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From the Late Ottoman Empire to the Early Republic of Türkiye: Institutional Trajectories of Trade and Industry Banks in Türkiye (1910–1938)



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Abstract

This study investigates the institutional trajectories of the Turkey Trade and Industry Bank (TTIB, 1910–1914) and its Republican-era successor, the Turkish Trade and Industry Bank (TUTIB, 1924–1937), situating them within the broader dynamics of foreign-capitalised finance, nationalist economic policy, and regime change in Turkey. Drawing upon Ottoman and Republican archival records, contemporary press coverage, legal charters, and notarial documentation, this research reconstructs the banks' founding contexts, governance structures, operational mandates, and sectoral engagements.

The analysis demonstrates that both TTIB and TUTIB embodied hybrid institutional forms that combined foreign, predominantly French, capital with domestic political legitimisation. TTIB functioned within the imperial-legal framework of the Second Constitutional Era, navigating capitulatory privileges and nationalist rhetoric. At the same time, TUTIB operated under the sovereign legal authority of the Republic, subject to the 1924 Banking Law, which codified modern joint-stock banking while enabling continuity from the late Ottoman templates.

TUTIB's portfolio extended beyond conventional banking to include municipal finance, regional trade credit, large-scale agricultural estates, and petroleum exploration, reflecting an alignment with both national development agendas and elite-capital networks. Evidence from liquidation and concordat notices between 1932 and 1938 reveals the persistence of institutional life well beyond the assumed endpoints, illustrating the concept of residual continuity in which legal and procedural existence outlasts commercial viability.

By adopting a comparative perspective, the study situates TTIB/TUTIB alongside other semi-peripheral banking models, showing that regime change did not dismantle financial infrastructure but selectively reconfigured it to serve shifting political and developmental priorities. These findings contribute to a more nuanced understanding of the Ottoman–Republican financial continuum, highlighting the adaptability of hybrid, transnationally embedded institutions within evolving sovereignty frameworks.

Keywords

Ottoman-Republican Banking · French Capital Networks · Turkey Trade and Industry Bank- Turkish Trade and Industry Bank · Institutional Continuity and Change · Empire-to-Republic Transition.

JEL Classification

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From the Late Ottoman Empire to the Early Republic of Türkiye: Institutional Trajectories of Trade and Industry Banks in Türkiye (1910–1938)

This article examines the institutional trajectories of two distinct yet thematically connected financial institutions: the Turkey Trade and Industry Bank (Türkiye Ticaret ve Sanayi Bankası, TTIB), founded in 1910 during the late Ottoman Second Constitutional Era, and the Turkish Trade and Industry Bank (Türk Ticaret ve Sanayi Bankası, TUTIB), established in 1924 under the early Republican regime. While the historical scholarship on major imperial-era financial institutions, such as the Imperial Ottoman Bank and the Ottoman Public Debt Administration, has been extensive (Eldem, 1999; Clay, 1999), comparatively little attention has been paid to mid-sized or regionally focused banks whose operational lifespans spanned both imperial and republican frameworks. These two cases, when analysed together, offer a valuable perspective on the persistence, adaptation, and transformation of banking models across a profound political rupture.

This article traces the institutional and operational history of the Turkey Trade and Industry Bank (Türkiye Ticaret ve Sanayi Bankası, TTIB), founded in 1910, and situates it within the broader context of late Ottoman and early Republican financial modernisation. While the history of major financial institutions such as the Imperial Ottoman Bank and the Ottoman Public Debt Administration (Düyûn-ı Umûmiye) has been extensively studied (Eldem, 1999; Clay, 1999), smaller, nationally-oriented yet foreign-capitalised banks such as the TTIB offer a distinct lens through which to examine the intricate interplay of foreign economic influence and Ottoman aspirations for economic autonomy. Rather than competing directly with the sheer scale of giants such as the Imperial Ottoman Bank, TTIB's significance lies in its unique blend of national discourse and imperial financial integration, making it a crucial, albeit understudied, case study for understanding the era's complex economic landscape.

While the Imperial Ottoman Bank and *Crédit Lyonnais*¹ were indeed the largest representatives of the French capital in the Ottoman Empire during this period, a comprehensive and granular analysis of their vast operations and individual branch balance sheets, particularly for *Crédit Lyonnais*'s Istanbul branch, presents significant data limitations (Eldem, 1999; Thobie, 1991). Consequently, this study deliberately narrows its focus to the Turkey Trade and Industry Bank. This approach allows for a more granular examination of a single, albeit more modest, banking venture, meticulously tracing its complete institutional lifecycle from its establishment through its eventual liquidation. This study's original contribution lies in demonstrating, through comprehensive archival research, how the TTIB functioned not only as a financial institution but also as a "geopolitical instrument" constructed around the pursuit of political legitimacy and national-economy discourse. Whereas previous works (Pamuk, 2005; Üstel, 2010) have examined Ottoman banks in general terms, this article juxtaposes TTIB's hybrid nature in both its capital sources and ideological framing to offer a concrete case. In doing so, it sheds new light on how national-economy debates were operationalised within a single institution, thereby enriching our understanding of early Republican financial policies.

¹The *Crédit Lyonnais* was founded in Lyons on 6 July 1863 as the result of an initiative taken by Henri Germain, then aged 39 (and the bank's first chairman), in conjunction with associates either from the industrial milieu of Lyons and Geneva or, like Arles-Dufour, steeped in St Simonian theories. The bank was formed under the new company law of 1863, but following the law of 1867, the *Crédit Lyonnais* became a limited company in 1872. From its very beginnings, the *Crédit Lyonnais* distinguished itself as an institution of the new generation through being a deposit bank, which, unlike traditional private banks, targeted the middle class by offering a variety of services. The *Crédit Lyonnais*'s branch network embraced Paris in 1864, Marseilles in 1865, and by 1881 covered all the major French towns. The bank's international expansion was just as rapid, marked by the opening of branches in London (1870), Constantinople and Alexandria (1875), Geneva and Madrid (1876), and St Petersburg and Vienna (1878). For the archival details, see Nougaret, R. (1995). The *Crédit Lyonnais* historical archives. *Financial History Review*, 2(1), 61-72.

The establishment of the TTIB was not an isolated event but rather a direct manifestation of the intensified European financial penetration into the Ottoman Empire, particularly as the French capital sought to consolidate its influence amidst the burgeoning German economic rivalry. From the 1890s onward, French financial institutions actively expanded their presence through strategic investments and the creation of ostensibly Ottoman-controlled entities, effectively intertwining their commercial ambitions with the Empire's modernisation agenda. This period witnessed a fierce competition for concessions and economic leverage, positioning banks like the TTIB at the forefront of a subtle, yet profound, geopolitical struggle for economic dominance in the semi-peripheral Ottoman landscape.

The dual focus of this study enables a comparative and diachronic examination of hybrid financial institutions that blended a domestic legal form with significant foreign, predominantly French, capital participation. Both TTIB and TUTIB emerged at critical junctures of political-economic restructuring: the former in the reformist but geopolitically volatile climate after the Young Turk Revolution of 1908, the latter in the formative years of the Republic of Turkey, when economic sovereignty was asserted through state-led development policies, but foreign capital engagement remained strategically significant. In each case, the institutional architecture combined elements of national-economy discourse, legal codification, and transnational financing.

From a theoretical standpoint, the trajectories of these banks invite engagement with historical institutionalism and dependency theory. Concepts such as path dependency and layering (Thelen, 2004) help explain the reuse and adaptation of late Ottoman legal and organisational templates under the Republican regime, while dependency theory (Cardoso & Faletto, 2024) illuminates the structural paradox of nationally branded yet foreign-controlled financial enterprises. This combined framework enables a nuanced interpretation of institutional continuity, not merely as legal survival, but as the persistence of organisational logics, capital structures, and functional roles across regime change.

Methodologically, the study draws on Ottoman and Republican archival documents, banking charters, contemporary press coverage, and secondary literature. The newly integrated primary evidence, most notably the liquidation and concordat notices from the 1930s, reveals that the operational and legal presence of these institutions extended far beyond previously assumed timelines. These findings challenge the linear narratives of institutional dissolution at the moment of political rupture and suggest that financial actors could maintain relevance, albeit in an altered form, through prolonged asset management, liquidation proceedings, and negotiated creditor settlements.

The analysis proceeds in three main stages. Case I reconstructs the establishment, governance, and operational fields of the TTIB between 1910 and 1914, focusing on French influence, imperial rivalries, and the bank's legal continuity into the Republican era. Case II examines the TUTIB between 1924 and 1937, tracing its foundation under the Republican government, its capital structure, operational engagements in trade, municipal finance, and resource ventures, as well as its extended liquidation process. The comparative analysis section identifies structural logics, divergences in legal-political frameworks, and the transnational strategies that shaped both institutions. The conclusion situates the findings within broader debates on the adaptability of mixed-ownership development banks in semi-peripheral economies and the implications for understanding financial modernisation in transitional polities.

By juxtaposing these two case studies, this article argues that the patterns of hybrid ownership, transnational financial integration, and state-aligned development rhetoric that characterised late Ottoman banking did not end abruptly in 1923, but rather persisted, modified, and reinterpreted well into the Republican period. This continuity underscores the need to view financial modernisation in Turkey not as a series

of disconnected episodes but as an evolving process in which imperial legacies and national economic agendas coexisted within the same institutional forms.

Literature Review and Historical Background

The development of modern banking in the Ottoman Empire during the late 19th and early 20th centuries was profoundly shaped by international financial dynamics and the strategic ambitions of European capital, particularly French and British interests. This period, framed by the Tanzimat reforms and the eve of World War I, witnessed a fundamental transformation in the Ottoman financial system, as foreign banks, multinational ventures, and local entrepreneurial efforts competed to dominate capital formation and trade financing in a politically volatile environment.

The historiography of late Ottoman and early Republican banking has been dominated by studies on large-scale, long-lived financial institutions such as the Imperial Ottoman Bank (Eldem, 1999) and the Ottoman Public Debt Administration (Thobie, 1991; Clay, 1999). These works, grounded in extensive archival research, provide valuable insight into the multinational structures, state-debt management functions, and political-economic influence of European-controlled banks. However, the literature offers far less systematic attention to mid-sized, nationally registered but foreign-capitalised banks whose lifespans bridged the imperial–republican divide.

TTIB in the Literature

Existing references to the Turkey Trade and Industry Bank (TTIB), founded in 1910², are largely fragmentary, often appearing in footnotes or as brief examples within broader discussions of French capital in the Empire (Pamuk, 2005; Ortabağ, 2018; Çapar, 2019). The bank's hybrid legal-financial structure, registered as a domestic joint-stock company yet majority-financed and strategically guided by French interests, fits Jacques Thobie's (1991) "double identity" (double identité) framework, in which institutions maintained an Ottoman legal persona while functioning as extensions of foreign finance.

Following the 1875 moratorium, Ottoman banking experienced a slowdown, which later reignited after 1898 with renewed French initiatives (Pamuk, 2005). This revival, particularly evident from the late 19th century, was characterised by an increased influx of foreign capital and the establishment of new financial institutions, often intertwined with the diplomatic and strategic objectives of European powers (Tuncer, 2015). The specific features of banking movements after 1898, including the rise of nationally oriented yet foreign-capitalised ventures, created a fertile ground for the emergence of institutions such as the Turkey Trade and Industry Bank (BOA, BEO, 1909). The 1908 constitutional revolution catalysed a new generation of banks, among which the TTIB represented a distinct model, emerging from the confluence of foreign capital interests and domestic nationalist aspirations. From the 1890s onward, French capital emerged as a dominant force in Ottoman finance, competing with British and German interests. This period, characterised by increasing foreign investment, laid the groundwork for establishing new banking institutions (Thobie, 1991). The period from 1908 to 1914, the Second Constitutional Era, was particularly notable for a proliferation of bank formations, often with hidden foreign control, especially by French capital (Toprak, 1982). Studies of Ottoman finance in the Second Constitutional Era note the proliferation of joint-stock banks following the 1908 Young Turk Revolution, many of which were "national" in form but dependent on foreign capital for equity and operational capacity (Toprak, 1982; Ortabağ, 2018).

²The official petition for the bank's establishment was submitted by the founding members on October 23, 1909, and the necessary approvals were received on 27 November 1909. This corresponds to the final months of 1909. In this study, 1910, considered the bank's full start date, is adopted as the official founding date. For further information related to "establishment processes of the Bank," see Can, A. (2021). İkinci Meşrutiyet Dönemi Milli Bankacılık Faaliyetleri (1908-1918), *Unpublished PhD Thesis*, Ankara Üniversitesi Türk İnkılap Tarihi Enstitüsü.

