

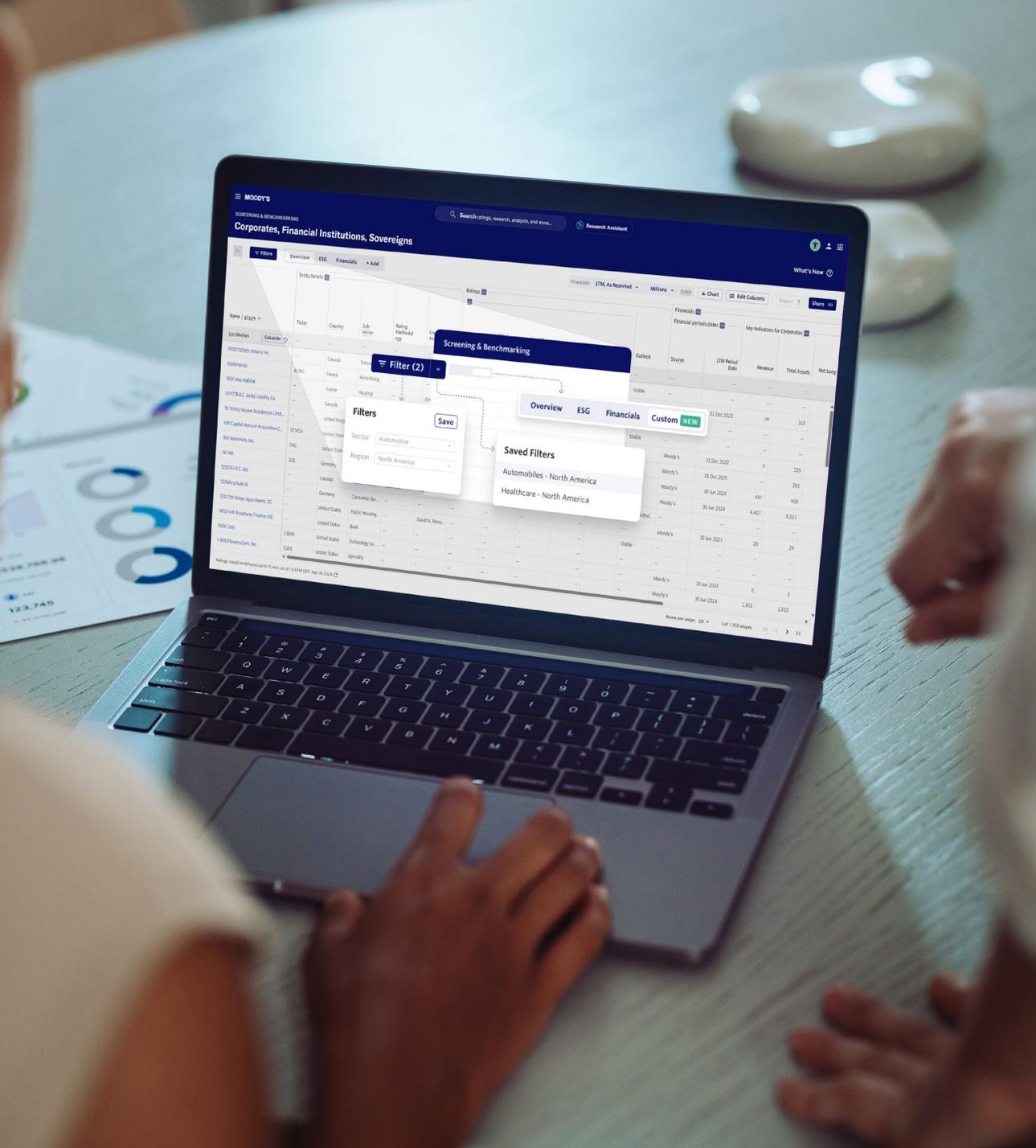


MOODY'S

Moody's GenAI-powered Research Assistant drives significant efficiency gains for financial services industry

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EXECUTIVE SUMMARY

GenAI is fundamentally transforming how financial institutions operate, driving unprecedented gains in efficiency, insight generation, and decision-making capabilities. Analysis of over 100,000 user interactions with Moody's Research Assistant demonstrates this impact through substantial quantifiable benefits:

