# COMMERCE BANCSHARES, INC.

## ANNUAL SHAREHOLDERS' MEETING

April 15, 2020

John Kemper
President and Chief Executive Officer

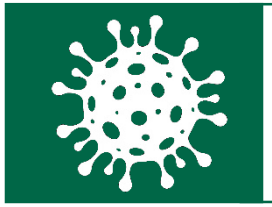
# CAUTIONARY STATEMENT

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 2019 Report on Form 10-K and the Corporation's Current Reports on Form 8-K.

# TODAY'S DISCUSSION



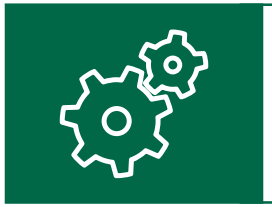
**ABOUT COMMERCE BANCSHARES**



COMMERCE'S PREPAREDNESS AND RESPONSE TO COVID-19



ECONOMIC AND INDUSTRY THEMES



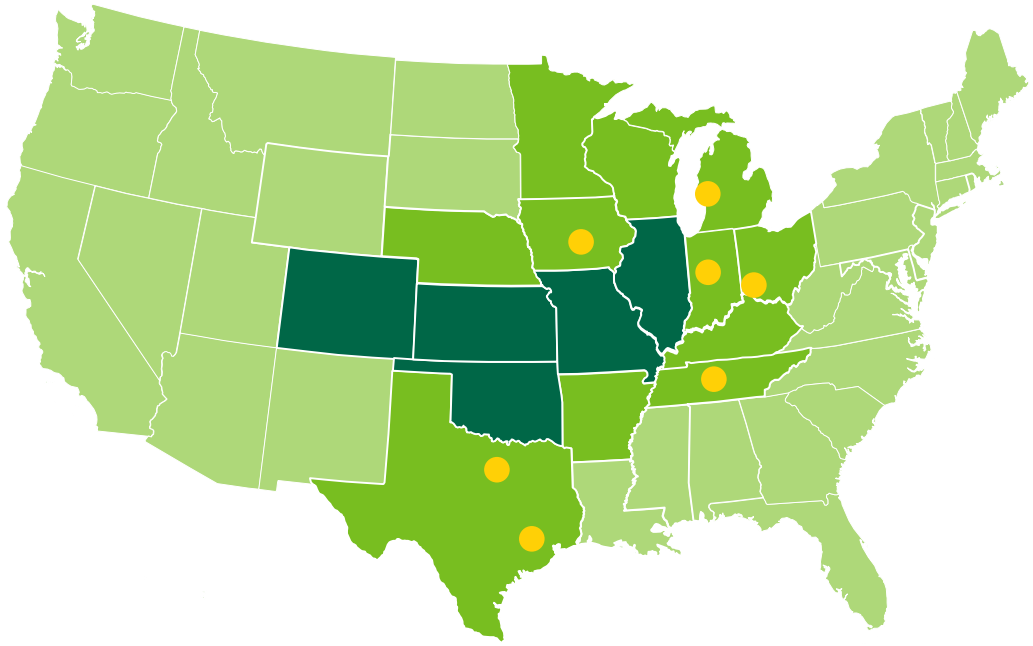
OUR STRATEGIC POSITION



OUR PERFORMANCE AND PEER COMPARISONS

# COMMERCE BANCSHARES

## 154 YEARS IN BUSINESS



**FULL-SERVICE BANKING FOOTPRINT**

164 full-service branches and 366 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.

**$26.1**
BILLION IN ASSETS

**47TH**
LARGEST U.S. BANK BASED ON ASSET SIZE[1]

**$7.6**
BILLION IN MARKET CAPITALIZATION

**18TH**
LARGEST U.S. BANK BASED ON MARKET CAPITALIZATION[1]

**$56.7**
BILLION IN TRUST ASSETS

**20TH**
LARGEST AMONG U.S. BANK-MANAGED TRUST COMPANIES BASED ON AUM[1]

**a1**
BASELINE CREDIT ASSESSMENT[3]

**$20.5**
BILLION IN TOTAL DEPOSITS

**$14.8**
BILLION IN TOTAL LOANS[2]

**$9.1**
BILLION IN COMMERCIAL CARD VOLUME as of 12/31/19

**14.1%**
RETURN ON AVERAGE COMMON EQUITY
as of YTD 12/31/19

**7TH**
YTD ROACE FOR THE TOP 50 U.S. BANKS BASED ON ASSET SIZE[1]

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

*Source: [1]S&P Global Market Intelligence, does not include asset management or specialty finance banks; company reports and filings; information as of 12/31/2019; [2]Includes loans held for sale; [3]Moody's U.S. Bank Ratings, February 19, 2020, Baseline credit assessment reflects a bank's standalone credit strength.*

# 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 150+ years ago to be a force for good in our region and in 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 are engaged, enabled and effective.

## Commerce named Outstanding Employer 2019 by Korn Ferry[1]

- Best-in class for Engagement and Enablement across 500+ companies
- Commerce is one of only three companies in the U.S. to receive this global award




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

Commerce Bancshares, Inc.

# BEYOND FINANCIALS

*Supporting each other, our customers and our communities*

## 2019 Engagement & Enablement[1]

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

**76%** ENABLEMENT

**78%** ENGAGEMENT

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

**500** nonprofit organizations supported by Commerce team members through volunteer hours and in leadership roles by serving on boards

**OUTSTANDING** community reinvestment rating from the Federal Reserve for more than **20 years**

**$22 million** of charitable investments advised by Commerce Trust Company[2]

## A culture that celebrates inclusion and diversity

Commerce offers a variety of Internal resource groups, mentoring programs and networking opportunities

**EMERGE**
Focused on young professionals
Nearly 600 members

**RISE**
Empowering women
1,200+ members
100+ hours of community service

**New groups launched to support diversity at Commerce**

**PRIDE**
LGBTQIA+

**VIBE**
Multi-cultural

[1] *The Korn Ferry Hay Group – 2019 survey results*
[2] *Includes investments on behalf of the Commerce Bancshares Foundation and private foundations that have engaged the bank as trustee.*

# RECENT RECOGNITION

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Forbes | 2020
BEST BANKS
IN AMERICA

Commerce Bank was named among **America's Best Banks 2020** by *Forbes*.

Ranked in the **top quartile nationally** and **2nd Missouri-based bank**.

Since the first list debuted, **Commerce has consistently ranked near the top** among the highest-performing institutions.




Forbes | 2019
AMERICA'S
BEST MID-SIZE
EMPLOYERS
POWERED BY STATISTA

Commerce Bank was named a **Top Mid-size Employer** by *Forbes* for the **third consecutive year** and **ranked in the top one-third** among a selection of 500 employers.

We placed **13th** among all banking and financial services companies and **7th** among employers headquartered in Missouri.

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Bank Director.
RANKING BANKING®
REGIONAL ★ ALL-STAR
2019

Commerce Bank was selected as **one of 20 best-in-class banks in Bank Director's** 2019 RankingBanking study.

We **placed third overall in the Midwest** and **ranked first in the Midwest** for Best Branch Network Strategy, Best Core Deposit Growth Strategy and Best Retail Strategy.

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PRIVATE ASSET MANAGEMENT
Private Asset Management Awards 2019
HIGHLY COMMENDED
Best private wealth manager - client service - over $5bn
Commerce Trust Company

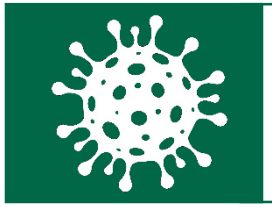
Commerce Trust Company received **Highly Commended status for Best Private Wealth Manager** in client services with assets over $5 billion.

PAM Awards recognize top investment professionals, wealth advisors, legal firms, consultants and other key service providers operating within the private asset management industry.

# TODAY'S DISCUSSION



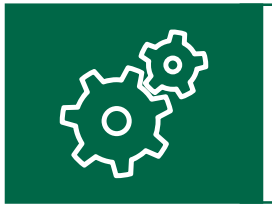
ABOUT COMMERCE BANCSHARES



**COMMERCE'S PREPAREDNESS AND RESPONSE TO COVID-19**



ECONOMIC AND INDUSTRY THEMES



OUR STRATEGIC POSITION



OUR PERFORMANCE AND PEER COMPARISONS

Commerce Bancshares, Inc.

# COMMERCE'S PREPAREDNESS AND RESPONSE TO COVID-19

*Taking care of our customers and team members is our top priority.*

- **Activated our Pandemic Preparedness and Response Plan** and COVID-19 Task Force.
- **Validated Business Continuity Plans** for all teams, including successful use of remote access.
- **Built-in resiliency with campuses** in both St Louis and Kansas City, as well as our business resumption site.
- **Proactively communicating with customers** across our business lines to reassure them of our resiliency and to offer our guidance for any financial challenges they may encounter.
- **Contacting key suppliers** to verify their continuity plans and confirm their ability to maintain service levels.
- **Participating in multiple industry resource groups** specific to this topic in order to share best practices.

