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STERLING BANCSHARES INC

Form 425

April 19, 2011

Filed by Comerica Incorporated

Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934

Subject Company: Sterling Bancshares, Inc.
(Commission File No. 1-34768)

The following document is filed herewith pursuant to Rule 425 under the Securities Act of 1933:

- Press Release of Comerica Incorporated (Comerica) dated April 19, 2011

Any statements in this filing 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, feels, expects, estimates, seeks, strives, plans, intends, outlook, forecast, mission, assume, achievable, potential, strategy, goal, aspiration, opportunity, initiative, outcome, continue, remain, m looks forward and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could, might 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 filing 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, 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 and related credit and market conditions; changes in trade, monetary and fiscal policies, including the interest rate policies of the Federal Reserve Board; adverse conditions in the capital markets; the interdependence of financial service companies; changes in regulation or oversight, including the effects of recently enacted legislation, actions taken by or proposed by the U.S. Treasury, the Board of Governors of the Federal Reserve System, the Texas Department of Banking and the Federal Deposit Insurance Corporation, legislation or regulations enacted in the future, and the impact and expiration of such legislation and regulatory actions; unfavorable developments concerning credit quality; the proposed acquisition of Sterling Bancshares, Inc. (Sterling), or any future acquisitions; the effects of more stringent capital or liquidity requirements; declines or other changes in the businesses or industries in which Comerica has a concentration of loans, including, but not limited to, the automotive production industry and the real estate business lines; the implementation of Comerica s strategies and business models, including the anticipated performance of any new banking centers; Comerica s ability to utilize technology to efficiently and effectively develop, market and deliver new products and services; operational difficulties or information security problems; changes in the financial markets, including fluctuations in interest rates and their impact on deposit pricing; the entry of new competitors in Comerica s markets; changes in customer borrowing, repayment, investment and deposit practices; 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; the effectiveness of methods of reducing risk exposures; the effects of war and other armed conflicts or acts of terrorism and the effects of catastrophic events including, but not limited to, hurricanes, tornadoes, earthquakes, fires, droughts and floods. 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 16 of Comerica s Annual Report on Form 10-K for the year ended December 31, 2010. 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 filing 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.

In connection with the proposed merger transaction, Comerica has filed with the SEC a Registration Statement on Form S-4 that includes a Proxy Statement of Sterling and a Prospectus of Comerica, and Sterling mailed the definitive Proxy Statement/Prospectus to its shareholders on or about April 6, 2011. Each of Comerica and Sterling may file other relevant documents concerning the proposed transaction.

SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE DEFINITIVE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the definitive Proxy Statement/Prospectus, as well as other filings containing information about Comerica and Sterling, may be obtained at the SEC's Internet site (<http://www.sec.gov>). You may be able to obtain these documents, free of charge, from Comerica at www.comerica.com under the tab "Investor Relations" and then under the heading "SEC Filings" or from Sterling by accessing Sterling's website at www.banksterling.com under the tab "Investor Relations" and then under the heading "SEC Filings".

Comerica and Sterling and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Sterling in connection with the proposed merger. Information about the directors and executive officers of Comerica is set forth in the proxy statement for Comerica's 2011 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 18, 2011. Information about the directors and executive officers of Sterling is set forth in Sterling's Form 10-K/A filed with the SEC on April 8, 2011. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the above-referenced definitive Proxy Statement/Prospectus and other relevant materials filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.

**COMERICA REPORTS FIRST QUARTER 2011 NET INCOME OF \$103 MILLION,
UP EIGHT PERCENT FROM FOURTH QUARTER 2010**

Loan Growth in Global Corporate Banking, Energy and Middle Market

Loan Growth Accelerates in Texas

Pending Acquisition of Sterling Bancshares on Track

DALLAS/April 19, 2011 -- Comerica Incorporated (NYSE: CMA) today reported first quarter 2011 net income of \$103 million, an increase of \$7 million compared to \$96 million for the fourth quarter 2010.

| (dollar amounts in millions, except per share data) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|---|------------|------------|------------|
| Net interest income | \$ 395 | \$ 405 | \$ 415 |
| Provision for loan losses | 49 | 57 | 175 |
| Noninterest income | 207 | 215 | 194 |
| Noninterest expenses | 415 | 437 | 404 |
| Income from continuing operations, net of tax | 103 | 96 | 35 |
| Income from discontinued operations, net of tax | | | 17 |
| Net income | 103 | 96 | 52 |
| Net income (loss) attributable to common shares | 102 | 95 | (71)(a) |
| Diluted income (loss) per common share | 0.57 | 0.53 | (0.46) |
| Tier 1 capital ratio | 10.37% (b) | 10.13% | 10.38% |
| Tangible common equity ratio (c) | 10.43 | 10.54 | 9.68 |
| Net interest margin | 3.25 | 3.29 | 3.18 |

(a) After preferred stock dividends to U.S. Treasury of \$123 million.

(b) March 31, 2011 ratio is estimated.

(c) See Reconciliation of Non-GAAP Financial Measures.

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We had an eight percent increase in net income in the first quarter of 2011, when compared to the fourth quarter of 2010, which was primarily driven by reduced credit costs and good control of expenses, said Ralph W. Babb Jr., chairman and chief executive officer. Among the many positive and encouraging signs we saw in the first quarter were loan growth in the Global Corporate Banking, Energy and Middle Market lines of business, and an acceleration of loan growth in Texas. These were more than offset by the continued and planned reductions in Commercial Real Estate, and a decrease in Mortgage Banker Finance. First quarter revenue was down three percent from the fourth quarter, primarily driven by lower total average loans.

Key credit metrics continued to move in the right direction in the first quarter. In addition, deposit growth remained strong and our solid capital continued to position us well for future growth. We believe we are in the right markets with the right people and products to build upon this momentum going forward.

We continue to be on track to close our pending acquisition of Sterling Bancshares in the second quarter, subject to customary closing conditions, including regulatory and Sterling shareholder approvals. Preparations for the integration of Sterling are moving forward, as planned. We expect to complete the systems conversions in the fourth quarter, and anticipate a smooth and seamless transition. Sterling also reported first quarter 2011 earnings today, and they were consistent with our expectations. The more work we do and the better we get to know Sterling, the more confident we are in the fit of our two organizations.

- more -

First Quarter 2011 Highlights Compared to Fourth Quarter 2010

- Net income of \$103 million, or \$0.57 per fully diluted share, increased eight percent compared to the fourth quarter 2010.
- Average loans increased in the Global Corporate Banking business line (\$276 million; six percent), in Energy Lending in the Specialty Businesses business line (\$154 million; 12 percent) and in the Middle Market business line (\$94 million; one percent). These increases were more than offset by decreases in Mortgage Banker Finance in the Specialty Businesses business line (\$535 million; 49 percent) and in the Commercial Real Estate business line (\$324 million; seven percent), resulting in a decrease in average total loans of \$448 million, or one percent.
- Average loans in the Texas market increased \$389 million, or six percent, with increases in all major business lines other than Commercial Real Estate.
- Average core deposits increased \$290 million in the first quarter 2011.
- The net interest margin of 3.25 percent decreased four basis points, primarily resulting from an increase in excess liquidity, represented by average balances deposited with the Federal Reserve Bank, and the maturity of interest rate swaps at positive spreads.
- Average earning assets increased \$245 million in the first quarter 2011.
- Credit quality improvement continued in the first quarter 2011. Net credit-related charge-offs decreased \$12 million to \$101 million. Internal watch list loans declined \$376 million to \$5.2 billion and nonaccrual loans decreased \$84 million. As a result, the provision for loan losses decreased \$8 million to \$49 million.
- Noninterest expenses totaled \$415 million in the first quarter 2011, a decrease of \$22 million from the fourth quarter 2010, primarily the result of a decrease in salaries expense of \$17 million.
- The estimated Tier 1 ratio increased 24 basis points, to 10.37 percent at March 31, 2011, from December 31, 2010.

Net Interest Income and Net Interest Margin

| (dollar amounts in millions) | 1st Qtr 11 | | 4th Qtr 10 | | 1st Qtr 10 | |
|--|------------|--------|------------|--------|------------|--------|
| Net interest income | \$ | 395 | \$ | 405 | \$ | 415 |
| Net interest margin | | 3.25% | | 3.29% | | 3.18% |
| Selected average balances: | | | | | | |
| Total earning assets | \$ | 49,347 | \$ | 49,102 | \$ | 52,941 |
| Total investment securities | | 7,311 | | 7,112 | | 7,382 |
| Federal Reserve Bank deposits (excess liquidity) (a) | | 2,297 | | 1,793 | | 4,092 |
| Total loans | | 39,551 | | 39,999 | | 41,313 |
| Total core deposits (b) | | 40,186 | | 39,896 | | 37,236 |
| Total noninterest-bearing deposits | | 15,459 | | 15,607 | | 14,624 |

(a) See Reconciliation of Non-GAAP Financial Measures.

(b) Core deposits exclude other time deposits and foreign office time deposits.

- The \$10 million decrease in net interest income in the first quarter 2011, when compared to the fourth quarter 2010, resulted primarily from two less days in the quarter and the maturity of interest rate swaps at positive spreads.
- The net interest margin of 3.25 percent declined four basis points compared to the fourth quarter 2010. The decline in the net interest margin reflected the impact of an increase in excess liquidity and the maturity of interest rate swaps at positive spreads.
- Average earning assets increased \$245 million, primarily due to increases of \$504 million in Federal Reserve Bank deposits (excess liquidity) and \$199 million in average investment securities available-for-sale, partially offset by a \$448 million decrease in average loans.
- First quarter 2011 average core deposits increased \$290 million compared to fourth quarter 2010, primarily reflecting increases in money market and NOW deposits (\$495 million), partially offset by decreases in noninterest-bearing deposits (\$148 million) and customer certificates of deposit (\$93 million).

Noninterest Income

Noninterest income was \$207 million for the first quarter 2011, compared to \$215 million for the fourth quarter 2010. The \$8 million decline reflected increases in net income from principal investing and warrants (\$4 million) and service charges on deposit accounts (\$3 million), which were more than offset by decreases in commercial lending fees (\$8 million) and bank-owned life insurance (\$6 million).

Noninterest Expenses

Noninterest expenses totaled \$415 million in the first quarter 2011, a decrease of \$22 million from the fourth quarter 2010. The \$22 million decrease in noninterest expenses was primarily due to a decrease in salaries expense (\$17 million) and a one-time charge recognized in the fourth quarter 2010 related to the redemption of subordinated notes (\$5 million), partially offset by an increase in employee benefits expense (\$7 million). The decrease in salaries expense primarily reflected a decrease in executive and business unit incentive expense (\$8 million), a reduction in severance expense (\$6 million) and the impact of two less days in the first quarter (\$3 million), partially offset by an increase in share-based compensation expense (\$5 million), resulting from annual share-based grants for retirement-eligible employees in the first quarter.

Credit Quality

Overall, the first quarter results displayed a continuation of the steady improvement we have seen in our credit metrics over the last six quarters, Babb said. First quarter net credit-related charge-offs decreased \$12 million, with a significant decline in Commercial Real Estate, partially offset by an increase in Middle Market net charge-offs. The increase in Middle Market net charge-offs was primarily the result of several previously identified problem loans that are working their way through the collection process. Based on our analysis of Middle Market default rates, risk rating migration patterns as well as the watch list and nonaccruals, which were stable, we believe that the increase in charge-offs this quarter is not a trend. Our credit culture has served us well. It is one of our key strengths and has resulted in some of the best credit metrics among our peers.

