

# ModernGraham Valuation

Company Name:

PNC Financial  
Services Group Inc



Company Ticker PNC

Date of Analysis

8/13/2015

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Earnings Stability	Positive EPS for 10 years prior	Pass
3. Dividend Record	Dividend Payments for 10 years prior	Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Moderate PEmg Ratio	PEmg < 20	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	6.91
MG Growth Estimate	6.18%
<b>MG Value</b>	<b>\$144.18</b>
MG Value based on 3% Growth	\$100.26
MG Value based on 0% Growth	\$58.77
Market Implied Growth Rate	2.73%

### MG Opinion

Current Price	\$96.59
% of Intrinsic Value	66.99%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

PEmg	13.97
PB Ratio	1.14
Dividend Yield	2.02%
Number of Consecutive Years of Dividend Growth	5

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.24	Next Fiscal Year Estimate	\$6.91
Dec14	\$7.30	Dec14	\$6.59
Dec13	\$7.36	Dec13	\$6.05
Dec12	\$5.30	Dec12	\$5.16
Dec11	\$5.64	Dec11	\$4.90
Dec10	\$5.74	Dec10	\$4.73
Dec09	\$4.36	Dec09	\$4.44
Dec08	\$2.44	Dec08	\$4.61
Dec07	\$4.35	Dec07	\$5.49
Dec06	\$8.73	Dec06	\$5.72
Dec05	\$4.55	Dec05	\$3.99
Dec04	\$4.21	Dec04	\$3.64
Dec03	\$3.55	Dec03	\$3.39
Dec02	\$4.15	Dec02	\$3.37
Dec01	\$1.26	Dec01	\$3.10
Dec00	\$4.31	Dec00	\$3.89
Dec99	\$4.15	Dec99	\$3.46
Dec98	\$3.60	<b>Balance Sheet Information Jun15</b>	
Dec97	\$3.28	Long-Term Debt	\$34,601,000,000
Dec96	\$2.88	Total Assets	\$353,945,000,000
Dec95	\$1.19	Intangible Assets	\$11,096,000,000
		Total Liabilities	\$309,430,000,000
		Shares Outstanding (Diluted Average)	525,000,000



**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

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ModernGraham  
posts about the  
company**

[47 Companies in the Spotlight This Week – 5/16/15](#)  
[PNC Financial Services Group Inc. Quarterly Valuation – May 2015 \\$PNC](#)  
[40 Companies in the Spotlight This Week – 2/21/15](#)  
[PNC Financial Services Group Quarterly Valuation – February 2015 \\$PNC](#)  
[30 Companies in the Spotlight This Week – 11/15/14](#)

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[Comerica Incorporated Analysis – July 2015 Update \\$CMA](#)  
[Starwood Property Trust Inc. Analysis – Initial Coverage \\$STWD](#)  
[Fifth Third Bancorp Analysis – July 2015 Update \\$FITB](#)  
[Huntington Bancshares Analysis – June 2015 Update \\$HBAN](#)  
[JPMorgan Chase Analysis – June 2015 Update \\$JPM](#)  
[Wells Fargo Stock Analysis – May 2015 Quarterly Update \\$WFC](#)  
[M&T Bank Corporation Quarterly Valuation – May 2015 \\$MTB](#)  
[People's United Financial Inc. Quarterly Valuation – May 2015 \\$PBCT](#)  
[A Glimpse at the Banking Industry – May 2015](#)