Embracing a Growth Mindset

COMMERCE BANCSHARES, INC.

INVESTOR UPDATE

2nd Quarter 2020

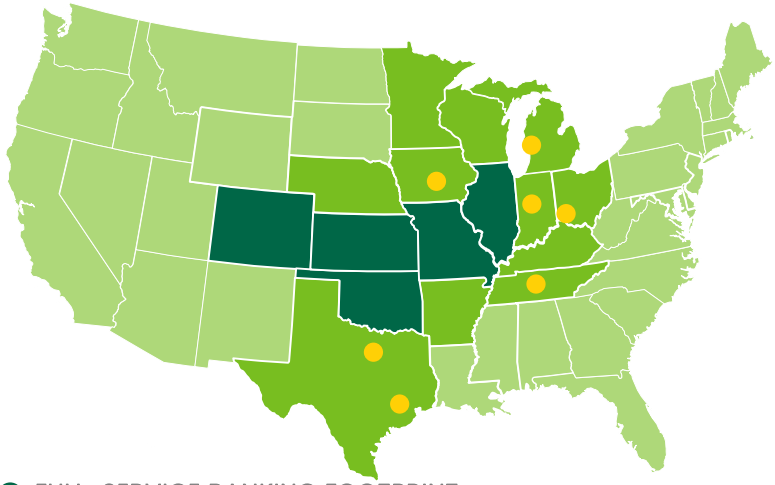
Commerce Bancshares, Inc.

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 2019 Annual Report on Form 10-K, 1ST Quarter 2020 Report on Form 10-Q and the Corporation's Current Reports on Form 8-K.

COMMERCE BANCSHARES

154 YEARS IN BUSINESS



FULL-SERVICE BANKING FOOTPRINT

161 full-service branches and 363 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.

$30.5
BILLION IN ASSETS

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

$6.6
BILLION IN MARKET CAPITALIZATION

16TH
LARGEST U.S. BANK BASED ON MARKET CAPITALIZATION[1]

$53.6
BILLION IN TRUST ASSETS

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

$24.5
BILLION IN TOTAL DEPOSITS

$16.4
BILLION IN TOTAL LOANS[2]

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

5.6%
RETURN ON AVERAGE COMMON EQUITY
as of YTD 06/30/2020

14TH
YTD ROACE FOR THE TOP 50 U.S. BANKS BASED ON ASSET SIZE[1]

a1
BASELINE CREDIT ASSESSMENT[3]

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

Source: [1]S&P Global Market Intelligence as of 03/31/2020, does not include asset management or specialty finance banks; [2]Includes loans held for sale; [3]Moody's U.S. Bank Ratings, May 14, 2020, Baseline credit assessment reflects a bank's standalone credit strength; company reports and filings information as of 06/30/2020 unless otherwise noted.

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 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.



Commerce Bancshares, Inc.

BEYOND FINANCIALS

Supporting each other, our customers and our communities

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

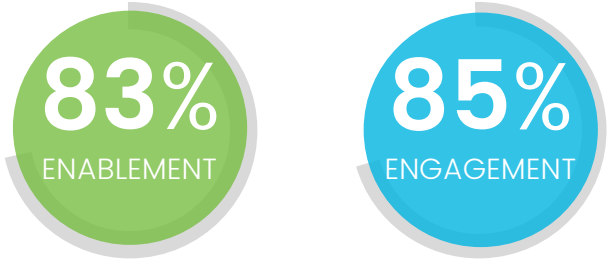
OUTSTANDING
community reinvestment rating
from the Federal Reserve for more than
20 years

$22 million
of charitable investments advised by Commerce Trust Company[1]

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

2020 Engagement & Enablement[2]

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



[1] Includes investments on behalf of the Commerce Bancshares Foundation and private foundations that have engaged the bank as trustee.
[2] The Korn Ferry Hay Group – 2020 survey results

Commerce Bancshares, Inc.

OUR COMMITMENT TO INCLUSION, DIVERSITY AND EQUITY

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

Building a place to thrive and grow professionally

Examples of how we continue to build awareness

- **Observance** and **celebration** of cultural heritage months
- **Mentorship programs** to support professional development of diverse leaders and team members
- **Unconscious bias** and **sensitivity training**
- **Community partnerships** to advance inclusive efforts
- **Inclusion & Diversity Councils** and **Employee Resource Groups** to help us better understand the evolving needs of our team members, customers and communities
- **Feedback tools** to hold us accountable and help us see if we're trending in the right direction

A culture that celebrates inclusion and diversity

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

EMERGE

Connecting young professionals

585+ members

RISE

Empowering women

1,217+ members

New groups launched to support diversity at Commerce

PRIDE

Engaging LGBTQIA+ community

291+ members

VIBE

Valuing multi-cultural perspectives

325+ members

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.



