

# Dexia Crediop

Rome, 15 June 2017 - 12.00

## **Decision of the London Court of Appeal in relation to the proceedings between Dexia Crediop and the Comune di Prato: the Court stated that Dexia was right; derivative contracts are valid**

On 15 June 2017, the London Court of Appeal dismissed Prato's counterclaim and stated that:

- derivative contracts entered into between Dexia Crediop and Comune di Prato in the period 2002 -2006 are valid and binding;
- Prato has full capacity to enter into the derivative contracts;
- the margin applied by the bank to the derivative contracts is necessary to cover its risk and expected costs and the concept of "implicit costs" is unfounded.

This decision follows the decision of the Criminal Court of Prato, which on 31 May 2017 has acquitted, after long proceedings, Dexia and a Dexia's ex-employee, of an alleged fraud against the local entity on the ground that "there was no case to answer" and has ordered to transmit the records of the proceedings to the Public Prosecutor's Office in order to verify a potential charge of perjury against and ex-director of the Comune di Prato.

Jean Le Naour, CEO of Dexia Crediop has declared as follows:

"This decision of the London Court of Appeal put an end to a judicial marathon that last for more than six years, during which the Comune has continuously attempted to avoid its payment obligations due under the contracts, complaining alleged contractual defect and relying on external advices which were wrong and misleading, based on the supposed existence of "implicit costs".

The Comune was also convicted to reimburse Dexia's legal costs, which amounted to various millions of euro, and to pay default interest due to the unilateral decision of the Comune to suspend, lacking a judicial decision, since 2010 payments due under the contracts, causing vast damages to the Comune's finances".

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