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**DEUTSCHE BÖRSE CELEBRATES AN ANNIVERSARY**  
A CHRONOLOGY OF EFFICIENT MARKETS

## Dear readers,

As you know, Deutsche Börse Group occupies a prominent position among the world's securities exchanges, holding an extensive portfolio of businesses. You may not know however how we came to be what we are.

On the occasion of our 425th anniversary, we would like to outline for you the key events comprising our history, from the origins of trading at medieval market fairs and money changing to the introduction of government bonds and the rise of electronic exchange trading, to name just a few.

Together these three milestones trace the entire course of our development, each individually representing a pioneering innovation of its time, each making the markets more efficient. We are very proud—not only to have a rich history, but also that progress is the main tradition at Deutsche Börse Group.

We wish you a pleasant and informative journey into the past, and back to the present!

Frank Gerstenschläger

Chairman of the Management Board  
Frankfurter Wertpapierbörse



Photo: Bert Bostelmann

# 1150

The Frankfurt autumn fair is mentioned in writing for the first time, the direct precursor of the Frankfurt Stock Exchange. Merchant traders from all over flocked to Frankfurt when the first harvest fairs were held. They were the reason why the city developed into a center for commercial and monetary transactions over the course of the centuries. Already in the sixteenth century, the city's prosperity was not lost on prominent temporary observer Martin Luther, who called Frankfurt a "silver and gold hole".

- 1240 A privilege from Emperor Frederick II renews the imperial escort to the Frankfurt fair, which was first provided to its visitors in 1227.
- 1330 Emperor Louis IV ("the Bavarian") permits the holding of a second fair in Frankfurt, the spring fair. Following the decline of the Champagne fairs in France, Frankfurt takes over their role.
- 1396 For the first time, documents record money-changing transactions in connection with the Frankfurt fairs.
- 1402 Frankfurt establishes its first exchange bank.
- 1478 The first book dealers visit the Frankfurt fair, where the most valuable goods of the late Middle Ages are traded: books, weapons, spices and cloth. Financial transactions also take place.



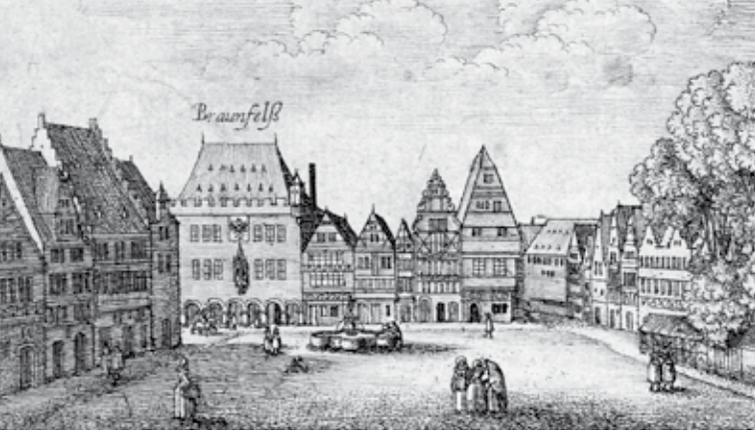
THE TRADE FAIR IN MEDIEVAL FRANKFURT

Photo: Historisches Museum Frankfurt am Main



# 1694

The practice of holding open-air meetings on the Frankfurt town hall square (Römerberg) ends and the assembly of exchange members moves inside, into the “Großer Braunfels” building at Liebfrauenberg. As the city’s most spacious and prestigious building, this new location reflects the commercial significance of the assembly.



THE “GROSSER BRAUNFELS” BUILDING AT LIEBFRAUENBERG PLAZA

# 1778

- 1707 The exchange presidents are recognized as the merchants’ official representatives, whose association was a precursor to the chamber of commerce.
- 1721 The oldest surviving Frankfurt quotations sheet dates from this year, listing exchange rates for 16 coinage types.
- 1739 Exclusion and distinction: foreign traders’ permits are revoked by an act of law, in which distinction is also made for the first time between money and goods traders.
- 1754 The Frankfurt bank owned by the Bethmann brothers issues governmental, regional and municipal bonds for the first time.

The era of government loans begins: Bethmann Bank floats the first bond offering valued in the millions, for the Emperor in Vienna. To be able to place such a sum, the bank first issued fractional bonds of 1,000 guilders of the twenty-guilder standard for eight years at 4.5 percent. Anyone with sufficient funds could buy these securities, thereby being entitled to regular interest payments. This deal was a watershed moment for the Frankfurt exchange, which by 1850 had become the number one location for safe government bonds and funds, creating a reputation of solidity for the city: it becomes a “gateway for capital exports”.

- 1797 3 July: The earliest surviving printed exchange list for government bonds contains 26 bonds, 14 of which are imperial, three Prussian and three Palatinate.