# KEY ACTIONS TAKEN IN RESPONSE TO COVID-19

*We continue to monitor the outbreak & implement updates as the situation evolves.*

### 2018-January 2020

- ✓ Appointed Pandemic Planning Committee & published plan
- ✓ Conducted Pandemic Response Tabletop Exercises
- ✓ Jan: Began monitoring the COVID-19 outbreak and began preparedness discussions

### February 2020

- ✓ Activated Plan and COVID-19 Task Force
- ✓ First all-team communication
- ✓ Established social media monitoring

### Early March 2020

- ✓ Enhanced cleaning protocols and ordered additional cleaning/safety supplies
- ✓ Verified critical suppliers
- ✓ Expanded remote worker capabilities, including Customer Care Center
- ✓ March 10: Restricted travel
- ✓ Began daily executive management briefings
- ✓ Launched COVID-19 page on CB.com and internal resource site
- ✓ Enhanced social distancing policies
- ✓ March 13: limited all internal gatherings to <20; restricted access to buildings; activated recovery sites

### Mid-late March 2020

- ✓ March 17: Closed branch lobbies; drive-thru only
- ✓ Began daily internal communications and regular CEO video messages
- ✓ Restricted all business travel; all meetings virtual or by phone
- ✓ Launched Consumer & Business relief programs
- ✓ Implemented 100% of distributed workforce plans
- ✓ Reduced operating hours in select branches; alternating schedule for branch staff

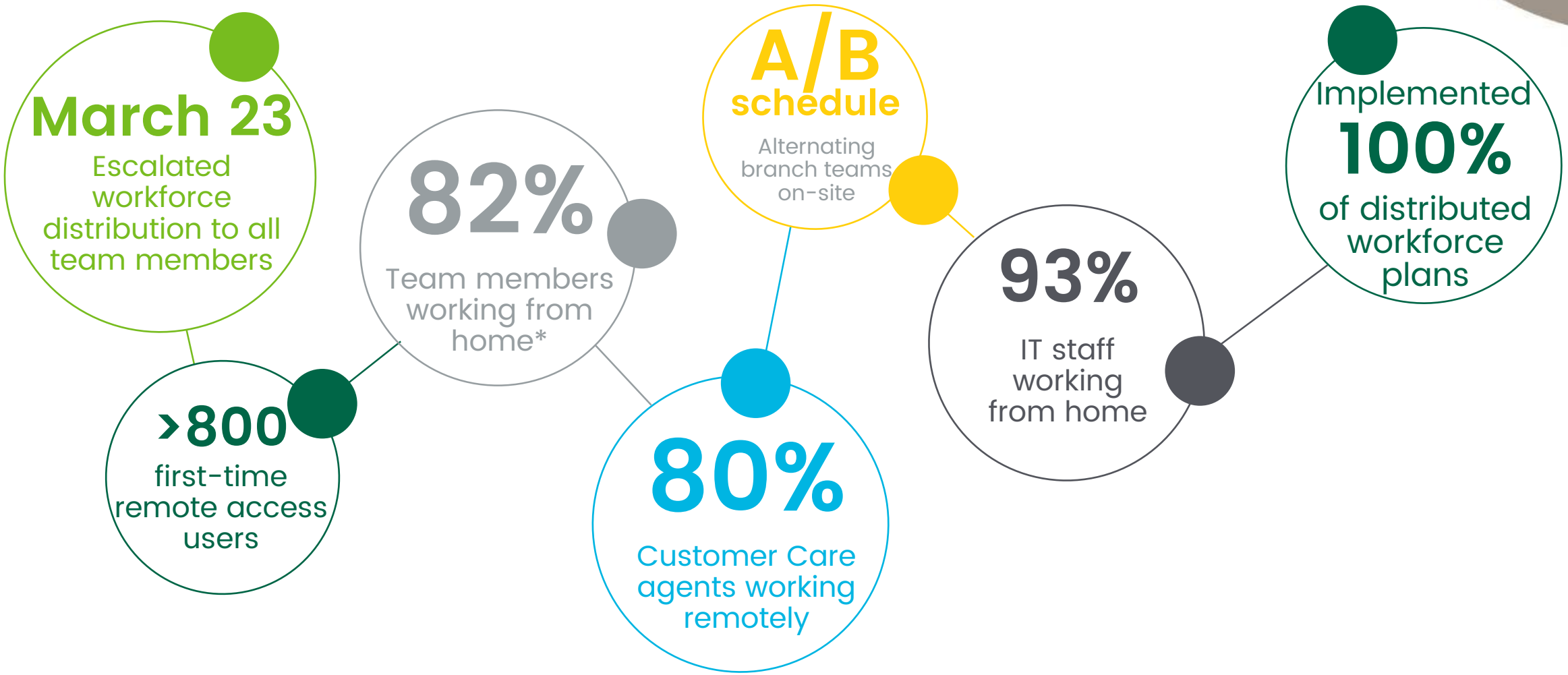
### April 2020

- ✓ Rolled-out SBA Loan program
- ✓ Implemented premium pay for hourly team members who cannot work remotely
- ✓ Upgraded IT systems, processes & equipment for an improved remote-working experience
- ✓ Ongoing communication with our team and customers
- ✓ Continue to monitor legislative changes & stay-home orders

# DISPERSION OF KEY OPERATING FUNCTIONS

COVID-19

*Safeguarding our operational resiliency*




*Data as of April 9, 2020*
**Working from home or alternate sites; excludes branch employees who cannot work from home*

Commerce Bancshares, Inc.

# HELPING **OUR TEAM** FOCUS ON WHAT MATTERS MOST

COVID-19

## For our Team Members and their Families

- Providing **Premium Pay** for hourly team members working on-site
- Established **Pandemic time off**
- Committed to **covering the costs of approved and authorized COVID-19 testing** for team members and their dependents who are covered by our medical plans
- Implemented **new policies for team members who cannot come to work** due to personal circumstances (lack of childcare, stay-at-home orders) to accommodate their individual needs

## For our Team Members in their Workplaces

- **Limited access** to the interior of our branches to minimize exposure of our customers and teammates
- Making additional efforts to **disinfect work areas and equipment** and help our team safely handle cash
- **Distributed our workforce to various locations**, including 82% who are working from home or at an alternate location
- **Replaced in-person meetings** with alternative means of communication like tele-, web or video conferencing
- **Eliminated all business travel** for team members

# HELPING **OUR CUSTOMERS** FOCUS ON WHAT MATTERS MOST

COVID-19

## Relief programs for our consumer customers

### Loans

- **Payment deferments**
- Unsecured installment loan with flexible income requirements and loan terms, **first payment due date extension** with fixed rate and fixed payment options
- **Payment plans and temporary forbearance options for mortgage loans.** Payment relief plans can be in the form of a reduced payment amount, or a suspension of payment in full, for the payment relief period.

### Credit Cards

- Opportunity to **skip payments** and with **refunded or waived late fees**
- Permanent workout payment plan with **reduced payments and fees** for long-term financial impact customers

### Deposit Accounts

- Refund requests can be made for **overdraft fees** or fees associated with using a non-Commerce ATM
- Requests can be made to **waive early withdrawal penalties for redeeming a CD early** due to financial hardship, or for missing the grace period due to inability to get to the bank

*For existing / eligible Consumer customers; requires Bank approval and must be requested by the customer.*

# HELPING **OUR CUSTOMERS** FOCUS ON WHAT MATTERS MOST

COVID-19

## Relief programs for our commercial customers

### Loans

- **Payment deferments** for existing clients
- Small Business Administration **(SBA) loan** with the new Paycheck Protection Program

### Deposit Accounts

- Requests can be made to have **overdraft fees refunded**

### Prepaid Cards

- **Implementation fees waived** for DirectCheck Card solution, an alternative to paper checks*
- **Implementation fees waived** for Prepaid Expense Card solution, an option to help back offices in disseminating per diam and handling employee travel expenses*

### Credit Cards

- **Payment deferment and late fees refunded or waived**

### Merchant Services

- Monthly **minimum fee and regular monthly fee waived** for the months a business is closed temporarily

*For existing / eligible Commercial customers; requires Bank approval and must be requested by the customer.*
**Implementation fees waived until June 30, 2020.*

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# WHAT OUR CUSTOMERS ARE SAYING

COVID-19

"I wanted to let you know what a **huge help your team has been this week/weekend in helping us apply for paycheck relief.** This would be a HUGE deal, and I appreciate all that Commerce is doing to help."

"Thank you for all your efforts to secure the SBA loan for us. **It will support jobs for over 200 people. We are very grateful.**"

**Branch Customer Relationship Score at an all-time high of 94%**

"I wanted to let you all know that since early March, when we realized there would be significant economic disruption, we've said, **"Thank goodness we're with Commerce!"**

"This could not have been a better experience! Angie was terrific, and the entire process was simple, painless and expeditious. **Truly one of the best experiences I've had working with a bank.** Plus all of this at a time when folks are working remotely. Impressive."

