

Comerica Incorporated (CMA)

\$88.91 (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$89.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 12/17/24)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: **VGM: B**
Value: C | Growth: C | Momentum: B

Summary

Shares of Comerica have outperformed the industry in the past six months. The company's robust loan pipelines and the Fed's recent rate cuts will keep aiding its net interest income (NII) growth. In October 2025, CMA announced it would be acquired by Fifth Third Bancorp, which is expected to boost earnings and operational efficiency. Further, its earnings surpassed estimates in three of the trailing four quarters and missed once. Moreover, its decent liquidity position will continue to aid capital distribution activities. However, the elevated expenses due to higher salaries, benefits, and regulatory costs are expected to put pressure on its bottom-line growth. Also, the company's limited geographical diversification is worrisome. The ongoing pressure on commercial lending and the concentration of commercial loans are concerning.

Data Overview

52 Week High-Low	\$90.44 - \$48.12
20 Day Average Volume (sh)	1,376,704
Market Cap	\$11.4 B
YTD Price Change	43.8%
Beta	1.07
Dividend / Div Yld	\$2.84 / 3.2%
Industry	Banks - Major Regional
Zacks Industry Rank	Top 33% (80 out of 243)

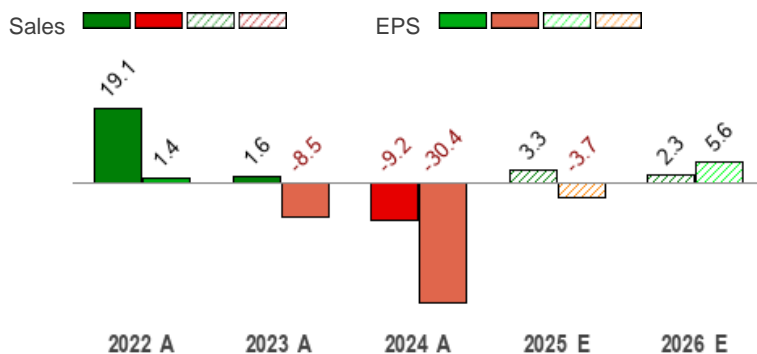
Last EPS Surprise	5.5%
Last Sales Surprise	-0.7%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/23/2026
Earnings ESP	0.0%

P/E TTM	17.0
P/E F1	17.1
PEG F1	20.6
P/S TTM	2.4

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	847 E	861 E	866 E	872 E	3,447 E
2025	829 A	849 A	838 A	851 E	3,371 E
2024	784 A	824 A	811 A	844 A	3,263 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.28 E	1.38 E	1.45 E	1.44 E	5.48 E
2025	1.25 A	1.42 A	1.35 A	1.28 E	5.19 E
2024	1.29 A	1.53 A	1.37 A	1.20 A	5.39 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/26/2025.

(2) The report's text and the price target are as of 12/08/2025.

Overview

Headquartered in Dallas, TX, Comerica Incorporated is a banking and financial services company. The company delivers financial services in three primary geographic markets — Texas, California and Michigan — as well as Arizona and Florida.

Comerica reports its results through the following business segments:

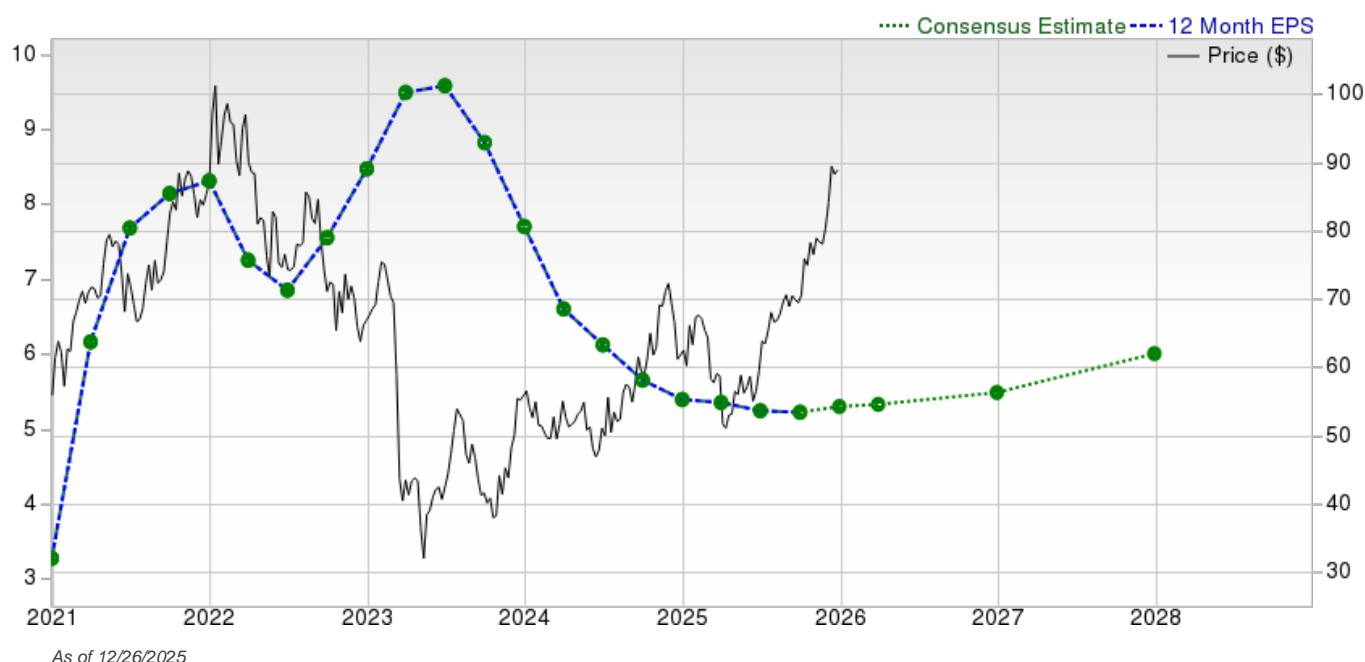
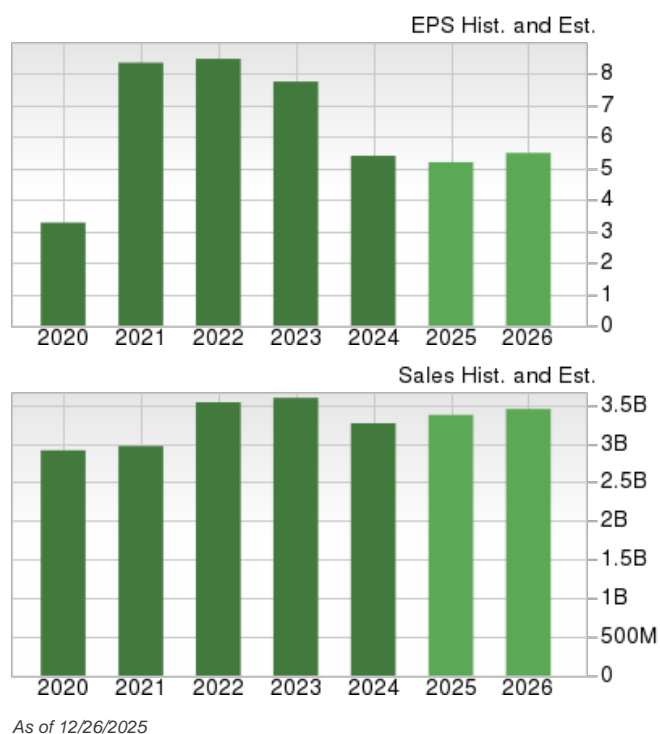
The Commercial Bank segment offers various products and services, including commercial loans and lines of credit, deposits, cash management, capital market products, international trade finance, letters of credit, foreign exchange management services and loan syndication services for small and middle market businesses, multinational corporations and governmental entities.

The Retail Bank segment includes a full range of personal financial services, which consists of consumer lending, consumer deposit gathering and mortgage loan origination. This segment also provides consumer products, including deposit accounts, instalment loans, student loans, credit cards, home equity lines of credit and residential mortgage loans. This segment offers a subset of commercial products and services to micro-businesses whose primary contact is through the branch network.

The Wealth Management segment offers products and services such as fiduciary services, private banking, retirement services, investment management and advisory services, investment banking and brokerage services. Additionally, the sale of annuity products, life, disability and long-term care insurance products are offered by this segment.

