

THE OTTOMAN BANK AND THE EVOLUTION OF DOUBLE-ENTRY BOOKKEEPING IN 19TH CENTURY TURKEY

Mikail Erol ¹

Sudi Apak ²

ABSTRACT

The aim of this paper is to examine the first application process of the double-entry bookkeeping method in the second half of the 19th century in Turkey and to demonstrate how the said application won recognition and became widespread. This paper also aims to determine how the double-entry bookkeeping method was adopted by the state and replaced the stairs method, which had been applied until then in state accounting. The study was conducted by examining the accounting records and financial statements of the Ottoman Bank in the 19th century, and the documents in the archive in Istanbul where the accounting records and the financial statements are stored, were used as well as research on the Ottoman Bank. The research covers the time period beginning with the establishment of the Bank and extending until the early 19th century during when the double-entry bookkeeping method began to become widespread in Turkey. The findings attest to the fact that the Ottoman Bank pioneered in the modernization of banking and contributed to the adoption of the double-entry bookkeeping method in Turkey in the said time period.

Keywords: Transition to the double-entry bookkeeping method in the Ottoman Empire, the Ottoman Bank, 19th century.

Jel Classification: G21, M49, N20.

¹ Prof.Dr., İstanbul Esenyurt Üniversitesi, U.B.Y.O., mikailerol@esenyurt.edu.tr, ORCID: 0000-0002-2330-3958

² Prof.Dr., İstanbul Esenyurt Üniversitesi, Mühendislik ve Mimarlık Fakültesi, sudiapak@esenyurt.edu.tr, ORCID: 0000-0003-4333-8266.

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OSMANLI BANKASI VE 19. YÜZYIL TÜRKİYE'SİNDE ÇİFT YANLI DEFTER TUTMANIN GELİŞİMİ

ÖZ

Bu makalenin amacı, çift yanlı kayıt yönteminin Türkiye'de 19. yüzyılın ikinci yarısında ilk uygulanma sürecini incelemek ve söz konusu uygulamanın nasıl tanınıp yaygınlaştığını ortaya koymaktır. Bu makale aynı zamanda çift yanlı kayıt yönteminin devlet tarafından nasıl benimsendiğini ve devlet muhasebesinde o zamana kadar uygulanan merdiven yönteminin yerini nasıl aldığını ortaya koymayı amaçlamaktadır. Çalışma Osmanlı Bankası'nın 19. yüzyıla ait muhasebe kayıtları ve mali tabloları incelenerek yapılmış olup, Osmanlı Bankası ile ilgili araştırmaların yanı sıra muhasebe kayıtlarının ve mali tabloların saklandığı İstanbul arşivindeki belgelerden de yararlanılmıştır. Araştırma, Banka'nın kuruluşundan başlayarak, Türkiye'de çift yanlı kayıt yönteminin yaygınlaşmaya başladığı 19. yüzyılın başlarına kadar uzanan zaman dilimini kapsıyor. Bulgular, söz konusu dönemde Osmanlı Bankası'nın bankacılığın modernleşmesine öncülük ettiğini ve Türkiye'de çift yanlı kayıt yönteminin benimsenmesine katkıda bulunduğunu ortaya koyuyor.

Anahtar Sözcükler: Osmanlı'da çift yanlı kayıt yöntemine geçiş, Osmanlı Bankası, 19. Yüzyıl.

JEL Sınıflandırması: G21, M49, N20.

1. INTRODUCTION

The double-entry bookkeeping method was introduced into the Ottoman Empire with the Turkish Commercial Code which came into effect in 1850 (Güvemli, Aslan, 2018). Until then, the Ottomans had known the accounting method called the stairs method and applied it in state accounting. The small scaled private sector organizations, on the other hand, used to meet their own requirements by means of simple records, apart from primitive experimentations of the double-entry bookkeeping method (Güvemli, 2000:75-82; Özbirecikli, 2011). The Turkish Commercial Code drafted by means of the translating Book 1 and Book 3 of the French Commercial Code of 1807 was put into effect in such an environment. The said code required the use of the day book and the inventory book which were to be kept according to the double-entry bookkeeping method.

