

# 2025 Capital Market Review

**From Resilience to Expansion:**  
Advancing Tanzania's Capital  
Market through Innovation and  
Inclusion



# CAPITAL MARKET PERFORMANCE AT A GLANCE

## KEY MARKET INDICATORS

### TZS 23.99 Trillion

Total Market Capitalization  
(+34.3% growth from 2024)

DSE Annual Performance Report - ...

### TZS 663.75 Billion

Total Equity Market Turnover  
(+190% increase year-on-year)

DSE Annual Performance Report - ...

### 477.81 Million Shares

Total Shares Traded in 2025  
(+109.57% increase from 2024)

DSE Annual Performance Report - ...

### 28 Listed Companies

22 Domestic | 6 Cross-listed

DSE Annual Performance Report - ...

## MARKET INDEX PERFORMANCE

### DSE All Share Index (DSEI)

2,761.93

+29.08% growth



### Tanzania Share Index (TSI)

5,759.41

+24.70% growth



### Banks, Finance & Investments Index

10,900.19

+88.46% growth



The banking sector remained the primary driver of market performance, led by strong gains from NMB and CRDB.

DSE Annual Performance Report - ...

## MARKET LIQUIDITY & PARTICIPATION

Market liquidity improved significantly in 2025, supported by regulatory reforms and growing retail investor participation.

Top traded companies included:

- CRDB
- NMB
- Tanzania Breweries Limited (TBL)
- Tanzania Cigarette Company (TCC)
- Vodacom Tanzania

Digital platforms also continued to expand market access, with the **Hisa Kiganjani mobile trading platform generating TZS 106.68 billion in turnover** during the year.

DSE Annual Performance Report - ...

## KEY MARKET INSIGHTS

001. Strong growth in banking sector equities
002. Increased retail participation through mobile trading platforms
003. Improved liquidity following changes in trading rules
004. Growing diversification through bonds, Sukuk instruments, and ETFs

# REGULATOR'S REMARKS



**CPA . Nicodemus D. Mkama**  
Chief Executive Officer, CMSA



## CAPITAL MARKET PERFORMANCE REVIEW 2025

Tanzania's capital markets in 2025 attained notable progress, marked by diversified financial instruments, digital transformation, supportive legal environment and strengthened financial inclusion. These developments improved liquidity, market capitalization, and investor confidence. The gains underscore the impact of the sound regulatory oversight and policy support provided by the Government through the Capital Markets and Securities Authority (CMSA).

### Diversified Financial Instruments

The year 2025 witnessed a remarkable diversified range of financial instruments available to investors. As part of its mandates to develop and regulate the capital markets in Tanzania, CMSA approved issuance of Twenty-Two (22) thematic and innovative capital market products that attracted both domestic and international investors. Some of the notable issuances included: the Stawi Bond by TCB Bank PLC; Bondi Yangu by Azania Bank; Al Barakah Sukuk by CRDB; Zanzibar Treasury Sukuk; and a number of Shariah Compliant Corporate Sukuks.

On the equity side, the market celebrated two right issue transactions, DCB Bank PLC and the biggest ever Rights Issue by Tanga Cement PLC. The market also marked a historic breakthrough with the successful launch and listing of the first ever Exchange Traded Fund (ETF), Vertex ETF, which invests in the most actively traded equities on the

DSE; followed by the first regional ETF in East Africa, iTrust EAC Large Cap ETF, which invests in large-cap equities across EAC stock exchanges

In addition, significant strides were made in collective investment schemes (CISs), enhancing a robust foundation for product diversification. In this space, Vertex International Securities Limited launched the Vertex Bond Fund, while Orbit Securities launched Inuka Dozen Index Fund. Similarly, Tanzania Securities Limited received approval of expanded its portfolio of launching two new funds, namely, Kesho Tulivu Fund and Imara Fund, while Africa Pension Fund Limited launched the Insurance Linked Unit Trust Scheme named Ziada Fund.

### Digital and Technological Transformation

The adoption of Information and Communication Technology significantly contributed to increased capital market transactions by broadening investor participation. CMSA facilitated the launch of innovative digital trading platforms accessible via mobile phones and the internet, including the Vertex Trading App, ZanInvest, iTrust Investor Portal, Inuka Fund App, Kadoo Trading App, and TCB Popote App. These platforms have greatly simplified access to capital market services for investors across both urban and rural areas. As a result, the number of investors rose by 105.3 percent, reaching 2,177,135 as at 31<sup>st</sup> December 2025, compared to 1,060,509 in 2024.

### Supportive Legal Environment

CMSA continued to strengthen an inclusive, enabling, and sustainable legal framework to support the development and growth of Tanzania's capital markets. The Authority facilitated the issuance of the Capital Markets and Securities (Corporate and Subnational Sustainability Bonds) Regulations, 2025, a landmark regulatory framework designed to guide the issuance of Green Bonds and Social Bonds by both corporate entities and public institutions. These regulations promote transparency and accountability, support investments in environmentally and socially impactful projects, and attract investors focused on sustainable development, thereby fostering inclusive economic growth.

### Market Capitalization and Liquidity

The equity market demonstrated resilience with a 34.30% increase in total market capitalization, reaching TZS 23,995.45 billion in 2025. Domestic market capitalization rose by 27.08% to TZS 15,559.44 billion, underscoring the market's ability to navigate economic headwinds and capitalize on renewed investor optimism. The equity market liquidity also improved, with total equity turnover rising to TZS 663.75 billion, marking a 190.31% increase from TZS 228.63 billion in 2024. In addition, the combined volumes of Debt Securities and Sukuk Certificates traded grew from TZS 3,149.56 billion in 2024 to TZS 5,860.68 billion in 2025 (a growth of 86.08%). Overall, the value of investment in the capital markets rose by 33.7 percent to TZS 63,066.87 billion from TZS 47,186.08 billion in 2024.

### Conclusion

Tanzania's capital markets demonstrated remarkable growth and resilience in 2025, driven by diversified financial instruments, accelerated technological advancement, and a strong commitment to financial inclusion. The expansion of bond and equity products, the successful launch of Exchange Traded Funds (ETFs), and the adoption of digital trading platforms broadened investor access, deepened market liquidity, and strengthened overall investor confidence. Going forward, CMSA will continue to provide a conducive and enabling regulatory environment that fosters product innovation, enhances transparency, safeguards investor interests, expands financial literacy, leverages technology for wider outreach of underserved segments, and promotes sustainable finance initiatives to ensure market vibrancy, sustained growth, and market stability.

## Capital Markets Performance – 2025

Total Market Capitalization  
**TZS 23,995.45 billion**  
**+34.30% growth from 2024**

Domestic Market  
Capitalization  
**TZS 15,559.44 billion**  
**+27.08% increase**

Equity Market Turnover  
**TZS 663.75 billion**  
**+190.31% growth**  
(from **TZS 228.63 Billion** in  
2024)

Volume of Debt Securities and  
Sukuk Certificates traded  
**TZS 5,860.68 billion**  
**+86.08% increase**  
(from **TZS 3,149.56 Billion**  
2024)

Total Capital Market  
Investment  
**TZS 63,066.87 Billion**  
**+33.7% growth**  
(from **TZS 47,186.08 Billion** in  
2024)

# Executive Summary

The year 2025 marked a pivotal phase in the evolution of Tanzania's capital markets, transitioning from steady progress to momentous growth. Supported by a stable macroeconomic environment, improving investor confidence, and rapid digital adoption, the market expanded in both scale and sophistication dimensions.