The Finance Division segment includes Comerica's securities portfolio and asset and liability management activities while the Other category includes the income and expense impact of equity and cash and tax benefits not related to specific business segments, charges of an unusual or infrequent nature that are not reflective of the normal operations of the business segments and miscellaneous other expenses of a corporate nature.

As of Sept. 30, 2025, Comerica had total assets of \$77.4 billion, loans of \$50.9 billion, deposits of \$62.6 billion, and shareholders' equity of \$7.4 billion.



Reasons To Buy:

- ▲ We remain optimistic about Comerica's income-generation capability, given its loan growth. The total loans witnessed a five-year compound annual growth rate (CAGR) of nearly 1% (ended 2024). Though the trend reversed in the first nine months of 2025, a robust loan pipeline will support its growth in the upcoming period.
- ▲ Improvement in Comerica's NII over the years has supported top-line growth. The metric witnessed a five-year CAGR of 2.8% (ended 2024). Further, net interest margin (NIM) has steadily expanded over the past few years. In 2023, NIM was 3.06%, rising from 3.02% in 2022 and 2.21% in 2021, while it declined in 2024. Both metrics increased in the first nine months of 2025. The Federal Reserve reduced interest rates twice in 2025 but signaled a cautious approach toward further easing amid lingering inflation and tariff-related uncertainties. Accordingly, funding and deposit costs are likely to stabilize gradually. Hence, its NII will continue expanding in the upcoming period on the back of strong loan balances and stabilizing deposit costs. Additionally, swap and securities attrition are expected to create tailwinds for NII and NIM this year.
- ▲ Comerica's focus on improving operational efficiency and reinvesting in strategic growth will drive future earnings power. The company had closed numerous banking centers and realigned corporate facilities. Moreover, it has streamlined managerial layers, eliminated positions, and made efforts for product optimization. In October 2025, the company announced it would be acquired by Fifth Third Bancorp in a \$10.9 billion all-stock transaction, with closing expected by the end of the first quarter of 2026. This deal provides Comerica shareholders with a 20% premium and strengthens its commercial and retail capabilities. It also expands access to high-growth U.S. markets and enhances operational efficiency, supporting long-term growth and improved shareholder value. Execution of these initiatives will reduce expenses and improve return on equity (ROE). Also, the company's efforts in product enhancements, improvement in sales tools and training as well as improved customer analytics bode well for robust revenue growth.
- ▲ Comerica has a solid liquidity profile. As of Sept 30, 2025, the company's total debt (comprising short-term borrowings, and medium and long-term debt) aggregated \$7.3 billion. Its total liquidity capacity was \$42.9 billion as of the same date. It also has a \$17.2-billion capacity remaining in its discount window. The company enjoys senior long-term investment-grade credit ratings of A-, BBB and Baa2 from Fitch, Standard & Poor's and Moody's, respectively. This renders it favorable access to debt at attractive rates. Thus, decent cash levels, favorable borrowing capacity, and a staggered debt maturity profile offer it decent financial flexibility and make the debt repayments seem manageable.
- ▲ We remain encouraged by Comerica's efforts to enhance shareholders' value through its capital distribution activities. In February 2023, the company hiked its quarterly dividend by 4.4% to 71 cents per share. It also has a share repurchase plan in place. Since the inception of Comerica's share repurchase program in 2010, it has been authorized to repurchase 97.2 million shares. In November 2024, Comerica approved an additional share repurchase authorization of approximately 10 million shares, taking it to an aggregate of 107.2 million shares authorized since the program's inception, with no expiration date. As of Sept. 30, 2025, 8.7 million shares remained available to repurchase. Supported by solid earnings, capital strength, and liquidity levels, Comerica's capital distribution activities appear sustainable and are expected to align with Fifth Third's capital management framework after the merger.
- ▲ Shares of Comerica have outperformed the industry in the past six months. Further, the company's 2025 earnings estimates have remained unchanged over the past week. Hence, given the strong fundamentals, the stock has decent upside potential in the near term.

Comerica's decent loan growth, rising NII, adequate liquidity and sustainable capital distribution activities are tailwinds. Its focus on improving operational efficiency will support financials.

