

# Comerica Incorporated

## Fourth Quarter 2017 and Full-Year 2017 Financial Review

January 16, 2018



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## Financial Summary

	4Q17	3Q17	2017	2016
<b>Earnings per share<sup>1</sup></b>	\$0.63	\$1.26	\$4.14	\$2.68
<b>Adjusted Earnings per share<sup>1,2</sup></b>	1.28	1.27	4.73	3.02
<b>Net interest income</b>	\$545	\$546	\$2,061	\$1,797
<i>Net interest margin</i>	3.28%	3.29%	3.12%	2.71%
<b>Provision for credit losses</b>	17	24	74	248
<i>Net credit-related charge-offs to average loans</i>	0.13%	0.21%	0.19%	0.32%
<b>Noninterest income</b>	285	275	1,107	1,051
<b>Noninterest expenses</b>	483	463	1,860	1,930
<i>Restructuring expenses</i>	13	7	45	93
<b>Net income to common<sup>3</sup></b>	112	224	738	473
<b>Adjusted net income to common<sup>2,3</sup></b>	226	226	842	532
<b>Average loans</b>	\$48,933	\$48,663	\$48,558	\$48,996
<b>Average deposits</b>	57,641	56,493	57,258	57,741
<b>Efficiency ratio<sup>4</sup></b>	58.07%	56.24%	58.57%	67.53%
<b>Common equity Tier 1 capital ratio</b>	11.55% <sup>5</sup>	11.51%	11.55% <sup>5</sup>	11.09%
<i>Average diluted shares (millions)</i>	176	177	178	177

\$ in millions, except per share data • <sup>1</sup>Diluted earnings per common share • <sup>2</sup>See Reconciliation of Non-GAAP Financial Measures located in Appendix • <sup>3</sup>Net income available to common shareholders • <sup>4</sup>Noninterest expenses, including restructuring charges, as a percentage of the sum of net interest income (FTE) & noninterest income excluding net securities gains (losses) • <sup>5</sup>Estimated

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## Reconciliation of Adjusted Net Income<sup>1</sup>

	4Q17		3Q17		4Q16		FY17		FY16	
	<i>Per Share<sup>2</sup></i>		<i>Per Share<sup>2</sup></i>		<i>Per Share<sup>2</sup></i>		<i>Per Share<sup>2</sup></i>		<i>Per Share<sup>2</sup></i>	
<i>(\$ in millions, except per share data)</i>	\$		\$		\$		\$		\$	
Net income to common <sup>1</sup>	\$112	\$0.63	\$224	\$1.26	\$163	\$0.92	\$738	\$4.14	\$473	\$2.68
Restructuring charges <sup>3</sup>	8	0.04	4	0.02	13	0.07	29	0.16	59	0.34
Deferred tax adjustment	107	0.61	—	—	—	—	107	0.60	—	—
One-time employee bonus <sup>3</sup>	3	0.02	—	—	—	—	3	0.02	—	—
Tax benefits from employee stock transactions	(4)	(0.02)	(2)	(0.01)	—	—	(35)	(0.19)	—	—
<b>Adjusted net income to common<sup>1</sup></b>	<b>\$226</b>	<b>\$1.28</b>	<b>\$226</b>	<b>\$1.27</b>	<b>\$176</b>	<b>\$0.99</b>	<b>\$842</b>	<b>\$4.73</b>	<b>\$532</b>	<b>\$3.02</b>
ROA	0.62%		1.25%		0.88%		1.04%		0.67%	
<i>Adjusted ROA<sup>4</sup></i>	1.26		1.27		0.95		1.19		0.75	
ROE	5.58		11.17		8.43		9.34		6.22	
<i>Adjusted ROE<sup>4</sup></i>	11.24		11.28		9.11		10.65		6.99	

• <sup>1</sup>Net income available to common shareholders • <sup>2</sup>Based on diluted average common shares • <sup>3</sup>Net of tax • <sup>4</sup>See Reconciliation of Non-GAAP Financial Measures located in Appendix

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## Full-Year 2017 Results

Pre-tax income increased 84%

	2017	From FY16	
		Chg \$	Chg %
<b>Average loans</b>	\$48,558	\$ (438)	(1)%
<b>Average deposits</b>	57,258	(483)	(1)
<b>Net interest income</b>	\$2,061	\$ 264	15%
<b>Provision for credit losses</b>	74	(174)	(70)
<i>Net credit-related charge-offs</i>	92	(65)	(41)
<b>Noninterest income</b>	1,107	56	5
<b>Noninterest expenses<sup>1</sup></b>	1,860	(70)	(4)
<b>Provision for income tax<sup>2</sup></b>	491	298	154
<b>Net income to common<sup>3</sup></b>	738	265	56
<b>Earnings per share<sup>4</sup></b>	\$ 4.14	\$1.46	54%
<b>Adjusted earnings per share<sup>4,5</sup></b>	4.73	1.71	57
<b>Equity repurchases<sup>6</sup></b>	\$ 531	\$ 228	75%
<b>Dividend declared</b>	1.09	0.20	22

### Key YoY Performance Drivers

- Excluding cyclical declines in Energy & Mortgage Banker, average loans increased \$670 million, or 1%
- Noninterest-bearing deposits growth of 4% more than offset by interest-bearing decline
- Net interest income grew 15% driven by higher interest rates as we prudently managed loan & deposit pricing
- Credit quality strong with continued improvement in Energy
- Noninterest income up 5% while expenses declined 4%, with execution of GEAR Up initiatives
- Continued active capital management. Returned \$724MM to shareholders

\$ in millions, except per share data • FY17 compared to FY16 • <sup>1</sup>Included restructuring charge of \$45MM in FY17 & \$93MM in FY16  
<sup>2</sup>Included \$107MM write-off of deferred tax assets & \$35MM tax benefit from employee stock transactions in 2017 • <sup>3</sup>Net income available to common shareholders • <sup>4</sup>Diluted earnings per common share • <sup>5</sup>See Reconciliation of Non-GAAP Financial Measures located in Appendix • <sup>6</sup>YTD repurchases under the equity repurchase program



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## Fourth Quarter 2017 Results

