

# 250 years wiener boerse

## Maria Theresa creates stability in formerly unregulated market



As a result of the Seven Years' War with Prussia, the Austrian state budget was completely shattered. Agents of the Treasury had to borrow money abroad at a high loss of coinage. In addition, the Habsburgs lived an exuberantly luxurious lifestyle and paid little attention to economic relationships and the effects of their money printing. There was great distrust among the population regarding government securities, as prices were set by private houses. Trading was unregulated and took place on the streets and in the coffee houses. A single regulated market was to put a stop to this uncontrolled growth. Maria Theresa took the first steps in this direction as early as 1761.

## Foundation of the Vienna Stock Exchange to raise state capital



In 1771, Maria Theresa founded the Vienna Stock Exchange to raise state capital, based on the French model. Initially, the focus was on trading bonds, bills of exchange and foreign exchange. Stockbrokers, also called "Sensale", ensured that everything ran smoothly. The stock exchange brought anonymity and uniformity. Business transactions became faster and safer.

## The first shares and international reputation



In 1818, the Oesterreichische Nationalbank was the first share on the stock exchange list. One of its first shareholders was Ludwig van Beethoven, who purchased eight shares in 1819. In the following years, the Vienna Stock Exchange gained a growing international reputation due to the importance of the Habsburg monarchy. Companies from the transportation and traffic sectors used the capital market to finance their businesses.

## An autonomous stock exchange for the realization of ideas and ventures



The new stock exchange patent set the course towards the autonomy of the Vienna Stock Exchange. The framework was regulated in the Stock Exchange Act, and business operations were taken over by the newly created Stock Exchange Chamber. Between 1867 and 1873, the Austro-Hungarian Monarchy experienced a tremendous surge in industrialization and economic growth. There were numerous new listings on the Vienna Stock Exchange, especially of bank, railroad and industrial shares. The stock exchange listings of today's PORR AG and Wienerberger AG also fell into this period. At over 150 years, they are the oldest shares listed.

## Creation of one of the most modern stock exchange laws in Europe

A liberal economic policy also favored unsound business start-ups. The wave of speculation ended on 9 May 1873 with the Viennese stock market crash. About half of the stock corporations disappeared from the stock exchange list. The need for a new legal framework was recognized, and the Stock Exchange Act was created in 1875. It was considered one of the first modern stock exchange laws in Europe and, with few changes, regulated Austria's stock exchange system until 1989.

## Vienna Stock Exchange facilitates the financing of reconstruction



The institution, Vienna Stock Exchange, has been located in many places during its 250-year history. The best-known venue is the historic stock exchange building on Schottenring, where the Vienna Stock Exchange conducted its business operations between 1877 and 1997. Only during the World Wars, the stock exchange was closed. As a result, trading shifted to the surrounding streets and coffee houses. Official trading on the Vienna Stock Exchange resumed in November 1948. The bond market recovered quickly. In 1949, the first federal bond of the Second Republic, the „Aufbauanleihe,“ became tradable on the stock exchange. However, the stock market was curbed by the nationalization of individual industries.

# Delivering the future since 1771.

## Privatization Wave - Policymakers recognize the potential of the domestic capital market

From 1985 onwards, there was a strong demand for Austrian shares (stock market boom). This period also saw a change in the previously restrained attitude of economic policy towards the stock market. Starting in 1987 and triggered by the privatization wave, numerous renowned Austrian companies went public. These included OMV (1987), Austrian Airlines (1988), Verbund (1988) and EVN (1989).

## Electronic trading increases efficiency



From 1989, trading on the Vienna Stock Exchange was increasingly operated electronically. In 1999, all trading was fully automated. By 2012, Wiener Börse also implemented the trading system at its future partner exchanges. This strengthened the role of the Vienna Stock Exchange as an infrastructure provider. As such, it now provides the markets of Croatia, Austria, Slovenia, the Czech Republic and Hungary with the trading system and complementary IT services.



## Globally recognized data hub and index provider

The Austrian Traded Index (ATX) was first published in 1991. To this day, it has reflected the development of the 20 most liquid stocks on the Vienna Stock Exchange. The oldest index calculated by the Vienna Stock Exchange is the WBI (Wiener Börse Index). It was introduced in 1968 and tracks the performance of the domestic capital market. 150 tradable indices covering countries, sectors, regions and various investment themes and styles are now used by more than 140 financial institutions worldwide as underlyings for their products. The Vienna Stock Exchange is the number one contact for market data from Central and Southeastern Europe: As a one-stop shop, it offers market information from eleven exchanges via one data feed.

## Cooperation agreements open the door to CEE growth region



In 1997, the Vienna Stock Exchange Chamber merged with the Austrian Futures and Options Exchange (ÖTOB) to form the new Wiener Börse AG. A market-oriented company owned by domestic banking institutions and listed companies was founded. Through cooperation agreements, it built up its network in Central and Eastern Europe since 2004. The Prague Stock Exchange is a direct subsidiary of Wiener Börse AG.

## National stock exchange with an international network

Digitalization in the early 2000s facilitated the connection of foreign banks. Today, all major domestic and international trading firms are connected to the Viennese marketplace. Austrian equities score well with global investors. More than 80% of equity trading is generated outside the country. The majority of our customers in data and index sales also have an international background.

## Reliability and transparency are a central mission

The Vienna Stock Exchange is the clear market leader in trading Austrian equities and is known for its international network of trading participants, investors and data vendors. As the heart of the Austrian capital market and a reliable infrastructure provider, it builds bridges for companies to the world's leading financial centers and opens the door for investors to the growth region of Central and Eastern Europe.

In the quarter of a millennium of history and despite technological modernization, the fundamental mission of the Vienna Stock Exchange has not changed. It is the central marketplace for the pricing of securities and creates trust and transparency with its service and reliability. This is proven day after day in a highly regulated environment with intense competition.

# The Next 250.