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- Net credit-related charge-offs decreased \$12 million to \$101 million in the first quarter 2011, from \$113 million in the fourth quarter 2010. The decrease in net credit-related charge-offs primarily reflected decreases of \$29 million in the Commercial Real Estate business line, \$13 million in the Private Banking business line and \$7 million in the Specialty Businesses business line, partially offset by an increase of \$36 million in the Middle Market business line.
- Internal watch list loans declined \$376 million to \$5.2 billion from December 31, 2010 to March 31, 2011.
- During the first quarter 2011, \$166 million of loan relationships greater than \$2 million were transferred to nonaccrual status, a decrease of \$14 million from the fourth quarter 2010, primarily due to a \$35 million decrease in transfers from the Commercial Real Estate business line and a \$10 million decrease in transfers from the Private Banking business line, partially offset by a \$30 million increase in transfers from the Middle Market business line. Of the transfers of loan relationships greater than \$2 million to nonaccrual in the first quarter 2011, \$101 million were from the Middle Market business line, primarily in the Midwest and Other markets, and \$37 million were from the Commercial Real Estate business line in the Midwest market.
- Nonperforming assets decreased \$131 million to \$1.1 billion, or 2.81 percent of total loans and foreclosed property, at March 31, 2011.
- Nonaccrual loans were charged down 46 percent at March 31, 2011.
- Foreclosed property decreased \$38 million to \$74 million at March 31, 2011, from \$112 million at December 31, 2010.
- Loans past due 90 days or more and still accruing were \$72 million at March 31, 2011, an increase of \$10 million compared to December 31, 2010.
- The provision for loan losses decreased \$8 million, primarily due to reductions in the Commercial Real Estate, Global Corporate Banking, Private Banking and Specialty Businesses business lines, partially offset by an increase in the Middle Market business line.
- The allowance for loan losses to total loans ratio was 2.17 percent and 2.24 percent at March 31, 2011 and December 31, 2010, respectively.

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--|------------|------------|------------|
| Net credit-related charge-offs | \$ 101 | \$ 113 | \$ 173 |
| Net credit-related charge-offs/Average total loans | 1.03% | 1.13% | 1.68% |
| Provision for loan losses | \$ 49 | \$ 57 | \$ 175 |
| Provision for credit losses on lending-related commitments | (3) | (3) | 7 |
| Total provision for credit losses | 46 | 54 | 182 |
| Nonperforming loans | 1,030 | 1,123 | 1,162 |
| Nonperforming assets (NPAs) | 1,104 | 1,235 | 1,251 |
| NPAs/Total loans and foreclosed property | 2.81% | 3.06% | 3.06% |
| Loans past due 90 days or more and still accruing | \$ 72 | \$ 62 | \$ 83 |
| Allowance for loan losses | 849 | 901 | 987 |
| Allowance for credit losses on lending-related commitments (a) | 32 | 35 | 44 |
| Total allowance for credit losses | 881 | 936 | 1,031 |
| Allowance for loan losses/Total loans | 2.17% | 2.24% | 2.42% |
| Allowance for loan losses/Nonperforming loans | 82 | 80 | 85 |

(a) Included in Accrued expenses and other liabilities on the consolidated balance sheets.

Balance Sheet and Capital Management

Total assets and common shareholders' equity were \$55.0 billion and \$5.9 billion, respectively, at March 31, 2011, compared to \$53.7 billion and \$5.8 billion, respectively, at December 31, 2010. There were approximately 177 million common shares outstanding at March 31, 2011. Comerica repurchased 400,000 shares of common stock in the open market in the first quarter 2011 under the share repurchase program.

Comerica's tangible common equity ratio was 10.43 percent at March 31, 2011, a decrease of 11 basis points from December 31, 2010. The estimated Tier 1 ratio increased 24 basis points, to 10.37 percent at March 31, 2011, from December 31, 2010.

Full-Year 2011 Outlook Compared to Full-Year 2010

For full-year 2011, management expects the following, compared to full-year 2010, based on a continuation of modest growth in the economy. This outlook does not include any impact from the pending acquisition of Sterling Bancshares, Inc.

- A low single-digit decrease in average loans. Excluding the Commercial Real Estate business line, a low single-digit increase in average loans.
- Average earning assets of approximately \$48.5 billion, reflecting lower excess liquidity in addition to a decrease in average loans.
- An average net interest margin of 3.25 percent to 3.30 percent, based on no increase in the Federal Funds rate.
- Net credit-related charge-offs between \$350 million and \$400 million for full-year 2011. The provision for credit losses is expected to be between \$150 million and \$200 million for full-year 2011.
- A low single-digit decline in noninterest income compared to 2010, primarily due to the impact of regulatory changes.
- A low single-digit increase in noninterest expenses compared to 2010, primarily due to an increase in employee benefits expense.
- Income tax expense to approximate 36 percent of income before income taxes less approximately \$60 million of permanent differences related to low-income housing and bank-owned life insurance.
- Continue share repurchase program that, combined with dividend payments, results in a payout up to 50 percent of full-year earnings.

Business Segments

Comerica's continuing operations are strategically aligned into three major business segments: the Business Bank, the Retail Bank, and Wealth & Institutional Management. The Finance Division also is included as a segment. The financial results below are based on the internal business unit structure of the Corporation and methodologies in effect at March 31, 2011 and are presented on a fully taxable equivalent (FTE) basis. The accompanying narrative addresses first quarter 2011 results compared to fourth quarter 2010.

The following table presents net income (loss) by business segment.

| (dollar amounts in millions) | 1st Qtr 11 | | 4th Qtr 10 | | 1st Qtr 10 | |
|-----------------------------------|------------|------|------------|------|------------|------|
| Business Bank | \$ 167 | 93% | \$ 174 | 117% | \$ 89 | 96% |
| Retail Bank | (2) | (1) | (14) | (10) | (7) | (8) |
| Wealth & Institutional Management | 14 | 8 | (10) | (7) | 11 | 12 |
| Finance | 179 | 100% | 150 | 100% | 93 | 100% |
| Other (a) | (76) | | (60) | | (59) | |
| Total | \$ 103 | | \$ 96 | | \$ 52 | |

(a) Includes discontinued operations and items not directly associated with the three major business segments or the Finance Division.

Business Bank

| (dollar amounts in millions) | 1st Qtr 11 | | 4th Qtr 10 | | 1st Qtr 10 | |
|--------------------------------|------------|--------|------------|--------|------------|--------|
| Net interest income (FTE) | \$ 341 | | \$ 341 | | \$ 341 | |
| Provision for loan losses | 18 | | 8 | | 137 | |
| Noninterest income | 77 | | 81 | | 76 | |
| Noninterest expenses | 160 | | 158 | | 162 | |
| Net income | 167 | | 174 | | 89 | |
| Net credit-related charge-offs | | 73 | | 73 | | 137 |
| Selected average balances: | | | | | | |
| Assets | | 30,091 | | 30,489 | | 31,293 |
| Loans | | 29,609 | | 29,947 | | 30,918 |
| Deposits | | 20,084 | | 19,892 | | 17,750 |
| Net interest margin | | 4.66% | | 4.51% | | 4.48% |

- Average loans decreased \$338 million, reflecting increases in Global Corporate Banking, Energy Lending and Middle Market more than offset by decreases in Mortgage Banker Finance and Commercial Real Estate.

- Average deposits increased \$192 million, primarily due to increases in Global Corporate Banking, Technology and Life Sciences and Mortgage Banker Finance partially offset by decreases in Middle Market, the Financial Services Division and Commercial Real Estate.

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- The net interest margin of 4.66 percent increased 15 basis points, primarily due to an increase in deposit spreads and deposit balances.
- The provision for loan losses increased \$10 million, primarily due to an increase in Middle Market, partially offset by decreases in Commercial Real Estate and Global Corporate Banking.
- Noninterest income decreased \$4 million, primarily due to a decrease in commercial lending fees, partially offset by an increase in service charges on deposit accounts.
- Noninterest expenses increased \$2 million, primarily due to an increase in other real estate expenses, partially offset by a decrease in corporate overhead expenses.

Retail Bank

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--------------------------------|------------|------------|------------|
| Net interest income (FTE) | \$ 139 | \$ 134 | \$ 130 |
| Provision for loan losses | 23 | 29 | 31 |
| Noninterest income | 42 | 43 | 44 |
| Noninterest expenses | 162 | 169 | 154 |
| Net loss | (2) | (14) | (7) |
| Net credit-related charge-offs | 23 | 22 | 26 |
| Selected average balances: | | | |
| Assets | 5,558 | 5,647 | 6,106 |
| Loans | 5,106 | 5,192 | 5,599 |
| Deposits | 17,360 | 17,271 | 16,718 |
| Net interest margin | 3.25% | 3.07% | 3.18% |

- Average loans decreased \$86 million, primarily reflecting declines in all business lines in the Midwest market.
- Average deposits increased \$89 million, primarily due to increases in transaction and money market deposits, partially offset by a decline in customer certificates of deposit.
- The net interest margin of 3.25 percent increased 18 basis points, primarily due to increases in deposit spreads, partially offset by a decrease in loan balances.
- The provision for loan losses decreased \$6 million, primarily reflecting decreases in all business lines in the Midwest and Texas markets, partially offset by increases in all business lines in the Western market.
- Noninterest expenses decreased \$7 million, primarily due to a decrease in corporate overhead and nominal decreases in other expense categories.

Wealth and Institutional Management

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--------------------------------|------------|------------|------------|
| Net interest income (FTE) | \$ 44 | \$ 42 | \$ 42 |
| Provision for loan losses | 8 | 23 | 12 |
| Noninterest income | 64 | 59 | 60 |
| Noninterest expenses | 78 | 93 | 73 |
| Net income (loss) | 14 | (10) | 11 |
| Net credit-related charge-offs | 5 | 18 | 10 |
| Selected average balances: | | | |
| Assets | 4,809 | 4,834 | 4,862 |
| Loans | 4,807 | 4,820 | 4,789 |
| Deposits | 2,800 | 2,730 | 2,791 |

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| | | | |
|---------------------|-------|-------|-------|
| Net interest margin | 3.76% | 3.43% | 3.53% |
|---------------------|-------|-------|-------|

- Average loans decreased \$13 million.
- Average deposits increased \$70 million, primarily due to increases in transaction and money market deposits.
- The net interest margin of 3.76 percent increased 33 basis points, primarily due to an increase in deposit spreads, partially offset by a decrease in loan balances.
- The provision for loan losses decreased \$15 million, primarily reflecting decreases in the Western and Midwest markets.
- Noninterest income increased \$5 million, primarily due to increases in gains on the redemption of auction-rate securities and investment banking fees.
- Noninterest expenses decreased \$15 million, primarily due to decreases in salaries expense, outside processing fees and corporate overhead expenses.

Geographic Market Segments

Comerica also provides market segment results for four primary geographic markets: Midwest, Western, Texas and Florida. In addition to the four primary geographic markets, Other Markets and International are also reported as market segments. The financial results below are based on methodologies in effect at March 31, 2011 and are presented on a fully taxable equivalent (FTE) basis. The accompanying narrative addresses first quarter 2011 results compared to fourth quarter 2010.

The following table presents net income (loss) by market segment.

| (dollar amounts in millions) | 1st Qtr 11 | | 4th Qtr 10 | | 1st Qtr 10 | | | | |
|--------------------------------|------------|------|------------|----|------------|------|----|------|------|
| Midwest | \$ | 53 | 30% | \$ | 35 | 23% | \$ | 26 | 28% |
| Western | | 51 | 28 | | 41 | 28 | | 22 | 23 |
| Texas | | 29 | 16 | | 16 | 11 | | 14 | 16 |
| Florida | | (4) | (2) | | 1 | | | 1 | 1 |
| Other Markets | | 38 | 21 | | 48 | 32 | | 16 | 17 |
| International | | 12 | 7 | | 9 | 6 | | 14 | 15 |
| | | 179 | 100% | | 150 | 100% | | 93 | 100% |
| Finance & Other Businesses (a) | | (76) | | | (54) | | | (41) | |
| Total | \$ | 103 | | \$ | 96 | | \$ | 52 | |

(a) Includes discontinued operations and items not directly associated with the geographic markets.

