



# STATISTICAL PRESS RELEASE 110|2017

## Economic and financial indicators of private non-financial corporations

### 2016

20 November 2017

Today, Banco de Portugal publishes, in [Table A.22](#) of the *Statistical Bulletin* and in *BPstat*, the economic and financial indicators of the private non-financial corporations for 2016.

Data published include revisions made since 2006, in particular a one-off revision with an impact on the sector of consultancy, technical and administrative activities. The European System of Accounts (ESA 2010) includes, in the financial sector, holding companies which hold financial assets and liabilities and do not provide any management services. Those providing management services to the remaining corporations in the group are classified as head offices, for statistical purposes, and continue to be included in the non-financial corporations' sector. This classification is now fully implemented in the statistics on corporations from the Central Balance Sheet Database, ensuring that the economic activity sector of non-financial corporations and the respective institutional sector are consistent. Published economic and financial indicators now exclude head offices, as was the case with the holding companies sector.

Return on equity in private non-financial corporations reached 7.9 per cent in 2016, 0.8 percentage points (p.p.) above the value observed in 2015 (Chart 1).

The capital ratio (equity as a percentage of assets) increased by 1.1 p.p. to 33.0 per cent. Simultaneously, the weight of loans in assets declined by 1.2 p.p. to 31.8 per cent. The cost of debt (interest expenses / obtained funding) stood at 3.4 per cent, corresponding to a decline of 0.3 p.p.

The reduction in indebtedness and cost of debt and the increase in profitability resulted in a general improvement in the funding ratios. In particular, the interest coverage ratio (EBITDA<sup>1</sup> / interest expenses) increased from 5.2 to 6.1.

As regards the risk indicators, 2016 saw a reduction in the share of corporations with negative EBITDA (1.5 p.p. to 31.8 per cent), with interest expenses above EBITDA (1.2 p.p. to 13.4 per cent) and negative net profits (1.9 p.p. to 37.8 per cent) (Chart 2). In 2016 the share of corporations with negative equity declined by 0.9 p.p. to 27.9 per cent.

Chart 1 • Return on equity (in percentage)

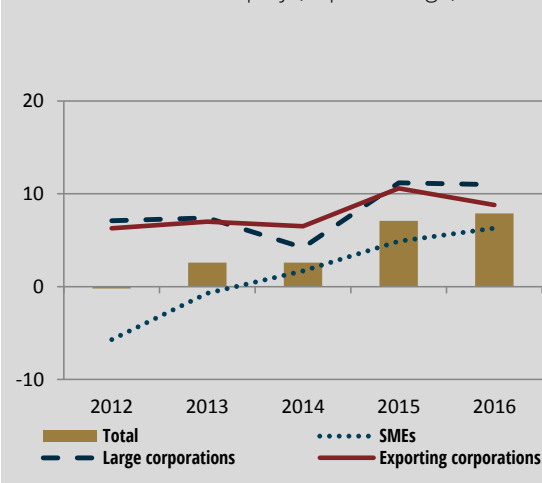
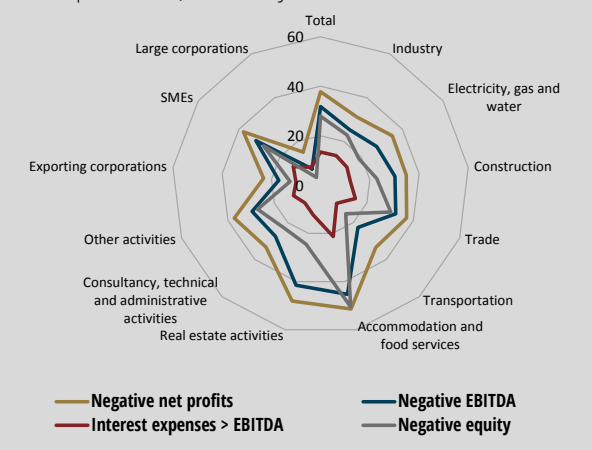


Chart 2 • Risk indicators (in percentage of the number of corporations): 2016, by sector and size class



<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation.

**Additional information available at:**

[Chapter A.22 of the \*Statistical Bulletin\*](#)

[Domain: Main indicators of BPstat | Statistics Online](#)

**Next update:** 20 November 2018

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