



Stock Selection Guide®

The most widely used aid to good investment judgment

Company INVESTORS FINANCIAL SERVI Date 06/30/06

Prepared by MG Data taken from NAIC Data

Where traded NASDAQ Major product/service Asset Manag

CAPITALIZATION --- Outstanding Amounts Reference

Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	63.4	10.0	97.8
Debt (\$M)	6,004.0	% to Tot.Cap.	88.5 % Potential Dil. None

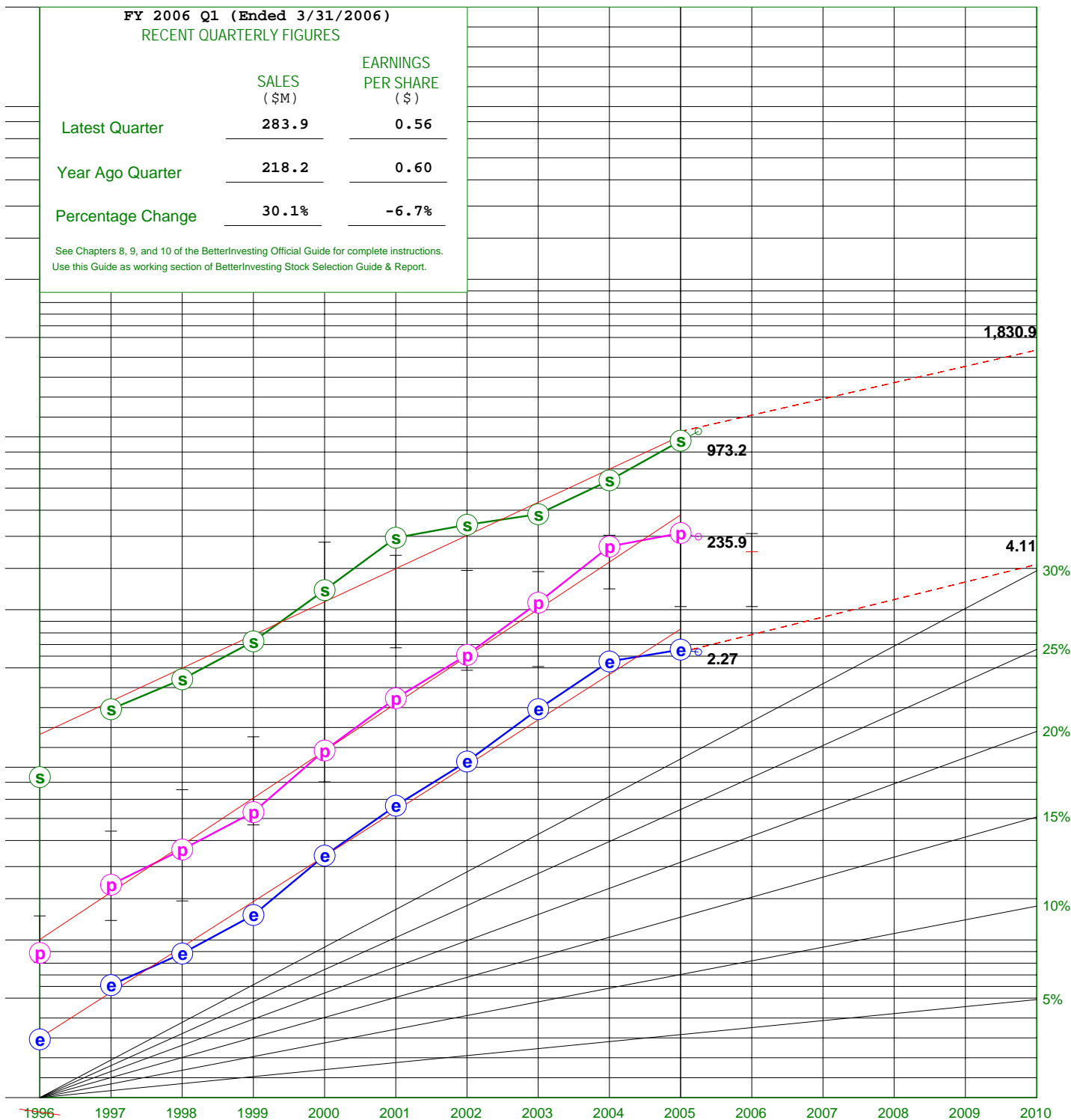
1 VISUAL ANALYSIS of Sales, Earnings and Price