The equity market posted strong growth, with total market capitalization rising by over 34%, driven largely by price appreciation in large-cap stocks and renewed confidence in fundamentally strong institutions. The banking and financial services sector emerged as the primary growth engine, supported by exceptional index performance and leadership from banks such as NMB and CRDB.

Digital transformation proved a structural catalyst. Mobile trading platforms sharply expanded retail participation, accounting for a substantial share of market trades, while digital access across collective investment schemes lowered entry barriers for first-time investors and youth participation.

The fixed income market consolidated its role as the market's stability anchor. Government securities turnover rose by over 86%, while corporate and thematic bonds recorded strong resurgence, led by infrastructure, green, and social-linked instruments. These developments signalled rising investor appetite for development-oriented and purpose-driven financing.

Product diversification accelerated market growth. The launch of Tanzania's first ETF, series of Sukuk issuances, new corporate bonds, and increase in collective investment schemes broadened investment choice, improved risk diversification, and strengthened long-term capital mobilization.

Inclusion emerged as a landmark achievement of 2025. Low-entry investment products, faith-compliant instruments, digital platforms, and professional fund management expanded access across income groups and regions, transforming the capital market into a more inclusive wealth creation platform. Beyond expansion, 2025 marked a structural transformation toward a more inclusive and resilient market.

Nonetheless, residual structural constraints linger. Liquidity remains concentrated in a limited number of dominant counters, new equity listings are limited, and secondary bond market activity is subdued. Addressing these issues will be essential in unlocking deeper market vigour.

Looking ahead, Tanzania's capital market is poised for accelerated growth, driven by infrastructure financing, sustainability-linked instruments, SME expansion, and rising youth-led digital participation, positioning strong institutions and diversified assets as key return drivers.



## 1. The Market Narrative: How 2025 Unfolded

The 2025 capital market environment was shaped by a stable macroeconomic backdrop, cautious but improving investor sentiment, and continued alignment between fiscal financing needs and capital market instruments. The equity market reflected selective optimism, while the fixed income market remained the anchor of market activity.

### 1.1. Equity Market Performance

#### 1.1.1 Market Capitalisation

The equity market delivered a strong 34.30% growth in 2025, rising from a total market capitalisation of TZS 17,868.17 billion recorded at the close of 2024. This impressive expansion was driven largely by price appreciation in large-capitalisation stocks, underscoring renewed investor confidence in market leaders. NMB emerged as the single largest contributor, reaching a market capitalisation of TZS 4,205 billion, overtaking TBL, the market leader in 2024. By year-end, eight companies recorded market capitalisations exceeding TZS 1 trillion, six domestic counters (NMB, CRDB, TBL, VODA, TPCC, and TCC) and two cross-listed stocks (KCB and EABL).



#### 1.1.2 Key indices performance

Market indices posted a robust performance in 2025, reflecting broad-based strength across the equity market. The DSE All Share Index (DSEI), which captures performance across both domestic and cross-listed companies, advanced from 2,139.73 at the close of 2024 to 2,761.93 by the end of 2025, representing a solid year-on-year gain of 29.08%.

Similarly, the Tanzania Share Index (TSI), which tracks domestic listed companies, rose from 4,618.78 to 5,759.41 over the same period, delivering a 24.70% annual increase. This performance underscores the resilience and growing depth of Tanzania's domestic equity segment.

Name	2025 Index	2024 Index	YOY %	Market Cap (TZS bn)
Banks, Finance & Investments Index	10,900.19	5,783.87	88.46%	8,740.10
Commercial Services Index	2,158.69	2,138.48	0.95%	1,845.87
DSE All Share Index	2,761.93	2,139.73	29.08%	23,995.34
Foreign Shares Index	1,082.77	909.69	19.03%	8,414.57
Industrial & Allied Index	5,351.26	5,044.80	6.07%	6,081.96
Tanzanian Share Index	5,759.41	4,618.78	24.70%	15,559.44

The strongest momentum came from the Banks, Finance and Investments Index (BI), which surged from 5,783.87 in 2024 to 10,900.19 in 2025, an exceptional 88.46% year-on-year growth. This rally was driven by the outstanding performance of local banking leaders, notably CRDB and NMB, alongside strong contributions from cross-listed regional banks and DSE Plc.

Beyond the headline numbers, the 2025 index performance signals a structural shift in investor preferences toward fundamentally strong, well-capitalised institutions, particularly within the financial sector. The dominance of banks in driving market returns reflects not only earnings resilience but also growing investor confidence in balance-sheet strength, governance, and long-term growth prospects. While this concentration highlights the sector's leadership role, it also underscores the importance of broadening market participation across other sectors to sustain balanced and inclusive capital market growth in the years ahead.

### 1.1.3 Equity Market Liquidity

Equity market liquidity strengthened significantly in 2025, as trading activity on the Dar es Salaam Stock Exchange (DSE) surged to new highs. Total equity market turnover reached TZS 663.75 billion (approximately USD 260.54 million), representing a remarkable 190.31% increase compared to the TZS 228.63 billion recorded in 2024. This acceleration in trading activity translated into a turnover-to-market-capitalisation ratio of 4.26%, signalling a more active and engaged market.

Domestic equities accounted for the bulk of this performance, with turnover rising to TZS 641.51 billion (approximately USD 251.82 million), up 180.59% from the previous year. Domestic trading activity alone represented a turnover-to-market-capitalisation ratio of 4.12%, underscoring the growing role of local investors in driving market liquidity.

Trading activity remained concentrated among a handful of highly liquid counters, with CRDB, TBL, TCC, NMB, and VODA emerging as the top five contributors to total turnover. Increased activity in TBL, TCC, and VODA reflected improved price discovery following changes in trading rules that unlocked previously constrained liquidity. Meanwhile, strong turnover in CRDB and NMB mirrored the sustained investor appetite for the country's two largest and most systemically important banks.

Digital innovation continued to reshape trading behaviour. The DSE Mobile Trading Platform (MTP), popularly known as Hisa Kiganjani, recorded a turnover of TZS 106.68 billion in 2025, equivalent to 47.16% of turnover from normal (non-block) trades. This represented a 656.38% increase compared to 2024 and was driven by 47,483 active investors, rising sharply from 8,795 in the previous year. The rapid adoption of Hisa Kiganjani reflects retail investors' growing preference for convenient, accessible, and user-friendly digital trading solutions, supported by continuous platform enhancements and innovation.

The sharp hike in equity turnover in 2025 points to a market that is not only growing in size but also maturing in behaviour. Improvements in trading rules, coupled with strong fundamentals in leading companies and the rapid uptake of digital platforms, have collectively strengthened liquidity and price discovery. However, the continued concentration of trading in a few dominant counters highlights the need for broadening liquidity across more listed companies. Sustaining this momentum will require deepening retail participation, encouraging new listings, and ensuring that market innovations translate into wider, more inclusive trading activity across the Exchange.

### 1.1.4 Equity Market Volume

Equity trading volumes accelerated sharply in 2025, reflecting a significant rise in market activity and investor participation. A total of 477.81 million shares were traded during the year, more than doubling volumes recorded in 2024, when 227.99 million shares changed hands equivalent to a robust year-on-year growth of 109.57%.

Domestic equities accounted for the majority of this activity, with 452.50 million shares traded in 2025, representing a 98.47% increase compared to the previous year. This growth underscores the expanding role of local investors in driving trading activity across the Exchange.

Digital trading channels continued to gain



traction, with the DSE Mobile Trading Platform (Hisa Kiganjani) contributing 22.92 million shares to total trading volumes, further reinforcing the platform's growing importance in enhancing market access and liquidity.

