



**MENTION**

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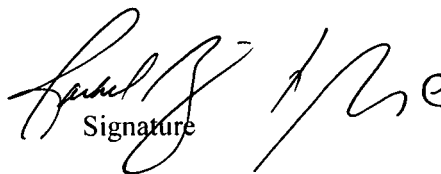
CDO : 1463

Nom de la Société: PSB Finance S.A.  
Siège social: 2, Boulevard Konrad Adenauer, L-1115 Luxembourg  
N° du Registre de Commerce: **B 118687**

**Code d'honneur : 1463**

Le bilan au 31 Décembre 2009  
enregistré à Luxembourg, le  
avec les références  
a été déposé au Registre de Commerce et des Sociétés.

Pour mention aux fins de publication au Mémorial, Recueil Spécial des Sociétés et  
Associations.

  
Signature



**E**

**B118687**

30/06/2010

CDO : 1463

L100093274.02

**PSB Finance S.A.  
Société Anonyme  
R.C.S. Luxembourg B 118.687**

**ANNUAL ACCOUNTS AND REPORT OF  
THE REVISEUR D'ENTREPRISES AGREE**

**DECEMBER 31, 2009**

**PSB Finance S.A.**  
**Société Anonyme**  
**R.C.S. Luxembourg B 118.687**

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To the Shareholders of  
**PSB Finance S.A.**  
**Société Anonyme**  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg

R.C.S. Luxembourg: B 118.687

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### **Report on the annual accounts**

We have audited the accompanying annual accounts of PSB Finance S.A., Société Anonyme, which comprise the balance sheet as at December 31, 2009 and the profit and loss account for the year ended December 31, 2009, and a summary of significant accounting policies and other explanatory notes.

### **Board of director's responsibility for the annual accounts**

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Responsibility of the réviseur d'entreprises agréé**

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

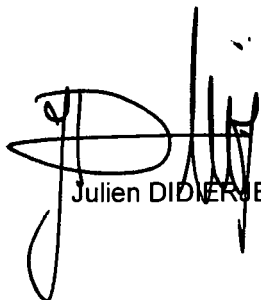
### **Opinion**

In our opinion, the annual accounts give a true and fair view of the financial position of PSB Finance S.A., Société Anonyme as of December 31, 2009 and of the results of its operations for the year ended December 31, 2009 in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### **Report on other legal and regulatory requirements**

The annual report, which is the responsibility of the board of directors, is in accordance with the annual accounts.

**A.A.C.O. S.à R.L**



Julien DIDIEREAN

Luxembourg, June 11, 2010

PSB Finance S.A.  
Société Anonyme  
R.C.S. Luxembourg B 118.687  
**BALANCE SHEET**  
December 31, 2009

<b>A S S E T S</b>	<b>2009 EUR</b>	<b>2008 EUR</b>
<b>FIXED ASSETS</b>		
Financial assets		
Other loans (note 3)	611.759.768	484.670.413
<b>CURRENT ASSETS</b>		
Debtors		
Other debtors (note 4)		
becoming due and payable within one year	15.005.948	29.117.415
Cash at banks	2.377	18.682
	<u>15.008.325</u>	<u>29.136.097</u>
<b>TOTAL ASSETS</b>	<b><u>626.768.093</u></b>	<b><u>513.806.510</u></b>
<b>LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Subscribed capital (note 5)	31.000	31.000
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Provisions for taxation	251.859	130.314
Other provisions	20.861	5.000
	<u>272.720</u>	<u>135.314</u>
<b>CREDITORS</b>		
Bonds		
Non-convertible bonds (note 6)		
becoming due and payable within one year	-	15.000.000
becoming due and payable after more than one year	611.759.768	484.670.413
Other creditors		
becoming due and payable within one year	14.704.605	13.969.783
	<u>626.464.373</u>	<u>513.640.196</u>
<b>TOTAL LIABILITIES</b>	<b><u>626.768.093</u></b>	<b><u>513.806.510</u></b>

The accompanying notes are integral part of these annual accounts.