TTIB's charter, which permitted a wide mandate from trade finance to infrastructure investment, positioned it alongside other French-backed ventures like the İtibar-ı Mâlî Osmanlı Anonim Şirketi as part of a coordinated Franco-Ottoman financial expansion strategy (Çapar, 2019). While scholars have emphasised the macroeconomic and geopolitical context of this period, marked by intensified Franco-German rivalry (Clay, 1994; Çapar, 2019), few have traced the full institutional trajectory of the TTIB beyond its apparent pre-World War I operational cessation. This contradictory dynamic of nationalist economic rhetoric, coupled with continued foreign financial domination, was not unique to the Turkey Trade and Industry Bank. Similar patterns were evident in the İtibar-ı Mâlî Osmanlı Anonim Şirketi, also founded in 1910, which functioned as a French-controlled vehicle to finance public works and trade operations under Ottoman legal guise. These cases exemplify what Jacques Thobie has termed a "dual structure" of Ottoman banking: one part overtly national and legalistically autonomous, the other covertly international and strategically dependent (Thobie, 1991, pp. 421–424). Recognising this dual structure is essential for understanding the limits of financial autonomy in the late empire and the strategic role of French banking alliances (Çapar, 2019, p. 23). The strategic entanglement of foreign capital and national discourse in TTIB's design foreshadowed patterns of institutional adaptation that would resurface in the early Republican period, underscoring the need to examine this bank's history across the 1910–1938 timeline rather than confining it to the pre-war Ottoman frame.

Among these was the Turkey Trade and Industry Bank, established in 1910. Though nominally a domestic joint-stock company, this bank operated under substantial French financial and managerial influence. Its stated objectives, to finance trade, industry, and infrastructure, reflected not only the national economic aspirations of the Committee of Union and Progress (İttihat ve Terakkî³ - CUP) but also the strategic investment goals of French financiers aiming to consolidate their hold on Ottoman commercial circuits. The bank's foundation occurred in the broader context of efforts to construct a "national economy" (milli iktisat), wherein financial independence and indigenous capital accumulation were emphasised, but rarely realised due to deep-rooted dependence on European capital markets (Ortabağ, 2018, pp. 90–95). As such, the TTIB serves as a key case study for evaluating how French capital adapted to Ottoman political rhetoric while continuing to pursue long-standing commercial priorities.

Gaps Regarding TUTIB

The literature gap is even more pronounced for the Turkish Trade and Industry Bank (TUTIB), established in 1924. Early Republican financial history has primarily focused on state banks such as İş Bankası, Ziraat Bankası, and Sanayi ve Maden Bankası, framing them as instruments of economic sovereignty and industrialisation (Kazgan, 1995; Pamuk, 2005). TUTIB, by contrast, is largely absent from the historiography despite its formal government authorisation, significant capital structure changes in the 1930s, and extended liquidation process into the late 1930s and even the 1940s.

No published study systematically analyzes TUTIB's governance, its integration into municipal finance and resource ventures, or its transnational shareholder base. This absence is striking given the bank's embeddedness in elite political-financial networks, exemplified by figures such as Abbas Hilmi Pasha, and its role in bridging foreign capital practices with Republican legal frameworks. Newly identified primary sources, including 1930s extraordinary general assembly records and liquidation notices, extend TUTIB's institutional timeline far beyond its formal dissolution decision in 1932, revealing its role as a hybrid financial and asset management entity well into the early Republican period.

³İttihat ve Terakkî Cemiyeti - Committee of Union and Progress: The political society that organised the 1908 Revolution and played a primary role in the administration of the state from that date until 1918.

Bridging Imperial and Republican Banking Histories

The absence of sustained analysis of TTIB's post-1914 persistence and TUTIB's operational history reflects a broader fragmentation in the historiography: Ottoman-era banking studies rarely extend into the Republican period, while Republican banking histories seldom trace institutional continuities back before 1923 (Eldem, 1999; Pamuk, 2005). This has obscured how hybrid-ownership development banks adapted their organisational templates, governance norms, and transnational capital linkages to new political economies.

By situating TTIB and TUTIB within a unified analytical framework, this study employs the lens of historical institutionalism (Thelen, 2004) to illuminate the dynamics of path dependency and layering in financial institutions across regime transitions. It further applies dependency theory (Cardoso & Faletto, 2024) to examine the structural paradox of institutions presented under a national identity yet dependent on foreign-controlled capital and governance. In the case of TTIB, the literature lacks a detailed account of its post-1914 operations, with existing references largely limited to indirect mentions and devoid of comprehensive archival synthesis. TUTIB, by contrast, has been almost entirely overlooked in secondary scholarship, with no systematic analysis of its governance structure, sectoral activities, or liquidation process, and no integration into broader narratives of early Republican financial history. For both institutions, there remains a notable absence of comparative studies that connect late Ottoman and early Republican banking within a coherent framework of institutional continuity.

The Turkey Trade and Industry Bank, therefore, represents a critical case in the pre-war Ottoman financial system. It illustrates the limits of financial nationalism and the pervasive reach of French capital, which by 1914 had outpaced the British influence in terms of the volume of investment and institutional presence. As Ortabağ's quantitative study of the Ottoman banking sector shows, by this time, nearly all new joint-stock banks, regardless of their stated nationality, relied on foreign capital for equity subscriptions, financial instruments, and strategic coordination, particularly in key urban centres like Istanbul, Izmir, and Salonika (Ortabağ, 2018, p. 82).

Addressing these gaps, the present study reconstructs the full life cycles of the TTIB (1910–1914) and TUTIB (1924–1937) using Ottoman and Republican archival materials, banking charters, and contemporary press coverage. This dual case study contributes to bridging the historiographical divide between imperial and republican economic histories and reveals the enduring structural logics of hybrid-capital institutions in semi-peripheral economies.

Methodology, Comparative Scope and Limitations

This study employs a comparative historical–political economy approach to analyse two formally unrelated yet thematically intertwined financial institutions: the Turkish Trade and Industry Bank (Türkiye Ticaret ve Sanayi Bankası, TTIB; 1910–1914) of the late Ottoman period and the Turkish Trade and Industry Bank (Türk Ticaret ve Sanayi Bankası, TUTIB; 1924–1937) of the early Republican era. Despite their separate legal identities, both institutions exhibited three defining features: (1) a declared mandate to finance trade and industry, (2) substantial French capital participation, and (3) relatively short operational lifespans ending in early liquidation. The comparative framework enables the identification of institutional continuities and adaptations across a fundamental regime change, situating both cases within the broader structural logics of hybrid-capital banks in semi-peripheral economies.

Primary Sources and Archival Documents

The empirical foundation of this study is derived from a systematic examination of Ottoman and Republican archival records, supplemented by contemporary press coverage and notarial documentation. For the

late Ottoman Turkey Trade and Industry Bank (TTIB), primary sources comprise founding charters (nizam-name⁴), government decrees, shareholder registers, and capital subscription documents preserved in the Ottoman Archives (BOA), particularly within the Meclis-i Mahsusa, İrade Dahiliye, and Şura-yı Devlet series⁵. These are complemented by financial legislation, concession agreements, and official correspondence related to licencing and operational mandates, as well as periodicals such as *Tanin* and *Sabah*, which provide contemporaneous accounts of the bank's establishment, governance, and commercial engagements.

Research on the Republican-era Turkish Trade and Industry Bank (TUTIB) draws extensively on materials from the Republican Archives (BCA), including founding licence files and correspondence from the *Başbakanlık Kararlar Daire Başkanlığı* series (BCA, 30-18-1-1 / 11 - 43 - 4, September 10, 1924), and general assembly minutes from the 1930s documenting capital structure modifications, shifts in foreign–domestic shareholder ratios, and strategic credit allocation decisions (BCA, 30-18-1-2 / 19 - 22 - 5, April 1, 1931). Additional evidence is obtained from notarial records of liquidation proceedings, creditor settlements, and asset divestitures; press reports in *Cumhuriyet* and *Tan* detailing the bank's involvement in municipal financing, particularly in İzmir and Tekirdağ, and its role in facilitating regional trade in Dalaman and other provincial nodes (*Cumhuriyet*, 1934, p. 3; *Tan*, 1932, p. 2). TUTIB's documented adherence to the prevailing banking regulations of the period legitimised its operations within the early Republican legal order and enabled the preservation of certain late Ottoman institutional templates under a modernised regulatory regime.

Secondary Literature and Comparative Sources

The study engages with seminal works on Ottoman and Republican banking (Eldem, 1999; Clay, 1999; Thobie, 1991; Ortabağ, 2018) to situate both institutions within the competitive landscape of French, British, and German capital interests. The literature on *milli iktisat* (Toprak, 1982; Pamuk, 2005) informs the ideological framing of each bank, particularly the paradox of nationalist discourse coexisting with foreign-controlled capital structures. For TUTIB, the near-total absence of dedicated studies necessitates the integration of municipal finance histories, legal analyses of the 1924 Banking Law, and scattered references in early Republican economic policy literature (Kazgan, 2021).

Analytical Framework

The analytical framework employed in this study synthesises three interrelated dimensions. First, the institutional analysis examines the legal charters, capital structures, governance mechanisms, and operational mandates that defined the organisational architecture of both banks. Second, a political economy analysis assesses the strategic orientation of French financial capital, the corresponding policy objectives of Ottoman and early Republican state actors, and the broader geopolitical context shaped by the Franco–German rivalry (Clay, 1994; Çapar, 2019). Third, a relational historiographical approach maps the interconnections between TTIB and TUTIB and other French-backed banking enterprises, while tracing their linkages with municipal administrations, regional trade hubs, and infrastructure initiatives. Central to this multi-scalar analysis is the concept of institutional hybridity, which denotes organisations that simultaneously operate under market imperatives and advance state-led economic sovereignty agendas (Thelen, 2004; Fligstein, 2002). In both cases, a French-dominated capital base imposed market-oriented profit imperatives, while political legitimacy was cultivated through the *milli iktisat* discourse. For TUTIB, the 1924 Banking Law was pivotal in codifying this hybridity: its mandated conformity with Republican regulatory standards, such as minimum capital requirements, reserve ratios, and enhanced state oversight, while permitting the continuation of organisational forms and governance logics inherited from the late Ottoman period.

⁴Regulations.

⁵Series names in English: Municipal Assembly, Internal Affairs, and State Council Series.

Scope and Periodisation

The comparative analysis is structured across two distinct temporal frameworks. The first, 1908–1914, examines the foundation of the Turkey Trade and Industry Bank (TTIB) during the Second Constitutional Era, situating its pre-war operations within the intersecting dynamics of Ottoman economic nationalism and foreign capital penetration. The second, 1924–1937, focuses on the Turkish Trade and Industry Bank (TUTIB), assessing its establishment under early Republican banking legislation, its operational engagements, including municipal bond issuance and the financing of regional trade, its capital restructuring during the 1930s, and the processes leading to its eventual liquidation. The geographical scope encompasses key metropolitan and regional nodes in the banks' commercial and financial networks, notably Istanbul, Paris, Geneva, İzmir, Tekirdağ, and Dalaman, alongside other provincial centres integral to their operational reach.

Limitations

The primary limitation lies in the asymmetry of the source material. The TTIB's early period is relatively well-documented in Ottoman archives, whereas the TUTIB's internal operational records (e.g., loan ledgers and detailed balance sheets) are sparse. The 1924–1937 period relied more heavily on general assembly minutes, liquidation records, and press reports, which, while valuable, provided only partial insights into the bank's financial performance. For both institutions, the absence of continuous accounting records precludes precise quantitative comparisons with larger peers such as the Imperial Ottoman Bank (Eldem, 1999). These gaps are mitigated through the triangulation of archival, legislative, and press sources, combined with contextual analysis of the political economy in which each bank operated.

Furthermore, no documented information can be provided as to when exactly both banks ceased operations. This could be considered a limitation of this analysis.

Case I: The Turkey Trade and Industry Bank (1910–1914)

The case of the Turkey Trade and Industry Bank (TTIB, 1910–1914) offers a critical vantage point from which to examine the intersection of late Ottoman financial modernisation, foreign capital penetration, and nationalist economic discourse in the Second Constitutional Era. Conceived as a joint-stock institution under Ottoman law but heavily influenced by French capital and managerial expertise, the TTIB embodied the “dual identity” of many contemporary banks, formally national yet structurally integrated into transnational financial networks. Its brief operational history, situated against a backdrop of geopolitical rivalries, shifting capital flows, and the Committee of Union and Progress's milli iktisat policies, reveals both the possibilities and limitations of hybrid-capital banking as a vehicle for state-led development. The following section reconstructs the bank's foundation, governance, and operational mandate, situating its trajectory within the broader context of Franco-Ottoman economic relations and imperial competition on the eve of World War I.

Establishment and Capital Formation

The Turkey Trade and Industry Bank (TTIB), formally established under the name Türkiye Bankası Osmanlı Anonim Şirketi (Bank of Turkey), was officially constituted on 18 November 1910 with the sanction of an imperial decree⁶ and according to articles 1–4 of the charter (nizamname) approved by the Ottoman Ministry of Trade and Public Works⁷ (TTIB Charter, 1910, p. 2). According to archival records, the bank's initial petition, dated 23 October 1909 and signed by Prince Ahmed Lütfullah, Colonel (Miralay) İsmail Çakır, Alfred Dorian, and Joseph Joser, received government approval in less than five weeks, on 27 November 1909. Initially

⁶İrâde-i Seniyye: A term used for the verbal or written order of the Sultan.

⁷It is known by its original name in the Ottoman State structure as the “Ticaret ve Nafia Nezareti.”

named 'Türkiye Bankası', the bank was later renamed to 'Türkiye Ticaret ve Sanayi Bankası' following a Council of Ministers meeting on 19 October 1910, which aimed to avoid confusion with the National Bank of Turkey (Milli Banka). This change was confirmed by the Meclis-i Mahsusa on 17 January 1911 and ratified with the Sultan's decree dated 18 January 1911 (BOA, BEO, 3670-275213; BOA, İ. MMS. 161/8, 27 February 1913; BOA, A. DVN. MKL., 51/15, 5 March 1911).

