

# Comerica Incorporated

## Investor Presentation

May 2020



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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 include credit risks (unfavorable developments concerning credit quality; declines or other changes in the businesses or industries of Comerica's customers, in particular the energy industry; and changes in customer behavior); market risks (changes in monetary and fiscal policies; fluctuations in interest rates and their impact on deposit pricing; and transitions away from LIBOR towards new interest rate benchmarks); liquidity risks (Comerica's ability to maintain adequate sources of funding and liquidity; reductions in Comerica's credit rating; and the interdependence of financial service companies); technology risks (cybersecurity risks and heightened legislative and regulatory focus on cybersecurity and data privacy); operational risks (operational, systems or infrastructure failures; reliance on other companies to provide certain key components of business infrastructure; the impact of legal and regulatory proceedings or determinations; losses due to fraud; and controls and procedures failures); compliance risks (changes in regulation or oversight; the effects of stringent capital requirements; and the impacts of future legislative, administrative or judicial changes to tax regulations); financial reporting risks (changes in accounting standards and the critical nature of Comerica's accounting policies); strategic risks (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 implementation of Comerica's strategies and business initiatives; management's ability to maintain and expand customer relationships; management's ability to retain key officers and employees; and any future strategic acquisitions or divestitures); and other general risks (changes in general economic, political or industry conditions; the effectiveness of methods of reducing risk exposures; the effects of catastrophic events, including the COVID-19 global pandemic; 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, 2019 and "Item 1A. Risk Factors" beginning on page 60 of the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. 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.

# 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.



# Serving Our Customers, Employees & Community

Building enduring relationships

Helping our customers & communities navigate challenging times is at the heart of Comerica's relationship banking strategy

### EMPLOYEES



- >65% of colleagues are working from home
- Monetary assistance with dependent/elder care
- Promise Pay: Colleagues who cannot work remotely receive up to an extra \$175/week
- Fully cover cost of COVID-19 testing & online healthcare visits

↑ Payment Deferrals<sup>1</sup>  
 \$3.0B, 6% total loans  
 >1,000 customers

### CUSTOMERS



- Hardship relief assistance, including consideration of:
- Fee waivers for overdraft, check order, ATM, late payment, credit card over limit, CD early withdrawal & HELOC subordination requests
  - Waive overdraft balances to ensure customers receive full amount of consumer stimulus payment
  - Disaster Assistance for Consumer loan & HELOC customers
  - Loan deferrals & amendments

↑ PPP Update<sup>2</sup>  
 ~13,000 applications  
 \$4.1B loans

### COMMUNITY



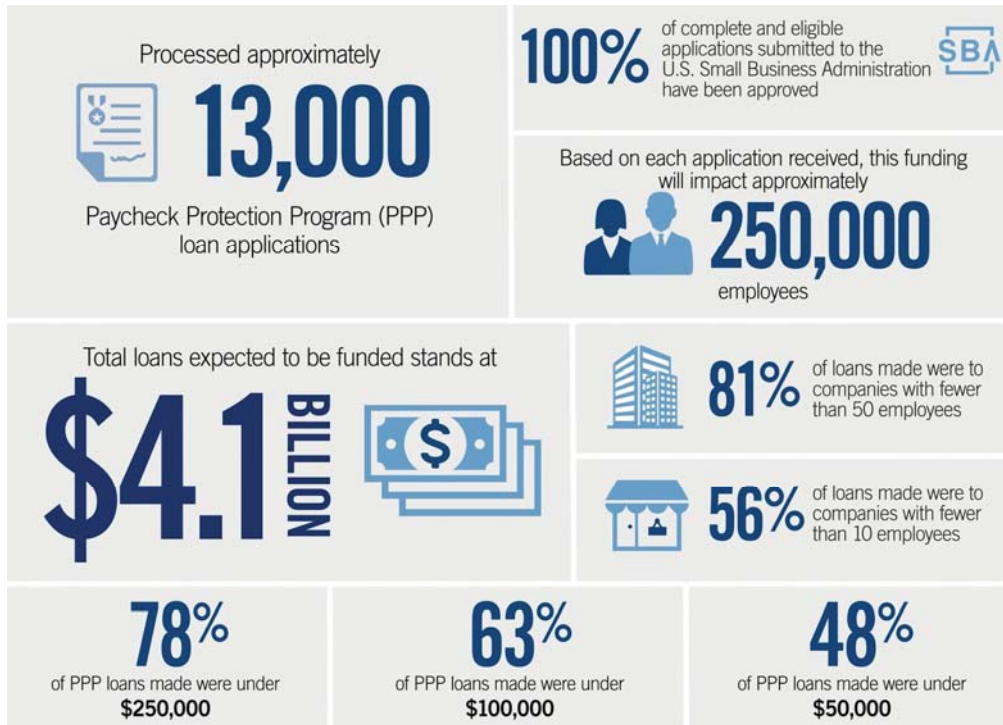
- Investing to support community programming & businesses
- Community Development Financial Institutions: support needs of small & micro businesses
  - Community service organizations: provide services to youth, seniors and other vulnerable populations
  - Expediting \$500,000 of planned funding to United Way

↑ Update  
 \$8MM pledged<sup>2,3</sup>

<sup>1</sup>As of 5/8/20 • <sup>2</sup>As of 5/7/20 • <sup>3</sup>Support from Comerica Bank & Comerica Charitable Foundation



# Paycheck Protection Program Highlights



5/7/20



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## Well positioned to navigate these challenging times

### CUSTOMER FOCUSED



- Long-tenured, experienced team with deep expertise
- Supporting customers' financial needs for 170 years

### DIVERSIFIED



- Diverse geographic footprint
- Balanced exposure to a wide variety of industries

### CREDIT DISCIPLINE



- Conservative underwriting standards
- Superior credit performance through last recession

### WELL CAPITALIZED



- 9.52% CET1 Ratio
- \$8.3B Total Capital

### ROBUST LIQUIDITY



- \$38B available liquidity sources
- 93% Loan/ Deposit Ratio
- Perform monthly liquidity stress testing

### STRONG DEBT RATINGS

**A3**

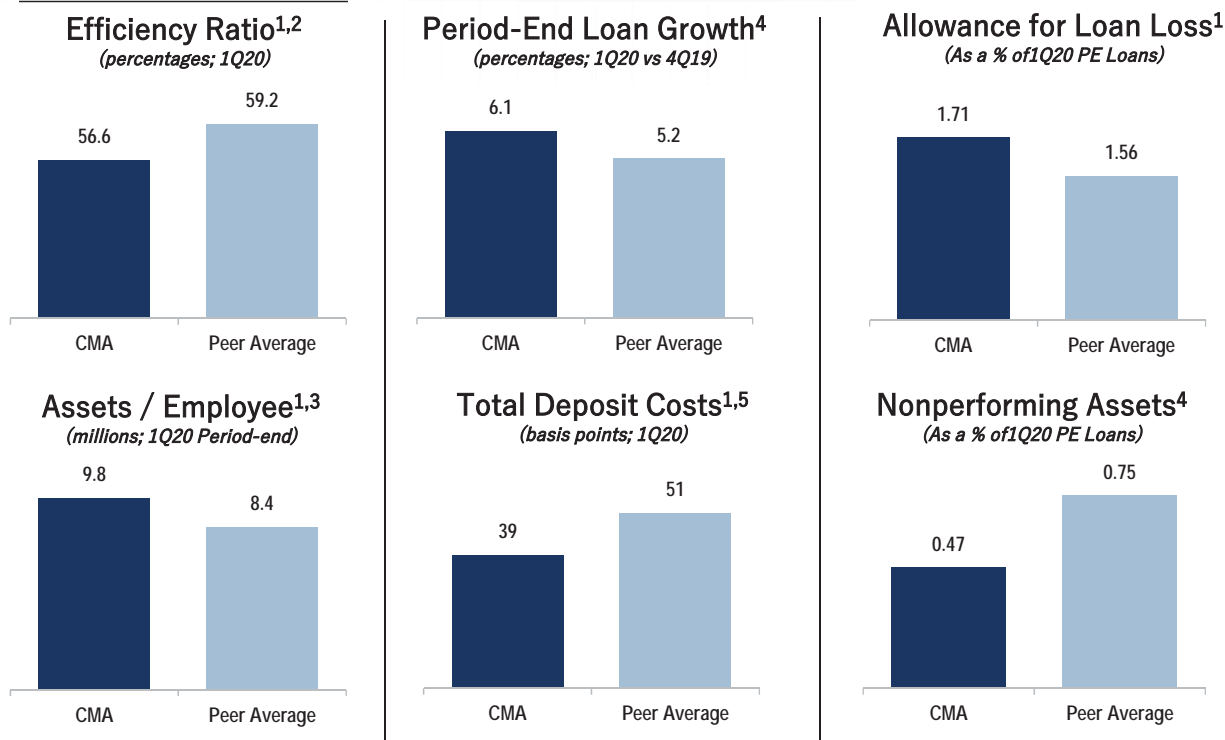
- Maintain strong ratings<sup>1</sup>
- Moody's: A3
  - S&P: BBB+
  - Fitch: A-