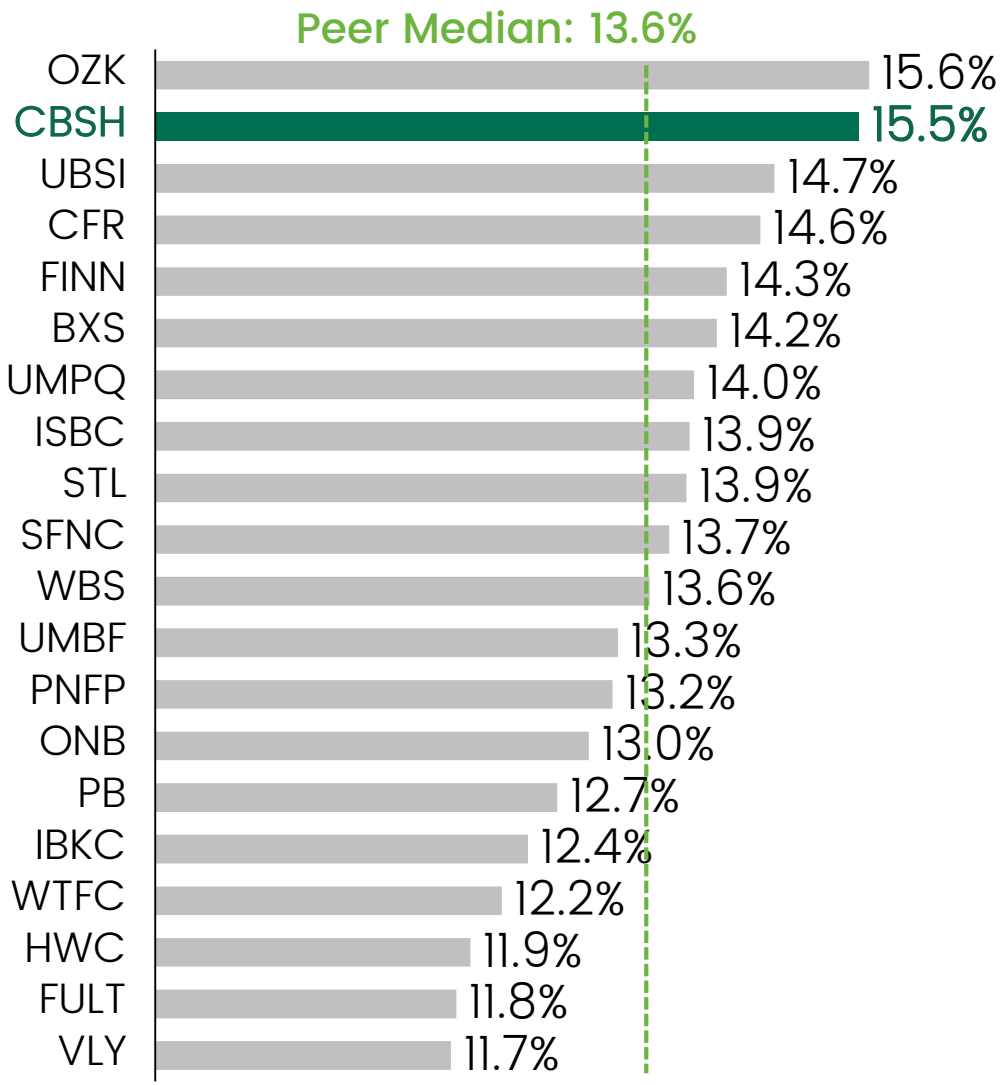
"Thank you for all the work you're doing today. **You've been the only day of light in this mess."**

"**It's times like this, I learn to truly appreciate the great business partner Commerce Bank has become over the decades.** You have obviously built an incredible group of professionals at the bank. Bringing your entire support staff together, **working nearly 24/7 to help your customers** in such unprecedented times; words can't describe what it means to me."

# SOUND CAPITAL AND LIQUIDITY POSITION

COVID-19

## Total Risk-Based Capital Ratio




## Loan to Deposit Ratio

Large, stable deposit base and low loan to deposit ratio

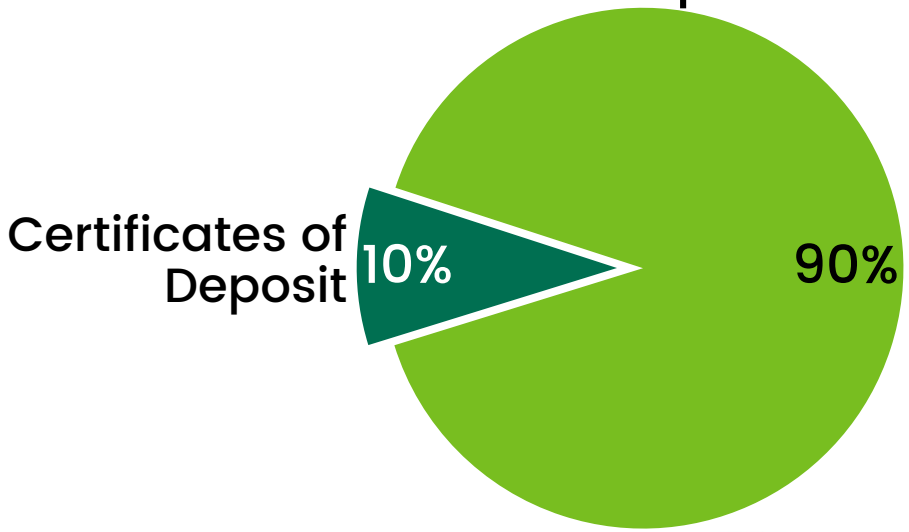
**Core Deposits**

**$18.5 Billion[1]**

**72%** Commerce — Average Loan to Deposit Ratio[2]

**90%** Peer Average — Average Loan to Deposit Ratio

## Total Deposits




**Core Deposits**
- Non-Interest Bearing
- Interest Checking
- Savings and Money Market

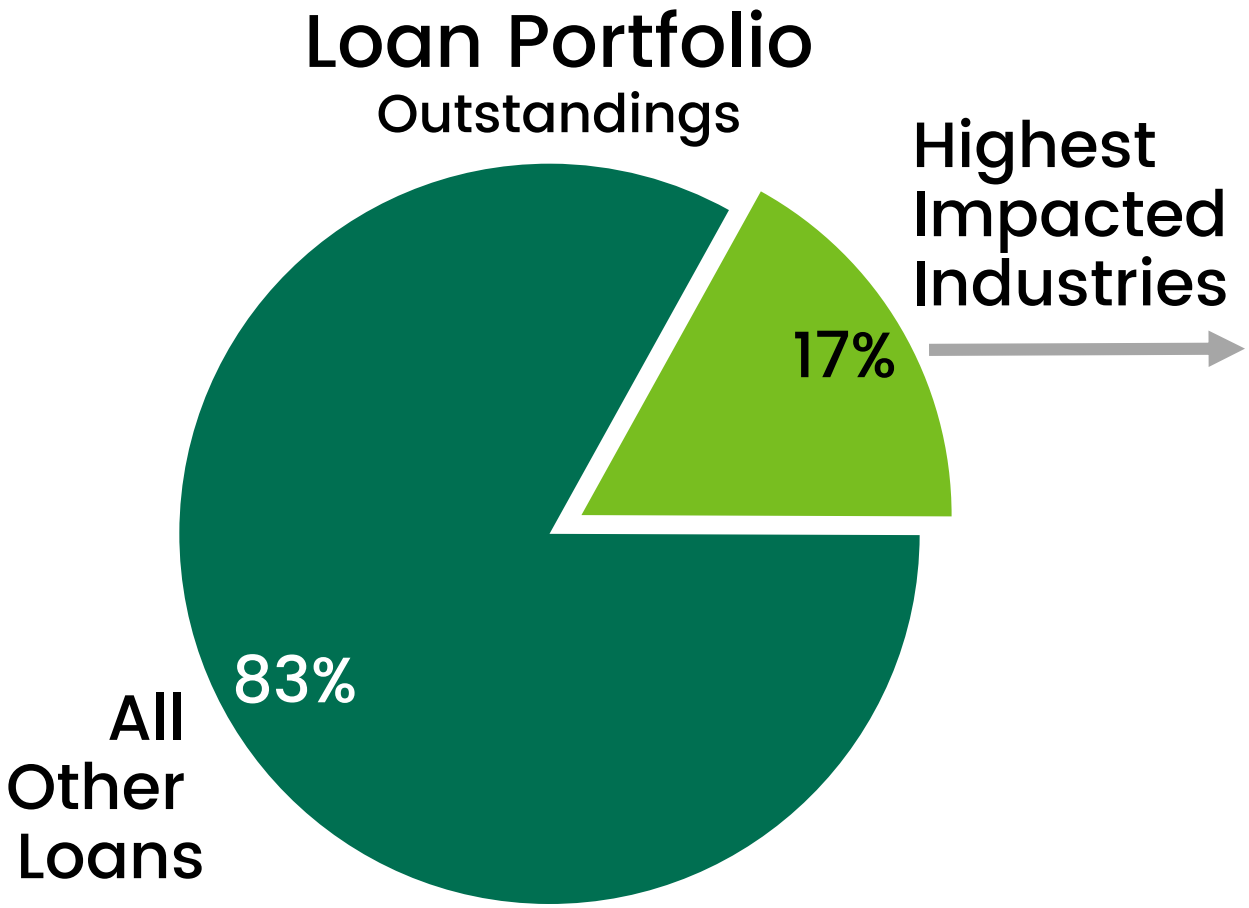
*[1]Period-end balances; [2]Includes loans held for sale*
*Source: 2019 10-K, S&P Global Market Intelligence, Information as of December 31, 2019*

Commerce Bancshares, Inc.

# LOAN PORTFOLIO: LIMITED EXPOSURE TO PANDEMIC-SENSITIVE INDUSTRIES

COVID-19

While we expect nearly every industry to be impacted to some degree by Coronavirus-related disruptions, we have identified nine industries that will be most impacted.



