

# STATE OF BERLIN - INVESTOR PRESENTATION

April 2026

**BERLIN**





# Table of Contents

Executive Summary	
01	Berlin – Political and Cultural Centre
02	Economy – Solid Growth
03	State Budget – Fiscal Sustainability
04	Capital Markets – Professional Financial Management

# Executive Summary

## 01 State of Berlin - Political and Cultural Centre

- Capital City and Federal State
- Cluster of excellence with top universities renowned worldwide
- Strong attractive hub for young professionals

## 02 Economy - Solid Growth

- GDP (2025): EUR 218.3bn
- GDP growth (2025): +1.1%
- Centre of the German start-up landscape

## 03 State Budget - Fiscal Sustainability

- 2025: Lower financing deficit than planned
- High investment quota
- Stabilisation of the debt ratio through economic growth

## 04 Capital Markets - Professional Financial Management

- Reliable benchmark issuer on the capital markets
- Excellent credit rating by three rating agencies
- Second sustainability bond in October 2025

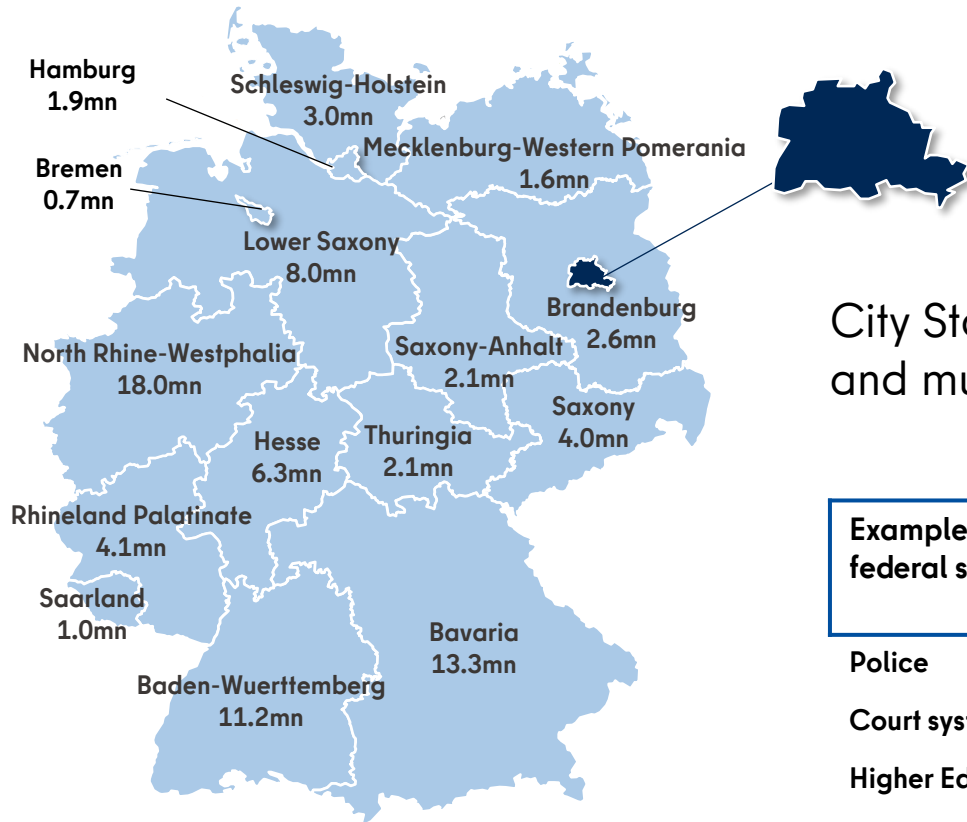


# 01

## BERLIN - POLITICAL AND CULTURAL CENTRE

# Berlin

## Capital City and Federal State



City State with federal state and municipal tasks

Examples of federal state tasks	Examples of municipal tasks
Police	Civil registry office
Court system	Kindergarden
Higher Education	Social and youth assistance

### Fact Sheet

#### Population (Census 2022):

- 3.7mn (+391,540 since 2011)
- Second youngest population of all federal states

**Structure:** 12 city districts with 96 localities

**Area:** 891 km<sup>2</sup>

- Water surface: 58.9 km<sup>2</sup>
- Forest area: 157.8 km<sup>2</sup>



# Berlin

## Political and Cultural Centre

- Political decision-making centre with seat of the Federal Government, the German Parliament and the Federal Council
- Science and research landscape with four universities, 11 public and around 30 private universities of applied sciences
- Embassies and consulates of 159 nations
- Important cultural location and tourist destination



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# 02

## ECONOMY - SOLID GROWTH

# Economy

## GDP Growth above the National Average

### GDP (2025)

- With EUR 218.3bn share of 4.9% of German GDP
- 2025 third strongest GDP growth rate in Germany - as a service hub, less affected by increases in energy costs
- Average annual GDP growth of 2.58% from 2014 to 2025 (Germany: 0.96%)