Focus on relationships drives loan, deposit & fee income growth

	4Q17	Change From	
		3Q17	4Q16
<b>Average loans</b>	\$ 48,933	\$ 270	\$ 18
<b>Average deposits</b>	57,641	1,148	(2,004)
<b>Net interest income</b>	\$ 545	\$ (1)	\$ 90
<b>Provision for credit losses</b>	17	(7)	(18)
<i>Net credit-related charge-offs</i>	16	(9)	(20)
<b>Noninterest income</b>	285	10	18
<b>Noninterest expenses<sup>1</sup></b>	483	20	22
<b>Provision for income tax<sup>2</sup></b>	218	110	156
<b>Net income to common<sup>3</sup></b>	112	(112)	(51)
<b>Earnings per share<sup>4</sup></b>	\$ 0.63	\$(0.63)	\$(0.29)
<b>Adjusted earnings per share<sup>4,5</sup></b>	1.28	0.01	0.29
<b>Equity repurchases<sup>6</sup></b>	\$ 148	\$ 9	\$ 49
<b>Dividend declared</b>	0.30	-	0.07

### Key QoQ Performance Drivers

- Average loans up 1%, lead by Dealer, Corporate & TLS
- Deposits increased 2%
- Net interest income relatively stable with higher interest rates offset by decline in nonaccrual interest recoveries
- Credit metrics remain very strong
- Noninterest income up 4% with growth in card fees & nearly all categories
- Expenses reflect increases in compensation, outside processing (card volume) & restructuring charges
- Tax includes \$107MM charge to adjust deferred taxes due to new tax law
- Repurchased 1.9MM shares under the equity repurchase program

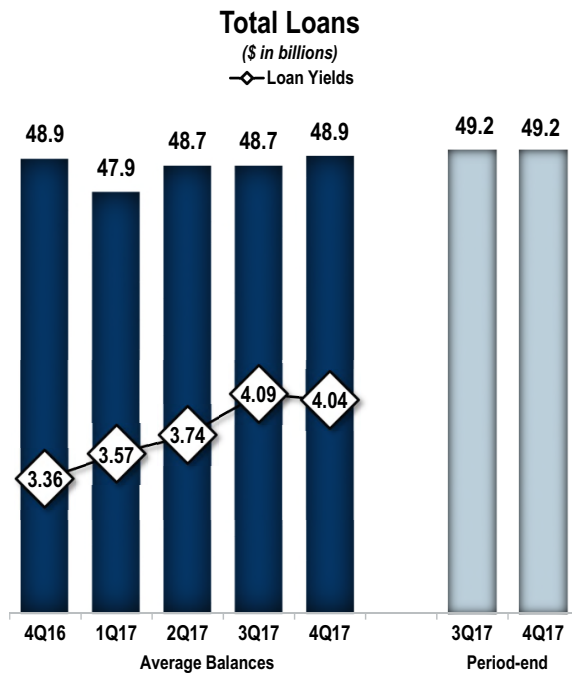
\$ in millions, except per share data • 4Q17 compared to 3Q17 • <sup>1</sup>Included restructuring charge of \$13M in 4Q17, \$7MM in 3Q17 & \$20MM in 4Q16 • <sup>2</sup>Included \$107MM write-off of deferred tax assets in 4Q17, \$4MM & \$2MM tax benefit from employee stock transactions in 4Q17 & 3Q17, respectively. • <sup>3</sup>Net income available to common • <sup>4</sup>Diluted earnings per common share • <sup>5</sup>See Reconciliation of Non-GAAP Financial Measures located in Appendix • <sup>6</sup>4Q17 repurchases under the equity repurchase program



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## Average Loans Increased \$270MM

Loan yields impacted by lower nonaccrual interest recoveries



4Q17 compared to 3Q17

### Average loans increased 1%

- + \$265MM National Dealer Services
- + \$172MM Corporate Banking
- + \$153MM Technology & Life Sciences
- \$126MM General Middle Market
- \$117MM Energy
- \$113MM Mortgage Banker Finance

### Loan yields decline 5 bps

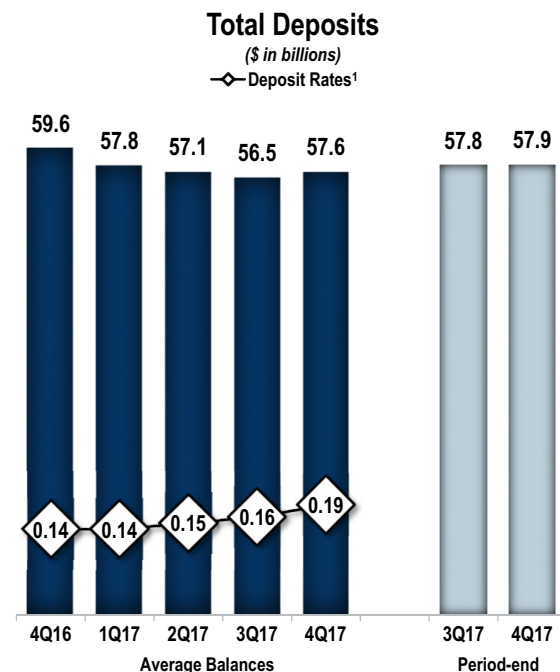
- 11 bps nonaccrual interest recoveries (elevated 3Q17 level)
- + 4 bps interest rates
- + 2 bps other dynamics, including higher loan fees

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## Average Deposits Increased \$1.1B

Average noninterest-bearing deposits increased \$723MM



4Q17 compared to 3Q17 • <sup>1</sup>Interest costs on interest-bearing deposits • <sup>2</sup>At 12/31/17

### Average deposits increased 2%

- + \$486MM US Banking
- + \$313MM Retail Banking
- + \$165MM Technology & Life Sciences
- + \$68MM General Middle Market
- + \$93MM Commercial Real Estate

### Loan to Deposit Ratio<sup>2</sup> of 85%

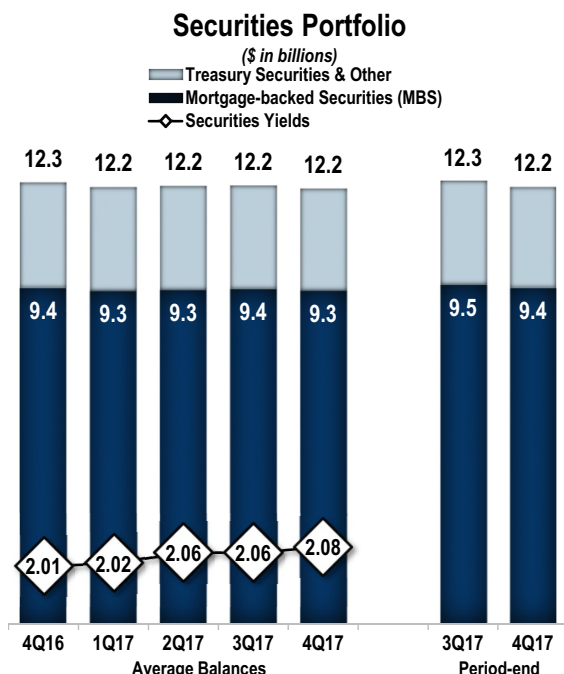
Continue to prudently manage pricing

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## Securities Portfolio Stable

