

CREDIT ANALYSIS

Berlin, Land of

Germany

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Ratings

Berlin, Land of

Category	Moody's rating
Outlook	Negative
Issuer Rating	Aa1
Debt Ratings	
Bonds	Aa1

Summary Rating Rationale

The Land of Berlin's Aa1 issuer and long-term bond ratings reflect the land's balanced budgetary performances in recent years thanks to successful financial consolidation efforts which is expected to continue. Also factored in are its limited financial flexibility, its high spending needs and extremely high debt levels. The Aa1 rating also reflects our assessment of a very high likelihood that the Federal Republic of Germany (Aaa, negative) would support the Land financially by taking measures to prevent a default.

National Peer Comparison

Berlin is rated in line with the average of German Länder, whose ratings span from Aaa to Aa1. Berlin's position relative to its peers reflects its extremely high indebtedness. These high debt levels are offset by the strong equalisation system in Germany, the Land's robust access to liquidity and the very high likelihood of support from the German government.

Rating Outlook

The rating outlook is negative. It mirrors the corresponding outlook on the German sovereign. The extremely strong financial and operational linkages between the central government and German Länder imply a high correlation between the credit standings of the German federal government and those of the Länder.

This Credit Analysis provides an in-depth discussion of credit rating(s) for Berlin, Land of and should be read in conjunction with Moody's most recent Credit Opinion and rating information available on [Moody's website](#).

What Could Change the Rating - Up

A stabilisation of the outlook or upward rating pressure on Berlin's rating would require a stabilisation of the sovereign rating, or evidence of Berlin's capacity to display comparatively stronger credit fundamentals than its peers.

What Could Change the Rating - Down

Given that the negative outlook on Berlin mirrors the negative outlook on Germany's sovereign rating, downward ratings pressure on Berlin would likely be prompted by a deterioration in the creditworthiness of the sovereign. Additionally, a deterioration of Berlin's financial fundamentals could exert downward ratings pressure.

Baseline Credit Assessment

Berlin's Baseline Credit Assessment (BCA), which is a measure of the entity's standalone credit strength and excludes extraordinary support considerations, is a1. The BCA reflects the following factors:

Financial Performance and Debt Profile

Berlin – a special case

Germany's reunification brought with it the challenge of integrating East and West Berlin. The new city's administration overestimated its ability to generate tax revenues when Berlin became part of the financial equalisation system in the early 1990s. Consequently, the city suffered from a long period of financial deficits, which, however, in recent years has steadily improved and turned positive.

An unfavourable Constitutional Court ruling in 2006 prompted successful consolidation...

The situation persisted for several years, resulting in an extreme budgetary crisis - *Haushaltsnotlage* - which it determined it could not resolve without support. In 2003, the Land of Berlin applied to the federal government for additional funds. But the federal government rejected Berlin's application, and in 2003 the Land, seeking help with its difficult financial situation, lodged a complaint with the Constitutional Court. In October 2006, the court delivered its verdict rejecting Berlin's request for additional subsidies from the Federal Republic on the grounds that the Land was not in an extreme budgetary crisis and was capable of improving its financial situation through ordinary budgetary means.

The administration had already begun tight cost control policies in 2001 and after the verdict committed to a more stringent fiscal plan, which for years yielded markedly improved financial performances until the 2009 financial crisis. However, the fiscal consolidation continues to yield results, not least of which is its average annual total expenditure growth of around only 1% from 2008 to date.

To introduce more financial discipline, in July 2009 the Federal Republic of Germany and the Länder agreed on a debt brake mechanism. The instrument will limit the structural deficit of the federal government to 0.35 per cent of gross domestic product from 2016 onwards, while after 2019, Germany's 16 regional governments will not be allowed to run fiscal deficits, although Berlin has

planned to comply earlier. Only if the Länder achieve these and other targets will they qualify for special subsidies for budgetary consolidation. Meanwhile, Berlin has been complying with the targets.

...consolidation efforts are bearing fruits

Berlin's operating balance turned positive in 2012, with a surplus of more than 5% and we expect it to remain at or above this level in 2013 and through the medium term.