According to the internal charter (*nizamname-i dahilî*), the TTIB was formally established under the name Türkiye Bankası Osmanlı Anonim Şirketi and approved by the Ministry of Trade on 18 November 1910 (Teşrinisani 1326), under the imperial decree numbered 482. Its foundational purpose and organisational rules were published by Selanik Matbaası and registered with the commercial courts in Istanbul (TTIB Charter, 1910, p. 1).⁸ The first article of the charter officially lists both Ottoman and French co-founders, confirming the bank's hybrid founding structure, with notable figures such as Seniha Sultan-zade Ahmed Lütfullah Bey and French citizen Alfred Dorian acting as principal stakeholders (TTIB Charter, 1910, p. 1).

Following this authorisation, the legal architecture laid out in the internal charter also demonstrated the bank's operational scope and governance model. The headquarters were based in Istanbul, with the authority to establish branches across both Ottoman and foreign territories as deemed necessary by the board of directors (TTIB Charter, 1910, pp. 4-5). The bank was granted a life span of 50 years from the date of its legal recognition, underscoring the long-term ambitions of its founders (TTIB Charter, 1910, p. 2).

The founding figures included notable Ottoman subjects, such as Seniha Sultanzade, Ahmed Lütfullah Bey, and Amasya Deputy Colonel İsmail Hakkı Bey, as well as prominent French partners, notably Alfred Dorian and Georges Kampf, a director of the Banque Commerciale et Industrielle. This dual-national composition reflected the bank's hybrid nature: formally an Ottoman joint-stock company, yet financially and operationally influenced by French capital. Ahmed Lütfullah Bey, a member of the extended imperial family (Seniha Sultan's son), and İsmail Hakkı Bey, an Amasya deputy and officer, were not merely nominal co-founders. They lent legitimacy to the TTIB's Ottoman identity. French partner Alfred Dorian, an experienced figure in colonial finance, exemplified the Franco-Ottoman cooperative arrangement. Ottoman stakeholders likely played roles in obtaining licence approvals and signalling political alignment with the CUP's economic vision (BOA, İ. MMS. 161/8, 27 February 1913).

The bank's capital subscription records, as outlined in correspondence between the Ottoman Ministry of Finance and the Paris embassy, confirm that a significant portion of initial investments originated from French commercial banks, with a smaller proportion subscribed by Istanbul-based Ottoman Armenian and Greek financiers. This structure reflects the continuing French strategy of indirect control, whereby financial penetration was accomplished through cooperative ventures⁹ with local non-Muslim elites (Thobie, 1991, pp. 421-422). According to Article 6 of the charter, the capital was divided into 550,000 shares of 1 lira each. The original capital structure was 550,000 Ottoman liras¹⁰, comprising 550,000 shares with a nominal value of 1 lira each. The bank's general assembly had the authority to increase the capital by up to 50% without prior government approval, while further increases required ministerial consent. Importantly, 10% of each share had to be paid upfront, while the remaining installments were to be paid in three phases, dated March 14, July 14, and November 14, 1911. The general assembly granted shareholders the option to make full payments

⁸Türkiye Bankası Osmanlı Anonim Şirketi (Turkey Trade and Industry Bank), Internal Statute (TTIB Charter), was established pursuant to the imperial decree dated 18 Zilkade 1327/18 Teşrinisani 1325/1 December 1909, No. 482. This statute was published in 1910 at the following address: Selanik Printing House, Babiali Street No. 66. For the purposes of this study, the statute has been fully transcribed and each article has been analysed in detail.

⁹Shares printed in both Turkish and French.

¹⁰1 Ottoman lira = 100 kuruş. Furthermore, 1 Sterlin = 110 kuruş. According to these rates, the capital of the bank was 500,000 sterlin and 12.5 million francs.

in advance (BOA, A. DVN. MKL. 51/15, 5 March 1911). Additionally, 30,000 founder shares were entitled to 30% of the bank's annual profit, although their holders were excluded from managerial decisions.

The establishment and operation of the Turkey Trade and Industry Bank (TTIB) between 1910 and 1914 provides critical insights into the evolving structure of late Ottoman finance, particularly in terms of foreign capital penetration and trade facilitation strategies under the guise of national economic development. Drawing on archival documents and the period press, this section discusses the institutional structure, capital composition, operational scope, and geopolitical implications of the bank within the broader context of French financial expansion and Ottoman economic policy in the Second Constitutional Era. To fully understand the bank's embeddedness in both national and imperial agendas, it is necessary to begin with its legal and institutional configuration.

Governance and Institutional Architecture

The presence of high-ranking Ottoman figures such as Ahmed Lütfullah Bey, a direct descendant of the imperial family, and İsmail Hakkı Bey, a military officer and parliamentarian, was crucial not only for the bank's public image and adherence to Ottoman regulations but also for navigating the complex political landscape of the Second Constitutional Era. Their involvement likely facilitated the acquisition of necessary permits and fostered an environment of trust with both local merchants and state entities. This strategic inclusion of Ottoman elites demonstrates a calculated effort by the French capital to imbue the bank with a perceived 'national' character, thereby mitigating actantial anti-foreign sentiment and aligning with the Committee of Union and Progress's burgeoning national economic policies (Toprak, 1982). Their positions offered direct channels to political decision-makers, thereby potentially expediting administrative processes and ensuring the bank's operational stability in a volatile political climate.

The management structure comprised a board of directors, elected by the general assembly for six-year terms and comprising between seven and seventeen members. Directors were required to deposit at least 750 shares as a performance guarantee, and the board met at least quarterly to oversee all financial operations, lending policies, personnel appointments, and investment strategies (TTIB Charter, 1910, pp. 5-6). According to articles 13-19, the managerial model thus reinforced the centralised and capital-intensive nature of the institution while integrating it into the regulatory oversight framework of the Ottoman state.

The board included influential Ottoman statesmen and European investors. It consisted of Prince Lütfullah Bey (President), Deputy İsmail Hakkı Pasha, Senator Galip Bey, Council of State President Tevfik Bey, and Budget Rapporteur Mahir Said Bey. European members included Alfred Dorian (Advisor for French Colonial Affairs), Charles Durabnerje (German Trade Advisor), and financiers from Belgian institutions such as J'elen and Taton. The legal advisory panel comprised M. Degan, Harelbos Agonyadis (graduate of the University of Brussels), and Ottoman jurist Mehmet Celal Bey (BOA, BEO, 3670275213, 1909; Tanin, No: 1185, 21 December 1911, p. 5).

Following this authorisation, the legal architecture laid out in the internal charter also demonstrated the bank's operational scope and governance model. The headquarters were based in Istanbul, with the authority to establish branches across both Ottoman and foreign territories as deemed necessary by the board of directors (TTIB Charter, 1910, pp. 4-5). The bank was granted a life span of 50 years from the date of its legal recognition, underscoring the long-term ambitions of its founders (TTIB Charter, 1910, p. 2).

The TTIB was founded in Istanbul as a joint-stock company with a nominal capital of 550,000 Ottoman Lira. Although officially registered under Ottoman law and presented as an initiative by domestic merchants, archival records and diplomatic correspondences suggest that French financiers played a determining role in its capital formation and managerial organisation (Al, Akar, & Bayraktar, 2014, pp. 217-221). In terms of legal

architecture, the bank was authorised to operate in diverse sectors: trade finance, industrial development, mining, public works, and securities transactions. Its by-laws resembled those of similar Franco-Ottoman initiatives, particularly the İtibar-ı Mâlî Osmanlı Anonim Şirketi, established earlier in 1910, which also served as a financial intermediary under French influence (Can, 2021, pp. 49-50; Ortabağ, 2018, pp. 91-92). This shared institutional DNA between the TTIB and other French-backed banks underscores the strategic continuity in France's approach to Ottoman commercial penetration. This strategic orientation is evident in Article 5 of the bank's charter, which outlines the authority to lend to the Ottoman government, engage in foreign exchange and arbitrage transactions, provide advances on commodities and securities, and invest in sectors such as transportation, shipping, mining, and docks (TTIB Charter, 1910, p. 2-3). The TTIB thus held a broad financial mandate extending well beyond ordinary commercial banking.

Beyond its charter-defined commercial and infrastructural functions, the internal dynamics of the TTIB were shaped by the diverse professional and bureaucratic profiles of its board members, many of whom held influential positions outside the bank. The chairman, Prince Ahmed Lütfullah, though not a businessman in the traditional sense, was a politically significant figure due to his lineage as a member of the Ottoman dynasty and his role as a founder of the Ahrar Fırkası. His inclusion on the board likely served a strategic function, helping to overcome bureaucratic resistance and signalling high-level political legitimacy for the bank's operations.¹¹

Other board members played similarly pivotal roles. Senator Galip Bey, a jurist and former inspector at the Ministry of Justice, was actively involved in legal reform discussions within the Ottoman parliament and even proposed legislative measures concerning the development of communication infrastructure, such as telephony. His involvement demonstrates that the bank's financial operations were deeply embedded in legal and regulatory networks that supported economic modernisation (BOA, DH. HMs. 15/65, 9 February 1910).

Tevfik Bey, head of the Mülkiye Department of the Ottoman Council of State (Şura-yı Devlet), served as a senior bureaucratic liaison in financial and administrative matters. Notably, he was appointed as the official government representative to a national congress convened to oversee the financial and administrative affairs of a public society¹² formed for the benefit of the Ottoman navy, underscoring his institutional credibility and high-level administrative role in the late imperial bureaucracy (BOA, DH. MUİ. 7/14, 2 August 1910). His presence on the board of the TTIB thus reflected the bank's emphasis on regulatory compliance, state-backed legitimacy, and close integration with the financial oversight mechanisms of the Ottoman state.

Another board member, Mahir Said Bey, brought financial expertise from his positions as a former parliamentarian and later as Director-General of Ottoman Customs (BOA, İ. HB. 126/49, 9 December 1912). He also headed the Ministry of War's Budget and Audit Directorate, offering the TTIB valuable insight into fiscal policy and customs revenues, both key domains for trade financing (BOA, İ. DUİT, 53/67, May 2, 1920).

Finally, Alfred Deuran, a French foreign trade advisor honoured by the Ottoman government, exemplified the strategic diplomatic positioning of the French capital. His presence ensured alignment with French commercial diplomacy and offered direct access to cross-border trade networks. Taken together, the professional affiliations of TTIB's directors illustrate that the bank's financial operations were not isolated ventures, but rather embedded within an elite trans-imperial network combining bureaucratic authority, legal leverage, political prestige, and international finance (BOA, BEO, 3628/272041, September 2, 1909).

¹¹For details, see Tütengil, C. O. and V. Günyol (1977), *Prens Lütfullah Dosyası*, İstanbul: Çan Yayınları.

¹²Donanma-yı Hümayun Muavenet-i Milliyeye Cemiyeti was a semi-civil, national aid society established to support the Ottoman navy.

Operational Fields: Trade, Industry, and Infrastructure Finance

The institution's stated purpose encompassed several financial and commercial functions. These included extending domestic and foreign loans to both the Ottoman government and private individuals; engaging in secured credit through commercial and agricultural mortgages; facilitating arbitrage, discount, and exchange transactions; and financing industrial, commercial, and infrastructure-related ventures (including railway construction, mining, and shipping according to article 5) (BOA, BEO, 3670-275213, 30 November 1909; TTIB Charter, 1910, p. 2-3). Importantly, the bank was empowered to engage in virtually all operations typical of a modern financial institution, with the notable exception of issuing its own banknotes, a privilege retained by the Imperial Ottoman Bank.

The operational scope of the TTIB was broad, yet selective. Its activities are concentrated primarily in trade bill discounting, project finance for construction and transportation, and short-term commercial lending. Unlike older institutions such as the Imperial Ottoman Bank, the TTIB also aimed to fund small-to-medium-scale industrial ventures, reflecting the CUP's attempts to build a manufacturing base and reduce import dependency (Eldem, 1999, pp. 203-205). According to Article 19 of the charter, the Board of Directors was granted broad discretion to engage in all types of commercial, industrial, and financial transactions, excluding only the issuance of banknotes. It could also approve investments in railway, mining, and maritime infrastructure and participate in consortia for public works (TTIB Charter, 1910, p. 6-7). These provisions reflected both the nationalist economic aspirations of the CUP and the institutional ambitions of the French financiers backing the bank. However, the practical implementation of this mission remained constrained by the bank's limited capital base, short lifespan, and risk aversion among shareholders. These limitations reveal the difficulty of reconciling national economic objectives with the commercial imperatives of foreign investors. The bank's activities included a 1913 treasury bond transaction (50,000 Liras advanced against 6% Ottoman bonds), indicating deep integration into public finance.

From its inception, the bank was portrayed in the press as a fully Ottoman institution dedicated to national economic interests. In mid-1911, TTIB's Director Doşen and merchant Papadolpos Efendi filed a petition to establish the "National Beer Factory" (Milli Bira Fabrikası) in Istanbul as a joint-stock company. The enterprise received official authorisation by imperial decree on 10 August 1911 (BOA, İ. MMS., 161/8, 27 February 1913).

