22 October 2026

Issuer profile

The Free and Hanseatic City of Hamburg

Hamburg (BBG Ticker: HAMBRG) is one of Germany's 16 states and has a unique dual role as both a municipality and a state government. It consistently ranks among the wealthiest regions in the EU by GDP per capita. Hamburg is a key part of the German economy and accounts for 3.8% of German GDP. With GDP per capita of EUR90,208 in 2025, Hamburg's wealth level significantly exceeds the national average of EUR53,516 according to its investor presentation *(see here).*

Hamburg is Germany's second-largest city and one of Europe's most significant economic hubs as it is a major port city, a financial centre and it has an industrial base**.** The Port of Hamburg is the city's economic cornerstone. It is Germany's largest port and Europe's third-largest port. Hamburg handles a dominant share of Germany's container trade and serves as the primary gateway for Central and Eastern European cargo flows. As a historic Hanseatic trading city, trade remains structurally important. Hamburg hosts the headquarters of major commodity traders and import/export houses. Hamburg is Europe's third-largest civil aerospace cluster, driven mainly by Airbus, which operates its largest single production facility in the city. Hamburg is Germany's leading media city, home to major publishing houses and competes with Berlin as Germany's primary digital startup hub.

Fitch and Scope rate Hamburg as 'AAA' with a stable outlook. In a recent rating review from Scope, in which it confirms the AAA-rating and the stable outlook, Scope states that Hamburg's *wealthy and resilient economy, substantial reserves, strong liquidity and prudent financial management support the rating. Elevated debt levels and sizeable but largely low-risk contingent liabilities remain challenges*' and although '*Contingent liabilities are sizeable'*, they *'pose relatively low risk to Hamburg's credit profile. While guarantees and other off-balance-sheet obligations are significant in relation to operating revenue, Scope considers the associated fiscal risks to be broadly contained under the baseline scenario*' (see the full statement from Scope *here*).

Fitch applies a rating floor of 'AAA' to all Laender such that they have the same rating as Germany. This reflects *'the strong solidarity system enshrined in the constitution, irrespective of key risk factors and financial profile assessment'.* According to Fitch, the *'system ensures that all member states of the federal republic are jointly responsible for supporting any Land facing financial distress. In cases of 'extreme budgetary hardship', a Land is entitled to financial assistance from other Laender and the Bund, a principle reaffirmed by constitutional courts, most recently in 2006'.* Fitch assesses Hamburg's Standalone Credit Profile (SCP) at 'aaa'. Fitch states that 'among German states, Hamburg is comparable with the State of Berlin in terms of its city-state status and demographic trends', but '*Hamburg's 'aaa' SCP is higher than Berlin's (aa), reflecting its stronger debt metrics. Relative to other German states, such as Lower Saxony (SCP 'aa+'), Hamburg has a lower economic liability burden and payback ratio*'.

Ratings

Fitch/Scope: AAA/AAA (long-term)
Fitch/Scope: F1+/S-1+(short-term)
Outlook (Fitch/Scope): Stable/Stable

Source. Fitch and Scope, Danske Bank

Regulatory treatment

Risk weighting (CRR): 0%
LCR category: Level 1
ECB Repo eligible: Yes

Source. ECB and Danske Bank

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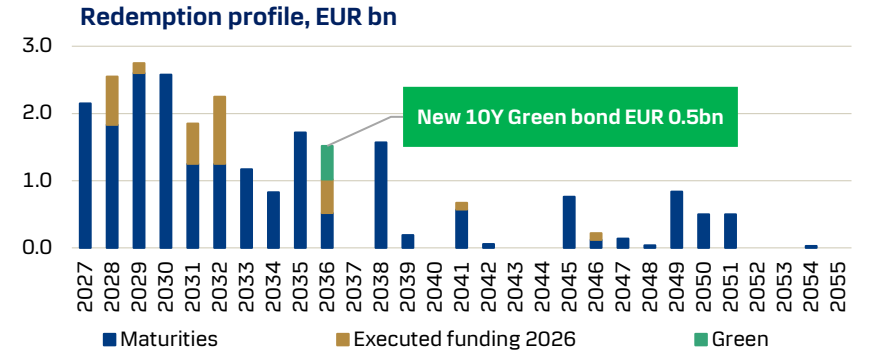
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Redemption profile and new 10Y green bond

