Information Analysis of Four Well-Know U.S. Bank

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Abstract. The services of banks can better promote economic development and bring diversified benefits. Sometimes it can create more economic benefits and wealth for clients. So there will inevitably be competition among banks, what will happen, what are the pros and cons. This is why this paper chose 4 commercial banks become outline. This paper has conducted a comparative analysis of the following four mobile phone companies to determine which company might be the most worthwhile investment. These four companies are referred to as WF, PNC, CFG, CTBI. Because all four of them are well-known banks among publicly traded companies in the United States, we can conduct a better comparative analysis. This article will continue to expand on these foundations of professional information to ensure that all readers understand the useful information or knowledge provided in this article. Readers can search for keywords to find the specific sections they are interested in. From the initial basic introduction, financial statements to the final investment risk report and bank operation strategies.

Keywords: WFC; PNC; CFG; CTBI; market strategy.

1. Introduction

1.1. Wells Fargo & Company

Wells Fargo, multinational financial services company with headquarters in San Francisco, California. The founders of the original company were Henry Wells and William George Fargo (Table 1) [1]. Wells Fargo operates over 8,700 branches and more than 12,500 ATMs in 39 states including the District of Columbia [2].

Table 1. Company information

Country/Territory	U.S.
Headquarters	San Francisco
Industry	Banks: Commercial and Savings
CEO	Charles W.scharf
Website	www.wellsfargo.com
Company Type	Public
Ticker	WFC

1.2. PNC Financial Services Group Inc.

The PNC Financial Services Group, Inc. is a holding company, which engages in the provision of financial services (Table 2). The Retail Banking segment offers deposit, lending, brokerage, investment management [3].

Table 2. Company information

Country/Territory	U.S.
Headquarters	Pittsburgh
Industry	Commercial Banks
CEO	William S. Demchak
Website	www.pnc.com
Company Type	Public
Ticker	PNC

1.3. Citizens Financial Group, Inc.

Citizens Financial Group, Inc. engages in the provision of commercial banking services [4]. The Consumer Banking segment includes deposit products, mortgage and home equity lending, student loans (Table 3) [5].

Table 3. Company information

Country/Territory	U.S.
Headquarters	Providence
Industry	Commercial Banks
CEO	Bruce W.Van Saun
Website	www.citizensbank.com
Company Type	Public
Ticker	CFG

1.4. Community Trust Bancorp Inc

Community Trust Bancorp Inc (CTBI) is a bank holding company that provides a range of business banking, personal banking [6]. As of Dec 31 2016, Co. had total assets of $3.93 billion and total deposits of $3.08 billion (Table 4) [7].

Table 4. Company information

Exchange NASDAQ-GS	Market Cap 664423104
Sector Finance	P/E ratio 8.21
Industry Major Banks	Forward P/E 1Yr. 8.83
1 year Target $45.00	Earnings Per Share (EPS) $4.50

2. Financial Statements

2.1. Wells Fargo& Company

Overall, the situation of Wells Fargo Bank is getting better, especially with interest income transitioning from its previous negative growth to 36% (Figure 1). Secondly, net interest income has also achieved continuous growth, and loan losses have been consistently decreasing.



Fig. 1 Assets sheet



Fig. 2 Equity sheet

Unfortunately, the total assets of Wells Fargo Bank have been gradually declining over the past five years, with an asset growth rate reaching -2.95% (Figure 2). This increase in risk is associated with possibilities like bankruptcy. Liabilities and shareholders' equity are also decreasing, resulting in a decrease in the final net asset value.

2.2. PNC Finance Services Group Inc

In my view, PNC Bank is also consistently improving, although its growth is not as pronounced compared to Wells Fargo Bank. The interest income increased by just over $4,000 from 2021 to 2022 (Figure 3). Additionally, due to the uneven interest income over the past few years, this has resulted

in a significant change in the interest income growth rate. There haven't been any significant changes in other information over the past five years.