Replaced prepaids at slightly higher yield



12/31/17 • <sup>1</sup>Estimated as of 12/31/17. Excludes auction rate securities (ARS). • <sup>2</sup>Net unrealized pre-tax gain/loss on the available-for-sale (AFS) portfolio • <sup>3</sup>Net unamortized premium on the MBS portfolio

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### Duration of 3.2 years<sup>1</sup>

- Extends to 3.8 years under a 200 bps instantaneous rate increase<sup>1</sup>

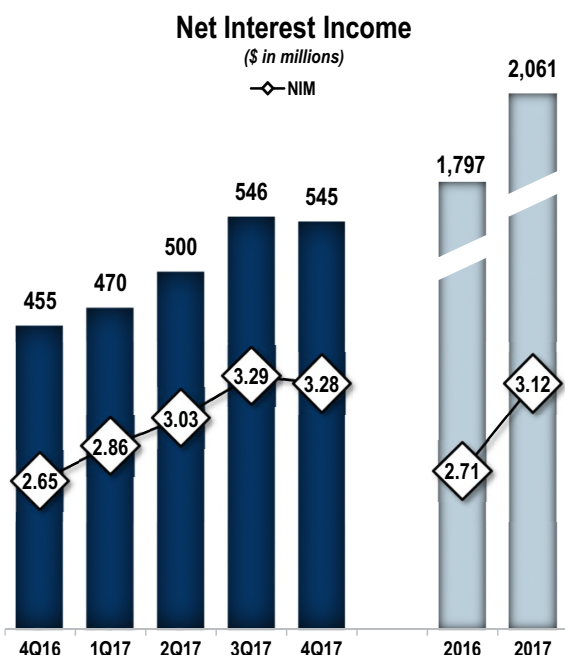
Net unrealized pre-tax loss of \$123MM<sup>2</sup>

Net unamortized premium of \$21MM<sup>3</sup>

GNMA ~59% of MBS portfolio

## Net Interest Income & NIM Stable

Excluding decrease in interest recoveries, NIM increased



4Q17 compared to 3Q17

\$546MM	3Q17	3.29%
- 2MM	Loan impacts: - \$13MM nonaccrual interest recoveries (-8 bps) + \$ 6MM higher rates (+4 bps) + \$ 3MM loan growth + \$ 2MM other dynamics (+1 bp)	-0.03
- 2MM	Deposit cost: Higher rates on larger MMAs	-
+ 1MM	Investment Securities: Higher yields	-
+ 2MM	Wholesale funding: Lower balance partly offsets higher rates	+0.02
\$545MM	4Q17	3.28%

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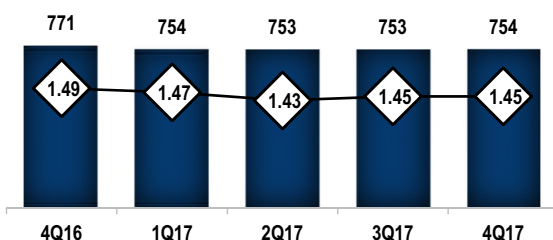
## Credit Quality Strong

Criticized, nonaccrual & charge-offs declined

### Allowance for Credit Losses

(\$ in millions)

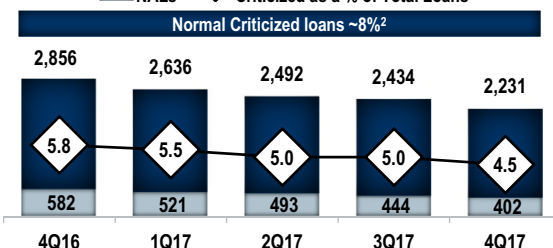
— Allowance for Loan Losses as a % of Total Loans



### Criticized Loans<sup>1</sup>

(\$ in millions)

— NALs — Criticized as a % of Total Loans



12/31/17 • <sup>1</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard, & Doubtful categories • <sup>2</sup>“Normal” estimates are based on internal historical analysis & management judgement • <sup>3</sup>Net credit-related charge-offs • <sup>4</sup>Net credit-related charge-offs (annualized) to average loans

### Portfolio Credit Metrics

\$ in millions	Energy	Ex-Energy	Total
Total loans	\$1,836	\$47,337	\$49,173
% of total CMA	4%	96%	100%
Criticized <sup>1</sup>	\$508	\$1,723	\$2,231
Ratio	27.7%	3.6%	4.5%
Q/Q change	\$(119)	\$(84)	\$(203)
Nonaccrual	\$108	\$294	\$402
Ratio	5.9%	0.6%	0.8%
Q/Q change	\$(59)	\$17	\$(42)
Net charge-offs <sup>3</sup>	1	15	16
Ratio <sup>4</sup>	0.21%	0.13%	0.13%
Q/Q change	\$(8)	\$(1)	\$(9)
Allowance/NPLs			173%
Allowance/LTM NCOs			7.7x

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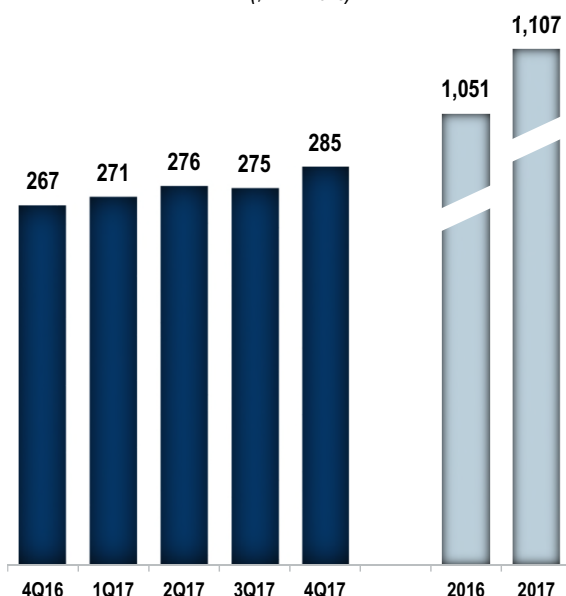
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## Noninterest Income Increased \$10MM

Reflects GEAR Up success

### Noninterest Income

(\$ in millions)



### Noninterest income increased 4%

- + \$ 6MM Card Fees
- + \$ 2MM Fiduciary income
- + \$ 1MM Commercial lending fees
- + \$ 1MM Foreign exchange income
- + \$ 1MM Net securities losses
- + \$ 1MM Investment banking & brokerage (other)
- \$ 2MM Service charges on deposit accounts