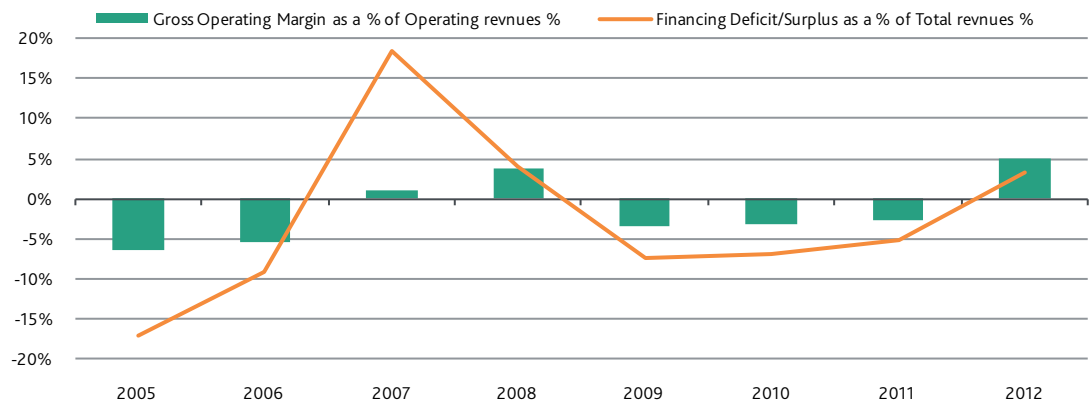
Over the last years, revenues recovered to pre-crisis levels due to good tax revenue development. Tax revenue for the Land increased by more than 7% in 2012 and about 3% is the growth rate expected in 2013 and following years, according to the latest tax estimate¹.

Berlin's 2012 financial performance reflects ongoing pressures, like personnel expenses, although for the first time since 2008, the Land had a surplus of approximately 3% of total revenue. Berlin's latest census resulted in a one off downward correction of population figures, which will result in lower than previously planned transfer payments from the federal equalisation system. We expect that this will put additional pressure on its consolidation.

Berlin has budgeted for a financial deficit in 2013, which possibly could be avoided due to higher tax revenues development and some other positive revenue effects not budgeted before.

EXHIBIT 1

Key Financials (2005-2012)



Source: Federal Statistical Office, series 14, issue 2.

Berlin's capital expenditure is low and relatively stable, averaging 7% of total expenditures over the past five years. But it will likely fall to around 6% of operating revenues, reflecting declining subsidies and the ongoing budgetary consolidation. The Land estimates that it has some marginal flexibility in its investment plan, given its already solid infrastructure endowment.

That said, we believe Berlin will face further budget challenges. The most significant risk factors are the general containment of increases in key expenditure items and potentially rising interest rates in the medium term. This is particularly important because the federal government is gradually reducing

¹ See Sector Comment [German Länder Tax Revenue Growth Underpins Fiscal Consolidation](#), November 2013

its contributions to promote the economic development of former other East German Länder and Berlin, and will eliminate them entirely in 2020 in accordance with the National Solidarity Pact².

Expenditures under tight control, with further cuts expected to conform to the debt brake

Over the next three years, key expenditure elements that are likely to exert pressure are higher personnel and interest costs. Berlin's administration is committed to limiting expenditure growth to around 1% per year over the planning period, in line with the growth trend of the past five years. This cost containment was mainly achieved through intensive personnel reduction, which reduced the share of personnel to 33% of operating expenditures in 2012 from 38% in 2002.

Interest on debt represented a high 9.7% of the city's operating revenues in 2012 - following 11.3% in 2011 - a level we expect to stabilise over the next few years, depending mainly on interest rate development.

We believe that the medium term plans are manageable in light of Berlin's solid track record in containing expenditures over the past several years. Some relief might come from an agreement with the central government that has come into effect in 2013 in which the central government will refund a higher share of social costs³. Berlin intends to reach a structurally balanced budget by 2020; this will be challenging, but over the 2011-19 period, it will receive annual transfers of EUR80 million per year to support the consolidation process.

Very high stock of debt and debt service by international standards...

