

COMERICA INCORPORATED
REGULATORY CAPITAL DISCLOSURES

For the Quarter Ended June 30, 2016



Table of Contents

Overview	1
Scope of Application	2
Capital Structure	2
Capital Adequacy	3
Risk Management	5
General Credit Risk	6
Counterparty Credit Risk	8
Credit Risk Mitigation	9
Securitization	9
Equities Not Subject to Market Risk Rule	9
Interest Rate Risk for Non-Trading Activities	11
Forward-Looking Statements	11
Disclosure Index	Appendix A

OVERVIEW

Organization

Comerica Incorporated ("Comerica") is a financial services company incorporated under the laws of the State of Delaware and headquartered in Dallas, Texas. Comerica has strategically aligned its operations into three major business segments: the Business Bank, the Retail Bank, and Wealth Management and operates in three primary geographic markets: Texas, California and Michigan, as well as in the states of Arizona and Florida, with select businesses operating in several other states, and in Canada and Mexico. Comerica operates two U.S. banking subsidiaries: Comerica Bank, a Texas banking association, and Comerica Bank and Trust, National Association, a limited purpose trust bank. At June 30, 2016, Comerica had total assets of approximately \$71.3 billion, total deposits of approximately \$56.4 billion, total loans of approximately \$50.4 billion and shareholders' equity of approximately \$7.7 billion.

Regulatory Capital Standards and Disclosures

In July 2013, U.S. banking regulators issued a final rule for the U.S. adoption of the Basel III regulatory capital framework ("Basel III")⁽¹⁾. Basel III includes a more stringent definition of capital and introduces a new common equity Tier 1 ("CET1") capital requirement; sets forth two comprehensive methodologies for calculating risk-weighted assets ("RWA"), a standardized approach and an advanced approach; introduces two new capital buffers, a conservation buffer and a countercyclical buffer (applicable to advanced approaches entities); establishes a new supplemental leverage ratio (applicable to advanced approaches entities); and sets out minimum capital ratios and overall capital adequacy standards. Banking organizations with at least \$250 billion in assets or \$10 billion of total on-balance sheet foreign exposure are considered advanced approach entities. Neither Comerica nor its banking subsidiaries meet these thresholds, and therefore each are subject to the standardized approach. Basel III became effective for standardized approach entities on January 1, 2015. Certain deductions and adjustments to regulatory capital phase in and will be fully implemented on January 1, 2018. The capital conservation buffer phases in beginning January 1, 2016 and will be fully implemented on January 1, 2019.

Definition of capital

Under Basel III, CET1 capital predominantly includes common shareholders' equity, less certain deductions for goodwill, intangible assets and deferred tax assets that arise from net operating losses and tax credit carry-forwards. Additionally, Comerica has elected to permanently exclude accumulated other comprehensive income ("AOCI") related to debt securities, cash flow hedges, and defined benefit postretirement plans from CET1 capital, an option available to standardized approach entities under Basel III ("AOCI opt-out election"). Tier 1 capital incrementally includes noncumulative perpetual preferred stock. Tier 2 capital primarily includes subordinated debt qualifying as Tier 2 and qualifying allowance for credit losses. Certain deductions and adjustments to CET1 capital, Tier 1 capital and Tier 2 capital are subject to phase-in through December 31, 2017. The figures presented in this report reflect the transition provision adjustments applicable for the period.

Risk-weighted assets

Comerica computes RWA using the standardized approach. Under the standardized approach, RWA is generally based on supervisory risk-weightings which vary by counterparty type and asset class. Capital is required for credit RWA to cover the risk of unexpected losses due to failure of a customer or counterparty to meet its financial obligations in accordance with contractual terms. If trading assets and liabilities exceed certain thresholds, an entity is also subject to the market risk provisions of Basel III ("market risk rule") and capital is also required for market RWA, to cover the risk of losses due to adverse market movements or from position-specific factors.

Disclosures

The qualitative and quantitative disclosures in this report regarding Comerica's capital structure, capital adequacy, risk exposures, RWA and market risk (if applicable) are based on management's current understanding of Basel III and other factors, which may be subject to change as additional clarification and implementation guidance is received from regulators and the interpretation of the rule evolves over time. The disclosures were reviewed and approved in accordance with Comerica's regulatory disclosure policy, which has been approved by Comerica's Board of Directors.

This report should be read in conjunction with Comerica's Annual Report on Form 10-K for the year ended December 31, 2015 ("2015 Form 10-K"), and Quarterly Report on Form 10-Q for the period ended June 30, 2016 ("Second Quarter 2016 Form 10-Q"), which include important information on risk management policies and practices. A disclosure index is provided in Appendix A of this report and specific references have been included herein.

