



# PegaWorld

JUNE 7-9 | LAS VEGAS

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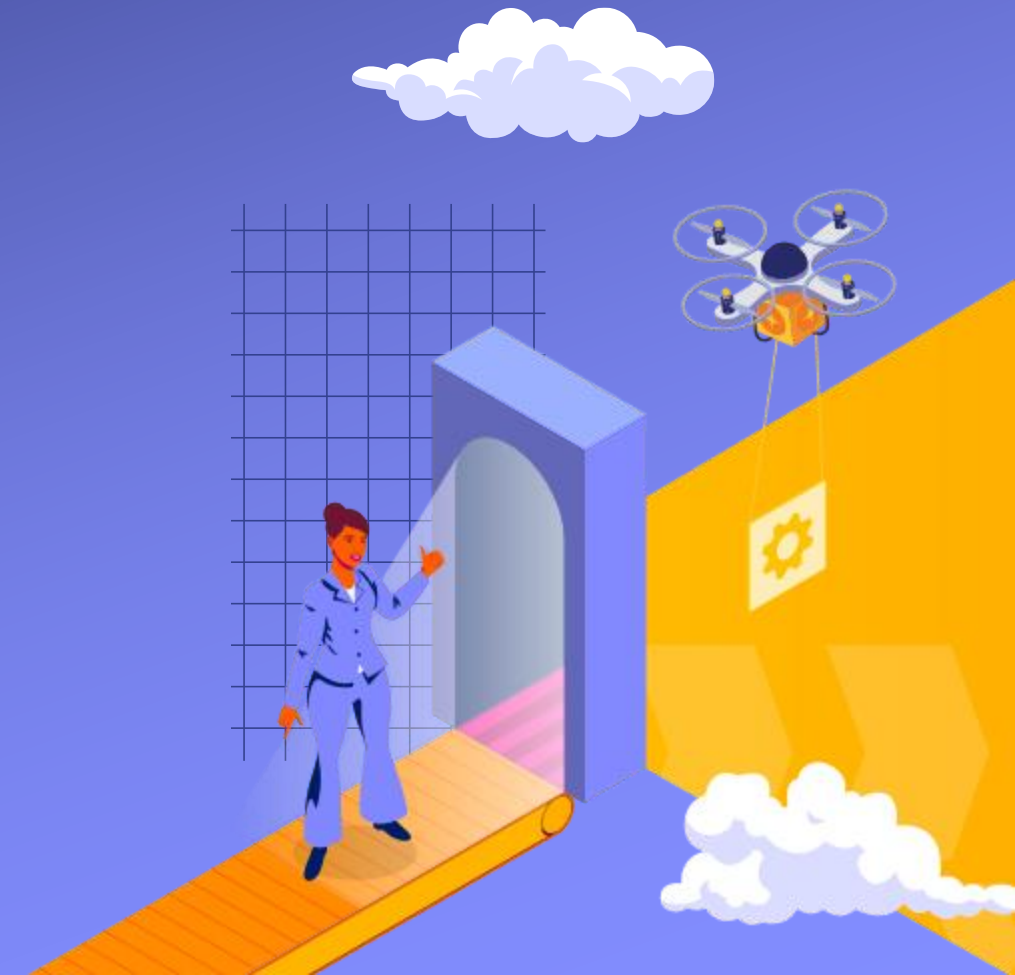