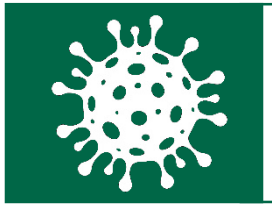

| Highest Impacted Industries | $ in millions | % of Loan Portfolio |
|---|---|---|
| Multifamily / Student Housing | $528 | 3.6% |
| CRE Retail | 406 | 2.8% |
| Auto Dealers | 338 | 2.3% |
| Senior Living | 301 | 2.1% |
| Hotels | 257 | 1.7% |
| Beer Distributors | 224 | 1.5% |
| Energy | 198 | 1.3% |
| Retail Stores | 147 | 1.0% |
| Restaurants | 82 | 0.6% |
| **Total** | **$2,481** | **16.9%** |

*Industry breakdowns represent outstanding balances as of December 31, 2019, segmented by NAICS codes.*

# TODAY'S DISCUSSION



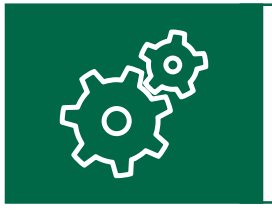
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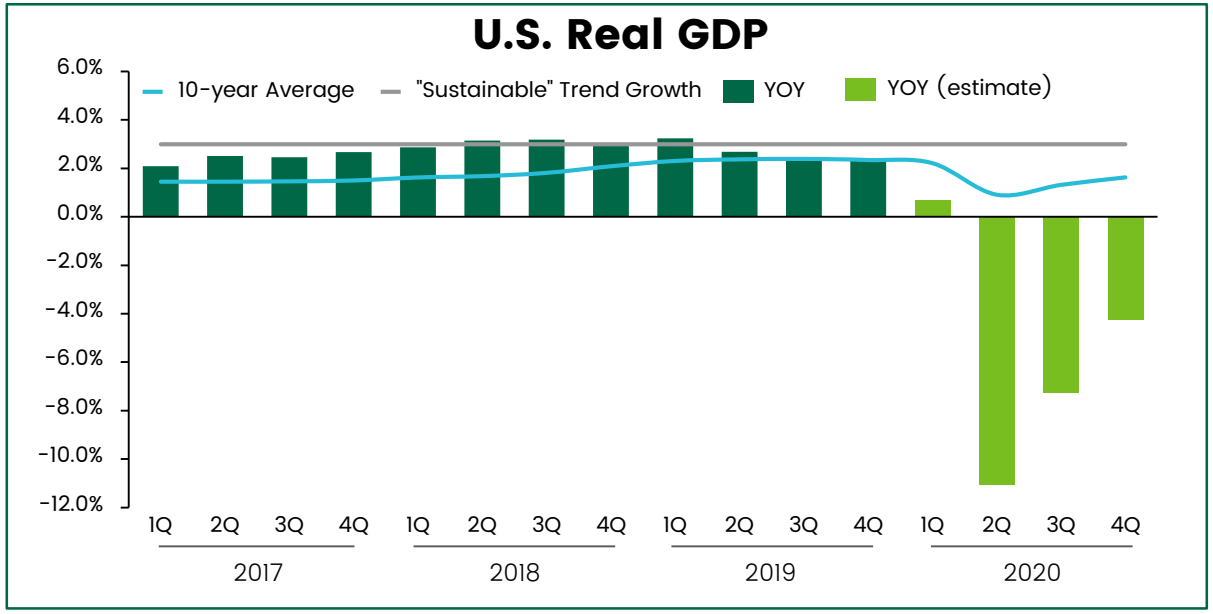
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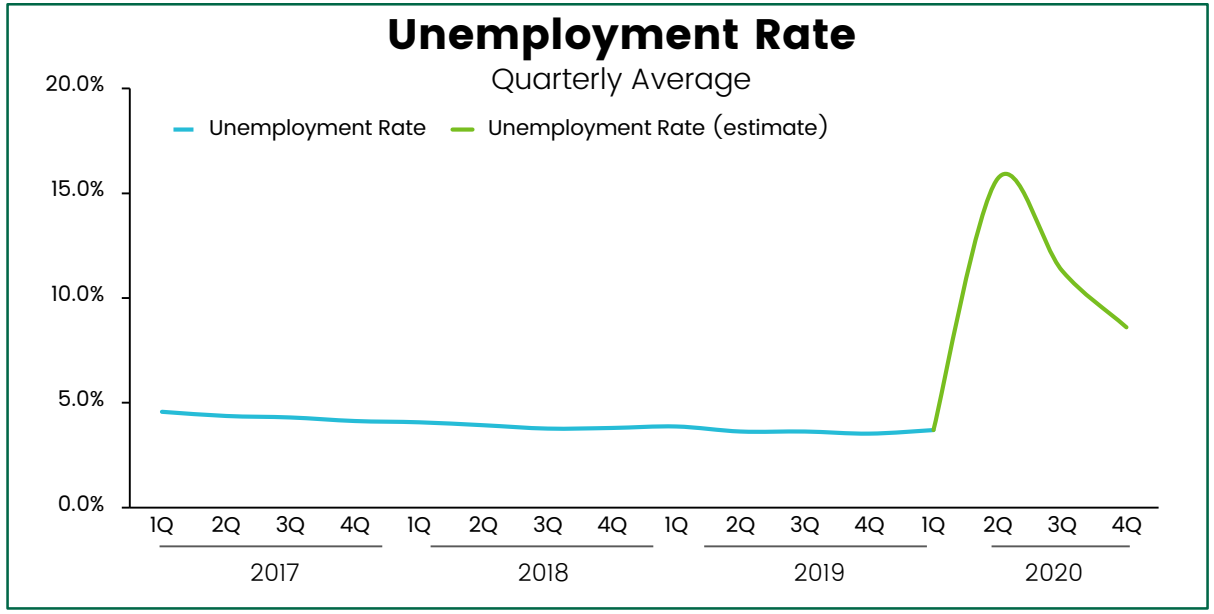
Commerce Bancshares, Inc.

# MACROECONOMIC ENVIRONMENT

*Original forecast of economic growth at 2%, but with the current global pandemic, a recession is imminent.*

- GDP forecast - continued downward provisions
- Unemployment rate potential forecasted to peak at 15%; with market fears well in excess given recent D.C. comments - high unemployment claims due to closing of non-essential businesses and layoffs
- Interest rates will be lower for a longer period - the Federal Reserve acted and cut rates twice to bring them near zero




*Sources: Goldman Sachs, Commerce Trust Company, U.S. Bureau of Economic Analysis, Morgan Stanley, St. Louis Federal Reserve, U.S. Bureau of Labor Statistics, Bloomberg*

# IMPACT ON THE BANKING INDUSTRY

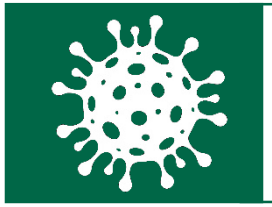
| | |
|---|---|
| Operating Performance | • Banks have shifted from growth and sales to preservation and service.<br>• 0% rates, low oil prices, and virus impacts are forcing banks to shift focus to capital stewardship and continuity of business. |
| Legislation/ Regulation | • Lenders are working to implement processes to accommodate the directives outlined in the CARES Act, which includes a provision for SBA loans to businesses with loan forgiveness and payment deferral relief options.<br>• Regulatory guidance on extending CECL implementation. Banks are not required to automatically classify COVID-19 related modifications as Troubled Debt Restructurings (TDRs). |
| Valuation | • Only 58% of the top 200 banks are trading above tangible book value, implying future capital losses due to loan write-downs.<br>• Banks with diverse revenue streams, strong capital positions and consistent credit discipline are trading higher than peers. |
| M&A | • M&A is largely on hold across the industry as potential buyers focus on organic preservation and shift to wait-and-see mode.<br>• The second half of 2020 could bring both a wave of bank capital raises and bank mergers. |

*Sources: KBW, Morgan Stanley, Goldman Sachs, Piper Sandler as of April 13, 2020*

# TODAY'S DISCUSSION



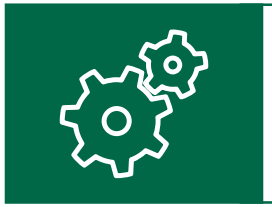
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# STRATEGIC POSTURE: MAINTAINING THE BALANCE

**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

- Develop Claims Payment
- Commerce Bank Mortgage
- Accelerate Growth in Healthcare
- Enhance Consumer Digital
- Accelerate Expansion Market Growth
- Enhance the Private Client Model
- Retain and Grow Mass Affluent Households
- Enhance Enterprise Customer Relationship Management (CRM)
- Implement Transform 360
- Enhance the People Experience

Commerce EDGE **...emphasis on culture, collaboration and core values**

# GROWTH MINDSET: 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



CommercePremier



Branch Design



Advanced ATMs



Video Advisors



CARA



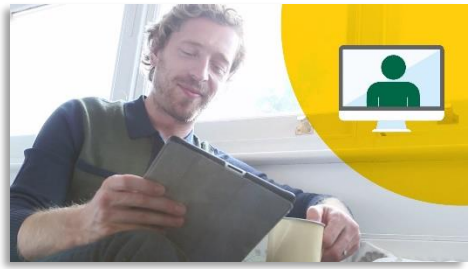

Exploration Centers

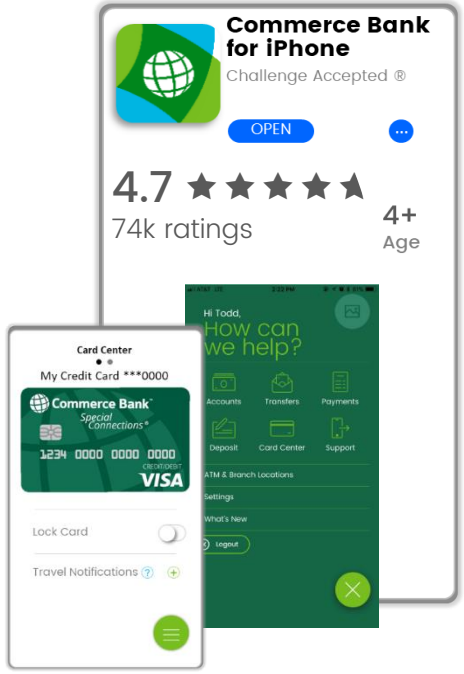
## Consumer Digital Business

*Evolving our digital experiences to meet our customers' expectations.*

- Digital Mortgage application
- CommercePremier user interface
- Mobile push notifications, improved alerts management
- Pilot Appointment setting solution





Commerce Bank CONNECT

*Blending technology, community and relationships*

## Four main goals:

- Grow relationships.
- Enhance engagements.
- Strengthen brand awareness.
- Drive innovation through research and development.





