Playing Offense in a Challenging Time

COMMERCE BANCSHARES, INC.

ANNUAL SHAREHOLDERS' MEETING

John Kemper
President and Chief Executive Officer

April 21, 2021

Commerce Bancshares, Inc.

PLAYING OFFENSE IN A CHALLENGING TIME





CAUTIONARY STATEMENT

A number of statements we will be making in our presentation and in the accompanying slides are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements of the Corporation's plans, goals, objectives, expectations, projections, estimates and intentions. These forward-looking statements involve significant risks and uncertainties and are subject to change based on various factors (some of which are beyond the Corporation's control). Factors that could cause the Corporation's actual results to differ materially from such forward-looking statements made herein or by management of the Corporation are set forth in the Corporation's 2020 Report on Form 10-K and the Corporation's Current Reports on Form 8-K.

TODAY'S DISCUSSION



About Commerce Bancshares



Capitalizing on Our Position of Strength



Economic and Industry Themes



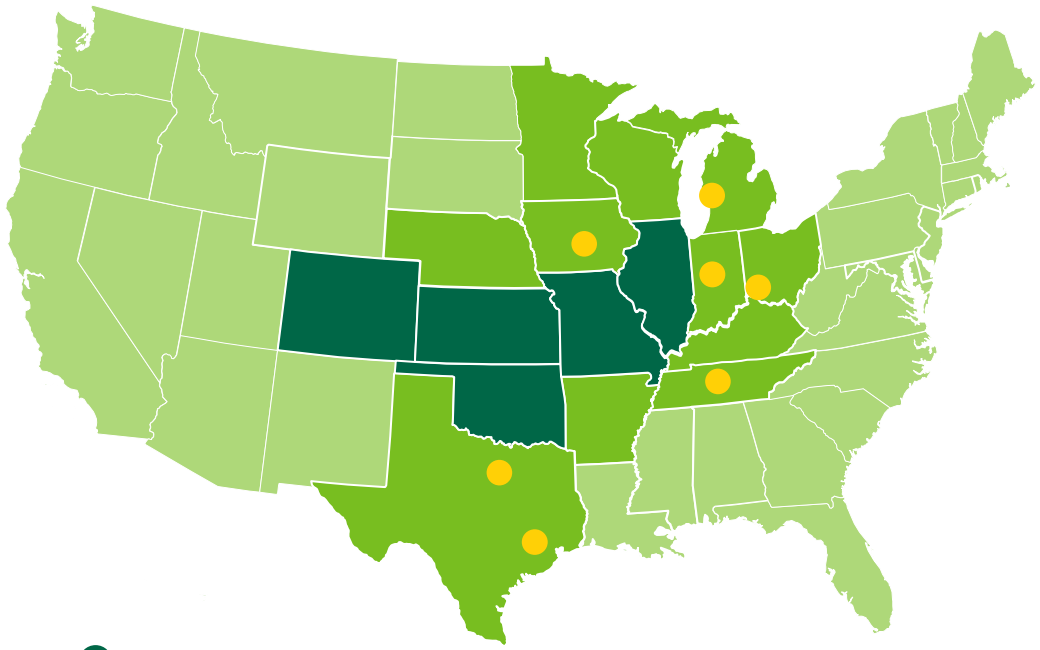
Our Strategic Position



Our Performance and Peer Comparisons

COMMERCE BANCSHARES

155 YEARS IN BUSINESS



FULL-SERVICE BANKING FOOTPRINT

157 full-service branches and 354 ATMs
St. Louis • Kansas City • Springfield • Central Missouri
Central Illinois • Wichita • Tulsa • Oklahoma City • Denver

COMMERCIAL OFFICES

Cincinnati • Nashville • Dallas • Des Moines
Indianapolis • Grand Rapids • Houston

U.S. PRESENCE

Extended Commercial Market Area
Commercial Payments Services
Offered in 48 states across the U.S.

$32.9 BILLION TOTAL ASSETS

42ND LARGEST U.S. BANK BASED ON ASSET SIZE[1]

$7.7 BILLION MARKET CAP

17TH LARGEST U.S. BANK BASED ON MARKET CAP[1]

$61.2 BILLION TOTAL TRUST ASSETS

17TH LARGEST AMONG U.S. BANK-MANAGED TRUST COMPANIES BASED ON AUM[1]

a1 BASELINE CREDIT ASSESSMENT[3]

1 of 6 MOODY'S RANKS COMMERCE AMONG THE TOP 6 BANKS IN THE COUNTRY

$26.9 BILLION TOTAL DEPOSITS

$16.4 BILLION TOTAL LOANS[2]

$8.5 BILLION COMMERCIAL CARD VOLUME

10.6% RETURN ON AVERAGE COMMON EQUITY

11TH YTD ROACE FOR THE TOP 50 U.S. BANKS BASED ON ASSET SIZE[1]

Sources: [1]S&P Global Market Intelligence – Regulated U.S. depositories, which includes commercial banks, bank holding companies, and credit unions; [2]Includes loans held for sale; [3]Moody's Credit Opinion – Commerce Bancshares, Inc., November 17, 2020; Moody's rating affirmed December 22, 2020 (Baseline Credit Assessment (BCA) reflects a bank's standalone credit strength). All information as of 12/31/2020.

Commerce Bancshares, Inc.

SUPER-COMMUNITY BANK PLATFORM

A consistent strategy with a long-term view

Community Bank

- Award-winning customer service
- Focus on the full client relationship
- Core values embraced by team members
- Quickly adapt to customer needs and changing preferences

Customer relationship-based:
Challenge Accepted.®

High-performing teams and engaged workforce

Long history of top quartile credit quality metrics

Investment in distinctive, high-return businesses

Focus on operational efficiencies

Disciplined approach to acquisitions

Super-Regional Bank

- Sophisticated payment system capabilities
- Broad consumer product offerings
- Private Banking; Trust; Capital Markets
- Shareholder driven and strong financial performance
- Competitive on unit costs

OUR STRONG CULTURE IS THE KEY DRIVER TO OUR LONG-TERM SUCCESS

At Commerce, our core values shape the way we live and work.

A culture formed more than 155 years ago to be a force for good in our region and our industry

V We have a long-term **V**iew

O We collaborate as **O**ne team

I We act with **I**ntegrity

C We are **C**ustomer focused

E We strive for **E**xcellence

- We make decisions today that will sustain us well into the future.
- We see diversity and inclusion as an imperative and seize opportunities to build teams that reflect all sides of an issue.
- We value integrity, we recognize our first duty is to conduct business in ways that merit trust and confidence, and that adhere to the highest standards of governance and ethics.
- We value relationships, our customers are our primary focus.



BEYOND FINANCIALS

Supporting each other, our customers and our communities

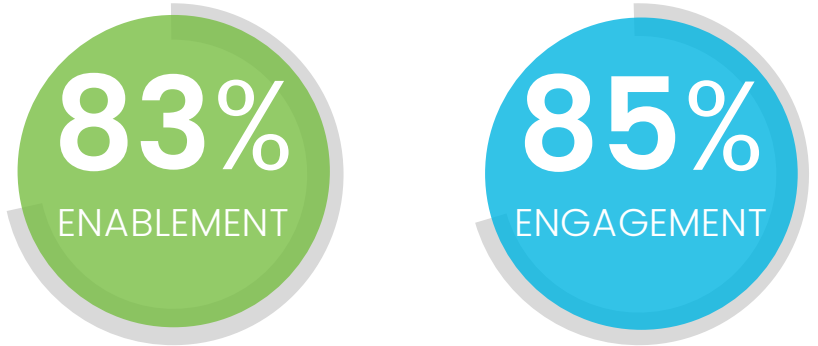
"As a socially responsible corporate citizen, we continuously seek opportunities to make a difference."

More than 500 nonprofit organizations supported
by Commerce team members through leadership roles by serving on boards

OUTSTANDING
Community Reinvestment Act rating
for more than **20 years**[1]

2020 Engagement & Enablement[2]

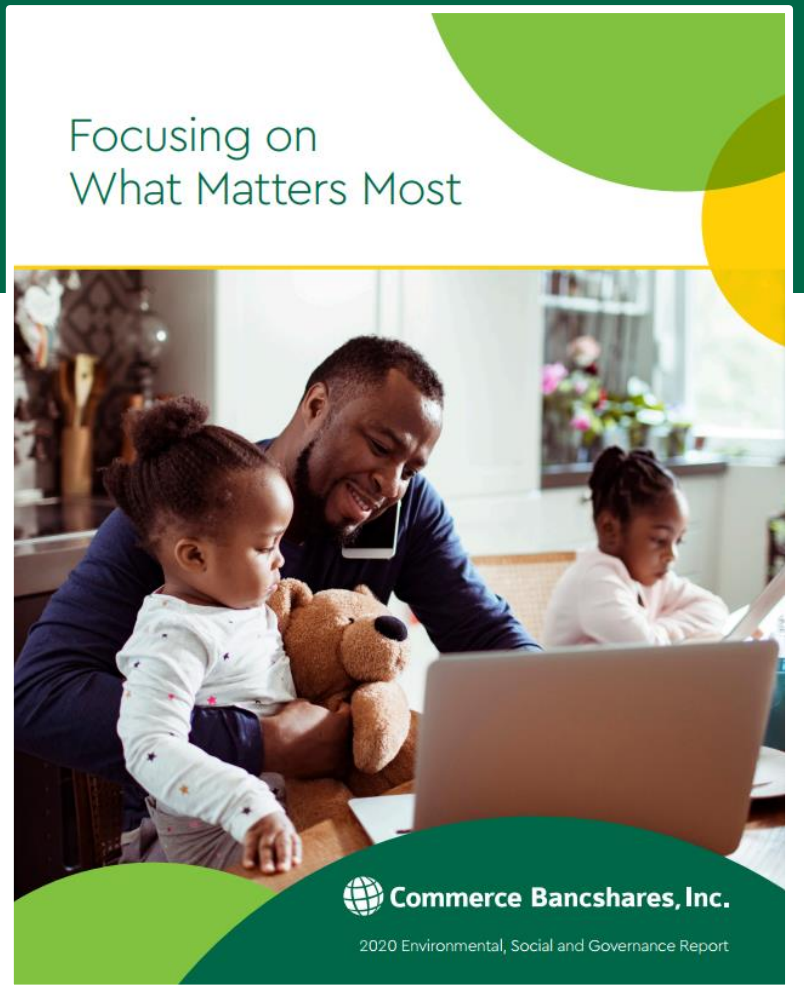
Consistently scoring above the U.S. High Performance and U.S. Financial Services norms for engagement, enablement and effectiveness



[1] *Federal Reserve Bank and Office of the Comptroller of the Currency*
[2] *The Korn Ferry Hay Group – 2020 survey results*

COMMERCE'S ESG REPORT

Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.



