

Hellenic Republic

Rating report

Rating rationale

Solid economic growth supported by investment and EU funding. We expect Greece’s real GDP to expand by around 2.1% in 2026, outperforming most euro-area peers, supported by strong investment under the EU NextGenerationEU (NGEU) programme, which continues to drive investment, the energy transition and reform implementation. We expect growth to slow to around 1.7% in 2027 as the impact of EU recovery funding gradually fades.

Strong fiscal performance and sustained primary surpluses: Fiscal outcomes have improved markedly in recent years, supported by stronger tax compliance, reforms, robust revenue growth and prudent expenditure control, allowing Greece to maintain sizeable primary surpluses.

Rapid public debt reduction in the medium term: Public debt has declined markedly since the pandemic peak and is set to fall further, supported by economic growth and primary surpluses. We project the public-debt ratio to decline from about 145% of GDP in 2025 to 127% by 2030 and further to around 122% by 2035, driven by sustained growth and conservative fiscal management.

Favourable debt structure and strong liquidity buffer. Greece’s debt profile is highly resilient, with most obligations long-dated, low-interest, and held by official-sector creditors. A substantial cash buffer of around 17% of GDP provides liquidity coverage for several years of debt service.

Rating challenges: i) a very high public debt stock which remains a vulnerability despite its declining trend, as slower growth and rising ageing costs will likely slow debt reduction; ii) structural constraints on medium-term growth, such as weak labour productivity and adverse demographics; and iii) external imbalances, reflected in recurrent current-account deficits and a large negative net international investment position, alongside a services-dependent economy exposed to external shocks.

Figure 1: Greece’s sovereign-rating drivers

Risk pillars	Quantitative		Reserve currency	Political risk	Qualitative	Final rating	
	Weight	Indicative rating	Notches	Notches	Notches		
Domestic economic risk	35%	bbb	EUR [+1]	Greece [-0]	- 2/3	BBB	
Public finance risk	25%	bbb-			2/3		
External economic risk	10%	ccc			0		
Financial stability risk	10%	aa+			1/3		
ESG risk	Environmental factors	3%			bbb+		- 1/3
	Social factors	3%			bbb+		0
	Governance factors	14%			bbb-		1/3
Sovereign Quantitative Model*	bbb			0			
Additional considerations				0			

*Scope’s Sovereign Quantitative Model (SQM) signals an indicative credit rating of ‘bbb’ for Greece, which was approved by the rating committee. For details, please see Scope’s [Sovereign Rating Methodology](#).

Foreign currency

Long-term issuer rating/Outlook

BBB/Positive

Senior unsecured debt/Outlook

BBB/Positive

Short-term issuer rating/Outlook

S-2/Stable

Local currency

Long-term issuer rating/Outlook

BBB/Positive

Senior unsecured debt/Outlook

BBB/Positive

Short-term issuer rating/Outlook

S-2/Stable

Lead Analyst

Jakob Suwalski
+34 919491 663
j.suwalski@scoperatings.com

Team Leader

Alvise Lennkh-Yunus
+49 69 6677389-85
a.lennkh@scoperatings.com

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Credit strengths and challenges

