



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company	FIFTH THIRD BANCORP		Date	06/19/06	
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)	556.5	20.0	47.4		
Debt (\$M)	22,933.0	% to Tot.Cap.	70.8	% Potential Dil.	None

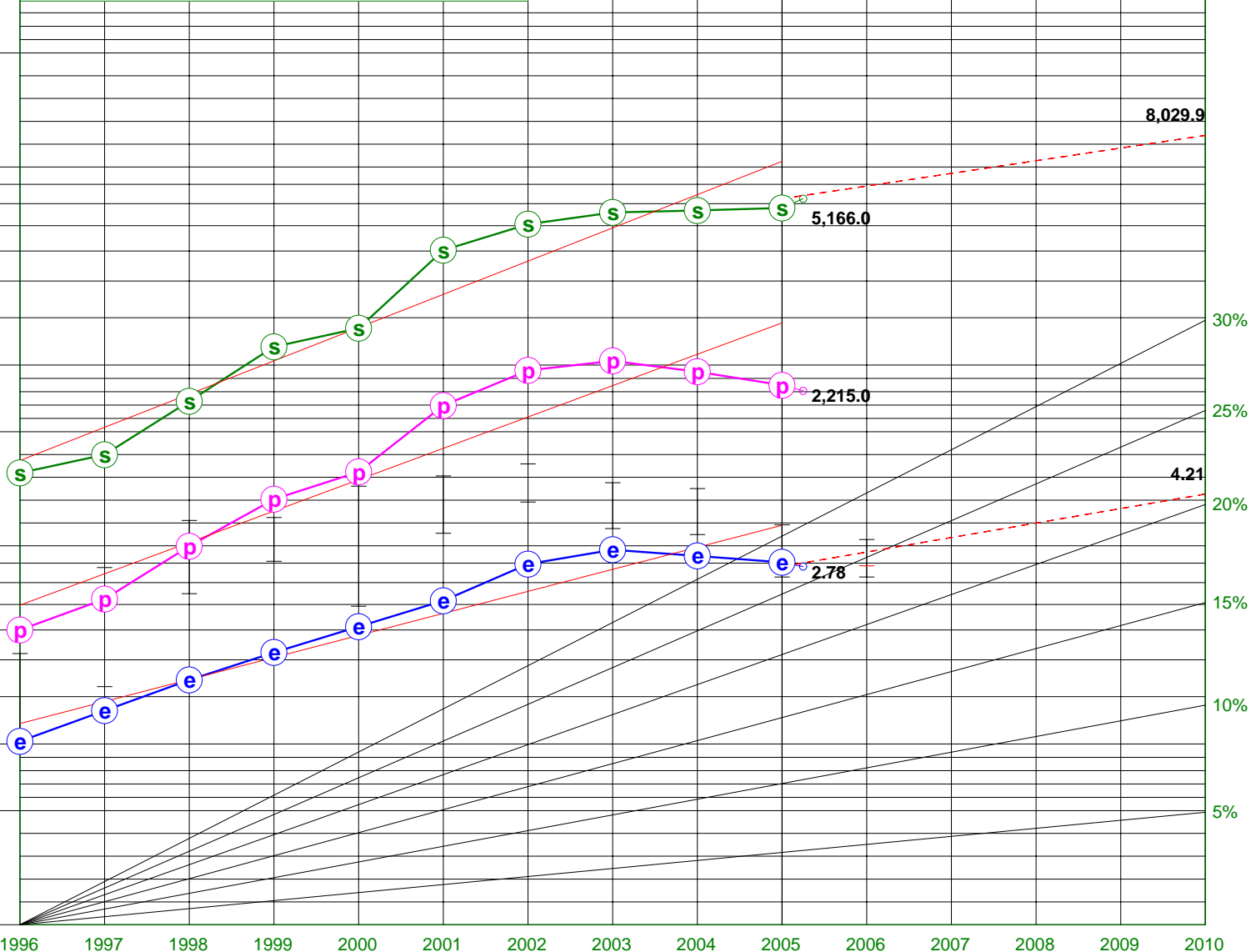
1 VISUAL ANALYSIS of Sales, Earnings and Price