The report assesses our impact in several key areas:

- Environmental sustainability
- Customer, team member and community engagement
- Corporate governance, including information security and code of ethics
- Our response to COVID-19

2020 ESG Report is available on commercebank.com and Investor.commercebank.com

OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

Our longstanding approach of "doing what's right" continues to guide our focus on our team members, customers and communities

Our new **Diversity, Equity and Inclusion** CBI Blue Chip includes four pillars that focus both internally and externally. We will build on the years of progress we have already made regarding diversity.

Customer
Deeper focus on growing a diverse customer base

Community
Investing, both financially and with our time in our communities

Supplier
Improve the diversity of our suppliers and spend

Internal
Enhance internal talent mobility and external recruiting practices to increase the diversity of our teams and leaders

A culture that celebrates inclusion and diversity
Commerce offers a variety of internal resource groups, mentoring programs and networking opportunities

EMERGE
Connecting young professionals
550+ members

RISE
Empowering women
1,281+ members

PRIDE
Engaging LGBTQIA+ community
357+ members

VIBE
Valuing multi-cultural perspectives
341+ members

RECENT RECOGNITION





[1]*The Korn Ferry Hay Group – based on 2018 survey results*

TODAY'S DISCUSSION



About Commerce Bancshares



Capitalizing on Our Position of Strength



Economic and Industry Themes



Our Strategic Position



Our Performance and Peer Comparisons

PAYCHECK PROTECTION PROGRAM IMPACT

KEY METRICS

Loan Balances

Round 1 **$1.5** Billion[1]

Round 2 **$331.4** Million

Customers

Round 1 Over **7,500**

Round 2 Over **3,200**

Median Loan Size

Round 1 **$33K**

Round 2 **$21K**

Total SBA Fees

Round 1 **$41.0** Million

SBA Fees Recognized

2020 **$21.4** Million

YTD 2021 **$9.3** Million

ESTIMATED OVER

185,000

JOBS SAVED





900+

Commerce employees

assisted with SBA PPP loans

[1] *Total funded amount in Round 1*
Round 2 information through March 31, 2021

Commerce Bancshares, Inc.

PROVIDING RELIEF TO OUR CUSTOMERS

Active deferral exposure reduced as pandemic continues

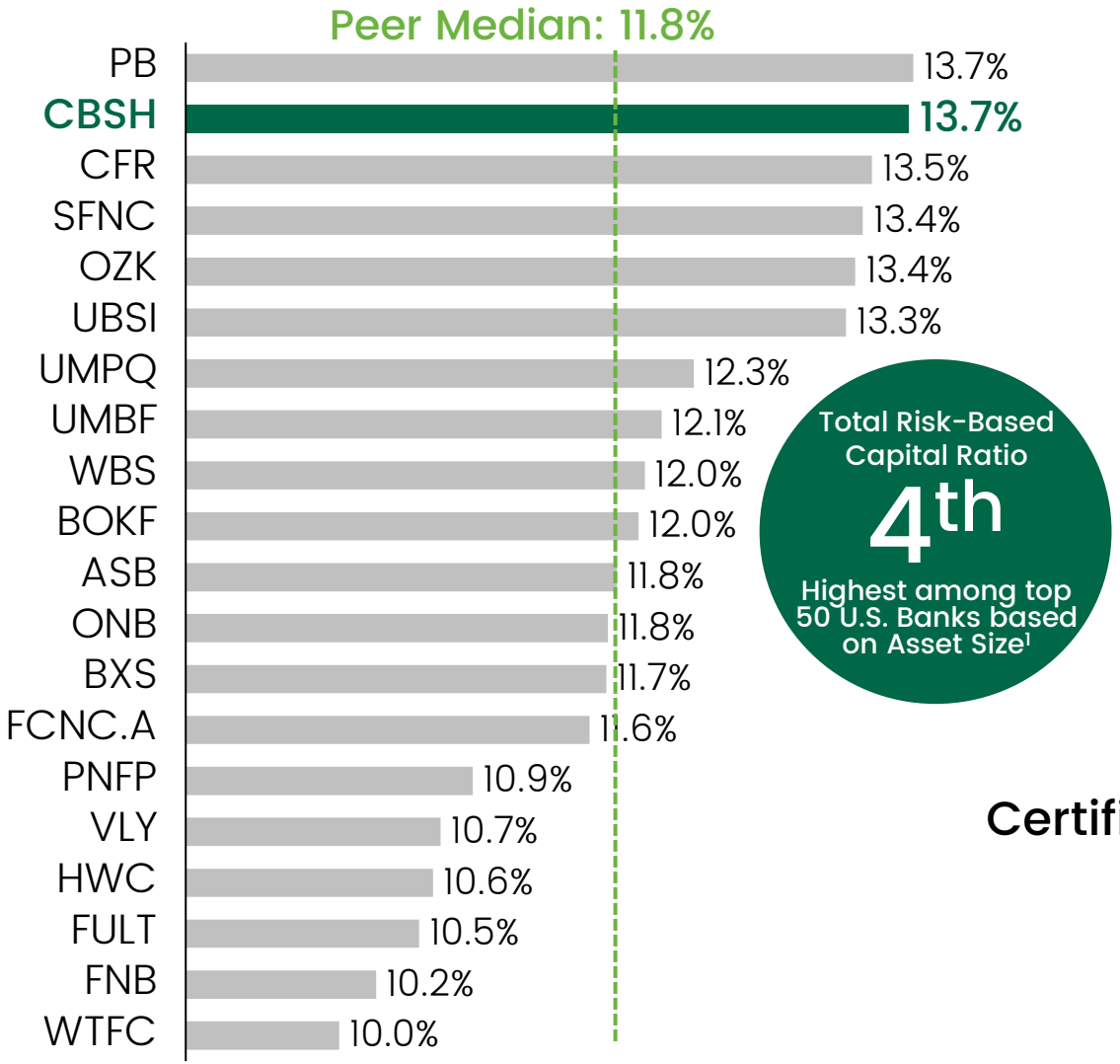
Payment Relief Requests

	Cumulative deferrals[1] through July 16, 2020			Active deferrals[1] as of December 31, 2020		
Loan Type	Number of Requests	% of Portfolio (by $ amount)	Total Amount of Requests	Number of Requests	% of Portfolio (by $ amount)	Total Amount of Requests
Commercial	741	7.8%	$720MM	8	.6%	$57MM
Mortgage	192	1.9%	$48MM	86	.7%	$18MM
Consumer Card	1,597	1.5%	$10MM	93	.1%	$0.6MM
Installment	3,940	5.8%	$76MM	500	.6%	$8MM
Med/HSF[2]	3,427	4.3%	$9MM	109	.1%	$0.3MM
TOTAL	**9,686**	**5.8%[3]**	**$863MM**	**796**	**.6%**	**$84MM**

[1]Deferrals are defined as modifications, payment deferrals, forbearance agreements, change in terms and does not include proactive relief offered through our skip pay program, % of Portfolio calculated on Total Loans (excluding PPP loans); [2] No direct consumer credit exposure; [3] Calculated using total requests as of July 16, 2020 as a percent of total loans (excluding PPP loans) period-ending June 30, 2020

SOUND CAPITAL AND LIQUIDITY POSITION

Tier 1 Risk-Based Capital Ratio[1]



Total Risk-Based Capital Ratio

4th

Highest among top 50 U.S. Banks based on Asset Size[1]

Loan to Deposit Ratio

Large, stable deposit base and low loan to deposit ratio

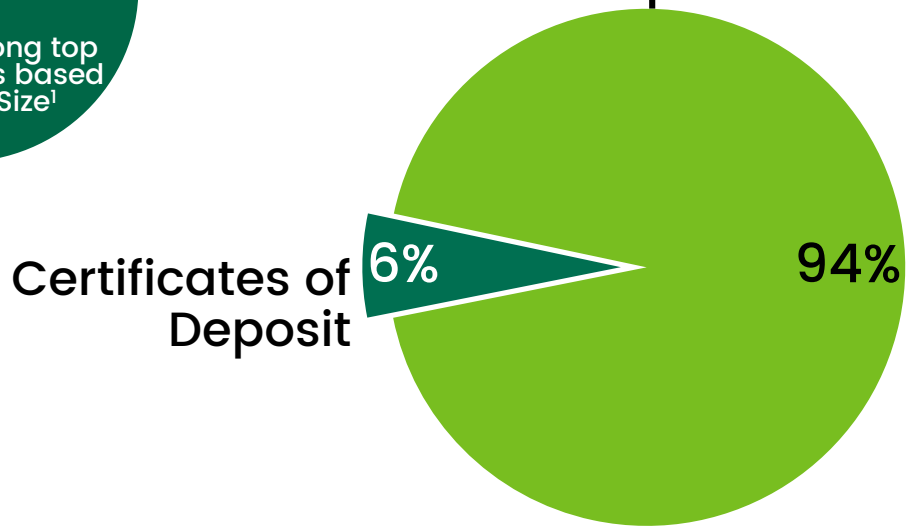
Core Deposits

$25.6 Billion[2]

62% Commerce — Average Loan to Deposit Ratio[3]

85% Peer Average — Average Loan to Deposit Ratio[1]

