

The Economy, Banking, and why do we need so many of them anyway?

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Agenda



- The Economy and Policy today
- COVID and Policy's impact on Banking
- Where do we go from here and how do we get there

Comerica Bank History

Comerica



1849

Detroit Savings
Fund Institute
Established

1980s-90s

Comerica acquires Grand Bank,
expands outside the Midwest
for 1st time in bank history

1992

Comerica and
Manufacturers merge



2001

Comerica acquires
Imperial Bank in California,
expands into Arizona



2007

Comerica moves
headquarters to Dallas, TX

2011

Comerica acquires
Sterling Bank



2014

Comerica earns 14 Greenwich
Excellence Awards



1800s

1900s

2000s

1871

Over \$1 million
in assets

1960

Over \$1 Billion
in assets

1990

Over \$25 Billion
in assets

2001

Over \$50 Billion
in assets

2017

Over \$70 Billion
in assets

About Comerica Bank

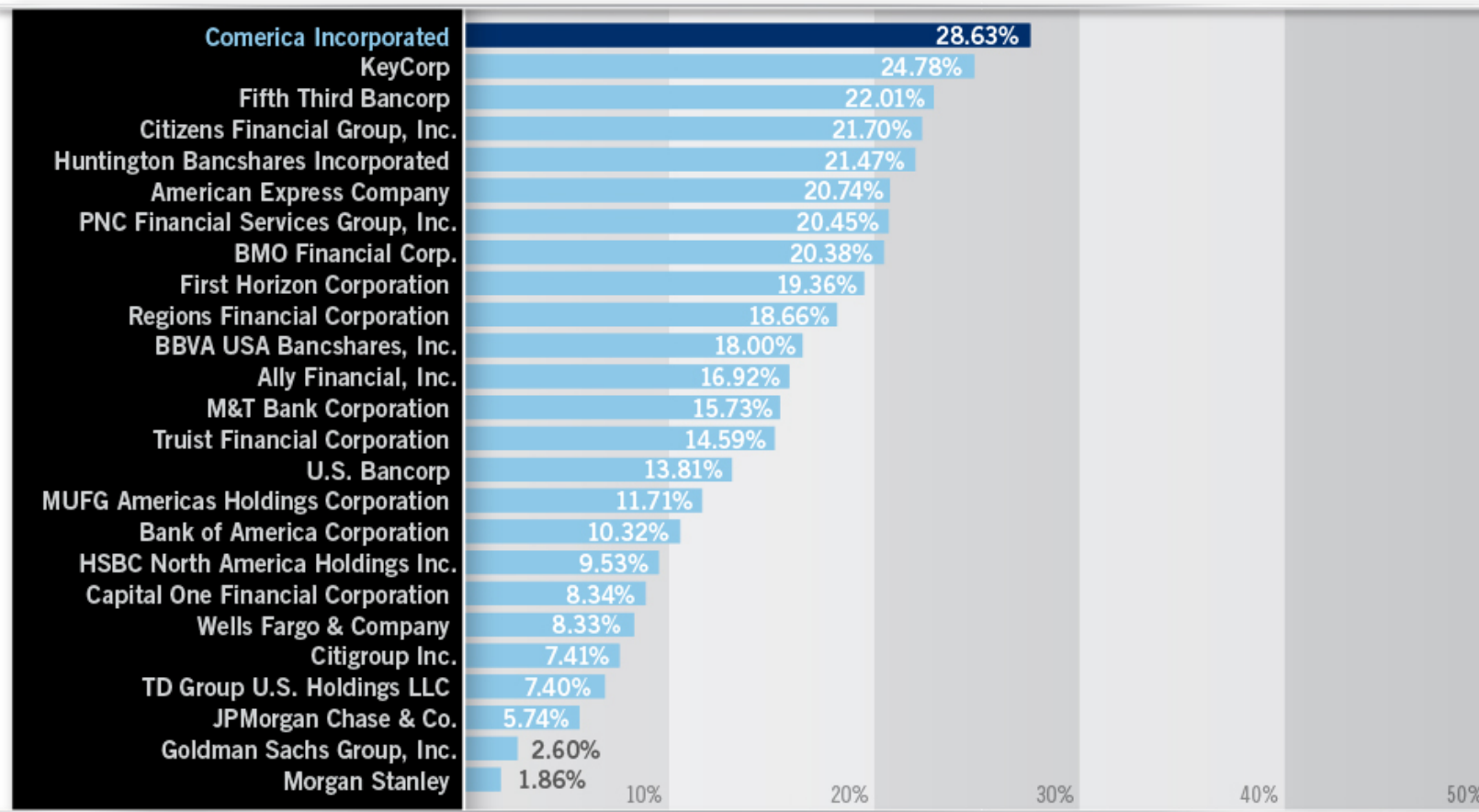
Comerica



The Leading Bank for Business

No other bank focuses more on business banking than Comerica Bank.