Total Assets	560,358	559,944	469,390	412,419	384,144
Assets - Total Growth	0.07%	19.29%	13.81%	7.36%	-
Return On Average Assets	1.07%	-	-	-	-

Fig. 3 Assets sheet



Total Equity	45,812	55,726	54,041	49,343	47,770
Liabilities & Shareholders' Equity	560,358	559,944	469,390	412,419	384,144

Fig. 4 Equity sheet

The chart data that PNC bank experienced a remarkable growth from 2018 to 2020. Although the rates have decreased slightly in the last two years, it hasn't significantly impacted the bank's overall development. However, liabilities and shareholders' equity have risen by 31.5% over the past five years (Figure 4), and then the net asset value suddenly showed a downward trend in 2022.

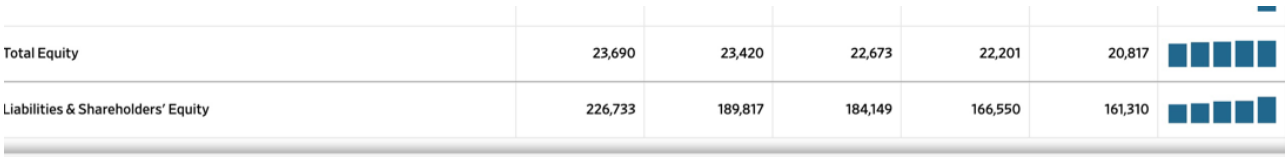
2.3. Citizens Financial Group Inc.

Among these four banks, CFG Bank has the lowest interest income, with only $4,851 million in 2021. However, what is astonishing is the significant increase in its interest income in 2022, by 54% (Figure 5). Interest expenses have also experienced a slight increase, indicating that the bank's revenue and market share are rising along with the growth in interest.



Total Assets	226,733	189,817	184,149	166,285	161,310
Assets - Total Growth	19.45%	3.08%	10.74%	3.08%	-
Return On Average Assets	1.00%	-	-	-	-

Fig. 5 Assets sheet



Total Equity	23,690	23,420	22,673	22,201	20,817
Liabilities & Shareholders' Equity	226,733	189,817	184,149	166,550	161,310

Fig. 6 Equity sheet

Compared to Wealth Wells Fargo and PNC Bank, CFG Bank has relatively modest total assets. However, it shows an upward trend each year, and from the chart, we can deduce that it has grown a total of 29% over these five years (Figure 6). The subsequent information indicates a substantial increase in total asset net worth, primarily due to the reduction in liabilities.

2.4. Community Trust Bancorp Inc

This bank has the lowest market competitiveness among these four banks, as it only had $197 million (Figure 7) in the past year. Despite this, it is still progressing in a positive direction. One notable aspect is its net interest income, which has been consistently growing each year. Over the course of five years, it has increased by a total of 16% (Figure 7).



Total Assets	5,406	5,441	5,162	4,386	4,214
Assets - Total Growth	-0.64%	5.41%	17.69%	4.07%	-
Return On Average Assets	1.51%	-	-	-	-

Fig. 7 Assets sheet



Fig. 8 Equity sheet

From 2018 to 2021, due to the significant increase in liabilities &shareholders' equity, and total asset net worth, the total assets of CTBI Bank also saw a slight increase. However, the downside is that in 2022, liabilities and shareholders' equity decreased gradually, leading to negative growth in total assets. The positive aspect is that even though the total assets decreased, it was only a marginal decline of -0.64% (Figure 8).

3. Data Analysis

3.1. Formula Use to Calculate

$$\text{Price of stocks or Share price/Earning per share} = \text{P/E ratio} \quad (1)$$

$$\text{Gross margin} = \text{Gross Profit/Revenue} \quad (2)$$

$$\text{Net Profit Margin} = \text{Net income or Profit/Revenue} \quad (3)$$

$$\text{PEG} = \text{Price Earning to Growth} \quad (4)$$

$$\text{Assets} = \text{Liabilities+ Stockholders Equity (different between firms assets and liabilities)} \quad (5)$$

$$\text{Book value} = \text{Value of assets- Value of liabilities} \quad (6)$$

$$\text{Market value} = \text{share price times number of shares outstanding} \quad (7)$$

Firstly, the balance sheet can provide us with a clear indication of whether a company has the potential to generate profits or incur losses in the future. Therefore, we use formulas to calculate various indicators to conduct an assessment of the company. This approach also allows investors to intuitively understand the fundamental information about each company.