### GDP growth (2025)

- Berlin: +1.1%
- Germany: +0.2%

### GDP per capita (2025)

- EUR 59,097 (Germany: EUR 53,516)
- Above the national average since 2018

Annual growth rate of real GDP

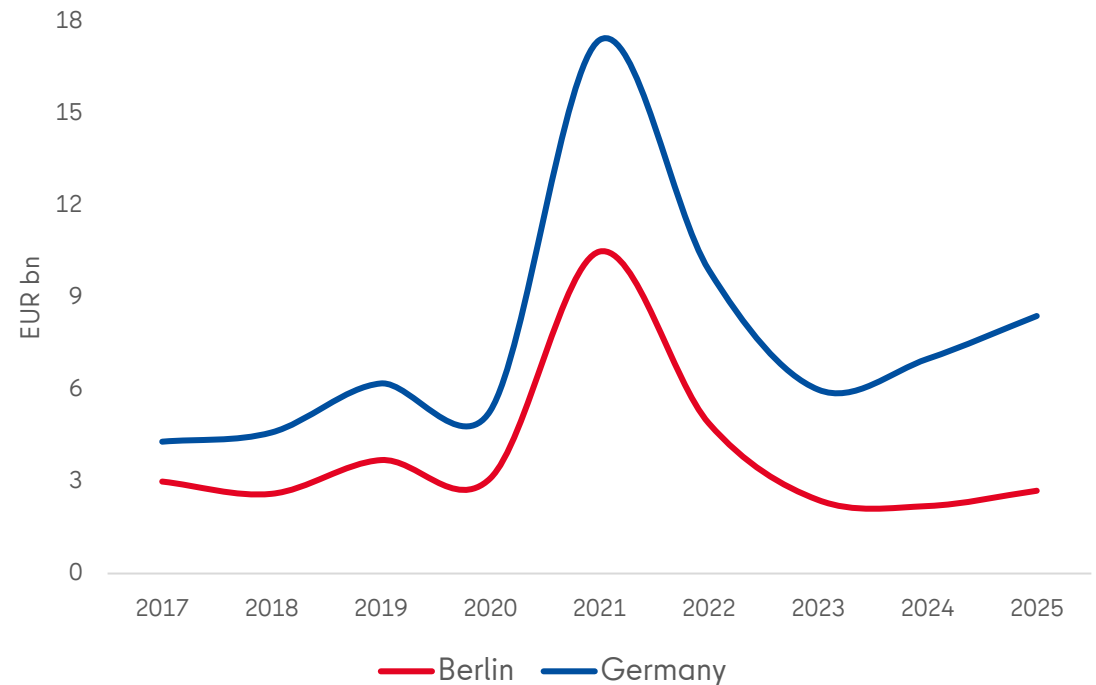


# Economy

## Outstanding Start-up Development

- Start-up scene as an important economic and growth factor for the State of Berlin
- Top position among the Federal States (2<sup>nd</sup> place):  
In 2025, 32% of the venture capital invested in Germany flowed into Berlin start-ups
- Approx. 500 new start-ups founded in 2024
- Berlin colleges and universities (excellence clusters) as nucleus for start-ups
- Support for the start-up scene through venture capital from IBB Ventures which is part of Berlin's state-owned development bank
- 52 of the top 100 start-ups in Germany are based in Berlin

### Annual investments in Berlin start-ups



Source: EY Startup-Barometer Deutschland



# Economy

## 61 State-Owned Companies - The State as an Economic Player (1)

Diversified investment portfolio for public services of general interest - from housing to transport to healthcare

### Cumulated key figures according to the shareholding quota (2024)

- Annual result: EUR 220mn
- Capital expenditure: EUR 4,357mn
- Employees in FTE: 57,403

[Report on state-owned companies 2024](#)

#### IBB Unternehmensverwaltung AöR

Largest asset: Investitionsbank Berlin AöR

- Development Bank of the State of Berlin
- Housing construction and real estate promotion, business promotion (focus on SMEs) and labour market promotion

Annual result (2024): EUR 41.9mn

#### Berliner Verkehrsbetriebe (BVG) AöR

- Main area of business: Local public transport services
- An average of approx. 2.9 million journeys per day
- One of the central focuses of climate protection in Berlin

Annual result (2024): EUR -55.9mn

# Economy

## 61 State-Owned Companies - The State as an Economic Player (2)

### Berlin Energie und Netzholding GmbH (BEN)

- Owner of Stromnetz Berlin GmbH (electricity grid) since 2021
- Investments in 2024: ~ EUR 367mn

Annual result (2024): EUR 55.9mn

### Berliner Wasserbetriebe AöR

- Berlin's water supply and the discharge and treatment of wastewater
- Generation and supply of electricity, gas and heat by its subsidiary Berliner Stadtwerke

Annual result (2024): EUR 163.8mn

### Flughafen Berlin Brandenburg GmbH

- 2022/2023: Early redemption of bank loans
- 2024/2025: No equity injections by the shareholders (Berlin 37%, Brandenburg 37%, Germany 26%)
- 2026: Achievement of capital market viability under the condition of the last capital injection by the shareholders of EUR 660mn
- 2027/2028: Expected achievement of the consolidated profit threshold

Proportionate annual result (2024): EUR -49.7mn

### State-owned housing companies

- Six housing companies: Total portfolio of 365,161 flats (as at 31 December, 2024)
- Newly completed flats in 2024: 3,461
- Launch of new construction projects in 2022 to 2024 for the construction of 14,291 new flats

Accumulated annual results (2024): EUR 269.1mn

# Economy

## Excellent Science and Research Environment



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### Science City Adlershof

- Germany's biggest science and technology park ([Revenue 2024: EUR 4.0bn](#))
- 1,350 companies and scientific institutions with 29,100 employees and 90 global market leaders

### Berlin TXL - The Urban Tech Republic

- In development: Research and industrial park for up to 1,000 companies from the urban technology sector



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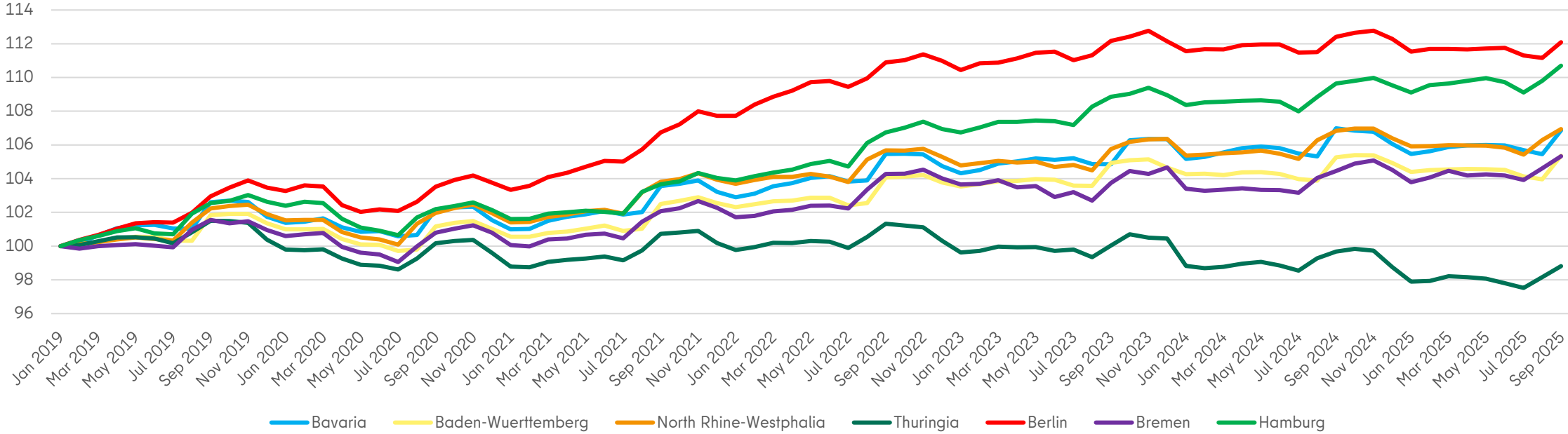
### Siemensstadt Square

- Future address for start-up companies, research laboratories and high-tech manufacturing plants
- Planned investments up to EUR 600mn
- Foundation stone laid in June 2024
- Re-commissioning of the Siemens railway by 2030

