

COMERICA INC /NEW/

Form 11-K

May 31, 2017

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, 2016

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

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Comerica Incorporated Preferred Savings Plan

Years Ended December 31, 2016 and 2015

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, 2016 and 2015

Contents

Report of Independent Registered Public Accounting Firm 1

Audited Financial Statements

Statements of Net Assets Available for Benefits 2

Statements of Changes in Net Assets Available for Benefits 3

Notes to Financial Statements 4

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) 12

---

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 (the Plan) as of December 31, 2016 and 2015, 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 Comerica Incorporated Preferred Savings Plan at December 31, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2016, has been subjected to audit procedures performed in conjunction with the audit of Comerica Incorporated Preferred Savings Plan's financial statements. The information in the supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ernst & Young LLP

May 31, 2017

Table of Contents

| Comerica Incorporated Preferred Savings Plan    |                 |                 |
|---|-----------------|-----------------|
| Statements of Net Assets Available for Benefits |                 |                 |
| December 31                                     | 2016            | 2015            |
| Assets  |                 |                 |
| Investments:                                    |                 |                 |
| Investments in master trust, at fair value      | \$1,170,165,815 | \$1,050,645,905 |
| Investments in master trust, at contract value  | 148,063,193     | 129,493,139     |
| Total investments                               | 1,318,229,008   | 1,180,139,044   |
| Receivables:                                    |                 |                 |
| Accrued income receivable                       | 499,197         | 511,536         |
| Notes receivable from participants              | 26,967,756      | 27,417,146      |
| Total receivables                               | 27,466,953      | 27,928,682      |
| Net assets available for benefits               | \$1,345,695,961 | \$1,208,067,726 |
| See accompanying notes.                         |                 |                 |

Table of Contents

## Comerica Incorporated Preferred Savings Plan

## Statements of Changes in Net Assets Available for Benefits

| Years Ended December 31                                | 2016            | 2015            |
|--|-----------------|-----------------|
| Additions  |                 |                 |
| Participant contributions                              | \$47,167,523    | \$47,098,808    |
| Employer contributions                                 | 21,918,926      | 21,902,928      |
| Interest income on notes receivable from participants  | 1,317,358       | 1,112,622       |
| Total additions  | 70,403,807      | 70,114,358      |
| Deductions   |                 |                 |
| Distributions to participants                          | 87,724,366      | 70,996,483      |
| Transaction fees and expenses                          | 159,838         | 149,235         |
| Total deductions                                       | 87,884,204      | 71,145,718      |
| Plan interest in master trust investment income (loss) | 155,108,632     | (11,405,382 )   |
| Net increase (decrease) for the year                   | 137,628,235     | (12,436,742 )   |
| Net assets available for benefits:                     |                 |                 |
| Beginning of year                                      | 1,208,067,726   | 1,220,504,468   |
| End of year  | \$1,345,695,961 | \$1,208,067,726 |
| 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 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 description captioned "Comerica Incorporated Preferred Savings 401(k) Plan." Copies of the summary plan description are available on the Internet at [www.comericaretirement.com](http://www.comericaretirement.com).

Effective January 1, 2011, the Corporation transferred the Plan's profit sharing feature to a separate plan, the Comerica Incorporated Retirement Account Plan (the Retirement Account Plan), and retained the traditional 401(k) feature. The Comerica Incorporated Defined Contribution and Preferred Savings Trust (the Master Trust) is a master trust that holds the assets of both plans. The Retirement Account Plan merged into the Plan as of January 1, 2017 and retained certain features contained in the prior plan.

Although the Corporation has not expressed any intent to do so, 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 remain 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 description for more complete information.

Eligibility

Employees are generally eligible to participate in the Plan on the first day of the first payroll period commencing on or after the first day of the month coincident with or following six consecutive calendar months of service.

Participant Contributions and Accounts

Participants may make pre-tax contributions and/or Roth contributions to the Plan through payroll deductions. Total contributions may not exceed the lesser of 50 percent of the participant's annual compensation or the Internal Revenue Service (IRS) allowed maximum (\$18,000 plus an additional \$6,000 for participants age 50 or over for both 2016 and 2015). 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 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.

Rollover contributions are also accepted from other tax-qualified plans, provided certain specified conditions are met. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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. In the absence of a participant's investment election, the funds are initially invested in the Comerica Destination Fund appropriate for the participant's age. Employer matching contributions are 100 percent vested at the time they are contributed to a participant's individual account.

