



2019

Comerica Incorporated Annual Report

COMERICA INCORPORATED

Founded in 1849, Comerica Incorporated (NYSE: CMA) is a financial services company headquartered in Dallas, Texas, strategically aligned by three business segments: The Business Bank, The Retail Bank and Wealth Management. Comerica focuses on relationships, and helping people and businesses be successful. In addition to Texas, Comerica Bank locations can be found in Arizona, California, Florida and Michigan, with select businesses operating in several other states, as well as in Canada and Mexico. As of December 31, 2019, Comerica had:

\$73 billion in assets | \$50.4 billion in loans | \$57.3 billion in deposits | 435 U.S. banking centers | 7,747 employees (FTE)

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 VISION

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

OUR CORE VALUES

Customer-centricity • Collaboration • Integrity
Excellence • Agility • Diversity • Involvement

OUR PROMISE

We will Raise Your Expectations® of what a bank can be.

BOARD OF DIRECTORS

Curtis C. Farmer

Chairman, President and Chief Executive Officer
Comerica Incorporated and Comerica Bank

Michael E. Collins (1) (3) (4)

Chair and Senior Counselor, Blake Collins Group
Former Consultant, Federal Reserve Bank of Cleveland
Former Executive Vice President, Federal Reserve Bank of Philadelphia

Roger A. Cregg (1) (3) (4)

Former President and Chief Executive Officer
AV Homes, Inc.

T. Kevin DeNicola (1) (3) (4)

Former Chief Financial Officer
KiOR, Inc.

Jacqueline P. Kane (2)

Retired Executive Vice President of
Human Resources and Corporate Affairs
The Clorox Company

Richard G. Lindner (1) (2) (3)

Retired Senior Executive Vice President and
Chief Financial Officer
AT&T, Inc.

Barbara R. Smith (2) (5)

Chairman, President and Chief Executive Officer
Commercial Metals Company

Robert S. Taubman (4)

Chairman, President and Chief Executive Officer
Taubman Centers, Inc. and The Taubman Company

Reginald M. Turner, Jr. (1) (3) (4)

Member
Clark Hill

Nina G. Vaca (2) (4)

Chairman and Chief Executive Officer
Pinnacle Technical Resources, Inc. and Vaca Industries Inc.

Michael G. Van de Ven (2)

Chief Operating Officer
Southwest Airlines Co.

(1) Audit Committee

(2) Governance, Compensation and Nominating Committee

(3) Qualified Legal Compliance Committee

(4) Enterprise Risk Committee

(5) Independent Facilitating Director

SENIOR LEADERSHIP

Curtis C. Farmer

Chairman, President and Chief Executive Officer

James J. Herzog

Executive Vice President and Chief Financial Officer

Michael J. Aust

Executive Vice President, Retail Bank

John D. Buchanan

Executive Vice President and Chief Legal Officer/General Counsel

Megan D. Burkhardt

Executive Vice President and Chief Human Resources Officer

J. McGregor Carr

Executive Vice President, Wealth Management

Peter W. Guilfoile

Executive Vice President and Chief Credit Officer

Christine M. Moore

Executive Vice President and General Auditor

Jay K. Oberg

Executive Vice President and Chief Risk Officer

Paul R. Obermeyer

Executive Vice President, Enterprise Technology and Operations

Peter L. Sefzik

Executive Vice President, Business Bank

James H. Weber

Executive Vice President and Chief Experience Officer

2019 Company Highlights

OVER 180

applications migrated to the cloud to provide more secure, cost effective and efficient data storage



86%

of employees enrolled in the voluntary Masters of Diversity Awareness training

40% of Comerica's U.S. employees are racial/ethnic minorities

65% of Comerica's U.S. employees are women

237,000

meals provided in conjunction with our community Shred Day events, which gathered over 882,000 pounds of paper

