



PNC Financial Services (PNC)

Updated October 15th, 2025 by Aristofanis Papadatos

Key Metrics

Current Price:	\$184	5 Year CAGR Estimate:	9.3%	Market Cap:	\$71.2 B
Fair Value Price:	\$185	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	10/14/2025
% Fair Value:	100%	5 Year Valuation Multiple Estimate:	0.1%	Dividend Payment Date:	11/5/2025
Dividend Yield:	3.7%	5 Year Price Target	\$247	Years Of Dividend Growth:	15
Dividend Risk Score:	C	Sector: Financials		Rating:	Hold

Overview & Current Events

PNC Financial Services is headquartered in Pittsburgh, Pennsylvania, and it is one of the largest diversified financial services companies in the U.S. It is engaged in retail banking as well as corporate and institutional banking and asset management. Its retail network is located primarily in markets across the Mid-Atlantic, Midwest and Southeast. PNC currently has a market capitalization of \$71.2 billion.

On June 1st, 2021, PNC completed its acquisition of BBVA USA Bancshares from the Spanish financial group BBVA for \$11.6 billion in cash. It acquired more than 600 branches in Texas, Alabama, Arizona, California, Florida, Colorado and New Mexico and became the fifth largest bank in assets, with a presence in 29 of the 30 largest U.S. markets.

In mid-October, PNC reported (10/15/25) financial results for the third quarter of fiscal 2025. Revenue grew 4%, to a new all-time high. Net interest margin contracted sequentially from 2.80% to 2.79% but net interest income grew 3% thanks to growth of loans. Given also much lower provisions for credit losses, earnings-per-share grew 13% sequentially, from \$3.85 to \$4.35, exceeding the analysts' consensus by \$0.31. PNC has exceeded the analysts' earnings-per-share estimates in 18 of the last 21 quarters. Despite its strong business performance, PNC provided somewhat soft guidance, expecting 1.5% sequential growth of net interest income in the fourth quarter. As a result, the stock declined -3% after the earnings release. Nevertheless, we still expect approximate growth of earnings-per-share of 9% this year, to a new all-time high.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$7.39	\$7.30	\$10.36	\$10.71	\$9.57	\$6.36	\$14.18	\$13.96	\$14.10	\$13.74	\$15.00	\$20.07
DPS	\$2.01	\$2.12	\$2.60	\$3.40	\$4.20	\$4.60	\$4.80	\$5.75	\$6.10	\$6.30	\$6.80	\$9.10
Shares¹	521	500	486	470	448	426	424	404	401	399	395	370

PNC was significantly affected by the pandemic in 2020, but the bank has recovered strongly. PNC has consistently pursued growth by expanding into attractive markets, growing its loan base organically and acquiring other banks. We expect a tailwind from a lower cost of deposits in the upcoming years and a tailwind from an increase in the loan/deposit ratio of the bank. PNC has grown its earnings-per-share at a 7.1% average annual rate in the last decade and at a 7.5% average annual rate in the last five years. Given the high comparison base formed by the record earnings-per-share expected this year, we expect the bank to grow its earnings-per-share at a 6.0% average annual rate beyond this year, somewhat below its historical growth rate.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg P/E	12.6	12.4	12.3	13.3	14.2	18.7	13.2	12.3	9.4	12.4	12.3	12.3
Avg. Yld.	2.2%	2.3%	2.0%	2.4%	3.1%	3.9%	2.6%	3.3%	4.6%	3.7%	3.7%	3.7%

¹ In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



PNC Financial Services (PNC)

Updated October 15th, 2025 by Aristofanis Papadatos

PNC has rallied 27% off its bottom in April, shortly after the tariff-related sell-off, and thus it is currently trading at a price-to-earnings ratio of 12.3. This is equal to the average price-to-earnings ratio of the stock over the last decade. If the stock trades at its average valuation level in five years, it will enjoy a marginal 0.1% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	27.2%	29.0%	25.1%	31.7%	43.9%	72.3%	33.9%	41.2%	43.3%	45.9%	45.3%	45.3%

