

# Ministry of Finance – State of Hesse

## Investor Briefing 2026



# HESSEN

Rating: AA+ (S&P) & AAA (Scope)

Rating Agency	Short-term Rating	Long-term Rating	Outlook
Standard & Poor's	A-1+	AA+	stable, last confirmed on April 10, 2026
Scope	S-1+	AAA	stable., last confirmed on March 27, 2026

### High Credit Quality

- There are no equity restrictions for securities of the state in accordance with Art. 114 para. 4 and Art. 115 para. 2 of the Capital Requirements Regulation (CRR).
- The State Treasury Notes are a capital investment in accordance with § 240a para. 1 No. 2 of the German Civil Code (BGB) in conjunction with § 3 no. 6 of the German Security Ordinance (Sicherheitenverordnung "SIV") and, pursuant to § 125 of the German Insurance Supervision Act ("Versicherungsaufsichtsgesetz"), are eligible to be allocated to the security assets.
- Concurrent with the listing on a stock exchange, the State Treasury Notes fulfil the eligibility criteria of the European Central Bank for refinancing. Certificates of indebtedness are also eligible for refinancing with central banks.
- Short-term liquidity is guaranteed by direct access to the money market via other German Länder, the 'Bund' and banks.
- Due to its high economic strength, Hesse is traditionally one of the financially strong federal states (*Länder*). This entails significant equalisation obligations towards the financially weaker federal states, which amount to over € 4 bn in 2025 alone.
- The debt brake has been embedded in the Hessian Constitution since 2011. In 2025, net borrowing of € 995 mn was required. This borrowing was in line with the requirements of the debt brake.

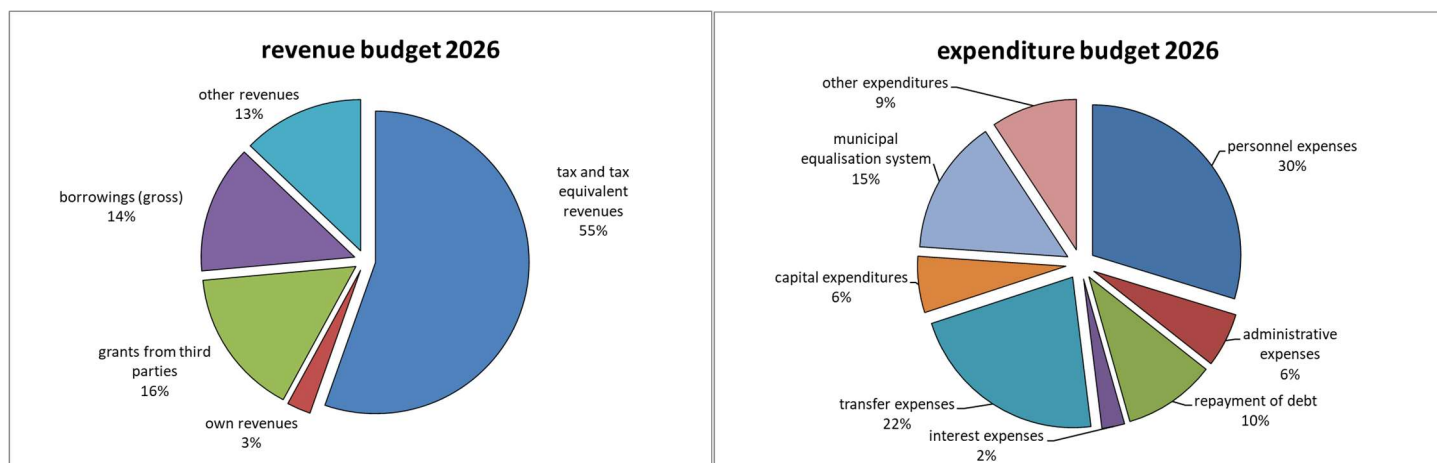
### Refinancing Strategy and Refinancing Volume: € 7.5 bn (gross) in the Calendar Year 2026