Hamburg is planning a new 10Y green bond with an outstanding amount of EUR500m, to be added to the redemption profile as shown below. It has so far sold more than EUR3bn in new funding for 2026 and the EUR500m in a new green bond will bring the total to more than EUR3.5bn for 2026.

The redemption profile, funding in 2026 and the new 10Y green bond



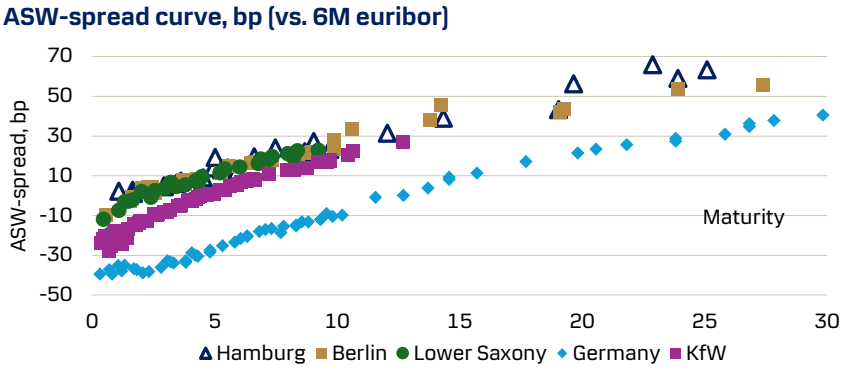
Source: City of Hamburg, Danske Bank

Hamburg has issued solely in conventional bonds, and the green bond will be the inaugural green bond from the City of Hamburg. Traditionally, the funding is done in floaters and fixed rate bonds, where it has 11 floaters and 26 fixed rate bonds. It will be the second syndication in the 10Y segment this year as it issued a conventional fixed rate bond back in June at MS+24bp. This is currently trading at MS+23bp.

Pricing of Hamburg relative to other Laender

Hamburg is priced in line with the other German states such as Berlin and Lower Saxony (as shown below). There is some 35-40bp pick-up in the 5Y and 10Y segments relative to matching German government bonds. There is some 7-10bp pick-up to KfW in the 5Y to 10Y segment.

Pricing of Hamburg relative to other Laender, KfW and German govts

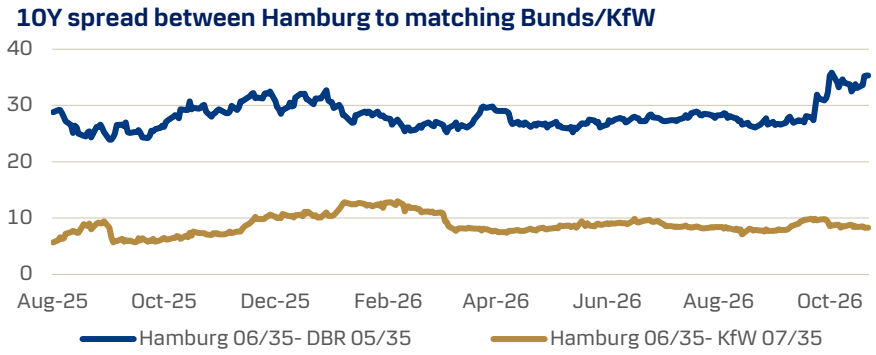


Note: Past performance is not a reliable indicator of current or future results. Source: Danske Bank

The spread between Hamburg and matching KfW and German government bonds has been stable despite the geopolitical uncertainty and heightened market volatility, although there has recently been a modest widening

between Hamburg and a matching Bund on the back of the recent widening of the Bund ASW-spread.