3/31/20 • <sup>1</sup>Holding company debt ratings as of 5/12/20; Debt Ratings are not a recommendation to buy, sell, or hold securities



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# Comerica vs. Peers



<sup>1</sup>Source for peer data: S&P Global Market Intelligence • <sup>2</sup>Noninterest expenses as a percentage of net interest income & noninterest income excluding net gains (losses) from securities & derivative contract tied to conversion rate of Visa Class B shares • <sup>3</sup>SNV & CFR not available as of 5/12/20 • <sup>4</sup>1Q20 peer results from earning releases • <sup>5</sup>Interest incurred on liabilities as a percent of average noninterest-bearing deposits and interest-bearing liabilities; not available for SNV as of 5/12/20



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## 1Q20 Results

Increased allowance for loan losses ratio to 1.71% to reflect economic outlook

(millions, except per share data)	1Q20	4Q19	1Q19	Change From		Key Performance Drivers 1Q20 compared to 4Q19
				4Q19	1Q19	
Average loans	\$49,604	\$50,505	\$49,677	\$(901)	\$(73)	<ul style="list-style-type: none"> <li>Average loans reflect decreases in Mortgage Banker &amp; National Dealer; Period-end loans reached record level</li> <li>Deposits relatively stable</li> <li>Net interest income impacted by lower interest rates</li> <li>Provision includes stress in Energy &amp; expected recessionary environment</li> <li>Noninterest income includes \$13MM decline in noncustomer-related activity</li> <li>Expenses well-controlled</li> <li>Capital remains strong</li> </ul>
Period-end loans	53,458	50,369	50,302	3,089	3,156	
Average deposits	56,768	57,178	53,996	(410)	2,772	
Period-end deposits	57,366	57,295	54,091	71	3,275	
Net interest income	\$513	\$544	\$606	\$(31)	\$(93)	
Provision for credit losses	411	8	(13)	403	424	
Noninterest income <sup>1</sup>	237	266	238	(29)	(1)	
Noninterest expenses	425	451	433	(26)	(8)	
Provision for income tax	(21)	82	85	(103)	(106)	
Net income	(65)	269	339	(334)	(404)	
Earnings per share <sup>2</sup>	\$(0.46)	\$1.85	\$2.11	\$(2.31)	\$(2.57)	
Average diluted shares	140.6	144.6	159.5	(4.0)	(18.9)	
Efficiency ratio <sup>3</sup>	56.57%	55.46%	50.81%			
CET1	9.52	10.13	10.78			

<sup>1</sup>Includes gain(loss) related to deferred comp plan of \$2MM 1Q19, \$3MM 4Q19 & (\$3MM) 1Q20 (offset in noninterest expense) • <sup>2</sup>Diluted earnings per common share • <sup>3</sup>Noninterest expenses as a percentage of net interest income & noninterest income excluding net gains (losses) from securities & derivative contract tied to conversion rate of Visa Class B shares



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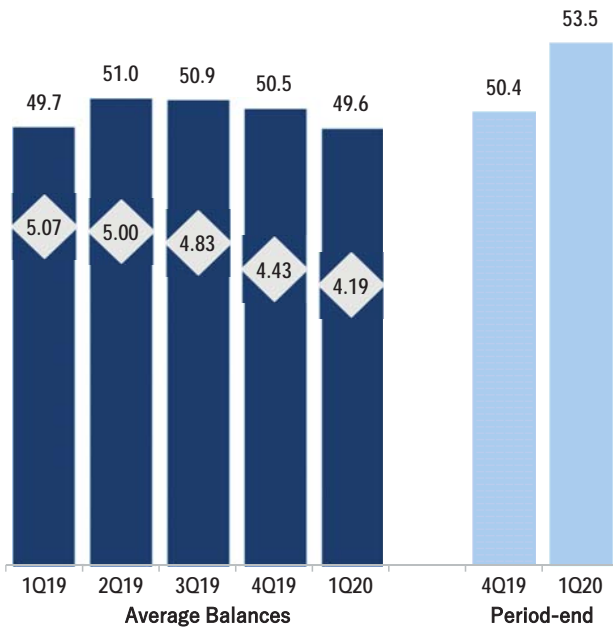
# Loans

Appropriately supporting customers' liquidity needs

## Average Loans

(\$ in billions)

● Loan Yields



## Average loans decrease \$901MM

- + \$327MM Commercial Real Estate
- \$639MM Mortgage Banker
- \$568MM National Dealer Services
- \$279MM Energy

## Period-end loans increase \$3.1B

- + \$765MM Corporate Banking
- + \$747MM Mortgage Banker
- + \$633MM Commercial Real Estate
- + \$361MM General Middle Market
- + \$335MM Technology & Life Sciences

## Proactively managing portfolio

- Long-tenured, experienced team with deep expertise providing customer support
- Frequent customer contact to determine financial needs
- Right-sizing commitments, addressing loan spreads & unused fees for higher risk loans

1Q20 compared to 4Q19



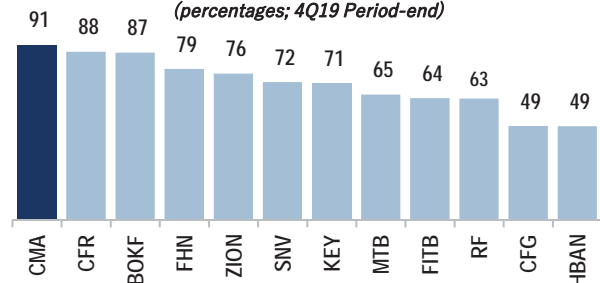
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# Average Loans