BankDirector. 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.

PAM 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.

Korn Ferry Engaged Performance Awards
Outstanding Employer 2019

Commerce named **Outstanding Employer 2019** by Korn Ferry[1]. The award publicly recognizes employers that have achieved **best-in-class levels of engagement and enablement**. **Commerce is one of only three companies** in the U.S. to receive this global award.

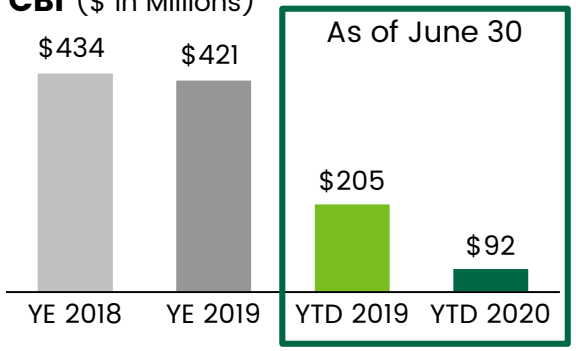
Commerce Bancshares, Inc.

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

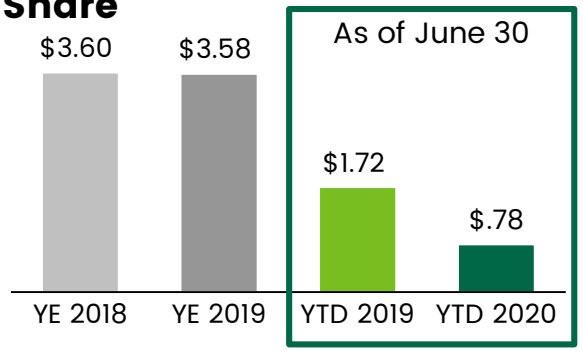
Q2 FINANCIAL RESULTS

FINANCIAL PERFORMANCE VS. PRIOR YEAR

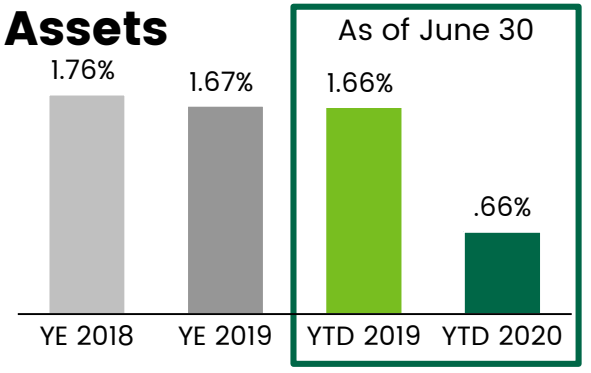
Net Income Attributable to CBI ($ in Millions)



