

A REPORT
ON
Interning as a Product Controller in the Capital Markets Financing (EMEA) Team

BY

Name(s) of the Student(s)	ID.No.(s)
<u>Aryan Uday Kulkarni</u>	<u>2021A4PS2667P</u>

AT

UBS Business Solutions (India) Private Limited, Hyderabad

A Practice School-II Station of

BIRLA INSTITUTE OF TECHNOLOGY & SCIENCE, PILANI

June, 2025

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Aryan Uday Kulkarni	2021A4PS2667P	B.E Mechanical

Prepared in partial fulfillment of the Practice
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**BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE PILANI
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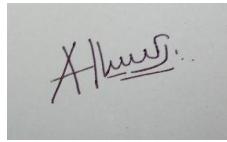
Name(s) of the PS Faculty: Dr. Niranjan Swain

Key Words: Daily Profit and Loss Reporting (P&L), T0 vs T1 Reconciliation, Mark-to-Market (MTM) Analysis, Variance investigations, Sub-attributions, Capital Markets

Project Areas: Product Control, Financial accounting

Abstract: UBS is a global financial services firm operating across wealth management, asset management, and investment banking. Within its investment bank, the Product Control function plays a crucial role in ensuring that the trading desk aligns with financial controls and adheres to regulatory expectations. This report provides a detailed account of my experience working as a product controller, focusing on the daily P&L production and control for specific trading books. This primarily includes elucidation on the regular responsibilities required within my role, beginning from extracting necessary data from various systems to reconciling T0 vs T1 P&L movements to supporting the finalization and sign-off process. Furthermore, it also describes the systems and tools I worked with, as well as the broader significance of the processes I was part of. The report also includes a reflection on the key learnings from this role, covering both its technical and collaborative aspects. Together, these sections aim to give a clear picture of the importance of product control in keeping the daily financial reporting consistent and reliable.

Signature(s) of Student(s) :



Date : 17/6/2025

Signature of PS Faculty

Date :

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INTRODUCTION

Banks play a pivotal role in the modern economic landscape, together serving as the backbone that the entire financial system rests on (Tuckett, 2024). They act as intermediaries in the financial sector by facilitating transactions, providing capital, and offering strategic financial services to clients ranging from individuals to large corporations (Allen, Carletti and Gu, 2015). Among the major players in this space is the Union Bank of Switzerland (UBS), a global financial institution headquartered in Switzerland, known for its leadership in wealth management, asset management, and investment banking. To support its diverse operations, UBS has established UBS Business Solutions AG, a dedicated entity that handles internal functions such as finance, technology, compliance, and risk. This structure allows UBS to maintain operational efficiency while focusing its core divisions on delivering value to clients.

Financing is a critical component of the Global Markets wing of UBS Business Solutions and supports the UBS Investment Bank, by providing a gateway to the firm for hedge fund clients. Within the financing business, product control acts as the face of finance to the sales and trading desks within the bank. They provide financial control and transparency through (Nash, 2017) :

- a. Providing a profit and loss statement and balance sheet which is accurate and timely;
- b. Providing meaningful insight into the desk's financial results;
- c. Supporting the desk in the execution of their business strategy; and
- d. Evaluating and integrating new products into the financial environment.

The primary function of Product Control is carried out through a framework of controls that revolve around the profit and loss (P&L) statement and the balance sheet, many of which are conducted on a daily basis. These controls ensure the accuracy and integrity of reported financial data, forming the foundation of the team's responsibilities. In addition to this core control function, Product Control utilises its financial expertise of the bank's systems and infrastructure to contribute strategically to the management's overall business objectives. This involves offering analysis of the forefront drivers of financial performance, reviewing how the desk allocates and utilizes different legal entities within the broader banking group, and evaluating the effectiveness and efficiency of existing workflows.

The preparation and validation of the daily P&L, which records all revenues and expenses associated with the desk's trading and sales activities, is one of the prominent functions performed by product controllers. This includes income from trading positions, proceeds from client transactions, and direct costs incurred by the desk. The net figure - calculated as the sum of all trading income, client revenues, and associated costs - determines whether the desk has made a profit or incurred a loss for the day. Having worked in the above role, this report aims to understand the structure of the team I was a part of, structure of the trading books that I was assigned and the requisite daily functions that I was responsible for during my tenure.

