

# Second Quarter 2002 Financial Performance July 17, 2002

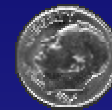
Comerica Incorporated

# Agenda

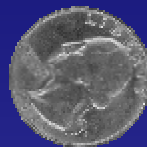
Comerica

This presentation provides an overview of the second quarter 2002 financial performance for Comerica Incorporated.

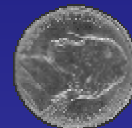
All information contained herein has been made public. Please refer to our press release and financial statements for additional detail.



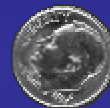
Highlights



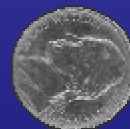
Income Statement



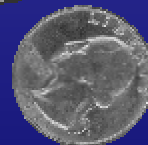
Loan Growth



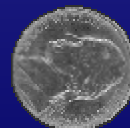
Credit Quality



Deposit Growth



Capital Management



Outlook

Questions & Answers

# Highlights

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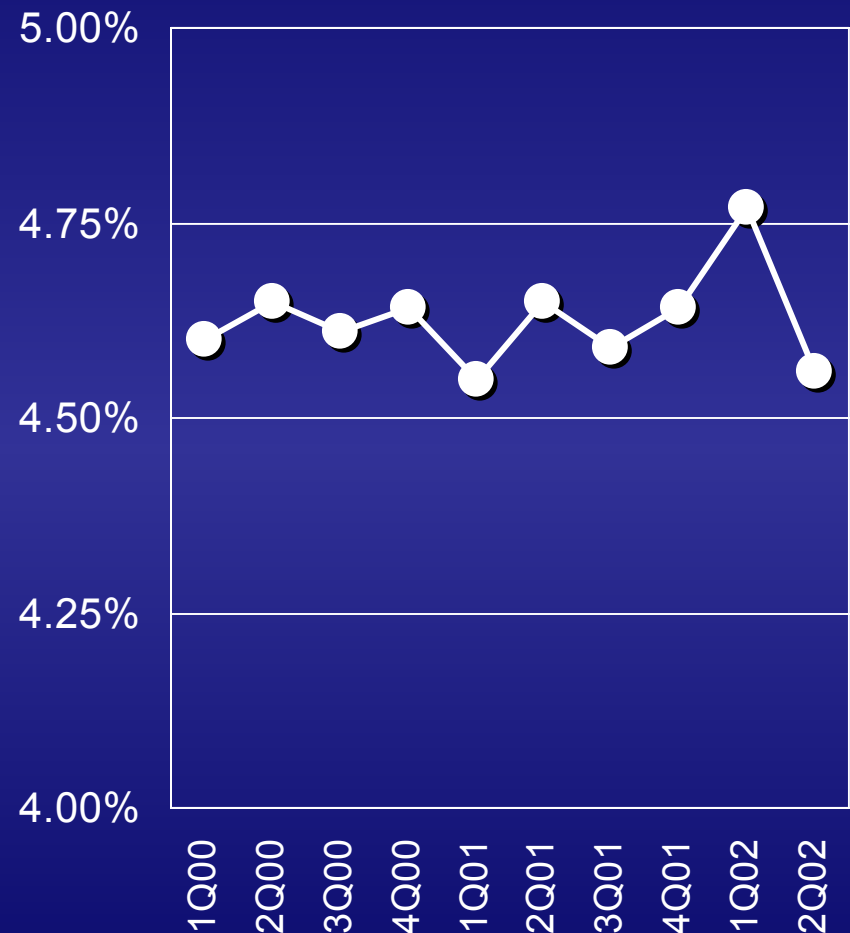
	<u>2Q02</u>	<u>1Q02</u>	<u>Q-Q % Change</u>	<u>2Q01</u>	<u>Y-Y % Change</u>
Net Income	\$184	\$214	-14%	\$208	-12%
Diluted EPS	\$1.03	\$1.20	-14%	\$1.13	-9%
Return on Equity	14.99%	17.84%		18.21%	
<b><u>ADJUSTED*</u></b>					
Net Income	\$220	\$214	3%	\$216	2%
Diluted EPS	\$1.23	\$1.20	3%	\$1.18	4%
Return on Equity	17.91%	17.84%		18.94%	

\*Excludes after-tax charges: \$36 MM Argentina charge in 2Q02; \$8 MM Imperial Restructuring charge in 2Q01.

