

## **ABSTRACT**

The present dissertation work aims to determine the online bank deposits efficiency using stochastic frontier technique and it intends to determine various factors affecting the efficiency level of banks for the period 2009 - 2011. A panel of 24 banks divided into three groups namely, NBs (Nationalized Banks), FBs (Foreign Banks), and PBs (Private Banks) in India was used for the present study. The online deposits have only been considered which are categorized under the types: RTGS, NEFT and ECS. In this study, a comparison was made with the efficiency scores of banks group-wise, year-wise and individually. This study showed that the overall deposits efficiency of all banks steadily increased over time from 2009-2011. To a surprise, it was observed that the Nationalized Banks (NBs) are more efficient as compared to Private Banks (PBs) and Foreign Banks (FBs). It was also inferred from the study that the foreign banks were less efficient in producing deposits as compared to other banks.

**Key words:** Online Deposits efficiency, stochastic frontier analysis, banking industry.