# Lloyds Banking Group: AI-powered Commercial Banking Transformation with Pega

**LBG Commercial Colleague Channels**

**Harry Leonard, Lead PO**

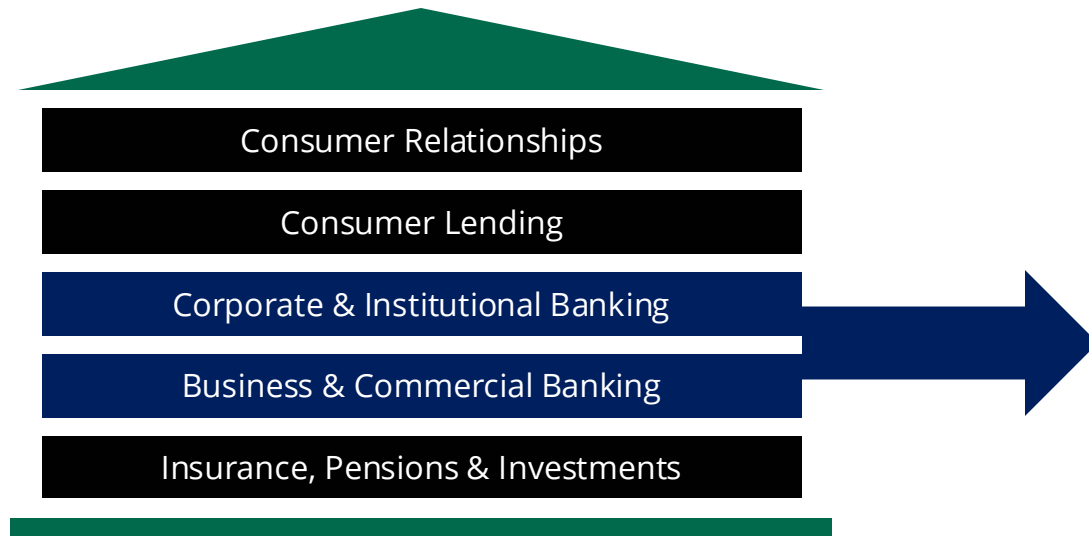
**Manoj Pappu, Engineering Lead**



# Lloyds Banking Group

## ...and Commercial Banking in context

- One of the UK's leading financial services groups, serving retail, commercial and institutional customers across the UK.
- Core purpose is **Helping Britain Prosper** through lending, payments, savings and protection.
- Strong balance sheet and scale, enabling sustained investment in technology, risk and customer experience.



### Commercial Banking in context

- Commercial Banking is a core growth engine for the Group, supporting SMEs through to large corporates.
- Serves a very broad customer base across Business Banking, Commercial Banking, Corporate and Institutional Banking.
- Deep, long-standing relationships with UK businesses across all sectors and regions.

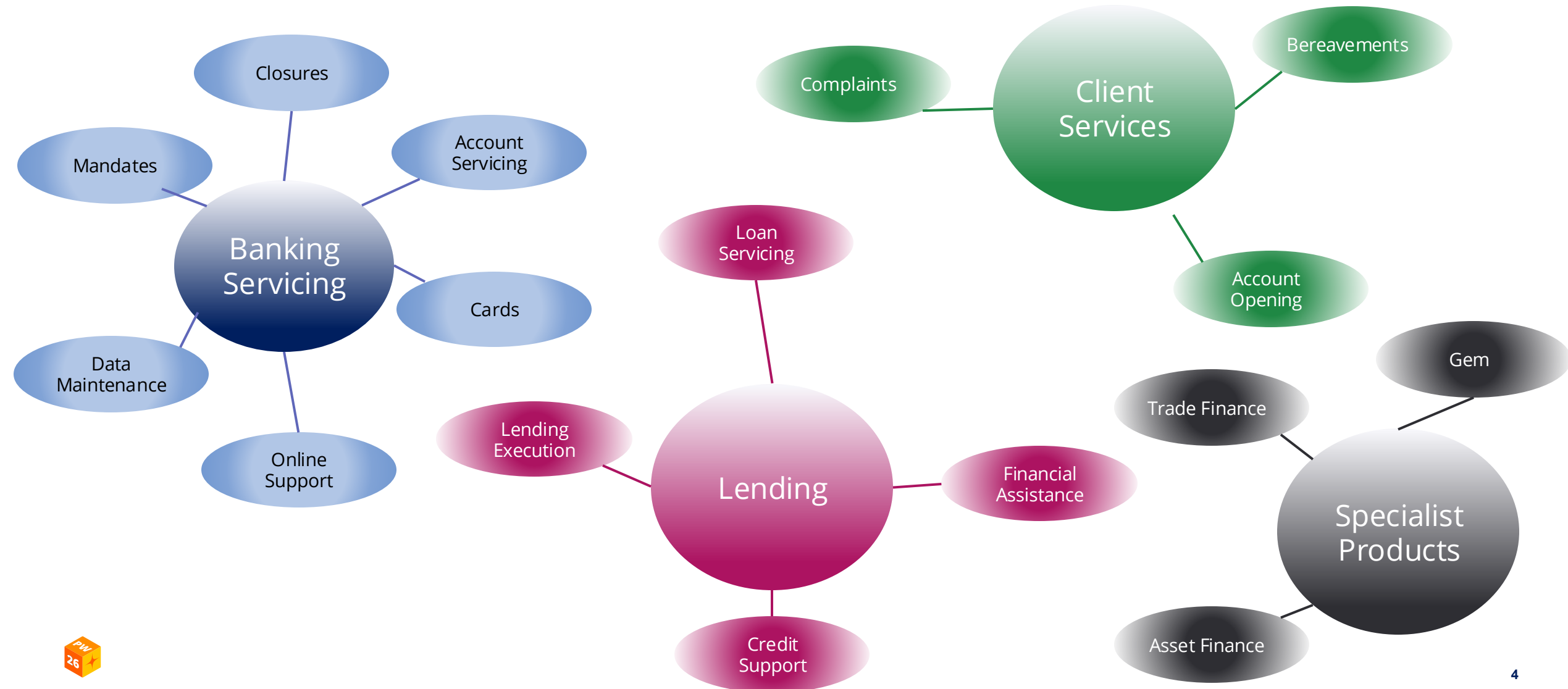
### Scale and reach

- Core UK SME and mid-market franchise with c.21% commercial deposit share.
- Delivered c.£6.5bn of new BCB lending in FY 2025
- Purposefully refocused and growing corporate and institutional franchise.