This report has been divided into four sections - the first section provides an overview of the Capital Markets Financing (EMEA) team and the specific trading books for which I was required to perform control functions. The second section lists and describes the primary data sourcing systems and applications that I dealt with on a regular basis. The third section provides a detailed account of the major day-to-day activities I undertook, while also highlighting their significance in a broader sense. The fourth section outlines the key learnings gained during the internship and discusses their potential applicability on a broader scale. Finally, the fifth section presents concluding remarks on the overall value and impact of the internship experience.

TEAM AND ROLE

Capital markets play a significant role in the financial system by helping connect investors with those who need capital. They provide a platform for companies, governments, and other institutions to raise money, while giving investors access to a wide range of financial instruments (Hayes, 2025). These markets are central to how prices are formed and how liquidity flows, and they also help in managing risk and supporting broader economic activity. Inside an investment bank, capital markets work goes beyond just raising money or trading. It also includes managing financing needs and building structured solutions tailored to how clients want to access the market. At UBS, the Capital Markets Financing (CMF) team is vital in combining financial structuring with operational support for both external clients and internal desks.

CAPITAL MARKETS FINANCING -

Capital Markets Financing (CMF) functions as a centralized platform within UBS, which is designed to meet a broad spectrum of financing requirements through a single, integrated point of contact. It provides access to both short-term and long-term liquidity to high-profile clients via instruments such as cash, swaps, futures, and index-linked products, while maintaining pricing consistency across asset classes.

A core strength of CMF lies in its ability to manage funding and inventory efficiently by managing securities borrowing & lending, secured funding, inventory creation, corporate events, collateral trading, portfolio and balance sheet optimization, thus enabling institutional clients to pursue business growth and optimize their market positioning. The desk also offers bespoke financing structures, including collateral switch transactions, synthetic securities lending, and securitized notes, tailored to enhance returns on existing holdings. In addition to execution, CMF contributes differentiated value through market intelligence. Proprietary models are employed to estimate market short interest, while regular commentary and analysis across equities, ETFs, and sectors inform clients of emerging trade ideas and trends. These insights are supported by extensive historical data and global ETF flow tracking.

Moreover, CMF plays an essential role in helping clients access complex global markets. It does so by upholding best practices in market microstructure and ensuring alignment with evolving regulatory standards in an increasingly dynamic financial environment. Financing for Delta One

products - essentially derivatives with a linear, symmetric payoff profile (Wikipedia contributors, 2023) - short covers and market access products to institutional clients is offered through various wrappers. These financing activities are executed and managed through specific trading books, which serve as accounting ledgers that record all tradable financial instruments held by the bank (Chen, 2024). Each trading book is subject to daily fluctuations in value, with gains and losses directly impacting the institution's financial position. During my internship, I was assigned to support the control functions for the following three such books, each tied to distinct product lines and trading strategies within the team - Global TERM Index, Inventory Management EM Index, and Synthetic PB Index.

GLOBAL TERM INDEX -

The general structure of this book consists of a delta-neutral framework to offer institutional clients efficient exposure to equity markets. The core trading structure involves short index swaps balanced against long physical stock positions, enabling a risk-managed and financing-efficient platform. A delta-neutral approach ensures that market exposure from long and short positions offsets, minimizing directional risk. For instance, a short position in an equity index swap is offset by a corresponding long position in the underlying physical stocks, maintaining a flat net market exposure. This strategy is particularly valuable in financing and arbitrage contexts, where performance is driven by spread capture rather than outright market movement.

The structure is also defined as non-selldown, meaning that the positions held are not intended for eventual sale to clients or external parties. Instead, positions - particularly the long stock inventory - are retained within the bank's internal books. This facilitates flexible collateral management, internal hedging, and funding optimization. Major index exposures in this book include - MSCI Europe, MSCI JPY/US, MSCI World and Emerging Markets. Clients typically consist of investment banks, hedge funds, and internal UBS trading desks and the platform is capable of generating steady profitability, with a typical P&L run rate ranging between \$50,000 and \$150,000.