The CUP regime's emphasis on the "national economy" did not preclude foreign partnerships if they aligned with state-led development goals (Toprak, 1982, pp. 50-52). This contradictory fusion of foreign and local interests in the capital base shaped not only the ownership logic but also the bank's operational philosophy. Thus, while the CUP discourse increasingly emphasised indigenous economic control, it paradoxically welcomed foreign capital in sectors lacking domestic financial capacity. The TTIB's foundation embodied this contradiction: a "national" bank in form, but international in capital and governance. This mirrored the "semi-colonial" nature of Ottoman finance, whereby sovereignty was diluted through financial instruments (Pamuk, 2005, p. 222). The operational choices of the TTIB, especially in terms of credit allocation and trade facilitation, must therefore be seen as products of this structural ambivalence.

The financial operations of the Turkey Trade and Industry Bank (TTIB) were designed to support a wide array of economic activities across the Ottoman Empire. The internal charter of the bank authorised it to act in nearly all major sectors of finance and commerce. These included short- and long-term lending to both state institutions and individuals, the issuance of commercial credit, investment in industrial enterprises, and direct engagement in the infrastructure, mining, and agricultural sectors. According to Article 5 of the founding charter, the bank was empowered to participate in credit transactions involving movable and

immovable property, discounting operations, foreign exchange arbitrage, and financial operations tied to both domestic and international trade networks (TTIB Charter, 1910, pp. 2-3).

In terms of financial networks, the archival record reveals the bank's early involvement in state-backed bond transactions. Notably, a document dated 20 March 1913 shows that the bank received 99,000 liras' worth of treasury bonds with a 6% interest rate in exchange for an advance of 50,000 liras to a state contractor managing infrastructure projects in Hindiyiye and Cebaniye¹³. This transaction underscores the bank's dual role as a commercial financier and a facilitator of public debt instruments, integrating it into the Ottoman fiscal administration and the broader capital market.

Taken together, the bank's operational prerogatives illustrate its intended role as a full-spectrum financial institution. Although it did not possess note-issuing rights, the TTIB's authorised functions were comparable to those of major imperial-era banks. Through discounting, foreign exchange, long-term lending, and infrastructure investment, it served as a key node in the late Ottoman financial system, one that blended local capital, state alignment, and foreign financial power.

Furthermore, the bank was authorised to provide advances against bonded commodities and stored merchandise (varant sistemi¹⁴), reflecting the growing sophistication of Ottoman financial tools and the influence of European mercantile practices. This provision linked the bank's lending activities directly to supply chains in trade hubs such as Istanbul, Izmir, and Salonika, where customs warehouses and bonded depots formed the backbone of Mediterranean commerce (TTIB Charter, 1910, p. 3).

Beyond commercial financing, the TTIB could also invest in and manage infrastructure projects such as railways, docks, roads, bridges, and public utilities. This inclusion in Article 5 positioned the bank as an intermediary not only in commerce but also in state-building and economic modernisation. The bank's operational model was thus deeply intertwined with imperial goals and French foreign economic policy. It was further granted the ability to act as a partner or shareholder (komandit veya iştirak suretiyle) in any public or private economic venture it deemed aligned with its objectives (TTIB Charter, 1910, p. 3).

Additionally, the structure of the bank allowed for flexibility in regional expansion. According to the charter, the board of directors had the authority to open branches and agencies in both Ottoman and foreign territories, enabling the bank to tap into diasporic merchant networks and foreign trade routes (TTIB Charter, 1910, p. 2). Such powers implied an intention to build a regionally scaled institution that could rival European bank branches in the empire while remaining legally Ottoman.

These features reflect a broader pattern in late Ottoman financial modernisation, in which banking institutions simultaneously facilitated state functions, market expansion, and foreign capital integration. As the subsequent sections will show, this operational complexity ultimately made such banks vulnerable to both geopolitical shocks and internal contradictions.

French Influence and Imperial Rivalries

While the company maintained the legal status of a domestic bank, its actual shareholder distribution, bilingual share documentation, and French institutional affiliations reveal a clear case of disguised foreign control. This structure aligns with what Jacques Thobie called the "dual identity" of late Ottoman private banks, appearing Ottoman in form but functioning as intermediaries of imperial finance. The ideological paradox is even more pronounced considering the bank's alignment with the CUP's "national economy"

¹³BOA, İ. MMS., 161/8, 27 February 1913.

¹⁴A warrant is a financial investment instrument that grants the investor the right to buy or sell an underlying asset, such as a stock, index, or commodity, at a specific price on or after a specific expiration date, providing leverage. They can also be described as securitised options.

discourse (milli iktisat), which aimed to increase Muslim-Turkish economic agency but often relied on foreign capital for implementation.

The TTIB's foundation must also be viewed as a strategic French response to the rising German influence in Ottoman economic life. By 1910, the Deutsche Bank had become a dominant actor in railway and agricultural infrastructure, prompting France to intensify its institutional presence. The TTIB, together with the İtibar-ı Mâlî and Banque Commerciale de Palestine, formed a network of French-backed financial nodes intended to counterbalance German and British competition (Ortabağ, 2015, pp. 94–97). The interplay of these actors transformed the Ottoman banking sector into a contested terrain of imperial rivalry played out through financial architecture.

For the Ottoman state, the TTIB served dual functions: it was both a financier of national development and a diplomatic instrument. The French willingness to channel capital through legal Ottoman entities allowed the CUP government to maintain symbolic economic sovereignty while leveraging foreign resources. Yet this arrangement also exposed the limits of financial autonomy, as French interests could indirectly dictate investment priorities through capital leverage and managerial oversight (Thobie, 1991, pp. 428–430). The implications of this precarious sovereignty become even clearer when examining the bank's rapid decline following the onset of the geopolitical crisis.

Decline, Dormancy, and Legal Continuity in the Republic

Archival evidence indicates that, following the issuance of the bank's definitive share certificates, holders of fully paid-up shares were permitted to exchange their provisional certificates for the definitive form. This transaction could be executed either through direct application to the bank's head office, situated in the Türkiye Hanı (Turkish Inn) on Library Street, immediately behind the Ottoman Post Office in Istanbul, or by dispatching the provisional certificates via registered post from the shareholder's locality, in which case the definitive certificates were likewise returned by registered mail. In instances where shares had not been fully paid, conversion to definitive certificates was contingent upon the settlement of all outstanding amounts (Can, 2021, p. 48). No surviving documentation clarifies the precise duration of the bank's operational activity beyond this point.

Despite its ambitious founding, the TTIB's operations were short-lived. The onset of the First Balkan War (1912) and subsequent financial instability significantly curtailed the bank's credit activities. As French capital began to retreat in anticipation of a continental conflict, the bank's solvency weakened. By 1914, with the outbreak of World War I, most foreign-controlled institutions either suspended activities or were placed under Ottoman financial control, including the TTIB (Pamuk, 2005, p. 225). No clear record exists of its liquidation, but the absence of post-1914 transactions indicates de facto closure during wartime restructuring.

While TTIB's activities appear to cease after 1914, a bank named "Ticaret ve Sanayi Bankası" is mentioned in the context of the public panic in 1931. However, this bank lacked the prefix "Türkiye" and had capital connections to a Geneva-based institution, indicating it was a separate entity. Archival research confirms no legal or operational continuity between the two. The bank's dissolution was not merely due to wartime economic instability but also to political-financial restructuring. The CUP's 1914 abolition of capitulations, reassertion of control over the Imperial Ottoman Bank, and replacement of Düyun-u Umumiye's foreign delegates created a hostile environment for French capital. The TTIB, with its hybrid ownership, was particularly vulnerable. Its disappearance mirrors the broader decoupling from Entente finance (Pamuk, 2005, p. 225; Toprak, 1982, pp. 67–68; Thobie, 1991, pp. 428–430). This part of the study examines the challenges and strategic adaptations that characterised the bank's later years, tracing its path from a period of resilience

amid significant geopolitical shifts to its eventual decline, and, as newly uncovered evidence suggests, its formal liquidation during the Republican era.

Case II: The Turkish Trade and Industry Bank (1924–1937)

The trajectory of the Turkish Trade and Industry Bank (TUTIB) during the early Republican period offers a critical lens through which to examine the interplay between inherited Ottoman financial institutions and the evolving legal and economic architecture of the new state. Established under formal government authorisation in 1924, TUTIB operated at the intersection of national economic policy, elite capital networks, and transnational financial linkages. Its history from its foundation to liquidation reveals not only the institutional adaptations required to navigate shifting regulatory regimes but also the persistence of hybrid ownership and governance structures that bridged imperial legacies and republican modernisation agendas. The following section traces this complex evolution, situating TUTIB's institutional development within the broader context of early twentieth-century Turkish banking and the state's strategic engagement with both domestic and foreign capital.

Foundation and Legal Authorisation by Republican Government

A foundational pillar in understanding the institutional legitimacy and operational scope of the Turkish Trade and Industry Bank (TUTIB) lies in its formal establishment through a Council of Ministers decree dated September 10, 1924. This government authorisation granted the bank the legal capacity to operate as a joint-stock company under the name *Türk Ticaret ve Sanayi Bankası*, headquartered in Istanbul, and empowered it to conduct all banking operations in addition to commercial, industrial, and agricultural transactions for 50 years. The decree explicitly noted the approval of the bank's internal statutes, subject to minor modifications, and confirmed that 10% of its capital had been deposited and shares had been duly signed and subscribed. This regulatory endorsement by the nascent Republic of Turkey, signed by President Gazi Mustafa Kemal and a full cabinet of ministers, underscores the political importance and strategic positioning of the bank within the early republican financial architecture (BCA, 30-18-1-1, 11/43/4, 10 September 1924).¹⁵

Capital Structure, Board Dynamics, and Institutional Mission

A major turning point in the early institutional trajectory of the Turkish Trade and Industry Bank (TUTIB) can be observed in an extraordinary general assembly announcement published in *Cumhuriyet* on 18 June 1930. This document is particularly significant not only for its administrative content but also for what it reveals about the bank's corporate restructuring and its financial-legal ambitions at a formative moment (*Cumhuriyet*, 1930, June 18, p. 7).¹⁶ The agenda included the proposed amendment of key provisions in the bank's founding charter, specifically Articles 1 and 5, underscoring a deliberate expansion of its commercial authority. Article 1 was revised to authorise the bank to engage in all forms of transactions related to trade, industry, and agriculture, while explicitly denying the pursuit of monopolistic privileges. Article 5 formalised

¹⁵The founding decree of the Turkish Trade and Industry Bank was signed by the President of the Republic, Gazi Mustafa Kemal, along with the following members of the Council of Ministers: Minister of National Defence Mustafa Necati, Minister of Justice İsmet (İnönü), Prime Minister and Minister of Foreign Affairs Kazım (Özalp), Minister of the Interior Recep (Peker), Minister of Finance Mustafa Abdülhalik (Renda), Minister of Education Vasaf (Çınar), Minister of Public Works Süleyman Sırrı (Gedik), Minister of Agriculture Şükrü Kaya, Acting Minister of Commerce Mustafa Abdülhalik (Renda), Minister of Health and Social Assistance Refik (Saydam), and Minister of Exchange, Development and Settlement Raşit Rafet (Rafet Bey).

See (BCA, 30-18-1-1, 11/43/4, 10 September 1924).

¹⁶Republic of Turkey, Prime Ministry, Directorate of the Special Chancery (*Türkiye Cumhuriyeti Başvekâlet Kalem-i Mahsus Müdürlüğü*), Decree on the Amendment of Certain Articles of the Internal Statute of the Turkish Trade and Industry Bank, 9 *Teşrinisani* 1926 [9 November 1926], Decree No. 4307. The decree approved the amendments to Articles 11, 12, 13, 15, 19, 23, 26, 28, and 30 of the bank's internal statute and was signed by President Gazi Mustafa Kemal along with the relevant cabinet ministers of the period. See (BCA, 30-18-1-1 / 21-68 - 11, November 9, 1926).

the capital structure as 1,000,000 Turkish lira, divided into 50,000 shares of 20 lira each, and granted the general assembly the authority to double this amount without government approval. Furthermore, the decision to issue 5,000 müessis hisseleri (founders' shares) with non-voting but dividend-entitled status, and the allocation of a significant portion of these to figures such as Abbas Hilmi Pasha (former Khedive of Egypt¹⁷) and Nuri Aziz Bey, reflected the close linkages between financial influence, political capital, and elite patronage networks.

Providing a comprehensive view of the bank's institutional vision, its alignment with international capital practices, and its construction of legal-financial capacity, a revealing insight into the Turkish Trade and Industry Bank's early operational strategy emerges from the announcement of an extraordinary general assembly convened in July 1930. The notice, published in *Cumhuriyet* on June 18, 1930, outlines a highly structured agenda, including the presentation of the board's report and amendments to key articles of the bank's foundational charter (*Cumhuriyet*, 1930, June 18, p. 7). Among the most consequential changes were modifications to Article 1 and Article 5 of the bank's bylaws. Article 1 broadened the scope of the bank's commercial authority across trade, industry, and agriculture, while explicitly denying the pursuit of monopolistic privileges. Article 5, meanwhile, formalised the bank's capital as 1,000,000 Turkish lira, divided into 50,000 shares of 20 lira each, and granted the general assembly the authority to double this amount without requiring government approval. This clause reflected an unusually autonomous financial structure for the period and signalled strong expansionist intent.

