MOMENTUM: Innovation. Improvement. Growth.

COMMERCE BANCSHARES, INC.

INVESTOR UPDATE

3rd Quarter 2022

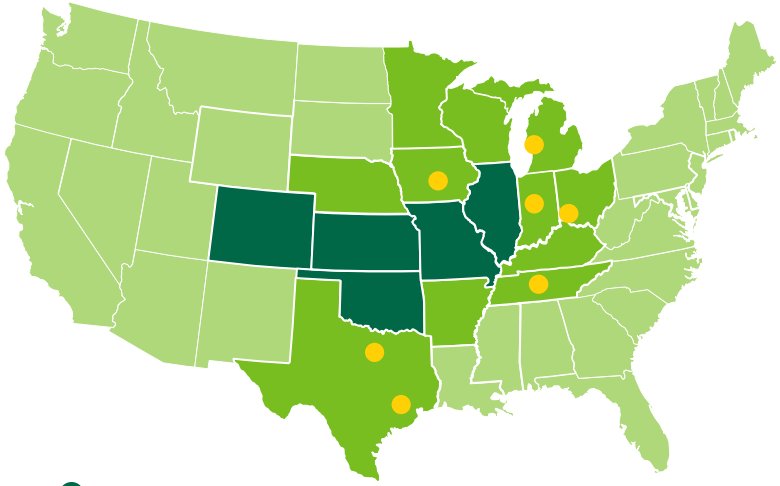
Commerce Bancshares, Inc.

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 2021 Annual Report on Form 10-K, 3RD Quarter 2022 Report on Form 10-Q and the Corporation's Current Reports on Form 8-K.

COMMERCE BANCSHARES

157 YEARS IN BUSINESS



FULL-SERVICE BANKING FOOTPRINT

148 full-service branches and 304 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.

Sources: [1]S&P Global Market Intelligence – Regulated U.S. depositories which includes commercial banks, bank holding companies, and credit unions, rankings as of 06/30/2022; [2]Includes loans held for sale; [3]Moody's Credit Opinion – Commerce Bancshares, Inc., August 18, 2022, baseline Credit Assessment (BCA) reflects a bank's standalone credit strength; Company reports and filings, information as of 09/30/2022 unless otherwise noted.

TOTAL ASSETS
$32.6 BILLION

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

MARKET CAP
$7.9 BILLION

21ST
LARGEST U.S. BANK BASED ON MARKET CAP[1]

TOTAL TRUST ASSETS UNDER ADMINISTRATION
$57.1 BILLION

19TH
LARGEST AMONG BANK-MANAGED TRUST COMPANIES BASED ON AUM[1]

TIER 1 COMMON RISK-BASED CAPITAL RATIO
14.0%

3RD
HIGHEST AMONG TOP 50 U.S. BANKS BASED ON ASSET SIZE[1]

TOTAL DEPOSITS $27.5 BILLION

TOTAL LOANS[2] $15.9 BILLION

$9.4 BILLION COMMERCIAL CARD VOLUME
AS OF 12/31/2021

16.1% RETURN ON AVERAGE EQUITY YTD

6TH YTD ROACE FOR THE TOP 50 U.S. BANKS BASED ON ASSET SIZE[1]

a1 BASELINE CREDIT ASSESSMENT[3]

1 of 5 MOODY'S RANKS COMMERCE AMONG THE TOP 5 BANKS IN THE COUNTRY

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

TRACK RECORD OF LONG-TERM OUTPERFORMANCE

Revenue Diversification

Balanced earnings profile, fee revenue at 36%[2] of total revenue, bolstered by growing wealth and national payments businesses

Commerce Trust Company™
Wealth | Investments | Planning®
CommercePayments®

Deposit Franchise

$26.9 billion in low-cost deposits[1] with peer-leading historical deposit betas

Continued Long-Term Investments

Core banking system implementation, Enterprise Digital, Expansion Markets, Wealth Management, CommerceHealthcare®

Consistent Earnings & Shareholder Value

Over 10% total annualized return to shareholders over the last 15 years, outperforming the annualized KBW Regional Bank Index return of 4%[2]

Capital Management

Strong capital ratios, 54th consecutive year of common dividend increases[3]

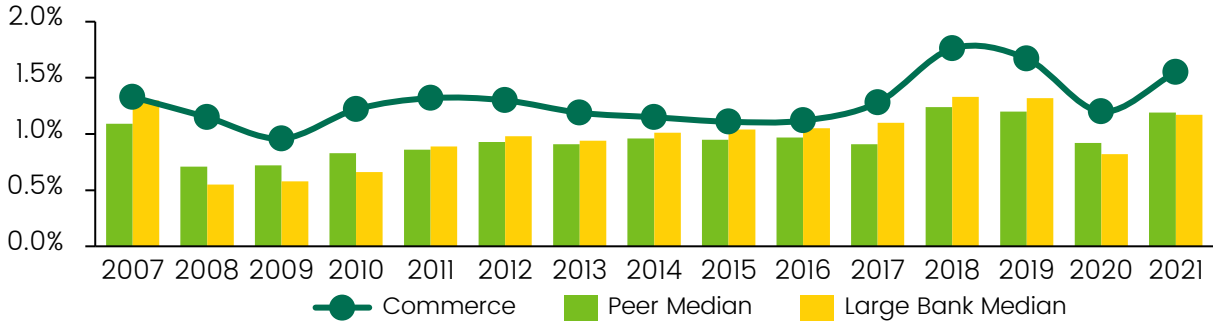
Credit Quality

Conservative risk profile drives outperformance across credit cycles

[1]Excludes certificates of deposit greater than $100,000, period-end balance as of 9/30/2022
[2]As of 9/30/2022
[3]Based on 1Q2022 declared dividend

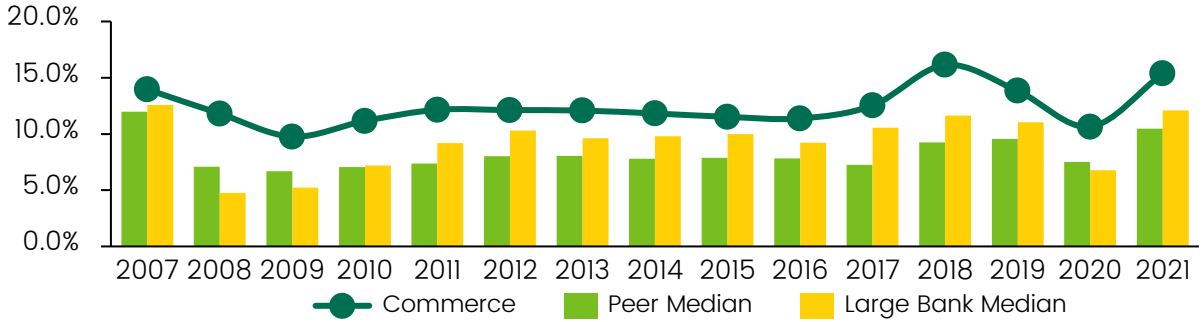
COMMERCE BANK MAINTAINS SOLID PERFORMANCE OVER TIME

Return on Average Assets



ROAA 15-yr average
CBSH: 1.29%
Peers: 0.96%

Return on Average Common Equity

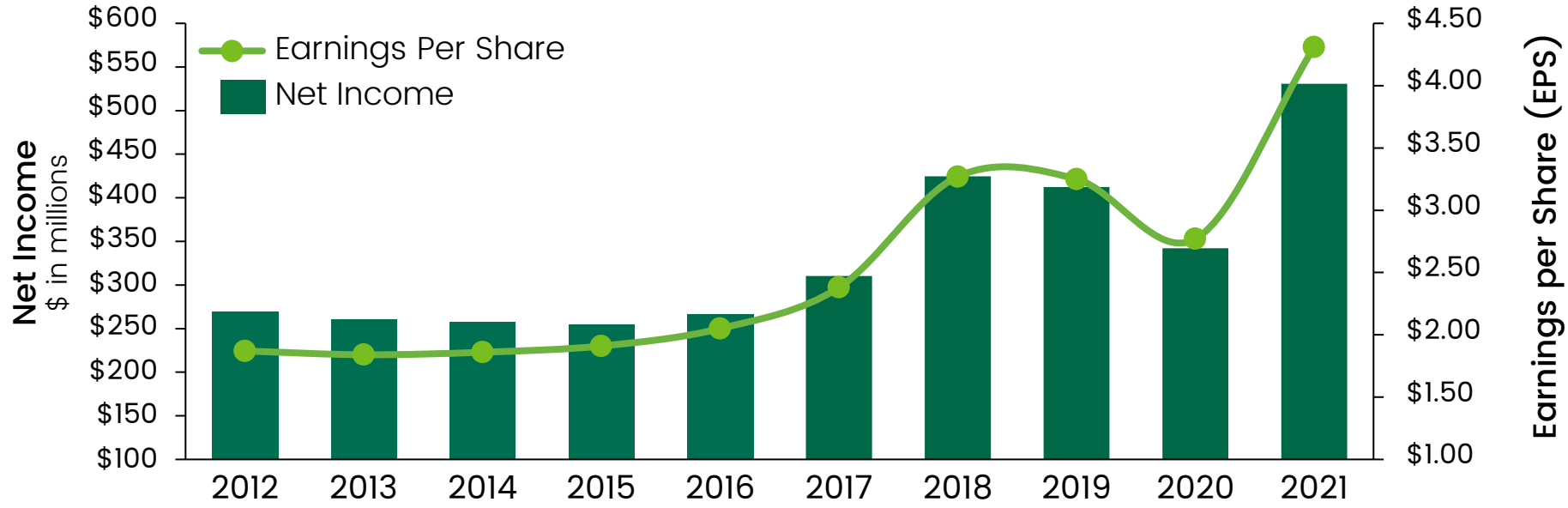


ROACE 15-yr average
CBSH: 12.4%
Peers: 8.3%

Peer Banks include: ABCB, ASB, BOKF, CFR, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, SNV, SBB, UMBF, UMPQ, UBSI, VLY, WTFC
Large Banks include: JPM, BAC, C, WFC, USB, PNC, TFC, FITB, SIVB, CFG
Sources: S&P Global Market Intelligence and company reports and filings as of 12/31/2021

Commerce Bancshares, Inc.

