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Golden West Voted 'Best-Run' Thrift

PORT CHESTER, N.Y. — In a comprehensive poll of sell-side security analysts specializing in savings & loan stocks, Golden West Financial was rated the industry's "best managed" company.

The poll, which is one of a series featuring selected industry groups was conducted by the research editor of Nelson Publications. Results of the polls are reported in each issue of *Research Monthly*.

According to S&L analysts, it's no surprise that **Golden West Financial** (GDW/NYSE) came out on top of the "best-managed" survey. Golden West, holding company for World Savings & Loan Association, is "one of about ten thrifts that are really followed," says one II 'All-American' team member. "And it's the only entrepreneurial company in the industry, with a clear commitment to maximizing shareholder returns."

Internal cost controls and an expanding, high-quality mortgage portfolio have contributed to the California-based company's strong earnings



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President

record over the past two years. Most recently, Golden West weathered Black Monday with "nary a scratch," in the investment community's view. In addition to the general "flight to quality," analysts are currently looking favorably on companies likely to do well in the slower-growth economy now expected for 1988. E.F. Hutton, for example, has added the California thrift to its emphasis list.

Although likely to benefit from lower interest rates ahead, Golden West is most often cited for maintaining a steady course despite changes in

the economy. "Their strategy is to run a very streamlined business, concentrating on mortgage activities and traditional retail banking," notes Joseph A. Jolson of Montgomery Securities.

"Golden West is clearly the most focused," adds Tom Klingenstein of Wertheim & Co. "When many other S&Ls were diversifying, Golden West stuck most closely to its knitting, expanding geographically rather than into new businesses."

Marion and Herbert Sandler, the husband-and-wife team heading the company, are also its founders and principal owners. That fact also has a lot to do with Golden West's success, according to some research professionals. "Golden West is well-run because it's the only publicly-traded company run by its largest shareholders, and it's been like that since 'day one,' says one top analyst. "They manage better because it's their money. Their entire net worth, aside from homes and other investments, is in the company and in the price of the stock."