Reasons To Sell:

- ▼ An escalating cost base remains a concern for Comerica. The company's non-interest expenses witnessed a CAGR of 5.3% over the last five years (2019-2024). The rise was mostly due to a rise in salaries and benefits expenditure and FDIC insurance expenses. The expenses increased in the first nine months of 2025. Going forward, overall expenses are expected to remain elevated in the near term due to higher compensation, benefits, and regulatory-related costs.
- ▼ Comerica has substantial exposure to commercial and commercial mortgage loans. As of Sept. 30, 2025, the company's exposure to such loans was 81.6% of total loans. The current rapidly changing macroeconomic backdrop and high interest rates may put some strain on commercial lending. Thus, the lack of loan portfolio diversification is likely to hurt the company's financials if the economic situation worsens.
- ▼ Though Comerica is trying to diversify its geographical footprint, it has a significant business exposure in California and Michigan, where the economic environment has been increasingly challenging over the past few years. Such geographic concentration makes the company vulnerable to potential economic doldrums in the region.

Steadily mounting operating expenses and lack of diversification in the loan portfolio are major near-term headwinds for Comerica. Also, a concentrated geographical footprint is another key concern.

Last Earnings Report

Comerica Q3 Earnings Top Estimates on Higher NII, Provision Up

Comerica has reported third-quarter 2025 adjusted earnings per share of \$1.35, beating the Zacks Consensus Estimate of \$1.28. In the prior-year quarter, the company reported an EPS of \$1.37.

Results have benefited from a rise in net interest income and deposit balance. Yet, lower loan balances, a decline in non-interest income, a rise in expenses, and weak asset quality were concerning.

Net income attributable to common shareholders was \$175 million, which declined 1.1% from the year-ago quarter.

Revenues & Expenses Rise

Total quarterly revenues were \$838 million, up 3.3% year over year. The top line missed the consensus estimate by 0.7%.

Quarterly NII rose 7.5% on a year-over-year basis to \$574 million. The net interest margin increased 29 basis points year over year to 3.09%.

Total non-interest income was \$264 million, down 4.7% on a year-over-year basis.

Non-interest expenses totaled \$589 million, up 4.8% year over year.

The efficiency ratio was 70.23% compared with the prior-year quarter's 68.8%. A rise in this ratio indicates declining profitability.

Loans Balance Decline & Deposit Rise

As of Sept. 30, 2025, total loans fell marginally on a sequential basis to \$50.9 billion. Total deposits rose 4.3% from the previous quarter to \$62.6 billion.

Credit Quality Deteriorates

The company recorded a provision for credit loss of \$22 million in the third quarter compared with \$14 million in the year-ago quarter.

The allowance for credit losses was \$725 million, which rose marginally year over year.

Total non-performing assets rose 4% year over year to \$260 million.

The allowance for credit losses to total loans ratio was 1.43% as of Sept. 30, 2025, unchanged from the year-ago reported level. Also, the company recorded net charge-offs of \$32 million, significantly up from \$11 million in the year-ago quarter.

Capital Position Mixed Bag

The total capital ratio was 14.12%, down from 14.29% in the year-ago quarter. The Common Equity Tier 1 capital ratio was 11.90%, down from 11.96% in the prior-year quarter.

As of Sept. 30, 2025, CMA's tangible common equity ratio was 8.34%, up from 8.01% in the prior-year quarter.

Capital Distribution Activities

The company repurchased \$150 million of common stock under the share repurchase program.

Outlook

2025

NII is anticipated to increase 5-7% from the 2024 reported figure.

Management anticipates non-interest income to increase 2% year over year.

Non-interest expenses are likely to rise 2% from that reported in 2024.

Management expects average loans to be flat to down 1% from the 2024 actual.

Management foresees average deposits to decline 2-3% from that reported in 2024.

Management anticipates net charge-offs (NCOs) to be at the low end of the target of 20-40 basis points.

The CET1 ratio is forecast to be more than 10%.

The tax rate is expected to be 22%, excluding discrete items.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 17, 2025
Sales Surprise	-0.67%
EPS Surprise	5.47%
Quarterly EPS	1.35
Annual EPS (TTM)	5.22

Recent News

Comerica to Be Acquired by Fifth Third in \$10.9B All-Stock Deal -- Oct. 6, 2025

Comerica has agreed to be acquired by Fifth Third Bancorp in an all-stock transaction valued at \$10.9 billion. The merger is expected to close by the end of the first quarter of 2026, subject to customary regulatory and shareholder approvals.