Line of Business	1Q20	4Q19	1Q19
Middle Market			
General	\$12.0	\$12.0	\$12.0
Energy	2.2	2.5	2.3
National Dealer Services	6.8	7.3	7.8
Entertainment	0.7	0.7	0.8
Tech. & Life Sciences	1.2	1.2	1.3
Equity Fund Services	2.6	2.5	2.6
Environmental Services	1.3	1.3	1.2
Total Middle Market	\$26.7	\$27.4	\$28.0
Corporate Banking			
US Banking	3.0	2.9	3.0
International	1.2	1.3	1.3
Commercial Real Estate	6.2	5.9	5.3
Mortgage Banker Finance	2.0	2.7	1.3
Small Business	3.4	3.4	3.5
<b>BUSINESS BANK</b>	<b>\$42.6</b>	<b>\$43.5</b>	<b>\$42.5</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	4.9	4.9	5.0
<b>WEALTH MANAGEMENT</b>	<b>\$4.9</b>	<b>\$4.9</b>	<b>\$5.0</b>
<b>TOTAL</b>	<b>\$49.6</b>	<b>\$50.5</b>	<b>\$49.7</b>

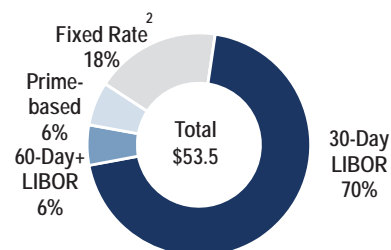
## #1 Commercial Lender<sup>1</sup>

Business Loans as a % of Total  
(percentages; 4Q19 Period-end)



## Loan Portfolio

(\$ in billions; 1Q20 Period-end)



\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Source for peer data: S&P Global Market Intelligence • <sup>2</sup>Fixed rate loans include \$5.55B receive fixed / pay floating (30-day LIBOR) interest rate swaps



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# Line of Credit Utilization

Business requirements vs. building liquidity

- \$2.8B March line draws (3/31 vs. 2/29)
- + \$669MM US Banking (liquidity draws)
- + \$554MM Mortgage Banker (warehouse)
- + \$518MM National Dealer (inventory funding)
- + \$369MM Commercial Real Estate (construction funding & liquidity draws)

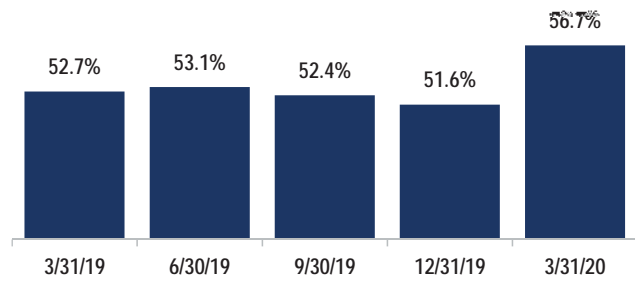
90%+ of commercial loans have security

Draws on credit revolvers typically limited by borrowing bases and/or financial covenants

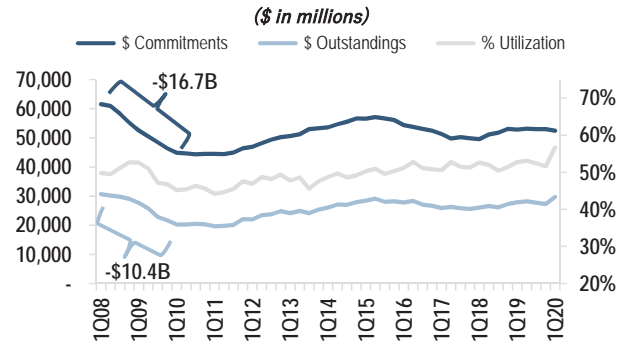
In general, revolver draws cannot exceed:

- **Middle Market:** accounts receivable & inventory on a margined basis (monthly/weekly reporting)
- **National Dealer** floorplan: auto inventory
- **Mortgage Banker:** consumer mortgages warehoused
- **Commercial Real Estate Construction:** costs incurred, % of completion

## Committed Line Utilization



## Commitments & Utilization



3/31/20

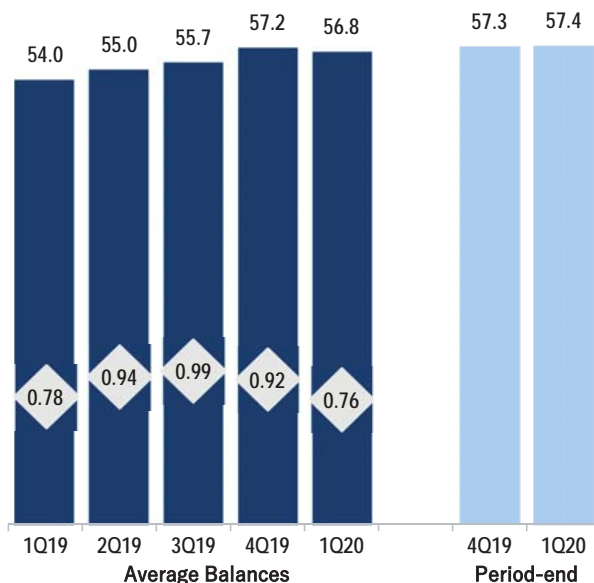
# Deposits

Deposit rates decreased 16 basis points as prudently adjust pricing

## Average Deposits

(\$ in billions)

Deposit Rates<sup>1</sup>



## Average deposits relatively stable

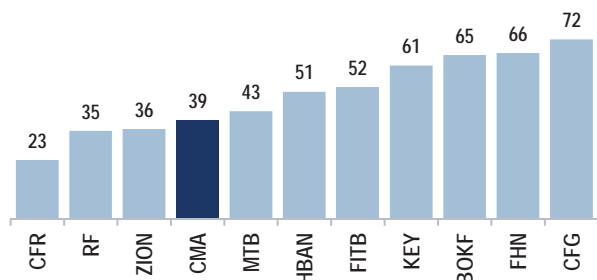
- Seasonality partly offset by customers increasing liquidity
- \$340MM other time (brokered)
- \$205MM noninterest-bearing
- + \$ 59MM MMIA & interest checking
- + \$ 76MM customer CDs

## Relative to 1Q19 average growth of \$2.8B

- + \$2.0B MMIA & interest checking
- + \$830MM customer CDs

## Total Deposit Cost<sup>2</sup>

(basis points; 1Q20)



1Q20 compared to 4Q19 • <sup>1</sup>Interest costs on interest-bearing deposits • <sup>2</sup>Source for peer data: S&P Global Market Intelligence; Interest incurred on liabilities as a percent of average noninterest-bearing deposits and interest-bearing liabilities; not available for SNV as of 5/12/20



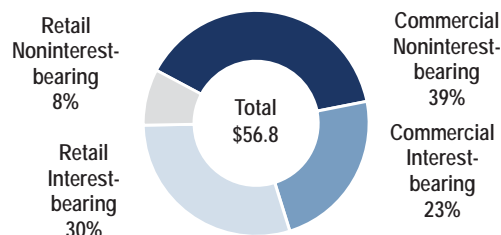


# Average Deposits

Line of Business	1Q20	4Q19	1Q19
Middle Market			
General	\$14.3	\$14.1	\$13.3
Energy	0.5	0.4	0.5
National Dealer Services	0.3	0.3	0.3
Entertainment	0.1	0.1	0.1
Tech. & Life Sciences	5.1	5.1	5.0
Equity Fund Services	0.9	0.8	0.8
Environmental Services	0.1	0.1	0.2
Total Middle Market	\$21.4	\$21.1	\$20.1
Corporate Banking			
US Banking	2.0	2.3	1.8
International	1.5	1.6	1.6
Commercial Real Estate	1.7	1.8	1.5
Mortgage Banker Finance	0.6	0.7	0.6
Small Business	3.0	3.1	2.9
<b>BUSINESS BANK</b>	<b>\$30.2</b>	<b>\$30.5</b>	<b>\$28.5</b>
Retail Banking	21.2	21.1	20.5
<b>RETAIL BANK</b>	<b>\$21.2</b>	<b>\$21.1</b>	<b>\$20.5</b>
Private Banking	3.7	3.7	3.5
<b>WEALTH MANAGEMENT</b>	<b>\$4.0</b>	<b>\$4.0</b>	<b>\$3.8</b>
Finance/Other <sup>1</sup>	1.3	1.5	1.3
<b>TOTAL</b>	<b>\$56.8</b>	<b>\$57.2</b>	<b>\$54.0</b>

