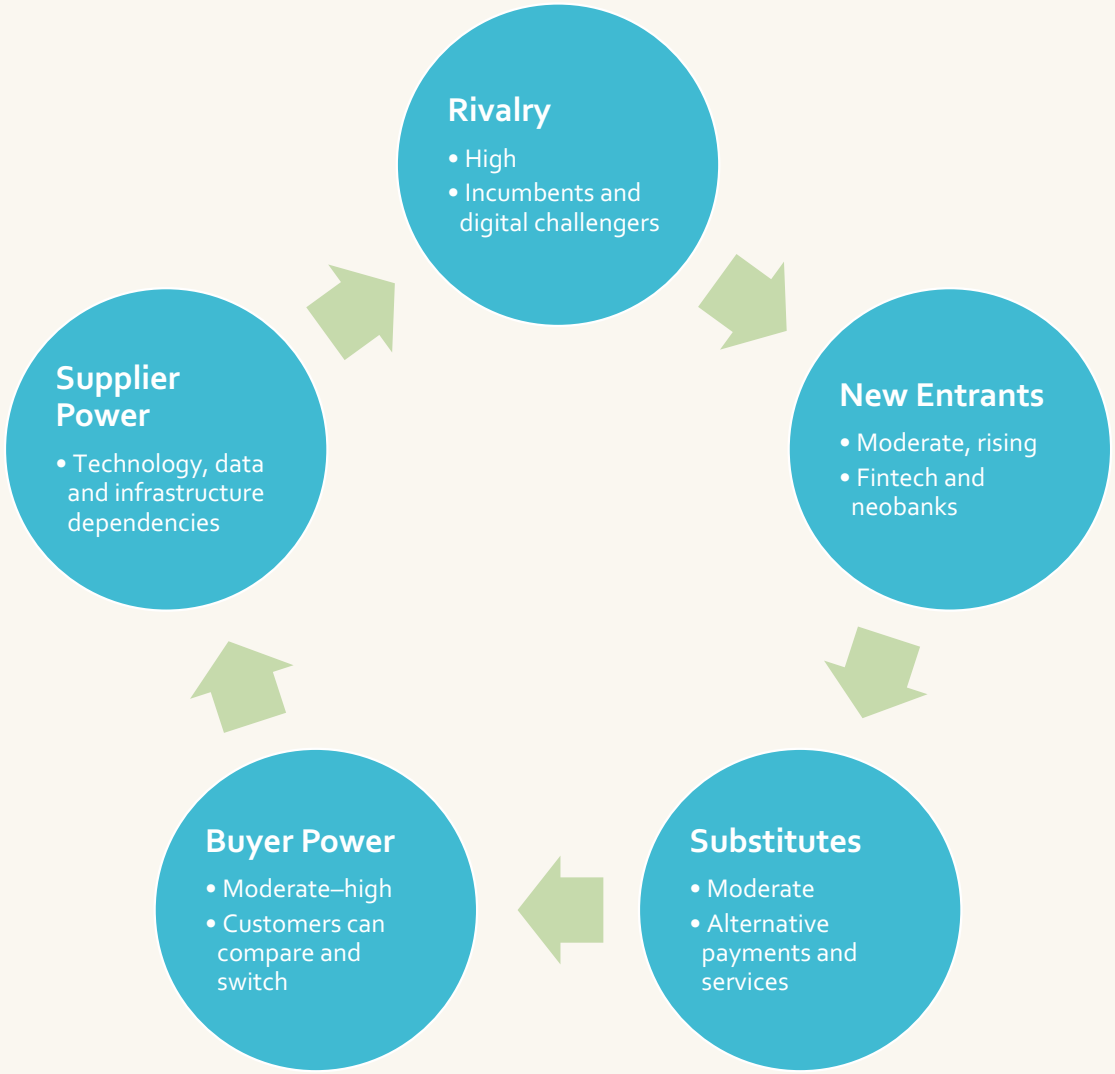
- Online banking is becoming more common
- EU use: 59.63% (2022) → 69.66% (2025)
- Digital convenience raises expectations

Technology

- AI and cloud can support efficiency
- Cyber events and digital fraud create risk
- Security and trust remain essential

Sources: [3]-[9]