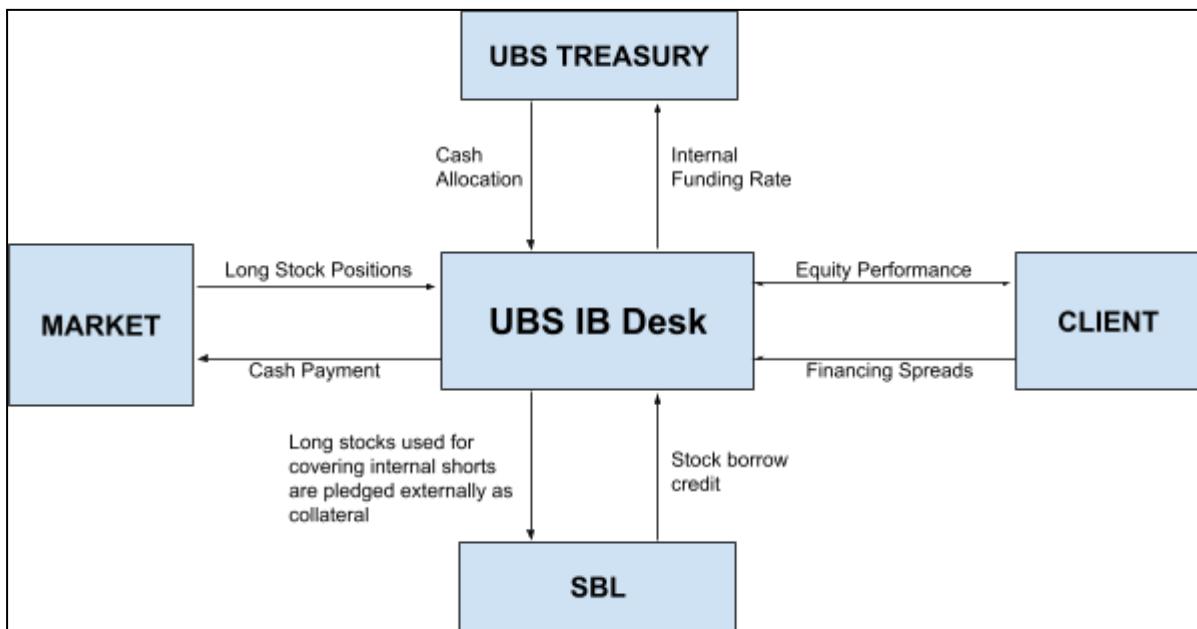


Figure 1 : Interaction of the Desk with other Entities

Client-driven trades are customized according to individual needs, with hedging strategies aligned to maintain delta neutrality. Physical stock positions are further optimized through UBS's Securities Borrowing & Lending (SBL) desk. When internal desks require stock for short covering or collateral, the SBL desk coordinates with the Term Financing Desk, borrowing stock for defined periods and earning borrow fees in return.

INVENTORY MANAGEMENT EM INDEX -

The inventory management framework supports a classic index arbitrage setup - comparing the cost and benefit of using exchange-traded derivatives (futures + synthetic forwards) against physical stock positions. The core objective is to generate financing spread by pricing forward contracts on derivatives relative to the realized cost of holding physical inventory. For example, when the cost of funding long stock positions is lower than the forward price priced into derivatives, the desk captures this spread as profit. To optimize this, the desk actively manages its internal inventory, prioritizing stocks with strong internalisation and collateral value within the emerging markets of the world. “Emerging markets” is a term that refers to an economy that experiences considerable economic growth and possesses some, but not all, characteristics of a developed economy (Corporate Finance Institute, 2024). These include but are not limited to Russia, India, China, Brazil and South Africa.

A critical component is SBL (Securities Borrowing and Lending) utilisation, which dynamically adjusts based on internal inventory levels. When the bank holds significant internal short positions, the marginal benefit of allocating internally held long stock rises. In such cases, fully utilising the long book (i.e., 100% internal allocation) maximizes credit in the inventory book and improves overall efficiency. This process enables the desk to systematically extract value from the differential between financing priced into derivatives and the realized costs of holding physical assets, without relying on external borrow.

SYNTHETIC PB INDEX and SYNTHETIC FUTURES -

Synthetic Futures and Synthetic Prime Brokerage are core components of the equity financing offering. Synthetic Futures allow clients to gain exposure to global equity underlyings via derivative contracts, with revenues primarily driven by funding spreads, commission P&L, and synthetic borrow/lend (SBL) costs.

Prime Brokerage refers to a suite of services provided by investment banks and brokers to hedge funds and institutional clients, including trade execution, custody, securities lending, financing, and risk management. These services allow clients to centralize their operations while optimizing capital usage (Chen, 2025). Within this umbrella, Synthetic Prime Brokerage Index facilitates equity exposure through instruments like total return swaps, allowing clients to avoid physical settlement while benefiting from efficient margining and streamlined funding. Revenues stem from financing on synthetic balances, SBL spreads, and commissions.