It is observed that the application of the said commercial code remained limited. This situation was the result of two reasons, one being commercial laws, and the other being the accounting culture. The reason concerning the commercial law was related to the fact that Sharia law governed commercial law in the Empire. In other words, contemporary commercial law was put into effect without changing the civil law. The second reason concerning the accounting culture was different from the first one in nature. The accounting culture of the Ottomans was not ready for the books to be kept according to the double-entry bookkeeping method required in the new code. For, the Ottoman accountants did not have any information about the double-entry method. Until that date, no book on the double-entry method had been translated and the method had not been taught in the schools.

In this situation, important tasks fell upon the foreign companies that were to be established by taking advantage of the new commercial code. The circumstances required the

foreign organizations that would enter the Ottoman Empire to be from the banking sector. The Ottoman Bank was a pioneering organization established in the said conjuncture and which contributed to the quick transformation of the understanding of accounting.

When modernization movements started following the proclamation of the Tanzimat in 1839, one of the first requirements was to support banking activities in order to realize economic development (Kazgan, 1997: 25). However, it is observed that the first banks started to be established towards the 1850s. The first bank established in the said period was the Istanbul Bank (Banque de Constantinople). The life of this bank, the purpose of which was to finance export, was of short duration and it was closed towards the mid-1850s, five years after its establishment. The second bank established after the closing of the Istanbul Bank was the Ottoman Bank. The Ottoman Bank was successful and paved the way for the establishment of new banks. However, the lives of *Banque de Turquie* and *Union Financiere*, which were established with the inspiration of the Ottoman Bank, were of short duration. In other words, the Ottoman Bank was the only bank that survived, grew and thus continued to be a pioneering and guiding institution.

The Ottoman Bank played a guiding role in the field of banking and pioneered in the accounting practices based on the double-entry bookkeeping method throughout the second half of the 19th century. The most important evidence of the said role is that the applications of the Ottoman Bank were cited in the Ottoman decree regulating the transition to the double-entry bookkeeping method. In the Report dated January 9, 1880 submitted to the Sultan for approval by the Financial Reform Commission which requested the application of the double-entry bookkeeping method in state accounts kept by the Ministry of Finance instead of the stairs method, there are references to the modern applications of the Ottoman Bank and the following statements are especially remarkable (BOA, DUIT37-2/7-214):

Even though there seems to be little difference between the Ottoman Bank and the Ministry of Finance... the need to modernize the applications of the Treasury is evident and it will be appropriate... to remedy certain deficiencies and, in the meantime, to keep the accounts according to the double-entry bookkeeping method.

There is also another reason that the Ottoman Bank was cited in the state's report regulating the transition to the double-entry bookkeeping method. For, in order to improve the monetary system of the Ottoman Empire and to facilitate borrowing activity, the name of the bank was changed to *Banque Impériale Ottomane* (Imperial Ottoman Bank) and thus emerged a credit institution that was in a close relation to the state. In such a situation, the success of an institution, which was in a close relation to the state, in applying the double-entry bookkeeping method, could be easily cited by the state officials.

In what follows, firstly the establishment process of the Ottoman Bank will be briefly explained and then the accounting books and the financial statements of the Bank will be presented and examined.

2. THE ESTABLISHMENT AND GROWTH OF THE OTTOMAN BANK

The Ottoman Bank was established in Istanbul in 1856 as a British bank and started operations on June 13, 1856 in its building on the Istanbul Banks Street, which is a museum today. It is obvious that if the establishment of the Bank had been further delayed, the transition to the double-entry bookkeeping method would also have been delayed. Therefore, there exists a connection between the establishment of the Bank and the modernization of the accounting system of the country. Thus it is necessary to briefly outline the establishment process of the Bank which is in a sense the process of the introduction of the double-entry bookkeeping method in Turkey. The factors leading to the establishment of the Bank can be listed as follows:

- After the Tanzimat Edict of 1839, the state's education, administrative and financial institutions underwent a rapid process of modernization (İhsanoğlu, 1998:195). It is known that the said process of modernization was felt in the Ministry of Finance most. The fact that the Ministry of Finance was implementing state accounting and had the responsibility of the execution of the financial services (including coining money) had accelerated ventures which would pave the way for the modernization of accounting. Among these was banking which would modernize accounting. For until then there was not a bank in Turkey in the modern sense.
- The Crimean War (1853-1856) was fought together with the British and French against the Russians. Firstly, this war resulted in the destruction of the financial balance of the Ottoman Empire and obliged the Empire to borrow (Velay, 1903; Al, 2007), and secondly the Ottomans began to establish close relations with the British and French. The second impact had facilitated both borrowing and the establishment of the Ottoman Bank.
- Ottoman borrowings continued for a long time and resulted in the establishment of the Administration of the Ottoman Public Debt (Duyun-ı Umumiye İdaresi), which was administered by the creditor countries. However, this organization, which was administered by the representatives of foreign countries, could not be as effective as the Ottoman Bank concerning the modernization of accounting applications and the development of accounting.

It is understood that the growth of the Ottoman Bank was also rapid in the beginning (Autheman, 2002: 24). This observation is also attested by the fact that the Bank opened branches in Izmir, Beirut and Moldavia during the same year.

The essential reason that the Ottoman Bank entered a successful process of growth was the financial developments that emerged in the Ottoman Empire in 1863. It is understood that during the period of Grand Vizier Fuad Pasha, when an emission bank was needed in the face of the financial difficulties caused by the state borrowings, this privilege was decided to be granted to the Ottoman Bank. It is known that the said decision was also affected by the fact that a considerable amount had been borrowed from Britain through the Ottoman Bank. The new form of the privilege of coining money and the joining of the French shareholders together with the British shareholders brought forward the establishment of a bank with capital to which the Ottomans would also contribute and thus the name of the Bank was changed to *Banque*

Impériale Ottomane (Imperial Ottoman Bank) (Eldem, 1999: 55-88; Ottoman Bank, 1988).

After the said change in 1863 the development process of the Bank can be briefly summarized as follows:

- When the Ottoman borrowing crisis resulted in the establishment of the Administration of the Ottoman Public Debt in 1881 which took over borrowing management, which was previously performed by the Ottoman Bank, the Ottoman Bank shifted its activities to the financing of trade and investments.
- It is understood that when the Ottoman Empire allied with Germany and started to fight against the British and French during the World War I, the Ottoman Bank was disqualified from coining money and the bank continued its activities in a limited scope. (www.obarsiv.com, 07.05.2023)
- After the establishment of the Republic of Turkey, the privilege of coining money was delegated to the Republic of Turkey in 1924. However it is understood that the Ottoman Bank continued to perform treasury transactions and preserved its status as a state bank until the establishment of the Central Bank of the Republic of Turkey in 1933. In this year the name of the Bank was also changed in line with national developments.
- The Ottoman Bank was structured as a private commercial bank with a convention signed in 1933 and this status of the bank was settled once and for all with another convention signed in 1952. The Bank continued its activities during the last sixty years of the 20th century (1933-2001) as a private commercial bank until the end of the year 2001 when it was incorporated into Garanti Bank and ceased its activities.
- It should be noted that throughout the second half of the 19th century and in the beginnings of the 20th century, the Ottoman Bank was the biggest bank in the Ottoman Empire in terms of the balance sheet size.³⁹ The Bank, with the said property, served as a model for modern accounting applications and other banks benefited from accountants who had been trained in the Bank. Moreover the Bank also significantly contributed to the development of Turkish banking and the training of Turkish bankers.

The explanations above show that the Ottoman Bank, which pioneered in the application of the double-entry bookkeeping method and thus opened a new period in Turkish accounting thought, was also a pioneer in Turkish banking and has a special place in the history of Turkish banking.

3. ACCOUNTING OF THE OTTOMAN BANK

³ In the early 19th century, the balance sheet asset amount of the Banque Imperiale Ottomane was 35.0 million liras, that of the Banque de Selonique was 3.5 million liras, that of the National Bank of Turkey was 1.1 million liras and that of the Banque Commerciale Ottomane was 0.3 million liras (Ferid, 2008:43).

