



# Stock Selection Guide®

The most widely used aid to good investment judgment

Company	FIFTH THIRD BANCORP	Date	03/18/05
Prepared by	MG	Data taken from	NAIC Data
Where traded	NASDAQ	Major product/service	Regional Ba
CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	9.0	% Insiders	% Institution
Common (M Shares)	557.6	20.0	47.3
Debt (\$M)	24,009.0	% to Tot.Cap.	72.9
		% Potential Dil.	None

## 1 VISUAL ANALYSIS of Sales, Earnings and Price

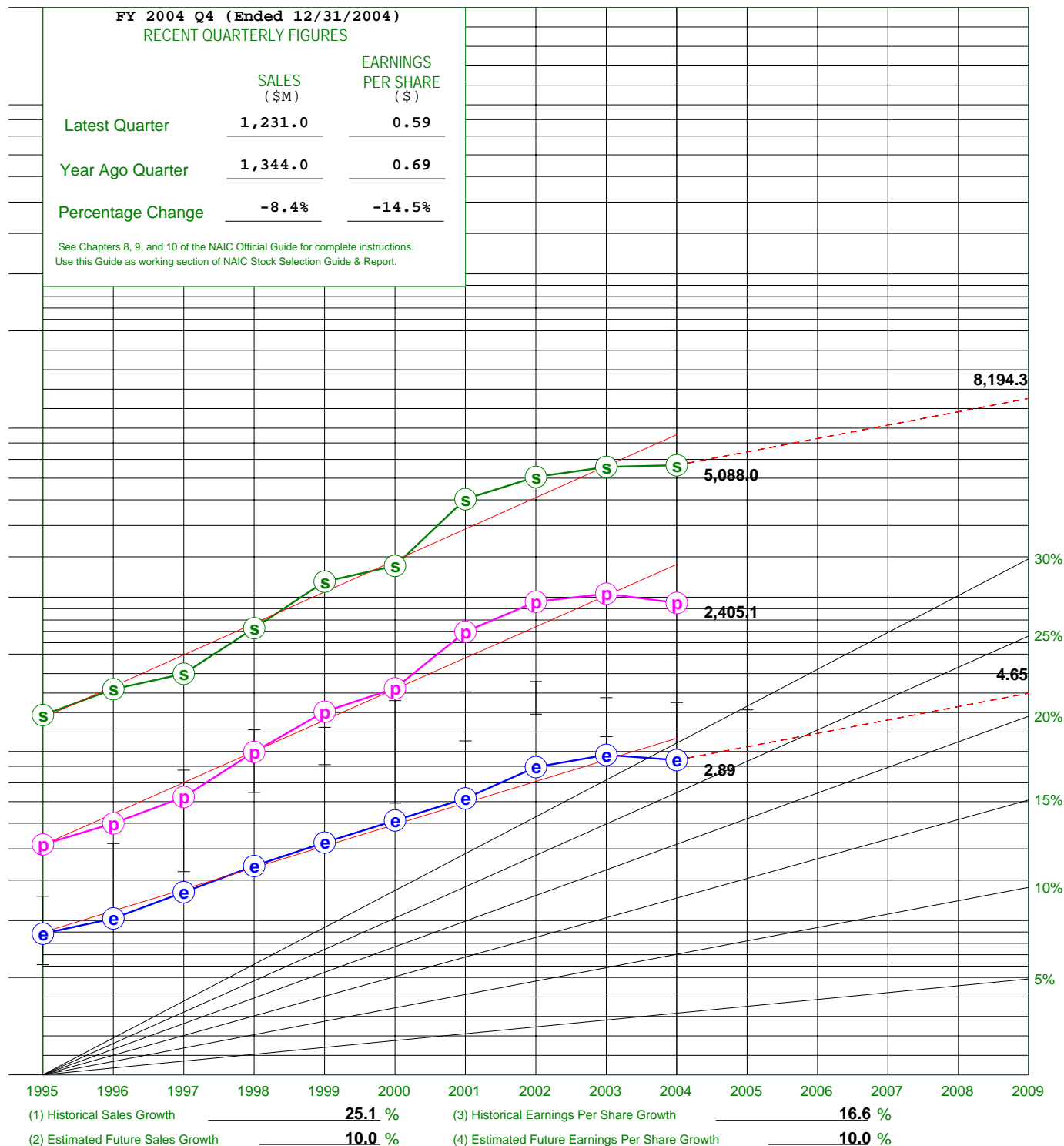
FTB

FY 2004 Q4 (Ended 12/31/2004)

RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	1,231.0	0.59
Year Ago Quarter	1,344.0	0.69
Percentage Change	-8.4%	-14.5%

See Chapters 8, 9, and 10 of the NAIC Official Guide for complete instructions.  
Use this Guide as working section of NAIC Stock Selection Guide & Report.