LONG-TERM VIEW: NET INCOME AND EARNINGS PER SHARE



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Dividends per share	$0.56*	$0.58	$0.61	$0.64	$0.67	$0.71	$0.77	$0.90	$0.98	$1.00

EPS REMAINS STRONG

2022 MARKS THE 54TH CONSECUTIVE YEAR OF DIVIDEND GROWTH

*Including 2012 special dividend = $1.49
All data has been restated for 5% stock dividend distributed in December 2021
Net Income represents Net Income Available to Common Shareholders

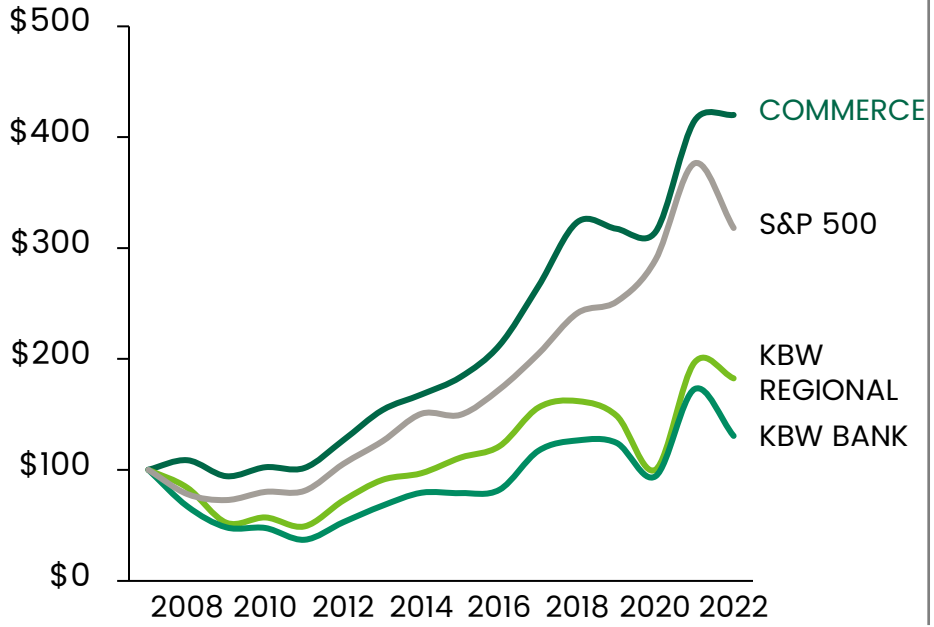
Commerce Bancshares, Inc.

STEADY SHAREHOLDER RETURNS

as of September 30, 2022

Total Shareholder Returns

Indexed, 9/30/2007 = $100



Annualized Comparison Total Shareholder Returns



	1 Year	3 Year	5 Year	10 Year	15 Year
CBSH	1.2%	9.8%	9.6%	12.7%	10.0%
KBW REGIONAL	-7.3%	7.0%	3.2%	9.7%	4.1%
KBW BANK	-24.5%	1.7%	2.2%	9.5%	1.8%
S&P	-15.5%	8.1%	9.2%	11.7%	8.0%

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

Source: Bloomberg; data as of 9/30/2022

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 157 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 490 nonprofit organizations supported

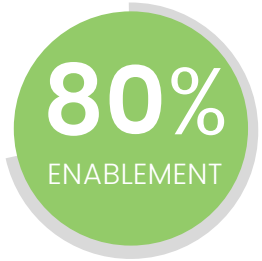
by Commerce team members through leadership roles by serving on boards

OUTSTANDING

Community Reinvestment Act rating for 25 years[1]

2022 Engagement & Enablement[2]

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



vs. 70% U.S. High Performing Norm



vs. 71% U.S. High Performing Norm

[1]Federal Reserve Bank and Office of the Comptroller of the Currency
[2]The Korn Ferry Hay Group – 2022 survey results

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Robust ESG framework, including board oversight and a cross-functional ESG management committee – continued enhancements to our program and reporting.

The annual ESG 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



2021 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

A Blue Chip initiative centered on improving **Diversity, Equity and Inclusion** in and around Commerce.

We will build on years of forward progress to advance our efforts against each pillar.

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
750+ members

RISE
Empowering women
1,250+ members

PRIDE
Engaging LGBTQIA+ community
500+ members

VIBE
Valuing multi-cultural perspectives
500+ members

RECENT RECOGNITION

Forbes

Best Banks in America

13th consecutive year

Forbes

Best Banks in Each State: Missouri

Forbes

America's Best Midsize Employers

5th consecutive year

Forbes

World's Best Banks

4th consecutive year

Global Finance

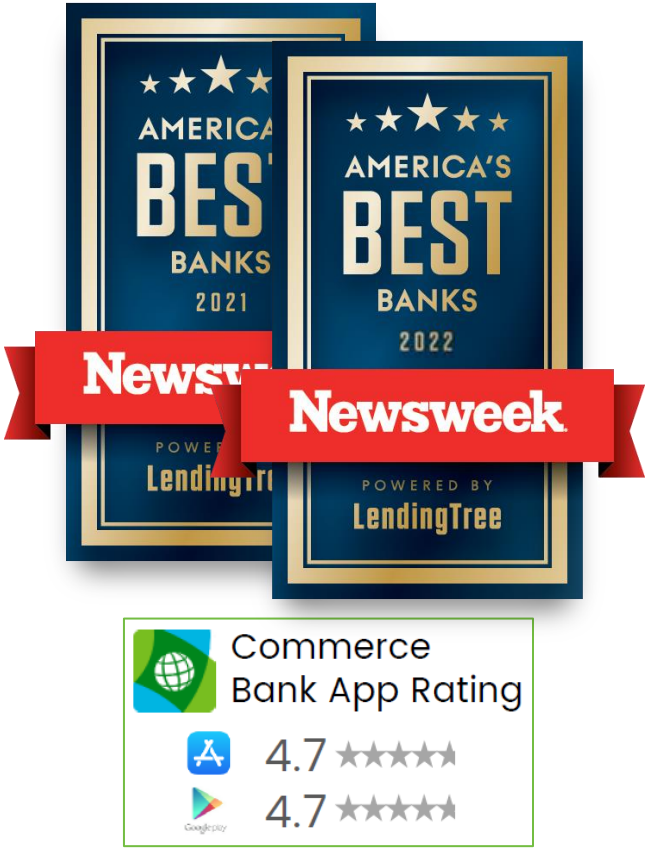
Best U.S. Regional Bank in the Midwest

The Private Bank at Commerce Trust Company

Human Rights Campaign

Corporate Equality Index score of 90

FOCUSING ON OUR CUSTOMERS



America's Best Banks 2022

Best Customer Service

Commerce Bank named to *Newsweek's* America's Best Banks for **Best Customer Service** for the **2nd consecutive year**.

Newsweek's ranking of financial institutions that **best serve their customers' needs** in today's challenging times.

Assessed >2,600 U.S. banks and their savings and checking account offerings, based on more than 50 factors to find a best-in-class bank in 26 categories.

Despite the lingering uncertainties of the pandemic, Commerce's **customer service is a constant that customers can rely on**.

This award recognizes banks with the **fewest problems** reported to the CFPB, a **timely response** rate, a **helpful mobile app**, and a **variety of dedicated customer service lines**.

Source: Newsweek

CORE BANKING SYSTEM TRANSFORMATION

REASONS FOR TRANSFORMATION:

- Core Banking Systems were at end of life
- Vendor no longer selling solution
- Solution inhibits delivery of new products
- Technology was 25+ years old and resources are scarce

GUIDING PRINCIPLES FOR TRANSFORMATION:

- Improve business capabilities
- Adapt business processes to align with new platform
- Ensure platform extends capabilities and functionality on supportable technology
- Reduce Product Development Cycle Time

OUR PARTNER:



TEMENOS

A global leader in providing banking solutions, leads the industry in R&D investments.

- Consistently reinvests 20% of revenues into R&D, the highest in banking software.
- $2.5B cumulative R&D investment from 1990-2018.
- Track record of innovation.

Consistently ranked as a leader in banking software by IT research firms such as U.S.-based Gartner and Forrester and U.K.-based IBS Intelligence.



700+ Team Members



900,000 + Project Hours



350+ Interfaces

Implemented January 2022

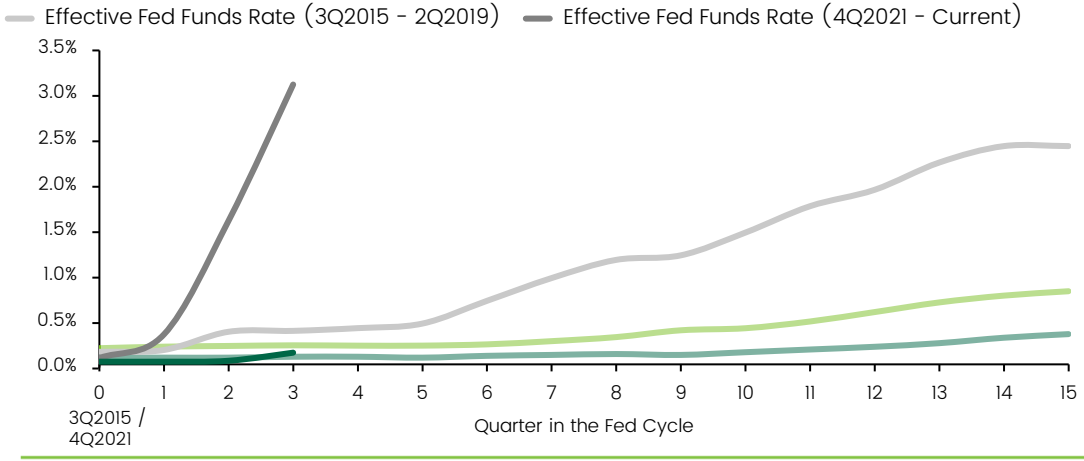
WELL-POSITIONED FOR CURRENT ENVIRONMENT

WELL-POSITIONED FOR MULTIPLE RATE ENVIRONMENTS

Cost of Total Deposits & Deposit Beta: Prior & Current Fed Cycle

Cost of Total Deposits

	Before Fed Rate Increases	End of Fed Rate Increases / Current	Deposit Beta[1]
Commerce (3Q2015 – 2Q2019)	.12%	.38%	12%
Peer Median (3Q2015 – 2Q2019)	.23%	.85%	27%
Commerce (4Q2021 – 3Q2022)	.03%	.13%	3%



Source: S&P Global Market Intelligence, 2021 10-K , 3Q2022 10-Q
[1] Fed Rate increase cycle from 3Q2015 through 2Q2019, +225 bps; Fed Rate increase cycle from 4Q2021 through 3Q2022, +300 bps; [2] As of September 30, 2022

Opportunities to enhance and protect NII in a rising rate environment.

