PNC Financial Services (PNC)

Updated July 15th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$253	**5 Year CAGR Estimate:**	6.8%	**Market Cap:**	$102 B
Fair Value Price:	$228	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	7/20/2026
% Fair Value:	111%	**5 Year Valuation Multiple Estimate:**	-2.1%	**Dividend Payment Date:**	8/5/2026
Dividend Yield:	3.2%	**5 Year Price Target**	$305	**Years Of Dividend Growth:**	16
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 $102 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-July, PNC reported (7/15/26) financial results for the second quarter of fiscal 2026. Revenue grew 11% sequentially, to a new all-time high, thanks to higher net interest income. Net interest margin edged up sequentially from 2.95% to 2.96% and net interest income grew 4% thanks to growth of loans and the acquisition of FirstBank. Given also 10% growth in fee income, earnings-per-share grew 12%, from $4.32 to $4.85, and exceeded the analysts' consensus by $0.30. PNC has exceeded the analysts' earnings-per-share estimates in 21 of the last 24 quarters. Thanks to positive business momentum, PNC has provided strong guidance for 2026, expecting 8% growth of loans and 11% growth of total revenue. It also expects 14% growth of net interest income and 6% growth of noninterest income. As the bank exceeded our expectations, we have raised our forecast for earnings-per-share in 2026 from $18.00 to $18.50.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$7.30	$10.36	$10.71	$9.57	$6.36	$14.18	$13.96	$14.10	$13.74	$16.59	***$18.50***	***$24.76***
DPS	$2.12	$2.60	$3.40	$4.20	$4.60	$4.80	$5.75	$6.10	$6.30	$6.60	***$8.00***	***$10.46***
Shares[1]	500	486	470	448	426	424	404	401	399	394	***390***	***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 9.6% average annual rate in the last decade and at a 6.5% average annual rate in the last seven 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/E	12.4	12.3	13.3	14.2	18.7	13.2	12.3	9.4	12.4	11.6	***13.7***	***12.3***
Avg. Yld.	2.3%	2.0%	2.4%	3.1%	3.9%	2.6%	3.3%	4.6%	3.7%	3.4%	***3.2%***	***3.4%***

[1] In millions.

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PNC has rallied 43% in the last two years and thus it is currently trading at a price-to-earnings ratio of 13.7. This is higher than the 10-year average price-to-earnings ratio of 12.3 of the stock. If the stock trades at its average valuation level in five years, it will incur a -2.1% annualized valuation drag in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	29.0%	25.1%	31.7%	43.9%	72.3%	33.9%	41.2%	43.3%	45.9%	39.8%	***43.2%***	***42.2%***