⁽¹⁾The final U.S. Basel III rules applicable to Comerica and Comerica Bank are codified in 12 C.F.R. Part 217 (Federal Reserve Board).

SCOPE OF APPLICATION

Basis of consolidation

The standardized approach to risk-weighted assets under Basel III applies to Comerica's consolidated financial statements and off-balance sheet exposures. Comerica's basis of consolidation for both financial and regulatory reporting purposes is in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Certain of Comerica's equity investments accounted for under either the proportional method, equity method or cost method are neither consolidated nor deducted from regulatory capital under Basel III, but instead are assigned an appropriate risk weight. There are no entities within the Comerica enterprise that are deconsolidated or whose capital is deducted for Basel III.

- For further information regarding Comerica's principles of consolidation, see Note 1 to the consolidated financial statements on page F-51 of Comerica's 2015 Form 10-K.

Capital in regulated subsidiaries

At June 30, 2016, total capital for each of Comerica's regulated banking subsidiaries, Comerica Bank and Comerica Bank & Trust, National Association, exceeded their respective minimum required regulatory capital amount. Comerica's regulated broker-dealer subsidiary, Comerica Securities, Inc., was also in compliance with minimum net capital requirements at June 30, 2016.

Restrictions on funds and capital transfers

Various federal laws limit borrowings by Comerica and its nonbank subsidiaries from its affiliate insured banking subsidiaries, and also limit various other transactions between Comerica and its nonbank subsidiaries, on the one hand, and Comerica's affiliate insured banking subsidiaries, on the other.

- Refer to "Transactions with Affiliates" in Part I, Item 1 on page 3 of Comerica's 2015 Form 10-K for further information.

There are statutory and regulatory requirements restricting the payment of dividends by subsidiary banks to Comerica, as well as by Comerica to its shareholders.

- For further information, see "Dividends" and "Annual Capital Plans and Stress Tests" on pages 4 and 8, respectively, in Part I, Item 1 and Note 20 to the consolidated financial statements on page F-101 of Comerica's 2015 Form 10-K.

Shares of common stock can only be redeemed by Comerica through repurchases, generally with prior approval from the Federal Reserve.

- For additional information about capital and Comerica's equity repurchase program, see "Capital" in Part I, Item 2 on page 50 of Comerica's Second Quarter 2016 Form 10-Q.

The Federal Reserve requires depository institutions to maintain cash reserves with a Federal Reserve Bank.

- See Note 20 to the consolidated financial statements on page F-101 of Comerica's 2015 Form 10-K for further information.

CAPITAL STRUCTURE

Regulatory capital instruments

Comerica's currently qualifying regulatory capital instruments consist of common stock and subordinated debt. Each share of Comerica's common stock entitles the holder to one vote for the election of directors and for all other matters to be voted on by Comerica's shareholders. Upon a liquidation, dissolution or similar proceeding, the holders of common stock would share proportionally in the residual assets remaining after all claims have been satisfied. Shares of common stock can only be redeemed by Comerica through repurchases. Prior approval from the Federal Reserve is required for equity program repurchases.

- For additional information about capital and Comerica's equity repurchase program, see "Capital" in Part I, Item 2 on page 50 of Comerica's Second Quarter 2016 Form 10-Q.

Comerica's subordinated debt contains no financial covenants. The subordinated debt is subject to standard events of default, including those related to payment of principal and interest, bankruptcy, insolvency, receivership and other similar actions and compliance with typical legal covenants.

- For further details regarding subordinated debt as of June 30, 2016, see Note 7 to the consolidated financial statements on page 26 of Comerica's Second Quarter 2016 Form 10-Q.

Regulatory capital components

Table 1: Reconciliation of Shareholders Equity to Total Capital

A reconciliation of total shareholders' equity to CET1 capital, Tier 1 capital and Total capital is presented below.

<i>(in millions)</i>	June 30, 2016
Common stock	\$ 1,141
Capital surplus	2,165
Accumulated other comprehensive loss	(295)
Retained earnings	7,157
Less cost of common stock in treasury	(2,474)
Total common shareholders' equity/CET1 capital before adjustments and deductions	7,694
Less adjustments and deductions:	
AOCI-related adjustments (a)	(294)
Other adjustments and deductions (b)	641
CET1 capital/Tier 1 capital	7,347
Qualifying subordinated debt (b)	804
Allowance for credit losses includable in Tier 2 capital	772
Tier 2 capital	1,576
Total capital	\$ 8,923

(a) Reflects AOCI opt-out election.