Total Deposits



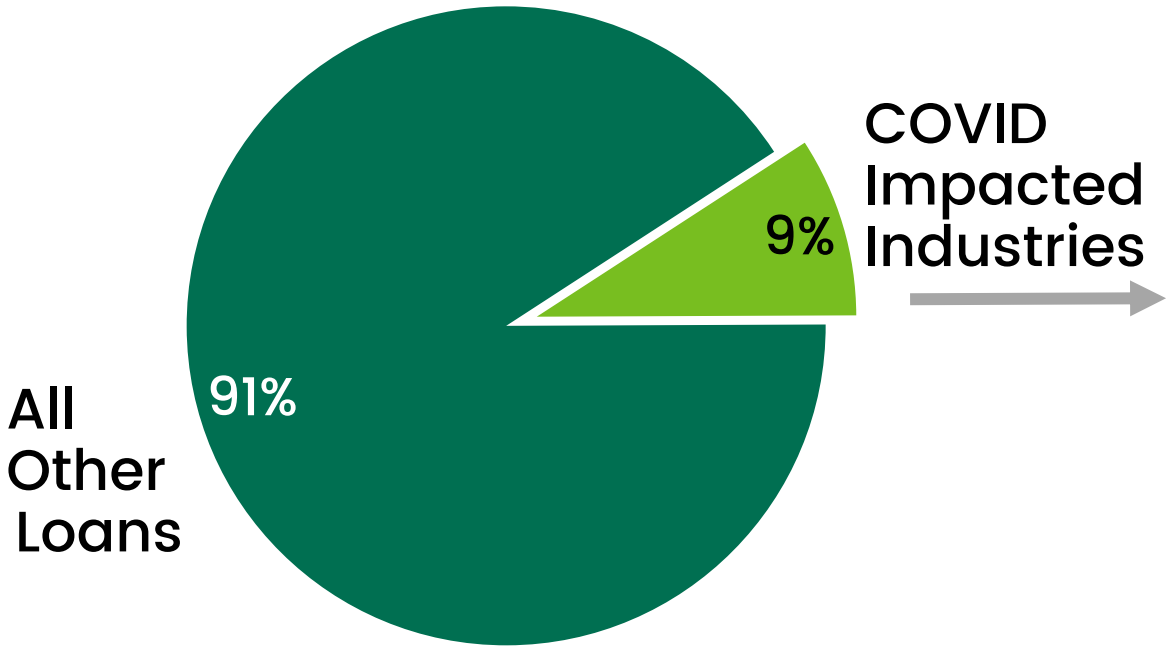
Core Deposits

- Non-Interest Bearing
- Interest Checking
- Savings and Money Market

[1]S&P Global Market Intelligence as of December 31, 2020
[2]Period-end balances as of March 31, 2021
[3]Includes loans held for sale for the quarter ended March 31, 2021

LOAN PORTFOLIO: LIMITED EXPOSURE TO PANDEMIC-SENSITIVE INDUSTRIES

Loan Portfolio Outstandings[1]
100% = $15.0 billion



COVID Impacted Industries	$ in millions 12/31	$ in millions 3/31	% of Loan Portfolio 3/31
CRE Retail	387	388	2.6%
Hotels	303	309	2.1%
Senior Living	311	307	2.0%
Energy	173	186	1.2%
Retail Stores	111	118	.8%
Restaurants	67	64	.4%
Total	**$1,352**	**$1,372**	**9.1%**

[1]Period-end balances, excluding PPP, as of March 31, 2021
Industry breakdowns represent outstanding balances, excluding PPP loans, as of March 31, 2021, segmented by NAICS codes

TODAY'S DISCUSSION



About Commerce Bancshares



Capitalizing on Our Position of Strength



Economic and Industry Themes



Our Strategic Position

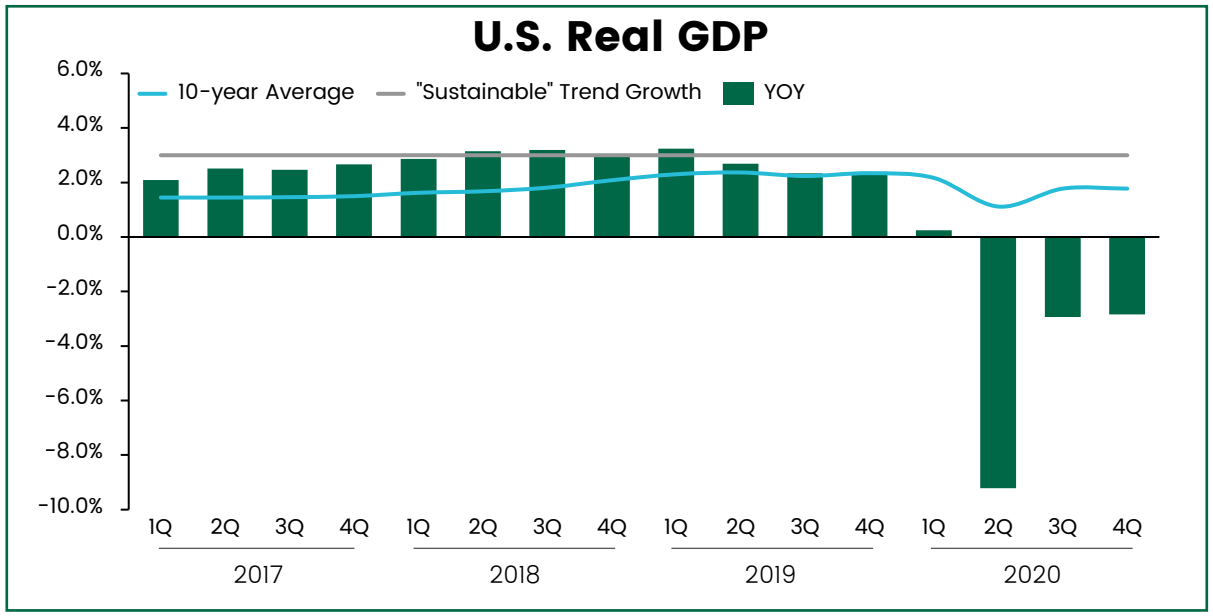


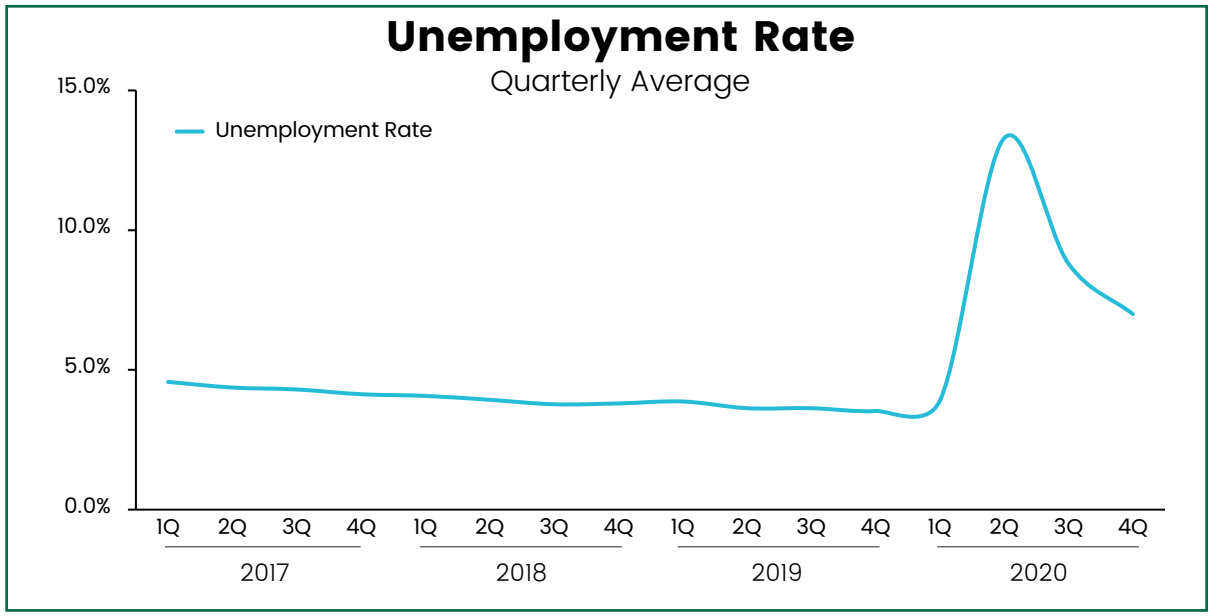
Our Performance and Peer Comparisons

MACROECONOMIC ENVIRONMENT

Massive fiscal stimulus, zero percent monetary policy, positive vaccine news and potential infrastructure package continue to drive our recovery forward.

- At year-end, 4Q GDP was down by "only" 2.4% YOY; we project nearly unprecedented growth of 7-10% in 2021.
- Unemployment rate quickly fell to 6.0% in March; continued downward movement expected as our economy reopens.
- Interest rates are still low but rising with the recovering economy; a reduction in "output gap" and higher future inflation will continue to put pressure on rates.





Sources: Commerce Trust Company, St. Louis Federal Reserve Bank

Commerce Bancshares, Inc.

PRIMARY ISSUES CURRENTLY IMPACTING THE BANKING INDUSTRY

1. Bank financial performance tested by COVID-19 pandemic and interest rate environment
2. Balance sheets continue to exhibit strong capital and liquidity positions (better than pre-COVID)
3. Increasing importance of technology infrastructure
4. Bank stocks have recovered from early 2020 lows
5. Credit quality has remained (surprisingly) stable
6. Industry consolidation expected to resume as economic uncertainty wanes

Source: Piper Sandler

TODAY'S DISCUSSION



About Commerce Bancshares

Capitalizing on Our Position of Strength

Economic and Industry Themes

Our Strategic Position

Our Performance and Peer Comparisons

STRATEGIC POSTURE: MAINTAINING THE BALANCE

STRONG PERFORMANCE with ongoing refinement of the "Core Bank"

- Super-Community Bank platform
- Relationship-based banking
- High-touch customer service
- Full suite of product and service offerings
- Disciplined attention to risk return
- Divest in businesses & activities that no longer provide acceptable returns
- A highly engaged team
- Focus on profitability and shareholder return