### 1.1.5 Top 5 gainers and Losers during the year

The year-on-year top 5 gainers in terms of market capitalization are MKCB (401.85%), TCCL (300.00%), TTP (225.00%), DSE (202.97%) and NICO (193.75%) driven by a combination of good performance as well as rights issue (in the case of TCCL)

The year-on-year top 5 losers in terms of market capitalization are VODA (-14.94%), TBL (-21.93%), PAL (-33.75%) and TCC (-40.00%) driven largely by price discovery following the changing of trading rules to help unlock liquidity

### 1.1.6 Listings and Corporate Actions

While no new equity IPOs entered the market that year, 2025 made history with a landmark move: Tanga Cement (TCCL) raised an impressive TZS 203.74 billion by issuing 127.34 million new shares at TZS 1,600 each in a 2-for-1 rights issue.

This wasn't just big, but the largest rights issue on the DSE, officially listed on November 27th, 2025, reshaping market dynamics and setting a new benchmark for Tanzanian capital markets.

These activities underscored the role of the capital market as a platform for corporate financing and ownership restructuring.

### 1.2. Fixed Income Market

The year 2025 marked a turning point for Tanzania's debt capital market, transforming what had long been a liquidity-constrained segment into one of the fastest-growing pillars of the exchange. Trading activity across Government Securities, Corporate Bonds, and Sukuk Certificates surged to unprecedented levels, signalling both rising investor confidence and the deepening sophistication of the market.

At the core of this expansion was the Government Securities market, which continued to anchor liquidity and investor participation. Total turnover climbed sharply to TZS 5,848.35 billion in 2025, an 86.04 percent increase from TZS 3,143.52 billion recorded in 2024. This strong performance reflects sustained demand for risk-free instruments, improved market accessibility, and the growing role of the exchange as a secondary trading platform for public debt.

More striking, however, was the resurgence of the Corporate and Sub-National Bond segment, where trading volumes rose to TZS 12.12 billion in 2025, representing a remarkable 174.43 percent growth compared to the previous year. This momentum was largely driven by active participation from financial institutions and the emergence of sustainability-linked instruments, underscoring a shift toward purpose-driven financing within Tanzania's capital markets.

Leading the corporate bond space were landmark issuances that captured strong investor appetite, the Samia Infrastructure Bond with TZS 4.19 billion in turnover, followed by CRDB Kijani Bond at TZS 3.60 billion, Azania's Bondi Yangu at TZS 2.22 billion, and NMB Jamii Bond at TZS 1.47 billion. Collectively, these instruments not only boosted market liquidity but also demonstrated how thematic bonds are reshaping capital mobilization for development priorities.

The Sukuk market added another layer of diversification and inclusion in 2025. While secondary market trading declined to TZS 214.19 million from TZS 1,620 million in 2024, this short-term drop masked a far more transformative development, the explosive growth in new Sukuk issuances. The listing of Zanzibar Sukuk and CRDB Al-Barak Sukuk, amounting to TZS 578.5 billion in local currency equivalent, propelled the asset class to an extraordinary year-on-year growth of 2,530.7 percent. This milestone firmly positioned Islamic finance as a viable and scalable funding channel within Tanzania's capital market ecosystem.

Taken together, total turnover across Debt Securities and Sukuk Certificates expanded from TZS 3,149.56 billion in 2024 to TZS 5,860.68 billion in 2025, an impressive 86.08 percent increase. The breadth of this growth illustrates not merely higher volumes, but a structural shift toward a more diversified, resilient, and purpose-driven debt market.

Notably, the area that remained passive was in respect of sub-national bonds, where the absence of new issuances since the Tanga UWASA bond highlights an untapped opportunity for municipal and utility

financing. This gap suggests significant room for policy support and institutional innovation to unlock local infrastructure funding through the capital market.

In essence, 2025 was not just a year of growth, it was a year of evolution. Government securities consolidated their dominance, corporate bonds matured through sustainability-driven financing, and Sukuk instruments emerged as a powerful new frontier for capital mobilization. Together, these developments signal a debt market transitioning from scale to strategic impact, positioning Tanzania's capital markets for a more inclusive, diversified, and development-oriented future.

### 1.3. Collective Investment Schemes (CIS)

During the year under review, the Collective Investment Schemes (CIS) market recorded strong and sustained growth, underscoring rising investor confidence in professionally managed investment products. The number of CIS approved by the Capital Markets and Securities Authority (CMSA) continued to increase throughout 2025, reflecting ongoing product innovation and expansion within the investment management industry.

Investor participation also accelerated markedly, signalling broader financial inclusion and a growing appetite for diversified investment solutions among both retail and institutional investors. This expanding investor base demonstrates increasing public awareness of capital market instruments and trust in professionally managed portfolios.

In parallel, the combined net asset value (NAV) of all licensed CIS rose significantly over the year, highlighting strong capital inflows as well as improved portfolio performance across the sector. The growth in assets under management points to the sector's rising importance in mobilizing long-term savings and channelling them into productive investments.

Overall, the strong performance of collective investment schemes in 2025 reflects deepening confidence in Tanzania's capital markets and a strengthening savings and investment culture. Economically, the CIS sector is playing an increasingly important role in capital mobilization and market depth. Socially, more investors are shifting toward diversified and professionally managed investment vehicles. From an investment perspective, growing assets under management and a broadening investor base signal sustained market momentum, positioning CIS as a strategic pillar for long-term wealth creation and capital market development.

## 2. New Products introduced in 2025

The year 2025 witnessed introduction of new capital market products, paving way to enhanced diversification in the market. The new products which were issued are listed and explained here below.

### 2.1 Exchange Traded Funds

Tanzania's capital markets achieved a historic breakthrough with the successful launch and issuance of the first-ever Exchange Traded Fund, the Vertex ETF, which tracks the performance of a diversified portfolio of actively traded equities listed on the Dar es Salaam Stock Exchange (DSE). Managed by Vertex International Securities Limited and NBC Bank Limited as the custodian, Vertex ETF raised TZS 6.8 billion during the initial offer period, surpassing the target of TZS 5 billion by an impressive 136% subscription rate. The massive oversubscription highlights a strong investor confidence and market appetite on the innovative Fund. Since its listing on



October 16th, the Vertex ETF has seen remarkable growth, with its market capitalization rising to TZS 21.33 billion and its unit price climbing to TZS 405 by December 31st, up from TZS 200 at launch.

Beyond its record-breaking debut, the ETF has transformed market diversification, allowing investors to access multiple listed stocks through a single, efficient investment vehicle. This milestone signals a new era for Tanzania's capital markets, providing accessible, diversified, and professionally managed investment opportunities for a growing base of investors.

Building on this momentum, the Tanzanian capital market saw entry of an Exchange Traded Fund with exposure to East African equities, the iTrust East Africa Large Cap ETF. Managed by iTrust Finance Limited with NBC Bank Limited acting as Custodian, the iTrust EAC Large Cap ETF raised TZS 54.03 billion exceeding the target of TZS 10 billion, representing a subscription rate of 540%. The iTrust EAC Large Cap ETF was successfully listed on the Dar es Salaam Stock Exchange on 28 January 2026, further consolidating Tanzania's position as a regional hub for capital market innovation and integration.

### 5.2 Sukuk

Two new issuers of Sukuk Bonds came to market, namely, CRDB Bank (via their Islamic Banking Window (Al Barakah)) and Zanzibar Sukuk 1 (an SPV formed by the Revolutionary Government of Zanzibar for raising Islamic Financing to support investment in development and social projects in the Isles).

