# Germany

**September 23, 2024**

This report does not constitute a rating action.

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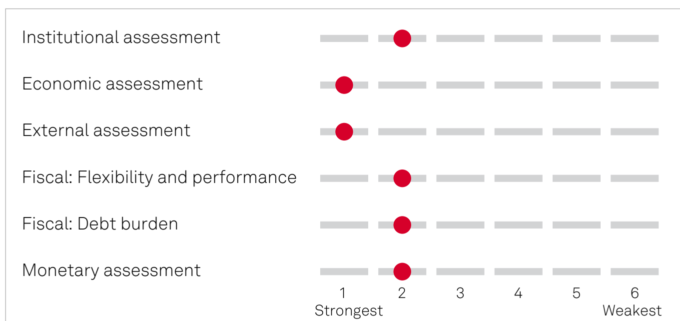
## Ratings Score Snapshot




| Sovereign credit rating |
| --- |
| Foreign currency |
| **AAA/Stable/A-1+** |
| Local currency |
| **AAA/Stable/A-1+** |

## Credit Highlights

### Overview

| Institutional and economic profile | Flexibility and performance profile |
| --- | --- |
| S&P Global Ratings believes Germany's real economy will continue to stagnate this year, following an already sluggish recovery from the pandemic. | Germany's fiscal and external buffers remain substantial amid persisting economic challenges. |
| --Domestic demand remains subdued, resulting in about 0.2% of real growth this year. While we expect consumption to drive GDP growth above 1% in 2025, the growth outlook may soften in key export markets including the U.S. | -- Germany's fiscal deficits will continue to narrow to about 1% of GDP by 2027 after the reinstatement of the debt brake rule this year. |
| -- We expect private consumption will pick up over the next few months, benefiting from easing inflation, a resilient labor market, and strong wage growth; further rate cuts by the European Central Bank (ECB) should incentivize investment activity. | -- Germany's external accounts have recovered after a significant terms-of-trade shock in 2022; we expect the current account will remain in surplus of over 6% of GDP on average through 2027, as the country's savings rate remains among the highest in the G7, and investment growth continues to be subdued. . |
| --Rising political fragmentation--highlighted by the results of recent local elections--will remain a key challenge for policymakers ahead of next year's general election. | --Although inflation declined to 2% in August--close to the ECB target level of slightly below 2%--it remains broad based; we assume the ECB will only gradually lower interest rates over the next few months. |

**Germany's economic slump continues this year as domestic demand remains subdued, amid elevated private savings rates**. We expect a modest rebound in the second half of 2024 as firming wage growth and lowering inflation will support private consumption and investment levels will recover as the ECB continues to cut key interest rates.

**The reinstatement of the debt brake rule and the discontinuation of energy support measures will result in lower fiscal deficits over the next several years**. This is despite substantial investment into defense spending and the country's energy transition, which will help bring government debt, net of liquid assets, down to about 57% of GDP by 2027--well below levels in most peers.

**Rising political fragmentation will remain a key challenge for the government.** Although we view Germany's political institutions and policymaking as effective and stable, the results of recent state elections highlight the increasing level of political fragmentation primarily benefiting populist parties. This will remain a significant hurdle for the incumbent government coalition in pursuing its policy agenda ahead of next year's general election.

# Outlook

The stable outlook reflects our opinion that Germany's external and fiscal buffers, diversified economy, and proven institutional effectiveness will continue to provide sufficient rating buffers over the next two years.

## Downside scenario

We could lower our ratings if Germany's economic slump persisted longer than we anticipate. We believe such a scenario could coincide with the country's fiscal position worsening beyond our projections, with low prospects for improvement and debt or contingent liabilities increasing significantly.

# Rationale

## Institutional and economic profile: We continue to forecast real GDP rising by a marginal 0.2% as domestic and external demand will pick up only moderately in the second half of the year

Germany's economic outlook remains challenging. For 2024, we project that Germany will post real GDP growth of just 0.2%, following a contraction of 0.3% in 2023 (0.1% contraction when adjusted for working days). Germany is the fourth largest economy in the world, and the largest in Europe, accounting for 24% of EU GDP. Over half of total exports go to the EU, and nearly two thirds of imports come from EU trading partners. For this reason, the recent underperformance of the German economy has also impeded key trading partners, not least in Eastern Europe. Since the global pandemic, structural challenges stemming from higher energy costs, technology transitioning in the key automotive sector, a correction in the commercial real estate market, as well as softer demand in several key export markets including China have depressed Germany's economy. All these factors have contributed to household savings rates rising above 20% of disposable income in the first quarter of 2024, by far the highest in the EU.