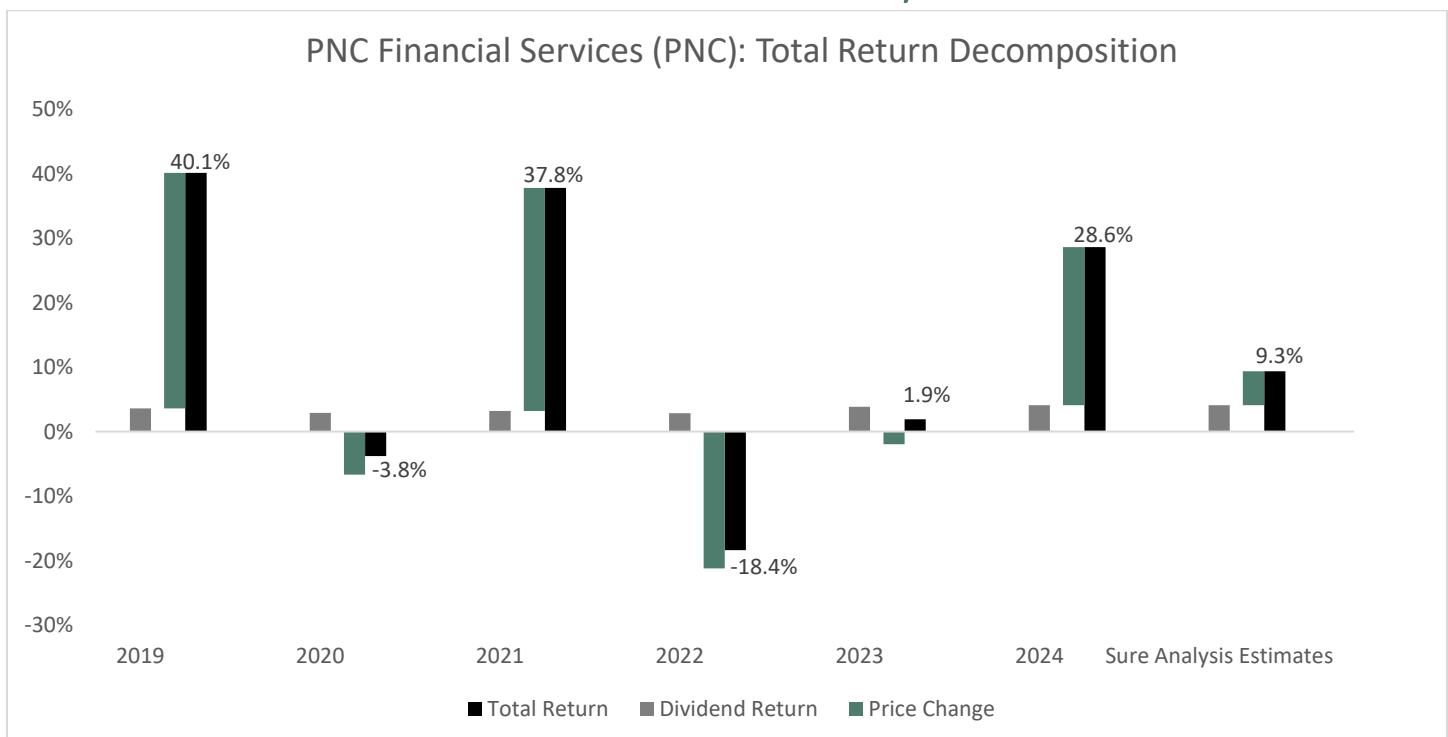
PNC just raised its dividend by 6% and thus it has now raised its dividend for 15 consecutive years. It froze its dividend for 8 consecutive quarters due to the pandemic, but it has resumed raising its dividend thanks to its ongoing recovery. Thanks to a healthy payout ratio of 45%, the dividend should be considered safe. In addition, the bank has reduced its share count by -24% in the last nine years.

On the other hand, investors should be aware that PNC is vulnerable to recessions. In the Great Recession, PNC cut its dividend by -85% while in the coronavirus crisis it saw its earnings-per-share fall -34%. Therefore, in the scenario of another recession, the stock of PNC could come under great pressure, just like it did at the outbreak of the virus, when it plunged nearly -50% in just five weeks. Only the investors who can tolerate such a high stock price volatility should consider PNC.

Final Thoughts & Recommendation

The net interest margin of PNC has begun to recover since early last year and the bank expects record net interest income this year. As a result, we expect record earnings-per-share this year. Notably, the stock has rallied 27% off its bottom in April, as the government eventually softened its stance in reference to tariffs. Nevertheless, the stock remains fairly attractive. It could offer a 9.3% average annual return over the next five years thanks to 6.0% earnings-per-share growth, its 3.7% dividend and a 0.1% annualized expansion of the valuation level. The stock receives a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



PNC Financial Services (PNC)

Updated October 15th, 2025 by Aristofanis Papadatos

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	15,225	15,162	16,329	16,190	16,839	16,798	19,135	21,114	21,509	33,887
SG&A Exp.	5,080	5,120	5,512	5,756	5,948	5,909	7,460	7,599	7,778	---
D&A Exp.	1,088	1,193	1,117	1,129	1,315	1,497	1,773	651	217	259
Net Profit	4,106	3,903	5,338	5,301	5,369	7,517	5,674	6,041	5,578	5,920
Net Margin	27.0%	25.7%	32.7%	32.7%	31.9%	44.7%	29.7%	28.6%	25.9%	17.5%
Free Cash Flow	5,525	3,500	5,579	7,840	7,363	4,659	7,214	9,083	10,111	7,990

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets (\$B)	358.5	366.4	380.8	382.3	410.3	466.7	557.2	557.3	561.6	562.9
Cash & Equivalents	34,611	30,590	33,844	16,501	28,474	92,190	82,254	34,363	50,725	6,904
Goodwill	10,692	10,861	11,005	11,201	10,877	10,475	12,734	14,410	14,618	10,932
Total Liabilities (\$B)	312.5	319.5	333.2	334.5	361.0	412.6	501.5	511.5	510.4	508.5
Long-Term Debt	54,532	52,706	59,088	57,419	60,263	37,195	30,784	58,713	72,737	64,743
Shareholder's Equity	44,710	45,699	47,513	47,728	49,314	54,010	55,465	45,774	51,105	48,676
LTD/E Ratio	1.22	1.15	1.24	1.20	1.22	0.69	0.55	1.28	1.42	1.19

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.2%	1.1%	1.4%	1.4%	1.4%	1.7%	1.1%	1.1%	1.0%	1.1%
Return on Equity	9.2%	8.6%	11.5%	11.1%	11.1%	14.6%	10.3%	11.9%	11.5%	11.2%
ROIC	4.1%	3.9%	5.2%	5.0%	5.0%	7.5%	6.4%	6.3%	4.9%	4.8%
Shares Out.	521	500	486	470	448	426	424	412	401	400
Revenue/Share	29.22	30.32	33.60	36.45	39.79	39.58	44.92	51.25	53.63	84.72
FCF/Share	10.60	7.00	11.48	16.68	16.44	10.91	16.93	22.05	25.21	19.98

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.