

# ModernGraham Valuation

## Company Name:

Company Ticker PNC  
Date of Analysis 6/24/2016

PNC Financial  
Services Group Inc



## 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	\$41,872,308,097	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	92.39%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.66	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.92	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	7.04
MG Growth Estimate	5.44%
<b>MG Value</b>	<b>\$136.32</b>
MG Value based on 3% Growth	\$102.02
MG Value based on 0% Growth	\$59.81
Market Implied Growth Rate	1.58%

### MG Opinion

Current Price	\$82.01
% of Intrinsic Value	60.16%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Graham Number	\$117.63
PEmg	11.66
PB Ratio	0.92
Dividend Yield	2.49%
Number of Consecutive Years of Dividend Growth	6

### 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	\$6.80	Next Fiscal Year Estimate	\$7.04
Dec2015	\$7.39	Dec2015	\$6.97
Dec2014	\$7.30	Dec2014	\$6.60
Dec2013	\$7.39	Dec2013	\$6.06
Dec2012	\$5.30	Dec2012	\$5.16
Dec2011	\$5.64	Dec2011	\$4.90
Dec2010	\$5.74	Dec2010	\$4.73
Dec2009	\$4.36	Dec2009	\$4.45
Dec2008	\$2.46	Dec2008	\$4.61
Dec2007	\$4.35	Dec2007	\$5.49
Dec2006	\$8.73	Dec2006	\$5.72
Dec2005	\$4.55	Dec2005	\$3.99
Dec2004	\$4.21	Dec2004	\$3.64
Dec2003	\$3.55	Dec2003	\$3.39
Dec2002	\$4.15	Dec2002	\$3.37
Dec2001	\$1.26	Dec2001	\$3.10
Dec2000	\$4.31	Dec2000	\$3.89
Dec1999	\$4.15	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$3.60	Long-Term Debt	\$51,683,000,000
Dec1997	\$3.28	Total Assets	\$360,985,000,000
Dec1996	\$2.87	Intangible Assets	\$10,779,000,000
		Total Liabilities	\$315,855,000,000
		Shares Outstanding (Diluted Average)	507,000,000





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

- [12 Best Stocks For Value Investors This Week – 11/14/15](#)
- [PNC Financial Services Group Valuation – November 2015 Update \\$PNC](#)
- [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](#)

Other  
ModernGraham  
posts about related  
companies

- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
- [BB&T Corporation Valuation – May 2016 \\$BBT](#)
- [SunTrust Banks Inc Valuation – February 2016 \\$STI](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
- [JP Morgan Chase Valuation – January 2016 Update \\$JPM](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
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- [Bank of New York Mellon Valuation – January 2016 Update \\$BK](#)