Republic of Poland

Rating report

Rating rationale

Strong macro-economic fundamentals, robust growth and EU-backed funding. Poland benefits from a large, diversified, and resilient economy, supported by strong private consumption and a flexible labour market. The country has maintained solid growth and stability through recent shocks. GDP growth is projected at 3.5% in 2025 and 3.7% in 2026, driven by firm household demand and a rebound in investment supported by accelerated EU fund absorption. Medium-term growth potential remains high by EU standards, sustained by productivity gains and improving migration flows that partly offset demographic pressures. Poland's strong external fundamentals are reflected in an improving net international investment position, sound foreign-exchange reserves, and moderate external debt. Continued access to EU financing instruments, including NextGenerationEU and the forthcoming SAFE programme, provides concessional funding that reinforces medium-term growth, external stability, and funding flexibility.

A credible, rules-based fiscal framework, moderate, albeit rising public debt burden, and deep domestic capital markets. Public debt is projected to rise from around 60% of GDP in 2025 to around 75% by 2030 on ESA terms, remaining below the EU average and just under the 60% constitutional ceiling under the national definition. As the debt ratio nears this limit toward the end of the decade, automatic correction mechanisms and early policy tightening are expected to curb spending and preserve fiscal stability. Poland's fiscal position has weakened in recent years, but the deficit is expected to gradually narrow from 2025 under current policies. Moderating inflation, which will curb growth in inflation-linked spending, alongside normalising defence outlays and the expiry of temporary support measures, will ease expenditure pressures, while lower interest rates and concessional borrowing under the SAFE programme will help contain debt-servicing costs.

Rating challenges: i) elevated and persistent fiscal deficits, reflecting structural spending pressures; ii) a rising public debt trajectory; iii) political polarisation and institutional frictions, which delay fiscal adjustment measures; and iv) exposure to geopolitical risks, which drive higher defence commitments.

Figure 1: Poland's sovereign-rating drivers

Risk pillars		Quantitative		Reserve currency*	Political risk**	Qualitative****	Final rating
		Weight	Indicative rating	Notches	Notches	Notches	
Domestic economic risk		35%	aaa	PLN [+0]	Poland [-0]	1/3	A
Public finance risk		20%	bbb+			- 1/3	
External economic risk		10%	bb			0	
Financial stability risk		10%	aaa			0	
ESG risk	Environmental factors	5%	bb+			- 1/3	
	Social factors	7.5%	b-			0	
	Governance factors	12.5%	a-			- 1/3	
Sovereign Quantitative Model* **		**a+**				**-1**	
Additional considerations						**0**	

*The reserve-currency quantitative adjustment applies to currencies in the IMF's Special Drawing Rights (SDR) basket.
**The political-risk quantitative adjustment is based on the World Bank's Political Stability & Absence of Violence/Terrorism index.
***Scope's SQM signals an indicative credit rating of 'a+' for Poland, which was approved by the rating committee.
****The qualitative scorecard analyst adjustments, capped at one notch per rating pillar, are weighted equally with an aggregate adjustment rounded to the nearest integer. For details, please see Scope's Sovereign Rating Methodology.

Foreign currency

Long-term issuer rating/Outlook
A/Stable

Senior unsecured debt/Outlook
A/Stable

Short-term issuer rating/Outlook
S-1/Stable

Local currency

Long-term issuer rating/Outlook
A/Stable

Senior unsecured debt/Outlook
A/Stable

Short-term issuer rating/Outlook
S-1/Stable

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Credit strengths and challenges