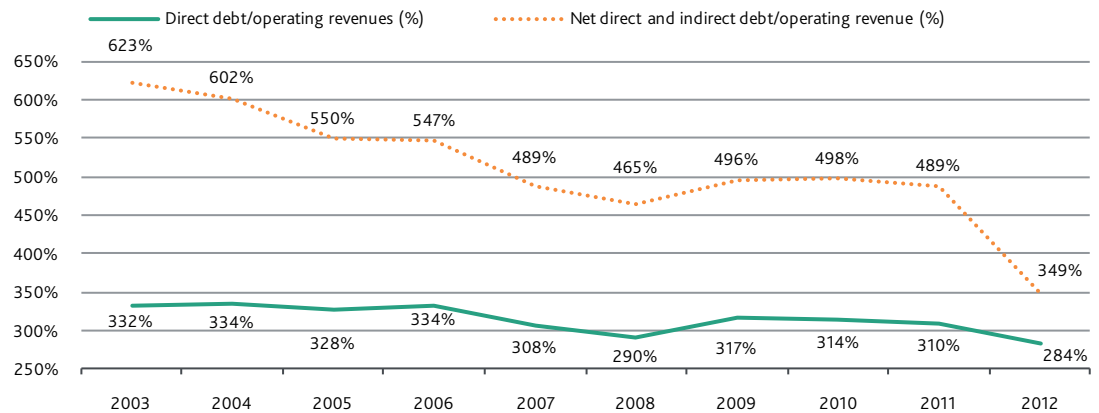
Berlin's direct debt, excluding guarantees and company debt, was slightly reduced in 2012 and totalled EUR61.25 billion from EUR61.37 billion as of year-end 2011. In relative terms, debt was equivalent to 284% of its operating revenues in 2012 vs. 310% in 2011. This is extremely high compared to Berlin's European peers and other German Länder. However, as Berlin is a "city-state", the debt also includes municipal debt, unlike its Moody's-rated German peers.

If we include other indirect debt - i.e., debt of non-self-supporting, majority-owned companies and guarantee obligations - the ratio rises to a considerable 349% of operating revenues, although this is lower than the previous year's 489%. This 2012 drop resulted from a substantial reduction of a guarantee provided to former Bankgesellschaft Berlin (a Landesbank).

² The five German Länder in the east (or so-called new Länder) and Berlin are receiving subsidies to enhance infrastructure (EUR105 billion) and economic growth prospects (EUR 51 billion) to smooth the impact of the reunification during 2005-2019 ("Solidarpakt II). The payout is now on a diminishing scale, and phased out until 2019.

³ The central government will take over costs related to social benefits for retired and disabled persons, starting in 2012 and reaching its full level in 2014

EXHIBIT 2

Berlin debt metrics: (2003-2012)

Source: Federal Statistical Office, series 14, issue 2.

Although Berlin budgeted for net new borrowing in 2013, we expect it will not need to, thereby avoiding increasing its debt stock. Over the medium term, debt reduction plan still depends on economic development and the control of expenditures, including capital expenditures. We believe that a reduction of net direct and indirect debt to levels of significantly below 350% of operating revenues appears achievable over the next two to three years.

Debt is almost all euro-denominated, with an average maturity of 6.7 years, of which 86% is at fixed rates and the rest at variable or semi-variable rates. While this leaves some interest rate risk, we believe that, in the current environment, such risk is moderate, particularly as the administration uses derivatives - swaps and options - to hedge potential interest or currency risks.

While we understand that the “solidarity system” inherent among the Länder and at the federal level allows highly leveraged Länder market access, because market participants tend to view them as having low risks of going bankrupt, we note the potentially elevated refinancing challenges facing Berlin. Its amortisation profile is somewhat uneven, with half of its total exposure to be refinanced in the next four years. Debt service was a remarkably high 47% of operating revenues in 2012, though in line with previous years. We expect it to stabilise at between 40% and 50% of operating revenues, following some interest savings, slight debt reduction and a trend towards longer-term lending that the administration is targeting.

...which remain sustainable thanks to excellent access to liquidity

Notwithstanding the impact of such a debt profile, Berlin has excellent access to capital market, thanks to a sophisticated state treasury and excellent liquidity management, which remained good even during the last financial crisis.

Berlin has financial relationships with several financial institutions, who are willing to grant it continued access to liquidity based on their confidence in the aforementioned solidarity system. In the money markets, Berlin has access to the inter-Länder credit pool, whereby individual Länder offer their surplus cash to other Länder, and to a credit facility with a commercial bank to bridge intra-day needs.

Contingent liabilities are decreasing, but remain substantial

Berlin owns or has shares in several companies, the majority of which are public limited companies, some of them receiving subsidies. Contingent liabilities in the form of indirect financial debt at these companies are large, though decreasing. Key companies include six housing companies in which Berlin has majority ownership, the public transport company, Berliner Verkehrsbetriebe, and the water utility, Berliner Wasserbetriebe. Overall, most entities are considered self-supporting.