When the Bank was established with British capital and with the name of "Ottoman Bank", the accounting books were kept in English. The books started to be kept in French when the name of the Bank was changed to La Banque Imperiale Ottomane in 1863 (Eldem, 1994). After the legal Regulation No 805 of 1926 (Official Gazette, 1926) which was put into effect after the establishment of the republic and required the enterprises to make their correspondences and keep their books in Turkish, the Bank started to keep its books in Turkish. On the other hand, as mentioned above, the Bank also kept the books (the day book and the inventory book) required by the Commercial Code of 1850.

The books kept after the year 1858 according to the documents in the Ottoman Bank archives are demonstrated below.

a. **Livre de Caisse**

Livre de Caisse was the book in which the daily entry and delivery of the cash of the head office of the Bank in Istanbul were kept. While the name of this book was "Cash Book" before 1863, it was called "Livre de Caisse", "Caisse", "Journal de Caisse" after this year. It is observed that as from the year 1875 "Grand Caisse" book was also started to be kept together with "Livre de Caisse". It is noteworthy that "Livre de

Caisse" was continuously kept and thus set an example for other banks as it was kept according to the principles of the double-entry bookkeeping method and was related to the daily book.

b. **Journal**

It is observed that this book was kept with the name of "Journal" since the beginning until it was started to be kept with the name of "Journal General" as from the year 1883. Interestingly, a separate system of daily bookkeeping was also in place in the agencies and branches. According to the information in hand, these books were kept with the name of "Journal des Agences" until 1884 and the name of the books was changed to "Journal des Succursales" after that year.

c. **Grand Livre**

It is understood that the book "Grand Livre" was kept separately in each branch.

d. **Auxiliary Books**

There were a great number of auxiliary books kept by the Ottoman Bank. Some of these are explained below.

- **Recette et Depenses:** It is observed that the incomes and expenses of the Bank were entered in a separate book in the form of an income statement in the period between 1887 and 1890.
- **Administration de la Dette Publique:** When the Ottoman Empire failed to pay its heavy foreign debts, it demanded the restructuring of its debts in 1881 and an institution was established with the name of the Administration of the Ottoman Public Debt in response to this demand. And the Bank kept auxiliary books in the period between 1882 and 1923 in order to perform its debt follow-up.

- **Caisse des Depots des Titres:** It is understood that these books, in which the accounts of valuable documents were kept, were started to be drafted towards the end of the 19th century and continued to be kept until the 1930s.
- **Billets de LT Serie - Bilet de 5 Medj d'Or Serie:** The first one of these series was started to be kept in 1883 and the second one was kept in the period between 1869 and 1890.

4. FINANCIAL STATEMENTS OF THE OTTOMAN BANK

4.1. Formal Properties of the Financial Statements

Of the financial statements sent by the Bank to the UK, the ones pertaining to the years 1863, 1875, 1885, 1895 and 1910 were presented in the appendices (Appendix 1, 2, 3, 4 and 5). In what follows, firstly, the formal properties of the said financial statements will be explained and then the information in these financial statements will be evaluated.

Financial statements consisted of liabilities and assets (balance sheet) and a profit and loss account. Contrary to the books kept and the financial statements drafted in France, liabilities were written on the left side and assets were written on the right side in the balance sheets prepared in Turkey. In the profit and loss account, profit is written on the left side and loss is written on the right side.

Liabilities and assets ranking in the balance sheet:

- In the balance sheet, the assets were ranked from liquid assets towards non-liquid assets. The logic of the ranking of liabilities was different. Capital was ranked first and short-term resources were followed by long-term resources.
- It is noteworthy that capital not called up was demonstrated among assets.

This style of demonstration was abandoned in 1885 and capital not called up was started to be demonstrated in the passive by being written off the total capital.

Structure of profit and loss account:

- While profit was on the left side in the 1860s, it was started to be written on the right side of the account as from the 1870s.
- While the profit in the balance sheet was being taken as the basis for the profit and loss account until the 1880s, the principle of declaring profits was abandoned in the 1880s and the principle of dividend distribution to shareholders was adopted. In this way, the concept of a profit and loss account became the concept of a reserve and dividend account.

