

MODERN APPROACHES AND CHALLENGES OF RISK MANAGEMENT IN ELECTRONIC BANKING

DrDragan Stojanović¹; M.Sc. Marko Krstić².

¹ Higher Business School, Leskovac, SERBIA, e-mail: stojanovic.dragan@vpsle.edu.rs

² Higher Business School, Leskovac, SERBIA, e-mail: krstic.marko@vpsle.edu.rs

Abstrakt: *The development of a new form of banking, known as electronic banking, is the result of a growing need of the use of communication-information technology. Electronic banking is known for its numerous advantages such as reduction of time in the execution of financial transactions, increase in the efficiency of business operations, reduction of business costs, etc. In addition to the numerous positive effects of development of electronic banking, we must consider the fact that it is precisely this new way of performing financial transactions that has lead to an appearance of ever greater number of new risks. The specifics of risk in electronic banking stems from the specific ways of performing financial transactions online using smart cards, ATMs, smart phones etc., and the possibility of misuse with this form of performing business transactions. Having this in mind, the aim of this paper is to point out the risks of electronic banking which both banks and their clients face all the while placing special attention on examples of risk management of electronic banking.*

Keywords: *Electronic banking, financial transactions, risk management in electronic banking, communication-information technology.*