

ment plant for a new abattoir in Oevel. The company will also be responsible for its operation. Overseas, last year, Aquaplus delivered an asset management plan for the sewer infrastructure in Oman. The company continues to work with China for the delivery of infrastructure elements and provision of advice.

Shareholder increases capital

On 30 June 2016, the Flemish Environmental Holding (VMH) fully paid up Aquafin's capital for the sum of 37.5 million euros. This increases Aquafin's capital to 248.4 million euros. By allowing the capital to increase as the company grows, the Flemish Region demonstrates its 100% confidence in the company going forward.

Finance in changing market conditions

Aquafin takes out long-term finance for projects delivered to the Flemish Region. Since many of the projects planned for delivery will not be delivered until the end of the year, and the finance is taken out throughout the year, in 2016, Aquafin took out just 115 million euros in finance as a precaution.

Capitalising on the growing interest among investors for SRI issues (Socially Responsible Investments), Aquafin took a Green Bond issue to the market for the second time in 2016. Aquafin raised 40 million euros at a fixed rate, to be redeemed evenly spread over 15 years. Last year, the European Investment Bank (EIB) lent 75 million euros, to be repaid over 30 years.

Banks are increasingly tending to pass on the continuing negative interest rate of the European Central Bank to customers. Aquafin therefore tries to keep funds held in savings accounts as low as possible and to cover liquidity requirements via the commercial paper programme as far as possible. This debt paper is increasingly placed at negative interest rates in the short term.

MAIN EVENTS DURING THE FINANCIAL YEAR

EIB and Aquafin embark on tenth financing agreement

The EIB meets around half of Aquafin's total long-term financing requirements. The cooperation has already lasted for more than 20 years. In February 2017, the two parties signed the agreement for the arrangement of the first 100 million euros tranche under the tenth loan totalling 200 million euros.

During the negotiations about this tenth financing agreement, the emphasis was on the sustainability of the projects for which the finance was required. Aquafin had to demonstrate that at least a quarter of the investment value of these projects allowed for climate change. For example, this is the case for projects where we disconnect stormwater from the sewer system and for optimisation projects which offer better protection against the consequences of climate change. Thus, Aquafin managed to back up this finance application sufficiently.