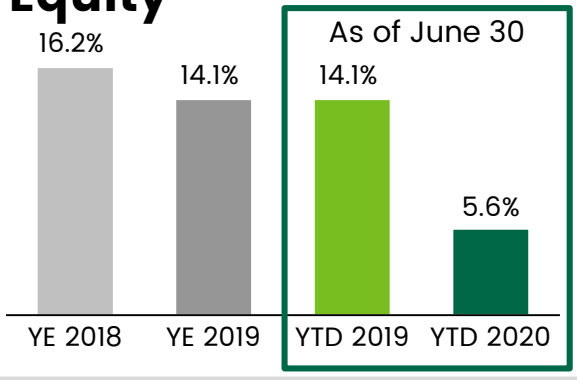
Earnings per Common Share



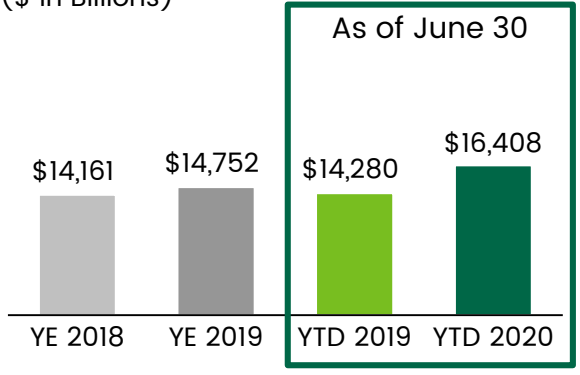
Return on Total Average Assets



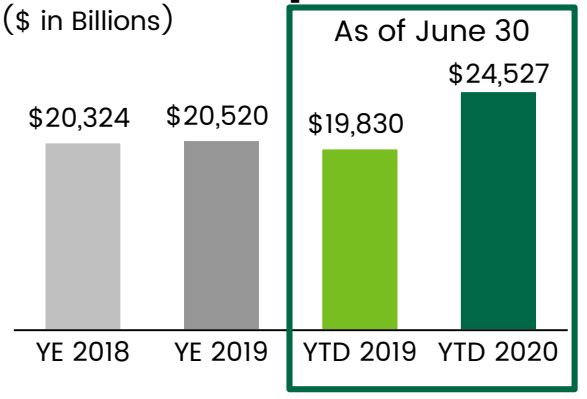
Return on Average Common Equity



Period End Loans ($ in Billions)



Period End Deposits ($ in Billions)



As of June 30, 2020

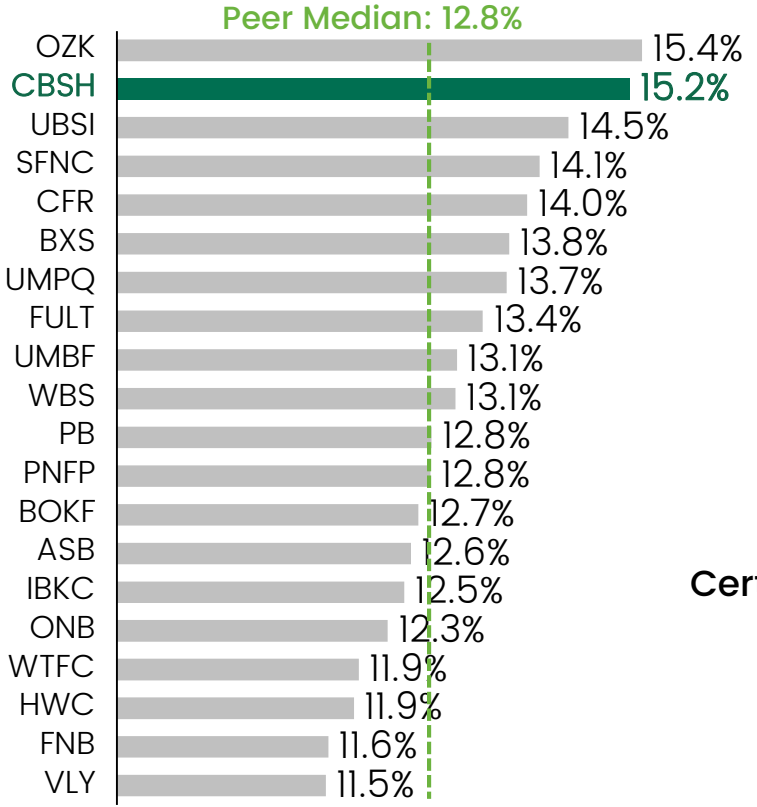
DRIVERS OF 2ND QUARTER 2020 EARNINGS

Net Interest Margin	NIM decreased 39 bps to 2.94% from 3.33% in the previous quarter, driven by lower yields on commercial loans and investment securities, lower average balances of consumer credit card loans, and excess liquidity from higher deposit balances. Deposit costs decreased 20 bps from the previous quarter due to inflows of low-cost deposits.
Fee Income	Fee income decreased 7.7% vs the same quarter in the prior year, mainly driven by lower bank card, deposit account, and consumer brokerage service fees, partly offset by growth in capital market fees.
Non-Interest Expense	Expense decreased 1.2% vs the same period last year, driven by lower marketing and other non-interest expense, partly offset by higher salaries and employee benefits expense.
Pre-Provision Net Revenue (PPNR)[1]	Excluding the provision for credit losses and securities losses, PPNR grew modestly by 1.5% over the first quarter.
CECL	Provision for credit losses totaled $80.5 million and was $72.1 million higher than net loan charge-offs.
Unrealized Losses	Net securities losses resulted from unrealized losses of $7.5 million on our portfolio of private equity investments.