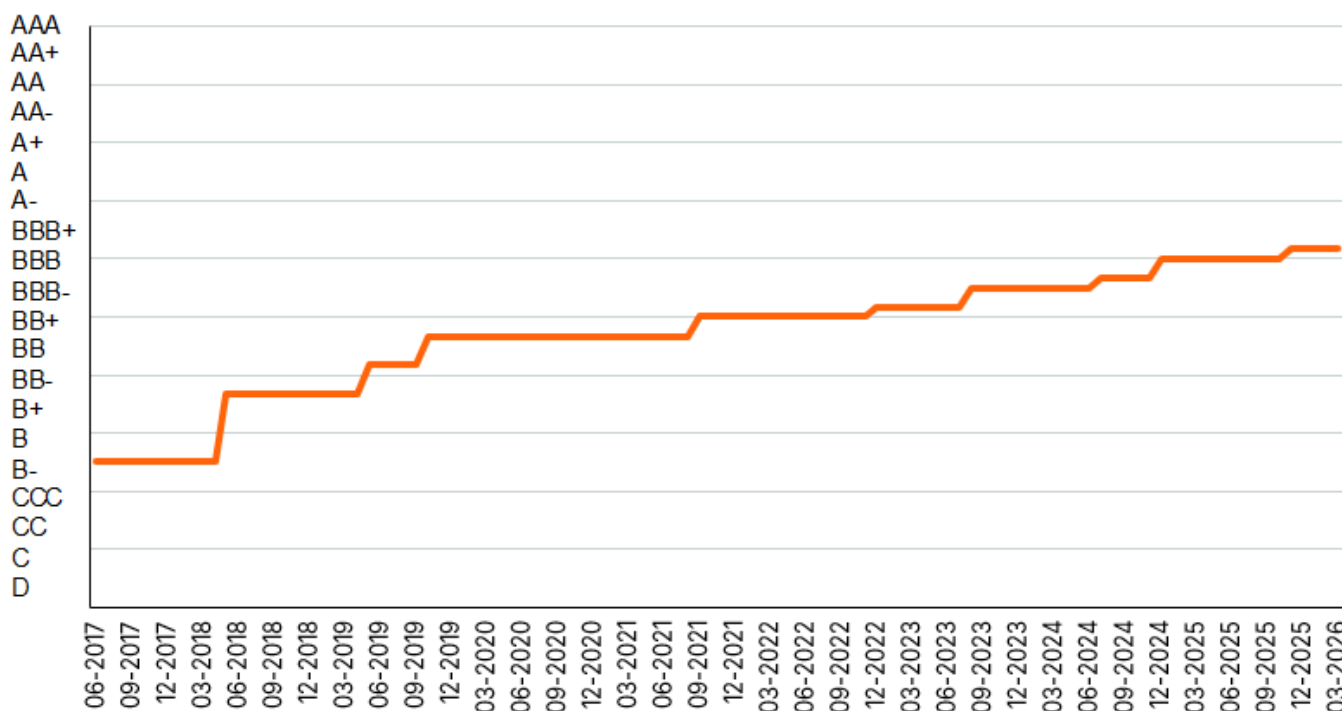
Credit strengths	Credit challenges
<ul style="list-style-type: none"> Strong institutional support from the Eurosystem and the EU Solid fiscal position with sustained debt reduction Favourable public debt profile 	<ul style="list-style-type: none"> Very high public debt stock Structural constraints on medium-term growth Persistent external imbalances, exposure to external shocks

Outlook and rating triggers

The **Positive Outlook** reflects Scope’s view that the risks to the ratings over the next 12 to 18 months are tilted to the upside.

Positive rating-change drivers	Negative rating-change drivers
<ul style="list-style-type: none"> A sustained and material reduction in the public-debt ratio, supported by continued primary surpluses and prudent fiscal management Improved medium-term growth prospects and stronger external resilience 	<ul style="list-style-type: none"> A stalling or reversal in the decline of the public-debt ratio, due to weaker fiscal discipline or adverse growth dynamics A weakening of macroeconomic resilience

