

# Comerica Incorporated

## Investor Presentation May 2019



### Safe Harbor Statement

Any statements in this presentation that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Words such as "anticipates," "believes," "contemplates," "feels," "expects," "estimates," "seeks," "strives," "plans," "intends," "outlook," "forecast," "position," "target," "mission," "assume," "achievable," "potential," "strategy," "goal," "aspiration," "opportunity," "initiative," "outcome," "continue," "remain," "maintain," "on track," "trend," "objective," "looks forward," "projects," "models" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions, as they relate to Comerica or its management, are intended to identify forward-looking statements. These forward-looking statements are predicated on the beliefs and assumptions of Comerica's management based on information known to Comerica's management as of the date of this presentation and do not purport to speak as of any other date. Forward-looking statements may include descriptions of plans and objectives of Comerica's management for future or past operations, products or services, and forecasts of Comerica's revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries as well as estimates of credit trends and global stability. Such statements reflect the view of Comerica's management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, Comerica's actual results could differ materially from those discussed. Factors that could cause or contribute to such differences are changes in general economic, political or industry conditions; changes in monetary and fiscal policies; operational, systems or infrastructure failures; reliance on other companies to provide certain key components of business infrastructure; cybersecurity risks; whether Comerica may achieve opportunities for revenue enhancements and efficiency improvements under the GEAR Up initiative, or changes in the scope or assumptions underlying the GEAR Up initiative; Comerica's ability to maintain adequate sources of funding and liquidity; the effects of more stringent capital requirements; declines or other changes in the businesses or industries of Comerica's customers; unfavorable developments concerning credit quality; changes in regulation or oversight; heightened legislative and regulatory focus on cybersecurity and data privacy; fluctuations in interest rates and their impact on deposit pricing; transitions away from LIBOR towards new interest rate benchmarks; reductions in Comerica's credit rating; damage to Comerica's reputation; Comerica's ability to utilize technology to efficiently and effectively develop, market and deliver new products and services; competitive product and pricing pressures among financial institutions within Comerica's markets; the interdependence of financial service companies; the implementation of Comerica's strategies and business initiatives; changes in customer behavior; management's ability to maintain and expand customer relationships; the effectiveness of methods of reducing risk exposures; the effects of catastrophic events including, but not limited to, hurricanes, tornadoes, earthquakes, fires, droughts and floods; the impacts of future legislative, administrative or judicial changes to tax regulations; any future strategic acquisitions or divestitures; management's ability to retain key officers and employees; the impact of legal and regulatory proceedings or determinations; losses due to fraud; the effects of terrorist activities and other hostilities; changes in accounting standards; the critical nature of Comerica's accounting policies; controls and procedures failures; and the volatility of Comerica's stock price. Comerica cautions that the foregoing list of factors is not all-inclusive. For discussion of factors that may cause actual results to differ from expectations, please refer to our filings with the Securities and Exchange Commission. In particular, please refer to "Item 1A. Risk Factors" beginning on page 12 of Comerica's Annual Report on Form 10-K for the year ended December 31, 2018. Forward-looking statements speak only as of the date they are made. Comerica does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. For any forward-looking statements made in this presentation or in any documents, Comerica claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

# Comerica: Drivers of our Success

## OUR MISSION

We will achieve balanced growth and profitability by delivering a higher level of banking that nurtures lifelong relationships with unwavering integrity and financial prudence.

## OUR CORE VALUES

Customer-centricity  
 Collaboration  
 Integrity  
 Excellence  
 Agility  
 Diversity  
 Involvement

## OUR VISION

To become the highest performing, most respected and most desired bank in the markets we serve.

## OUR PROMISE

We will raise your expectations of what a bank can be.



# Well Positioned for the Future

Provided superior shareholder returns in 2018 & 1Q19

A LEADING BANK FOR BUSINESS

RELATIONSHIP BANKING STRATEGY

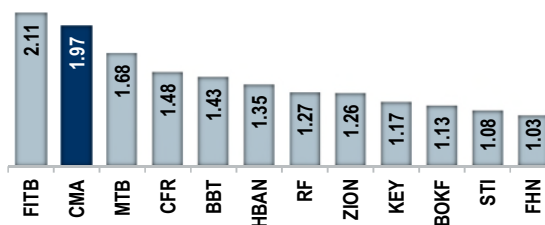
GROWING REVENUE

HIGHLY EFFICIENT

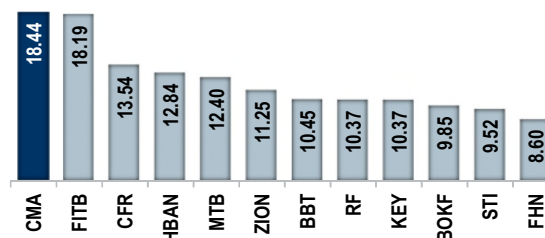
SUPERIOR CREDIT METRICS

STRONG CAPITAL

**Return on Assets<sup>1</sup>**  
 (1Q19; In percentage points)



**Return on Equity<sup>1</sup>**  
 (1Q19; Average common equity; In percentage points)

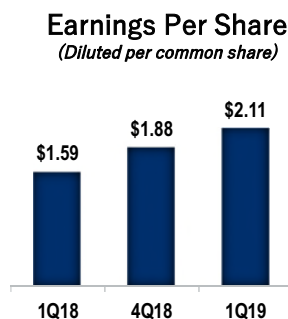
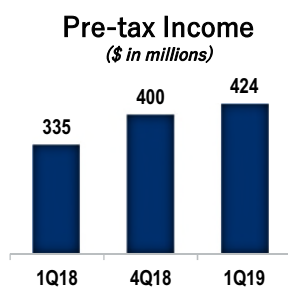


<sup>1</sup>Source for peer group data: S&P Global Market Intelligence; FITB includes gain on sale of Worldpay shares & close of MB Financial acquisition during 1Q19



# 1Q19 Financial Accomplishments

33% increase in earnings per share (1Q19 vs. 1Q18)



## GROWING REVENUE

- \$1.3B increase in average loans
- Grew revenue 6%, including \$57MM increase in net interest income as well as growth in syndication & card fees

## EXPENSE & CREDIT DISCIPLINE

- Expense discipline helped drive efficiency ratio to 51%
- Strong credit quality with net charge-offs of 8 bps
- Nonaccrual loans declined to 38 bps of total period-end loans

## ACTIVE CAPITAL MANAGEMENT

- Increased dividend paid April 1 to \$0.67 per share
- Returned a total of \$530MM to shareholders, including dividends & share repurchase of \$425MM (5.1MM shares)<sup>1</sup>
- Return on equity (ROE) increased to 18.44%

3/31/19; 1Q19 compared to 1Q18 • <sup>1</sup>Through share repurchase program

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# 1Q19 Financial Results

Expense discipline, strong credit & capital management drove ROE over 18%

(\$ in millions, except per share data)	1Q19	Change From	
		4Q18	1Q18
<b>Average loans</b>	\$49,677	\$845	\$1,256
<b>Average deposits</b>	53,996	(1,733)	(2,094)
<b>Net interest income</b>	\$606	\$(8)	\$57
<b>Provision for credit losses</b>	(13)	(29)	(25)
<b>Noninterest income<sup>1,2</sup></b>	238	(12)	(6)
<i>Adjusted Noninterest income<sup>2,3</sup></i>	246	(4)	2
<b>Noninterest expenses<sup>1,2</sup></b>	433	(15)	(13)
<i>Adjusted Noninterest expense<sup>2,3</sup></i>	433	(1)	3
<b>Provision for income tax</b>	85	(5)	31
<b>Net income</b>	339	29	58
<b>Earnings per share<sup>4</sup></b>	\$2.11	\$0.23	\$0.52
<i>Adjusted Earnings per share<sup>3,4</sup></i>	2.08	0.13	0.54
<b>Average diluted shares</b>	159,518	(3,983)	(15,626)