(b) Reflects transitional treatment over the phase-in period. On a fully phased-in basis, CET1 capital/Tier 1 capital and total capital would be \$7,343 million and \$8,887 million, respectively.

- Further details about Comerica's regulatory capital can be found in Schedule HC-R to the June 30, 2016 Consolidated Financial Statements for Holding Companies - Form FR Y-9C.

CAPITAL ADEQUACY

Capital adequacy assessment process

Comerica assesses capital adequacy against the risk inherent in the balance sheet, recognizing that unexpected loss is the common denominator of risk and that common equity has the greatest capacity to absorb unexpected loss. Comerica periodically conducts stress tests to evaluate potential impacts to Comerica's forecasted financial condition under various economic scenarios and business conditions. These stress tests are a normal part of Comerica's overall risk management and capital planning process and are part of the forecasting process used by Comerica to conduct the enterprise-wide stress tests that are part of the Federal Reserve's Comprehensive Capital Analysis and Review ("CCAR") as well as Dodd-Frank Act Stress Testing ("DFAST").

- For further information about capital planning and stress tests, see "Annual Capital Plans and Stress Tests" in Part I, Item 1 on page 8 of Comerica's 2015 Form 10-K and "Capital" in Part I, Item 2 on page 50 of Comerica's Second Quarter 2016 Form 10-Q.

Risk-weighted assets

Table 2: Risk-Weighted Assets by Exposure Type

The following table presents components of Comerica's risk-weighted assets calculated in accordance with the Basel III standardized approach as of June 30, 2016.

<i>(in millions)</i>	June 30, 2016
Cash items in process of collection	\$ 162
Exposures conditionally guaranteed by U.S. government agencies	92
Claims on U.S. government-sponsored entities	1,082
Exposures to state and local governments in the U.S.	12
Claims on and exposures guaranteed by U.S. depository institutions and foreign banks	58
Corporate exposures	42,516
High volatility commercial real estate loans	5,384
Residential mortgage loans	2,867
Consumer loans	616
Past due loans	910
Equity exposures	1,574
Other assets	2,648
Securitization exposures	40
Off-balance sheet commitments with original maturity greater than 1 year	8,257
Off-balance sheet commitments with original maturity of 1 year or less	1,021
Other off-balance sheet exposures	2,287
Over-the-counter derivative contracts	521
Centrally cleared derivative contracts	9
Total standardized risk-weighted assets	\$ 70,056

- Further details about Comerica's risk-weighted assets can be found in Schedule HC-R to the June 30, 2016 Consolidated Financial Statements for Holding Companies - Form FR Y-9C.

Risk-based capital ratios

Comerica and its U.S. banking subsidiaries are required to maintain minimum ratios of CET1, Tier 1 and Total capital to risk-weighted assets, as well as minimum leverage ratios (defined as Tier 1 capital divided by adjusted average assets) to be considered "adequately capitalized." Failure to meet minimum capital requirements could initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on Comerica's financial condition and results of operations.

Table 3: Minimum Required Capital Ratios

The following table presents the minimum ratios that Comerica and its U.S. banking subsidiaries are subject to as of June 30, 2016.

June 30, 2016	Minimum Capital Ratios	Well Capitalized Ratios for Bank Holding Companies (a)
CET1 capital to risk-weighted assets	5.125% (b)	—%
Tier 1 capital to risk-weighted assets	6.625 (b)	6.0
Total capital to risk-weighted assets	8.625 (b)	10.0
Tier 1 capital to adjusted average assets (leverage ratio)	4.0	—

- (a) The requirements for Comerica's bank subsidiaries to be considered "well capitalized" are 6.5% for CET1 capital, 8.0% for Tier 1 capital, 10.0% for total capital and a leverage ratio of at least 5.0%.
- (b) At June 30, 2016, Comerica's minimum risk-based capital ratios included an amount of 0.625% resulting from the phase in of the capital conservation buffer. The required amount of the capital conservation buffer being phased-in ultimately increases to 2.5% on January 1, 2019.

Table 4: Summary of Capital Positions and Ratios

The following table presents a summary of the capital positions of Comerica, Comerica Bank and Comerica Bank & Trust, National Association under the Basel III standardized approach at June 30, 2016, reflective of transitional treatment over the phase-in period.