4.2. Contents of the Financial Statements

A. Content of the balance sheets

a. Structure of the assets

- While capital not called up was demonstrated among assets, it was started to be demonstrated in the passive by being written off the capital after the 1880s. While the capital was 2,700.000 pounds in the beginning, it was raised to 10,000.000 pounds in the 1980s.
- When the volume of the business the Bank did with the state increased and when the accounts such as giving advances to the state (statutory advance to the government), buying government bills (participations in advance to the government) and lending to the state in the form of current account (current account with the government) exceeded 40% among the total assets in the 1880s, these accounts started to be shown as a separate set under the assets. This application became rare in the 1890s and unimportant in the 1990s. In other words, the Bank lost its function as the creditor of the state.
- It is noteworthy that in the 1890s ranking was done on the basis of liquidity in the balance sheets of the Bank. For instance in the 1895 yearend balance sheet it is observed that cash assets and assets convertible to cash were brought together so as to constitute the first set; that long-term assets (securities, sundries and bank premises) constituted the second set; and that the debts to be collected from the Ottoman Empire (statutory advance to the government, participation in advances to the government, current account with the government) constituted the third set. It is understood that this understanding of set formation continued also into the 1900s.
- While the asset size of the Bank was 4.4 million pounds in 1863, it rose to 14.6 million pounds in 1875, to 15.1 million pounds in 1885, to 18.8 million pounds in 1895, and to 24.7 million pounds in 1910. It should be noted that of these sizes 1.35 million pounds of capital not called up was present in the assets of the year 1863, and this amount was 5.0 million pounds in the assets of the year 1875.

b. Structure of the liabilities

The passive side of the balance sheet was called liabilities. The content of the passive side of the balance sheet as per years will be briefly explained below.

- While the original capital of the Bank was 2.7 million pounds, the half of which was called up, it rose to 10.0 million pounds at the beginning of the 1870s but half of it remained not called up even in 1910. In other words, the Bank continued its activities with a called up capital of 5 million pounds.
- Due to the emissions implemented by the Bank, a Banknote in Circulation account was present in all balance sheets. The share of these remained always low among the liabilities.
- The total amount of liabilities was always constituted by the current account of sundries which was the equivalent of the current account of sundries included among the assets. While the said resource constituted 30% of total liabilities in the 1880s, it constituted 50% of total liabilities in the 1890s.
- In accordance with the structure of assets, the structure of liabilities was divided into sets in the 1880s. The first set consisted of called up capital and the second set consisted

of short-term resources of the Bank. Among these resources were banknotes in circulation, bills payable, current account of sundries and deposits for fixed term. It is observed that statutory reserve, sundries reserve and profit and loss account were ranked as the fourth set. This categorization continued also in the early 20th century.

B. Content of the profit and loss account

- While the concept of income statement was absent, the concept of profit and loss account was dominant, and this understanding continued also in the 20th century. It is noteworthy that the concept of gross profit was included in the administrative board report which presented financial statements to the general board. This information was omitted from the reports as from the 1890s.
- The profit amount included in the balance sheet was always present in the said table as the main amount of the profit and loss account.
- Until the end of the 1870s, the profit amount included in the balance sheet was demonstrated on one side and the profit to be distributed and the amount to remain as capital reserve were demonstrated on the other side.
- From the 1880s, a small amount started to remain in the profit and loss account after the subtraction of reserve and dividend from the profit amount. This amount was started to be included in the next period profit and loss account with the name of "brought from last account." A small amount continued to remain after the subtraction of reserve and dividend in certain percentages from the period profit amount, also in later periods. These amounts continually increased the amount in the said account. It is understood that this amount, which was the result of the absence of reserve-dividend distinction apart from certain percentages, and which was left in the profit and loss account, continued to increase also in the 20th century. However, the said amount was always tried to be set apart from the period profit, and the period profit was taken as the basis in the profit and loss account.