Figure 2: Rating history



Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

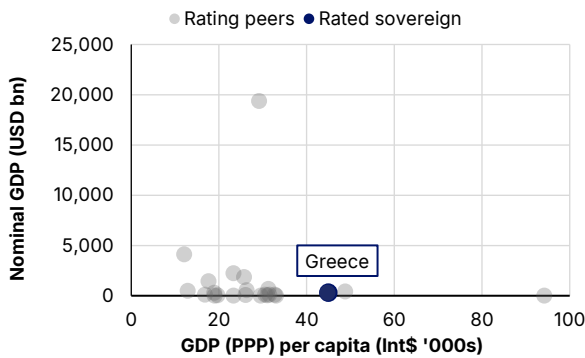
Rating analysis

Domestic economic risk

Overview of Scope's assessments of Greece's Domestic Economic Risk

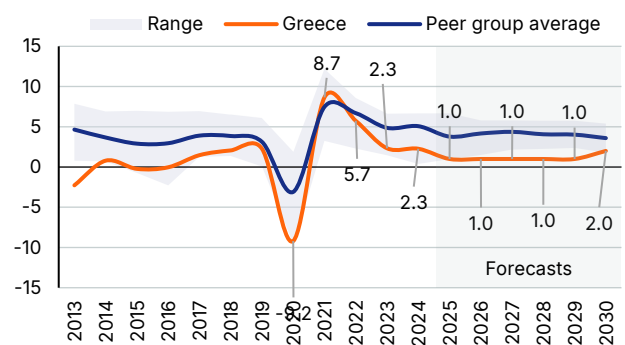
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb	Growth potential and outlook	Weak	-1/3	Long-term growth potential remains structurally constrained by adverse demographics, modest productivity growth, and still-limited private-sector investment.
	Monetary policy framework	Neutral	0	The ECB is a highly credible and effective central bank which anchors monetary and financial stability; Greece's access to Eurosystem liquidity help mitigate risks from domestic monetary policy limitations.
	Macroeconomic stability and sustainability	Weak	-1/3	Limited economic diversification; rigidities of the labour market

Figure 3: Nominal GDP and GDP per capita (2025E)



Source: IMF World Economic Outlook (WEO), Scope Ratings

Figure 4: Real GDP growth, %



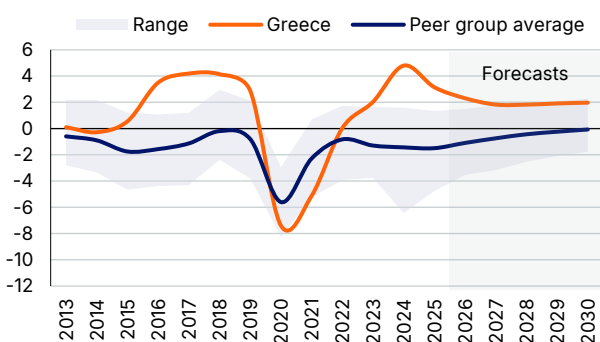
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of Greece's Public Finance Risk

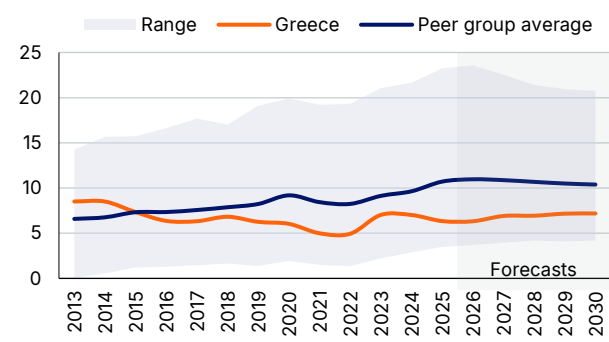
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb-	Fiscal policy framework	Strong	1/3	Prudent fiscal policy and consistent outperformance of primary surplus targets since the Mitsotakis government.
	Long-term debt trajectory	Neutral	0	Very high public debt ratio; gradual downward trajectory, stress tests show only moderate debt increase under adverse scenarios.
	Debt profile and investor base	Strong	1/3	Favourable financing terms, long maturities and a substantial cash buffer mitigate refinancing risks.

Figure 5: Primary balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

Figure 6: Net interest payments, % of government revenue



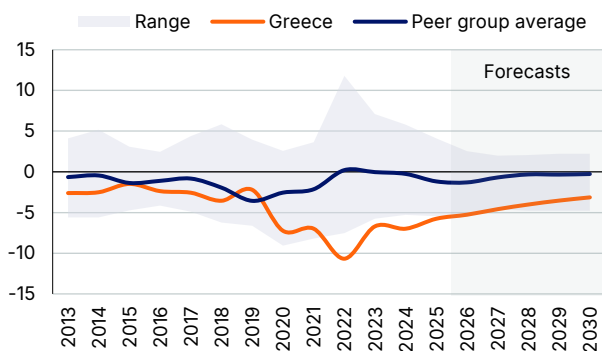
Source: IMF WEO forecasts, Scope Ratings