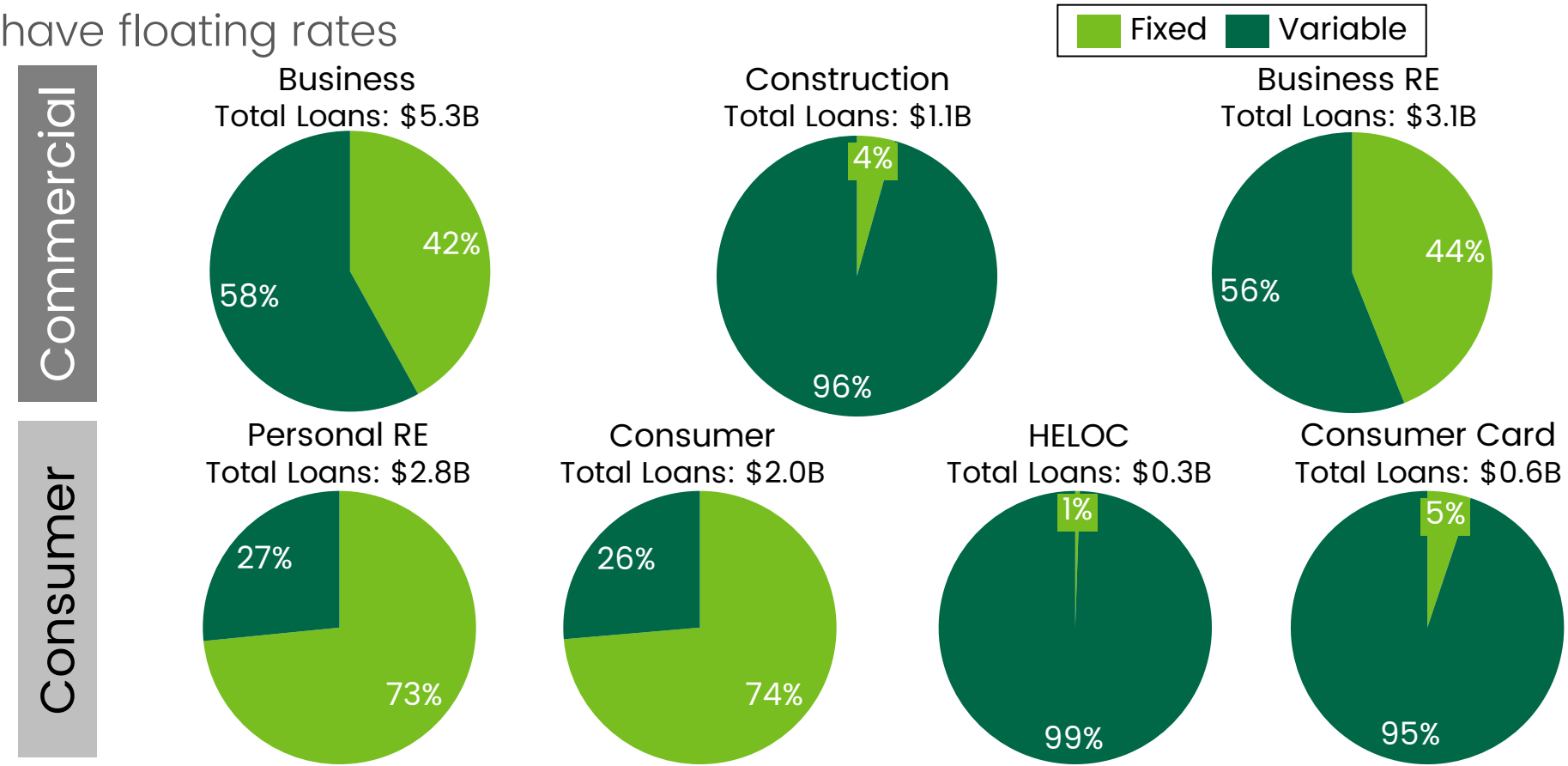
- Investment securities portfolio duration of 3.9 years.
- Cash flows from maturities and paydowns of securities of $2.4 billion expected over the next twelve months.
- Large core deposit base and historically low betas.
- Securities purchased under agreements to resell of $1.3 billion maturing through 2025.
- 100 bps of gradual rate hikes impact NII over twelve months by reducing NII by $14.0MM to increasing NII by $9.9MM[2].
- As of December 31, 2021, 53% of loans were variable rate, (62% commercial, 38% consumer).

3Q2022 Hedging actions:

Entered into one 2.5% floor contract (indexed to 1 Month SOFR) with a notional value of $500 million, to hedge the risk of declining interest rates on floating rate commercial loans. The contract begins 1/2024 and has a term of 6 years.

SUMMARY OF FIXED & FLOATING LOANS

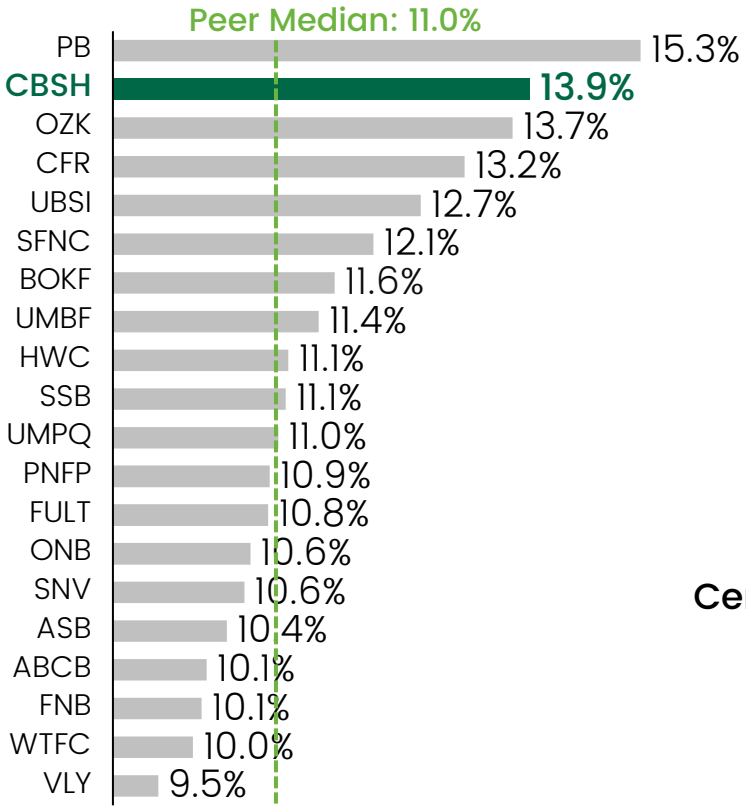
Over 50% of total loans are variable; 62% of commercial loans have floating rates



Source: 2021 10-K

SOUND CAPITAL AND LIQUIDITY POSITION

Tier 1 Risk-Based Capital Ratio[1]



Loan to Deposit Ratio

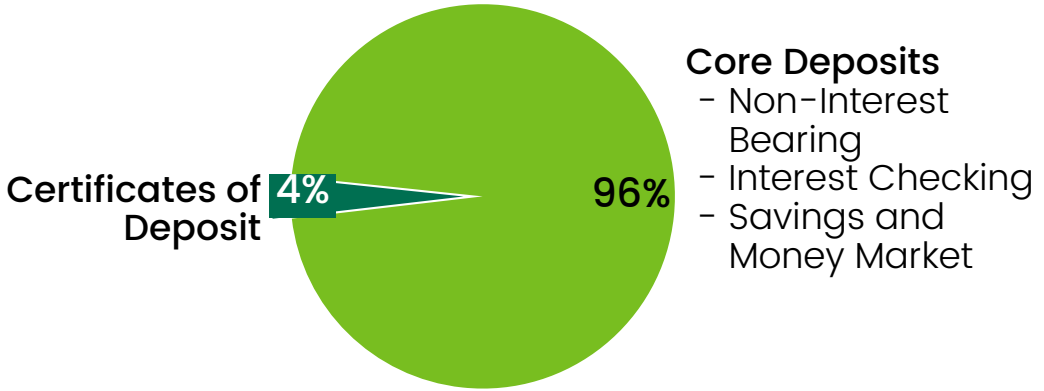
Large, stable deposit base

Core Deposits
$26.5 Billion[2]

56% Commerce — Average Loan to Deposit Ratio[3]

77% Peer Average — Average Loan to Deposit Ratio[1]

Total Deposits

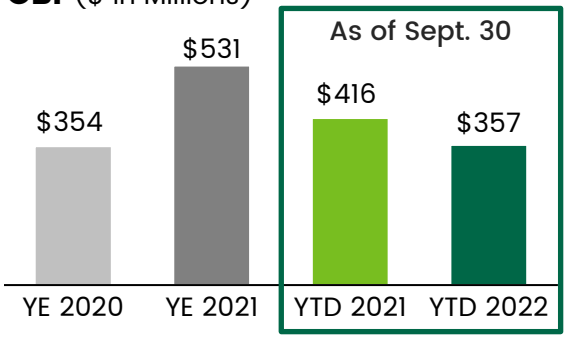


[1]S&P Global Market Intelligence, Information as of June 30, 2022
[2]Period-end balances, as of September 30, 2022
[3]Includes loans held for sale, for the quarter ended September 30, 2022

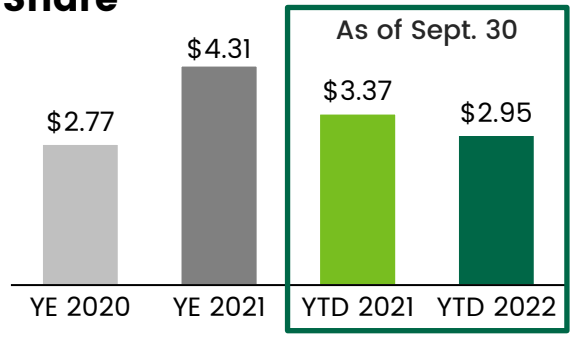
FINANCIAL RESULTS
3Q2022

FINANCIAL PERFORMANCE VS. PRIOR YEARS

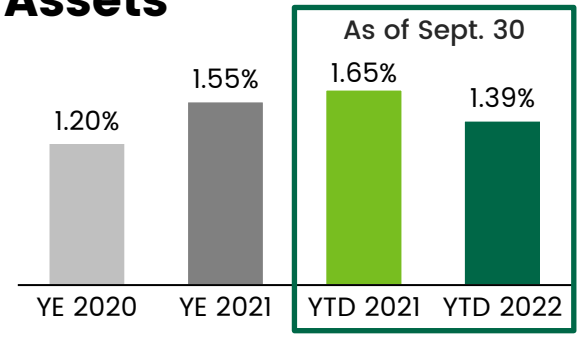
Net Income Attributable to CBI ($ in Millions)



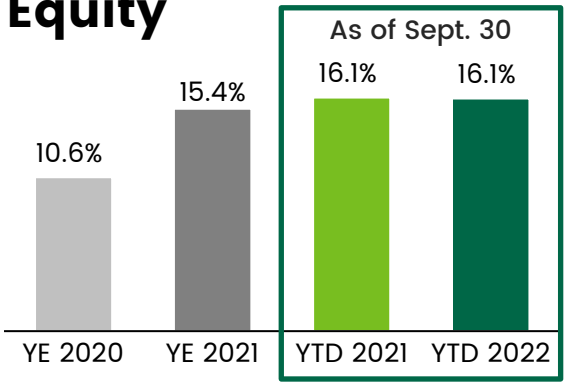
Earnings per Common Share



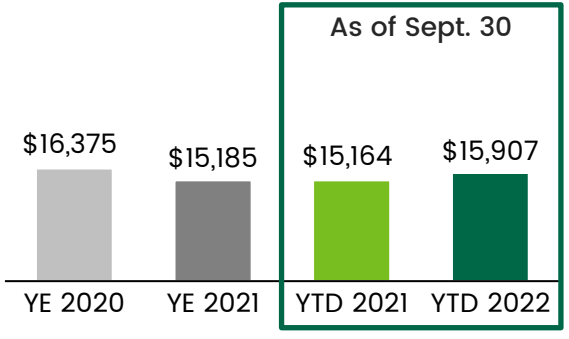
Return on Total Average Assets



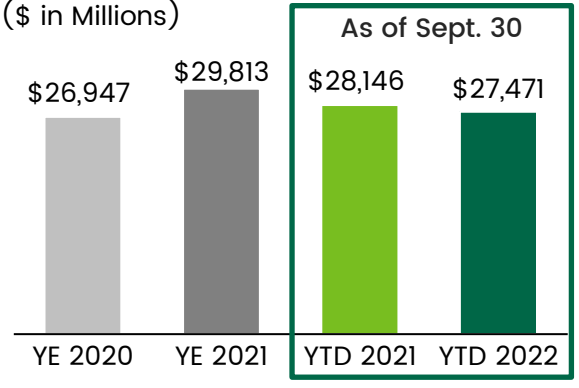
Return on Average Common Equity



Period End Loans ($ in Millions)



Period End Deposits ($ in Millions)



3Q2022 EARNINGS HIGHLIGHTS

Highlights

PPNR[1]
$172.0 million

Net Income
$122.8 million

EPS
$1.02

ROAA
1.48%

ROACE
17.84%

Efficiency Ratio
55.19%

Well-positioned for current environment

- PPNR[1] increased 8.7% over Q2.
- Net interest income increased 6.0% over Q2.
- Net interest margin increased 22 bps over Q2 to 3.01%.
- Non-interest income decreased .7% from Q2 (36.0% of total revenue).
- Wealth management client assets of $57.1 billion at September 30, 2022.
- Non-interest expense decreased .3% from Q2.
- QTD average loans up 1.0% over Q2. Period-end loans up 1.4% over Q2.
- QTD average deposits decreased $973.9 million from Q2. Period-end deposits decreased $700.0 million from Q2.
- Net charge-offs to total average loans of .12% and non-accrual loans to total loans of .05%.
- Tangible common equity to tangible assets of 6.80%. Leverage ratio of 9.87%.