Challenge Accepted.®

Disciplined focus on **PRIORITY BLUE CHIP** investments

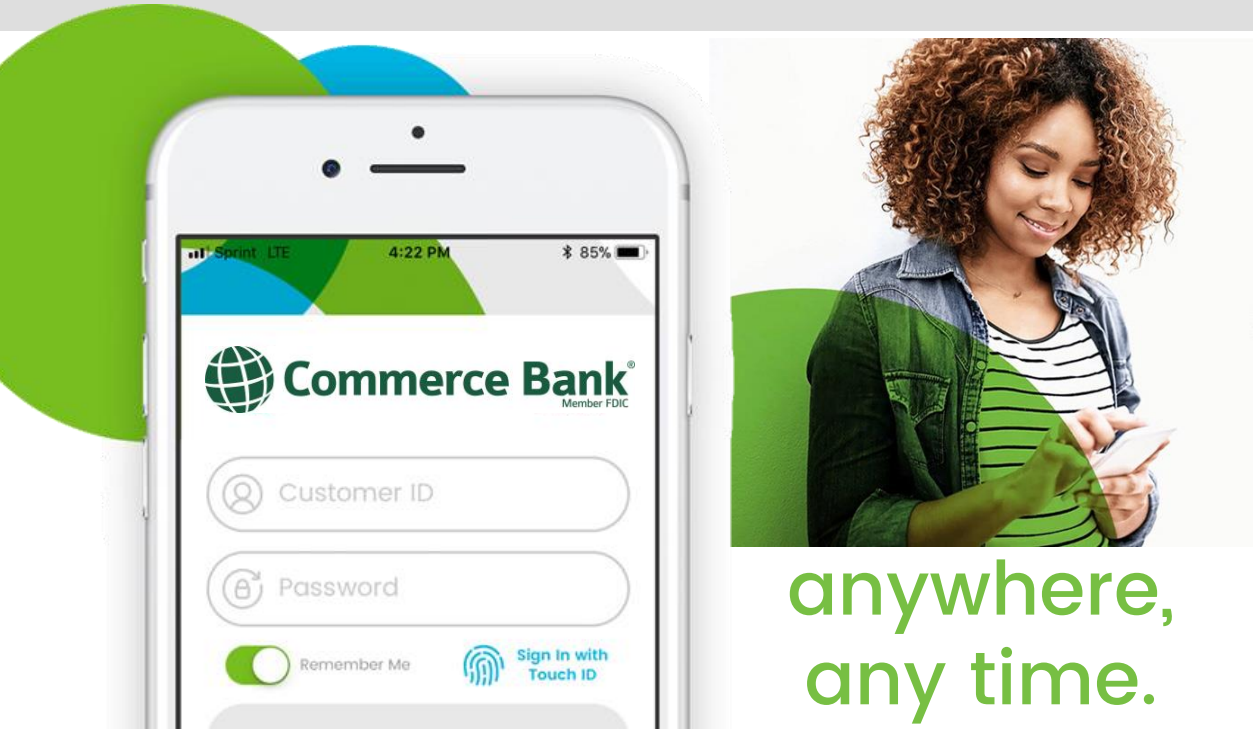
- Diversity, Equity and Inclusion
- Enterprise Digital Strategy
- Maximize Value of Key Retail Clients
- Grow the Private Bank Through a New Transformative Model
- Develop Claims Payment
- Accelerate Growth in Healthcare
- Accelerate Expansion Market Growth
- Implement Transform 360
- Enhance the People Experience

Commerce EDGE

...emphasis on culture, collaboration and core values

CBI BLUE CHIP: ENTERPRISE DIGITAL STRATEGY

- Creates a single Digital Strategy expanding across all segments of the bank
- Committed to delivering customer digital solutions more rapidly
- Elevates digital leadership to an executive level



anywhere, any time.

OUR VISION

Transform the digital experience by staying current on digital trends and creating seamless digital ecosystems that **place Commerce Bank at the nexus of meeting customers' financial needs.**

WHY

- Our current and potential customers' behaviors have changed, and **they expect more digital interactions**
- **Improved ability to leverage digital product development expertise** across the enterprise
- **Better positions us to remain competitive** with traditional and non-traditional competitors

PLAYING OFFENSE: CONSUMER BANKING

$12.2 BILLION Consumer Deposits[1]

$2.0 BILLION Consumer Loans[2]

1.1 MILLION Consumer Households[1]

157 Full-service branches | **354** ATMs



Focus on Digital

Commerce Bank App Rating

4.7 ★★★★★

4.7 ★★★★★

Digital HH Penetration

65.9%

Digital Loan Sales (000s)

$47,165

Mobile Deposit Use

24%

Period end balances. All information as of December 31, 2020

[1]Excludes Wealth segment [2]Excludes loans from our Wealth segment and $1.9 billion of personal real estate loans

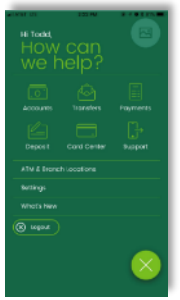
PLAYING OFFENSE: CONSUMER BANKING

Enhancing the Customer Experience

Engaging with customers through the channels they prefer.

- Technology investments
- New engagement programs
- Enhanced product offerings
- Improved operating model

CONNECT™







CommercePremier

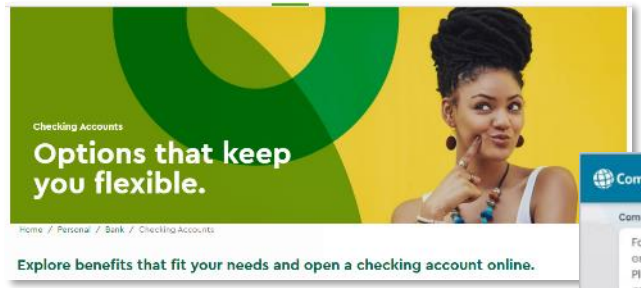
CARA

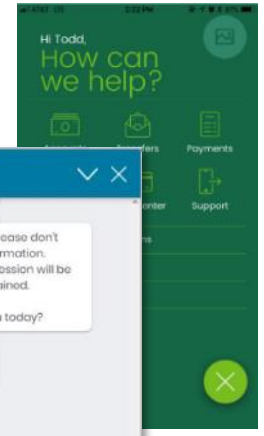


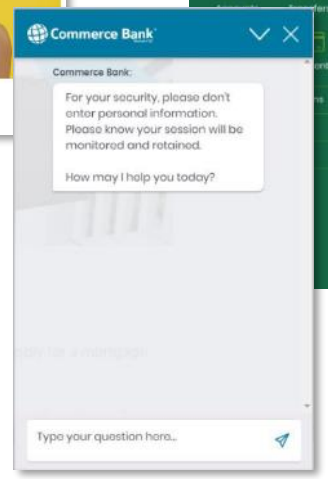
Consumer Digital

Evolving digital experiences to meet our customers' expectations.

- Offered digital account opening post-login
- Intelligent Marketing Pilot launched for loan products
- Implemented online banking chat for Mortgage customers
- Enhanced the password reset self-service functionality
- Improved the account transaction history search and calendar usability









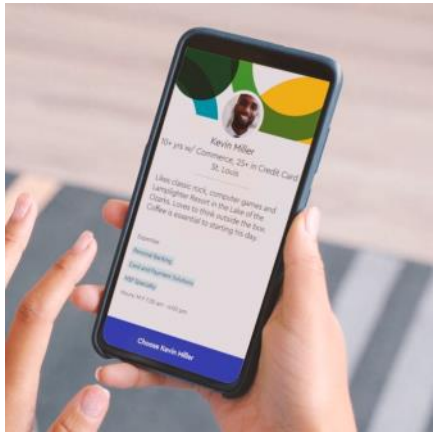


PLAYING OFFENSE: CONSUMER BANKING

Commerce Bank CONNECT® Mobile App

Personalized experience allowing customers to engage with a banker they choose, right from their smartphone

- First in the region to introducing this innovation, enabling high-touch service through a digital channel
- Secure platform for customers to message directly with their banker



Commerce Bank Mortgage

An end-to-end, fully coordinated solution that allows the consumer to transact via web, phone, face-to-face (now virtually) or any combination – throughout the loan lifecycle, including servicing.

- Continue to enhance the digital mortgage platform; e-Closing implementation
- Continue to evolve and transform the sales process to align with changing customer behavior

Mortgage made simple.
Stress less.
We've got this.



PLAYING OFFENSE: COMMERCIAL BANKING

Revenue growth opportunities

Financing solutions – options for all sizes and types of businesses

- Working Capital Lines of Credit
- Term Financing
- Construction & Real Estate Loans
- Equipment Financing
- International Financing
- Employee Stock & Ownership Financing
- Tax-exempt Financing
- Government Lending Programs
- Interest Rate Swaps
- Floor Plan Lending

