

ModernGraham Valuation

PNC Financial
Services Group Inc



Company Name:

Company Ticker PNC

Date of Analysis

3/16/2018

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	\$76,161,485,882	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	74.71%	Pass
5. Moderate PEmg Ratio	PEmg < 20	17.84	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.62	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	8.97
MG Growth Estimate	5.44%
MG Value	\$173.90
MG Value based on 3% Growth	\$130.13
MG Value based on 0% Growth	\$76.28
Market Implied Growth Rate	4.67%

MG Opinion

Current Price	\$160.07
% of Intrinsic Value	92.05%
Opinion	Fairly Valued
MG Grade	B-

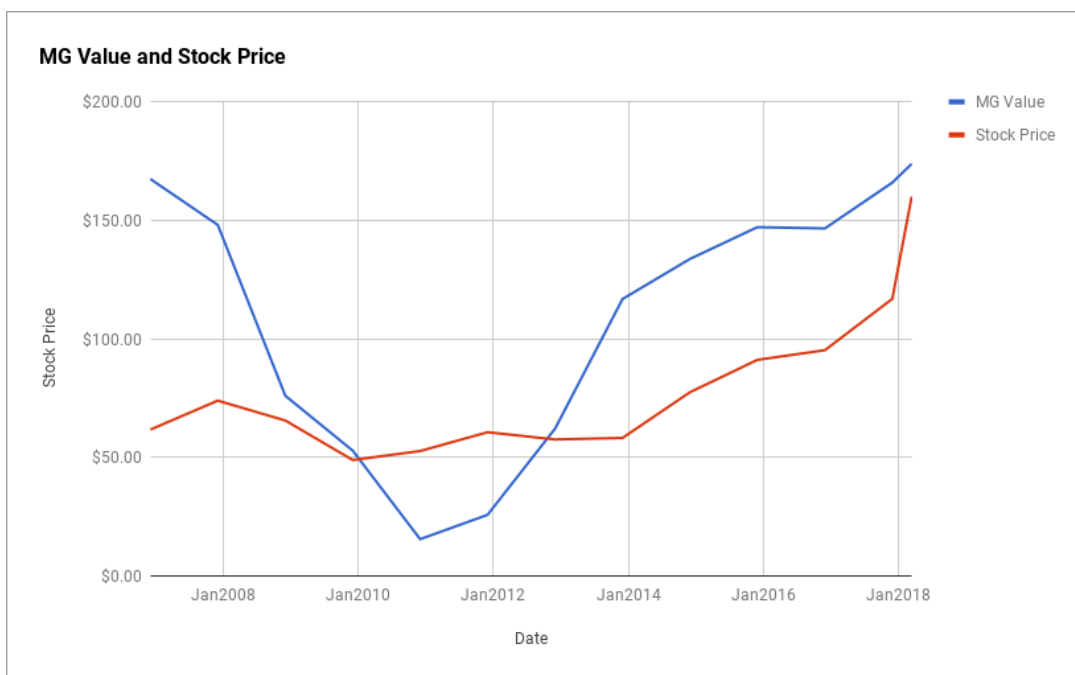
Stage 3: Information for Further Research

Graham Number	\$149.13
PEmg	17.84
PB Ratio	1.62
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	7

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	\$9.84	Next Fiscal Year Estimate	\$8.97
Dec2017	\$10.36	Dec2017	\$8.34
Dec2016	\$7.30	Dec2016	\$7.20
Dec2015	\$7.39	Dec2015	\$6.96
Dec2014	\$7.30	Dec2014	\$6.59
Dec2013	\$7.36	Dec2013	\$6.05
Dec2012	\$5.28	Dec2012	\$5.16
Dec2011	\$5.64	Dec2011	\$4.90
Dec2010	\$5.74	Dec2010	\$4.73
Dec2009	\$4.36	Dec2009	\$4.44
Dec2008	\$2.44	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		
Dec2000	\$4.31		
Dec1999	\$4.15		
Dec1998	\$3.60		
		Balance Sheet Information	12/1/2017
		Long-Term Debt & Capital Lease Obligation	\$59,088,000,000
		Total Assets	\$380,768,000,000
		Intangible Assets	\$11,005,000,000
		Total Liabilities	\$333,255,000,000
		Shares Outstanding (Diluted Average)	480,000,000





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**
- [KeyCorp Valuation – March 2018 \\$KEY](#)
 - [Canadian Western Bank Valuation – March 2018 \\$TSE-CWB](#)
 - [Simmons First National Corp Valuation – March 2018 \\$SFNC](#)
 - [Citigroup Inc Valuation – March 2018 \\$C](#)
 - [People's United Financial Inc Valuation – March 2018 \\$PBCT](#)
 - [JPMorgan Chase & Co Valuation – February 2018 \\$JPM](#)
 - [Opus Bank Valuation – Initial Coverage \\$OPB](#)
 - [Wells Fargo & Co Valuation – August 2017 \\$WFC](#)
 - [Old National Bancorp Valuation – Initial Coverage \\$ONB](#)
 - [Dime Community Bancshares Inc Valuation – Initial Coverage \\$DCOM](#)