

November 29, 2023

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Notice of Collaboration with Zapata AI
on the Application of Generative AI and Quantum Technologies
to Financial Time Series Data

Sumitomo Mitsui Trust Bank, Limited (headquartered in Chiyoda-ku, Tokyo; President: Kazuya Oyama; hereinafter “we”) and Zapata Computing, Inc. (headquartered in Boston, Commonwealth of Massachusetts; CEO & Co-Founder: Christopher J. Savoie; hereinafter “Zapata AI”) today announced the start of a new collaboration regarding the application of generative AI and quantum technologies to model financial time series data, in which we will conduct research and development for the utilization of Zapata AI’s application platform Orquestra® in our Global Markets Business.

Recent developments in AI technologies like deep generative models have improved the capability of generating new datasets. Under this circumstance we will conduct research and development together with Zapata AI for the industrial applications of generative AI in our Global Markets Business in the expectation of the following applications.

< Illustrations of what are expected to be realized using industrial generative AI >

- Simulating plausible scenarios about future market movements based on historical statistics combined with subjective views. This will enable traders to make decisions more accurately and more quickly.
- Sophisticating stress tests in risk management and helping the hedge operations of derivative traders.
- More efficient computation of the prices of derivatives and value adjustments*2 known as XVAs.

We will keep on using digital technology to create new markets and increase the client base and to standardize or generalize our knowledge and expertise we have accumulated as a trust group so that we can provide a wide range of quality services and solutions to our stakeholders. We will further promote our financial DX (digital transformation) through the collaborative research and development with Zapata AI.

*1. Orquestra® platform helps companies to develop their applications with various hardware devices.

*2. Adjustments that are applied to the price evaluation of derivative contracts based on the counterparties’ credit quality or the banks’ funding cost of cash and capital.

End.