Both issuers successfully had multi-currency issuances.

- Zanzibar Sukuk Issued TZS 164.59 billion for 7 years for a return of 10.5% per annum. The issuance was listed on the DSE in May 2025
- Zanzibar Sukuk Issued USD 80.73 million for 7 years for a return of 4.2% per annum. The issuance was listed on the DSE in May 2025
- CRDB Al Barakah Issued TZS 125.90 billion for 5 years for a return of 12.0% per annum. The issuance was listed on the DSE in October 2025
- CRDB Al Barakah Issued USD 32.31 million for 5 years for a return of 6.0% per annum. The issuance was listed on the DSE in October 2025

### 5.3 New Listing - Bonds

In 2025, the Dar es Salaam Stock Exchange saw seven corporate bonds listed, reflecting growing confidence in Tanzania's debt capital markets. These included National Bank of Commerce – Twiga Bond, Stanbic Bank Tanzania Limited, Azania Bank Plc – Bondi Yangu, CRDB Bank – Samia Infrastructure Bond, Tanzania Commercial Bank – STAWI Bond, and National Microfinance Bank Plc – Jamii Bond. In total, TZS 727.13 billion worth of corporate bonds came to market, with NBC, NMB, and Stanbic choosing to list bonds that were previously raised via private placement.

NMB further strengthened its market presence by raising another social bond under its MTN program. Notably, Azania Bank and TCB entered the market as first-time issuers, both enjoying highly successful IPOs, with TCB becoming the first government-owned bank to issue a bond. CRDB also made headlines by raising the country's first infrastructure bond, marking a milestone in diversifying the corporate debt landscape.

### 5.4 New Collective Investment Schemes (CIS)

In 2025, the capital market saw the introduction of several new collective investment schemes, among them being iDollar, managed by iTrust; the Inuka Dozen Index Fund, managed by Orbit Securities; and the Vertex Bond Fund, managed by Vertex International Securities Ltd. These schemes represent part of the new product offerings that entered the market during the year, reflecting continued innovation within Tanzania's investment management industry.

Notably, these selected funds achieved strong investor uptake, with fundraising outcomes exceeding initial targets, an indication of growing confidence in professionally managed and diversified investment products.

The rollout of new CIS products in 2025 points to a maturing capital market and sustained investor appetite for structured investment vehicles. Beyond expanding investment choices, these inflows contribute to

domestic capital formation, supporting private sector growth, infrastructure financing, and development of a more resilient and inclusive investment ecosystem in Tanzania.

## 6. Digital Innovation, Inclusion, and Expanded Market Access



### 6.1 Digital innovation

Digital innovation continued to serve as a powerful engine of growth for Tanzania's capital markets in 2025, transforming how investors access and participate in financial products. Mobile trading platforms such as DSE Hisa Kiganjani, the Vertex Mobile Trading App, and similar solutions have significantly lowered entry barriers, enabling seamless, real-time access to stock trading and investment opportunities.

This digital momentum translated into remarkable adoption. New MTP accounts surged to 94,805 in 2025, lifting the total number of mobile trading accounts to 139,971 by year-end, a more than threefold increase (309.9%) from 45,166 accounts in 2024. Compared to the previous year, onboarding activity jumped by 248.41%, highlighting accelerating investor engagement through digital channels. By the end of 2025, MTP users accounted for 18.89% of all CDS accounts, a significant rise from 7.32% in 2024, driven by sustained awareness campaigns and continuous platform enhancements across both mobile and desktop interfaces.

Collective investment schemes have also benefited significantly from digital innovation, with almost all authorized CIS now offering platforms that enable investors to seamlessly enter and exit investments through mobile and web-based channels.

### 6.2 Inclusion, and Expanded Market Access

In 2025, Tanzania's capital market continued to make significant strides toward inclusivity, driven by product diversification, cross-listings, digital innovations, and stronger strategic partnerships among key stakeholders. These developments have not only deepened market activity but, more importantly, expanded access to investment opportunities for a broader segment of the population.

At the heart of this progress has been the recognition that inclusion goes beyond increasing trading volumes, it is about ensuring that people from different economic backgrounds, regions, belief systems, and levels of financial knowledge can participate meaningfully in the market.

One of the most impactful drivers of inclusivity in 2025 was product diversification. The introduction of new investment instruments allowed the market to accommodate investors with varying financial capacities,

risk appetites, and investment objectives. Rather than offering a one-size-fits-all approach, the capital market increasingly provided tailored solutions that met people where they are.

A notable example has been the growth of Sharia-compliant capital market products, which opened the door for investors who previously remained outside the formal capital market due to religious considerations. By aligning investment opportunities with ethical and faith-based principles, the market successfully attracted a new segment of participants who now feel confident and represented within the financial system.

Equally transformative has been the introduction of collective investment schemes such as the Vertex ETF. These products have lowered the knowledge barrier that traditionally discourages many first-time investors. For individuals who may lack technical expertise in stock selection and portfolio management, professionally managed funds provide a structured and safer entry point into the market. This approach ensures that limited financial literacy does not translate into exclusion.

Affordability has also played a central role in enhancing inclusivity. The availability of low-entry products, such as the Vertex Bond Fund with a minimum investment of only TZS 500, has sent a powerful message: Investment is no longer reserved for the wealthy. By removing high capital requirements, the market has empowered ordinary citizens including students, small business owners, and low-income earners, to begin building wealth and financial security.

Beyond product innovation, digital platforms and cross-listings have expanded the geographical and functional reach of the capital market. Investors can now access opportunities more conveniently, regardless of location, while cross-listed securities broaden choices and deepen liquidity. These advancements have helped bring the market closer to the people, rather than requiring people to come to the market.

Importantly, these inclusion efforts have been reinforced through strategic partnerships and continuous investor education initiatives. By working with financial institutions, regulators, community groups, and educational platforms, stakeholders have strengthened investment knowledge across society, ensuring that access is matched with understanding.

In essence, Tanzania's capital market in 2025 demonstrated that inclusivity thrives where investment knowledge meets accessible products. Through diversification, affordability, ethical finance, digital innovation, and education, the market has progressively transformed from a niche financial space into a platform for shared economic participation.