Comerica ranks first nationally among the top 25 U.S. financial holding companies, based on commercial and industrial loans outstanding as a percentage of assets.



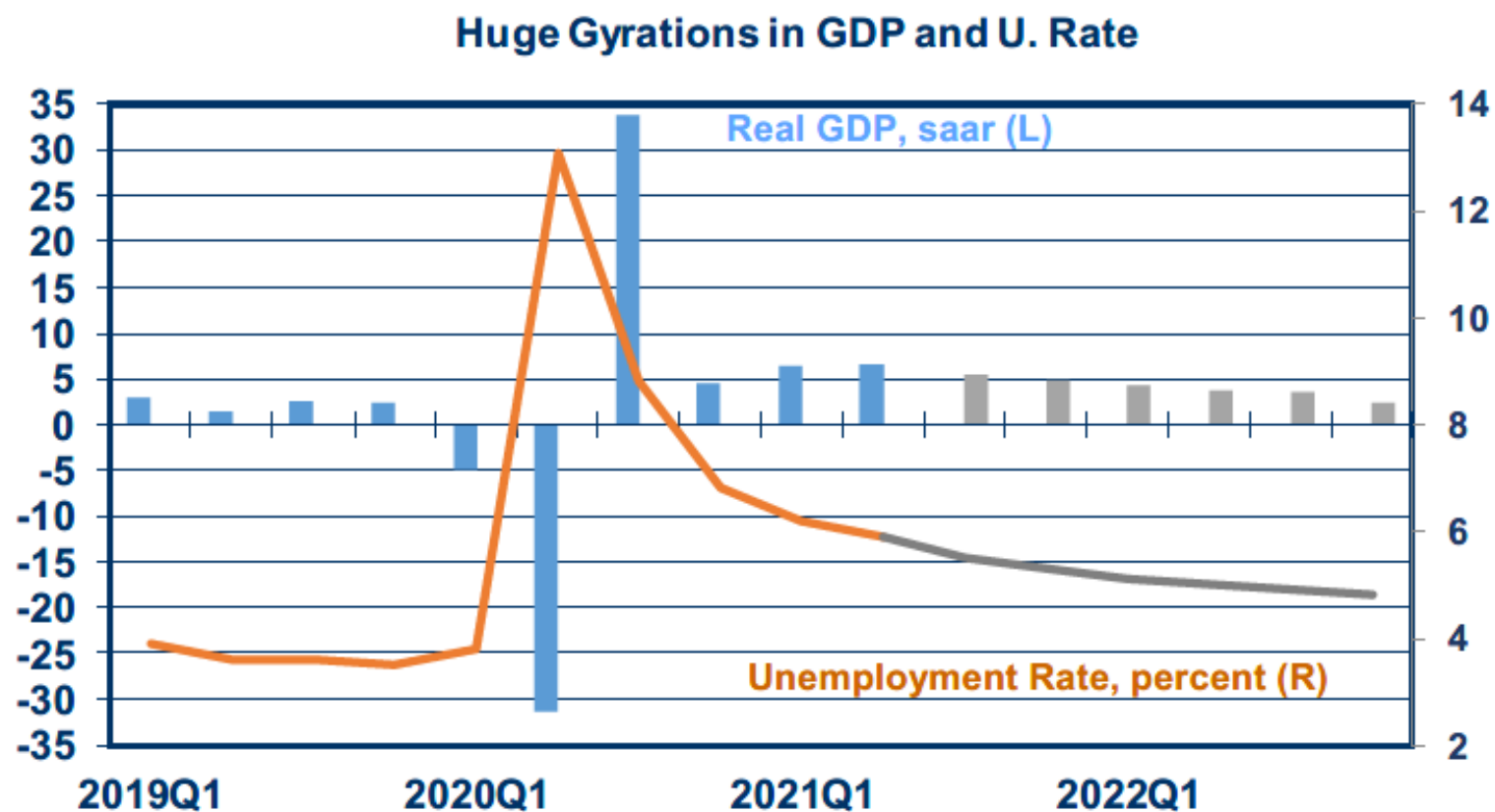
Data provided by S&P Global Market Intelligence, December 31, 2020