June 30, 2016 <i>(dollar amounts in millions)</i>	Comerica	Comerica Bank	Comerica Bank & Trust, National Association
CET1 capital	\$ 7,347	\$ 7,082	\$ 52
Tier 1 capital	7,347	7,082	52
Total capital	8,923	8,459	52
Eligible retained income (a)	\$ 103	\$ 90	\$ 4
Risk-weighted assets	\$ 70,056	\$ 69,765	\$ 19
Adjusted average assets (b)	70,681	70,359	52
CET1 capital to risk-weighted assets	10.49%	10.15%	275.63%
Tier 1 capital to risk-weighted assets	10.49	10.15	275.63
Total capital to risk-weighted assets	12.74	12.13	275.63
Capital conservation buffer (c)	4.49	4.13	267.63
Tier 1 capital to adjusted average assets (leverage ratio)	10.39	10.07	99.29

- (a) Represents the amount to which restrictions on capital distributions and discretionary bonuses would apply if the capital conservation buffer falls below the required minimum. Eligible retained income is the sum of net income for the four calendar quarters preceding the current calendar quarter, net of any distributions not already reflected in net income (e.g., dividend payments and equity repurchases).
- (b) Adjusted average assets include total quarterly average assets (reflecting available-for-sale securities at amortized cost), less amounts deducted from CET1 capital and additional tier 1 capital, plus assets derecognized as an adjustment to AOCI as part of the incremental effect of applying certain provisions in accounting for defined benefit postretirement plans.
- (c) In 2016, Comerica and its U.S. bank subsidiaries are required to maintain a capital conservation buffer of 0.625% in order to avoid restrictions on capital distributions and discretionary bonuses. The capital conservation buffer is the lowest of (i) CET1 ratio less minimum CET1 requirement, (ii) Tier 1 ratio less minimum Tier 1 requirement and (iii) Total capital ratio less minimum Total capital requirement.

At June 30, 2016, Comerica and its U.S. banking subsidiaries exceeded the ratios required for an institution to be considered "well capitalized." There have been no events since June 30, 2016 that management believes have changed the capital adequacy classification of Comerica or its U.S. banking subsidiaries.

RISK MANAGEMENT

As a result of conducting business in the normal course, Comerica assumes various types of risk. Comerica's enterprise risk framework provides a process for identifying, measuring, controlling and managing these risks. This framework incorporates a risk assessment process, a collection of risk committees that manage Comerica's major risk elements, and a risk appetite statement that outlines the levels and types of risks Comerica accepts. Comerica continuously enhances its enterprise risk framework with additional processes, tools and systems designed to not only provide management with deeper insight into Comerica's various

existing and emerging risks in accordance with its appetite for risk, but also to improve Comerica's ability to control those risks and ensure that appropriate consideration is received for the risks taken.

Comerica's front line employees, the first line of defense, are responsible for the day to day management of risks including the identification, assessment, measurement and control of risks encountered as a part of the normal course of business. Risks are further monitored, measured and controlled by representatives of the second line of defense, consisting of risk managers for each of the major risk categories, who aid in the identification, measurement, and control of organizational risks. The majority of these risk managers report into the Office of Enterprise Risk. The Office of Enterprise Risk, led by the Chief Risk Officer, is responsible for designing and managing Comerica's enterprise risk framework and ensures effective risk management oversight. Risk management committees serve as a point of review and escalation for those risks which may have risk interdependencies or where risk levels may be nearing the limits outlined in Comerica's risk appetite statement. These committees comprise senior and executive management that represent views from both the lines of business and risk management. Internal Audit (the third line of defense) monitors and assesses the overall effectiveness of the risk management framework on an ongoing basis and provides an objective assessment of Comerica's ability to manage and control risk to management and the Audit Committee of the Board.

The Enterprise-Wide Risk Management Committee, established by the Enterprise Risk Committee of the Board, is responsible for governance over the risk management framework, providing oversight in managing Comerica's aggregate risk position and reporting on the comprehensive portfolio of risks as well as the potential impact these risks can have on Comerica's risk profile and resulting capital level. The Enterprise-Wide Risk Management Committee is principally composed of senior officers and executives representing the different risk areas and business units who are appointed by the Chairman and Chief Executive Officer of Comerica.

The Board's Enterprise Risk Committee meets quarterly and is chartered to assist the Board in promoting the best interests of Comerica by overseeing policies, procedures and risk practices relating to enterprise-wide risk and ensuring compliance with bank regulatory obligations. Members of the Enterprise Risk Committee are selected such that the committee comprises individuals whose experiences and qualifications can lead to broad and informed views on risk matters facing Comerica and the financial services industry. These include, but are not limited to, existing and emerging risk matters related to credit, market, liquidity, operational, compliance and strategic conditions. A comprehensive risk report is submitted to the Enterprise Risk Committee each quarter providing management's view of Comerica's aggregate risk position.