# Commercial Banking Ops

...supporting the banking needs of the full range of LBG's Commercial customer base



# LBG Commercial Bank Operating Model 2017-19

From 16+ to 3 co-located sites with automated routing

- ✗ 100+ Process variation
- ✗ Varied colleague skills
- ✗ Email handoffs to back office
- ✗ Manual routing of work
- ✗ Front and back-office separation

- ✓ Specialist colleagues
- ✓ Processes standardised
- ✓ All teams using Pega
- ✓ Automated routing
- ✗ Front and back-office separation

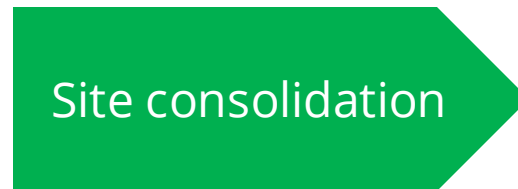
Digitized

Integrated

Automated

Intelligent

Agentic



# LBG Commercial Bank Operating Model 2022

Combined teams further, skills-based routing and single point of contact model

- ✓ Front and back-offices merged
- ✓ BCB and CIB process merge or align
- ✓ Central email and auto-indexing
- ✓ Automated skills-based routing
- ✓ Single actor fulfilment

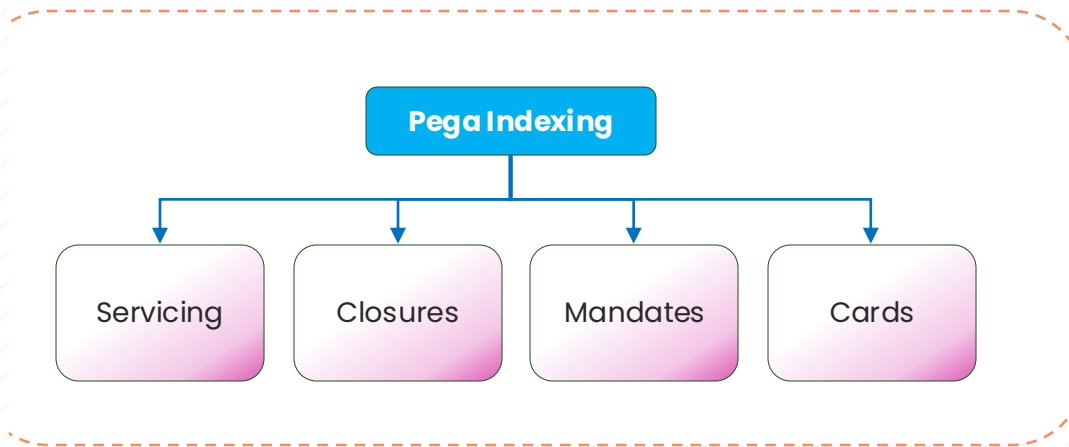
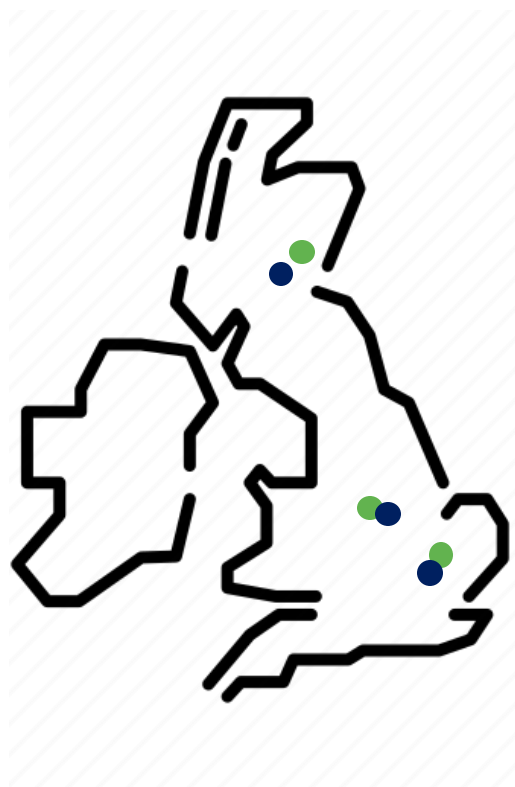
Digitized