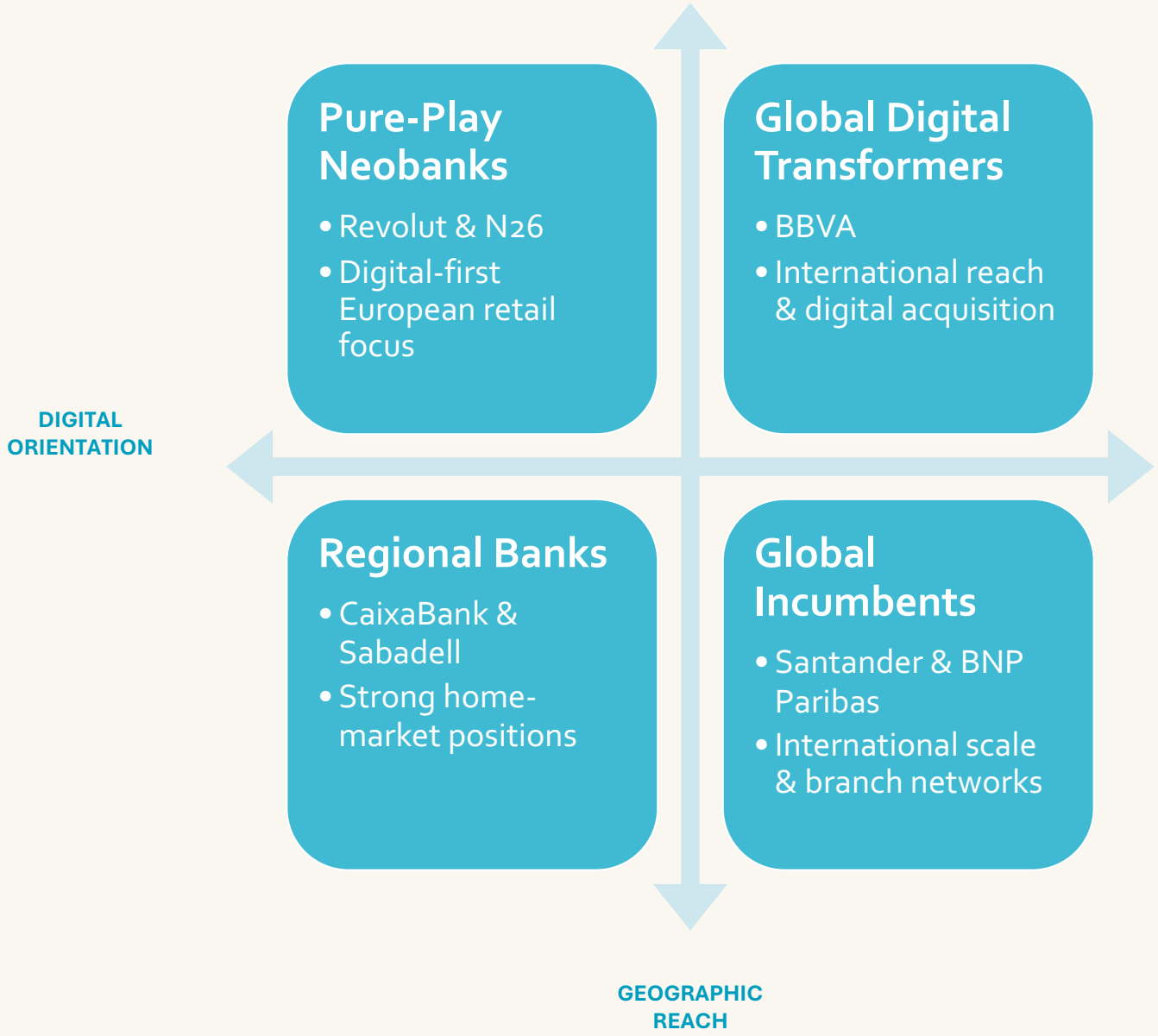
Competitive Pressure: Rivalry is Intense



Intense rivalry means BBVA must differentiate beyond simply offering digital banking channels.