External economic risk

Overview of Scope's assessments of Greece's External Economic Risk

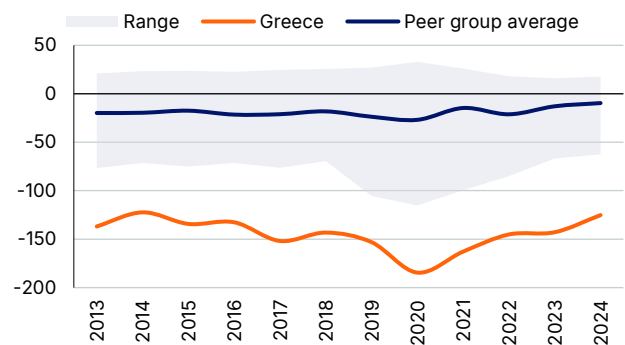
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
CCC	Current account resilience	Weak	- 1/3	Structural current-account deficits, high reliance on energy imports.
	External debt structure	Strong	1/3	High albeit declining share of government debt, mostly owed to official-sector creditors.
	Resilience to short-term external shocks	Neutral	0	Benefits from euro-area membership

Figure 7: Current-account balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

Figure 8: Net international investment position (NIIP), % GDP



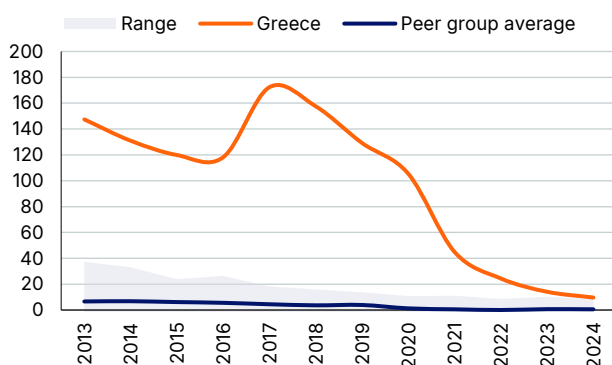
Source: IMF, Scope Ratings

Financial stability risk

Overview of Scope's assessments of Greece's Financial Stability Risk

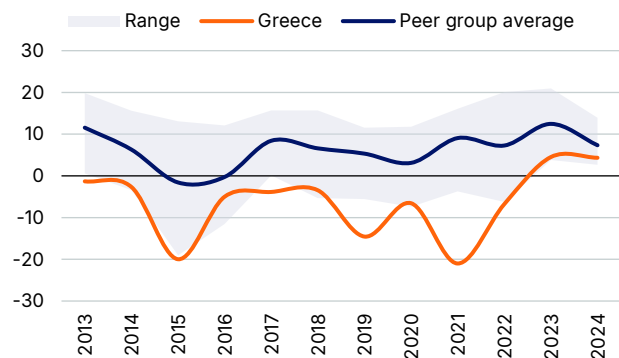
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aa+	Banking sector performance	Neutral	0	Profitability has improved, reflecting better operating conditions, NPLs significantly reduced.
	Financial sector oversight and governance	Strong	1/3	Effective supervision by the Bank of Greece and the ECB under the Banking Union framework
	Financial imbalances	Neutral	0	Moderate levels of private-sector debt; high sovereign-bank linkages persist, but are gradually declining