# Economy

## Strong Labour Market

### Growth of the working population which is subject to social security contributions (Federal States)





# 03

## STATE BUDGET - FISCAL SUSTAINABILITY

# State Budget

## Financial Balances Year-on-Year

### Consolidation phase

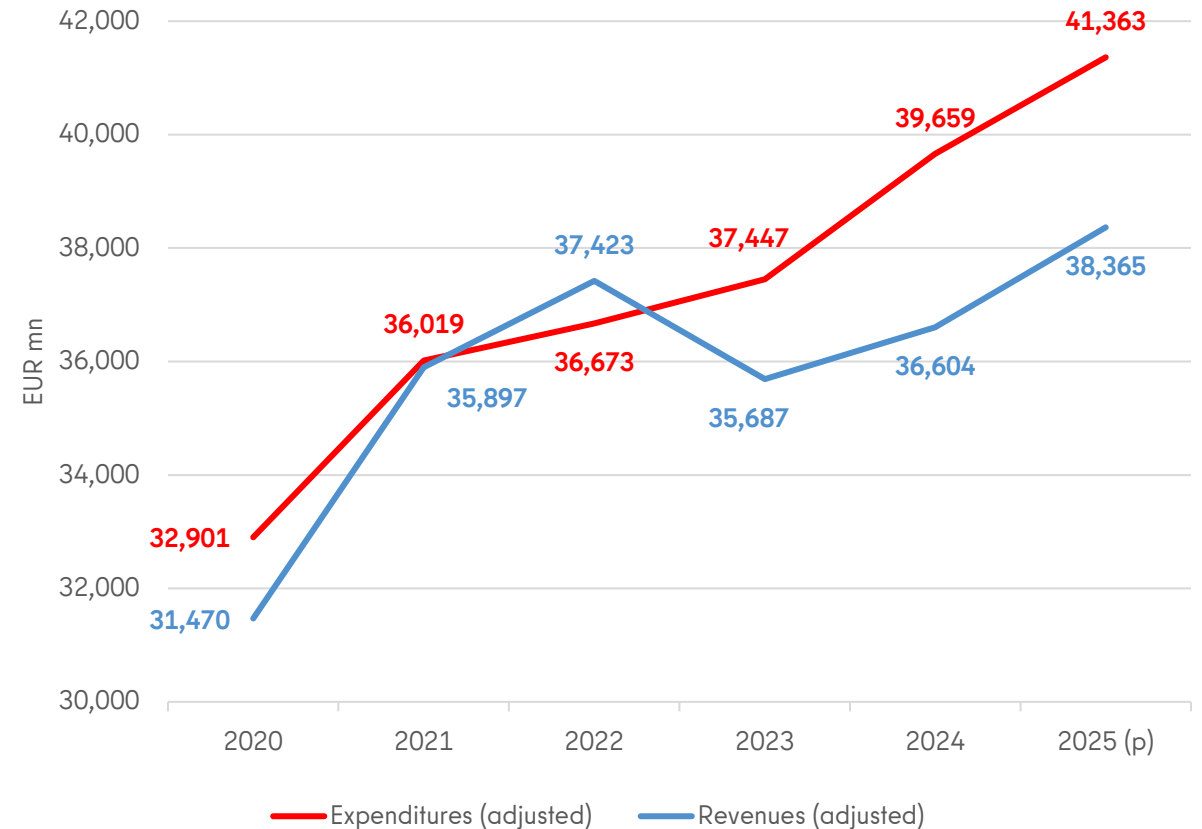
- Total financing surplus from 2012 to 2019: EUR 5,694mn

### Years of crisis

- Increasing expenditure due to the crisis
- Deficit totaling EUR 1,553mn during the 2020 and 2021 pandemic years

### Budget policy faces challenges

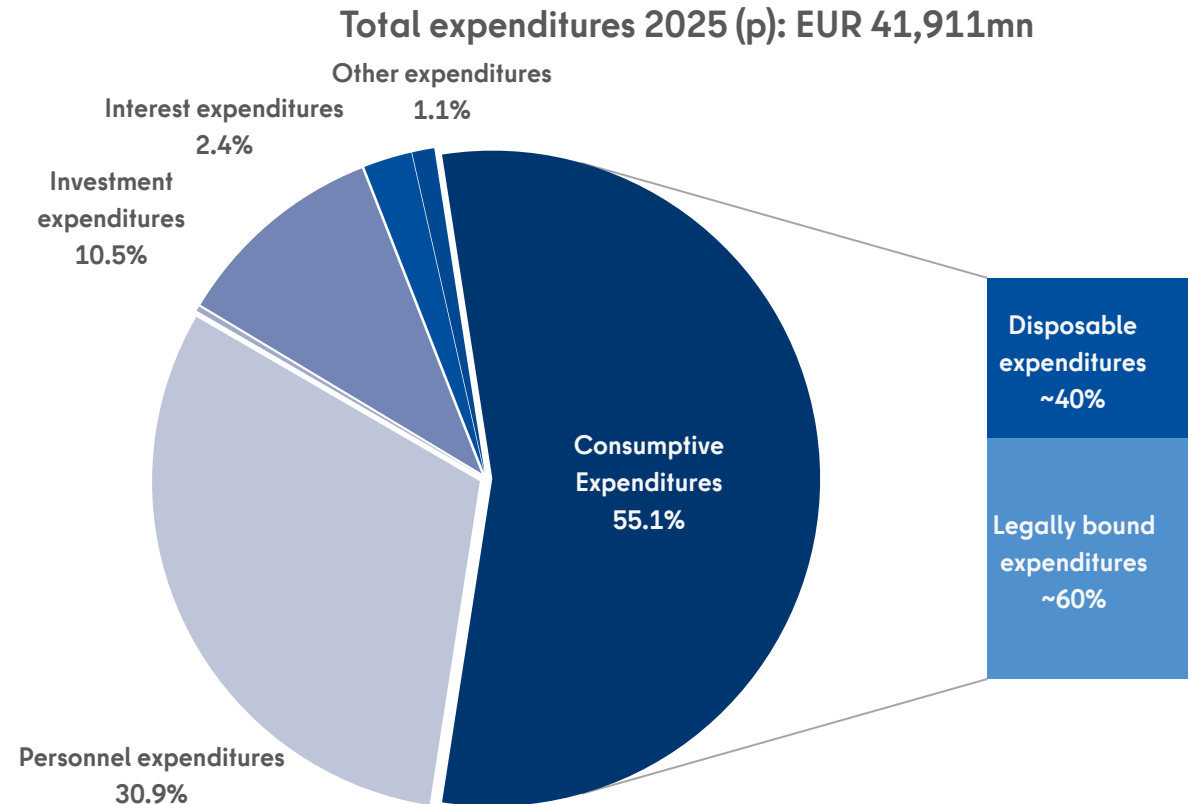
- Financing surplus in 2022: EUR 750mn
- Use of reserves between 2023 and 2025
- Net new borrowing to fund financial transactions in 2024 and 2025



# State Budget

## Structure of Expenditures 2024/2025

Expenditures	2024 EUR mn	2025 (p) EUR mn
Consumptive expenditures	22,690	23,012
Personnel expenditures	11,696	12,956
Investment expenditures	4,541	4,381
Interest expenditures	722	1,003
Others	10	12
<b>Expenditures (adjusted)</b>	<b>39,659</b>	<b>41,364</b>
Allocation to reserves	364	100
Others	441	447
<b>Total</b>	<b>40,464</b>	<b>41,911</b>

