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History of the Main Operations of the Verny Branch of the Russo-Asiatic Commercial Bank

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Abstract. The subject of this study is the activities of the Verny branch of the Russo-Asiatic Commercial Bank in the socio-economic space of the Semirechye region in the early 20th century. In Soviet historiography, banks were understood as instruments of "colonialists," both Western and Russian. The author, unlike Soviet and post-Soviet researchers, believes that banks did not become "monopolists" in the economies of Central Asia. The author believes that the main reason is the bank's adaptation to the existing economic relations in the Turkestan and Steppe Governorates. The topic of the work is the analysis of the financial, economic, credit and deposit activities of a banking institution in the context of economic growth, natural disasters and the transformations caused by the First World War. The purpose of the study is to identify the operating features of the Verny branch, determine its role in the development of the regional economy, and analyze the dynamics of active and passive transactions, the structure of the client base and financial results in 1911-1916. Since these aspects are not fully reflected in the title of the work, their disclosure seems methodologically necessary. The methodological basis of the study consists of historical and economic analysis, systematization of archival statistical data, and a comparative analysis of the bank's annual financial indicators. The use of quantitative analysis of bank statements made it possible to identify trends in changes in turnover, deposits, loans and profits in the context of wartime and inflation. In interpreting the materials, the author relies on Eisenstadt's theory of "multiple modernizations". The study established that the Verny branch played a key role in servicing the region's commercial and industrial operations, financing merchants, resellers, agricultural exporters, and livestock breeders. This study concludes that the Verny branch made a significant contribution to the development of commodity-money relations and the financial infrastructure of the Semirechye region. These findings allow us to consider the branch's activities as an important factor in the economic modernization of the region, up until the nationalization of the banking system in 1918.

Keywords: Verny; Semirechye; bank; credit; deposit; economy; war; inflation; merchants; modernization

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Орыс-Азия коммерциялық банкінің Верный бөлімшесінің негізгі операцияларының тарихы

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Аңдатпа. Бұл зерттеудің тақырыбы – XX ғасырдың басындағы Жетісу аймағының әлеуметтік-экономикалық кеңістігіндегі Орыс-Азия коммерциялық банкінің Верный бөлімшесінің қызметі. Кеңес тарихнамасында банктер батыс және ресейлік "отаршылдардың" құралдары ретінде түсінілді. Автор, кеңестік және посткеңестік зерттеушілерден айырмашылығы, банктер Орта Азия мен Қазақстан экономикасында "монополист" болған жоқ деп санайды. Автор негізгі себеп банктің Түркістан және Дала губернаторлықтарындағы қалыптасқан экономикалық қатынастарға бейімделуі деп санайды. Жұмыстың тақырыбы – экономикалық өсу, табиғи апаттар және Бірінші дүниежүзілік соғыстан туындаған өзгерістер жағдайында банк мекемесінің қаржылық, экономикалық, несиелік және депозиттік қызметін талдау. Зерттеудің мақсаты – Ресей-Азия банкінің Верный филиалының жұмыс ерекшеліктерін анықтау, оның аймақтық экономиканың дамуындағы рөлін анықтау және 1911-1916 жылдардағы белсенді және пассивті операциялардың динамикасын, клиенттік базаның құрылымын және қаржылық нәтижелерін талдау. Бұл аспектілер жұмыстың тақырыбында толық көрсетілмегендіктен, оларды ашу әдіснамалық тұрғыдан қажет болып көрінеді. Зерттеудің әдіснамалық негізі тарихи және экономикалық талдаудан, мұрағаттық статистикалық деректерді жүйелеуден және банктің жылдық қаржылық көрсеткіштерін салыстырмалы талдаудан тұрады. Банк есепшоттарының сандық талдауын пайдалану соғыс және инфляция жағдайында айналымның, депозиттердің, несиелердің және пайданың өзгеру үрдістерін анықтауға мүмкіндік берді. Материалдарды түсіндіруде автор Эйзенштадттың "көптеген жаңғырту" теориясына сүйенеді. Зерттеу Верное филиалының аймақтың коммерциялық және өнеркәсіптік операцияларына қызмет көрсетуде, саудагерлерді, сатушыларды, ауыл шаруашылығы экспорттаушыларын және мал өсірушілерді анықтады. Қолма-қол ақша айналымы мен депозиттердің, әсіресе ағымдағы шоттардың тұрақты өсуі анықталды, бұл инфляциямен және соғыс кезіндегі сауда операцияларының өсуімен байланысты болды. Сонымен қатар, вексельдік несие берудің күрт төмендеуі және несиелік операциялар құрылымының өзгеруі тіркелді. Қаржылық нәтижелерді талдау филиалдың жалпы алғанда пайдалы болып қалғанын көрсетті, 1914 жылы операциялар тиімсіз болған жылды қоспағанда. Жеке клиенттердің белгіленген несиелік қабілеттіліктен асып кету жағдайлары және жылжымайтын мүлік кепілдігін белсенді пайдалану жағдайлары да анықталды. Бұл зерттеу Орыс-Азия банкінің Верный филиалы Жетісу аймағының тауар-ақша қатынастары мен қаржы инфрақұрылымының дамуына айтарлықтай үлес қосқаны туралы қорытынды жасайды. Бұл тұжырымдар филиалдың қызметін 1918 жылы банк жүйесін ұлттандыруға дейін аймақтың экономикалық жаңғыртылуының маңызды факторы ретінде қарастыруға мүмкіндік береді.