## Key QoQ Performance Drivers

- Broad-based loan growth; overcame traditional seasonality
- Deposits showed typical 1Q decline
- Net interest income aided by rate increase & loan growth, more than offset by 2 fewer days & lower balances at Fed; Net interest margin 3.79%, up 9 bps
- Strong credit quality continued
- Adjusted noninterest income decreased from strong 4Q18
- Adjusted expenses relatively stable with annual stock comp. offset by reduction in several categories
- 1Q19 discrete tax benefits of \$11MM related to employee stock transactions
- Repurchased 5.1MM shares<sup>5</sup>; returned \$530MM to shareholders through buyback & dividend

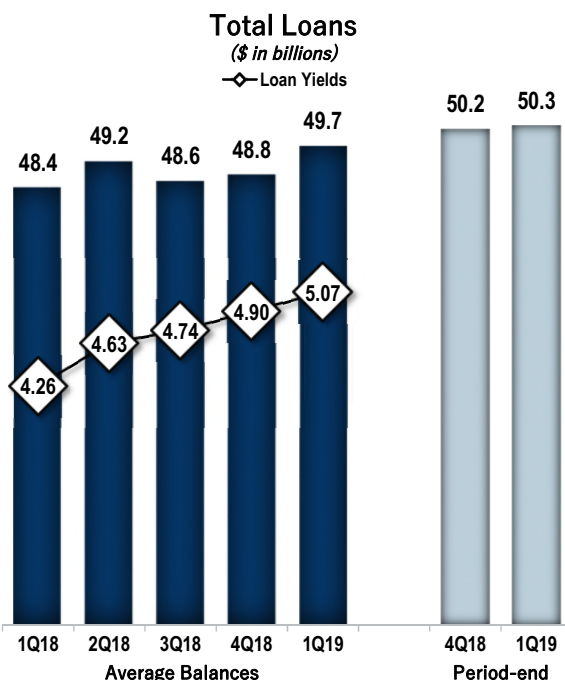
1Q19 compared to 4Q18 • <sup>1</sup>1Q19 included \$8MM loss related to repositioning of securities portfolio • <sup>2</sup>Includes gain/(loss) related to deferred compensation plan as follows: \$2MM in 1Q19; \$(7)MM in 4Q18; \$1MM in 1Q18. Amounts offset in noninterest expense • <sup>3</sup>See Reconciliation of Non-GAAP Financial Measures slide • <sup>4</sup>Diluted earnings per common share • <sup>5</sup>1Q19 repurchases under the share repurchase program

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## Average Loans

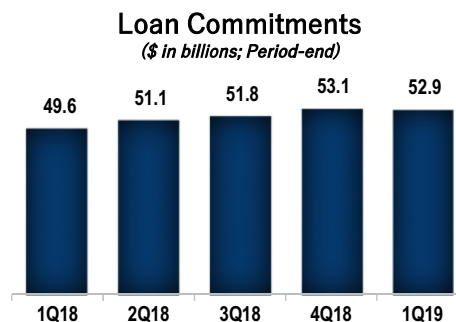
Loans increase 1.7%; Loan yields increase 17 basis points with higher rates



1Q19 compared to 4Q18

### Average loans increase \$845MM

- + \$434MM National Dealer Services
- + \$317MM Energy
- + \$260MM General Middle Market
- + \$93MM Equity Funds Services
- + \$92MM Commercial Real Estate
- + \$77MM US Banking
- \$342MM Mortgage Banker



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## Average Loans by Business and Market

By Line of Business	1Q19	4Q18	1Q18
<b>Middle Market</b>			
General	\$12.0	\$11.7	\$11.8
Energy	2.3	2.0	1.9
National Dealer Services	7.8	7.4	7.3
Entertainment	0.8	0.8	0.7
Tech. & Life Sciences	1.3	1.4	1.4
Equity Fund Services	2.6	2.5	2.1
Environmental Services	1.2	1.2	1.0
<b>Total Middle Market</b>	<b>\$28.0</b>	<b>\$27.0</b>	<b>\$26.2</b>
<b>Corporate Banking</b>			
US Banking	3.0	2.9	3.2
International	1.3	1.3	1.3
Commercial Real Estate	5.3	5.2	5.3
Mortgage Banker Finance	1.3	1.7	1.4
Small Business	3.5	3.6	3.7
<b>BUSINESS BANK</b>	<b>\$42.5</b>	<b>\$41.7</b>	<b>\$41.1</b>
Retail Banking	2.1	2.1	2.1
<b>RETAIL BANK</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$2.1</b>
Private Banking	5.0	5.0	5.2
<b>WEALTH MANAGEMENT</b>	<b>\$5.0</b>	<b>\$5.0</b>	<b>\$5.2</b>
<b>TOTAL</b>	<b>\$49.7</b>	<b>\$48.8</b>	<b>\$48.4</b>

By Market	1Q19	4Q18	1Q18
Michigan	\$12.6	\$12.5	\$12.6
California	18.8	18.3	18.3
Texas	10.3	9.9	9.8
Other Markets <sup>1</sup>	8.1	8.2	7.6
<b>TOTAL</b>	<b>\$49.7</b>	<b>\$48.8</b>	<b>\$48.4</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

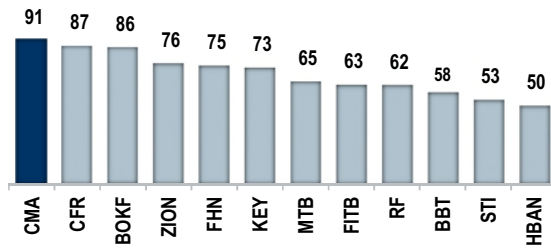
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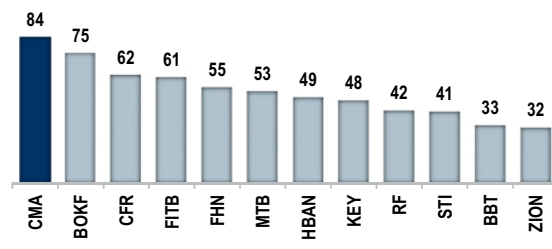
# #1 Commercial Lender

Relationship banking focus & deep expertise

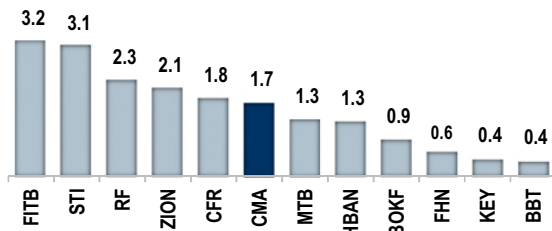
**Business Loans as a % of Total<sup>1</sup>**  
(4Q18; In percentage points)