Integrated

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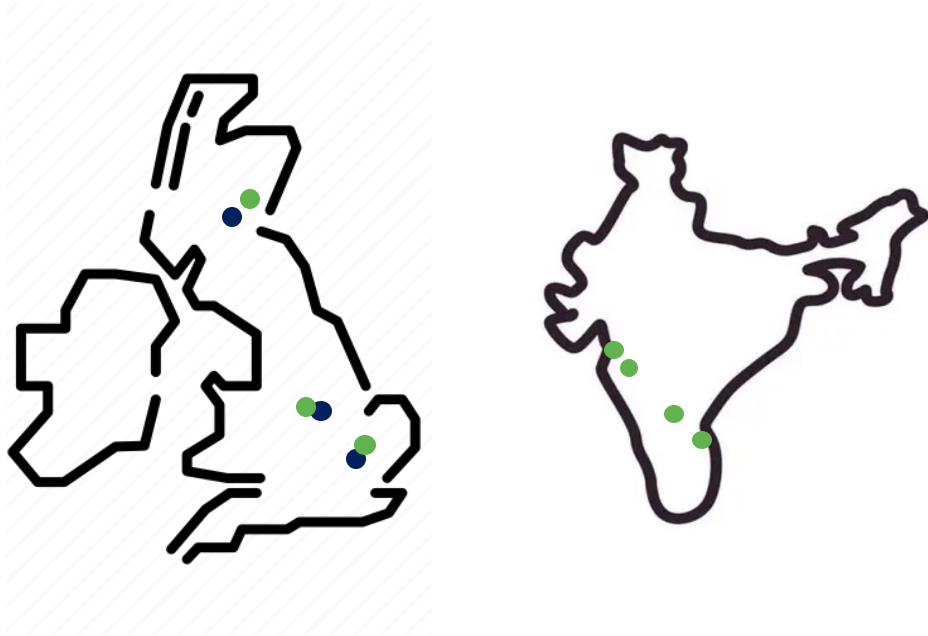
Intelligent

Agentic



# LBG Commercial Bank Operating Model 2026

Enabling successful offshore setup and GenAI capabilities



- ✓ CB Pega a fundamental part of BCB an CIB's servicing model
- ✓ Application stability has enabled global servicing model
- ✓ Heavy investment in process automation and simplification
- ✓ Significant OpEx savings realised