Түйін сөздер: Верный; Адал; Жетісу; банк; несие; депозит; экономика; соғыс; инфляция; саудагерлер; жаңғырту

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История основных операций Верненского филиала Русско-Азиатского коммерческого банка

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Аннотация. Предметом данного исследования является деятельность Верненского филиала Русско-Азиатского коммерческого банка в социально-экономическом пространстве Семиреченской области в начале XX века. В советской историографии банки понимались как орудие "колониализма" как западного, так и российского. Автор, в отличие от советских и постсоветских исследователей считает, что банки не стали "монополистами" в экономике Средней Азии и Казахстана. Основная причина, по мнению автора, – это приспособление банком к реально существующим экономическим отношениям в Туркестанском и Степном генерал-губернаторстве. Темой работы выступает анализ финансово-хозяйственной, кредитной и депозитной деятельности банковского учреждения в условиях экономического подъёма, природных катастроф и трансформаций, вызванных Первой мировой войной. Цель исследования заключается в выявлении особенностей функционирования Верненского филиала Русско-Азиатского банка, определении его роли в развитии региональной экономики, а также в анализе динамики активных и пассивных операций, структуры клиентской базы и финансовых результатов в 1911-1916 гг. Поскольку указанные аспекты не полностью отражены в заголовке работы, их раскрытие представляется методологически необходимым. Методологическую основу исследования составляют историко-экономический анализ, систематизация архивных статистических данных, а также сравнительный анализ годовых финансовых показателей банка. Использование количественного анализа банковской отчетности позволило выявить тенденции изменения оборотов, вкладов, кредитов и прибыли в условиях военного времени и инфляции. В трактовке материалов автор опирается на теорию "множественные модернизации" Эйзенштадта. В ходе исследования установлено, что Верненский филиал играл ключевую роль в обслуживании торгово-промышленных операций региона, финансируя купцов, перекупщиков, экспортеров сельскохозяйственного сырья и скотоводов. Выявлен устойчивый рост кассовых оборотов и вкладов, особенно текущих счетов, что было связано с инфляционными процессами и увеличением торговых операций в годы войны. Одновременно зафиксировано резкое сокращение вексельного кредитования и изменение структуры ссудных операций. Анализ финансовых результатов показал, что филиал в целом сохранял прибыльность, за исключением 1914 года, когда деятельность стала убыточной. Также выявлены случаи превышения установ-ленной кредитоспособности отдельными клиентами и активное использование залогов недвижимого имущества. В результате сделан вывод о значительном вкладе Верненского филиала Русско-Азиатского банка в развитие товарно-денежных отношений и финансовой инфраструктуры Семиреченской области. Полученные результаты позволяют рассматривать деятельность филиала как важный фактор экономической модернизации региона вплоть до национализации банковской системы в 1918 году.
Ключевые слова: Верный; Семиречье; банк; кредит; депозит; экономика; война; инфляция; купцы; модернизация

