Research Update:

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

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Overview

- Luxembourg's economic activity remains sluggish amid muted eurozone growth, energy price fluctuations, and a real estate price correction, but we expect it to start picking up in the medium term.
- Luxembourg's budgetary performance has typically been one of the strongest in the eurozone, but is likely to come under pressure in the coming years as spending on areas such as defense and pensions rises, while income from corporate tax could become more uncertain.
- We expect it to be able to weather most economic shocks, given its competitive and very wealthy economy and its strong institutional track record.
- We affirmed our 'AAA/A-1+' sovereign credit ratings on Luxembourg. The outlook is stable.

Rating Action

On July 31, 2026, S&P Global Ratings affirmed its 'AAA/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Luxembourg. The outlook is stable.

Outlook

The stable outlook reflects our view that Luxembourg has ample fiscal space and very high GDP per capita that, combined, allow it to weather persistent sources of stress, such as a fragile economic recovery and pressure to increase government spending, without materially undermining its net government asset position.

Downside scenario

Although these remain unlikely scenarios, we could lower the ratings if Luxembourg's budgetary trajectory started to significantly undermine its net asset position or if Luxembourg's resilience to the global push toward a minimum corporate taxation framework eroded. This would occur, for example, if global taxation efforts affected the activity of companies registered in Luxembourg, potentially impacting Luxembourg's long-term fiscal performance. The ratings could also come under pressure if Luxembourg's economic and financial stability were undermined, for example, due to resurgent credit growth that sparks an unsustainable acceleration in housing and other asset valuations.

Rationale

Luxembourg's real GDP has remained fragile since the economy climbed out of a technical recession in 2023. Europe's growth outlook has been facing U.S.-related trade tariffs and energy shocks emanating from the conflicts in the Middle East and Ukraine, creating downside risks for Luxembourg's small open economy. At the same time, it is recovering from a deceleration in real estate activity after a price correction in 2023, while the risk of further financial market volatility could affect Luxembourg's financial services sector. We forecast that fiscal performance will remain under pressure in the next few years because of the need to ramp up defense spending toward new NATO targets, while reforms to improve the pension system's sustainability, given age-related pressures, could be reexamined by 2030.

In our view, Luxembourg is, nevertheless, one of the most resilient sovereigns we rate, thanks to its extremely wealthy economy, strong institutions, and still ample fiscal space. Our rating on Luxembourg reflects one of the highest levels of GDP per capita globally; the competitiveness of its economy, especially its robust financial sector; its transparent and effective institutional framework; high fiscal flexibility; and strong monetary policy setting. That said, its status as a global financial center exposes Luxembourg to changing international financial and tax regulations and potential external shocks. The country also has to navigate high levels of external indebtedness and external liquidity, largely as a result of large financial sector transactions. However, Luxembourg also typically posts sizable recurring current account surpluses because of services exports related to these financial transactions.

Institutional and economic profile: Slow economic recovery, strong resilience

- Economic growth is expected to remain subdued in 2026, constrained by volatility in the financial sector, a sluggish real estate recovery following the 2023 price correction, and dampened demand from key eurozone trading partners.
- A gradual recovery is anticipated for the 2027-2029 period, contingent on the stabilization of the housing market and broader economic improvement across the eurozone, barring further external shocks.
- Luxembourg maintains a highly stable institutional environment characterized by policy predictability, although it has seen a recent deterioration of its budgetary account.

Despite a slight uptick, 2025 economic growth remained tepid at 0.6%, marking the fourth consecutive year of underperformance relative to historical and eurozone averages. Private consumption served as the primary growth driver, bolstered in part by the economywide wage indexation activated in May 2025, while net exports weakened. From a sectoral perspective, the country's large financial sector presented a mixed outlook, with rising asset values supporting investment funds, but declining interest rates weighing on financial sector margins. Investment activity was characterized by volatility, peaking due to large-scale satellite acquisitions in the first three quarters of 2025, before tapering off in the fourth quarter.

We expect a slight expansion of GDP by 1.0% in 2026. Strong employment, the June 2026 economywide indexation, and support measures against the current Middle East-related energy price shock will underpin private consumption, though the benefits to purchasing power will be partially offset by higher inflation. Investment is likely to remain uneven. As residential construction shows signs of stabilization, activity remains low, and investment in nonresidential buildings and infrastructure remains weak. The financial sector is expected to remain resilient despite potential volatility in financial markets. Foreign demand is likely to provide moderate support, given the subdued economic growth among Luxembourg's main European trading partners. Downside risks remain elevated due to substantial geopolitical uncertainty.