Midwest Market

| (dollar amounts in millions) | 1st Qtr 11 | | 4th Qtr 10 | | 1st Qtr 10 | |
|--------------------------------|------------|--------|------------|--------|------------|--------|
| Net interest income (FTE) | \$ | 203 | \$ | 202 | \$ | 204 |
| Provision for loan losses | | 34 | | 46 | | 80 |
| Noninterest income | | 100 | | 99 | | 102 |
| Noninterest expenses | | 188 | | 201 | | 186 |
| Net income | | 53 | | 35 | | 26 |
| Net credit-related charge-offs | | 46 | | 52 | | 55 |
| Selected average balances: | | | | | | |
| Assets | | 14,307 | | 14,506 | | 15,208 |
| Loans | | 14,104 | | 14,219 | | 14,964 |
| Deposits | | 18,230 | | 17,959 | | 17,056 |
| Net interest margin | | 4.49% | | 4.45% | | 4.84% |

- Average loans decreased \$115 million, with declines in most business lines, partially offset by increases in National Dealer Services, Global Corporate Banking and Middle Market.

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- Average deposits increased \$271 million, primarily due to increases in Global Corporate Banking, Personal Banking, the Financial Services Division and Private Banking, partially offset by decreases in Middle Market and Small Business Banking.
- The net interest margin of 4.49 percent increased four basis points, primarily due to increases in deposit spreads and deposit balances, partially offset by a decrease in loan balances and loan spreads.
- The provision for loan losses decreased \$12 million, primarily due to decreases in Global Corporate Banking, Commercial Real Estate, Private Banking and Small Business Banking, partially offset by an increase in Middle Market.
- Noninterest expenses decreased \$13 million, primarily due to decreases in corporate overhead expense, litigation and operational losses and outside processing fees, partially offset by an increase in other real estate expenses.

Western Market

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--------------------------------|------------|------------|------------|
| Net interest income (FTE) | \$ 164 | \$ 158 | \$ 161 |
| Provision for loan losses | 11 | 11 | 59 |
| Noninterest income | 37 | 35 | 36 |
| Noninterest expenses | 109 | 109 | 105 |
| Net income | 51 | 41 | 22 |
| Net credit-related charge-offs | 26 | 43 | 64 |
| Selected average balances: | | | |
| Assets | 12,590 | 12,698 | 13,175 |
| Loans | 12,383 | 12,497 | 12,980 |
| Deposits | 12,235 | 12,448 | 11,927 |
| Net interest margin | 5.37% | 5.01% | 5.04% |

- Average loans decreased \$114 million, primarily due to decreases in Commercial Real Estate and National Dealer Services, partially offset by increases in Middle Market and Global Corporate Banking.
- Average deposits decreased \$213 million, primarily due to decreases in the Financial Services Division, Middle Market and Commercial Real Estate, partially offset by increases in Technology and Life Sciences and Global Corporate Banking.
- The net interest margin of 5.37 percent increased 36 basis points, primarily due to increases in loan and deposit spreads, partially offset by a decrease in deposit balances.
- Noninterest income increased \$2 million, primarily due to an increase in warrant income.

Texas Market

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--------------------------------------|------------|------------|------------|
| Net interest income (FTE) | \$ 87 | \$ 80 | \$ 79 |
| Provision for loan losses | 4 | 15 | 17 |
| Noninterest income | 23 | 27 | 20 |
| Noninterest expenses | 61 | 67 | 60 |
| Net income | 29 | 16 | 14 |
| Total net credit-related charge-offs | 8 | 9 | 25 |
| Selected average balances: | | | |
| Assets | 7,031 | 6,653 | 6,892 |
| Loans | 6,824 | 6,435 | 6,704 |
| Deposits | 5,786 | 5,557 | 4,957 |
| Net interest margin | 5.17% | 4.91% | 4.79% |

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- Average loans increased \$389 million, primarily due to increases in Energy Lending, Middle Market and Global Corporate Banking, partially offset by a decrease in Commercial Real Estate.
- Average deposits increased \$229 million, primarily due to increases in Global Corporate Banking, Technology and Life Sciences and Energy Lending, partially offset by a decrease in Middle Market.
- The net interest margin of 5.17 percent increased 26 basis points, primarily due to increases in loan and deposit spreads and deposit balances.
- The provision for loan losses decreased \$11 million, with decreases across all lines of business.
- Noninterest income decreased \$4 million, primarily due to decreases in commercial lending fees and warrant income.
- Noninterest expenses decreased \$6 million, primarily due to decreases in salaries expense and other real estate expenses.

Florida Market

| (dollar amounts in millions) | 1st Qtr 11 | 4th Qtr 10 | 1st Qtr 10 |
|--------------------------------|------------|------------|------------|
| Net interest income (FTE) | \$ 11 | \$ 11 | \$ 10 |
| Provision for loan losses | 8 | 4 | 3 |
| Noninterest income | 4 | 3 | 3 |
| Noninterest expenses | 12 | 9 | 9 |
| Net income (loss) | (4) | 1 | 1 |
| Net credit-related charge-offs | 8 | 7 | 10 |
| Selected average balances: | | | |
| Assets | 1,553 | 1,587 | 1,576 |
| Loans | 1,580 | 1,612 | 1,576 |
| Deposits | 367 | 375 | 361 |
| Net interest margin | 2.82% | 2.64% | 2.54% |

- Average loans decreased \$32 million, primarily due to decreases in Commercial Real Estate and Global Corporate Banking.
- Average deposits decreased \$8 million, primarily due to a decrease in Global Corporate Banking.
- The net interest margin of 2.82 percent increased 18 basis points, primarily due to an increase in loan and deposit spreads.
- The provision for loan losses increased \$4 million, primarily due to increases in Middle Market and Private Banking.
- Noninterest expenses increased \$3 million, primarily due to an increase in other real estate expenses.

Conference Call and Webcast

Comerica will host a conference call to review first quarter 2011 financial results at 7 a.m. CT Tuesday, April 19, 2011. Interested parties may access the conference call by calling (800) 309-2262 or (706) 679-5261 (event ID No. 51888978). The call and supplemental financial information can also be accessed on the Internet at www.comerica.com. A telephone replay will be available approximately two hours following the conference call through April 30, 2011. The conference call replay can be accessed by calling (800) 642-1687 or (706) 645-9291 (event ID No. 51888978). A replay of the Webcast can also be accessed via Comerica's Investor Relations page at www.comerica.com.

Comerica Incorporated is a financial services company headquartered in Dallas, Texas, and strategically aligned by three major business segments: the Business Bank, the Retail Bank, and Wealth & Institutional 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.

This press release contains both financial measures based on accounting principles generally accepted in the United States (GAAP) and non-GAAP based financial measures, which are used where management believes it to be helpful in understanding Comerica's results of

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operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in this press release. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Forward-looking Statements

Any statements in this news release 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, feels, expects, estimates, seeks, strives, plans, intends, outlook, forecast, position, target, mission, assume, achievable, potential, strategy, goal, aspiration, opportunity, initiative, outcome, continue, remain, maintain, trend, objective, looks forward 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 news release 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, 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 and related credit and market conditions; changes in trade, monetary and fiscal policies, including the interest rate policies of the Federal Reserve Board; adverse conditions in the capital markets; the interdependence of financial service companies; changes in regulation or oversight, including the effects of recently enacted legislation, actions taken by or proposed by the U.S. Treasury, the Board of Governors of the Federal Reserve System, the Texas Department of Banking and the Federal Deposit Insurance Corporation, legislation or regulations enacted in the future, and the impact and expiration of such legislation and regulatory actions; unfavorable developments concerning credit quality; the proposed acquisition of Sterling Bancshares, Inc. (Sterling), or any future acquisitions; the effects of more stringent capital or liquidity requirements; declines or other changes in the businesses or industries in which Comerica has a concentration of loans, including, but not limited to, the automotive production industry and the real estate business lines; the implementation of Comerica's strategies and business models, including the anticipated performance of any new banking centers; Comerica's ability to utilize technology to efficiently and effectively develop, market and deliver new products and services; operational difficulties or information security problems; changes in the financial markets, including fluctuations in interest rates and their impact on deposit pricing; the entry of new competitors in Comerica's markets; changes in customer borrowing, repayment, investment and deposit practices; 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; the effectiveness of methods of reducing risk exposures; the effects of war and other armed conflicts or acts of terrorism and the effects of catastrophic events including, but not limited to, hurricanes, tornadoes, earthquakes, fires, droughts and floods. 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 16 of Comerica's Annual Report on Form 10-K for the year ended December 31, 2010. 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 news release 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.

Additional Information for Shareholders

In connection with the proposed merger transaction, Comerica has filed with the SEC a Registration Statement on Form S-4 that includes a Proxy Statement of Sterling and a Prospectus of Comerica, and Sterling mailed the definitive Proxy Statement/Prospectus to its shareholders on or about April 6, 2011. Each of Comerica and Sterling may file other relevant documents concerning the proposed transaction. **SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE DEFINITIVE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

A free copy of the definitive Proxy Statement/Prospectus, as well as other filings containing information about Comerica and Sterling, may be obtained at the SEC's Internet site (<http://www.sec.gov>). You may be able to obtain these documents, free of charge, from Comerica at www.comerica.com under the tab "Investor Relations" and then under the heading "SEC Filings" or from Sterling by accessing Sterling's website at www.banksterling.com under the tab "Investor Relations" and then under the heading "SEC Filings."

Comerica and Sterling and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Sterling in connection with the proposed merger. Information about the directors and executive officers of Comerica is set forth in the proxy statement for Comerica's 2011 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 18, 2011. Information about the directors and executive officers of Sterling is set forth in Sterling's Form 10-K/A filed with the SEC on April 8, 2011. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the above-referenced definitive Proxy Statement/Prospectus and other relevant materials filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.

| Media Contact: | Investor Contacts: |
|-----------------------|---------------------------|
| Wayne J. Mielke | Darlene P. Persons |
| (214) 462-4463 | (214) 462-6831 |
| | |
| | Tracy Fralick |
| | (214) 462-6834 |

CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)*Comerica Incorporated and Subsidiaries*

| (in millions, except per share data) | March 31, 2011 | Three Months Ended December 31, 2010 | March 31, 2010 |
|--|-------------------|--|-------------------|
| PER COMMON SHARE AND COMMON STOCK DATA | | | |
| Diluted net income (loss) | \$ 0.57 | \$ 0.53 | \$ (0.46) |
| Cash dividends declared | 0.10 | 0.10 | 0.05 |
| Common shareholders' equity (at period end) | 33.25 | 32.82 | 32.15 |
| Average diluted shares (in thousands) | 178,425 | 178,266 | 155,155 |
| KEY RATIOS | | | |
| Return on average common shareholders' equity | 7.08% | 6.53% | (5.61)% |
| Return on average assets | 0.77 | 0.71 | 0.36 |
| Tier 1 common capital ratio (a) (b) | 10.37 | 10.13 | 9.57 |
| Tier 1 risk-based capital ratio (b) | 10.37 | 10.13 | 10.38 |
| Total risk-based capital ratio (b) | 14.83 | 14.54 | 14.91 |
| Leverage ratio (b) | 11.37 | 11.26 | 11.00 |
| Tangible common equity ratio (a) | 10.43 | 10.54 | 9.68 |
| AVERAGE BALANCES | | | |
| Commercial loans | \$ 21,496 | \$ 21,464 | \$ 21,015 |
| Real estate construction loans: | | | |
| Commercial Real Estate business line (c) | 1,754 | 1,944 | 2,931 |
| Other business lines (d) | 425 | 427 | 455 |
| Commercial mortgage loans: | | | |
| Commercial Real Estate business line (c) | 1,978 | 2,016 | 1,908 |
| Other business lines (d) | 7,812 | 7,949 | 8,479 |
| Residential mortgage loans | 1,599 | 1,600 | 1,632 |
| Consumer loans | 2,281 | 2,367 | 2,481 |
| Lease financing | 987 | 1,044 | 1,130 |
| International loans | 1,219 | 1,188 | 1,282 |
| Total loans | 39,551 | 39,999 | 41,313 |
| Earning assets | 49,347 | 49,102 | 52,941 |
| Total assets | 53,775 | 53,756 | 57,519 |
| Noninterest-bearing deposits | 15,459 | 15,607 | 14,624 |
| Interest-bearing core deposits | 24,727 | 24,289 | 22,612 |
| Total core deposits | 40,186 | 39,896 | 37,236 |
| Common shareholders' equity | 5,835 | 5,870 | 5,070 |
| Total shareholders' equity | 5,835 | 5,870 | 6,864 |
| NET INTEREST INCOME | | | |
| Net interest income (fully taxable equivalent basis) | \$ 396 | \$ 406 | \$ 416 |
| Fully taxable equivalent adjustment | 1 | 1 | 1 |
| Net interest margin (fully taxable equivalent basis) | 3.25% | 3.29% | 3.18% |
| CREDIT QUALITY | | | |
| Nonaccrual loans | \$ 996 | \$ 1,080 | \$ 1,145 |
| Reduced-rate loans | 34 | 43 | 17 |
| Total nonperforming loans | 1,030 | 1,123 | 1,162 |
| Foreclosed property | 74 | 112 | 89 |
| Total nonperforming assets | 1,104 | 1,235 | 1,251 |
| Loans past due 90 days or more and still accruing | 72 | 62 | 83 |
| Gross loan charge-offs | 123 | 140 | 184 |

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| | | | |
|---|-------|-------|-------|
| Loan recoveries | 22 | 27 | 11 |
| Net loan charge-offs | 101 | 113 | 173 |
| Lending-related commitment charge-offs | | | |
| Total net credit-related charge-offs | 101 | 113 | 173 |
| Allowance for loan losses | 849 | 901 | 987 |
| Allowance for credit losses on lending-related commitments | 32 | 35 | 44 |
| Total allowance for credit losses | 881 | 936 | 1,031 |
| Allowance for loan losses as a percentage of total loans | 2.17% | 2.24% | 2.42% |
| Net loan charge-offs as a percentage of average total loans | 1.03 | 1.13 | 1.68 |
| Net credit-related charge-offs as a percentage of average total loans | 1.03 | 1.13 | 1.68 |
| Nonperforming assets as a percentage of total loans and foreclosed property | 2.81 | 3.06 | 3.06 |
| Allowance for loan losses as a percentage of total nonperforming loans | 82 | 80 | 85 |

(a) See Reconciliation of Non-GAAP Financial Measures.

(b) March 31, 2011 ratios are estimated.

(c) Primarily loans to real estate investors and developers.

(d) Primarily loans secured by owner-occupied real estate.

CONSOLIDATED BALANCE SHEETS*Comerica Incorporated and Subsidiaries*

| (in millions, except share data) | March 31, 2011 (unaudited) | December 31, 2010 | March 31, 2010 (unaudited) |
|--|----------------------------------|----------------------|----------------------------------|
| ASSETS | | | |
| Cash and due from banks | \$ 875 | \$ 668 | \$ 769 |
| Interest-bearing deposits with banks | 3,570 | 1,415 | 3,860 |
| Other short-term investments | 154 | 141 | 165 |
| Investment securities available-for-sale | 7,406 | 7,560 | 7,346 |
| Commercial loans | 21,360 | 22,145 | 20,756 |
| Real estate construction loans | 2,023 | 2,253 | 3,202 |
| Commercial mortgage loans | 9,697 | 9,767 | 10,358 |
| Residential mortgage loans | 1,550 | 1,619 | 1,631 |
| Consumer loans | 2,262 | 2,311 | 2,472 |
| Lease financing | 958 | 1,009 | 1,120 |
| International loans | 1,326 | 1,132 | 1,306 |
| Total loans | 39,176 | 40,236 | 40,845 |
| Less allowance for loan losses | (849) | (901) | (987) |
| Net loans | 38,327 | 39,335 | 39,858 |
| Premises and equipment | 637 | 630 | 637 |
| Customers liability on acceptances outstanding | 14 | 9 | 21 |
| Accrued income and other assets | 4,034 | 3,909 | 4,450 |
| Total assets | \$ 55,017 | \$ 53,667 | \$ 57,106 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Noninterest-bearing deposits | \$ 16,357 | \$ 15,538 | \$ 15,290 |
| Money market and NOW deposits | 17,888 | 17,622 | 16,009 |
| Savings deposits | 1,457 | 1,397 | 1,462 |
| Customer certificates of deposit | 5,672 | 5,482 | 5,979 |
| Other time deposits | 814 | 814 | 814 |
| Foreign office time deposits | 499 | 432 | 412 |
| Total interest-bearing deposits | 25,516 | 24,933 | 24,676 |
| Total deposits | 41,873 | 40,471 | 39,966 |
| Short-term borrowings | 61 | 130 | 489 |
| Acceptances outstanding | 14 | 9 | 21 |
| Accrued expenses and other liabilities | 1,076 | 1,126 | 1,047 |
| Medium- and long-term debt | 6,116 | 6,138 | 9,915 |
| Total liabilities | 49,140 | 47,874 | 51,438 |
| Common stock - \$5 par value: | | | |
| Authorized - 325,000,000 shares | | | |
| Issued - 203,878,110 shares | 1,019 | 1,019 | 1,019 |
| Capital surplus | 1,464 | 1,481 | 1,468 |
| Accumulated other comprehensive loss | (382) | (389) | (303) |
| Retained earnings | 5,317 | 5,247 | 5,064 |
| Less cost of common stock in treasury - 27,103,941 shares at 3/31/11, 27,342,518 shares at 12/31/10, and 27,575,283 shares at 3/31/10 | (1,541) | (1,565) | (1,580) |

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| | | | | | | |
|--|----|--------|----|--------|----|--------|
| Total shareholders' equity | | 5,877 | | 5,793 | | 5,668 |
| Total liabilities and shareholders' equity | \$ | 55,017 | \$ | 53,667 | \$ | 57,106 |

CONSOLIDATED STATEMENTS OF INCOME (unaudited)*Comerica Incorporated and Subsidiaries*

| (in millions, except per share data) | Three Months Ended March 31, | |
|--|---------------------------------|--------|
| | 2011 | 2010 |
| INTEREST INCOME | | |
| Interest and fees on loans | \$ 375 | \$ 412 |
| Interest on investment securities | 57 | 61 |
| Interest on short-term investments | 2 | 3 |
| Total interest income | 434 | 476 |
| INTEREST EXPENSE | | |
| Interest on deposits | 22 | 35 |
| Interest on short-term borrowings | | |
| Interest on medium- and long-term debt | 17 | 26 |
| Total interest expense | 39 | 61 |
| Net interest income | 395 | 415 |
| Provision for loan losses | 49 | 175 |
| Net interest income after provision for loan losses | 346 | 240 |
| NONINTEREST INCOME | | |
| Service charges on deposit accounts | 52 | 56 |
| Fiduciary income | 39 | 39 |
| Commercial lending fees | 21 | 22 |
| Letter of credit fees | 18 | 18 |
| Card fees | 15 | 13 |
| Foreign exchange income | 9 | 10 |
| Bank-owned life insurance | 8 | 8 |
| Brokerage fees | 6 | 6 |
| Net securities gains | 2 | 2 |
| Other noninterest income | 37 | 20 |
| Total noninterest income | 207 | 194 |
| NONINTEREST EXPENSES | | |
| Salaries | 188 | 169 |
| Employee benefits | 50 | 44 |
| Total salaries and employee benefits | 238 | 213 |
| Net occupancy expense | 40 | 41 |
| Equipment expense | 15 | 17 |
| Outside processing fee expense | 24 | 23 |
| Software expense | 23 | 22 |
| FDIC insurance expense | 15 | 17 |
| Legal fees | 9 | 8 |
| Advertising expense | 7 | 8 |
| Other real estate expense | 8 | 12 |
| Litigation and operational losses | 3 | 1 |
| Provision for credit losses on lending-related commitments | (3) | 7 |
| Other noninterest expenses | 36 | 35 |
| Total noninterest expenses | 415 | 404 |
| Income from continuing operations before income taxes | 138 | 30 |
| Provision (benefit) for income taxes | 35 | (5) |
| Income from continuing operations | 103 | 35 |
| Income from discontinued operations, net of tax | | 17 |

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| | | | | |
|--|----|------|----|--------|
| NET INCOME | | 103 | | 52 |
| Less: | | | | |
| Preferred stock dividends | | | | 123 |
| Income allocated to participating securities | | 1 | | |
| Net income (loss) attributable to common shares | \$ | 102 | \$ | (71) |
| Basic earnings per common share: | | | | |
| Income (loss) from continuing operations | \$ | 0.58 | \$ | (0.57) |
| Net income (loss) | | 0.58 | | (0.46) |
| Diluted earnings per common share: | | | | |
| Income (loss) from continuing operations | | 0.57 | | (0.57) |
| Net income (loss) | | 0.57 | | (0.46) |
| Cash dividends declared on common stock | | 18 | | 9 |
| Cash dividends declared per common share | | 0.10 | | 0.05 |

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME (unaudited)