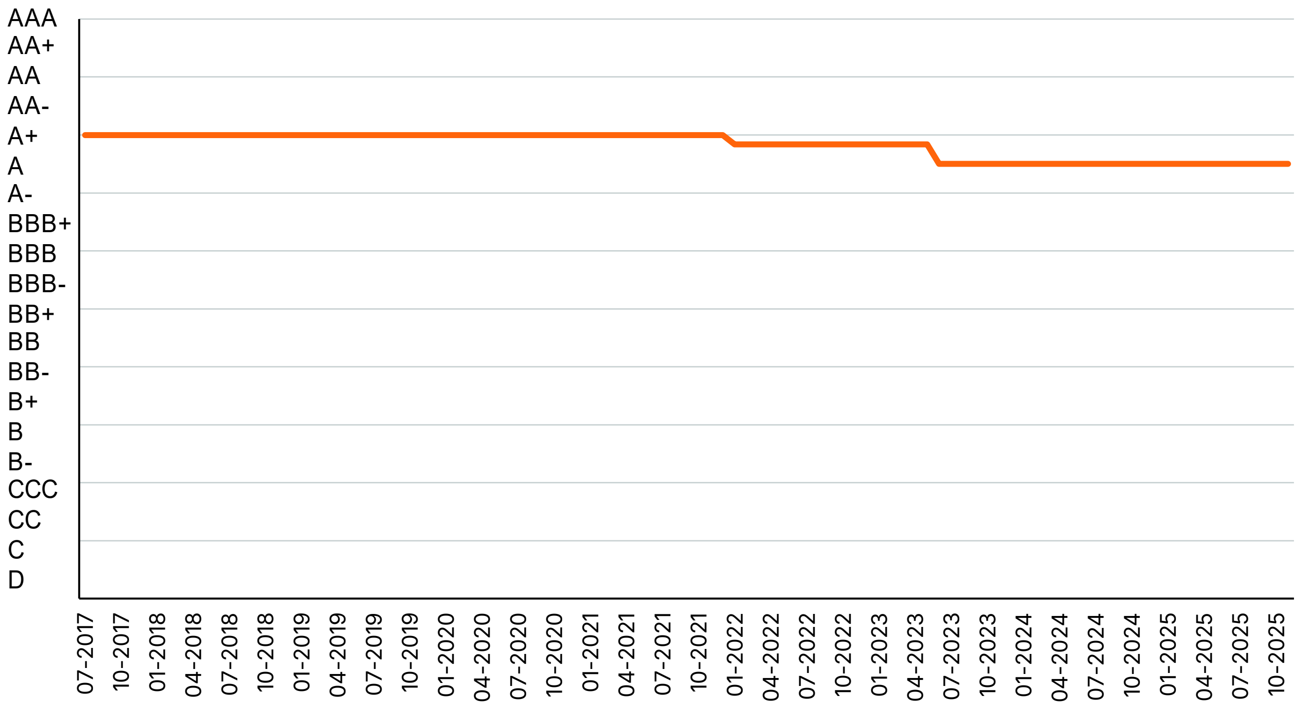
Credit strengths	Credit challenges
• Strong macro-economic fundamentals, with robust growth and a solid external position • A credible, rules-based fiscal framework • Moderate public debt burden, deep domestic capital markets • EU membership and access to substantial concessional funding, notably through NGEU and SAFE programmes	• Elevated and persistent fiscal deficits and a rigid expenditure composition, limiting fiscal flexibility • Rising public debt trajectory • Political polarisation and institutional frictions which delay fiscal adjustment measures • Exposure to regional geopolitical risk

Outlook and rating triggers

The Stable Outlook reflects the view that risks for the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
• Durable improvement in fiscal performance, supporting a structurally declining trajectory for the government debt ratio • Sustained strengthening of the external balance sheet • Tangible progress in addressing long-term social and environmental challenges	• Weaker budgetary outcomes, resulting in a materially higher debt trajectory and interest-burden • Heightened political or institutional frictions, which restrict effective use of EU and SAFE funds • A sustained weakening in economic growth or external competitiveness • A weakening of the rules-based fiscal framework, including risks to the debt limit

Figure 2: Rating history



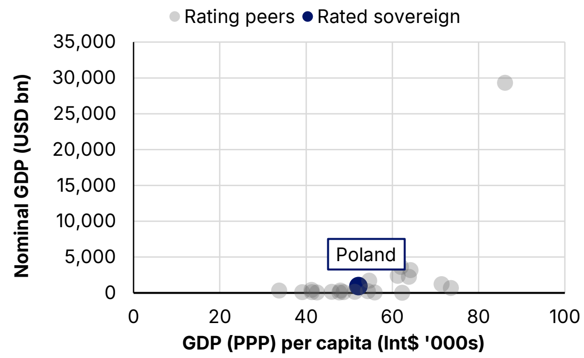
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment.
Source: Scope Ratings.

