

Research Update:

Germany 'AAA/A-1+' Ratings Affirmed; Outlook Stable

April 24, 2026

Overview

- Germany's fiscal stimulus is driving growth in 2026-2027, but external risks--such as the war in the Middle East--could weigh on the fragile economic recovery.
- While the longer-term growth impact of fiscal expansion remains uncertain, challenges to Germany's competitiveness and its growth model are testing the government's reform impetus.
- At the same time, key strengths still underpin Germany's credit profile, namely a moderate level of general government debt, a wealthy economy, and one of the strongest external balance sheets among major economies globally.
- We therefore affirmed our unsolicited 'AAA/A-1+' sovereign credit ratings on Germany, and maintained the stable outlook.

Rating Action

On April 24, 2026, S&P Global Ratings affirmed its unsolicited 'AAA/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Germany. The outlook is stable.

Outlook

The stable outlook reflects our opinion that Germany's strong external position, diversified and wealthy economy, and institutional effectiveness will continue to underpin its creditworthiness. These strengths should cushion near-term challenges, in our view, including weak productivity growth and an aging population.

Downside scenario

We could lower our rating on Germany if its economic performance were to significantly underperform our current expectations. This could be the case if fiscal stimulus failed to materially lift medium-term growth, or if unaddressed structural challenges continued to weigh on Germany's long-term growth prospects.

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Rationale

Germany's fragile economic recovery heavily relies on the large fiscal package introduced last year. The package includes an additional €500 billion (11% of 2025 GDP) in infrastructure investments over the next 12 years, and a build-up in defense capabilities. Combined with additional subfederal government spending, this fiscal impulse will be the key driver lifting real GDP growth to 0.8% in 2026 and 1.4% in 2027-2028. At the same time, risks to the economic outlook have increased, in particular related to the Middle East war, as higher global energy prices for a longer period would depress growth and drive inflation.

Structural challenges to the growth model have continued to mount in recent years.

Geopolitical tensions, pressure from the U.S. for Germany to meet North Atlantic Treaty Organization (NATO) defense spending targets, and global competition--namely from China--are pressuring Germany's export-oriented model. Soaring energy costs, red tape, and past underinvestment in public goods have eroded competitiveness and particularly weigh on the country's prominent manufacturing sector. In the coming years, demographics will weigh on growth as the largest post-war generations enter retirement. The government's structural reform effort to address these challenges has been slow thus far, despite several measures that have been passed and various proposals currently under discussion. Whether the fiscal package will bolster Germany's potential growth, beyond the cyclical effects, remains uncertain.

Despite the challenging economic outlook, we generally view Germany's economy as diversified and resilient, and its institutions and policymaking as effective and stable. Further rating strengths include the country's external balance sheet--the strongest among major economies globally--its eurozone membership, and the European Central Bank's (ECB's) credible and flexible monetary policy. Even if we project fiscal deficits to widen to over 4%, on average, over 2026-2029, net government debt will remain moderate at under 70% of GDP.

Institutional and economic profile: External risks are amplifying structural challenges and weigh on fiscal policy-spurred growth

- We expect the German economy to expand by 0.8% in 2026 and accelerate thereafter, driven by government spending, but external risks tied to the war in Iran could drag on growth.
- Boosting longer-term growth will require an accelerated reform momentum, possibly resting on a stronger political consensus to address challenges to Germany's competitiveness.
- Germany's economy is exceptionally diversified and the country's institutions have historically been able to respond to economic challenges.

Since early 2026, the German economy has been tentatively recovering. In the fourth quarter of 2025, public investment rose markedly, adding 0.3 percentage points (pps) to quarterly GDP. Other short-term indicators were mixed, in particular industrial production continued to decline, highlighting the fragile state of the economy. We continue to expect that the fiscal impulse will gather pace through 2026, adding about 0.5 pps to GDP in 2026. This will drive GDP growth to 0.8% this year, after 0.2% estimated for 2025 and two years of recession in 2023-2024.