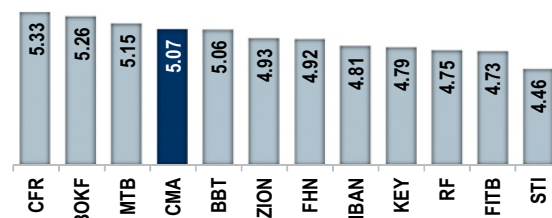
**Total Loan Beta<sup>1,3,4</sup>**  
(1Q19 vs. 3Q15; In basis points)



**Change in Avg. Loans<sup>2</sup>**  
(1Q19 vs 4Q18; In percentage points)



**Loan Yields<sup>1,4</sup>**  
(1Q19; In percentage points)



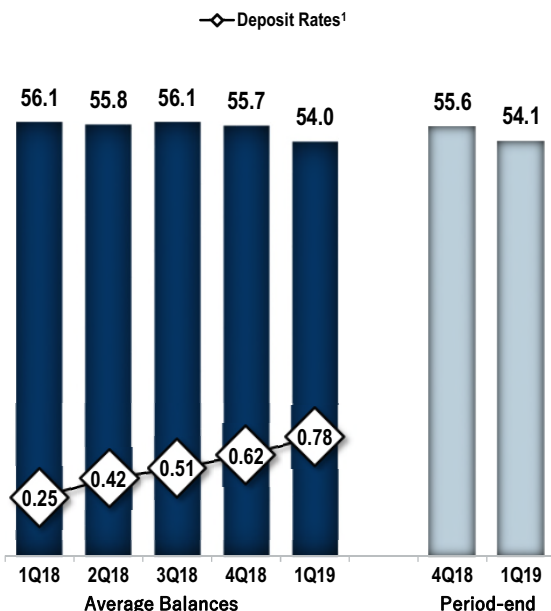
<sup>1</sup>Source: S&P Global Market Intelligence • <sup>2</sup>Source: 1Q19 earnings release materials • <sup>3</sup>Beta: change in total loan yields expressed as a percentage of the increase in the federal funds rate • <sup>4</sup>1Q19 loan yields for BOKF, STI, & ZION from earnings release materials



# Average Deposits

Reflects seasonality

**Total Deposits**  
(In billions)



## Average deposits

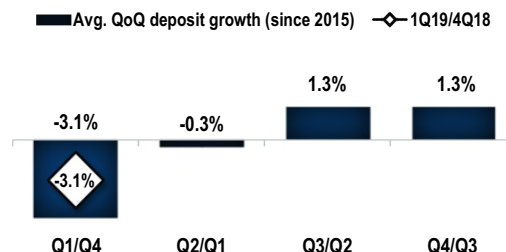
- Noninterest-bearing decline \$1.7B
- Interest-bearing stable
- March deposits grew \$1B over February

## Period-end deposits decrease \$1.5B

- \$1.2B government prepaid card (timing)

## Loan to deposit ratio<sup>2</sup> of 93%

**Deposit Seasonality**  
(In billions; Average)



1Q19 compared to 4Q18 • <sup>1</sup>Interest costs on interest-bearing deposits • <sup>2</sup>At 3/31/19



## Average Deposits by Business and Market

By Line of Business	1Q19	4Q18	1Q18
Middle Market			
General	\$13.3	\$13.7	\$14.0
Energy	0.5	0.5	0.6
National Dealer Services	0.3	0.3	0.3
Entertainment	0.1	0.1	0.1
Tech. & Life Sciences	5.0	5.2	5.0
Equity Fund Services	0.8	0.9	0.9
Environmental Services	0.2	0.1	0.2
Total Middle Market	\$20.1	\$20.9	\$21.1
Corporate Banking			
US Banking	1.8	2.0	2.0
International	1.6	1.8	2.0
Commercial Real Estate	1.5	1.5	1.6
Mortgage Banker Finance	0.6	0.6	0.6
Small Business	2.9	3.1	3.2
<b>BUSINESS BANK</b>	<b>\$28.5</b>	<b>\$30.0</b>	<b>\$30.5</b>
Retail Banking	20.5	20.6	20.9
<b>RETAIL BANK</b>	<b>\$20.5</b>	<b>\$20.6</b>	<b>\$20.9</b>
Private Banking	3.5	3.8	3.6
<b>WEALTH MANAGEMENT</b>	<b>\$3.8</b>	<b>\$4.1</b>	<b>\$3.8</b>
Finance/Other <sup>2</sup>	1.3	1.1	0.9
<b>TOTAL</b>	<b>\$54.0</b>	<b>\$55.7</b>	<b>\$56.1</b>

By Market	1Q19	4Q18	1Q18
Michigan	\$19.9	\$20.2	\$21.2
California	16.2	17.2	17.1
Texas	8.7	8.9	9.2
Other Markets <sup>1</sup>	7.9	8.3	7.7
Finance/Other <sup>2</sup>	1.3	1.1	0.9
<b>TOTAL</b>	<b>\$54.0</b>	<b>\$55.7</b>	<b>\$56.1</b>

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\$ 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

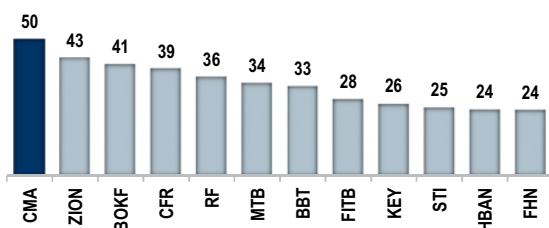


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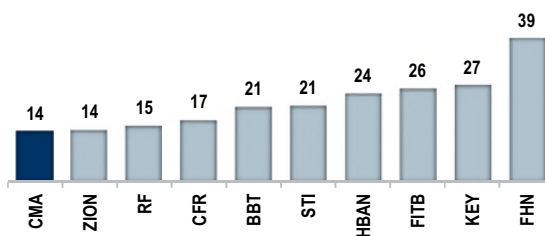
## Strong Deposit Base

Results in low funding costs

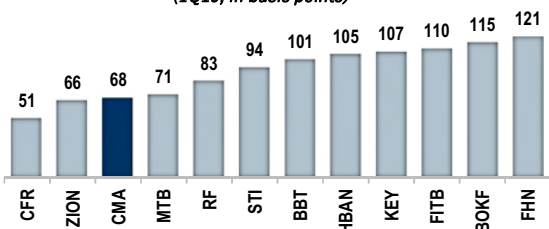
**Highest Proportion of Noninterest-bearing / Total Deposits<sup>1</sup>**  
(1Q19 Average; In percentage points)



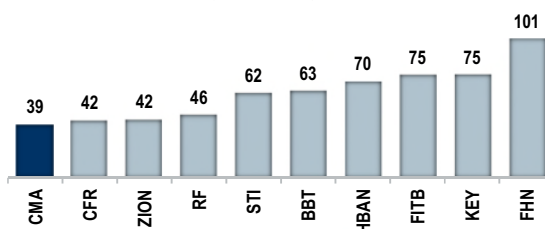
**Lowest Total Deposit Beta<sup>1,2</sup>**  
(1Q19 vs. 3Q15; In basis points)



**Superior Total Funding Cost<sup>1</sup>**  
(1Q19; In basis points)



**Lowest Total Deposit Cost<sup>1,3</sup>**  
(1Q19; In basis points)



<sup>1</sup>Source: S&P Global Market Intelligence • <sup>2</sup>Beta: change in total deposit costs expressed as a percentage of the increase in the federal funds rate; excludes BOKF & MTB as data was not available • <sup>3</sup>Interest costs on total deposits; CMA interest-bearing deposit rate for 1Q19 78 bps; excludes BOKF & MTB as data was not available

