
GE To Sell Healthcare Financial Services U.S. Lending Business To Capital One

GE has announced that it has reached an agreement to sell \$8.5 billion of healthcare-related loans and its Healthcare Financial Services (HFS) U.S. lending business to Capital One for approximately \$9 billion. Separately, GE has signed an agreement with another buyer to sell approximately \$600 million of HFS real estate equity investments.

"This transaction is another example of the value generated by GE Capital's strong businesses and exceptional teams as we continue to demonstrate speed and execute on our strategy to sell most of the assets of GE Capital," said Keith Sherin, GE Capital chairman and CEO. "We are on track to reduce our ending net investment (ENI) by \$100 billion by the end of 2015 and expect to be substantially done with our exit strategy by the end of 2016," he added.

GE Capital, Healthcare Financial Services provides financing to U.S. healthcare companies, sponsors, investors and developers across various healthcare sectors including senior housing, hospitals, medical offices, outpatient services, pharmaceuticals and medical devices. Darren Alcus, president and CEO of HFS, will join Capital One. Capital One also will retain the HFS management team and employees.

"We're pleased to sell HFS to a company that is committed to expanding the business," said Sherin. "Our customers, sponsors and HFS employees will benefit from the synergies of combining Capital One's existing healthcare lending businesses with the expertise, relationships and experience of our highly-regarded HFS team."

As previously announced, GE is embarking on a strategy to focus on its high-value industrial businesses and is selling most GE Capital assets. GE and its Board of Directors have determined that market conditions are favorable to pursue disposition of these assets.

GE Capital will retain the financing "verticals" that relate to GE's industrial businesses, including a unit that provides healthcare equipment financing to GE Healthcare customers and others.

When completed, the transaction, which represents about \$8.4 billion of ENI (\$8.5 billion of assets), will contribute approximately \$1.5 billion of capital to the overall target of approximately \$35 billion of dividends expected to GE under this plan (subject to regulatory approval). GE is on track to reduce total ENI at GE Capital by about \$100 billion by year end. With this transaction, the total for announced sales is approximately \$78 billion.

Sherin concluded, "This announcement is the next step in GE's transformation to a more focused industrial company."

The transaction is subject to customary regulatory and other approvals and is expected to close in the fourth quarter of 2015. Citigroup Global Markets Inc. and J.P. Morgan Securities LLC provided financial advice to GE and Hogan Lovells US LLP provided legal advice.

Source: [GE Newsroom](#)

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