- For further information, refer to "Risk Management" on pages F-24 through F-39 of Comerica's 2015 Form 10-K.

CREDIT RISK

Credit risk represents the risk of loss due to failure of a customer or counterparty to meet its financial obligations in accordance with contractual terms. Comerica assumes credit risk in the normal course of business, predominantly from the extension of credit to businesses and individuals. Additionally, Comerica enters into transactions which give rise to counterparty credit risk involving derivative and credit-related financial instruments that meet the financing needs of customers.

Credit risk in the loan portfolio is managed through underwriting, reviewing and approving credit exposures using approved credit policies and guidelines. Additionally, Comerica manages credit risk through loan portfolio diversification, limiting exposure to any single industry, customer or guarantor, and selling participations and/or syndicating credit exposures above those levels it deems prudent to third parties. Refer to the "Counterparty Credit Risk" section of this report for a discussion of Comerica's management of counterparty credit risk.

For further discussion of credit risk, risk management objectives and policies and accounting policies related to these exposures:

- Refer to "Underwriting Approach" in Part I, Item 1 on page 10 of Comerica's 2015 Form 10-K.
- See the "Credit Risk" subheading on pages F-24 through F-33 in the "Risk Management" section of Comerica's 2015 Form 10-K.
- See Note 1 to the consolidated financial statements on page F-51 of Comerica's 2015 Form 10-K.

Credit risk exposures

The following tables present certain of Comerica's positions which give rise to credit risk. The amounts do not include the effects of certain credit risk mitigation techniques, such as collateral and netting not permitted under GAAP.

Table 5: Credit Risk Exposures by Exposure Type, Counterparty Type and Domicile

Exposure Type	Counterparty Type					Total	Domicile (c)			Quarterly Average (d)
	Banks	U.S. Public Sector	Corporate	Other	Netting		U.S.	Non-U.S.	Total	
		(a)					(b)	(b)		
<i>(in millions)</i>										
Cash and cash equivalents	\$ 1,384	\$ 2,726	\$ —	\$ —	\$ —	\$ 4,110	\$ 3,871	\$ 239	\$ 4,110	\$ 4,764
Debt securities	—	12,339	—	—	—	12,339	12,339	—	12,339	12,153
Loans	—	169	45,831	4,380	—	50,380	48,811	1,569	50,380	49,469
Derivatives	261	—	501	—	(249)	513	499	14	513	496
Total on-balance sheet	\$ 1,645	\$ 15,234	\$ 46,332	\$ 4,380	\$ (249)	\$ 67,342	\$ 65,520	\$ 1,822	\$ 67,342	\$ 66,882
Unfunded commitments	\$ —	\$ 16	\$ 23,778	\$ 2,765	\$ —	\$ 26,559	\$ 25,452	\$ 1,107	\$ 26,559	\$ 27,030
Standby letters of credit	23	19	3,823	—	—	3,865	3,598	267	3,865	3,907
Total off-balance sheet	\$ 23	\$ 35	\$ 27,601	\$ 2,765	\$ —	\$ 30,424	\$ 29,050	\$ 1,374	\$ 30,424	\$ 30,937

- (a) Includes balances with Federal Reserve Banks, the U.S. government and its agencies, government-sponsored entities and states and municipalities.
- (b) Includes residential mortgage and consumer loans.
- (c) Based on legal domicile of the counterparty.
- (d) Average of daily or month-end balances where available; otherwise average of quarter-end balances.

Contractual maturities

Table 6: Remaining Contractual Maturity by Exposure Type

Exposure Type	Maturing				Netting	Total
	Within 1 Year	After 1 Year But Within 5 Years	After 5 Years			
<i>(in millions)</i>						
Cash and cash equivalents	\$ 4,110	\$ —	\$ —	\$ —	\$ —	\$ 4,110
Debt securities	10	3,000	9,329	—	—	12,339
Loans	19,812	23,201	7,367	—	—	50,380
Derivatives	194	269	299	(249)	—	513
Total on-balance sheet	\$ 24,126	\$ 26,470	\$ 16,995	\$ (249)	\$ —	\$ 67,342
Unfunded commitments	\$ 8,307	\$ 15,699	\$ 2,553	\$ —	\$ —	\$ 26,559
Standby letters of credit	3,146	696	23	—	—	3,865
Total off-balance sheet	\$ 11,453	\$ 16,395	\$ 2,576	\$ —	\$ —	\$ 30,424

Impaired loans

Table 7: Impaired Loans

The following table provides details on impaired and past due loans, the allowance for loan losses and charge-offs by counterparty type and domicile.