Figure 9: Non-performing loans net of provision, % of capital



Source: IMF, Scope Ratings

Figure 10: Private sector credit growth, %



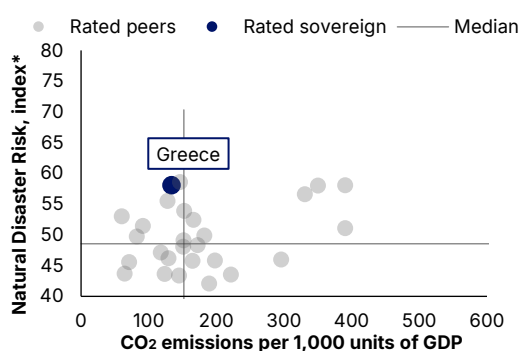
Source: World Bank (WB), Scope Ratings

Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of Greece's ESG Risk

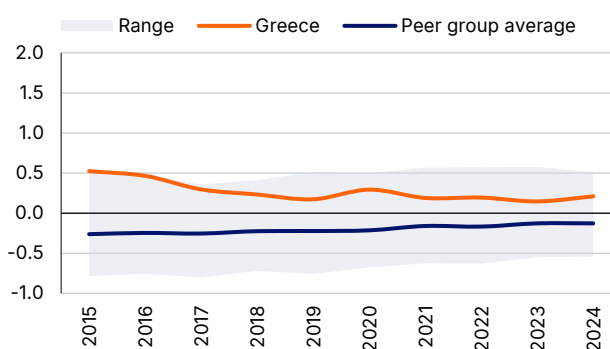
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb	Environmental factors	Weak	- 1/3	High exposure to physical climate risks, energy transition challenges, significant investment and adaptation needs, though improving
	Social factors	Neutral	0	Improving but still moderate labour market outcomes, some social disparities, adequate public services compared to peers
	Governance factors	Strong	1/3	Stable political environment, strong institutional framework

Figure 11: Natural disaster and transition risks



Source: European Commission, Notre Dame Global Adaptation Initiative, Scope Ratings
 *Higher scores indicate lower vulnerability to physical risks. Median of SQM peers.

Figure 12: Governance, index score*



Source: World Bank (WB), Scope Ratings
 *Mean of the WB estimates for Control of Corruption, Government Effectiveness, Regulatory Quality, and Rule of Law.

Reserve-currency adjustment

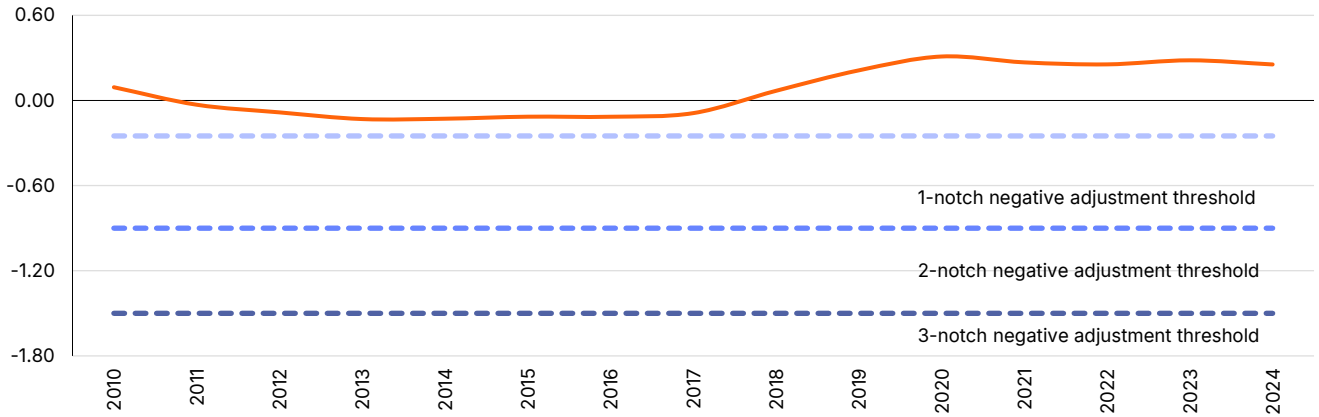
IMF SDR basket and Scope reserve-currency adjustment

Currency	U.S. dollar	Euro	Chinese yuan	Japanese yen	Pound sterling	Other
IMF SDR basket weights, %	43.4	29.3	12.3	7.6	7.4	0.0
Positive adjustment, notches	3	1	1	1	1	0

