CREDIT NUMBER 4942-VN (CREDIT A)
CREDIT NUMBER 4941-VN (CREDIT B)

Financing Agreement

(Da Nang – Quang Ngai Expressway Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Jan. 12 **, 2012**

FINANCING AGREEMENT

AGREEMENT dated Jan. 12, 2012 entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS:

A. the Recipient has requested the Bank to provide assistance towards the financing of the Project and, by an agreement of even date herewith between the Recipient and the Bank ("Loan Agreement"), the Bank has agreed to provide such assistance, on the terms and subject to the conditions provided or referred to therein, in an amount of four hundred seventy million four hundred ninety thousand Dollars ($470,490,000) ("Loan"); and

B. the Recipient and the Association intend, to the extent practicable and subject to the allocation set forth in the table in Section IV.A.2 of Schedule 2 to the Loan Agreement, that the proceeds of the Financing and the Loan will be disbursed in the following order on account of Eligible Expenditures: first the proceeds of Credit A, followed by the proceeds of Credit B, and finally the proceeds of the Loan.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The International Development Association General Conditions for Credits and Grants dated July 31, 2010 ("General Conditions"), as well as the preamble paragraphs above, constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or the Loan Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, credits (collectively, "Financing") in amounts equivalent to the following to assist in financing the Project:

(a) forty six million one hundred thousand Special Drawing Rights (SDR 46,100,000) ("Credit A"); and

(b) forty four million one hundred thousand Special Drawing Rights (SDR 44,100,000) ("Credit B").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to the Loan Agreement.

2.03. (a) The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum. (b) The Association shall, on behalf of the Recipient, withdraw from the Financing Account on each of the Payment Dates, and pay to itself the amount required to pay the Commitment Charge During Construction accrued and payable as at such date, subject to the limit specified in the Loan Agreement on the amount to be so withdrawn.

2.04. (a) The Service Charge payable by the Recipient on the Withdrawn Financing Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum. (b) The Association shall, on behalf of the Recipient, withdraw from the Financing Account on each of the Payment Dates, and pay to itself the amount required to pay the Service Charge During Construction accrued and payable as at such date, subject to the limit specified in the Loan Agreement on the amount to be so withdrawn.

2.05. (a) The Recipient shall pay interest on the amounts of Credit B withdrawn from the Financing Account and outstanding from time to time at the rate of three and one-fifth of one percent (3.20%) per annum. The interest shall accrue from the respective dates on which amounts of Credit B are withdrawn and shall be payable semi-annually in arrears. The interest shall be computed on the basis of a 360-day year of twelve (12) 30-day months. (b) The Association shall, on behalf of the Recipient, withdraw from the Financing Account on each of the Payment Dates, and pay to itself the amount required to pay the Interest During Construction in respect of Credit B accrued and payable as at such date, subject to the limit specified in the Loan Agreement on the amount to be so withdrawn.

2.06. The Payment Dates are April 15 and October 15 in each year.

2.07. The principal amount of the Financing shall be repaid in accordance with the repayment schedule set forth in the Schedule to this Agreement.

2.08. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out its Respective Part of the Project through the Ministry of Transport and cause the Project Implementing Entity to carry out its Respective Part of the Project in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to the Loan Agreement, which are hereby incorporated by reference in this Agreement with the following modifications, unless the context otherwise requires, and which shall apply, *mutatis mutandis*, to the Financing, and the Recipient hereby agrees to comply with such provisions to the same extent as if such provisions had been set out in full in this Agreement:

(i) the term "Borrower" shall be read as "Recipient";

(ii) the term "Loan" shall be read as "Financing";

(iii) the term "Bank" shall be read as "Association";

(iv) the term "General Conditions" shall be read as the "International Development Association General Conditions for Credits and Grants dated July 31, 2010", and its corresponding Sections, with the following modifications:

(A) in Section II.A.1 (a), the reference to Section 5.08 shall be deemed to refer to Section 4.08;

(B) in Sections II.D.1 and 5, the references to Sections 5.09 and 5.09 (b), respectively, shall be deemed to refer to Sections 4.09 and 4.09 (b), respectively;

(v) Section I.B.1 (a) shall be read as follows:

"(a) (i) pay the Recipient a commitment charge on the Project Implementing Entity's pro-rata portion of the Un-withdrawn Financing Balance at the rate payable by the Recipient pursuant to Section 2.03 of the Financing Agreement; (ii) repay the Project Implementing Entity's pro-rata portion of the proceeds of the Financing over a period which shall not exceed thirty-

five (35) years, inclusive of a grace period which shall not exceed ten (10) years; (iii) pay the Recipient a service charge on the Project Implementing Entity's pro-rata portion of the Withdrawn Financing Balance at the rate specified in Section 2.04 (a) of the Financing Agreement; (iv) pay the Recipient interest on the Project Implementing Entity's pro-rata portion of the amounts of Credit B withdrawn from the Financing Account and outstanding from time to time at the rate specified in Section 2.05 (a) of the Financing Agreement; and (v) pay the Recipient on the Project Implementing Entity's pro-rata portion of the Financing on-lending fees of up to 0.20% per annum with respect to Credit A and 0.25% per annum with respect to Credit B; and

(vi) the term "this Agreement" shall be read as "the Financing Agreement".

(b) For greater clarity and the avoidance of doubt, in view of the incorporation of the provisions of Schedule 2 to the Loan Agreement in this Agreement pursuant to Section 3.02 (a) of this Agreement, if the Loan Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Loan Agreement incorporated in this Agreement pursuant to Section 3.02 (a) of this Agreement shall continue in full force and effect between the Recipient and the Association for purposes of this Agreement following and notwithstanding such termination of the Loan Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that the Recipient has failed to perform any of its obligations under the Loan Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

(b) The Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Governor, or a Deputy Governor, of the State Bank of Vietnam.

6.02. The Recipient's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hà Nội
Socialist Republic of Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	84-4-3825-0612

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Hanoi, Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By: 

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: 

Authorized Representative

SCHEDULE

Repayment Schedule

Date Payment Due	Principal Amount of Credit A repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing October 15, 2021 to and including April 15, 2031	1.25
commencing October 15, 2031 to and including April 15, 2046	2.50

Date Payment Due	Principal Amount of Credit B repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing October 15, 2021 to and including April 15, 2031	1.25
commencing October 15, 2031 to and including April 15, 2046	2.50

* The percentages represent the percentage of the principal amount of the respective Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.