A further insight into the operational and leadership dynamics of the Turkish Trade and Industry Bank (TUTIB) during the transitional period of 1930 is provided by a short but revealing report published in *Cumhuriyet* on May 29, 1930. The article notes that Hüseyin Şaban Bey, the general manager of the TUTIB, returned from Paris after holding discussions with Abbas Hilmi Pasha, the bank's founder and a key figure in its international strategic vision (*Cumhuriyet*, 1930, May 29, p. 2). The piece further mentions circulating rumours about the actantial transfer of the bank to an American financial group, indicating not only the scale of the bank's foreign entanglements but also the attractiveness of TUTIB to transatlantic investors. This episode, albeit briefly reported, underscores the extent to which senior management figures like Şaban Bey were actively involved in negotiating or navigating high-level international financial relations, particularly in coordination with elite stakeholders such as the former Khedive of Egypt. It also reflects TUTIB's continued efforts to sustain its geopolitical relevance and institutional viability through foreign capital engagement at a time of shifting financial sovereignty and growing Republican state oversight. In this light, the managerial travel and diplomatic engagement captured in this report serve as further evidence of the bank's hybrid nature, operating as both a national institution and a transnational financial interlocutor embedded in elite networks of capital and political influence.

Another key moment illustrating the institutional and international positioning of the Turkish Trade and Industry Bank (TUTIB) is the ordinary general assembly convened on March 27, 1930, as announced in *Cumhuriyet* (1930, March 7, p. 7). This meeting occurred during a critical pre-liquidation phase and reflected the bank's continued commitment to structured governance and shareholder engagement. The agenda included the reading of the board and auditor reports, approval of the bank's balance sheet and profit/loss statements, the appointment of new board members through internal nominations, and the establishment of compensation schemes for management and oversight officials. Notably, the assembly also ratified the nomination of a new board member under Article 16 of the charter, highlighting procedural adherence even

¹⁷This word (Khediv), which is "Hidiv" in Turkish, represents the title given to the governors of Egypt since 1867 in the Ottoman System.

during strategic uncertainty. Following these governance activities in 1930, the bank entered 1931 with an agenda of deeper structural reforms and capital expansion.

Building upon these initial institutional reforms and capital strategies, another highly detailed announcement published on 10 March 1931 further illustrates the Turkish Trade and Industry Bank's deepening internal structure and evolving corporate governance. The notice, remarkable for convening both an extraordinary and an ordinary general assembly on the same day, offered a rare glimpse into the complexity of the bank's operational and strategic alignment during this period (Cumhuriyet, 1931, March 10, p. 5). The extraordinary agenda featured critical amendments to Articles 1, 5, 35, and 44 of the bank's charter, including legal authorisation for a capital increase from 1,000,000 to 2,000,000 Turkish lira without requiring government approval and the issuance of 5,000 founders' shares (müessis hisseleri in Turkish). These non-voting shares granted dividend rights and were distributed among key founding figures such as Abbas Hilmi Pasha and Nuri Aziz Bey, with the remainder allocated to shareholders proportionally and numbered from 1 to 5,000.

More than a mere bureaucratic formality, this founding decree signals the direct involvement of the republican state in facilitating the emergence of a domestically branded financial institution with international roots, particularly given that the lead founder was Abbas Hilmi Pasha, the former Khedive of Egypt. This hybrid identity, part public legitimacy, part private initiative, reinforces the TUTIB's status as a quasi-national institution, playing a bridging role between state-led financial modernisation and elite-driven capital formation. The official approval thus marks the starting point of the TUTIB's operational life and illustrates the high-level coordination between political and financial actors in crafting Turkey's post-Ottoman banking system.

What further distinguishes this meeting is its attention to international financial integration and corporate governance. The planned issuance of bilingual share certificates (in Turkish and French) and the instructions for the deposit of share certificates through the Banque de Genève and Paris-based institutions reveal a deliberate effort to align TUTIB with European capital markets and enhance its cross-border credibility. As such, this moment encapsulates a multidimensional institutional strategy: one that sought to consolidate internal shareholder governance, attract external capital, and craft a hybrid legal-financial identity that could operate at both national and transnational scales. This decision-making framework, rooted in transparency, formalism, and structured expansion, illustrates the bank's attempt to project itself not merely as a national commercial institution but as a modern financial entity embedded in the evolving international economic order of the early 20th century.

Crucially, the announcement emphasised that shareholders were expected to deposit their securities not only in domestic financial institutions but also in European banks such as the National City Bank in Geneva, Credit Suisse in Lucerne, and the Compagnie Agricole, Industrielle et Commerciale d'Orient in Paris. This reaffirmed the TUTIB's strong transnational linkages and reliance on the continental European financial infrastructure for operational continuity and shareholder trust. The inclusion of such institutions, especially in the context of a regular shareholder meeting, demonstrates the bank's ambition to operate as a hybrid institution, combining domestic financial governance with a European-facing investor orientation. This international engagement strategy, even in standard corporate processes, underscores the TUTIB's ongoing alignment with global capital networks and legal-financial procedures, reinforcing its strategic posture on the eve of its eventual dissolution.

Equally significant was the resolution to issue 5,000 founders' shares¹⁸, which were not equity-bearing in a traditional sense but entitled the holder to dividend allocations as defined by the general assembly. A

¹⁸It is stated as "müessis hisseleri" in Turkish.

notable portion of these shares was allocated to prominent figures such as Abbas Hilmi Pasha, the former Khedive of Egypt, and Nuri Aziz Bey, in recognition of their role in the bank's foundation, underscoring the close link between political capital and financial organisation. The bank's instruction that shares be deposited in Geneva and Paris through affiliated financial institutions further reflects its international orientation. Moreover, the stipulation that new share certificates be printed in both Turkish and French illustrates TUTIB's deliberate effort to integrate into cross-border financial norms and to signal credibility to international partners. Taken together, these elements depict a financial institution with a distinctly transnational character, blending local initiatives with European capital models. A clearly defined dividend distribution regime set out in the charter complemented these governance and ownership arrangements.

The charter further stipulated a formalised dividend distribution regime: 5% to statutory reserves, 6% as first dividends to shareholders, 10% to board members, 10% to founders' shares, and 90% of the remaining profit to general shareholders. The institutional sophistication extended to the ordinary general assembly as well, where reports were read, accounts audited, the board discharged, and new appointments made. This level of procedural clarity and legal codification underscores TUTIB's commitment to corporate transparency, legal regularity, and strategic adaptability during the early Republican period. Collectively, the 1931 dual assembly encapsulates the bank's evolving balance between financial ambition and institutional discipline within a rapidly transforming legal-financial environment.

Of particular note is the explicit declaration that the bank's capital, set at 1,000,000 Turkish lira, had been fully paid in. This claim was not only a statement of financial solidity but also a deliberate trust-building message aimed at investors, depositors, and actantial state collaborators. The combination of high-value rewards, ceremonial infrastructure (tents), and the symbolic presentation of capital fulfilment indicates a layered publicity effort. This episode demonstrates that the TUTIB, beyond its financial functions, also sought to shape its public image as a credible, modern, and nationally relevant institution, aligning itself with both Republican economic ambitions and international banking norms.

Commercial and Public Operations: Trade Credit, Local Governance, and Resource Ventures

Such organisational design and its diversified mandate not only facilitated wide-ranging operations during the late Ottoman period but also made institutional continuity possible under the early Republic's evolving regulatory environment. The persistence of TUTIB under liquidation procedures in the 1930s further highlights this adaptability (Cumhuriyet, 1934, September 28). While balance sheets remain elusive, press reports in Cumhuriyet, Tan, and Tanin confirm active operations in trade credit and infrastructure financing (Cumhuriyet, 1931, July 16, p. 8; Kazgan, 1995, p. 180). A specific capital structure and governance model underpinned this institutional adaptability and shaped the bank's strategic orientation.

Building upon this foundational understanding of the bank's establishment and its initial operational framework, a closer examination of its capital structure and shareholder composition reveals the intricate financial mechanisms underpinning its dual identity. The strategic deployment of capital, combined with a diverse board of directors, allowed the TUTIB to pursue its ambitious mandate while navigating the complex geopolitical and economic landscape of the late Ottoman Empire.

The bank was also active in supporting French-Ottoman trade routes, particularly in agricultural exports and imports of machinery and finished goods. This reinforced French economic interests in the Eastern Mediterranean and created an asymmetrical trade dependence. French trade companies often secured preferential lending terms, while Muslim-Turkish entrepreneurs faced higher collateral demands and were underrepresented in the bank's client network (Al et al., 2014, pp. 220–223). These patterns of selective

engagement illuminate the deeper geopolitical calculations behind the bank's establishment. Beyond its core trade financing activities, the bank also sought to strengthen its public profile through targeted promotional initiatives.

Further evidence of the Turkish Trade and Industry Bank's evolving institutional identity and public engagement strategy appears in a promotional notice published in *Cumhuriyet* on March 4, 1930 (*Cumhuriyet*, 1931, March 4, p. 5). The advertisement highlights the distribution of prizes, including a grand prize of 35,000 Turkish lira and additional awards of 15,000, 12,000, 10,000, and 8,000 lira, and mentions the provision of "mahruti çadırlar" (conical tents) for administrative staff, made from imported English fabric. The language and content of the notice suggest that it was likely issued in connection with a public exhibition, national fair, or philanthropic campaign, designed to increase the bank's public visibility and reputation during a period of institutional expansion.¹⁹

In line with its broader institutional strategy of public visibility and diversified financial outreach, the TUTIB also actively promoted small-scale savings schemes to engage lower-income households and first-time depositors. A succinct public notice published on May 3, 1931 in *Cumhuriyet* announced the launch of TUTIB's "Savings Box" (Tasarruf Kumbarası²⁰) operations, offering deposit services under what it described as "exceptionally favourable conditions" (*Cumhuriyet*, 1931, May 3, p. 8). The use of the phrase "gayet müsait şeraitle," a common promotional expression of the time, demonstrates a deliberate appeal to a broader socio-economic demographical by invoking accessibility and financial prudence. Though brief in format, the announcement reveals the bank's continued effort to balance high-level institutional expansion with inclusive financial participation mechanisms. This development complements earlier announcements regarding capital structure and founders' shares by showing that TUTIB's network of operations extended not only vertically into elite financial partnerships but also horizontally into the social fabric of the new Republic. Through such public-facing instruments, the bank positioned itself as both a modern financial institution and a popular trust-building actor during a period when institutional legitimacy and economic inclusion were central to Turkey's evolving financial landscape.

A further dimension of the Turkish Trade and Industry Bank's (TUTIB) operational presence can be seen in its integration into municipal financial operations. According to a local news report published in *Cumhuriyet* on June 6, 1931, the İzmit²¹ Municipality delegated its treasury (veznedarlık) services to TUTIB, citing the bank's ability to operate under the "most favourable conditions" (*Cumhuriyet*, June 6, 1931, p. 2). This administrative decision to outsource local cash-handling and payment collection responsibilities to a private financial institution not only reflects the early Republican era's inclination towards fiscal streamlining but also suggests the bank's growing credibility as a trusted intermediary in public finance. Moreover, the context of concurrent municipal infrastructure projects, such as the approval of a piped water network by the Ministry of Public Works and the construction of facilities along the Kılazderesi stream, reinforces the TUTIB's embeddedness in broader public utility and modernisation efforts. Taken together, this example reveals that TUTIB's financial operations extended into local government spheres, supporting both capital

¹⁹A brief public notice published in *Cumhuriyet* described the Turkish Trade and Industry Bank as a fully capitalised institution with a declared capital of 1,000,000 Turkish lira. The advertisement emphasised the bank's capacity to conduct general banking operations from its headquarters in Bahçekapı, Istanbul, and highlighted its offerings such as savings accounts and specialised deposit schemes with secure money boxes, likely aimed at attracting small-scale savers and reinforcing the institution's financial reliability. See (*Cumhuriyet*, 1931, March 7, p. 2; *Cumhuriyet*, 1931, March 21, p. 6).

²⁰These are banking communication and advertising activities aimed at parents and children to further increase national savings rates. İş Bankası is known as the first bank in the Republic of Turkey to launch this advertising campaign, and the date is recorded as 1928. For details, see Özdemir, Ö. (2018). Stratejik iletişim açısından Türkiye İş Bankası'nın tasarruf kumbarası temalı ilk kurumsal reklamları: 1928-1932. *Batman Üniversitesi Yaşam Bilimleri Dergisi*, 8(1/1), 29-43.

²¹İzmit, historically known as Kocaeli during the Ottoman period, is a significant urban centre in modern-day Türkiye. Situated in the Marmara Region, just east of Istanbul, the city held strategic and economic importance and demonstrated notable developmental momentum relative to the conditions of its time.

investment and everyday administrative efficiencies, while simultaneously bolstering its public visibility and institutional legitimacy at the sub-national level. In addition to its financial and municipal engagements, the bank pursued ventures in strategically significant sectors such as natural resources.