FIRST SHARES TRADED IN FRANKFURT

# 1820



THE "HISTORIC EXCHANGE" AT PAULSPLATZ (1845)

Photos: Privatbesitz

- 1799      26 November: Separate exchange regulations are enacted for currency and goods traders respectively.
- 1808      7 May: The Frankfurt chamber of commerce is founded. The directors of the exchange are assigned to a newly-formed committee within the Chamber. From now on, the Chamber of Commerce is the body responsible for the Frankfurt stock exchange.
- 1813      Jewish businessmen are no longer excluded, receiving official permission to enter the exchange.
- 1816      Regular securities trading begins and the exchange experiences its first boom, which continues until 1826.

Participating certificates of the Austrian National Bank constitute the first common shares that are listed and traded in Frankfurt. However, the innovation fails to catch on: Frankfurt's traders are for a long time skeptical about equities, a financing instrument enjoying increasing popularity elsewhere. Bonds remain the focus of trading.

- 1836      Frankfurt's most prestigious banking houses establish the private club Stocks Society (Effekten-Societät). Members are allowed to trade outside the official exchange to continue trading especially in the evening. These extremely speculative evening transactions occasionally exceeded the turnover on the official exchange.
- 1843      11 December: Frankfurt evolves into an international capital market and exchange alongside London and Paris. The "Großer Braunfels" building is bursting at the seams. On 11 December, the exchange moves into its own dedicated premises in the immediate vicinity of the Paulskirche church.
- 1851      2 January: The Frankfurt Brokers' Syndicate releases its first quotations sheet.



NOTE ISSUED BY "FRANKFURT BANK" (1855)

# 1853

1 March: The Frankfurt securities depository (Frankfurter Vereins-Kasse) is founded in Frankfurt. It is involved in the settlement of securities transactions. Until then, securities sales had been effected in cash, but transporting barrels and sacks filled with silver coins to and from the trading center presented a high risk.

- 1854 The trading floor as we know it today is introduced, an enclosed area in the exchange hall accessible only to officially approved traders, based on the model of the Paris exchange.
- 1878 The Stocks Society running after-hours trading (Abendbörse) is given rights to cooperate with the official exchange run by the chamber of commerce.

The next relocation is to the new exchange building at Rahmhof, today's Börsenplatz. The architects of this newly constructed building very effectively united functionality and prestige in a magnificent structure. Along with the main railway station and the old opera house, it is still one of the most important Frankfurt buildings dating from the Wilhelminian era.



NEW LOCATION IN 1879, STILL ONE OF FRANKFURT'S MOST SIGNIFICANT BUILDINGS TODAY

# 1879

- 1881 The German Empire implements a stamp tax (Stempelabgabe) on both the issue and the trading of securities on exchanges. In 1894 and 1900 the tax level is considerably raised, thus contributing to the acceleration of concentration in the banking sector.
- 1896 After-hours trading on the Frankfurt Abendbörse is integrated into the official exchange organization.



EXCHANGE MEMBERS MEETING AROUND 1914

# 1933

- 1914 The First World War and its consequences impact the internationally oriented Frankfurt securities exchange. By the end of the war, all foreign securities have disappeared from German quotation sheets, depriving Frankfurt of its status as an international securities exchange. After the war, the exchange suffers from the destruction of its foreign relationships.
- 1923 The inflation after the war reaches its first peak. The stock exchange sees unprecedented losses in securities of monetary value. By contrast, demand for equities as speculation objects sharply increases —until stock exchange prices fall dramatically due to the breakout of the Great Depression in October 1929.

The National Socialist party assumes power, interfering heavily in the business and financial sectors. The imperial government usurps authority to regulate exchanges from the states, and the number of securities exchanges is reduced from 21 to 9. The Frankfurt stock exchange takes over the Mannheim stock exchange in 1935 and is renamed the Rhine-Main Stock Exchange (Rhein-Mainische Börse), though as a so-called homeland exchange (Heimatbörse) it no longer has a significant function, as any investment capital is diverted into the wartime economy.

- 1944 In the course of an allied bomb attack, the Frankfurt stock exchange building is severely damaged. The exchange continues to operate in the cellars.
- 1945 14 September: The Frankfurt stock exchange resumes unofficial trading. Official trading only starts up again following the currency reform of 1948.
- 1949 12 July: The Frankfurt central securities depository (Frankfurter Kassenverein) is founded as a stock corporation. One of its first and most significant tasks is the necessary settlement and clearance of securities after the war.



THE BOMBED-OUT EXCHANGE

# 1956



CURRENCY EXCHANGE MEETING, MID-1960S

# 1969

1953 4 May: Four currency exchanges are opened, for the US dollar, Canadian dollar, Swiss franc and currencies of the European Payments Union.

May: Currency traders are allowed to buy foreign securities—giving the Frankfurt market a significant boost in activity.

1957 9 February: The Main Trading Hall of the exchange building is reopened in renovated form.

1958 22 May: Foreign shares are listed on the Frankfurt stock exchange for the first time since the war. US industrial shares had been traded on the unofficial market (Freiverkehr), however, since late September 1956.

1968 The price of gold is allowed to float. Trading in gold resumes in Frankfurt and on other exchanges.

1 February: The digital age arrives—at the Frankfurt stock exchange earlier than at its competitors. Traders can now process securities transactions electronically.

