
Wells Fargo reports wagon-load of income

By Editor Test Thu, Oct 18, 2012

The firm reported \$1.2 trillion in retail brokerage assets, \$199 billion in wealth management client assets, accounts, \$295 billion in IRA assets, and \$260 billion in institutional retirement plan assets.

Wells Fargo & Co. reported net income of \$4.9 billion for the third quarter, up 27% from the prior quarter and up 22% from 2011, the company reported, noting that it had achieved six consecutive quarters of record net income and earnings per share.

The company's Wealth, Brokerage and Retirement division reported net income of \$338 million, down \$5 million from second quarter 2012. Revenue (\$3.0 billion, up 2% from 2Q 2012) benefited from \$45 million in gains on deferred compensation plan investments. Net income rose \$48 million from 3Q 2011.

Excluding deferred compensation, revenue was down one percent primarily due to lower net interest income and reduced securities gains in the brokerage business, partially offset by growth in managed account fee revenue.

Total provision for credit losses decreased \$7 million from second quarter 2012 and \$18 million from third quarter 2011. The provision in both periods included a \$10 million credit reserve release. Noninterest expense increased 3% from 2Q 2012 related to higher deferred compensation plan expense.

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