

COMERICA INC /NEW/
Form 11-K
May 31, 2007

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K
FOR ANNUAL REPORT 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, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

Commission File Number 33-42485

A. Full title of the Plan and address of the Plan, if different from that of the issuer named below:

COMERICA INCORPORATED PREFERRED SAVINGS PLAN

B. Name of issuer of securities held pursuant to the Plan and the address of its principal executive office:

COMERICA INCORPORATED

Comerica Tower at
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226

**Comerica Incorporated Preferred Savings Plan
Financial Statements
and Supplemental Schedules
Fiscal Year Ended December 31, 2006
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December 31, 2006 and 2005, and
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Report of Independent Registered Public Accounting Firm

The Audit Committee

Comerica Incorporated Preferred Savings Plan

We have audited the accompanying statements of assets available for benefits of the Comerica Incorporated Preferred Savings Plan as of December 31, 2006 and 2005, and the related statement of changes in assets available for benefits for the year ended December 31, 2006. 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 assets available for benefits of the Plan at December 31, 2006 and 2005, and the changes in its assets available for benefits for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2006, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

May 30, 2007

Detroit, Michigan

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Statements of Assets Available for Benefits

| | December 31 | |
|------------------------------------|--------------------------|-------------------|
| | 2006 | 2005 |
| Assets | | |
| Investments, at fair value: | | |
| Mutual and money market funds | \$306,331,451 | \$258,741,798 |
| Collective trust funds | 266,290,580 | 232,496,757 |
| Comerica Incorporated Common Stock | 234,483,984 | 233,973,874 |
| Participant loans | 21,557,127 | 21,026,092 |
| Total investments | 828,663,142 | 746,238,521 |
| Accrued income | 2,342,217 | 2,283,511 |
| Employer contributions receivable | 6,715,613 | 8,507,135 |
| Assets available for benefits | \$837,720,972 | \$757,029,167 |

See accompanying notes.

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Comerica Incorporated Preferred Savings Plan
 Statement of Changes in Assets
 Available for Benefits
 Year Ended December 31, 2006

Additions

| | |
|------------------------------|-------------------|
| Participant contributions | \$ 42,407,728 |
| Employer contributions | 13,199,881 |
| Interest and dividend income | 32,970,667 |
| Other additions | 398,617 |
| Total additions | 88,976,893 |

Deductions

| | |
|-------------------------------|-------------------|
| Distributions to participants | 55,716,067 |
| Loan fees | 15,791 |
| Total deductions | 55,731,858 |

Net appreciation in fair value of investments 47,446,770

Net increase 80,691,805

Assets available for benefits:
 Beginning of year 757,029,167

End of year \$ 837,720,972

See accompanying notes.

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Comerica Incorporated Preferred Savings Plan
Notes to Financial Statements
December 31, 2006 and 2005, and
Year Ended December 31, 2006

1. Description of the Plan

The Comerica Incorporated Preferred Savings Plan (the Plan) is a defined contribution plan covering all eligible employees of Comerica Incorporated (the Corporation) and certain subsidiaries.

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 Plan. Copies of this summary plan description are available through the Corporation's Human Resources Office.

Participants may make annual contributions to the Plan on a pre-tax basis, not to exceed the lesser of 50% of the participant's annual compensation, or the IRS allowed maximum (\$15,000, plus an additional \$5,000 for participants age 50 or over, in 2006, and \$14,000, plus an additional \$4,000 for participants age 50 or over, in 2005).

The Corporation will match a percentage of the first \$3,000 of the participant's pre-tax contributions, as defined by the Plan. In addition, the Corporation may make discretionary contributions based upon attaining certain corporate financial performance measurements. Both the Corporation match and discretionary contribution are invested in the Corporation's common stock.

Participants' investments in the Corporation's common stock, including vested corporate matching contributions, are held in an Employee Stock Ownership Plan (ESOP). Participants may elect to either reinvest the dividends in the Corporation's common stock within the Plan or receive the dividends as cash with their regular pay.

Contributions receivable represent amounts due from the Corporation under a performance match program, which rewards employees through a corporate contribution to the participants' accounts.

Participants direct the investment of their accounts, except the current period's nonparticipant-directed investment in the Corporation's common stock, among the investment funds offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Table of ContentsComerica Incorporated Preferred Savings Plan
Notes to Financial Statements**1. Description of the Plan (continued)**

The Corporation's matching contributions based on the first \$3,000 of the participant's pretax contributions are held in a restricted Comerica Incorporated Common Stock account until the end of the calendar year, when the assets held in such account become unrestricted and, therefore, eligible to be reallocated by the participants to other fund options. Approximately \$5.9 million of restricted common stock was transferred to unrestricted funds during the plan year ended December 31, 2006.