Digitized

Integrated

Automated

Intelligent

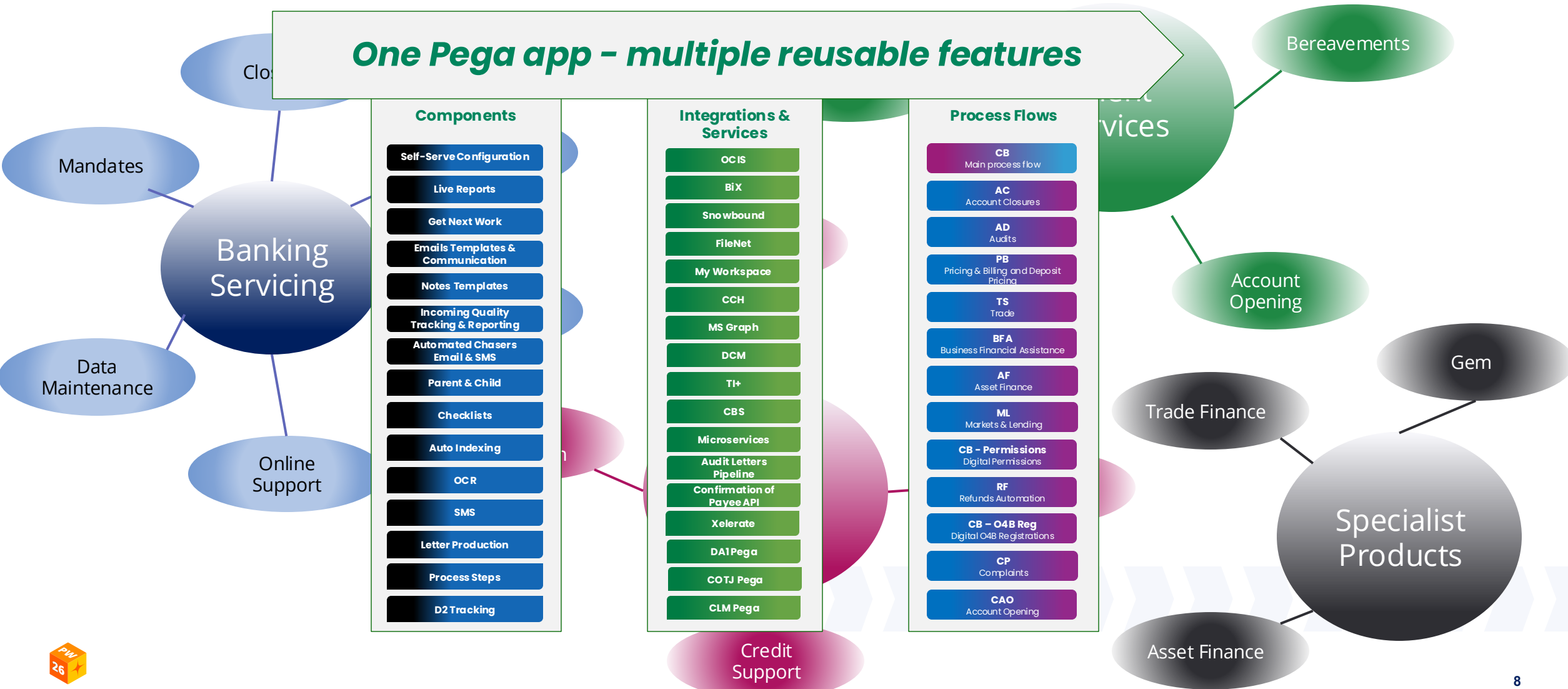
Agentic

Pega Infinity 25

- Pega Infinity upgrades taken via Evergreen model (24.2. to 25.2)
- Stable Pega workflows and infrastructure enabled processes to move to BCB offshore partners seamlessly
- Pega Infinity brings Gen AI capabilities across commercial

# Optimising Commercial Bank App Integration and Reuse

Multiple internal integrations and re-usable components tailored to commercial banking ops



# Demystifying the journey



# Problem Space - Scaling Colleague Productivity and Client Servicing

## Manual Effort at Enterprise Scale

- 2M+ cases/year supported by **5,000–7,000 inbound emails daily** and **~2,000 outbound communications**
- Colleagues manually reading, interpreting, classifying, deciding, and drafting—often with limited in-flow guidance
- Manually copying content from emails, structured, unstructured forms into case forms

## Systemic Friction in Today's Workflows

- High handling effort
- Classification errors
- Limited real-time guidance
- Poor visibility
- Inconsistent policy application

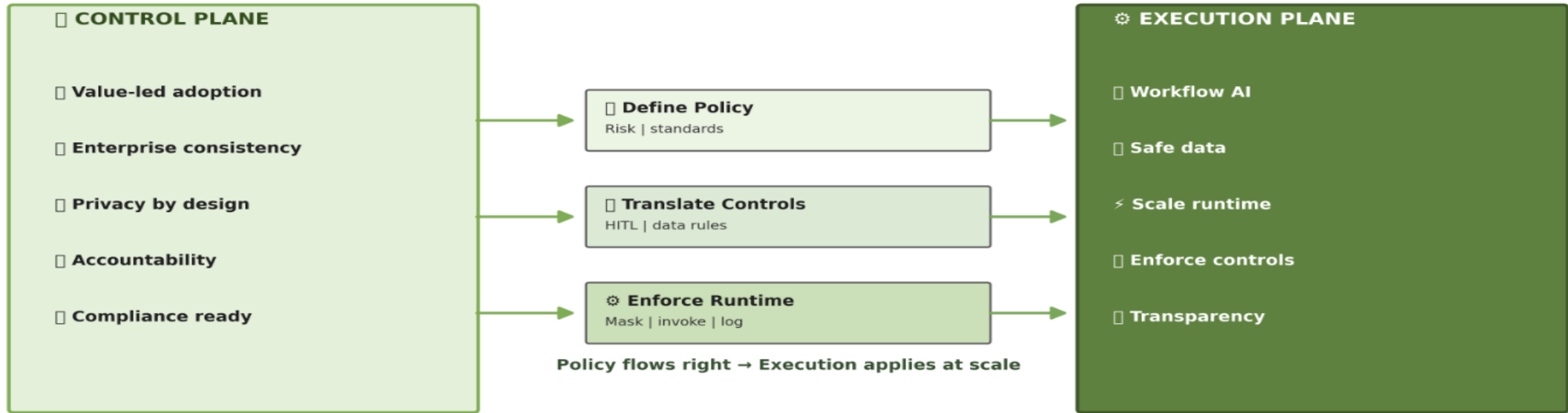
## Barrier to Scalable Transformation

- Longer resolution times and variable experience
- Making service improvements costly (Adding more FTEs)
- Meeting the demand of scaled volumes as bank expands
- Quality Risk