Comerica Incorporated and Subsidiaries

| (in millions, except per share data) | First | Fourth | Third | Second | First | First Quarter 2011 Compared To: | | | |
|--|---------|---------|---------|---------|---------|---------------------------------|---------|---------|---------|
| | Quarter | Quarter | Quarter | Quarter | Quarter | Fourth | Quarter | First | First |
| | 2011 | 2010 | 2010 | 2010 | 2010 | Amount | Percent | Quarter | Quarter |
| | | | | | | Amount | Percent | 2010 | 2010 |
| | | | | | | | | Amount | Percent |
| INTEREST INCOME | | | | | | | | | |
| Interest and fees on loans | \$ 375 | \$ 394 | \$ 399 | \$ 412 | \$ 412 | \$ (19) | (5)% | \$ (37) | (9)% |
| Interest on investment securities | 57 | 49 | 55 | 61 | 61 | 8 | 16 | (4) | (7) |
| Interest on short-term investments | 2 | 2 | 2 | 3 | 3 | | 44 | (1) | (25) |
| Total interest income | 434 | 445 | 456 | 476 | 476 | (11) | (2) | (42) | (9) |
| INTEREST EXPENSE | | | | | | | | | |
| Interest on deposits | 22 | 24 | 27 | 29 | 35 | (2) | (8) | (13) | (36) |
| Interest on short-term borrowings | | 1 | | | | (1) | (39) | | 8 |
| Interest on medium- and long-term debt | 17 | 15 | 25 | 25 | 26 | 2 | 5 | (9) | (35) |
| Total interest expense | 39 | 40 | 52 | 54 | 61 | (1) | (3) | (22) | (35) |
| Net interest income | 395 | 405 | 404 | 422 | 415 | (10) | (2) | (20) | (5) |
| Provision for loan losses | 49 | 57 | 122 | 126 | 175 | (8) | (14) | (126) | (72) |
| Net interest income after provision for loan losses | 346 | 348 | 282 | 296 | 240 | (2) | | 106 | 44 |
| NONINTEREST INCOME | | | | | | | | | |
| Service charges on deposit accounts | 52 | 49 | 51 | 52 | 56 | 3 | 6 | (4) | (7) |
| Fiduciary income | 39 | 39 | 38 | 38 | 39 | | | | |
| Commercial lending fees | 21 | 29 | 22 | 22 | 22 | (8) | (29) | (1) | (3) |
| Letter of credit fees | 18 | 20 | 19 | 19 | 18 | (2) | (6) | | 1 |
| Card fees | 15 | 15 | 15 | 15 | 13 | | (5) | 2 | 10 |
| Foreign exchange income | 9 | 11 | 8 | 10 | 10 | (2) | (16) | (1) | (7) |
| Bank-owned life insurance | 8 | 14 | 9 | 9 | 8 | (6) | (41) | | 1 |
| Brokerage fees | 6 | 7 | 6 | 6 | 6 | (1) | (8) | | 7 |
| Net securities gains | 2 | | | 1 | 2 | 2 | N/M | | 14 |
| Other noninterest income | 37 | 31 | 18 | 22 | 20 | 6 | 18 | 17 | 82 |
| Total noninterest income | 207 | 215 | 186 | 194 | 194 | (8) | (4) | 13 | 7 |
| NONINTEREST EXPENSES | | | | | | | | | |
| Salaries | 188 | 205 | 187 | 179 | 169 | (17) | (8) | 19 | 11 |
| Employee benefits | 50 | 43 | 47 | 45 | 44 | 7 | 16 | 6 | 15 |
| Total salaries and employee benefits | 238 | 248 | 234 | 224 | 213 | (10) | (4) | 25 | 12 |
| Net occupancy expense | 40 | 42 | 40 | 39 | 41 | (2) | (3) | (1) | (5) |
| Equipment expense | 15 | 16 | 15 | 15 | 17 | (1) | (4) | (2) | (6) |
| Outside processing fee expense | 24 | 27 | 23 | 23 | 23 | (3) | (13) | 1 | 4 |
| Software expense | 23 | 23 | 22 | 22 | 22 | | (7) | 1 | 2 |
| FDIC insurance expense | 15 | 15 | 14 | 16 | 17 | | 3 | (2) | (11) |
| Legal fees | 9 | 9 | 9 | 9 | 8 | | (1) | 1 | |
| Advertising expense | 7 | 8 | 7 | 7 | 8 | (1) | (8) | (1) | (5) |
| Other real estate expense | 8 | 5 | 7 | 5 | 12 | 3 | 91 | (4) | (28) |
| Litigation and operational losses | 3 | 6 | 2 | 2 | 1 | (3) | (51) | 2 | N/M |
| Provision for credit losses on lending-related commitments | (3) | (3) | (6) | | 7 | | 34 | (10) | N/M |
| Other noninterest expenses | 36 | 41 | 35 | 35 | 35 | (5) | (14) | 1 | 1 |
| Total noninterest expenses | 415 | 437 | 402 | 397 | 404 | (22) | (5) | 11 | 3 |
| | 138 | 126 | 66 | 93 | 30 | 12 | 10 | 108 | N/M |

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| | | | | | | | | | | |
|--|---------|---------|---------|---------|----------|------|----|---------|------|--|
| Income from continuing operations before income taxes | | | | | | | | | | |
| Provision (benefit) for income taxes | 35 | 30 | 7 | 23 | (5) | 5 | 17 | 40 | N/M | |
| Income from continuing operations | 103 | 96 | 59 | 70 | 35 | 7 | 8 | 68 | N/M | |
| Income from discontinued operations, net of tax | | | | | | | | | | |
| | | | | | 17 | | | (17) | N/M | |
| NET INCOME | 103 | 96 | 59 | 70 | 52 | 7 | 8 | 51 | 99 | |
| Less: | | | | | | | | | | |
| Preferred stock dividends | | | | | | | | | | |
| | | | | | 123 | | | (123) | N/M | |
| Income allocated to participating securities | | | | | | | | | | |
| | 1 | 1 | | 1 | | | 25 | 1 | N/M | |
| Net income (loss) attributable to common shares | \$ 102 | \$ 95 | \$ 59 | \$ 69 | \$(71) | 7 | 8% | \$ 173 | N/M% | |
| Basic earnings per common share: | | | | | | | | | | |
| Income (loss) from continuing operations | | | | | | | | | | |
| | \$ 0.58 | \$ 0.54 | \$ 0.34 | \$ 0.40 | \$(0.57) | 0.04 | 7% | \$ 1.15 | N/M% | |
| Net income (loss) | 0.58 | 0.54 | 0.34 | 0.40 | (0.46) | 0.04 | 7 | 1.04 | N/M | |
| Diluted earnings per common share: | | | | | | | | | | |
| Income (loss) from continuing operations | | | | | | | | | | |
| | 0.57 | 0.53 | 0.33 | 0.39 | (0.57) | 0.04 | 8 | 1.14 | N/M | |
| Net income (loss) | 0.57 | 0.53 | 0.33 | 0.39 | (0.46) | 0.04 | 8 | 1.03 | N/M | |
| Cash dividends declared on common stock | | | | | | | | | | |
| | 18 | 18 | 9 | 8 | 9 | | | 9 | N/M | |
| Cash dividends declared per common share | | | | | | | | | | |
| | 0.10 | 0.10 | 0.05 | 0.05 | 0.05 | | | 0.05 | N/M | |

N/M - Not meaningful

ANALYSIS OF THE ALLOWANCE FOR LOAN LOSSES (unaudited)

Comerica Incorporated and Subsidiaries

| (in millions) | 2011 1st Qtr | 4th Qtr | 3rd Qtr | 2010 2nd Qtr | 1st Qtr |
|---|-----------------|---------|---------|-----------------|---------|
| Balance at beginning of period | \$ 901 | \$ 957 | \$ 967 | \$ 987 | \$ 985 |
| Loan charge-offs: | | | | | |
| Commercial | 65 | 43 | 38 | 65 | 49 |
| Real estate construction: | | | | | |
| Commercial Real Estate business line (a) | 8 | 34 | 40 | 30 | 71 |
| Other business lines (b) | 1 | | 1 | | 3 |
| Total real estate construction | 9 | 34 | 41 | 30 | 74 |
| Commercial mortgage: | | | | | |
| Commercial Real Estate business line (a) | 9 | 9 | 16 | 12 | 16 |
| Other business lines (b) | 25 | 34 | 40 | 36 | 28 |
| Total commercial mortgage | 34 | 43 | 56 | 48 | 44 |
| Residential mortgage | 2 | 5 | 2 | 5 | 2 |
| Consumer | 8 | 15 | 7 | 9 | 8 |
| Lease financing | | | | 1 | |
| International | 5 | | 1 | | 7 |
| Total loan charge-offs | 123 | 140 | 145 | 158 | 184 |
| Recoveries on loans previously charged-off: | | | | | |
| Commercial | 4 | 7 | 7 | 4 | 7 |
| Real estate construction | 2 | 3 | 1 | 6 | 1 |
| Commercial mortgage | 9 | 10 | 2 | 1 | 3 |
| Residential mortgage | | 1 | | | |
| Consumer | 1 | 2 | 1 | 1 | |
| Lease financing | 5 | 4 | 1 | | |
| International | 1 | | 1 | | |
| Total recoveries | 22 | 27 | 13 | 12 | 11 |
| Net loan charge-offs | 101 | 113 | 132 | 146 | 173 |
| Provision for loan losses | 49 | 57 | 122 | 126 | 175 |
| Balance at end of period | \$ 849 | \$ 901 | \$ 957 | \$ 967 | \$ 987 |
| Allowance for loan losses as a percentage of total loans | | | | | |
| | 2.17% | 2.24% | 2.38% | 2.38% | 2.42% |
| Net loan charge-offs as a percentage of average total loans | | | | | |
| | 1.03 | 1.13 | 1.32 | 1.44 | 1.68 |
| Net credit-related charge-offs as a percentage of average total loans | | | | | |
| | 1.03 | 1.13 | 1.32 | 1.44 | 1.68 |

(a) Primarily charge-offs of loans to real estate investors and developers.

(b) Primarily charge-offs of loans secured by owner-occupied real estate.

ANALYSIS OF THE ALLOWANCE FOR CREDIT LOSSES ON LENDING-RELATED COMMITMENTS (unaudited)

Comerica Incorporated and Subsidiaries

| (in millions) | 2011 | | 2010 | | | |
|---|---------|---------|---------|---------|---------|--|
| | 1st Qtr | 4th Qtr | 3rd Qtr | 2nd Qtr | 1st Qtr | |
| Balance at beginning of period | \$ 35 | \$ 38 | \$ 44 | \$ 44 | \$ 37 | |
| Add: Provision for credit losses on lending-related commitments | (3) | (3) | (6) | | 7 | |
| Balance at end of period | \$ 32 | \$ 35 | \$ 38 | \$ 44 | \$ 44 | |
| Unfunded lending-related commitments sold | \$ 2 | \$ | \$ | \$ 2 | \$ | |

NONPERFORMING ASSETS (unaudited)*Comerica Incorporated and Subsidiaries*

| (in millions) | 2011 1st Qtr | 4th Qtr | 2010 3rd Qtr | 2nd Qtr | 1st Qtr |
|---|-----------------|----------|-----------------|----------|----------|
| SUMMARY OF NONPERFORMING ASSETS AND PAST DUE LOANS | | | | | |
| Nonaccrual loans: | | | | | |
| Business loans: | | | | | |
| Commercial | \$ 226 | \$ 252 | \$ 258 | \$ 239 | \$ 209 |
| Real estate construction: | | | | | |
| Commercial Real Estate business | | | | | |
| line (a) | 195 | 259 | 362 | 385 | 516 |
| Other business lines (b) | 3 | 4 | 4 | 4 | 3 |
| Total real estate construction | 198 | 263 | 366 | 389 | 519 |
| Commercial mortgage: | | | | | |
| Commercial Real Estate business | | | | | |
| line (a) | 197 | 181 | 153 | 135 | 105 |
| Other business lines (b) | 293 | 302 | 304 | 257 | 226 |
| Total commercial mortgage | 490 | 483 | 457 | 392 | 331 |
| Lease financing | 7 | 7 | 10 | 11 | 11 |
| International | 4 | 2 | 2 | 3 | 4 |
| Total nonaccrual business loans | 925 | 1,007 | 1,093 | 1,034 | 1,074 |
| Retail loans: | | | | | |
| Residential mortgage | 58 | 55 | 59 | 53 | 58 |
| Consumer: | | | | | |
| Home equity | 6 | 5 | 5 | 7 | 8 |
| Other consumer | 7 | 13 | 6 | 4 | 5 |
| Total consumer | 13 | 18 | 11 | 11 | 13 |
| Total nonaccrual retail loans | 71 | 73 | 70 | 64 | 71 |
| Total nonaccrual loans | 996 | 1,080 | 1,163 | 1,098 | 1,145 |
| Reduced-rate loans | 34 | 43 | 28 | 23 | 17 |
| Total nonperforming loans | 1,030 | 1,123 | 1,191 | 1,121 | 1,162 |
| Foreclosed property | 74 | 112 | 120 | 93 | 89 |
| Total nonperforming assets | \$ 1,104 | \$ 1,235 | \$ 1,311 | \$ 1,214 | \$ 1,251 |
| Nonperforming loans as a percentage of total loans | | | | | |
| | 2.63% | 2.79% | 2.96% | 2.76% | 2.85% |
| Nonperforming assets as a percentage of total loans and foreclosed property | | | | | |
| | 2.81 | 3.06 | 3.24 | 2.98 | 3.06 |
| Allowance for loan losses as a percentage of total nonperforming loans | | | | | |
| | 82 | 80 | 80 | 86 | 85 |
| Loans past due 90 days or more and still accruing | | | | | |
| | \$ 72 | \$ 62 | \$ 104 | \$ 115 | \$ 83 |
| ANALYSIS OF NONACCRUAL LOANS | | | | | |
| Nonaccrual loans at beginning of period | | | | | |
| | \$ 1,080 | \$ 1,163 | \$ 1,098 | \$ 1,145 | \$ 1,165 |
| Loans transferred to nonaccrual (c) | 166 | 180 | 294 | 199 | 245 |
| Nonaccrual business loan gross charge-offs (d) | | | | | |
| | (111) | (120) | (136) | (143) | (174) |
| | (4) | (4) | (10) | | |

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Loans transferred to accrual status

| | | | | | | | | |
|------------------------------------|--------|----------|----------|----------|----------|--|--|--|
| (c) | | | | | | | | |
| Nonaccrual business loans sold (e) | (60) | (41) | (12) | (47) | (44) | | | |
| Payments/Other (f) | (75) | (98) | (71) | (56) | (47) | | | |
| Nonaccrual loans at end of period | \$ 996 | \$ 1,080 | \$ 1,163 | \$ 1,098 | \$ 1,145 | | | |

(a) Primarily loans to real estate investors and developers.