## 7. Market Challenges & Risks

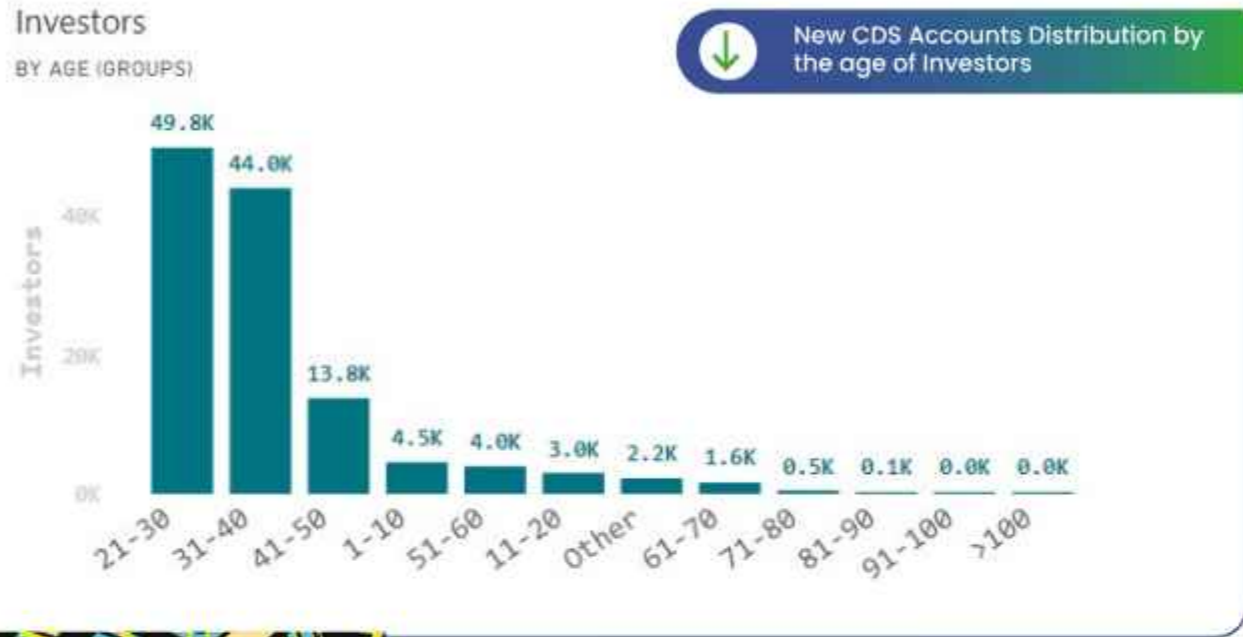
Despite the notable progress recorded in Tanzania's capital market in 2025, some structural challenges and risk factors continued to constrain the pace and depth of market development.

Liquidity concentration remained skewed toward a limited number of listed counters, particularly within the banking, manufacturing and telecommunications sectors. While these stocks attracted strong investor participation and trading volumes, a significant portion of listed securities experienced minimal activity. This imbalance reduced overall market depth, limited price discovery, and constrained portfolio diversification opportunities for investors.

Limited new equity listings also persisted as a key growth bottleneck. Although awareness of capital market financing has improved, many corporates, especially medium-sized enterprises continued to rely on traditional bank financing rather than tapping public markets. Factors such as limited preparedness for transparency and governance standards slowed the pipeline of initial public offerings (IPOs).

Secondary market activity in corporate bonds remained subdued throughout the year. Most investors adopted a buy-and-hold strategy, driven by predictable coupon returns and limited alternative fixed-income instruments. While this reflects confidence in issuers' credit quality, it reduced liquidity and constrained efficient price formation in the bond market.

## 8. Opportunities and Strategic Growth Areas



Despite the structural challenges experienced in 2025, Tanzania's capital market remains well positioned for sustained expansion, supported by favourable macroeconomic trends, a growing investor base, and an increasingly youthful population. Several strategic opportunities stand out as key drivers of future market deepening and resilience.

Infrastructure financing through the capital market presents a significant long-term growth opportunity. As national development priorities continue to focus on transport corridors, energy generation, water systems, and urban infrastructure, the issuance of infrastructure bonds and project-backed securities offers an efficient mechanism for mobilizing large-scale, long-tenor capital. This approach not only reduces reliance on public budgets and bank credit but also creates stable investment avenues for pension funds and insurance companies.

Green and sustainability-linked financial instruments are gaining strategic relevance. With rising global emphasis on climate finance and Tanzania's increasing exposure to climate-related risks, green bonds, social bonds, and sustainability-linked instruments can channel investment toward renewable energy, climate-resilient agriculture, environmental conservation, and inclusive social infrastructure.

The expansion of SME participation through the Enterprise Growth Market (EGM) offers a pathway to broaden the issuer base and stimulate innovation-led growth. By providing more flexible listing requirements, the EGM enables high-potential small and medium enterprises to access equity capital, improve governance standards, and scale operations. Strengthening financial literacy, listing preparedness programs, and investor confidence will be essential to unlocking this segment's full contribution to market development.

Deepening pension fund and institutional investor participation remains fundamental to market liquidity and stability. As Tanzania's institutional savings pool continues to grow, increased allocation toward equities, corporate bonds, and infrastructure-linked securities can enhance market depth while improving long-term returns for beneficiaries.

Importantly, Tanzania's demographic dividend driven by a large and rapidly growing youth population represents a powerful catalyst for capital market expansion. Younger demographics are increasingly digitally connected, financially aware, and open to long-term investing through mobile platforms and online trading systems. This trend supports continued growth in retail investor participation, demand for diversified investment products, and the development of innovative digital market solutions. Harnessing this dividend through targeted financial education, youth-focused investment products, and simplified market access will be critical to building a broad, sustainable investor base.

Together, these opportunities position Tanzania's capital market as a central pillar for economic

transformation, private sector development, and sustainable finance. Strategic coordination among regulators, market operators, issuers, and investors will be essential to convert these growth areas into durable market progress.

## 9. Outlook:



What This Means for Investors Tanzania's capital market projects a positive outlook, supported by stable macroeconomic conditions, regulatory backing, and ongoing digital innovation. Structural constraints particularly liquidity concentration, limited new listings, and low bond market activity require prioritisation in the market in market deepening endeavours.

For investors, this signals a shift toward selective opportunities rather than broad-based growth. Performance is likely to favour fundamentally strong sectors and well-governed issuers, while market-wide revaluation will depend on improved diversification and liquidity.

Key investment themes to watch include Banking and financial services, Infrastructure and utilities and ESG-aligned instruments. Overall, investors who adopt a disciplined, long-term approach and remain mindful of liquidity dynamics are best positioned to benefit as the market gradually matures.

## 10. Conclusion



Positioning  
Tanzania's  
Capital Market  
for the Next  
Phase

The 2025 performance of Tanzania's capital market reflects resilience alongside structural depth constraints. While access and participation have improved through digital innovation, activity remains concentrated and product diversity limited.





Future progress will require deliberate market deepening, expanding liquidity beyond a few counters, accelerating new listings, and developing instruments aligned with infrastructure and sustainability financing. Without these reforms, the market risks remaining stable but underleveraged.

Positioning Tanzania as a competitive regional investment hub will depend on coordinated policy action, stronger issuers, and sustained investor confidence. The 2025 market performance highlights both the resilience and the growth potential of Tanzania's capital markets. Strengthening liquidity, expanding product offerings, and broadening investor participation will be key to positioning the market as a competitive regional investment destination.

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**Contribution of  
Banking Sector into  
Capital Market**





## THE MUTUAL HEARTBEAT: BANKS AND CAPITAL MARKETS IN TANZANIA'S FINANCIAL ECOSYSTEM

The relationship between the banking sector and the capital market in Tanzania's evolving financial landscape is deeply interdependent. As a banking professional working within this ecosystem, I have observed how closely the performance of our banks is tied to the strength of our capital markets. A resilient banking system supports capital market growth, while a vibrant capital market enhances bank performance. Understanding this two-way relationship is essential for ensuring sustainable financial sector development and long-term economic transformation in our country. In this article, I will examine the role played by banks in shaping capital market performance, the contribution of capital markets to bank performance, the structural interlinkages between the two systems, and emerging areas of opportunity where coordinated development can generate mutual and sustainable benefits.

So, how do banks support capital market development? Banks play a foundational role in the performance and development of the capital market. In Tanzania, commercial banks are often the largest institutional investors and among the most active participants on the Dar es Salaam Stock Exchange. Beyond providing traditional lending, banks facilitate capital market activity through underwriting, advisory services, and the structuring of both equity and debt issuances. By leveraging their deep relationships with corporate clients, banks help prepare companies for listing, structure corporate bond offerings, and distribute securities to both institutional and retail investors. Beyond origination, banks contribute to liquidity and market confidence. Treasury operations and investment desks participate in secondary market trading, helping to narrow bid-ask spreads and sustain turnover. Banks also provide custodial, settlement, and repo services that strengthen

the underlying infrastructure of capital market transactions. Their branch networks and digital platforms further expand access by enabling retail investors to participate in bond and equity offerings. In an emerging market context like ours, this distribution capability is critical for broadening the investor base.