# INDUSTRY-LEADING COMMERCIAL PAYMENTS CAPABILITIES

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




**$177 MILLION** Payments Revenue

**$47.7 MILLION** Treasury Management Revenue

**$9.1 BILLION** Commercial Card Volume

**$6.2 BILLION** Merchant Volume

## Key Verticals

**CommerceHealthcare®**

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

## Claims Payments

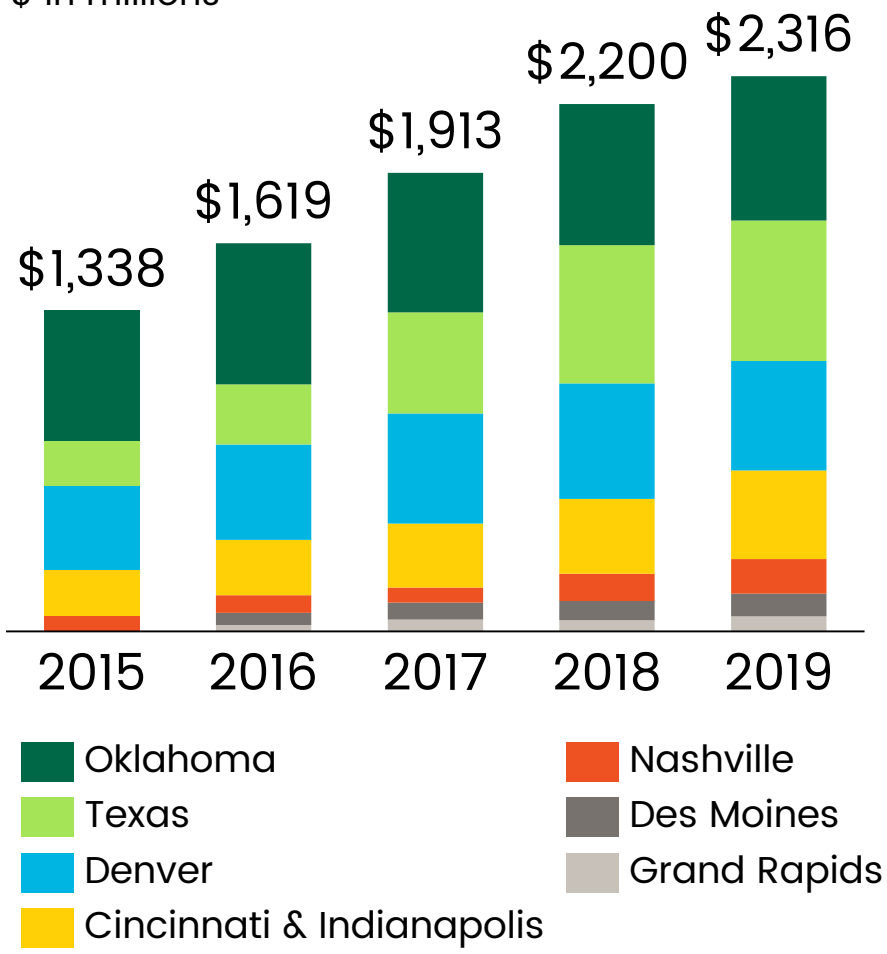
With the help of our insurance advisory council, Claims Payments was built for the industry with the input of insurance experts. We help insurance companies provide faster payments to their customers.

*Information as of December 31, 2019*

# COMMERCIAL BANKING – EXPANSION MARKETS OFFER GROWTH OPPORTUNITIES

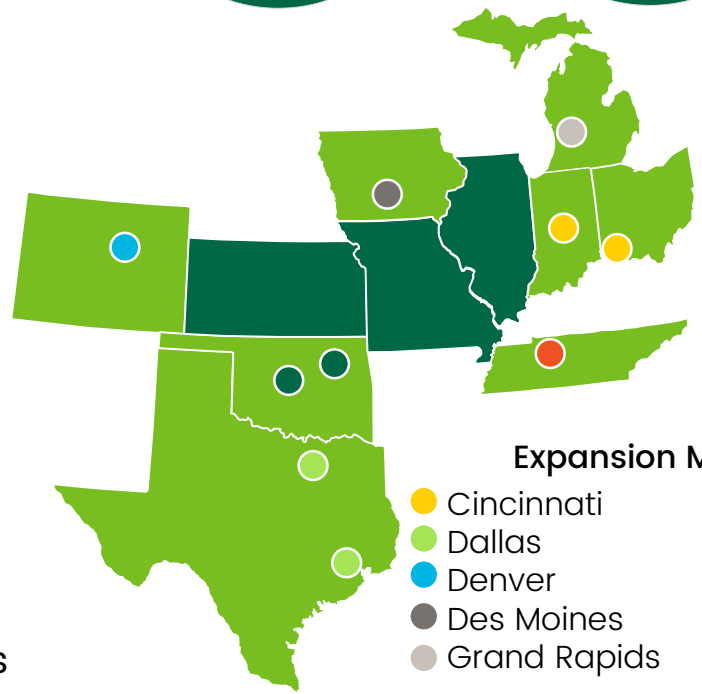
## Expansion Market Loan Growth

$ in millions




Expansion Market Loan Growth ↑98% since 2015

Fee Income Growth ↑89% since 2015




## Team Overview for Expansion Markets

# of team members per market (includes open positions)

| | 2012 | 2019 |
|---|---|---|
| Oklahoma | 31 | 52 |
| Texas | 3 | 23 |
| Denver | 41 | 47 |
| Cincinnati/ Indianapolis | 11 | 13 |
| Nashville | 3 | 6 |
| Des Moines | 0 | 3 |
| Grand Rapids | 0 | 2 |

*Period end balances as of December 31, 2019*

# 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.

**20TH**
Largest Among Bank-Managed Trust Companies[1]

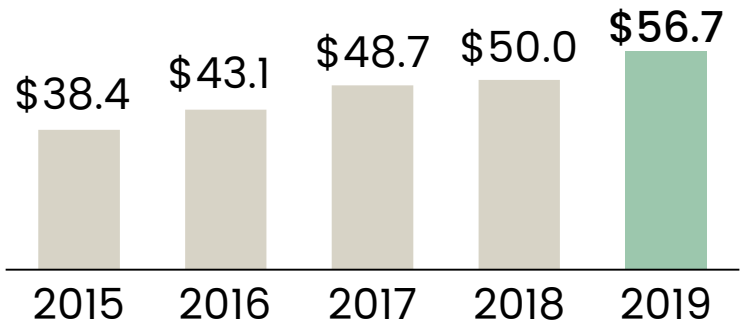
**$57 BILLION**
Total Client Assets[2]

**$34 BILLION**
Assets Under Management

**$539 MILLION**
Managed Brokerage Assets

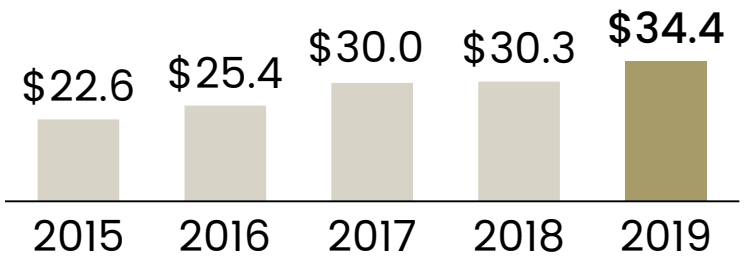
## Total Client Assets[2]

$ in billions




## Assets Under Management

$ in billions




## Key Growth Initiatives

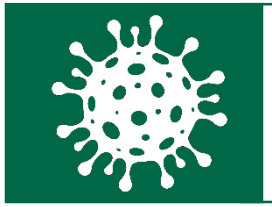
- Implement new Private Banking Lending Program
- Accelerate growth of Mass Affluent households
- Implement enhanced sales process with new Client Relationship Management system
- Expand the CTC brand
- Enhance the digital client experience
- Invest in team training and onboarding resources

*Period end balances, information as of December 31, 2019*
*[1]S&P Global Market Intelligence ranking as of 12/31/2019, based on assets under management*
*[2]Assets under administration*