Dividend Election

The Plan discontinued the Corporation's common stock as an investment election available to participants for future contributions or reallocations from other investments in 2008. Participants may elect to either reinvest the dividends within the Plan or receive the dividends as cash with their regular pay.



Table of Contents

Comerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

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 that are credited to the participant's individual account. Participants are charged a fee to initiate each loan as well as a quarterly loan maintenance fee.

Distributions to Participants

Upon separation from service with the Corporation for any reason, a participant whose vested account balance is \$5,000 or less may elect to receive either a lump sum or a rollover distribution. A participant whose vested account balance is greater than \$5,000 may elect a distribution or remain in the Plan. Distribution options include a rollover, lump sum distribution or monthly, quarterly or annual installments over a fixed period. Distributions are recorded when paid.

In-service withdrawals are permitted upon request of a participant with an attained age of at least 59-1/2 years and in certain other limited circumstances, as defined by the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the IRS and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Plan Expenses

Administrative and investment expenses incurred in connection with the operation of the Plan are paid by the Corporation and by revenue sharing with the recordkeeper. Certain participant loan fees and transaction expenses are deducted from loan or distribution proceeds, as applicable, or are charged directly to the participant's account. Additionally, the Plan offers fee-based advisory services to participants. Fees for these services are charged directly to the participant's account.

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 (GAAP). The preparation of financial statements in conformity with GAAP 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. Certain items in prior periods were reclassified to conform to the current presentation.

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. GAAP 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 qualified plan are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract value. The contract value represents contributions plus earnings at the crediting rate, less participant withdrawals and administrative expenses. The Stable Value Fund primarily invests in fully benefit-responsive synthetic and security-backed guaranteed investment contracts in addition to collective trust

funds.

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.

5

---

Table of ContentsComerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

## Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as transaction fees and expenses and are expensed when they are incurred. No allowance for credit losses was recorded as of December 31, 2016 and 2015. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

## 3. Investments in Master Trust

The Plan's assets are held in the Master Trust, together with assets of the Retirement Account Plan.

Each participating plan's interest in the investment funds (i.e., separate accounts) of the Master Trust is based on account balances of the participants and their elected investments. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified (primarily contributions, benefit payments and plan-specific expenses). The Plan's interest in the net assets of the Master Trust was approximately 96.9 percent and 97.3 percent at December 31, 2016 and 2015, respectively.

The following table presents the fair values of investments in the Master Trust and the Plan's percentage interest in each investment fund of the Master Trust.

|  | Master Trust    | Plan's<br>Ownership<br>Percentage |
|--|-----------------|-----------------------------------|
| December 31, 2016  |                 |                                   |
| Mutual funds   | \$616,171,016   | 98.5 %                            |
| Collective trust funds   | 446,592,098     | 93.0                              |
| Comerica Incorporated common stock                               | 147,928,310     | 100.0                             |
| Total investments, at fair value                                 | 1,210,691,424   | 96.7                              |
| Fully benefit-responsive investment contracts, at contract value | 150,172,530     | 98.6                              |
| Total investments  | \$1,360,863,954 | 96.9 %                            |
| December 31, 2015  |                 |                                   |
| Mutual funds   | \$577,347,668   | 98.7 %                            |
| Collective trust funds   | 403,387,569     | 93.9                              |
| Comerica Incorporated common stock                               | 101,893,052     | 100.0                             |
| Total investments, at fair value                                 | 1,082,628,289   | 97.0                              |
| Fully benefit-responsive investment contracts, at contract value | 130,501,231     | 99.2                              |
| Total investments  | \$1,213,129,520 | 97.3 %                            |

Investment income (loss) for the Master Trust was as follows:

| Years Ended December 31                                      | 2016          | 2015           |
|--|---------------|----------------|
| Net appreciation (depreciation) in fair value of investments | \$130,921,990 | \$(43,856,473) |
| Dividend and interest income                                 | 25,903,244    | 30,047,654     |
| Dividend income, Comerica Incorporated common stock          | 2,071,552     | 2,065,956      |
| Total investment income (loss)                               | \$158,896,786 | \$(11,742,863) |

Table of Contents

Comerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

4. Fair Value

Fair value measurements are utilized 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.

Assets at fair value in the Plan are categorized into a three-level hierarchy, based on the markets in which the assets 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 at the daily closing price as reported by the fund. Mutual funds held by the plan are quoted in an active market and are classified in Level 1 of the fair value hierarchy.

