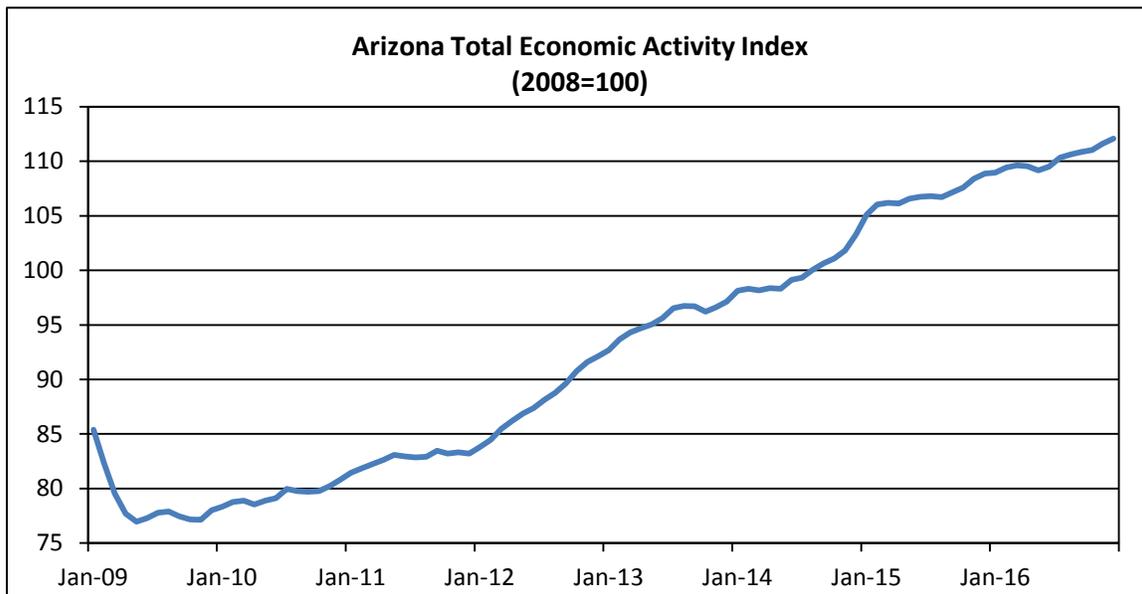


Comerica Bank's Arizona Index Improves

Comerica Bank's Arizona Economic Activity Index increased in December, up 0.5 percentage points to a level of 112.1. December's index reading is 35 points, or 46 percent, above the index cyclical low of 77.0. The index averaged 110.2 points for all of 2016, three and three-tenths points above the average for 2015. November's index reading was 111.6.

"The Comerica Bank Arizona Economic Activity Index increased in December for the seventh consecutive month. Further, the state index has only declined once out of the last 16 months, in May 2016. We have seen steady improvement in the Arizona economy primarily reflecting ongoing job growth and firming real estate markets. Positives for December were nonfarm employment, state exports, unemployment insurance claims (inverted) housing starts and house prices. State sales tax, hotel occupancy and enplanements were negatives. It is noteworthy that the three negative factors for December are all negatively impacted by a weak Mexican peso, which makes it more expensive for people coming in from Mexico to shop and stay in Arizona," said Robert Dye, Chief Economist at Comerica Bank. "Still, we believe that the weak Mexican peso does not represent an existential threat to Arizona's ongoing economic expansion."



The Arizona Economic Activity Index consists of eight variables, as follows: nonfarm payrolls, exports, hotel occupancy rates, continuing claims for unemployment insurance, housing starts, home prices, sales tax revenues, and total enplanements. All data are seasonally adjusted, as necessary, and indexed to a base year of 2008. Nominal values have been converted to constant dollar values. Index levels are expressed in terms of three-month moving averages.

Comerica operates full-service banking centers throughout Maricopa County, including locations in Phoenix, Avondale, Goodyear, Mesa, Peoria, Scottsdale, Surprise and Tempe. In addition to Arizona, Comerica locations can be found in its headquarters state of Texas, as well as in California, Florida and Michigan, with select businesses operating in several other states, as well as in Canada and Mexico.

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