

**The Ottoman Bank** was founded in 1856 by twelve non-Turkish financiers—eight Armenians, one Greek, one French, one Russian, and one English—under an Imperial Decree. This reflects the dominance of minority and foreign elites in Ottoman finance, especially the Armenian “Galata bankers,” who were central to the empire’s economic modernization.

### 1) Context of the Ottoman Bank’s Founding

**Year & Decree:** Established in 1856 by an Imperial Decree of Sultan Abdülmecid I, during the Tanzimat reform era, which aimed to modernize Ottoman institutions.

**Founders:** All twelve were non-Turks. 8 Armenians – representing the powerful Armenian banking families of Galata, 1 Greek – linked to the Phanariot merchant-financier class, 1 French, 1 Russian, 1 English – reflecting European capital interests.

This composition highlights how Ottoman finance was largely controlled by non-Turkish minorities and foreign investors, since Muslim elites were less involved in banking due to religious restrictions on interest.

### 2) Why Armenians Dominated

**Galata Bankers:** Armenian financiers in Galata (Istanbul’s financial district) had long provided loans to the Ottoman state, especially during wars and reforms. These Armenians came from powerful dynasties such as the Dadian (Originally gunpowder manufacturers, they became major financiers of the Ottoman military), Balyan (Famous as imperial architects, but also invested in finance and banking), and Bezciyan families (Known for their role in credit and trade, closely tied to Galata’s financial houses), who were deeply embedded in Ottoman finance and industry.

**Other Armenian dynasties:** Families like the Agopian, Camciyan, and Hovhannesyan were also active in lending and currency exchange.

### 3) Who Were the Galata Bankers?

The Galata bankers were a group of mostly Armenian and Greek financiers based in the Galata district of Istanbul. They provided loans to the Ottoman state, managed currency exchange, and acted as intermediaries with European capital markets. Their power peaked in the mid-19th century, coinciding with the Tanzimat reforms and the founding of the Ottoman Bank.

**Trust & Networks:** Armenians had strong ties with European markets and were trusted intermediaries between Ottoman authorities and foreign creditors.

Economic Role: By mid-19th century, Armenians were among the empire's most influential economic actors, controlling much of the credit system.

#### 4) European Influence

British Charter: Initially founded as a British institution in London in 1856.

French Partnership: Reorganized in 1863 as a French-British joint venture, known as the Imperial Ottoman Bank (Banque Impériale Ottomane).

Foreign Control: Though Armenians were key in the founding, the bank quickly came under European dominance, especially French, due to stronger investor participation.

#### 5) Role in Ottoman Economy

Treasurer of the Empire: The bank acted as the empire's central bank, managing state debt, issuing banknotes, and financing reforms.

Symbol of Tanzimat Modernization: Its creation reflected the empire's attempt to align with European financial practices.

Dependency: It also underscored Ottoman dependence on minority and foreign capital, foreshadowing later debt crises and the establishment of the Ottoman Public Debt Administration (1881).

#### 6) Significance of the Statement

The non-Turkish founders demonstrate the marginal role of Turks in formal banking at the time. The Armenian Majority highlights the prominence of Armenians in Ottoman finance, often overlooked in mainstream narratives. The Ottoman Imperial Decree shows state endorsement of minority-led modernization, even though it meant ceding financial sovereignty to non-Turkish actors.

The Ottoman Bank's founding in 1856 was a landmark in Ottoman modernization, but it also revealed the empire's reliance on Armenian financiers and European capital. The fact that all twelve founders were non-Turks illustrates both the strength of minority communities in Ottoman finance and the state's willingness to entrust them with critical economic institutions.

7) The occupation of the Ottoman Bank (Պաշտոնը Օթոմանի գրառարան): The Armenians suffered from persecution and forced assimilation under Ottoman rule. The Armenians lived in their own villages and city quarters, separate from the Turks. They were subjected to heavy taxes and were downgraded as a separate group of Ottoman society, called a millet. Various Armenians who were resentful of Ottoman persecution took up arms to defend their basic rights. This infuriated the Sultan Abdul-Hamid II who viewed

the small resistance as a threat to his power. In the 1890s, up to 300,000 Armenians had been massacred on the implicit orders of Sultan Hamid, massacres commonly known as the Hamidian massacres.

The Armenian Fedayees Bank Ottoman attack was a pivotal event in the Armenian struggle for autonomy and rights. On August 26, 1896, members of the Armenian Revolutionary Federation (Dashnak Party) led by Papken Siuni and Armen Garo took over the Ottoman Bank in Constantinople. Their actions were a symbolic act to draw international attention to the Sultan Abdul Hamid II's atrocities against the Armenian population. The attack lasted for 14 hours, resulting in the deaths of ten Armenian men and Ottoman soldiers. Despite the violence, the European press reported the event positively, praising the men for their courage and the objectives they aimed to accomplish. However, the European powers did not take action to enforce reforms in the country, leading to further massacres of Armenians. Retribution against the ordinary Armenian populace in Constantinople was swift and brutal. Ottomans loyal to the government began to massacre the Armenians in Constantinople itself. Two days into the takeover, the Ottoman softas and bashibazouks, armed by the Sultan, went on a rampage and slaughtered thousands of Armenians living in the city.

The event is remembered as a significant moment in the Armenian struggle for autonomy and rights.

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Photos:

- An illustration of the Bank Ottoman, Istanbul, 1890-1892, by architect Alexandre Vallaurty (Wikimedia Commons).

- Bank Ottoman Bankalar\_Caddesi. North front in the 1920s, photographed by Sébah & Joailliers