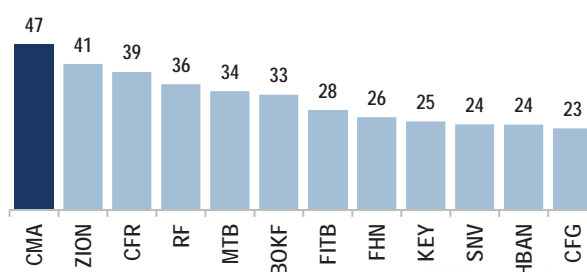
## Beneficial Deposit Mix

(\$ in billions; 1Q20 Average)



## Noninterest-bearing / Total Deposits<sup>2</sup>

(percentages; 1Q20)



\$ in billions • Totals shown above may not foot due to rounding • <sup>1</sup>Finance/Other includes items not directly associated with the geographic markets or the three major business segments • <sup>2</sup>Source for peer data: S&P Global Market Intelligence



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# Credit

Provision reflects increase in reserves for Energy & COVID-19 related stress

- 68 bps of net charge-offs
  - 13 bps, ex-Energy
- Allowance increased \$279MM
  - 1.71% ALLL/loans
  - 3.8x ALLL/nonperforming loans

<i>\$ in millions</i>	Energy	Ex-Energy	Total
Total PE loans	\$2,114	\$51,344	\$53,458
<i>% of total</i>	4%	96%	100%
Criticized <sup>1</sup>	493	1,964	2,457
<i>Ratio</i>	23.34%	3.83%	4.60%
Nonperforming loans	65	174	239
<i>Ratio</i>	3.09%	0.34%	0.45%
Net charge-offs <sup>2</sup>	67	17	84
Allowance Ratio	10.5%	1.3%	1.7%

## CECL modeling

- Used economic forecasts up to 3/31 to help inform our models
- Quantitative forecast centered on significant economic deterioration (recession), followed by partial recovery
- Qualitative adjustments based on more benign or severe forecasts for certain sectors
- Considered more severe assumptions for:
  - Energy
  - COVID-19 related social distancing
  - Auto production
  - Leveraged loans
- Economic trough depends on sector
  - Between -13% & -33% GDP
  - V & U shaped recoveries

3/31/20 • <sup>1</sup>Criticized loans are consistent with regulatory defined Special Mention, Substandard, & Doubtful categories • <sup>2</sup>Net credit-related charge-offs



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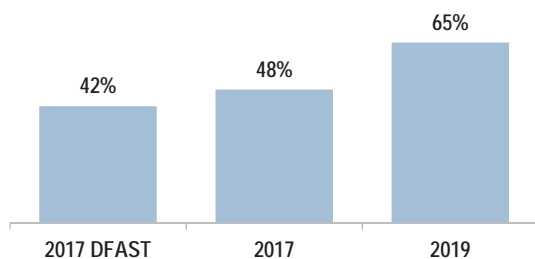
# Credit

## Stress testing & diverse loan portfolio

Stress test results in severely adverse economic conditions

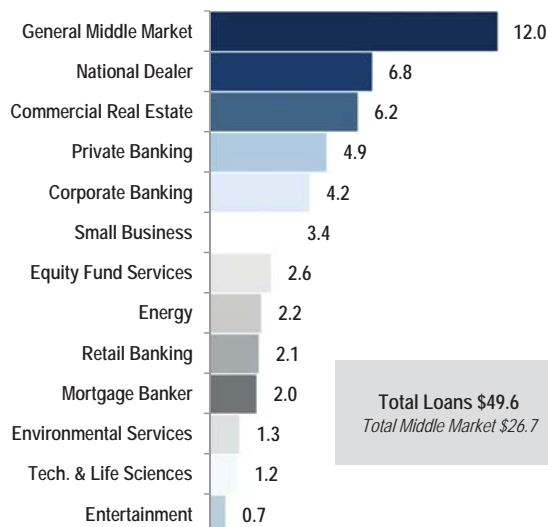
- 2017 DFAST stress test
  - \$2.2B cumulative losses
- 2017 company stress test
  - \$1.9B cumulative losses
- 2019 company stress test
  - \$1.4B cumulative losses

### 1Q20 ALLL / Stress Test Losses (percentages)



### Diverse Loan Portfolio

(\$ in billions; 1Q20 average)



# Credit

## Exposure to "at risk" industries well reserved

Category	Period-end loans	% of total loans	% Category criticized <sup>1</sup>	Comments
Hotels/Casinos	\$736	1.4%	1.4%	Strong liquidity; Well capitalized
Retail CRE	\$560	1.0%	0.0%	Well capitalized developers (low LTV)
Arts / Recreation	\$377	0.7%	1.7%	Larger, well-established entities
Retail goods & services	\$357	0.7%	9.3%	Granular portfolio
Sports franchises	\$320	0.6%	0.2%	Primarily professional league teams
Total all Other <sup>2</sup>	\$1,320	2.5%	6.1%	13 distinct categories
<b>Social Distancing Total</b>	<b>\$3,670</b>	<b>6.9%</b>	<b>3.6%</b>	
Energy	\$2,114	4.0%	23.2%	See Energy slide
Auto Production <sup>3</sup>	\$1,278	2.4%	16.5%	Primarily Tier 1 & Tier 2 suppliers; \$9MM nonaccrual loans
Leveraged Loans <sup>4</sup>	\$2,107	3.9%	10.5%	83% are middle market companies

#### Areas with very little or no exposure:

- Restaurant franchise lending
- Consumer credit card
- Student loans
- Indirect auto
- Mass market residential mortgages
- Agricultural
- Very highly leveraged/covenant lite deals

#### Taking action:

- Proactive, frequent customer dialogue
- Closely monitoring most vulnerable customers
  - Review liquidity & cashflow forecasts
  - Track receivable & inventory levels
- Working with customers, as warranted
  - Payment deferrals & other accommodations
  - Financial support, including PPP loans

3/31/20; in millions categories • <sup>1</sup>Period-end category criticized loans / category loans • <sup>2</sup>Includes airlines, restaurants/bars, childcare, coffee shops, cruise lines, education, gasoline/C stores, religious organizations, senior living, freight, travel arrangement, wineries/breweries • <sup>3</sup>Auto production is as of 2/29/20 • <sup>4</sup>Higher-risk commercial & industry total \$2.5B, eliminated overlap with other categories



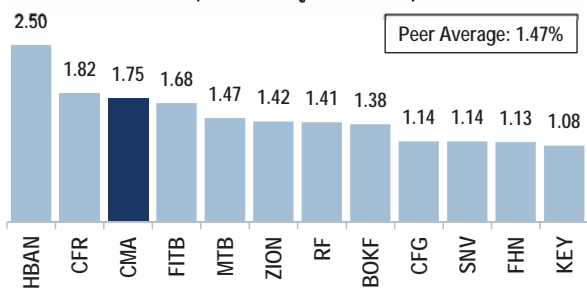


# Credit

## Comerica vs. Peers

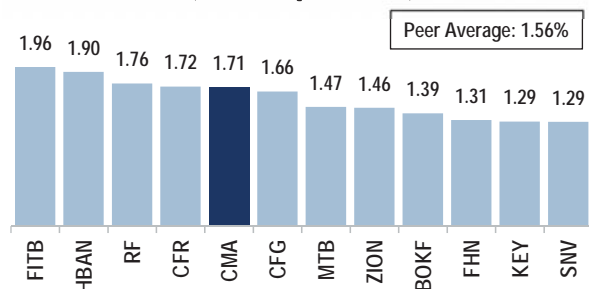
### Allowance for Commercial Loan Loss<sup>1</sup>