Introduction

At the beginning of the twentieth century, the processes of economic modernization in the peripheral regions of the Russian Empire were accompanied by the active development of banking infrastructure, which ensured the functioning of trade, monetary circulation, and credit relations. The Semirechye region, which occupied an important place within the system of agrarianrawmaterial provinces, was characterized by the intensification of commodity flows, the growth of both domestic and foreign trade, and the increasing role of financial institutions in economic life. Under these conditions, the activities of commercial banks acquired particular significance as a factor integrating the regional economy into the allimperial economic space.

The Vernyi branch of the Russo-Asian Commercial Bank was one of the key financial institutions of the region, accumulating capital and directing it into trade, livestock production, and intermediary operations. Its functioning unfolded amid high economic dynamism, further complicated by natural disasters and the structural shifts triggered by the First World War. An analysis of the branch's operations makes it possible to identify the specific features of regional banking practices, the mechanisms through which credit and financial institutions adapted to crisis conditions, and the particularities of their interaction with local economic actors.

The relevance of this study stems from the insufficient scholarly attention devoted to the activities of regional branches of major commercial banks and their role in shaping commoditymonetary relations in the imperial periphery. In the historiography of banking, primary attention has traditionally been paid to central financial institutions, while the regional level remains only fragmentarily explored. This work seeks to address this gap.

The aim of the study is to provide a comprehensive analysis of the activities of the Vernyi branch of the Russo-Asian Commercial Bank in 1911–1916, with a focus on the dynamics of its active and passive operations, financial performance, and the structure of its client base. The scholarly novelty of the research lies in the systematization and examination of the branch's quantitative indicators, which make it possible to trace the transformation of banking activity under wartime conditions and inflationary pressures. The findings broaden our understanding of the role of regional banks in the economic development of the Semirechye region and contribute to the historiography of financial institutions in Central Asia.

Materials and Methods

The corpus of documents from Fond 630 of the Russian State Historical Archive (RGIA) makes it possible to reconstruct the main directions of activity of the Vernyi branch of the Russo-Asian Bank in 1911-1918 and to assess its role within the regional financial and economic system on the eve of and during the First World War. The materials include administrative correspondence, regular branch reports, and documentation related to realestate transactions, which collectively provide a comprehensive picture of the mechanisms through which a banking institution operated on the imperial periphery.

The correspondence between the Branch Administration and the Vernyi branch for 1911 reflects a high degree of centralization in bank governance. The key themes of communication include oversight of the branch's principal operations, analysis of local market conditions, issues related to opening credit lines for clients, and adherence to reporting discipline. This indicates that the Vernyi branch did not function as an autonomous financial actor but operated within a strictly regulated vertical structure in which strategic decisions were approved by the central administration. At the same time, the correspondence demonstrates the importance of regional specificity: assessments of the local market occupied a prominent place in discussions, pointing to the need to adapt general banking policies to the economic conditions of Semirechye.

The reports of the Vernyi branch for 1911-1916 constitute a systematized source on the dynamics of banking operations. Judging by the volume and structure of the reporting materials, particular attention was devoted to credit operations, the state of assets and liabilities, and the branch's liquidity. The regularity and detail of the reports suggest the stable integration of the Vernyi branch into the allimperial financial system. At the same time, the chronological scope of the documents covers a period of mounting economic difficulties associated with the war, which was likely reflected in changes in the structure of lending and heightened attention to risk.

Of particular interest is the correspondence between the Real Estate Department and the Vernyi branch for 1912-1918 concerning loans secured by realestate collateral. These documents show that mortgage lending occupied a significant place in the branch's activities. Detailed information on the properties used as collateral indicates a formalized approach to valuation and an effort to minimize credit risks. The long chronological span of the correspondence (including the years of war and revolutionary upheaval) may indicate both the continued demand for such loans and the difficulties of debt collection under conditions of instability.