Hamburg provides a stable pick-up to KfW and German government bonds



Note: Past performance is not a reliable indicator of current or future results. Source: Danske Bank

A strong institutional set-up for the German states supports the highest rating

German states in general have an AAA/AA+ rating as well as a stable outlook, as shown in the table below. This is partly due to the solid and stable German economy, and even though there is no direct government guarantee for the German states, there is a strong institutional set-up.

- Fiscal Equalisation. There is fiscal equalisation between the German states, where wealthier states contribute to support financially weaker federal states. Hamburg has historically been a net contributor, provided about EUR 100mn in 2024 to the financially weaker states.
- Federal Support. There is no direct government guarantee, but the federal government can provide support in certain situations, such as during financial crises or extraordinary circumstances.
- The Debt Brake. The German constitution includes debt regulations, where the German states had to have a balanced budget. However, with recent changes to the German law, German states can now run a budget deficit of 0.35% of GDP, like the rule for the Federal government.

This is also why the German Laender that are rated by Fitch and Scope are all rated 'AAA' with a stable outlook.

Ratings for German Laender

Bloomberg ticker	Fitch	Moody's	S&P	Scope
Baden Wuerttemberg	---	Aaa	AA+	AAA
Bayern	---	Aaa	AAA	AAA
Berlin	---	Aa1	---	AAA
Brandenburg	---	Aaa	NR	---
Bremen	AAA	---	---	---
Hamburg	AAA	---	NR	AAA
Hesse	---	---	AA+	AAA
Niedersachsen	AAA	---	---	---
Mecklenburg-Vorpommern	AAA	---	---	---
Nordrhein-Westfalen	AAA	Aa1	AA	AAA
Rheinland-Pfalz	AAA	---	---	---
Saarland	AAA	---	---	---
Sachsen-Anhalt	AAA	Aa1	NR	AAA
Sachsen	---	---	AAA	---
Schleswig-Holstein	AAA	---	---	AAA
Thuringen	AAA	---	---	---

Note: Past performance is not a reliable indicator of current or future results.
Source: Rating agencies, Danske Bank. NR is not rated.

Outlook for German Laender

Name	Fitch	Moody's	S&P	Scope
Baden Wuerttemberg	---	STABLE	STABLE	STABLE
Bayern	---	STABLE	STABLE	STABLE
Berlin	STABLE	STABLE	---	STABLE
Brandenburg	---	NEG	---	---
Bremen	STABLE	---	---	---
Hamburg	STABLE	---	---	STABLE
Hesse	---	---	STABLE	STABLE
Niedersachsen	STABLE	---	---	---
Mecklenburg-Vorpommern	STABLE	---	---	---
Nordrhein-Westfalen	STABLE	STABLE	STABLE	STABLE
Rheinland-Pfalz	STABLE	---	---	---
Saarland	STABLE	---	---	---
Sachsen-Anhalt	STABLE	STABLE	---	STABLE
Sachsen	---	---	STABLE	---
Schleswig-Holstein	STABLE	---	---	STABLE
Thuringen	STABLE	---	---	---

Note: Past performance is not a reliable indicator of current or future results.
Source: Rating agencies, Danske Bank. NR is not rated.

German states as sustainable bond issuers

Hamburg is expected to become the sixth German federal state to issue green, social or sustainability bonds. The five existing issuers are North Rhine-Westphalia with 13 sustainability bonds, Baden-Württemberg with six green bonds, Hesse with three green bonds, Saxony-Anhalt with two social bonds and its inaugural green bond issued in 2026, and Berlin with two sustainability bonds.

Hesse issued a EUR1.5bn green bond in June 2025, the largest green bond issued by a European region to date.

Sustainability strategy of City of Hamburg

Hamburg's climate policy has evolved through successive plans and legislation. Its first Climate Plan was adopted in 2015 and updated in 2019 and 2023, with the 2023 plan targeting a 70% reduction in energy-related CO_2 emissions by 2030 compared with 1990. The Hamburg Climate Protection Act, first enacted in 2020, was amended in November 2025 following a public vote, bringing forward the legally binding target for net CO_2-neutrality to 2040. Climate plans and sector-specific measures support this statutory target across energy, buildings, transport, water management and adaptation.