# Net Interest Income & Margin

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- Net Interest Income down \$9 MM (2%) from 1Q02 to \$531 MM
- Net Interest Margin declined 21 basis points from 1Q02 to 4.56%:
  - growth in fully secured, low-rate loans to title and escrow companies (8 bps)
  - lower contribution from interest rate risk management hedging (6 bps)
  - higher interest reversals on new non-accrual loans (4 bps)



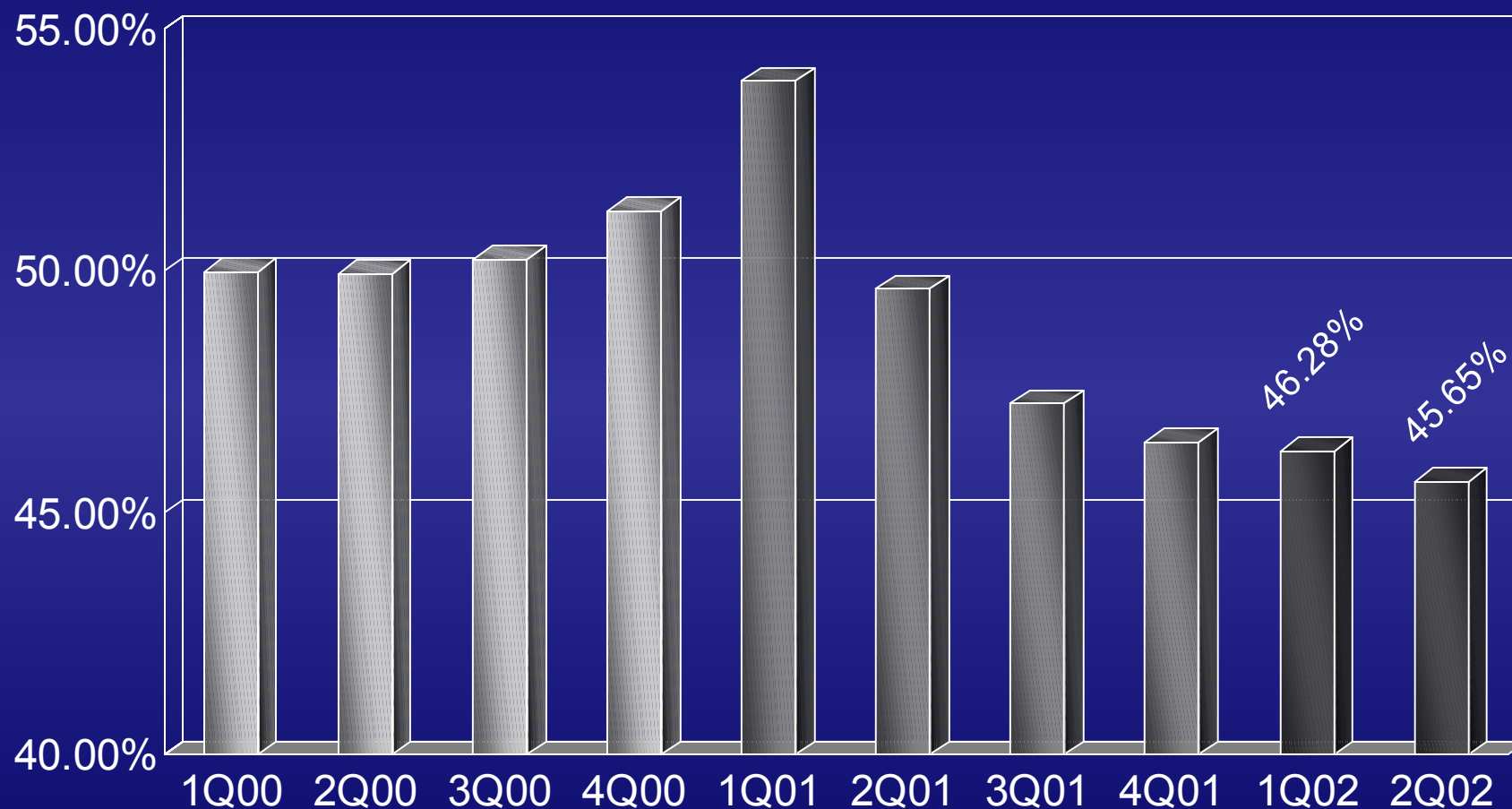
# Non-Interest Income

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	<u>2Q02</u>	<u>1Q02</u>	<u>Q-Q % Change</u>	<u>2Q01</u>	<u>Y-Y % Change</u>
Service Charges on Deposit Accts	\$ 57	\$ 56	2%	\$ 52	10%
Fiduciary Income	44	44	0%	46	-4%
Commercial Lending Fees	21	13	62%	14	50%
Letter of Credit Fees	15	14	7%	15	0%
Brokerage Fees	10	10	0%	12	-17%
Investment Advisory Rev, Net	9	10	-10%	14	-36%
Bank-owned Life Insurance	18	11	64%	9	100%
Securities Gains / (Losses)	(9)	(1)		(1)	
Other Non-Interest Income	57	51	12%	51	12%
TOTAL NII	\$222	\$208	7%	\$212	5%

# Efficiency Ratio\*

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\*Excludes impact of restructuring charges.