Luxembourg's exposure to current higher energy prices is moderate. While the country imports very little energy from the Gulf, it remains sensitive to global oil and liquefied natural gas price fluctuations, which feed into and are transmitted through the interconnected electricity and natural gas networks of neighboring France, Germany, and Belgium. In response to higher inflation, the government, unions, and employers implemented support measures via the "Resilienzpak 2026." This included household relief through temporary electricity subsidies and temporary tax credits, while safeguarding the labor market through the preservation of automatic wage indexation. Additionally, the package addresses structural vulnerabilities by offering financial assistance to energy-intensive industries and accelerating the energy transition through enhanced incentives for renewables and building renovations.

Barring another external shock, we expect economic growth to recover gradually back to historical levels, with activity expanding by an average of 2.1% over 2027-2029. Improving economic growth across the eurozone during 2027-2029 will offer broad support to Luxembourg's economy, while greater stability in the housing sector should provide developers with sufficient certainty to resume investment following the real estate price correction. Private consumption is likely to receive a boost from fiscally supportive measures, declining inflation over 2027-2029, and high savings. However, further financial market volatility, sluggish European growth, or an interest rate reversal would slow the economic rebound.

Near-term revisions to national accounts are likely. Last year, Luxembourg's statistical agency, STATEC, published significant data revisions for 2023 and 2024, particularly within the financial services sector. We anticipate further revisions as STATEC has not yet completed its regular benchmark revision, a process already completed by all other EU states.

Luxembourg's competitiveness has come under pressure in recent years due to weak productivity growth and high wage growth. While difficult to quantify, productivity appears to have largely stalled, mainly because of recent sluggish growth and potentially by firms' hesitance to reduce headcount amid weaker demand. By contrast, wage growth has significantly outpaced most peers', largely due to Luxembourg's automatic wage indexation. This has weakened competitiveness through observable factors such as unit labor costs, although other elements--including the business and tax environment and relative political stability--remain relevant.

Luxembourg offers greater political stability and policy predictability than most regional and global peers, and this remains a significant draw for global companies. Institutions are strong and have historically facilitated policy implementation through coalition negotiations and dialogue with trade unions. The current center-right coalition, led by the Christian Social People's Party (CSV), demonstrates broad policy continuity with the previous government, particularly regarding trying to protect household purchasing power, though it places a stronger emphasis on boosting competitiveness. The CSV-led coalition reduced the corporate tax rate by one percentage point (effective Jan. 1, 2025), implemented pension reform by raising contribution rates as of Jan. 1, 2026 (despite protests earlier in 2025), and has proposed substantial reforms to the personal tax system, all while continuing digital and green investments and addressing housing affordability.

The recovery in housing prices has been fragile, following the unwinding of several short-term government measures aimed at supporting the market. House prices corrected sharply in 2023, triggered by monetary tightening and the breakdown of the previous housing development model following several high-profile development failures. This downturn prompted government intervention through a series of short- and long-term measures, which appear to have stabilized the market in both price and volume terms in 2025. The short-term measures were fully withdrawn by the second half of 2025. Reflecting a shift in the development model, the government has been proactive in purchasing stalled development projects to expand its social housing stock. Combined with interest rates settling at lower levels than in 2023, we assume the housing market will continue to stabilize. In addition, the government recently presented a new initiative that aims to boost housing construction, support homeownership, and increase the supply of affordable housing in Luxembourg.

Flexibility and performance profile: Luxembourg has fiscal buffers to deal with the likely budgetary pressure it will face in coming years

- The budgetary trajectory has recently deteriorated, and fiscal performance is expected to remain under pressure due to rising defense spending, infrastructure investment, and social security indexation.
- Despite these pressures, Luxembourg maintains ample fiscal space, supported by a robust net government asset position.
- The external position remains strong, characterized by sizable recurring current account surpluses driven by robust financial services exports, alongside ample liquidity to meet the high external financing needs inherent to its status as a global financial center.

Luxembourg's budgetary track record remains relatively strong, despite a temporary deterioration last year. The government recorded a deficit of 2.0% of GDP in 2025, a notable shift from the 0.9% surplus achieved in 2024. This widening deficit was driven, in part, by slowing revenue growth following several years of outperformance in corporate income tax. The deficit was also affected by household and business tax relief measures. On the expenditure side, costs rose due to elevated public wages, social benefit indexation, increased infrastructure investment, and higher defense spending. The deficit is viewed as an exception--Luxembourg has maintained an extensive track record of relatively strong budgetary outcomes, underpinned by a broad cross-societal consensus for sustainable public finances, a feature we expect to persist.