- Users access up to 60% more data and insights while reducing task time by 30%, improving decision-making efficiency
- There was a sustained increase in research readership of 35% following GenAI integration, with investment bankers, portfolio managers, and research teams discovering more relevant content to inform strategic decisions
- High-value analytical work dominates platform usage, with over 90% of platform interactions focused on thematic research and strategic adjustments (39%), detailed financial analysis (32%), and initial screening to identify new opportunities (20%)
- The technology can serve as an effective antidote to professional burnout while elevating quality standards across organizations, enabling junior analysts to produce work matching the quality of experienced professionals

Looking ahead, AI agents represent the next frontier in financial services technology, offering the potential to automate complex workflows with minimal human intervention. At the same time, the market is evolving toward specialized, domain-specific AI assistants that combine deep industry expertise with targeted functionality for particular use cases. However, success requires robust governance frameworks and reliance on trustworthy, verifiable data to facilitate responsible deployment at scale.

THE NEW PARADIGM: INNOVATION AND IMPACT

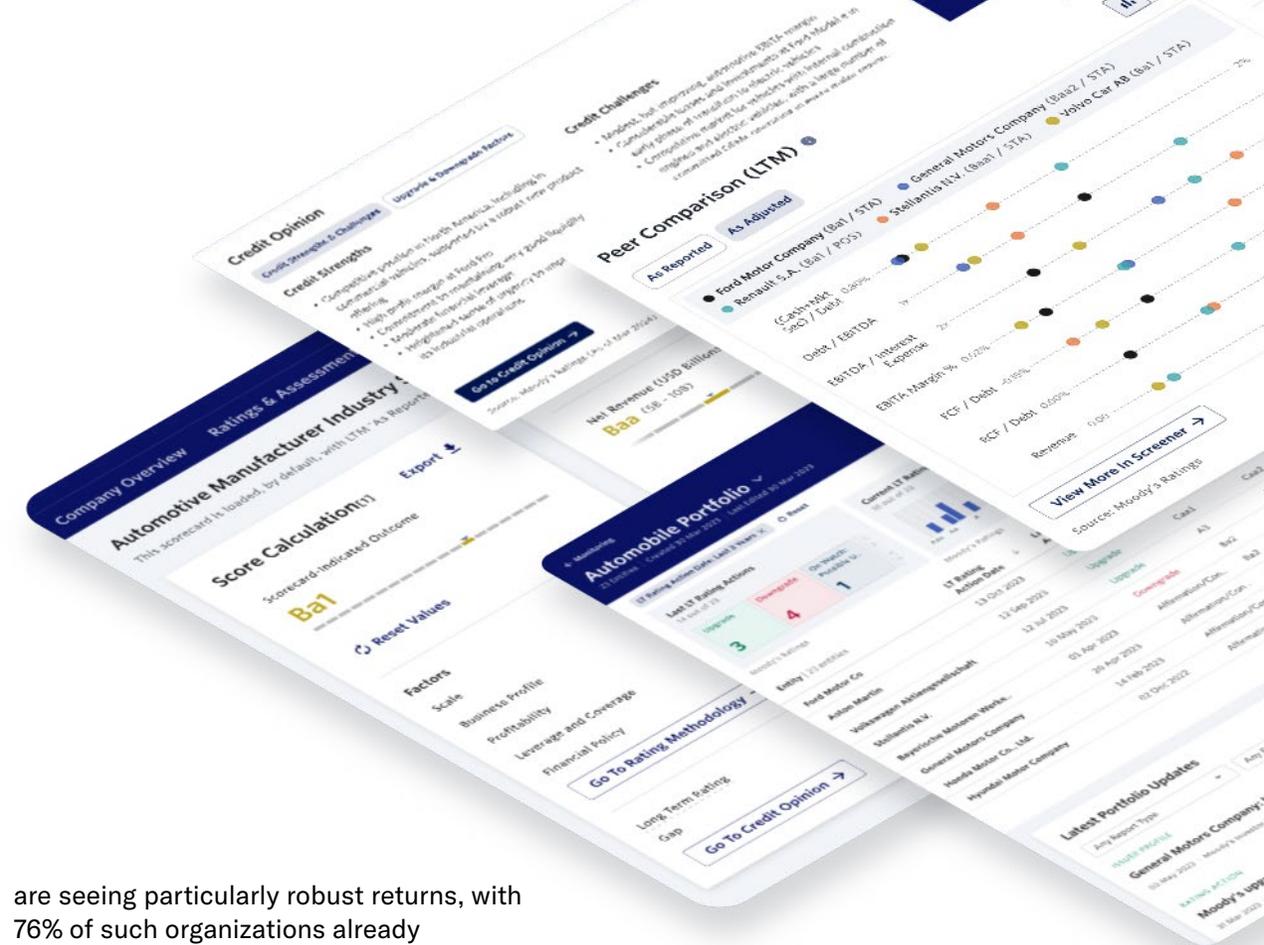
Generative artificial intelligence (GenAI) represents a fundamental shift in how organizations leverage technology. Unlike traditional AI applications that operated behind the scenes, GenAI brings intelligence to the forefront through natural language interactions and content generation capabilities. The technology is moving beyond knowledge-based tools to action-oriented solutions that can execute complex, multistep workflows across digital environments.