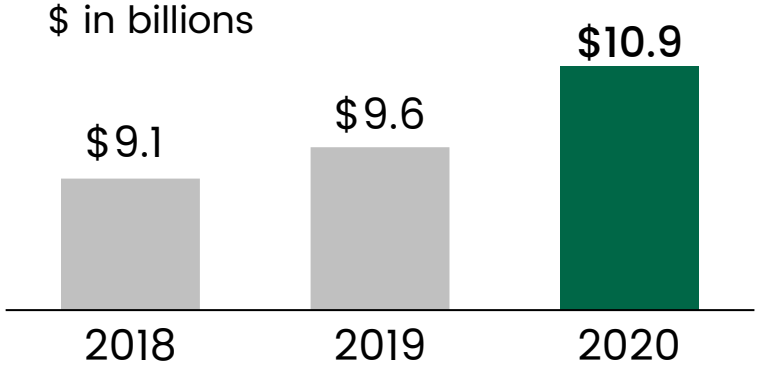
$10.9 BILLION Commercial Loans

$11.3 BILLION Commercial Deposits

$609 MILLION Commercial Revenue

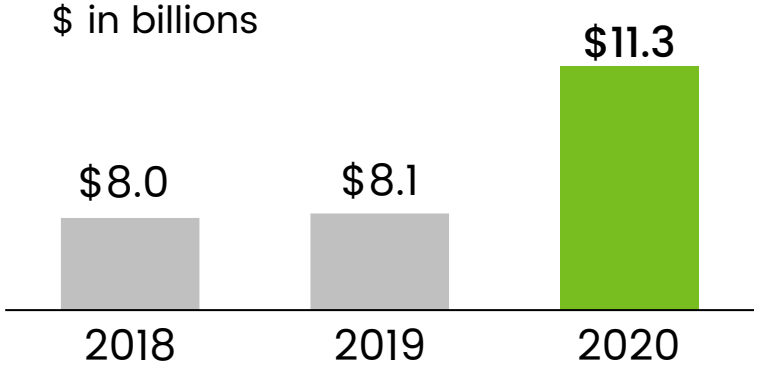
Commercial Loans

$ in billions



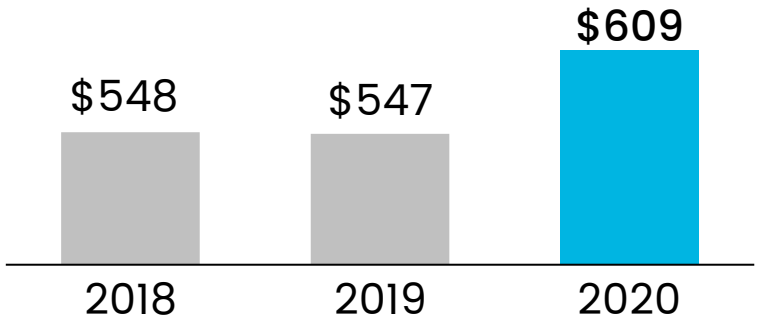
Commercial Deposits

$ in billions



Commercial Revenue

$ in millions

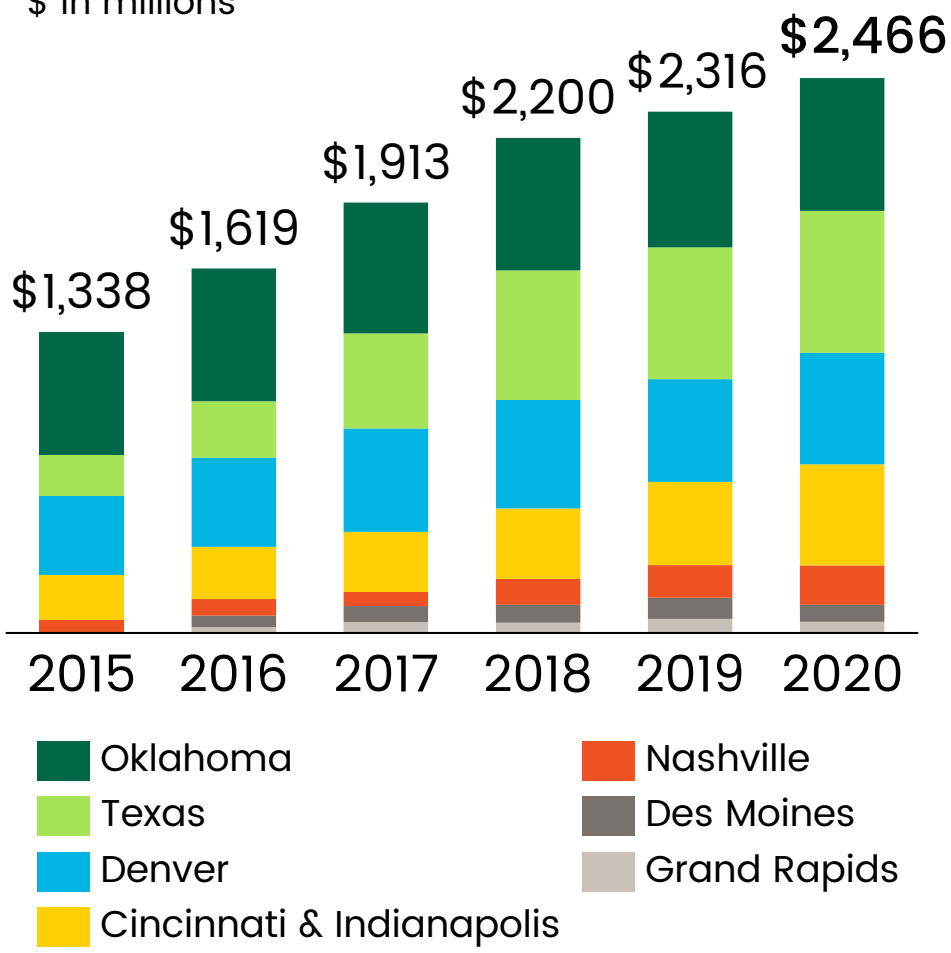


Commercial segment as of December 31, 2020

COMMERCIAL BANKING – EXPANSION MARKETS OFFER GROWTH OPPORTUNITIES

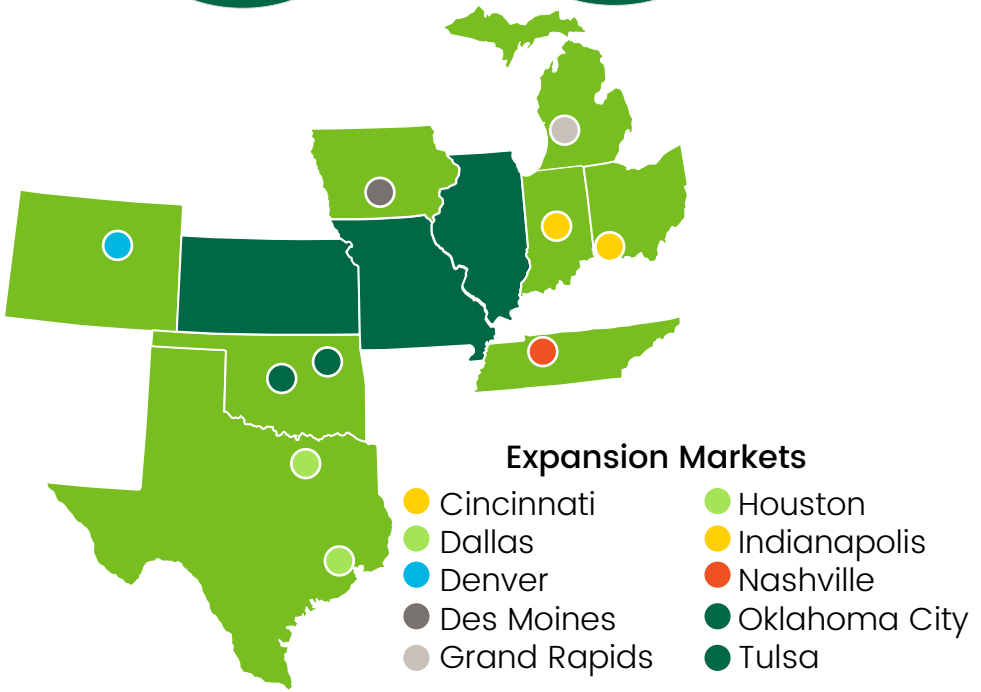
Expansion Market Loan Growth

$ in millions



Expansion Market Loan Growth ↑110% since 2015

Fee Income Growth ↑106% since 2015



Team Overview for Expansion Markets

of team members per market (includes open positions)

	2020
Oklahoma	48
Texas	19
Denver	42
Cincinnati/ Indianapolis	12
Nashville	4
Des Moines	3
Grand Rapids	2

Period end balances as of December 31, 2020

INDUSTRY-LEADING COMMERCIAL PAYMENTS CAPABILITIES

Innovative payments solutions to manage payables and receivables to streamline cash flow



$174 MILLION	Payments Revenue
$52.3 MILLION	Treasury Management Revenue
$8.5 BILLION	Commercial Card Volume
$6.1 BILLION	Merchant Volume

Key Verticals

CommerceHealthcare®

Tailored return on investment-based solutions enables healthcare providers to enhance the patient experience, improve cash flow, and leverage new opportunities in everyday processes.

Claims Payments

With the help of our insurance advisory council, Claims Payments was built for the industry with the input of insurance experts. We help insurance companies provide faster payments to their customers.

Information as of December 31, 2020

COMMERCE HEALTHCARE



Specialty Healthcare Division

We build and implement innovative banking technologies to improve the patient payment experience, reduce cost and accelerate cash

Well-positioned to deliver our payment automation technologies as healthcare organizations re-design their supply chain processes and help patients manage their healthcare bills

Patient Lending solutions reached $1 billion in funding since inception

Providing payment automation solutions to more than 350 hospitals nationwide

CommerceHealthcare®

Recognized by Beckers as a 'Top Healthcare Company to Know'

Successfully completed 'HFMA Peer Review' certification

Expanding our solutions portfolio

You focus on patients.
We'll focus on payments.

**HFMA staff and volunteers determined that these healthcare business solutions have met specific criteria developed under the HFMA Peer Review process. HFMA does not endorse or guarantee the use of these healthcare business solutions or that any results will be obtained*

Commerce Bancshares, Inc.

Commerce Trust Company™

Wealth | Investments | Planning®

For high-net-worth individuals who are looking to simplify their complex financial life, Commerce Trust Company provides a full-service approach to wealth management.

17TH
Largest Among Bank-Managed Trust Companies[1]

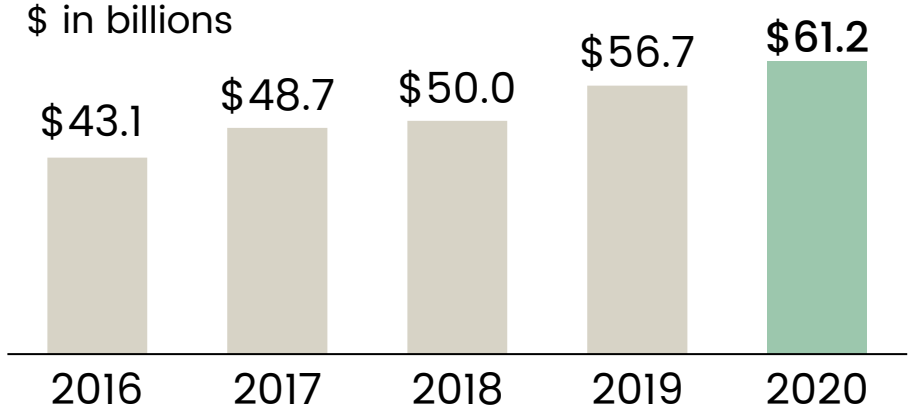
$61 BILLION
Total Client Assets[2]

$38 BILLION
Assets Under Management

$611 MILLION
Managed Brokerage Assets

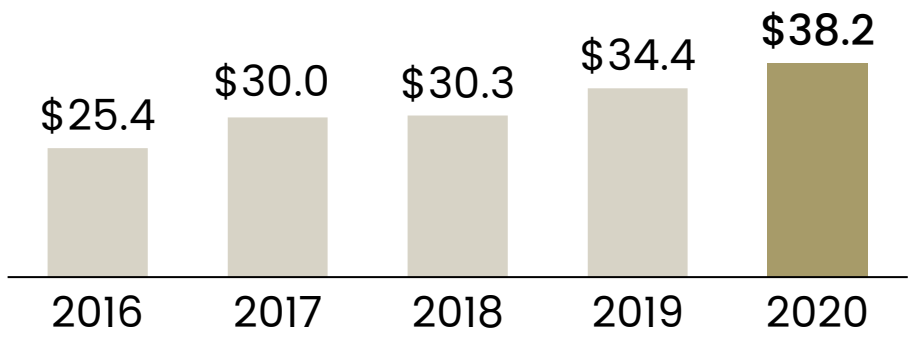
Total Client Assets[2]

$ in billions



Assets Under Management

$ in billions



Period end balances. Information as of December 31, 2020

[1]S&P Global Market Intelligence ranking as of 12/31/2020, based on assets under management

[2]Assets under administration

Commerce Bancshares, Inc.