# Geographic Loan Growth

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	<u>2Q02</u>	<u>1Q02</u>	<u>\$ Change</u>	<u>% Change</u>
Michigan, International & National Businesses	\$25.6	\$25.6	\$0.0	0.0%
California	10.8	10.1	0.7	6.9%
Texas	4.6	4.5	0.1	2.2%
Florida	1.0	1.0	0.0	0.0%
<b>TOTAL</b>	<b>\$42.0</b>	<b>\$41.2</b>	<b>0.8</b>	<b>1.9%</b>

Avg loans outstanding in \$billions; % change based on full dollar amounts.

# Line of Business Loan Growth

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	<u>2Q02</u>	<u>1Q02</u>	<u>\$ Change</u>	<u>% Change</u>
Middle Market	\$13.3	\$12.6	\$0.7	5.6%
Com'l Real Estate	5.8	5.8	0.0	0.0%
Large Corporate	5.1	5.5	(0.4)	-6.8%
National Dealer Services	3.3	2.9	0.4	12.5%
Small Business	3.2	3.1	0.1	2.4%
International	3.1	3.1	0.0	0.0%
Asset Based	2.9	2.9	0.0	0.0%
Private Banking	2.5	2.4	0.1	2.8%
Tech & Life Sciences	0.6	0.7	(0.1)	-8.4%
Consumer	2.2	2.2	0.0	0.0%
<b>TOTAL</b>	<b>\$42.0</b>	<b>\$41.2</b>	<b>0.8</b>	<b>1.9%</b>

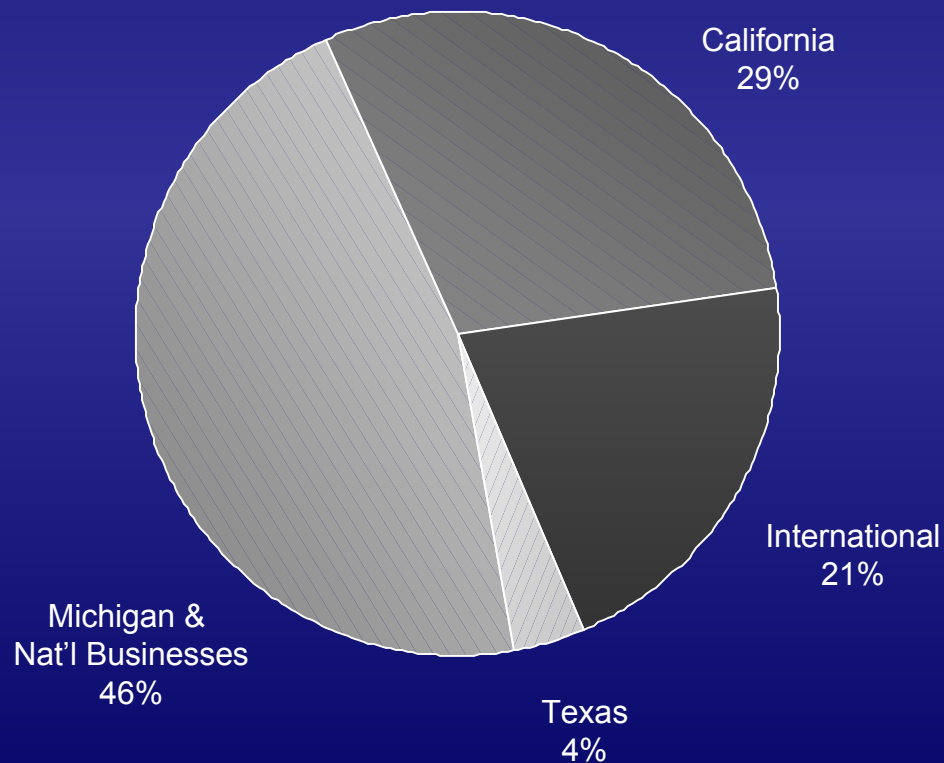
Avg loans outstanding in \$billions; % change based on full dollar amounts.