Berlin sold its 80.95% stake in Landesbank Berlin Holding AG in 2007, which was the most substantial company in its portfolio. The Land used the EUR 4.6 billion proceeds to balance risks from the real estate portfolio it assumed in 2002 to prevent the Bankgesellschaft Berlin (BGB) from defaulting at that time. So far, the Land has paid roughly EUR4.2 billion in expected claims, which almost exhausted the proceeds from the sale. The Land reduced the guarantee to EUR 3.8 billion in October 2012, supported by a one-off payment of EUR419 million, after which it does not expect any future calls. We consider this as credit positive, despite the remaining high direct indebtedness.

Another possible source of further liability is its 37% share of the new airport, which it is building together with Brandenburg (Aa1, negative) and the federal government. Delays and additional costs have caused Berlin to budget for cost overrun estimates, which may prompt further financing needs. We will continue to monitor the situation closely but for the time being, Berlin is managing the situation.

Governance and Management Factors

In recent years, Berlin has demonstrated its ability to meet or even exceed fiscal targets more often than it did in the past, not only due to positive economic trends, but also due to improvements in its institutional capacity, which is high. Budgets are timely and transparent, as required by German law, and budget amendments are still overly dependent on the economic cycle given limited expenditure flexibility.

Economic Fundamentals

Background

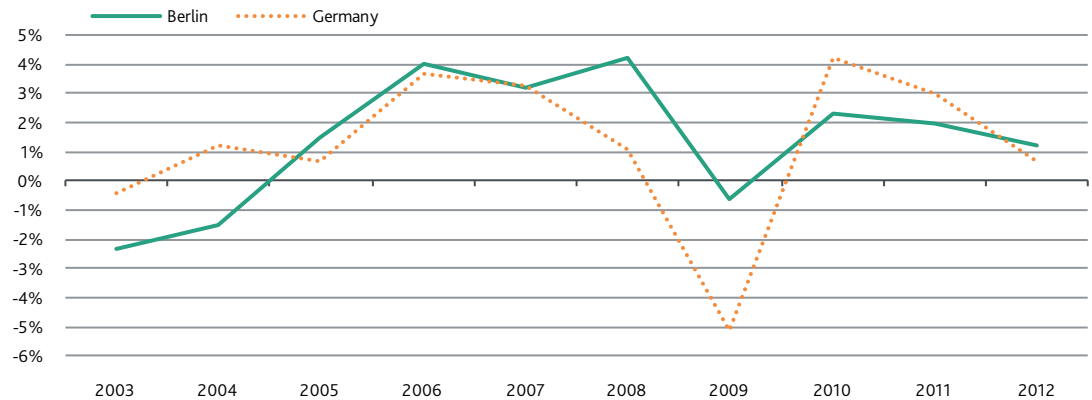
Berlin is the capital of the Federal Republic of Germany and the seat of the federal government and other federal institutions. It is located in the north-east of the country, completely surrounded by the *Land* of Brandenburg. With 3.4 million inhabitants, Berlin accounts for 4% of the national population. These figures include the one off downward correction by the latest census. It is still the largest of all German cities and the eighth most populous Land.

Berlin's economy – cautious optimism on structural improvements

After *decades* of separation, in October 1990 Berlin saw the tearing down of the Berlin Wall, ending an era of physical separation of East and West Berlin. Following a reunification boom in the early 1990s, real economic growth rates turned negative until the end of 2004, except in 2000. These negative developments were the result of a combination of factors, namely slow economic growth rates for Germany in general, coupled with the closing of some large publicly-owned companies in the eastern part of the city and the downturn in the manufacturing and industrial sector in western Berlin.

EXHIBIT 3

Real GDP Growth Berlin vs. Germany (2003 - 2012)



Source: Federal Statistical Office, series 14, issue 2.

However, 20 years after the reunification, structures have been dismantled and Berlin has caught up with western Germany in terms of infrastructure. The progress made is reflected in improved economic performance: from 2011-12, Berlin had positive real GDP growth of 2.0% and 1.2% respectively, in line with the German average overall. We believe that Germany's challenging economic environment will lead to low growth of about 0.5% in 2013 and will improve to 1.6% in 2014.

Berlin's unemployment rate (according to national calculation) was 12.3% in 2012, down from 13.3% in 2011. This improvement compares with the German 2012 and 2011 rates of 6.8% and 7.1% respectively, but remains somewhat higher than the East German average of 10.7% in 2012.