June 30, 2016	Counterparty Type			Domicile (b)		
	Corporate	Other (a)	Total	U.S.	Non-U.S.	Total
<i>(in millions)</i>						
Individually evaluated impaired loans with related allowance	\$ 596	\$ —	\$ 596			
Individually evaluated impaired loans without related allowance	50	26	76			
Total individually evaluated impaired loans	646	26	672	\$ 654	\$ 18	\$ 672
Nonaccrual loans	550	55	605	587	18	605
Loans past due 90 days or more and still accruing	13	22	35	34	1	35
Allowance for loan losses:						
Individually evaluated for impairment	112	—	112			
Collectively evaluated for impairment	570	47	617			
Gross charge-offs during the quarter	52	2	54			

(a) Includes residential mortgage and consumer loans.

(b) Based on legal domicile of the counterparty.

Allowance for credit losses

- For a reconciliation of changes in the allowance for credit losses, see Note 4 to the consolidated financial statements on page 14 of Comerica's Second Quarter 2016 Form 10-Q.

COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk that the counterparty to an over-the-counter ("OTC") derivative contract will be unable to meet their payment obligation. Exposure to counterparty credit risk on OTC derivative contracts is impacted by market volatility, which could increase or decrease potential future counterparty credit exposure. Comerica mitigates counterparty credit risk through the use of limits and monitoring procedures, as well as master netting arrangements and bilateral collateral agreements. Comerica determines credit risk exposure limits by evaluating the creditworthiness of each counterparty, adhering to the same credit approval process used for traditional lending activities and obtaining collateral as deemed necessary. Included in the fair value of derivative instruments are credit valuation adjustments reflecting counterparty credit risk. These adjustments are determined by applying a credit spread for the counterparty or Comerica as appropriate, to the total expected exposure of the derivative.

Comerica generally uses the International Swaps and Derivatives Association, Inc. ("ISDA") master netting agreement to document derivative transactions. Master netting arrangements effectively reduce credit risk by permitting settlement of positive and negative positions with the same counterparty on a net basis.

Comerica may require collateral depending on the credit evaluation done for each of Comerica's counterparties. Where possible, Comerica makes use of bilateral collateral agreements, which require daily exchange of cash or highly rated securities issued by the U.S. Treasury or other U.S. government entities to collateralize amounts due to either party beyond specified thresholds.

- For information about valuation approaches, including for collateral, see Note 1 to the consolidated financial statements on page F-51 of Comerica's 2015 Form 10-K.

Counterparty credit risk exposures

- For information about OTC derivative counterparty risk exposure, including the impact of netting and collateral held and current credit exposure by exposure type, as well as information about the amount of collateral Comerica would have to provide given a credit rating downgrade, see Note 5 to the consolidated financial statements on page 20 of Comerica's Second Quarter 2016 Form 10-Q.

Credit risk participations

Comerica enters into credit risk participation agreements to share the credit exposure related to certain derivative contracts with other counterparties (risk participations purchased) or to assume counterparty credit exposure related to certain derivative contracts (risk participations sold). Comerica enters into credit risk participation agreements in instances in which Comerica is also a party to a related loan participation agreement for such borrowers. Comerica will receive or make payments under these agreements if

the borrower defaults on the derivative contract. In the event of default, the lead bank has the ability to liquidate the assets of the borrower, in which case the lead bank would be required to return a percentage of the recouped assets to the participating banks. Comerica manages credit risk on credit risk participation agreements sold by monitoring the creditworthiness of the borrowers, which is based on the normal credit review process had it entered into the derivative instruments directly with the borrower. The notional amount of credit risk participation agreements reflects the pro-rata share of the derivative contract, consistent with its share of the related participated loan, which significantly exceeds potential credit exposure.

- For the notional amounts of purchased and sold risk participation agreements, see Schedule HC-L to Comerica's June 30, 2016 Consolidated Financial Statements for Holding Companies - Form FR Y-9C.

CREDIT RISK MITIGATION

Comerica seeks to mitigate credit risk in various ways. For counterparty credit risk, master netting arrangements and bilateral collateral agreements are the primary risk mitigation techniques, along with credit risk participations purchased, as discussed in the previous section. For lending-related transactions, guarantees from third parties as well as collateral such as cash, securities, accounts receivable, real estate, equipment and inventories can significantly reduce Comerica's credit risk. Additionally, Comerica mitigates credit risk through selling participations and/or syndicating credit exposures above those levels it deems prudent to third parties.