Sources: [10]

Four Groups in the Competitive Landscape



Sources: [11]

What BBVA Brings to the Table



11.5 Million New Customers Added



66% Acquired Digitally



€10.5 Billion Net Profit



19.3% ROTE

Technology Priorities

- 2025–2029 strategic plan places next-generation technology and AI at the center.

AI Initiatives

- Blue digital assistant and OpenAI partnership aim to support service and operational improvements.

Sources: [2]-[4], [12]

Strong Digital Engine, Exposure to Market Risks



Strengths

Strong digital acquisition

International scale

Financial capacity and profitability



Weaknesses

Geographic earnings concentration

Market-specific volatility

Digital advantage must be sustained



Opportunities

Reach new customers digitally

AI-enabled efficiency and personalization

Selective branchless expansion



Threats

Neobank competition

Economic and currency volatility

AI regulation and cyber risk

Sources: [2]-[4], [12]

A Proposed Next Step: Replicate the Branchless Model in Europe

Existing Assets

- Digital platform
- AI onboarding

Market Option

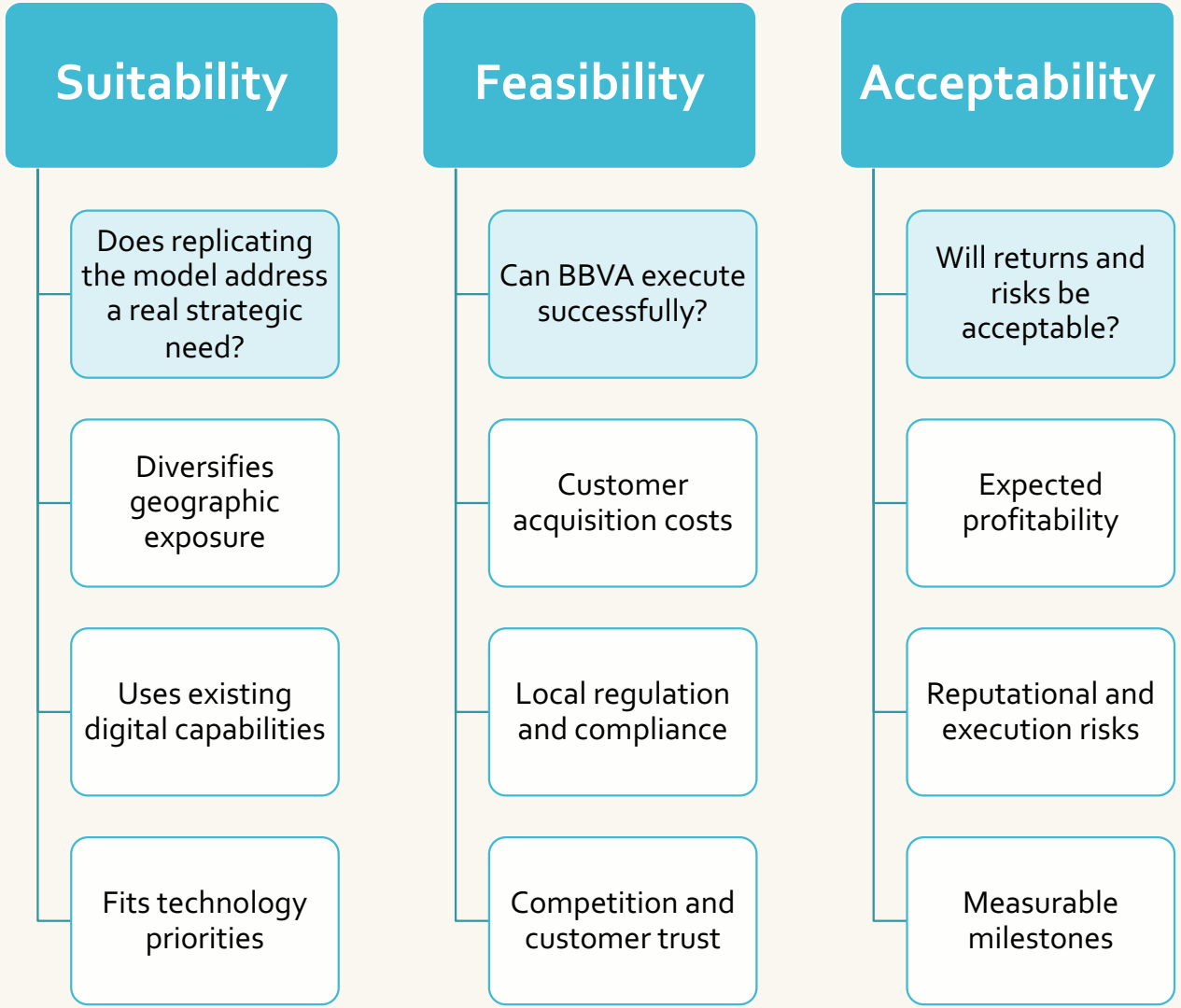
- Live: Italy and Germany
- Next: similar mature European markets
- Rest of Business profit +60% to €508 million