SOURCE SYSTEMS AND APPLICATIONS USED

Understanding the source systems and applications involved in P&L generation and reporting is necessary before diving into daily activities, as they form the backbone of data flow, valuation, and reporting processes. Each system plays a distinct role - from capturing trades, feeding market data, calculating valuations, to aggregating results. Apart from validating numbers, familiarity with these tools ensures accuracy in identifying breaks and tracing discrepancies if any. Listed below are some of the source systems and applications that I interacted with regularly while performing P&Ls.

SOURCE SYSTEMS FEEDING TO LEDGER -

Source Systems	High Level Descriptions
Ledger	The central accounting repository that consolidates and records all financial transactions from upstream systems. It serves as the official book of record for financial and regulatory reporting, ensuring data integrity and auditability.
Geronimo ('GR')	Risk Management System used by Front Office across the Equities desks. All trades and market data parameters are stored in GR and results such as TV, Risk and P&L attributions calculated by EQSVAL are published through GR.
Sabre	Risk Management System used to book and manage life cycle events of swap products.

COLT	Continuous On Line Trading ("COLT"). Front office system used to facilitate position management of securitized settled positions and publishes settlements.
Global One	Front office System for booking of stock borrow and loan positions.
RFA	Residual Funding Allocation system. RFA is the residual cash that has not been term funded directly with the Treasury but which is funded on an overnight basis.

Table 1 : Source Systems Delivering Data to the Ledger

APPLICATIONS USED TO SUPPORT P&Ls -

Application Names	High Level Description of the Usage of Application
One View	Finance reporting tool which leverages the new standard calc fields from Geronimo for Mark to Market P&L and provides sub desk level Trading P&L reports at a sub-attribute level.
Desktop Intelligence /WEB Intelligence (SAP BO)	Finance platform used to run various ledger based reports. The platform allows for customized reports to be created and run on demand based on various ledger attributes to assist with review of financials.

Replay and Adjustment Module (RAM)	A web-delivered toolset that provides the ability to adjust, search and analyze data in the Global general ledger (GGL). GGL relies upon upstream source feeder systems for transactions and data and in some cases they are deficient and can't supply the information to meet reporting requirements. As a result, users may use RAM to process adjustments to posting and/or reference data.
Equity Consol (EC)	Management P&L Reporting platform used by equities aligned product lines with various different Views available for needs of users.
Supervisory Control Portal (SCP)	Formal submission platform used across the Front-To-Back function for supervisory purposes. Product Control submits daily P&L/RSBPL report to the Front Office for review and sign off. Consists of RFI functionality for front office to query the numbers submitted or seek further clarifications as required. Acts as the formal dialog between Front Office and Finance for audit trail purposes.
Hydra	User interface to access Geronimo data with a time window limited to previous 10 calendar days. Users can customize the reports based on their needs.

Table 2 : Primary applications used to support P&Ls

DAILY FUNCTIONS AND METHODOLOGY

PREPROCESSING ACTIVITIES -

Carrying out centralized pre-processing activities is an important preliminary step in ensuring the accuracy and consistency of P&L reporting across trading books handled by the team. Daily adjustments such as RFA funding alignment, FX timing corrections, and dividend AVI truing up serve to standardize inputs across subdesks by addressing structural lags, valuation timing mismatches, and assumption-based discrepancies. These processes correct systemic distortions that might otherwise cause misstated revenues and significantly misaligned reporting of financial performance of the desk. Moreover, performing them on a rotational basis, centrally for all desks ensures that all downstream P&L calculations are built on a clean, synchronized dataset with minimal delays and easier resolution if adjusted for incorrectly.

1. **RFA Adjustment** - RFA funding PnL is posted down to the ledger with a one day lag to ensure all funding balance movements for the day are accurately captured in line with trading activity (excluding US entities). Daily pull back of RFA funding P&L by one day across PB and swaps business is posted to bring the RFA P&L and RMS financing revenue calculations in line. This activity is conducted on a rotational basis by members of the team.
2. **FX Close Regional Timing Adjustment** - Daily ledger suspension on the exotic centers to flatten FX PnL arising as a result of the FX rates timing difference between the GR 4pm WMCO vs Ledger 9:30 pm FX cuts. This activity is also conducted on a rotational basis by members of the team.
3. **Dividend AVI** - GR implies dividends on various stock positions held by the desk based on the dividend curve maintained by the front office. The dividend is constructed by traders based on historical trends or market announcements by the portfolio stocks and are subject to various assumptions. This implied amount thereby can vary from the actual cash settlement of dividends that could further be subject to withholding taxes and fees levies where applicable. Daily PnL adjustments are required to correct the impact from dividend events based on the actual settlement. This is managed in EMEA by truing up dividend AVI's to PnL on a daily basis and was primarily to be executed by me.

