

Report On
Financial Performance Analysis of Ding (Ezetop)

By

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An internship report submitted to the Graduate School of Management (GSM) in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Masters of Business Administration
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Date: 31st July 2023

Dr. Md Arif Hossain Mazumder

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Subject: Letter of Transmittal

Dear Sir,

This is a pleasure to make submission of an internship report as the partial fulfillment of the Masters of Business Administration (MBA) Degree with the relevance of the given instructions and guidelines. This study is based on-“Financial Performance Analysis on Ding (Ezetop)”. Going through the lessons mentioned in the guidelines was really helpful in the process of working on this study. The covered and researched topics were quite narrative and theoretical but at the same time were educative for me.

I tried to exert the highest level of effort in covering and arranging the topics elaborately for this task. I hope you find this individual task satisfactory. Thanks once again to allot the chance on working in this topic.

Sincerely Yours,

Naima Rahman; ID: 21164017

Acknowledgment

First, I would like to convey my deepest gratitude to the Almighty for granting us to work actively on this internship report. This internship is based on a brief analysis of the financial analysis of the company. Above all, we would like to thank our respectable Academic Supervisor – Md. Arif Hossain Mazumder & Honorable Co-supervisor Dr. Suman Paul Chowdhury.

I am highly grateful for the learning opportunity provided by our supervisors and the BRAC Business School. I would like to extend my sincere gratitude to all of the co-workers, trainers & managers from my workplace who have assisted me with lots of support in pursuing this journey.

To make this report more authentic I took some help from different sources like; Google Scholar, banking & educational websites, & most importantly the official website of my existing workplace.

Executive Summary

The telecommunications sector includes Ding, which has a growing number of customers, distributors, and suppliers who serve a variety of regions. Productivity has increased, which is the most apparent result. This results from improvements in communications, connectivity, and easy access to information, which have raised the level of people, companies, and nations. This study has started with the Background of the company, its values, purposes & objectives, and other historical backgrounds.

The Business partners, the number of distributors, and suppliers are increasing worldwide. Ding owns multinational culture in its workplace and all the regional offices. The ongoing business has been successful in cooperating with the telecommunication industry by reaching out to the highest number of distributors and customers from different countries around the world. No wonder the regional offices include quite a good number of employees from several continents of the world; thus Ding has created many job opportunities with enhanced facilities based on country or area for many individuals.

The focused discussion topic was encircled with the criteria- EBIDTA, Gross Profit margin, Revenues, Liability & Profitability management et cetera. To illustrate the present conditions and their mutual linkages, the team-wise job roles and activities have also been discussed. These discussions have reflected a positive image regarding the increment in all of these percentages. However, the discussions regarding risk management are also mentioned with respect to its Bank and beneficiary management, analysis of the company regarding acceptance or avoiding beneficiaries to attain a safe transactional process. For example, accepting Citi Bank as a new beneficiary partner with the highest number of benefits, and not accepting Silicon Valley Bank as a continuing beneficiary due to its poor risk management.

The impacts of Exchange rates of countries from several continents play a very important role in profit and loss over time. That is the reason, the fluctuations of Exchange of some countries with their impacts on Ding's transactional and operational profit/loss are also illustrated in the Bar charts in this report.

List of Acronyms

B2B – Business to Business.

B2C - Business to Consumer.

EBIDTA - Earnings before Interest, Taxes, Depreciation and Amortization.

GPM - Gross Profit Margin.

ROA – Return on Asset.

CR – Current Ratio.

WCM – Working Capital management.

FX Rates – Foreign Exchange Rates.

MC Bank – Money Corp Bank.

NON MC Bank - Non Money Corp Bank.

AIB – Allied Irish Bank.

CAB – Crown Agent Bank.

ADCB Bank – Commercial Bank located in United Arab Emirates.

SVB – Silicon Valley Bank.

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Chapter 1

1.1 Background of the Study

There is a need for innovative and dynamic firms in the current period of a world that is changing quickly to address and provide solutions to the rising dynamic concerns of the general populace of modern civilization. One of the key elements in the current world is communication. Mobile phones are one of the most widely used forms of communication. Prepaid mobile phone users are increasing daily, and at any given time, top-ups are required for all of these mobile devices worldwide. This emphasizes the requirement for an instantaneous, frictionless infrastructure for international mobile top-ups. Ding was created with the mission to transform billions of lives by increasing mobile access. Ding is currently the most popular global platform for mobile top-ups.

It was a great opportunity and pleasure for me to work as an employee at Ding (Ezetop) for the last 1 year. I got appointed to this company on March 21, 2022, in the department of Finance. I have been working in “The accounts Payable” Team as a “Junior Accounts Analyst”. From the very beginning of my work life till now, I got to observe & learn from the wonderful working environment, cooperative corporate culture & direct or indirect pieces of training from trainers, managers & supervisors.

I tried my hard to outline the performances, collaborations & team-wise consecution to conduct the proper workflow in a positive & amicable working environment.

1.2 The Objective of the Study

This Report is focused on analyzing the Overall Financial Performances & Impacts or causes behind the factors which drive Financial Performance Indicators. This study is focused on partially fulfilling the Masters of Business Administration (MBA) under the Graduate School of Management (GSM), BRAC University. However, differentiating the general objective from specific objectives and specific objectives provides the following insights-

- I. General Objective: to analyze the financial performance by analyzing the efficiency & effectiveness of teams & activities of the Finance Department.

- II. Specific Objectives:
 - Analysis of Increment in Sales, Growth & Profitability.
 - Qualitative analysis of different teams in the Finance department.
 - Analysis of corporate culture & cooperativeness.
 - Management of liability, revenues, and Gross Profit
 - Investigations of factors that fluctuate the performance indicators.

1.3 Limitations of the Study

There are some errors or limitations in this report. As the analysis is not fully based on practical implications and there is also personal conception included, therefore, the report might not reflect the actual scenario of Financial Performance.