OVER \$8.4 MILLION

donated to charitable organizations via more than 1,400 grants/sponsorships

OVER 71,300 HOURS

of volunteer time donated to nonprofits by Comerica colleagues

1.68%

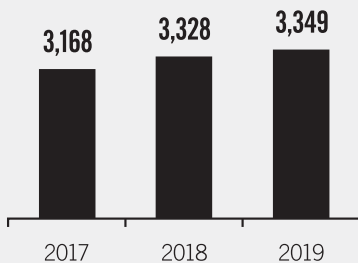
Return on Average Assets

10 YEARS

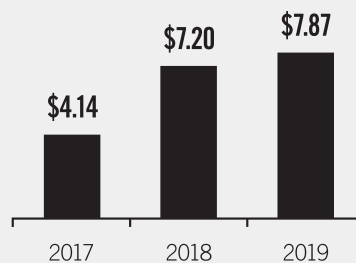
Comerica has been ranked as a top company for diversity on DiversityInc survey

FINANCIAL

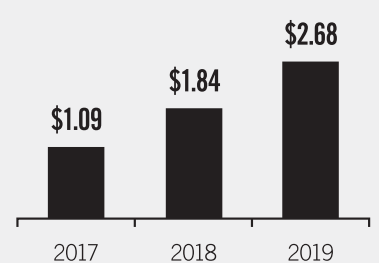
RECORD REVENUE
(\$ in millions)



RECORD EPS
(diluted earnings per common share)



RECORD DIVIDENDS
(annual per share)



SUCCESSFULLY SURPASSED ALL 2020 ENVIRONMENTAL SUSTAINABILITY GOALS

As of Q3 2019

~\$923 MILLION

in green loans and commitments

1,067

financial education training events sponsored by Comerica

51.8%

efficiency ratio

TO OUR SHAREHOLDERS



Curtis C. Farmer

Chairman, President and Chief Executive Officer

To my fellow shareholders,

It is with both excitement and humility that I address you for the first time as Chairman of Comerica Incorporated. I am honored to assume responsibility for leading an organization that has so faithfully served its customers for more than 170 years. In succeeding Ralph Babb, I recognize the extraordinarily high bar that has been set, and I am committed to building on Ralph's legacy as we chart our course into the future.

As you know, Comerica has a rich history of helping its customers and communities thrive. Looking forward, I see this focus on customer-centricity and community involvement as essential to effectively executing our relationship banking strategy across our footprint of diverse, fast-growing markets. This commitment can best be summed up in our Promise to Raise Your Expectations® of what a bank can be.

Financial Performance

I am pleased to report to you that our financial results for 2019 were strong with a 9 percent increase in our earnings per share to a record \$7.87. Highlights for the year included 4 percent average loan growth with broad-based growth across all markets. Meanwhile, deposit trends picked up significantly in the second half of 2019, resulting in relatively stable year-over-year average balances. This performance helped push total assets to a record \$73.4 billion at year-end.

Regarding net interest income, the benefit from loan growth and the net impact of higher rates was offset by an increase in interest-bearing deposits, as well as wholesale funding. With the contribution from higher fee income, revenue reached an all-time high. This increase in revenue, coupled with careful expense control, resulted in an efficiency ratio of under 52 percent, the best among our peers. In addition, credit quality remained solid, with net charge-offs of 21 basis points and only 4 basis points, excluding Energy. Finally, we meaningfully reduced excess capital through a record-setting repurchase of 18.6 million shares during the year, resulting in an 11 percent decline in our average share count. Together with a 46 percent increase in our dividend, we returned a total of \$1.8 billion to shareholders and grew our book value per share by 10 percent to a new high of \$51.57. Overall, these factors drove an increase in our Return on Equity to above 16 percent.

A Vision for Future Growth

Looking ahead, we continue to make the customer experience a top corporate priority and have established a Customer Experience Management practice to provide further focus on this important area. We are also employing new strategies that were launched over the past year to acquire, broaden and retain customers. Our ultimate goal is to achieve a more diversified and balanced revenue base with an increased emphasis on fee generation. We are also seeing the benefits from the increased sales capacity generated by our end-to-end credit process redesign, as well as the ongoing reallocation of resources to faster-growing businesses and markets. Furthermore, new opportunities are arising with the investments made in customer relationship management tools and predictive data analytics. Of course, collaboration between our businesses also remains a foundational element of our strategy as we seek to maximize the value of each customer relationship through a holistic approach to customer needs. Lastly, we launched a brand marketing campaign to raise awareness and highlight our full-service relationship banking capabilities as we bring additional digital capabilities online.