Nevertheless, we anticipate that Luxembourg will face increasing budgetary pressure. Our forecast points to a deficit of 0.6% of GDP in 2026, exceeding the government's original target of 0.4%. This deviation is driven by persistently lower revenue amid subdued growth, alongside strong public wage and benefit indexation. Furthermore, the support measures within the latest relief package, designed to mitigate the impact of the energy price shock, will weigh on the fiscal outcome. Looking ahead, we expect spending pressures related to defense, infrastructure investment, and pensions to remain elevated, driving the budget deficit to 1.0% of GDP in 2027. We expect it to plateau at this level, averaging 1% of GDP in 2027-2029.

Energy subsidies and defense will pressure near-term spending. The 2026 budget prioritizes public investment in several areas, including the green and digital transitions, which could support long-term competitiveness and help address current skills mismatches in the labor market. The government is also continuing energy subsidies, with new measures that will cover a substantial portion of household and business energy network costs for at least three years starting Jan. 1, 2026. At the same time, defense spending is beginning to ramp up, in line with Luxembourg's pledged NATO commitments. As in the past, the country's defense spending is measured against gross national income (GNI) rather than GDP, as it considers that its GDP is heavily inflated by cross-border commuters, and GNI gives a truer measure of national income actually available for public spending. As of 2025, the country is estimated to be spending approximately 2% of GNI on defense, up from 1.2% in 2024, with a target of reaching 5% by 2035.

The government has hiked social security contributions, although it has not yet fully addressed long-term demographic pressures on public finances. Following meetings with trade unions and other social partners in September 2025, the government proposed a package of measures, most notably an increase in contribution rates to 25.5% from 24.0% (split equally among employers, employees, and the state) effective Jan. 1, 2026. While the official retirement age remains 65, measures have been introduced to close the gap with the effective retirement age (currently approximately 60 years). The difference between the official and effective retirement age is mostly due to early exit pathways, such as long-career schemes, unemployment-with-company-allowance, disability, and sectoral early-retirement arrangements. While these measures are likely to delay the point at which the system falls into a deficit by several years, they do not appear to permanently address the ongoing long-term pressure on public finances from the country's aging population. Given that these reforms passed amid protests, we do not expect further measures to address this issue until after the next election (due by October 2028).

The government has put forward plans to unify Luxembourg's tax code, which would effectively provide a significant tax cut to most households. If implemented, the reform would combine the three separate tax classes (single, married, and widowed) into one unified scale by simplifying and uprating tax bands for most households. The estimated 15% of households that would be negatively affected are being offered a 25-year transition period. The government estimates the cost of these changes, which are set to begin in 2028, at €850 million-€950 million (just under 1% of GDP). To date, the government has announced a freeze on tax band uprating for the remaining indexation tranches until 2028, which is estimated to cover approximately €540 million of the costs.

The public sector's balance sheet is likely to remain robust. We estimate the net government asset position stood at approximately 8% of GDP at the end of 2025 and will slightly erode to about 5% by 2029, largely because nominal GDP growth will compress the relative size of fiscal assets. In estimating Luxembourg's government debt, we exclude guarantees related to the European Financial Stability Facility (see "S&P Clarifies Its Approach To Accounting For EFSF Liabilities When Rating The Sovereign Guarantors," Nov. 2, 2011). At the same time, interest payments remain very low--under 1% of government revenue over 2026-2029--suggesting that the projected gross debt burden is highly affordable.

As a global financial hub, Luxembourg hosts large balance-of-payments flows and external liabilities but external risks are still viewed as moderate. In a stress scenario, reduced inflows to special-purpose vehicles or funds would likely be matched by a corresponding reduction in outflows, limiting balance-of-payments risks from these large stock positions. However, in such a scenario, services exports associated with these activities would also likely decline, potentially undermining economic growth and current account performance. In our broader assessment of Luxembourg's external position, this risk is somewhat mitigated because the economy's overall net liabilities to foreigners are effectively matched one-for-one with claims of the same size. Furthermore, while net external debt ratios remain high, they have improved significantly in recent years, suggesting an easing of external risks. Our comparative measure of net external debt (which includes all sectors' debt liabilities, net of only public and financial sector liquid assets) stood at 171% of current account receipts (CARs) in 2025, down from 255% in 2019. This largely reflects growing CARs in the face of stable indebtedness. In our forecast, we anticipate Luxembourg will continue to post current account surpluses over 2026-2029, as pressure on financial services exports is broadly offset by an easing of primary income outflows, supporting a continued improvement in the overall external position.