Table 5. Balance sheet

	WFC Wells Fargo& Company	PNC PNC Financial Services Group Inc	CFG Citizens Financial Group Inc	CTBI Community Trust Bancorp Inc
Price of stocks(TTM)	$34.32	$119.5	$33	$38.12
Price of stocks(NTM)	$42.34	$130	$35.63	$38.77
EPS(TTM)	$3.14	$12.85	$4.40	$4.50
EPS(NTM)	$4.71	$11.99	$4.35	$3.82
P/E ratios for TTM and NTM	10.93 for TTM 8.99 for NTM	9.31 for TTM 10.84 for NTM	7.49 for TTM 8.19 for NTM	8.47 for TTM 10.15 for NTM
EPS current	$2.48	$14.59	$3.86	$4.19
Gross revenue	54949(m)	15404(m)	2887(m)	74(m)
PEG ratio	0.88	1.19	0	0
Gross margin Gross Profit/Sales	86.5%	80.2%	80.9%	80.73%
Net Profit Margin Net income/Total sales	17.5%	17.52%	17.1%	25.9%
Annual and Quarter gross margin trends	1.97.2% 2.86.5%	1.94.6% 2.80.2%	1.92.8% 2.80.9%	1.90.59% 2.80.73%

3.2. Discussed and Concluded

As discussed above from the previous diagram we can know the first one which is WFC. IT is due to this company get the most expective. It is something that cannot be ignored is the earning is highest in those for companies, which is 20020(m) (Table 5). Second, WFC got the highest number of employees. Means, it takes lot of profit. In fact it is extremely rare to achieve the highest income among so many employees. Base on Profit = (Revenue - Cost) the profits show significant are highest in those four companies. One is (m)$13182 (Table 5).

3.2.1 Risk for investing Wells & Fargo Company

However it take the risk for the EPS are not always constantly, its seem like the value trap. Then the price earning growth rate is lower than the second company. Actually, during make this diagram l strongly recommend you that NTM will decreasing probably. In addition, some analysts also believe that the size of Bank of Wealth is excessively large, which may pose challenges in effectively managing risks, thereby increasing its potential risks.

3.2.2 The risk for investing PNC Financial Services Group Inc

In the past three years, PNC's market value has been consistently decreasing, as the chart shows a decline from $224 million at the beginning of 2022 to $122 million at the end of August (Table 5). However, to delve deeper, the interest income for the year 2023 is the highest it has been in the last five years. Surprisingly, in the last fiscal year, book ratio was only 1.58. Subsequently, the net profit margin increased by 26.2% (Table 5).

3.2.3 The risk for investing Citizens Financial Group Inc

Compared to PNC and Wells Fargo, CFG Bank's market share is indeed relatively low. Over the past three years, its stock price has ranged from a low of $26 per share to a high of $56.4 per share (Table 5). However, the overall increase in stock price during these three years has been modest, amounting to only $2 per share (Table 5). As of June 2023, the interest income reached $2.53 billion. What's surprising is that CFG Bank's book ratio is only 0.89. Additionally, its net profit margin has increased by a significant 22.28% (Table 5).

3.2.4 The risk for investing Community Trust Bancorp Inc

The condition of CTBI Bank appears to be quite similar to CFG Bank. Even though its stock price reached a high of $47.2 per share in the past three years, it hit a low of only $28 per share, with not much difference. Furthermore, its earnings per share are only $4.51(Table 5), which is half of CFG Bank's earnings per share. As for interest income, CTBI Bank only generated $197.74 million (Table 5). These data indicate that CTBI Bank's performance may be similar to CFG Bank's but slightly inferior in some aspects.