GEAR Up remained on track<sup>1</sup>  
YoY noninterest income increased \$56MM

4Q17 compared to 3Q17 • <sup>1</sup>Estimated as of 1/16/18

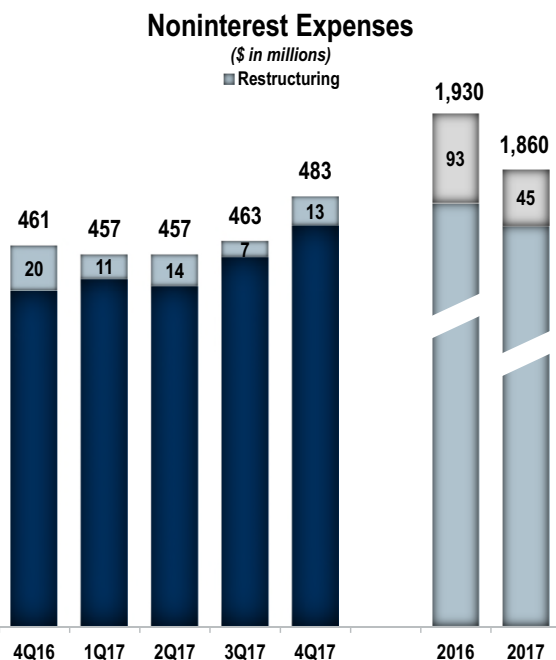
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## Noninterest Expenses Well Controlled

Efficiency ratio 58%<sup>1</sup>



- + \$10MM Salaries & benefits
- + One-time bonus
- + Performance-related compensation
- + \$ 7MM Outside processing fees (Card-driven)
- + \$ 6MM Restructuring
- \$ 4MM Technology (Software & Equipment)

**GEAR Up yielded YoY expense reductions:**  
 Salaries & Benefits -5%  
 Occupancy -2%  
 Equipment -15%

4Q17 compared to 3Q17 • <sup>1</sup>Noninterest expenses, including restructuring charges, as a percentage of the sum of net interest income (FTE) & noninterest income excluding net securities gains (losses)



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## Active Capital Management

Continue to return excess capital to shareholders

### 2017 CCAR Capital Plan (3Q17-2Q18)

- Equity repurchases up to \$605 million<sup>1</sup>
- 10/1/17 dividend increased 15% to \$0.30 per share

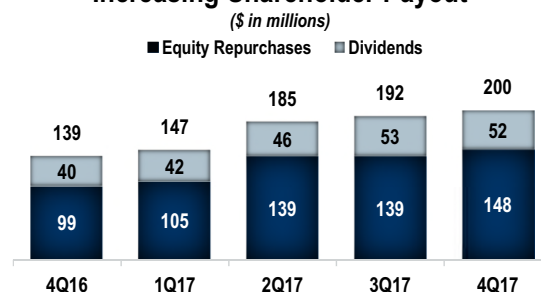
### Share Activity in 4Q17

- 1.9MM shares repurchased (\$148MM)
- 412,000 shares issued from employee stock activity & warrants exercised
  - \$4MM tax benefit from employee stock transactions

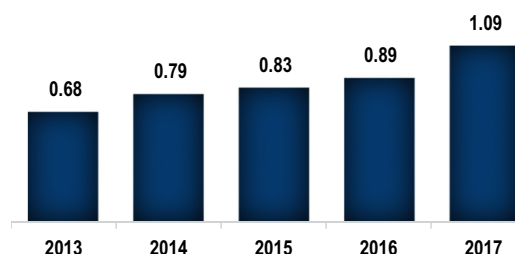
### Share Activity in FY17

- Returned \$724MM to shareholders
  - 7.3MM shares repurchased (\$531MM)
  - Increased dividend 22% to \$1.09 per share
- 5.4MM shares issued from employee stock activity & warrants exercised
  - \$35MM tax benefit from employee stock transactions

### Increasing Shareholder Payout



### Dividends Per Share Growth



12/31/17 • <sup>1</sup>Shares repurchased under equity repurchase program



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## Benefit from Rate Increases

Balance sheet well positioned for rising rates

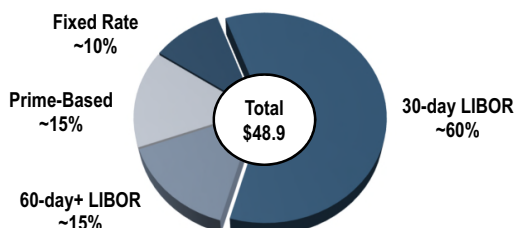
### Estimated Additional Net Interest Income<sup>1</sup>

Dec '17 Fed Funds +25 bps Deposit Beta ~20-40%	~\$55-70MM
June '17 Fed Funds +25 bps Deposit Beta ~10%	~\$35MM
March '17 Fed Funds +25 bps Deposit Beta -0-	~\$20MM
<b>TOTAL FY18</b> <i>Increase over 2017 net interest income<sup>1</sup></i>	<b>~\$110-125MM</b>
<b>TOTAL FY17</b> <i>~10%+ increase over 2016 net interest income<sup>1</sup></i>	<b>~\$200MM</b>

Outcomes may also vary due to a number of other variables including balance sheet movements, such as loan & deposit levels, as well as incremental funding needs

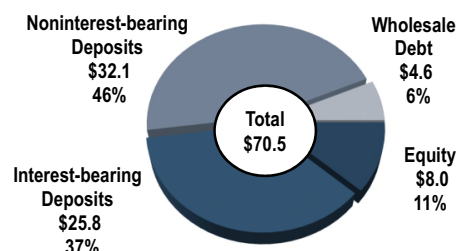
### Loan Portfolio

(\$ in billions; Average)



### Funding Profile

(\$ in billions; Period-end)



12/31/17 • Outlook as of 1/16/18 • <sup>1</sup>Assumes increases in Fed Funds, Prime & LIBOR. For methodology see the Company's Form 10-Q, as filed with the SEC. Estimates are based on simulation modeling analysis.