- Lacking in research & ground level data collection
- Absence of core-level transactional data due to confidentiality
- Not all the employees & departments were highlighted to cover the full financial performance analysis.
- Evaluation is based on overall team and generalized conception which might not fulfill the requirement to reflect the actual scenario. The balance sheet, Income statements, and other numerical data are not widely available on the websites and the company's official data; it was not possible to reflect the actual financial performance based on the numerical scenario.

Summary of Chapter 1 (Background, Objective & Limitations of the study)

Chapter 1 is mainly outlining the Background, objectives, and limitations of this report.

Under Objectives, the main or general objective is to analyze the Financial Performance by discussing the most recent movement in the ratios of Revenues, EBITDA & other cost figures which directly or indirectly impact the financial performance of the company. Under specific objectives, I tried to reflect on the activities & impacts of several teams of Finance departments which determine the overall efficiency level of the Financial Performances. Moreover, concentration was also paid maximally on the Accounts Payable team to figure out the overall liability management, revenue increment & major factors affecting the movements in the financial results.

As for the limitations, the ground data were not available on Ding's websites. I couldn't represent the actual variance movements and sales amount increments or decrements by showing the transactional level data due to confidentiality. As financial performance is underlined with other departments' performances as well' it would be better if I could have gathered more data from other departments. However, I mainly tried to discuss a few activities of Some financial departments by analyzing very few ratio movements in recent times.

Chapter 2

2.1 Company Profile

Today's largest and fastest-expanding multinational group specializing in international and online mobile phone top-ups is Ding (Formerly Known as Ezetop). The group headquarters of Ding is located in Dublin, Ireland, with regional offices being located in Miami, Florida, Bucharest, Romania, and Dubai, United Arab Emirates, for the Middle East and Asia. Since the beginning of the industry, Ding has led the way in the global and online top-up space. Ding makes it possible for people who are studying or working abroad to rapidly top up friends' and families mobile phones at home. The company's services are offered through more than 600,000 retail locations in North America, Europe, and the Middle East, as well as a sizable online platform. Mobile operators profit from Ding's services since they enable them to increase their revenue outside of their home market.

Ding presently collaborates with 200 mobile phone providers and nations in Asia Pacific, Africa, the Caribbean, Latin America, and Eastern Europe, and it regularly adds new operators. The group headquarters of Ding are located in Dublin, Ireland, with regional offices being located in Miami, Florida, Bucharest, Romania, and Dubai, United Arab Emirates, for the Middle East and Asia.

2.2 Business Products & Partners

Business Products: Mobile Top-Ups, Recharge Bundles, Data Bundles through Apps, websites

Business Partners: Airtel, Claro, C&W, Dialog Telecom, Digicel, Globe Telecom, LIME, MTN, Orange, AWCC, Orascom, Roshan, Singtel, SMART, Telcel, Telefonica, Telenor, Tigo, Ufone, Vodafone, Warid, Zong, and more providers are now in operation.

2.3 Mission, Values & Purposes

Mission Statement: “Through the availability of mobile top-ups, we aim to improve people's lives all over the world. It's an action-packed adventure that requires you to roll up your sleeves and get to work, so we know it's ambitious. If you're all about making a real difference, we'd love to have your support in sharing the joy of connection.”

Values: Ding's dedication to bringing cutting-edge, possibly game-changing technology to both developed and emerging markets is reflected in its multicultural staff of more than 200 employees. The organization's mission and culture are supported by the five Ding values, which also assist all employees in reaching the best decisions both individually and collectively. The following are Ding's five key values and corresponding behaviors:

Prioritize customers first

Action oriented; evolving faster growth

Improvising benchmark on continuous basis

Enhance connectivity through mutual collaboration & Respect

Encouraging Ownership, Responsibility & Accountability

Purpose: Ding's mission is to improve the lives of billions of people by accelerating mobile access, becoming the issue's loudest advocates, and developing a seamless global top-up transfer platform. The largest international mobile 7 top up platform in the world and the category that offers an unmatched experience were both founded by them. They have also made and continue to make the biggest investments possible in enhancing the user experience. By sending a top-up across 850+ carriers in 150+ countries, Ding keeps families and friends connected around the world.

Chapter 3

3.1 An Overview on Financial Performance Analysis

Using precise financial formulae and ratios, a financial performance analysis can reveal information about a company's performance and financial health when compared to industry and historical benchmarks. Some key ratios that are widely used in the business world to help and assess a company's overall performance when calculating financial performance are listed below.

Gross Profit Margin: The ratio known as the gross profit margin calculates the amount of revenue that is still available after deducting the cost of sales. The ratio is helpful because it expresses as a percentage the share of every dollar in sales that may be used to pay for an organization's operating costs.

EBITDA: Investors can get a quick glimpse of short-term operational effectiveness through EBITDA margins. The margin provides a measure of operating profitability that is more accurate because it disregards the effects of non-operating components including interest costs, taxes, and intangible assets. As a result, when conducting financial analysis, many analysts and investors prefer to use EBITDA above other measurements.

Current Ratio (CR): A liquidity measure called the current ratio can assist a company decide whether it has enough current assets to cover its current liabilities.

Working Capital Management (WCM): The working capital measurement is used to estimate the amount of liquid net assets a business has on hand to support ongoing operations. It's crucial to assess a company's liquidity since it shows whether it has the resources necessary to convert to cash rapidly in an emergency.

Return on Assets (ROA): Return on assets, as the name suggests, aids a company in assessing how effectively its resources are being used to increase profitability. The company will have a low return on assets if the assets are not being utilized properly.

