

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the supplementary prospectus following this page (the “**Supplementary Prospectus**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Supplementary Prospectus. In accessing the Supplementary Prospectus you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THE FOLLOWING SUPPLEMENTARY PROSPECTUS CONSTITUTES A PUBLIC OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING SUPPLEMENTARY PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your representation: In order to be eligible to view the Supplementary Prospectus or make an investment decision with respect to the securities, investors must be (i) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) that are also “qualified purchasers” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, or (ii) non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States who are not acting for the account or benefit of U.S. persons. By accepting the email and accessing the Supplementary Prospectus, you shall be deemed to have represented to us that you are a qualified institutional buyer and a qualified purchaser or are outside the United States and not a U.S. person and/or not acting for the account or benefit of a U.S. person.

This Supplementary Prospectus may only be provided to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer. This Supplementary Prospectus constitutes an advertisement for the purpose of the Commission Regulation (EC) No 809/2004 (the “**Prospectus Regulations**”). The final copy of the “prospectus” prepared pursuant to the Prospectus Regulations, will be available from the registered office of the Issuer and the website of the UK Listing Authority (as defined herein).

The Notes are not eligible for placement and circulation in the Russian Federation, unless, and to the extent, otherwise permitted by Russian law. This Supplementary Prospectus and information contained herein do not constitute an advertisement or an offer of, or an invitation to make offers, sell, exchange or otherwise transfer any securities in the Russian Federation or to or for the benefit of any Russian person or entity. It is not intended to be, and must not be, distributed or circulated in the Russian Federation unless and to the extent otherwise permitted under Russian law.

You are reminded that you are accessing the Supplementary Prospectus on the basis that you are a person by whom the Supplementary Prospectus may be lawfully accessed in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Supplementary Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction. Recipients of this Supplementary Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus dated 11 April 2012, as supplemented by this Supplementary Prospectus.

This Supplementary Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, neither PSB Finance S.A., Open Joint-Stock Company Promsvyazbank nor any of the Permanent Dealers, nor any person who controls any of them, nor any director, officer, employee or agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Supplementary Prospectus distributed to you in electronic format and the hard copy version available to you on request from PSB Finance S.A., Open Joint-Stock Company Promsvyazbank or any Arranger or Dealer.



Promsvyazbank

**SUPPLEMENTARY PROSPECTUS NO. 1 DATED 18 APRIL 2012
to the Base Prospectus dated 11 April 2012
U.S.\$3,000,000,000**

Programme for the Issuance of Loan Participation Notes

issued by, but with limited recourse to,

PSB Finance S.A.

for the sole purpose of financing loans to

OPEN JOINT-STOCK COMPANY PROMSVYAZBANK

This Supplementary Prospectus (the “**Supplementary Prospectus**”) supplements the Base Prospectus dated 11 April 2012 (the “**Base Prospectus**”) and constitutes a supplementary prospectus for the purposes of Article 16 of Directive 2003/71/EC of the European Parliament and the Council (the “**Prospectus Directive**”). This Supplementary Prospectus is prepared in connection with the Programme for the issuance of Loan Participation Notes (the “**Programme**”) as described in the Base Prospectus. This Supplementary Prospectus has been prepared to inform investors of significant developments since 11 April 2012, namely, the inclusion of a new risk factor in relation to a beneficial owner of PSB.

This Supplementary Prospectus constitutes a supplement to, and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplementary Prospectus.

Each of the Issuer and PSB accepts responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of each of the Issuer and PSB (having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. PSB’s legal name is Open Joint-Stock Company Promsvyazbank, and the address of PSB’s registered office is Smirnovskaya Street 10, Building 22, Moscow 109052, Russian Federation. The telephone number of the registered office is +7-495-777-1020. The Issuer’s legal name is PSB Finance S.A. The Issuer is registered with the *Registre de Commerce et des Sociétés* in Luxembourg under number B118687. Its registered address is 2, Boulevard Konrad Adenauer, L-1115 Luxembourg. The Issuer may be reached by telephone at +352-421-22-462.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus and (b) any other statement in the Base Prospectus, the statement in this Supplementary Prospectus will prevail. Except as disclosed in this Supplementary Prospectus, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

AN INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION ENTITLED “RISK FACTORS” IN THE BASE PROSPECTUS, AS SUPPLEMENTED BY THIS SUPPLEMENTARY PROSPECTUS.