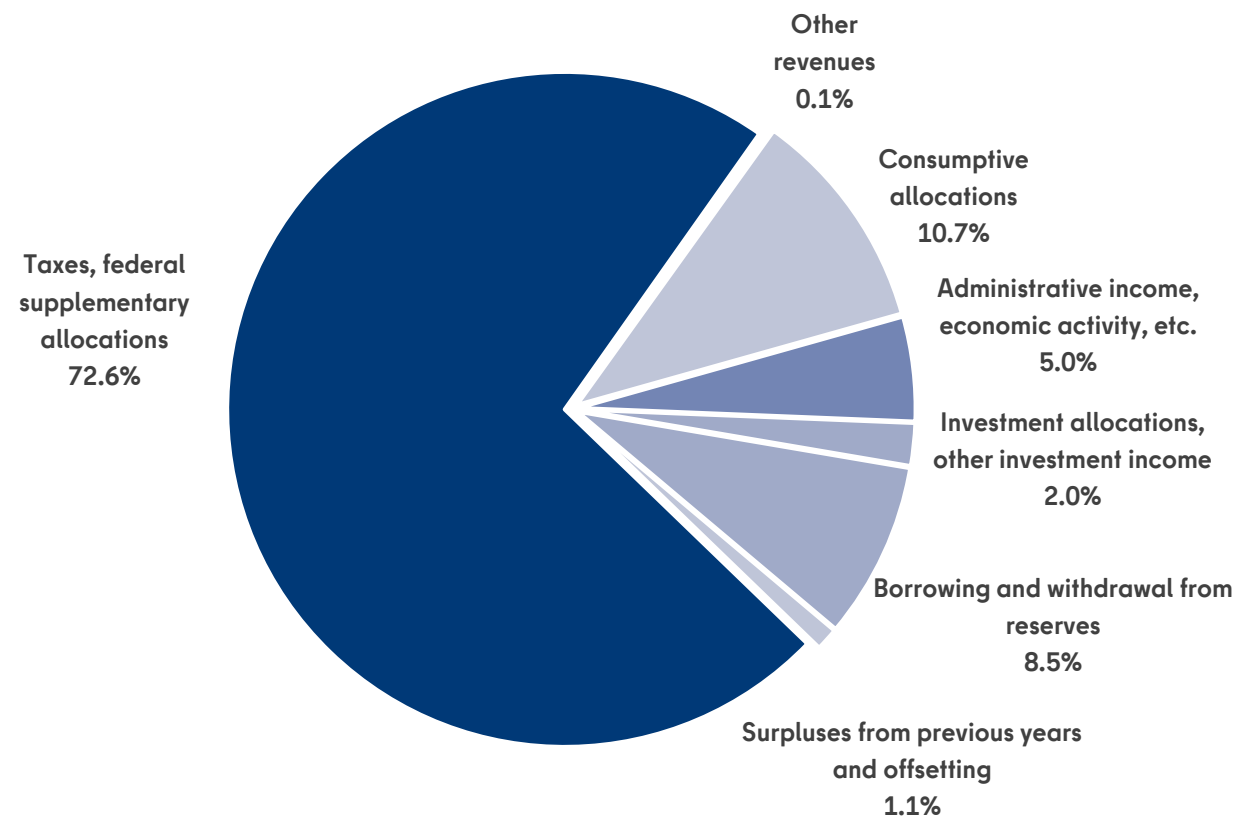


# State Budget

## Structure of Revenues 2024/2025

Revenues	2024 EUR mn	2025 (p) EUR mn
Taxes, federal supplementary allocations	29,362	30,840
Consumptive allocations	4,339	4,357
Administrative income, economic activity, etc.	2,026	2,275
Investment allocations, other investment income	826	848
Other revenues	50	45
<b>Revenues (adjusted)</b>	<b>36,603</b>	<b>38,365</b>
Borrowing and withdrawal from reserves	3,423	3,087
Surpluses from previous years and offsetting	438	459
<b>Total</b>	<b>40,464</b>	<b>41,911</b>

Total revenues 2025 (p): EUR 41,911mn



# State Budget

## Measures for Budgetary Consolidation in 2025

### Budget year 2025

- Berlin's annual budget volume recently grew to around 42 billion euros
- Third supplement to the 2024/2025 budget plan for the 2025 budget year adopted on 19 December 2024:
  - **Cut in expenditure** by 3 billion euros compared to the previous budget plan
  - **Higher revenue** through increase in individual state taxes
- Fourth supplement to the 2024/2025 budget plan for the 2025 budget year adopted on 16 October 2025:
  - **Budgetary consideration of the debt brake reform** (structural credit authorisation in accordance with Article 109(3) sentences 6 and 7 of the Federal Constitution)
  - **Financing of housing promotion** via financial transaction loans
  - **Preservation of reserves** in the 2025 budget year to relieve the burden on subsequent financial years

# State Budget

## Challenges for the 2026 budget

### Budget year 2026

- Record level of investment for 2026 and 2027
  - **Investment total of around 5.9 billion euros in 2026 and around 6.3 billion euros in 2027**
  - **Use of funds from the federal government's special infrastructure fund** amounting to around 1.2 billion euros for both years
  - **Use of financial transaction loans** to strengthen the equity base of state-owned companies with the aim of pushing ahead with necessary infrastructure investments (e.g., power grid, heating network)
- Budget situation remains tense
  - **Rising social spending, inflation-related cost increases, and federal legal requirements** increase pressure on the state budget
  - Increased structural deficit underscores **the need for efficiency gains, debureaucratism, and reforms** to ensure the state's ability to act

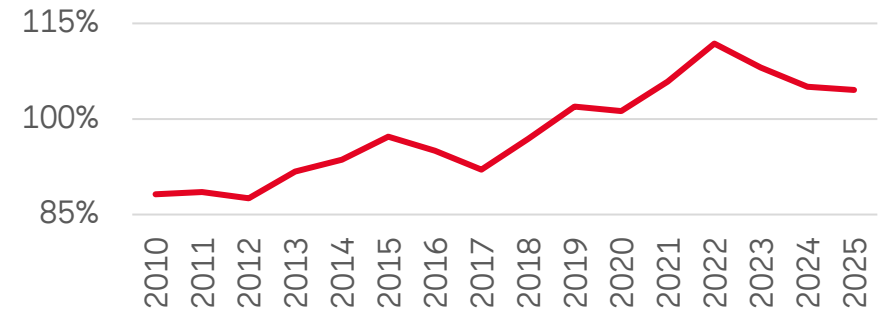
# State Budget

## Federal Equalisation System

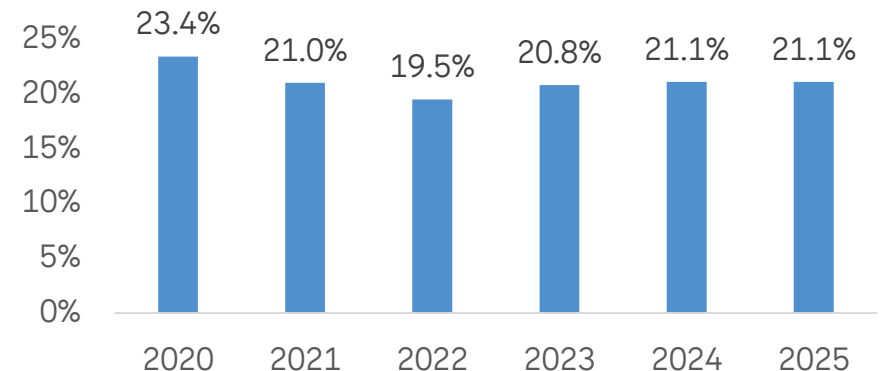
### Federal equalisation system and federal supplementary funds