Summary of Chapter 3.1 (Overview of Financial Performance)

To determine a company's financial health and performance with respect to its industry average, there are some measures that are considered key criteria. For example, Gross Profit Margin is used to determine the growth in sales revenue to offset the operating costs. EBIDTA helps the company to decide the short-term operational effectiveness to invest in a new project. Current liabilities decide whether a company has enough capacity to maintain its liability or not. Working capital management plays an important role to determine the readiness or availability of a company's liquid assets to support in an emergency. The proper utilization of the company's assets is well assured by Return on Assets (ROA).

3.2 Financial Performance Analysis on Ding

Financial performance can be defined as a company's ability to generate profits, but it also includes a lot more. It is an illustration of every element that influences profitability, both separately as line items and collectively as a dynamic whole. For the past few operating years, Ding has been quite effective at generating liabilities, profits, and revenue. Because the transactions the company conducts are fully secured by reliable encryption, which guarantees the standard pre-requisition for Cyber Security.

3.2.1 Departments & Job Roles

In the Finance Department of Ding, There are 4 Teams who perform in a systematic consecution. These teams are –

Accounts Payable (AP): All the members of the Accounts Payable team ensure their continuous progress in decreasing the payables or liability by maintaining the criteria like

–

- I. Issuing Invoices & Creating Purchase orders through Great Plan (GP) and other software.
- II. Making payments to suppliers on a regular basis
- III. Reconciling the Data received from the operators and raising the variances to minimize the losses
- IV. Following up on commission rates and implicating the changes

V. Ad hoc reporting based on the requirements of supervisors.

Financial Reporting: This Team prepares the financial reports and statements required for Ding (Ezetop) to meet regulatory standards. On a monthly, quarterly & Yearly basis, Reporting team gives financial reports to business managers after organizing them. They also prepare the audit report for external auditors & gather information from the financial analysts and experts, then organize, present, and oversee report filing.

Financial Overhead: The recurring costs of a firm that aren't specifically related to providing a good or service are referred to as overhead. The amount that a business needs to charge for its goods or services in order to turn a profit is crucial information for planning as well as pricing considerations. The roles Include-

- Comparing monthly outcomes to the budget, forecast, and the previous year
- Monthly management information for the primary trading entity is produced on time and with a focus on operating costs.
- Comparing monthly outcomes to the budget, forecast, and the previous year
- providing assistance to all overhead departments in the creation of yearly budgets and ongoing forecasts
- year-end audit information preparation and communication with auditors

Commercial Analysis & Pricing: To determine the exact commission rates, actual price, and costs, the Commercial analysis and pricing team Ding plays a vital role in terms of increasing sales traffic and achieving a wide range of customers.

The responsibilities of the Commercial analysis and pricing team are-

- Investigate pricing information from industry norms, historical sales patterns, and rivals to provide decision-makers with information.
- Identify marketing tactics that will boost sales
- Create measurement tools to track evolving market patterns.
- Determine the ideal discounts and clearance prices to boost client traffic
- Determine the reason for a decline or increase in sales by comparing current patterns to earlier ones.

[Summary of Chapter 3.2.1\(Financial Performance Analysis on Ding: Departments & Job roles\)](#)

Under this section, the job roles of different financial teams have been discussed. I work in the Accounts Payable Team in which the main focus is to minimize liabilities by performing several tasks like – reconciliation & raising variances, ensuring reimbursements with the variance amounts, making payments to suppliers to maintain sufficient days of stock, creating Purchase orders and invoices from the server system to share these with the suppliers. The commercial Analysis team mainly analyses and implements changes in commission rates and prices of the products from the suppliers based on current market rates and tactics. The Overhead team mainly

fulfills its responsibilities by preparing the budget & forecast is, comparing it with the industry average and historical records of the budget.

3.2.2 Performance Based on Some Financial Performance Indicators

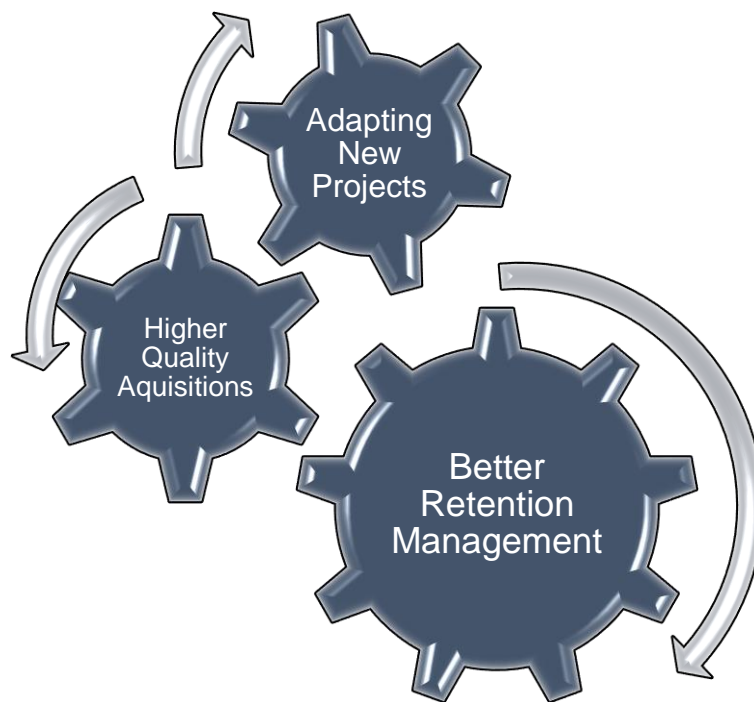
Factors that create movements in Ding's Performance Indicators

1) **Performance of EBIDTA:** The EBITDA margin is regarded as a reliable indicator of a company's financial health since it measures performance without taking into account financial choices, accounting choices, or different tax regimes. To evaluate the success of a company's cost-cutting initiatives, the EBITDA margin of a Ding can be calculated. If Ding's EBITDA margin is higher, it indicates that its operational costs are lower as a percentage of its overall revenue. For March – 2023, EBIDTA of Ding had been incremented by almost 8% rather than the planning or forecasting. These were possible because of reduction in some pointing costs; such as-

- Decrease in Payroll related cost by 19% than the forecasted plan.
- Marketing costs also declined due to better efficiency.
- Reduction of other costs also was reported along with the receipt of funds for Research & Development.

