

An Analysis of Deposit Mobilization: the Case Of Pride Microfinance Ltd (Mdi)

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ABSTRACT

The study analyzes deposit mobilization with a focus on Microfinance Deposit Taking Institutions using the case of Pride Microfinance Ltd (MDI). The analysis is based on a six year period data from 2006 – 2009 and 2009-2012, which comprised of information regarding organizational performance in deposit mobilization. The data was obtained from the Company's annual reports, Management accounts and sector data published by Bank of Uganda.

Findings indicate that for the Company to grow the much desired deposits, there is need for continuous strategy realignments through pricing adjustments and development of new market driven products more to align to the evolving customer needs.

Further, the findings reveal a combination of systemic and institutional challenges and most pertinent on the institutional challenges was the low focus by credit staff in driving savings mobilization.

The study therefore recommends establishment of deposit mix concentration levels to guide regular pricing reviews especially for the term deposits and development of a new prize based product in line with the market dynamics. Likewise, through individual performance measurement, deposit mobilization parameters should be emphasized across the institution cascaded to individual level with similar attention during monitoring and this is aimed at realigning the business culture to a combination of credit and savings' growth.