The changes in the city's economic structure reflect the trends of many new Länder: i.e., the public and manufacturing sectors have become less significant, while the financial, trade, transport and value-added service sectors have become more prominent. The city continues to attract foreign direct investment, with services being the largest beneficiary, as many multinational corporations have sought to locate their representative offices or relocate their European headquarters to the capital.

The service sector is the main contributor to Berlin's Gross Value Added (GVA), amounting to an 83% share and accounting for 87% of the workforce employed in 2012. With its four universities, the state is promoting the creation of technological links with local high value-added enterprises in biotechnology, medical equipment and research, communication and media, and culture. Berlin's manufacturing industry, including construction, accounted for 17% of local GVA and employed 13% of the workforce at year-end 2012. Among the biggest players are: Siemens AG, Daimler AG and Metro AG, as well as the national railway, and postal and telecoms companies.

Institutional Framework

The institutional framework, which encompasses legislative background and financial flexibility, reflected in the arrangements determining intergovernmental relations at all levels and jurisdictional powers and responsibilities, is mature and highly developed, with minor changes occurring at a measured pace and in a clear/transparent way. Germany has one of the strongest equalisation systems worldwide, which combines revenue equalisation - both horizontal and vertical - and investment support from the federal government. This scheme protects all Länder against above-average revenue shortfalls, yet limits their revenue flexibility. More than 90% of revenue stems from shared taxes and transfers and German states do not have tax rate-setting rights. A regional tax base that would grow above the national average would have only a limited effect on the Land's budgetary performance. Above-average tax revenue growth goes hand-in-hand with decreasing transfer income from the equalisation pool. Debt levels are among the highest internationally and some jurisdictions continue to add to their respective stock of debt.

In order to ensure the long-term sustainability of the budgetary situation in Germany, the federal government and the Länder agreed on a so-called "debt-brake" in July 2009. The instrument will limit the structural deficit of the federal government to 0.35 per cent of gross domestic product from 2016 onwards, while after 2019 Germany's 16 regional governments are no longer allowed to run fiscal deficits. In addition to the limit, a stronger joint supervision of Bund and Länder budgets is being implemented.

The debt brake appears more binding than the arrangement of article 115 of the German Basic Law and respective Länder constitutional rules that stipulated that revenue from borrowing may not exceed the total expenditure for investment provided for in the budget estimates. A rule-driven fiscal policy approach seems less exposed to political interference in Moody's view. Given the massive fiscal expansion caused by economic stimulus packages to dampen the effects of the global economic crisis, the 'debt brake' means that the both the federal government and the Länder must follow significant tightening of fiscal policy until 2015 and 2019 respectively, in order to be able to achieve the debt brake's deficit target.

Extraordinary Support Considerations

Berlin's Aa1 rating takes into account the very high likelihood that the Federal Government (Aaa, negative) would act to prevent a default by the Land. The very high support reflects Moody's assessment of (1) the elevated reputation risk for Germany as a whole in case of default by a Land; and (2) the Bundestreuekonzept, according to which all German Länder must express mutual solidarity in the event that one of them or the Federal Republic faces a severe budgetary crisis. In addition, the debt volumes and structure of German Länder are extremely complex and an event of non-payment would be considered to have a corresponding impact on Germany as a whole.

Rating History

Berlin, Land of		
Date	Rating	Action
Long Term Issuer Rating		
08 JUN 2003	Aa3	New rating
15 Dec 2006	Aa1	Upgrade
24 Jul 2012	Aa1	Negative outlook assigned
Senior Unsecured - foreign		
23 Mar 2007	Aa1 Rated after sale	
Senior Unsecured - domestic		
14 Jan 2003	Aa3	New rating
15 Dec 2006	Aa1	Upgrade
24 Jul 2012	Aa1	Negative outlook assigned