2) **Performance of Gross Profit Margin:** The gross profit margin reveals how much money your company made after paying all of its direct operating expenses, which may include

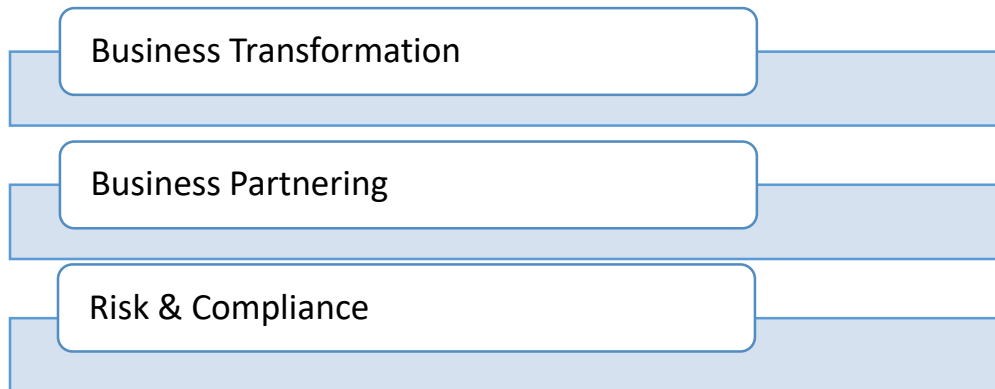
labor, supplies, and other out-of-pocket expenses for direct production. The importance of gross margin can be shown in how well your sales can meet your expenses. For Ding (Ezetop), the overall Gross profit Margin had increased by 35% than forecasted. The actual Gross Profit had been recorded at approximately \$4.29 Million which is way higher than the planned or expected amount. The aspects which mainly had driven the increase in growth for Ding's business are – Improvement in retention management, higher quality acquisitions, and new project undertakings.



[Figure 1(3.2.2): This Figure shows the aspects of Gross Profit Margin in Ding (Ezetop)]

- 3) **Performance of Sales Revenue:** For organizations of all sizes, revenue growth is a crucial notion. The main advantage of sales revenue is that it shows how profitable and successful a company's core business is. Ding has several strategies which are being followed for a

long time on a continuous basis to maintain its Increment in sales. To retain its potential customers, suppliers & distributors, Ding has been maintaining efficiency and improvements in B2C, B2B, and International & National Platforms. Among its so many priorities to boost sales, The key priorities are-



[Figure 2 (3.2.2): This Figure implies the three actions of Ding to generate positive Sales Revenue growth.]

Business Transformation: Ding plans to concentrate on business transformations, which aim to improve performance overall through more sales, fewer operating expenses, higher customer happiness, and more productive employees.

Business Partnering: In order to improve its decision-making power for numerous teams in Finance, Ding has also focused on partnership through the use of functional expertise in the financial domain. This will help to assure strong sales and profitability.

Risk & Compliance: If Ding does not adhere to industry laws and regulations, it runs a significant danger of legal, financial, and criminal liability. Regulations serve as

authoritative guidelines for how various tasks should be completed and properly executed. Many laws are intended to safeguard Ding's citizens and confidentially-protected sensitive information.

4) **Liability Management:** Ding regularly engages in liability management by paying the liabilities or adjusting the irrecoverable deviations in order to reduce the risk of cash flows, asset shortfalls, and funds deficit. The main group in charge of these tasks is Accounts Payable. This group is in charge of managing short-term debts to keep liabilities to a minimum. Among all the activities to manage liabilities, the following are the main objectives to focus on for Accounts payable teams-

- Analyze transactional Data(Reconcile daily/weekly/monthly basis)
- Finding out the reason for the variances through a detailed investigation of transaction failures, the reason for transaction errors and mismatches in the balances.
- Audit preparations, & Monthly stock reconciliations
- Raising the mismatches with the suppliers to refund us
- Keeping track of distributor/sales/suppliers channels to reduce the blocker in the data transactions
- Creating/Sharing Purchase Orders & Ad-hoc based reporting
- Calculating commissions, paying/receiving commissions with correct percentage.

5) **Profitability through increased distributors, suppliers & Partners:** ding has reached to the highest reach of customers, distributors, and operators within a very short span of time.

As a result, suppliers are better able to meet the needs of the companies they supply. The supply chain is moving more quickly, and operations is moving more smoothly overall. Good working relationships with suppliers not only result in cost savings but also in fewer availability issues, delays, and quality problems, which improves customer service. The open exchange of suggestions and ideas is possible when suppliers and customers have a long-term connection. This will eventually result in a more efficient, effective suppliers & distribution reach that may have a favorable influence.

Summary of Chapter 3.2.2(Financial Performance Analysis on Ding: Financial Performance Analysis on Ding)

Ding has made praiseworthy achievements in the recent year in terms of some financial performances. For example, an increase in EBIDTA due to a decrease in the marketing, payroll & Research & Development costs have brought a positive impact on the company. Some important drivers which have caused an increase in the Gross Profit Margin of Ding are – retention management, undertaking newer projects & talent-based acquisitions. To boost up sales revenue, Ding has prioritized business transformation through cost reductions & higher customer profitability, Risk management and business partnering to maintain higher sales revenue.