Although private consumption has remained sluggish in the first half of the year, we expect it to pick up over the next few months, as savings rates ease. Inflation levels have declined to a mere 2% and we do not expect these will increase substantially over the near term. Instead, wage

growth will continue to exceed price increases, also backed by a resilient labor market, with unemployment barely edging up from its previous record lows. Private investment, particularly construction, will also recover over the next few months, benefiting from the ECB cutting rates and still-high demand for housing. Moderate growth in Germany's main trading partners--namely China, the U.S., and the eurozone--and a continuing normalization of international trade flows will also partially benefit Germany, a strong net exporter. From 2025, we expect further strengthening of consumption dynamics coinciding with a recovery in investment levels as interest rates continue to normalize.

Risks surrounding energy security markedly decreased during winter 2023/2024 due to a complete decoupling from Russian gas supplies; consistently high storage levels that are currently close to full capacity; and an effective demand reduction, especially from industrial production. Other structural challenges for Germany's economy persist, which leads us to see the country's medium-term growth outlook beyond 2025 as more uncertain than for most other European countries.

Germany, like other European countries, has an adverse demographic profile. This is aggravated by the country's disproportionally high amount of new retirees over the next 10-15 years. Counteracting this strain, the recent increase of immigration, mainly from Ukraine, lifted population growth to 1.3% in 2023. However, it is uncertain whether such high net migration figures can be sustained over the longer term.

We also see challenges to the country's competitiveness as a manufacturing hub in Europe. Auto production constitutes almost 4% of Germany's gross value added, and cars and vehicle parts usually account for almost 20% of exports. German vehicles and components are up against major structural and regulatory hurdles, particularly due to tightening emissions standards and technological changes, as well as uncertainties around trade policy. Productivity-enhancing investment in Germany has lagged investment in other developed economies for several years, and we believe this could ultimately also become a drag on medium-term growth.

The German government--a coalition between the Social Democrats, Greens, and the Liberal Party--is pursuing a series of reforms to address several of these key challenges. Among other priorities, it plans to accelerate the energy transition and to increase the share of renewable energy in Germany's gross electricity consumption to 80% by 2030. In our view, this can only happen through massive investment, which we estimate at €600 billion over 2022-2030 (see "Germany's Green Energy Ambitions Spark A Transformative Decade For Utilities," published Sept. 14, 2023). We do not expect major progress on structural reforms by the government ahead of next year’s general election due to several challenges. First, the current government--the first three-party coalition in the history of the Federal Republic--is not aligned on policy priorities. Second, Germany’s constitutionally enshrined debt brake rule effectively fixes public deficits at low amounts, limiting fiscal space and thus complicating political consensus-building. Third, political fragmentation in Germany has increased over several years, primarily benefiting populist parties at the expense of parties in the ruling coalition. This, in turn, has raised intra-government frictions, which we believe will become only more frequent ahead of next year’s general election.

## Flexibility and performance profile: Moderate public debt levels, a strong external creditor position, and the ECB's high policy effectiveness continue to support Germany's creditworthiness

We have reduced our fiscal deficit projection for the next years and now expect a decline to below 1% of GDP by 2027, from deficits of between 2.4%-2.5% in 2022 and 2023. The higher

deficits over recent years were partially driven by fiscal support packages against high energy prices, which have been discontinued last year as European energy markets have normalized. The lower expenditure on energy support will only be partially offset by rising defense spending and energy investments. These expenditure items are mostly excluded from the stringent fiscal rules under the debt brake law, which was reinstated this year. Germany's debt break law prevents federal deficits exceeding 0.35% of GDP (plus an economic adjustment component) at the federal level and forbids net new borrowing at the state level--except for specific government spending programs, such as the €100 billion of additional military spending over several years and specific energy-related investments under the "climate and transformation fund." The latter have been trimmed following the German Constitutional Court's prohibition of the transferal of borrowing capacity of pandemic-relief funds toward the "climate and transformation fund" (see "Germany's Medium-Term Growth Could Suffer From Top Court's Decision," published Nov. 27, 2023).

