

# THE WALL STREET TRANSCRIPT

MONDAY, JUNE 25, 1990

## World's Sandlers Take Industry's Top Honors For 'Tradition of Excellence and Integrity'

THE WALL STREET TRANSCRIPT's test of the performance of a Chief Executive Officer is this: To what extent has the CEO taken proper steps to enhance the overall value of the enterprise . . . ?



*Marion O. Sandler*



*Herbert M. Sandler*

**“. . . they just run the best S&L shop there is.”**

THE WALL STREET TRANSCRIPT names Herbert M. Sandler, Chairman and Chief Executive Officer and Marion O. Sandler, President and Chief Executive Officer of **World Savings** as the gold award winners in the savings and loan industry.

Once again, **World** takes top honors, as this team has advanced a tradition of excellence and integrity in a volatile and demanding business. One of the largest saving and loan institutions in the nation, **World** has expanded methodically and selectively,

applying exacting investment criteria to each and every candidate. This company's market development program is equally rigorous, as management has absolutely refused to compromise asset quality, overextend resources or dissipate shareholder value. Operations is yet another forte here and **World's** are impeccable.

The Sandlers' unique ability to meld the judicious and the dynamic in designing a long term strategic philosophy has distinguished **World** as the hallmark of this industry.

A clearly defined strategic premise is the key here, asserts one Wall Streeter. "I look at these companies over a long period of time to evaluate them. I see here a consistent management philosophy followed through thick and thin. This company doesn't change direction at the whims or the fads. **World** runs a very tight ship. The expense ratios here are very, very low. The company does not try to be everything to everybody, but offers selected products and services to the customer base. Management targets specific markets and executes.

"For the future, I don't think that the Sandlers are looking to change their strategy at all. They are looking to take advantage of some of these thrifts that have gone into receivership, trying to acquire market positioning looking to improve market share."

Superior asset quality has set this company apart. "In this industry, asset quality is paramount. Measure performance against the rest of corporate America. The Sandlers are actually making returns that are competitive or better than the rest of corporate America. The emphasis is on asset quality and costs. That's the secret. They have very little in the way of non-performing assets, because they simply concentrate on low-risk loans. Then they process as efficiently as possible and keep costs down. This company has grown dramatically through acquisition. They've been very good acquirors and integrators of other institutions."

A colleague concurs. "They offer CDs and they offer home mortgages.

They concentrate on those businesses, organize all of the company's efforts around those two businesses and execute extremely efficiently and conservatively. Even in commodity businesses, the key is to continually keep your eye on the ball."

The Sandler's strict attention to the fundamentals was praised by a long time follower of this group as well. "I think they just run the best S&L shop there is. They're very focused. They stay out of trouble. They operate in an extremely efficient way. And, they're very shareholder oriented. There's not much more you can ask for. Over the past year, the rise in core profitability has been crucial. For the future, I think

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**"... World has the best management in the industry ..."**

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the best way to position a bank is to make it profitable today. I think too many focus on pie in the sky strategies. If a lot more of these managements

tended to their knitting on a day to day basis, I think we'd all be better off. The Sandler's do just that."

**World** is, by far, the frontrunner in this industry, maintains a specialist, but this pro feels that the nature of the competition is changing. "**World** has the best management in the industry, by far amongst the large players. They've kept pace with all the changes. They've led the charge. They're in a very fine position to continue to benefit shareholders in the future."

Management's foresight has made the difference, asserts an industry expert. "They do everything right. We have tight cost controls here. We see a perception of the trends years ahead of the pack. For example, they built up capital at a time before capital was going to be absolutely necessary. Now **World** has more than enough and is able to take advantage of the opportunities provided by FIRREA. They've managed to build a great growth company in a commodity industry. Look at the 20 year earnings per share growth record. The Sandler's own 15 percent of the company, which focuses their attention. It's an entrepreneurial, rather than a corporate orienta-

tion. I think they live and breathe the business."

To an investment advisor, **World** has set the standard for this industry. "Well, I've got a simple rule of thumb.

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**"... they analyzed the fundamentals correctly, decades ago ..."**

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I list all of the strategies and tactics of the Sandler's and, any time I visit another S&L, if it has any strategy or tactic that deviates from the Sandler's, that's a black mark. I think the key is that they're two business people who happen to be the owners, if you will, of an S&L. They could have done very well in any industry. But, what makes them so successful in this industry is that they analyzed the fundamentals correctly, decades ago, and aligned this institution to take advantage of those underlying fundamentals. I think that they've created a company that's a paradigm of a successful depository institution of the 1990s."



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