It is also important to consider how capital markets contribute to strengthening the banking sector. Capital markets play a significant role in enhancing bank performance by providing alternative sources of funding and improving financial discipline within the industry. One of the most notable contributions is funding diversification. While customer deposits remain the primary source of funding for banks, access to bond markets allows institutions to raise medium- to long-term capital, improving asset-liability matching and reducing liquidity risk. Furthermore, instruments such as subordinated debt and rights issues allow banks to strengthen their capital adequacy positions while supporting

sustainable balance sheet growth. In addition, a liquid and transparent equity market enhances valuation and governance standards. Banks listed on the stock exchange benefit from efficient price discovery, enhanced disclosure requirements, and increased scrutiny from investors and regulators. These mechanisms promote stronger market discipline, greater transparency, and improved public confidence in the banking system. For example, when banks such as CRDB Bank Plc, DCB Commercial Bank Plc, or NMB Bank Plc access the capital market, they not only reinforce their own capital positions but also set benchmarks for governance and reporting standards across the financial sector.

The interlinkages between banks and capital

markets create both opportunities and systemic considerations that warrant close attention. During periods of strong economic growth, bank profitability tends to improve while equity valuations rise, creating a reinforcing cycle that supports both banking sector performance and capital market expansion. Conversely, macroeconomic shocks can transmit quickly across the two systems, as deteriorating asset quality in banks may coincide with declining stock market valuations. This interconnectedness underscores the need for effective oversight and coordination among regulators, particularly institutions such as the Bank of Tanzania, to safeguard financial stability across both sectors. Another important dimension of this relationship relates to market concentration. In many emerging markets, including Tanzania, bank stocks account for a significant share of overall market capitalization and trading activity. As a result, movements in bank share prices can have a pronounced effect on broader market performance and investor sentiment. While this reflects the pivotal role banks play in the economy, it also highlights the importance of broadening market participation and diversifying listed sectors to reduce systemic vulnerability and strengthen the resilience of the capital market.

Finally, it is important to highlight several opportunities where deeper collaboration between banks and capital markets can generate mutual benefits. First, expanding the corporate bond market, including infrastructure bonds and Shariah-compliant instruments, would allow banks

and corporates to access longer-tenor financing, easing pressure on short-term deposits. Second, strengthening securitization frameworks could enable banks to recycle capital by packaging and selling loan portfolios, particularly in the mortgage and SME segments. This would unlock additional lending capacity while transferring risk to a broader investor base. Third, deeper participation by domestic institutional investors such as pension funds and insurance companies would enhance market liquidity and stability. Banks can collaborate with these institutions in structuring investment products and facilitating access to diversified asset classes.

In conclusion, Tanzania's banks and capital market operate as two pillars of the same financial architecture. Banks provide liquidity, underwriting expertise, and investor distribution networks that enable the capital market to function effectively. In return, the capital market offers diversified funding, improved governance, and risk-sharing mechanisms that strengthen bank performance. When both systems evolve in alignment, they create a virtuous cycle of confidence, investment, and economic growth. The path forward lies not in viewing them as separate domains, but as mutually reinforcing engines of national development.





**Azizi Chacha**  
Treasurer, NMB

## FROM RESILIENCE TO EXPANSION: THE BANKING SECTOR'S EVOLVING ROLE IN TANZANIA'S CAPITAL MARKET

Capital markets do not expand simply because products exist. They expand when access becomes easier, participation becomes broader, and institutions align around shared infrastructure.

In recent years, Tanzania's capital market has demonstrated notable resilience. Periods of reduced foreign participation did not stall activity. Domestic investors stepped forward. Trading volumes remained high. Confidence held.

That resilience was not driven by a single institution or channel. It reflects the steady modernization of Market Microstructure - from the digital initiatives by DSE, to broker-led platform innovation, and increasingly, deeper integration by the banking sector.

As the conversation shifts from resilience to expansion in 2025, it is worth examining how banks are influencing the next phase of market development.

### 1. Expanding Digital Equity Access

For many years, digital banking revolved around transactions and traditional savings instruments. Customers could transfer funds, pay bills, and allocate liquidity into fixed deposits or savings accounts. Participation in the capital market, however, often required separate onboarding, additional documentation, and engagement beyond the banking ecosystem.

That structure is changing.

Digital equity access has expanded significantly across the ecosystem. The DSE's mobile channels and broker-developed applications have reduced participation barriers and enabled retail investors to buy and sell listed shares more seamlessly than

before.

Banks are relatively newer entrants in direct digital equity integration. However, their distribution scale presents a significant opportunity to deepen domestic participation structurally.

NMB Bank Plc continues to collaborate closely with the Dar es Salaam Stock Exchange to enable fully digital investment access through the Mobile Trading Platform (MTP) across our channels. In 2025 alone, MTP transactions reached TZS 52.03B, a substantial increase from TZS 6.50B in 2024, demonstrating strong and accelerating customer appetite for seamless investment services within familiar banking ecosystems.

In June 2025, we further enhanced accessibility by integrating equity trading functionality into NMB Mkononi, enabling customers to trade directly on the Dar es Salaam Stock Exchange. Although still in its early stages, the feature facilitated transactions totaling TZS 1.60B, signaling promising uptake and future growth potential.

The significance of this shift lies less in attribution of volumes and more in structural access. When exchange platforms, brokers, and banks collectively reduce friction, participation becomes more durable.

Resilience strengthens when access points multiply.

### 2. Collective Investment Schemes and Distribution Scale

A maturing capital market is not defined solely by equity turnover. It is also reflected in the growth of professionally managed collective investment schemes.

In 2025, rising retail awareness and search for diversification continued to support flows into unit trusts and structured investment vehicles. The banking sector's contribution has increasingly been through distribution scale and infrastructure rather than direct competition.

At NMB, we integrated access to investment funds within our channels - digitally, through agents, and across branch networks. In 2025, flows facilitated through our platforms amount to TZS 503.97B up from TZS 265.63B in 2024.

This integration model reflects a simple behavioural insight: investors prefer convenience. When savings accounts and investment products coexist within the same ecosystem, participation becomes intuitive rather than procedural.

The result is a stronger interlinkage between banking relationships and capital market engagement - supporting both financial deepening and product diversification.

### 3. Public Bond Issuances and Structural Inclusion

The domestic bond market has evolved meaningfully in recent years. Banks are increasingly utilizing capital markets as part of their funding mix, including through public bond issuances.

Beyond funding diversification and balance sheet optimization, public bond programs create a structural inclusion effect. In the past year alone, the market witnessed five public bond issuances - from Azania's Bondi Yangu to CRDB's Al Baraka, and TCB's Stawi Bond. These issuances did more than mobilize capital; they expanded retail participation in the securities market.

Through NMB Bank Plc's public issuances, we successfully facilitated the opening of over 10,000 new Central Depository System (CDS) accounts for individual investors.

A CDS account represents more than regulatory compliance. It is a permanent gateway into the securities ecosystem. Once opened, an investor gains access not only to a specific bond, but also to listed equities and future corporate issuances.

In this way, bank capital-raising activity can indirectly broaden market participation, deepen liquidity, and strengthen the domestic investor base over time.