The Economy

- A brief overview of where we are, how we got here, and where it is going



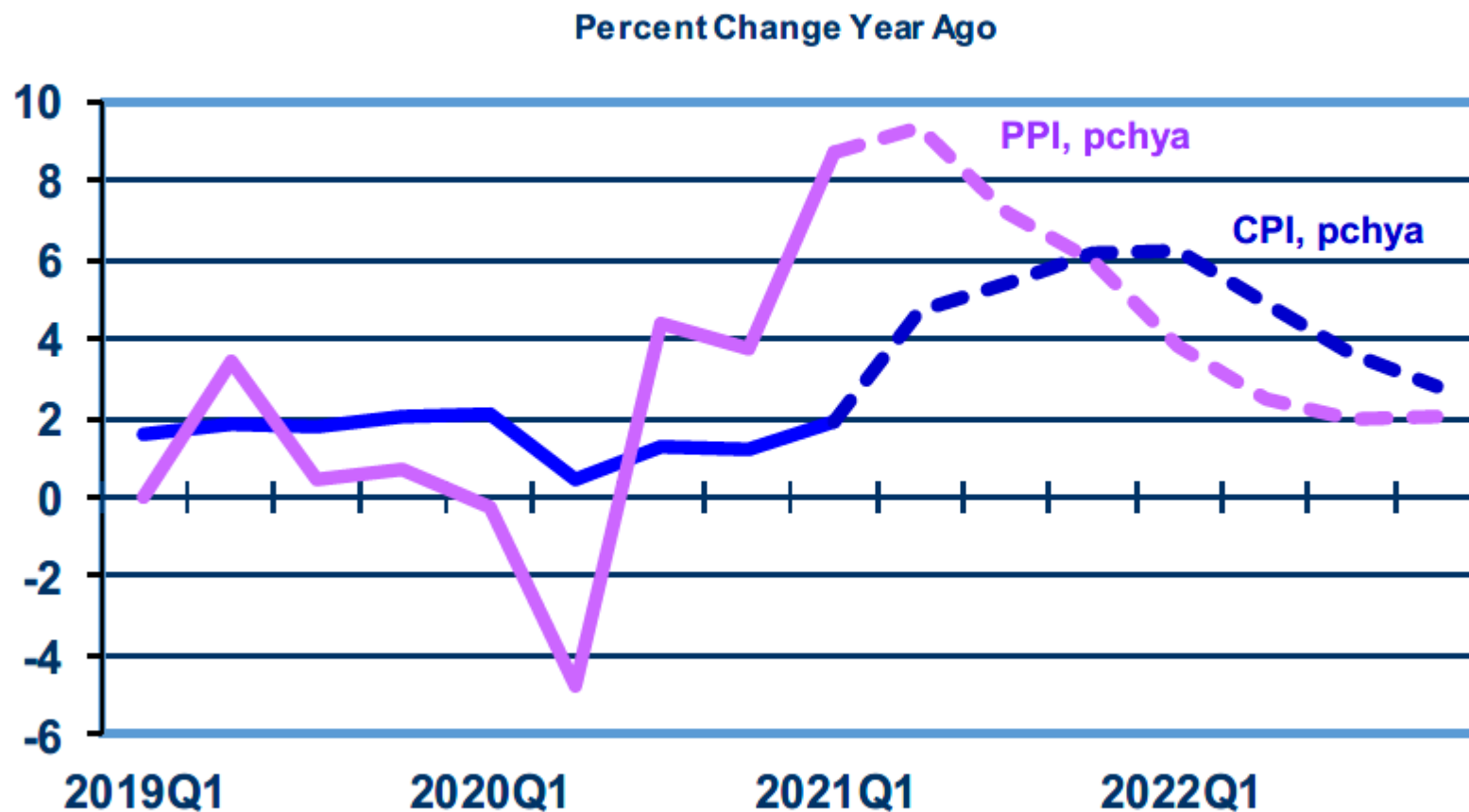
July GDP and Unemployment Rate Forecasts