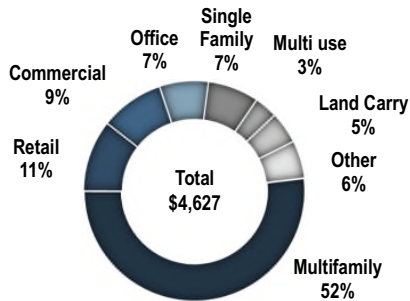


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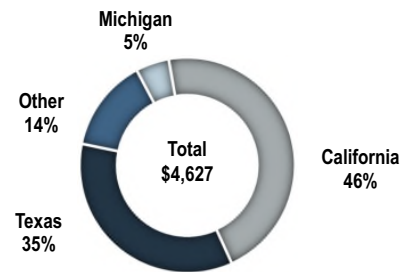
# Commercial Real Estate Line of Business

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)



**Credit Quality**

(\$ in millions; Period-end)	1Q18	4Q18	1Q19
Criticized <sup>2</sup>	\$64	\$84	\$84
Ratio	1.2%	1.7%	1.5%
Nonaccrual	\$3	\$2	\$2
Ratio	0.06%	0.04%	0.04%
Net charge-offs (recoveries)	-0-	-0-	-0-

**CRE by Loan Type**

(\$ in millions; Period-end)	4Q18		1Q19	
Real Estate Construction	\$2,687	53%	\$2,888	53%
Commercial Mortgages	1,743	34%	1,739	32%
	\$4,430	87%	\$4,627	85%
Commercial & Other	661	13%	788	15%
<b>Total</b>	<b>\$5,091</b>	<b>100%</b>	<b>\$5,415</b>	<b>100%</b>

3/31/19 • <sup>1</sup>Excludes CRE line of business loans not secured by real estate • <sup>2</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard & Doubtful categories



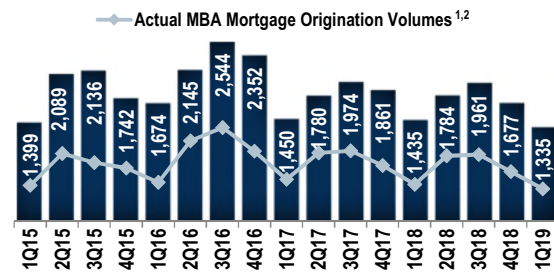
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# Mortgage Banker Finance

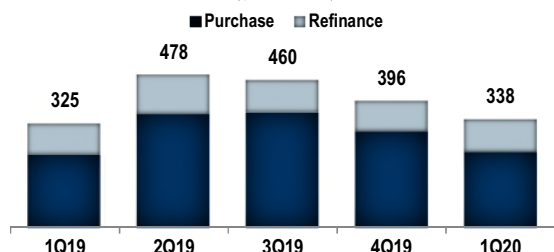
50+ years experience with reputation for consistent, reliable approach

- 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 1Q19:
- Comerica: 83% purchase
  - Industry: 70% purchase<sup>1</sup>
- Strong credit quality
    - No charge-offs since 2010
  - Period-end loans: \$1.8B

**Average Loans**  
(\$ in millions)



**MBA Mortgage Originations Forecast<sup>1</sup>**  
(\$ in billions)



3/31/19 • <sup>1</sup>Source: Mortgage Bankers Association (MBA) Mortgage Finance Forecast as of 3/21/19; 1Q19 estimated • <sup>2</sup>\$ in billions



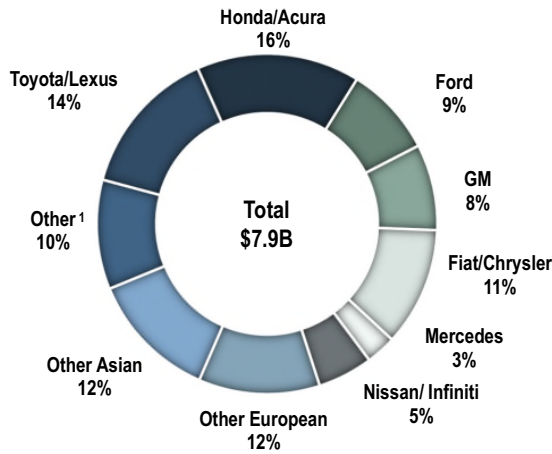
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# National Dealer Services

65+ years of floor plan lending

## Franchise Distribution

(Based on period-end loan outstandings)



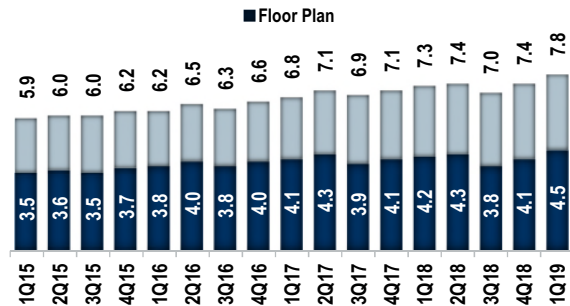
## Geographic Dispersion

California	58%	Texas	7%
Michigan	23%	Other	12%

- 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)



3/31/19 • <sup>1</sup>Other includes obligations where a primary franchise is indeterminable (rental car and leasing companies, heavy truck, recreational vehicles, and non-floor plan loans)



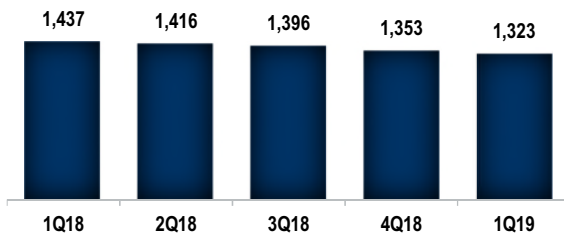
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# Technology and Life Sciences & Equity Fund Services

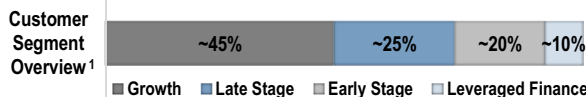
Deep expertise & strong relationships with top-tier investors

## Technology & Life Sciences Avg. Loans

(\$ in millions)

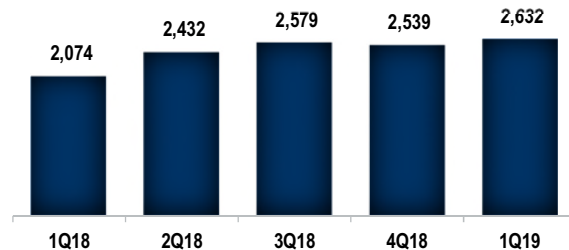


- ~510 customers
- Manage concentration to numerous verticals to ensure widely diversified portfolio
- Closely monitor cash balances & maintain robust backroom operation
- 11 offices throughout US & Canada



## Equity Fund Services

(\$ in millions)



- ~250 customers
- Commercial banking services for venture capital & private equity firms
- Bridge financing for capital calls
- Strong credit profile