(b) Primarily loans secured by owner-occupied real estate.

(c) Based on an analysis of nonaccrual loans with book balances greater than \$2 million.

(d) Analysis of gross loan charge-offs:

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Nonaccrual business loans | \$ 111 | \$ 120 | \$ 136 | \$ 143 | \$ 174 |
| Performing watch list loans | 2 | | | 1 | |
| Consumer and residential mortgage loans | 10 | 20 | 9 | 14 | 10 |
| Total gross loan charge-offs | \$ 123 | \$ 140 | \$ 145 | \$ 158 | \$ 184 |

(e) Analysis of loans sold:

| | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|
| Nonaccrual business loans | \$ 60 | \$ 41 | \$ 12 | \$ 47 | \$ 44 |
| Performing watch list loans | 35 | 29 | 7 | 15 | 12 |
| Total loans sold | \$ 95 | \$ 70 | \$ 19 | \$ 62 | \$ 56 |

(f) Includes net changes related to nonaccrual loans with balances less than \$2 million, payments on nonaccrual loans with book balances greater than \$2 million and transfers of nonaccrual loans to foreclosed property. Excludes business loan gross charge-offs and business nonaccrual loans sold.

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ANALYSIS OF NET INTEREST INCOME (FTE) (unaudited)

Comerica Incorporated and Subsidiaries

| (dollar amounts in millions) | March 31, 2011 | | | Three Months Ended December 31, 2010 | | | March 31, 2010 | | |
|--|--------------------|----------|-----------------|---|----------|-----------------|--------------------|----------|-----------------|
| | Average Balance | Interest | Average Rate | Average Balance | Interest | Average Rate | Average Balance | Interest | Average Rate |
| Commercial loans | \$ 21,496 | \$ 200 | 3.76% | \$ 21,464 | \$ 206 | 3.80% | \$ 21,015 | \$ 205 | 3.96% |
| Real estate construction loans | 2,179 | 19 | 3.51 | 2,371 | 21 | 3.50 | 3,386 | 25 | 2.95 |
| Commercial mortgage loans | 9,790 | 95 | 3.95 | 9,965 | 100 | 3.97 | 10,387 | 107 | 4.18 |
| Residential mortgage loans | 1,599 | 21 | 5.24 | 1,600 | 20 | 5.11 | 1,632 | 22 | 5.41 |
| Consumer loans | 2,281 | 19 | 3.42 | 2,367 | 21 | 3.50 | 2,481 | 22 | 3.58 |
| Lease financing | 987 | 9 | 3.62 | 1,044 | 11 | 4.36 | 1,130 | 11 | 3.75 |
| International loans | 1,219 | 12 | 3.87 | 1,188 | 11 | 3.86 | 1,282 | 12 | 3.93 |
| Business loan swap income | | 1 | | | 4 | | | 8 | |
| Total loans | 39,551 | 376 | 3.85 | 39,999 | 394 | 3.92 | 41,313 | 412 | 4.04 |
| Auction-rate securities available-for-sale | 554 | 1 | 0.88 | 617 | 2 | 0.92 | 879 | 2 | 0.93 |
| Other investment securities available-for-sale | 6,757 | 56 | 3.37 | 6,495 | 48 | 3.07 | 6,503 | 60 | 3.72 |
| Total investment securities available-for-sale | 7,311 | 57 | 3.17 | 7,112 | 50 | 2.87 | 7,382 | 62 | 3.38 |
| Federal funds sold and securities purchased under agreements to resell | 3 | | 0.32 | 8 | | 0.32 | | | |
| Interest-bearing deposits with banks (a) | 2,354 | 1 | 0.26 | 1,856 | 1 | 0.25 | 4,122 | 2 | 0.25 |
| Other short-term investments | 128 | 1 | 2.68 | 127 | 1 | 1.40 | 124 | 1 | 1.75 |
| Total earning assets | 49,347 | 435 | 3.57 | 49,102 | 446 | 3.62 | 52,941 | 477 | 3.65 |
| Cash and due from banks | 884 | | | 871 | | | 788 | | |
| Allowance for loan losses | (908) | | | (979) | | | (1,058) | | |
| Accrued income and other assets | 4,452 | | | 4,762 | | | 4,848 | | |
| Total assets | \$ 53,775 | | | \$ 53,756 | | | \$ 57,519 | | |
| Money market and NOW deposits | \$ 17,797 | 12 | 0.26 | \$ 17,302 | 13 | 0.29 | \$ 15,055 | 12 | 0.32 |
| Savings deposits | 1,421 | | 0.09 | 1,385 | | 0.09 | 1,384 | | 0.07 |
| Customer certificates of deposit | 5,509 | 10 | 0.76 | 5,602 | 11 | 0.80 | 6,173 | 15 | 1.02 |
| Total interest-bearing core deposits | 24,727 | 22 | 0.36 | 24,289 | 24 | 0.39 | 22,612 | 27 | 0.50 |
| Other time deposits | | | | | | | 877 | 8 | 3.53 |
| Foreign office time deposits | 412 | | 0.49 | 460 | | 0.45 | 458 | | 0.21 |
| Total interest-bearing deposits | 25,139 | 22 | 0.37 | 24,749 | 24 | 0.40 | 23,947 | 35 | 0.60 |
| Short-term borrowings | 94 | | 0.31 | 174 | 1 | 0.27 | 234 | | 0.11 |
| Medium- and long-term debt | 6,128 | 17 | 1.10 | 6,201 | 15 | 1.02 | 10,775 | 26 | 0.95 |
| Total interest-bearing sources | 31,361 | 39 | 0.51 | 31,124 | 40 | 0.52 | 34,956 | 61 | 0.71 |
| Noninterest-bearing deposits | 15,459 | | | 15,607 | | | 14,624 | | |
| Accrued expenses and other liabilities | 1,120 | | | 1,155 | | | 1,075 | | |

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| | | | | | | |
|---|-----------|-------|-----------|-------|-----------|-------|
| Total shareholders equity | 5,835 | | 5,870 | | 6,864 | |
| Total liabilities and shareholders equity | \$ 53,775 | | \$ 53,756 | | \$ 57,519 | |
| Net interest income/rate spread (FTE) | \$ 396 | 3.06 | \$ 406 | 3.10 | \$ 416 | 2.94 |
| FTE adjustment | \$ 1 | | \$ 1 | | \$ 1 | |
| Impact of net noninterest-bearing sources of funds | | 0.19 | | 0.19 | | 0.24 |
| Net interest margin (as a percentage of average earning assets) (FTE) (a) | | 3.25% | | 3.29% | | 3.18% |

(a) Excess liquidity, represented by average balances deposited with the Federal Reserve Bank, reduced the net interest margin by 14 basis points in the first quarter of 2011, and by 12 points and 24 basis points in the fourth and first quarters of 2010, respectively. Excluding excess liquidity, the net interest margin would have been 3.39%, 3.41% and 3.42% in each respective period. See Reconciliation of Non-GAAP Financial Measures.

CONSOLIDATED STATISTICAL DATA (unaudited)*Comerica Incorporated and Subsidiaries*

| (in millions, except per share data) | March 31, 2011 | December 31, 2010 | September 30, 2010 | June 30, 2010 | March 31, 2010 |
|--|-------------------|----------------------|-----------------------|------------------|-------------------|
| Commercial loans: | | | | | |
| Floor plan | \$ 1,893 | \$ 2,017 | \$ 1,693 | \$ 1,586 | \$ 1,351 |
| Other | 19,467 | 20,128 | 19,739 | 19,565 | 19,405 |
| Total commercial loans | 21,360 | 22,145 | 21,432 | 21,151 | 20,756 |
| Real estate construction loans: | | | | | |
| Commercial Real Estate business line (a) | 1,606 | 1,826 | 2,023 | 2,345 | 2,754 |
| Other business lines (b) | 417 | 427 | 421 | 429 | 448 |
| Total real estate construction loans | 2,023 | 2,253 | 2,444 | 2,774 | 3,202 |
| Commercial mortgage loans: | | | | | |
| Commercial Real Estate business line (a) | 1,918 | 1,937 | 2,091 | 2,035 | 1,944 |
| Other business lines (b) | 7,779 | 7,830 | 8,089 | 8,283 | 8,414 |
| Total commercial mortgage loans | 9,697 | 9,767 | 10,180 | 10,318 | 10,358 |
| Residential mortgage loans | 1,550 | 1,619 | 1,586 | 1,606 | 1,631 |
| Consumer loans: | | | | | |
| Home equity | 1,661 | 1,704 | 1,736 | 1,761 | 1,782 |
| Other consumer | 601 | 607 | 667 | 682 | 690 |
| Total consumer loans | 2,262 | 2,311 | 2,403 | 2,443 | 2,472 |
| Lease financing | 958 | 1,009 | 1,053 | 1,084 | 1,120 |
| International loans | 1,326 | 1,132 | 1,182 | 1,226 | 1,306 |
| Total loans | \$ 39,176 | \$ 40,236 | \$ 40,280 | \$ 40,602 | \$ 40,845 |
| Goodwill | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 150 |
| Loan servicing rights | 4 | 5 | 5 | 6 | 6 |
| Tier 1 common capital ratio (c) (d) | 10.37% | 10.13% | 9.96% | 9.81% | 9.57% |
| Tier 1 risk-based capital ratio (d) | 10.37 | 10.13 | 9.96 | 10.64 | 10.38 |
| Total risk-based capital ratio (d) | 14.83 | 14.54 | 14.37 | 15.03 | 14.91 |
| Leverage ratio (d) | 11.37 | 11.26 | 10.91 | 11.36 | 11.00 |
| Tangible common equity ratio (c) | 10.43 | 10.54 | 10.39 | 10.11 | 9.68 |
| Book value per common share | \$ 33.25 | \$ 32.82 | \$ 33.19 | \$ 32.85 | \$ 32.15 |
| Market value per share for the quarter: | | | | | |
| High | 43.53 | 43.44 | 40.21 | 45.85 | 39.36 |
| Low | 36.20 | 34.43 | 33.11 | 35.44 | 29.68 |
| Close | 36.72 | 42.24 | 37.15 | 36.83 | 38.04 |
| Quarterly ratios: | | | | | |
| Return on average common shareholders' equity | 7.08% | 6.53% | 4.07% | 4.89% | (5.61)% |
| Return on average assets | 0.77 | 0.71 | 0.43 | 0.50 | 0.36 |
| Efficiency ratio | 69.05 | 70.38 | 67.88 | 64.47 | 66.45 |
| Number of banking centers | 445 | 444 | 441 | 437 | 449 |
| Number of employees - full time equivalent | 8,955 | 9,001 | 9,075 | 9,107 | 9,215 |

(a) Primarily loans to real estate investors and developers.