Domestic economic risk

Overview of Scope's assessments of Poland's *Domestic Economic Risk*

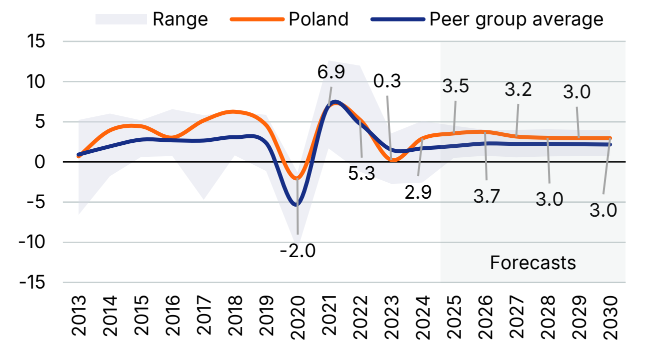
SQM[1] indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Growth potential and outlook	Neutral	0	Robust growth potential; declining trend in long-term growth drivers.
	Monetary policy framework	Neutral	0	Appropriate monetary policy stance; effective inflation control and relatively deep local currency debt markets.
	Macroeconomic stability and sustainability	Strong	1/3	Large, diversified economy and competitive export base; long-run sustainability of growth reliant on foreign financing.

Figure 3: Nominal GDP and GDP per capita (2024E)



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

Figure 4: Real GDP growth, %



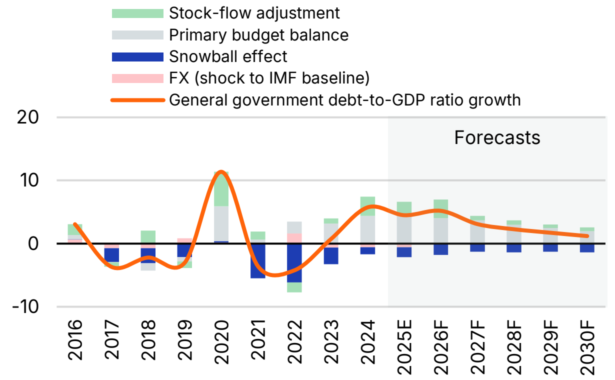
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of Poland's *Public Finance Risk*

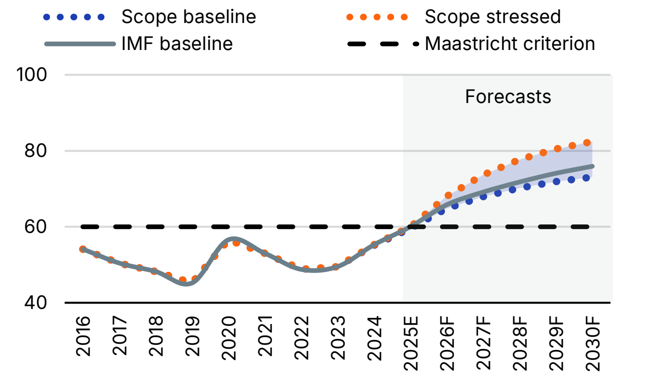
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb+	Fiscal policy framework	Neutral	0	Constitutional debt limit provides credible anchor, though its effectiveness is weakened by increased use of off-balance sheet funds. Ongoing EDP.
	Long-term debt trajectory	Weak	- 1/3	Comparatively moderate debt levels; rise expected in public indebtedness over the forecast horizon primarily driven by structural pressures on fiscal and social policy.
	Debt profile and market access	Neutral	0	Moderate average maturity of treasuries; foreign-exchange risks; borrowing rates above peer-group averages; deep domestic capital markets.

Figure 5: Contributions to change in debt levels, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 6: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

