COMERICA INC /NEW/
Form 424B2
July 26, 2007

Table of Contents

As Filed Pursuant to Rule 424(B)(2)
Registration File No. 333-138924

PROSPECTUS SUPPLEMENT
(to Prospectus dated February 13, 2007)

$150,000,000
Comerica Incorporated
Floating Rate Senior Notes due 2010

We will pay interest on the notes on January 27, April 27, July 27 and October 27 of each year, beginning October 27, 2007. The notes will mature on July 27, 2010, We may not redeem the notes prior to maturity.

The notes will be unsecured obligations of our company and will rank equally with all of our other unsecured, senior indebtedness from time to time outstanding. The notes will be issued only in registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

	Per Note	Total
Public offering price(1)	100.000%	$ 150,000,000
Underwriting discount	0.200%	$ 300,000
Proceeds, before expenses, to Comerica(1)	99.800%	$ 149,700,000

(1) Plus accrued interest, if any, from October 27, 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes are unsecured debt obligations of Comerica and are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company on or about July 27, 2007.

Joint Book-Running Managers

Banc of America Securities LLC **Barclays Capital**

Comerica Securities **Sandler O Neill + Partners, L.P.**

The date of this prospectus supplement is July 24, 2007.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of the notes in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

TABLE OF CONTENTS

Prospectus Supplement

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes. The second part is the prospectus dated February 13, 2007, which is part of our Registration Statement on Form S-3 (Registration No. 333-138924).

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Where You Can Find More Information in the accompanying prospectus.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the underwriters or any of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See Underwriting.

In this prospectus supplement and the accompanying prospectus, unless otherwise stated, references to Comerica, the Company, we, us and our refer to Comerica Incorporated and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements regarding our expected financial position, strategies and growth prospects and general economic conditions we expect to exist in the future are forward-looking statements. The words, anticipates, believes, feels, expects, estimates, strives, plans, intends, outlook, forecast, position, target, mission, assume, achievable, potential aspiration, outcome, continue, remain, maintain, trend, objective and variations of such words and similar or future or conditional verbs such as will, would, should, could, might, can, may or similar expressions, a to Comerica or its management, are intended to identify forward-looking statements.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date the statement is made, and we do 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. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance.

Table of Contents

In addition to factors mentioned elsewhere in this prospectus supplement, the accompanying prospectus or previously disclosed in Comerica s SEC reports (accessible on the SEC s website at www.sec.gov or on Comerica s website at www.comerica.com), the following factors, among others, could cause actual results to differ materially from forward-looking statements and future results could differ materially from historical performance. These factors are not exclusive.

general political, economic or industry conditions, either domestically or internationally, may be less favorable than expected;

unfavorable developments concerning credit quality could adversely affect Comerica s financial results;

industries in which we have lending concentrations, including, but not limited to, automotive production and the commercial real estate industry, could suffer a significant decline which could adversely affect us;

the introductions, withdrawal, success and timing of business initiatives and strategies, including, but not limited to, the opening of new banking centers, and plans to grow personal financial services and wealth management, may be less successful or may be different than anticipated. Such a result could adversely affect our business;

fluctuations in interest rates could adversely affect our net interest income and balance sheet;

customer borrowing, repayment, investment and deposit practices generally may be different than anticipated;

management s ability to maintain and expand customer relationships may differ from expectations;

competitive product and pricing pressures among financial institutions within our markets may change;

management s ability to retain key officers and employees may change;

legal and regulatory proceedings and related matters with respect to the financial services industry, including those directly involving us and our subsidiaries, could adversely affect us or the financial services industry in general;

changes in regulation or oversight may have a material adverse impact on Comerica s operations;

methods of reducing risk exposures might not be effective;

there could be terrorist activities or other hostilities, which may adversely affect the general economy, financial and capital markets, specific industries, and us;

changes relating to the headquarters relocation or its underlying assumptions; and

there could be natural disasters, including, but not limited to, hurricanes, tornadoes, earthquakes, fires and floods, which may adversely affect the general economy, financial and capital markets, specific industries, and us.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about Comerica and this offering. It does not contain all of the information that may be important to you in deciding whether to purchase notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the SEC that are incorporated by reference prior to deciding whether to purchase notes.

Comerica Incorporated

Comerica Incorporated (Comerica) is a bank holding company incorporated under the laws of the State of Delaware, headquartered in Detroit, Michigan, and registered under the Bank Holding Company Act of 1956, as amended. As of March 31, 2007, Comerica owned directly or indirectly all the outstanding stock of 2 active banking and 63 non-banking subsidiaries. At March 31, 2007, Comerica had total assets of approximately $57.5 billion, total deposits of approximately $43.7 billion, total loans (net of unearned income) of approximately $48.0 billion and common shareholders equity of approximately $5.1 billion.

Comerica has strategically aligned its operations into three major business segments: The Business Bank, The Retail Bank and Wealth & Institutional Management. In addition to the three major business segments, the Finance Division is also reported as a segment.