The broader sustainability agenda is guided by a 2017 Senate commitment to align administrative action with all 17 UN Sustainable Development Goals. The 2022 City Economy Strategy incorporates climate, environmental and social-responsibility objectives into the management of public enterprises. Implementation is coordinated by a cross-ministerial Sustainability unit, with progress tracked through the Voluntary Local Review and a dashboard of 107 indicators selected with civil-society input.

The energy transition focuses on renewable electricity and heat, green hydrogen, network expansion, storage and the integration of electricity, heating and transport. Requirements to install photovoltaic systems have applied to new buildings since 2023 and substantial roof renovations since 2024. Buildings policy combines resource-efficient new construction with improvements to existing stock, including serial renovation.

The Mobility Transition Strategy adopted at the end of 2023 promotes public transport, electrification, cycling and walking. Hamburg's wider mobility policy also seeks to provide mobility options for all social groups. The Climate Plan targets a transport-sector CO_2 reduction of around 939,000 tonnes by 2030 compared with 2021, equivalent to a 53% reduction compared with 1990.

Climate resilience is addressed through the Climate Adaptation Strategy, adopted on 25 February 2025, with a focus on protection against storm surges along the River Elbe, inland flooding and heavy rainfall. Measures include upgrading more than 100 km of public flood defences to the design water level calculated for 2050 and retaining rainwater locally through the RISA "sponge city" approach. Water policy also addresses river continuity, natural water-body structure, pollution reduction and biodiversity. The Green Financing Framework supports this wider agenda by providing a financing mechanism for eligible environmental and climate-related expenditure.

Hamburg's Green Financing Framework

Published in October 2026, Hamburg's Green Financing Framework is aligned with the ICMA Green Bond Principles 2025 and the LMA/APLMA/LSTA Green Loan Principles 2025. It covers bonds, Schuldschein loans, private placements and other notes, with proceeds allocated notionally to Eligible Green Budget Expenditures and Eligible Green Loans to wholly owned entities. The Free and Hanseatic City of Hamburg (FHH) is the legal issuer, while FinanzServiceAgentur AöR (FSA) coordinates financing.

The Framework references the six EU Environmental Objectives but does not seek to demonstrate EU Taxonomy alignment through disclosed Technical Screening Criteria, Do No Significant Harm or minimum-safeguards assessments.

Use of proceeds

The Framework allows Hamburg to finance or refinance eligible expenditure across six categories. Eligible budget expenditure includes CapEx, public subsidies and OpEx. Loans may qualify through an entity's own framework, supported by a valid Second Party Opinion (SPO), or directly under FHH's eligibility criteria. General corporate loans to wholly owned pure-play entities require at least 90% of turnover to come from eligible activities, with a 10% haircut applied when allocating these loans to Green Bond proceeds.

Expenditure incurred and loans granted in the two budget years preceding issuance, the issuance year or subsequent years may qualify. Only Hamburg's financing share is eligible. Federal, EU and other third-party funding is deducted, and partly financed measures are allocated pro rata to Hamburg's share.

Green Financing Framework

Framework category	Examples of eligible expenditures
Renewable Energy and Distribution Networks	Promotion, generation, storage and transmission of renewable energy, including wind power and PV, and distribution-network expansion and modernisation.
Clean Transportation	Zero-emission public transportation and related infrastructure, cycling infrastructure and promotion, and Deutschlandticket expenditure for pupils.
Climate Change Adaptation	Flood-protection systems, including dykes and floodgates, roof and facade refurbishments, green roofs and green facades.
Sustainable (Waste) water Management	Water protection through wastewater and rainwater treatment and reuse, and pollution reduction in water bodies.
Energy-Efficient Buildings	Measures to improve energy efficiency in residential and commercial buildings, including new construction, acquisition and ownership.
Research and Development	Environmental and climate-related research linked to at least one of the six EU Environmental Objectives, including hydrogen research.