Effective January 1, 2007, the Corporation prospectively changed its core matching contribution to 100 percent of the participant's elective contributions, not to exceed four percent of the participant's qualified earnings (up to the current IRS compensation limit), which will be invested based on the participant's investment elections, rather than in the common stock of the Corporation, and discontinued the performance-based matching contribution. As a result of these changes, all assets held in the restricted Comerica Incorporated Common Stock account at December 31, 2006 became unrestricted and therefore eligible to be reallocated by the participants to other fund options effective January 1, 2007. Unallocated matching employer contributions resulting from employee forfeitures are retained in the Plan and used to reduce future employer contributions. Employee forfeitures during the period are included in employer contributions in the accompanying statement of changes in assets available for benefits and are primarily retained in the Comerica Incorporated Common Stock balance as of December 31, 2006.

The following table presents a summary of changes in unallocated matching employer contributions during the plan year:

| | |
|---|-------------------|
| Balance at January 1, 2006 | \$ 676,291 |
| Employee forfeitures during the year | 361,906 |
| Reduction of employer contributions | (530,271) |
| Net appreciation in fair value of investments | 17,743 |
| Dividend income | 36,760 |
| Balance at December 31, 2006 | \$ 562,429 |

The Corporation has the right to amend or terminate the Plan at any time. In the event the Plan is terminated, all participants' accounts become fully vested and nonforfeitable.

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Comerica Incorporated Preferred Savings Plan
Notes to Financial Statements

2. Summary of Significant Accounting Policies

The fair values of the participation units owned by the Plan in mutual and collective trust funds are based on the net asset values on the last business day of the plan year.

Marketable securities are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices.

The fair value of investments in the Corporation's common stock is based on the last reported sales price on the last business day of the plan year as traded on the New York Stock Exchange.

The participant loans are valued at their outstanding balances, which approximate fair value.

Administrative expenses incurred in connection with the operation of the Plan are borne by the Corporation, except for a \$10 per quarter loan fee paid by participants for loans originated prior to July 1, 2004, which is reported in loan fees in the accompanying statement of changes in assets available for benefits.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Table of ContentsComerica Incorporated Preferred Savings Plan
Notes to Financial Statements**3. Investments**

The fair value of individual investments that represent 5% or more of the Plan assets at the end of the respective years are as follows:

| | December 31, | |
|---|-----------------------|----------------|
| | 2006 | 2005 |
| Comerica Incorporated Common Stock * | \$ 234,483,984 | \$ 233,973,874 |
| Comerica S&P 500 Index Fund | 116,840,734 | 110,537,314 |
| Comerica Stable Value Fund | 121,069,705 | 111,341,571 |
| William Blair International Growth Fund | 42,568,839 | ** |
| Neuberger Berman Genesis Fund | ** | 39,726,948 |

* Includes
nonparticipant-directed
investments

** Less than 5%

During the year ended December 31, 2006, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in fair value as follows:

| | Year Ended December 31, 2006 |
|------------------------------------|---|
| Mutual and money market funds | \$ 15,142,970 |
| Collective trust funds | 24,292,753 |
| Comerica Incorporated Common Stock | 8,011,047 |
| | \$ 47,446,770 |

Table of ContentsComerica Incorporated Preferred Savings Plan
Notes to Financial Statements**4. Nonparticipant-Directed Investments**

The following information represents the restricted assets and the significant components of changes in restricted assets related to the nonparticipant-directed portion of the Comerica Incorporated Common Stock investment.

| | December 31, 2006 | December 31, 2005 |
|---|----------------------------------|---|
| Investment, at fair value: | | |
| Comerica Incorporated Common Stock | \$ 7,069,690 | \$ 6,516,035 |
| | | Year Ended December 31, 2006 |
| Changes in assets: | | |
| Employer contributions | | \$ 6,219,840 |
| Distributions to participants | | (40,607) |
| Net appreciation in fair value of investments | | 267,530 |
| Transfer of assets from restricted common stock account to unrestricted account | | (5,893,108) |
| Increase in assets | | \$ 553,655 |

