



## RATING ACTION COMMENTARY

# Fitch Assigns Hamburger Hochbahn AG's EUR500 million Bonds Final 'AAA' Rating

Wed 24 Feb, 2021 - 5:27 AM ET

Fitch Ratings - Frankfurt am Main - 24 Feb 2021: Fitch Ratings has assigned Hamburger Hochbahn AG's (HOCHBAHN) EUR500 million 0.125% fixed-rate green bonds (XS2233088132), due 24 February 2031, a final long-term rating of 'AAA'.

The final rating was assigned following receipt of final documents conforming to information already received.

The green bonds will be issued for investments towards eligible green projects. These are investments in connection with the refurbishment of the existing metro network, the expansion and refurbishment of the bus fleet towards a zero-emission bus fleet and the improvement of stations and services to achieve the company's goal of climate neutrality in 2030 in accordance with the State of Hamburg's (AAA/Stable) climate plan.

HOCHBAHN is 100% owned by Hamburg via HGV. HGV is a group holding of Hamburg, which combines a large part of Hamburg's government-related entities and shareholdings. We view HGV as an organisational unit but that Hamburg is finally liable for HOCHBAHN. HOCHBAHN is the largest local public transport provider in Hamburg.

Feedback

## KEY RATING DRIVERS

The green bonds constitute HOCHBAHN's direct, unsecured, unsubordinated and unconditional obligations and will rank pari passu with all its present and future unsecured obligations. As a result, Fitch equalises the bonds' rating with HOCHBAHN's Issuer Default Rating (IDR; AAA/Stable).

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

The rating is the highest level on Fitch's scale and therefore cannot be upgraded.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

A downgrade of HOCHBAHN's IDR would result in a similar change to the bonds' rating.

## BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit [<https://www.fitchratings.com/site/re/10111579>].

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## DATE OF RELEVANT COMMITTEE

27 August 2020

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Hamburger Hochbahn AG		
● senior unsecured	LT AAA	New Rating AAA(EXP)

[VIEW ADDITIONAL RATING DETAILS](#)

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

## APPLICABLE CRITERIA

[Government-Related Entities Rating Criteria - Effective from 13 November 2019 to 30 September 2020 \(pub. 13 Nov 2019\)](#)

[Public Sector, Revenue-Supported Entities Rating Criteria - Effective from 27 March 2020 to 23 February 2021 \(pub. 27 Mar 2020\) \(including rating assumption sensitivity\)](#)

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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## ENDORSEMENT STATUS

Hamburger Hochbahn AG

EU Issued, UK Endorsed

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