# TODAY'S DISCUSSION



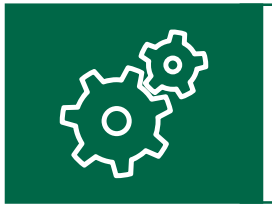
ABOUT COMMERCE BANCSHARES



COMMERCE'S PREPAREDNESS AND RESPONSE TO COVID-19



ECONOMIC AND INDUSTRY THEMES



OUR STRATEGIC POSITION



**OUR PERFORMANCE AND PEER COMPARISONS**

# FINANCIAL PERFORMANCE IN 2019

| | | | |
|---|---|---|---|
| Dividend growth ↑16% | ROA 1.67% | ROE 14.1% | Fee income growth ↑5% |
| Net interest margin 3.36% | Growth in loans period end ↑4% | | Net loan charge-offs to loans .35% |

*Long-term performance remains strong*

**15-year TOTAL ANNUALIZED SHAREHOLDER RETURN of 9.6%**

compared to KBW Bank Index of 3.1%

# 2019 YEAR END EARNINGS

| $ in millions | 2018 | 2019 | % Increase |
|---|---|---|---|
| Net interest income | $ 824 | $ 821 | -0.3% |
| Non-interest income | 501 | 525 | 5% |
| **Total revenue** | **1,325** | **1,346** | **2%** |
| Securities gains/(losses) | - | 3 | NM |
| Non-interest expense | (738) | (767) | 4% |
| Provision for loan losses | (43) | (50) | 18% |
| **Pretax income** | **544** | **532** | **-2%** |
| Income taxes | (106) | (109) | 3% |
| **Net income** | **438** | **423** | **-4%** |
| Non-controlling interest expense | (4) | (2) | NM |
| **Net inc attrib. to Commerce** | **434** | **421** | **-3%** |
| Preferred stock dividends | (9) | (9) | 0% |
| **Net income available to common stock** | **$ 425** | **$ 412** | **-3%** |
| **Diluted EPS** | **$ 3.60** | **$ 3.58** | **-0.6%** |

**Return on Assets**
2018: 1.8%
2019: 1.7%

**Cash Dividends**
2018: $0.85
2019: $0.99

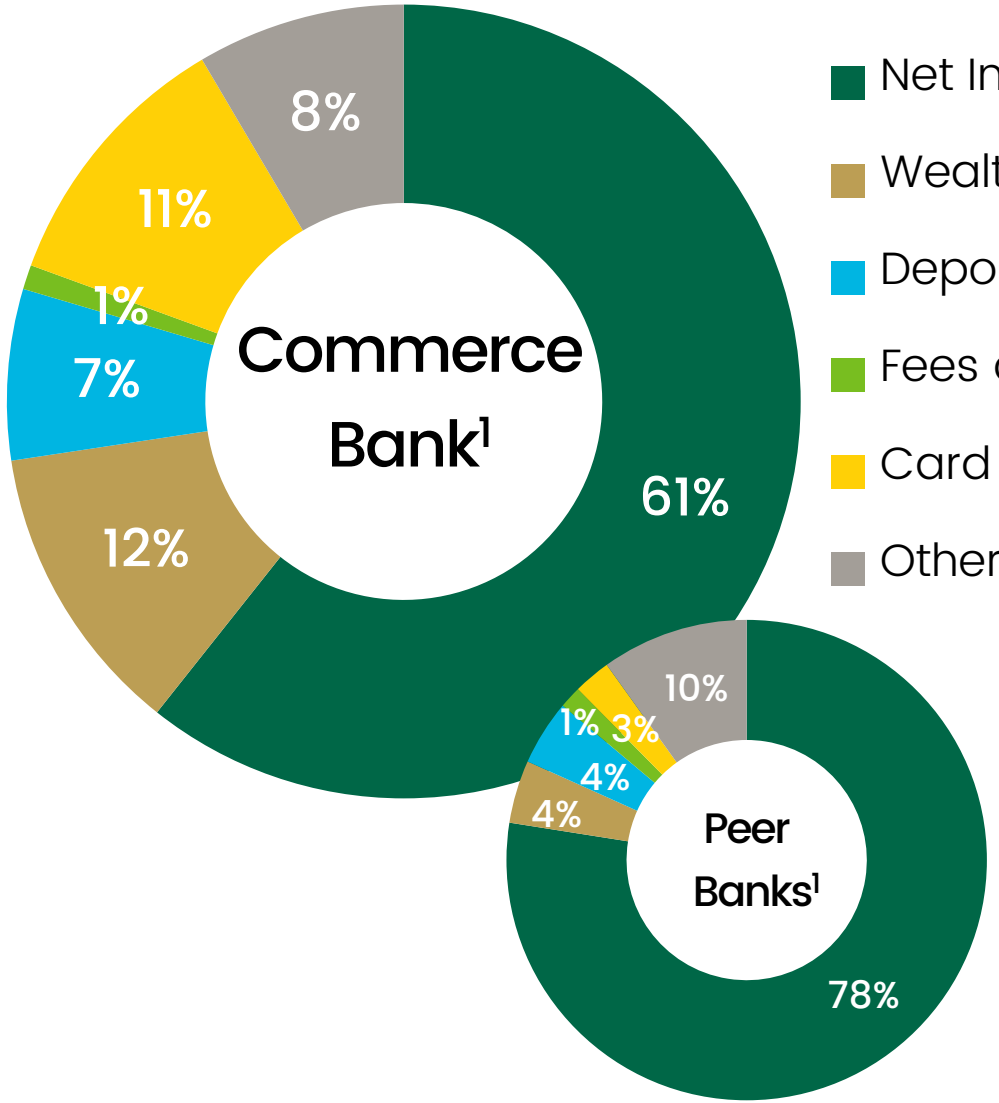
**Return on Equity**
2018: 16.2%
2019: 14.1%

**Ending Stock Price**
2018: $53.69
2019: $67.94

**Efficiency Ratio**
2018: 55.6%
2019: 56.9%

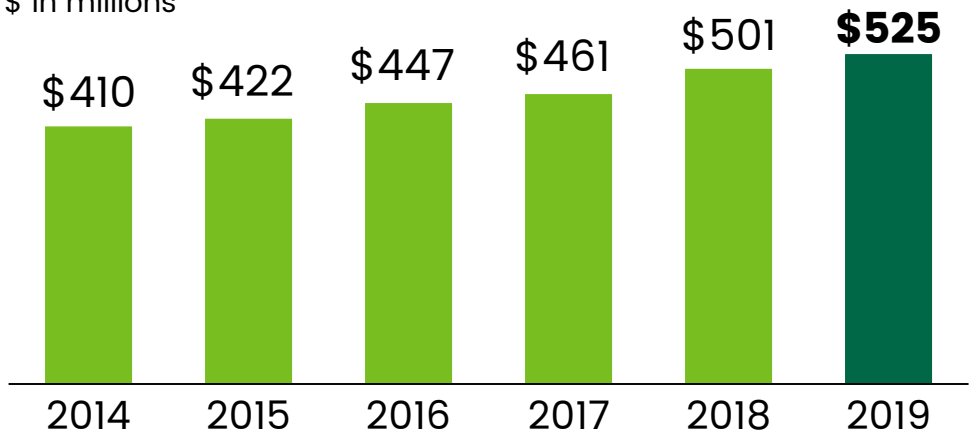
# A FULL-SERVICE, DIVERSIFIED OPERATING MODEL

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




## Non-Interest Income

$ in millions




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

*Examples:*

- toggle®
- Remitconnect™
- Claims Payments
- Horizons
- Accounts Payable Automation
- Interest Rate Swaps
- CommerceHealthcare™
- Asset Management

*Peer Banks include: BSX, CFR, FINN, FULT, HWC, IBKC, ISBC, ONB, OZK, PB, PNFP, SFNC, STL, UMBF, UMPQ, UBSI , VLY, WBS, WTFC*

*[1]Sources: S&P Global Market Intelligence & FIS as of 12/31/2019*

Commerce Bancshares, Inc.

