

## **Wells Fargo's CFO says locations may be closed, consolidated**

*Dakin Campbell*

Wells Fargo & Co., the most valuable U.S. lender, may close or consolidate outlets as it examines ways to trim costs, according to its chief financial officer.

Wells Fargo could shut branches near each other or move some wealth-management or mortgage employees into those offices, Timothy Sloan said today at a New York investor conference.

"There are obviously some regulatory issues that you need to be mindful of when you combine a securities business and a deposit-taking business," Sloan told analysts who follow the San Francisco-based company. "But from time to time, we are clearly going to look at opportunities to consolidate."

Banks including Wells Fargo have fallen short in efforts to replace revenue lost to new financial rules such as those capping debit-card interchange fees. Chief Executive Officer John Stumpf has announced plans to trim \$1.5 billion in quarterly costs by the end of this year. Sloan affirmed the goal while saying first-quarter expenses will remain elevated.

Wells Fargo has completed converting the former Wachovia Corp. network to its own brand, Sloan said, giving the bank 6,239 retail branches, 1,375 retail brokerage offices and 725 mortgage locations at the end of 2011, according to today's presentation. That outpaces Bank of America Corp. for the largest U.S. network of outlets.

### Retail Presence

"We continually make decisions on how best to increase the efficiency of our networks, which is focused on how to best serve our customers and meet their financial needs," Wells Fargo spokesman Ancel Martinez said in an e-mailed statement. "While we may streamline or even expand our offices and stores in business areas such as in mortgage and brokerage and within various geographical locations, we certainly have no plans to reduce our retail presence."

The lender closed 638 branches in 2010, when it decided to shutter its consumer-finance unit, Wells Fargo Financial, according to a July 6, 2010 statement. At the time of the announcement, the bank said it had 6,600 Wachovia and Wells Fargo branches, and 2,200 mortgage offices. The staff totals about 264,000.

Bank of America closed 154 branches in 2011, according to its fourth-quarter presentation, and ended the year with about 5,700 branches. The Charlotte, North Carolina-based lender told the Federal Reserve in June that it could reduce branches to bolster finances in an emergency, a person briefed on the discussions said earlier this year.

### More Branches

JPMorgan Chase & Co., the largest U.S. bank by assets, is expanding its network. The New York-based company said it may open 900 "potential" new branch buildings in 2012, especially in California, Florida and Atlanta. JPMorgan had 5,508 branches at the end of the year, an increase of 240 from 2010, according to the fourth-quarter earnings statement

Wells Fargo gained 1 percent to \$30.41 as of 4:15 p.m. in New York. The company has the biggest market value among U.S. lenders at about \$160 billion and ranks first in home lending and mortgage servicing. The retail brokerage ranks third by number of financial advisers, according to the company.

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