3/31/19 • <sup>1</sup>Based on 1Q19 period-end loans totaling \$1.3B



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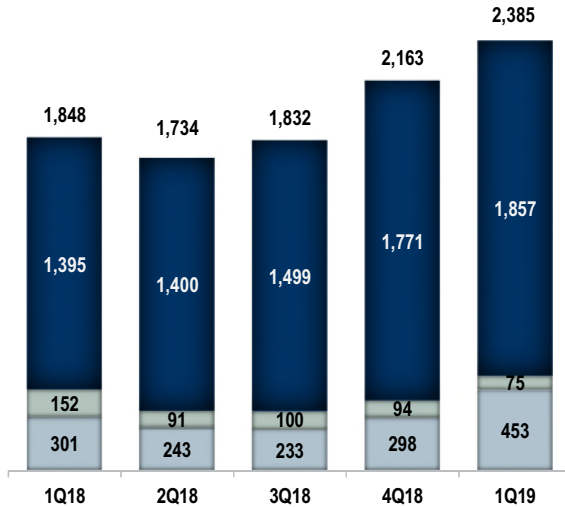
## Energy Line of Business

Nonaccrual loans continue to decline

### Energy Line of Business Loans

(\$ in millions; Period-end)

■ Midstream ■ Services ■ Exploration & Production

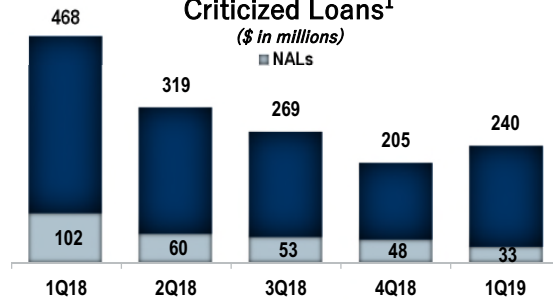


- Remain committed to supporting customers
- Focus on full relationships with larger, sophisticated E&P companies (access to a variety of capital sources, hedging & diverse geographic footprint)
- Loan growth driven by higher borrowing bases from strong drilling results & continued capex
- Robust analysis of collateral

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

(\$ in millions)

■ NALs



3/31/19 • <sup>1</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard & Doubtful categories

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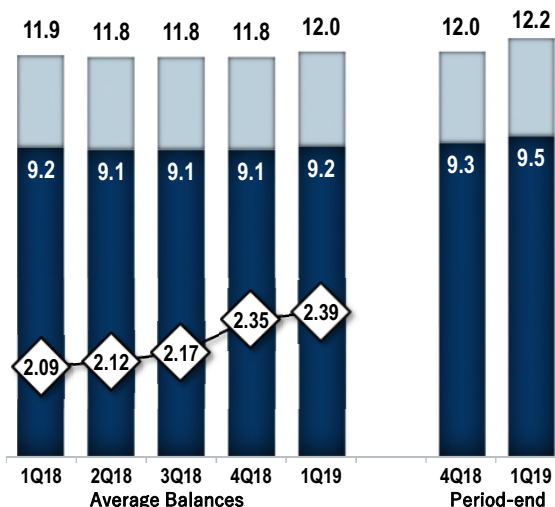
## Securities Portfolio

Yields increase 4 basis points

### Securities Portfolio

(\$ in billions)

■ Treasury Securities & Other  
■ Mortgage-backed Securities (MBS)  
◇ Securities Yields



### Duration of 2.8 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 \$64MM<sup>2</sup>

### Net unamortized premium of \$12MM<sup>3</sup>

Yields benefitted from typical quarterly paydown of \$400MM - \$500MM being replaced at higher yield

### Repositioned \$1.0B Treasuries (3/29/19)

- Average yield will increase ~\$1MM per quarter
  - 1.78% on securities sold
  - 2.16% on securities purchased
- 4 year duration on securities purchased<sup>1</sup>

3/31/19 • <sup>1</sup>Estimated as of 3/31/19 • <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

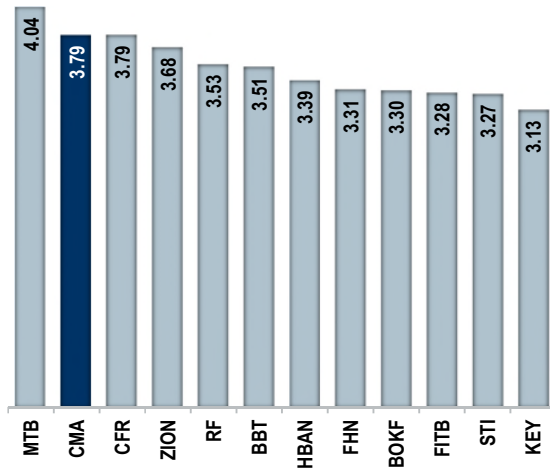
Comerica Bank

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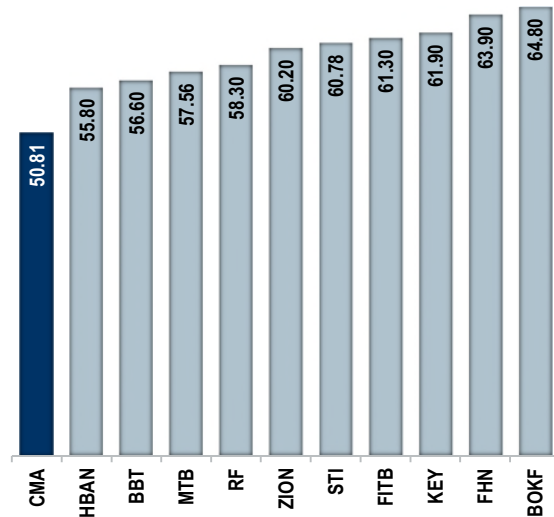
# Superior NIM & Efficiency Ratios

Careful management of loan & deposit pricing as well as expenses

**Net Interest Margin<sup>1</sup>**  
(1Q19; In percentage points)



**Efficiency Ratio<sup>1,2</sup>**  
(1Q19; In percentage points)



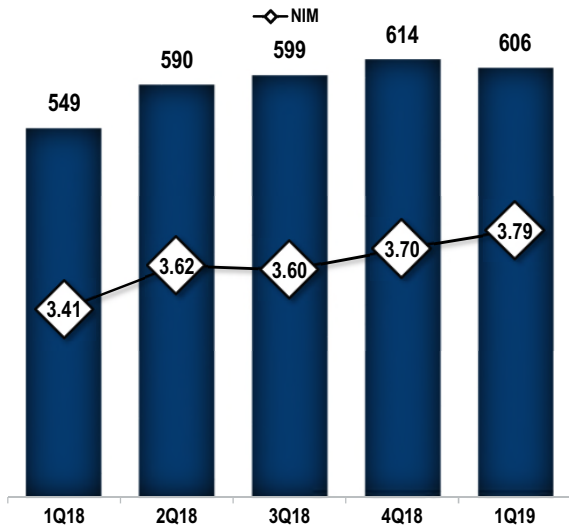
<sup>1</sup>Source: S&P Global Market Intelligence • <sup>2</sup>Excludes CFR as data was not available



# Net Interest Income

NIM increased 9 basis points

**Net Interest Income**  
(\$ in millions)



**Net Impact due to rates:  
\$11MM & 6 bps on the NIM**

	4Q18	3.70%
<b>\$614MM</b>		
<b>+ 17MM Loans</b>		<b>+ 0.14</b>
+ \$21MM Higher rates	+0.13	
+ 10MM Higher balances	+0.02	
- 12MM 2 fewer days	--	
- 2MM Mix shift	-0.01	
<b>+ 1MM Securities</b>		<b>+ 0.01</b>
+ 1MM Higher rates	+0.01	
<b>- 12MM Balances at Fed</b>		<b>+ 0.05</b>
+ 1MM Higher rates	+0.01	
- 12MM Lower balances	+0.04	
- 1MM 2 fewer days	--	
<b>- 9MM Deposits</b>		<b>- 0.07</b>
- 10MM Higher rates	-0.07	
+ 1MM 2 fewer days	--	
<b>- 5MM Wholesale funding</b>		<b>- 0.04</b>
- 2MM Higher rates	-0.02	
- 3MM Higher balances	-0.02	
<b>\$606MM</b>	<b>1Q19</b>	<b>3.79%</b>

