

COMERICA INC /NEW/
Form 11-K
June 17, 2011
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(Mark One):

☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934**

For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

For the transition period from _____ to _____

Commission File Number 1-10706

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COMERICA INCORPORATED PREFERRED SAVINGS PLAN

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

COMERICA INCORPORATED

Comerica Bank Tower

1717 Main Street

MC 6404

Dallas, Texas 75201

Table of Contents

Comerica Incorporated Preferred Savings Plan

Table of Contents

Financial Statements and Supplemental Schedule

Report of Independent Registered Public Accounting Firm

Audited Financial Statements:

Statements of Net Assets Available for Benefits

Statements of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Supplemental Schedule*:

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

Signature

Exhibit Index

Exhibit 23.1 Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP)

* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are not applicable and have been omitted.

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Comerica Incorporated Preferred Savings Plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Comerica Incorporated Preferred Savings Plan

/s/ Jon W. Bilstrom
Jon W. Bilstrom
Executive Vice President - Governance,
Regulatory Relations and Legal Affairs
Comerica Incorporated

Dated: June 16, 2011

Table of Contents

Exhibit Index

| Exhibit No. | Description |
|----------------|--|
| 23.1 | Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP) |

Table of Contents

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Comerica Incorporated Preferred Savings Plan

Years Ended December 31, 2010 and 2009

with Report of Independent Registered Public Accounting Firm

Table of Contents

Comerica Incorporated

Preferred Savings Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2010 and 2009

Contents

| | |
|---|----|
| <u>Report of Independent Registered Public Accounting Firm</u> | 1 |
| Audited Financial Statements | |
| <u>Statements of Net Assets Available for Benefits</u> | 2 |
| <u>Statements of Changes in Net Assets Available for Benefits</u> | 3 |
| <u>Notes to Financial Statements</u> | 4 |
| <u>Supplemental Schedule</u> | |
| <u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u> | 13 |

Table of Contents

Report of Independent Registered Public Accounting Firm

The Audit Committee

Comerica Incorporated

We have audited the accompanying statements of net assets available for benefits of the Comerica Incorporated Preferred Savings Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Dallas, Texas
June 16, 2011

Table of Contents

Comerica Incorporated Preferred Savings Plan

Statements of Net Assets Available for Benefits

| | December 31, | |
|--|----------------|----------------|
| | 2010 | 2009 |
| Assets | | |
| Investments, at fair value: | | |
| Mutual funds | \$ 370,865,667 | \$ 308,486,041 |
| Collective trust and other funds | 333,248,839 | 298,486,944 |
| Comerica Incorporated common stock | 138,991,661 | 108,234,575 |
| Total investments | 843,106,167 | 715,207,560 |
| Accrued income receivable | 219,202 | 183,438 |
| Receivable for unsettled trades | | 32,328 |
| Employer contributions receivable | 3,348,949 | 2,941,303 |
| Notes receivable from participants | 23,497,315 | 20,922,123 |
| Net assets reflecting investments at fair value | 870,171,633 | 739,286,752 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 143,058 | 2,523,883 |
| Net assets available for benefits | \$ 870,314,691 | \$ 741,810,635 |

See accompanying notes.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Statements of Changes in Net Assets Available for Benefits

| | Years Ended December 31, | |
|---|--------------------------|----------------|
| | 2010 | 2009 |
| Additions | | |
| Participant contributions | \$ 39,812,056 | \$ 40,030,345 |
| Employer contributions | 21,559,370 | 22,347,781 |
| Dividend and interest income | 11,670,675 | 5,935,174 |
| Other additions | 156,600 | |
| Total additions | 73,198,701 | 68,313,300 |
| Deductions | | |
| Distributions to participants | 59,218,316 | 45,353,790 |
| Administrative expenses and other deductions | 20,043 | 7,054 |
| Total deductions | 59,238,359 | 45,360,844 |
| Net appreciation in fair value of investments | 114,543,714 | 127,930,913 |
| Net increase for the year | 128,504,056 | 150,883,369 |
| Net assets available for benefits at: | | |
| Beginning of year | 741,810,635 | 590,927,266 |
| End of year | \$ 870,314,691 | \$ 741,810,635 |

See accompanying notes.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements

1. Description of the Plan

The Comerica Incorporated Preferred Savings Plan (the Plan) is a 401(k) plan, with a defined contribution feature, covering all eligible employees of Comerica Incorporated (the Corporation) and certain subsidiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Information about the Plan agreement, participants' investment alternatives and the vesting and benefit provisions is contained in the summary plan descriptions captioned "Comerica Incorporated Preferred Savings 401(k) Plan" and "Comerica Incorporated Retirement Account Plan." Copies of these summary plan descriptions are available on the internet at www.comericaretirement.com.