[1] See the non-GAAP reconciliation on page 50

BALANCE SHEET HIGHLIGHTS

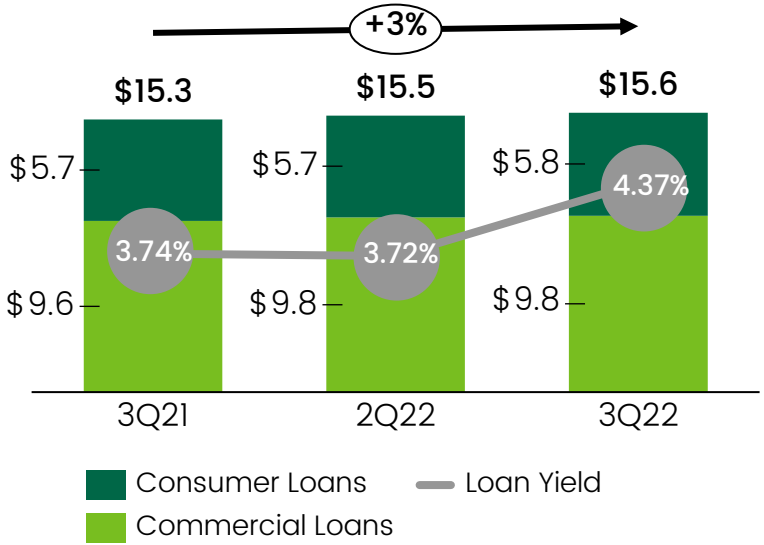
Quarterly Average Balances $ in millions	3Q22	Change vs. 2Q22	Change vs. 3Q21	Highlights
Commercial[1]	$9,864.5	$90.6	$275.6	• Linked quarter (LQ) reflects growth in business real estate and construction, partly offset by a decline in business loans
Consumer	5,781.4	69.8	111.3	
Total Loans	$15,646.0	$160.4	$386.9	
Investment Securities	$14,781.2	$(608.2)	$986.3	• LQ decrease mainly due to maturities and pay downs of AFS securities
Interest Earning Deposits with Banks	$980.3	$(268.7)	$(1,622.6)	• LQ decrease resulting from lower deposit balances and loan growth, offset by lower investment securities balances
Deposits	$27,753.2	$(973.9)	$(304.1)	• 3.4% LQ decline, 1.1% decline from prior year (PY)
Book Value per Share[2]	$19.86	$(2.43)	$(8.72)	• AOCI impact from higher interest rates

[1] PPP QTD average balances were $27.0 million and $41.8 million as of September 30, 2022 and June 30, 2022, respectively
[2] For the quarters ended September 30, 2022, June 30, 2022, and September 30, 2021

BALANCE SHEET

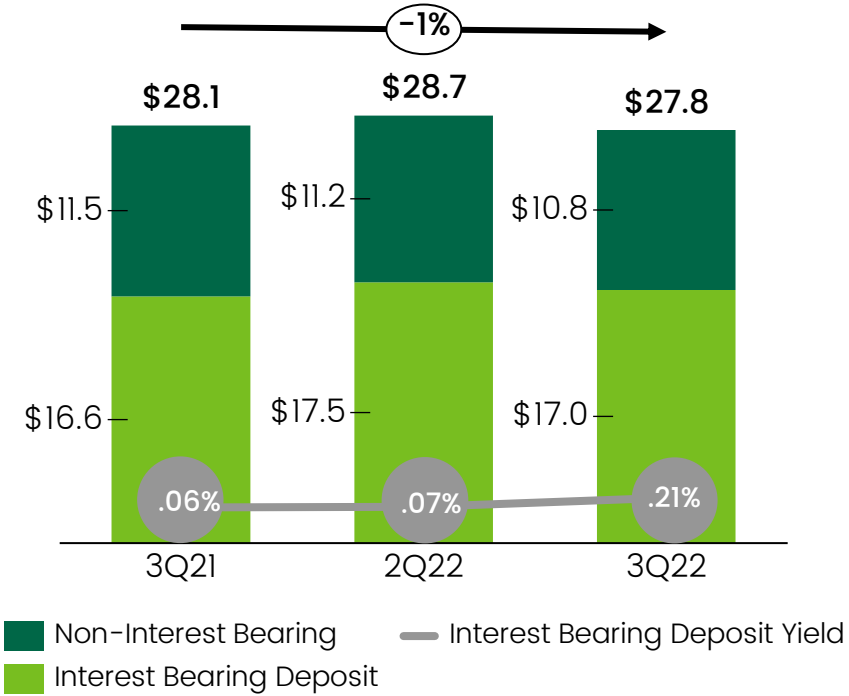
Loans

QTD Average Balances
$ billions



Deposits

QTD Average Balances
$ billions



LOAN PORTFOLIO

Period-End Balances

$ in 000s	9/30/2022	6/30/2022	9/30/2021	QoQ	YoY
Business	$5,528,895	$5,441,592	$5,277,850	1.6%	4.8%
Business excl. PPP	*5,507,081*	*5,406,321*	*4,969,914*	*1.9%*	*10.8%*
Construction	1,206,955	1,266,260	1,257,836	-4.7%	-4.0%
Business Real Estate	3,331,627	3,215,578	2,937,852	3.6%	13.4%
Personal Real Estate	2,862,519	2,836,835	2,769,292	.9%	3.4%
Consumer	2,116,371	2,089,592	2,049,559	1.3%	3.3%
Revolving Home Equity	286,026	271,854	281,442	5.2%	1.6%
Consumer Credit Card	563,349	558,102	569,976	.9%	-1.2%
Overdrafts	3,216	6,814	4,583	-52.8%	-29.8%
Total Loans	**$15,898,958**	**$15,686,627**	**$15,148,390**	**1.4%**	**5.0%**
PPP[1]	21,814	35,271	307,936	-38.2%	-92.9%
Total Loans excl. PPP	**$15,877,144**	**$15,651,356**	**$14,840,454**	**1.4%**	**7.0%**

QTD Average Balances

$ in 000s	9/30/2022	6/30/2022	9/30/2021	QoQ	YoY
Business	$5,317,696	$5,385,181	$5,437,498	-1.3%	-2.2%
Business excl. PPP	*5,290,731*	*5,343,373*	*4,862,523*	*-1.0%*	*8.8%*
Construction	1,288,721	1,225,267	1,168,566	5.2%	10.3%
Business Real Estate	3,258,128	3,163,508	2,982,847	3.0%	9.2%
Personal Real Estate	2,844,376	2,825,578	2,775,638	.7%	2.5%
Consumer	2,101,622	2,070,560	2,041,263	1.5%	3.0%
Revolving Home Equity	280,923	272,280	281,689	3.2%	-.3%
Consumer Credit Card	550,058	537,681	566,406	2.3%	-2.9%
Overdrafts	4,438	5,524	5,110	-19.7%	-13.2%
Total Loans	**$15,645,962**	**$15,485,579**	**$15,259,017**	**1.0%**	**2.5%**
PPP[1]	26,965	41,808	574,975	-35.5%	-95.3%
Total Loans excl. PPP	**$15,618,997**	**$15,443,771**	**$14,684,042**	**1.1%**	**6.4%**

[1]Paycheck protection program (PPP) loans are included in the business loan category

INCOME STATEMENT HIGHLIGHTS

$ in millions	3Q22	Change vs. 2Q22	Change vs. 3Q21	Highlights
Net Interest Income	$246.4	↑ $14.0	↑ $32.3	• Linked quarter (LQ) increase due to higher interest earned on loans, partly offset by lower interest earned on investment securities and higher interest expense
Non-Interest Income	$138.5	↓ $(0.9)	↑ $1.0	• See page 27
Non-Interest Expense	$212.9	↓ $(0.6)	↑ $1.3	• See page 28
Pre-Tax, Pre-Provision Net Revenue[1]	$172.0	↑ $13.7	↑ $32.1	
Investment Securities Gains, Net	$3.4	↑ $2.4	↓ $(9.7)	• Q3 net gains of $14.1 million on the private equity investment portfolio, partly offset by a loss of $10.7 million on the sale of an AFS security
Provision for Credit Losses	$15.3	↑ $8.1	↑ $22.7	• Q3 provision reflects builds in the ACL on loans and the liability for unfunded lending commitments of $5.3 million and $5.1 million, respectively.
Net-Income Attributable to Commerce Bancshares, Inc.	$122.8	↑ $7.0	↑ $0.3	
For the three months ended	**3Q22**	**2Q22**	**3Q21**	
Net Income per Common Share – Diluted	$1.02	↑ $.96	↑ $.99	
Net Yield on Interest Earning Assets	3.01%	↑ 2.79%	↑ 2.58%	• Higher rates on earning assets supported quarterly margin expansion