The Business Bank is primarily comprised of the following businesses: middle market, commercial real estate, national dealer services, global finance, large corporate, leasing, financial services, and technology and life sciences. This business segment meets the needs of medium-size businesses, multinational corporations and governmental entities by offering various products and services, including commercial loans and lines of credit, deposits, cash management, capital market products, international trade finance, letters of credit, foreign exchange management services and loan syndication services.

The Retail Bank includes small business banking (entities with annual sales under $10 million) and personal financial services, consisting of consumer lending, consumer deposit gathering and mortgage loan origination. In addition to a full range of financial services provided to small business customers, this business segment offers a variety of consumer products, including deposit accounts, installment loans, credit and debit cards, student loans, home equity lines of credit and residential mortgage loans.

Wealth & Institutional Management offers products and services consisting of personal trust, which is designed to meet the personal financial needs of affluent individuals (as defined by individual net income or wealth), private banking, institutional trust, retirement services, investment management and advisory services, investment banking and discount securities brokerage services. This business segment also offers the sale of annuity products, as well as life, disability and long-term care insurance products.

The Finance Division includes Comerica s securities portfolio and asset and liability management activities. This segment is responsible for managing Comerica s funding, liquidity and capital needs, performing interest sensitivity analysis and executing various strategies to manage Comerica s exposure to liquidity, interest rate risk and foreign exchange risk.

The other category includes discontinued operations, the income and expense impact of equity and cash, tax benefits not assigned to specific business segments and miscellaneous other expenses of a corporate nature.

In addition, Comerica has positioned itself to deliver financial services in its 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 Midwest market consists of operations located in the states of Michigan, Ohio and Illinois. Currently, Michigan operations represent the significant majority of the Midwest market. The Western market consists of operations located in the states of California, Arizona, Nevada, Colorado and Washington. Currently, California operations represent the significant majority of the Western market. The Texas and Florida markets consist of operations located in the states of Texas and Florida, respectively. Other Markets includes Comerica s investment management and trust alliance businesses, as well as all other markets in which Comerica has operations, except for the International market. The

International market represents the activity of Comerica s International Finance division, which provides banking services primarily to foreign-owned, North American-based companies.

Competitors of Comerica include commercial banks, savings and loan associations, consumer and commercial finance companies, credit unions and other financial services companies. Based on market, technological and legislative and regulatory developments, including the elimination of previous legal restrictions on interstate banking, Comerica believes that the level of competition will increase in the future.

Comerica Bank is subject to extensive regulation by federal regulators, including the Board of Governors of the Federal Reserve System (the Federal Reserve Board) and the FDIC. Comerica Bank is regulated by the Division of Financial Institutions, Office of Financial and Insurance Services of the State of Michigan. These regulatory bodies examine Comerica Bank and supervise numerous aspects of its business.

Comerica continues to review and evaluate potential acquisitions in order to expand their core businesses in defined markets. Comerica anticipates that from time to time in the future Comerica will acquire companies that complement and effectuate its business objectives in both federally-assisted and negotiated transactions. Certain acquisitions, including those by Comerica and others, have typically involved the payment of a premium over book and market values which results in some dilution to the acquiring company s book value and net income per common share. Comerica and Comerica Bank expect that future acquisitions may involve acquisition premiums and dilution.

The notes are neither obligations of nor guaranteed by Comerica Bank.

The principal offices of Comerica are located at Comerica Tower at Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48226-3391. Comerica s telephone number is (313) 222-6317. It is anticipated that the principal offices of Comerica will relocate to Dallas, Texas by the end of 2007.

Recent Financial Results

On July 18, 2007, Comerica reported second quarter 2007 income from continuing operations of $196 million compared to $195 million for the second quarter 2006. In the fourth quarter 2006, Comerica sold its stake in Munder Capital Management which it now reports as a discontinued operation in all periods discussed. Income from continuing operations for the first six months of 2007 was $385 million compared to $402 million for the first six months of 2006. Total assets and common shareholders equity were $58.6 billion and $5.0 billion, respectively, at June 30, 2007, compared to $57.5 billion and $5.1 billion, respectively, at March 31, 2007.

Table of Contents

The Offering

Issuer	Comerica Incorporated
Securities Offered	$150,000,000 aggregate principal amount of Floating Rate Senior Notes due 2010.
Maturity	July 27, 2010.
Interest Rate	The notes will bear interest at a variable rate reset each interest period based on three-month LIBOR plus 0.17% as described under the heading Description of the Notes Interest.
Interest Payment Dates	We will pay interest on the notes on January 27, April 27, July 27 and October 27 of each year, beginning on October 27, 2007.
Ranking	The notes will be unsecured obligations of our company and will rank equally with all of our other unsecured, senior indebtedness from to time outstanding.
Optional Redemption	We may not redeem the notes prior to maturity.
Further Issues	We may from time to time, without notice to or the consent of the holders of the notes , create and issue additional debt securities having the same terms as and ranking equally and ratably with the notes in all respects, as described under Description of the Notes General.
Use of Proceeds	To repay the $150,000,000 aggregate principal amount of our 7.25% subordinated note due 2007.
Book-Entry	The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of Cede & Co., DTC s nominee. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee; and these interests may not be exchanged for certificated notes except in limited circumstances. See Description of the Notes General.
Trustee	The Bank of New York.