Extending beyond its conventional financial functions, the Turkish Trade and Industry Bank also appears to have engaged in investment ventures oriented towards strategic natural resources, a domain typically associated with long-term national development agendas and high-capital risk. One compelling example involves the bank's involvement in early petroleum exploration initiatives in Republican Turkey. A report published in *Cumhuriyet* on December 27, 1933, details the complex legal history of oil concessions in the Mürefte region²², tracing ownership from Ottoman-era ferman grants to postwar transfers, and eventually to the Turkish Trade and Industry Bank, which was granted drilling licences in 1926 (*Cumhuriyet*, 1933, December 27, p. 5). Although the licences were eventually revoked due to a lack of drilling activity within the legal time frame, records show that the bank initiated at least two exploratory drilling operations near Hora Creek in the late 1920s. The technical and geological descriptions, such as the detection of paraffinic oil, soil samples with hydrocarbon residue, and proximity to the sea, indicate that the bank was strategically positioned at the intersection of energy speculation and industrial investment. The involvement of the TUTIB in such ventures reveals a broader operational scope beyond commercial finance, illustrating its ambition to participate in long-horizon, high-risk investments typical of resource frontier capitalism. These episodes also reflect the bank's alignment with national development goals and highlight its role as an intermediary institution attempting to bridge state-driven modernisation with private sector initiatives during the formative era of Turkey's economic restructuring.²³

Additional archival documentation from the Republic Archives of the Directorate of State Archives (*Devlet Arşivleri Başkanlığı, Cumhuriyet Arşivi*) sheds further light on the bank's engagement with resource exploration. According to a document dated December 15, 1926, the oil exploration rights, registered as parcel 1/7 in the village of Mürselli in Tekirdağ and previously held by a certain Mustafa Bey, were formally transferred to the Turkish Trade and Industry Bank, represented by its General Director Şaban Bey (BCA, 30-18-1-1, 22 - 77 - 12-13-14-15-16, December 15, 1926).²⁴ This transaction underscores the institution's proactive stance in acquiring legal and operational authority over strategic natural resources, further evidencing its role as an early player in Turkey's energy frontier.

The announcement further stipulated that a bid reaching at least 75% of the appraised value would trigger the transfer of ownership. This structured approach reveals not only the complexity of the TUTIB's asset portfolio but also the scale of real estate and natural resource holdings still under bank administration in the mid-1930s. The Dalaman Farms example is particularly noteworthy as it reflects one of the rare direct

²²The Mürefte region, situated within the Şarköy district of Tekirdağ province in northwestern Türkiye, is notable for its extensive coastline and strategic proximity to the Sea of Marmara. In contemporary terms, Mürefte lies approximately 90 kilometres southwest of the provincial capital Tekirdağ and just 13 kilometres from the district centre of Şarköy. Historically known for its fertile terrain, viticulture, and maritime accessibility, the area also garnered attention in the early Republican period for its actantial in hydrocarbon exploration. Its geographic characteristics, being both coastal and relatively close to Istanbul, made it an appealing site for early resource speculation, including petroleum-related ventures pursued by institutions such as the Turkey Trade and Industry Bank. The region's physical and logistical attributes positioned it as a frontier zone where state-building, economic modernisation, and foreign-capital interests intersected.

²³Republic of Turkey, Prime Ministry, Directorate of the Special Chancery (*Türkiye Cumhuriyeti Başvekâlet Kalem-i Mahsus Müdürlüğü*), Decree on the Transfer of Coal Mining Licence Rights in the Vicinity of Kayışlar, Kadılar, Çolak, Elvanlar, and Kozaşır Villages in Gökçesu Subdistrict, Bolu Province, to the Turkish Trade and Industry Bank, 21 Teşrinisani 1926 [21 November 1926], Decision No: 4352. The decree, based on the proposal of the Ministry of Trade and the report of the General Directorate of Mines, authorised the transfer of the full rights of an existing coal mining licence, previously held by Cingözzâde Ali Rıza and his partner Karavelioğlu Abdullah Sahri Efendi, to the Turkish Trade and Industry Bank, represented by its Director Hasan Şaban Efendi. The decision was approved at the meeting of the Council of Ministers and signed by President Gazi Mustafa Kemal and relevant cabinet ministers. See (BCA, 30-18-1-1 / 21-70 - 15, November 21, 1926).

²⁴As documented in an advertisement appearing on page 2 of the *Cumhuriyet* newspaper dated 10 August 1931, Şaban Bey was serving as the General Manager of the bank at that time (*Cumhuriyet*, 10 August 1931, p. 2).

sales of immovable assets by the liquidation board, and the fact that the bank had retained control over such strategic land indicates its extensive involvement in agrarian investment ventures. By conducting the auction through the liquidation office located on the third floor of Istanbul's historic Taş Han, the bank also preserved an institutional continuity in venue and administrative form. This episode underscores the TUTIB's continued function as an executor of complex asset divestments during a legally supervised and capital-intensive dissolution process, illustrating its hybrid character as both a former financial intermediary and an enduring corporate trustee.

Liquidation, Concordat Procedures, and Asset Management

A telling episode in the operational history of the Turkish Trade and Industry Bank (TUTIB) concerns its temporary closure in mid-1931 due to external financial disruptions. A brief public notice published in *Cumhuriyet* reported that the bank had suspended operations temporarily as a result of the cessation of activity by its affiliated partner institution in Geneva (*Cumhuriyet*, 1931, July 18, p. 3). The announcement also noted that TUTIB was attempting to restore stability with the support of national (*millî*) banks and that it was expected to resume operations shortly. This episode highlights three interrelated institutional dynamics: the fragility of the bank's international financial linkages; its reliance on the domestic banking network for liquidity and operational continuity; and its capacity to signal institutional resilience under financial distress. The event underscores the hybrid position TUTIB occupied within the Turkish financial system of the early Republican era, anchored partly in international capital flows and expertise, yet increasingly dependent on the protective scaffolding of the emergent national banking framework. As such, the incident offers a critical perspective on how foreign-capitalised financial institutions navigated systemic vulnerabilities during a period of national economic consolidation. This temporary suspension illustrated the fragility of TUTIB's cross-border operations, a vulnerability that would resurface in subsequent years through various governance and restructuring efforts.

Highlighting the fact that the bank functioned not only as an economic actor but also as an agent of legal and institutional modernisation, another dimension of the TUTIB's institutional footprint emerges through its interaction with legal-commercial mechanisms during liquidation. A public notice published on February 7, 1933, by the Istanbul Chamber of Commerce revealed that the bank's liquidation board formally initiated concordat proceedings under the Turkish Code of Execution and Bankruptcy²⁵ (*Cumhuriyet*, 1933, February 7, p. 6). The notice details the bank's attempt to restructure its debt obligations through a court-supervised settlement with creditors. The case was brought before the Istanbul Commercial Court of Review, and a hearing was scheduled for 18 February 1933. Creditors were invited to attend and raise objections, demonstrating the continued legal accountability and procedural rigour of the liquidation process. The fact that the TUTIB pursued a formal concordat rather than default or state absorption demonstrates a measure of agency and institutional self-determination in managing its liabilities. More broadly, this episode underscores the bank's embeddedness within the evolving legal infrastructure of the early Republican economy, where financial institutions were expected to comply not only with market forces but also with emerging norms of corporate law and commercial jurisprudence.

This meeting also underscores TUTIB's adherence to shareholder rights and corporate governance norms, as it required the formal deposit of share certificates or equivalent proof of ownership through authorised banking institutions, including European financial houses. The fact that these procedures were meticulously laid out and that changes in the composition of the liquidation board were to be ratified within two months by the general assembly, points to a highly disciplined winding-down process. In this light, the February

²⁵It is known in Turkish as the "Türk İcra ve İflas Kanunu."

1932 assembly serves as further evidence that TUTIB's liquidation was not a passive or chaotic collapse but a managed institutional transformation guided by legal and financial diligence. Such governance measures reflected an ongoing attempt to stabilise the institution, yet financial pressures continued to mount, eventually prompting the liquidation board to explore legal remedies.

Another key document shedding light on the bank's post-operational functions is the official liquidation announcement published on February 28, 1934, in *Cumhuriyet* (1934, February 28, p. 7). This notice, issued by the liquidation board of the Turkish Trade and Industry Bank, called shareholders to a general assembly in Bahçekapı to finalise core decisions under the supervision of the liquidation committee. The agenda included the reading of the liquidation and auditor reports, the approval of the balance sheet and profit-loss statement, and the official discharge of the liquidation board. Importantly, shareholders were asked to deposit their shares with authorised institutions and obtain formal entry credentials, demonstrating continued formal adherence to legal procedures and corporate governance even under dissolution. The meticulous recordkeeping and legally structured shareholder engagement process outlined in this announcement indicate that the TUTIB functioned as a disciplined financial entity throughout the early Republican period. Rather than reflecting the abrupt collapse of a failed institution, this notice evidences a regulated and negotiated winding-down process, further confirming the bank's enduring role in shaping legal-financial norms during a period of institutional transition (*Cumhuriyet*, 1934, February 28, p. 7).²⁶

This article also contributes a novel archival finding to the literature: a liquidation notice published in *Cumhuriyet* on 28 September 1934 provides direct evidence that the Turkish Trade and Industry Bank was not dissolved in 1914, but instead continued to operate into the early Republican period. According to a notice published in the September 28, 1934 issue of the newspaper *Cumhuriyet*, it can be inferred that the bank in question was a financial institution inherited from the Ottoman Empire into the Republic of Turkey. Under the heading "Announcement from the Liquidation Office of the Turkish Trade and Industry Bank (1934)," the notice reports that payments to creditors with claims up to 1,000 liras had already been made following a prior announcement and within the framework of a concordat agreement. Furthermore, creditors with claims exceeding 10,000 liras were invited to complete the payment of 10% of the amounts they had previously received by applying in person to the bank's Liquidation Office, located on the fifth floor of the Taşhan building, between the hours of 10:00 a.m. and 1:00 p.m., starting on Monday, October 1, 1934, with documentation verifying both their identity and their claims. This announcement is particularly significant as it demonstrates that the Turkish Trade and Industry Bank remained operational not only during the final years of the Ottoman Empire but also into the early Republican period (*Cumhuriyet*, 1934, September 28, p. 6).

A particularly striking example of asset liquidation under formal institutional procedures is evidenced in the second auction notice for the Dalaman Farms, published in *Cumhuriyet* on February 4, 1935 (*Cumhuriyet*, 1935, February 4, p. 9). These expansive and fertile agricultural lands, located in the Köyceğiz district of Muğla province, were under the possession of the Turkish Trade and Industry Bank (TUTIB) during its liquidation process. The notice explicitly references a failed first auction held on October 10, 1934, and announces a renewed sale attempt. The farms, covering large tracts of pine, fir, beech, and oak forest land, were tied to 161 registered title deeds and valued at a minimum of 500,000 Turkish lira. The auction required interested

²⁶A public notice issued by the Concordat Commission announced that the court had officially granted the Turkish Trade and Industry Bank (TUTIB), then under liquidation, a deadline to submit a concordat proposal to restructure its outstanding debts. As the creditor registration period had expired, the commission invited all verified creditors to participate in a concordat meeting scheduled for 12 January 1933 at the newly built Ziraat Bank headquarters near the Galata Bridge. Creditors were permitted to attend in person or via notarised proxy, and could also review the documentation submitted by other creditors in advance of the meeting, as per Article 292 of the Turkish Code of Execution and Bankruptcy. See (*Cumhuriyet*, 1933, January 11, p. 8).

buyers to submit sealed bids and deposit a 7.5% guarantee along with a bank surety letter through Türkiye Ziraat Bankası, demonstrating the procedural rigour and financial safeguards applied during liquidation. These asset disposal efforts formed part of an extended liquidation process that continued into the mid-1930s.

A final indicator of the Turkish Trade and Industry Bank's (TUTIB) institutional persistence and the protracted nature of its financial wind-down can be seen in a detailed liquidation notice published in *Cumhuriyet* on March 3, 1936. This document reveals that, even four years after the bank's formal entry into liquidation, the process had not been completed, necessitating another extraordinary general assembly to approve the continuation of liquidation under concordant terms (*Cumhuriyet*, 1936, March 3, p. 11). The published agenda included the presentation of both the liquidation board's report and the auditor's report, ratification of the final balance sheet, the renewal of the auditor's mandate and remuneration, and the formal discharge of the liquidators. Most importantly, it confirmed that the liquidation was still ongoing and explicitly referenced the need to carry it forward "within the framework of concordant provisions." This highlights the long duration and legal-administrative complexity of the process. It also illustrates how TUTIB continued to function, if not as a commercial enterprise, then as a legal-financial actor, well into the mid-1930s, navigating evolving corporate law, managing claims, and preserving procedural legitimacy. Such evidence further underscores the TUTIB's exceptional position as a hybrid institution, bridging late imperial finance, early republican statecraft, and transnational capital governance across an unusually extended dissolution timeline.