[1] See the non-GAAP reconciliation on page 50

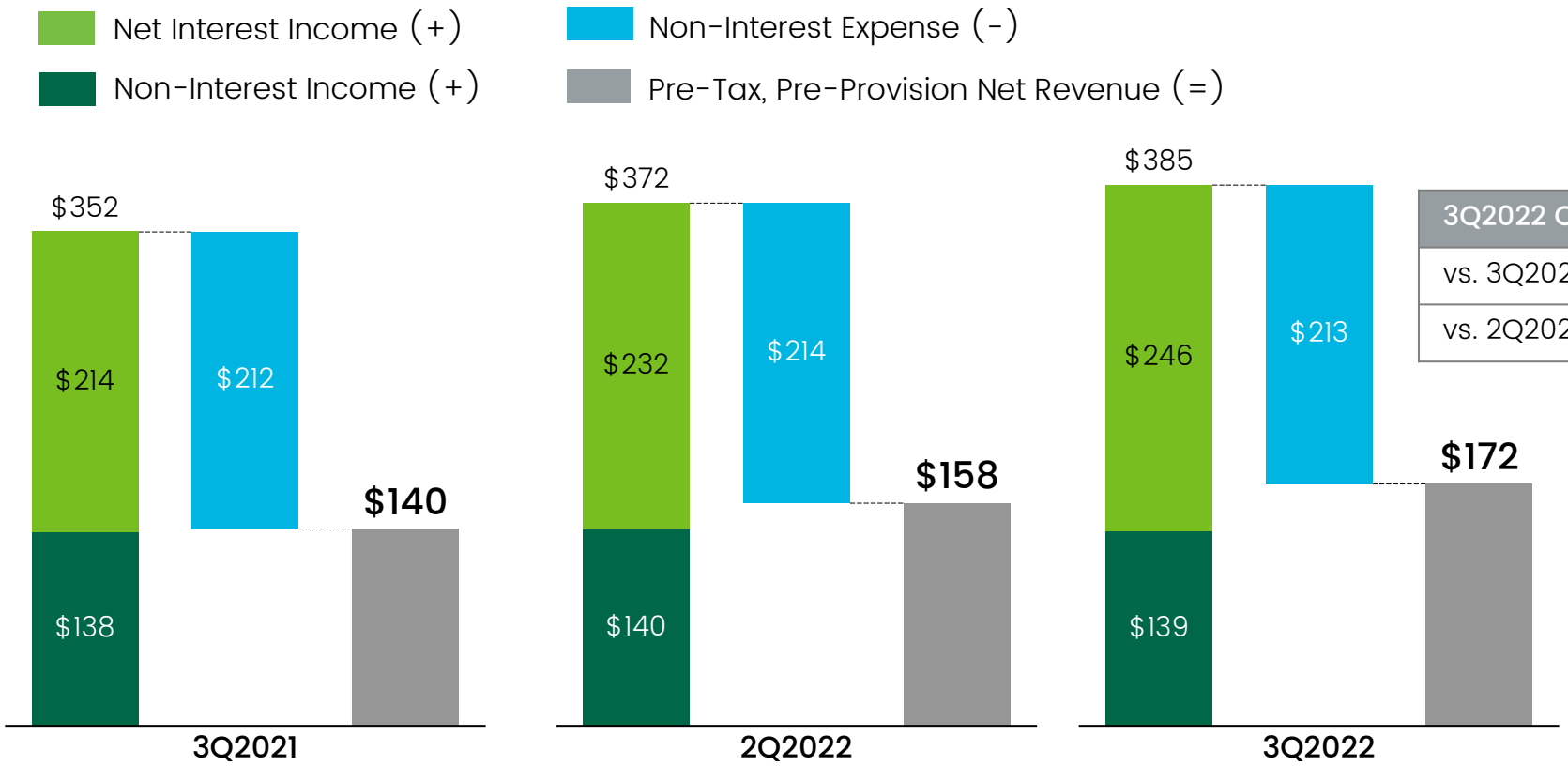
NON-INTEREST INCOME HIGHLIGHTS

$ in millions	3Q22	Change vs. 2Q22	Change vs. 3Q21	Highlights
Bank Card Transaction Fees	$45.6	↑ $1.8	↑ $2.8	• Increase of 6.6% over prior year (PY) driven by growth in net corporate card fees
Trust Fees	$45.4	↓ $(1.4)	↓ $(3.5)	• 3Q2022 reflects lower market values on assets under management
Deposit Account Charges and Other Fees	$24.5	↓ $(1.0)	↓ $(.6)	• Decrease of 2.5% from PY mainly due to lower overdraft and return item fees
Capital Market Fees	$3.4	↑ $.1	↓ $(.4)	
Consumer Brokerage Services	$5.1	—	↑ $.2	
Loan Fees and Sales	$3.1	↓ $(.2)	↓ $(3.7)	• Decline reflects lower mortgage banking revenue
Other	$11.4	↓ $(.2)	↑ $6.3	• Increase over PY mainly due to higher cash sweep commissions of $3.4 million and a $2.0 million loss on an equity method investment recorded in the 3rd quarter of 2021
Total Non-Interest Income	$138.5	↓ $(0.9)	↑ $1.0	

NON-INTEREST EXPENSE HIGHLIGHTS

$ in millions	3Q22	Change vs. 2Q22	Change vs. 3Q21	Highlights
Salaries and Employee Benefits	$137.4	↓ $(4.8)	↑ $4.6	• Increase of 3.4% over prior year (PY) due to higher full-time salaries expense partly offset by lower incentive compensation expense • Decrease from linked quarter (LQ) mainly due to an accrual of $5.4 million in 2Q2022 for special bonuses to be paid to non-incentivized part-time and full-time employees
Net Occupancy	$12.5	—	↑ $.2	
Equipment	$5.0	↑ $.3	↑ $.6	
Supplies	$4.6	↑ $.2	↑ $.1	
Data Processing and Software	$28.1	↑ $.4	↑ $2.5	• Increase of 9.6% over PY due to higher software amortization, bank card processing fees and an increase in costs for service providers
Marketing	$6.2	↓ $(.4)	↑ $.6	
Other	$19.1	↑ $2.9	↓ $(7.2)	• Decrease from PY due litigation settlement costs recorded last year, lower legal and professional fees and higher deferred loan origination costs, partly offset by increases in travel and entertainment expense and insurance expense
Total Non-Interest Expense	$212.9	↓ $(.6)	↑ $1.3	

PRE-TAX, PRE-PROVISION NET REVENUE (PPNR)



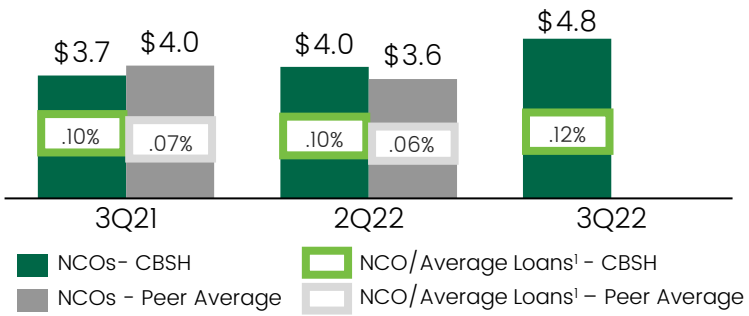
3Q2022 Comparison	
vs. 3Q2021	22.9%
vs. 2Q2022	8.7%

See the non-GAAP reconciliation on page 50

MAINTAINING STRONG CREDIT QUALITY

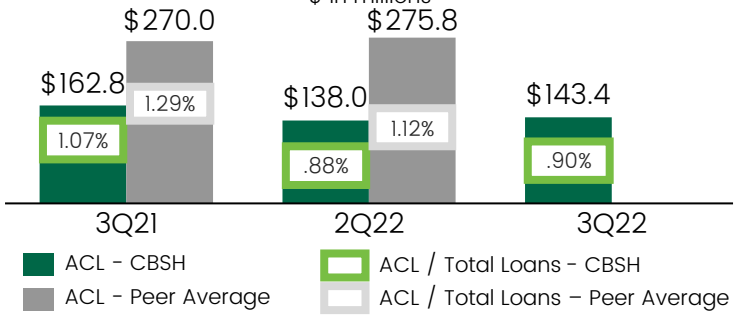
Net Loan Charge-Offs (NCOs)

$ in millions



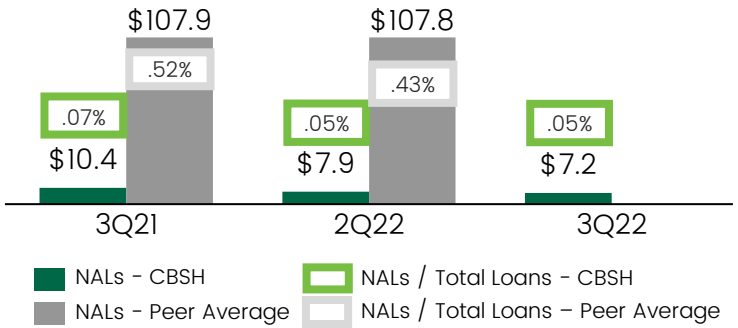
Allowance for Credit Losses on Loans (ACL)

$ in millions

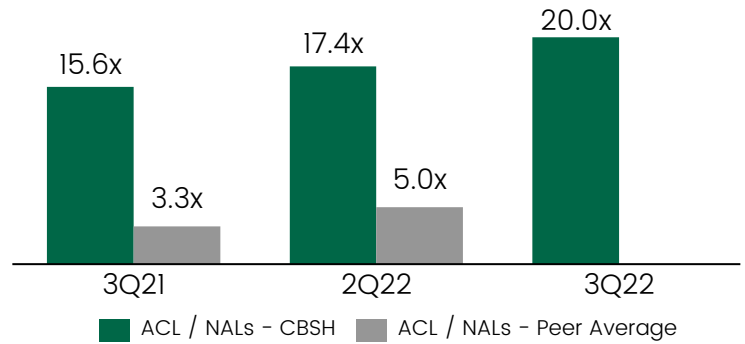


Non-Accrual Loans (NALs)

$ in millions



Allowance for Credit Losses on Loans (ACL) to NALs



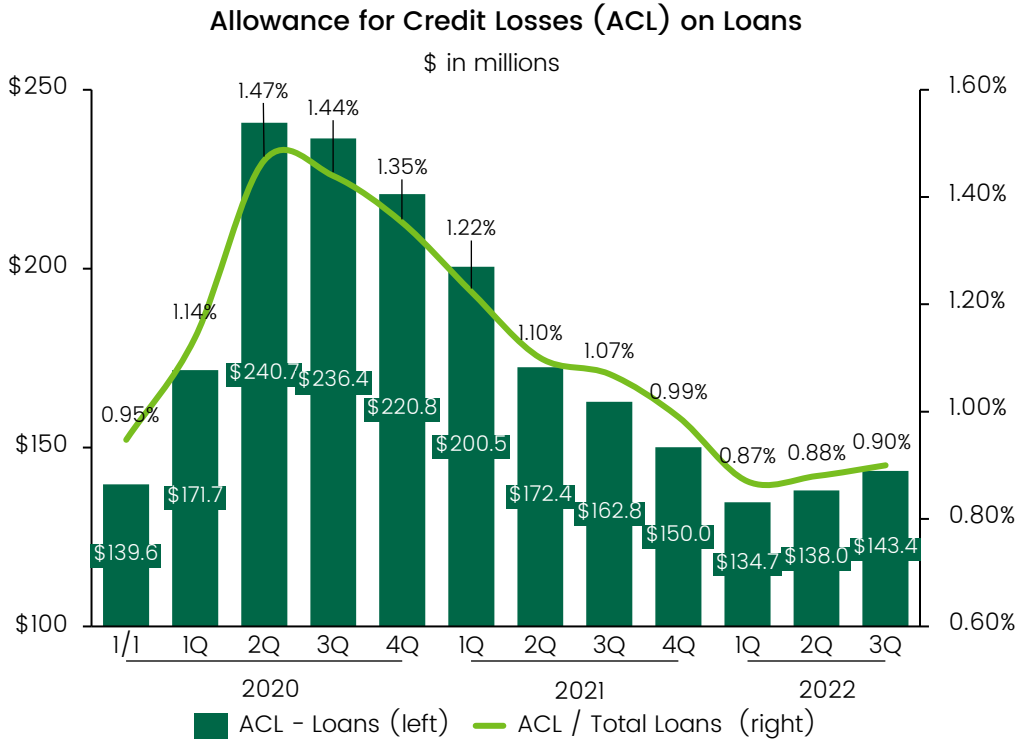
Percentages are illustrative and not to scale; Peer Banks include: ABCB, ASB, BOKF, CFR, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, SNV, SSB, UMBF, UMPQ, UBSI, VLY, WTFC

[1]As a percentage of average loans (excluding loans held for sale)