The sources also have certain limitations, primarily their formalized character. Reports and correspondence were generally oriented toward compliance with established bureaucratic conventions, which could lead to the smoothing over of problematic aspects, the understatement of risks, or cautious formulation of conclusions. Selectivity of information is also likely: the documents primarily recorded issues significant for administrative oversight, whereas secondary or conflictladen situations may have remained outside official correspondence.

Taken together, the documents portray the Vernyi branch as an important element of the region's economic infrastructure, serving both commercialtrade operations and longterm mortgage lending. They demonstrate the combination of allimperial administrative practices with attention to local conditions and allow us to trace how banking activity responded to shifts in the economic conjuncture. This body of sources possesses high informational value for studying the history of regional finance, credit practices, and the economic modernization of the periphery of the Russian Empire in the early twentieth century.

The study draws on Shmuel Eisenstadt's theory of "multiple modernities." Eisenstadt argues that modernity does not follow a single universal path. Instead of one "Western" model, there exist multiple forms of modernization that emerge in different societies depending on their historical experience, cultural and religious traditions, civilizational frameworks, and political and institutional conditions (Eisenstadt 2000).

In my interpretation, colonial modernization was strongly dependent on financial institutions and the distribution of local monetary flows. The "modernization" of the Central Asian economy, as understood by banks, consisted in financing exportoriented crops and mediating economic exchange between the metropole and the periphery. At first glance, the colonial periphery appeared to be an attractive sphere for investment and the extraction of superprofits, but the speculative character of the Turkestan economy hindered the "normal" development of banking institutions. As a result, the economic "modernization" of Central Asia was prolonged and assumed distinctive forms shaped by local realities, which fully corresponds to Eisenstadt's concept of "multiple modernities."

Literature Review

The history of banking and financial institutions in Central Asia has been examined only fragmentarily and largely through the lens of the concept of "monopolistic capitalism." Scholars have partially studied the activities of the State Bank, the Russo-Asian Bank, and the VolgaKama Bank in the Turkestan Governor-Generalship (Aminov 1959; Vekselman 1987; Gindin 1997;

Kastelskaya 1980; Kitanina 1969; Lavrent'ev 1930; Makhkamova 2009; Potapova 2011; Sadykov 1965; Yuldashev 1970; Khotamov 1990; Fridman 1974).

The researcher of Kazakhstan's banking system (1900-1914) Ts.L. Fridman noted that "the development of credit and credit institutions in the multistructured economy of prerevolutionary Kazakhstan was internally contradictory. The dialectic of this contradiction lay in the fact that, on the one hand, the convergence of banking capital with commercialusurious capital preserved precapitalist forms, while on the other, it contributed to their disintegration and the spread of capitalist forms of exploitation" (Fridman 1974: 173).

One of the major scholars of the Khivan economy – whose structure was in many respects similar to that of the Kazakh steppe – A.S. Sadykov argued that "the activity of financial capital did not fundamentally change the nature of commoditymonetary and credit relations" (Sadykov 1965: 153). Archival data confirm that the banking system created no hierarchical structure in the Khivan Khanate, the Turkestan Governor-Generalship, or the Steppe Region.

I disagree with the view of N.B. Khotamov, who argued that "Russian financial capital in its colony – Central Asia – did not concern itself with the condition of local banks, which emerged independently of Russian ones and therefore remained weak and exerted little influence on the economic life of the region" (Khotamov 1990: 4). Banks were concentrated in the urban centers of Turkestan and Semirechye and rarely extended credit to rural clients. Based on the materials of the Vernyi branch of the Russo-Asian Bank, I aim to demonstrate that the bank primarily financed merchants and traders of Vernyi and its surrounding towns.

The study draws on Eisenstadt's theory of "multiple modernities." In my interpretation, colonial modernization was strongly dependent on financial institutions and the distribution of monetary flows.

Research on the banking system of the late Russian Empire has developed predominantly within the framework of the classical economichistorical school, which focuses on the institutional evolution of financial markets and the role of commercial banks in modernization processes. In the works of B. Mironov (Mironov 2019) and S. Salomatina (Salomatina 2015), commercial banks are viewed as key intermediaries between the state, industrial capital, and commercial structures, with emphasis placed on nationwide trends and universal banks operating at the metropolitan level.