Commerce Trust Company™
Wealth | Investments | Planning®

Key Growth Initiatives

- Implement new Private Banking Lending System
- Accelerate growth of Mass Affluent households
- Implement enhanced sales process with new Client Relationship Management system
- Expand the CTC brand
- Enhance the digital client experience
- Invest in team training and onboarding resources

Strengthening our wealth brands

Commerce Trust Company™
Wealth | Investments | Planning®

COMMERCE
FAMILY OFFICE

The Private Bank | Commerce Trust Company™ Wealth | Investments | Planning®

Commerce Financial Advisors
Investments • Retirement • Insurance
A Subsidiary of Commerce Bank

Commerce Funds

TODAY'S DISCUSSION



About Commerce Bancshares



Capitalizing on Our Position of Strength



Economic and Industry Themes



Our Strategic Position



Our Performance and Peer Comparisons

FINANCIAL PERFORMANCE IN 2020

ROA 1.20%

ROCE 10.6%

Net interest margin[1] 2.99%

Growth in loans period end ↑11%

Growth in deposits period end ↑31%

Net loan charge-offs to loans .22%

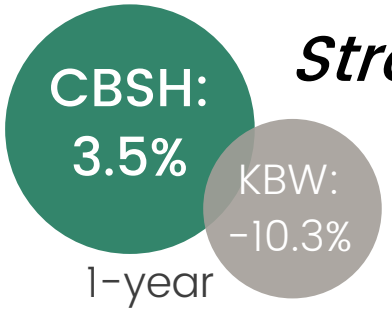
Expense growth ↑0%

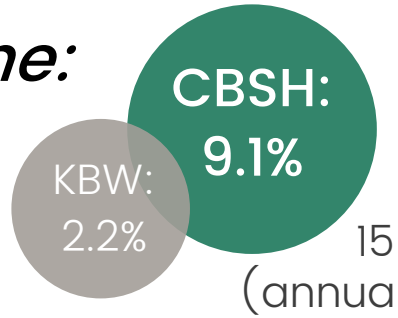
Dividend growth ↑9%

Fee income ↓4%

Strong shareholder returns, sustained over time:

Commerce Bank annualized Total Shareholder Return vs. KBW Bank Index

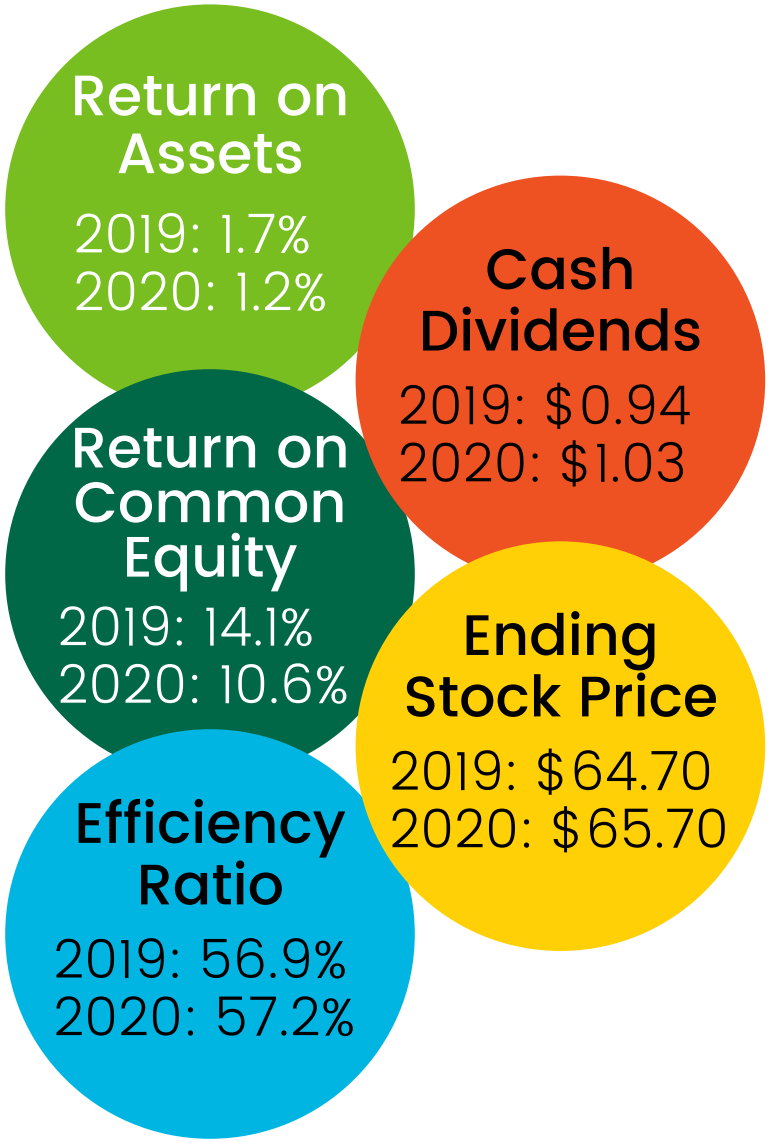




[1]*Net yield on interest earning assets (T/E); All information as of 12/31/2020*

2020 YEAR END EARNINGS

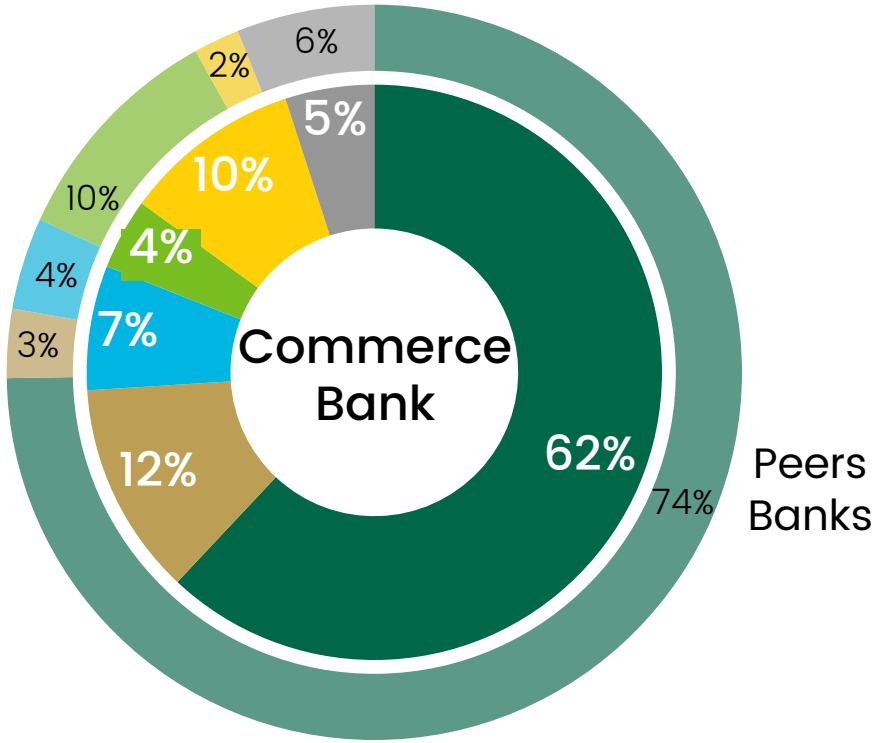
$ in millions	2019	2020	% change
Net interest income	$ 821	$ 830	1%
Non-interest income	525	506	-4%
Total revenue	**1,346**	**1,336**	**-1%**
Securities gains	3	11	NM
Non-interest expense	(767)	(768)	0%
Provision for loan losses	(50)	(137)	172%
Pretax income	**532**	**441**	**-17%**
Income taxes	(109)	(87)	-20%
Net income	**423**	**354**	**-16%**
Non-controlling interest expense	(2)	(0)	NM
Net inc attrib. to Commerce	**421**	**354**	**-16%**
Preferred stock dividends	(9)	(12)	NM
Net income available to common shareholders	**$ 412**	**$ 342**	**-17%**
Diluted EPS	**$ 3.41**	**$ 2.91**	**-15%**



A FULL-SERVICE, DIVERSIFIED OPERATING MODEL

Card, Wealth & Deposit fees provide stable, growing revenue source

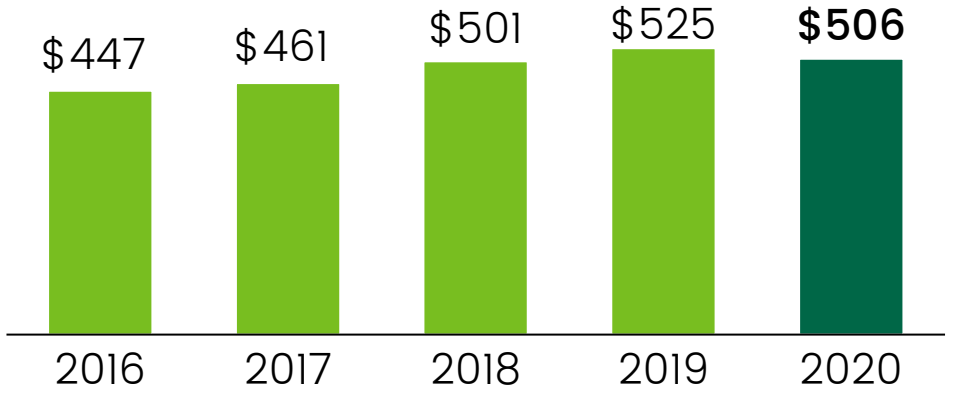
Revenue Source Diversification Compared to Peers



Net Interest Income
Wealth Management
Deposit Service Charges
Fees and Commissions
Card Income
Other