Annual Statistics

Berlin, Land of

EURO millions	2008 realized	%	2009 realized	%	2010 realized	%	2011 realized	%	2012 realized	%
Financial Indicators										
Total revenues ^[1]	21,705		19,577		20,253		20,794		22,569	
Total expenses ^[2]	20,805		21,000		21,625		21,869		21,853	
Operating Revenues										
Taxes	10,685	53.4	9,726	51.8	10,501	54.6	10,860	54.9	11,636	54.0
Intergovernmental revenues	7,906	39.5	7,588	40.4	7,350	38.2	7,367	37.2	8,424	39.1
of which Subsidies	7,533	37.6	7,260	38.7	7,061	36.7	7,084	35.8	7,980	37.0
Interest Income	41	0.2	45	0.2	34	0.2	35	0.2	27	0.1
Other	1,426	7.1	1,445	7.7	1,375	7.2	1,560	7.9	1,496	6.9
Total operating revenues	20,017	100.0	18,759	100.0	19,226	100.0	19,786	100.0	21,556	100.0
OPERATING EXPENSES										
Administration and personnel	6,293	32.6	6,282	32.4	6,461	32.6	6,607	32.5	6,759	33.0
Administrative	--	--	--	--	--	--	--	--	--	--
Personnel	6,293	32.6	6,282	32.4	6,461	32.6	6,607	32.5	6,759	33.0
Transfers	6,023	31.2	6,097	31.4	6,217	31.4	6,329	31.2	6,249	30.6
of which To lower public sector	422	2.2	426	2.2	434	2.2	486	2.4	497	2.4
To other sectors	5,601	29.0	5,671	29.2	5,783	29.2	5,843	28.8	5,752	28.1
Interest expenses	2,312	12.0	2,234	11.5	2,208	11.1	2,226	11.0	2,097	10.3
Other	4,657	24.1	4,805	24.7	4,927	24.9	5,141	25.3	5,349	26.2
Total operating expenses	19,285	100.0	19,418	100.0	19,813	100.0	20,302	100.0	20,455	100.0
Primary Operating Balance	3,044		1,575		1,621		1,710		3,199	
Gross Operating Balance	732		-659		-587		-516		1,102	
Net Operating Balance	-6,954		-9,045		-9,782		-8,581		-6,952	
Gross Operating Balance	732		-659		-587		-516		1,102	

Berlin, Land of

EURO millions	2008 realized	%	2009 realized	%	2010 realized	%	2011 realized	%	2012 realized	%
Capital Revenues										
Intergovernmental revenues	412	24.4	443	54.2	630	61.3	613	60.8	541	53.4
Other	1,276	75.6	375	45.8	397	38.7	396	39.2	472	46.6
of which Assets sales	1,043	61.8	150	18.3	222	21.6	170	16.9	176	17.4
Repayments from public sector	233	13.8	225	27.5	175	17.0	225	22.4	295	29.2
Total capital revenues	1,688	100.0	818	100.0	1,027	100.0	1,008	100.0	1,012	100.0
Capital Expenses										
Capital Investments	274	18.0	390	24.7	426	23.5	383	24.5	283	20.2
Loans	295	19.4	357	22.6	316	17.4	238	15.2	198	14.2
Assets purchases	34	2.2	28	1.8	26	1.4	19	1.2	74	5.3
Transfers	917	60.3	807	51.0	1,044	57.6	927	59.2	844	60.4
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total capital expenses	1,520	100.0	1,582	100.0	1,812	100.0	1,567	100.0	1,398	100.0
									7	8.8
Financing Deficit/Surplus	900		-1,423		-1,372		-1,075		716	

[1] Excludes new borrowings.

[2] Excludes debt repayment.

Berlin, Land of

EURO millions	2008 realized	%	2009 realized	%	2010 realized	%	2011 realized	%	2012 realized	%
Debt Indicators										
Debt Movements										
Gross new borrowings	6,943		11,118		10,701		9,294		7,820	
Debt repayment	7,659		8,386		9,196		8,065		8,054	
Mandatory	7,659		8,386		9,196		8,065		8,054	
Early	0		0		0		0		0	
Change in debt	-716		2,732		1,505		1,229		-234	
Total Budget Balance	184		1,309		133		154		481	
Debt Stock										
Direct debt	58,033	57.3	59,542	58.4	60,395	58.8	61,371	59.2	61,249	74.3
Short-term	2,072	2.0	721	0.7	0	0.0	0	0.0	243	0.3
Long-term	55,961	55.2	58,821	57.7	60,395	58.8	61,371	59.2	61,006	74.0
Guaranteed debt	27,098	26.7	26,988	26.5	26,607	25.9	26,276	25.3	8,776	10.7
of which self-supporting (A)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Debt of government-owned entities	15,151	15.0	14,454	14.2	14,792	14.4	15,095	14.6	11,038	13.4
of which self-supporting (B)	8,273	8.2	8,857	8.7	6,973	6.8	6,921	6.7	7,172	8.7
Other (Debt like)	1,042	1.0	1,001	1.0	945	0.9	915	0.9	1,339	1.6
Total direct and indirect debt (C)	101,324	100.0	101,985	100.0	102,739	100.0	103,657	100.0	82,402	100.0
Net direct and indirect debt (C - A - B)	93,052		93,128		95,766		96,736		75,230	
Debt Service										
Interest expenses	2,312	23.2	2,234	21.0	2,208	19.4	2,226	21.6	2,097	20.7
Debt repayment	7,659	76.8	8,386	79.0	9,196	80.6	8,065	78.4	8,054	79.3
Total debt service	9,971	100.0	10,620	100.0	11,404	100.0	10,290	100.0	10,151	100.0

[1] Internal borrowings.

