

ModernGraham Valuation

Company Name:

Company Ticker PNC
Date of Analysis

PNC Financial
Services Group Inc

11/13/2015



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	\$47,073,596,110	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	41.17%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.40	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.07	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	6.92
MG Growth Estimate	6.19%
MG Value	\$144.40
MG Value based on 3% Growth	\$100.31
MG Value based on 0% Growth	\$58.80
Market Implied Growth Rate	2.45%

MG Opinion

Current Price	\$92.70
% of Intrinsic Value	64.20%
Opinion	Undervalued

Stage 3: Information for Further Research

Graham Number	\$119.49
PEmg	13.40
PB Ratio	1.07
Dividend Yield	2.14%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.25	Next Fiscal Year Estimate	\$6.92
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	Balance Sheet Information Sep15	
Dec97	\$3.28	Long-Term Debt	\$33,712,000,000
Dec96	\$2.88	Total Assets	\$362,125,000,000
Dec95	\$1.19	Intangible Assets	\$10,977,000,000
		Total Liabilities	\$317,177,000,000
		Shares Outstanding (Diluted Average)	520,000,000





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:

Other
ModernGraham
posts about the
company

[The Best Companies of the Banking Industry – October 2015](#)
[The 20 Best Stocks For Value Investors This Week – 8/15/15](#)
[PNC Financial Services Group Inc. Analysis – August 2015 Update \\$PNC](#)
[47 Companies in the Spotlight This Week – 5/16/15](#)
[PNC Financial Services Group Inc. Quarterly Valuation – May 2015 \\$PNC](#)

Other
ModernGraham
posts about related
companies

[SunTrust Banks Inc. Valuation – November 2015 Update \\$STI](#)
[U.S. Bancorp Valuation – November 2015 Update \\$USB](#)
[Starwood Property Trust Inc. Valuation – October 2015 Update \\$STWD](#)
[The Best Companies of the Banking Industry – October 2015](#)
[Comerica Inc. Valuation – October 2015 Update \\$CMA](#)
[Bank of New York Mellon Corporation Analysis – October 2015 Update \\$BK](#)
[Fifth Third Bancorp Analysis – October 2015 Update \\$FITB](#)
[Huntington Bancshares Inc. Analysis – October 2015 Update \\$HBAN](#)
[JPMorgan Chase & Co. Analysis – September 2015 Update \\$JPM](#)
[Citigroup Inc. Analysis – September 2015 Update \\$C](#)