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## Management Outlook FY18 compared to FY17

Driving further improvement in Efficiency Ratio & Return on Equity

Assuming continuation of current economic & low rate environment  
~\$270 million of benefits from GEAR Up initiative included<sup>1</sup>

<b>Average loans</b>	Higher	<ul style="list-style-type: none"> <li>In line with growth in real GDP</li> <li>Growth: Most lines of business, led by General Middle Market, Technology &amp; Life Sciences (Equity Fund Services), National Dealer Services &amp; Mortgage Banker</li> <li>Stable: Energy &amp; Corporate Banking</li> </ul>
<b>Net interest income</b>	Higher	<ul style="list-style-type: none"> <li>~\$55-70MM for December rise in short-term rates (assuming a 20-40% deposit beta)</li> <li>~\$55MM for full-year contribution of March &amp; June 2017 short-term rate increases</li> <li>Contribution from loan growth</li> <li>Elevated interest recoveries not expected to repeat (2017 \$28MM total)</li> </ul>
<b>Provision</b>	Slightly Higher	<ul style="list-style-type: none"> <li>Provision of ~15-25 bps</li> <li>Net charge-offs to remain low</li> </ul>
<b>Noninterest income</b>	Higher	<ul style="list-style-type: none"> <li>Increase ~4%; excluding deferred comp (FY17 \$8MM) which is difficult to predict</li> <li>Continued execution of GEAR Up initiatives to help drive growth, particularly in card, fiduciary, brokerage &amp; treasury management</li> </ul>
<b>Noninterest expenses</b>	Slightly Higher	<ul style="list-style-type: none"> <li>Noninterest expense increase ~1%</li> <li>GEAR Up savings of additional \$50MM (2017 &gt;\$125MM)</li> <li>Offset by increased outside processing in line with growing revenue &amp; continued increases in technology costs &amp; typical inflationary pressures</li> <li>Restructuring expenses ~\$47MM-\$57MM (2017 \$45MM)</li> <li>Efficiency ratio continues to improve</li> </ul>
<b>Income Taxes</b>	Lower	<ul style="list-style-type: none"> <li>~23% of pre-tax income with new tax law</li> <li>Assumes no further impact from employee stock transactions</li> </ul>

Outlook as of 1/16/18; • <sup>1</sup>Relative to when we began the initiative in June 2016. See slide 22 for further detail. • Effective 1/1/18, Comerica adopted a new revenue recognition standard whereby noninterest income for certain products, totaling ~\$120 million in 2017, will be presented net of costs, effectively lowering our noninterest income and expense. This change in presentation was NOT included in this outlook and has no impact on our bottom line.



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# Appendix

commitment

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## Average Loans by Business and Market

By Line of Business	4Q17	3Q17	4Q16
Middle Market			
<i>General</i>	\$11.7	\$11.9	\$11.9
<i>Energy</i>	2.0	2.1	2.4
<i>National Dealer Services</i>	7.1	6.9	6.6
<i>Entertainment</i>	0.7	0.6	0.7
<i>Tech. &amp; Life Sciences</i>	3.5	3.3	3.2
<i>Environmental Services</i>	1.0	1.0	0.8
Total Middle Market	\$26.0	\$25.8	\$25.6
Corporate Banking			
<i>US Banking</i>	3.4	3.2	2.9
<i>International</i>	1.4	1.5	1.6
Mortgage Banker Finance	1.9	2.0	2.4
Commercial Real Estate	5.2	5.1	5.4
<b>BUSINESS BANK</b>	<b>\$37.9</b>	<b>\$37.6</b>	<b>\$37.9</b>
Small Business	3.8	3.8	3.9
Retail Banking	2.1	2.1	2.0
<b>RETAIL BANK</b>	<b>\$5.8</b>	<b>\$5.9</b>	<b>\$5.9</b>
Private Banking	5.2	5.3	5.1
<b>WEALTH MANAGEMENT</b>	<b>\$5.2</b>	<b>\$5.3</b>	<b>5.1</b>
<b>TOTAL</b>	<b>\$48.9</b>	<b>\$48.7</b>	<b>\$48.9</b>

By Market	4Q17	3Q17	4Q16
Michigan	\$12.8	\$12.6	\$12.4
California	18.2	17.9	17.8
Texas	9.8	10.0	10.4
Other Markets <sup>1</sup>	8.1	8.2	8.3
<b>TOTAL</b>	<b>\$48.9</b>	<b>\$48.7</b>	<b>\$48.9</b>

- Middle Market: Serving companies with revenues generally between \$20-\$500MM
- Corporate Banking: Serving companies (and their U.S. based subsidiaries) with revenues generally over \$500MM
- Small Business: Serving companies with revenues generally under \$20MM

\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Other Markets includes Florida, Arizona, the International Finance Division and businesses that have a significant presence outside of the three primary geographic markets.

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## Average Loans by Business and Market

By Line of Business	2017	2016
Middle Market		
<i>General</i>	\$11.9	\$12.0
<i>Energy</i>	2.1	2.8
<i>National Dealer Services</i>	7.0	6.4
<i>Entertainment</i>	0.7	0.7
<i>Tech. &amp; Life Sciences</i>	3.3	3.2
<i>Environmental Services</i>	0.9	0.9
Total Middle Market	\$25.8	\$26.0
Corporate Banking		
<i>US Banking</i>	3.2	3.0
<i>International</i>	1.5	1.7
Mortgage Banker Finance	1.8	2.2
Commercial Real Estate	5.2	5.2
<b>BUSINESS BANK</b>	<b>\$37.4</b>	<b>\$38.1</b>
Small Business	3.8	3.9
Retail Banking	2.1	2.0
<b>RETAIL BANK</b>	<b>\$5.9</b>	<b>\$5.9</b>
Private Banking	5.2	5.0
<b>WEALTH MANAGEMENT</b>	<b>\$5.3</b>	<b>\$5.0</b>
<b>TOTAL</b>	<b>\$48.6</b>	<b>\$49.0</b>

By Market	2017	2016
Michigan	\$12.7	\$12.5
California	18.0	17.7
Texas	10.0	10.6
Other Markets <sup>1</sup>	8.0	8.2
<b>TOTAL</b>	<b>\$48.6</b>	<b>\$49.0</b>

- Middle Market: Serving companies with revenues generally between \$20-\$500MM
- Corporate Banking: Serving companies (and their U.S. based subsidiaries) with revenues generally over \$500MM
- Small Business: Serving companies with revenues generally under \$20MM

\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Other Markets includes Florida, Arizona, the International Finance Division and businesses that have a significant presence outside of the three primary geographic markets.



