

Los Angeles Times

Circulation:
1,164,388 DAILY/1,531,527

APRIL 28, 1992
THE TIMES MIRROR COMPANY/CC*/140 PAGES

DAILY 35¢
DESIGNATED AREAS HIGHER

World Savings Turns in Strong Performance

■ Top-Performing Golden West Financial Sticks to the Basics.

In a year in which California banking was turned upside down, it is perhaps fitting that the state's top-performing financial institution is a savings and loan run by a husband-wife team with an unexciting home loan business and no automated teller machines at its branches.

Indeed, Golden West Financial, parent of World Savings & Loan, is one of the most conservatively run institutions in the nation and has resisted most trendy investments and technological changes. Yet it was the only major publicly traded bank or thrift in California to post a return on average assets exceeding 1%. A 1% return, considered a benchmark of excellence in the industry, means the company earned \$1 for every \$100 in loans and other assets.

World's performance looks especially strong compared to that of its competitors. For the most part, 1991 turned out to be a forgettable year for California banks and thrifts. As a group, California's commercial banks earned only \$651 million last year - and were in the red the last two quarters of the year - with a return on assets of just 0.19% according to the Federal

Reserve Bank of San Francisco. Nearly one-third of the top 25 publicly traded major banks finished the year in the red.

Golden West Chairman Herbert M. Sandler, who runs the Oakland based firm with his wife, Marion, said there is no secret to the thrift's accomplishment. He attributes it to the long-held policies of not taking needless chances, sticking to high-quality borrowers, watching expenses and building a large

cushion of capital to protect against losses. The Sandlers do not make commercial real estate loans, which can be risky, and they do not fly around in a corporate jet.

"Nothing has changed," Sandler said. "It's a long-term philosophy."

Peter Treadway, thrift analyst with Smith, Barney Harris Upham, described the Sandlers as "very risk-averse" executives who adhere to a simple, focused business plan. He added that the simplicity of World's branches, marked by the lack of such things as ATMs, helps keep costs low. World has 113 branches in California. It also has branches in Arizona, Colorado, Florida, Kansas, New Jersey, Ohio and Texas.

"World's performance looks especially strong compared to that of its competitors"

TOP 25 BANKS AND S&L'S IN CALIFORNIA

(Ranked by income as a percentage of assets.)

Rank	Company	% Return On Avrg. Assets
1	Golden West Financial Corp.	1.02
2	BankAmerica Corp.	.99
3	FirstFed Financial Corp.	.90
4	Westamerica Bancorporation	.88
5	Sumitomo	.85
6	Great Western Financial	.75
7	Westcorp	.75
8	California Financial Holding	.69
9	Downey Savings & Loan Assn.	.63
10	Union Bank	.55
11	H.F. Ahmanson & Co.	.50
12	Coast Savings Financial Inc.	.44
13	SF Fed	.44
14	Bay View Capital Corp.	.35
15	Imperial Bancorp	.07
16	Citadel Holding Corp.	.05
17	Wells Fargo & Co.	.04
18	Homestead Financial	<.06>
19	Pacific Western Bancshares	<.40>
20	Glenfed Inc.	<.44>
21	City National Corp.	<.45>
22	First Interstate Bancorp	<.57>
23	CalFed Inc.	<.61>
24	Security Pacific Corp.	<.96>
25	UnionFed Financial Corp.	<3.38>



WORLD SAVINGS®
Our Strength Is Your Security.™