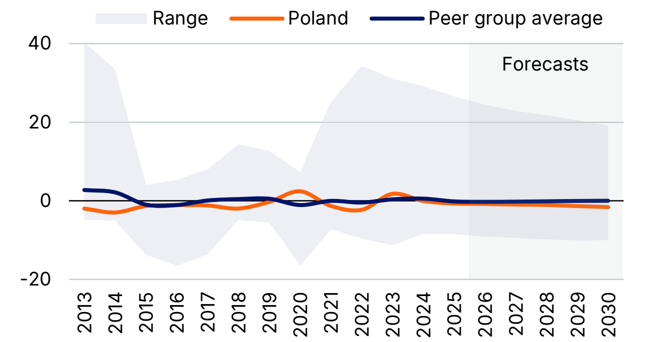
[1] Sovereign Quantitative Model

External economic risk

Overview of Scope's assessments of Poland's *External Economic Risk*

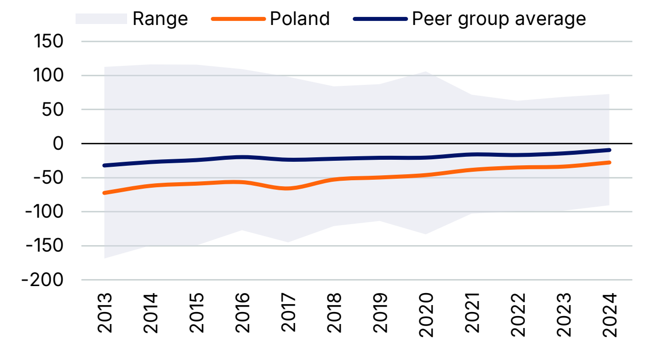
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bb	Current account resilience	Neutral	0	High services surplus sustains the current account; slight deficits expected ahead due to rising imports from robust domestic demand.
	External debt structure	Neutral	0	Moderate levels of external debt; significant share of external debt in the form of inter-company lending.
	Resilience to short-term external shocks	Neutral	0	Some vulnerabilities stemming from reliance on foreign direct investments, partly mitigated by growing reserve levels, robust inflows of EU funds, and improving economic diversification.

Figure 7: Current-account balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

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



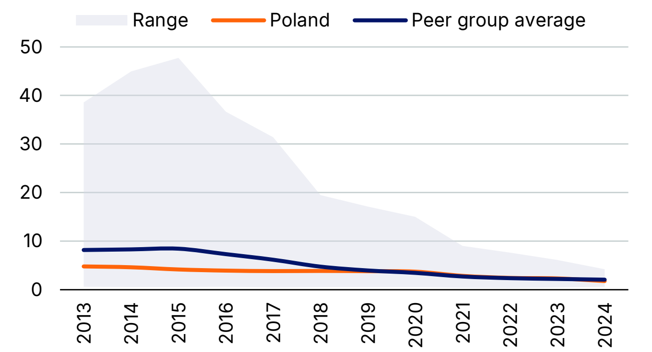
Source: IMF, Scope Ratings

Financial stability risk

Overview of Scope's assessments of Poland's *Financial Stability Risk*

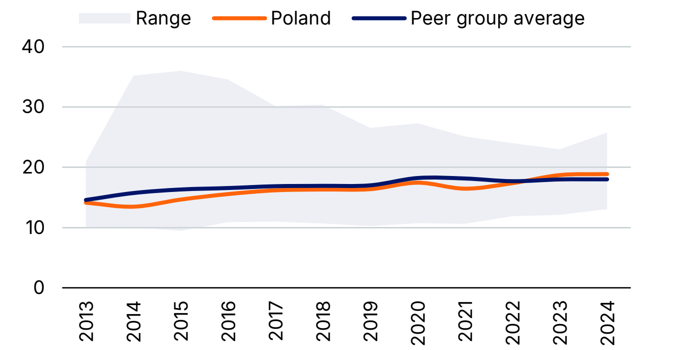
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Banking sector performance	Neutral	0	Well-capitalised and liquid banking sector; NPLs have declined; profitability has improved.
	Financial sector oversight and governance	Neutral	0	Effective supervision; timely and comprehensive regulatory measures taken.
	Financial imbalances	Neutral	0	Still-significant but declining foreign-currency exposures in the banking system.