Significant contributions to the economic history of Turkestan and Semirechye have been made by representatives of the regionalcolonial school, who interpret financial institutions as instruments of economic integration and colonial governance. In the works of A. Chokobaeva (Chokobaeva 2016) and J. Keating (Keating 2022) discuss the role of trade, rawmaterial exports, and infrastructure in transforming the regional economy. However, the banking system is mentioned only fragmentarily, primarily in the context of general economic growth or colonial policy.

Specialized studies devoted to the activities of the Russo-Asian Bank in Turkestan have appeared only recently. For example, B. Alimdzhanov (Alimdzhanov 2019) analyzes the functioning of the bank's branches in the late nineteenth and early twentieth centuries, noting their importance for regional trade and credit operations. Nevertheless, these works focus mainly on the institutional role of the bank as a whole, while quantitative analysis of the financial performance of individual branches remains limited.

Thus, the analysis of existing scholarship reveals a persistent research gap between nationwide models of banking development and the actual practices of regional branches. Insufficient attention has been paid to issues of client policy, the dynamics of deposits and loans, and the financial performance of banks at the local level. The present study addresses this gap by offering an empirically grounded analysis of the activities of the Vernyi branch of the Russo-Asian Commercial Bank in 1911-1916, thereby expanding our understanding of the regional specificities of banking in the late imperial economy.

Results and Discussion

The city of Vernyi served as the administrative center of the Semirechye oblast within the Turkestan Governor-Generalship. In the early twentieth century, Vernyi experienced rapid economic growth, and by 1913 its population had reached 40,000. The city hosted 59 industrial enterprises. Trade was gradually shifting into the hands of large capital: of the 14 million rubles in total commercial turnover, 6 million were associated with banking operations. By 1913, banks controlled more than 85% of the city's trade and industrial turnover. Branches of the State Bank, the Russo-Asian Bank, and the Siberian Bank operated in Vernyi, alongside the Municipal Public Bank, the Municipal Mutual Credit Society, and a Small Credit Institution. Transport agencies, insurance companies, and branches of various Moscow, Siberian, and other firms were also active. Vernyi functioned as the central hub for agricultural products from across the Semirechye oblast, where transactions involving grain, livestock, and various pastoral products were conducted.

In 1911, a major tragedy struck: a powerful earthquake destroyed much of Vernyi and severely disrupted trade and industrial development. A bank employee wrote on 4 January 1911: "Many shops remain closed, deliveries to the bazaar have fallen to a minimum, and despite the holidays, trade in the shops was below the usual level. Losses suffered by merchants and the population due to the earthquake are very large, but the administration has not yet completed the collection of information."[1] Three weeks after the earthquake (25 January), a Russo-Asian Bank official reported that "prices for livestock have risen significantly due to the absence of herds being driven in. Prices for timber have increased by 80%, as some of the timbertransport roads in the mountains are completely blocked by landslides"[2]. Despite these economic and natural hardships, Vernyi soon recovered and retained its status as the economic and cultural center of the Semirechye oblast.

The Vernyi branch of the Russo-Asian Bank was opened in 1904. The bank primarily financed livestock breeders, merchants, and traders. Its turnover increased each year, as demonstrated in the table below:

Table No.1. Total turnover of the branch[3]

Year	Turnover	Opening Balance	Closing Balance
1911	38.076.662 rub. 60 kop.	1.082.537 rub.54 kop.	1.220.443 rub. 36 kop.
1912	47.587.204 rub. 68 kop.	1.220.443 rub.36 kop.	1.530.580 rub. 28 kop.
1913	53.357.701 rub. 74 kop.	1.530.580 rub. 28 kop.	1.330.769 rub. 02 kop.
1914	55.164.161rub. 24 kop.	1.330.769 rub. 02 kop.	866.688 rub. 82 kop.
1915	59.377.426 rub.60 kop.	866.688 rub. 82 kop.	1.095.481 rub. 37 kop.
1916	85.325.236 rub.28 kop.	1.095.481 rub.37 kop.	2.107.877 rub. 96 kop.