Effective January 1, 2011, the Corporation separated the Plan into three components: the Comerica Incorporated Preferred Savings Plan, to hold the traditional 401(k) feature of the Plan; the Comerica Incorporated Retirement Account Plan, to hold the defined contribution feature of the Plan; and the Comerica Incorporated Defined Contribution and Preferred Savings Trust, a master trust holding the assets of both Plans. In connection with the Plan separation, assets totaling \$5,305,894 were transferred from the Preferred Savings Plan to the Retirement Account Plan in January 2011. Although the Plan was separated into three distinct and separate components, there were no substantive changes made to the existing terms of the Plan.

Although the Corporation has not expressed any intent to do so, other than as described above, the Corporation has the right under the Plan to amend or terminate the Plan at any time. In the event the Plan is terminated, all participants' accounts become fully vested and non-forfeitable.

The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan document and the summary plan descriptions for more complete information.

Eligibility

Employees are generally eligible to participate in the 401(k) feature of the Plan on the first day of the month coincident with or following six consecutive months of service. All employees hired on or after January 1, 2007 who work at least 1,000 hours per year are generally eligible to participate in the defined contribution feature of the Plan after completing one year of service.

Participant Contributions

Participants may make pre-tax contributions to the Plan through payroll deductions, not to exceed the lesser of 50 percent of the participant's annual compensation or the Internal Revenue Service (IRS) allowed maximum (\$16,500, plus an additional \$5,500 for participants age 50 or over, in 2010 and 2009). Participants direct the investment of their accounts among the investment funds offered by the Plan. Participants may change their investment options at any time. If a participant does not make an investment election upon enrollment, the participant's contributions are initially invested in the Comerica Destination Fund appropriate for the participant's age and can be redirected by the participant at any time at their discretion.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Rollover contributions are also accepted from other tax-qualified plans, providing certain specified conditions are met.

Employer Matching Contributions

The Corporation makes a matching contribution on behalf of each participant of 100 percent of the first four percent of qualified earnings contributed by the participant, up to the current IRS compensation limit, invested based on the participant's investment elections.

Employer Defined Contributions

Under the defined contribution feature of the Plan, the Corporation makes an annual contribution to the individual account of each eligible participant ranging from three percent to eight percent of annual compensation, determined based on combined age and years of service. The contributions are invested based on employee investment elections. The employee fully vests in the defined contribution account after three years of service.

Contributions receivable represent the defined contributions due from the Corporation for the years ended December 31, 2010 and 2009.

Dividend Election

Effective September 16, 2008, the Plan discontinued the Corporation's common stock as an investment election available to participants for future contributions or reallocations from other investments. Participants' existing investments in the Corporation's common stock are held in an Employee Stock Ownership Plan (ESOP) investment. Participants may elect to either reinvest the dividends within the Plan or receive the dividends as cash with their regular pay.

Forfeited Accounts

Unallocated employer contributions resulting from employee forfeitures are retained in the Plan and used to reduce future employer contributions. Unallocated employer contributions are primarily retained in the Stable Value Fund as of December 31, 2010 and 2009.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

The following table presents a summary of changes in unallocated employer contributions during the plan years ended December 31, 2010 and 2009:

| | |
|---|------------|
| Balance at January 1, 2009 | \$ 17 |
| Employee forfeitures during the year | 371,143 |
| Net appreciation in fair value of investments | 136 |
| Dividend income | 4,253 |
| Balance at December 31, 2009 | \$ 375,549 |
| Employee forfeitures during the year | 383,744 |
| Reduction of employer contributions | (226,332) |
| Net appreciation in fair value of investments | 195 |
| Dividend income | 11,309 |
| Balance at December 31, 2010 | \$ 544,465 |

Participant Loans

Participants generally may borrow from their account balances an amount not to exceed the lesser of \$50,000 or 50 percent of their total contributions, matching contribution and rollover contribution account balances. Participants may have only two loans outstanding at any time. Each loan is required to be repaid within five years or less or up to 15 years if the loan is for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear a fixed rate of interest determined at origination (currently one percent above the Prime Rate published in *The Wall Street Journal*). Principal and interest are paid by the participant through payroll deductions. Participants are charged a fee to initiate each loan as well as a quarterly loan maintenance fee.