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## Average Deposits by Business and Market

By Line of Business	4Q17	3Q17	4Q16
Middle Market			
<i>General</i>	\$14.6	\$14.5	\$15.1
<i>Energy</i>	0.6	0.7	1.1
<i>National Dealer Services</i>	0.3	0.4	0.3
<i>Entertainment</i>	0.1	0.1	0.2
<i>Tech. &amp; Life Sciences</i>	5.7	5.5	6.0
<i>Environmental Services</i>	0.2	0.1	0.1
Total Middle Market	\$21.5	\$21.3	\$22.8
Corporate Banking			
<i>US Banking</i>	2.4	1.9	\$3.0
<i>International</i>	2.1	2.1	2.5
Mortgage Banker Finance	0.6	0.8	0.8
Commercial Real Estate	2.1	2.0	2.1
<b>BUSINESS BANK</b>	<b>\$28.7</b>	<b>\$28.1</b>	<b>\$31.2</b>
Small Business	3.3	3.1	3.4
Retail Banking	20.9	20.8	20.6
<b>RETAIL BANK</b>	<b>\$24.2</b>	<b>\$23.9</b>	<b>\$24.0</b>
Private Banking	4.0	4.1	4.1
<b>WEALTH MANAGEMENT</b>	<b>\$4.2</b>	<b>\$4.1</b>	<b>\$4.1</b>
Finance/ Other <sup>2</sup>	0.5	0.4	0.4
<b>TOTAL</b>	<b>\$57.6</b>	<b>\$56.5</b>	<b>\$59.6</b>

By Market	4Q17	3Q17	4Q16
Michigan	\$21.8	\$21.6	\$22.0
California	18.2	17.3	18.4
Texas	9.4	9.4	10.4
Other Markets <sup>1</sup>	7.7	7.7	8.5
Finance/ Other <sup>2</sup>	0.5	0.4	0.4
<b>TOTAL</b>	<b>\$57.6</b>	<b>\$56.5</b>	<b>\$59.6</b>

- Middle Market: Serving companies with revenues generally between \$20-\$500MM
- Corporate Banking: Serving companies (and their U.S. based subsidiaries) with revenues generally over \$500MM
- Small Business: Serving companies with revenues generally under \$20MM

\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Other Markets includes Florida, Arizona, the International Finance Division and businesses that have a significant presence outside of the three primary geographic markets. • <sup>2</sup>Finance/ Other includes items not directly associated with the geographic markets or the three major business segments



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## Average Deposits by Business and Market

By Line of Business	2017	2016
Middle Market		
General	\$14.5	\$14.6
Energy	0.7	0.7
National Dealer Services	0.3	0.3
Entertainment	0.1	0.2
Tech. & Life Sciences	5.7	6.1
Environmental Services	0.1	0.1
Total Middle Market	\$21.5	\$22.0
Corporate Banking		
US Banking	2.2	2.7
International	2.2	2.3
Mortgage Banker Finance	0.7	0.7
Commercial Real Estate	2.1	1.9
<b>BUSINESS BANK</b>	<b>\$28.8</b>	<b>\$29.7</b>
Small Business	3.2	3.2
Retail Banking	20.8	20.3
<b>RETAIL BANK</b>	<b>\$24.0</b>	<b>\$23.5</b>
Private Banking	3.8	4.1
<b>WEALTH MANAGEMENT</b>	<b>\$4.1</b>	<b>\$4.1</b>
Finance/ Other <sup>2</sup>	0.4	0.4
<b>TOTAL</b>	<b>\$57.3</b>	<b>\$57.7</b>

By Market	2017	2016
Michigan	\$21.8	\$21.8
California	17.5	17.4
Texas	9.6	10.2
Other Markets <sup>1</sup>	7.9	8.0
Finance/ Other <sup>2</sup>	0.4	0.3
<b>TOTAL</b>	<b>\$57.3</b>	<b>\$57.7</b>

- Middle Market: Serving companies with revenues generally between \$20-\$500MM
- Corporate Banking: Serving companies (and their U.S. based subsidiaries) with revenues generally over \$500MM
- Small Business: Serving companies with revenues generally under \$20MM

\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Other Markets includes Florida, Arizona, the International Finance Division and businesses that have a significant presence outside of the three primary geographic markets. • <sup>2</sup>Finance/ Other includes items not directly associated with the geographic markets or the three major business segments.



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## GEAR Up: Growth in Efficiency And Revenue

Helping drive revenue growth & expense reductions

	Incremental	Total
<b>Expense Benefits</b>		
2016	~\$ 25MM+	~\$ 25MM+
2017	~\$125MM	~\$150MM
2018	~\$ 50MM	~\$200MM
2019	~\$ 15MM	~\$215MM
<b>Revenue Benefits</b>		
2017	~\$ 30MM	~\$ 30MM
2018	~\$ 40MM	~\$ 70MM
2019	~\$ 20MM	~\$ 90MM
<b>Restructuring Expenses</b>		
2016	\$ 93MM	\$ 93MM
2017	\$ 45MM	\$138MM
2018	~\$47-57MM	~\$185-195MM

### Revenue enhancements

- Continue to drive further growth & deeper customer relationships
  - Product enhancements
  - Training & new analytics
  - Sales force productivity tools result in additional capacity

### Expense opportunities

- Rationalize & modernize IT applications
  - Optimize infrastructure platforms
  - Process automation
  - Migrate certain applications to cloud
- Office & operational space consolidation

Pre-tax \$ • Estimates and outlook as of 1/16/18



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## Interest Rate Sensitivity

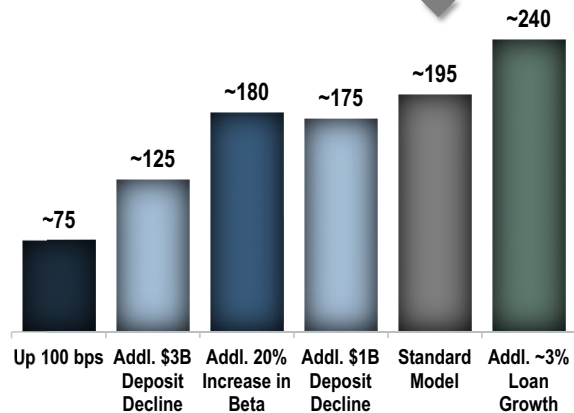
Remain well positioned for rising rates

### Standard Model Assumptions

Interest Rates	200 bps gradual, non-parallel rise
Loan Balances	Modest increase
Deposit Balances	Moderate decrease
Deposit Pricing (Beta)	Historical price movements with short-term rates
Securities Portfolio	Held flat with prepayment reinvestment
Loan Spreads	Held at current levels
MBS Prepayments	Third-party projections and historical experience
Hedging (Swaps)	No additions modeled

### Estimated Net Interest Income: Annual (12 month) Sensitivities

Based on Various Assumptions  
Additional Scenarios are Relative to 4Q17 Standard Model  
(\$ in millions)



12/31/17 • For methodology see the Company's Form 10-Q, as filed with the SEC. Estimates are based on simulation modeling analysis.