IFIN

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

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	283.9	0.56
Year Ago Quarter	218.2	0.60
Percentage Change	30.1%	-6.7%

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 26.0 % (3) Historical Earnings Per Share Growth 37.2 %
- (2) Estimated Future Sales Growth 12.0 % (4) Estimated Future Earnings Per Share Growth 13.0 %

Printed: 07/02/06 10:20 AM Prepared by: MG Using The Investor's Toolkit

	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)	13.5	13.6	14.1	14.0	15.1	15.1	18.6	24.9	29.1	24.2	22.4	UP	
B % Earned on Equity (E/S ÷ Book Value)	12.5	15.1	16.6	15.2	18.1	14.3	15.2	18.2	19.5	18.5	17.1	UP	

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		44.900	HIGH THIS YEAR		50.980	LOW THIS YEAR		30.640
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	2001	43.8	23.0	0.77	57.3	30.1	0.040	5.2	0.2	
2	2002	39.4	19.7	1.04	37.9	18.9	0.050	4.8	0.3	
3	2003	39.1	20.2	1.50	26.1	13.5	0.060	4.0	0.3	
4	2004	50.4	34.7	2.09	24.1	16.6	0.070	3.3	0.2	
5	2005	53.4	30.6	2.27	23.5	13.5	0.080	3.5	0.3	
6	TOTAL		128.2		111.6	62.5		20.8		
7	AVERAGE		25.6		27.9	15.6		4.2		
8	AVERAGE PRICE EARNINGS RATIO			21.8	9	CURRENT PRICE EARNINGS RATIO			20.1	

4

Proj. P/E [17.82] Based on Next 4 qtr. EPS [2.52] Current P/E Based on Last 4 qtr. EPS [2.23] PEG=137

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 ~~27.9~~ 24.0 X Estimate High Earnings/Share 4.11 = Forecast High Price \$ 98.6
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~15.6~~ 16.0 X Estimated Low Earnings/Share ~~2.27~~ 2.23 = \$ 35.7
(3E7 as adj.)
(b) Avg. Low Price of Last 5 Years = 25.6
(3B7)
(c) Recent Severe Market Low Price = 30.6
(d) Price Dividend Will Support Present Divd. = 0.090 = 30.3
High Yield (H) 0.003
Selected Estimate Low Price = \$ 35.7
(4B1)

C ZONING

98.6 High Forecast Price Minus 35.7 Low Forecast Price Equals 62.9 Range. 1/3 of Range = 15.7
(4A1) (4B1) (C) (4CD)
(4C2) Lower 1/3 = (4B1) 35.7 to 51.4 (Buy) Note: Ranges changed to 25%/50%/25%
(4C3) Middle 1/3 = 51.4 to 82.9 (Maybe)
(4C4) Upper 1/3 = 82.9 to 98.6 (4A1) (Sell)

Present Market Price of 44.900 is in the Buy Range
(4C5)

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

High Price (4A1) 98.6 Minus Present Price 44.900
Present Price 44.900 Minus Low Price (4B1) 35.7 = 53.7 = 5.8 To 1
9.2 (4D)

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

High Price (4A1) 98.6
Present Market Price 44.900 = (2.196) X 100 = (219.6) - 100 = 119.6 % Appreciation
(4E)

5

5-YEAR POTENTIAL

Relative Value: 92.2% Proj. Relative Value: 81.7%

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.