Chapter 4

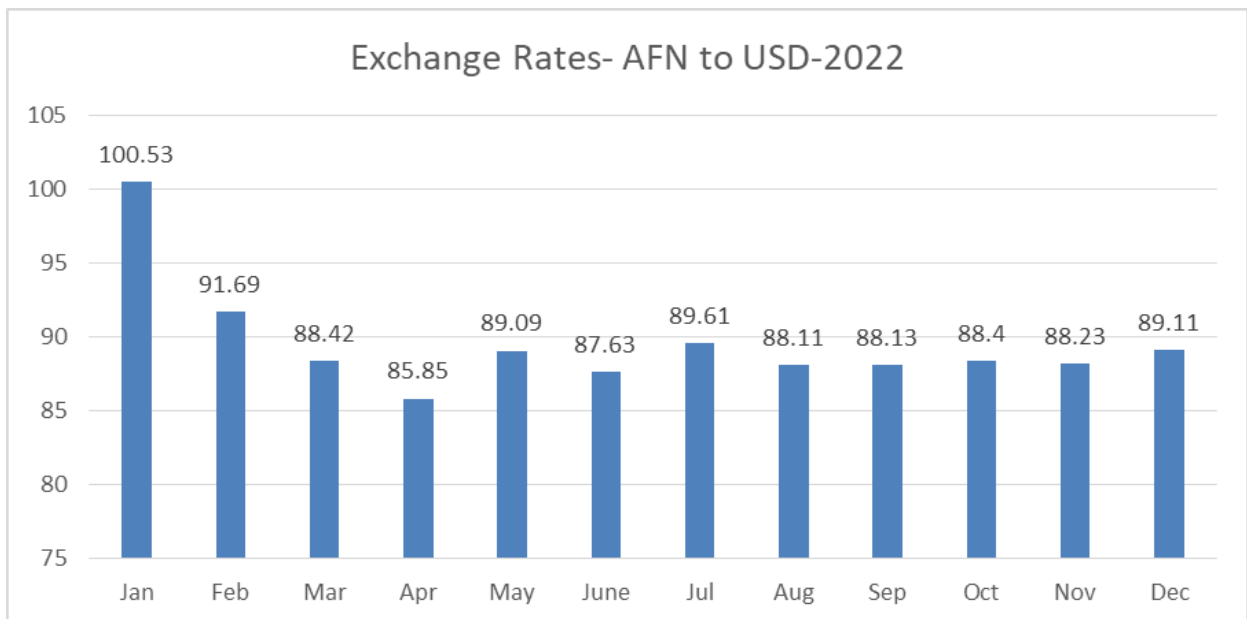
4.1 Impacts on Exchange Rate

A consistent exchange rate is necessary for international transactions. Uncertainty in the country's exchange rate will have an impact on the company's financial results, and possibly even its market worth. This study is also concentrating on the effects of currency rate variations because Ding (Ezetop) has partners, suppliers, and distributors from various parts of the world. While the association between profitability and firm value has not been established, the impact of exchange rate moderation can also be seen in the relationship between capital structure and firm value. This study reveals how the stock balance, transaction variations, and sales trends are affected by exchange rates.

Ding (Ezetop) has suppliers and distributors from different countries on several continents. Among them, countries that include currencies other than USD, have an impact on the transactional level variances on stocks and sales which in turn influences overall profitability. For example- Middle east (Saudi Arabia), Asia (Nepal, Pakistan, India, & Afghanistan, etc.), and Europe (Spain, Mexico, France etc.).

To illustrate the exchange rate impacts from different countries, we can discuss on some of the countries outlining their month-wise changes in local currency exchange rates against the exchange rates of USD currency.

1. Afghanistan: The Afghani's currency rate fluctuations versus the US dollar are consistent with global trends. Additionally, the average value of the Afghani currency has increased trading currencies in spite of the US dollar's decline in value. An increasing exchange rate increases the value of the Afghani in terms of other currencies. The purchasing power of rises as the Afghani appreciates.

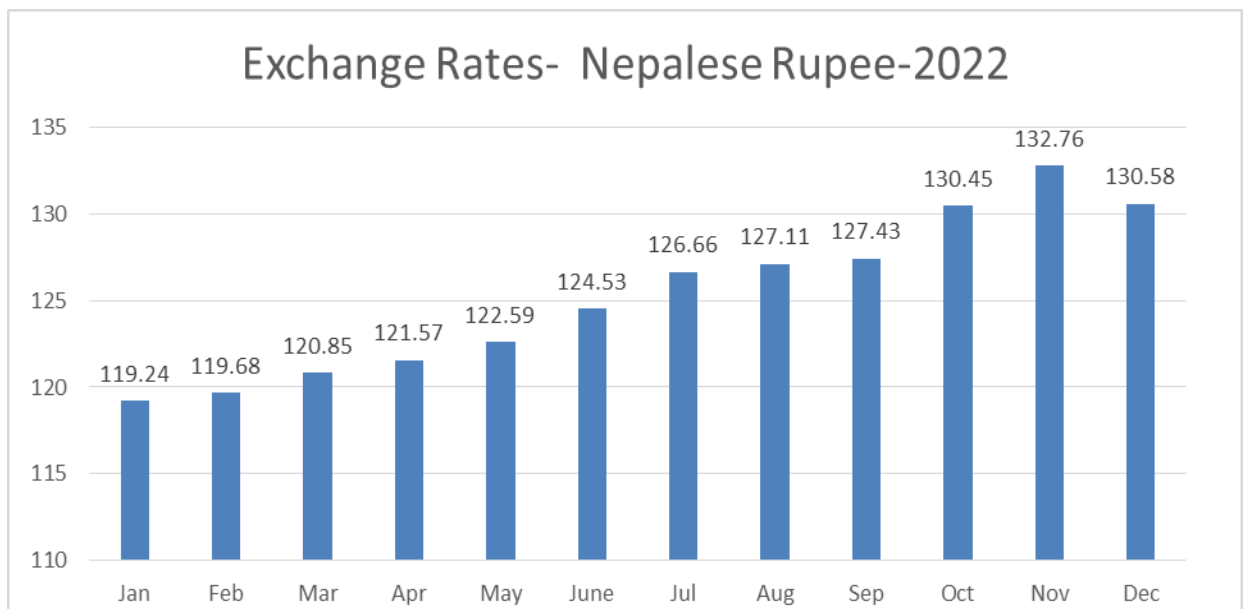


[Figure: 1(4.1)-Month-wise exchange rate fluctuation of Afghanistan]

[Figure: 1(4.1) - From the above Bar Chart, it appears that, Exchange rate of AFN to USD currency is quite fluctuating over the months. However, the difference is not too high which keeps a moderate level of stability in regular transactions.]