(As a % of 1Q20 PE Loans)



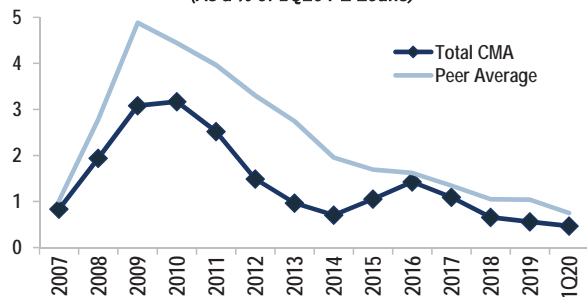
### Allowance for Loan Loss

(As a % of 1Q20 PE Loans)



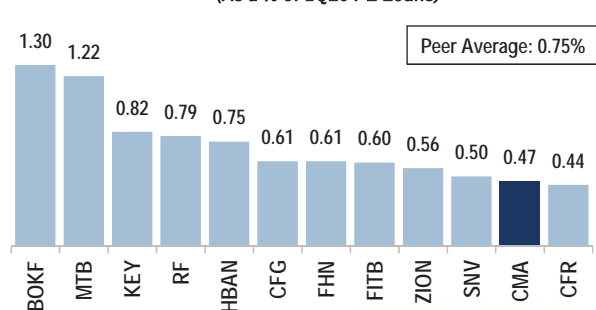
### Nonperforming Assets<sup>2</sup>

(As a % of 1Q20 PE Loans)



### Nonperforming Assets<sup>2</sup>

(As a % of 1Q20 PE Loans)



Source for peer data: S&P Global Market Intelligence • <sup>1</sup>Commercial loan loss balance / commercial period end loans; includes Commercial Real Estate Loans. Reported from Peer 10Q. MTB is allowance for credit loss • <sup>2</sup>1Q20 peer results from earnings releases; CFG is nonperforming loans as a % of 1Q20 PE Loans

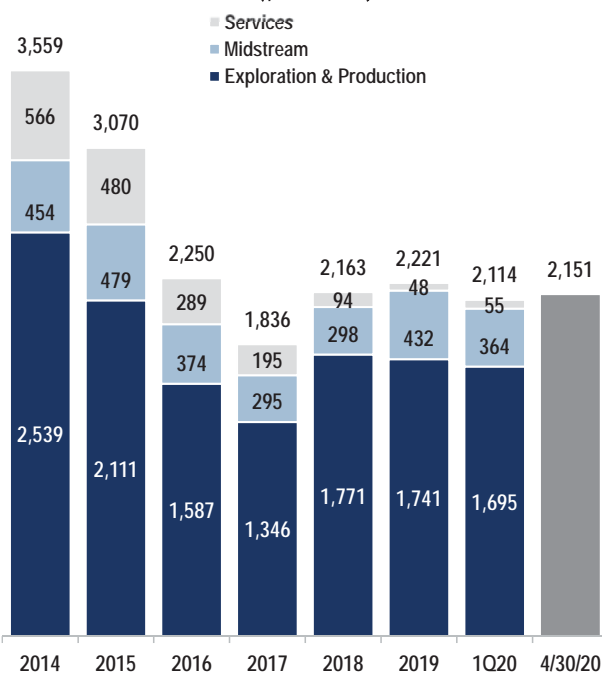


# Energy Line of Business

Allocation of reserves for Energy loans increased to >10%<sup>1</sup>

### Period-end Loans

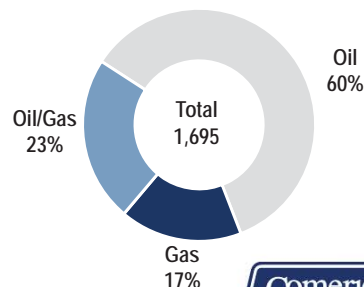
(\$ in millions)



- Exposure \$3.7B / 57% utilization as of 4/30/20
- Spring redeterminations 39% complete as of 5/8/20
- Hedged 50% or more of production as of 3/31/20
  - At least one year: 66% of customers
  - At least two years: 35% of customers
- 87% of Energy Loans are SNCs as of 3/31/20

### Exploration & Production

(\$ in millions; 1Q20 Period-end)

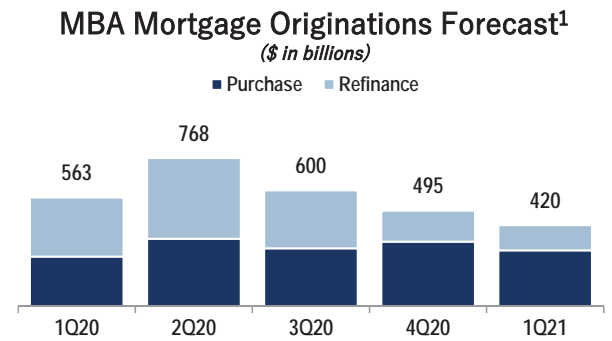


4/30/20 balances are preliminary & subject to change • <sup>1</sup>As of 3/31/20

# Mortgage Banker Finance

55+ 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
- As of 1Q20:
- Comerica: ~59% purchase
  - Industry: 49% purchase<sup>1</sup>
- Strong credit quality
    - No charge-offs since 2010
  - Period-end loans: \$3.6B



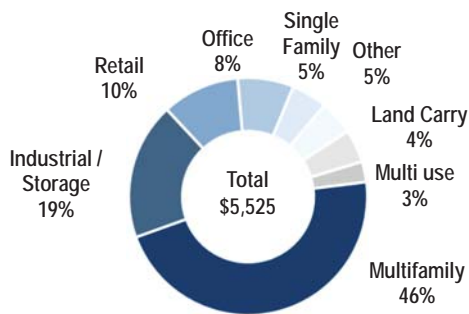
3/31/20 • <sup>1</sup>Source: Mortgage Bankers Association (MBA) Mortgage Finance Forecast as of 4/2/20; estimated



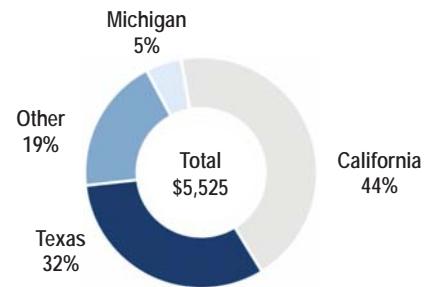
# Commercial Real Estate Line of Business

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)	1Q19	4Q19	1Q20
Criticized <sup>2</sup>	\$84	\$87	\$87
Ratio	1.5%	1.4%	1.3%
Nonaccrual	\$2	\$2	\$3
Ratio	0.04%	0.03%	0.04%
Net charge-offs	-0-	-0-	-0-