- System to provide equal standards of living throughout the country by distributing VAT and supplementary funds depending on the financial strength of a Federal State
- Special population weighting of 135% in the three city states of Berlin, Bremen and Hamburg (§ 9 (2) and (3) Financial Equalisation Act)
- Berlin's tax strength has been above average for state taxes since 2019 (2025: 104.6%)

Steady growth in Berlin's fiscal strength

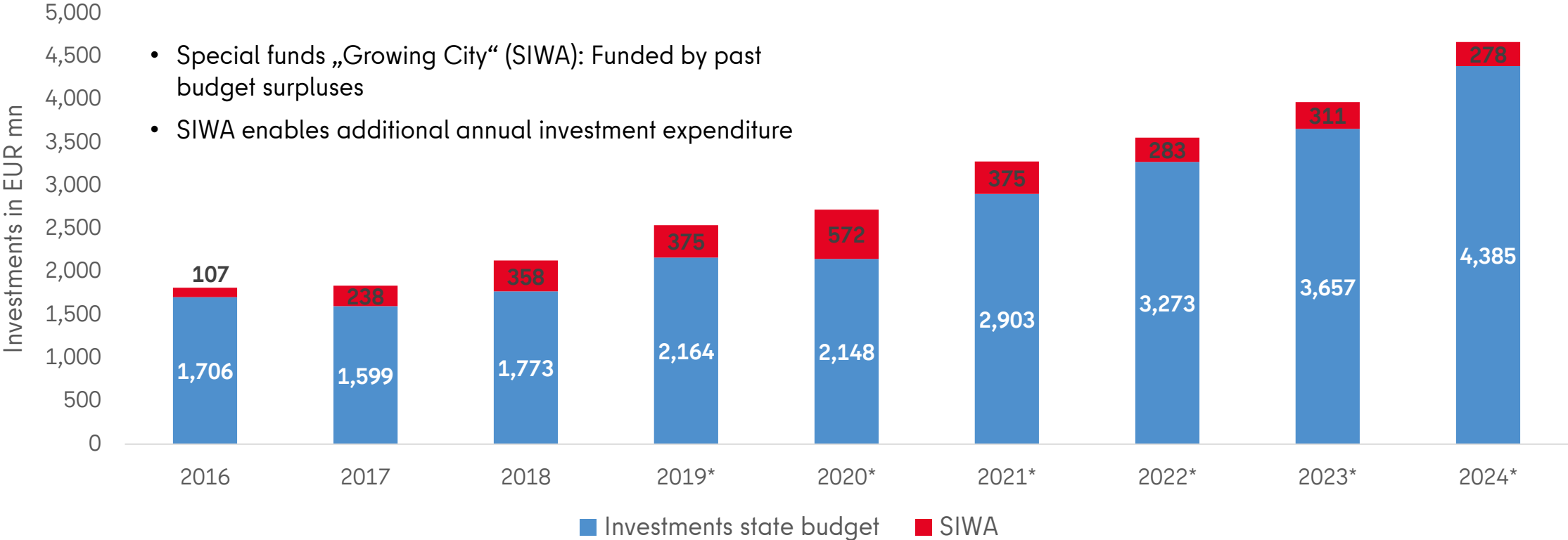


Berlin's share of the total volume of financial equalisation



# State Budget

## Growth in Investment Expenditures

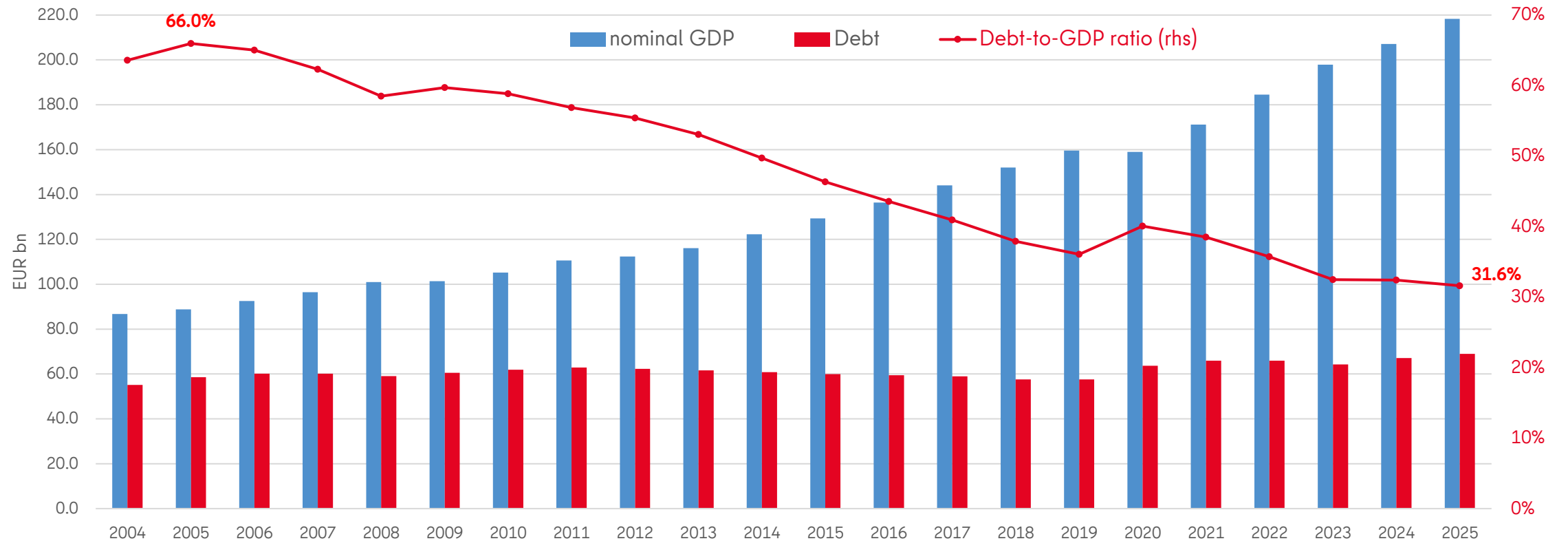


\*adjusted for allocations to the special assets SIWA and school construction financing fund