[1]See the non-GAAP reconciliation on slide 43

SOUND CAPITAL AND LIQUIDITY POSITION

Total Risk-Based Capital Ratio[1]



Loan to Deposit Ratio

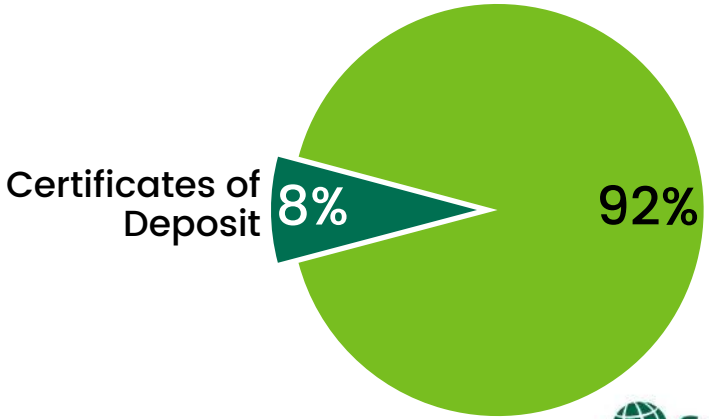
Large, stable deposit base and low loan to deposit ratio

Core Deposits
$22.5 Billion[2]

69% Commerce — Average Loan to Deposit Ratio[3]

88% Peer Average — Average Loan to Deposit Ratio[1]

Total Deposits



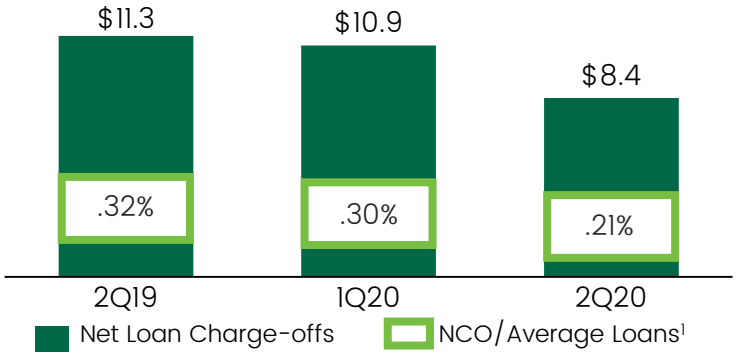
Core Deposits
- Non-Interest Bearing
- Interest Checking
- Savings and Money Market

[1]S&P Global Market Intelligence, Information as of March 31, 2020
[2]Period-end balances, as of June 30, 2020
[3]Includes loans held for sale, as of QTD June 30, 2020

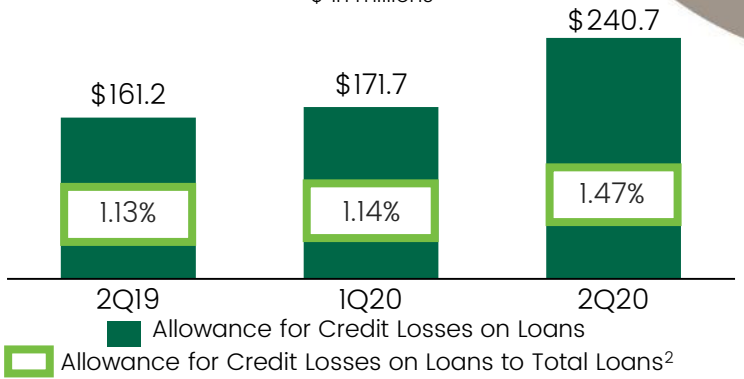
Commerce Bancshares, Inc.

CREDIT POSTURE

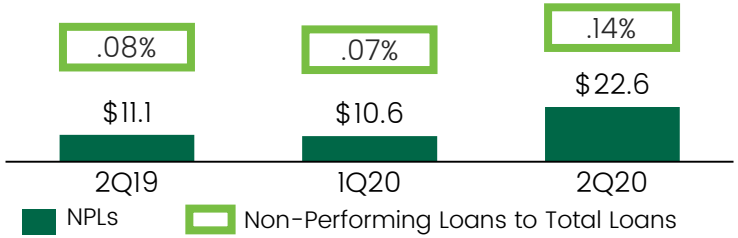
Net Loan Charge-Offs
$ in millions



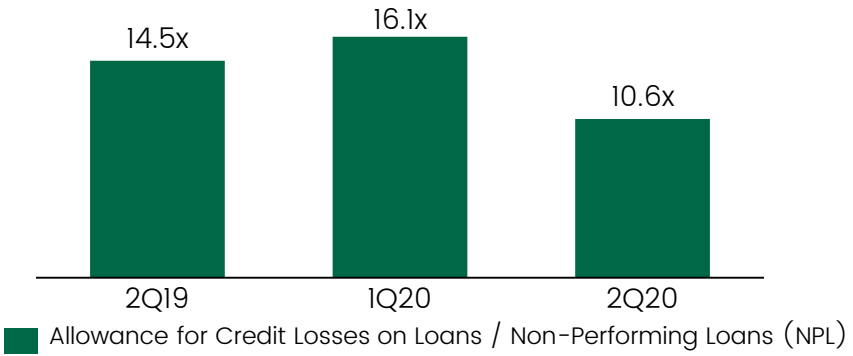
Allowance for Credit Losses on Loans
$ in millions