2. **Nepal:** The Exchange rate adjustment is conducted for Nepal-based transactions are from the USD and equivalent UAE rates from Nepal Rastra Bank. In their official list of the bank, both of buy rates and sell rates are given for many regions' currencies. Among then the sell rate of USD and UAE currencies are taken into consideration for converting the transaction value for proceeding with fulfilling the requirements.

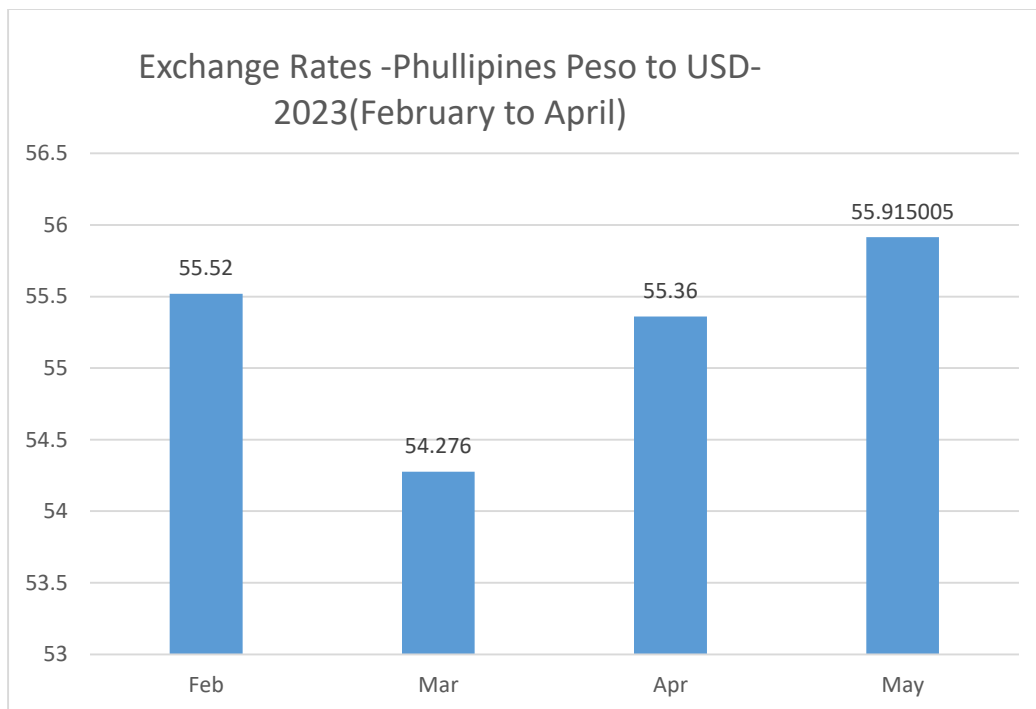
Here some Illustrations of Exchange rates are given:



[Figure: 2 (4.1) - Month-wise exchange rate fluctuation of Nepal]

[Figure :2 (4.1) From the Monthly Exchange rate trends from Nepal Rastra Bank, the increasing flow is apparent from month to month. In the month of November – 2022, the rate was highest in the year of 2022. However, it turned out be decreasing in its previous trend from December – 2022.]

3. Philippines: Exchange rates fluctuate frequently during the day, not just once a day but numerous times, as bankers and traders purchase and sell currencies on the foreign exchange market. A currency's value never stagnates as a result of this. Because the two currencies' exchange rates are determined by the present supply and demand for the Dollar, the price of the Dollar is high in the Philippines.

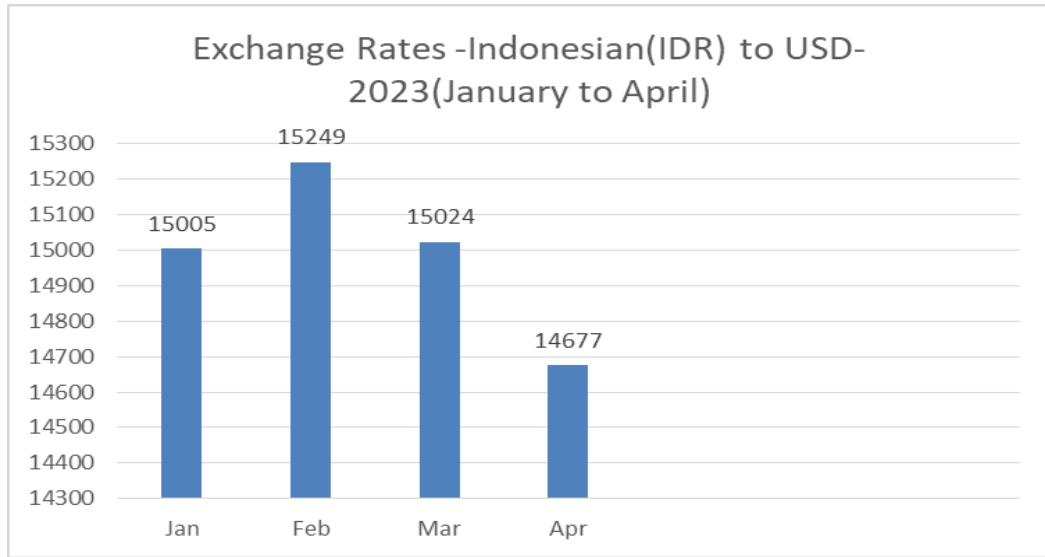


[Figure: 3(4.1) - Month-wise exchange rate fluctuation of Philippines]

[Figure: 3(4.1) For Philippine Currencies' fluctuations against the currency of USD, only four months' trend has been taken. The difference of trends is visible only because of the decimal points. As the fluctuating reasons are only based on the decimal point differences, the rate is usually used with its full decimal numbers to get the accurate transaction receive or cost amount.]