Sources: BEA, BLS, Comerica Bank



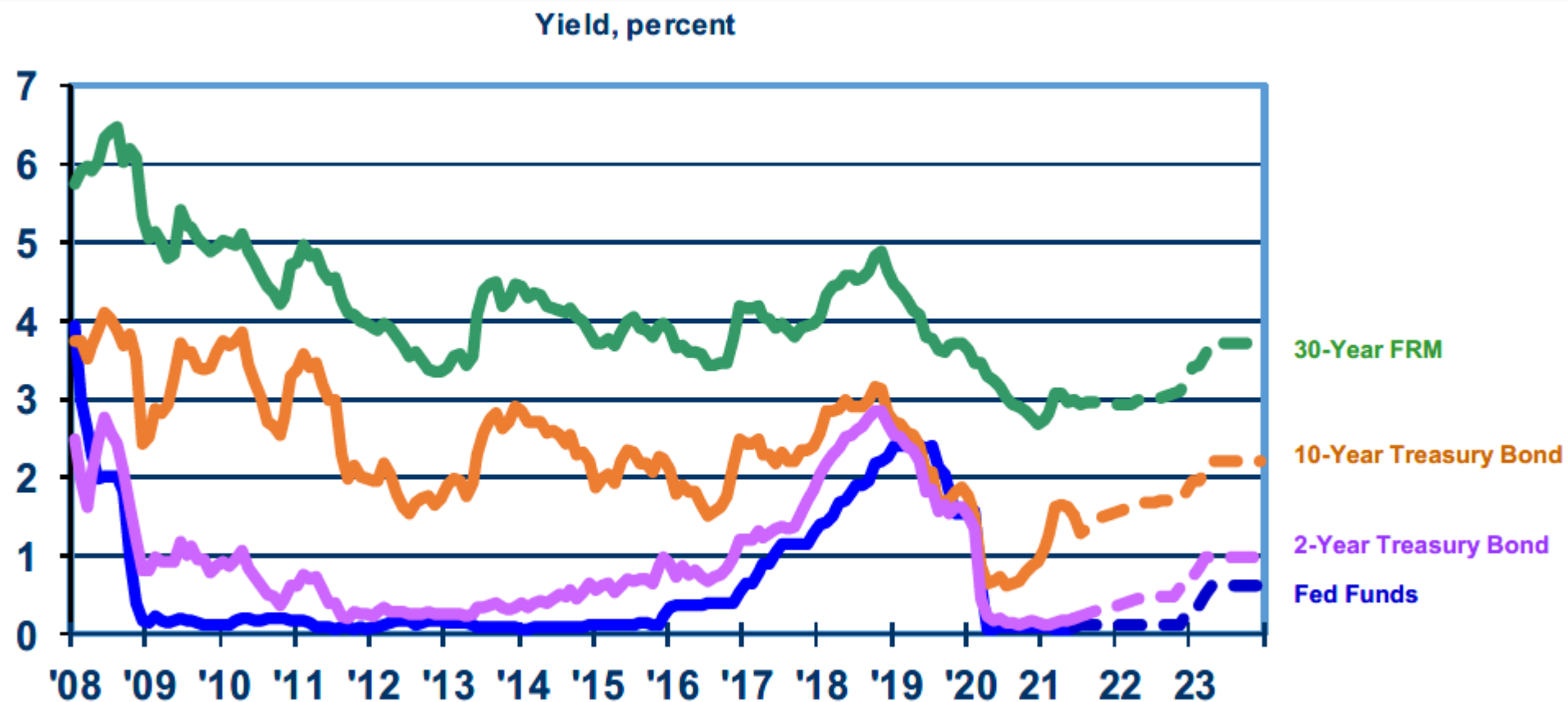
July 2021 Inflation Forecast



Source: BLS, Comerica Bank



July 2021 Interest Rate Forecast



Source: Federal Reserve, Comerica Bank



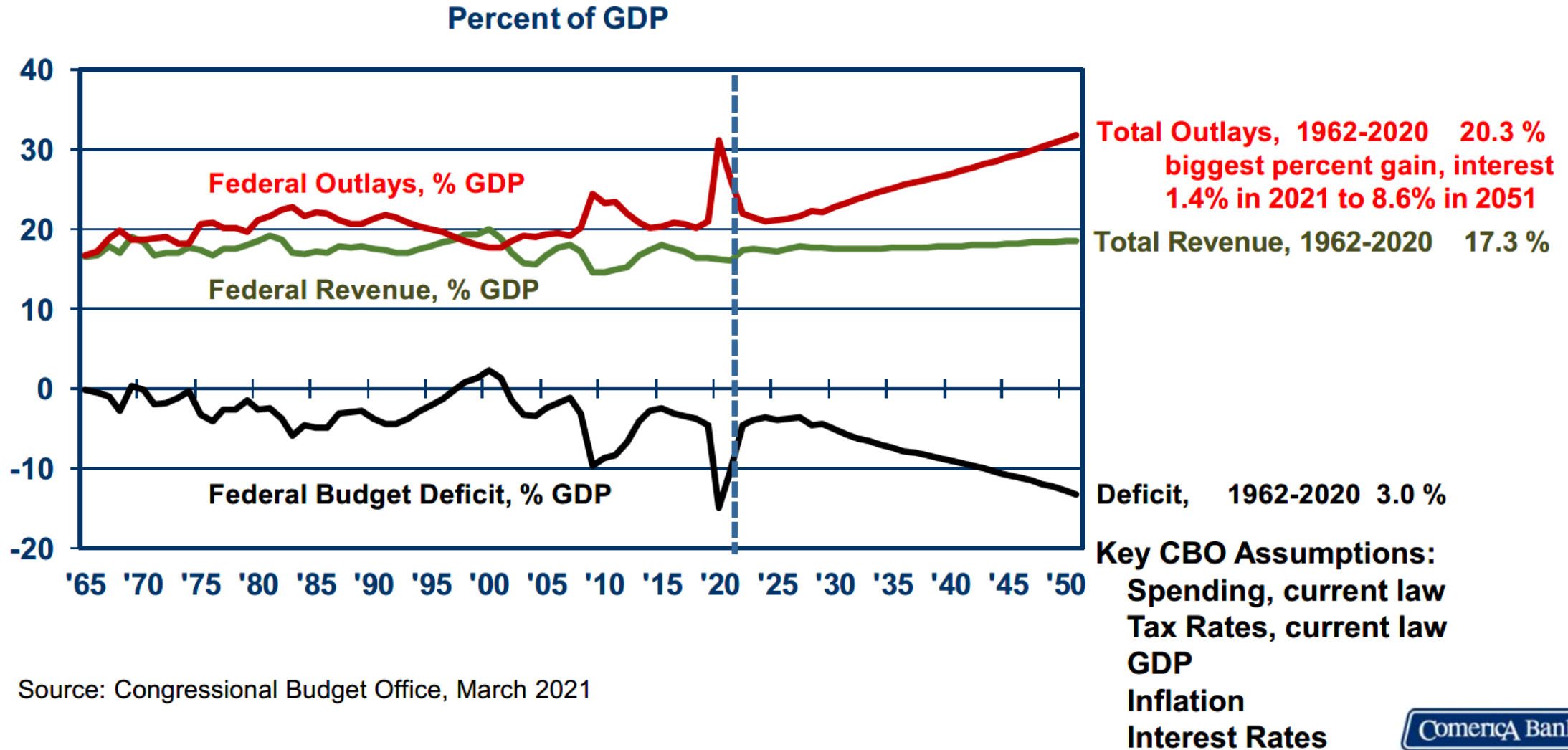
Policy and the Economy



- Monetary Policy
 - Managing the overall supply of money through interest rates
- Fiscal Policy
 - Fiscal stimulus
 - Rapid deployment of capital into the economy; stimulus, PPP
 - Slower deployment over a period of time: Infrastructure Bills, Social Program Bill (2-10 years)
- \$1Trillion Infrastructure Bill
- \$3.5Trillion Social Programs and Climate Bill