Source: IMF, Scope Ratings

Political-risk adjustment

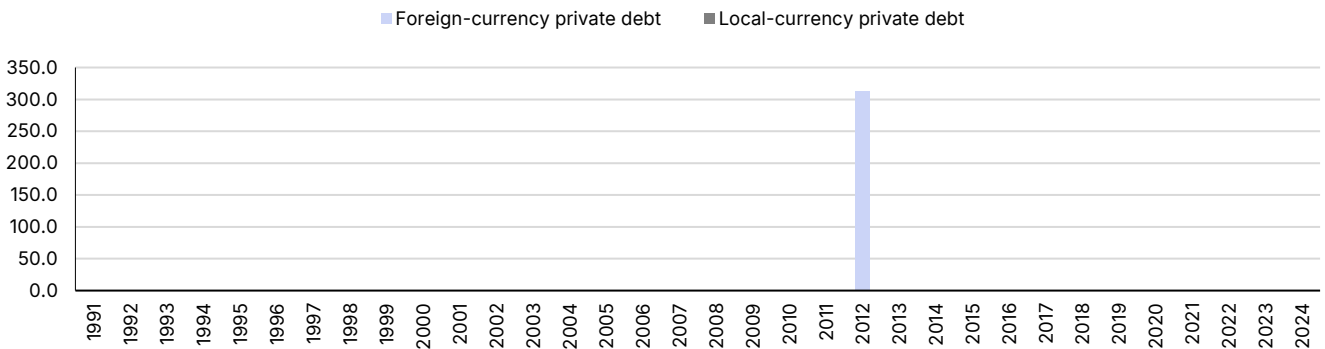
Figure 13: WB Political Stability & Absence of Violence/Terrorism index, Greece, three-year moving average



Source: WB, Scope Ratings

Sovereign default history and applicability of the default cap

Figure 14: Sovereign default history, USD bn



Depicted private-debt defaults may not always constitute a credit event under [Scope's credit-rating definitions](#).
 Source: [Bank of Canada-Bank of England Sovereign Default Database](#), Scope Ratings.

In view of the absence of a recent episode of default, the rating committee did not apply a cap to the indicative SQM rating.

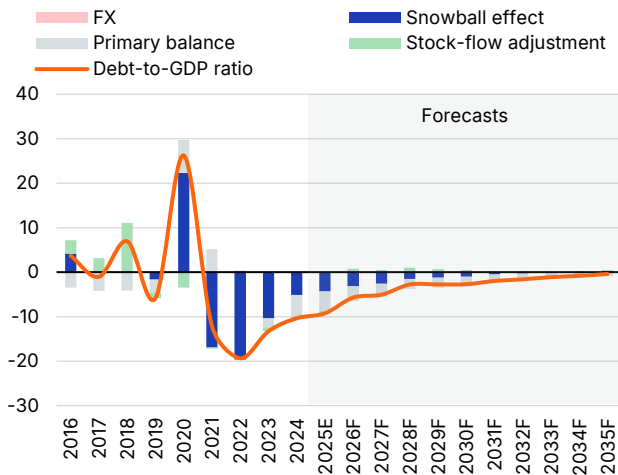
The Greek sovereign default of 2012 – the largest sovereign debt restructuring in history – does not impact the current ratings.

Additional considerations

No adjustment was applied to the rating from additional considerations.

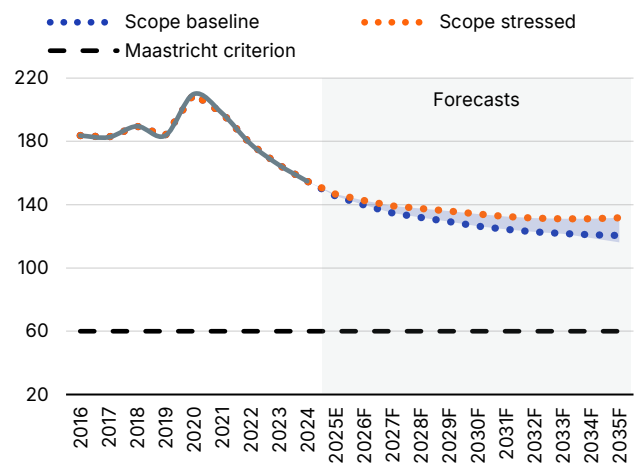
Appendix 1. Debt sustainability analysis

Figure 15: Contributions to change in debt-to-GDP ratio, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 16: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

Scope DSA Baseline, % of GDP (unless stated otherwise)

	2025E	2026F	2027F	2028F	2029F	2030F	avg. 2031F-2035F
Real GDP growth (%)	2.0	2.0	1.7	1.6	1.6	1.6	1.3
Deflator growth (%)	3.1	2.5	2.7	2.1	2.0	2.0	2.0
Primary Balance	4.3	3.3	2.9	2.2	2.2	2.2	1.3
Δ Cost of ageing	0.0	0.0	-0.1	-0.2	-0.2	-0.2	0.3
Net Interest payments	3.2	3.2	3.3	3.4	3.5	3.5	3.8
Debt-to-GDP	145.5	139.8	134.7	132.0	129.2	126.5	120.5*

* Figure refers to end-2035 forecast.
Source: Scope Ratings

Appendix 2. Rating peers

Rating peers are related to sovereigns with an indicative rating in the same rating category or adjacent categories, as assigned by Scope's SQM after accounting for methodological reserve-currency and political-risk adjustments.