The total cash turnover fluctuated between 7.2 million and 8.3 million rubles in 1911-1914, reached 9.5 million rubles in 1915, and rose to 13.3 million rubles[4] in 1916. The growth of the bank's cash operations can be explained by speculative activity on the market during the First World War and by the onset of inflation.

The Vernyi branch issued loans and credits secured by bills of exchange, by pledges of goods and commodity documents, as well as oncall (demand) loans.

Table No. 2. Loans and credits[5]

Year	Loans Issued Against Bills of Exchange	Interest Receivedo %%	Loans Secured by Goods and Commodity Documents	Loans Secured by Securities	On-Call (Demand) Loans Issued	Interest Received %%
1913	990.696 rub. 63 kop.	35.784 rub.65 kop.	No archival evidence	No archival evidence	No archival evidence	No archival evidence
1914	1.070.432 rub.77 kop.	32.587 rub.15 kop.	19.926 rub. 38 kop.	15.992 rub.	Нет сведений	Нет сведений
1915	No archival evidence	No archival evidence	–	34.200 rub.	491.726 rub.58 kop.	15.407 rub. 24 kop.
1916	417.077 rub. 69 kop.	No archival evidence	10.400 rub.	5.200 rub.	No archival evidence	No archival evidence

It should be noted that in 1915, the bank did not issue loans or credits secured by goods or commodity documents[6]. As shown in Table 2, with the onset of the First World War, bill-secured loans declined sharply-by half-from 1 million to 417 thousand rubles, while on-call loans increased slightly. It is important to emphasize that the First World War had a negative impact on the local market: unlike the Ferghana and Zeravshan valleys, Semirechye did not experience a cotton or fruit boom.

The core of the bank's passive operations consisted of deposits, which were divided into three categories: current accounts, demand deposits, and term deposits. Below, we examine the annual balance of deposits.

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Table No.3. Deposit transactions[7]

Year	Current Deposits Received	Current Deposits Withdrawn	Demand Deposits Received	Demand Deposits Withdrawn	Term Deposits Received	Term Deposits Withdrawn
1911	2.466.423 rub. 66 kop.	2.575.584 rub. 50 kop.	35.800 rub.	19.800 rub.	74.744 rub.	71.296 rub. 09 kop.
1912	3.074.630 rub. 83 kop.	3.114.609 rub. 19 kop.	6 thous.rub.	22 thous. rub.	78.009 rub.	51.984 rub.

1913	3.048.866 rub. 92 kop.	3.036.764 rub. 03 kop.	–	5 thous.rub.	52.385 rub.	71.985 rub.
1914	3.175.140 rub. 03 kop.	3.027.493 rub. 77 kop.	–	–	21.752 rub.	45.425 rub.
1915	5.343.750 rub. 39 kop.	4.928.285 rub. 55 kop.	–	–	31.225 rub.	28.136 rub.
1916	9.917.861 rub. 20 kop.	9.023.400 rub. 49 kop.	–	–	22.575 rub.	32.900 rub.

As shown in Table 3, beginning in 1915 current deposits increased sharply. When comparing the figures for current deposits in 1914 and 1916, a threefold rise – from 3 million rubles to 10 million – becomes immediately apparent. This growth can be explained by inflationary processes in the market and by increased revenues from the export of grain and meat.

In Table 4 below, we observe the remaining balances on deposits and how they increased over the years 1915 and 1916:

Table No. 4. Annual deposit balances (as of December 31)[8]

Year	Current Deposits	Demand Deposits	Term Deposits
1912	305.869 rub. 65 kop.	8 thous.rub.	72.909 rub.
1913	317.972. rub.	8 thous.rub.	53.309 rub.
1914	465.618 rub. 80 kop.	3 thous.rub.	29.636 rub.
1915	881.083 rub. 64 kop.	3 thous.rub.	32.725 rub.
1916	1.775.544 rub. 35 kop.	–	32.900 rub.