Note: Results are expressed as a Simple Rate; use the table below to convert to a Compound Rate.									
A Present Full Year's Dividend \$		0.090							
Present Price of Stock		\$	44.900	=	0.002	X 100 =	0.2	Present Yield or % Returned on Purchase Price	
							(5A)		
B AVERAGE YIELD OVER NEXT 5 YEARS									
Avg. Earnings Per Share Next 5 Years		3.22		X Avg. % Payout	(3G7)	4.2	=	13.5	= 0.3 %
								(5B)	
C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS									
5 Year Appreciation Potential		(4E)	119.6			Present Price \$		44.900	
5			23.9	%	Average Yield		0.2%	Tot. Ret. 0.2%	
Average Yield (5B)			0.3	%	Annual Appreciation		12.9%	17.0%	
Average Total Annual Return Over the Next 5 Years		(5C)	24.2	%	% Compd Ann Rate of Ret		13.1%	17.2%	

RECENT PRICE	49.17	TRAILING P/E RATIO	21.1	RELATIVE P/E RATIO	1.04	DIV'D YLD	0.2%	VALUE LINE
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© VALUE LINE PUBLISHING, INC.	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006/2007
EARNINGS PER SH	.22	.27	.36	.54	.77	1.04	1.39	2.09	2.37	2.34^{A,B}/2.66^C
DIV'DS DECL'D PER SH	.01	.02	.02	.03	.04	.05	.06	.07	.08	
BOOK VALUE PER SH	1.45	1.64	2.34	2.99	5.36	6.84	8.26	10.70	11.88	
COMMON SHS OUTST'G (MILL)	51.78	53.74	58.44	59.83	63.94	64.78	65.44	66.60	65.05	
AVG ANN'L P/E RATIO	22.7	23.6	25.1	41.7	43.9	31.6	21.0	20.4	17.2	21.0/18.5
RELATIVE P/E RATIO	1.31	1.23	1.43	2.71	2.25	1.73	1.20	1.08	.92	
AVG ANN'L DIV'D YIELD	.2%	.2%	.2%	.1%	.1%	.2%	.2%	.2%	.2%	
TOTAL ASSETS (\$MILL)	1459.3	1465.5	2553.1	3811.1	5298.6	7214.8	9223.2	11168	12096	<i>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</i>
LOANS (\$MILL)	55.9	54.3	109.3	129.3	232.1	143.7	199.5	134.5	402.4	
NET INTEREST INC (\$MILL)	26.2	26.7	35.8	58.8	109.3	143.5	153.9	187.7	170.4	
LOAN LOSS PROV'N (\$MILL)	--	--	--	--	--	--	--	--	--	
NONINTEREST INC (\$MILL)	76.8	98.9	133.8	162.0	243.3	294.1	336.2	425.5	525.5	
NONINTEREST EXP (\$MILL)	82.7	99.6	135.8	169.0	278.0	336.7	344.9	398.4	460.1	
NET PROFIT (\$MILL)	11.6	15.1	21.3	33.6	50.2	68.9	92.4	142.0	159.8	
INCOME TAX RATE	36.0%	36.0%	32.0%	32.1%	30.6%	30.1%	36.3%	33.9%	32.2%	
RETURN ON TOTAL ASSETS	.79%	1.03%	.83%	.88%	.95%	.96%	1.00%	1.27%	1.32%	
LONG-TERM DEBT (\$MILL)	24.2	24.2	--	--	24.3	2575.3	574.8	724.8	4322.6	
SHR. EQUITY (\$MILL)	74.9	88.3	136.8	178.8	342.8	443.0	540.3	712.3	772.9	
SHR. EQ. TO TOTAL ASSETS	5.1%	6.0%	5.4%	4.7%	6.5%	6.1%	5.9%	6.4%	6.4%	
LOANS TO TOT ASSETS	3.8%	3.7%	4.3%	3.4%	4.4%	2.0%	2.2%	1.2%	3.3%	
RETURN ON SHR. EQUITY	15.5%	17.0%	15.5%	18.8%	14.6%	15.6%	17.1%	19.9%	20.7%	
RETAINED TO COM EQ	15.4%	16.1%	14.7%	17.8%	13.9%	14.8%	16.4%	19.3%	20.0%	
ALL DIV'DS TO NET PROF	1%	6%	5%	5%	5%	5%	4%	3%	3%	

^ANo. of analysts changing earn. est. in last 29 days: 1 up, 0 down, consensus 5-year earnings growth 13.2% per year. ^BBased upon 6 analysts' estimates. ^CBased upon 6 analysts' estimates.

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PERT Worksheet-A Graph

Company INVESTORS FINANCIAL SERVI (IFIN)