# Capability Assessment and Recommendations

Purpose	Capability Assessed	What Pilot Showed	Recommendation
<b>Understanding</b>	<b>GenAI-Connect</b>	Accurate summaries of cases, emails, and history; significantly reduces reading effort	<span style="color: green;">●</span> <b>Proceed with embedded summarization</b>
<b>Classification</b>	<b>IVA Models, GenAI-Connect</b>	GenAI Works but underperforms compared to existing ML IVA without large training datasets	<span style="color: blue;">●</span> <b>Retain existing ML IVA models</b>
<b>Extraction</b>	<b>GenAI-Connect</b>	Strong for structured forms; weaker for complex unstructured documents	<span style="color: yellow;">●</span> <b>Selective rollout (structured only)</b>
<b>Structured Content Generation</b>	<b>GenAI-Connect</b>	Strong productivity gains (~3 FTE) for business to generate letter templates; requires prompt governance	<span style="color: green;">●</span> <b>Proceed with controls</b>
<b>Unstructured Content Generation</b>	<b>GenAI-Connect</b>	Accurate outputs with efficiency gains at scale (~2,000 emails/day); needs review	<span style="color: yellow;">●</span> <b>Proceed with human oversight</b>
<b>Guidance</b>	<b>Knowledge Buddy</b>	Contextual knowledge improves decision quality; some practical limitations	<span style="color: green;">●</span> <b>Proceed + integrate with Enterprise KM</b>
<b>Coaching</b>	<b>Gen AI Coach</b>	Valuable for complex journeys; currently limited to case data/prompts	<span style="color: green;">●</span> <b>Proceed + expand/integrate with Enterprise KM</b>

# Governance Defines and Systems Execute



Policy flows right → Execution applies at scale

**Govern once. Enforce everywhere.**

*By separating governance from execution, we ensure GenAI scales safely — with policy defined centrally and enforced consistently across every workflow*

Control Plane
Governance construct
Architecture, Risk, Compliance
Design-time
Define policies and guardrails
Risk models, HITL rules, model approval
Human-led decisions

Execution Plane
System runtime
Engineering, Platforms
Prompt Engineering and versioning
Enforce policies in workflows
Masking, LLM calls, filtering, logging
System-driven execution

# Business Problem – Asset Finance



**12**

Process Steps



**70**

Checklist Questions



**Minimal**

Data & Processing  
insights

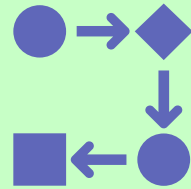


**Limited**

Case and workflow  
management

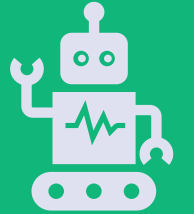
# Solution - Asset Finance

## Redesigned Pega Case



- **Structured workflow**
- **Automated comms**
- **Full MI suite**
- **Automated data sourcing**

## Gen AI Data Extraction



- **Utilises Pega Gen AI Connect**
- **Key fields extracted from PDF**
- **Auto-indexing on completion**

# Asset Finance - Gen AI Component

## Asset Finance

Deal Submission Form

AF-35644

**Asset Finance**

Actions

Priority	Status	Support Need
10	Open-Input	

Task Name	FIELD NEW AGREEMENT - NON STANDARD
Category Level 2	FIELD SUPPORT
CategoryLevel1	ASSET FINANCE
Customer Name	John Snow
Brand	LLOYDS

**D2 Reasons**

D2 Reason Apply?

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**Case Data**

\* AI Generated Content. Needs Review

Business Name *	Agreement Number *
John Snow	9654123786
Delivery Date	Deal type? *
	Commercial Loan Unsecured
Advance	Number of assets? *
£189,000.00	8

**Customer details**

Business name:  Agreement number (not opp ID):

Client email address for correspondence:  Second additional client email address for correspondence (if required):

Additional client email address for correspondence (if required):  Delivery date (if known):

**Process checklist**

Are they a LBG Banked Client, or do they have an existing AML Review date?

Number of assets?

Advance?

Deal type?

If Sale & HP Back, have you attached Proof of Payment & Does the invoice show YOM & Serial/Chassis Number?  N/A  Yes  No

Has the latest freehand been attached to SLX?  Yes  No

**Request**

Customize system prompt

System prompt <sup>?</sup>

You are an AI assistant that helps people find information.

User prompt <sup>?</sup>

You are an intelligent data extraction assistant. Adhere to the following guidelines, Your task is to read from the string :! (.ExtractionNotes)! and extract the following fields accurately: Advance AgreementNumber BusinessName NumberOfAssets Dealtype Channel ClientEmailAddress AdditionalClientEmailAddress SecondAdditionalClientEmailAddress YourTeam Business Rules: 1. If a field is missing, blank, redacted, ambiguous, or cannot be reliably determined from the text, return null for that field. 2. Do NOT merge, infer, copy, or borrow values from other fields, even if two fields contain similar words or appear related. Each field must be treated independently. (e.g., do not use AdditionalSupplierEmailAddress for AdditionalClientEmailAddress). 3. Each field must be independent. Do not use the value of one field to populate another. 4. Do NOT fabricate values. Do NOT concatenate multiple values. If multiple candidates exist, choose the exact value explicitly labeled for the field; otherwise return null. 5. Remove any surrounding square brackets [] and return only clean text values. 6. If a field is missing, return "". 7. If NumberOfAssets is 0, blank, negative, or non-numeric return "" (empty string). Only return a positive value. 8. Rely strictly on the provided text, without including external information. 9. Extract the complete BusinessName exactly as it appears. Include all words regardless of case (uppercase, lowercase, title case), special characters, punctuation, and spacing. Do NOT split or truncate BusinessName based on capitalization changes. 10. When AdditionalClientEmailAddress is blank and AdditionalSupplierEmailAddress has value, return "" for the field AdditionalClientEmailAddress. 11. Treat the following labels as completely different and unrelated, even though they contain similar words: and DO NOT cross-match or borrow values between these labels under any circumstances. "Client email address for correspondence" "Additional client email address for correspondence (if required)" "Second additional client email address for correspondence (if required)" "Enter supplier email address" "Enter additional supplier email address (if required)"