T1 vs RISK SENSITIVITY-BASED P&L REPORTING -

The Mark-to-Market (MTM) Profit and Loss measures the change in the value of a trading desk's open positions due to movements in market prices. This metric is influenced by two main factors: the size and nature of the desk's existing risk exposures, and the fluctuations in the market inputs used for pricing those exposures. One of the primary techniques used by product control to validate MTM P&L is through the creation of a risk-based P&L estimate, often referred to as a risk tie, risk predict, or P&L forecast. This method involves taking the previous day's end-of-business (T-1 COB) risk exposures (excluding new or amended trades but including maturing positions) and applying these exposures to the changes in market rates observed between T-1 and T+0 (i.e., the current business day). The aim is to generate an independent estimate of what the MTM P&L should be, based solely on the market movement's impact on existing risk (Nash, 2017).

Once calculated, this estimated P&L is compared to the actual MTM P&L generated from the trading book. If the difference between the two exceeds a predefined tolerance level, further investigation is triggered to determine the source of the variance - be it pricing issues, incorrect inputs, or system discrepancies. Once identified, commentaries are provided which describe the drivers and cause for the variance.

DAILY T0 vs T+1 INVESTIGATIONS AND REPORTING -

1. System Feeds and Data Integration

Daily P&L production begins with the integration of trade data from front office systems (e.g., risk management systems like Geronimo or Sabre) into the finance infrastructure. This includes capturing new trades, amendments, and life cycle events and ensuring that all transactions are reflected in the P&L and balance sheet. Operations and IT play indispensable roles in maintaining the integrity and timeliness of these feeds, as any delay or error can result in misstated financials.

2. End-of-Day Rates and Valuations

Accurate P&L reporting depends on reliable end-of-day market rates (e.g., prices, yields, volatilities) used to value open positions. These rates are sourced from independent data providers and validated by product control or a dedicated valuations team. Any discrepancies or

unobservable prices require adjustments, often involving close collaboration with market risk and the trading desk to ensure fair value measurement.

3. Pre-P&L Consolidations and Data Preparation

The RFA Adjustment and FX Close Regional Timing Adjustment are updated in the ledger through the RAM tool once all the completeness checks have concluded. Thereafter, specific queries are run using the WEB Intelligence Client to obtain essential reports (in my case, specifically for the books handled by me, namely, Global TERM Index, Inventory Management EM Index, Synthetic PB Index and Synthetic Futures) containing the functional area-level reports from the ledger, attribution-level trade data, and additional summary reports from the ledger. We also obtain the sub desk level Trading P&L reports for each of the books from One-View. Additionally, the front office P&L 'Flash', which is a preliminary estimate produced by the desk at T+0 to benchmark and reconcile the official P&L, is provided. This flash typically includes expectations around new trades, amendments, MTM movement, fees, and reserves. All of these are used to update the primary working file and generate a T0 vs T1, sub-attribute level view of the P&L.

4. Specific Investigations and TM Checks

With the preliminary data compiled, macros are executed to obtain dividend AVIs from GR and SSET (the bank's settlement system). These are sent to the desk for confirmation and on receiving the same, certain AVIs are trued up to reflect actual dividend settlements, while others may be held back if incorrect or incomplete bookings are expected to be revised later. Additionally, GR reports are pulled through Hydra to identify major new trades that require desk verification. The GR report is generally useful throughout the entire P&L investigation report as it would also help us to highlight the drivers behind changes in trading volume, dividend yields, or equity rates.

5. Funding, Fees, and Internal Charges

Daily P&L also incorporates daily accruals, funding costs (e.g., overnight funding, collateral costs), fees (e.g., brokerage, exchange fees), and internal charges (e.g., treasury allocations, transfer pricing). These items can significantly impact net profitability and require careful reconciliation. Hence, once completed, a summary of T0 vs T1 charges is shared with the Desk

to ensure that all parties agree upon the observed figures and that there are no discrepancies.