Figure 9: Non-performing loans (NPLs), % of total loans



Source: World Bank (WB), Scope Ratings

Figure 10: Tier 1 capital, % of risk-weighted assets



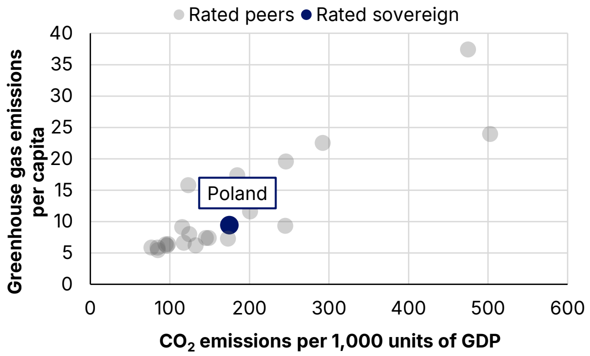
Source: IMF, Scope Ratings

Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of Poland's *ESG Risk*

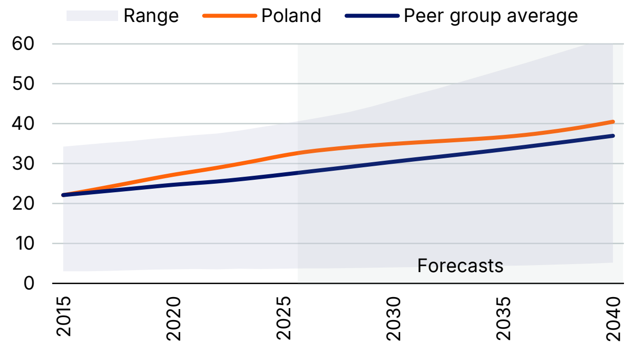
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb-	Environmental factors	Weak	- 1/3	High per capita emissions and carbon intensity of the economy, structural change remains slow
	Social factors	Neutral	0	Elevated poverty, elevated income inequality, adverse demographics
	Governance factors	Weak	- 1/3	Weak governance indicators amid political polarisation; geopolitical risks associated with the Russia-Ukraine war.

Figure 11: CO_2 emissions per capita/GDP (2023), $mtCO_2e$



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

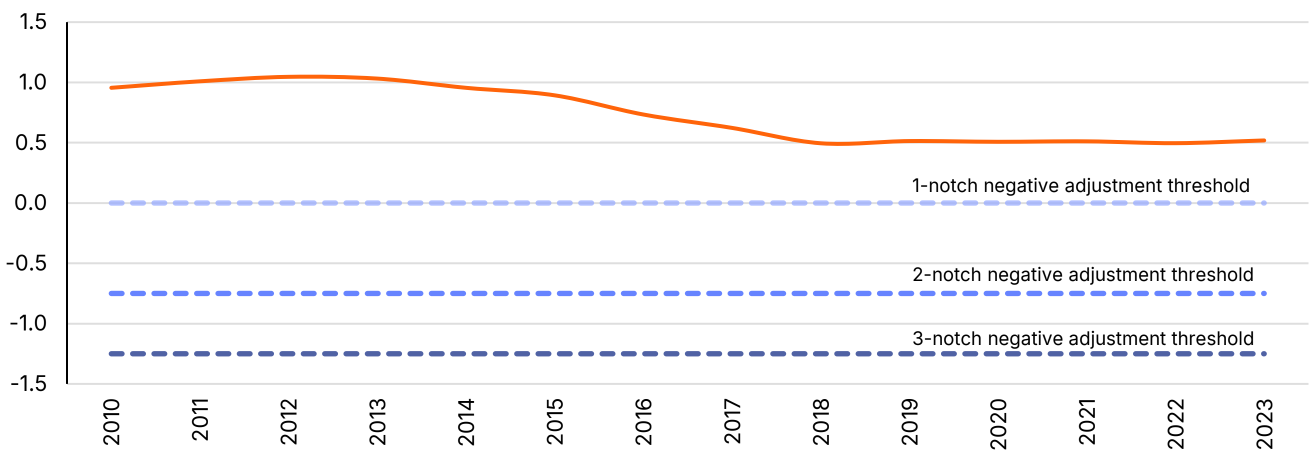
IMF SDR basket and Scope reserve-currency adjustment

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, Poland, three-year moving average