Table of Contents

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended March 31,		Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
Excluding interest on deposits	3.32x	3.77x	3.49x	6.05x	9.30x	7.94x	5.78x
Including interest on deposits	1.68x	1.91x	1.77x	2.54x	3.45x	2.87x	2.42x

For purposes of computing these ratios, earnings represent income after interest on tax liabilities and before income taxes and fixed charges. Fixed charges, excluding interest on deposits, include interest (other than on deposits and on tax liabilities), whether expensed or capitalized, and that portion of rental expense (generally one-third) deemed representative of the interest factor. Fixed charges, including interest on deposits, consist of the foregoing items plus interest on deposits.

USE OF PROCEEDS

The net proceeds to us from the sale of the notes will be approximately $149,700,000 (after underwriting discounts and our offering expenses). We intend to apply the net proceeds toward the repayment of our $150 million outstanding principal amount of 7.25% subordinated note due 2007. Pending application of the proceeds of the sale of the notes, we intend to invest such proceeds in short-term investments.

CAPITALIZATION

The following table sets forth at March 31, 2007 our consolidated capitalization on an actual basis and as adjusted to give effect to the issuance of the notes and the application of the proceeds from the sale of the notes as described under Use of Proceeds. You should read this table together with our consolidated financial statements and related notes and the other financial information incorporated by reference in this prospectus supplement.

Medium- and long-term debt	As of March 31, 2007 Actual	As Adjusted
	(Dollars in millions)	
Medium- and long-term debt:		
Senior notes offered hereby	$	$ 150
Other medium- and long-term debt	7,148	6,998
Total medium- and long-term debt	7,148	7,148
Stockholders equity:		
Common stock $5 par value	894	894
Capital surplus	524	524
Accumulated other comprehensive income	(284)	(284)

Retained earnings	5,311	5,311
Less cost of common stock in treasury 22,834,368 shares	(1,325)	(1,325)
Total shareholders equity	5,120	5,120
Total medium and long-term debt and shareholders equity	$ 12,268	$ 12,268

Table of Contents

SELECTED FINANCIAL DATA

The following table sets forth our selected consolidated financial and other data. The financial data have been derived from our audited financial statements except for the quarterly financial information, which is unaudited. You should read the following information in conjunction with our financial statements and notes thereto and the other financial and statistical information that we include or incorporate by reference in this prospectus supplement and the accompanying prospectus.

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(Dollars in millions)						
Earnings Summary:							
Net interest income	$ 502	$ 479	$ 1,983	$ 1,956	$ 1,811	$ 1,928	$ 2,133
Provision for loan losses	23	(27)	37	(47)	64	377	635
Noninterest income	203	195	855	819	808	850	865
Noninterest expenses	407	429	1,674	1,613	1,458	1,452	1,393
Provision for income taxes	86	65	345	393	349	291	312
Income from continuing operations	189	207	782	816	748	658	658
Income (loss) from discontinued operations, net of tax	1	(13)	111	45	9	3	(57)
Net income	$ 190	$ 194	$ 893	$ 861	$ 757	$ 661	$ 601
Period-end Balances:							
Total assets	$ 57,527	$ 56,441	$ 58,001	$ 53,013	$ 51,766	$ 52,592	$ 53,301
Total earning assets	53,655	52,017	54,052	48,646	48,016	48,804	47,780
Total loans	47,989	44,739	47,431	43,247	40,843	40,302	42,281
Total deposits	43,670	44,096	44,927	42,431	40,936	41,463	41,775
Total medium- and long-term debt	7,148	4,062	5,949	3,961	4,286	4,801	5,216
Total common shareholders equity	5,120	5,094	5,153	5,068	5,105	5,110	4,947
Average Balances:							
Total assets	$ 57,088	$ 55,277	$ 56,579	$ 52,506	$ 50,948	$ 52,980	$ 51,130
Total earning assets	53,148	50,977	52,291	48,232	46,975	48,841	47,053
Total loans	48,896	46,479	47,750	43,816	40,733	42,370	42,091
Total deposits	42,579	41,198	42,074	40,640	40,145	41,519	37,712
Total medium- and long-term debt	6,426	4,029	5,407	4,186	4,540	5,074	5,763
Total common shareholders equity	5,101	5,072	5,176	5,097	5,041	5,033	4,884
Ratios:							

Net interest margin	3.82%	3.80%	3.79%	4.06%	3.86%	3.95%	4.55%
Return on average assets	1.33	1.41	1.58	1.64	1.49	1.25	1.18
Return on average common shareholders equity	14.86	15.33	17.24	16.90	15.03	13.12	12.31
Efficiency ratio	57.66						