# State Budget

## GDP-Growth and Debt Development





# 04

## CAPITAL MARKETS - PROFESSIONAL FINANCIAL MANAGEMENT

# Capital Markets

## General Conditions and Financing Instruments

### Annual funding volumes

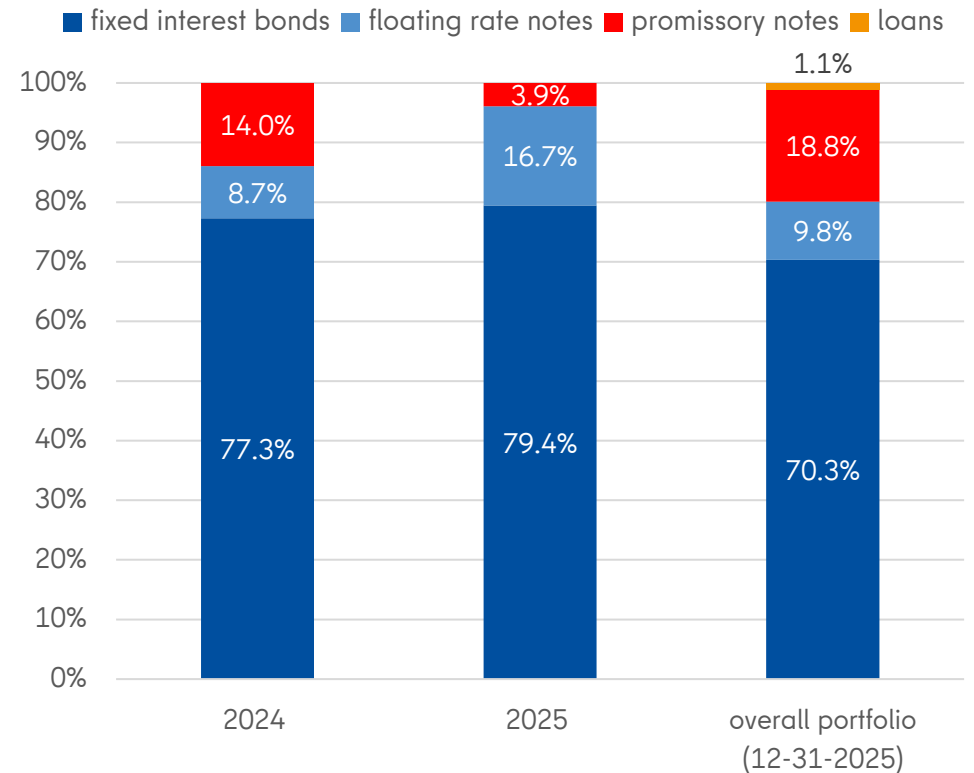
- 2025: EUR 7.8bn
- 2026: EUR 9.8bn to EUR 11.4bn planned

**Excellent credit rating** - three issuer ratings with stable outlook

- [AAA from Fitch Ratings](#)
- [Aa1 from Moody's](#)
- [AAA from Scope Ratings](#)

**0% risk weighting** in most European countries

Bonds qualify as a **Level 1 asset** for the Liquidity Coverage Ratio (LCR)



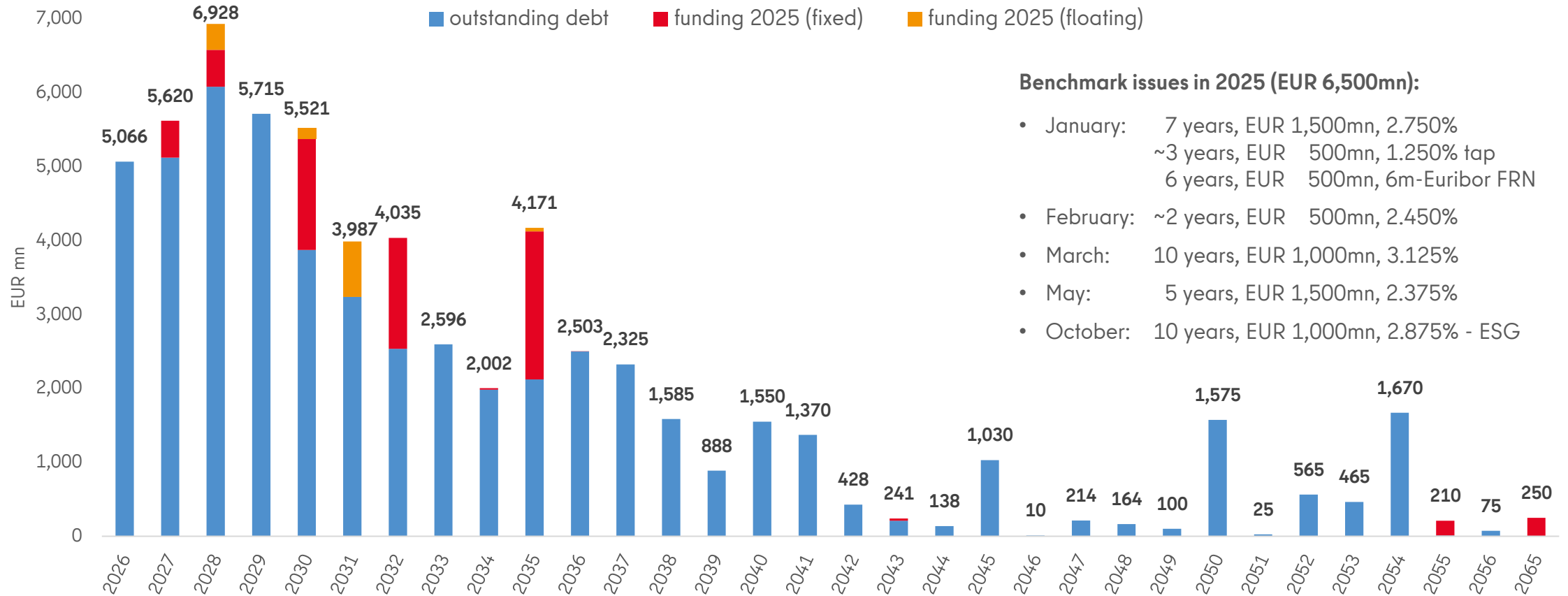
# Capital Markets

## Funding Strategy

- Fixed Bonds in benchmark sizes (up to EUR 1.5bn) with tenors of up to 30 years
- Floating Rate Notes with reference to existing derivative positions
- Puttable Bonds with a single put right upon request
- Private placements of bonds and promissory notes in various tenors upon request
- Taps of existing bonds with near-market coupons (maximum size of each bond: EUR 2bn)

# Capital Markets

## Maturity Profile (as of 31 December 2025)



### Benchmark issues in 2025 (EUR 6,500mn):

- January: 7 years, EUR 1,500mn, 2.750%  
~3 years, EUR 500mn, 1.250% tap  
6 years, EUR 500mn, 6m-Euribor FRN
- February: ~2 years, EUR 500mn, 2.450%
- March: 10 years, EUR 1,000mn, 3.125%
- May: 5 years, EUR 1,500mn, 2.375%
- October: 10 years, EUR 1,000mn, 2.875% - ESG