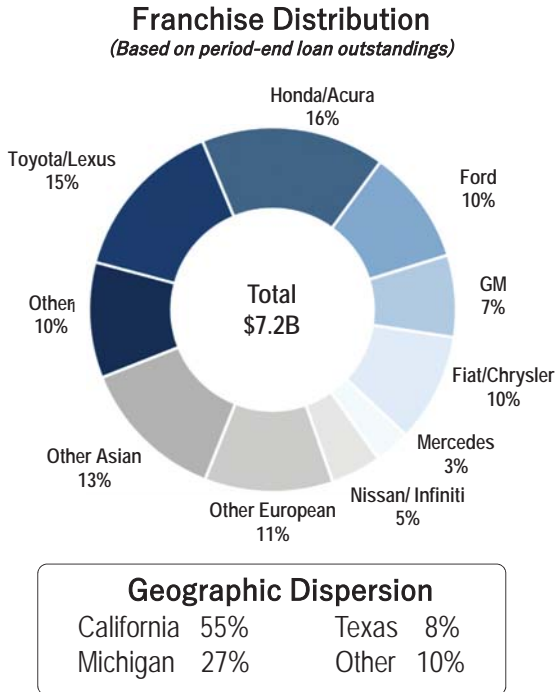
- >90% of new commitments from existing customers
- Substantial upfront equity required
- 51% of portfolio<sup>3</sup> is construction & includes robust monitoring
- No significant net charge-offs since 2014

3/31/20 • <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 • <sup>3</sup>Period-end loans

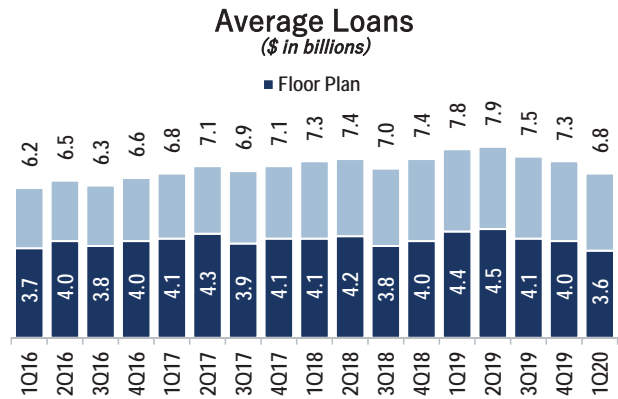


# National Dealer Services

70+ years of floor plan lending



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

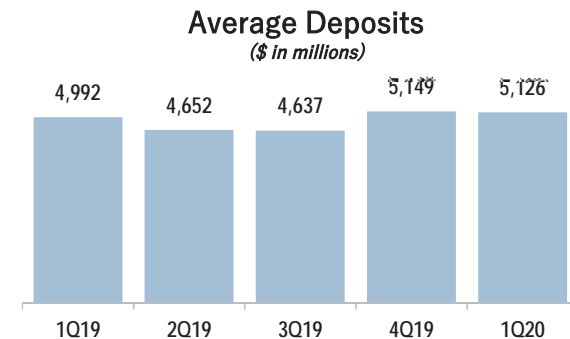
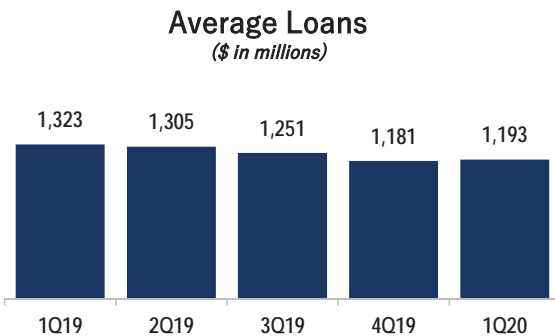


3/31/20 • 1Other includes obligations where a primary franchise is indeterminable (rental car and leasing companies, heavy truck, recreational vehicles, and non-floor plan loans)



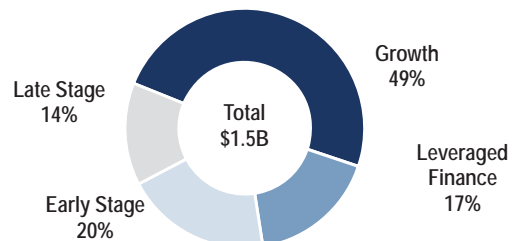
# Technology & Life Sciences

Deep expertise & strong relationships with top-tier investors



- ~430 customers
- Manage concentration to numerous verticals to ensure widely diversified portfolio
- Closely monitor cash balances & maintain robust backroom operation
- 11 offices throughout US & Canada

**Customer Segment Overview**  
(Approximate; 1Q20 Period-end loans)

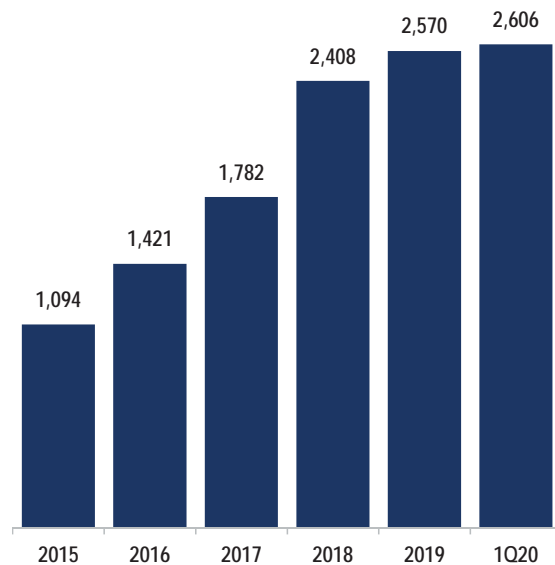


# Equity Fund Services

Deep expertise & strong relationships with top-tier investors

- Customized credit, treasury management & investment solutions for venture capital & private equity firms
- National scope with customers in 17 states & Canada
- ~270 customers
- Drive connectivity with other teams
  - Energy
  - Middle Market
  - TLS
  - Environmental Services
  - Private Banking
- Strong credit profile
  - No charge-offs
  - No criticized loans

## Average Loans (\$ in millions)



3/31/20



# Securities Portfolio

Yields stable

## Securities Portfolio (\$ in billions; Average)



### Duration of 2.3 years<sup>1</sup>

- Extends to 3.5 years under a 200 bps instantaneous rate increase<sup>1</sup>

**Net unrealized pre-tax gain of \$407MM**

**Net unamortized premium of \$7MM<sup>2</sup>**

**Expect to maintain portfolio at ~\$12B<sup>3</sup>**

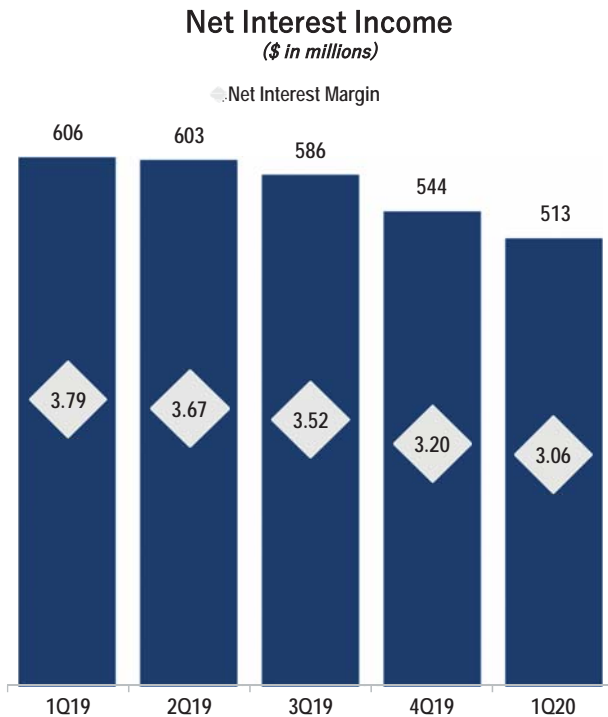
- Pre-purchased a portion 2Q20 expected payments at attractive yields