FITB

FY 2006 Q1 (Ended 3/31/2006)
RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	1,335.0	0.65
Year Ago Quarter	1,366.0	0.73
Percentage Change	-2.3%	-11.0%

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



(1) Historical Sales Growth	22.4 %	(3) Historical Earnings Per Share Growth	14.3 %
(2) Estimated Future Sales Growth	8.0 %	(4) Estimated Future Earnings Per Share Growth	9.2 %

2 EVALUATING MANAGEMENT

Company

FIFTH THIRD BANCORP

(FITB)

06/19/06

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	48.5	52.4	52.2	49.9	52.6	49.0	51.8	51.1	47.3	42.9	48.4		DOWN
B % Earned on Equity (E/S ÷ Book Value)	15.6	17.3	17.1	18.3	17.9	16.8	18.7	20.0	18.1	16.4	18.0		DOWN

3 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 37.520 HIGH THIS YEAR 43.990 LOW THIS YEAR 35.040

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
	A HIGH	B LOW		E HIGH A ÷ C	E LOW B ÷ C			
1 2001	64.8	45.7	2.20	29.5	20.8	0.830	37.7	1.8
2 2002	69.7	55.3	2.75	25.3	20.1	0.980	35.6	1.8
3 2003	62.2	47.1	3.00	20.7	15.7	1.130	37.7	2.4
4 2004	60.0	45.3	2.89	20.8	15.7	1.310	45.3	2.9
5 2005	48.1	35.0	2.78	17.3	12.6	1.460	52.5	4.2
6 TOTAL		228.4		113.6	84.9		208.8	
7 AVERAGE		45.7		22.7	17.0		41.8	
8 AVERAGE PRICE EARNINGS RATIO			19.9	9	CURRENT PRICE EARNINGS RATIO		13.8	

4 Proj. P/E [12.68] Based on Next 4 qtr. EPS [2.96] Current P/E Based on Last 4 qtr. EPS [2.71] PEG=138

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 ~~22.7~~ 17.0 X Estimate High Earnings/Share 4.21 = Forecast High Price \$ 71.6
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~17.0~~ 12.0 X Estimated Low Earnings/Share ~~2.78~~ 2.71 = \$ 32.5
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 45.7
(3B7)

(c) Recent Severe Market Low Price = 35.0

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{1.520}{0.042} = 36.4$

Selected Estimate Low Price = \$ 36.4
(4B1)

C ZONING

71.6 (4A1) High Forecast Price Minus 36.4 (4B1) Low Forecast Price Equals 35.2 (C) Range. 1/3 of Range = 8.8 (4CD)

(4C2) Lower 1/3 = (4B1) 36.4 to 45.2 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 45.2 to 62.8 (Maybe)

(4C4) Upper 1/3 = 62.8 to 71.6 (4A1) (Sell)

Present Market Price of 37.520 is in the Buy (4C5) Range

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

High Price (4A1) 71.6 Minus Present Price 37.520
Present Price 37.520 Minus Low Price (4B1) 36.4 = $\frac{34.1}{1.1} = 30.4$ To 1
(4D)

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

High Price (4A1) 71.6
Present Market Price 37.520 = $(\frac{1.908}{100}) \times 100 = (190.8) - 100 = 90.8$ % Appreciation
(4E)

5 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.

Relative Value: 69.3% Proj. Relative Value: 63.7%

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 1.520
Present Price of Stock \$ 37.520 = $\frac{0.041}{100} \times 100 = \frac{4.1}{5A}$ Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
Avg. Earnings Per Share Next 5 Years 3.53 X Avg. % Payout (3G7) 41.8 = $\frac{147.6}{5B} = 3.9$ %
Present Price \$ 37.520

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) <u>90.8</u>		P.A.R.	Tot. Ret.
<u>5</u>	<u>18.2</u> %	Average Yield	<u>2.5</u> %
Average Yield (5B) <u>3.9</u> %		Annual Appreciation	<u>10.2</u> %
Average Total Annual Return Over the Next 5 Years (5C) <u>22.1</u> %		% Compd Ann Rate of Ret	<u>13.1</u> %
			<u>16.3</u> %

PERT Worksheet-A Graph

Company FIFTH THIRD BANCORP (FITB)