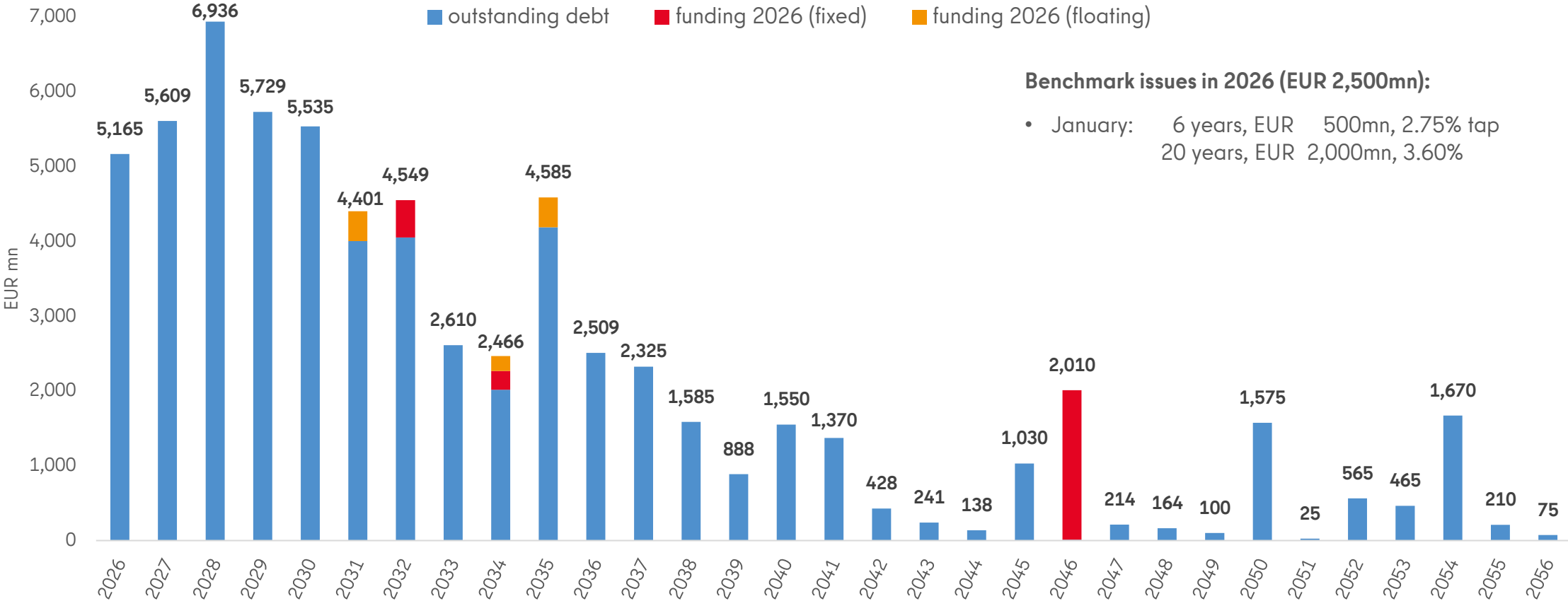
# Capital Markets

## Funding Requirements in 2026 (as of 31 March 2026)

	Base case	Maximum case
Budget year 2026	EUR mn	EUR mn
Funding requirements from maturing loans for refinancing 2026 (§2 (5) Budget Act 2026/27)	5,164.7	5,164.7
<i>plus</i> Credit authorisation in accordance with debt brake reform: Net new borrowing amounting up to 0.35% of GDP (§2 (2) Budget Act 2026/27)	787.2	787.2
<i>plus</i> Net new borrowing from financial transactions (§2 (1) Budget Act 2026/27) - Appendix 8	2,405.5	2,600.0
<i>plus</i> Additional cyclical loans to compensate for cyclical tax revenue shortfalls (§2 (3) Budget Act 2026/27)	0.0	823.2
<i>plus</i> Anticipated repayments of internal loans (§2 (7) and § 2 (8) Budget Act 2026/27)	1,486.0	1,978.6
<b>Gross borrowing authorisation 2026</b>	<b>9,843.4</b>	<b>11,353.7</b>
<i>less</i> borrowing already realised (as of 31 March 2026)	-3,950.0	-3,950.0
<b>Remaining gross borrowing</b> in the budget year 2026	<b>5,893.4</b>	<b>7,403.7</b>

# Capital Markets

## Maturity Profile (as of 31 March 2026)



# Capital Markets

## Benchmark Bonds

Currently 88 outstanding bonds with a total volume of EUR 52.7bn

- Mainly EUR-denominated
- [27 Benchmark bonds](#) with a volume  $\geq$  EUR 1,000mn

Overall debt at 31 March 2026:  
EUR 70.1bn

- Average term to maturity:  
8.80 years
- Average nominal interest rate:  
1.91%

Issue	ISIN	Volume in EUR mn	Coupon	Maturity
517	DE000A2NB9Y6	1,500	0.010%	18/05/2027
548	DE000A3MQYR7	1,500	3.000%	04/05/2028
542	DE000A3MQYK2	1,500	1.250%	01/06/2028
527	DE000A289LDO	1,075	0.010%	26/10/2028
509	DE000A2E4EE4	1,500	0.625%	05/02/2029
547	DE000A3MQYQ9	1,500	2.875%	05/04/2029
557	DE000A351PN8	1,500	3.000%	15/05/2029
514	DE000A2NB9V2	1,250	0.100%	18/01/2030
570	DE000A4DE9E5	1,500	2.375%	04/06/2030
520	DE000A289K63	1,450	0.010%	02/07/2030
552	DE000A351PH0	1,500	2.625%	24/01/2031
<b>563</b>	<b>DE000A3513T6</b>	<b>2,000</b>	<b>2.750%</b>	<b>16/01/2032</b>
488	DE000A168023	1,500	1.000%	19/05/2032
505	DE000A2E4EA2	1,550	1.300%	13/06/2033
553	DE000A351PJ6	1,250	2.875%	15/02/2034
566	DE000A3513W0	1,000	3.125%	19/03/2035
518	DE000A2NB9Z3	1,150	0.125%	04/06/2035
<b>573</b>	<b>DE000A4DE9H8</b>	<b>1,000</b>	<b>2.875%</b>	<b>15/10/2035</b>
490	DE000A2AAPH7	1,500	0.625%	25/08/2036
495	DE000A2AAPM7	1,550	1.375%	05/06/2037
521	DE000A289K71	1,500	0.050%	06/08/2040
530	DE000A3H2Y08	1,250	0.100%	18/01/2041
529	DE000A289LF5	1,000	0.125%	24/11/2045
<b>575</b>	<b>DE000A4DE9K2</b>	<b>2,000</b>	<b>3.600%</b>	<b>16/01/2046</b>
524	DE000A289LA6	1,500	0.350%	09/09/2050
556	DE000A351PM0	1,250	3.000%	13/03/2054

# Capital Markets

## Most Important Current Sustainability Activities

### Affordable Housing

The State of Berlin as a social landlord:

- Maximum annual rent increase of 2.9% and maximum ratio of income to rent (30%) for low-income households with a housing authorisation certificate (WBS)
- 63% of all re-lettings are to low-income households with a housing authorisation certificate (minimum quota for new builds of 50%)
- Retention requirement: Profits of state-owned social housing companies must be used for new construction, the purchase of flats and portfolio maintenance
- Issuance of social bonds by Gewobag and IBB to finance the construction of new affordable housing

### Mobility Transition (public transport)

Public transport subsidy for BVG, S-Bahn and regional transport of more than EUR 1.7 billion per year in 2026/2027

- 320 new electric buses by the end of 2027
- 484 new underground carriages by the end of 2027
- 65 new trams by the end of 2029
- 8 new tram lines to be completed by 2035, as well as new suburban and underground railway connections

### Energy and Heat Transition

Investments in the decarbonisation of electricity generation and heat supply as key building blocks for climate protection

#### 2021: Purchase of Berliner Stromnetz GmbH

- Annual investment of several hundred million euros in Berlin's electricity grid to support the energy transition

#### 2024: Purchase of local district heating network

- Largest district heating network in Western Europe with 1.3 million connected residential units
- Heating, air conditioning and hot water use cause 47% of Berlin's CO<sub>2</sub> emissions (as of 2020)
- Conversion and expansion of district heating with the aim of decarbonising the heat supply

# Capital Markets

## Berlin's Sustainability Bonds

### Sustainability Bond Framework

[Framework of the State of Berlin](#)

[Second Party Opinion by ISS ESG](#)



### Inaugural Sustainability Bond (February 2023)

- [Allocation Report](#) (as of 30 June 2023)
- [Impact Report](#) (as of 05 February 2024)

### Second Sustainability Bond (October 2025)

- Shortening of the look-back period (Refinancing of socially und environmentally sustainable projects from up to two previous budget years)
- Increase in issue size to EUR 1,000mn

# Capital Markets

## Second Sustainability Bond 2025

Project Category (ICMA SBP)	Share	Volume 2023-24 (EUR mn)	Pre-Allocation (EUR mn)	Project Category (ICMA GBP)	Share	Volume 2023-24 (EUR mn)	Pre-Allocation (EUR mn)
Affordable basic infrastructure	25.7%	302.4	257.3	Renewable Energy	1.5%	18.0	15.3
Access to essential services	2.7%	31.4	26.7	Energy Efficiency	2.5%	29.6	25.1
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	4.6%	54.3	46.1	Environmentally sustainable management of living natural resources and land use	1.4%	16.4	14.0
Food security and sustainable food systems	30.5%	359.0	305.4	Climate change adaptation	0.1%	0.7	0.6
Socioeconomic advancement and empowerment	11.6%	136.8	116.3	Clean Transportation	19.0%	222.6	189.3
				Pollution prevention and control	0.4%	4.5	3.9
<b>15 Social Projects</b>	<b>75.1%</b>	<b>883.9</b>	<b>751.8</b>	<b>18 Green Projects</b>	<b>24.9%</b>	<b>291.8</b>	<b>248.2</b>
				<b>Total volume of 33 eligible projects: EUR 1,175.6mn</b>			
				<b>Bond volume: EUR 1,000.0mn</b>			



# Capital Markets

## Second Sustainability Bond 2025 - Transaction Review

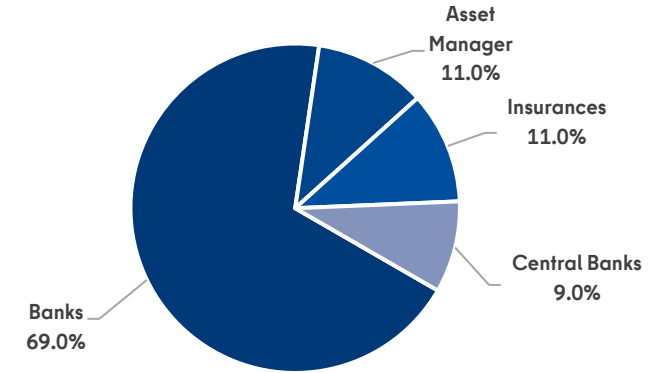
### Final Terms

State of Berlin	
Rating	Aa1 (Moody's) / AAA (Fitch) / AAA (Scope)
Format	Treasury note
Issuance Volume	EUR 1bn
Coupon	2.875% p.a., act/act, ICMA
Pricing Date	8 October 2025
Settlement Date	15 October 2025
Maturity Date	15 October 2035
Reoffer Price	99.146%
Reoffer Spread	MS +32 bps
Reoffer Yield	2.875%
Reoffer-Spread to Bund	+ 30.6 bps vs. DBR 2.600% 8/2035
Denomination	EUR 1,000
Listing	Berlin
Joint Lead Managers	CACIB / DekaBank / DZ BANK / ING / UniCredit
ISIN	DE000A4DE9H8

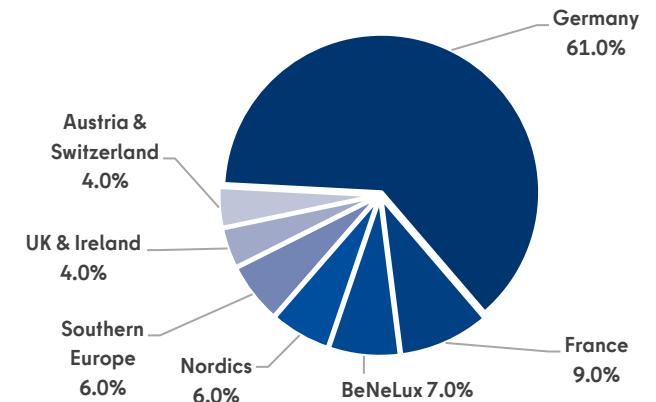
### Description and Transaction History

- Marketing of Berlin's second sustainability bond**
  - Several 1-on-1 investor meetings during the roadshow
  - Second transaction under existing sustainability bond framework
- Alignment of the framework with the ICMA Principles**
  - Seven green and five social project categories contributing towards 12 UN SDGs, according to the SPO by ISS ESG
  - 25 percent of issue proceeds are linked to 18 green projects and 75 percent to 18 social projects
- Announcement on 1 October 2025**
  - Screen announcement for a 10-year deal in benchmark format
  - Book opening on Wednesday, 8 October, with a spread guidance of MS +34 bps area
- Solid oversubscription allowing for spread tightening**
  - High-quality orders from the start
  - Granular order book with 68 investors involved
  - Final reoffer spread set at MS +32 bps amid a EUR 1.5bn order book
  - Very solid demand allowed for final EUR 1bn issue size
  - 33 percent allocated towards investors with strong and medium sustainability commitment

### Allocation by Investor Type



### Allocation by Region





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Website: [Funding of the State of Berlin - Berlin.de](https://www.fundingofthestateofberlin.de)



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**BERLIN**