On the technology front, we are making significant strides in our transition to become a more digitally-enabled company. Our TechVision 2020 strategy has focused on strengthening our core, including embedding security in products, modernizing assets, and developing talent. In addition, we are transforming our future through innovative new programs featuring robotics, cloud computing and artificial intelligence. For example, we have been rapidly adopting cloud computing to help us become more scalable, resilient and agile in the development and deployment of solutions for both colleagues and customers. More recently, we embarked on an emerging technology strategy called Digital 2025, which we believe puts us on a path to become a truly digitally-capable and data-driven financial institution.

Our Community Values

Vibrant communities, inclusive economies and a healthy environment are all key to the welfare of our society, and our ongoing business success. Comerica maintains a strong culture of diversity and inclusion, community involvement, and commitment to the environment through a wide variety of programs.

Diversity serves as one of our seven Core Values, and we relentlessly promote a culture that recognizes, respects and embraces diversity in everything we do. This dedication has succeeded in making Comerica a diverse employer of choice as reflected in our listing as a top company for diversity on the DiversityInc survey for the 10th consecutive year. This commitment is also demonstrated in the high level of accountability we demand of our leaders, including the introduction of a new Senior Officer Diversity Scorecard, which analyzes and sets goals for workplace diversity, business and social impacts, compliance, as well as risk.

The health and economic development of the communities we serve is also an important business priority. We provide much-needed support to individuals and organizations seeking firm financial footing through a number of initiatives, such as MicroEnterprise Loan Funds, Technical Assistance programs, financial education, community reinvestment lending, and affordable housing tax credit investments. Additionally, we partner, volunteer with, and donate to nonprofit organizations to maximize our positive impact within our communities. An example of this support is our signature Shred Day program in Dallas, Houston, Phoenix and Detroit, which in 2019 educated consumers about fraud prevention and securely destroyed and recycled a record of more than 882,000 pounds of paper, while gathering food and monetary donations to supply approximately 237,000 meals to those in need.

Environmental responsibility is a central part of our community strategy, and our efforts in 2019 allowed us to achieve all of our long-term 2020 commitments ahead of schedule (baseline 2012; progress as of September 30, 2019, except paper goal as of December 31, 2019).

- 47% reduction in Greenhouse Gas (GHG) emissions (goal 20%)
- 37% reduction in water consumption (goal 30%)
- 29% reduction in waste to landfill (goal 20%)
- 56% reduction in office copy paper usage (goal 50%)

In addition, we are well on our way to attaining our third generation short-, medium- and long-term GHG targets with the end goal of eliminating our GHG emissions entirely by 2050. Our sustainability focus continues to earn us international recognition, including Corporate Knight's Global 100 list of the world's most sustainable companies. We also finished the year ranked ninth in Newsweek's inaugural ranking of America's Most Responsible Companies.

Over our 170-year history, we have managed through many prosperous and challenging times. It is our unwavering commitment to our relationship strategy, coupled with our conservative, consistent approach to banking, that have allowed us to successfully navigate these ever-changing economic conditions and create value for you, our shareholders. I firmly believe these foundational principles will be key to our future success as we continue to meet the evolving needs of our customers.

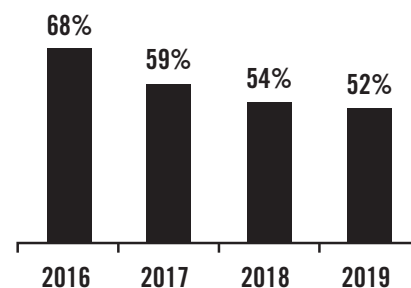
I'll close by thanking our nearly 8,000 colleagues, who are focused on delivering our Promise to Raise Your Expectations® of what a bank can be. They are truly remarkable, and their hard work, collaborative spirit and dedication are responsible for our success. Finally, thanks to you, our shareholders, for your continued support.