According to Moody's Ratings' 2025 AI Outlook¹, the competitive landscape for AI foundation models is evolving rapidly, with performance levels converging across major providers. This convergence is driving innovation toward new functionalities and specialized applications, making the technology more accessible and user-friendly. The focus has shifted from raw model performance to developing user-friendly interfaces and task-specific capabilities that seamlessly integrate into existing workflows.

Analysis of over 100,000 user interactions in Moody's Research Assistant demonstrates

compelling adoption and efficiency gains in the financial sector. The platform's impact is evidenced through multiple metrics: customers consume up to 60% more research while simultaneously reducing time spent on tasks by 30% on average. The success of these implementations is further demonstrated by a significant uptick in recurring platform users, with peaks showing almost 300% increase during its second quarter in market.

Implementation speed has also significantly increased across the financial services sector, with most institutions now able to deploy use cases and achieve adoption by the end users in a matter of months. For example, based on usage data from Moody's Research Assistant, we observed a very rapid adoption with significant uptick in recurring platform users since the product's launch in December 2023. To realize the potential and achieve successful implementations and ROI, strong C-suite alignment and clear business goals are crucial. According to Google Cloud², organizations demonstrating strong alignment between GenAI initiatives and business goals



are seeing particularly robust returns, with 76% of such organizations already achieving ROI.

However, successful implementation requires careful navigation of industry-specific challenges. While financial institutions are realizing returns on internal use cases, applications handling Personally Identifiable Information or materially affecting decisioning face heightened scrutiny due to regulatory

requirements and data quality concerns. Despite advances in techniques like Retrieval Augmented Generation (and fine-tuning in some cases), maintaining accuracy and reliability remains paramount for critical use cases, requiring sophisticated tracking mechanisms for model performance and decision auditability.