Non-Interest Income

$ in millions



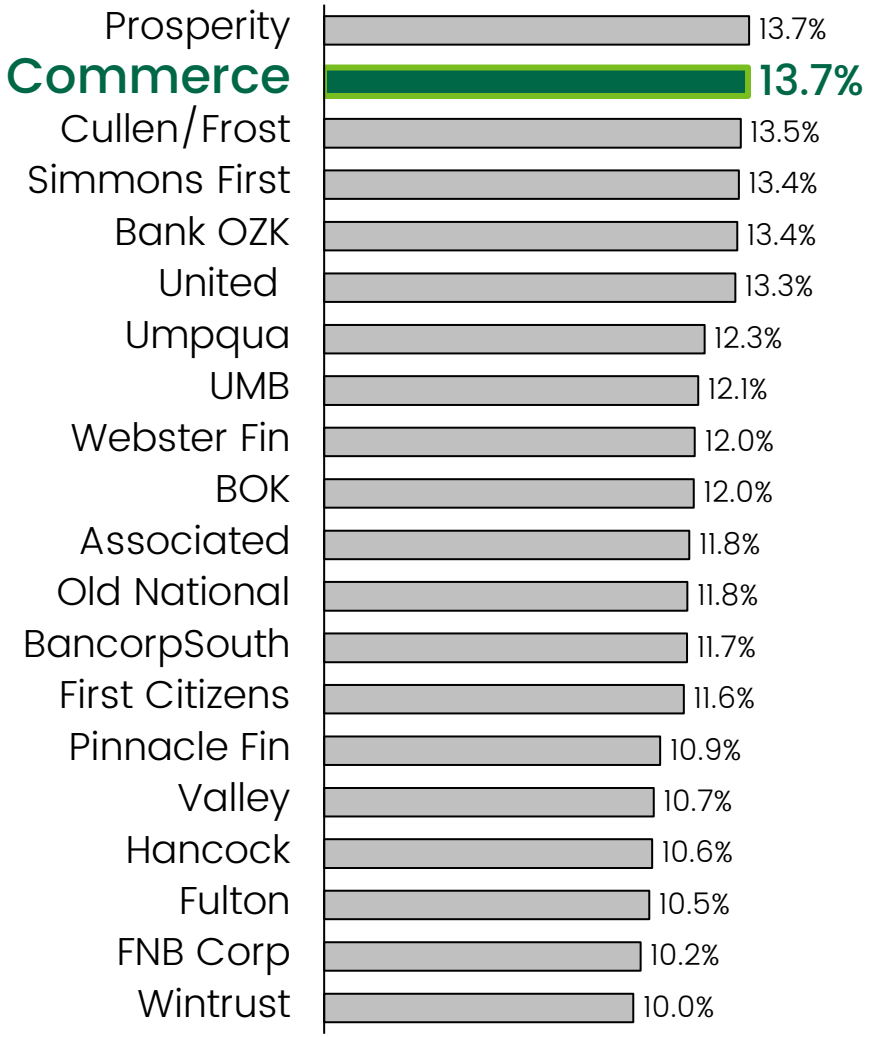
Continued focus on growing fee income through new and existing product and service offerings

- Prepaid Expense
- RemitConnect®
- Claims Payments
- Horizons
- Accounts Payable Automation
- Interest Rate Swaps
- CommerceHealthcare®
- Asset Management

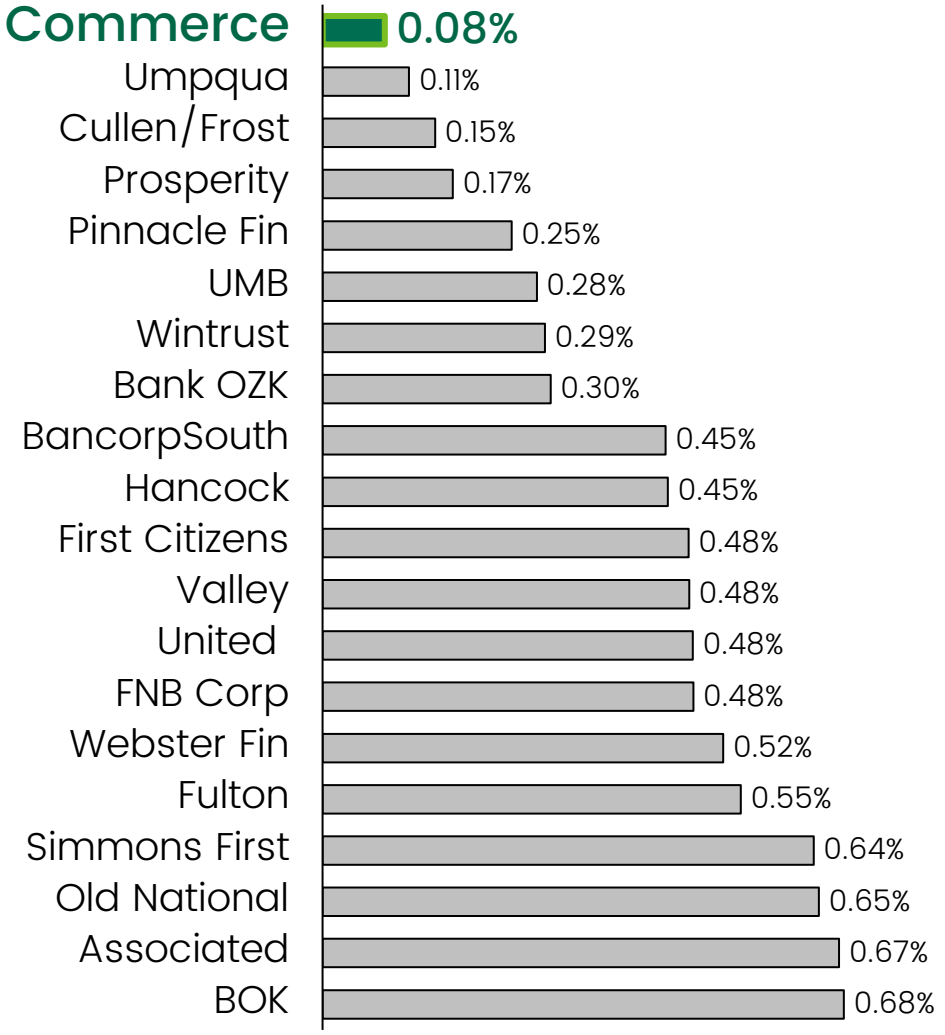
Peer Banks include: ASB, BOKF, BXS CFR, FCNC.A, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, UBSI, UMBF, UMPQ, VLY, WBS, WTFC
Source: S&P Global Market Intelligence as of December 31, 2020

CAPITAL AND ASSET QUALITY VS. PEER BANKS YTD Dec 2020

Tier 1 Capital



Troubled Loans/Assets

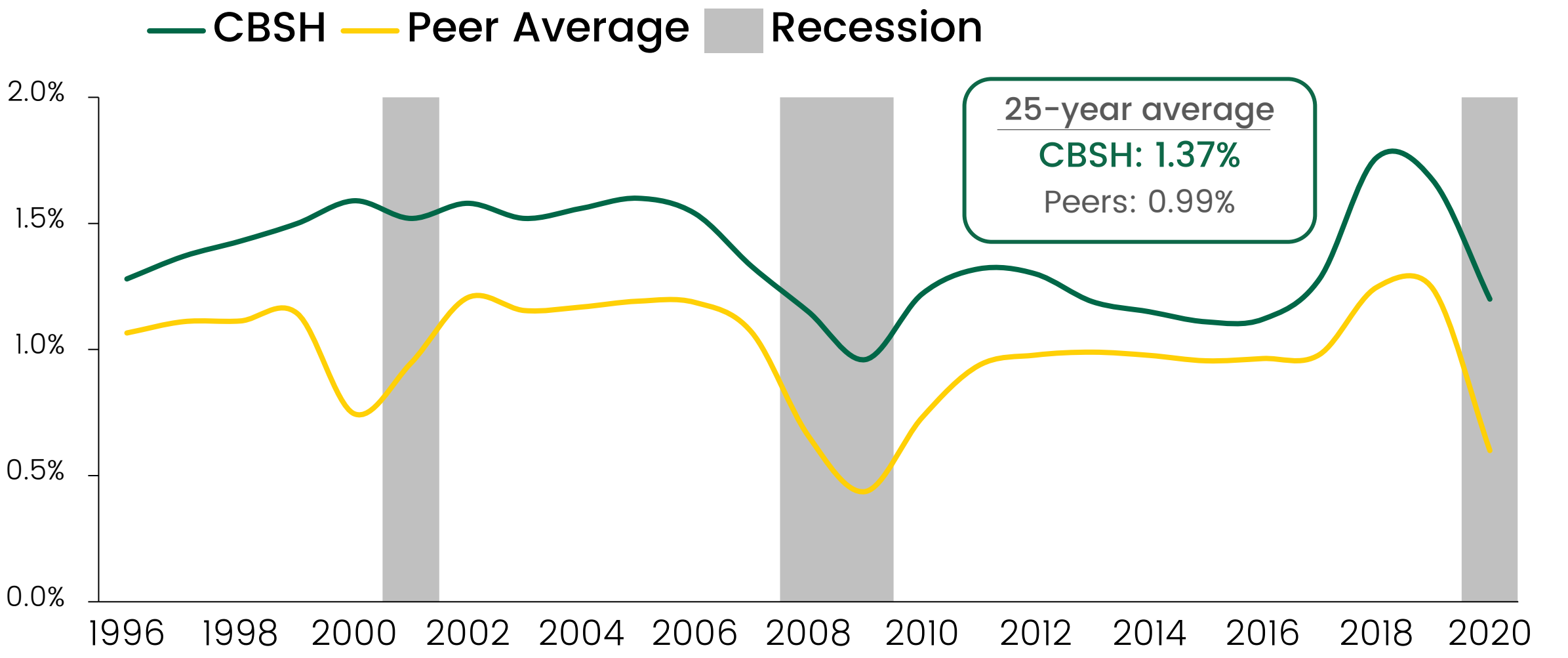


Metrics include Tier 1 Capital and Non-Performing Assets Excl Restructured/Total Assets
Source: S&P Global Market Intelligence, YTD 12/31/2020

Commerce Bancshares, Inc.