It is observed that when the sundry reserve account included in the balance sheet reached to a high level, the Bank distributed the reserves that accumulated in this account in the 1880s and 1890s and included this distribution in the profit and loss account. Due to this profit distribution policy the profit and loss account was started to be prepared in a different structure. Accordingly, on the left side, firstly legal capital reserve was demonstrated with the name of "10 per cent of profit carried to statutory reserve fund" and share was allocated to the founders and managers with the name of "by the statutes to be appropriated to the founders of the bank" and "by the statutes to be appropriated to the administrators of the bank." Then the amounts received from the sundry reserve were added to the remaining amount of the period profit and thus it was stated that a high amount of dividend would be paid. This application transformed the profit and loss account to the profit, reserve and dividend account. In other words, the profit and loss account was no longer the resources created in that period and the use of those resources. This application was abandoned when no sundry reserves were left at the end of the 20th century.

5. THE IMPORTANCE AND EFFECTS OF THE DOUBLE-ENTRY BOOKKEEPING APPLICATION ON THE OTTOMAN BANK IN TURKEY

The double-entry bookkeeping applications of the Ottoman Bank that started in 1856 constituted a first in Turkey. Other banks were also established in the second half of the 19th century and the early 20th century and these banks also implemented the double-entry bookkeeping method. However, the lives of these banks were of short duration and they could not sustain a long-term accounting experience. Therefore, the accounting applications of the Ottoman Bank that continued in the period between the years 1856 and 2001 are the most important and longest accounting applications in Turkey even today. These applications which lasted for approximately a hundred and fifty years have characteristics of being the documents of the longest experience in the double-entry bookkeeping method.

This experience concerns not only the accounting books but also the financial statements drafted at the end of the periods. The accounting books illustrate that the double-entry bookkeeping method was in continual progress.

The above-mentioned balance sheets and profit and loss accounts of the Ottoman Bank represented the cutting-edge accounting understanding of the period in question as major innovations. It should be underlined that when the accounting books were started to be kept and the said financial statements were started to be prepared according to the double-entry bookkeeping method in the 1860s, 1870s and 1800s, neither the double-entry bookkeeping method nor the concept of financial statement were in use in Turkey. These concepts existed neither in literature nor in practice. The double-entry bookkeeping method was newly started to be included in the curricula in schools (Akyüz, 1994)¹². The books on the discipline of accounting which were translated from French was newly started to be utilized (Güvemli, 2000).

These explanations suggest that the financial statements, which are presented in the appendices and explained above, were the first financial statements prepared according to the double-entry bookkeeping method. Although there were other financial statements which were prepared by other banks, the Ottoman Bank was the only institution that owned financial statements that had continuity and hence allowed us to observe the course of their development.

The accountants of the Ottoman Bank served as models for other banks. Thus both the accounting and the accountants of the Bank generated a school of thought. The accounting understanding of the Bank served as a model not only in the field of banking but also for the accounting system of commercial and industrial organizations.

6. CONCLUSION

The Bank was established under the name Ottoman Bank and was renamed Banque Imperiale Ottomane (Imperial Ottoman Bank) in 1863 and changed back again to Ottoman

Bank in the Republican Era. These changes of name were the result of the Ottoman Empire's use of its right to issue, and the fact that French and Turkish owners of capital were among the sharers of the Bank. The partnership with French capital and the influence of the French culture in Turkey led to the keeping of financial records in French.

While applying the double-entry bookkeeping method, the Bank also introduced Turkey to the most developed accounting understanding of the time. It is observed that the Bank had a developed cash recording system in addition to the day book and the ledger and supported the financial system with many auxiliary books used in the detailed monitoring of the receivables and debts. Moreover, it is observed that throughout the second half of the 19th century, the accounting systems of the branches, the number of which had been increasing gradually, were recorded according to the modern double-entry bookkeeping method and that consolidated financial statements were prepared by gathering together the accounting record results of the activities of all the branches at yearend.

The Ottoman Bank did not only contribute to Turkish banking throughout the second half of the 19th century but also pioneered in accounting applications, and many credit institutions and commercial organizations followed the accounting applications of the Bank. During the said period, the accountants who worked in the branches and the central office of the Ottoman Bank did outstanding service in ensuring the double-entry bookkeeping method became widespread in Turkey.