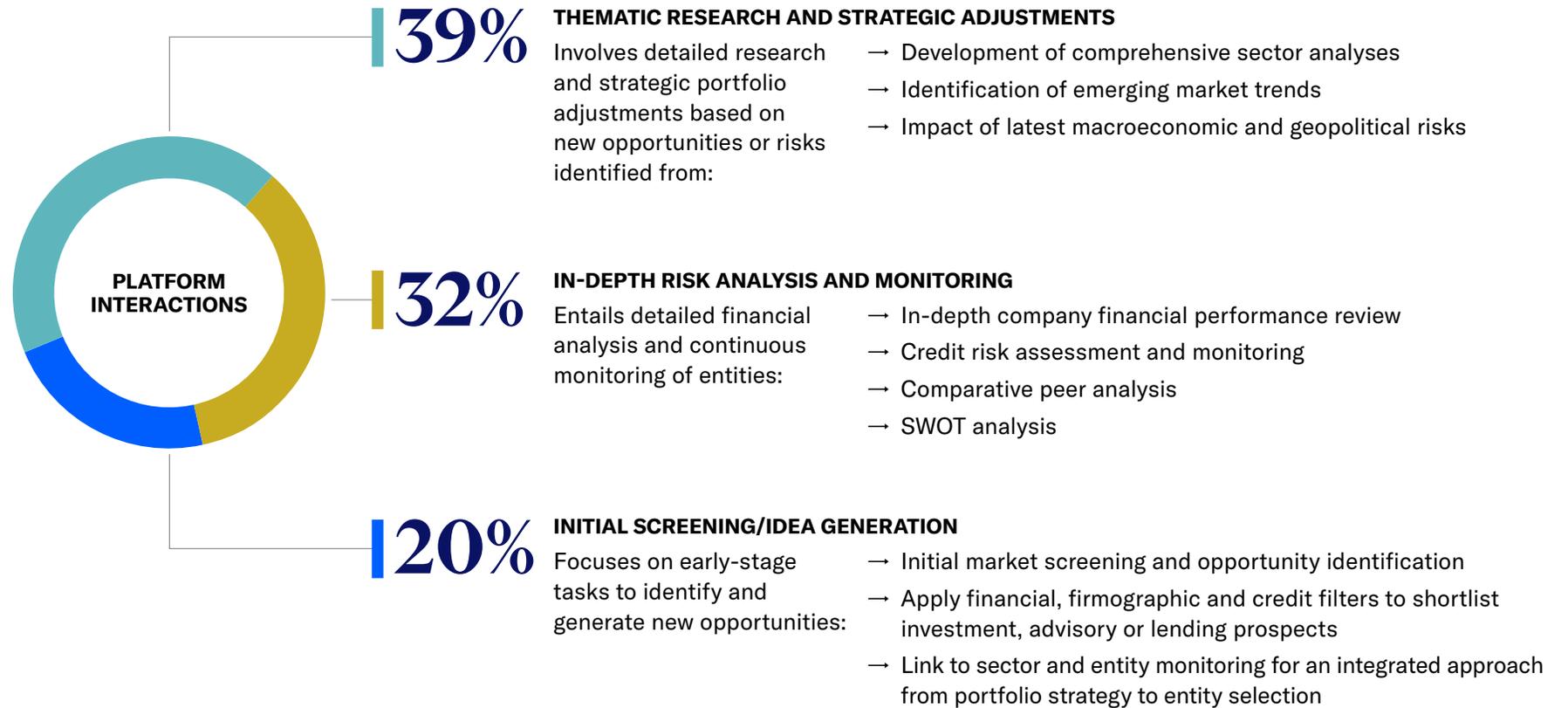
¹ 2025 Outlook: Broadening AI capabilities will unlock new use cases – Moody's Ratings

² <https://cloud.google.com/resources/gen-ai-index-finance>

Usage statistics of Moody's Research Assistant show that the technology is not only streamlining routine tasks but also helping professionals to deliver higher-value insights and services to their clients. Users of the platform had a remarkable 60% peak in research readership, with a sustained increase of 35% more data and insights analyzed to inform their decisions.

OPERATIONAL EFFICIENCY AND PROCESS TRANSFORMATION

This enhanced analytical capability manifests across three key areas:



PROFESSIONAL IMPACT AND WORKFLOW OPTIMIZATION

Analysis of Moody's Research Assistant usage patterns reveals a fundamental shift in how financial professionals approach their core responsibilities. With platform users accessing up to 60% more data and insights while reducing task time by 30%, professionals are demonstrating unprecedented efficiency gains without sacrificing quality. This transformation in workflow optimization is particularly evident in the platform's ability to automate routine tasks while enhancing complex analytical capabilities, allowing professionals to focus on strategic decision-making and value-added activities. The impact of this transformation is evident across various financial roles:

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Investment Bankers: Now able to rapidly synthesize market trends, competitor analysis, and sector-specific insights for deal evaluation. Instead of spending hours manually compiling data from multiple sources, they can instantly access comprehensive market perspectives, allowing more time for strategic analysis and client engagement.



Rating Advisors: Transforming their ability to assess creditworthiness by simultaneously analyzing financial metrics, market conditions, and industry trends. This comprehensive view supports their ability to produce more nuanced and insightful rating recommendations while reducing the time spent on data gathering.