As more institutions access capital markets for funding, this inclusion effect compounds across the system, reinforcing the transition from resilience to expansion.

### Capital Markets and Banking Performance: A Two-Way Relationship

The interlinkage between capital markets and banking performance is increasingly reciprocal.

Stronger capital market activity supports banks through:

- Diversified funding channels
- Improved liquidity management tools
- Expanded product offerings
- Fee-based income opportunities

Conversely, banks support market development through:

- Distribution infrastructure
- Investor education
- Onboarding and KYC frameworks
- Balance sheet participation

As Tanzania's financial system deepens, the boundary between "banking activity" and "capital market activity" continues to narrow.

### Looking Ahead: Priorities for 2026

As the market transitions from resilience to expansion, two priorities stand out for the banking sector

#### 1. Intelligent Digital Infrastructure

Digital access is foundational. The next stage is intelligent engagement.

Artificial intelligence and advanced analytics can enhance:

- Risk profiling and suitability assessments
- Personalized investment insights
- Fraud detection and investor protection
- Automated compliance and onboarding

Institutions that embed data-driven intelligence responsibly into their platforms will strengthen both operational efficiency and investor confidence.

Technology will increasingly define the quality of participation - not just the quantity.

#### 2. Ecosystem Collaboration

No single institution can scale a capital market independently.

Stronger collaboration between banks, asset managers, brokers, pension funds, fintech firms, and regulators will enable integrated financial ecosystems, MNOs. The integration of investment schemes into banking platforms is one example.

Similar partnerships can expand into green finance, SME listings, regional cross-border products, and structured solutions. Expansion will be ecosystem driven.

#### From Resilience to Expansion

Tanzania's capital market has demonstrated its capacity to remain stable amid external volatility. The next chapter is about widening participation and deepening integration.

The DSE's digital initiatives, broker innovation, and growing banking sector integration collectively

forms a broader access architecture.

Banks are not the sole drivers of market growth - nor should they be. Their evolving role is to serve as bridges: connecting everyday financial relationships with investment opportunity.

As we move toward 2026, the opportunity lies in strengthening those bridges - through technology, collaboration, and deliberate inclusion - so that participation in Tanzania's capital market becomes not exceptional, but ordinary.



## BANKING SECTOR CONTRIBUTION TO 2025 CAPITAL MARKET PERFORMANCE

In 2025, Tanzania's capital market performance was significantly reinforced by the banking sector's evolution from traditional financial intermediaries into strategic leaders within the broader capital markets ecosystem. While banks continued to mobilize deposits and channel funds into productive sectors of the economy, their role expanded considerably into structuring, underwriting, sponsoring, and actively supporting liquidity across both primary and secondary markets.

Through their participation as arrangers, anchor investors, and underwriters, banks enhanced price discovery, stabilized yields during periods of market volatility, and contributed to the deepening of Tanzania's yield curve. Crucially, they supported a gradual transition from short-term loan financing to longer-tenor capital market instruments—strengthening financial system stability and better aligning funding structures with the country's long-term development agenda.

A defining highlight of 2025 was the strategic execution of landmark issuances under the Medium-Term Note (MTN) Programme by CRDB Bank Plc, with a combined total of TZS 700 billion raised. These issuances not only demonstrated strong investor confidence but also marked a new phase of innovation and sophistication in Tanzania's debt capital markets.

Among the milestones was the first Green Bond issued by a commercial bank within the East African Community. This transaction mobilized capital for renewable energy and climate-aligned projects, positioning Tanzania firmly within the global sustainable finance landscape. The bond's cross-listing in 2025 on the Luxembourg Stock Exchange enhanced international visibility, strengthened

transparency and reporting standards, and attracted ESG-focused institutional investors—thereby integrating Tanzanian issuers into global capital pools.

Building on this momentum, the bank further demonstrated financial innovation through the issuance of the first infrastructure bond in collaboration with a Government agency. This transaction exemplified effective financial engineering and a strong public-private partnership model. By leveraging private capital to advance national infrastructure priorities, the bond attracted long-term institutional investors and reduced the Government agency's reliance on conventional borrowings and fiscal allocations. It showcased how capital markets can effectively complement public financing frameworks while deepening domestic market participation.

Another significant milestone was the introduction of Tanzania's first multi-currency Sukuk. By incorporating Shariah-compliant financing into the domestic capital market framework, this issuance broadened access to Islamic finance investors, diversified funding sources, expanded regional participation, and enhanced overall product sophistication within the market. The multi-currency structure further strengthened flexibility and widened the potential investor base.

Beyond proprietary issuances, banks played a pivotal ecosystem role through advisory, sponsorship, and structuring services. By guiding issuers through regulatory processes, supporting registration and listing requirements, and advising on corporate bond transactions, banks transitioned from balance sheet lenders to comprehensive capital solutions partners. This shift shortened time-

to-market, improved transaction execution quality, and strengthened the efficiency and credibility of the market as a whole.

Investor confidence throughout 2025 was anchored in three core pillars: innovation, governance, and institutional strength. Thematic instruments such as green bonds and Sukuk broadened market appeal; cross-listings enhanced credibility and transparency; and established banking institutions provided stability and underwriting assurance. Collectively, these factors attracted both domestic and international investors, reinforcing Tanzania's growing reputation as an emerging and dynamic capital market.

Looking ahead, the banking sector is strategically positioning itself to expand advisory capabilities,

scale alternative financing solutions, deepen partnerships with government institutions, and advance thematic and inclusive finance offerings. The objective is clear—to become the preferred partners for capital raising beyond traditional lending, supporting infrastructure development, ESG initiatives, Islamic finance, and cross-border transactions.

Ultimately, the strong performance of 2025 reflects a structural shift within Tanzania's financial system. Banks—led by CRDB Bank Plc—have evolved from intermediaries into architects of capital markets, mobilizing capital not only at scale, but with strategic intent, innovation, and long-term national impact.



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CPA (T), MBA. Emilian Busara

## What the 2025 Market Performance Means for Tanzania's Capital Markets

The year 2025 will likely be remembered as one of the most defining periods in the evolution of Tanzania's capital markets. Beyond the impressive figures reported in the main report, the developments observed during the year reveal deeper structural shifts that are gradually transforming the Dar es Salaam Stock Exchange (DSE) into a more vibrant and inclusive financial marketplace.

While performance indicators such as market capitalization, turnover, and investor participation tell part of the story, the real significance of 2025 lies in the emerging trends that are shaping the future direction of Tanzania's capital markets.

### A Structural Shift in Investor Participation

One of the most encouraging developments is the continued expansion of the investor base. The steady influx of new investors reflects growing awareness of the role capital markets can play in personal wealth creation and long-term financial planning.

For many years, participation in the stock market in Tanzania remained limited to a relatively small segment of the population. However, recent developments suggest that this pattern is gradually changing. Increasing numbers of individuals, particularly younger investors are now entering the market.

This shift is important because a broad investor

base strengthens the foundation of any capital market. A larger and more diverse pool of investors enhances liquidity, supports efficient price discovery, and reduces excessive market volatility.

More importantly, the expansion of investor participation signals a gradual cultural transition in how Tanzanians view savings and investment. The move from traditional savings instruments toward capital market participation represents a positive step toward building a more investment-driven economy.

### Technology as a Catalyst for Financial Inclusion

A key driver behind the surge in investor participation has been the integration of technology into the investment ecosystem.