PERFORMANCE THROUGH DOWNTURNS

Return on Average Assets



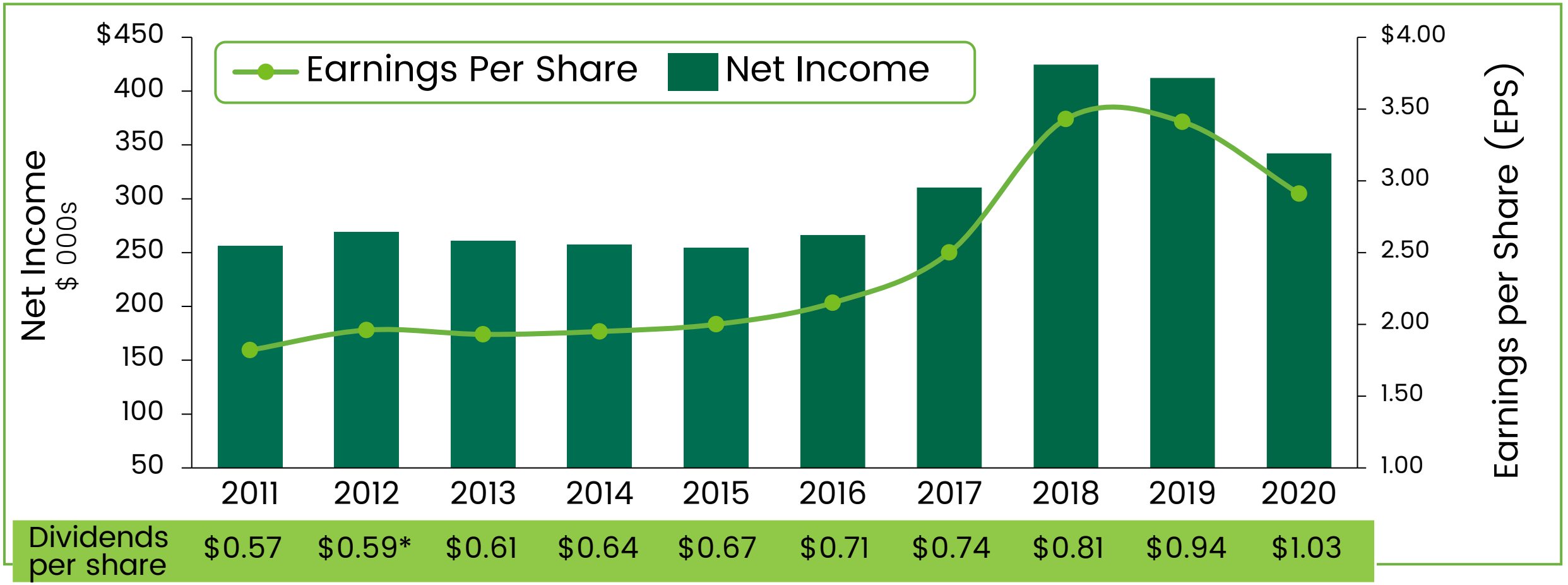
Source: S&P Global Market Intelligence, data as of 12/31/2020
Peer Banks include: ASB, BOKF, BXS, CFR, FCNC.A, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, UBSI, UMBF, UMPQ, VLY, WBS, WTFC

FINANCIAL HIGHLIGHTS QTD MARCH 31, 2021

$ millions (except EPS)	1Q2020	1Q2021	% change
Net Income attributed to Commerce	$52	$131	↑ 152%
Return on Average Assets	.80%	1.63%	↑ 104%
Return on Average Common Equity	6.5%	15.7%	↑ 142%
Efficiency Ratio	59.2%	56.4%	↓ (5)%
Average Loans	$14,694	$16,333	↑ 11%
Average Deposits	$20,268	$26,489	↑ 31%
Diluted EPS*	$.42	$1.11	↑ 164%

Per shares figures have been restated for 5% stock dividend distributed in December 2020

LONG-TERM VIEW: NET INCOME AND EARNINGS PER SHARE



EPS REMAINS STRONG

2020 MARKED THE 52ND CONSECUTIVE YEAR OF DIVIDEND GROWTH

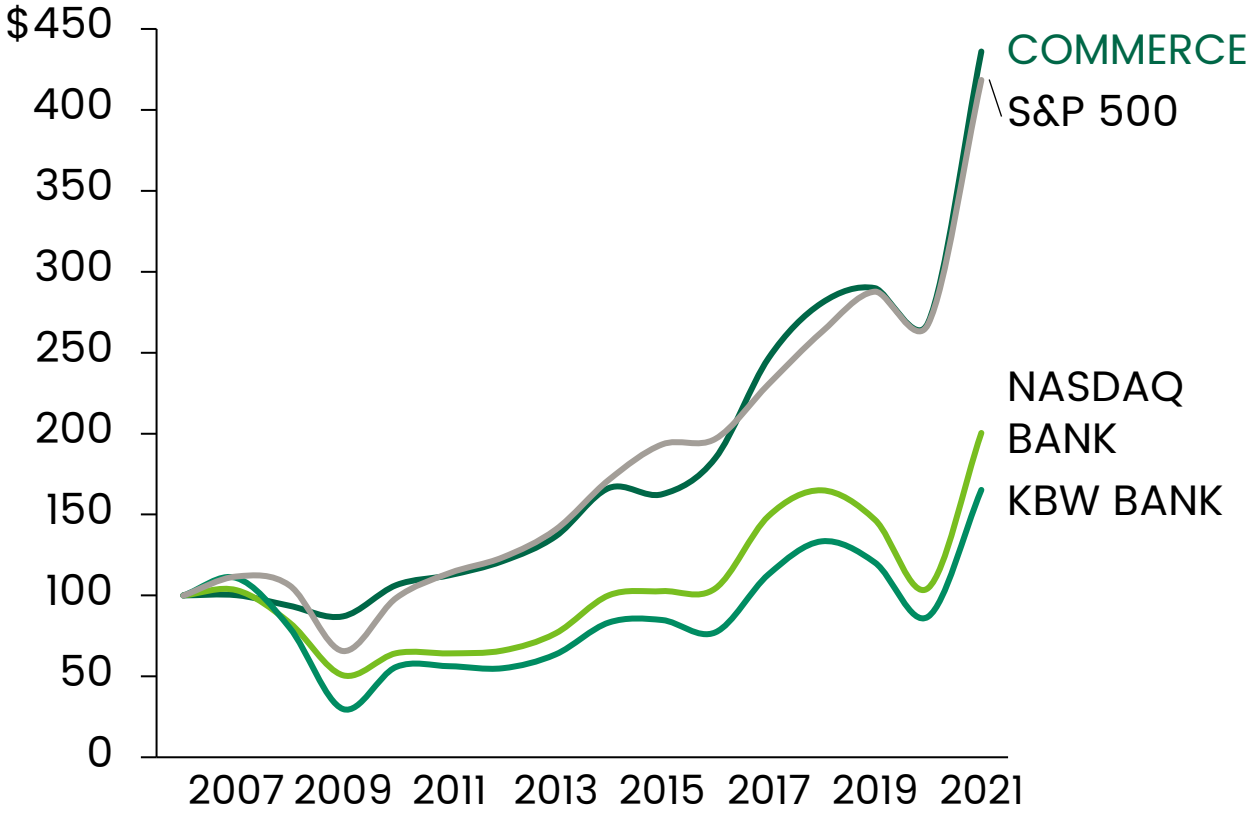
**Excludes 2012 special dividend of $0.97*
All data has been restated for 5% stock dividend distributed in December 2020
Net Income represents Net Income Available to Common Shareholders

STEADY SHAREHOLDER RETURNS

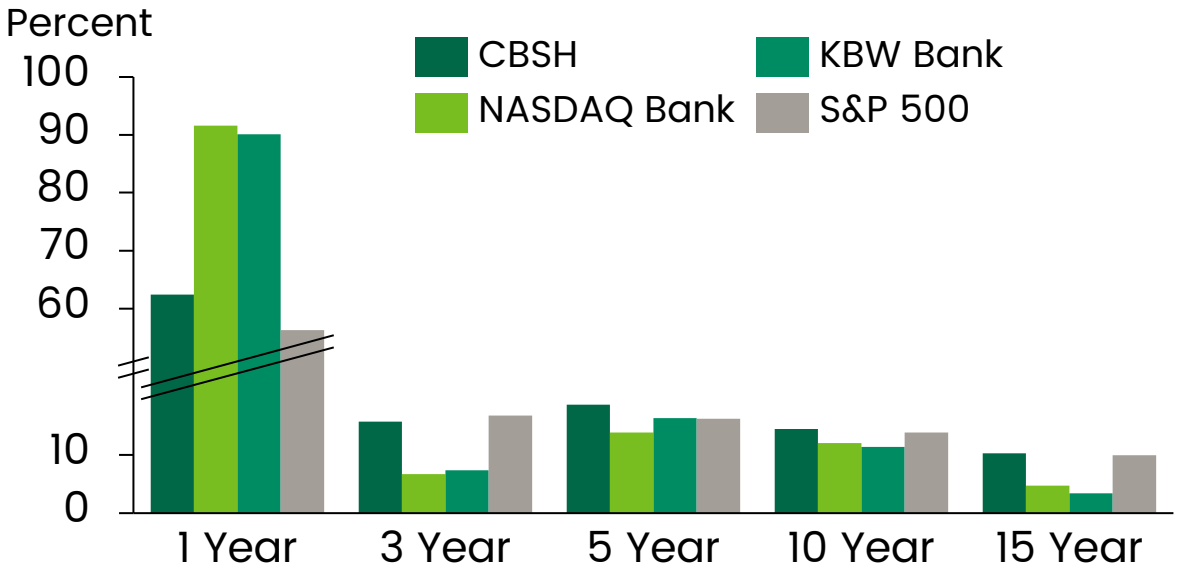
as of March 31, 2021

Total Shareholder Returns

Indexed, 3/31/2006 = $100



Annualized Comparison Total Shareholder Returns



	1 Year	3 Year	5 Year	10 Year	15 Year
CBSH	62.4%	15.8%	18.7%	14.5%	10.3%
NASDAQ BANK	91.6%	6.7%	13.9%	12.1%	4.7%
KBW BANK	90.1%	7.4%	16.4%	11.4%	3.4%
S&P	56.3%	16.8%	16.3%	13.9%	10.0%

Consistent, positive returns to shareholders
Significant outperformance relative to banks over long period

Source: Corporate Finance, Bloomberg; data as of 3/31/2021

Playing Offense in a Challenging Time

Commerce Bancshares, Inc.