6. *Mark-to-Market (MTM) P&L Investigation*

The core of daily P&L is the mark-to-market component, which reflects the change in fair value of all trading positions. MTM P&L includes realized gains/losses from settled trades and unrealized gains/losses from open positions. Product control must validate this P&L against desk estimates (flash P&L) and explain material variances, ensuring that all market movements and model changes are accurately captured. Following are some of the major sub-attributes that make up the MTM P&L -

DLY MTM	Mark-to-Market Hierarchy	Definition
TV Decay	Fixings	Change in TV due to change in fixings (all types of fixings)
	Decay	Change in TV due to time elapse in model date between T and T-1
TV Underlying	Equity Spot	Change in TV due to change in the spot price of the underlying
	Div cash payments	Cash dividends paid out
TV Spot FX	FX rates	Change in TV due to change in FX Rates

TV Dividends	Dividends	Change in TV due to move in the Div Yield Curve
TV Equity Rate	Equity Product Rate	P&L impact due to move in Equity Product, Repo Rate
TV CCY Rates	Rates	Change in TV due to move in Rates curves
TV Basis Spread	Basis	Change in TV due to move in all forecast curves (ETD, OIS, EQTY)
	CCBS	Change in TV due to move in all GOVT curves
TV Funding Spread	Funding	Change in TV due to move in funding curves (NONE, FTP)

Table 3 : Important Mark-To-Market Subattributes

7. P&L Adjustments and Finalization

Each of the identified areas of investigation from above steps, and crucial elements of the P&L and potential areas of error are discussed with the Desk. Required confirmations (such as dividend AVIs to be released and genuine TM P&L to be reported) are obtained, the identified drivers of the P&L are validated and more details are obtained for each of them. Once the P&L is finalized and agreed upon, adjustments are made to correct errors, reflect late bookings, or account for corporate actions and life cycle events. All material adjustments must be documented, approved and escalated to the relevant stakeholders wherever required. These adjustments are actioned through the RAM tool in the Ledger. After all postings have been completed and the ledger is brought in-line with the approved P&L, this data is uploaded to the

Equity Consol (P&L reporting platform, see table 2). Due to limitations in mapping of sub-attributes and profit centres between the ledger and EC, minor adjustments have to be made manually in EC to re-scallop and clear data that has flown incorrectly into wrong attributes. Below are some adjustments which are seen on a recurring basis -

Root Cause	Issue Description	Frequency
RFA Timing	RFA funding PnL is posted down to the ledger with a one day lag to ensure all funding balance movements for the day are accurately captured in line with trading activity (excluding US entities). Daily pull back of RFA funding P&L by 1 day across PB and swaps business is posted to bring the RFA P&L and RMS financing revenue calculations in line.	Daily
FX Close Regional Timing	Daily ledger suspension on the exotic centers to flatten fx PnL arising as a result of the fx rates timing difference between the GR 4pm WMCO vs ledger 9:30 pm fx cut.	Daily
Index Marking	Daily adjustment on index SPTR350N (S&P Europe 350 Index) and DJUBEUITR (Bloomberg Commodity Index TR EUR) posted on the CPS Index swaps book due to different fx print used in the final mark by the index provider vs the WMCO GR 4pm rate. SPTR350N uses Bloomberg BFIX 5pm rate while DJUBEUITR uses Bloomberg BFIX 4pm rate.	Daily

Dividend Rake Off	<p>On ex-date, Dividend Rake Off - Net dividend difference between Hedge leg and Sabre swap is suspended from Sabre Swap book. Post the announcement date of final dividend are, Asset Servicing balances event in SXI Ops Queue and pushes the event to Tax Queue. Tax Ops further processed the event and informs FO of MatchBook posting (net dividend positions from aggregate and SBL activities) to be allocated to Equity Financing book. Same stocks in Dividend Rake-Off suspension list is also released to PL. For stocks not held in MatchBook, Dividend Rake Off is released after pay date after FO's approval.</p>	Daily
Preliminary Bookings	<p>The majority of swaps/futures traded on the CPS Index swaps book are traded to strike at index close, however the indices contain AMER listed components that are still trading until US close. As a result the close price is not known until T+1. In order to reflect the risk of the trade in GR a preliminary position is booked that marks based on the underlying index of the trade and strikes at the latest available price of the index. Daily adjustment to flatten PnL from such bookings as the real trade is not expected to generate any PnL on day one, given its strike price is equivalent to the index closing price. The preliminary bookings are subsequently cancelled and rebooked at the right price on the following day.</p>	Daily

