

RAEX-Europe confirmed at 'AAA' the ratings of Germany. The rating outlook is stable. The ratings were withdrawn.

RAEX-Europe confirmed the sovereign government credit ratings (SGC) of Germany at 'AAA' (Highest level of creditworthiness of the government) in national currency and at 'AAA' (Highest level of creditworthiness of the government) in foreign currency. The rating outlook is stable which means that in the mid-term perspective there is a high probability of maintaining the rating score.

The confirmation of Germany's credit ratings at 'AAA' are mainly a projection of the outstanding development of the economy, as well as solid fiscal and external positions, which have played a key role in cushioning the negative effects of the pandemic. Moreover, despite an economic contraction in 2020, we expect a substantial recovery in 2021; while the banking system is liquid, well capitalized and has a good asset quality.

We still observe a potential uncertainty in regard to the pandemic resolution as the vaccination rollout remains a question mark and the lockdowns could be extended. Thus, the predictability of the recovery remains questionable. Furthermore, the banking system profitability remains low and we anticipate a slight asset deterioration in 2021. Also, contingent liabilities remain a latent risk of materialization. Despite this, we do not anticipate the creditworthiness to be threatened in the mid-term view.

Research report on Germany is available at:

https://raexpert.eu/reports/Research_report_Germany_26.02.2021.pdf

Next scheduled rating publication: Withdrawn. The full sovereign rating calendar can be found at [Sovereign Rating Calendar 2021](#)

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