- The gross capital need for 2026 is approximately € 7.5 bn. The exact timing and amount of borrowing depends on liquidity needs and the budgetary situation as well as the contemporary capital market environment.
- The State of Hesse raises long-term funds in various currencies and with different maturities on the international capital markets. The main currency debt position is in Euro. Debt is also raised in Swiss francs and Yen – which are hedged into Euro via Euro currency swaps.
- Final maturities/repayments of existing loans in the amount of € 5.090 bn are planned in the 2026 budget. Repayments in the respective financial year may increase if loans with terms of a few days or weeks are taken out during the year (intra-year debt). This additional repayment also increases the credit authorization for the year.
- The documentation is in the form of a certificate of indebtedness or State Treasury Notes.

Floater	Benchmarks	Private Placements
small-volume FRN up to a max volume of € 500 mn and a max. term of 5 years per issue	Large-volume bonds with maturities of 3 to 15 years	tailored to the needs of investors - plain vanilla only

### State of Hesse Budget Volume 2026: € 50.768 bn – New Net Borrowing: € 1,855 mn

- High tax revenue: With a per capita tax revenue of € 4,575 in 2025, the fiscal capacity of the State of Hesse prior to the execution of the financial equalisation system of the Federal Government and the *Länder* was 12.1% above the average of all German *Länder*.
- Budget implementation 2025: During the implementation of the 2025 budget, improvements in tax revenue – as well as factors outside the tax sector – essentially enabled borrowing to fall short of the originally planned level and allowed for the precautionary strengthening of the reserve base. The requirements of the debt brake were met both during the drafting of the budget and during its implementation.
- Debt level: € 46.3 bn indebtedness in capital markets as at December 31, 2025 (by calendar year).
- Per capita indebtedness. With a debt level of € 7,425 per inhabitant as at December 31, 2025, Hesse has a per capita debt level slightly above the average of all German *Länder*.
- Since 2009, the state of Hesse has regularly published its consolidated financial statements, which are audited and certified by independent auditors on behalf of the Hessian Court of Auditors (*Hessischen Rechnungshof*). The annual report is published at [www.bilanz.hessen.de](http://www.bilanz.hessen.de) (in German only).



## Above-Average Standard of Living in Hesse

- Hesse's GDP amounted to around € 382.4 bn in 2025. The real gross domestic product in Hesse fell by 0.2% compared to the previous year. Economic growth in Hesse was therefore below the national average (plus 0.2%). With a GDP of around € 60,890 per capita, Hesse ranks between the Netherlands (€ 65,210) and Austria (€ 55,710) in an EU comparison.
- Unemployment rate as a percentage of the civilian labour force: 6.0% (as at March 2026)
- Number of inhabitants as at June 30, 2025: 6.277 mn (7.5% of the German population)
- Total area: 21,115 km<sup>2</sup>
- State capital: Wiesbaden; largest city: Frankfurt am Main (Frankfurt)

## Hessian Industry is Closely Linked Internationally

- In 2025, Hessian companies generate more than half of their revenues, around € 86.5 bn abroad. Hesse's export ratio for the manufacturing industry was around 55%.
- The United States of America, French Republic, Poland, the Netherlands and Italy were Hesse's most important export countries. In terms of imports, the United States of America, the People's Republic of China and Switzerland were the most important trading partners.
- Important foreign trade goods include the chemical and pharmaceutical industry (29.6% of Hesse's export volume), machinery (11.7%) as well as the manufacture of motor vehicles, motor vehicle parts and accessories (7.9%).
- Hesse is an attractive location for foreign direct investments; the investment volume of international investors amounts to € 66 bn (15% of all active direct investment).