1Q19 compared to 4Q18



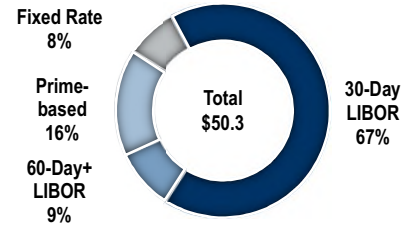
# Benefit from Rise in Interest Rates

Utilizing interest rate hedges to reduce asset sensitivity

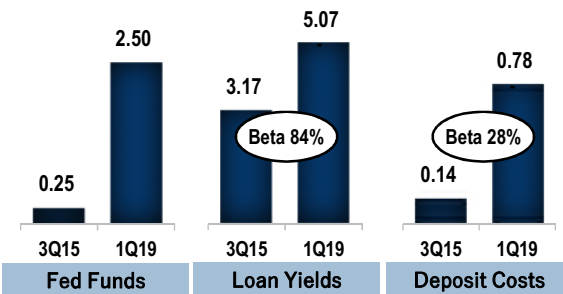


## Loans Predominantly Floating Rate

(\$ in billions; 1Q19 Period-end)



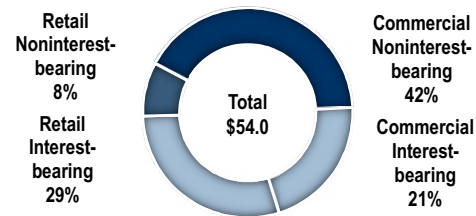
## Cumulative Impact of Rate Increases<sup>1</sup>



## Deposits Primarily Noninterest-bearing

(\$ in billions; 1Q19 Average)

- Commercial 83% of noninterest-bearing
- Retail 58% of interest-bearing



3/31/19 • <sup>1</sup>Beta: change in loan yields or interest-bearing deposit costs expressed as a percentage of the increase in the federal funds rate



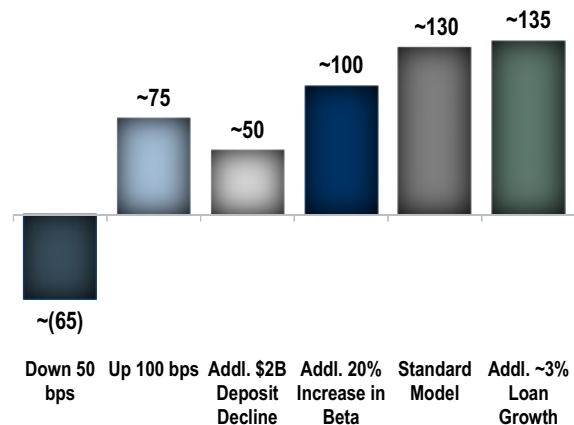
# Interest Rate Sensitivity

## 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 1Q19 Standard Model (\$ in millions)



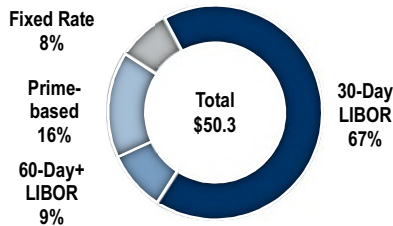
3/31/19 • For methodology see the Company's Form 10-Q, as filed with the SEC. Estimates are based on simulation modeling analysis.



# Hedging Program

Gradually layer in interest rate swaps

## Loans Predominantly Floating Rate (\$ in billions; 1Q19 Period-end)



## Deposits Primarily Noninterest-bearing (\$ in billions; 1Q19 Average)

- Commercial 83% of noninterest-bearing
- Retail 58% of interest-bearing



## Hedging Overview

**Purpose:** Reduce impact when rates decline in order to maintain steady margin as rates move through typical cycle

**Tools:** Over time, gradually layer in interest rate swaps (pay floating/receive fixed) with various tenors. Collars or floors will also be considered

**Financial impact:** Depends on swap rates & short-term rates. Current market conditions indicate that the near-term effect on net interest income is expected to be nominal

### 1Q19 Activity:

- \$800MM (pay floating/receive fixed) hedges
  - 3.1 year average term
  - 2.34% average fixed rate

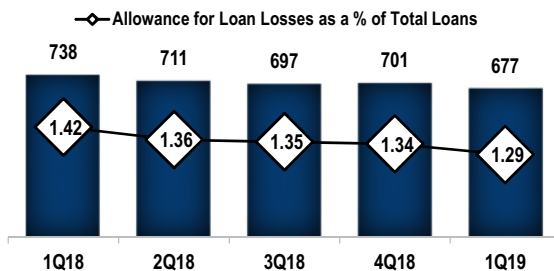
3/31/19



# Credit Quality Strong

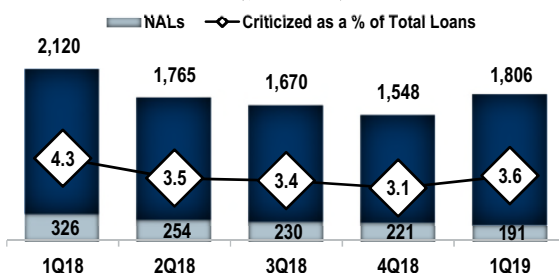
Allowance for loan losses remained strong at 1.29%

## Allowance for Credit Losses (\$ in millions)

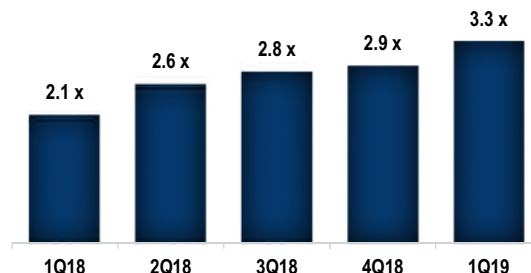


- \$11MM in net charge-offs<sup>2</sup> or 8 bps
- \$30MM decrease in nonaccrual loans to \$191MM, or 38bps of total loans
- Sustained strong portfolio performance & solid economic conditions resulted in reserve release
- Remain vigilant; not seeing any concerning trends

## Criticized Loans<sup>1</sup> (\$ in millions)



## Allowance for Loan Losses / Total NPLs



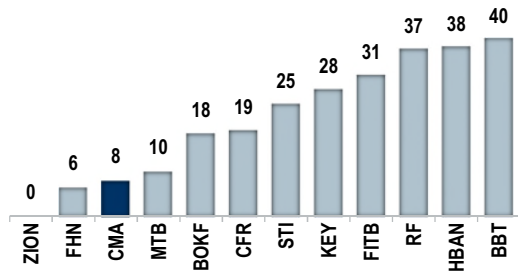
3/31/19 • <sup>1</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard, & Doubtful categories • <sup>2</sup>Net credit-related charge-offs