THE NOTES AND THE CORRESPONDING LOANS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)). THE NOTES MAY BE OFFERED AND SOLD (I) WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“QIBS”), AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), THAT ARE ALSO QUALIFIED PURCHASERS (“QPS”), AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE “INVESTMENT COMPANY ACT”), IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144A (THE “RULE 144A NOTES”) AND (II) TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S (THE “REGULATION S NOTES”). THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE RULE 144A NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” IN THE BASE PROSPECTUS.

The Notes are not eligible for placement and circulation in the Russian Federation, unless, and to the extent, otherwise permitted by Russian law. The information set forth in this Supplementary Prospectus is not an offer of, or an invitation to make offers, sell, exchange or otherwise transfer, the Notes in the Russian Federation or to or for the benefit of any Russian person or entity. Information set forth in this Supplementary Prospectus is not an advertisement of the Notes in the Russian Federation and is not intended to create or maintain an interest in the Issuer or the Notes or to facilitate any sale, exchange or transfer of the Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

This Supplementary Prospectus is only being distributed to and is only directed at persons who are outside the United Kingdom of Great Britain and Northern Ireland (the “**United Kingdom**”); investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); and high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, such persons collectively being referred to as “**relevant persons**.” A Series of Notes issued under the Programme shall only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Series of Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on the contents of this Supplementary Prospectus.

This Supplementary Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, PSB, the Group, the Trustee, the Dealers or the Arrangers (each as defined under “Overview of the Programme” in the Base Prospectus) to subscribe for or purchase any of the Notes. The distribution of this Supplementary Prospectus and the offering of any Notes or sale of any Notes in certain jurisdictions may be restricted by law. The Issuer, PSB, the Group, the Arrangers and the Dealers each require any persons into whose possession this Supplementary Prospectus comes to inform themselves about and to observe any such restrictions. Further information with regard to restrictions on offers and sales of any Notes and the distribution of this Supplementary Prospectus is set out under “Subscription and Sale” in the Base Prospectus.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Supplementary Prospectus. Persons into whose possession this Supplementary Prospectus comes are required by PSB, the Issuer and the Dealers to inform themselves about and to observe such restrictions. Any consents or approvals that are needed in order to purchase any Notes must be obtained. None of PSB, the Issuer, the Arrangers and the Dealers are responsible for compliance with these legal requirements. The appropriate characterisation of any Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Notes, is subject to significant interpretative uncertainties. None of the Issuer, PSB, the Trustee, the Group, the Arrangers or the Dealers or any of the respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment by such offeree or purchaser under relevant legal investment or similar laws. Such investors should consult their legal advisers regarding such matters. For a description of further restrictions on offers and sales of the Notes and distribution of this Supplementary Prospectus, see “Subscription and Sale” in the Base Prospectus.

Neither the delivery of this Supplementary Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, PSB or the Group since the date hereof, or the date upon which this Supplementary Prospectus has been most recently amended or supplemented, or that there has been no adverse change (financial or otherwise) in the condition of the Issuer, PSB or the Group since the date hereof or the date upon which this Supplementary Prospectus has been most recently amended or supplemented. The delivery of this Supplementary Prospectus at any time does not imply that the information set forth in it is correct as of any time after its date. The websites of PSB or any member of the Group do not form any part of the contents of this Supplementary Prospectus.

No person is authorised to provide any information or to make any representation not set forth in this Supplementary Prospectus. Any information or representation not so set forth must not be relied upon as having been authorised by or on behalf of any of the Issuer, PSB, the Trustee, any of the Dealers or Arrangers.