The Iran war poses major risks for the German economy, mainly through energy prices. While only a negligible share of German imports directly passes through the Strait of Hormuz, the economy still faces substantial price risk from global crude oil and liquefied natural gas markets, not least as it needs to replenish its gas stocks. Furthermore, Germany imports some products through other EU members and the EU's Hormuz exposure is higher than Germany's. In addition, price effects could also spread to fertilizers and other intermediate goods, such as crops, and

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translate into rising food prices with a lag. Indirect supply exposure is also possible through bottlenecks in semiconductors and chips produced in Asian economies that import a large share of their energy via the Strait of Hormuz. The most notable near-term adverse impact on the German economy will stem from higher energy prices that weigh on consumption and drive up inflation. S&P Global Ratings has estimated that an adverse energy price scenario, whereby Brent averages \$130 per barrel, would reduce Germany's GDP growth by 0.5 pps and push up inflation by 0.9 pps in 2026, compared to the baseline. The government has recently introduced measures to dampen the energy price shock, including reduced energy taxes on fuel for two months.

Fiscal stimulus will be the key growth driver in 2026-2028, but the longer-term impact remains uncertain. The key element of this is a €500 billion investment facility spread over the next 12 years, which aims to address Germany's lackluster investment in recent years and underspending on public infrastructure, and the effective exemption of defense spending from fiscal rules. While there is evidence that defense spending is ramping up, orders related to infrastructure investment have yet to pick up. In our view, if these orders start to rise over the course of the year as anticipated, government spending on defense and construction will be key growth drivers in 2026-2028, adding about 0.5 pps to growth this year. This could counteract the increased uncertainty--visible in recently weaker sentiment indicators--and the energy price shock, and help bolster domestic demand, while we do not expect net exports to add to growth over the coming years despite a gradual recovery. That said, we think that the fiscal package's effect on Germany's potential growth, beyond the cyclical impulse, remains uncertain. This is because only parts of the planned investment will represent additional investment with an impact on Germany's stock of capital.

Germany's economic model remains under serious pressure from various angles. Stagnating productivity, sluggish investment, and high energy prices have particularly weighed on Germany's industrial production, which remains below 2019 levels. With labor and energy costs rising, competitiveness has declined as result of domestic policy decisions, amplified by rising competition from China, and exacerbated by multiple crises since 2020. The country's economic profile as a central European manufacturing hub could change, but the shift toward services has been more pronounced in the fields of education and health, rather than in higher productivity services. The surge in energy prices since 2021 has disproportionately affected energy-intensive industries, especially the chemical sector, which is interconnected with many other sectors, creating adverse spillovers domestically, and possible further production shifts to other regions.

The planned investments are unlikely to lift productivity growth alone, but would likely need to be flanked by structural reforms. There is particular pressure from Germany's demographic profile, as the large post-war generations enter retirement. This is amplified by a reversal of previous years' net migration from European countries, in particular from Eastern Europe. The government is discussing various measures to address these pressures and boost employment, for example through taxation, retirement entry, and through raising female labor force participation. Finally, trade tensions and muted foreign demand have weighed on exports, which account for over 40% of Germany's GDP. The country has suffered a pronounced loss of market share in global export markets since 2021, which we attribute to the structural deterioration in its competitiveness, rather than solely to demand effects. At the same time, the German economy boasts a competitive small and midsize enterprise sector and outstanding sectoral diversification, as well as strong research and development--factors that could help the economy adapt to structural challenges.

The government's structural reform progress has been mixed so far. The government has announced various measures to address some of the often-cited challenges, such as red tape and energy costs. It has already implemented legislation, for example allowing for faster

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depreciation of business investments, and corporate taxes will gradually be lowered from 2028. To address the issue of high energy prices, the electricity tax has been lowered for some sectors of the economy. However, further efforts to address high costs of the energy transition could prove politically sensitive, even if high energy prices appear to be an important factor behind the decline in industrial competitiveness. What's more, the government faces fiscal headwinds from demographic ageing. If unaddressed, age-related spending could necessitate higher social insurance contributions, which would further increase labor costs. The government is planning reforms in these areas over the course of 2026, but the effectiveness of these measures remains to be seen.