When comparing 1914 with 1916, we observe a 5.5fold increase in the balances held in current accounts, which would have enabled the Vernyi branch to continue its operations without relying on external capital.

In 1911, the Vernyi branch paid no more than 4.75-5% annual interest on term deposits. In January 1911, a bank client, a certain Vaksman, demanded that the Vernyi branch of the Russo-Asian Bank pay him not 4.75% per annum but 5%, as the Siberian Bank had paid him in violation of the agreement between the banks. In order to retain the client, the bank agreed to pay him 5% per annum. Regarding this incident, the branch director wrote to the Head Office in St. Petersburg: "In accordance with Clause 8 of the Protocol of the Banks' Conference, we inform you of the failure of the local branch of the Siberian Bank to comply with the agreement concluded between the banks and request that this branch be compelled to observe the agreement precisely."[9]

In 1912 and 1913, the bank paid the following interest rates on deposits:

Table No.5. Interest paid on deposits[10]

Year	Current Deposits	Demand Deposits	Term Deposits
1912	10.907 rub. 07 kop.	904 rub.	3.913 rub. 30 kop.
1913	11.498 rub. 83 kop.	–	No archival records

Transfer operations and correspondent accounts also developed actively within the bank. For example, in 1912 the bank conducted correspondent-account transactions amounting to 316,326 rubles 40 kopecks.[11]

The main component of the bank's expenditures consisted of current operating costs: salaries of employees, rent for the bank premises, and housing allowances for the bank's staff. In 1911, the current expenses of the Vernyi branch amounted to 28,407 rubles 72 kopecks: salaries accounted for 18,483 rubles 79 kopecks; rent for the bank premises and housing allowances for personnel totaled 1,228 rubles 44 kopecks; and the remaining amount covered various minor expenses (telegraph, postal services, heating, and lighting).[12]. The highest salary in the bank was received by the branch director. For example, in 1916, the head of the Vernyi branch, A. I. Chernykh (who served as branch director from 1911 to 1917), received a salary of 4,200 rubles and a bonus of 700 rubles.[13]. As the data on current expenses show, 65% of all expenditures consisted of salaries paid to the bank's personnel. Below, we examine the bank's annual expenditures and profits.

Table No. 6. Annual expenses and profits of the Vernoye branch[14]

Year	Expenditures	Interest Income %%	Net Profit	Net Loss
1911	28.407 rub. 72 kop.	54.424 rub. 17 kop.	23.860 rub. 46 kop.	–
1912	29.974 rub. 45 kop.	59.090 rub.	27.437 rub. 67 kop.	–
1913	29.920 rub. 77 kop.	47.719 rub. 99 kop.	20.109 rub. 57 kop.	–
1914	29.078 rub. 39 kop.	32.711 rub. 87 kop.	–	28.442 rub. 41 kop.
1915	29.831 rub. 63 kop.	33.912 rub. 54 kop.	14.622 rub. 17 kop.	–
1916	34.269 rub. 69 kop.	31.498 rub. 05 kop.	4.952 rub. 31 kop.	–

As shown in Table 6, only the year 1914 was unprofitable for the branch; in all other years, the bank generated stable income, which did not grow substantially due to the slow "modernization" of the region.

The clients of the Vernyi branch of the Russo-Asian Bank included major merchants, traders, small shopkeepers, and intermediaries. One of the bank's largest clients was the merchant Shakhvorostov, who, despite being a member of the bank's Discount Committee, used his position to obtain substantial funds from the branch for his own purposes. For example, in 1911, Shakhvorostov was granted a credit line of 125 thousand rubles, even though he was also a client of the Siberian Commercial Bank, where he held a credit line of 100 thousand rubles.[15]. Several midsized merchants regularly obtained credit from the bank in amounts exceeding their creditworthiness. For example, as of 13 June, the billdiscount debt of Tadzhibai Kaldybaev amounted to 9,800 rubles, exceeding the credit limit authorized for him by the Bank's Board by 40% (i.e., 7 thousand rubles).[16]. The debt of Tyumenev Khamdy Abdulovich on his oncall account secured by bills amounted to 31,850 rubles 72 kopecks as of 13 June 1911, exceeding the credit limit authorized for him by the Bank's Board – 25 thousand rubles – by 25%.[17]. On 11 July 1911, the Board of the Russo-Asian Bank authorized the Vernyi branch to increase the credit limits of the following clients: for Muhammad Ali Umarbaev, from 1,000 rubles to 2,000 rubles; for the Trading House Suleimanov, Tazetdinov, and Ibragimov, from 30 thousand rubles to 50 thousand rubles in the form of billdiscount credit. The Board also approved the opening of a new credit line for the Trading House N. A. Kadki & Co. in the amount of 5 thousand rubles.[18] The Board rejected the requests of two clients of the bank to increase their credit limits.[19].