- (b) Primarily loans secured by owner-occupied real estate.
- (c) See Reconciliation of Non-GAAP Financial Measures.
- (d) March 31, 2011 ratios are estimated.

PARENT COMPANY ONLY BALANCE SHEETS (unaudited)*Comerica Incorporated*

| (in millions, except share data) | March 31, 2011 | December 31, 2010 | March 31, 2010 |
|--|-------------------|----------------------|-------------------|
| ASSETS | | | |
| Cash and due from subsidiary bank | \$ 7 | \$ | \$ 14 |
| Short-term investments with subsidiary bank | 334 | 327 | 651 |
| Other short-term investments | 90 | 86 | 86 |
| Investment in subsidiaries, principally banks | 6,033 | 5,957 | 5,818 |
| Premises and equipment | 3 | 4 | 4 |
| Other assets | 174 | 181 | 206 |
| Total assets | \$ 6,641 | \$ 6,555 | \$ 6,779 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Medium- and long-term debt | \$ 631 | \$ 635 | \$ 989 |
| Other liabilities | 133 | 127 | 122 |
| Total liabilities | 764 | 762 | 1,111 |
| Common stock - \$5 par value: | | | |
| Authorized - 325,000,000 shares | | | |
| Issued - 203,878,110 shares | 1,019 | 1,019 | 1,019 |
| Capital surplus | 1,464 | 1,481 | 1,468 |
| Accumulated other comprehensive loss | (382) | (389) | (303) |
| Retained earnings | 5,317 | 5,247 | 5,064 |
| Less cost of common stock in treasury - 27,103,941 shares at 3/31/11, 27,342,518 shares at 12/31/10, and 27,575,283 shares at 3/31/10 | (1,541) | (1,565) | (1,580) |
| Total shareholders equity | 5,877 | 5,793 | 5,668 |
| Total liabilities and shareholders equity | \$ 6,641 | \$ 6,555 | \$ 6,779 |

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (unaudited)*Comerica Incorporated and Subsidiaries*

| (in millions, except per share data) | Preferred Stock | Common Stock Shares Outstanding | Common Stock Amount | Capital Surplus | Accumulated Other Comprehensive Loss | Retained Earnings | Treasury Stock | Total Shareholders Equity |
|---|--------------------|---------------------------------------|------------------------|--------------------|---|----------------------|-------------------|---------------------------------|
| BALANCE AT DECEMBER 31, 2009 | \$ 2,151 | 151.2 | \$ 894 | \$ 740 | \$ (336) | \$ 5,161 | \$ (1,581) | \$ 7,029 |
| Net income | | | | | | 52 | | 52 |
| Other comprehensive income, net of tax | | | | | 33 | | | 33 |
| Total comprehensive income | | | | | | | | 85 |
| Cash dividends declared on preferred stock | | | | | | (38) | | (38) |
| Cash dividends declared on common stock (\$0.05 per share) | | | | | | (9) | | (9) |
| Purchase of common stock | | | | | | | (2) | (2) |
| Issuance of common stock | | 25.1 | 125 | 724 | | | | 849 |
| Redemption of preferred stock | (2,250) | | | | | | | (2,250) |

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| | | | | | | | | | | | | | | |
|--|----|-------|----|-------|----|-------|----|-------|----|-------|----|---------|----|------------|
| Redemption discount accretion on preferred stock | 94 | | | | | (94) | | | | | | | | |
| Accretion of discount on preferred stock | 5 | | | | | (5) | | | | | | | | |
| Net issuance of common stock under employee stock plans | | | | | | (3) | 3 | | | | | | | |
| Share-based compensation | | | | 4 | | | | | 4 | | | | | |
| BALANCE AT MARCH 31, 2010 | \$ | 176.3 | \$ | 1,019 | \$ | 1,468 | \$ | (303) | \$ | 5,064 | \$ | (1,580) | \$ | 5,668 |
| BALANCE AT DECEMBER 31, 2010 | \$ | 176.5 | \$ | 1,019 | \$ | 1,481 | \$ | (389) | \$ | 5,247 | \$ | (1,565) | \$ | 5,793 |
| Net income | | | | | | | | 103 | | | | | | 103 |
| Other comprehensive income, net of tax | | | | | | | 7 | | | | | | | 7 |
| Total comprehensive income | | | | | | | | | | | | | | 110 |
| Cash dividends declared on common stock (\$0.10 per share) | | | | | | | | (18) | | | | | | (18) |
| Purchase of common stock | | (0.5) | | | | | | | | | | (21) | | (21) |
| Net issuance of common stock under employee stock plans | | 0.8 | | | | (30) | | (15) | | 45 | | | | |
| Share-based compensation | | | | | | 13 | | | | | | | | 13 |
| BALANCE AT MARCH 31, 2011 | \$ | 176.8 | \$ | 1,019 | \$ | 1,464 | \$ | (382) | \$ | 5,317 | \$ | (1,541) | \$ | 5,877 |

BUSINESS SEGMENT FINANCIAL RESULTS (unaudited)*Comerica Incorporated and Subsidiaries*

| (dollar amounts in millions) Three Months Ended March 31, 2011 | Business Bank | Retail Bank | Wealth & Institutional Management | Finance | Other | Total |
|---|------------------|----------------|---|----------|----------|-----------|
| Earnings summary: | | | | | | |
| Net interest income (expense) (FTE) | \$ 341 | \$ 139 | \$ 44 | \$ (135) | \$ 7 | \$ 396 |
| Provision for loan losses | 18 | 23 | 8 | | | 49 |
| Noninterest income | 77 | 42 | 64 | 16 | 8 | 207 |
| Noninterest expenses | 160 | 162 | 78 | 3 | 12 | 415 |
| Provision (benefit) for income taxes (FTE) | 73 | (2) | 8 | (46) | 3 | 36 |
| Net income (loss) | \$ 167 | \$ (2) | \$ 14 | \$ (76) | \$ | \$ 103 |
| Net credit-related charge-offs | \$ 73 | \$ 23 | \$ 5 | \$ | \$ | \$ 101 |
| Selected average balances: | | | | | | |
| Assets | \$ 30,091 | \$ 5,558 | \$ 4,809 | \$ 9,314 | \$ 4,003 | \$ 53,775 |
| Loans | 29,609 | 5,106 | 4,807 | 22 | 7 | 39,551 |
| Deposits | 20,084 | 17,360 | 2,800 | 249 | 105 | 40,598 |
| Statistical data: | | | | | | |
| Return on average assets (a) | 2.22% | (0.05)% | 1.14% | N/M | N/M | 0.77% |
| Net interest margin (b) | 4.66 | 3.25 | 3.76 | N/M | N/M | 3.25 |
| Efficiency ratio | 38.14 | 89.19 | 74.38 | N/M | N/M | 69.05 |

| Three Months Ended December 31, 2010 | Business Bank | Retail Bank | Wealth & Institutional Management | Finance | Other | Total |
|--|------------------|----------------|---|----------|----------|-----------|
| Earnings summary: | | | | | | |
| Net interest income (expense) (FTE) | \$ 341 | \$ 134 | \$ 42 | \$ (111) | \$ | \$ 406 |
| Provision for loan losses | 8 | 29 | 23 | | (3) | 57 |
| Noninterest income | 81 | 43 | 59 | 23 | 9 | 215 |
| Noninterest expenses | 158 | 169 | 93 | 12 | 5 | 437 |
| Provision (benefit) for income taxes (FTE) | 82 | (7) | (5) | (40) | 1 | 31 |
| Net income (loss) | \$ 174 | \$ (14) | \$ (10) | \$ (60) | \$ 6 | \$ 96 |
| Net credit-related charge-offs | \$ 73 | \$ 22 | \$ 18 | \$ | \$ | \$ 113 |
| Selected average balances: | | | | | | |
| Assets | \$ 30,489 | \$ 5,647 | \$ 4,834 | \$ 9,228 | \$ 3,558 | \$ 53,756 |
| Loans | 29,947 | 5,192 | 4,820 | 28 | 12 | 39,999 |
| Deposits | 19,892 | 17,271 | 2,730 | 310 | 153 | 40,356 |
| Statistical data: | | | | | | |
| Return on average assets (a) | 2.29% | (0.32)% | (0.82)% | N/M | N/M | 0.71% |
| Net interest margin (b) | 4.51 | 3.07 | 3.43 | N/M | N/M | 3.29 |
| Efficiency ratio | 37.25 | 95.17 | 92.86 | N/M | N/M | 70.38 |

| Three Months Ended March 31, 2010 | Business Bank | Retail Bank | Wealth & Institutional Management | Finance | Other | Total |
|-------------------------------------|------------------|----------------|---|----------|-------|--------|
| Earnings summary: | | | | | | |
| Net interest income (expense) (FTE) | \$ 341 | \$ 130 | \$ 42 | \$ (105) | \$ 8 | \$ 416 |

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| | | | | | |
|--|--------|--------|-------|---------|--------|
| Provision for loan losses | 137 | 31 | 12 | (5) | 175 |
| Noninterest income | 76 | 44 | 60 | 12 | 194 |
| Noninterest expenses | 162 | 154 | 73 | 2 | 404 |
| Provision (benefit) for income taxes (FTE) | 29 | (4) | 6 | (36) | (4) |
| Income from discontinued operations, net of tax | | | | 17 | 17 |
| Net income (loss) | \$ 89 | \$ (7) | \$ 11 | \$ (59) | \$ 18 |
| Net credit-related charge-offs | \$ 137 | \$ 26 | \$ 10 | \$ | \$ 173 |

Selected average balances:

| | | | | | | |
|----------|-----------|----------|----------|----------|----------|-----------|
| Assets | \$ 31,293 | \$ 6,106 | \$ 4,862 | \$ 9,416 | \$ 5,842 | \$ 57,519 |
| Loans | 30,918 | 5,599 | 4,789 | 9 | (2) | 41,313 |
| Deposits | 17,750 | 16,718 | 2,791 | 1,218 | 94 | 38,571 |

Statistical data:

| | | | | | | |
|------------------------------|-------|---------|-------|-----|-----|-------|
| Return on average assets (a) | 1.13% | (0.17)% | 0.92% | N/M | N/M | 0.36% |
| Net interest margin (b) | 4.48 | 3.18 | 3.53 | N/M | N/M | 3.18 |
| Efficiency ratio | 38.78 | 88.44 | 73.18 | N/M | N/M | 66.45 |

(a) Return on average assets is calculated based on the greater of average assets or average liabilities and attributed equity.

(b) Net interest margin is calculated based on the greater of average earning assets or average deposits and purchased funds.