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ANNEXES

Annex 1: Imperial Ottoman Bank - Journal - 1879

Annex 2: Imperial Ottoman Bank - Main Book – 1888

The image shows a page from a handwritten ledger. On the left side, the word "Hesap" is written vertically. The page is divided into several columns. The top right corner contains a header with the year "1888" and other markings. The main body of the page is filled with handwritten entries in Ottoman Turkish script, organized into columns. The handwriting is in dark ink on aged paper.

Annex 3: Imperial Ottoman Bank - Directory of the Main Book - 1877



Annex 4: Ottoman Bank 31 December 1863 Balance Sheet and Profit and Loss Account

LIABILITIES AND ASSETS OF THE IMPERIAL OTTOMAN BANK,
31st DECEMBER 1863.

LIABILITIES		ASSETS	
	£		£
To Capital	1,000,000	To Cash in hand	1,000,000
To Reserves	1,000,000	To Cash in bank	1,000,000
To Loans	1,000,000	To Loans	1,000,000
To Deposits	1,000,000	To Deposits	1,000,000
To Advances	1,000,000	To Advances	1,000,000
To Bonds	1,000,000	To Bonds	1,000,000
To Other	1,000,000	To Other	1,000,000
Total	5,000,000	Total	5,000,000

PROFIT AND LOSS ACCOUNT
From 1st January 1863 to 31st December 1863.

	£		£
To Balance	1,000,000	To Profit	1,000,000
To Income	1,000,000	To Expenses	1,000,000
To Dividends	1,000,000	To Reserves	1,000,000
To Other	1,000,000	To Other	1,000,000
Total	4,000,000	Total	4,000,000

Annex 5: 31 December 1875 Balance Sheet and Profit and Loss Account

LIABILITIES AND ASSETS OF THE IMPERIAL OTTOMAN BANK,
31st DECEMBER 1875.

LIABILITIES		ASSETS	
	£		£
To Capital	1,000,000	To Cash in hand	1,000,000
To Reserves	1,000,000	To Cash in bank	1,000,000
To Loans	1,000,000	To Loans	1,000,000
To Deposits	1,000,000	To Deposits	1,000,000
To Advances	1,000,000	To Advances	1,000,000
To Bonds	1,000,000	To Bonds	1,000,000
To Other	1,000,000	To Other	1,000,000
Total	5,000,000	Total	5,000,000

PROFIT AND LOSS ACCOUNT.
From 1st January 1875 to 31st December 1875.

	£		£
To Balance	1,000,000	To Profit	1,000,000
To Income	1,000,000	To Expenses	1,000,000
To Dividends	1,000,000	To Reserves	1,000,000
To Other	1,000,000	To Other	1,000,000
Total	4,000,000	Total	4,000,000

Annex 6: Bank Ottoman 31 December 1885 Balance Sheet and Profit and Loss Account

LIABILITIES AND ASSETS OF THE IMPERIAL OTTOMAN BANK
For December, 1885.

LIABILITIES		ASSETS	
	£		£
Capital	10,000,000	Reserve	1,000,000
Reserve	1,000,000	Loans	1,000,000
Loans	1,000,000	Government Securities	1,000,000
Government Securities	1,000,000	Other Securities	1,000,000
Other Securities	1,000,000	Real Estate	1,000,000
Real Estate	1,000,000	Other Assets	1,000,000
Other Assets	1,000,000		
Total	13,000,000	Total	13,000,000

PROFIT AND LOSS ACCOUNT
For the year ending 31st December, 1885.

Profit on operations	100,000	Dividend	100,000
Interest on loans	100,000	Reserve	100,000
Interest on government securities	100,000		
Interest on other securities	100,000		
Interest on real estate	100,000		
Interest on other assets	100,000		
Expenses	(100,000)		
Total	500,000	Total	500,000

Annex 7: Bank Ottoman 31 December 1895 Balance Sheet and Profit and Loss Account

Annex 8: Bank Ottoman 31 December 1910 Balance Sheet and Profit and Loss Account