Non-Performing Loans
$ in millions

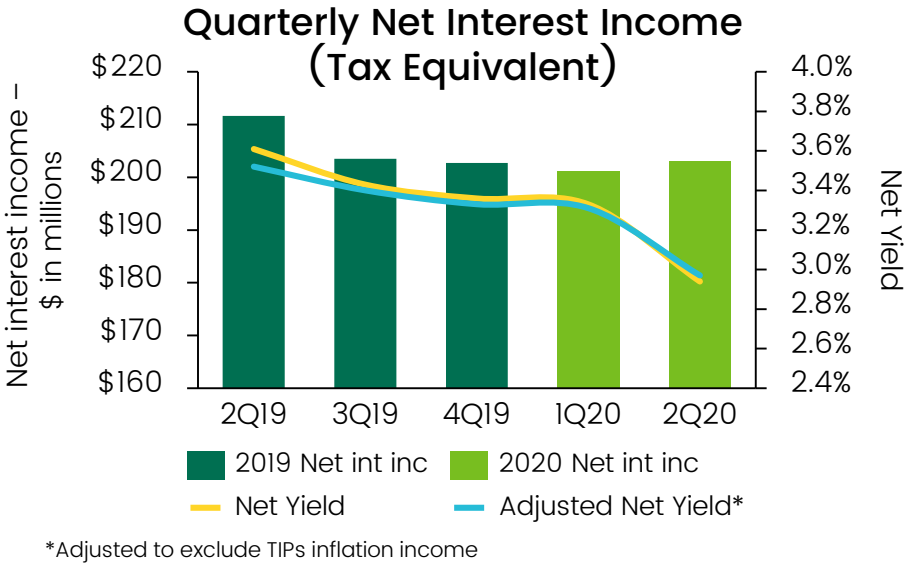


Allowance for Credit Losses on Loans to NPL



[1]As a percentage of average loans (excluding loans held for sale) [2]Excluding PPP loans, allowance for credit losses on loans to total loans was 1.62% as of June 30, 2020

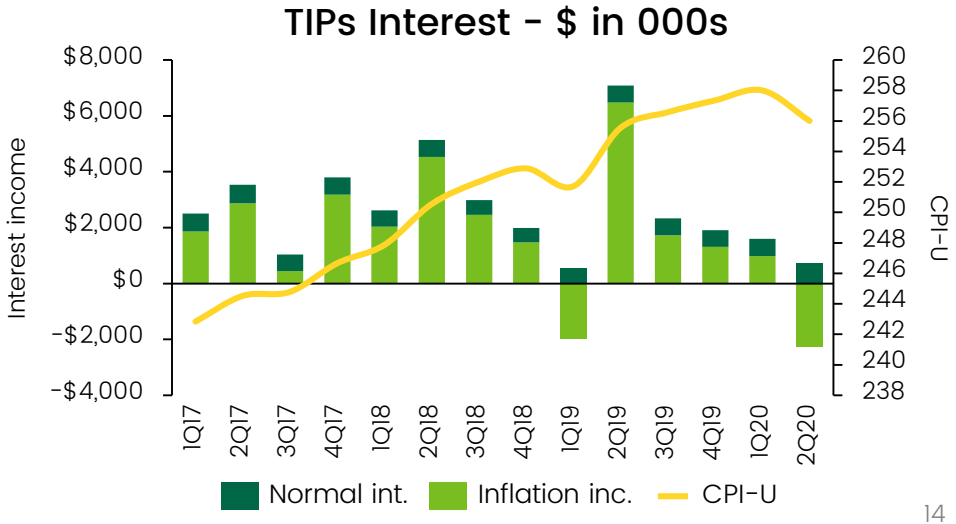
NET INTEREST INCOME: YTD – June 30, 2020