4. The Market Strategy for Each Company and Why They Got this Situation

4.1. For Wells Fargo Company

Wells Fargo's marketing strategy contains an aggressive promotional and advertising plan as follows.

Wells Fargo Bank uses multiple channels - Facebook, Twitter and Websites - to reach its potential customer. recently inviting followers via hashtag #whylwork on social media platforms as they shared motivational drives behind each piece of advertising content produced.

Here is some insight into what Wells Fargo provides when providing services:

Wells Fargo doesn't sell tangible objects - instead they provide services directly with customers via stores, website and mobile apps - with each service designed to protect private information while making transactions safe for you and avoiding cheaters in transactions.

Physical Evidence:

Welles Fargo operates across 35 countries worldwide and boasts 8,700 stores and 13,00 ATMs; their main office can be found in San Francisco, USA, where you'll also be able to find all information regarding what services they provide - this may include offices, ATMs or locations where checks can be dropped off - on their website. With that being said, that concludes Wells Fargo's marketing story.

4.2. For PNC Financial Services Group

PNC Finance Services' Marketing Strategy evaluates their brand using the marketing mix framework which covers four pillars (Product, Price, Place and Promotion).

PNC Financial Services offer something called a virtual wallet; this works much like having both checking and savings accounts combined into one convenient place allowing for you to write as many checks as you need without overdrawing or making multiple accounts for each.

PNC Financial offers various money products. Their loans, credit cards and personal banking offerings all give people access to money when needed - plus mutual funds offer another means for investing your savings!

PNC Finance Services Promotion& Advertising Strategy:

PNC Financial Group really cares about giving great service. They use recommendations a lot to find new customers. They also work hard to make sure their customers are happy by providing the best service possible. You might see their ads in national magazines in the United States [8].

These days, they use digital platforms like online banking and mobile apps to reach specific groups of customers. They use tools to understand customers better and talk to them in a way that works well [9].

4.3. For Citizens Financial Group Inc

Citizens has also expanded into capital markets through bolt-on acquisitions. Citizens Financial Group's fee income division produced $184 million during its fourth quarter 2021 performance -- almost $100 more than it generated during Q4 2020! While that pace will likely prove challenging to sustain over time, Citizens is certainly increasing market share. Its Citizens Financial Group can be purchased here:

Is Citizens Financial Group an attractive stock to invest in?

Citizens Financial has 21.51% upside potential based on analysts' average price targets.So,it currently holds an overall consensus rating of Moderate Buy which was determined using 8 buy ratings, 7 hold ratings and no sell ratings from investors.

Is CFG undervalued?

Under the Base Case scenario, one CFG stock's intrinsic value stands at 55.32 USD; when compared with its current market price of 27.83 USD this indicates Citizens Financial Group Inc is being Undervalued by 50%.

4.4. For Community Trust Bancorp INC

Community Trust Bancorp Inc (CTBI), is a bank holding company offering business banking, personal banking and wealth and trust management solutions through its subsidiary companies to individuals, businesses and institutions alike.

It offers services such as brokerage, ATM, wealth management, merchant services, investment services, trust and estate, retirement services, and Internet and mobile banking [10].

5. Summary

This paper analyzes four well-known American banks and provides valuable information and insights into their data and business operations. It can help individuals interested in investing in these four banks gain a clear understanding. This article effectively summarizes basic information about the banks, such as the identity of the bank's president, the amount of assets and income it holds, and the total number of branches it has. Additionally, it includes an analysis of the balance sheet, some

investment risk reports, and the bank's market experience and strategies, as well as an explanation of what has led to the current state of the bank. This paper comprehensively covers and addresses these questions. In fact, the most important information in this paper is its analysis of the financial statements because it allows you to understand the recent situation of these four banks and whether there are potential development trends and investment needs.

Finally, the second area worth careful consideration in this paper is the fourth section, which effectively describes how the banks operate and generate profits. It explains how these four major banks have successfully dealt with difficulties when they arise. The advantages of these banks compared to other banks can also be obtained through the article.

In the future, this paper will continue to add useful information to make it more comprehensive

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