Although the debt brake rule effectively limits fiscal deficits, we believe that the medium-term path of Germany's finances has become more uncertain. Further medium-to-long-term spending could stem from additional energy-related investment (beyond the current measures) or Germany's adverse demographic profile in the form of higher health care, elderly, and retirement benefits. For now, however, estimated age-related spending pressures appear to be moderate in a European comparison (see "Global Aging 2023: The Clock Ticks," published Jan. 18, 2023). In this regard, we note the planned creation of a so-called generation fund for future pension expense that partially addresses the issue. We expect further reforms of the pension system over the next few years because we understand that ensuring the long-term sustainability of public finances is a policy priority for the government. We assume the same for the health insurance system and for increasing expenditure in elderly care.

The lower deficits also mean that government debt net of liquid assets, as a share of GDP, will decline from about 59% of GDP in 2024 to 57% in 2027. Reflecting higher ECB policy rates, Germany's interest burden is set to rise-- but only moderately in a global comparison. Interest costs will remain below 2.0% of general government revenue throughout our forecast, versus 5.6% in 2011 (see "Sovereign Debt 2024: Developed European Governments To Borrow About $1.84 Trillion in 2024," published Feb. 27, 2024). In our calculations of government debt, we exclude liabilities arising from the various multilateral financial support mechanisms, namely the European Financial Stability Facility (EFSF) and European Stability Mechanism in the eurozone (see "S&P Clarifies Its Approach To Accounting For EFSF Liabilities When Rating The Sovereign Guarantors," published Nov. 2, 2011). These liabilities amount to about 1.3% of estimated GDP in 2024.

Germany's current account balance rebounded last year due to the reversal of the terms-of-trade shock in 2022, flat investment, and rising private savings. We expect the current accounts surplus to rise to close to 7% of GDP this year on the back of high primary income inflows, and a contraction of imports due to lower domestic demand. Looking forward, we expect the current account surpluses will remain at above 6% of GDP on average, representing high goods trade surpluses and strong annual investment incomes from assets held abroad, albeit outcomes will be sensitive to growth rates in key trading partners including China, the U.S, and the rest of Europe. Although these surpluses are high in a global comparison, they are still lower than the 7%-9% of GDP before the pandemic, which we partially attribute to a loss of Germany's export share as a percent of global trade flows over the past few years.

Structurally, Germany's current account position reflects the country's still-high export competitiveness, its previously lower investment rate than the eurozone average, the tighter fiscal stance compared to its trading partners, and the highest level of household savings in the

euro area (reflecting the country's aging population and other structural and cultural factors). These current account surpluses will contribute to an average net asset position exceeding 130% of current account receipts (CARs) until 2027. In that period, we project that narrow net external debt will decline to about 60% of CARs until 2027. Consequently, we forecast that gross external financing needs will reduce to below 200% of CARs and usable reserves. The size of external assets also reflects movements in Germany's high Target 2 claims on the Eurosystem, which have exceeded €1 trillion since July 2020 and currently stand at about €1.1 trillion.

As elsewhere, inflation in Germany has gradually declined over the past two months and is estimated at 2.0% in August (Harmonized Index of Consumer Prices; HICP), slightly below the eurozone average of 2.2%. Although headline inflation figures are much lower than their peak of 11.6% in October 2022--the highest rate since 1996, the year the HICP statistics started to be compiled--price increases have become more broad-based, notably on a robust labor market and rising wages. We expect this trend to continue, resulting in stronger core inflation of about 3% this year. Core inflation will also outpace headline inflation in 2025, which partially explains why we believe price increases in Germany will marginally exceed the ECB's target annual inflation rate of about 2% until at least mid-2025.

These lower inflation levels, despite being broad-based, are already close to the ECB’s target rate of "close to but below 2%", which is why the ECB has already reduced its policy rate twice this year. Its deposit facility currently stands at 3.5%, compared with 4.0% at the beginning of the year. The pace of monetary policy normalization will critically depend on the prognosis for inflation across the European Monetary Union, which we expect will remain slightly elevated over the near term. Accordingly, we expect the rate hikes will still take several quarters to reverse. In our view, Germany's eurozone membership reduces its individual monetary flexibility. However, the country has also benefited from the euro with regard to its export-oriented economy and lower interest costs previously supported by the ECB's large-scale asset-purchase programs.