Credit Analysts: Revolutionizing their research process by facilitating simultaneous analysis of multiple risk factors, including financial statements, market conditions, and industry trends. The technology helps them identify potential risks earlier and provide more comprehensive risk assessments.



Portfolio Managers: Gaining unprecedented ability to monitor market movements, analyze risk factors, and identify investment opportunities across multiple sectors simultaneously. The technology helps them to process more extensive datasets and uncover correlations that might otherwise be overlooked in traditional analysis.



Corporate Bankers: Enhancing client relationship management through rapid access to detailed company analysis, sector performance metrics, and risk assessments. This allows them to be more proactive in client discussions and offer more informed recommendations.



Research Teams: Substantially improving their ability to identify emerging trends and patterns across vast amounts of data. This enhanced capability can lead to more insightful research outputs and faster response to market changes.

QUALITY STANDARDS ENHANCEMENT

The impact of GenAI on quality standards has been transformative for financial institutions. Finance professionals historically spent between 25 to 40 hours weekly drafting financial reports³, but GenAI tools have revolutionized this process. Beyond mere time savings, these tools have standardized output quality across organizations by embedding institutional knowledge and best practices directly into analytical workflows.

A particularly significant development is how the technology bridges the experience gap between senior and junior analysts. Junior analysts using GenAI-powered tools are able to produce initial analyses and reports that match the structural quality and comprehensiveness typically associated with experienced professionals. This can create a higher baseline quality standard while preserving room for professional judgment and specialized expertise.

WORKFORCE EFFICIENCY AND WELL-BEING

In today's fast-paced financial sector, GenAI can effectively help to alleviate professional burnout by fundamentally changing how financial professionals manage their daily workload. Moody's Research Assistant usage data shows that professionals have significantly reduced time spent on routine tasks, with over 90% of platform interactions focusing on higher-value analytical activities. Tasks that once consumed hours can now be completed in minutes, creating space for more strategic and fulfilling professional activities.

The technology has proven particularly effective in reducing information overload pressure - a critical factor in professional burnout. By automating data gathering and initial analysis, professionals can focus on interpretation and strategic thinking, activities that generally provide greater job satisfaction. This shift is likely most valuable to junior professionals as they are able to spend less time on data gathering and contribute more meaningfully to complex analyses earlier in their careers.

Future Outlook and Opportunities

As we look toward 2025 and beyond, the GenAI landscape is poised for significant evolution, particularly in the development of AI agents, offering the potential to automate complex workflows and enhance decision-making processes. These advanced systems will move beyond simple task execution to become capable of independently planning, executing, and adapting complex workflows with minimal human intervention. These agents can proactively determine required actions, adapt to changing conditions, and work collaboratively across multiple systems and data sources. And, most importantly, the agents can be carefully orchestrated around business objectives, equipped with specific tools like access to proprietary databases, analytical engines, curated newsfeeds, and specialized skills that enable them to synthesize complex insights.

Based on some of our existing work in Moody's⁴, agentic systems can be particularly useful when trying to consolidate disparate information

about a specific entity, with the ultimate objective of producing a comprehensive company analysis that inform strategic decision-making across multiple use cases, something akin to a Public Information Book. To create and evaluate all aspects of a company's profile, specialized agents - including financial risk analysts, macroeconomic analysts, credit risk analysts, and knowledge base management agents - working collaboratively, can analyze historical financial performance, market positioning, competitive dynamics, M&A activity, supplier dependency, and operational efficiency. Through access to curated Moody's content, data and analytics, they can uncover potential risks and opportunities, from business fundamentals to vulnerability to exogenous shocks, such as business risks, cyberattacks, climate catastrophes, or geopolitical turmoil. And this analysis is further enhanced by majority voting among expert agents, and autonomous quality assurance monitoring to help yield outputs that are hallucination-free, timely, and thorough.