4. Middle East Countries: Ding has some suppliers and distributors from Middle East Countries as well. That is why the FX rates also impact its payments and transactions like the other currencies as well. Qatar, Saudi Arabia, United Arab Emirates, etc countries have several operators including direct business with Ding. Qatar has the strongest currency in the Middle East currencies as per the reported research. However, the Currency of Saudi Arabia against the USD is also fixed for quite a few years. The SAR/USD is being fixed and stable and playing a better role in maintaining the stability of transactions.

5. Pakistan, Sri Lanka, and Indonesia: There are many Operators with which Ding has a business, are having variable exchange rates for each transaction as the exchange rates are always fluctuating in that country. Pakistan, Sri Lanka, and Indonesia are among those countries. Pakistan is a country that has several operators with direct business in Ding. These operators take at least 5 to 7 days to settle a purchase transaction due to its FX adjustments and other payment-relevant issues like- commission, Tax & Bank Charges, etc. Some Indian Operators, of them, pay them in USD currency instead of Indian Rupees for which these transactions are quite a hassle-free from Exchange rate-relevant complications.

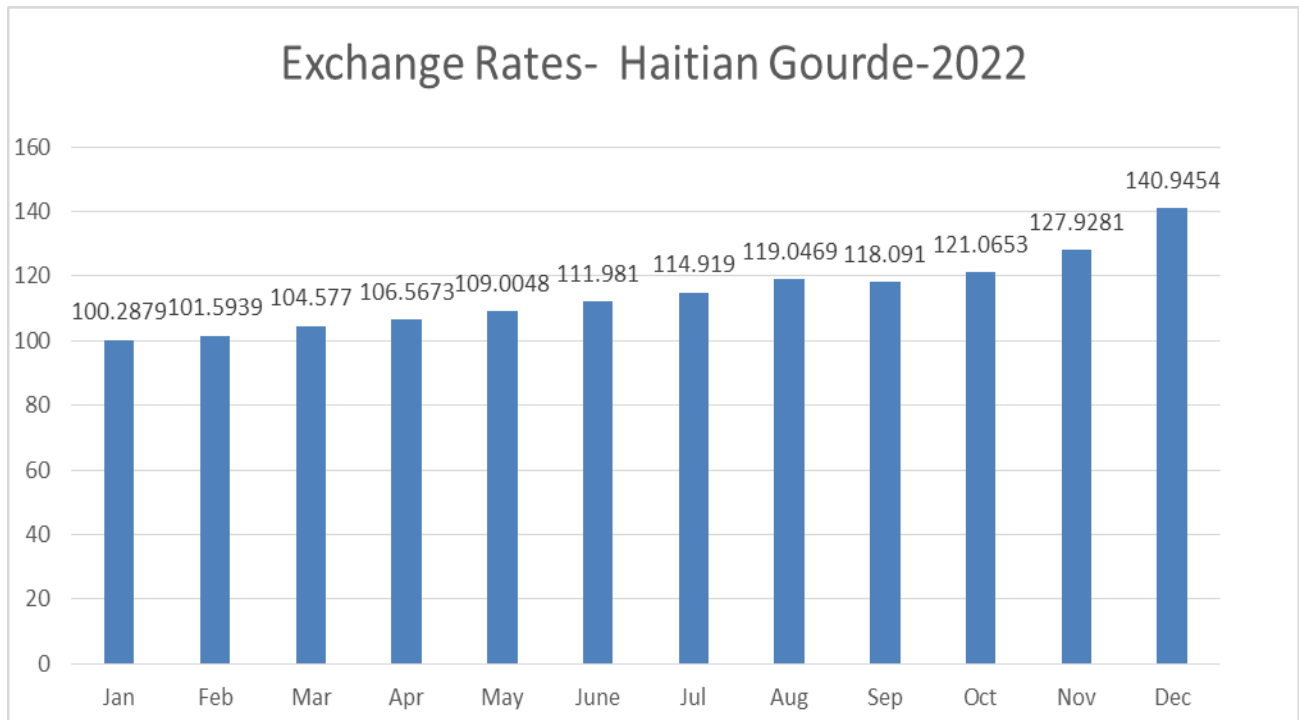


[Figure: 4(4.1) - Month-wise exchange rate fluctuation of Indonesia (January – April, 2023)]

[Figure: 4(4.1) - From this bar chart, the four (4) months’ fluctuations for exchange rates in Indonesian rupees are reflected. This is shown to represent how the payments and balances are being affected by the exchange rates based on different countries’ rates over time.]

Fixed & Variable Exchange Rates: Among the maximum number of fluctuating exchange rates Operators, Ding has also some Operators from the countries which include fixed exchange rates all the time. For example- Bolivia, Honduras & Comoros Et cetera. These countries have some operators which are in business with Ding and keeping their FX rates at a constant rate making purchase and sales transactions in a stable position. Some Exchanged Rates remain fixed on a monthly basis but change right after the month has been finished. Examples of the countries including this type of monthly variable FX

rates are – Haiti, Dominican Republic, Trinidad & Tobago & some of the other countries from the Caribbean Islands.