Protectionism and U.S. tariff policy could further weigh on the economy. The recent adjustment of U.S. tariffs following the Supreme Court's February ruling provides a short-term reprieve to European exports. However, this may prove temporary, since the U.S. administration has opened investigations against the EU under Section 301, with possible outcomes as early as third-quarter 2026. Continued uncertainty about U.S. tariff policy further cloud Germany's economic outlook. Goods exports to the U.S.--Germany's most important export destination--account for about 3% of GDP and have declined by 13% year on year as of February 2026.

Germany's automotive sector is facing structural challenges that could undermine its position.

The sector has faced substantial competition from China in various markets and is also exposed to U.S. tariff policy. 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 face major structural and regulatory hurdles, particularly due to tightening emissions standards and technological changes. It remains to be seen what impact recent moves toward softening the European regulation that effectively phases out combustion engine cars will have on the German automotive industry.

Rising retirement numbers continue to limit unemployment. An increase in retirement slowed the rise in unemployment to just 0.4 pps over the past year, despite the ailing economy. Germany expects to see a disproportionately high number of new retirees over the next 10-15 years, which will limit employment growth. We expect the unemployment rate to gradually decrease from 3.7% in 2026 through 2028 as the economy picks up and the workforce shrinks. We also anticipate lower immigration than over the past decade, especially from Europe, which has been supporting Germany's labor market.

The country's stable institutions and prudent policymaking were able to address structural constraints to growth in the past. The current government--a coalition between the Christian Democrat CDU and the Social Democrats, under Chancellor Friedrich Merz--was formed following the elections in February 2025. Drawing on the support of the Green Party, the incoming administration was able to swiftly announce the fiscal package, which carved out substantial investment from the country's otherwise stringent fiscal rules. In our view, this will continue to facilitate policymaking in the near term, despite fiscal consolidation needs in the coming years. That said, political fragmentation has increased over the past several years--primarily benefiting populist parties--and we expect this to complicate government decision-making, especially as a few state-level elections are approaching in the third quarter of 2026.

Flexibility and performance profile: External and fiscal balance sheets remain strong

- We now project general government deficits to average 4% over 2026-2029.
- We forecast net general government debt to rise to 67% of GDP by 2029, from 59% in 2025 driven by the surge in public spending, mainly for infrastructure and defense.

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- Germany's current account is set to remain in surplus through 2029, albeit moderating due to weaker terms of trade; the economy maintains an exceptional net external asset position.

We project that Germany's general government deficit will increase to more than 4% of GDP during 2027-2029. As the government ramps up spending for defense and transportation infrastructure, the fiscal deficit is set to rise this year to 3.7% of GDP from under 3% of GDP in 2025. As expenditure continues to rise and some tax relief has been announced, we think deficits are set to exceed 4% of GDP over 2027-2029. We anticipate that the federal government will address the rising gaps in its upcoming budget process for 2027 and the updated financial planning, with first cornerstones to be decided in the coming weeks. Apart from the central government fiscal deficits, we also anticipate sizable deficits at the local and regional government level to persist, especially given the municipal sector is faced with rising social expenditure and less abundant revenue.

We think the fiscal impact of the Middle East war is likely contained. The government recently decided to lower taxes on fuel for two months and enable employers to pay a tax-free lump sum to address higher energy costs. These measures are planned to be financed by potential windfall profit taxes and an increase in tobacco taxes.

The current fiscal policy reflects a strong contrast to previously tight fiscal rules and policies. The constitutional debt-brake rule limited deficits to 0.35% of GDP (plus an economic adjustment component) at the federal level and forbade net new borrowing at the state level. However, the fiscal package included constitutional changes and introduced exemptions for the €500 billion in additional investment over 12 years and any defense expenditure exceeding 1% of GDP. States were allowed budget deficits of up to 0.35% of GDP. An expert commission is currently preparing proposals for a reform of Germany's fiscal rules, which will then be subject to a political debate. At the same time, Germany is making use of the substantial flexibility under the EU's fiscal rules-- for example, the national escape clause on defense expenditure, as well as flexibility on other inputs used in the calculations in the EU's revised ruleset, and adherence with the rules will require consolidation efforts in the coming years.