Collective trust funds: Collective trust funds are valued using the NAV provided by the administrator of the fund as a practical expedient to estimate fair value. The Stable Value Fund primarily invests in fully benefit-responsive synthetic and security- backed guaranteed investment contracts, as well as collective trust funds. The collective trust funds within the Stable Value Fund are also valued at the NAV provided by the administrators of the funds.

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.

Table of ContentsComerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

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 2 or Level 3 of the fair value hierarchy at December 31, 2016 and 2015. There were no liabilities measured at fair value at December 31, 2016 and 2015. There were no transfers of assets recorded at fair value into or out of Level 1 fair value measurements during the years ended December 31, 2016 and 2015.

|   | Total         | Level 1       |
|---|---------------|---------------|
| December 31, 2016                             |               |               |
| Investments at fair value:                    |               |               |
| Mutual funds                                  | \$606,821,513 | \$606,821,513 |
| Comerica Incorporated common stock            | 147,928,310   | 147,928,310   |
| Total investments in the fair value hierarchy | 754,749,823   | 754,749,823   |

|   |                 |
|---|-----------------|
| Collective trust funds, measured at net asset value | 415,415,992     |
| Total investments at fair value                     | \$1,170,165,815 |

December 31, 2015

|   |               |               |
|---|---------------|---------------|
| Investments at fair value:                    |               |               |
| Mutual funds                                  | \$569,984,906 | \$569,984,906 |
| Comerica Incorporated common stock            | 101,893,052   | 101,893,052   |
| Total investments in the fair value hierarchy | 671,877,958   | 671,877,958   |

|   |                 |
|---|-----------------|
| Collective trust funds, measured at net asset value | 378,767,947     |
| Total investments at fair value                     | \$1,050,645,905 |

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2016 and 2015. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

| Collective trust funds:      | December 31,    |                 |                      | Redemption Frequency | Redemption Notice Period |
|------------------------------|-----------------|-----------------|----------------------|----------------------|--------------------------|
|                              | 2016 Fair Value | 2015 Fair Value | Unfunded Commitments |                      |                          |
| Asset allocation funds       | \$200,412,199   | \$176,139,029   | None                 | Daily                | None                     |
| Large cap fund               | 182,435,750     | 168,654,699     | None                 | Daily                | None                     |
| Stable value fund            | 11,466,315      | 15,867,242      | None                 | Daily                | 12 months                |
| Mid cap fund                 | 17,374,325      | 14,191,258      | None                 | Daily                | None                     |
| Short-term investment fund   | 3,727,403       | 3,915,719       | None                 | Daily                | None                     |
| Total collective trust funds | \$415,415,992   | \$378,767,947   |                      |                      |                          |

Table of Contents

Comerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

## 5. Fully Benefit-Responsive Investment Contracts

The Plan holds a portfolio of investment contracts which includes a portfolio of separate account and security-backed guaranteed investment contracts. These contracts meet the fully benefit-responsive investment contract criteria and, therefore, are reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants when they initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less withdrawals. The following represents the disaggregation of contract value between types of investment contracts held by the Plan.

|  | Contract<br>Value |
|--|-------------------|
| December 31, 2016                                |                   |
| Separate account guaranteed investment contracts | \$25,712,483      |
| Security-backed guaranteed investment contracts  | 122,350,710       |
| Total  | \$148,063,193     |

Separate account and security-backed guaranteed investment contracts are issued by insurance companies or other financial institutions, backed by a portfolio of bonds. The bond portfolio is either owned by the contract issuer and segregated in a separate account for the benefit of the Plan (separate account guaranteed investment contract) or owned directly by the Plan (security-backed investment contract). The issuer guarantees that all qualified participant withdrawals will be at contract value and that the crediting rate applied will not be less than 0 percent. Crediting rates are typically reset quarterly to account for the difference between the contract value and the fair value of the underlying portfolio.

Risks arise when entering into any investment contract due to the potential inability of the issuer to meet the terms of the contract. In addition, separate account and security-backed guaranteed investment contracts have the risk of default or the lack of liquidity of the underlying portfolio assets. The credit risk of each issuer is evaluated and monitored through the portfolio manager's credit analysis. The credit analysis includes, but is not limited to, asset quality and liquidity, management quality, surplus adequacy, and profitability. The Plan requires that the issuers of each contract have a minimum quality rating as of the contract effective date and that all underlying portfolio assets be rated investment grade at the time of purchase.

Separate account and security-backed guaranteed investment contracts generally are evergreen contracts that contain termination provisions, allowing the Plan or the contract issuer to terminate with notice, at any time at fair value, and providing for automatic termination of the contract if the contract value or the fair value of the underlying portfolio equals zero. The issuer is obligated to pay the excess contract value when the fair value of the underlying portfolio equals zero.