Plan Expenses

Administrative expenses incurred in connection with the operation of the Plan are paid by the Corporation and by revenue sharing with the recordkeeper. Certain investment transaction expenses and participant loan fees are charged to the participants' accounts.

2. Summary of Significant Accounting Policies***Basis of Presentation***

The accounting and reporting policies of the Plan conform to U.S. generally accepted accounting principles. Certain prior year amounts have been reclassified to conform to the current presentation. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Fair value measurement applies whenever accounting guidance requires or permits assets or liabilities to be measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction (i.e., not a forced transaction, such as a liquidation or distressed sale) between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability. Fair value measurement and disclosure guidance establishes a three-level fair value hierarchy that prioritizes the information used to develop fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are separately disclosed by level within the fair value hierarchy. For assets recorded at fair value, it is the Plan's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements for those items for which there is an active market.

Investment contracts held by a defined contribution plan are reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, as contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The contract value represents contributions plus earnings at the guaranteed rate, less participant withdrawals and administrative expenses. The Stable Value Fund is a collective trust fund that primarily invests in fully benefit-responsive guaranteed investment contracts (GICs) and synthetic GICs. The Statements of Net Assets Available for Benefits present the fair value of the collective trust funds and the adjustment from fair value to contract value for the Stable Value Fund at December 31, 2010 and 2009. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

During 2010, the Plan adopted Accounting Standards Update (ASU) 2010-06, Improving Disclosures about Fair Value Measurements, (ASU 2010-06). ASU 2010-06 requires increased disaggregation for each class of assets and liabilities measured at fair value, separate disclosure of significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and the reasons for the transfers, and disclosure of purchases, sales, issuances and settlements activity on a gross (rather than net) basis in the Level 3 reconciliation of fair value measurements for assets and liabilities measured at fair value on a recurring basis. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan's net assets available for benefits or its changes in net assets available for benefits.

Also during 2010, the Plan adopted ASU No. 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans, (ASU 2010-25). ASU 2010-25 requires that loans to participants be classified as notes receivable from participants and measured at the unpaid principal balance plus accrued but unpaid interest. Previously, loans were measured at fair value and classified as investments. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Securities transactions are recorded on a trade-date basis. Realized gains and losses are reported based on the average cost of securities sold. Dividend income is recorded on the ex-dividend date. Interest income is accounted for on the accrual basis.

3. Fair Value

The Plan utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Mutual funds, collective trust funds, and Comerica Incorporated common stock are recorded at fair value on a recurring basis.

The Plan categorizes assets and liabilities at fair value into a three-level hierarchy, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- | | |
|---------|--|
| Level 1 | Valuation is based upon quoted prices for identical instruments traded in active markets. |
| Level 2 | Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. |
| Level 3 | Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques. |

Following is a description of valuation methodologies and key inputs used to measure assets recorded at fair value, including an indication of the level of the fair value hierarchy in which the assets are classified. Transfers of assets between levels of the fair value hierarchy are recognized at the beginning of the reporting period, when applicable.

Mutual funds: Mutual funds are valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, less its liabilities, divided by the number of shares outstanding. Mutual fund NAVs are quoted in an active market and are classified in Level 1 of the fair value hierarchy.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

3. Fair Value (continued)

Collective trust funds: Collective trust funds are valued using the NAV provided by the administrator of the fund. The NAV is based primarily on observable inputs, generally the quoted prices for the underlying assets owned by the fund. Collective trust funds are classified in Level 2 of the fair value hierarchy.

The underlying investments of the Stable Value Fund consist of cash equivalents, collective trust funds, GICs and synthetic GICs. Cash equivalents are money market funds that are valued at cost. The collective trust fund values are based on the NAV provided by the administrator of the fund. The GICs are valued utilizing a discounted cash flow model based on the average spread over a like-duration Treasury available in the market on the valuation date. The fair value of the synthetic GICs is based upon the fair value of the underlying assets at the NAV, as described above. The issuers of GICs guarantee that all qualified participant withdrawals will occur at contract value. The fair value of the issuer guarantees were not significant inputs to the valuation. The Plan classifies the Stable Value Fund in Level 2 of the fair value hierarchy.