[Figure 5 (4.1) Month-wise exchange rate fluctuation of Haiti]

[Figure 5 (4.1) - For Haiti, Rates quite stable over the months. The operators from Haiti, which are in direct or indirect business with Ding (Ezetop), they send us monthly exchange rates against the rates of USD, which basically remains fixed over the entire month. With this fixed exchange rate, all the payments and transactions are being classified and calculated. While new month arrives, the respective operator confirms the new monthly exchange rate over the email & we update the new rate in our system.]

Summary of 4.1 (Impacts on Exchange Rate)

As Ding has suppliers, operators and partners from several countries, Ding (Ezetop) focuses on Exchange rate management in a very efficient and timely manner to close the transactions properly. Different nations have different currencies which change in terms, some change on a daily basis, some weekly, some fortnightly, or some on a monthly basis. All the exchange rates change very frequently which consequently impacts Ding's sales transactions and stock balances. Any mismatches or any discrepancies in recording the Exchange rate will lead to variances or imbalances in maintaining stock balances and financial profitability. That is the reason Exchange rates' impacts have been taken as a discussion point in this report. As for different countries' FX rates illustrations we can see the rates for Haiti is quite moderately fluctuation having a few differences; whereas the Exchange rates have difference and fluctuating in Philippines and Nepal which eventually impacts the transactions adjustments for the company.

4.2 Bank Processes & Management

4.2.1 Two major payment mediums

Ding operates its transactions through intermediaries and beneficiaries. These are Money Corp (MC) Banks and Non-Money Corp (NON-MC) Banks.

- I. **Money Corp Bank:** Ding's beneficiaries are mostly Money Corp or MC Banks that provide payment-related services in almost more than 120 currencies. Through its procedures for detecting financial crime, bank-grade compliance, and appropriate segregation of client funds, Moneycorp complies with all relevant laws and regulatory requirements. Furthermore, Moneycorp is in compliance with all operational jurisdictions' licensing requirements for banks and money transmitters. Moneycorp continues to develop its brand-new payment technology while enhancing its existing technological advancement. Citi Bank is one of the global banks which provides a wide array of payment & fund relevant services to Ding.

- II. **Non-Money Corp Bank:** Ding has many suppliers from countries where payment transactions require special sanctions from banks and regulations. In these countries, Money corp banks cannot facilitate payment services or products. Therefore, other banks which operate well and provide financial services in these sanctioned countries, irrelevant to Money corp banks, these Banks are known as NON-MC Banks. Some examples of NON-MC banks include – Crown Agent Bank (CAB), ADCB Banks, Allied Irish Bank (AIB) Et cetera.

4.2.2 Risk Management

Changes in Banking processes or institutions

Ding takes immediate steps to cope with any sort of changes or updates in banking systems and procedures, as the global banking agenda is continuously getting updated and the e-banking system is emerging rapidly, therefore there are many more actions and measures undertaken by Ding to be adopted with changes. Whenever any payment is sent to a bank and if the procedure or institution gets changed, then immediately the company updates new bank details and credentials to avoid losses in the transactions. Besides, if any of the banks require special signatures and authorization from the authority of the company, Ding promptly takes action on this to ensure authorization from the required authority. Ding also follows rigid procedures in the maintenance of keeping & sharing documents like- Proof of Payment (POP), Purchase orders, Invoices, Bank details, and other credential documents from the banks.

Silicon Valley Bank (SVB)

Silicon Valley Bank is mentioned here as a reference for poor risk management. As Ding is aware of the recent phenomena with Silicon Valley Bank, which is why it did not opt for continuing to

take payment facilities from this Bank. Reasons for not choosing Silicon Valley Bank as a beneficiary include many issues regarding risk management. Such as-

- This Bank took the wrong investment decisions which in terms had decreased its share price.
- Lickings in interest risk management - lower-interest-earning long-term fixed deposits lost their value by generating very lower returns with respect to higher Interest costs.
- They ran out of capital & their equity sank due to a rise in interest rates which lessened the value of all the short-term bonds.

Summary of 4.2 (Bank Process & Management)

Money Corp Banks plays the maximum roles of beneficiaries for payment facilities of Ding (Ezetop). These Money Corp Banks provide payment-relevant services and other services in more than 120 foreign currencies. For Ding (Ezetop), there are many money corp banks that work as bank beneficiaries, Citi Bank is the most recent beneficiary added to this Company's beneficiary list to serve payment & funds settlement activities in a wide range. NON-Money Corp banks also play beneficiary roles in the sanctioned countries and their numbers are also quite many which is increasing by getting added to ding's Beneficiary lists. To avoid risks arising from changes in banking procedures, Ding always takes prompt actions in the maintenance of changes in banking regulations, and payment procedures and keeping & sharing the payment relevant documents with banks & suppliers

or operators. Due to the poor risk management of Silicon Valley Bank, Ding has voided the decision to proceed with this bank in terms of taking or providing payment or other services.

Chapter 5

Discussion & Conclusion

With its developing expansion and growing customer base, Ding is progressively growing into a significant service provider in the telecom sector. Telecommunications technology enables business owners to offer customers the greatest services or goods. Like other telecommunication service provider companies, Ding has observed telecommunication in the business sector boost their productivity, customer happiness, flexibility, and more as they provide project funding globally. Ding has created job opportunities in its operational countries including Bangladesh. The company highly encourages young individuals and fresh graduates to apply for several job roles in the company.

The company has achieved quite a wide area due to its transparency in operational activities, following up in reconciliations and resolving due amounts from the suppliers and operators, preparing for audit reporting, improvising accuracy in the reconciliation and other processes through automation, new tools and other technological innovations et cetera. The transactions which are being handled by beneficiary banks often take very little time. As a result of this, operators can receive the payment or funds which eventually facilitated the potential customers with quick services and delivery.

Ding has amazing partnerships with Banks, financial service providers, distributors & operators et cetera. Among them, Citi Bank is the newly introduced bank which can provide transaction facilities with 164 countries with 100 currencies within just 3 seconds

Chapter 6

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