Terms & Financial Details of the Comerica Deal

The combination will create the ninth-largest U.S. bank with around \$288 billion in assets, \$224 billion in deposits, and \$174 billion in loans. Comerica shareholders will receive 1.8663 Fifth Third shares for each CMA share, representing an implied value of \$82.88 per share and a 20% premium to Comerica's 10-day average.

Upon completion, Fifth Third shareholders will own about 73% of the combined company, while Comerica shareholders will hold approximately 27%.

The deal is expected to generate \$850 million in annual pre-tax cost synergies, equivalent to roughly 35% of Comerica's non-interest expense base. Fifth Third also anticipates an internal rate of return of 22%, no tangible book value dilution, and immediate cash-on-cash returns to shareholders.

Financially, the transaction is projected to boost earnings per share by 9% by 2027 and improve the combined entity's efficiency ratio to the low-to-mid-50% range, about 200 basis points better than current levels.

Rationale Behind the Comerica – Fifth Third Deal

For Comerica, the deal offers greater scale, capital strength, and digital capabilities amid a rapidly evolving banking environment. The merger will expand the combined entity's presence across 17 of the 20 fastest-growing U.S. markets, including Texas, California, and the Southeast, while enhancing its nationwide reach and efficiency.

By combining Fifth Third's strong retail and digital banking platforms with Comerica's middle-market expertise and regional footprint, the merger enhances scale, profitability, and geographic reach.

The transaction follows months of strategic review and shareholder pressure for Comerica to explore growth alternatives. Joining forces with Fifth Third provides a clear path to stronger profitability, improved cost efficiency, and a more diversified business model positioned to deliver sustainable long-term value.

Dividend Update

On Nov. 04, 2025, Comerica announced a quarterly cash dividend of 71 cents per share. The dividend will be paid out on Dec. 15, 2025, to its shareholders of record as of Jan. 01, 2025.

Valuation

Comerica's shares are up 37.1% in the past six-month period and up 22.6% over the trailing 12-month period. Over the past six months, stocks in the Zacks sub-industry and the Zacks Finance sector are up 37.1% and up 10.4%, respectively. Over the past year, the Zacks sub-industry and the sector are up 9.5% and 16.1%, respectively.

The S&P 500 Index is up 23.3% over the past six-month period and up 22.3% in the trailing 12-month period.

The stock is currently trading at 13.93X forward 12-month earnings, which compares to 11.05X for the Zacks sub-industry, 16.94X for the Zacks sector, and 23.77X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 16.96X and as low as 3.85X, with a 5-year median of 10.70X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$89 price target reflects 14.67X forward earnings.

The table below shows a summary of valuation data for CMA.

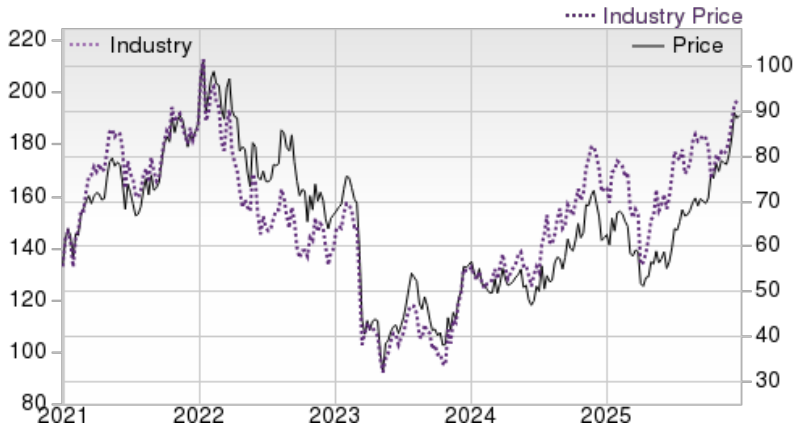
Valuation Multiples - CMA					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.93	11.05	16.94	23.77
	5-Year High	16.96	13.01	18.31	23.77
	5-Year Low	3.85	7.24	12.38	15.72
	5-Year Median	10.70	10.93	16.14	21.18
P/TB TTM	Current	1.41	2.32	5.59	13.19
	5-Year High	2.17	3.23	6.02	16.64
	5-Year Low	0.74	1.63	3.35	10.57
	5-Year Median	1.31	2.35	4.71	13.78
	Current	2.84	3.30	9.29	5.44