1970 Börsen-Daten-Zentrale GmbH (BDZ) is founded. As the data center of the Frankfurt stock exchange, BDZ is one of the precursors of Deutsche Börse Systems AG.

September: Exchange member firms are now able to interact with the exchange computer via telex.

1983 Options on equities, reapproved by law in the Federal Republic of Germany since the middle of the year 1970, are now standardized and modernized enough to allow secondary market trading—which is concentrated in Frankfurt.



DAX: UNCHALLENGED FROM DAY ONE

# 1988



THE FUTURE IS NOW: DEUTSCHE TERMINBÖRSE COMMENCES FUTURES TRADING IN 1990.

# 1992

Photos: Deutsche Börse AG

1987 16 September: The computer-based KISS price information system replaces the display boards on the trading floor used since 1964.

1 July: Germany's leading index is born—the DAX index is calculated and published for the first time. The index reaches an all-time high on 13 July 2007 at 8,151.57. It immediately became established as the uncontested, internationally recognized German blue-chip index, whose predecessors were quickly forgotten.

1990 26 January: Deutsche Terminbörse (DTB) starts trading. For the first time, futures contracts are traded in Germany—and the process to become one of the leading derivatives exchanges worldwide begins.

1 August: Frankfurter Wertpapierbörse AG (FWB, the Frankfurt Stock Exchange), which has been set up by banks and exchange brokers, is entered into the commercial register. The stock exchange management transfers the overall charge of the Frankfurt Stock Exchange, as an institution under public law, from the Chamber of Industry and Commerce to the FWB.

1991 5 April: The Frankfurt Stock Exchange rolls out IBIS, an integrated exchange trading and information system for the cash market. IBIS is a simple supply and demand system that does not perform automated matching.

11 December: Frankfurter Wertpapierbörse AG is renamed Deutsche Börse AG. This new company holds all shares of both the DTB derivatives exchange and the German central securities depository (Deutscher Kassenverein).

1997 March: Opening of Neuer Markt ("new market"). This market segment, which exists until March 2003, gives innovative start-up companies the opportunity to raise equity via the stock exchange.

# 1997



ADVENT OF THE FUTURE: XETRA, THE WORLD'S FIRST FULLY ELECTRONIC TRADING SYSTEM, REVOLUTIONIZES THE CASH MARKET.

# 2001

Photo: Deutsche Börse AG

1997 April: Deutscher Kassenverein is reorganized as Deutsche Börse Clearing AG, a predecessor of today's Clearstream International S.A.

June: Deutsche Wertpapierdaten-Zentrale GmbH (DWZ) is merged into Deutsche Börse Systems AG, founded in late 1996 as the IT house of Deutsche Börse Group.

28 November: A new era of exchange trading begins: Xetra, the fully electronic trading system for the cash market, replaces the former IBIS system. From that date on, the exchange is now wherever there are screens.

1998 In concert with the Swiss Stock Exchange, Deutsche Börse merges the Soffex and DTB futures markets to form Eurex: the world's first cross-border derivatives exchange.

2000 1 January: Deutsche Börse Clearing AG merges with Cedel International S.A. at the start of the year to form Clearstream International S.A., a new provider of settlement services for national and international securities transactions and the custody of securities. Deutsche Börse AG holds an initial 50 percent stake in the joint venture.

August: Spot trading in electricity begins at European Energy Exchange AG (EEX). Indices based on EEX electricity prices are calculated starting in December. Derivatives trading begins in March 2001: futures are listed on base and peak loads.

5 February: Deutsche Börse AG goes public.

2002 July: Following its capital increase in June, Deutsche Börse AG acquires all shares of Clearstream International S.A., which is integrated into Deutsche Börse Group.



AN ALL-AROUND SUCCESS: THE FULLY RENOVATED TRADING HALL REOPENS IN 2007



TRANSPARENT, EFFICIENT, ENVIRONMENTALLY-FRIENDLY: THE NEW EXCHANGE HEADQUARTERS.

# 2010

Photos: Deutsche Börse AG

2003 1 January: The new segmentation of the stock market comes into force at the Frankfurt Stock Exchange at the beginning of the year. At its heart are two new market segments, Prime Standard and General Standard. Prime Standard places high transparency requirements on issuers. In General Standard, the legal requirements continue to apply.

March: Deutsche Börse introduces the central counterparty in Xetra and floor trading at the Frankfurt Stock Exchange.

2005 October: The Entry Standard is established for small and medium-sized companies. This new segment of the Open Market is open to companies that want their shares to be included in exchange trading while meeting less stringent formal requirements.

2007 February: After almost five months of renovation work, trading resumes on the modernized Main Trading Hall of the Frankfurt Stock Exchange.

September: 425 years after its foundation, Deutsche Börse begins the relocation to its future Group headquarters. The construction of a new building in Eschborn underpins the Group's commitment to the Rhine-Main region. The building, which is around 90 meters tall and accommodates over 2,000 workers, is designed to meet strictest ecological standards. Employees will have relocated to the new headquarters by the end of 2010.

PART 2 OF THIS BOOKLET WILL BE PUBLISHED  
IN THE YEAR 2435.