We expect the German banking sector to demonstrate ongoing resilience even amid the economic underperformance. German banks will likely remain behind peers in terms of structural profitability, despite improved earnings mainly from cyclical rate support. We think inefficient cost bases, overcapacity, and intense competition make it difficult for many banks to earn their cost of capital. Positively, we anticipate only a modest increase in credit losses from low levels. This reflects our expectation that households and the corporate sector will prove resilient, despite the weak economic outlook. This also stems from banks' overall prudent risk management, favorable employment rates, and the corporate sector's financial health and proven ability to adapt to challenges. We consider German banks' exposure to commercial real estate a risk factor, but predominantly for profitability and less so for capital, and therefore we do not view this exposure as a systemic risk. Banks primarily act as senior lenders and loss potential is limited due to sufficient collateral. We anticipate German banks' earnings can absorb an expected increase in credit losses in commercial real estate lending.

**Germany--Selected Indicators**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024bc | 2025bc | 2026bc | 2027bc |
|---|---|---|---|---|---|---|---|---|---|---|
| **Economic indicators (%)** | | | | | | | | | | |
| Nominal GDP (bil. EUR) | 3,431.1 | 3,534.9 | 3,449.6 | 3,676.5 | 3,953.9 | 4,185.6 | 4,300.9 | 4,443.1 | 4,593.9 | 4,737.8 |
| Nominal GDP (bil. $) | 4,052.2 | 3,957.3 | 3,940.2 | 4,348.2 | 4,163.4 | 4,525.8 | 4,688.0 | 5,065.2 | 5,374.9 | 5,543.2 |
| GDP per capita (000s $) | 48.9 | 47.7 | 47.4 | 52.3 | 50.0 | 53.7 | 55.5 | 59.8 | 63.3 | 65.2 |