# Credit Quality - NPAs

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## NPAs by Geography (\$659 million)



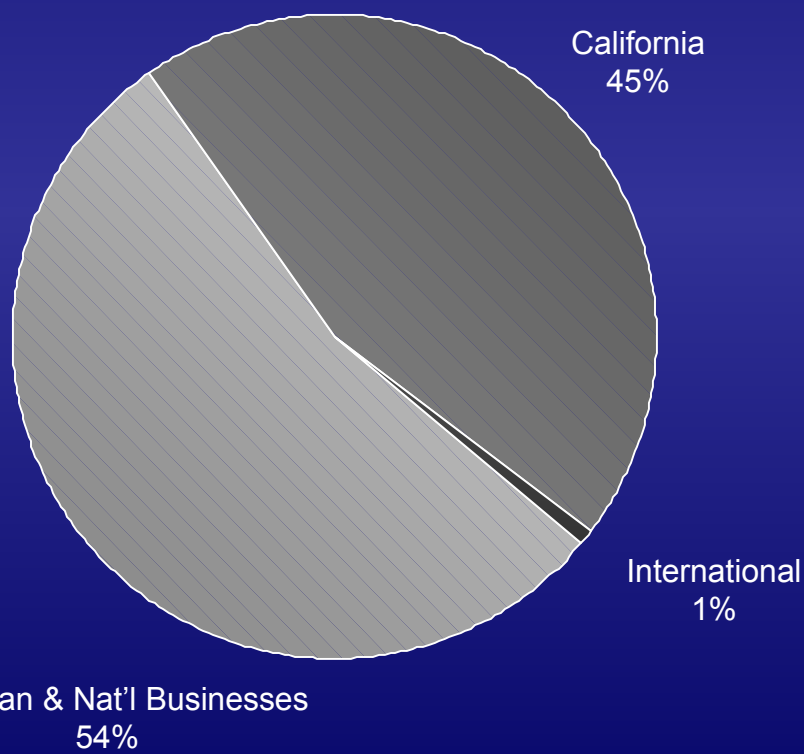
## Concentration of NPAs:

- Entertainment 11%
- Automotive 8%
- Steel Processors 8%
- Retail 7%
- Tech & Life Sciences 6%

# Credit Quality - Net Charge Offs

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## NCOs by Geography (\$59 million)



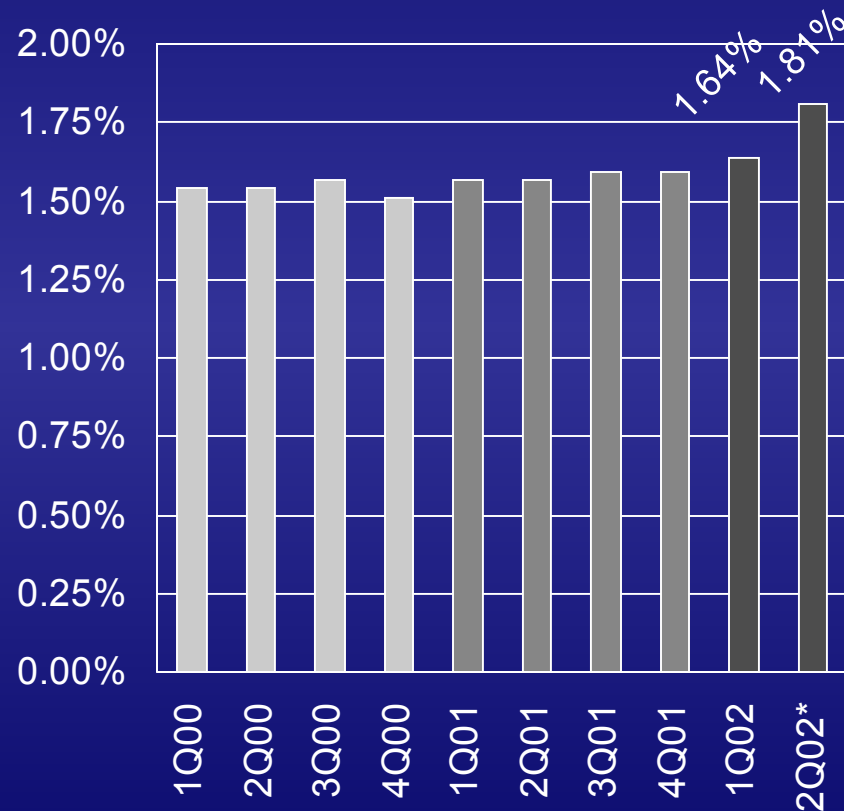
## NCOs by Line of Business:

- Large Corporate 34%
- Middle Market 28%
- Tech & Life Sciences 22%
- Entertainment 6%

# Credit Quality - Reserves

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## Reserves / Total Loans

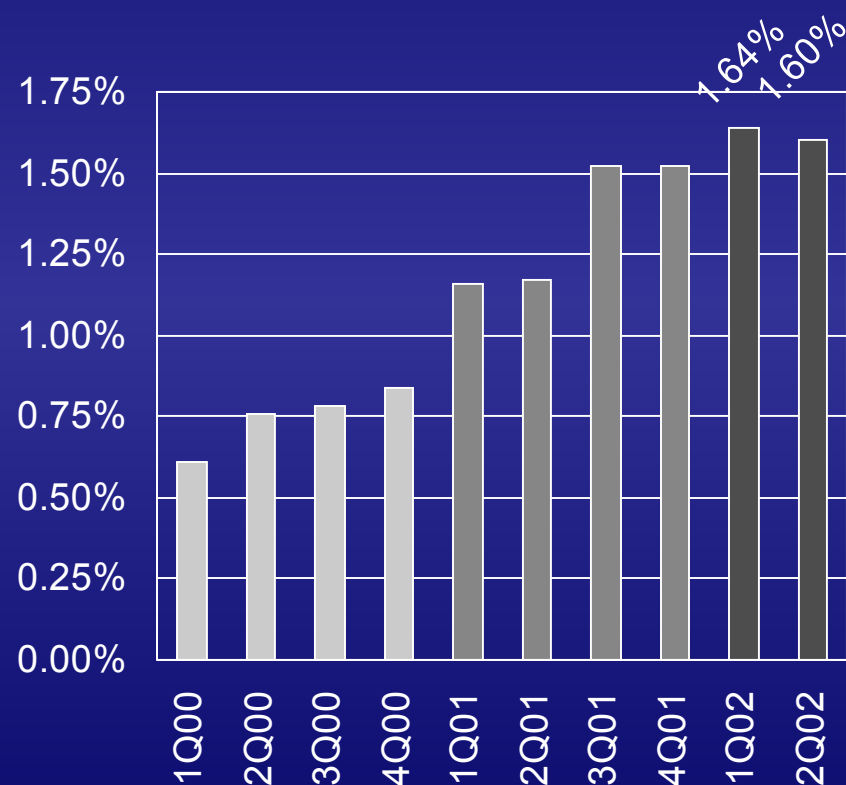


\*1.70% excluding Argentine provision, up from 1.64% in the first quarter.