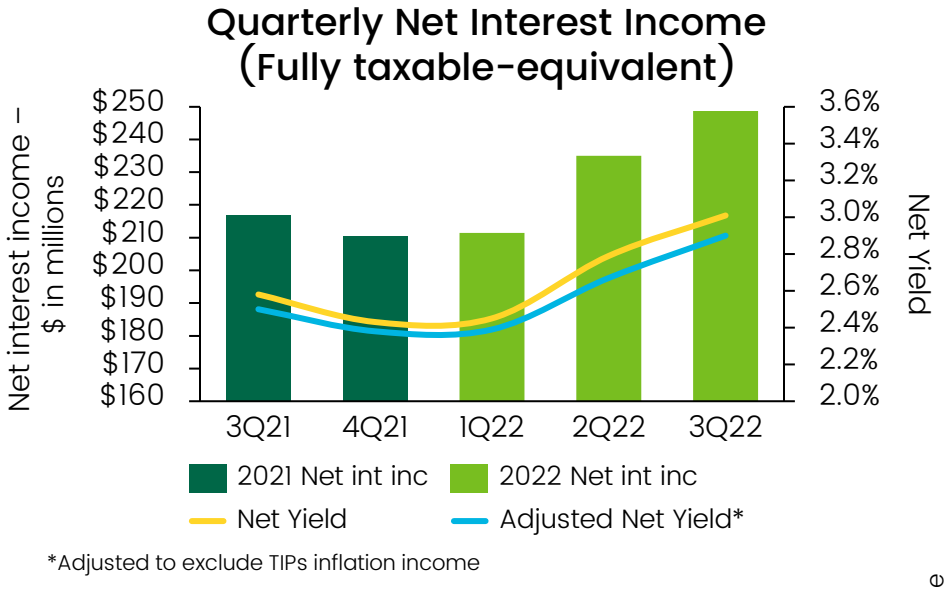
ALLOCATION OF ALLOWANCE

CECL allowances reflect the economic and market outlook

$ in millions	June 30, 2022 Allowance for Credit Losses (ACL)	June 30, 2022 % of Outstanding Loans	September 30, 2022 Allowance for Credit Losses (ACL)	September 30, 2022 % of Outstanding Loans
Business	$ 41.5	.76%	$ 45.0	.81%
Bus R/E	29.9	.93%	28.7	.86%
Construction	28.1	2.22%	29.4	2.44%
Commercial total	**$ 99.5**	**1.00%**	**$ 103.1**	**1.02%**
Consumer	9.3	.45%	9.8	.46%
Consumer CC	21.3	3.81%	22.5	4.00%
Personal R/E	6.5	.23%	6.6	.23%
Revolving H/E	1.3	.47%	1.3	.47%
Overdrafts	.1	1.22%	.1	2.71%
Consumer total	**$ 38.5**	**.67%**	**$ 40.3**	**.69%**
Allowance for credit losses on loans	**$ 138.0**	**.88%**	**$ 143.4**	**.90%**



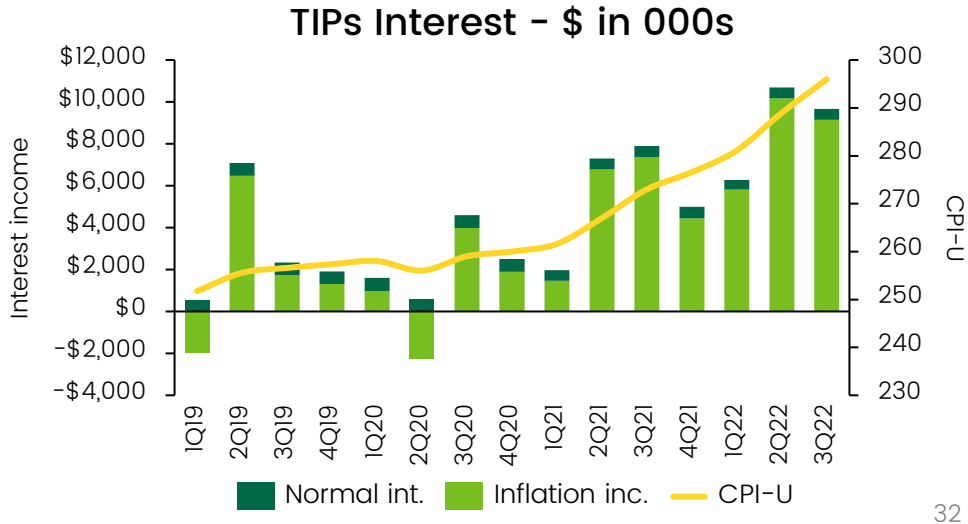
NET INTEREST INCOME: YTD – September 30, 2022



*Adjusted to exclude TIPs inflation income

- Net interest income (fully taxable-equivalent) increased $13.7 million over the prior quarter.
- The net yield on interest earning assets increased 22 basis points compared to the previous quarter, mostly due higher average rates earned on loans, partly offset by higher rates paid on interest bearing liabilities and lower rates earned on investment securities.

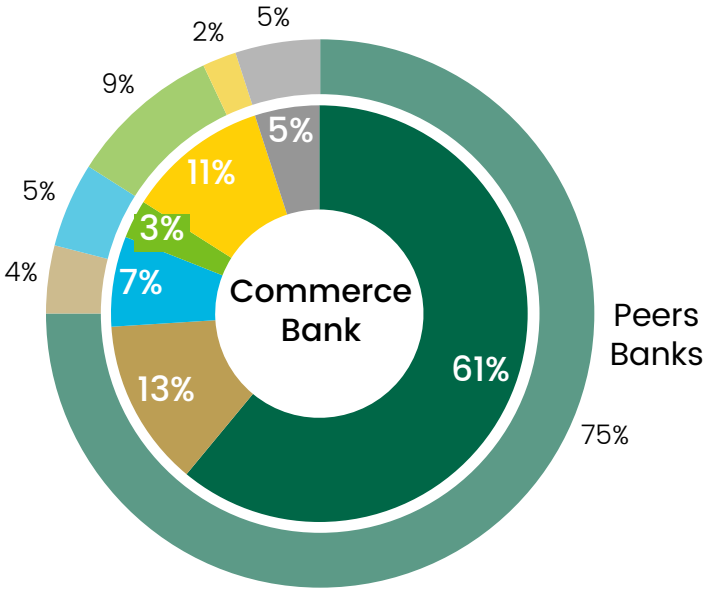
Fully taxable-equivalent - YTD	2021	2022	Change
Rates earned - assets	2.67%	2.85%	0.18%
Rates paid - liabilities	0.07%	0.17%	0.10%
Net yield - earning assets	**2.63%**	**2.75%**	**0.12%**



A FULL-SERVICE, DIVERSIFIED OPERATING MODEL

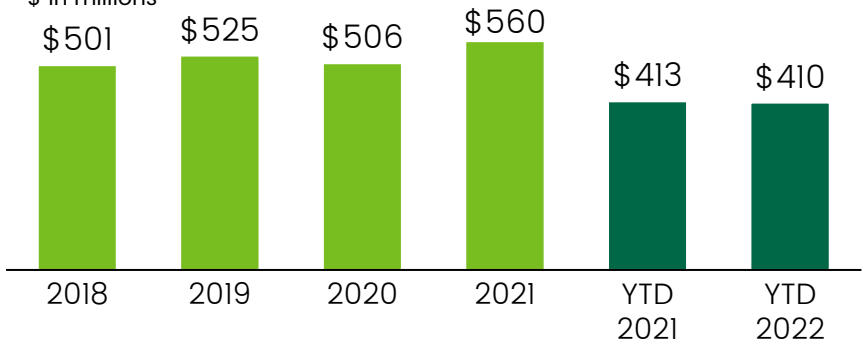
Card, Wealth & Deposit fees provide stable, growing revenue source

Revenue Source Diversification Compared to Peers[1]



Non-Interest Income

$ in millions



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

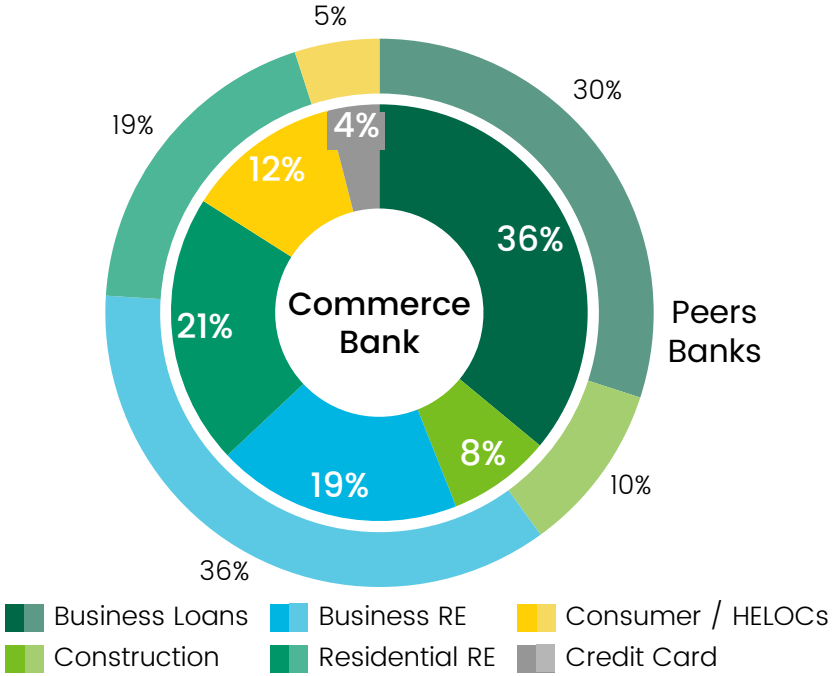
- Prepaid Expense
- RemitConnect®
- Claims Payments
- Horizons
- Accounts Payable Automation
- Interest Rate Swaps
- CommerceHealthcare®
- Asset Management

Peer Banks include: ABCB, ASB, BOKF, CFR, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, SNV, SBB, UMBF, UMPQ, UBSI, VLY, WTFC

[1]Source: S&P Global Market Intelligence as of June 30, 2022

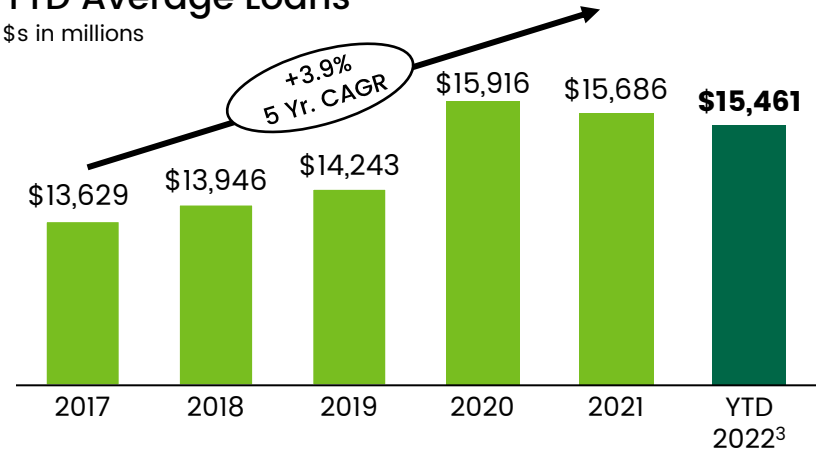
WELL-DIVERSIFIED LOAN PORTFOLIO

Loan Portfolio Diversification Compared to Peers[1]



YTD Average Loans[2]

$s in millions



2022 Loan Growth by Category

(Average loans Sep. 2022 vs. Jun. 2022)

