Some basic modern banking services offered by the banks are discussed below:

1. Advancing of Loans.
2. Overdraft.
3. Discounting of Bills of Exchange.
4. Check/Cheque Payment
5. Collection and Payment Of Credit Instruments
6. Foreign Currency Exchange.
7. Consultancy.
8. Bank Guarantee.
9. Remittance of Funds.
10. Credit cards.
11. ATMs Services.
12. Debit cards.
13. Home banking.
14. Online banking.
15. Mobile Banking.
16. Accepting Deposit.
17. Priority banking.
18. Private banking.

**1. Advancing of Loans**

Banks are profit-oriented business organizations.

So they have to advance a loan to the public and generate interest from them as profit.

After keeping certain cash reserves, banks provide short-term, medium-term and long-term loans to needy borrowers.

**2. Overdraft**

Sometimes, the bank provides overdraft facilities to its customers through which they are allowed to withdraw more than their deposits.

Interest is charged from the customers on the overdrawn amount.

*Related:*[***Difference between Bank Overdraft and Cash Credit***](https://www.iedunote.com/bank-overdraft-cash-credit-difference)

**3. Discounting of Bills of Exchange**

This is another popular type of lending by modern banks.

Through this method, a holder of a bill of exchange can get it discounted by the bank, in a bill of exchange, the debtor accepts the bill drawn upon him by the creditor *(i.e.,* holder of the bill) and agrees to pay the amount mentioned on maturity.

After making some marginal deductions (in the form of commission), the bank pays the value of the bill to the holder.

When the bill of exchange matures, the bank gets its payment from the party, which had accepted the bill.

**4. Check/Cheque Payment**

Banks provide cheque pads to the account holders. Account holders can draw cheque upon the bank to pay money.

Banks pay for cheques of customers after formal verification and official procedures.

**5. Collection and Payment Of Credit Instruments**

In modern business, different types of credit instruments such as the bill of exchange, promissory notes, cheques etc. are used.

Banks deal with such instruments. Modern banks collect and pay different types of credit instruments as the representative of the customers.

**6. Foreign Currency Exchange**

Banks deal with foreign currencies. As the requirement of customers, banks exchange foreign currencies with local currencies, which is essential to settle down the dues in the international trade.

**7. Consultancy**

Modern commercial banks are large organizations.

They can expand their function to a consultancy business. In this function, banks hire financial, legal and market experts who provide advice to customers regarding investment, industry, trade, income, tax etc.

**8. Bank Guarantee**

Customers are provided the facility of bank guarantee by modern commercial banks.

When customers have to deposit certain fund in governmental offices or courts for a specific purpose, a bank can present itself as the guarantee for the customer, instead of depositing fund by customers.

**9. Remittance of Funds**

Banks help their customers in transferring funds from one place to another through cheques, drafts, etc.

**10. Credit cards**

A credit card is cards that allow their holders to make purchases of goods and services in exchange for the credit card’s provider immediately paying for the goods or service, and the cardholder promising to pay back the amount of the purchase to the card provider over a period of time, and with interest.

**11. ATMs Services**

ATMs replace human bank tellers in performing giving banking functions such as deposits, withdrawals, account inquiries. Key advantages of ATMs include:

* 24-hour availability
* Elimination of labor cost
* Convenience of location

**12. Debit cards**

Debit cards are used to electronically withdraw funds directly from the cardholders’ accounts.

Most debit cards require a Personal Identification Number (PIN) to be used to verify the transaction.

**13. Home banking**

Home banking is the process of completing the financial transaction from one’s own home as opposed to utilizing a branch of a bank.

It includes actions such as making account inquiries, transferring money, paying bills, applying for loans, directing deposits.

**14. Online banking**

Online banking is a service offered by banks that allows account holders to access their account data via the internet. Online banking is also known as “Internet banking” or “Web banking.”

Online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan and credit card applications.

Account information can be accessed anytime, day or night, and can be done from anywhere.

**15. Mobile Banking**

Mobile banking (also known as M-Banking) is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant (PDA),

**16. Accepting Deposit**

Accepting deposit from savers or account holders is the primary function of a bank. Banks accept deposit from those who can save money but cannot utilize in profitable sectors.

People prefer to deposit their savings in a bank because by doing so, they earn interest.

**17. Priority banking**

Priority banking can include a number of various services, but some of the popular ones include free checking, online bill pay, financial consultation, and information.

**18. Private banking**

Personalized financial and banking services that are traditionally offered to a bank’s digital, high net worth individuals (HNWIs). For wealth management purposes,

HNWIs have accrued far more wealth than the average person, and therefore have the means to access a larger variety of conventional and alternative investments.

Private Banks aim to match such individuals with the most appropriate options.