Peer group*
China
Georgia
Serbia
Romania
Turkey

*Selected publicly-rated sovereigns only; the full sample of sovereign-rating peers may be larger.

The shaded range in the charts above represents the distribution of sovereign-rating peers between the 10th and 90th percentiles of the full sample.

Appendix 3. Economic development and default indicators

IMF Development Classification

Advanced economy

5-year USD CDS spread (bps) as of 20 March 2026

36

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (21 out of 26 – with the governance indicator reflecting a composite of four indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources used ensures comparability across global sovereign peers and may therefore differ from national or other international statistical series; as a result they may not immediately reflect the latest national updates.

Pillar	Core variable	Source	2020	2021	2022	2023	2024	2025E
Domestic Economic	GDP per capita (PPP), Int\$ '000s	IMF	29.5	33.2	38.4	41.0	43.0	45.0
	Nominal GDP, USD bn	IMF	191	218	219	244	257	282
	Real growth, %	IMF	-9.2	8.7	5.7	2.3	2.3	2.0
	CPI inflation, %	IMF	-1.3	0.6	9.3	4.2	3.0	3.1
	Working-age population growth, %	UN	-0.4	-1.6	-1.9	-1.6	-2.0	-
Public Finance	General Government debt, % of GDP	IMF	209.9	197.8	178.4	165.2	154.8	146.7
	Net interest payments, % of government revenue	IMF	6.0	5.0	4.9	7.0	7.0	6.3
	Primary balance, % of GDP	IMF	-7.4	-5.1	0.0	2.0	4.8	3.2
External Economic	Current-account balance, % of GDP	IMF	-7.2	-7.0	-10.7	-6.7	-7.0	-5.8
	NIIP, % of GDP	IMF	-184.5	-162.8	-145.1	-142.8	-125.2	-
Financial stability	Non-performing loans net of provisions, % of capital	IMF	105.4	44.9	24.4	14.1	9.6	-
	Private sector credit growth, (7y av. YoY change, %)	WB	-8.0	-10.6	-8.7	-7.4	-6.2	-
ESG	CO ₂ per EUR 1,000 of GDP, kgCO ₂ e	EC	160.5	151.6	147.1	133.6	133.9	-
	Income share of bottom 50%, %	WID	20.9	20.8	20.4	20.8	20.8	-
	Labour-force participation rate, %	WB	66.2	66.8	69.1	69.3	69.3	-
	Unemployment rate, %	WB	15.9	14.7	12.4	11.0	10.0	-
	Composite governance indicators*, index	WB	0.4	0.5	0.4	0.4	0.3	-
	Political stability, index	WB	0.3	0.3	0.3	0.3	0.3	-

*Average of the following four World Bank Worldwide Governance Indicators: Control of Corruption, Rule of Law, Government Effectiveness, Regulatory Quality.

Lead Analyst

Jakob Suwalski
+34 919491 663
j.suwalski@scoperatings.com

Team Leader

Alvise Lennkh-Yunus
+49 69 6677389-85
a.lennkh@scoperatings.com

Related research

[Sovereign Outlook 2026: Europe showing resilience but significant risks ahead](#), November 2025

Applied methodology

[Sovereign Rating Methodology](#), March 2026

Scope Ratings GmbH

Lennéstraße 5, D-10785 Berlin
Phone: +49 30 27891-0
Fax: +49 30 27891-100
info@scoperatings.com

Scope Ratings UK Limited

1 King William Street
London, EC4N 7AF
Phone: +44 20 3059 1051
info@scoperatings.com



Bloomberg: RESP SCOP
[Scope contacts](#)
scoperatings.com

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