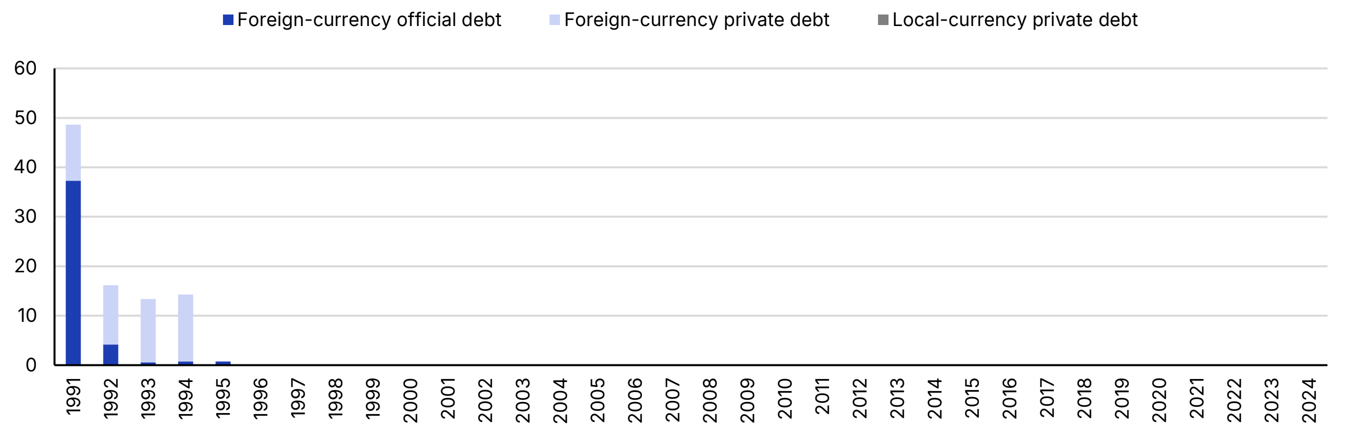
Source: WB, Scope Ratings

Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Sovereign default history

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.

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 sovereign quantitative model after accounting for methodological reserve-currency and political-risk adjustments.

Peer group*
Belgium
Bulgaria
Croatia
Cyprus
Estonia
Italy
Latvia
Portugal
Slovakia
Slovenia
Spain

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

Appendix 3. Economic development and default indicators

IMF Development Classification	Emerging market and developing economy
5-year USD CDS spread (bps) as of 13 November 2025	63

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (24 out of 30 – with the governance indicator reflecting a composite of five indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources for the data presented here ensure comparability across global country peers and may therefore differ from data from national and other select international statistical series.

Pillar	Core variable	Source	2019	2020	2021	2022	2023	2024
Domestic Economic	**GDP per capita (PPP)**, Int$ '000s	IMF	35.9	36.7	41.7	47.2	49.3	52.2
	Nominal GDP, USD bn	IMF	603	606	689	696	813	915
	Real growth, %	IMF	4.6	-2.0	6.9	5.3	0.3	2.9
	CPI inflation, %	IMF	2.3	3.4	5.1	14.2	11.5	3.7
	Unemployment rate, %	WB	3.3	3.2	3.3	2.8	2.7	2.8
Public Finance	**Public debt**, % of GDP	IMF	45.2	56.6	53.0	48.8	49.5	55.1
	Net interest payment, % of government revenue	IMF	3.3	3.2	2.6	3.8	5.0	5.1
	Primary balance, % of GDP	IMF	0.6	-5.6	-0.7	-1.9	-3.2	-4.4
External Economic	**Current-account balance**, % of GDP	IMF	-0.3	2.4	-1.3	-2.3	1.8	0.0
	Total reserves, months of imports	WB	4.6	5.8	4.8	4.3	4.9	5.4
	NIIP, % of GDP	IMF	-49.8	-46.2	-38.6	-35.1	-33.8	-27.7
Financial Stability	**NPL ratio**, % of total loans	IMF	3.8	3.7	2.9	2.4	2.3	1.8
	Tier 1 ratio, % of risk-weighted assets	IMF	16.2	15.8	17.5	15.8	17.7	18.3
	Credit to the private sector, % of GDP	WB	50.2	49.3	45.7	39.3	34.7	33.7
ESG	**CO_2 per EUR 1,000 of GDP**, $mtCO_2e$	EC	215.3	209.1	213.4	192.7	175.2	167.5
	Income share of bottom 50%, %	WID	19.8	19.7	19.7	19.7	19.7	-
	Labour-force participation rate, %	WB	70.8	71.1	73.0	73.7	74.7	74.8
	Old-age dependency ratio, %	UN	26.2	27.2	28.1	29.0	29.9	31.0
	Composite governance indicators*	WB	0.6	0.6	0.5	0.5	0.6	-
	Political stability, index	WB	0.5	0.5	0.5	0.5	0.5	-

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

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Related research

CEE Sovereign Outlook 2025: risk balance to ratings broadly neutral for 2025, December 2024

Applied methodology

Sovereign Rating Methodology, January 2025

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