Value Logic

- Diversify revenue
- Scale without branches

Sources: [4]

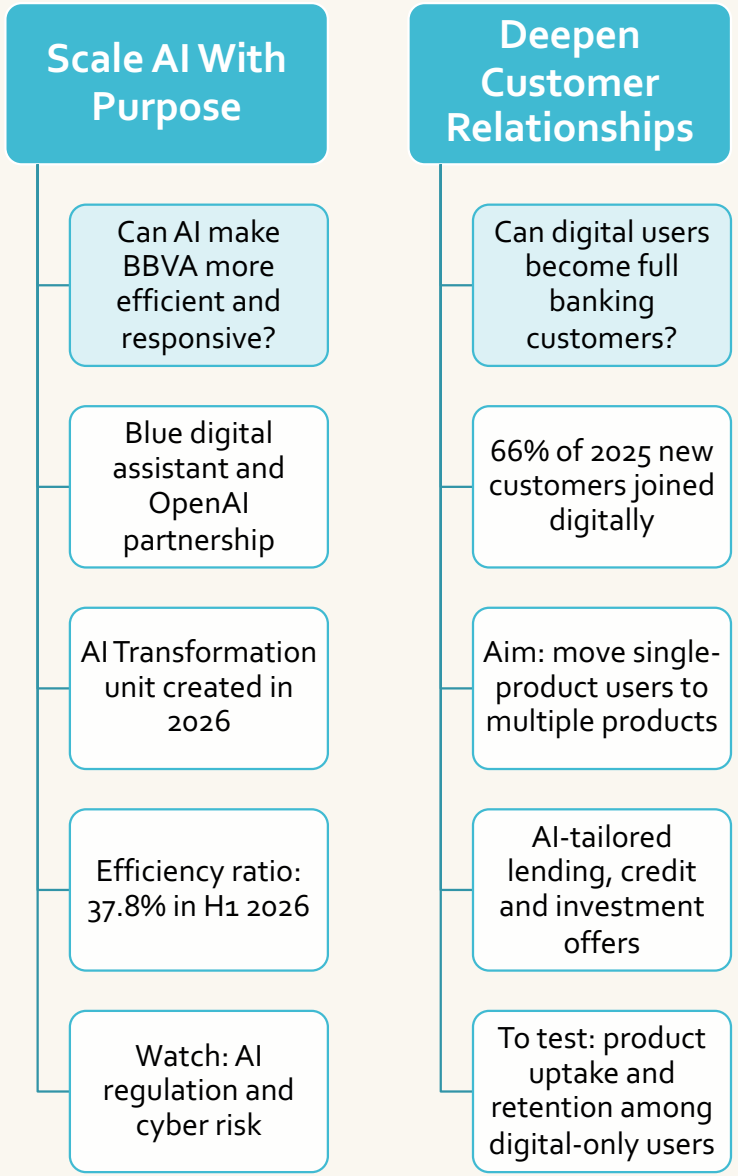
Test the Model Before Replicating it



A digital-only model is not automatically low-cost; acquisition efficiency must be demonstrated.