The projected deficits will increase government debt (net of liquid government assets) to 67% of GDP by 2029. Germany's interest burden will also increase over the next few years, in line with the increase in its debt, to a still-moderate 3.1% of general government revenue in 2029, from 2.4% in 2025. In calculating government debt, we exclude liabilities from the multilateral financial support mechanisms, namely the European Financial Stability Facility and European Stability Mechanism in the eurozone (see "[S&P Clarifies Its Approach To Accounting For EFSF Liabilities When Rating The Sovereign Guarantors](#)," Nov. 2, 2011). These liabilities amount to about 1.2% of estimated GDP in 2025.

We consider Germany's external balance sheet to be a key rating strength. Despite the adverse external environment, we project Germany's current account will remain in surplus over 2026-2029. However, with weakening terms of trade, we expect the current account surplus to decrease to 3.4% of GDP in 2026 from 4.5% in 2025. The current account surplus has persisted in recent years, in part because of weak imports due to low domestic demand and high net primary income inflows. Investment has been flat and private savings have risen. We project stabilizing goods trade surpluses and strong annual investment incomes from assets held abroad. That said, outcomes are more sensitive to economic and political developments in Germany's key export destinations, which include the U.S., China, and the rest of Europe. Although Germany currently has higher surpluses than its global peers, its surpluses were higher before the pandemic, at 7%-9% of GDP. We partially attribute the smaller surplus to Germany's smaller share of exports, as a

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percentage of global trade flows, over the past few years. In particular, Germany's trade balance with China has weakened and posted a record deficit in 2025.

The recurring current account surpluses support the country's sizable net external asset position of over 80% of GDP. In our forecast period through 2028, we project narrow net external debt (external debt net of liquid external public and financial sector assets) will inch up to 82% of current account receipts (CARs), from 77% in 2026. At the same time, we forecast that gross external financing needs will fall 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 were around €1 trillion on average in March 2026.

Inflation in Germany is set to remain at slightly above 2% in 2026-2028. The war-induced oil and gas shocks will affect inflation in different ways and over different horizons. Heightened oil prices will push up consumer costs, particularly gasoline, with the greatest effect in 2026. By contrast, the gas price shock will feed through more slowly but persistently, since retail gas tariffs are strongly regulated. This will shape inflation outcomes between 2026 and 2028, with the peak effect in 2027. The gas shock therefore presents a higher risk of second-round effects on consumer prices, such as food costs. We expect the ECB to tighten policies sooner than it did during the 2021-2022 inflation shock. This is partly because, unlike in 2021, core inflation is already above target. We now expect the first hike in second-quarter 2026 instead of first-quarter 2027, to send a signal of readiness to respond to inflation. A second hike could be delivered as early as third-quarter 2026, depending on how energy prices develop. In our view, Germany's eurozone membership reduces its individual monetary flexibility. However, the country's export-oriented economy benefits from the euro, and its interest costs were lowered by support via the ECB's large-scale asset-purchase programs.

The banking system is well capitalized and liquid. That said, high competition is likely to continue to depress the sector's longer-term profitability. Despite materially improved earnings, we expect structural profitability at German banks to be lower than that at peers in other jurisdictions. We think this is partially due to the highly competitive and structurally overbanked German market, further intensified by the recent market entrance of neobanks and additional international players. High domestic savings rates help banks to maintain outstanding strength in terms of funding from deposits and covered bonds. We project that domestic credit losses will remain moderate on a global scale, at 20 basis points (bps)-30 bps a year through 2027. In particular, asset quality has weakened at banks that focus on consumer finance activities following muted economic growth, a spike in inflation, and rising unemployment among low-wage earners (see also "[Banking Industry Country Risk Assessment: Germany](#)," published Sept. 19, 2025.)