This protracted and procedurally dense liquidation process was reaffirmed just weeks later by a subsequent announcement dated March 30, 1936, which provided additional layers of insight into TUTIB's legal-financial closure and reinforced the enduring nature of its institutional form. Published in *Cumhuriyet* (1936, March 10, p. 11), the notice reveals a meticulously structured agenda convened by the bank's liquidation board. The scheduled items included the reading of the liquidation and auditor reports, approval of the balance sheet, formal ratification of the auditor's position and remuneration, and the review and discharge of the liquidation board's operations. Notably, the continuation of the liquidation under the framework of concordant conditions and the revision of balance sheets²⁷ were explicitly listed as agenda items. These points indicate that the TUTIB's dissolution was not a mere administrative conclusion but a prolonged, rule-bound procedure that demanded iterative financial adjustments and ongoing creditor negotiations. The inclusion of a balance sheet correction clause is particularly telling, reflecting the need to revise previously recorded financial positions considering unsettled liabilities or reevaluated assets. Such provisions highlight the bank's commitment to procedural rigour and financial transparency during liquidation, characteristics more commonly associated with operational entities than with defunct institutions. The 1936 meeting thus illustrates the endurance of the TUTIB's legal personality and its continued interface with the evolving institutional environment of early Republican Turkey, where commercial law and bankruptcy practice were being actively codified and tested.

A final testament to the prolonged institutional afterlife of the Turkish Trade and Industry Bank (TUTIB) appears in a liquidation announcement published in *Tan* on 8 February 1938. More than 13 years after the bank's formal inception and nearly six years into its dissolution, the TUTIB continued to function in a legally constituted form. The notice called shareholders to a general assembly on March 14, 1938, to be held at the bank's offices in Bahçekapı, indicating the institution's sustained procedural identity (*Tan*, 1938, February 8, p. 11). The published agenda reflected a sophisticated continuity in corporate governance: it included the reading of the liquidation and auditor reports, ratification of the balance sheet, reapproval and

²⁷It is called "tasfiye bilançolarının tashihi" in Turkish.

remuneration of the auditor, formal discharge of the liquidators, and crucially, the decision to prolong the liquidation process under the conditions of a concordat. The 1938 Tan notice thus clearly demonstrates that the liquidation process had not yet concluded and was still proceeding under concordant terms. This not only illustrates the bank's compliance with commercial law and bankruptcy regulations but also underscores the procedural rigour with which its dissolution was handled. Even at this late stage, the shareholders were required to deposit their securities with approved financial institutions and obtain entry passes to participate, reaffirming the TUTIB's legal standing and its embeddedness in formal financial oversight. The persistence of such institutional mechanisms further demonstrates the bank's hybrid nature, as a defunct commercial entity still enmeshed in the evolving legal-financial landscape of Republican Turkey, capable of executing fiduciary duties long after its market functions had ceased.

Moreover, the process adhered closely to the procedural norms outlined in Article 445 of the Turkish Commercial Code²⁸, which required creditors to register their claims within a maximum period of one year. The announcement also stipulated that this notice would be published in consecutive weekly issues to ensure legal compliance and transparency. From an institutional perspective, this moment represents a pivotal turning point in TUTIB's lifecycle, transforming it from a bank in operational decline into a legally dissolved entity engaged in the equitable and orderly settlement of obligations. The structured and legally formalised transition into liquidation also reveals the TUTIB's adherence to governance standards and its role in reinforcing early Republican legal-financial norms. As such, this dissolution notice does not merely signify the end of a bank but exemplifies a conscious and regulated withdrawal from financial activity, conducted under both domestic legal oversight and international banking protocols.

Hybrid Identity and Transnational Financial Networks

The TUTIB was not merely a financial enterprise; it also served as a diplomatic instrument for French investors seeking to counter German influence in Ottoman commercial circles. Through a blend of Ottoman legal identity and French financial architecture, the bank expanded France's commercial footprint in the region while formally engaging in the national economic revival projects of the late Empire. Although the bank's licence documentation presented it as an autonomous Ottoman enterprise, its board composition and underwriting arrangements were closely tied to French institutions such as *Crédit Lyonnais* and *Banque de Paris et des Pays-Bas*. This structural configuration exemplifies the hybrid nature of late imperial finance, formally local, yet functionally external in terms of capital control and policy alignment (Clay, 1999, pp. 342–345), and underscores the need for a detailed assessment of its capital composition and shareholder profile. However, while Ottoman state archives and French diplomatic correspondence are accessible, the bank's internal records remain fragmentary. As a result, reconstructing its detailed credit operations and internal management decisions largely depends on contemporary press accounts and indirect testimonies. These structural characteristics and operational constraints ultimately set the stage for the critical decisions that would reshape the bank's trajectory in the early 1930s.

A major institutional milestone in the operational trajectory of the Turkish Trade and Industry Bank (TUTIB) was marked by the formal decision to dissolve the company before its originally intended termination date and to enter full liquidation proceedings. This development was officially recorded through the extraordinary general assemblies held on January 5 and February 15, 1932, where shareholders resolved to terminate the corporation and appointed a new liquidation board (*Cumhuriyet*, 1932, February 27, p. 5).²⁹ The composition of this board is particularly telling: it included senior managers from prominent domestic

²⁸It is known in Turkish as the "Türk Ticaret Kanunu."

²⁹The same advertisement was published in the *Cumhuriyet* Newspaper for the second, third and fourth time. See (*Cumhuriyet*, 1932, March 5, p. 5; *Cumhuriyet*, 1932, March 12, p. 6; *Cumhuriyet*, 1932, August 26, p. 7).

banks such as Ziraat Bank and İş Bank³⁰, as well as representatives from Geneva Bank and foreign legal advisors such as Mr. Maurice Merkt and Mr. F. Bouchardy.³¹ The inclusion of both local and international actors in the liquidation committee underscored the TUTIB's hybrid financial structure and transnational obligations. A public notice published in *Cumhuriyet* on January 31, 1932, invited shareholders to attend an extraordinary general assembly at the bank's headquarters in Bahçekapı on February 15, 1932, under Article 357 of the Commercial Code (*Cumhuriyet*, 1932, January 31, p. 8). The agenda included three critical items: the replacement of certain members of the liquidation board, authorisation for the board to temporarily appoint external members in cases of resignation or vacancy, and the discussion of any additional proposals submitted by the auditor. These provisions demonstrated the bank's commitment to procedural regularity and a high degree of organisational foresight, ensuring administrative continuity and flexibility even during the dissolution process.³²

In addition to the October announcement, an earlier liquidation notice published in *Cumhuriyet* on February 28, 1934, further elucidates the operational continuity and asset management functions of the Turkish Trade and Industry Bank during the early Republican period. This notice, titled "Istanbul Execution Court³³ – Turkish Trade and Industry Bank" (*Cumhuriyet*, 1934, February 28, p. 6), provides details about an extraordinary general assembly meeting scheduled to finalise the liquidation and distribution of the bank's assets under court supervision. It includes an agenda listing the establishment of a creditors' committee, the appointment of new auditors and board members, and the settlement of outstanding accounts based on creditor classifications. The formality and comprehensiveness of this meeting, regulated under the auspices of the Istanbul execution court, underscore that the TUTIB remained a legally and operationally intact institution as late as March 1934. The detailed planning for asset classification and dividend distribution not only illustrates the bank's prolonged procedural existence but also its adaptation to Republican financial oversight mechanisms. When combined with the October Dalaman estate sale, these records reveal that TUTIB functioned not merely as a dissolved relic of imperial finance but as an evolving executor of asset management and creditor negotiations well into the Republican regime. As liquidation progressed, the process increasingly involved the divestiture of substantial real estate and agricultural holdings.

A particularly illuminating example of the TUTIB's operational reach can be found in a detailed liquidation announcement published in *Cumhuriyet* on October 28, 1934³⁴, regarding the sale of the vast "Dalaman Farms" (Dalaman Çiftlikleri) under the bank's administration. The document outlines extensive agricultural, industrial, and infrastructural assets, ranging from cement-reinforced warehouses, railway and telegraph installations, and irrigation channels to pig farms, olive oil production facilities, citrus plantations, and cotton fields, spanning several kilometres and villages in the Köyceğiz district of Muğla. The presence of such a diversified and capital-intensive rural-industrial complex under the bank's control demonstrates TUTIB's deep involvement in land-based asset management, agro-industrial financing, and possibly estate

³⁰Ziraat Bankası and İş Bankası in Turkish.

³¹In subsequent years, M. François Bouchardy was appointed as the Technical Advisor to the French Embassy, succeeding M. Pierre Casalonga. His appointment marked a key development in the evolving political and economic relations between France and Turkey, underscoring his role as a critical intermediary in bilateral engagements (BCA, 37954-154057-13, February 4, 1932).

³²Liquidation: During the liquidation process, the bank entered a phase of dissolution aimed at ceasing operations, settling its debts, collecting outstanding receivables, and distributing any remaining assets to shareholders. In this period, it no longer functioned as an active financial or commercial institution but solely carried out liquidation procedures.

³³It is known in Turkish as the "İstanbul İcra Mahkemesi."

³⁴The liquidation announcement in question was published multiple times in different editions of the same newspaper, with at least two instances documented in September 1934. As the final iteration appeared in October 1934, this version has been cited in this study. For instance, the March 30, 1933 notice is an earlier and somewhat less formal version of subsequent announcements. Its focus on foundational procedures (e.g., committee compensation and basic shareholder participation) suggests that it relates to the initial organisational phase of the liquidation process. In contrast, later announcements reflect the mature execution phase involving asset evaluation, dividend decisions, and creditor relations (*Cumhuriyet*, 1933, March 9, p. 7).

liquidation on behalf of clients or shareholders. It also underscores the bank's transformation from a capital intermediary into a custodian and executor of complex economic estates in the early Republican period. This multi-sectoral footprint affirms the institution's hybrid nature, capable of engaging in both modern finance and classical land-centred wealth systems during a period of institutional transition (Cumhuriyet, 1934, October 28, p. 7).³⁵

A particularly rare and telling example of the Turkish Trade and Industry Bank's (TUTIB) liquidation-stage asset management strategy can be found in a public auction announcement published on October 20, 1944, concerning the disposal of forest resources under the bank's control. According to the notice, the liquidation board placed the bank's rights to two years' worth of timber (including pine, fir, beech, and oak) in the Mehdibey Forest, located in Düzce within Bolu province, up for competitive bidding. Interested parties were directed to the liquidation office at Senpiyer Han in Galata, where further details would be provided, and bids were to be submitted in sealed envelopes (Cumhuriyet, 1944, October 20, p. 6). This announcement is of exceptional significance because it demonstrates a direct and documented instance of the TUTIB's involvement in the divestiture of natural resource assets through formalised auction procedures. Unlike prior notices that focused on institutional restructuring, balance sheets, or creditor settlements, this instance highlights a more tangible operational dimension of the bank's liquidation process, its ability to manage, price, and publicly market capital-intensive physical assets. The fact that such a transaction took place two decades after the bank's founding and nearly a decade after it entered into liquidation further underscores the complexity and extended timeline of TUTIB's dissolution. It also reflects the bank's embeddedness within broader economic networks, especially in the forestry and natural resource sectors, during a critical period of postwar adjustment in Turkey. This case adds yet another layer to our understanding of the bank not merely as a financial intermediary but as an institution with real estate and resource management capacities during and beyond its formal lifespan. While this 1944 case represents a late stage in the bank's extended liquidation timeline, earlier records from the mid-1930s further illustrate the continuity of its governance and asset management functions.

While the primary analytical focus of this study centres on the pre-World War I period (1908–1914), the discovery of a liquidation notice for the Turkish Trade and Industry Bank published in the Cumhuriyet newspaper in 1934 provides compelling evidence that the bank continued to exist, albeit in a state of liquidation, well into the early Republican period. Supporting this, a report published on page 2 of the *Bulletin périodique de la presse turque* dated February 20, 1935, reveals that the bank's Board of Directors held a formal vote concerning the institution's final dissolution.³⁶ This primary source not only confirms that the bank remained legally active into 1935 but also demonstrates that its internal governance mechanisms, such as the board assembly, were still functioning at this late stage. The presence of a formal decision-making process so long after the Empire's collapse reinforces the argument that the TUTIB exhibited features of residual continuity, a form of institutional persistence that extended beyond legal formalism and into operative governance. This finding significantly strengthens the article's core claim regarding the durability of certain late Ottoman financial institutions and their complex transformation in the Republican era. To fully understand the institutional and political context behind these developments, it is necessary to revisit the bank's earlier trajectory during World War I and its aftermath.

³⁵The official announcement in question was republished across multiple issues of the same newspaper, clearly reflecting the bank's concerted efforts to liquidate its pre-dissolution assets and convert them into cash.

³⁶*Bulletin Périodique de la Presse Turque*, No: 107, February 20, 1935, p. 2. The report notes that a formal vote was taken by the bank's board regarding its final dissolution, further verifying the institution's operative continuity during the liquidation process. During the aforementioned voting session, a decree concerning the establishment of compensation committees was also drafted.

See <https://gallica.bnf.fr/ark:/12148/bpt6k63124718/f1.image.r=Banque>.