3/31/20 • <sup>1</sup>Estimated as of 3/31/20 • <sup>2</sup>Net unamortized premium on the MBS portfolio • <sup>3</sup>Outlook as of 5/12/20



# Net Interest Income

Impacted by lower interest rates



\$544MM		4Q19	3.20%
- 47MM	<b>Loans:</b>		- 0.21
- 27MM	Lower rates		- 0.16
- 8MM	Lower balances		- 0.02
- 6MM	One less day		---
- 2MM	Loan Fees		- 0.01
- 4MM	Nonaccrual/Other		- 0.02
- 1MM	<b>Securities</b>		---
- 1MM	Lower rates		---
- 2MM	<b>Fed Deposits:</b>		- 0.04
- 4MM	Lower yield		- 0.02
+ 2MM	Higher balances		- 0.02
+ 14MM	<b>Deposits:</b>		+ 0.08
+ 12MM	Lower rates		+ 0.07
+ 1MM	Lower balances		+ 0.01
+ 1MM	One less day		---
+ 5MM	<b>Wholesale funding:</b>		+ 0.03
+ 5MM	Lower rates	+0.03	
<b>\$513MM</b>		<b>1Q20</b>	<b>3.06%</b>

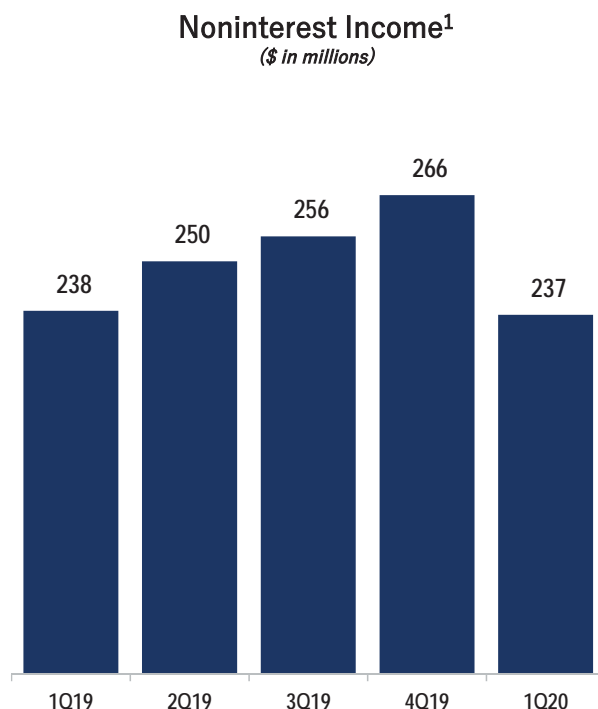
1Q20 compared to 4Q19



25

# Noninterest Income

Impacted by noncustomer-related activity



- \$8MM Commercial lending fees (syndication)
- \$3MM Card
- + \$2MM Fiduciary
- \$19MM Other noninterest income
  - \$7MM Deferred comp (offset in noninterest expense)
  - \$6MM 4Q19 gain on sale of HSA business
  - \$4MM customer derivative income  
Record customer derivative activity more than offset by \$16MM decline in credit valuation adjustment

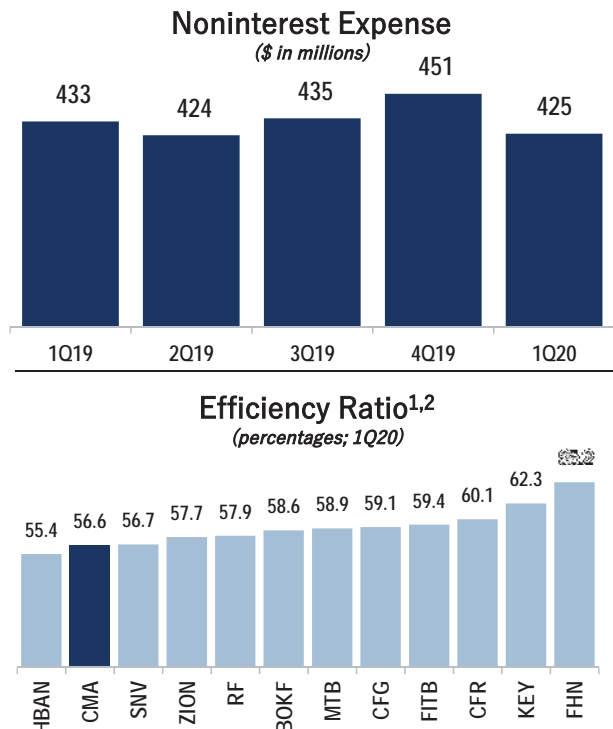
1Q20 compared to 4Q19 • <sup>1</sup>Losses related to repositioning of securities portfolio of \$(8)MM in 2Q19



26

# Noninterest Expense

Declined \$26MM with careful control of expenses



- \$15MM Salaries & benefits
  - \$7MM Deferred comp (offset in noninterest income)
  - \$5MM Incentive comp (net of annual share based comp)
  - \$5MM Technology-related contingent labor
  - \$4MM Staff insurance (seasonal)
  - + \$8MM Payroll taxes (seasonal)
- \$13MM Outside processing
  - \$7MM software expense<sup>3</sup> (reclassification)
  - \$4MM 4Q19 vendor transition fee
- \$4MM Occupancy
- \$3MM Marketing
- + \$7MM Software<sup>3</sup> (reclassification)

1Q20 compared to 4Q19 • <sup>1</sup>Noninterest expenses as a percentage of net interest income & noninterest income excluding net gains (losses) from securities & derivative contract tied to conversion rate of Visa Class B shares • <sup>2</sup>Source for peer data: S&P Global Market Intelligence • <sup>3</sup>Reclassification from Outside Processing to Software for certain costs related to hosting arrangements (new accounting standard)



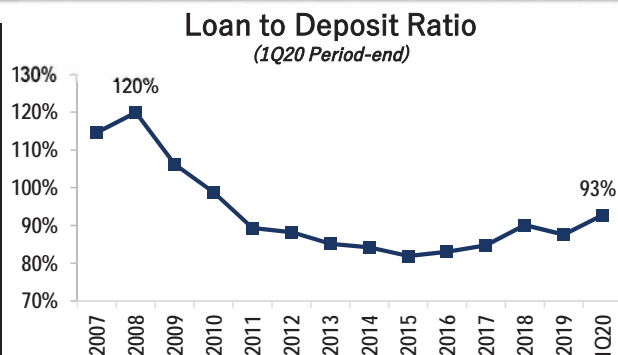
# Liquidity Management

Multiple funding sources

## Available Liquidity Sources (in billions; Period-end)

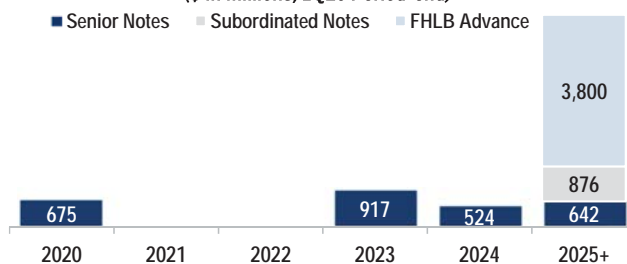
Federal Reserve Deposit	\$ 3.8
FHLB Unused Funding Capacity <sup>1</sup>	9.9
Unpledged Investment Securities (of \$13B portfolio)	6.9
Discount Window Borrowing Capacity (undrawn)	17.2
<b>Total</b>	<b>\$37.8</b>