Corp Action / Dividend Suspensions	Daily suspensions of dividend and trading P&L related to corporate actions and dividend activity on the Equity Finance Trading, Corp Events and Single Stock Swaps books. P&L is suspended until finalization of all internal cash flows and tax processing on each event.	Daily
Futures Marking	Adjustments for differential marking between the swap on futures booked in Sabre (marks to Reuters close) vs the corresponding future hedges booked in GR (marks to index close) posted on the Synthetic Futures business.	Adhoc based on materiality
P&L attribution reclassification	On FX swap expiry, the swap settlements feed down to unexplained P&L attribute and hence manual attribution reclassification is required on the daily P&L to move the impact from unexplained P&L to FX attribution.	Daily

Table 4 : Recurring Manual P&L Adjustments

8. P&L Commentaries and End-of-Day Control Checks

The final T0 vs T1 document that signifies finalization of the P&L is prepared by pulling the data from EC. In cases where the total P&L and/or the T0 vs T1 variance crosses the pre-set threshold (\$50k for our desk), commentary is provided to give the management an insight into the drivers of that day's performance, including market moves, changes in interest rates, trading activity, and any other exceptional items on the P&L. Additionally, the list suspensions or the P&Ls that were held up that day (such as preliminary bookings, or invalid P&Ls caused by system errors) are also attached alongside a brief description for the reason. While product control functions as an independent unit within the bank, it is essential that trading desks are actively involved in reviewing and challenging the reported P&L figures. This collaborative

process ensures accuracy in financial reporting and thus the desk is given the opportunity to approve or reject the P&L through formal sign-off mechanisms. Hence, once approved by the reviewer, we submit the P&L to the Supervisory Control Portal (SCP, see Table 2) for obtaining the Desk's agreement for the P&L.

The overall P&L production and sign-off process typically unfolds over two days. On T+0 (trade date), the desk prepares a flash P&L at the close of business to provide a preliminary estimate. On T+1, product control finalizes the official P&L using actual transaction data and reconciles it against the flash figure. Any material variances are investigated and discussed with the desk to ensure alignment before the P&L is formally signed off.

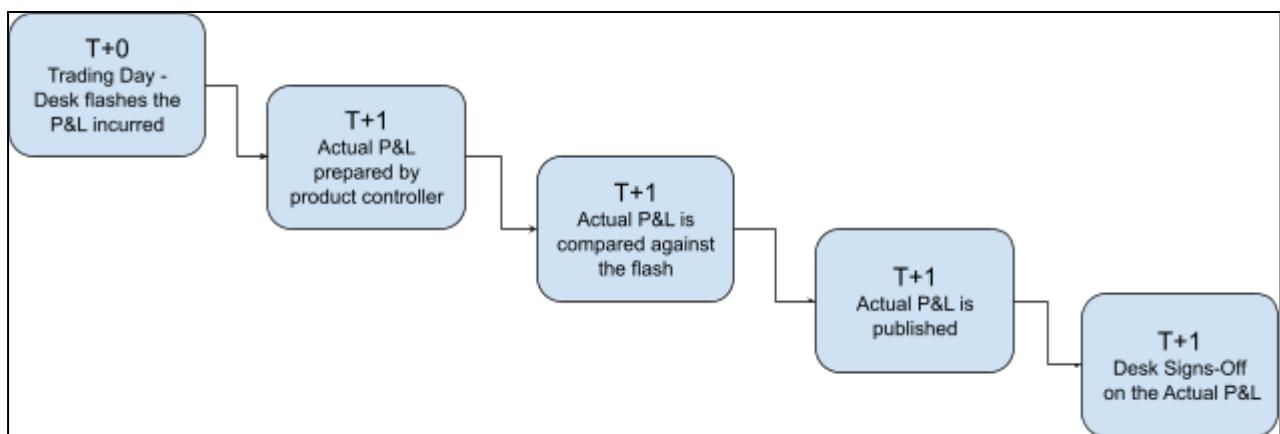


Figure 2 : High-Level P&L Delivery Timeline

As a part of EoD control checks, any sub-attribute level figures that exceed predefined variance thresholds must be supported by explanatory commentaries within EC. This step ensures that all significant changes due to market movement, trade amendments, or valuation adjustments, are properly justified and traceable. Additionally, any trades flagged as significant (typically due to their size, impact, or unusual nature) are investigated further, and supporting details are provided to clarify their influence on the P&L. Variances between T0 and T1 P&L values that cross set thresholds are also reported in the T0 vs T1 portal, allowing for easier tracking of daily P&L movements. Cross-checks are conducted across multiple systems including GR, the Financial Detail Reporting database, and EC to detect and resolve any inconsistencies or breaks in reported P&L figures. To ensure completeness of reporting, these are ensured in the intra-team Start-of-Day meeting the next day.