The outbreak of World War I in 1914 fundamentally altered the financial landscape of the Ottoman Empire. The unilateral abrogation of capitulations by the Committee of Union and Progress (CUP) government in September 1914 marked a decisive shift towards greater economic sovereignty, challenging the entrenched privileges of foreign capital and institutions (Quataert, 2005). This move had significant implications for foreign-capitalised banks, including those with substantial French interests like the Imperial Ottoman Bank, whose administration saw changes during the war (Eldem, 1999). The war also led to the introduction of kaime (paper money) and increased state control over financial resources, reshaping the operational environment for all banks (Pamuk, 2005). Given its French capital, the Turkey Trade and Industry Bank might have been expected to cease operations or face significant restrictions due to France's belligerent status against the Ottoman Empire. However, the 1934 liquidation notice reveals a more complex trajectory. Unlike institutions explicitly targeted or dissolved because of their 'enemy' capital status, TUTIB appears to have navigated the wartime and post-war transitions, possibly due to its hybrid ownership structure, the active involvement of its Ottoman founders, or its relatively modest scale compared to the financial giants (Eldem, 1999). It is plausible that the bank's operations were severely curtailed during the war, yet its legal entity persisted, perhaps in a state of dormancy, until conditions allowed for resolution in a more stable political and economic environment.

The decision for liquidation in the 1930s must be understood within the context of the early Turkish Republic's nation-building efforts and its evolving financial policies. This period saw increased emphasis on national capital and the establishment of state-owned banks, coupled with a more regulated environment for foreign financial institutions (Toprak, 1982). While the specific reasons for TUTIB's liquidation in 1934 require further dedicated archival research, it likely stemmed from a combination of factors: the long-term disruptions caused by World War I, the altered legal and economic framework of the new Republic, and perhaps the inability of its remaining shareholders to adapt to the new economic realities. The fact that its liquidation notice appeared in the Republican press highlights its existence beyond the traditional Ottoman banking history narratives, making it a unique example of institutional continuity through a period of drastic change.

Comparative Analysis and Institutional Continuity

This section analyzes the two banks side by side to identify continuities, divergences, and hybrid institutional forms that spanned the late Ottoman and early Republican periods.

Shared Structural Logics and Functional Similarities

Both the Turkey Trade and Industry Bank (1910–1914) and the Turkish Trade and Industry Bank (1924–1937) were constituted as joint-stock companies, operating under formally approved statutes that combined private initiative with public developmental goals. In both cases, the legal charters explicitly authorised engagement in a wide spectrum of commercial, industrial, and infrastructure-related activities, reflecting the multifunctional character of late Ottoman and early Republican banking. Governance structures incorporated prominent political and bureaucratic elites alongside individuals with international financial experience. Such arrangements facilitated access to both domestic legitimacy and foreign capital, allowing the banks to act as intermediaries between state-led modernisation agendas and private commercial interests (Pamuk, 2005; Toprak, 1982). The alignment of their statutes with national development rhetoric, whether framed in the CUP's milli iktisat discourse or the early Republic's economic nationalism, underscores a persistent institutional logic: the fusion of state endorsement, international finance, and elite governance.

Divergences in Legal Frameworks and Political Economies

While the 1910 bank emerged during the Second Constitutional Period within an imperial framework constrained by capitulatory privileges and a semi-colonial financial order, the 1924 institution was established under the sovereign legal authority of the Republic of Turkey. The former's capital composition leaned heavily on French banking networks and non-Muslim Ottoman financiers, operating in a political economy where foreign capital retained privileged legal protections (Thobie, 1991). By contrast, the latter was rooted in the Republican state's post-1923 regulatory sovereignty, subject to the evolving Turkish Commercial Code, and engaged in liquidation and concordat proceedings within the domestic legal framework. This divergence in the legal environment fundamentally altered the banks' operational latitude: while the 1910 entity navigated the balance between foreign privilege and nationalist discourse, the 1924 bank operated under a framework that sought to subsume foreign capital to national policy objectives, even as it maintained extensive international connections.

Continuity of Institutional Forms Across Regime Change

Despite the political rupture of 1923, both banks reveal a continuity in their institutional form. The reliance on joint-stock structures, familiar governance mechanisms, and flexible capital provisions allowed for the adaptive reuse of Ottoman-era financial templates in the Republican context. The persistence of hybrid ownership models, combining domestic legitimacy with foreign funding, enabled both institutions to weather moments of political and economic instability, at least temporarily. This continuity suggests that rather than dismantling imperial financial legacies, the early Republic often repurposed them, allowing institutional actors to carry forward operational practices, legal forms, and even certain personal networks from the late Ottoman to the Republican era.

Transnational Strategies and National Development Agendas

Both institutions exemplified hybrid identities: nationally registered yet internationally financed or connected. The 1910 bank's strategic alliances with Paris-based financial houses and its embeddedness in the Franco-Ottoman rivalry parallel the 1924 bank's outreach to Geneva, Paris, and Alexandria. In both cases, transnational linkages were legitimised through national development rhetoric, allowing foreign capital participation to be framed as compatible with sovereignty. This strategy relied on a combination of symbolic markers, such as bilingual share certificates, elite Ottoman or Republican political sponsorship, and alignment with state development priorities, to reconcile external finance with domestic legitimacy. The operational portfolios of both banks, encompassing trade credit, infrastructure finance, and in the latter case, even resource exploration, further demonstrate the enduring appeal of mixed-ownership development banking in peripheral and semi-peripheral economies (Clay, 1999).

Implications for Institutional Continuity and Change

Taken together, these patterns highlight a deeper structural continuity that transcended the imperial-republican divide. Both banks were products of political economies in which sovereignty was negotiated rather than absolute, and where state-building was pursued through institutional hybrids that married domestic authority to foreign expertise and capital. At the same time, their divergent trajectories, influenced by shifting legal frameworks, political economies, and the global financial climate, illustrate the adaptive yet fragile nature of such arrangements. The long liquidation of the 1924 bank, extending into the late 1930s, and the residual continuity from the 1910 entity suggest that the institutional DNA of late Ottoman finance persisted well into the Republican era, shaping the contours of Turkey's financial modernisation.

Conclusion

This article has reconstructed, through extensive archival and press-based evidence, the institutional trajectories of the Turkey Trade and Industry Bank (TTIB, 1910–1914) and its Republican-era counterpart, the Turkish Trade and Industry Bank (TUTIB, 1924–1937), situating both within the broader nexus of foreign-capitalised finance, nationalist economic policy, and regime change in Turkey. By focusing on these relatively modest yet strategically significant institutions, rather than the dominant actors such as the Imperial Ottoman Bank or *Crédit Lyonnais*, the study has illuminated how late Ottoman financial modernisation and early Republican state-building intersected with persistent transnational capital networks.

A central finding is that both TTIB and TUTIB exemplify hybrid institutional forms that combine international capital, particularly of French origin, with domestic political legitimisation. While the TTIB emerged under the Second Constitutional Era's imperial-legal framework, navigating capitulatory privileges and nationalist rhetoric, it operated under the sovereign legal authority of the Republic, subject to the regulatory architecture of the 1924 Banking Law. This law codified joint-stock banking under modernised state oversight while permitting the adaptation of late Ottoman institutional templates to a Republican context, enabling continuity in organisational form despite political rupture.³⁷

Although capitalised by French interests, the bank was ostensibly initiated by Ottoman subjects, and its operational orientation and management bore the hallmarks of French financial hegemony. The roles played by both Ottoman elites and French financiers in shaping the bank's governance have been highlighted, as have the broader geopolitical and legal shifts, including the wartime abrogation of capitulations, that affected its operations. The involvement of prominent Ottoman figures such as Ahmed Lütfullah Bey and İsmail Hakkı Bey not only lent legitimacy to the TTIB's Ottoman identity but also demonstrated the deliberate efforts by French capital to imbue the bank with a perceived "national" character.

The TTIB's operational scope illuminates the pragmatic compromises between nationalist aspirations and financial dependency in the late Ottoman state. The research also reveals that TUTIB's role extended far beyond conventional commercial banking. Its documented activities in municipal finance (e.g., İzmit treasury services), regional trade credit (e.g., Dalaman, Tekirdağ), and strategic sectors such as petroleum exploration and large-scale agricultural estates (e.g., Dalaman Farms) demonstrate a diversified portfolio aligned with both national development agendas and the preservation of elite-capital linkages. The integration of European financial intermediaries in its share custody and liquidation procedures further confirms its embeddedness in cross-border capital circuits well into the 1930s.³⁸

Archival evidence indicates that the Turkish Trade and Industry Bank (TUTIB) strategically expanded its portfolio in the 1920s by acquiring mineral exploration and exploitation rights in various regions of the Bolu Province. The first documented transfer, authorised by the Council of Ministers on 21 Teşrinisani 1926, concerned the full transfer of a coal mining licence covering the villages of Kayışlar, Kadılar, Çolak, Elvanlar, and Kozsağır in the Gökçesu subdistrict from private holders Şaban Bey and his partner Abdullah Sahri

³⁷Republic of Turkey, Prime Ministry, Decree on the Amendment of Articles 23, 24, and 25 of the Articles of Association of the Turkish Trade and Industry Bank, 1 April 1931, approved upon the proposal of the Ministry of Economy dated 29 March 1931 and numbered 1684/50. See (BCA, 30-18-1-2 / 19-22 – 5, April 1, 1931).

³⁸Republic of Turkey, Prime Ministry, Decree on the Transfer of Mineral Exploration Licence Rights to the Turkish Trade and Industry Bank, [date to be confirmed], Decree No. 39738. Issued upon the proposal of the Ministry of Commerce and the General Directorate of Mines, the decree approved the transfer of full rights to a mining exploration licence—covering coal, iron, and lead deposits in the vicinity of several villages in the Gökçesu subdistrict of Bolu Province—from its original holders to the Turkish Trade and Industry Bank, represented by its director Hasan Şaban Efendi. The Council of Ministers confirmed the legality of the transaction and authorised its execution, with the decision signed by President Gazi Mustafa Kemal, Prime Minister İsmet (İnönü), and the relevant cabinet ministers of the period. See (BOA, İ..DUİT / 124 – 30, 31 August 1920).

Bey to the bank's name, represented by General Manager Hasan Şaban Bey.³⁹ A second decree, issued on the same date, approved the transfer of coal, iron, and argentiferous lead mining rights in the vicinity of Babakain, Babasefer, and Ağalar villages in Gökçesu from the previous licence holder, Dimğzâde Hafız Rıza Efendi, to TUTIB, again represented by Hasan Şaban Bey.⁴⁰ These acquisitions, carried out under the legal oversight of the General Directorate of Mines (Ma'âdin Müdüriyyet-i Umûmiyyesi), not only diversified the bank's asset base but also positioned it as a stakeholder in the extractive industries, in line with the broader early Republican strategy of integrating financial institutions into national development projects.

One of the most significant contributions of this study is the demonstration, through liquidation and concordat notices spanning 1932 to as late as 1938, that the institutional life of the TTIB/TUTIB extended far beyond the conventional endpoint assumed in the literature. This finding substantiates the concept of residual continuity, where the legal and procedural existence of a financial institution persists across regimes, even after its commercial viability has waned. The involvement of mixed domestic and foreign liquidation boards, the use of European banking channels during asset divestment, and the management of high-value natural resource concessions underscore the complex interplay between national sovereignty and transnational financial obligations in this protracted wind-down.

To assess the broader applicability of our findings, we propose a comparative framework involving contemporary German- and British-capitalised Ottoman banks. In particular, the Deutsche Orient Bank (1906–1926) and the Ottoman Bank (1856–1933) exhibit variant forms of hybridity in their capital compositions and alignments with national-economy rhetoric. This comparative lens situates the TTIB case within the wider Ottoman financial landscape, enhancing the article's historical and conceptual impact across the field.

From a comparative perspective, the TTIB/TUTIB case aligns with broader patterns observed in other semi-peripheral economies, where foreign-financed joint-stock banks operated as vehicles for both economic modernisation and external influence. Their adaptive reuse of institutional forms across political transitions illustrates that regime change did not entail a wholesale dismantling of financial infrastructure but rather its selective reconfiguration to serve shifting ideological and developmental priorities.

Ultimately, the dual histories of the TTIB and TUTIB contribute to a more nuanced understanding of the Ottoman–Republican financial continuum. They demonstrate that foreign-capitalised institutions could survive and adapt in nationalist political economies, provided they maintained functional compatibility with prevailing legal regimes and development narratives. In doing so, they challenge the binary categorizations of imperial versus national finance and instead foreground the persistence of hybrid, transnationally embedded institutions as enduring features of Turkey's financial modernity.



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³⁹Republic of Turkey, Prime Ministry, Directorate of the Special Chancery, Decree on the Transfer of a Coal Mining Licence in the Vicinity of Kayışlar, Kadılar, Çolak, Elvanlar, and Kozsağır Villages, Gökçesu Subdistrict, Bolu Province, to the Turkish Trade and Industry Bank, 21 Teşrinisani 1926 [21 November 1926], Decision No: 4352. See (BCA, 30-18-1-1, / 21-70 - 15, November 21, 1926).

⁴⁰Republic of Turkey, Prime Ministry, Directorate of the Special Chancery, Decree on the Transfer of Coal, Iron, and Argentiferous Lead Mining Licence Rights in the Vicinity of Babakain, Babasefer, and Ağalar Villages, Gökçesu Subdistrict, Bolu Province, to the Turkish Trade and Industry Bank, 21 Teşrinisani 1926 [21 November 1926], Decision No. 4359. See (BCA, 30-18-1-1, 21-71 - 2, November 21, 1926).



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