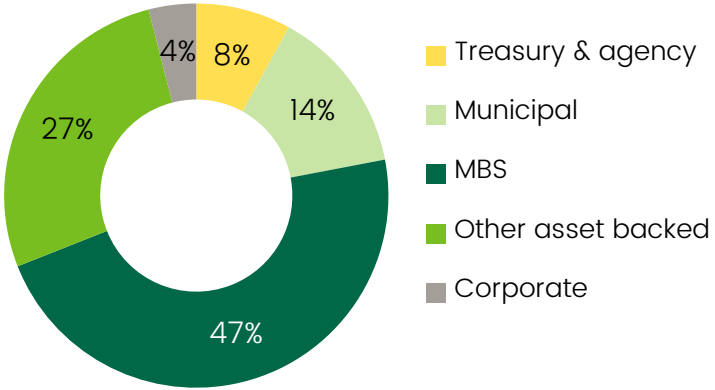
Business RE & construction	↑ $158 million
Auto/ motorcycle/ other	↑ $31 million
Personal RE	↑ $19 million
Consumer credit card	↑ $12 million
Business/ lease/ tax-free	↓ $67 million

Peer Banks include: ABCB, ASB, BOKF, CFR, FNB, FULT, HWC, ONB, OZK, PB, PNFP, SFNC, SNV, SBB, UMBF, UMPQ, UBSI, VLY, WTFC

[1]Source: S&P Global Market Intelligence as of June 30, 2022; [2]Includes loans held for sale, as of December 31, 2021 unless noted otherwise; [3]YTD through September 30, 2022

HIGH QUALITY, HIGHLY LIQUID AND DIVERSE INVESTMENT PORTFOLIO

Composition of AFS Portfolio



QTD – September 30, 2022	Avg Rate	Duration (yrs)
Treasury & agency[1]	1.3%	2.5
Municipal	2.3%[2]	4.8
MBS	1.9%	5.4
Other asset-backed	1.6%	1.4
Corporate	1.9%	3.9

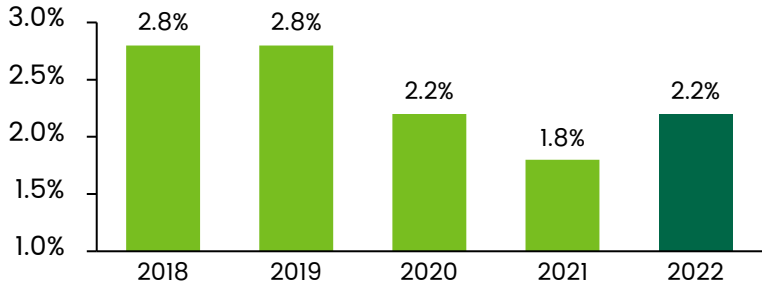
AFS Portfolio as of September 30, 2022

Total average investments[3]	$13.5 billion
Unrealized loss[3]	$1.1 billion
12 month maturities / pay-downs	$2.4 billion

Duration

December 2019	3.0 years
December 2020	3.3 years
December 2021	3.2 years
September 2022	3.9 years

YTD Fully Taxable-Equivalent Rate – Investments

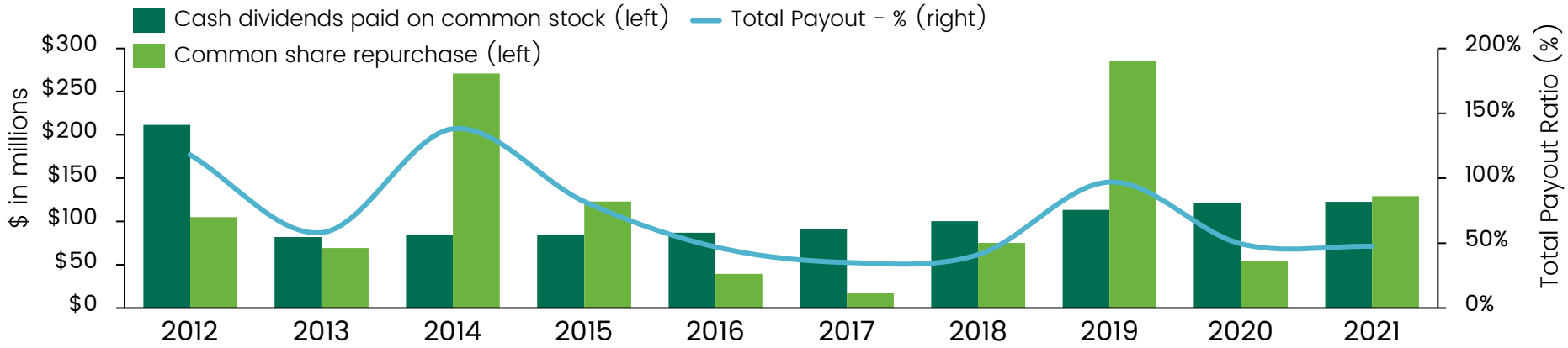


[1]Excludes inflation effect on TIPs; [2]Tax equivalent yield; [3]QTD averages

STRONG CAPITAL POSITION – FLEXIBILITY IN CAPITAL PLANNING

54 consecutive years of regular common cash dividend increases[1]

Capital Returned to Common Shareholders as a percentage of Net Income[2]



Capital Ratios – 9/30/2022	
Tier I common risk-based capital	14.0%
Tier I risk-based capital	14.0%
Total risk-based capital	14.7%

- Special cash dividend paid in 2012 totaled $131 million.
- 2014 included $200 million accelerated share repurchase in conjunction with preferred stock issuance.
- 2015 included a $100 million accelerated share repurchase.
- 2019 included a $150 million accelerated share repurchase.
- In 2020, all $150 million of preferred equity was redeemed.
- Common cash dividends increased 10% in 2018, 16% in 2019, 9% in 2020, 2% in 2021 and 6% in 2022 (based on 1Q2022 declared dividend).

[1]Based on 1st quarter 2022 declared dividend; [2]Net Income is defined as Net Income Available to Common Shareholders

STRATEGIC POSITION

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

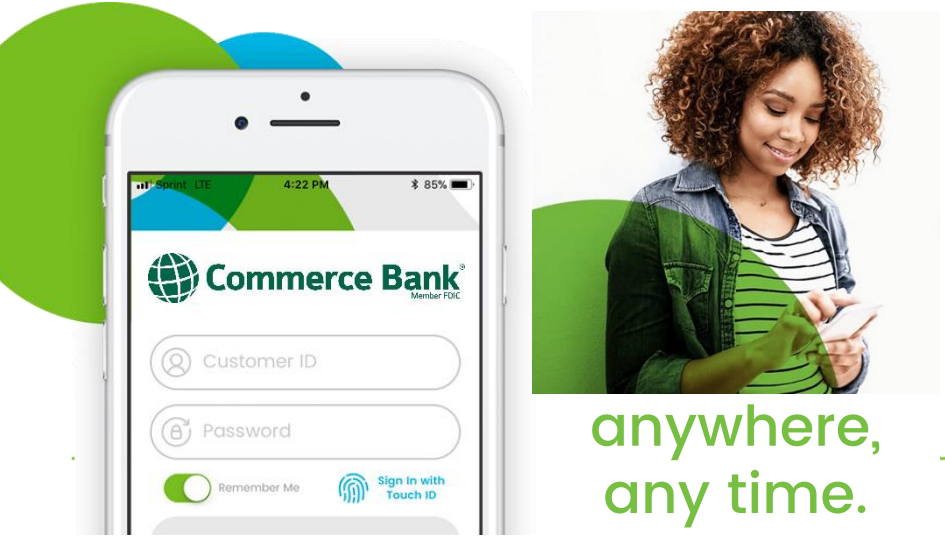
- Diversity, Equity and Inclusion
- Enterprise Digital Strategy
- Maximize Value of Key Retail Clients
- Grow the Private Bank Through a New Transformative Model
- Further Accelerate Expansion Market Growth
- Accelerate Growth in Healthcare

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 rapidly
- Investing in systems and technology to drive efficiencies & provide an enhanced experience



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 IT'S IMPORTANT

- 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

UPGRADING THE CUSTOMER EXPERIENCE

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



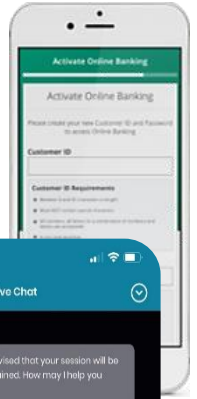


Consumer Digital

Evolving digital experiences to meet our customers' expectations.

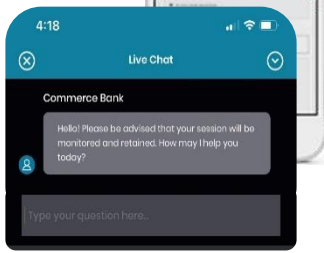
- Enhanced the account opening process for new and existing customers
- Added self-service capabilities, including expanded password resets
- Launched live chat with support agents through online banking and the mobile app
- Mobile check deposit enhancements





2020
21
releases

2021
25
releases



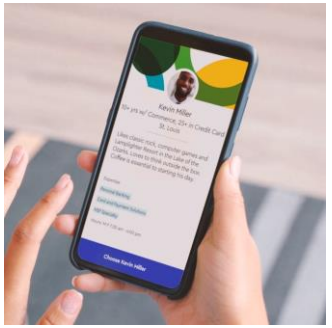
DISTINCTIVE DIGITAL OFFERINGS

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 introduce this innovation, enabling high-touch service through a digital channel
- Secure platform for customers to interact directly with a real person – a banker they've chosen – who can provide personalized guidance and advice

CONNECT™



Find a banker you'll click with.™

Commerce Bank Mortgage

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

- Continue to enhance the digital mortgage platform
- Complete eClosing implementation for mortgage and home equity loans
- Continue to evolve and transform the sales process to align with changing customer behavior

Mortgage made simple.

Connect with a home of your own.





CONSUMER BANKING SNAPSHOT

$13.4 BILLION Consumer Deposits[1]

$1.9 BILLION Consumer Loans[2]

811 THOUSAND Consumer Households[1]

152 Full-service branches | **333** ATMs



Focus on Digital

Commerce Bank App Rating

4.7 ★★★★★

4.7 ★★★★★

Digital HH Penetration

64.6%

Digital Loan Sales (000s)

$53,330

Mobile Deposit Use

25.7%

Period end balances. All information as of December 31, 2021

[1]Only includes primary households, excludes Wealth segment

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

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.

18TH
Largest Among Bank-Managed Trust Companies[1]

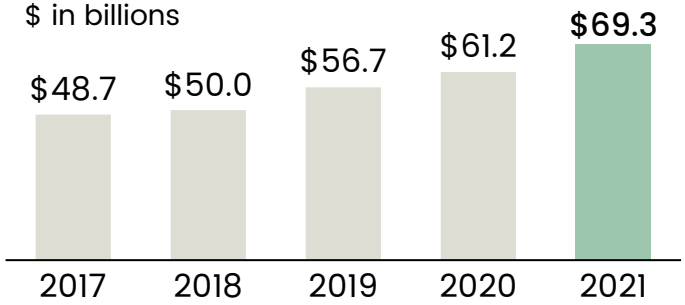
$69 BILLION
Total Client Assets[2]

$43 BILLION
Assets Under Management

$762 MILLION
Managed Brokerage Assets

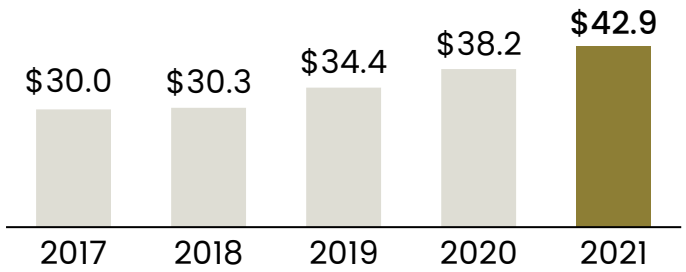
Total Client Assets[2]

$ in billions



Assets Under Management

$ in billions



Period end balances. Information as of December 31, 2021

[1]S&P Global Market Intelligence ranking as of 12/31/2021, based on assets under management

[2]Assets under administration

Commerce Bancshares, Inc.