Policy and Impact

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The impact on Banking

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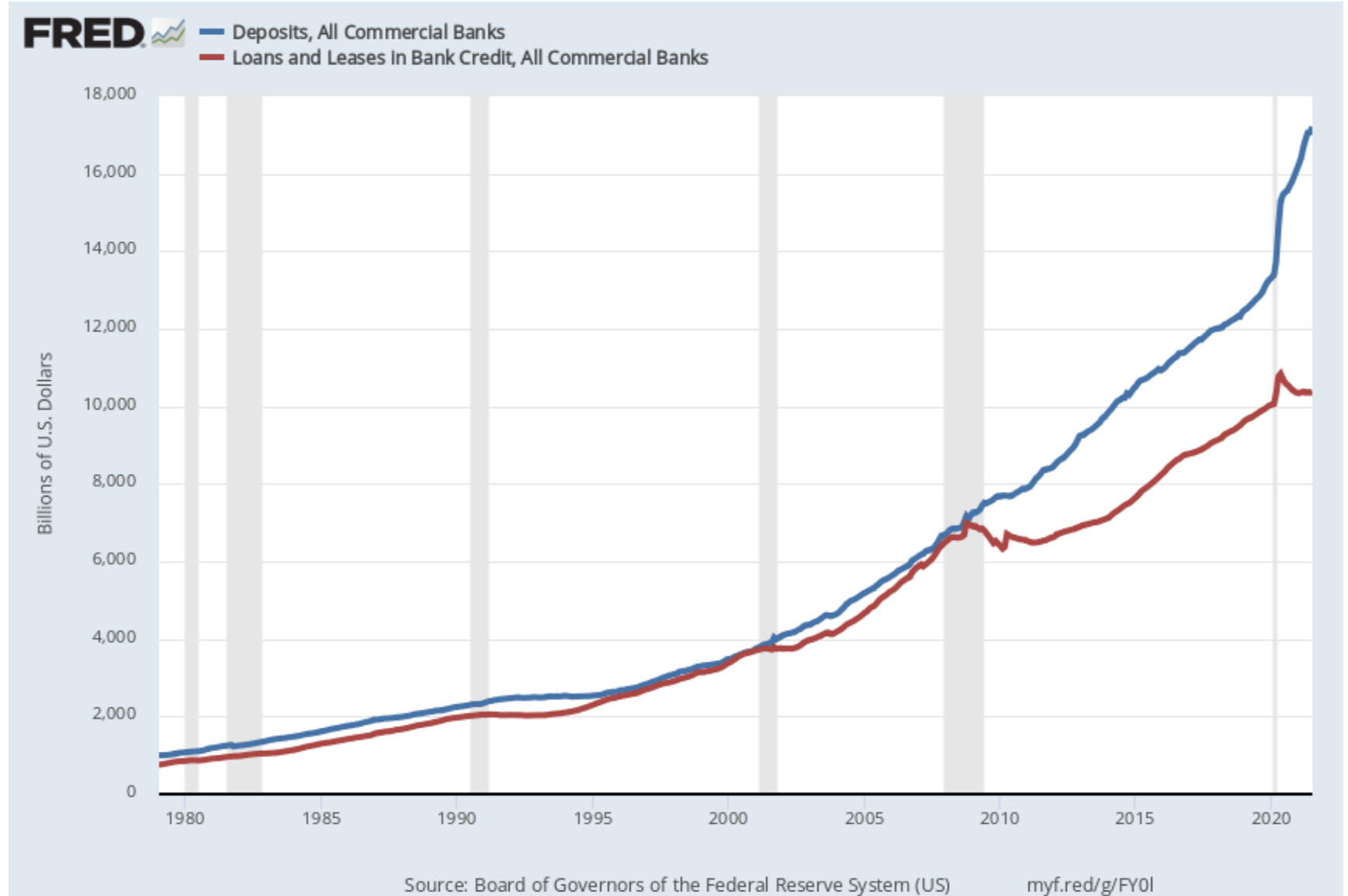
- The pandemic combined with policy has had a major impact on banks



Impact on Banking

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- Widening spread between deposits and loans
- Weak loan demand
- Extreme pressure on margins