Comerica Incorporated common stock: Fair value measurement of Comerica Incorporated common stock is based upon the closing price reported on the New York Stock Exchange and is classified in Level 1 of the fair value hierarchy.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents, by level within the fair value hierarchy, the recorded amount of the Plan's assets measured at fair value on a recurring basis. The Plan had no assets classified within Level 3 of the fair value hierarchy at December 31, 2010 and 2009. There were no liabilities measured at fair value at December 31, 2010 and 2009. There were no transfers of assets recorded at fair value into or out of Level 1 and Level 2 fair value measurements during the years ended December 31, 2010 and 2009.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

3. Fair Value (continued)

| December 31, 2010 | Total | Level 1 | Level 2 |
|-------------------------------------|----------------|----------------|----------------|
| Mutual funds: | | | |
| International funds | \$ 74,857,970 | \$ 74,857,970 | \$ |
| Small cap funds | 81,542,329 | 81,542,329 | |
| Mid cap funds | 70,857,138 | 70,857,138 | |
| Large cap funds | 66,761,603 | 66,761,603 | |
| Balanced fund | 26,576,846 | 26,576,846 | |
| Bond funds | 43,684,791 | 43,684,791 | |
| Money market fund | 6,584,990 | 6,584,990 | |
| Total mutual funds | 370,865,667 | 370,865,667 | |
| Collective trust funds: | | | |
| Asset allocation funds | 89,106,056 | | 89,106,056 |
| Large cap fund | 99,066,738 | | 99,066,738 |
| Stable value fund | 145,076,045 | | 145,076,045 |
| Total collective trust funds | 333,248,839 | | 333,248,839 |
| Comerica Incorporated common stock | 138,991,661 | 138,991,661 | |
| Total assets recorded at fair value | \$ 843,106,167 | \$ 509,857,328 | \$ 333,248,839 |
| December 31, 2009 | | | |
| Mutual funds: | | | |
| International funds | \$ 63,304,022 | \$ 63,304,022 | \$ |
| Small cap funds | 64,451,262 | 64,451,262 | |
| Mid cap funds | 55,901,149 | 55,901,149 | |
| Large cap funds | 58,427,415 | 58,427,415 | |
| Balanced fund | 23,682,947 | 23,682,947 | |
| Bond funds | 37,475,076 | 37,475,076 | |
| Money market fund | 5,244,170 | 5,244,170 | |
| Total mutual funds | 308,486,041 | 308,486,041 | |
| Collective trust funds: | | | |
| Asset allocation funds | 65,571,607 | | 65,571,607 |
| Large cap fund | 89,271,848 | | 89,271,848 |
| Stable value fund | 143,640,733 | | 143,640,733 |
| Money market fund | 2,756 | | 2,756 |
| Total collective trust funds | 298,486,944 | | 298,486,944 |
| Comerica Incorporated common stock | 108,234,575 | 108,234,575 | |
| Total assets recorded at fair value | \$ 715,207,560 | \$ 416,720,616 | \$ 298,486,944 |

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

4. Investments

The fair value of individual investments that represented 5 percent or more of the Plan's net assets available for benefits at the end of the respective years was as follows:

| | December 31, | |
|---|-----------------------|----------------|
| | 2010 | 2009 |
| Comerica Stable Value Fund | \$ 145,076,045 | \$ 143,640,733 |
| Comerica Incorporated common stock | 138,991,661 | 108,234,575 |
| Comerica S&P 500 Index Fund | 99,066,738 | 89,271,848 |
| William Blair International Growth Fund | 43,960,677 | 38,059,123 |

During the years ended December 31, 2010 and 2009, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated in fair value as follows:

| | Years Ended December 31, | |
|------------------------------------|---------------------------------|----------------|
| | 2010 | 2009 |
| Mutual funds | \$ 46,532,096 | \$ 59,010,389 |
| Collective trust funds | 23,343,319 | 32,507,358 |
| Comerica Incorporated common stock | 44,668,299 | 36,413,166 |
| | \$ 114,543,714 | \$ 127,930,913 |

5. Transactions With Parties-in-Interest

Certain Plan investments are shares of collective trust funds managed by Comerica Bank (the Bank), a subsidiary of the Corporation. The Bank serves as trustee of the Plan. Transactions involving funds administered by the trustee qualify as exempt party-in-interest transactions. Participants direct how their contributions are invested within the Plan.

The Bank provides the Plan with certain accounting and administrative services for which no fees are charged.

On December 31, 2010 and 2009, the Plan held 3,290,522 shares and 3,660,282 shares of Comerica Incorporated common stock, respectively, with fair values of \$138,991,661 and \$108,234,575, respectively. During the years ended December 31, 2010 and 2009, the Plan recorded dividend income from Comerica Incorporated common stock of \$742,305 and \$791,556, respectively.