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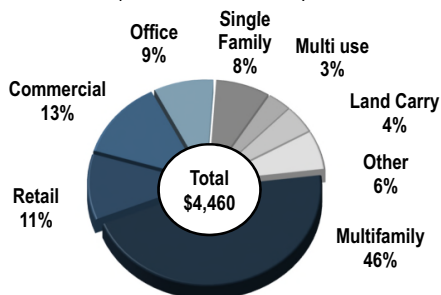
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## Commercial Real Estate Line of Business

Long history of working with well established, proven developers

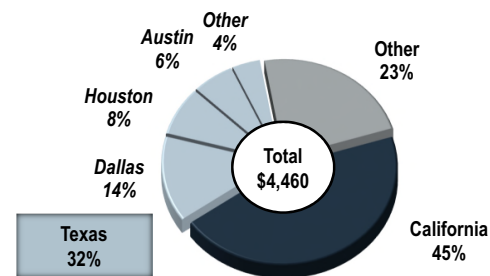
### CRE by Property Type<sup>1</sup>

(\$ in millions; Period-end)



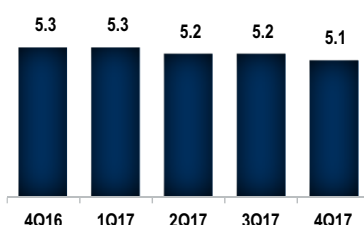
### CRE by Market<sup>1</sup>

(\$ in millions; Period-end, based on location of property)



### Period-end Loans<sup>2</sup>

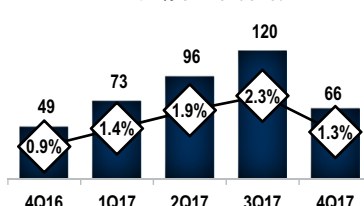
(\$ in billions)



### Criticized Loans<sup>3</sup>

(\$ in millions)

— % CRE Criticized



### Net Charge-offs (Recoveries)

(\$ in millions)



12/31/17 • <sup>1</sup>Excludes CRE line of business loans not secured by real estate • <sup>2</sup>Includes CRE line of business loans not secured by real estate • <sup>3</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard & Doubtful categories

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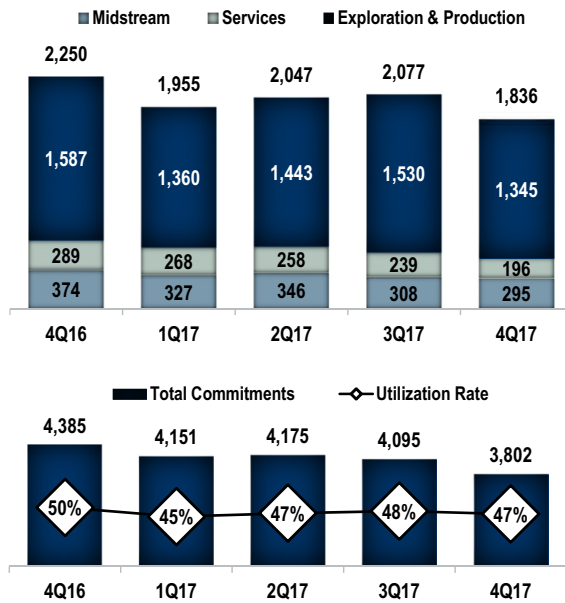
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## Energy Line of Business

Credit quality continues to improve; balances stable

### Energy Line of Business Loans

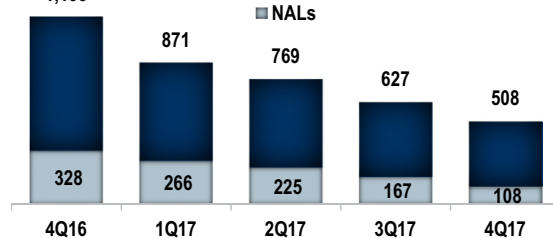
(\$ in millions; Period-end)



- Maintain granular portfolio: ~180 customers
- Loans decreased 18% since 12/31/16
- Fall redeterminations ~90% complete
  - Slight increase in borrowing bases
- 99% of nonaccrual loans current on interest

### Energy Line of Business Criticized Loans<sup>1</sup>

(\$ in millions)



12/31/17 • <sup>1</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard & Doubtful categories

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## Mortgage Banker Finance

50+ years experience with reputation for consistent, reliable approach

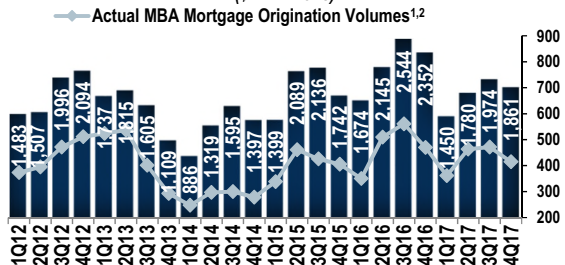
- Provide warehouse financing: bridge from residential mortgage origination to sale to end market
- Extensive backroom provides collateral monitoring and customer service
- Focus on full banking relationships
- Granular portfolio with 100+ relationships
- Underlying mortgages are typically related to home purchases as opposed to refinances
 

As of 4Q17:

  - Comerica: 79% purchase
  - Industry: 63% purchase<sup>1</sup>
- Strong credit quality
  - No charge-offs since 2010

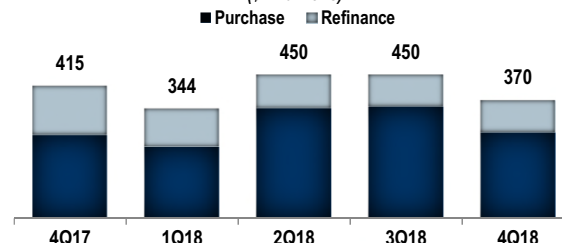
### Average Loans

(\$ in millions)



### MBA Mortgage Originations Forecast<sup>1</sup>

(\$ in billions)



12/31/17 • <sup>1</sup>Source: Mortgage Bankers Association (MBA) Mortgage Finance Forecast as of 12/20/17; 4Q17 also estimated • <sup>2</sup>\$ in billions

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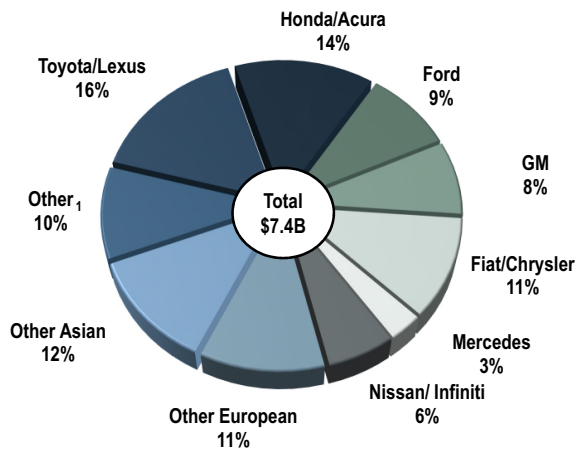
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## National Dealer Services