P/S F12M	5-Year High	4.42	3.87	10.05	5.52
	5-Year Low	1.10	1.90	6.68	3.84
	5-Year Median	2.45	2.98	8.33	5.04

As of 12/05/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 33% (80 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Bank of New York... (BK)	Neutral	3
BankUnited, Inc. (BKU)	Neutral	3
Fifth Third Bancorp (FITB)	Neutral	3
KeyCorp (KEY)	Neutral	2
M&T Bank Corporation (MTB)	Neutral	3
Northern Trust Corpo... (NTRS)	Neutral	3
State Street Corpora... (STT)	Neutral	3
Truist Financial Cor... (TFC)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Banks - Major Regional

	CMA	X Industry	S&P 500	BKU	KEY	NTRS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	F	F	B
Market Cap	11.36 B	31.93 B	39.26 B	3.41 B	23.16 B	26.50 B
# of Analysts	9	8	22	2	10	7
Dividend Yield	3.19%	3.04%	1.4%	2.73%	3.87%	2.28%
Value Score	C	-	-	C	C	C
Cash/Price	0.47	0.70	0.04	0.16	0.70	2.21
EV/EBITDA	7.86	6.54	14.73	8.87	18.12	-3.23
PEG Ratio	20.64	1.05	2.23	NA	0.63	1.51
Price/Book (P/B)	1.61	1.52	3.38	1.13	1.32	2.20
Price/Cash Flow (P/CF)	13.76	11.80	15.45	12.25	15.85	12.22
P/E (F1)	17.13	13.42	20.04	13.05	14.37	16.16
Price/Sales (P/S)	2.36	2.07	3.15	1.78	2.25	1.84
Earnings Yield	5.84%	7.45%	4.94%	7.65%	6.98%	6.19%
Debt/Equity	0.77	0.70	0.57	0.69	0.62	0.58
Cash Flow (\$/share)	6.46	5.65	8.98	3.70	1.34	11.47
Growth Score	C	-	-	F	F	B
Hist. EPS Growth (3-5 yrs)	-3.09%	1.21%	8.21%	-2.83%	-13.52%	4.56%
Proj. EPS Growth (F1/F0)	-3.71%	15.45%	8.54%	12.99%	27.59%	12.60%
Curr. Cash Flow Growth	-25.04%	-3.37%	7.00%	1.60%	-8.86%	14.38%
Hist. Cash Flow Growth (3-5 yrs)	-8.19%	1.01%	7.48%	-4.48%	-9.13%	2.44%
Current Ratio	0.96	0.83	1.19	0.83	0.83	0.70
Debt/Capital	42.19%	40.00%	38.15%	40.69%	35.19%	34.89%
Net Margin	14.91%	14.45%	12.77%	13.98%	10.08%	11.99%
Return on Equity	10.69%	12.02%	17.03%	9.18%	10.14%	14.37%
Sales/Assets	0.06	0.06	0.53	0.05	0.06	0.09
Proj. Sales Growth (F1/F0)	3.30%	5.36%	5.85%	6.90%	15.40%	-5.40%
Momentum Score	B	-	-	C	D	A
Daily Price Chg	0.45%	0.07%	-0.03%	0.31%	0.24%	-0.40%
1 Week Price Chg	-1.34%	0.52%	1.40%	-1.52%	1.55%	0.68%
4 Week Price Chg	10.61%	9.79%	1.18%	4.98%	15.29%	6.70%
12 Week Price Chg	26.02%	12.42%	3.19%	18.28%	13.74%	5.85%
52 Week Price Chg	43.94%	20.65%	16.06%	18.09%	23.20%	34.97%
20 Day Average Volume	1,376,704	2,696,444	2,767,182	836,027	15,738,637	982,016
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.04%	0.00%	0.00%	0.21%	0.05%
(F1) EPS Est 12 week change	1.56%	2.28%	0.67%	5.38%	2.34%	1.68%
(Q1) EPS Est Mthly Chg	0.00%	0.14%	0.00%	0.00%	0.92%	0.37%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	C
Momentum Score	B
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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