Luxembourg's sizable financial system, at more than 11x the total economy, could pose contingent liability risks for the government, although the robust application of EU regulatory measures mitigates this risk. In our view, risks stem mainly from banks' focus on nontraditional lending activities, such as private banking, wealth management, securities services, and fund administration. While these businesses are central to Luxembourg's role as a global financial center and are generally profitable, they are more exposed to confidence and reputational risks than traditional lending activities. Regulatory standards for the country's banks are aligned with eurozone standards, and we consider the local banking industry to have a favorable funding structure, supported by an excess of customer deposits over loans.

Luxembourg--Selected Indicators

	2020	2021	2022	2023	2024	2025	2026bc	2027bc	2028bc	2029bc
Economic indicators (%)										
Nominal GDP (bil. EUR)	64.5	73.0	76.7	82.1	86.2	89.5	92.0	95.5	99.5	104.1
Nominal GDP (bil. $)	73.7	86.4	80.8	88.8	93.3	101.2	106.9	113.7	121.4	125.4
GDP per capita (000s $)	117.7	136.1	125.2	134.4	138.8	148.3	154.3	161.5	169.9	172.9
Real GDP growth	(0.5)	6.9	(1.1)	0.1	0.4	0.6	1.0	1.8	2.1	2.5
Real GDP per capita growth	(2.5)	5.5	(2.7)	(2.2)	(1.3)	(0.8)	(0.6)	0.2	0.6	1.0
Real investment growth	(4.1)	14.6	(13.9)	(5.1)	(2.7)	(0.5)	1.0	3.0	4.5	5.0
Investment/GDP	17.9	18.7	17.0	16.4	15.8	15.5	15.5	15.5	15.6	15.8
Savings/GDP	22.6	23.7	22.4	23.3	22.9	20.3	19.8	20.2	20.8	21.0
Exports/GDP	204.4	215.6	222.3	217.4	191.5	190.5	192.0	193.2	193.6	193.4
Real exports growth	1.9	11.3	1.5	0.6	(12.2)	1.2	1.4	2.4	2.4	2.3
Unemployment rate	6.4	5.7	4.8	5.2	5.7	6.0	5.9	5.8	5.7	5.6
External indicators (%)										
Current account balance/GDP	4.7	5.0	5.4	6.8	7.1	4.8	4.3	4.8	5.2	5.3
Current account balance/CARs	0.8	0.9	0.9	1.1	1.1	0.8	0.7	0.8	1.0	1.0
CARs/GDP	593.2	561.0	603.1	639.7	620.8	592.6	590.7	570.9	550.9	542.4
Trade balance/GDP	3.2	0.2	(0.8)	1.5	2.0	2.1	0.5	0.9	1.0	0.6
Net FDI/GDP	50.4	(189.9)	(77.5)	(44.1)	(121.9)	(248.3)	(21.0)	(20.0)	(20.0)	(20.0)
Net portfolio equity inflow/GDP	271.1	481.4	47.2	213.8	305.0	470.8	190.0	180.0	170.0	160.0
Gross external financing needs/CARs plus usable reserves	452.3	430.1	443.0	363.7	369.8	358.7	379.8	372.7	364.5	360.6