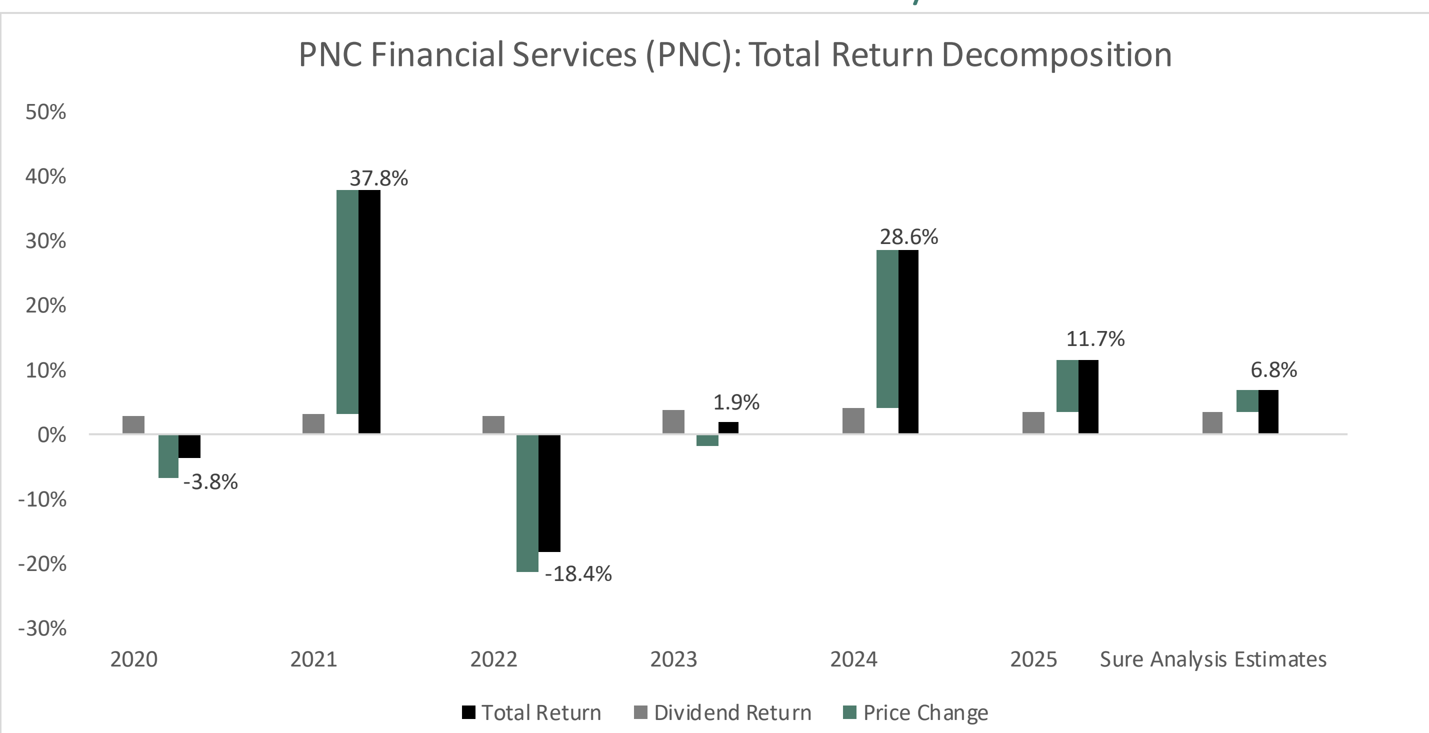
PNC just raised its dividend by 18% and thus it has now raised its dividend for 16 consecutive years. It froze its dividend for 8 consecutive quarters due to the pandemic, but it has resumed raising its dividend thanks to its ongoing recovery. Thanks to a healthy payout ratio of 43%, the dividend should be considered safe. In addition, the bank has reduced its share count by -21% 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 2024 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 69% off its bottom last year, as the government eventually softened its stance in reference to tariffs. As a result, the stock has become less attractive, though it has not become overvalued. It could offer a 6.8% average annual return over the next five years thanks to 6.0% earnings-per-share growth and its 3.2% dividend, partly offset by a -2.1% valuation drag. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	15,162	16,329	16,190	16,839	16,798	19,135	21,114	21,509	20,809	22,320
SG&A Exp.	5,120	5,512	5,756	5,948	5,909	7,460	7,599	7,778	7,664	---
D&A Exp.	1,193	1,117	1,129	1,315	1,497	1,773	651	217	259	381
Net Profit	3,903	5,338	5,301	5,369	7,517	5,674	6,041	5,578	5,889	6,954
Net Margin	25.7%	32.7%	32.7%	31.9%	44.7%	29.7%	28.6%	25.9%	28.3%	31.2%
Free Cash Flow	3,500	5,579	7,840	7,363	4,659	7,214	9,083	10,111	7,990	9,452

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	366.4	380.8	382.3	410.3	466.7	557.2	557.3	561.6	560.0	576.3
Cash & Equivalents	30,590	33,844	16,501	28,474	92,190	82,254	34,363	50,725	46,251	6,777
Goodwill	10,861	11,005	11,201	10,877	10,475	12,734	14,410	14,618	14,643	10,959
Total Liabilities ($B)	319.5	333.2	334.5	361.0	412.6	501.5	511.5	510.4	505.6	515.6
Long-Term Debt	52,706	59,088	57,419	60,263	37,195	30,784	58,713	72,737	61,673	58,641
Shareholder's Equity	45,699	47,513	47,728	49,314	54,010	55,465	45,774	51,105	54,425	54,827
LTD/E Ratio	1.15	1.24	1.20	1.22	0.69	0.55	1.28	1.42	1.13	1.00

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.4%	1.4%	1.4%	1.7%	1.1%	1.1%	1.0%	1.1%	1.2%
Return on Equity	8.6%	11.5%	11.1%	11.1%	14.6%	10.3%	11.9%	11.5%	11.2%	12.1%
ROIC	3.9%	5.2%	5.0%	5.0%	7.5%	6.4%	6.3%	4.9%	4.9%	5.8%
Shares Out.	500	486	470	448	426	424	412	401	400	396
Revenue/Share	30.32	33.60	36.45	39.79	39.58	44.92	51.25	53.63	52.02	56.36
FCF/Share	7.00	11.48	16.68	16.44	10.91	16.93	22.05	25.21	56.36	23.87

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