Comerica recognizes the benefit of certain financial collateral and eligible guarantees for the purpose of reducing capital requirements under the Basel III standardized approach by substituting the risk weight applicable to the collateral or the guarantor for the risk weight assigned to the exposure.

Table 8: Exposures Covered by Collateral and Guarantees

The following table presents the amount of Comerica's exposures that are covered by eligible financial collateral and guarantees.

June 30, 2016	Eligible Collateral (a)		Guarantees (b)	
	Covered Exposure	Associated RWA Amount	Covered Exposure	Associated RWA Amount
<i>(in millions)</i>				
Loans	\$ 236	\$ 45	\$ 285	\$ 92
Unfunded commitments and standby letters of credit	1,094	61	321	64

(a) Eligible collateral recognized for purposes of reducing capital requirements under the Basel III standardized approach generally comprises cash on deposit with Comerica and investment securities issued by the U.S. government, U.S. government agencies or government-sponsored enterprises.

(b) Guarantees recognized for purposes of reducing capital requirements under the Basel III standardized approach generally comprises guarantees by U.S. government agencies or U.S. depository institutions and foreign banks.

SECURITIZATION

Comerica is not typically involved in the securitization process as originator, investor, servicer, provider of credit enhancement, or sponsor. Comerica's securitization exposure comprises providing a limited amount of commitments that function as liquidity facilities to securitization structures sponsored by or otherwise established by other entities as outlined below.

Table 9: Securitization Exposure

June 30, 2016	Exposure	Associated RWA Amount (a)
<i>(in millions)</i>		
Unfunded commitments	\$ 200	\$ 40

(a) Calculated using the simplified supervisory formula approach.

EQUITIES NOT SUBJECT TO MARKET RISK RULE

Comerica's equity investments not subject to the market risk rule include equity securities available-for-sale, investments in tax credit entities (community development equity exposures), investment funds, restricted equity investments and equity investments classified as trading assets that do not meet the definition of a covered position (including investments made in connection with certain employee deferred compensation plans). These investments are typically strategic investments undertaken to facilitate core business activities. Comerica also has a small portfolio of indirect private equity and venture capital investments. Additionally, for purposes of Basel III capital requirements, Comerica's defined benefit pension net asset is treated as an exposure to an investment fund.

Investments in marketable equity securities are recorded at fair value. Nonmarketable equity investments are carried at cost or accounted for under the equity method. The proportional method is used for investments in tax credit entities that qualify for the low-income housing tax credit (LIHTC).

Accounting and Valuation Policies for Equity Investments

Refer to the Note 1 to the consolidated financial statements of Comerica's 2015 Form 10-K as follows:

- For a discussion of the accounting for investments in tax credit entities, see "Principles of Consolidation" on page F-51.
- For a discussion of the accounting for equity securities available-for-sale, see "Investment Securities" beginning on page F-55.
- For a discussion of the accounting for restricted equity investments, see "Nonmarketable equity securities" on page F-60.
- For a discussion of valuation methodologies used, including key assumptions and practices affecting valuation, see "Fair Value Measurements" beginning on page F-52.

Risk-Weight Approaches Under Basel III

Comerica applies the full look-through approach to its defined benefit pension net asset. For all other investment fund exposures, Comerica applies the simple modified look-through approach, under which the highest risk weight applicable to any exposure the investment fund is permitted to hold under its prospectus, partnership agreement, or similar agreement is applied to the adjusted carrying amount of the equity exposure to derive the associated RWA amount. For all other equity exposures, Comerica applies the simple risk-weight approach, under which a prescribed risk weight is applied to the adjusted carrying value for each type of equity exposure.

Table 10: Equity Exposures

The following tables present information about Comerica's equity investments not subject to the market risk rule as of June 30, 2016.

<i>(dollar amounts in millions)</i>	Risk-Weight Category	Carrying Amount	RWA Amount
Simple risk-weight approach:			
Equity exposures subject to a 0% risk weight	0%	\$ 85	\$ —
Equity exposures subject to a 20% risk weight	20	122	24
Community development equity exposures	100	409	409
Non-significant equity exposures	100	65	65
Total simple risk-weight approach		681	498
Exposures to investment funds:			
Full look-through approach	n/a	449	854
Simple modified look-through approach	n/a	244	222
Total equity investments not subject to market risk rule		\$ 1,374	\$ 1,574

n/a - not applicable.