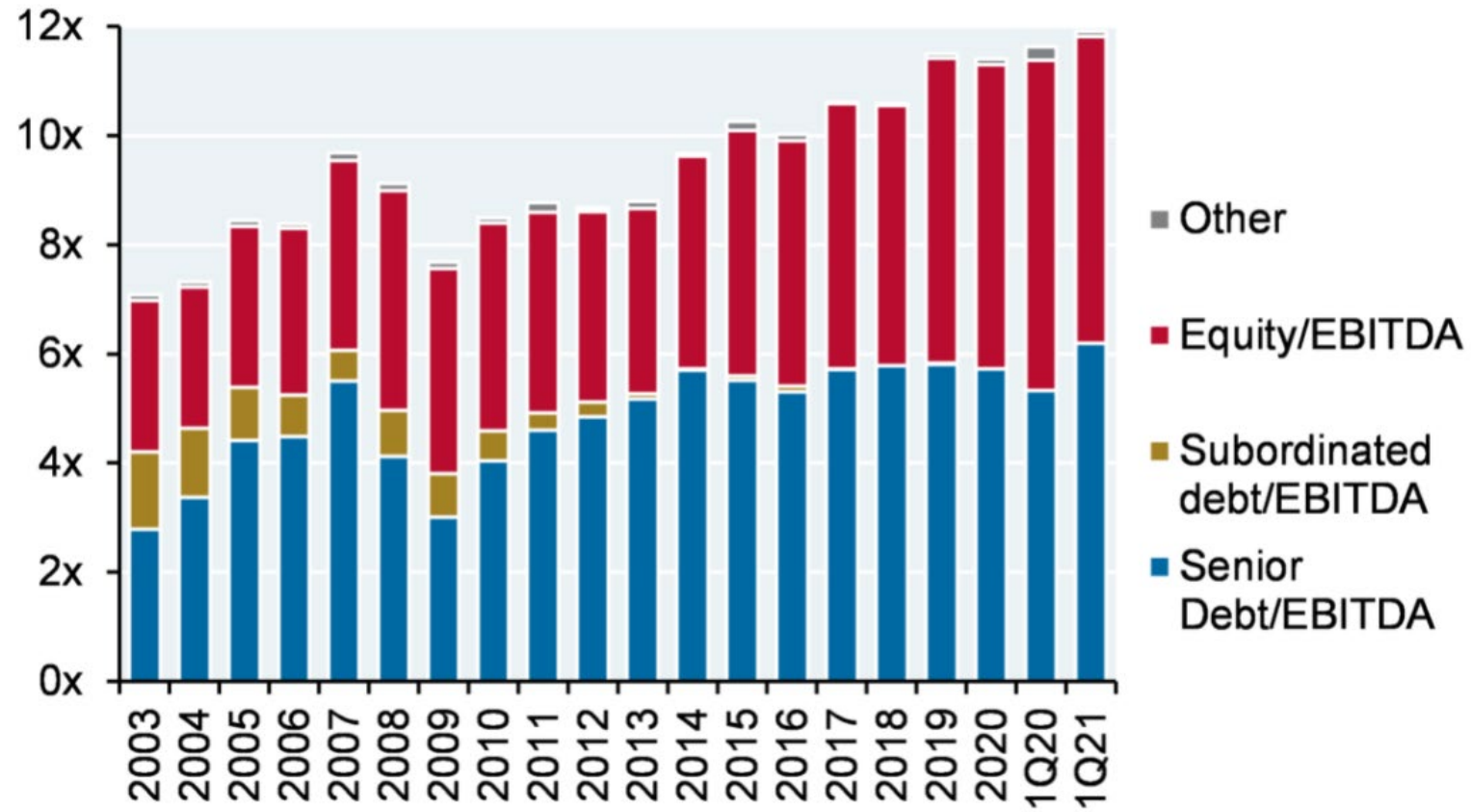


Where is the loan demand?



Buyout purchase price multiples

Average EBITDA purchase price multiple for US LBO transactions



Source: S&P Global. 2021.

It's getting crowded

Comerica

- More dollars from more places are competing for the same assets.



Standing out from the crowd

- “Your service is a commodity until you have added value beyond the commodity that you are”



Standing out from the crowd

Comerica

- A higher level of customer service and execution creates the perception that your service or product is higher quality...even when it may not be.



Standing out from the crowd in the service world



- Relationship first
- Bring real value to the relationship
 - Be genuine
 - Be uniquely valuable
 - Solve problems and offer solutions, not products
 - Create real value for your customer...refer something
 - Teamwork
 - Be relevant often
 - Be intentional

Conclusion



- Hang on, because we are all on this ride together
- Banks are in transition
- Be unique, be you, and be great!

Questions?



Thank You.