Berlin, Land of

EURO millions	2008 realized	2009 realized	2010 realized	2011 realized	2012 realized
Key Ratios And Indicators					
Total Accounts					
Total revenue growth rate ^[1] (%)	-14.42	-9.80	3.45	2.67	8.53
Total revenues per capita (EUR)	6,338	5,700	5,876	5,976	6,416
Total tax revenue growth rate (%)	5.95	-8.98	7.97	3.41	7.15
Total tax revenues/ total revenues (%)	49.23	49.68	51.85	52.22	51.56
Total intergovernmental revenues growth rate (%)	3.57	-3.45	-0.64	-0.01	12.35
Total intergovernmental revenues/total revenues (%)	38.32	41.02	39.40	38.37	39.72
Total expense growth rate ^[2] (%)	0.66	0.94	2.98	1.13	-0.07
Total expenses per capita (EUR)	6,075	6,114	6,274	6,285	6,213
Total transfers/total expenses (%)	33	33	34	33	32
Financing deficit/surplus as % of total revenues (%)	4.15	-7.27	-6.77	-5.17	3.17
Gross financing deficit ^[3] /surplus as % of total revenues (%)	-31.14	-50.10	-52.18	-43.95	-32.52
Operating Accounts					
Operating revenue growth rate (%)	4.39	-6.28	2.49	2.91	8.95
Operating revenues per capita (EUR)	5,845	5,462	5,578	5,687	6,129
Operating revenues/total revenues (%)	92.22	95.82	94.93	95.15	95.51
Tax revenues/operating revenues (%)	53.38	51.85	54.62	54.88	53.98
Intergovernmental revenues (operations related) /operating revenues (%)	39.50	40.45	38.23	37.23	39.08
Fees/operating revenues (%)	--	--	--	--	--
Operating expense growth rate (%)	1.70	0.69	2.03	2.47	0.75
Operating expenses per capita (EUR)	5,631	5,654	5,748	5,835	5,815
Operating expenses/total expenses (%)	92.69	92.47	91.62	92.83	93.60
Transfers (op. related)/operating expenses (%)	31.23	31.40	31.38	31.17	30.55
Primary operating balance/operating revenues (%)	15.21	8.40	8.43	8.64	14.84
Gross operating balance/operating revenues (%)	3.66	-3.51	-3.05	-2.61	5.11
Net operating balance/operating revenues (%)	-34.60	-48.22	-50.88	-43.37	-32.25
Financing (deficit/surplus)/operating revenues (%)	4.50	-7.59	-7.14	-5.43	3.32
Gross financing (deficit/surplus)/operating revenues (%)	-33.77	-52.29	-54.96	-46.19	-34.04
Tax revenues/operating expenses (%)	55.41	50.09	53.00	53.49	56.89