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

5. Transactions With Parties in Interest

The following is a summary of transactions (at cost) with parties in interest:

| | Comerica Incorporated Common Stock | Comerica Stable Value Fund | Comerica S&P 500 Index Fund | Comerica Destination Retirement Fund | Comerica Destination 2015 Fund | Comerica Destination 2025 Fund | Comerica Destination 2035 Fund | Comerica Destination 2045 Fund | Comerica Destination 2045 Fund | Comerica Short Term Fund |
|--|---|--|--|---|--|---|---|--------------------------------------|--------------------------------------|-----------------------------------|
| Balance at December 31, 2004 | \$ 185,441,533 | \$ 110,009,035 | \$ 104,496,866 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Purchases in 2005 | 37,696,217 | 28,550,883 | 10,511,854 | 1,729,267 | 5,365,008 | 2,824,107 | 495,582 | 319,455 | | |
| Sales in 2005 | (33,500,583) | (31,908,656) | (16,676,234) | (13,333) | (374,202) | (34,484) | (23,841) | (2,354) | | |
| Transfer from funds | (3,889,261) | 1,037,985 | | | | | | | | |
| Balance at December 31, 2005 | 185,747,906 | 107,689,247 | 98,332,486 | 1,715,934 | 4,990,806 | 2,789,623 | 471,741 | 317,101 | | |
| Purchases in 2006 | 37,439,783 | 31,179,300 | 12,488,210 | 4,098,705 | 5,667,575 | 3,947,138 | 2,210,403 | 1,857,706 | 398,600 | |
| Sales in 2006 | (36,319,953) | (25,563,206) | (19,290,726) | (535,725) | (818,400) | (572,360) | (227,892) | (459,948) | | |
| Transfer to third-party in rest status | | | | | | | | | | |
| Balance at December 31, 2006 | \$ 186,867,736 | \$ 113,305,341 | \$ 91,529,970 | \$ 5,278,914 | \$ 9,839,981 | \$ 6,164,401 | \$ 2,454,252 | \$ 1,714,859 | \$ 398,600 | |
| | Munder S&P MidCap Index Fund | Munder S&P Small Cap Index Fund | Munder Cash Investment Fund | Munder Bond Fund | Munder Large Cap Value Fund | Munder U.S. Government Income Fund | Munder MidCap Core Growth Fund | | Total | |
| Balance at December 31, 2004 | \$ 10,674,219 | \$ 4,513,097 | \$ 1,133,976 | \$ 6,201,284 | \$ 9,679,150 | \$ 15,687,413 | \$ 11,009,076 | \$ 458,845,649 | | |
| Purchases in 2005 | 4,561,017 | 3,308,229 | 31,371,312 | 2,571,169 | 5,366,520 | 2,570,238 | 7,117,361 | 144,358,219 | | |
| Sales in 2005 | (2,443,756) | (2,621,001) | (32,505,288) | (1,496,391) | (3,902,228) | (1,688,852) | (2,589,146) | (129,780,349) | | |
| | | | | (10,068) | 15,145,328 | (16,568,799) | (31,256) | (4,316,071) | | |

| | | | | | | | |
|-----------------|----------------------|---------------------|--------------------|---------------------|---------------------|----------------------|-----------------------|
| transfer | | | | | | | |
| /from funds | | | | | | | |
| balance at | | | | | | | |
| December 31, | | | | | | | |
| 2005 | 12,791,480 | 5,200,325 | 7,265,994 | 26,288,770 | 15,506,035 | 469,107,448 | |
| purchases in | | | | | | | |
| 2006 | 5,065,265 | 4,010,602 | 3,396,149 | 8,849,144 | 6,160,193 | 126,768,790 | |
| sales in 2006 | (3,654,812) | (2,242,861) | (1,900,862) | (5,089,383) | (4,390,894) | (101,067,022) | |
| transfer to | | | | | | | |
| non-party in | | | | | | | |
| interest status | | | (8,761,281) | (30,048,531) | (17,275,334) | (56,085,146) | |
| balance at | | | | | | | |
| December 31, | | | | | | | |
| 2006 | \$ 14,201,933 | \$ 6,968,066 | \$ | \$ | \$ | \$ | \$ 438,724,070 |

The Munder mutual funds are managed by Munder Capital Management, a consolidated subsidiary of Comerica Incorporated until December 29, 2006, when it was sold to an unaffiliated investor group.

The Munder index funds are sub-advised by World Asset Management, a consolidated subsidiary of Comerica Incorporated, and therefore continue to hold party in interest status.

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Comerica Incorporated Preferred Savings Plan
Notes to Financial Statements

6. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated November 14, 2003, 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 Internal Revenue Service, 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 is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax exempt.

7. Differences Between Financial Statements and Form 5500

Amounts allocated to withdrawn participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year-end but not yet paid. At December 31, 2006 and December 31, 2005, there were no claims approved but not yet paid.

8. 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 assets available for benefits.