| **Germany--Selected Indicators** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Real GDP growth | 1.1 | 1.0 | (4.1) | 3.7 | 1.4 | (0.3) | 0.2 | 1.2 | 1.3 | 1.1 |
| Real GDP per capita growth | 0.8 | 0.7 | (4.3) | 3.7 | 1.3 | (1.6) | (0.0) | 1.0 | 1.1 | 0.9 |
| Real investment growth | 3.6 | 2.0 | (3.0) | 0.6 | (0.2) | (1.2) | (2.5) | 1.3 | 1.9 | 2.3 |
| Investment/GDP | 21.5 | 21.3 | 21.7 | 22.5 | 23.0 | 21.7 | 20.7 | 20.7 | 20.8 | 21.0 |
| Savings/GDP | 29.3 | 29.3 | 28.1 | 29.6 | 27.2 | 27.8 | 27.6 | 27.0 | 26.8 | 26.9 |
| Exports/GDP | 42.6 | 42.4 | 39.2 | 42.7 | 45.8 | 43.4 | 43.5 | 44.0 | 44.4 | 45.0 |
| Real exports growth | 2.5 | 1.9 | (9.5) | 10.0 | 3.1 | (0.3) | 0.4 | 2.3 | 2.4 | 2.5 |
| Unemployment rate | 3.2 | 3.0 | 3.7 | 3.7 | 3.2 | 3.1 | 3.4 | 3.3 | 3.1 | 3.1 |
| **External indicators (%)** | | | | | | | | | | |
| Current account balance/GDP | 7.8 | 8.0 | 6.5 | 7.2 | 4.2 | 6.2 | 6.9 | 6.3 | 6.0 | 5.8 |
| Current account balance/CARs | 14.1 | 14.4 | 12.7 | 12.8 | 6.8 | 10.4 | 11.9 | 11.0 | 10.5 | 10.0 |
| CARs/GDP | 55.5 | 55.7 | 50.8 | 56.1 | 60.8 | 59.3 | 57.6 | 57.0 | 57.3 | 58.1 |
| Trade balance/GDP | 6.5 | 6.2 | 5.3 | 5.3 | 3.2 | 5.8 | 6.3 | 6.3 | 6.2 | 6.0 |
| Net FDI/GDP | (0.6) | (2.5) | 0.8 | (2.2) | (2.8) | (1.4) | (1.5) | (2.0) | (2.0) | (2.0) |
| Net portfolio equity inflow/GDP | (1.7) | (2.3) | (3.2) | (4.8) | (0.6) | (0.8) | (2.3) | (2.3) | (2.3) | (2.3) |
| Gross external financing needs/CARs plus usable reserves | 201.0 | 198.6 | 208.9 | 211.3 | 218.8 | 210.5 | 204.3 | 199.3 | 194.9 | 192.0 |
| Narrow net external debt/CARs | 57.1 | 61.5 | 85.5 | 81.4 | 68.4 | 75.4 | 75.1 | 71.3 | 66.1 | 62.3 |
| Narrow net external debt/CAPs | 66.4 | 71.9 | 97.9 | 93.4 | 73.4 | 84.1 | 85.3 | 80.2 | 73.8 | 69.2 |
| Net external liabilities/CARs | (90.3) | (104.4) | (134.7) | (116.1) | (114.7) | (120.6) | (131.0) | (132.1) | (134.3) | (138.4) |
| Net external liabilities/CAPs | (105.0) | (121.9) | (154.2) | (133.1) | (123.1) | (134.6) | (148.8) | (148.5) | (150.0) | (153.8) |
| Short-term external debt by remaining maturity/CARs | 133.0 | 130.9 | 144.9 | 147.4 | 151.2 | 144.0 | 140.7 | 132.7 | 125.9 | 121.3 |
| Usable reserves/CAPs (months) | 1.2 | 1.3 | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 1.5 | 1.4 | 1.3 |
| Usable reserves (bil. $) | 198.2 | 223.9 | 268.9 | 296.0 | 294.9 | 322.9 | 323.5 | 324.0 | 324.5 | 325.0 |
| **Fiscal indicators (general government %)** | | | | | | | | | | |
| Balance/GDP | 1.9 | 1.5 | (4.3) | (3.5) | (2.5) | (2.4) | (2.0) | (1.7) | (1.1) | (1.0) |
| Change in net debt/GDP | (1.1) | (0.1) | 4.9 | 3.8 | 3.8 | 2.8 | 1.4 | 1.3 | 1.1 | 1.0 |
| Primary balance/GDP | 2.8 | 2.3 | (3.7) | (3.0) | (1.8) | (1.6) | (1.1) | (0.8) | (0.2) | (0.1) |
| Revenue/GDP | 45.4 | 45.7 | 45.5 | 46.6 | 46.1 | 45.4 | 46.5 | 46.5 | 46.5 | 46.5 |
| Expenditures/GDP | 43.5 | 44.2 | 49.8 | 50.1 | 48.5 | 47.9 | 48.5 | 48.2 | 47.6 | 47.5 |
| Interest/revenues | 2.0 | 1.7 | 1.4 | 1.2 | 1.5 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Debt/GDP | 59.0 | 56.9 | 67.5 | 67.4 | 64.6 | 62.2 | 62.0 | 61.3 | 60.6 | 60.0 |
| Debt/revenues | 130.0 | 124.4 | 148.3 | 144.7 | 140.3 | 137.0 | 133.3 | 131.7 | 130.4 | 129.0 |
| Net debt/GDP | 55.4 | 53.7 | 59.9 | 60.0 | 59.6 | 59.1 | 58.9 | 58.3 | 57.5 | 56.7 |
| Liquid assets/GDP | 3.7 | 3.2 | 7.6 | 7.4 | 5.0 | 3.2 | 3.1 | 3.0 | 3.2 | 3.3 |
| **Monetary indicators (%)** | | | | | | | | | | |
| CPI growth | 1.9 | 1.4 | 0.3 | 3.2 | 8.7 | 6.1 | 2.7 | 2.3 | 1.9 | 1.9 |
| GDP deflator growth | 1.9 | 2.0 | 1.8 | 2.8 | 6.1 | 6.1 | 2.6 | 2.1 | 2.1 | 2.1 |
| Exchange rate, year-end (EUR/$) | 0.9 | 0.9 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |

| Germany--Selected Indicators | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Banks' claims on resident non-gov't sector growth | 3.9 | 4.9 | 4.2 | 5.3 | 6.8 | 2.5 | 2.0 | 3.0 | 3.0 | 3.0 |
| Banks' claims on resident non-gov't sector/GDP | 86.3 | 87.9 | 93.8 | 92.7 | 92.1 | 89.1 | 88.5 | 88.2 | 87.9 | 87.8 |
| Foreign currency share of claims by banks on residents | 3.0 | 2.7 | 2.5 | 2.6 | 2.2 | 1.8 | 2.25 | 2.25 | 2.25 | 2.25 |
| Foreign currency share of residents' bank deposits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 | 0 |
| Real effective exchange rate growth | 2.5 | 0.1 | 0.0 | (5.7) | (2.1) | 3.1 | N/A | N/A | N/A | N/A |

Sources: Eurostat (economic indicators), Deutsche Bundesbank (external indicators), Eurostat (fiscal indicators), and Deutsche Bundesbank and IMF (monetary indicators).

