CEOs Statement

Introduction

The year 2018 is the first year of implementation of our five-year plan – 2018 to 2022. During the year 2018 the company registered mixed results in terms of implementation most of the strategic initiatives and activities we planned for the year on one hand and the market and financial performance on the other hand.

In terms of market performance, the year 2018 was challenging in the aspect of liquidity on equity market segment. Trading value declined by 60 percent from TZS 517 billion in 2017 to a turnover of TZS 210 billion in 2018. However, during the same period the volume of shares traded increased by 205 percent, from 290 million shared that traded in 2017 to 790 million shares in 2018.

Decline in value of equity trading affected our revenues, equity trading income accounted for 17 percent of our total revenue in 2018 compared to 33 percent in 2017.

For the fixed income market segment, secondary trading activity in this segment of the market rose by 24 percent, from transaction valued TZS 859 billion in 2017 to TZS 1,063 billion in 2018. Both the DSE All Share Index (DSEI)and Total Market capitalization went down by 15 percent. DSEI moved from 2,396.32 points as of 31st December 2017 to 2,041.39 points on 31st December 2018. In the same vein, both the Tanzania Share Index (TSI) and Domestic Market capitalization declined by 6 percent, TSI from by 3,919.25 points December 2017 to 3,691.36 points December 2018; Domestic Market capitalization went down from TZS 10,275 billion in 2017 to TZS 9,696 billion in 2018, major reasons for declined being downward share prices and valuations to both cross-listed and domestic securities.

Group Performance

As indicated earlier, the reported decline in equity trading activities during year 2018 contributed significantly to the decrease in revenues during the year. Group total income declined from the 18-months revenue of TZS 10.70 billion, covering a period of July 2016 to December 2017 to the 12-months period income of TZS 6.43 billion in 2018. Year 2017 was that of an 18-months financial year following changes in the Group financial year cycle in 2016, while the 2018 figures are of a normal 12-months period.

Besides a relative decline in financial performance in absolute terms for 2018, we are confident that the Group remains well positioned to continue delivering superior returns to its shareholders.

Delivering the Group Strategy

DSE Group is committed to creating value for our stakeholders and the larger investment community that we serve. We remain steadfast to delivering value to our shareholders through a very focused strategy which is broadly underpinned on three pillars: Innovation, Efficiency and Effectiveness.