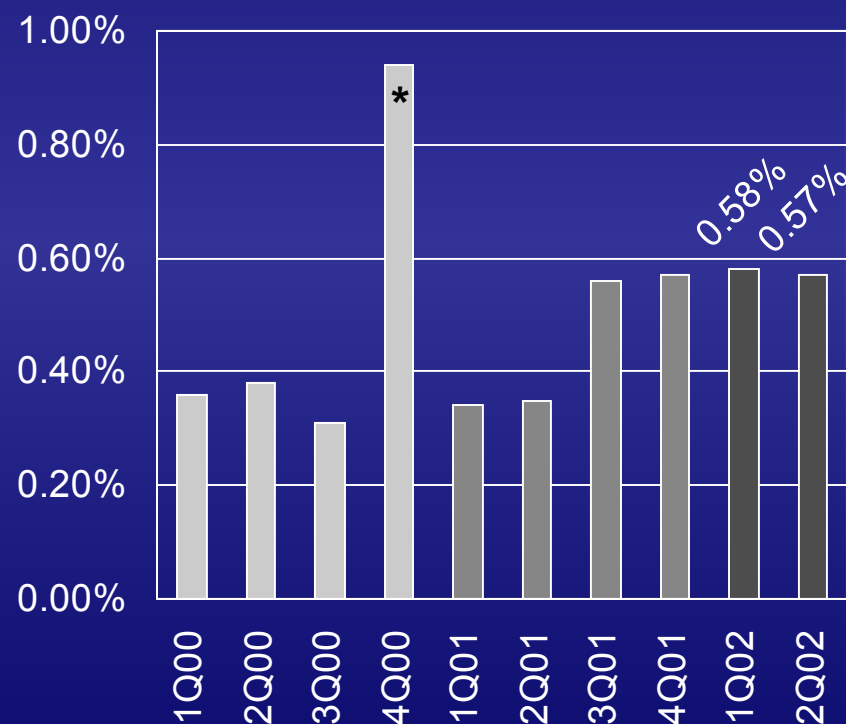
# Credit Outlook

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## NPAs / Total Loans & ORE



## NCOs / Average Total Loans



\*Includes significant charge-offs by Imperial prior to acquisition.

# Argentina Exposure

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- ↓ \$26 MM since May '02;  
↓ \$104 MM since Dec '01
- Focus on trade finance and foreign direct investment
- Export focus; companies with clear demonstrated competitive advantages and strong franchises
- Financial institutions to facilitate trade finance, lending and correspondent banking

## Exposure as of 06/30/02\*:

• Loans	\$ 90 MM
• Securities	16
• Unfunded	<u>9</u>
<b>TOTAL</b>	<b>\$115 MM</b>

### \*Argentine NPAs:

Non Performing Loans	\$24 MM
Non Performing Securities	\$ 4 MM

# Brazil Exposure

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- Focus on trade finance and foreign direct investment
- 74% of exposure is trade related
- 55% of exposure is to banks
- Average maturity is 1.5 years
- Planned reduction in portfolio over time

## Exposure as of 06/30/02\*:

• Loans	\$521 MM
• Unfunded	103
• Securities	<u>51</u>
<b>TOTAL</b>	<b>\$675 MM</b>

## Brazil NPAs:

Non Performing Loans	\$5 MM
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\*Net of US\$76 million of non-Brazil risk (supported by entities outside of Brazil).

# Deposit Growth

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	<u>2Q02</u>	<u>1Q02</u>	<u>Q-Q % Change</u>	<u>2Q01</u>	<u>Y-Y % Change</u>
Title / Escrow	\$5.6	\$5.1	11%	\$4.3	30%
Institutional CDs	\$3.7	\$4.1	-12%	\$4.7	-22%
Small Business	\$4.4	\$4.2	4%	\$4.2	5%
Technology & Life Sciences	\$1.7	\$1.6	7%	\$1.4	24%
Other	\$21.1	\$21.0	0%	\$20.6	2%
<b>TOTAL</b>	<b>\$36.5</b>	<b>\$36.0</b>	<b>1%</b>	<b>\$35.2</b>	<b>4%</b>

Average deposits in \$billions; % change based on full dollar amounts.

# Capital Management

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- Common shareholder's equity: \$4.9 billion
- 178 million average diluted shares
- Repurchased 1,447,800 shares in 2Q 2002
- Remaining authority 6 million shares
- Estimated capital ratios:
  - Tier 1 common 7.50%
  - Tier 1 8.18%
  - Total risk-based 12.00%



# Outlook

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- Annual average real GDP growth of 3% in calendar 2002, more than double 2001
- Declining unemployment rates and monetary tightening by the Federal Reserve in 4Q'02
- Light vehicle sales in calendar 2002 projected at 16.5 million units
- Current risks:
  - slower economic recovery than expected
  - a continued decline in the stock market
  - International instability, as in the Middle East and Latin America
- Expect full year earnings to be in the range of \$4.70 to \$4.85, including impact of Argentine charge (20 cents)

# Questions & Answers

Beth Acton, Executive Vice President & CFO

&

Judy Love, Sr. Vice President - Finance