THE DEALERS AND ARRANGERS (OTHER THAN PSB) MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS SUPPLEMENTARY PROSPECTUS, AND NOTHING CONTAINED IN THIS SUPPLEMENTARY PROSPECTUS IS, OR MAY BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. TO THE FULLEST EXTENT PERMITTED BY LAW, NONE OF THE DEALERS OR THE ARRANGERS (OTHER THAN PSB) ACCEPTS ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SUPPLEMENTARY PROSPECTUS OR FOR ANY OTHER STATEMENT, MADE OR PURPORTED TO BE MADE BY THE ARRANGERS OR A DEALER OR ON ITS BEHALF IN CONNECTION WITH THE ISSUER, PSB OR THE GROUP ON THE ISSUE AND OFFERING OF THE NOTES. THE ARRANGERS AND EACH DEALER (OTHER THAN PSB) ACCORDINGLY DISCLAIMS ALL AND ANY LIABILITY WHETHER ARISING IN TORT OR CONTRACT OR OTHERWISE (SAVE AS REFERRED TO ABOVE) WHICH IT MIGHT OTHERWISE HAVE IN RESPECT OF THIS SUPPLEMENTARY PROSPECTUS OR ANY SUCH STATEMENT.

EACH PERSON CONTEMPLATING MAKING AN INVESTMENT IN ANY NOTES ISSUED UNDER THIS PROGRAMME FROM TIME TO TIME MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF PSB AND THE ISSUER AND ITS OWN DETERMINATION OF THE SUITABILITY AND RISKS OF ANY SUCH INVESTMENT, WITH PARTICULAR REFERENCE TO ITS OWN INVESTMENT OBJECTIVES AND EXPERIENCE AND ANY OTHER FACTORS WHICH MAY BE RELEVANT TO IT IN CONNECTION WITH SUCH INVESTMENT.

ANY NOTES ISSUED UNDER THIS PROGRAMME HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE OR WILL ANY OF THE FOREGOING AUTHORITIES PASS UPON OR ENDORSE THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS SUPPLEMENTARY PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

RISK FACTORS

Investment in the Notes involves a high degree of risk. Prospective investors should consider carefully, among other things, the risks set forth in the section “Risk Factors” of the Base Prospectus, supplemented as described below, and the other information contained in the Base Prospectus, as supplemented by this Supplementary Prospectus prior to making any investment decision with respect to the Notes. The risks highlighted in the Base Prospectus and below could have a material adverse effect on PSB’s and/or the Group’s business, financial condition, results of operations or prospects, which, in turn, could have a material adverse effect on its ability to service payment obligations under any Loan Agreement and, as a result, the debt service on any Series of Notes. In addition, the value of the Notes could decline if any of these risks materialise, and the Noteholders may lose some or all of their investment. Prospective investors should note that the risks described in the Base Prospectus, as supplemented by this Supplementary Prospectus are not the only risks the Group faces. The Group has described only the risks it considers to be material. However, there may be additional risks that the Group currently considers immaterial or of which it is currently unaware, and any of these risks could have the effect set forth above.

Speculations or allegations about one of the beneficial owners of PSB may harm our reputation or impact the market price of PSB’s securities

Recently mass media in Russia published articles which refer to certain allegations made against Mr Dmitry Ananiev, one of PSB’s beneficial owners, by the Chairman of the Supervisory Board of OJSC Cryogenmash, a Russian company. His allegations suggest that Mr Dmitry Ananiev was involved in tax evasion with respect to the operations of OJSC Cryogenmash during the years 2005-2008, which came to light following the completion of a tax audit by the Russian Tax Service. Mr Dmitry Ananiev sold his ownership interest in OJSC Cryogenmash in February 2008. OJSC Cryogenmash was not part of the Group. Mr Dmitry Ananiev has informed PSB that such allegations are false and he strongly refutes them. PSB has not conducted any independent investigation regarding such allegations. In Russia, the local and international press generate, from time to time, speculative reports that contain allegations about Russian companies or individuals, irrespective of whether those allegations have any basis in fact. Furthermore the Russian press have been, from time to time, suspected of publishing biased articles and reports in return for payment. Any negative publicity involving PSB’s beneficial owners, even if such information is false and inaccurate, or investigations or charges brought against PSB’s beneficial owners, even if unfounded, could have a material adverse affect on our reputation, business, financial condition or the value of the Notes.