<i>(in millions)</i>	Carrying Amount	Fair Value
Publicly traded equity investments	\$ 399	\$ 399
Non-publicly traded equity investments	975	982
Total equity investments not subject to the market risk rule	\$ 1,374	\$ 1,381

Realized and unrealized gains/(losses)

There were no realized gains/(losses) from sales and liquidations of equity securities for the three months ended June 30, 2016. Cumulative net pretax unrealized losses on equity securities recognized on the consolidated balance sheet totaled \$1 million, and unrecognized gains related to investments carried at cost totaled \$7 million at June 30, 2016. Unrealized losses totaling \$1 million were included in Tier 1 capital at June 30, 2016.

INTEREST RATE RISK FOR NON-TRADING ACTIVITIES

For information about Comerica's interest rate risk, see the "Interest Rate Risk" subheading on pages 58 through 59 in the "Risk Management" section of Comerica's Second Quarter 2016 Form 10-Q.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. In addition, Comerica may make other written and oral communications from time to time that contain such statements. All statements regarding Comerica's expected financial position, strategies and growth prospects and general economic conditions expected to exist in the future are forward-looking statements. The words, "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 course," "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 report 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, including the Growth in Efficiency and Revenue initiative ("GEAR Up"), 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 the economic benefits of the GEAR Up initiative, 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, including changes in interest rates; changes in regulation or oversight; Comerica's ability to maintain adequate sources of funding and liquidity; the effects of more stringent capital or liquidity requirements; declines or other changes in the businesses or industries of Comerica's customers, in particular the energy industry; unfavorable developments concerning credit quality; operational difficulties, failure of technology infrastructure or information security incidents; reliance on other companies to provide certain key components of business infrastructure; factors impacting noninterest expenses which are beyond Comerica's control; changes in the financial markets, including fluctuations in interest rates and their impact on deposit pricing; reductions in Comerica's credit rating; 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; the interdependence of financial service companies; the implementation of Comerica's strategies and business initiatives; 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; changes in customer behavior; any future strategic acquisitions or divestitures; management's ability to maintain and expand customer relationships; management's ability to retain key officers and employees; the impact of legal and regulatory proceedings or determinations; the effectiveness of methods of reducing risk exposures; the effects of terrorist activities and other hostilities; the effects of catastrophic events including, but not limited to, hurricanes, tornadoes, earthquakes, fires, droughts and floods; changes in accounting standards and the critical nature of Comerica's accounting policies. Comerica cautions that the foregoing list of factors is not exclusive. 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, 2015 and "Item 1A. Risk Factors" beginning on page 62 of Comerica's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. 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 report 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.

DISCLOSURE INDEX

	Page Reference(s)		
	Regulatory Capital Disclosures	Second Quarter 2016 Form 10-Q	2015 Form 10-K
Scope of Application	2		
Basis of consolidation	2		F-51
Capital in regulated subsidiaries	2		F-102
Restrictions on funds and capital transfers	2	50-51	3, 4, 8-9, F-101
Capital Structure	2		
Regulatory capital instruments	2	26-27, 50-51	F-21 to F-23, F-88, F-102
Regulatory capital components	3		
Capital Adequacy	3		
Capital adequacy assessment process	3	50-51	7-9, F-21 to F-22
Risk-weighted assets	4	51	F-23, F-102
Risk-based capital ratios	4-5	51	F-3, F-23, F-44, F-102
Risk Management	5		
Risk management objectives and policies	5-6		F-24 to F-39
Credit Risk - General	6		
Risk management objectives and policies	6		10-12, F-24 to F-33, F-56 to F-59
Credit risk exposures	7	14-20, 51-57	F-27 to F-33, F-72 to F-79
Contractual maturities	7	13	F-19, F-35, F-37, F-71
Impaired loans	8	14-20, 52-54	F-26 to F-30, F-72 to F-79
Allowance for credit losses	8	16-17	F-25 to F-26, F-40, F-74 to F-76
Counterparty Credit Risk	8		
Policies and practices	8	20-21	F-81 to F-82
Counterparty credit risk exposure	8	22	F-83
Credit risk participations	8-9	25	F-86
Credit Risk Mitigation	9		
Policies and practices	9		
Exposure covered by collateral and guarantees	9		
Securitization	9		
Securitization exposure	9		
Equities Not Subject to Market Risk Rule	9		
Overview	9-10		
Accounting and valuation policies	10		F-52 to F-55, F-60
Risk weight approaches under Basel III	10		
Equity exposures	10	12-13, 25-26	F-69 to F-71, F-86 to F-87
Realized and unrealized gains/(losses)	10	12-13	F-69 to F-71
Interest Rate Risk for Non-Trading Activities	11	58-59	F-34 to F-35