*Adjusted to exclude TIPs inflation income

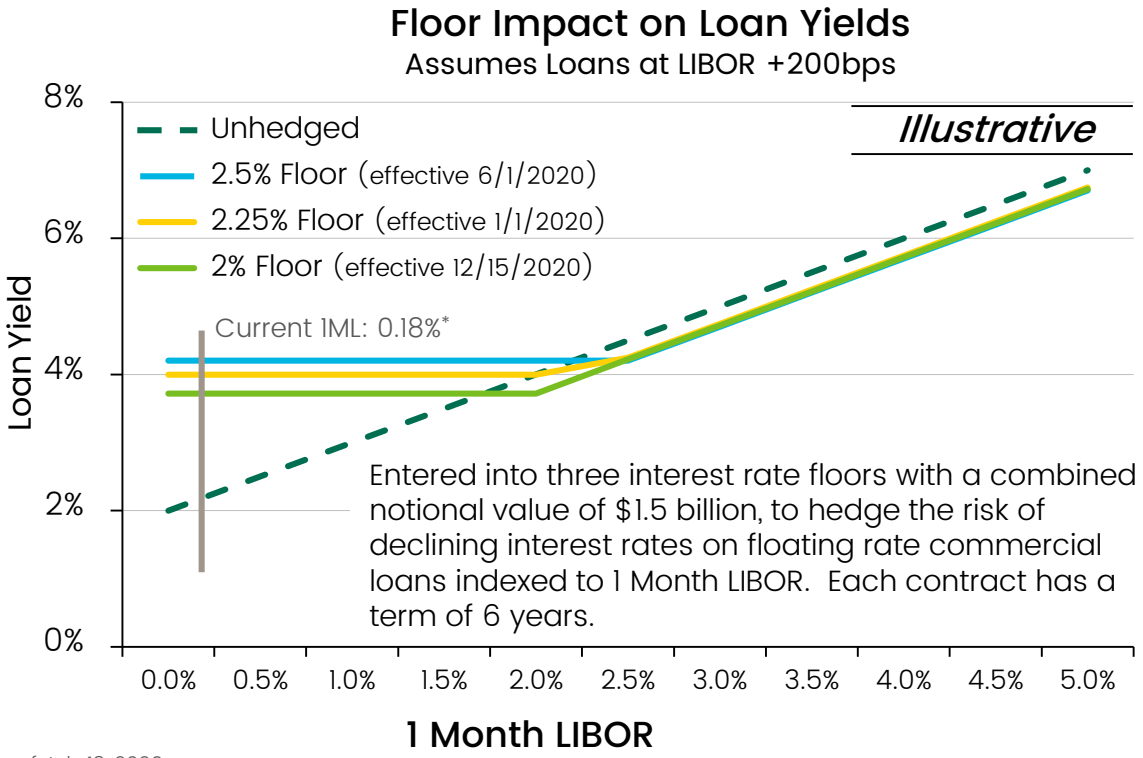
Tax equivalent - YTD	2019	2020	Change
Rates earned - assets	3.99%	3.36%	(0.63)%
Rates paid - liabilities	0.67%	0.38%	(0.29)%
Net yield - earning assets	**3.56%**	**3.12%**	**(0.44)%**

- Net interest income (tax equivalent) increased slightly over the prior quarter.
- The net yield on interest earning assets declined 39 basis points from the previous quarter.
- The decrease from 1Q 2020 reflected the decline in interest rates over the past quarter and rapid growth in deposits, which increased average balances held at the Federal Reserve.



NIM PROTECTION

Hedge against lower interest rates by purchasing interest rate floor contracts and maintaining duration



*As of July 13, 2020

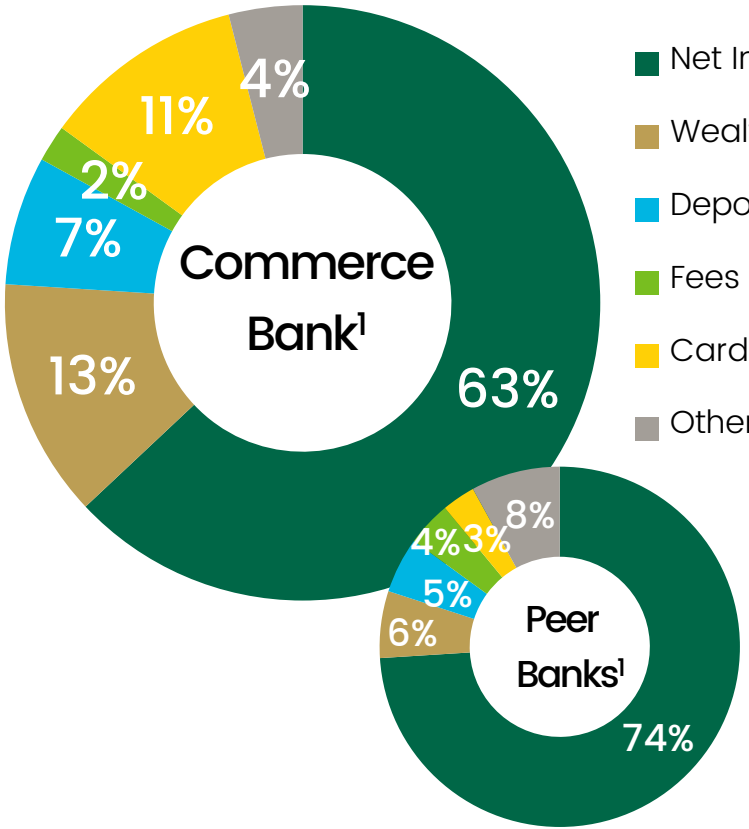
Maintaining Duration

In addition to the interest rate floors, Commerce has been extending fixed-rate bond maturities. Duration has been mostly maintained despite:

- A large decline in rates increasing prepayment speeds
- Strategic move out of municipals (typically our longest securities)
- Reduced monthly cash flows to reinvest

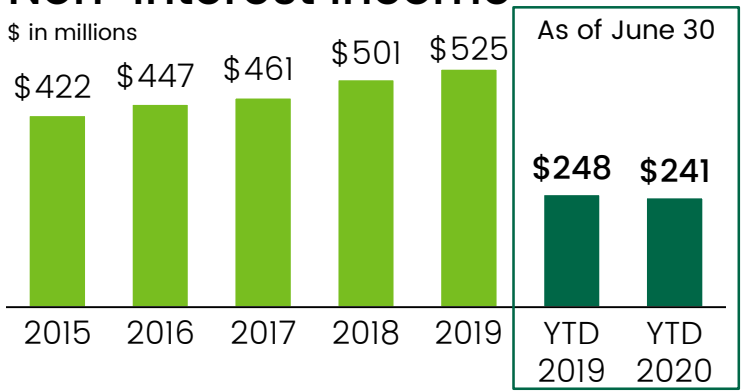
A FULL-SERVICE, DIVERSIFIED OPERATING MODEL

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



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

Non-Interest Income



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

Examples:

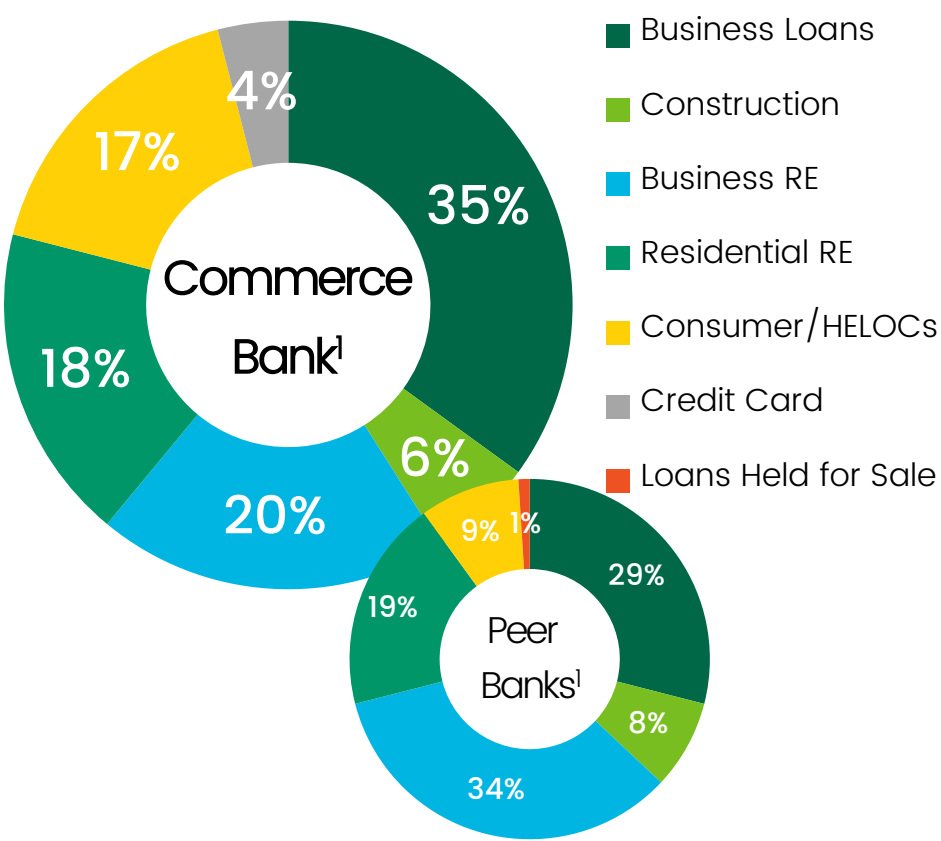
- toggle®
- Remitconnect™
- Claims Payments
- Horizons
- Accounts Payable Automation
- Interest Rate Swaps
- CommerceHealthcare™
- Asset Management