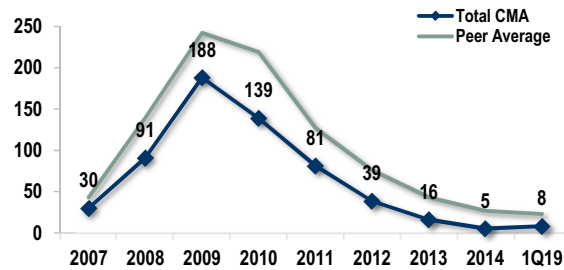
# Conservative Credit Culture Has Yielded Superior Results

Despite 1Q19 & FY18 reserve releases, reserve remains strong

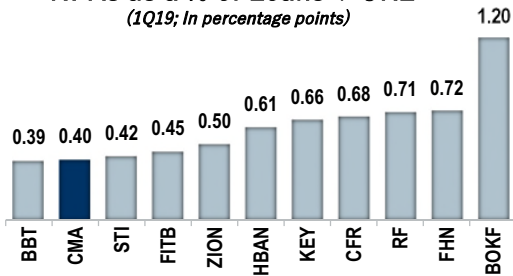
**Net Charge-offs as a % of Avg. Loans<sup>1</sup>**  
(1Q19; In basis points)



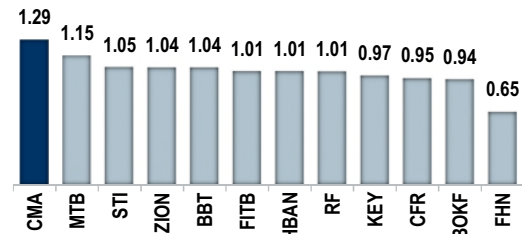
**Net Charge-offs as a % of Avg. Loans<sup>1</sup>**  
(In basis points)



**NPAs as a % of Loans + ORE<sup>2</sup>**  
(1Q19; In percentage points)



**Largest Reserve as a % of Loans<sup>1</sup>**  
(1Q19; In percentage points)



<sup>1</sup>Source: S&P Global Market Intelligence • <sup>2</sup>Source: 1Q19 earnings materials; excludes MTB as data was not available

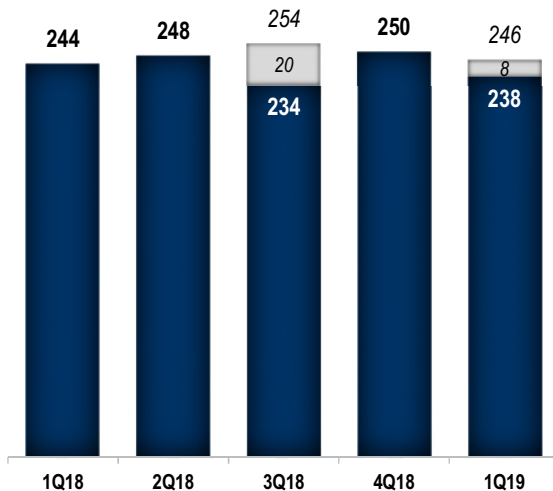


# Noninterest Income

Reflects strong 4Q18 that included seasonality

**Noninterest Income<sup>1</sup>**  
(\$ in millions)

■ Securities losses due to repositioning



**Noninterest income decreased \$4MM**  
(excluding \$8MM Securities losses)

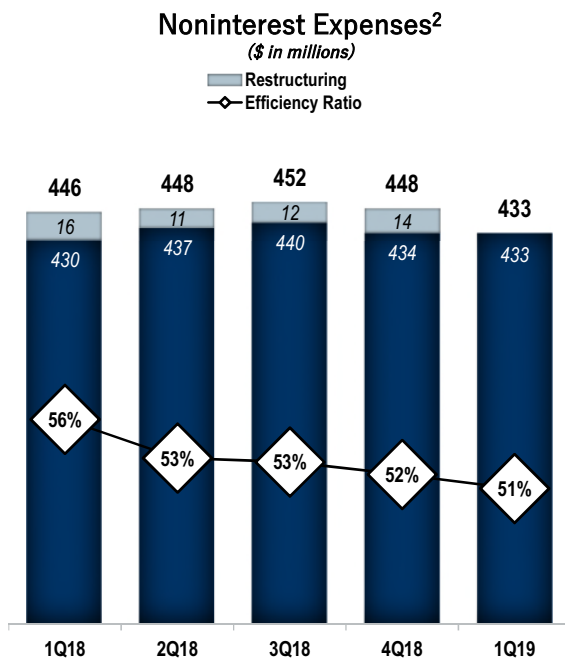
- \$2MM Fiduciary income
- \$2MM seasonal declines in several categories

1Q19 compared to 4Q18 • <sup>1</sup>See Reconciliation of Non-GAAP Financial Measures slide



# Noninterest Expense

Careful cost management drives efficiency ratio<sup>1</sup> to 51%



## Noninterest expense stable

(excluding \$14MM 4Q18 restructuring expense)

- + \$15MM Salaries & benefits
  - + Annual stock comp & higher payroll taxes
  - Lower executive incentives
  - Two fewer days in 1Q19
- \$4MM Legal<sup>3</sup> (1Q19 recoveries)
- \$3MM Pension costs<sup>3</sup>
- \$3MM Equipment & software
- \$3MM Advertising (seasonal)
- \$2MM Outside processing (seasonal)
- \$2MM Occupancy (seasonal)

1Q19 compared to 4Q18 • <sup>1</sup>Noninterest expenses as a percentage of net interest income & noninterest income excluding net gains (losses) from securities & a derivative contract tied to the conversion rate of Visa Class B shares • <sup>2</sup>See Reconciliation of Non-GAAP Financial Measures slide • <sup>3</sup>Included in other noninterest expenses



# TechVision 2020

Preparing for a new age in banking

## Strengthening Our Core

- Platform & app modernization
- Cybersecurity, risk & compliance enhancement
- Talent & culture development

## Transforming Our Future

- Embrace emerging technologies
- Continuous Optimization
- APIs<sup>1</sup>, data & advanced analytics
- Agile & digital delivery

## Examples of Initiatives

- 160+ applications migrated to cloud
- 25+ Bots deployed for high volume tasks
- Digitalizing entire commercial lending process
- Customer Relationship Management platform
- Data Lake platform
- AI/ML-Bot assisted human advice
- Blockchain-enabled computing
- Teller platform replacement
- Real-time commercial payments

- GEAR Up helped position our systems & talent for the future
- Technology savings are being reinvested which helps moderate rising investment demand
- Leveraging third parties to keep pace with evolving & emerging technologies
- Focus shifted to increasing capacity, driving revenue growth, reducing costs & improving efficiency



<sup>1</sup>API: Application Program Interface



# Active Capital Management

Capital Target 9.5% - 10.0% CET1 by FYE19<sup>1</sup>

## FY18 returned \$1.6B to shareholders

- 14.8MM shares repurchased (\$1.3B)<sup>2</sup>
- Increased dividend 69% to \$1.84 per share

## 1Q19 returned \$530MM to shareholders

- 5.1MM shares repurchased (\$425MM)<sup>2</sup>
- Increased dividend 12% to \$0.67 per share

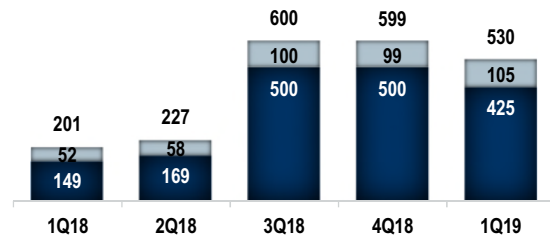
## Actively manage capital, giving careful consideration to:

- Earnings generation
- Capital needs, i.e. loan growth
- Market conditions

## Shareholder Payout

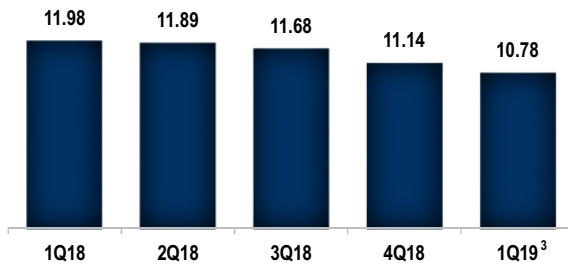
(\$ in millions)

■ Equity Repurchases ■ Dividends

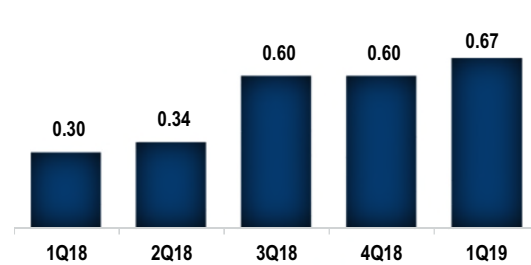


## Strong Capital (CET1)

(In percentage points)



## Dividends Per Share Growth



3/31/19 • <sup>1</sup>Outlook as of 4/29/19 • <sup>2</sup>Shares repurchased under share repurchase program • <sup>3</sup>Estimated

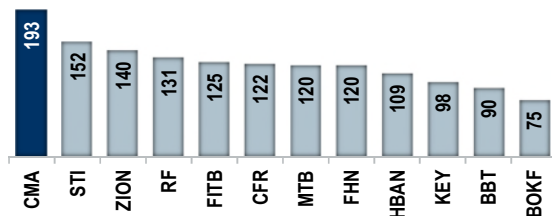


# Active Capital Management

Returning excess capital at a faster pace

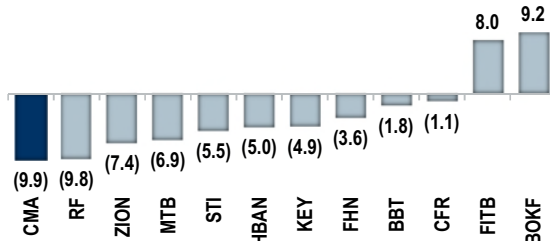
## Total Payout Ratio<sup>1</sup>

(4Q18; In percentage points)



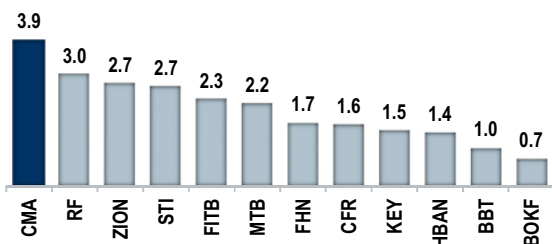
## Decrease in Common Shares Outstanding<sup>1</sup>

(1Q19 vs. 1Q18; In percentage points)



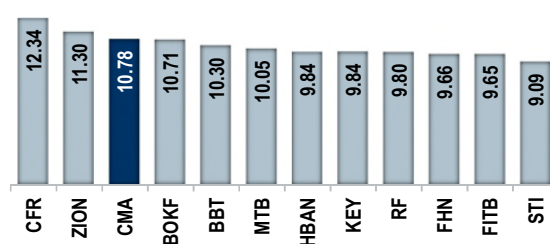
## Shares Repurchased as a % of Outstanding<sup>1</sup>

(4Q18; In percentage points)



## CET1 Ratio<sup>1</sup>

(1Q19; In percentage points)



<sup>1</sup>Source: S&P Global Market Intelligence



## Commitment to Community, Diversity & Sustainability



**\$772MM** in green loans and commitments



**10<sup>th</sup>** consecutive year of listing on FTSE4Good index series



Honored by more than **10** top organizations for sustainability, employer of choice for minorities and innovation



Over **\$7.8MM** donated to charitable organizations via more than 1,500 grants/sponsorships



**45%** reduction in greenhouse gas emissions<sup>1</sup> and **30%** reduction in water consumption<sup>1</sup>



**88%** of employees are enrolled in the voluntary Masters of Diversity Awareness training



**19** Market Segmentation Initiative Teams focused on reaching diverse customers



Nearly **50,400** hours of volunteer time donated to nonprofits by Comerica colleagues

12/31/18 • <sup>1</sup>Preliminary 2018 results versus 2012 baseline; final results will be published in Comerica's 2018 Corporate Responsibility Report



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## Holding Company Debt Rating

	<i>Senior Unsecured/Long-Term Issuer Rating</i>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
	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>
Peer Banks	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+
	Zions Bancorporation	Baa3	BBB+	BBB
	First Horizon National Corp	Baa3	BBB-	BBB
	Large Banks	U.S. Bancorp	A1	A+
JP Morgan		A2	A-	AA-
Bank of America		A2	A-	A+
Wells Fargo & Company		A2	A-	A+
PNC Financial Services Group		A3	A-	A+

As of 4/10/19 • Source: S&P Global Market Intelligence • 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>	1Q19	4Q18	1Q18	<i>(dollar amounts in millions, except per share data)</i>	1Q19	4Q18	1Q18
<b>Noninterest Income:</b>				<b>Net Income:</b>			
Noninterest income	\$238	\$250	\$244	Net income	\$339	\$310	\$281
Securities repositioning	8	—	—	Securities repositioning, net of tax	6	—	—
Adjusted noninterest income	\$246	\$250	\$244	Restructuring charges, net of tax	—	11	12
<b>Noninterest Expenses:</b>				Discrete tax items	(11)	—	(22)
Noninterest expenses	\$433	\$448	\$446	Adjusted net income	\$334	\$321	\$271
Restructuring charges	—	(14)	(16)	<b>Diluted Earnings per Common Share:</b>			
Adjusted noninterest expenses	\$433	\$434	\$430	Diluted earnings per common share	\$2.11	\$1.88	\$1.59
<b>Pre-tax Income:</b>				Securities repositioning, net of tax	0.04	—	—
Pre-tax income	\$424	\$400	\$335	Restructuring charges, net of tax	—	0.07	0.07
Securities repositioning	8	—	—	Discrete tax items	(0.07)	—	(0.12)
Restructuring charges	—	14	16	Adjusted diluted earnings per common share	\$2.08	\$1.95	\$1.54
Adjusted pre-tax income	\$432	\$414	\$351				
<b>Provision for Income Taxes:</b>							
Provision for Income Taxes:	\$85	\$90	\$54				
Tax on securities repositioning	2	—	—				
Tax on restructuring charges	—	3	4				
Discrete tax items	11	—	22				
Adjusted provision for income taxes	\$98	\$93	\$80				

- Securities repositioning refers to losses incurred on the sale of approximately \$1 billion of treasury securities that were replaced by higher-yielding treasuries with a similar duration of 4 years.
- Discrete tax items primarily included the tax benefit from employee stock transactions and the charge to adjust deferred taxes resulting from the Tax Cuts and Jobs Act.

Comerica believes non-GAAP measures are meaningful because they reflect adjustments commonly made by management, investors, regulators and analysts to evaluate our performance trends. Comerica believes the adjusted data shown above and in this presentation provides a greater understanding of ongoing operations and enhances comparability of results with prior periods.



*commitment*