Digital trading platforms and mobile-based investment solutions are redefining how investors interact with the market. What once required physical visits to brokerage offices can now be done through mobile applications and online platforms. Investors can open accounts, access market information, and execute transactions with unprecedented ease.

In a country where mobile phone penetration is high, this digital transformation has significantly lowered barriers to entry. The stock market is no longer perceived as an exclusive domain reserved for large institutions or high-

net-worth individuals. Instead, it is increasingly becoming accessible to ordinary citizens.

This technological shift is particularly relevant for Tanzania's youthful population. Younger generations are naturally inclined toward digital financial services, and the availability of mobile trading platforms aligns perfectly with their expectations of convenience and accessibility.

However, this rapid digitalization also requires continuous investment in infrastructure, cybersecurity, and customer support systems to ensure that market growth remains sustainable.

### The Rise of Product Innovation

Another defining feature of the 2025 market landscape has been the increasing diversity of financial products. Historically, equity investments dominated the capital market. While equities remain a core component of the exchange, the emergence of new investment vehicles such as exchange-traded funds (ETFs) and other collective investment schemes represents a significant step forward in market development.

These products serve an important function by providing investors with diversified investment opportunities that reduce exposure to individual company risks. For many new investors who may lack the expertise or time to analyse individual stocks, collective investment vehicles offer a practical and efficient way to participate in the market.

The strong investor response to newly introduced products also highlights an important reality: There is considerable liquidity within the financial system seeking structured and credible investment opportunities.

This should encourage financial institutions, asset managers, and market intermediaries to continue innovating and designing products that respond to the evolving needs of investors.

### Capital Markets as a Strategic Financing Platform

The developments observed during the year also reaffirm the growing importance of the capital market as a strategic source of financing for businesses and institutions.

As companies expand and economic activities grow, the need for long-term capital becomes

increasingly important. Capital markets provide an efficient mechanism through which businesses can raise funds directly from investors while simultaneously offering investment opportunities to the public.

Corporate actions such as rights issues and bond issuances during the year illustrate the increasing confidence among companies in utilizing market-based financing mechanisms.

Over time, this shift can help reduce excessive dependence on traditional bank financing and create a more balanced financial system where capital markets and banks complement each other in supporting economic growth.

### Strengthening Investor Confidence

Behind the progress observed in 2025 lies a fundamental element that sustains every successful capital market: investor confidence.

Confidence in the market is built through effective regulation, transparent corporate governance, and consistent financial performance by listed companies. The stability and credibility of the regulatory framework continue to play a critical role in maintaining trust among investors.

At the same time, strong financial results from several listed companies reinforce the perception that capital markets can generate meaningful returns for investors. When investors observe companies consistently delivering profits and shareholder value, confidence in the market naturally grows.

Maintaining this confidence will require continued commitment to transparency, accountability, and adherence to best practices in corporate governance.

### Unlocking the Market's Full Potential

Despite the strong performance recorded in 2025, Tanzania's capital markets still have substantial room for expansion.

One of the key priorities should be encouraging more companies to list on the stock exchange. Many large and successful businesses, particularly family-owned enterprises and state-owned entities, remain outside the capital market ecosystem. Bringing these companies into the market would significantly deepen liquidity and broaden investment opportunities.

Investor education also remains essential. While awareness is improving, a significant portion of the population still lacks a clear understanding of how capital markets operate and how they can benefit from participation.

Continuous financial literacy initiatives will therefore be critical in sustaining the momentum of investor growth.

**Looking Ahead**

The trajectory of Tanzania's capital markets is clearly moving in the right direction. The developments witnessed in 2025 reflect the combined impact of regulatory support, technological advancement, market

innovation, and growing investor interest.

If these elements continue to evolve in a coordinated manner, Tanzania's capital markets have the potential to become one of the most dynamic financial ecosystems in the region.

The challenge now is not simply to celebrate the progress achieved, but to build upon it ensuring that the market continues to expand, innovate, and serve as a powerful engine for national economic development.

**Congratulations to the DSE on 30 Years Anniversary.**



**Imani Minja**  
BI Consultant, Computer Centre

**DATA AS A CATALYST FOR CAPITAL MARKET GROWTH**

In modern finance, one invisible force shapes almost every investment decision: data.

Prices move because of data; investors allocate capital because of data and regulators monitor financial stability through data.

At its core, confidence in any capital market is built on the quality of information available to investors.

Tanzania's capital market has been gradually evolving. Much of the public discussion focuses on new listings, trading volumes, and investor participation. These are important signals of growth. But behind these developments lies another driver that receives far less attention: the role of reliable, accessible data.

As the market continues to mature, improvements in financial reporting, disclosure standards, and market analytics are making it easier for investors to understand opportunities and risks.

And in capital markets, better information almost always leads to better decisions. Before committing capital, investors whether local pension funds or international institutions ask a few basic questions.

- Can the financial information be trusted?
  - Can different investment opportunities be compared clearly?
  - And how easy is it to enter and exit the market?
- All three questions depend heavily on data.

Encouragingly, Tanzania's market infrastructure has been improving. Disclosure requirements are gradually strengthening, corporate reporting has

become more structured, and market statistics are becoming easier to access. These developments allow analysts and investors to better evaluate company performance and sector trends.

When information becomes clearer, uncertainty falls and when uncertainty falls, investment usually increases.

This progress has also improved visibility within the Dar es Salaam Stock Exchange. Investors today can access more detailed information about company financials, trading trends, and broader economic indicators that influence market performance.

For institutional investors managing billions in assets, such visibility is critical.

Globally, capital markets have already moved beyond basic financial reporting. Investors no longer look only at balance sheets and income statements. They want deeper insight into revenue growth, operational efficiency, market positioning, and long-term strategy.

Markets that provide this level of transparency tend to attract more sophisticated investors and longer-term capital.

Tanzania is slowly moving in that direction. Digital disclosure systems and better access to historical market data are making it easier for analysts to conduct research and expand coverage of listed companies.

This matters more than it might appear. More analyst coverage leads to better price discovery. Better price discovery leads to stronger investor confidence and stronger confidence often leads to more active trading.



For listed companies, data transparency is becoming a competitive advantage.

Companies that present their financial performance clearly through structured reporting, consistent metrics, and transparent communication tend to attract greater investor attention. When investors understand a company's performance story, they are more willing to commit capital.

Clear data reduces uncertainty and reduced uncertainty often leads to stronger market valuations.

Over the coming years, companies that communicate their performance through strong data will likely stand out in the market. Investors increasingly reward firms that can clearly demonstrate growth trends, operational efficiency, and long-term strategy.

Tanzania's broader economic environment makes this even more important.

Domestic savings are growing. Pension funds continue to expand their investment portfolios. Government and corporate bond markets are also gaining momentum. At the same time, regional and international investors are showing increasing interest in Tanzania's economic prospects.

But capital does not move blindly, Investors follow information. Reliable data allows them to evaluate companies, sectors, and macroeconomic trends more accurately. It helps capital flow toward productive investments and reduces the uncertainty

that often discourages long-term investment.

As Tanzania's capital market moves from gradual development toward stronger expansion, the importance of data will only increase.

Better reporting standards, stronger digital information platforms, and deeper analytical capabilities will be essential for building investor confidence. Because at the end of the day, capital markets are not just places where securities are traded. They are information systems.

The better the information, the better the investment decisions, and the better the decisions, the stronger the market becomes.

Data is no longer just a supporting tool for Tanzania's capital market. It is quickly becoming the engine that will determine how fast the market grows, how credible it becomes, and how competitive it is on the global stage.

Significant progress has already been made. But the real opportunity lies ahead.

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