³ thomsonreuters.com/en/c/future-of-professionals.html

⁴ moodys.com/web/en/us/insights/resources/the-rise-of-the-digital-colleague.pdf

The market is also already evolving toward more specialized, domain-specific AI assistants that combine deep industry expertise with targeted functionality for particular use cases. These assistants will integrate domain-specific data sources, regulatory requirements, and best practices while providing templated workflows for common tasks. Three examples based on ongoing work and potential new Moody's GenAI capabilities illustrate this trend:



Workflow Automation – Templating Credit Memo

The automation of credit memo generation demonstrates how domain-specific AI can streamline resource-intensive processes:

- Automatically gather and analyze data from multiple sources
- Assess key performance indicators and risk metrics
- Identify sector and macro trends using the latest research and information
- Automatically generate standardized credit assessment reports aligned with institutional standards
- Provide consistent quality and format across all outputs
- Significantly reduce manual review requirements through GenAI quality assurance
- Preliminary findings indicate that the time required to produce and standardize credit memos can be reduced by more than half leveraging GenAI



Highly Specialized Research – Mergers and acquisitions (M&A)

In investment banking advisory, and more specifically M&A, where success traditionally depends on human expertise and judgment, domain-specific assistants can transform key workflows:

- In deal sourcing and target identification, screen companies based on their propensity for M&A by analyzing financial metrics, market position, industry dynamics, and risk factors
- During due diligence, process vast amounts of company documentation, financial statements, market data, and compliance records to identify potential risks and opportunities
- The technology can also help in valuation by analyzing comparable transactions and market multiples, while also automating the generation of preliminary findings reports and deal documentation



Portfolio Risk and Opportunity Monitoring

A dedicated workflow GenAI assistant can transform traditional monitoring into predictive portfolio strategy by identifying complex interconnections across global events and sectors. By combining multiple proprietary data sources with real-time market signals the assistant can:

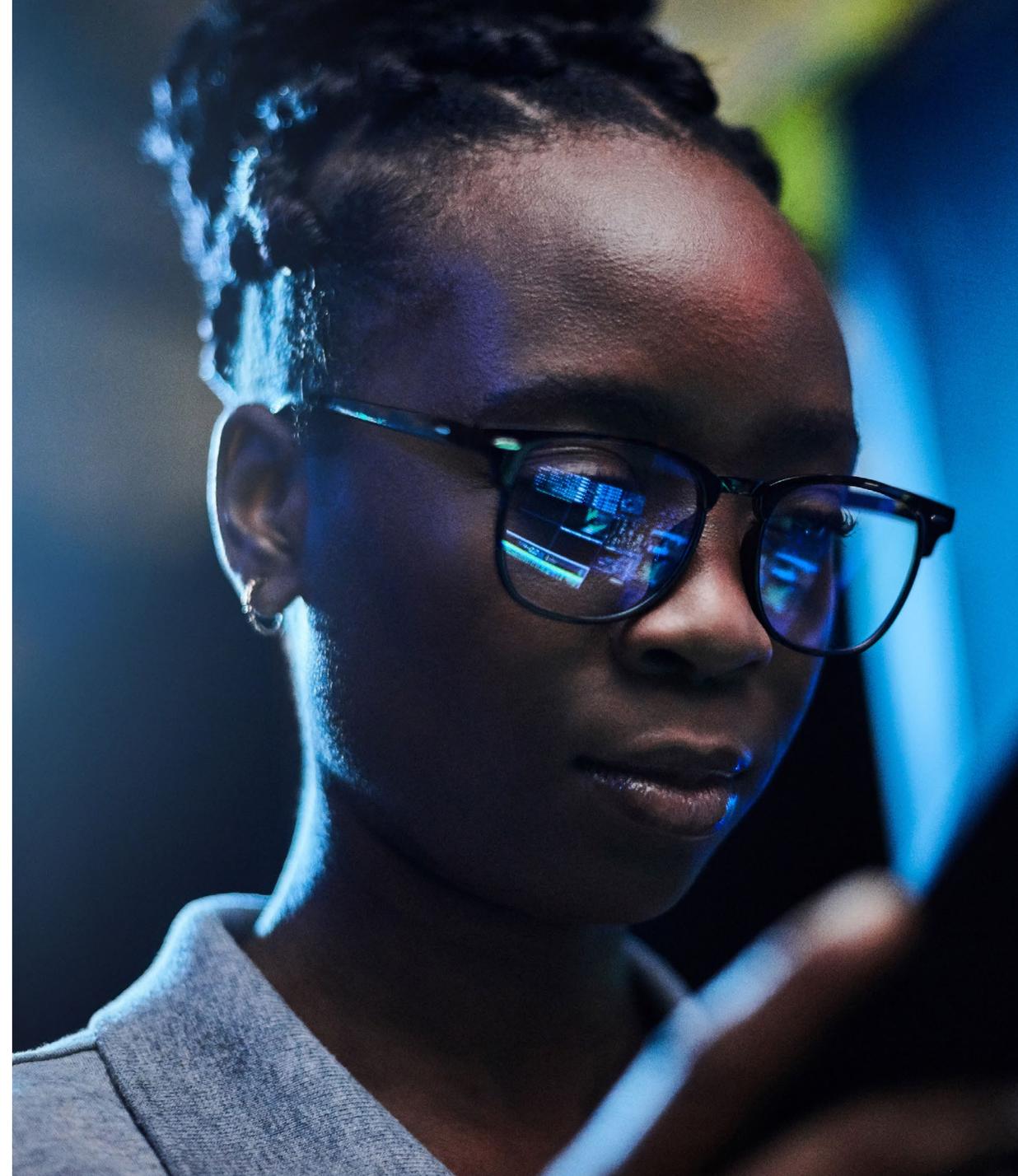
- Map second and third-order effects of major events across sectors and geographies
- Identify non-obvious correlations between seemingly unrelated market movements
- Generate specific portfolio adjustment recommendations based on emerging risk patterns

