

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  COMMERCE BANCSHARES, INC.		2 Issuer's employer identification number (EIN)  43-0889454	
3 Name of contact for additional information  JEFFERY D. ABERDEEN	4 Telephone No. of contact  816-234-2081	5 Email address of contact  JEFF.ABERDEEN@COMMERCEBANK.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  P.O. BOX 419248		7 City, town, or post office, state, and ZIP code of contact  KANSAS CITY, MO 64141	
8 Date of action  12/18/2017		9 Classification and description  COMMON STOCK	
10 CUSIP number  200525103	11 Serial number(s)	12 Ticker symbol  CBSH	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON DECEMBER 18, 2017, SHAREHOLDERS OF RECORD AT THE CLOSE OF BUSINESS ON NOVEMBER 30, 2017 WERE PAID A 5 PERCENT STOCK DIVIDEND. THE STOCK DISTRIBUTION IS NOT SUBJECT TO UNITED STATES FEDERAL INCOME TAX AND THEREFORE AFFECTS THE TAX BASIS OF SHARES OWNED ON WHICH IT WAS DISTRIBUTED.

SOME SHAREHOLDERS WILL RECEIVE CASH FOR FRACTIONAL SHARES, WHICH IS TREATED AS A REDEMPTION FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. PLEASE CONTACT YOUR TAX ADVISOR IF YOU HAVE QUESTIONS ABOUT THE TAX IMPLICATIONS OF CASH PAID FOR FRACTIONAL SHARES.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A SHAREHOLDER'S BASIS IN ONE (1) SHARE OF CBI COMMON STOCK AFTER THE DISTRIBUTION WILL BE 95.238095 PERCENT OF THE BASIS SHAREHOLDER HAD IN ONE (1) SHARE OF CBI COMMON STOCK BEFORE THE DISTRIBUTION.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ (100/(100+5)) = 95.238095

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ DISTRIBUTION OF STOCK IS NOT TAXABLE UNDER CODE SECTION 305 (a). BASIS IN STOCK WITH RESPECT TO WHICH THE DISTRIBUTION WAS MADE IS ALLOCATED BETWEEN THE OLD AND NEW SHARES IN PROPORTION TO THE FAIR MARKET VALUES OF EACH ON THE DATE OF DISTRIBUTION UNDER CODE SECTION 307 (a).

18 Can any resulting loss be recognized? ▶ NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Jeffery D. Aberdeen* Date ▶ 12/19/17

Print your name ▶ JEFFERY D. ABERDEEN Title ▶ CONTROLLER

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	