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Supplemental Schedules

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Comerica Incorporated Preferred Savings Plan
 EIN: #38-1998421 Plan #002
 Schedule H, Line 4i Schedule of Assets
 (Held at End of Year)
 December 31, 2006

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|-------------|------------------|
| Mutual and Money Market Funds | | | |
| under ** | *S&P MidCap Index Fund 1,304,805 shares | *** | \$ 16,062,14 |
| | *S&P Small Cap Index Fund 449,660 shares | *** | 7,468,85 |
| | Large Cap Value Fund 2,045,382 shares | *** | 33,441,99 |
| | MidCap Core Growth Fund 889,684 shares | *** | 22,651,35 |
| | Bond Fund 923,152 shares | *** | 8,659,16 |
| Neuberger Berman | Neuberger Berman Genesis Fund 801,148 shares | *** | 38,238,81 |
| Franklin/Templeton Investments | Franklin Rising Dividends Fund 658,000 shares | *** | 23,602,44 |
| | Templeton Growth Fund 1,186,477 shares | *** | 30,445,00 |
| William Blair Funds | William Blair Growth Fund 427,935 shares | *** | 4,887,01 |
| | William Blair International Growth Fund 1,536,781 shares | *** | 42,568,83 |
| Heritage Funds | Heritage Small Cap Stock Fund 581,157 shares | *** | 21,159,93 |
| Van Kampen Funds | Van Kampen Equity & Income Fund 2,762,080 shares | *** | 25,190,16 |
| | Van Kampen Government Securities 1,493,064 shares | *** | 15,459,48 |
| American Funds | The Growth Fund of America 502,016 shares | *** | 16,496,23 |
| Total Mutual and Money Market Funds | | | 306,331,45 |
| Collective Trust Funds | | | |
| Comerica Incorporated | Stable Value Fund 11,147,402 units | *** | 121,069,70 |
| | S&P 500 Index Fund 9,148,903 units | *** | 116,840,73 |
| | Destination Retirement Fund 498,678 units | *** | 5,644,20 |
| | Destination 2015 Fund 928,023 units | *** | 10,834,06 |
| | Destination 2025 Fund 571,143 units | *** | 6,893,73 |
| | Destination 2035 Fund 218,762 units | *** | 2,712,55 |
| | Destination 2045 Fund 149,445 units | *** | 1,896,96 |
| | Short Term Fund 398,617 units | \$ 398,617 | 398,61 |
| Total Collective Trust Funds | | | 266,290,58 |
| Comerica Incorporated | Common Stock 3,995,978 shares | 186,867,736 | 234,483,98 |
| Participant loans | Interest rate range: 6.50% to 11.74%, with various maturity dates | | 21,557,12 |

total investments

\$ 828,663,14

* Party in interest

** The Munder mutual funds are managed by Munder Capital Management, a consolidated subsidiary of Comerica Incorporated until December 29, 2006, when it was sold to an unaffiliated investor group. The Munder index funds are sub-advised by World Asset Management, a consolidated subsidiary of Comerica Incorporated, and therefore continue to hold party in interest status.

*** Disclosure of historical cost information is not required for participant-directed investments

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Comerica Incorporated Preferred Savings Plan
 EIN: #38-1998421 Plan #002
 Schedule H, Line 4j Schedule of Reportable Transactions
 Year Ended December 31, 2006

| Description of Asset (Including Interest Rate and Maturity in Case of a Loan) | Purchase Price | Selling Price | Expense Incurred | | | Current Value of Asset on Transaction Date | Net Gain (Loss) |
|--|-------------------|------------------|--------------------------|----------------------|------------------|--|--------------------|
| | | | Lease With Renewal | With Transaction* | Cost of Asset | | |
| Comerica Incorporated Common Stock: 715 purchases | \$ 37,439,783 | | | | \$ 37,439,783 | \$ 37,439,783 | |
| 1,417 sales | | \$ 44,761,574 | | | 36,319,953 | 44,761,574 | \$ 8,441,621 |
| Stable Value Fund: 1,537 purchases | 31,179,300 | | | | 31,179,300 | 31,179,300 | |
| 1,596 sales | | 26,838,060 | | | 25,563,206 | 26,838,060 | 1,274,854 |

* The commissions and fees related to purchases and sales of investments are included in the cost of investment or proceeds from

the sale and are
not separately
identified by the
Trustee.

There were no category (i), (ii), or (iv) reportable transactions.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrator of the Plan has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

Comerica Incorporated
Preferred Savings Plan

By: /s/ Jon W. Bilstrom
Jon W. Bilstrom
Executive Vice President - Governance,
Regulatory Relations and Legal Affairs
Comerica Incorporated

Dated: May 31, 2007

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Exhibit Index

| Exhibit No. | Description |
|--------------------|--------------------------------|
| 23 | Consent of Ernst and Young LLP |