## Hesse: Solid Basis due to Diversified Economic Structures with a Focus on the Service Sector

- Frankfurt is the financial centre of continental Europe with more than 250 financial institutions, including the headquarters of the European Central Bank (ECB) and the Bundesbank, the Frankfurt Stock Exchange and the European Exchange (EUREX). In Frankfurt, approximately 73,900 people work in the financial sector. Since 2025, Frankfurt is the headquarter of the new EU Anti-Money Laundering Authority (AMLA).
- Hesse holds a 30.08% stake in the well and solidly positioned *Landesbank* Hessen-Thüringen (Helaba), which is based in the financial centre of Frankfurt.
- Furthermore, the financial centre has international significance with the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board (ESRB), the Federal Financial Supervisory Authority (BaFin) and the Single Supervisory Mechanism (SSM) at the ECB.
- The Leibnitz Institute for Financial Market Research SAFE (Sustainable Architecture of Finance in Europe), where around 200 academics work and research on topics relevant to capital markets, is an addition to the financial centre.
- The International Sustainability Standards Board (ISSB), which sets global minimum standards in the area of financial sustainability reporting, is based in Frankfurt am Main.
- The international airport Frankfurt Airport is Germany's largest regional workplace (with around 80,000 direct employees, approximately 63.2 mn passengers in 2025, largest airport in Germany in terms of passenger traffic, sixth largest airport in Europe, 16th worldwide).
- Hesse is an important location for creative industry and advertising, public relations, press and films, 18,100 companies with about 125,800 employees and a € 15.4 bn turnover.
- Hesse is a centre of European information and communications technology (ICT) with a focus on enterprise software, large data centres, and data security. The industry has 122,000 employees in 10,000 companies and a turnover of around € 40 bn. The German Commercial Internet Exchange (DE-CIX) is the central internet exchange point situated in Frankfurt and the largest in the world in terms of data throughput.
- *Messe Frankfurt*, one of the world's leading exhibition centres, is the fair with the longest tradition in Germany and one of the most important trade fair locations. *Messe Frankfurt* has around 340 events (trade fairs, exhibitions, concerts, congresses, sport events and the like) planned worldwide in 2025.
- Hesse has excellent transport connections and its central location makes it an important centre for logistics companies.
- It hosts the satellite control centre of the European Space Agency (ESA) in Darmstadt.

## Sustainability: On the Path to a carbon neutral State Administration

- Hesse seeks to protect the climate: In 2030, the state administration is to be CO<sub>2</sub>-neutral, and by 2045, all of Hesse is to be CO<sub>2</sub>-neutral.
- The strategy for realising a CO<sub>2</sub>-neutral state administration consists of a CO<sub>2</sub>-balance sheet, which is confirmed by an independent certification body, CO<sub>2</sub> public relations work and CO<sub>2</sub>-neutrality measures with regard to the minimising, substitution and offsetting CO<sub>2</sub>-emissions. The certified carbon footprint for 2023 confirms a value of 149,161 tonnes of CO<sub>2</sub>-equivalents (CO<sub>2</sub>e). Compared to the opening balance from 2008, the Hessian state administration has thus caused 327,072 fewer tonnes of climate-damaging emissions.
- The State of Hesse has successfully issued its second green bond with a value date of June 18, 2025. It has a volume of € 1.5 billion and a term of 10 years. This makes it the largest green benchmark issued by a German federal state.
- Since 2019, the State of Hesse has been legally obliged to invest its *Sondervermögen "Versorgungsrücklage des Landes Hessen"* in a sustainable manner, has developed sustainability guidelines for all asset classes and was the first German State to join the UN Principles for Responsible Investment. Together with four other Federal States, the state has developed investment standards for sustainable equity investments by the public sector and invests in two appropriately designed equity indices - these were converted to the Paris Aligned Benchmark Standard in March 2023.

## Contacts

More information can be found on the internet at <http://www.hessen.de/>, <https://co2.hessen-nachhaltig.de/co2-bilanz.html>, (in German), in Bloomberg under HESSEN or RESP LAEN.

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