

THE WALL STREET TRANSCRIPT

MONDAY, JUNE 15, 1992

Golden West Financial, Gold Award Winner for Four Straight Years.

Golden West emerged for the fourth consecutive year as the gold award winner among savings and loans and other residential mortgage financing companies.

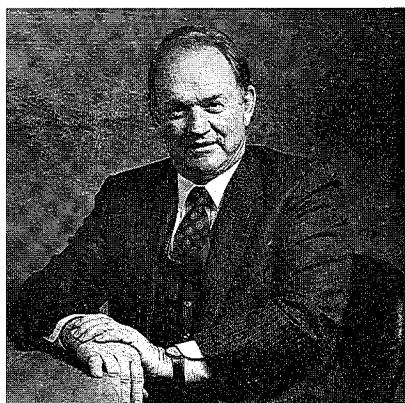
OFFICE OF THE CHAIRMAN



Herbert M. Sandler



Marion O. Sandler



James T. Judd



Russell W. Kettell

“One of the best balance sheets in the business.”

In an industry rocked by controversy and a turbulent economy, this company's performance stands out in sharp contrast. The latest fad or

frenzy has never dictated strategy to Golden West, an institution that has absolutely refused to compromise asset quality or financial integrity.

Exacting investment and operations guidelines have always been Golden West hallmarks, guidelines which have propelled this company's growth and profitability to record levels. Golden West has consistently achieved the highest returns on assets and equity amongst its peers.

A specialist states, “I would cite this company's outstanding performance over the years and management's ability to control costs and to focus on a strategic direction.”

The mandate here has always been clear and concise, maintains a long time follower of the group. “This is a basic, simple, commodity business. You have to execute very diligently to make decent returns, and you have to execute consistently to make those returns over time. They do both. Golden West is diligent and disciplined. They understand this business. They understand that costs are the name of the game. They understand the need for a risk averse philosophy.”

This team has certainly taken a hard line on the fundamentals, notes a buy sider, “This team has stuck to the basics, to residential lending. Golden West didn't get into commercial lending, and hasn't had that much of a problem with asset quality. And, management kept expenses down to very low levels. This company meets all of the capital requirements. Expenses are the lowest amongst the large-sized companies. Management owns a lot of the stock and spends every penny like it was the last penny. They really are tough on expenses.”

A colleague continues, “This team is running an operation that is much more efficient than the competition in

Please see other side



WALL STREET TRANSCRIPT, JUNE 15, 1992

Continued from side one

the banking and thrift industry. As long as I've followed the company, Golden West has been an outstanding company.

"In the '90s, Golden West has tremendous opportunity—to continue to embarrass the competition. The same formula; the same market. The mortgage market is the largest financial market in the world. There's no reason to change anything here.

"Now, the banks and thrifts have experienced a tremendous competitive loss to money managers, Federal agencies, and to the mortgage banking industry. Golden West is a savings and loan, but it is one of the strongest in the industry and continues to thrive. There is a challenge to the depository industry, the banks and thrifts in aggregate, and therefore to Golden West. But Golden West's investment merit is not likely to be impacted in the near future."

To one Wall Streeter, Golden West's future looks quite secure. "This company can almost exclusively write residential mortgages, and earn good profits and good returns for shareholders. Many, on a

longer-term basis, question whether or not this is going to be a viable business. I can tell you one thing. Mortgages aren't buggy whips. They're not going away. This is going to continue to be a viable product. And there is always room for a company that can deliver efficiently and profitably. Golden West has been able to do just that."

The excellent depth of management at this institution may not be apparent, in the opinion of an industry expert, "Herb and Marion Sandler have built an excellent management team and that doesn't seem to be recognized very well. There is real depth there. This team lives and breathes the company. The Sandlers own a big piece of Golden West, built the company brick by brick through mergers and through internal growth. Underwriting standards are strictly disciplined and operations are lean and mean."

A strong financial position will be a distinct advantage in a consolidating industry, asserts an analyst, "One of the best balance sheets in the business. They are very careful with credit. Through the '80s, they

were very diligent in keeping expenses under control. They didn't pay up for deposits. They identified the markets that they wanted to serve. They priced mortgages correctly. So, Golden West is now in a position to acquire assets from other troubled institutions on a very excellent basis for shareholders. They have the capital to make the opportunistic acquisitions."

Golden West has set some very high standards for this industry, concludes an investment advisor, "Look at asset quality, cost control, service delivery. This team just adheres to the fundamentals. Through the 1980s, when other balance sheets ballooned, Golden West maintained tried and true disciplines. All of a sudden, this bank emerged from this prolonged downturn with capital intact, liquid earnings, and strong prospects for the next four to five years.

"This team has identified what types of products to deliver, and by focusing on a smaller range of products, has been able to deliver very excellent services. This is not all things to all people."