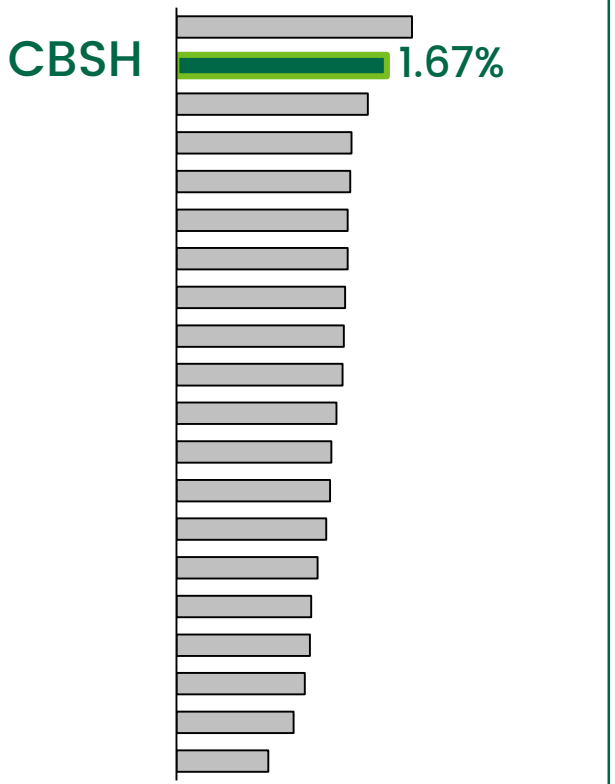
# RETURN COMPARISONS – PEER BANKS,

## $20-35 billion in assets

YTD Dec 2019

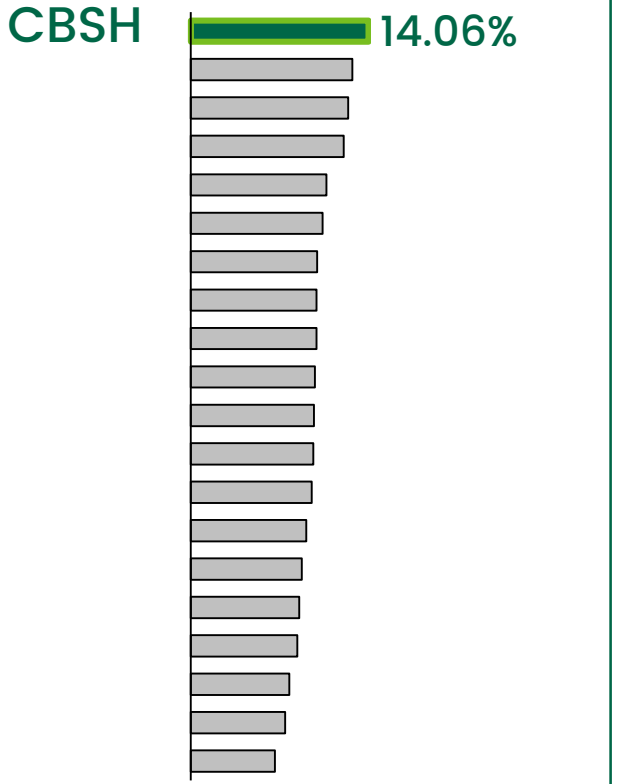
## PROFITABILITY

### Return on Assets




2nd highest return on assets

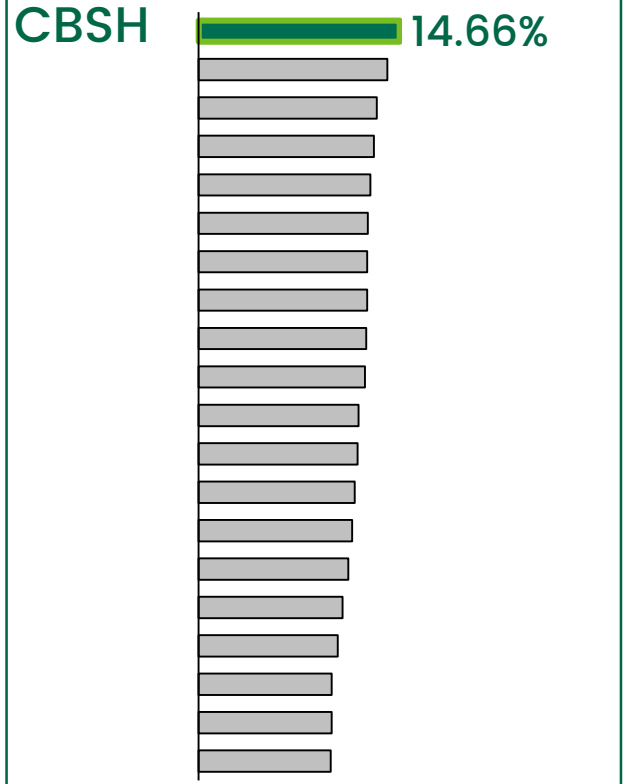
### Return on Equity




Highest return on equity

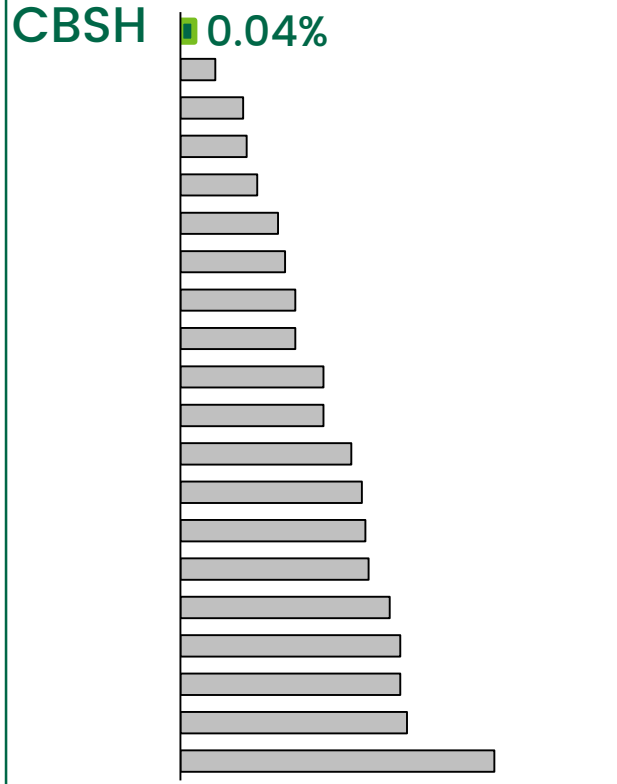
## STRENGTH

### Capital




Highest capital ratio

### Troubled Loans/Assets



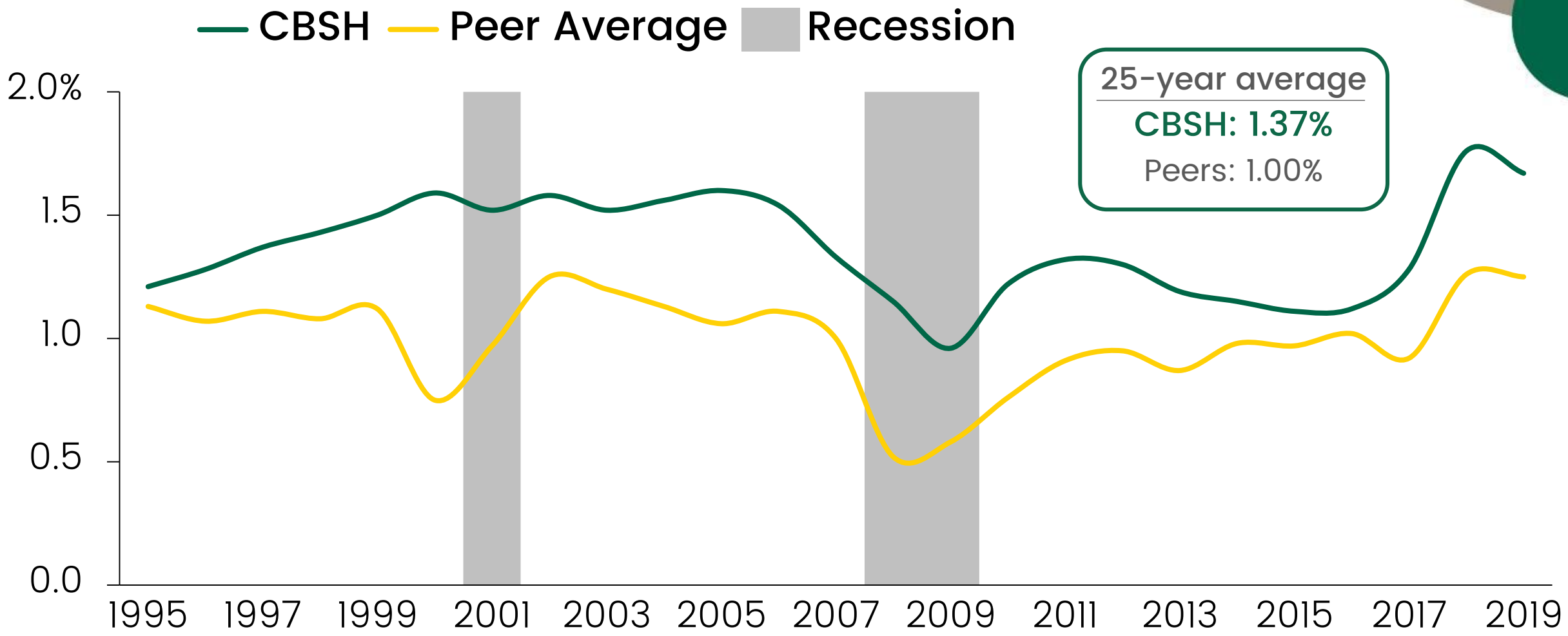

Lowest level of troubled assets

*Strength metrics include Tier 1 Capital and Non Performing Assets Excl Restructured/Total Assets*
*Peer Banks include: BXS, CFR, FINN, FULT, HWC, IBKC, ISBC, ONB, OZK, PB, PNFP, SFNC, STL, UBSI, UMBF, UMPQ, VLY, WBS, WTFC*
*Source: S&P Global Market Intelligence, YTD 12/31/2019*

Commerce Bancshares, Inc.