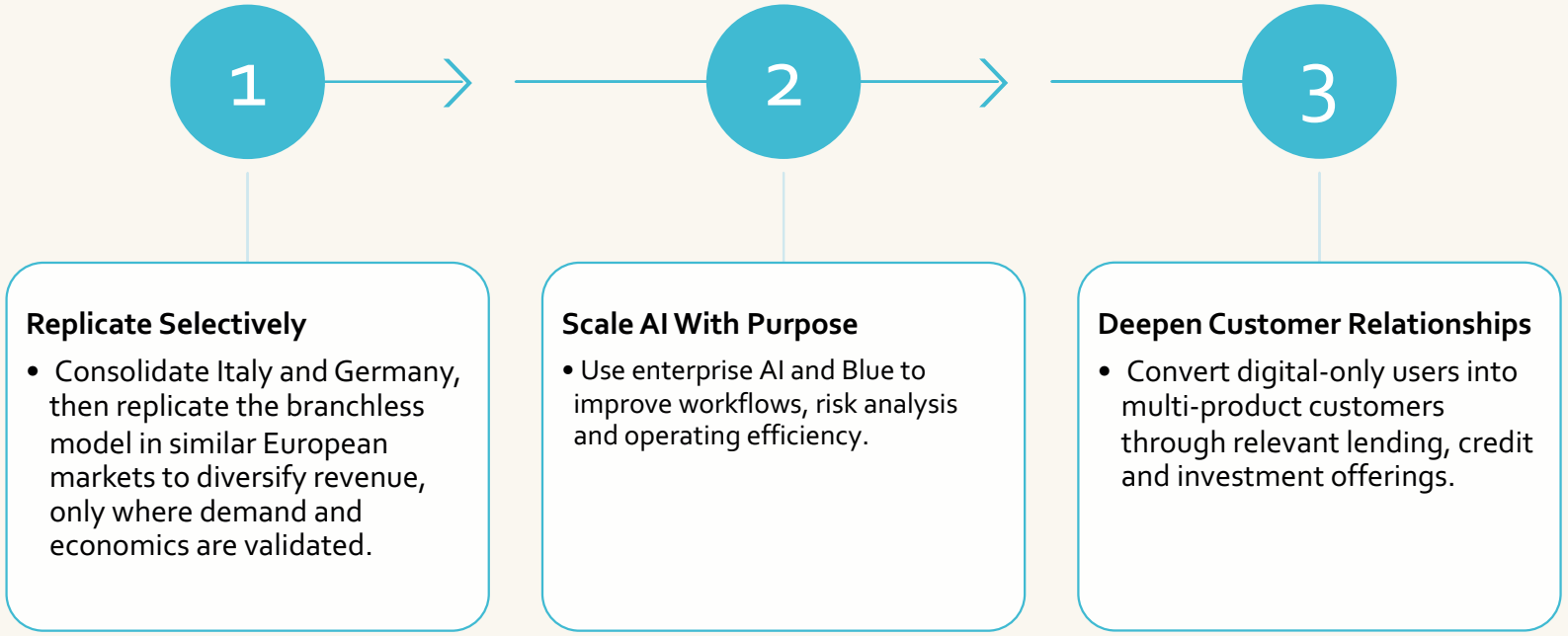
Sources: [11]

Two Supporting Moves: AI and Deeper Relationships



Sources: [3], [4], [6], [9], [12]

Three Priorities for BBVA



Measure What Makes the Strategy Sustainable

Customer Acquisition Cost

- Cost to win each new customer

Digital Retention

- Whether acquired users stay active

Cost-to-Income

- Whether efficiency improves (H1 2026 baseline: 37.8%)

Return on Equity

- Whether growth creates value (H1 2026 baseline: ROTE 22.2%)

References

[1] BBVA. Annual Report 2024.

[2] BBVA. Annual Report 2025.

[3] BBVA. 4Q25 Results Presentation.

[4] BBVA. January–June 2026 Report (midyear financial report).

[5] European Union. General Data Protection Regulation (EU) 2016/679.

[6] European Union. Artificial Intelligence Act (EU) 2024/1689.

[7] Bank for International Settlements. AML / CFT guidance.

[8] Eurostat. Online banking statistics.

[9] Khiaonarong, T. & Zheng, S. (2026). The Rise of Cyber Events and Digital Fraud in the Financial Sector. IMF.

[10] Porter, M. E. (2008). The Five Competitive Forces That Shape Strategy.

[11] Johnson, G., Whittington, R. & Scholes, K. (2020). Exploring Strategy (11th ed.).

[12] BBVA. 2025–2029 Strategic Plan.