Commerce Trust Company™
Wealth | Investments | Planning®

Key Growth Initiatives

- Onboard a new, industry-leading private banking loan and deposit system
- Evaluate new wealth markets and acquisition targets
- Execute our integrated strategy to expand reach with affluent households
- Invest in our team with additional development and targeted recruiting
- Implement an enhanced sales and service process with our Client Relationship Management system
- Invest in digital capabilities to boost our clients' overall experience

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

COMMERCIAL BANKING

Revenue growth opportunities

Financing solutions and deposit capabilities customized for your business

- Working Capital Line of Credit
- Term Loans
- Equipment Financing
- Leasing Solutions
- Commercial Real Estate
- ESOP Loans
- Acquisition Financing
- Tax-Exempt Bonds
- Full suite of cash management solutions
- Robust Card and Merchant acceptance
- Consultative approach to payments cycle reviews
- Specialized vertical expertise

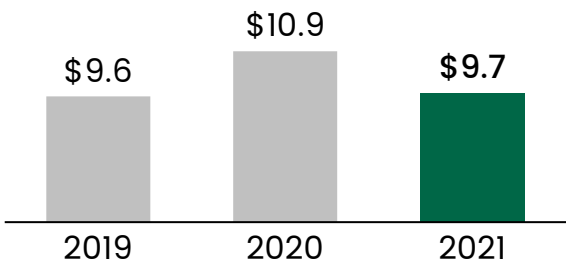
$9.7 BILLION Commercial Loans

$13.0 BILLION Commercial Deposits

$665 MILLION Commercial Revenue

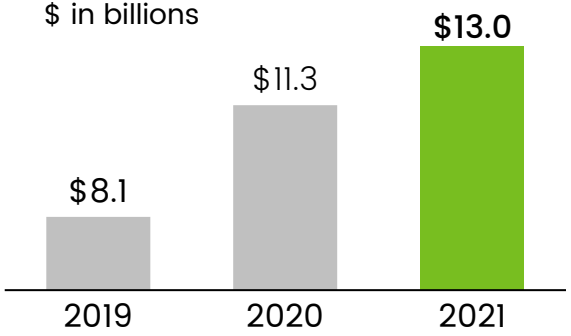
Commercial Loans

$ in billions



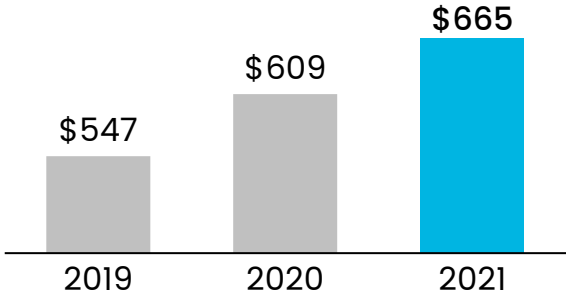
Commercial Deposits

$ in billions



Commercial Revenue

$ in millions

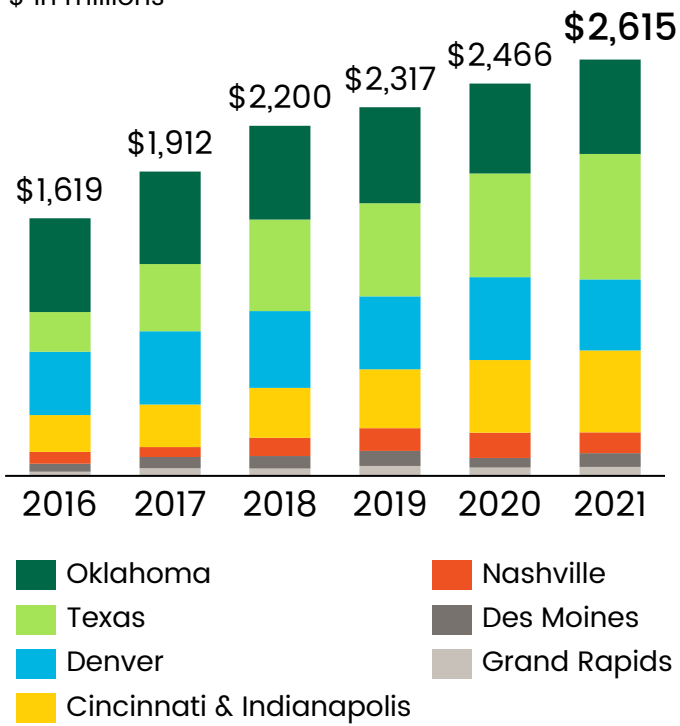


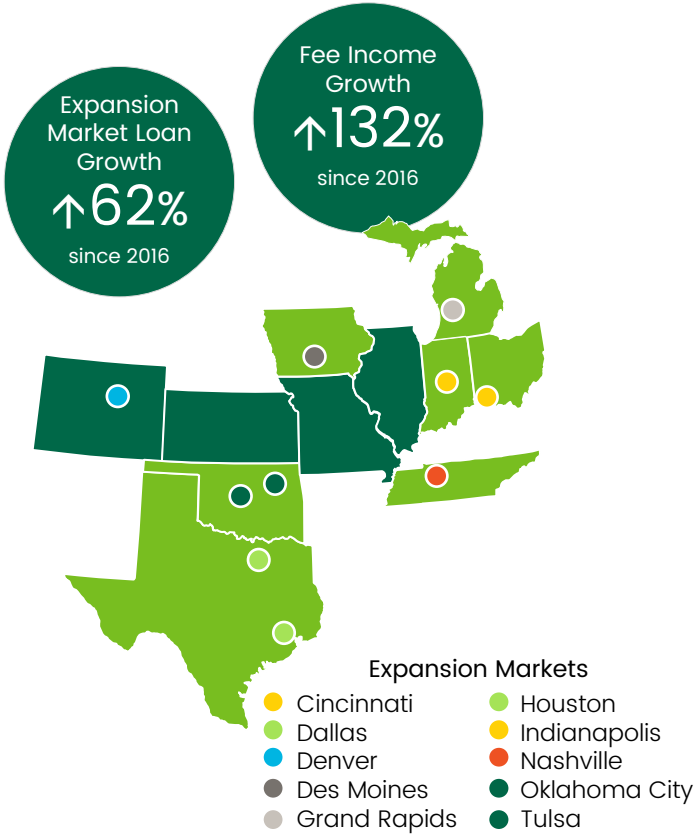
Commercial segment as of December 31, 2021

COMMERCIAL BANKING – EXPANSION MARKETS OFFER GROWTH OPPORTUNITIES

Expansion Market Loan Growth

$ in millions





Team Overview for Expansion Markets

of team members per market (includes open positions)

	2021
Oklahoma	47
Texas	35
Denver	45
Cincinnati/ Indianapolis	12
Nashville	4
Des Moines	3
Grand Rapids	3

Period end balances as of December 31, 2021

INDUSTRY-LEADING COMMERCIAL PAYMENTS CAPABILITIES

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



$190 MILLION
Payments Revenue

$58 MILLION
Treasury Management Revenue

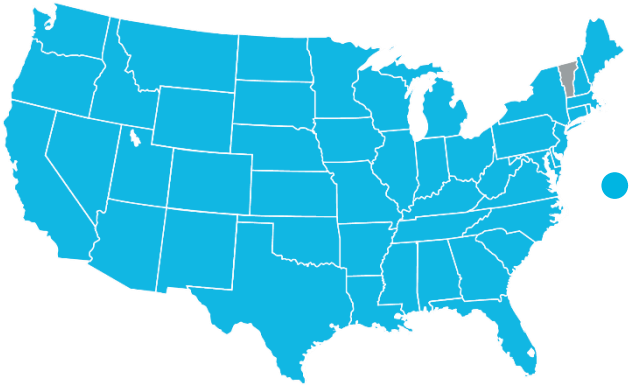
$9.4 BILLION
Commercial Card Volume

$7.2 BILLION
Merchant Volume

Information as of December 31, 2021

CommerceHealthcare®

We don't just serve the healthcare industry. It's our specialty.



Partner to **3,000+ healthcare providers** and **500+ hospitals** in **47 states**

100+ entities and **over 42 million** in patient transactions **annually**

Patient Engagement Solutions

- Patient Financing
- Online Bill Pay
- Patient Refunds

Receivables Management Solutions

- Receivables Optimization
- Reconciliation Automation
- Healthcare Lockbox

Accounts Payable Solutions

- Virtual Card Revenue Share Program
- Supplemental Card Program

Traditional Banking Services

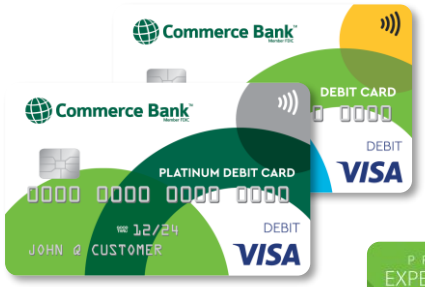
- Treasury Services
- Credit
- Days Cash Investment
- Institutional Trust Services

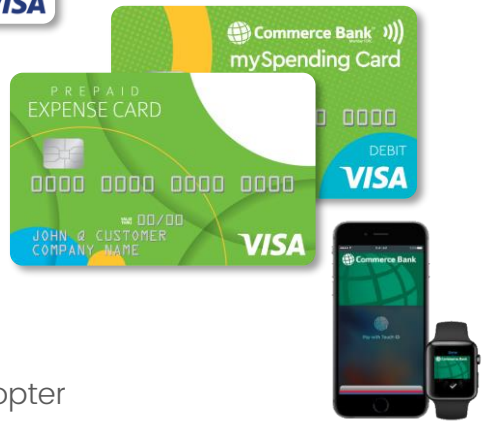
A FULL SUITE OF INNOVATIVE CARD AND PAYMENT PRODUCT OFFERINGS

- Health Services Financing
- Claims Payments
- Multi Account Chip
- Co-Brand
- Prepaid Expense
- Credit Card Installment opportunity during purchase
- Contactless Visa® Debit Card Early adopter











NON-GAAP RECONCILIATIONS

Pre-tax, Pre-provision Net Revenue

	(DOLLARS IN THOUSANDS)	For The Three Months Ended Sep. 30, 2022	Jun. 30, 2022	Sep. 30, 2021
A	Net Interest Income	$ 246,373	$ 232,385	$ 214,037
B	Non-Interest Income	$ 138,514	$ 139,427	$ 137,506
C	Non-Interest Expense	$ 212,884	$ 213,505	$ 211,620
	Pre-Provision Net Revenue (A+B-C)	**$ 172,003**	**$ 158,307**	**$ 139,923**

Investor Relations

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http://investor.commercebank.com/

MOMENTUM: Innovation. Improvement. Growth.

Commerce Bancshares, Inc.