Sincerely,

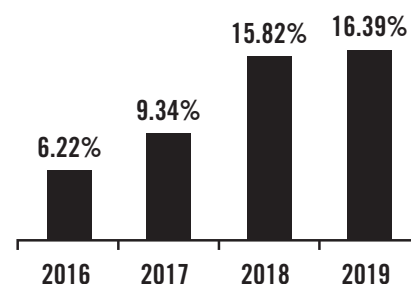


Curtis C. Farmer
Chairman, President and Chief Executive Officer

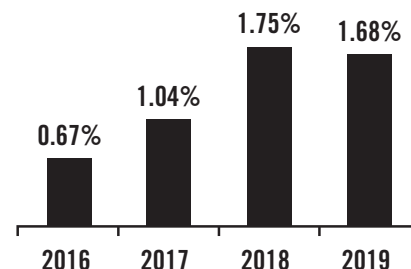
Efficiency Ratio¹



Return on Equity²



Return on Assets



¹ 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 VisaClass B shares

² Return on average common shareholders' equity

SALUTE TO RALPH W. BABB JR.

Ralph W. Babb Jr. played a pivotal role in Comerica's success for nearly a quarter of a century. It's only fitting that as we celebrated our historic 170th anniversary, he marked his final year as Comerica's leader.

Ralph retired at the end of 2019, concluding a distinguished 41-year career in the financial services industry. He joined Comerica in 1995 as the Chief Financial Officer. In 1999, he was promoted to Vice Chairman. Then in 2002, Ralph became Comerica's Chairman, President and CEO.

Ralph completes his career with Comerica with a distinguished and extensive list of accomplishments, including relocating our corporate headquarters to Dallas in 2007 to position us for further growth and expanding the bank's reach in the Texas market with the acquisition of Sterling Bancshares, Inc. in 2011.

Comerica's financial performance reached new heights under Ralph's tenure, surpassing the \$70 billion mark in assets for the first time in 2015. And just last year, Comerica established record marks for share price and market valuation, coupled with the highest dividend in the bank's 170-year history. And, during the challenging economic cycles, Ralph's steady hand proved invaluable.

Ralph's legacy also extends into the community where he positioned Comerica at the forefront, promoting a wide range of diversity, inclusion, volunteer, community and sustainability initiatives. Ralph personally spearheaded the creation of Comerica's diversity department in 2004 and Sustainability office in 2008, which have been cornerstones in forming Comerica's Core Values.

And for our employees, Ralph leaves a culture of investing in our colleagues and providing valuable benefits and engagement that make Comerica a wonderful place to work.

Ralph's leadership has placed an indelible mark on Comerica's past, present and future, and will continue to shape our success for years to come.



Ralph W. Babb Jr.

Former Chairman and Chief Executive Officer

SHAREHOLDER INFORMATION

Common Stock:

Comerica's common stock trades under the symbol CMA on the New York Stock Exchange (NYSE). Subject to approval of the board of directors and applicable regulatory requirements, dividends customarily are paid on or about January 1, April 1, July 1 and October 1.

Transfer Agent/Registration and Shareholder Assistance:

- Inquiries related to shareholder name change, address or ownership of stock, and lost or stolen stock certificates
- Eliminate duplicate mailings received at one address
- Reinvest dividends and invest up to \$10,000 each month for the purchase of additional shares
- Direct deposit of dividends

CONTACT INFORMATION:

Website: computershare.com/investor
Email: web.queries@computershare.com
Phone: 877.536.3551 or 781.575.3100

WRITTEN REQUESTS:

Computershare
P.O. Box 505000
Louisville, KY 40233-5000

CERTIFIED/OVERNIGHT MAIL:

Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202

Officer Certifications:

On May 16, 2019, Comerica's Chief Executive Officer submitted his annual certification to the New York Stock Exchange stating that he was not aware of any violation by Comerica of the Exchange's corporate governance listing standards. Comerica filed the certifications by its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to its Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

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