Source. City of Hamburg

Renewable energy, clean transportation and buildings are mapped to climate change mitigation. Adaptation expenditure addresses climate change adaptation, while water expenditure supports the sustainable use and protection of water and marine resources. R&D may address any of the six EU Environmental Objectives. Each eligible expenditure must target at least one UN Sustainable Development Goal. The Green Financing Framework maps the eligible categories to SDGs 6, 7, 11 and 13.

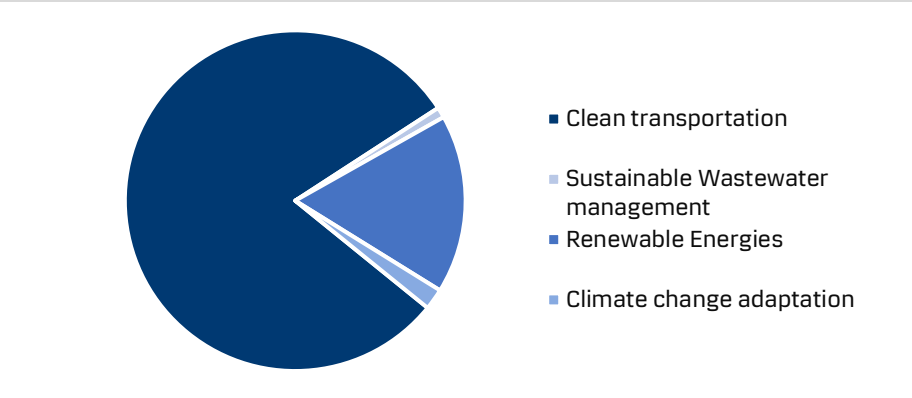
Hamburg's inaugural green bond

Hamburg's first green bond is expected to comprise 19 projects across four of the six Framework categories. Approximately 85% of the proceeds is expected to be allocated to Eligible Green Budget Expenditures, mainly in Clean Transportation, followed by Renewable Energy and Distribution Networks, Climate Change Adaptation and Sustainable (Waste) water Management.

Around 15% of proceeds is expected to finance loans to wholly owned entities. For the inaugural bond, these loans are expected to fall exclusively within the Renewable Energy and Distribution Networks category.

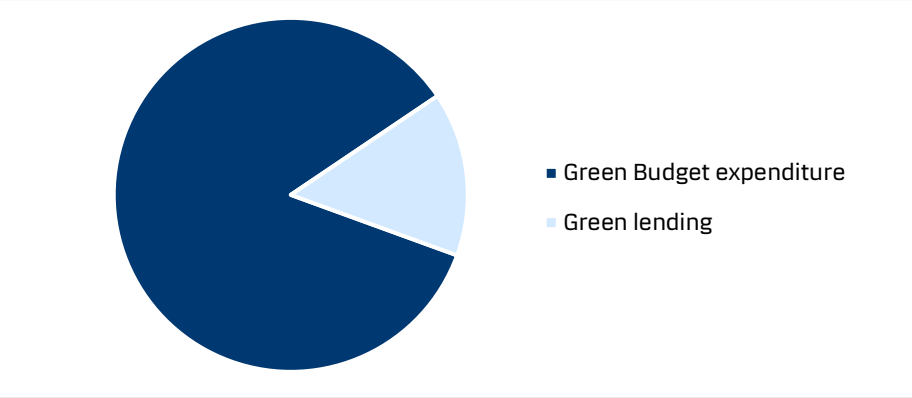
The portfolio composition and allocation figures are preliminary and may change before final allocation.

Preliminary allocation by project category



Source: City of Hamburg

Preliminary allocation by type of expenditure



Source: City of Hamburg

Selected project examples

Hamburger Energienetze. Within Renewable Energy and Distribution Networks, FHH is providing a EUR60m green loan to Hamburger Energienetze, which is to be refinanced through the green bond. The loan finances the installation or renewal of more than 30 km of high-voltage underground cables and lines, and the renewal and expansion of high- and medium-voltage switchgear covering 100 switch bays.