Printed: 03/20/05 06:10 PM Prepared by: MG Using The NAIC Investor's Toolkit

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND	
													UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	50.1	48.5	52.4	52.2	49.9	52.6	49.0	51.8	51.1	47.3	50.4		DOWN
B	% Earned on Equity (E/S ÷ Book Value)	16.5	15.6	17.3	17.1	18.3	17.9	16.8	18.7	20.0	18.1	18.3		EVEN

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PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		42.370	HIGH THIS YEAR		57.000	LOW THIS YEAR		42.370
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100	
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C				
1	2000	60.9	29.3	1.88	<del>32.4</del>	<del>15.6</del>	0.700	37.2	2.4	
2	2001	64.8	45.7	2.20	<del>29.4</del>	<del>20.8</del>	0.830	37.7	1.8	
3	2002	69.7	55.3	2.75	25.3	20.1	0.980	35.6	1.8	
4	2003	62.2	47.1	3.00	20.7	15.7	1.130	37.7	2.4	
5	2004	60.0	45.3	2.89	20.8	15.7	1.310	45.3	2.9	
6	TOTAL		222.7		66.8	51.5		193.5		
7	AVERAGE		44.5		22.3	17.2		38.7		
8	AVERAGE PRICE EARNINGS RATIO			19.8	9	CURRENT PRICE EARNINGS RATIO			14.7	

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Proj. P/E [13.33] Based on Next 4 qtr. EPS [3.18]      Current P/E Based on Last 4 qtr. EPS [2.89]

EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 22.3 20.8 X Estimate High Earnings/Share 4.65 = Forecast High Price \$ 96.7  
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 17.2 15.7 X Estimated Low Earnings/Share 2.89 = \$ 45.4  
(3E7 as adj.)  
(b) Avg. Low Price of Last 5 Years = 44.5  
(3B7)  
(c) Recent Severe Market Low Price = 42.4  
(d) Price Dividend Will Support Present Divd. = 1.400 = 48.4  
High Yield (H) 0.029  
Selected Estimate Low Price \_\_\_\_\_ = \$ 45.4  
(4B1)

C ZONING

96.7 High Forecast Price Minus 45.4 Low Forecast Price Equals 51.3 Range. 1/3 of Range = 12.8  
(4A1) (4B1) (C) (4CD)  
(4C2) Lower 1/3 = (4B1) 45.4 to 58.2 (Buy) Note: Ranges changed to 25%/50%/25%  
(4C3) Middle 1/3 = 58.2 to 83.9 (Maybe)  
(4C4) Upper 1/3 = 83.9 to 96.7 (4A1) (Sell)

Present Market Price of 42.370 is in the Buy Range  
(4C5)

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 96.7 Minus Present Price 42.370  
Present Price 42.370 Minus Low Price (4B1) 45.4 = 54.3 = 99.9 + To 1  
-3.0 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 96.7  
Present Market Price 42.370 = ( 2.282 ) X 100 = ( 228.2 ) - 100 = 128.2 % Appreciation  
(4E)

Relative Value: 74.2% Proj. Relative Value: 67.3%

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5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.  
A Present Full Year's Dividend \$ 1.400  
Present Price of Stock \$ 42.370 = 0.033 X 100 = 3.3 Present Yield or % Returned on Purchase Price  
(5A)

B AVERAGE YIELD OVER NEXT 5 YEARS  
Avg. Earnings Per Share Next 5 Years 3.85 X Avg. % Payout (3G7) 38.7 = 149.0 = 3.5 %  
(5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E)	<u>128.2</u>			P.A.R.		Tot. Ret.
5		<u>25.6</u>	%	Average Yield	<u>2.1</u>	<u>1.9</u>
Average Yield (5B)		<u>3.5</u>	%	Annual Appreciation	<u>14.9</u>	<u>17.9</u>
Average Total Annual Return Over the Next 5 Years (5C)		<u>29.1</u>	%	% Compd Ann Rate of Ret	<u>17.0</u>	<u>19.8</u>