Berlin, Land of

EURO millions	2008 realized	2009 realized	2010 realized	2011 realized	2012 realized
Capital Accounts					
Capital revenue growth rate (%)	-72.71	-51.54	25.55	-1.83	0.40
Capital revenues per capita (EUR)	493	238	298	290	288
Capital revenues/total revenues (%)	7.78	4.18	5.07	4.85	4.49
Capital expense growth rate (%)	-10.90	4.08	14.54	-13.51	-10.77
Capital expenses per capita (EUR)	444	461	526	450	398
Capital expenses/total expenses (%)	7.31	7.53	8.38	7.17	6.40
Intergovernmental revenues (capital related)/capital revenues (%)	24.41	54.16	61.34	60.77	53.40
Transfers (capital related)/capital expenses (%)	60.33	51.01	57.62	59.18	60.36
Net operating balance/capital expenses (%)	-455.71	-571.73	-539.87	-547.52	-497.16
Debt					
Total debt growth rate (%)	-2.52	0.65	0.74	0.89	-20.51
Total debt per capita (EUR)	29,587	29,694	29,806	29,791	23,427
Total debt/GDP (%)	106.55	106.53	103.80	102.49	79.54
Total debt /total revenues (%)	466.82	520.94	507.28	498.49	365.12
Total debt /operating revenues (%)	506.19	543.66	534.38	523.89	382.26
Total debt /tax revenues (%)	948.28	1,048.58	978.37	954.52	708.17
Total debt in yrs of gross operating balance (yrs)	138.42	-154.76	-175.02	-200.92	74.79
Net debt ^[4] growth rate (%)	-0.66	0.08	2.83	1.01	-22.23
Net debt per capita (EUR)	27,172	27,115	27,783	27,802	21,388
Net debt/total revenues (%)	428.71	475.70	472.85	465.20	333.34
Net debt/GDP (%)	97.85	97.28	96.75	95.65	72.61
Net debt/operating revenues (%)	464.86	496.44	498.11	488.91	348.99
Net debt/tax revenues (%)	870.86	957.52	911.97	890.79	646.53
Net debt in yrs of gross operating balance (yrs)	127.12	-141.32	-163.14	-187.51	68.28
Debt ^[5] growth rate (%)	-1.68	2.60	1.43	1.62	-0.20
Debt per capita (EUR)	16,946	17,336	17,521	17,638	17,413
Debt/total revenues (%)	267.37	304.14	298.20	295.13	271.39
Debt/GDP (%)	61.03	62.20	61.02	60.68	59.12
Debt/operating revenues (%)	289.92	317.40	314.13	310.17	284.13
Debt/tax revenues (%)	543.13	612.19	575.14	565.13	526.38
Debt in yrs of gross operating balance (yrs)	79.28	-90.35	-102.89	-118.96	55.59
Short-term debt/debt (%)	3.57	1.21	0.00	0.00	0.40
Guaranteed debt growth rate (%)	-2.40	-0.41	-1.41	-1.24	-66.60
Guaranteed debt per capita (EUR)	7,913	7,858	7,719	7,552	2,495
Guaranteed debt/total debt (%)	26.74	26.46	25.90	25.35	10.65
Indirect debt growth rate (%)	-5.66	-4.60	2.34	2.05	-26.88
Indirect debt per capita (EUR)	4,424	4,209	4,291	4,338	3,138

Berlin, Land of

EURO millions	2008 realized	2009 realized	2010 realized	2011 realized	2012 realized
Indirect debt/total debt (%)	14.95	14.17	14.40	14.56	13.39
Indirect debt/debt (%)	26.11	24.28	24.49	24.60	18.02
Interest expense growth rate (%)	-6.28	-3.37	-1.16	0.79	-5.78
Interest expenses/total revenues (%)	10.65	11.41	10.90	10.70	9.29
Interest expenses/operating revenues (%)	11.55	11.91	11.48	11.25	9.73
Interest expenses/tax revenues (%)	21.64	22.97	21.03	20.49	18.02
Interest expenses/primary operating balance (%)	75.95	141.84	136.21	130.18	65.56
Debt service growth rate (%)	2.89	6.51	7.38	-9.76	-1.36
Debt service/total revenues (%)	45.94	54.25	56.31	49.49	44.98
Debt service/operating revenues (%)	49.81	56.61	59.31	52.01	47.09
Debt service/tax revenues (%)	93.32	109.19	108.59	94.76	87.24
Gross new borrowings/total debt (%)	6.85	10.90	10.42	8.97	9.49
Gross new borrowings/net debt (%)	7.46	11.94	11.17	9.61	10.39
Gross new borrowings/debt (%)	11.96	18.67	17.72	15.14	12.77
Gross new borrowings/debt repayment (%)	90.66	132.58	116.37	115.24	97.09
Gross new borrowings/capital expenses (%)	456.79	702.79	590.54	593.04	559.20
Debt repayment/gross operating balance (%)	1046.28	-1272.50	-1566.52	-1563.27	731.02
Gross foreign currency debt/total debt (%)	0.00	0.00	0.00	0.00	0.00
Net foreign currency debt/total debt (%)	0.00	0.00	0.00	0.00	0.00

[1] Excludes new borrowings.

[2] Excludes debt repayment.

[3] Gross financing deficit/surplus= financing deficit/surplus - debt repayment.

[4] Excludes guaranteed debt or other debt to self-supporting enterprises.

[5] Excludes total guaranteed debt.

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Report Number: 161867

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