Beyond content specialization, we do expect GenAI assistants to increasingly move past generic interactions toward deeply personalized experiences. This will involve maintaining extensive context about each user's role, expertise level, past queries, and preferred analytical frameworks. The assistants will also adapt their communication style - using more technical language with experienced analysts while providing additional context for junior team members. This evolution toward "relationship memory" will allow GenAI assistants to serve as more effective thought partners, building on past conversations and learning from user feedback to deliver increasingly relevant insights and recommendations.

While the promise of GenAI agents and specialized assistants is compelling, blindly deploying them without proper expertise embedded in their design could lead to serious analytical mistakes and flawed decision-making. By systematically incorporating this expert knowledge - from understanding how to evaluate complex financial metrics and recognizing subtle market signals to how to properly structure and write a specific report/memo - these agents can be designed to approach problems with similar rigor and nuanced thinking

that characterizes experienced analysts. Furthermore, the foundation of any effective GenAI agent/assistant ultimately rests on the quality and curation of the underlying data. High-quality, carefully curated data serves as a critical grounding mechanism that helps ensure the reliability and accuracy of AI outputs, and this is particularly important in financial services, where decisions based on AI insights can have significant implications.

As financial institutions move beyond prototypes into production deployments, the focus is increasingly shifting to governance and controls. Organizations must maintain the transparency and auditability of AI-driven outputs, whether from autonomous agents or more traditional AI applications. Clear documentation of model decisions, appropriate controls around data quality and provenance, and regular validation of AI outputs are essential. This is particularly critical given the regulated nature of financial services and the potential risks of AI hallucinations or biased outputs. The governance framework should address not only technical aspects but also ethical considerations, risk management, and compliance requirements, while ensuring that human expertise remains central to critical decision-making processes.



CONCLUSION

The rapid adoption and demonstrated benefits of GenAI tools like Moody's Research Assistant mark not just an efficiency improvement, but a fundamental shift in how financial institutions approach analysis and decision-making. With users accessing up to 60% more insights while reducing task time by 30%, the technology has proven its ability to enhance both the speed and depth of financial analysis. As we move toward autonomous agents and personalized AI experiences, the technology is evolving from a pure productivity tool to a sophisticated thought partner that can identify complex patterns, predict cascading impacts, and generate nuanced strategic recommendations.

The future of GenAI lies in its ability to combine deep domain expertise and contextual awareness serving as a true collaborative partner that understands not just the query at hand, but is able to successfully complete more complex tasks addressing user needs. Organizations that are able to successfully integrate these advanced capabilities while maintaining robust governance frameworks will gain sustainable competitive advantages through superior risk management, faster decision-making, and more nuanced strategic planning. This technological revolution isn't just about processing more information - it's about transforming how financial professionals understand, anticipate, and respond to an increasingly complex global financial landscape.



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