65+ years of floor plan lending

### Franchise Distribution

(Based on period-end loan outstandings)



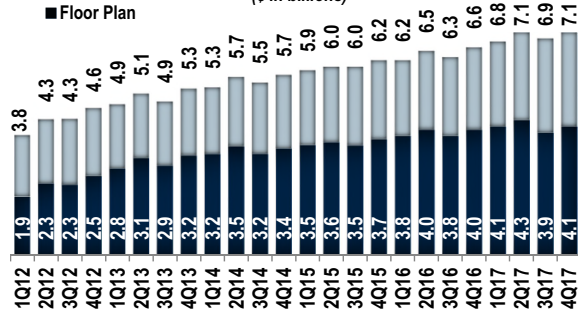
### Geographic Dispersion

California	62%	Texas	7%
Michigan	20%	Other	11%

- Top tier strategy
- Focus on "Mega Dealer" (five or more dealerships in group)
- Strong credit quality
- Robust monitoring of company inventory and performance

### Average Loans

(\$ in billions)



12/31/17 • 1 Other includes obligations where a primary franchise is indeterminable (rental car and leasing companies, heavy truck, recreational vehicles, and non-floor plan loans)

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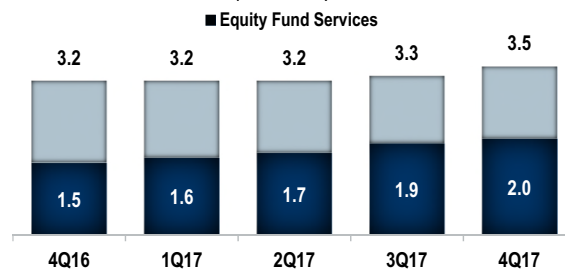
## Technology and Life Sciences

20+ years experience provides competitive advantage

- Strong relationships with top-tier investors
- Granular portfolio: ~810 customers (including ~230 customers in Equity Fund Services)
- Manage concentration to numerous verticals to ensure widely diversified portfolio
- Closely monitor cash balances and maintain robust backroom operation
- 15 offices throughout US & Canada
- Recent growth driven by Equity Fund Services
  - Commercial banking services for venture capital & private equity firms
  - Bridge financing for capital calls
  - Strong credit profile

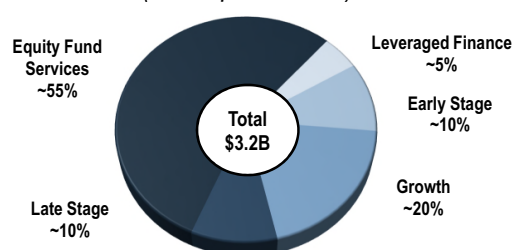
### Technology & Life Sciences Avg. Loans

(\$ in billions)



### Customer Segment Overview

(based on period-end loans)



12/31/17

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## Holding Company Debt Rating

	<u>Senior Unsecured/Long-Term Issuer Rating</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Peer Banks	BB&T	A2	A-	A+
	Cullen Frost	A3	A-	--
	M&T Bank	A3	A-	A
	<b>Comerica</b>	<b>A3</b>	<b>BBB+</b>	<b>A</b>
	BOK Financial Corporation	A3	BBB+	A
	Huntington	Baa1	BBB	A-
	Fifth Third	Baa1	BBB+	A-
	KeyCorp	Baa1	BBB+	A-
	SunTrust	Baa1	BBB+	A-
	Regions Financial	Baa2	BBB+	BBB+
Large Banks	First Horizon National Corp	Baa3	BBB-	BBB-
	Zions Bancorporation	Baa3	BBB-	--
	U.S. Bancorp	A1	A+	AA
	Wells Fargo & Company	A2	A	A+
	PNC Financial Services Group	A3	A-	A+
	JP Morgan	A3	A-	A+
	Bank of America	A3	A-	A

As of 1/11/18 • Source: SNL Financial • Debt Ratings are not a recommendation to buy, sell, or hold securities

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## Reconciliation of Non-GAAP Financial Measures

<i>(dollar amounts in millions, except per share data)</i>	4Q17	3Q17	4Q16	FY17	FY16
<b>Adjusted Earnings per Common Share:</b>					
Net income available to common shareholders	\$112	\$224	\$163	\$738	\$473
Restructuring charges, net of tax	8	4	13	29	59
Deferred tax adjustment	107	—	—	107	—
One-time employee bonus, net of tax	3	—	—	3	—
Tax benefits from employee stock transactions	(4)	(2)	—	(35)	—
Adjusted net income available to common shareholders	\$226	\$226	\$176	\$842	\$532
Diluted average common shares (in millions)	176	177	177	178	177
Reported diluted earnings per common share	\$0.63	\$1.26	\$0.92	\$4.14	\$2.68
Adjusted diluted earnings per common share	1.28	1.27	0.99	4.73	3.02
<b>Adjusted Net Income, ROA and ROE:</b>					
Net income	\$112	\$226	\$164	\$743	\$477
Restructuring charges, net of tax	8	4	13	29	59
Deferred tax adjustment	107	—	—	107	—
One-time employee bonus, net of tax	3	—	—	3	—
Tax benefits from employee stock transactions	(4)	(2)	—	(35)	—
Adjusted net income	\$226	\$228	\$177	\$847	\$536
<b>Average assets</b>	\$71,398	\$71,251	\$74,126	\$71,452	\$71,743
Reported ROA	0.62%	1.25%	0.88%	1.04%	0.67%
Adjusted ROA	1.26	1.27	0.95	1.19	0.75
<b>Average common shareholder's equity</b>	\$7,987	\$8,008	\$7,734	\$7,952	\$7,674
Reported ROE	5.58%	11.17%	8.43%	9.34%	6.22%
Adjusted ROE	11.24	11.28	9.11	10.65	6.99

Comerica believes non-GAAP measures are meaningful because they reflect adjustments commonly made by management, investors, regulators and analysts to evaluate the adequacy of common equity and performance trends. Comerica believes adjusted net income, earnings per share, ROA and ROE provide a greater understanding of ongoing operations and enhances comparability of results with prior periods. Adjusted net income, earnings per share, ROA and ROE remove the after tax effect of restructuring charges and one-time employee bonuses, the charge to adjust deferred taxes resulting from the Tax Cuts and Jobs Act and tax benefits from employee stock transactions from net income and net income available to common shareholders.

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