- In addition, ready access to brokered deposits & unsecured debt market



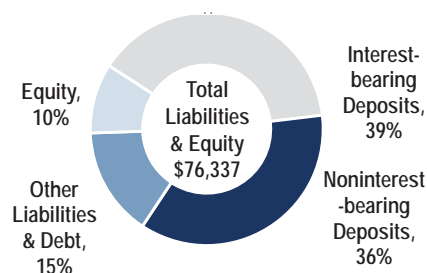
## Debt Maturities

Excludes short-term borrowing<sup>2</sup> of \$2.3B  
(\$ in millions; 1Q20 Period-end)



## Primarily Funded with Relationship Deposits

(\$ in millions; 1Q20 Period-end)



3/31/20 • <sup>1</sup>\$4.6B drawn at Federal Home Loan Bank • <sup>2</sup>FHLB Advance & Overnight Fed Funds





# Capital Management

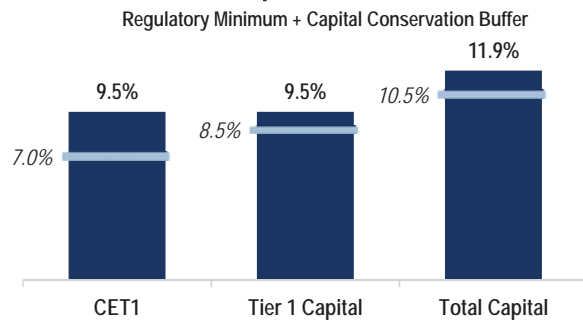
Maintain solid capital base through recessionary environment

## Capital management objectives

- Supporting customers: loans to middle market, small businesses & consumers
- Maintain attractive dividend
  - \$94MM 1Q20 payout
  - \$888MM Holdco cash to support dividend
- Suspended share buyback program
- High quality of capital: 100% common equity
- Strong debt ratings for Holdco
  - Moody's: A3
  - S&P: BBB+
  - Fitch: A-
- CECL: deferred portion of transitional impact provided a 10 bps benefit to CET1
- Longer-term target of CET1 ~10%

(\$ in millions)	CET1/ Tier 1	RWA	%
4Q19 Tier 1 Capital	6,919	68,273	10.13
Net loss	(65)		(0.10)
CECL adjustment	69		0.10
Dividends	(94)		(0.14)
Share Repurchase Program <sup>1</sup>	(189)		(0.28)
Other <sup>2</sup>	14		0.03
Risk Weighted Asset Growth		1,601	(0.22)
1Q20 Tier 1 Capital	6,654	69,874	9.52

## Capital Ratios

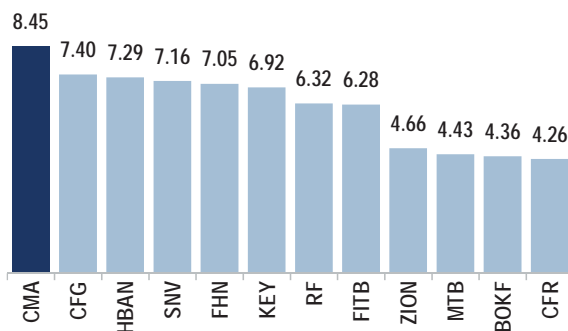


3/31/20 • Outlook as of 5/12/20 • <sup>1</sup>Shares repurchased under the share repurchase program • <sup>2</sup>Includes \$13MM from CECL Day 1 adoption



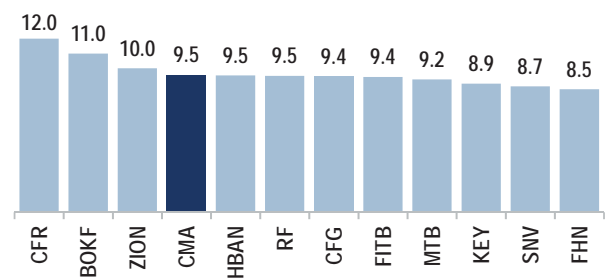
# Capital Management

## Attractive Dividend Yield (percentages; 5/12/20)

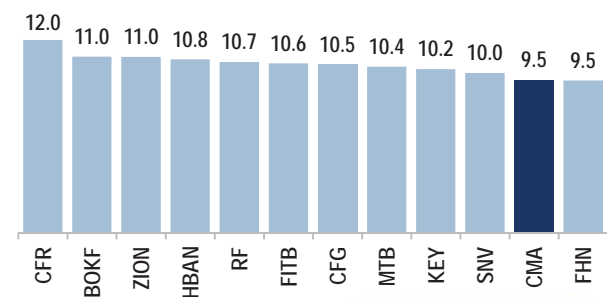


- Board declared quarterly dividend of \$0.68 per share payable 7/1/20
- Focused on maintaining attractive, competitive dividend
- Stress test dividend to withstand cyclical pressures

## CET1 Ratio (percentages; 1Q20)



## Tier 1 Ratio (percentages; 1Q20)



Source for peer data: S&P Global Market Intelligence



# Leadership Team

**Curtis Farmer**  
Chairman, President & CEO  
11 / 34 Years



**John Buchanan**  
Chief Legal Officer  
5 / 28 Years



**Megan Burkhart**  
Chief HR Officer  
22 / 22 Years



**Greg Carr**  
EVP, Wealth Management  
0 / 30 Years



**Melinda Chausse**  
Chief Credit Officer  
32 / 32 Years



**Megan Crespi**  
Chief Enterprise Tech. & Ops.  
Services Officer  
0 / 11 Years



**James Herzog**  
Chief Financial Officer  
35 / 35 Years



**Cassandra McKinney**  
EVP, Retail Bank  
14 / 24 Years



**Christine Moore**  
General Auditor  
25 / 25 Years



**Jay Oberg**  
Chief Risk Officer  
28 / 28 Years



**Peter Sefzik**  
EVP, Business Bank  
21 / 21 Years



**James Weber**  
Chief Experience Officer  
13 / 13 Years

3/6/20; Years with Comerica / Years in Banking



# Commitment to Community, Diversity & Sustainability



## 2020 Environmental Goals reached<sup>1</sup>:

- **47%** reduction in greenhouse gas 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%)



**Ranked 9<sup>th</sup>** in Newsweek's inaugural ranking of America's Most Responsible Companies



Over **71,300** hours of volunteer time donated by colleagues to nonprofits



**237,000** meals provided in conjunction with our community Shred Day events, which gathered >882,000 lbs. of paper



**>\$8.4MM** donated to charitable organizations via more than 1,400 grants/sponsorships



**65%** of U.S. employees are women



**40%** of U.S. employees are racial/ethnic minorities



**86%** of colleagues enrolled in the voluntary Masters of Diversity Awareness training

12/31/19 • <sup>1</sup>2019 results versus 2012 baseline; progress as of 9/30/19, except paper as of 12/31/19



# Holding Company Debt Rating

<u>Senior Unsecured/Long-Term Issuer Rating</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Cullen Frost	A3	A-	-
M&T Bank	A3	A-	A
BOK Financial	A3	BBB+	A
<b>Comerica</b>	<b>A3</b>	<b>BBB+</b>	<b>A-</b>
Fifth Third	Baa1	BBB+	A-
Huntington	Baa1	BBB+	A-
KeyCorp	Baa1	BBB+	A-
Regions Financial	Baa2	BBB+	BBB+
Zions Bancorporation	Baa2	BBB+	BBB+
First Horizon National Corp	Baa3	BBB-	BBB
Citizens Financial Group	-	BBB+	BBB+
Synovus Financial	-	BBB-	BBB

As of 5/12/20 • Source: S&P Global Market Intelligence • Debt Ratings are not a recommendation to buy, sell, or hold securities • Zions Bancorporation ratings are for the bank



*commitment*