Adjustments: Government debt adjusted by excluding guarantees on debt issued by the European Financial Stability Facility.

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A- Not applicable. EUR--euro. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. Economic indicators and CPI growth for 2024-2027 are S&P Global Ratings' preliminary forecast.

## Germany--Rating Component Scores

| Key rating factors | Score | Explanation |
|---|---|---|
| Institutional assessment | 2 | Germany has strong institutions and a proven track record of crisis management and long-term economic growth, but coordination requirements at the EU or euro area level might hinder timely policy response. Germany benefits from generally effective checks and balances and free flow of information. |
| Economic assessment | 1 | Based on GDP per capita ($) as per the Selected Indicators table above |
| External assessment | 1 | Based on narrow net external debt as per Selected Indicators in Table 1. In the context of our external assessment, we consider Germany, a member of the Economic and Monetary Union, as if the currency was actively traded. The sovereign is displaying current account surpluses over the forecast horizon. The sovereign has external short-term debt by remaining maturity that generally exceeds 100% of current account receipts (CARs), as per Selected Indicators in Table 1. The sovereign's net international investment position is more favorable than the narrow net external debt position by over 100% of CARs, as per Selected Indicators in Table 1 |
| Fiscal assessment: flexibility and performance | 2 | Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1. |
| Fiscal assessment: debt burden | 2 | Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per Selected Indicators in Table 1. |
| Monetary assessment | 2 | In the context of our monetary assessment, we consider the euro a reserve currency. The European Central Bank has an established track record in monetary policy independence with clear objectives and a wide array of policy instruments, including targeted and broad asset purchase programs. Germany is a member of the Economic and Monetary Union |
| Indicative rating | aaa | As per Table 1 of "Sovereign Rating Methodology." |
| Notches of supplemental adjustments and flexibility | 0 | |
| *Final rating* | AAA | |
| Foreign currency | AAA | |
| Notches of uplift | 0 | Default risks do not apply differently to foreign- and local-currency debt |
| Local currency | AAA | |

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings'

### Germany--Rating Component Scores

| Key rating factors | Score | Explanation |
| --- | --- | --- |

"Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

# Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | Sovereigns: Sovereign Rating Methodology, Dec. 18, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

# Related Research

- Sovereign Ratings List, Sept. 10, 2024
- Sovereign Ratings History, Sept. 10, 2024
- Sovereign Ratings Score Snapshot, Sept. 5, 2024
- European Developed Markets Sovereign Rating Trends Midyear 2024: Lagging Regional Growth Could Weigh On Public Finances, July 25, 2024
- Sovereign Debt 2024: Borrowing Will Hit New Post-Pandemic Highs, February 27, 2024
- European Housing Markets: Better Days Ahead, July 17, 2024
- Sovereign Risk Indicators, July. 12, 2024. Interactive version available at http://www.spratings.com/sri
- Germany's Medium-Term Growth Could Suffer From Top Court's Decision, Nov. 27, 2023
- Germany's Green Energy Ambitions Spark A Transformative Decade For Utilities, Sept. 14, 2023
- Banking Industry Country Risk Assessment: Germany, Aug. 7, 2024
- Default, Transition, and Recovery: 2022 Annual Global Sovereign Default And Rating Transition Study, April 28, 2023
- Global Aging 2023: The Clock Ticks, Jan. 18, 2023

| Ratings Detail (as of September 23, 2024)* | |
| --- | --- |
| **Germany** | |
| Sovereign Credit Rating | AAA/Stable/A-1+ |
| Transfer & Convertibility Assessment | AAA |
| **Sovereign Credit Ratings History** | |

**Ratings Detail (as of September 23, 2024)***

| | | |
|---|---|---|
| 13-Jan-2012 | *Foreign Currency* | AAA/Stable/A-1+ |
| 05-Dec-2011 | | AAA/Watch Neg/A-1+ |
| 26-Jun-1989 | | AAA/Stable/A-1+ |
| 13-Jan-2012 | *Local Currency* | AAA/Stable/A-1+ |
| 05-Dec-2011 | | AAA/Watch Neg/A-1+ |
| 27-Jul-1992 | | AAA/Stable/A-1+ |

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