**Response**

Expected Response Mode

Structured - Single

Structured - List

Unstructured

**To property**

- 
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- 

+ Add property

# Results – Asset Finance

- “Feels more efficient and definitely a time saver with automated emails and a refined checklist.”
- “The whole experience feels less clunky and far more streamlined.”
- “No more time wasted copying and pasting — emails sent instantly and processes completed in a flash!”
- “So much easier and quicker. Less back-and-forth and far more straightforward.”



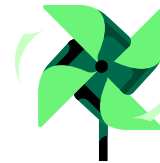
**Over 2,200 cases created**



**Auto-indexed 83% of cases, saving 200+ hours of manual effort**



**Achieved 99% accuracy in data extraction**

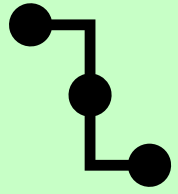


**Significantly faster end-to-end flow for colleagues and customers**



**A repeatable blueprint for scaling GenAI across CB Pega**

# Business Problem – Complaints



**Multiple**

Hand offs / re-keying



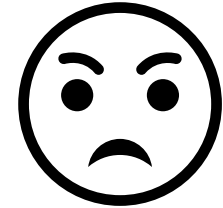
**Lengthy**

Email chains & doc review



**160 mins**

Avg case handling time

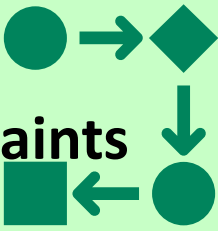


**2 weeks**

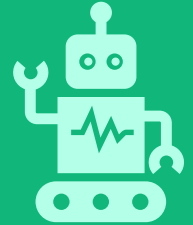
Typical e2e resolution

# Solution – Commercial Complaints

## Redesigned Pega Case

- Direct case creation, no PDF to re-key
- Pre-populated data 
- Automated routing to Complaints Team
- E2E tracking of resolution in CB Pega

## Gen AI Overlay



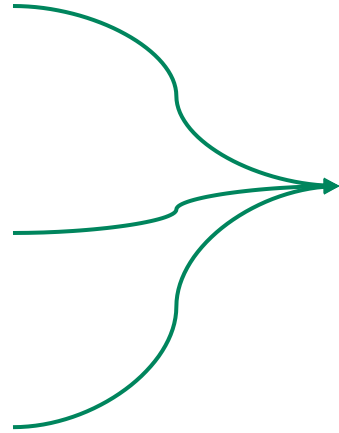
- Instant complaint summaries
- ~30 mins saved per complex case assessment
- Letter content drafted (HITL)
- ~45 mins saved in response letter drafting

# Gen AI Use Case 1 – Commercial Complaints

Customer verbatim (email / transcript / summary)

Submitter's notes

Core system data



Complaint Summary Test Data: not a live Complaint

Complaint Summary | Complaint Case Summary

*GenAI-powered tools may occasionally produce incomplete or inaccurate results. For Important decisions, do not solely rely on the tool's response.*

**Customer Email Summary**

- Client says they have had to continuously chase OKYC for a response on an ongoing NTC OKYC case and could not reach the OKYC team. (Source: Pulse text)
- Client says they were told accounts would be blocked on 12/03/2026 and they faced significant distress trying to prevent this without contact from OKYC. (Source: Pulse text)
- Client says they have had no update despite several emails on both KYC reviews EDR-256676762000 and EDR-25676762141, with potential blockage timeline 12.03.26. (Source: Pulse text)
- Client email notes all information for KYC review EDR-2524544545141 was provided 04.02.26 and since then they have only received automated "Notice to closure reminders". (Source: Attachment data)

**Colleague Instructions**

- Colleague confirms they have spoken with the analyst reviewing the cases, who will provide an update and contact the client if further information is needed. (Source: Attachment data)
- Colleague states they have escalated the matter to the analyst's line manager and confirms accounts will not be blocked while the review is ongoing. (Source: Attachment data)
- RM to be informed: Yes. (Source: Pulse text)

**Impact**

- **Financial impact:** No financial impact mentioned. (Source: Pulse text)
- **Stress / emotional impact:** Client "faced significant distress" due to risk of accounts being blocked and inability to reach OKYC. (Source: Pulse text)
- **Convenience impact (incl. vulnerability indicators):** Client reports having to "continuously chase" and "chase for updates multiple times"; customer inconvenience recorded as "Just an apology would be appropriate."