KEY LEARNINGS

1. First Hand Understanding of the Daily P&L Lifecycle

Through repeated involvement in daily P&L production, I was able to develop a clear understanding of how trade data flows from front office systems into the ledger, how valuation inputs affect mark-to-market outcomes, and how reconciliations are performed to finalize figures. Furthermore, through repeated execution of this process, I learned how to perform validations and ensure that the reported P&L was both accurate and explainable.

2. Alertness and Scrupulousness Developed Through Everyday T0 vs T1 Reporting

The process of comparing T0 and T1 P&L at sub-attribute levels involved distinguishing between market-driven fluctuations and operational anomalies, verifying changes across systems like GR, Hydra, EC, and the ledger, and presenting coherent narratives for each movement that exceeded threshold. Each variance, however small, needed to be understood, justified, and logged. Over time, what began as a routine comparison evolved into a detailed understanding of how trade processes and markets interact on a daily basis. Moreover, the structure of the process emphasized accountability. Every adjustment or explanation had to be documented, approved, and traceable. Preparing the final T0 vs T1 summary, ensuring all thresholds were reviewed, and submitting the report via the Supervisory Control Portal reinforced the importance of a robust control environment. I learned that maintaining consistency is just as important as the numerical accuracy itself.

3. Attribution-Level Understanding of Market Drivers as well its Broader Impact

Working closely with mark-to-market P&L helped me grasp how specific economic variables such as spot moves, dividend yield changes, equity rates, and funding spreads impact individual P&L components. Recognizing how these attributes behave in relation to the trading book allowed me to better interpret the desk's positioning and risk exposure and improved my ability to explain day-over-day changes with clarity. But most importantly, this experience gave me a broader appreciation of how financial control fits into the wider investment banking ecosystem. From understanding how a trading strategy translates into P&L, to how funding, pricing, and risk exposures shape financial results, I gained not just practical knowledge, but also a sense of how detailed daily work contributes to the integrity of the bank's financial and regulatory responsibilities.

4. Familiarity with Internal Systems

The internship also improved my ability to work across a range of internal tools and platforms including Excel, OneView, WebI, RAM, GR, EC, and Hydra. Each system served a distinct function, and learning how to extract, reconcile, and interpret data from each was essential to my daily responsibilities. Over time, I became more confident navigating these systems to investigate breaks, confirm trade-level details, and ensure thorough and accurate reporting.

5. Communication and Soft-Skills

As part of the P&L production process, I had to engage actively with the trading desk, seeking confirmation on new trades, AVIs or clarifying unexpected P&L drivers, as well as with my trainers and teammates in critical processes that might have effects across the desk, in order to prevent any oversight or crucial misses due to inexperience. These conversations taught me the importance of being precise in communication, asking the right questions, and presenting findings in a way that supported timely resolution. Additionally, preparing commentaries concisely yet thoroughly required both accuracy and the ability to convey technical findings clearly.

CONCLUSION

Over the course of my internship with the Capital Markets Financing (EMEA) team at UBS, I was able to take ownership of crucial and complex processes that support the daily P&L reporting cycle. From running T0 vs T1 variance checks and posting ledger-level adjustments to preparing commentary for supervisory review, I was trusted with responsibilities that directly impacted the accuracy and timeliness of financial reporting. Furthermore, working across multiple trading books - each with their own structure and risk profile - allowed me to understand how product control functions in those contexts. Owing to the repeating nature of the function, I quickly became comfortable navigating UBS's internal systems and tools, worked independently on recurring deliverables, and contributed actively to exception resolution and control checks. Being able to complete tasks end-to-end, be it reconciling a break or explaining a shift in sub-attribute P&L, was indeed a meaningful accomplishment and gave me confidence in my ability to handle complexity. While the internship was primarily execution-focused, it also gave me a strong foundation in how financial data moves through systems, how controls are built around it, and how it ultimately supports the integrity of the trading function. Thus, this experience has not only sharpened my analytical thinking, but it has also given me a clearer sense of direction as I move forward in my career.

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