U5 metro line. Within Clean Transportation, the U5 is a new 29 km metro line with 24 new stations. Construction began in 2024 and completion is expected in 2040. The line is planned to be accessible, fully automated and powered by 100% green electricity, with more than 315,000 passengers expected.

Process for project evaluation and selection

FSA coordinates the process and is responsible for the final evaluation and selection of eligible expenditure. The 'Budget' working group involves relevant ministries, while the 'Corporate' group includes selected wholly owned entities.

The assessment considers expenditure volumes, project or pure-play information, eligibility criteria, exclusions and available impact metrics. Ministries and entities verify compliance using budget-title profiles and actual outturn figures where available. Selected expenditure is recorded in a master list that forms the basis for issuance.

ESG risk management and exclusion criteria

Budget expenditure must comply with applicable national regulations and international conventions on minimum environmental and social standards. The Framework excludes expenditure materially linked to weapons and ammunition, nuclear or fossil-fuel electricity generation, gambling, casinos and tobacco, as well as activities violating UN Global Compact principles or OECD Guidelines. The exclusions under Article 12 of the EU Paris-Aligned Benchmark Regulation (EU) 2020/1818 also apply.

Projects dedicated exclusively to fossil-fuel transport or storage, and direct grid connections to fossil-fuel power stations, are excluded.

Management of proceeds and reporting

An internal system tracks the notional allocation of proceeds. Hamburg targets full allocation no later than two years after issuance, although Moody's describes some flexibility around this timeframe. Loan allocations follow a static-pool approach intended to keep the underlying loan portfolio unchanged over the bond's life. The shortest maturity of an allocated Eligible Green Loan therefore determines the Green Bond's maximum maturity.

Unallocated amounts are managed under Hamburg's general liquidity guidelines, including where outstanding proceeds exceed eligible expenditure. If an expenditure or loan ceases to qualify, the corresponding amount is reallocated as soon as possible, ideally to similar eligible expenditure. Loans and budget expenditure may replace each other, with reallocations reported.

Hamburg intends to publish an allocation and impact investor report on the FSA website no later than one year after issuance and annually until full allocation, with updates for material developments thereafter. Reporting is bond by bond and may include allocated and unallocated proceeds, category breakdowns, the split between budget expenditure and lending, and environmental impact information. The underlying budget accounts are reviewed by Hamburg's Court of Auditors.

Impact reporting is guided by the ICMA Harmonised Framework for Impact Reporting, June 2026. Indicative KPIs include:

- Renewable Energy and Distribution Networks: renewable generation, GHG savings and network connections.
- Clean Transportation: zero-emission vehicles, passengers and cycling infrastructure.
- Climate Change Adaptation: number and length of flood-protection measures and buildings treated.
- Sustainable (Waste) water Management: water volumes treated, pollutants retained and river restoration.
- Energy-Efficient Buildings: primary-energy savings and GHG reductions.
- Research and Development: number and subject matter of funded research measures.

Reporting is aggregated rather than project-level, and environmental impacts are reported on a best-effort basis subject to data availability. Hamburg aims to disclose methodologies and assumptions where possible and appropriate.

Moody's Second Party Opinion

Moody's Ratings assigned Hamburg's Green Financing Framework an SQS2 Sustainability Quality Score ("Very Good") in its second party opinion. Moody's assesses the Framework's overall contribution to sustainability as "Significant" and confirms alignment with all four core components of the ICMA Green Bond Principles 2025 and the LMA/APLMA/LSTA Green Loan Principles 2025.

Moody's highlights the relevance of the eligible environmental objectives to Hamburg's public-sector role and the communities it serves. It assesses the clarity of the environmental objectives and the process for evaluating and selecting projects as meeting best practices. Moody's also identifies clear procedures for allocating and tracking proceeds and describes the selected impact indicators as clear, relevant and exhaustive.

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