**Bank Actions Taken**

- Colleague escalated the KYC cases directly with the analyst and analyst's line manager. (Source: Attachment data)
- Colleague confirmed to client that accounts will not be blocked while the KYC review is ongoing and that updates will be provided. (Source: Attachment data)

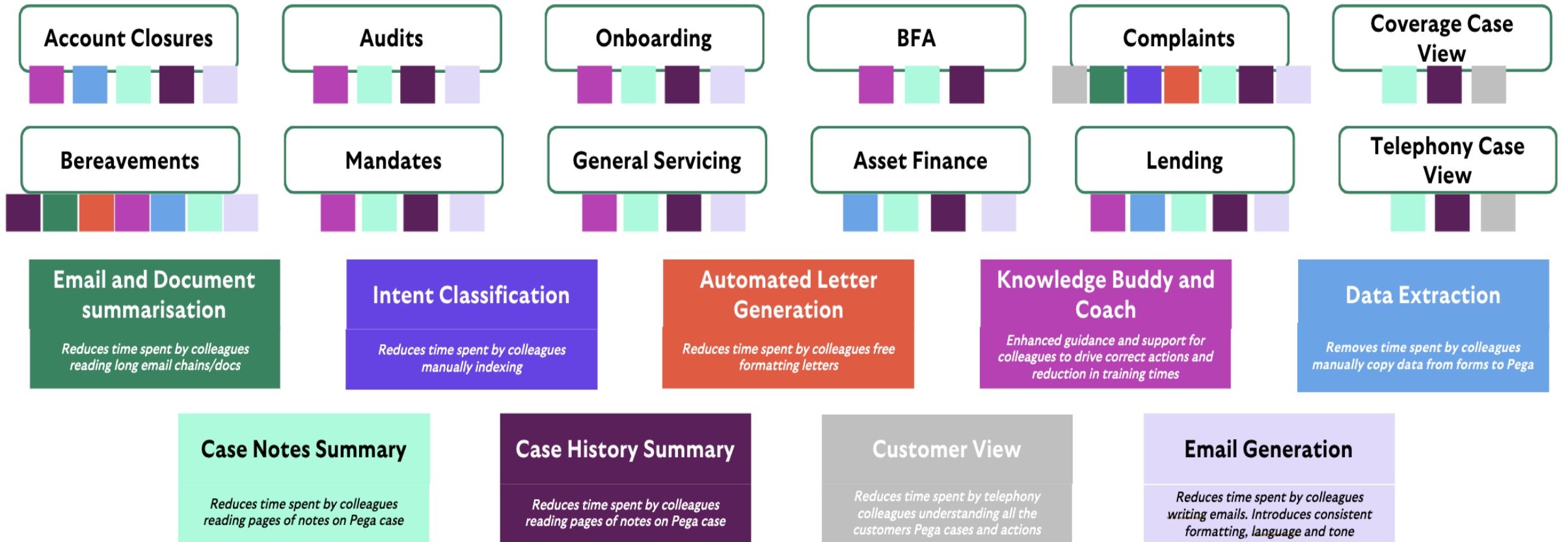
**What the Customer Wants Us to Do**

- Client wants completion of both KYC reviews EDR-256676762000 and EDR-25676762141 "shortly". (Source: Attachment data)
- Client wants follow-up so they can access/set up the portal and a response on EDR-2524544545141. (Source: Attachment data)
- Client indicates an apology would be appropriate for the inconvenience experienced. (Source: Pulse text)

**Timeline**

- Client states all information for EDR-2524544545141 was provided on 04.02.26 and automated "Notice to closure reminders" were received on 20.02.26. (Source: Attachment data)
- Client email and colleague responses dated 11 May 2026 regarding lack of updates and ongoing review of KYC cases. (Source: Attachment data)
- Customer notes potential account blockage timeline of 12/03/2026 / 12.03.26 linked to KYC reviews. (Source: Pulse text)

# Key Pega Journeys and Gen AI Components Overlay



# Lessons Learned...

## Design Model, Assurance and Feedback Processes



### Simple to build

- Pega Gen AI tools are intuitive
- Existing feature teams build and iterate the solutions
- No specialist AI teams required

### Collaborative by design

- The best outcomes come from live, hands-on sessions
- Developers, designers and business users experiment with prompts together and see results instantly



### Feedback drives quality

- In-the-moment feedback is critical
- We ask for feedback on every Gen AI use
- A simple thumbs up is enough when it works well



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