Loans were also issued against real estate. For example, as of 24 April 1912, the on-call debt of the client I. Kh. Shnitnikova amounted to 5,121 rubles 01 kopeck, although her property was valued at 5 thousand rubles and consisted of four urban homestead plots with a fruit orchard[20]. As of 5 April 1913, the bill-discount debt of M. G. Mir Kasym Khodzhiev amounted to 1,575 rubles, although his property was valued at 1,500 rubles[21]. By the spring of 1914, the list of debtors who had pledged their real estate had expanded: Shnitnikova – 3,470 rubles 47 kopecks; Mir Kasym Khodzhiev – 1,599 rubles 35 kopecks; Ismailbaeva – 2,566 rubles 20 kopecks; Karakhodzhaev – 4,067 rubles 60 kopecks; and Kh. Khamdambaev – 3,490 rubles[22]. As of 1 January 1918, the bank still had two major debtors: the milling partnership "G. Uzbekov & Co." and Khalmirza Sadykbaev. The mill was located in Tokmak. The mortgage amounted to 50 thousand rubles, and the outstanding debt was 11,900 rubles[23].

Applying Shmuel N. Eisenstadt's theory of multiple modernities to the analysis of the Vernyi branch allows us to view it not merely as a peripheral element of the imperial financial system, but as an institution through which a specific, regionally conditioned form of modernity was articulated. The Vernyi branch of the Russo-Asian Commercial Bank primarily financed clients from the city of Vernyi, providing credit and loans to merchants, intermediaries, and exporters of raw materials. It should be noted that the bank's activities contributed to the development of commodity-monetary relations in the Semirechye region.

The study of the activities of the Vernyi branch of the Russo-Asian Commercial Bank in 1911–1916 makes it possible to draw several general conclusions about the functioning of regional banking institutions in the late-imperial economy. The analysis shows that the branch occupied a stable position within the financial system of Vernyi and the Semirechye region, playing a key role in supporting commodity-monetary relations and servicing the region's trade and intermediary operations. The branch's active operations were oriented primarily toward lending to merchants, intermediaries, and exporters of agricultural raw materials, which corresponded to the agrarian-commercial specialization of the region.

During the First World War, the structure of credit operations underwent a transformation: bill-discount lending declined, while on-call loans increased, reflecting rising financial risks and the instability of the regional market. The analysis of passive operations revealed a significant increase in current deposits in 1915-1916, driven by inflationary processes and the expansion of monetary turnover in trade. The growth of balances on current accounts indicates an increase in the financial autonomy of the branch and a reduction in its dependence on external sources of capital.

Despite the impact of natural disasters and wartime conditions, the branch generally remained profitable, with the exception of 1914, which demonstrates the relative resilience of its financial model. The study of the client base revealed the presence of both large commercial-industrial clients and representatives of medium and small-scale trade, while also identifying cases of exceeding established credit limits and the active use of real estate as collateral. This points to the flexibility of the branch's credit policy, while simultaneously highlighting the potential risks characteristic of regional banking practices.

Overall, the activities of the Vernyi branch of the Russo-Asian Commercial Bank contributed to the integration of the Semirechye region into the all-imperial economic space and to the development of the regional financial market. The findings underscore the importance of analyzing regional bank branches for a more comprehensive understanding of the mechanisms underlying the functioning of the banking system of the Russian Empire and complement existing research on the economic history of Central Asia.

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Notes

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