

GE to sell banking division in 12-billion-dollar deal

Washington (dpa) - General Electric announced plans to sell its US sponsor finance business unit and a 3-billion-dollar bank loan portfolio to a Canadian pension plan in an estimated 12-billion-dollar transaction.

The sale of the business unit, which offers financing for private equity firms, should be completed by the third quarter, GE said Tuesday.

The sponsor finance business is principally made up of Antares Capital. According to a GE statement, the Canada Pension Plan Investment Board will retain the Antares Capital brand and management team.

The sale follows GE's announcement in April of plans to refocus on its industrial holdings and shed most GE Capital units within two years. Some major assets including a multi-billion dollar real estate portfolio have already been sold.

GE Capital chairman and chief executive Keith Sherin described the sale as "an important milestone" in the refocusing strategy.