PSB Finance S.A.  
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**PROFIT AND LOSS ACCOUNT**  
 December 31, 2009

<b>C H A R G E S</b>	<b>2009 EUR</b>	<b>2008 EUR</b>
Other operating charges (note 7)	1.713.904	2.238.621
Other interest payable and similar charges (note 6)	50.665.368	42.064.108
Income tax	136.207	76.195
<b>TOTAL CHARGES</b>	<b><u>52.515.479</u></b>	<b><u>44.378.924</u></b>
 <b>I N C O M E</b>		
Other operating income (note 8)	1.852.949	2.304.627
Income from loans forming part of the fixed assets (note 3)	50.662.530	42.064.108
Interest receivable and similar income	-	10.189
<b>TOTAL INCOME</b>	<b><u>52.515.479</u></b>	<b><u>44.378.924</u></b>

PSB Finance S.A.  
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**NOTES TO THE ANNUAL ACCOUNTS**  
December 31, 2009

**NOTE 1 - GENERAL INFORMATION**

PSB Finance S.A. (hereafter referred to as the « Company ») is a company incorporated under the law of Luxembourg on August 3, 2006 under the legal form of a "Société Anonyme", as a public limited liability company, for an unlimited duration.

The Company's registered office is 2, boulevard Konrad Adenauer, L-1115 Luxembourg and the Company is registered in the Trade Register under number B 118.687 in Luxembourg.

The corporate object of the Company is:

- the issue of loan participation notes or other debt securities for the purpose of financing loans to JOINT-STOCK COMMERCIAL BANK PROMSVYAZBANK (Closed JOINT STOCK COMPANY);
- the granting of loans to JOINT-STOCK COMMERCIAL BANK PROMSVYAZBANK (Closed JOINT STOCK COMPANY);
- the granting of security interests over its assets in relation to the issuance of the loan participation notes or other debt securities; and
- the making of deposits at banks or with other depositaries.

The Company may carry out any transactions, whether commercial or financial, which are directly or indirectly connected with its corporate object at the exclusion of any banking activity.

In general, the Company may carry out any operation which it may deem useful or necessary in the accomplishment and the development of its corporate purpose.

The accounting year begins on January 1st of each year and ends on December 31st of the subsequent year.



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**NOTES TO THE ANNUAL ACCOUNTS**  
December 31, 2009  
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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The Company maintains its books and records in euros (« EUR ») and presents its annual accounts in conformity with generally accepted accounting principles in Luxembourg which include the following significant accounting policies:

*Foreign currency translation*

Assets, except participations, and liabilities stated in other currencies than EUR are translated at the exchange rate prevailing at the balance sheet date. Transactions denominated in other currencies than EUR are translated at the rate prevailing at the transaction date.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized loss is recorded in the profit and loss account.

*Financial assets*

Other loans are valued at purchase price. Value adjustments are made in case of durable depreciation in value according to the opinion of the Board of Directors. So they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

*Debtors*

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised.

*Provisions for liabilities and charges*

At the end of each financial year, consideration is given to the constitution of provision for taxation. Provisions set up in previous years are reviewed and may be written back as extraordinary income if they no longer prove necessary.

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**NOTES TO THE ANNUAL ACCOUNTS**  
December 31, 2009  
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**NOTE 3 - OTHER LOANS**

	<b>2009 EUR</b>	<b>2008 EUR</b>
Gross book value at the beginning of the year	484.670.413	357.094.273
Additions for the year	133.573.766	93.902.592
Foreign exchange differences	(6.484.411)	33.673.548
Gross book value at the end of the year	611.759.768	484.670.413
<b>Net book value at the end of the year</b>	<b>611.759.768</b>	<b>484.670.413</b>

As at December 31, 2009, other loans are as following:

<b>Borrower</b>	<b>Principal amount</b>	<b>Interest rate</b>	<b>Maturity date</b>
PROMSVYAZBANK	USD 225.000.000	8,750 %	October 20, 2011
PROMSVYAZBANK	USD 200.000.000	9,625 %	May 23, 2012
PROMSVYAZBANK	USD 100.000.000	12,50 %	January 31, 2018
PROMSVYAZBANK	USD 150.000.000	10,75 %	July 15, 2013
PROMSVYAZBANK	USD 200.000.000	12,75%	May 27, 2015

As at December 31, 2009, the Company accorded several loans to OPEN JOINT STOCK COMPANY PROMSVYAZBANK, a joint stock company established under the laws of the Russian Federation, for a total amount of USD 875.000.000, appreciated for a total amount of EUR 611.759.768. The interest received for the year 2009 amounts to EUR 50.662.530.

**NOTE 4 - OTHER DEBTORS**

	<b>2009 EUR</b>	<b>2008 EUR</b>
Loan to PROMSVYAZBANK (Series 1)	-	15.000.000
Interests on loans	14.658.570	13.969.782
Arrangement fees receivable	347.378	147.633
	<b>15.005.948</b>	<b>29.117.415</b>

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**NOTES TO THE ANNUAL ACCOUNTS**  
 December 31, 2009  
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On July 1, 2008, the Company accorded a new loan to PROMSVYAZBANK for an amount of EUR 15.000.000. The loan bears fixed interest at a rate of 9.625% per annum. The maturity date is April 1, 2009.

As at April 1, 2009, PROMSVYAZBANK totally repaid the principal amounts and the interests of the loan.

#### NOTE 5 - CAPITAL AND RESERVES

##### a) *Subscribed capital*

The subscribed capital amounts to EUR 31.000 and is represented by 310 shares with a nominal value per unit of EUR 100.

##### b) *Legal reserve*

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

#### NOTE 6 - NON CONVERTIBLE BONDS

	Within one year EUR	More than one year EUR
Gross book value at the beginning of the year	15.000.000	484.670.413
Additions for the year	-	133.573.766
Disposals for the year	(15.000.000)	-
Foreign exchange differences	-	(6.484.411)
<b>Gross book value at the end of the year</b>	<b>-</b>	<b>611.759.768</b>
<b>Net book value at the end of the year</b>	<b>-</b>	<b>611.759.768</b>

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**NOTES TO THE ANNUAL ACCOUNTS**  
 December 31, 2009  
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As at December 31, 2009, the non convertible bonds are as following:

Denomination	Face value outstanding	Issue date	Interest rate	Repayment date
XS0272236489 Senior Loan Participation Notes	USD 225.000.000	October 20, 2006	8,750 %	October 20, 2011
XS0272237370 Subordinated Loan Participation Notes	USD 200.000.000	October 20, 2006	9,625 %	May 23, 2012
XS0343690466 Floating Rate Loan	USD 100.000.000	January 31, 2008	12,50 %	January 31, 2018
XS0375091757 Loan Participation Notes Series 2 MTN	USD 150.000.000	July 15, 2008	10,75 %	July 15, 2013
XS0373509404 Loan Participation Notes Series 1 MTN	EUR 15.000.000	July 1, 2008	9,625 %	Redeemed
XS0469856057 Loan participation Notes	USD 200.000.000	November 27, 2009	12,75%	May 27, 2015

The interest payable of the year 2009 in relation with the notes amounts to EUR 50.662.530.

**NOTE 7 - OTHER OPERATING CHARGES**

	2009 EUR	2008 EUR
Commissions	1.268.951	-
Professional fees	276.144	-
Other administration fees with respect to loans	-	1.877.224
Rating fees	30.413	180.678
Other operating fees	138.396	180.719
	<b>1.713.904</b>	<b>2.238.621</b>

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**NOTES TO THE ANNUAL ACCOUNTS**  
December 31, 2009  
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**NOTE 8 - OTHER OPERATING INCOME**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
Loan arrangement fees	1.383.702	-
Other income	469.247	387.030
Remarketing fees	-	1.917.597
	<u><b>1.852.949</b></u>	<u><b>2.304.627</b></u>