Germany--Selected Indicators

	2020	2021	2022	2023	2024	2025	2026bc	2027bc	2028bc	2029bc
Economic indicators (%)										
Nominal GDP (bil. EUR)	3,449.6	3,682.3	3,989.4	4,219.3	4,329.0	4,469.9	4,622.8	4,786.0	4,954.9	5,119.7
Nominal GDP (bil. \$)	3,940.2	4,355.1	4,200.8	4,562.3	4,685.7	5,051.0	5,313.6	5,697.6	5,969.8	6,168.3
GDP per capita (000s \$)	47.4	52.4	50.5	54.9	56.2	60.4	63.6	68.1	71.3	73.7
Real GDP growth	(4.1)	3.9	1.8	(0.9)	(0.5)	0.2	0.8	1.4	1.4	1.2
Real GDP per capita growth	(4.3)	3.9	1.7	(0.7)	(0.9)	0.1	0.8	1.4	1.4	1.2
Real investment growth	(3.0)	0.8	(0.1)	(2.1)	(3.3)	(0.2)	1.9	3.0	2.7	2.2
Investment/GDP	21.7	22.7	23.3	22.0	21.5	21.9	22.4	23.0	23.3	23.6
Savings/GDP	28.1	29.6	27.4	27.5	27.4	26.5	25.9	26.6	26.7	27.3

Germany--Selected Indicators

	2020	2021	2022	2023	2024	2025	2026bc	2027bc	2028bc	2029bc
Exports/GDP	39.1	42.5	45.6	43.0	41.4	40.4	40.4	40.6	41.0	41.4
Real exports growth	(9.5)	10.2	3.9	(1.4)	(2.1)	(0.4)	0.4	2.1	2.3	2.3
Unemployment rate	3.7	3.7	3.2	3.1	3.4	3.8	3.7	3.4	3.1	3.0
External indicators (%)										
Current account balance/GDP	6.3	6.9	4.1	5.5	5.9	4.5	3.4	3.6	3.4	3.7
Current account balance/CARs	13.4	13.3	7.2	9.9	10.8	8.7	6.6	6.9	6.4	6.9
CARs/GDP	47.1	52.1	56.2	55.7	54.6	52.5	52.4	52.5	52.7	53.1
Trade balance/GDP	5.2	5.1	3.2	5.3	5.5	4.1	3.3	3.2	3.3	3.4
Net FDI/GDP	0.8	(2.0)	(2.0)	(0.6)	(0.5)	(0.3)	(1.0)	(1.0)	(1.0)	(1.0)
Net portfolio equity inflow/GDP	(3.2)	(4.8)	(0.7)	(1.0)	(2.8)	(3.0)	(2.8)	(2.5)	(2.5)	(2.5)
Gross external financing needs/CARs plus usable reserves	217.0	219.3	226.5	217.2	211.4	201.5	206.1	200.1	196.5	193.1
Narrow net external debt/CARs	92.5	87.6	73.2	80.0	71.5	74.0	76.8	78.5	78.4	82.2
Narrow net external debt/CAPs	106.8	101.0	78.9	88.8	80.2	81.0	82.2	84.3	83.8	88.3
Net external liabilities/CARs	(148.5)	(130.0)	(127.5)	(127.6)	(142.9)	(165.3)	(163.5)	(158.5)	(156.8)	(157.3)
Net external liabilities/CAPs	(171.6)	(149.9)	(137.5)	(141.6)	(160.2)	(180.9)	(175.0)	(170.3)	(167.6)	(169.0)
Short-term external debt by remaining maturity/CARs	156.5	158.5	162.1	152.3	148.8	138.9	154.5	144.9	138.3	133.5
Usable reserves/CAPs (months)	1.7	1.6	1.6	1.6	1.7	1.9	2.6	2.4	2.3	2.2
Usable reserves (bil. \$)	268.3	296.0	294.8	322.9	377.9	566.1	566.6	567.1	567.7	568.2
Fiscal indicators (general government %)										
Balance/GDP	(4.4)	(3.2)	(1.9)	(2.5)	(2.7)	(2.7)	(3.7)	(4.1)	(4.2)	(4.2)
Change in net debt/GDP	4.9	3.8	3.8	2.7	1.8	3.2	3.7	4.1	4.2	4.2
Primary balance/GDP	(3.7)	(2.6)	(1.2)	(1.6)	(1.6)	(1.6)	(2.4)	(2.7)	(2.7)	(2.7)
Revenue/GDP	46.8	47.5	46.7	45.7	46.8	47.9	48.0	48.0	47.9	47.8
Expenditures/GDP	51.1	50.7	48.6	48.2	49.4	50.6	51.7	52.1	52.1	52.0
Interest/revenues	1.4	1.2	1.5	1.9	2.3	2.3	2.7	3.0	3.1	3.2
Debt/GDP	67.7	67.5	64.2	61.9	61.5	62.8	64.4	66.3	68.3	70.3
Debt/revenues	144.8	142.0	137.6	135.7	131.5	131.1	134.2	138.2	142.5	147.0
Net debt/GDP	60.1	60.1	59.3	58.7	59.0	60.3	62.1	64.0	66.1	68.1
Liquid assets/GDP	7.6	7.4	5.0	3.3	2.5	2.4	2.4	2.3	2.2	2.1
Monetary indicators (%)										
CPI growth	0.4	3.2	8.7	6.0	2.5	2.3	2.3	2.1	2.1	2.1
GDP deflator growth	1.8	2.7	6.4	6.7	3.1	3.0	2.6	2.1	2.1	2.1
Exchange rate, year-end (EUR/\$)	0.8	0.9	0.9	0.9	1.0	0.9	0.9	0.8	0.8	0.8
Banks' claims on resident non-gov't sector growth	4.2	5.3	6.8	0.7	1.3	3.2	3.6	4.0	4.0	3.5
Banks' claims on resident non-gov't sector/GDP	93.8	92.5	91.2	86.9	85.8	85.8	85.9	86.3	86.7	86.8
Foreign currency share of claims by banks on residents	2.5	2.6	2.2	1.8	2.3	2.0	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	0.9	(4.7)	(4.3)	4.9	6.0	2.0	N/A	N/A	N/A	N/A