In addition, if the Plan defaults in its obligations under the contract (including the issuer's determination that the agreement constitutes a nonexempt prohibited transaction as defined under ERISA), and such default is not corrected within the time permitted by the contract, then the contract may be terminated by the issuer and the Plan will receive the fair value as of the date of termination. Each contract recognizes certain "events of default" which can invalidate the contracts' coverage. Among these are investments outside of the range of instruments which are permitted under the investment guidelines contained in the investment contract, fraudulent or other material misrepresentations made to the issuer, changes of control of the investment adviser not approved by the contract issuer, changes in certain key regulatory requirements, or failure of the Plan to be tax qualified.

The contracts also generally provide for withdrawals associated with certain events which are not in the ordinary course of Plan operations. These withdrawals are paid with a market value adjustment applied to the withdrawal as defined in the investment contract. Each contract issuer specifies the events which may trigger a market value adjustment; however, such events may include, but may not be limited to, the following:

Table of Contents

Comerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

- material amendments to the Plan's structure or administration;
- complete or partial termination of the Plan, including a merger with another plan;
- the failure of the Plan to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
- the redemption of all or a portion of the interests in the Plan at the direction of the plan sponsor, including withdrawals due to the removal of a specifically identifiable group of employees from coverage under the plan (such as a group layoff or early retirement incentive program), the closing or sale of a subsidiary, employing unit, or affiliate, the bankruptcy or insolvency of the plan sponsor, the merger of the plan with another plan, or the plan sponsor's establishment of another tax qualified defined contribution plan;
- any change in law, regulation, ruling, administrative or judicial position, or accounting requirement, applicable to the Plan;
- changes to competing investment options;
- the delivery of any communication to plan participants designed to influence a participant not to invest in the stable value option.

6. Transactions With Parties-in-Interest

Certain Plan investments in the Master Trust 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, 2016 and 2015, the Plan held 2,170,420 and 2,435,885 shares of Comerica Incorporated common stock, respectively, with fair values of \$147,928,310 and \$101,893,052, respectively. During the years ended December 31, 2016 and 2015, the Plan recorded dividend income from Comerica Incorporated common stock of \$2,071,552 and \$2,065,956, respectively.

7. Tax Status

The Plan received a determination letter from the IRS dated September 26, 2013, 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 IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan has been designed to comply with and is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended and restated, is qualified and the related trust is tax exempt.

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan, and its predecessor plan, is no longer subject to income tax examinations for years prior to 2013.

Table of Contents

Comerica Incorporated Preferred Savings Plan  
Notes to Financial Statements (continued)

## 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of total net assets available for benefits and the increase (decrease) in net assets available for benefits per the financial statements to amounts reported on Form 5500 for the years ended December 31, 2016 and 2015.

| December 31  | 2016            | 2015            |
|--|-----------------|-----------------|
| Net assets available for benefits per financial statements   | \$1,345,695,961 | \$1,208,067,726 |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts     | (202,537        | ) 288,491       |
| Net assets transferred from the Retirement Account Plan  | 53,312,034      | —               |
| Net assets per Form 5500   | \$1,398,805,458 | \$1,208,356,217 |
| Increase (decrease) in net assets per financial statements   | \$137,628,235   | \$(12,436,742 ) |
| Net adjustment from contract value to fair value for fully benefit-responsive investment contracts | (491,028        | ) (913,230 )    |
| Net assets transferred from the Retirement Account Plan  | 53,312,034      | —               |
| Increase (decrease) in net assets per Form 5500  | \$190,449,241   | \$(13,349,972 ) |

The Retirement Account Plan merged with the Plan effective January 1, 2017 and a final Form 5500 for the Retirement Account Plan will be filed for the year ended December 31, 2016.

## 9. 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 Net Assets Available for Benefits.



Table of Contents

SUPPLEMENTAL SCHEDULE

Comerica Incorporated Preferred Savings Plan

EIN: #38-1998421 Plan #002

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

December 31, 2016

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Current Value |
|---|---|---------------|
| Participant loans (a)<br>(a) Party-in-interest.       | Interest rate range: 4.25% to 11.74%, with various maturity dates                                       | \$26,967,756  |

---

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

By: Comerica Bank, Trustee

/s/ John D. Buchanan

John D. Buchanan

Executive Vice President - Chief Legal Officer

Dated: May 31, 2017

---

Table of Contents

EXHIBIT INDEX

Exhibit No. Description

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