# PERFORMANCE THROUGH DOWNTURNS

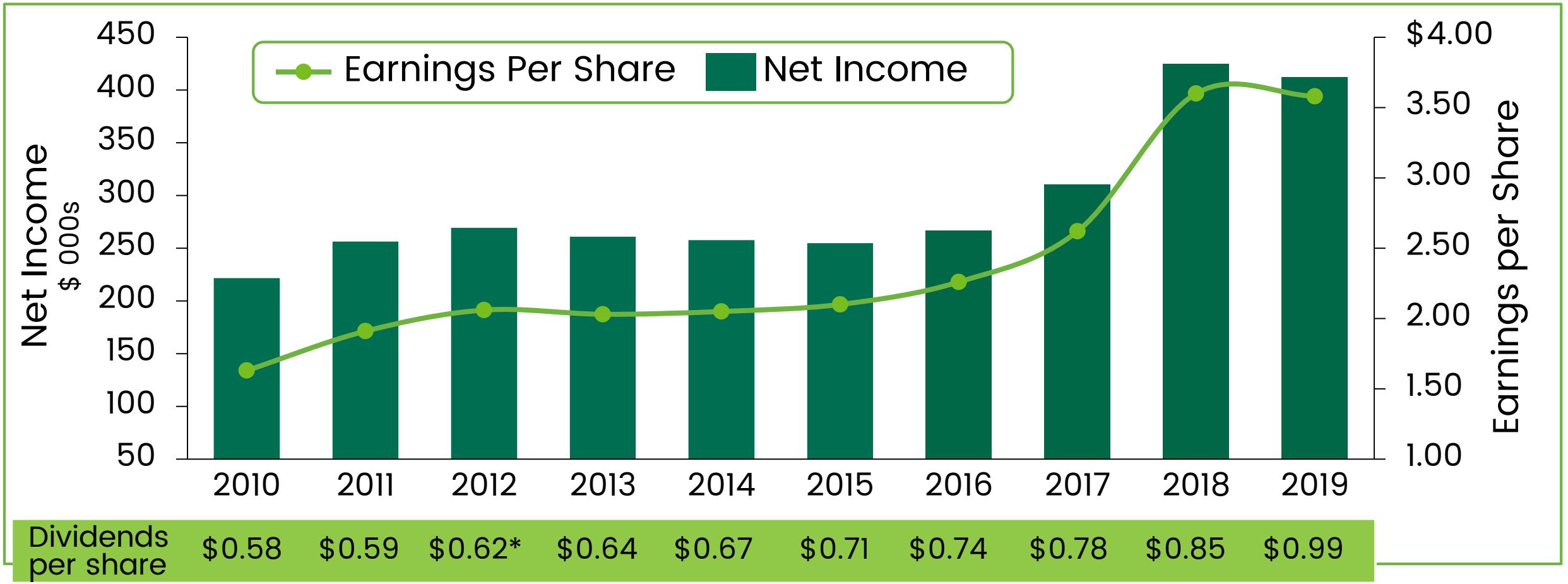
## Return on Average Assets




*Source: S&P Global Market Intelligence, data as of 12/31/2019*
*Peer Banks include: BXS, CFR, FINN, FULT, HWC, IBKC, ISBC, ONB, OZK, PB, PNFP, SFNC, STL, UBSI, UMBF, UMPQ, VLY, WBS, WTFC*

Commerce Bancshares, Inc.

# LONG-TERM VIEW: NET INCOME AND EARNINGS PER SHARE




| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| Dividends per share | $0.58 | $0.59 | $0.62* | $0.64 | $0.67 | $0.71 | $0.74 | $0.78 | $0.85 | $0.99 |

***EPS REMAINS STRONG***

***52ND CONSECUTIVE YEAR OF DIVIDEND GROWTH***

**Including 2012 special dividend = $1.64*
*All data has been restated for 5% stock dividend distributed in December 2019*
*Net Income in the chart represents Net Income Available to Common Shareholders*
*Source: Corporate Finance*

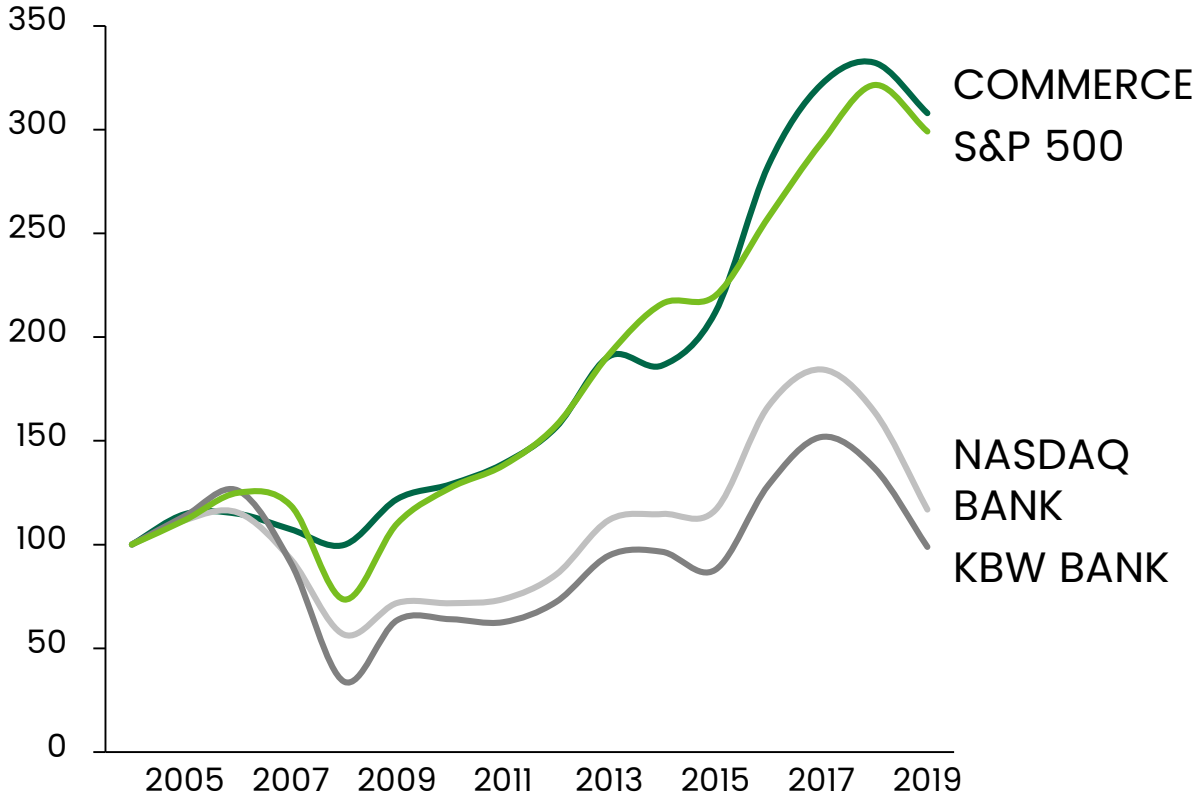
Commerce Bancshares, Inc.

# STEADY SHAREHOLDER RETURNS

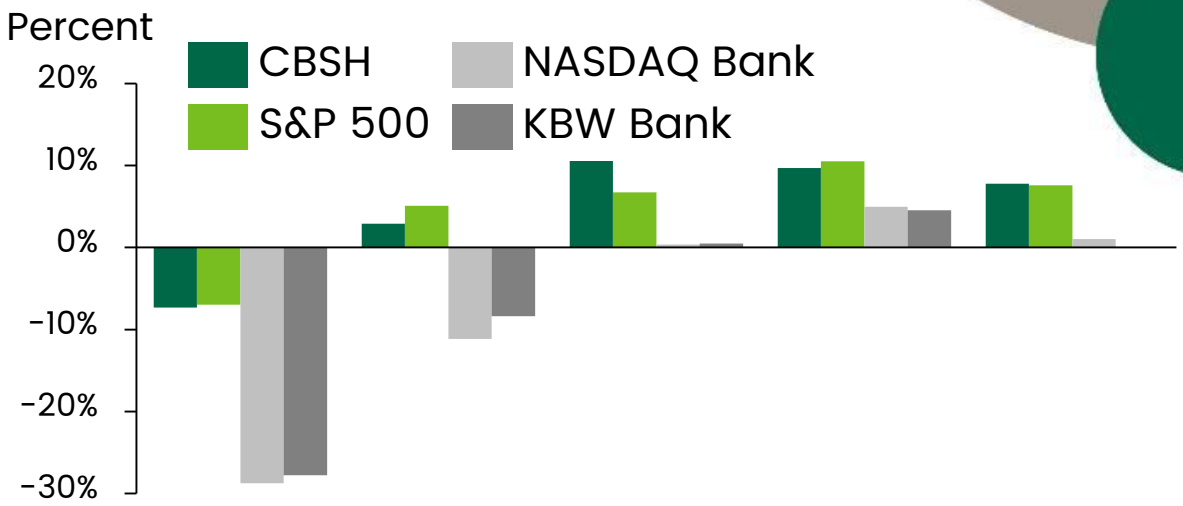
as of March 31, 2020

## Total Shareholder Returns

Indexed, 03/31/2005 = $100




## Annualized Comparison Total Shareholder Returns




| | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|---|---|---|---|---|---|
| CBSH | -7.3% | 2.9% | 10.6% | 9.7% | 7.8% |
| S&P | -7.0% | 5.1% | 6.7% | 10.5% | 7.6% |
| NASDAQ BANK | -28.7% | -11.1% | 0.4% | 5.0% | 1.0% |
| KBW BANK | -27.8% | -8.4% | 0.5% | 4.5% | -0.1% |

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

Commerce Bancshares, Inc.

*Source: Bloomberg; data as of 03/31/2020*

# Embracing a Growth Mindset

Commerce Bancshares, Inc.