Germany--Selected Indicators

2020 2021 2022 2023 2024 2025 2026bc 2027bc 2028bc 2029bc

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.

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 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 the Selected Indicators table above. 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 the Selected indicators table above.
		The sovereign's net international investment position is more favorable than the narrow net external debt position by over 100% of CARs, as per the Selected Indicators table above.
Fiscal assessment: flexibility and performance	4	Based on the change in net general government debt (% of GDP) as per the Selected Indicators table above.
Fiscal assessment: debt burden	3	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per the Selected Indicators table above.
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--Rating Component Scores

Key rating factors	Score	Explanation
		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		
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' "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 History](#), April 21, 2026
- [Sovereign Ratings List](#), April 21, 2026
- [Sovereign Risk Indicators](#), April 13, 2026. An interactive version is also available at <https://www.spglobal.com/ratings/sri/>
- [Sovereign Ratings Score Snapshot](#), April 9, 2026
- [Economic Outlook Europe Q2 2026: Global Shock Leaves Recovery Uncertain](#), March 25, 2026
- [Sovereign Brief: What The End Of The Debt Brake Means For Germany's 'AAA' Rating](#), March 6, 2025
- [Default, Transition, and Recovery: 2025 Annual Global Sovereign Default And Rating Transition Study](#), March 4, 2026
- [Sovereign Debt 2026: The Bond Glut Continues](#), March 3, 2026

Germany 'AAA/A-1+' Ratings Affirmed; Outlook Stable

- [Global Sovereign Rating Trends 2026: Geopolitical Risks Could Destabilize Credit Quality Dynamics](#), Feb. 2, 2026
- [Banking Industry Country Risk Assessment: Germany](#), Sept. 19, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

Ratings List

Ratings List

Ratings Affirmed

Germany

Sovereign Credit Rating U~	AAA/Stable/A-1+
Transfer & Convertibility Assessment U~	AAA

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Germany 'AAA/A-1+' Ratings Affirmed; Outlook Stable

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