Luxembourg--Selected Indicators

Narrow net external debt/CARs	229.0	208.6	192.8	162.5	150.7	171.5	162.8	158.4	154.6	153.9
Narrow net external debt/CAPs	230.8	210.4	194.5	164.2	152.5	172.9	164.0	159.7	156.1	155.4
Net external liabilities/CARs	(4.9)	(1.2)	4.2	0.9	(2.7)	(2.1)	(2.7)	(3.5)	(4.3)	(5.2)
Net external liabilities/CAPs	(5.0)	(1.2)	4.2	0.9	(2.8)	(2.1)	(2.7)	(3.5)	(4.4)	(5.3)
Short-term external debt by remaining maturity/CARs	354.2	332.0	346.5	266.7	272.9	261.2	282.4	275.3	267.1	263.2
Usable reserves/CAPs (months)	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Usable reserves (Mil. $)	1,121.9	2,921.9	2,884.6	2,985.5	2,792.2	3,059.5	3,059.5	3,059.5	3,059.5	3,059.5
Fiscal indicators (general government %)										
Balance/GDP	(3.1)	1.1	0.2	(0.7)	0.9	(2.0)	(0.6)	(1.0)	(1.0)	(1.0)
Change in net debt/GDP	2.7	(1.2)	3.0	(0.2)	(0.9)	0.5	1.0	1.0	1.0	0.9
Primary balance/GDP	(2.9)	1.3	0.4	(0.4)	1.2	(1.6)	(0.2)	(0.6)	(0.6)	(0.6)
Revenue/GDP	44.0	43.5	44.5	45.7	47.7	47.1	48.0	47.4	47.4	47.4
Expenditures/GDP	47.0	42.4	44.3	46.4	46.8	49.1	48.6	48.4	48.4	48.4
Interest/revenues	0.5	0.3	0.3	0.6	0.6	0.7	0.8	0.8	0.9	0.9
Debt/GDP	23.7	23.5	24.2	24.1	25.7	25.9	26.6	27.4	28.0	28.4
Debt/revenues	54.0	54.0	54.4	52.6	53.8	55.0	55.5	57.8	59.1	60.0
Net debt/GDP	(15.0)	(14.4)	(10.8)	(10.2)	(10.7)	(9.8)	(8.5)	(7.2)	(6.0)	(4.8)
Liquid assets/GDP	38.8	37.9	35.0	34.3	36.3	35.7	35.2	34.6	34.0	33.2
Monetary indicators (%)										
CPI growth	0.0	3.5	8.2	2.9	2.3	2.5	2.6	2.1	2.0	2.0
GDP deflator growth	3.9	5.9	6.2	6.9	4.6	3.2	1.7	2.0	2.1	2.0
Exchange rate, year-end (EUR/$)	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	5.0	4.8	4.9	(2.9)	(5.3)	0.8	2.0	2.5	3.0	3.5
Banks' claims on resident non-gov't sector/GDP	107.4	99.3	99.2	90.0	81.2	78.8	78.2	77.2	76.3	75.5
Foreign currency share of claims by banks on residents	6.7	7.5	7.9	9.7	10.9	10.8	7	7	7	7
Foreign currency share of residents' bank deposits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Real effective exchange rate growth	(4.1)	5.4	9.5	(16.1)	(8.5)	1.2	N/A	N/A	N/A	N/A

Sources: Eurostat (Economic Indicators), Banque centrale du Luxembourg (External Indicators), Eurostat (Fiscal Indicators), and Banque centrale du Luxembourg, International Monetary Fund (Monetary Indicators).

Adjustments: Government debt adjusted by excluding guarantees on debt issued by EFSF.

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

Luxembourg--Selected Indicators

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.

Luxembourg--Rating Score Snapshot

Key rating factors	Score	Explanation
Institutional assessment	2	Luxembourg has strong institutions and a proven track record of consensus-driven policymaking, which have fostered a very high level of development and stable public finances. However, coordination requirements at the eurozone level might hinder a timely policy response. The country benefits from generally effective checks-and-balances and free flow of information.
Economic assessment	1	Based on GDP per capita (US$) and growth trends as per Selected Indicators in Table 1.
External assessment	3	In the context of our external assessment, we consider the euro to be actively traded for individual members of the Economic and Monetary Union, including Luxembourg. Based on narrow net external debt as per Selected Indicators in Table 1. The sovereign is displaying consistent current account surpluses as per Selected Indicators in Table 1. The sovereign has external short-term debt by remaining maturity that generally exceeds 100% of current account receipts (CAR), 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 CAR, as per Selected Indicators in Table 1
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per Selected Indicators in Table 1. The general government has large liquid financial assets available to mitigate the effect of economic cycles on its fiscal performance. Based on liquid assets/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. Contingent liabilities are moderate as defined by our methodology, with banks' assets more than 11x GDP and a Banking Industry Country Risk Assessment score of '2' (indicating a system with our second-lowest risk assessment).
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 authority independence, with clear objectives and a wide array of policy instruments, including nonconventional tools. The consumer price index is low as per Selected Indicators in Table 1. Luxembourg is a member of the Economic and Monetary Union.
Indicative rating	aaa	
Notches of supplemental adjustments and flexibility		
Final rating		
Foreign currency	AAA	

Luxembourg--Rating Score Snapshot

Key rating factors	Score	Explanation
Notches of uplift	0	
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 List, July 23, 2026
- Sovereign Ratings History, July 23, 2026
- Sovereign Risk Indicators, July 14, 2026. An interactive version is available at https://www.spglobal.com/ratings/sri/
- Sovereign Ratings Score Snapshot, July 6, 2026
- Banking Industry Country Risk Assessment: Luxembourg, Oct. 8, 2025
- Default, Transition, and Recovery: 2024 Annual Global Sovereign Default And Rating Transition Study, March 24, 2025
- S&P Clarifies Its Approach To Accounting For EFSF Liabilities When Rating The Sovereign Guarantors, Nov. 2, 2011

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	
Luxembourg	
Sovereign Credit Rating	AAA/Stable/A-1+
Transfer & Convertibility Assessment	
Local Currency	AAA
Senior Unsecured	AAA