FTE - Fully Taxable Equivalent

N/M - Not Meaningful

MARKET SEGMENT FINANCIAL RESULTS (unaudited)*Comerica Incorporated and Subsidiaries*

| (dollar amounts in millions) | | | | | | | | Finance & Other | |
|--|-----------|-----------|----------|----------|---------------|---------------|------------|-----------------|--|
| Three Months Ended March 31, 2011 | Midwest | Western | Texas | Florida | Other Markets | International | Businesses | Total | |
| Earnings summary: | | | | | | | | | |
| Net interest income (expense) (FTE) | \$ 203 | \$ 164 | \$ 87 | \$ 11 | \$ 41 | \$ 18 | \$ (128) | \$ 396 | |
| Provision for loan losses | 34 | 11 | 4 | 8 | (7) | (1) | | 49 | |
| Noninterest income | 100 | 37 | 23 | 4 | 11 | 8 | 24 | 207 | |
| Noninterest expenses | 188 | 109 | 61 | 12 | 21 | 9 | 15 | 415 | |
| Provision (benefit) for income taxes (FTE) | 28 | 30 | 16 | (1) | | 6 | (43) | 36 | |
| Net income (loss) | \$ 53 | \$ 51 | \$ 29 | \$ (4) | \$ 38 | \$ 12 | \$ (76) | \$ 103 | |
| Net credit-related charge-offs | \$ 46 | \$ 26 | \$ 8 | \$ 8 | \$ 9 | \$ 4 | \$ | \$ 101 | |
| Selected average balances: | | | | | | | | | |
| Assets | \$ 14,307 | \$ 12,590 | \$ 7,031 | \$ 1,553 | \$ 3,242 | \$ 1,735 | \$ 13,317 | \$ 53,775 | |
| Loans | 14,104 | 12,383 | 6,824 | 1,580 | 2,960 | 1,671 | 29 | 39,551 | |
| Deposits | 18,230 | 12,235 | 5,786 | 367 | 2,298 | 1,328 | 354 | 40,598 | |
| Statistical data: | | | | | | | | | |
| Return on average assets (a) | 1.08% | 1.54% | 1.65% | (0.93)% | 4.70% | 2.79% | N/M | 0.77% | |
| Net interest margin (b) | 4.49 | 5.37 | 5.17 | 2.82 | 5.73 | 4.34 | N/M | 3.25 | |
| Efficiency ratio | 61.99 | 54.36 | 55.39 | 80.08 | 42.38 | 34.62 | N/M | 69.05 | |

| | | | | | | | | Finance & Other | |
|--|-----------|-----------|----------|----------|---------------|---------------|------------|-----------------|--|
| Three Months Ended December 31, 2010 | Midwest | Western | Texas | Florida | Other Markets | International | Businesses | Total | |
| Earnings summary: | | | | | | | | | |
| Net interest income (expense) (FTE) | \$ 202 | \$ 158 | \$ 80 | \$ 11 | \$ 48 | \$ 18 | \$ (111) | \$ 406 | |
| Provision for loan losses | 46 | 11 | 15 | 4 | (19) | 3 | (3) | 57 | |
| Noninterest income | 99 | 35 | 27 | 3 | 10 | 9 | 32 | 215 | |
| Noninterest expenses | 201 | 109 | 67 | 9 | 24 | 10 | 17 | 437 | |
| Provision (benefit) for income taxes (FTE) | 19 | 32 | 9 | | 5 | 5 | (39) | 31 | |
| Net income (loss) | \$ 35 | \$ 41 | \$ 16 | \$ 1 | \$ 48 | \$ 9 | \$ (54) | \$ 96 | |
| Net credit-related charge-offs | \$ 52 | \$ 43 | \$ 9 | \$ 7 | \$ 2 | \$ | \$ | \$ 113 | |
| Selected average balances: | | | | | | | | | |
| Assets | \$ 14,506 | \$ 12,698 | \$ 6,653 | \$ 1,587 | \$ 3,911 | \$ 1,615 | \$ 12,786 | \$ 53,756 | |
| Loans | 14,219 | 12,497 | 6,435 | 1,612 | 3,651 | 1,545 | 40 | 39,999 | |
| Deposits | 17,959 | 12,448 | 5,557 | 375 | 2,242 | 1,312 | 463 | 40,356 | |
| Statistical data: | | | | | | | | | |
| Return on average assets (a) | 0.72% | 1.21% | 0.96% | 0.13% | 4.93% | 2.24% | N/M | 0.71% | |
| Net interest margin (b) | 4.45 | 5.01 | 4.91 | 2.64 | 5.32 | 4.38 | N/M | 3.29 | |
| Efficiency ratio | 66.63 | 56.47 | 62.62 | 68.68 | 40.06 | 36.08 | N/M | 70.38 | |

| | | | | | | | | Finance & Other | |
|-------------------------------------|---------|---------|-------|---------|---------------|---------------|------------|-----------------|--|
| Three Months Ended March 31, 2010 | Midwest | Western | Texas | Florida | Other Markets | International | Businesses | Total | |
| Earnings summary: | | | | | | | | | |
| Net interest income (expense) (FTE) | \$ 204 | \$ 161 | \$ 79 | \$ 10 | \$ 41 | \$ 18 | \$ (97) | \$ 416 | |
| Provision for loan losses | 80 | 59 | 17 | 3 | 24 | (3) | (5) | 175 | |
| Noninterest income | 102 | 36 | 20 | 3 | 10 | 9 | 14 | 194 | |

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| | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|---------|--------|
| Noninterest expenses | 186 | 105 | 60 | 9 | 21 | 8 | 15 | 404 |
| Provision (benefit) for income taxes (FTE) | 14 | 11 | 8 | | (10) | 8 | (35) | (4) |
| Income from discontinued operations, net of tax | | | | | | | 17 | 17 |
| Net income (loss) | \$ 26 | \$ 22 | \$ 14 | \$ 1 | \$ 16 | \$ 14 | \$ (41) | \$ 52 |
| Net credit-related charge-offs | \$ 55 | \$ 64 | \$ 25 | \$ 10 | \$ 14 | \$ 5 | \$ | \$ 173 |

Selected average balances:

| | | | | | | | | |
|----------|-----------|-----------|----------|----------|----------|----------|-----------|-----------|
| Assets | \$ 15,208 | \$ 13,175 | \$ 6,892 | \$ 1,576 | \$ 3,782 | \$ 1,628 | \$ 15,258 | \$ 57,519 |
| Loans | 14,964 | 12,980 | 6,704 | 1,576 | 3,494 | 1,588 | 7 | 41,313 |
| Deposits | 17,056 | 11,927 | 4,957 | 361 | 1,985 | 973 | 1,312 | 38,571 |

Statistical data:

| | | | | | | | | |
|------------------------------|-------|-------|-------|-------|-------|-------|-----|-------|
| Return on average assets (a) | 0.57% | 0.65% | 0.84% | 0.17% | 1.63% | 3.50% | N/M | 0.36% |
| Net interest margin (b) | 4.84 | 5.04 | 4.79 | 2.54 | 4.84 | 4.64 | N/M | 3.18 |
| Efficiency ratio | 60.60 | 53.32 | 60.46 | 72.04 | 43.95 | 29.12 | N/M | 66.45 |

(a) Return on average assets is calculated based on the greater of average assets or average liabilities and attributed equity.

(b) Net interest margin is calculated based on the greater of average earning assets or average deposits and purchased funds.

FTE - Fully Taxable Equivalent

N/M - Not Meaningful

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (unaudited)*Comerica Incorporated and Subsidiaries*

| | 2011 | | 2010 | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 1st Qtr | 4th Qtr | 3rd Qtr | 2nd Qtr | 1st Qtr |
| Impact of Excess Liquidity on Net Interest Margin (FTE): | | | | | |
| Net interest income (FTE) | \$ 396 | \$ 406 | \$ 405 | \$ 424 | \$ 416 |
| Less: | | | | | |
| Interest earned on excess liquidity (a) | 1 | 1 | 2 | 2 | 3 |
| Net interest income (FTE), excluding excess liquidity | \$ 395 | \$ 405 | \$ 403 | \$ 422 | \$ 413 |
| Average earning assets | \$ 49,347 | \$ 49,102 | \$ 50,189 | \$ 51,835 | \$ 52,941 |
| Less: | | | | | |
| Average net unrealized gains on investment securities available-for-sale | 22 | 139 | 180 | 80 | 62 |
| Average earning assets for net interest margin (FTE) | 49,325 | 48,963 | 50,009 | 51,755 | 52,879 |
| Less: | | | | | |
| Excess liquidity (a) | 2,297 | 1,793 | 2,983 | 3,719 | 4,092 |
| Average earning assets for net interest margin (FTE), excluding excess liquidity | \$ 47,028 | \$ 47,170 | \$ 47,026 | \$ 48,036 | \$ 48,787 |
| Net interest margin (FTE) | 3.25% | 3.29% | 3.23% | 3.28% | 3.18% |
| Net interest margin (FTE), excluding excess liquidity | 3.39 | 3.41 | 3.42 | 3.51 | 3.42 |
| Impact of excess liquidity on net interest margin (FTE) | (0.14) | (0.12) | (0.19) | (0.23) | (0.24) |

| | March 31, 2011 | December 31, 2010 | September 30, 2010 | June 30, 2010 | March 31, 2010 |
|--------------------------------------|-------------------|----------------------|-----------------------|------------------|-------------------|
| Tier 1 Common Capital Ratio: | | | | | |
| Tier 1 capital (b) (c) | \$ 6,105 | \$ 6,027 | \$ 5,940 | \$ 6,371 | \$ 6,311 |
| Less: | | | | | |
| Trust preferred securities | | | | 495 | 495 |
| Tier 1 common capital (c) | \$ 6,105 | \$ 6,027 | \$ 5,940 | \$ 5,876 | \$ 5,816 |
| Risk-weighted assets (b) (c) | \$ 58,849 | \$ 59,506 | \$ 59,608 | \$ 59,877 | \$ 60,792 |
| Tier 1 capital ratio (c) | 10.37% | 10.13% | 9.96% | 10.64% | 10.38% |
| Tier 1 common capital ratio (c) | 10.37 | 10.13 | 9.96 | 9.81 | 9.57 |
| Tangible Common Equity Ratio: | | | | | |
| Total common shareholders' equity | \$ 5,877 | \$ 5,793 | \$ 5,857 | \$ 5,792 | \$ 5,668 |
| Less: | | | | | |
| Goodwill | 150 | 150 | 150 | 150 | 150 |
| Other intangible assets | 5 | 6 | 6 | 6 | 7 |
| Tangible common equity | \$ 5,722 | \$ 5,637 | \$ 5,701 | \$ 5,636 | \$ 5,511 |
| Total assets | \$ 55,017 | \$ 53,667 | \$ 55,004 | \$ 55,885 | \$ 57,106 |
| Less: | | | | | |
| Goodwill | 150 | 150 | 150 | 150 | 150 |
| Other intangible assets | 5 | 6 | 6 | 6 | 7 |
| Tangible assets | \$ 54,862 | \$ 53,511 | \$ 54,848 | \$ 55,729 | \$ 56,949 |
| Common equity ratio | 10.68% | 10.80% | 10.65% | 10.36% | 9.93% |
| Tangible common equity ratio | 10.43 | 10.54 | 10.39 | 10.11 | 9.68 |

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- (a) Excess liquidity represented by interest earned on and average balances deposited with the Federal Reserve Bank (FRB).
- (b) Tier 1 capital and risk-weighted assets as defined by regulation.
- (c) March 31, 2011 Tier 1 capital and risk-weighted assets are estimated.

The net interest margin (FTE), excluding excess liquidity, removes interest earned on balances deposited with the FRB from net interest income (FTE) and average balances deposited with the FRB from average earning assets from the numerator and denominator of the net interest margin (FTE) ratio, respectively. Comerica believes this measurement provides meaningful information to investors, regulators, management and others of the impact on net interest income and net interest margin resulting from Comerica's short-term investment in low yielding instruments.

The Tier 1 common capital ratio removes preferred stock and qualifying trust preferred securities from Tier 1 capital as defined by and calculated in conformity with bank regulations. The tangible common equity removes preferred stock and the effect of intangible assets from capital and the effect of intangible assets from total assets. Comerica believes these measurements are meaningful measures of capital adequacy used by investors, regulators, management and others to evaluate the adequacy of common equity and to compare against other companies in the industry.