Table of Contents

Comerica Incorporated Preferred Savings Plan

Notes to Financial Statements (continued)

6. Tax Status

The Plan received a determination letter from the Internal Revenue Service dated December 11, 2007, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Corporation believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the U.S. require plan management to evaluate uncertain tax positions taken by the Plan. Because the Corporation believes the Plan is qualified and the related trust is tax exempt, the Corporation concluded that there are no uncertain tax positions taken or expected to be taken.

7. Reconciliation of Financial Statements to Form 5500

| | December 31, | |
|--|----------------|----------------|
| | 2010 | 2009 |
| Net assets available for benefits per financial statements | \$ 870,314,691 | \$ 741,810,635 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | (143,058) | (2,523,883) |
| Net assets per Form 5500 | \$ 870,171,633 | \$ 739,286,752 |
| Increase in net assets per financial statements | \$ 128,504,056 | \$ 150,883,369 |
| Net adjustment from contract value to fair value for fully benefit-responsive investment contracts | 2,380,825 | 3,538,510 |
| Increase in net assets per Form 5500 | \$ 130,884,881 | \$ 154,421,879 |

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of assets available for benefits.

Table of Contents

Comerica Incorporated Preferred Savings Plan

EIN: #38-1998421 Plan #002

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2010

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Current Value |
|---|---|---------------|
| Mutual Funds | | |
| American Funds | The Growth Fund of America 912,219 shares | \$ 27,722,321 |
| | Capital World Growth and Income Fund 743,728 shares | 26,573,404 |
| Blackrock Funds | Blackrock Inflation Protected Bond Portfolio 83,518 shares | 901,163 |
| Eagle Mutual Funds | Eagle Small Cap Growth Fund 732,570 shares | 27,918,247 |
| Franklin/Templeton Investments | Franklin Rising Dividends Fund 633,734 shares | 20,818,177 |
| | Templeton Global Bond Fund 130,164 shares | 1,765,030 |
| Invesco Funds | Invesco Van Kampen Equity and Income Fund 3,093,929 shares | 26,576,846 |
| | Invesco STIT Treasury Fund 6,584,990 shares | 6,584,990 |
| Munder Funds | Munder Large-Cap Value Fund 2,185,778 shares | 28,130,963 |
| | Munder Mid-Cap Core Growth Fund 999,139 shares | 28,425,513 |
| Neuberger Berman Funds | Neuberger Berman Genesis Fund 862,865 shares | 41,106,908 |
| Oppenheimer Funds | Oppenheimer Developing Markets Fund 119,875 shares | 4,323,890 |
| PIMCO Funds | PIMCO GNMA Fund 1,704,995 shares | 19,471,040 |
| | PIMCO Total Return Fund 1,928,960 shares | 20,929,214 |
| Vanguard Funds | Vanguard Mid-Cap Index Fund 1,061,564 shares | 21,613,447 |
| | Vanguard Small-Cap Index Fund 359,999 shares | 12,517,174 |
| | Vanguard Total Bond Market Index Fund 58,334 shares | 618,344 |
| William Blair Funds | William Blair Growth Fund 967,050 shares | 10,908,319 |
| | William Blair International Growth Fund 2,011,930 shares | 43,960,677 |
| Total Mutual Funds | | 370,865,667 |
| Collective Trust and Other Funds | | |
| Comerica Incorporated (a) | Stable Value Fund 145,219,103 shares | 145,076,045 |
| | S&P 500 Index Fund 7,996,889 units | 99,066,738 |
| | Destination Retirement Fund 613,058 units | 8,093,586 |
| | Destination 2015 Fund 1,838,663 units | 24,371,971 |
| | Destination 2025 Fund 2,080,706 units | 27,553,517 |
| | Destination 2035 Fund 1,207,525 units | 15,795,265 |
| | Destination 2045 Fund 990,051 units | 13,291,717 |
| Total Collective Trust and Other Funds | | 333,248,839 |
| Comerica Incorporated (a) | Common Stock 3,290,522 shares | 138,991,661 |
| Participant loans (a) | Interest rate range: 6.99% to 11.74%, with various maturity dates | 23,497,315 |

| | |
|-------------------|----------------|
| Total investments | \$ 866,603,482 |
|-------------------|----------------|

(a) Party-in-interest.

Table of Contents

Supplemental Schedule