

Prokhorov Expands Banking Into Cell Phone Stores

By [The Moscow Times](#)

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A Svyaznoi retail outlet in Moscow

Billionaire Mikhail Prokhorov's Onexim Group is considering buying a 50 percent stake in cell phone retailer Svyaznoi in a deal that will allow the former to expand its banking services.

Prokhorov is already in talks with Svyazoi owner Maxim Nogotkov, who has been looking for a strategic investor for his company for the last two years, Kommersant reported Friday.

A preliminary agreement has been reached where Nogotkov will retain the second half of his company and will oversee development of its retail business, a source close to the businessmen said.

The deal will involve Svyaznoi's two major businesses — a chain of cell phone stores and Svyaznoi Bank. The company also owns online retailer Enter and the jewelry chain Pandora.

The sides involved in negotiations declined to officially comment on the purchase.

The deal, if closed, will enable Onexim Group to provide banking services through the chain of over 3,000 cell phone stores that Svyaznoi operates across Russia. Expanding into the stores would give Onexim's banking business the second largest number of offices after Sberbank.

Sberbank has over 18,000 offices in Russia, currently followed by Vostochny Express Bank with about 2,000 offices.

Onexim Group's financial business includes retail bank Renaissance Credit, investment bank Renaissance Capital and the insurance company Soglasiye.

In May, media reports said that Nogotkov asked businessman Leonard Blavatnik to buy a 30 percent stake in Svyaznoi's businesses. Nogotkov expected to raise nearly \$200 million from the deal through an additional share issue, Vedomosti reported at the time.

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