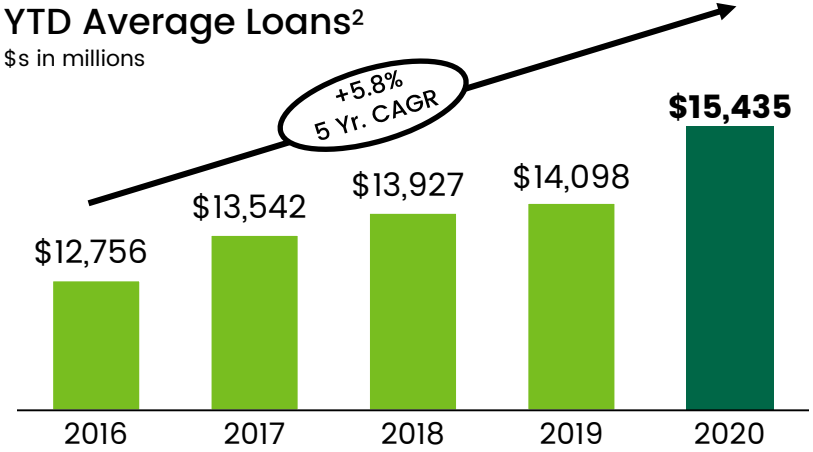
Peer Banks include: ASB, BOKF, BXS CFR, FNB FULT, HWC, IBKC, ONB, OZK, PB, PNFP, SFNC, UBSI, UMBF, UMPQ, VLY, WBS, WTFC

[1]Sources: S&P Global Market Intelligence & FIS as of 03/31/2020

Commerce Bancshares, Inc.

WELL-DIVERSIFIED LOAN PORTFOLIO





2020 Loan Growth by Category

(Average loans Jun. 2020 vs. Mar. 2020)

Business/ lease/ tax-free	↑ $1.3 billion
Personal RE	↑ $192 million
Business RE & construction	↑ $80 million
Auto/ motorcycle/ other	↓ $7 million
Consumer Credit Card	↓ $64 million

Peer Banks include: ASB, BOKF, BXS CFR, FNB FULT, HWC, IBKC, ONB, OZK, PB, PNFP, SFNC, UBSI, UMBF, UMPQ, VLY, WBS, WTFC

[1]Source: S&P Global Market Intelligence & FIS as of 03/31/2020

[2]Includes loans held for sale, as of June 30, 2020

Commerce Bancshares, Inc.

PAYCHECK PROTECTION PROGRAM IMPACT

7,443
Total SBA PPP loans approved

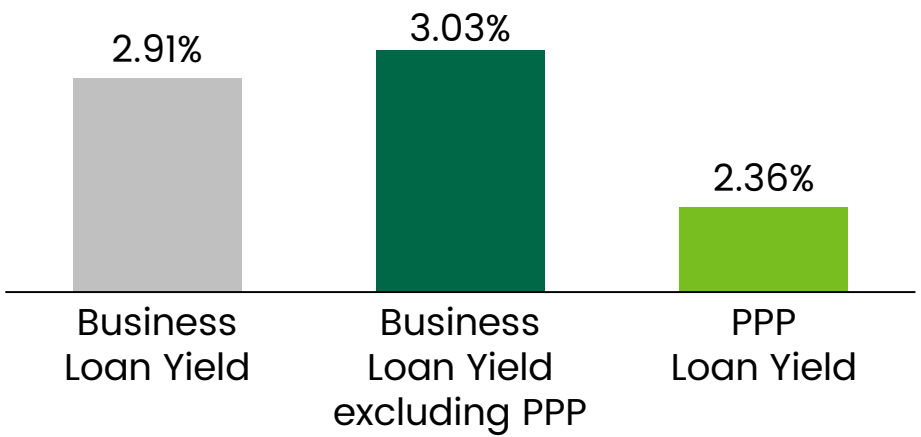
$1.5B
Total SBA PPP secured funding

$206K
Average SBA PPP loan size

$34K
Median SBA PPP loan size

Business Loan Yield

QTD Avg
As of June 30, 2020



APPROXIMATELY
154,000
JOBS SAVED

Information as of June 30, 2020

Commerce Bancshares, Inc.

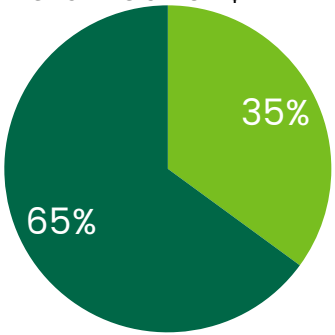
SUMMARY OF FIXED & FLOATING LOANS

Nearly 58% of total loans are variable; 65% of commercial loans have floating rates; mostly tied to a LIBOR index

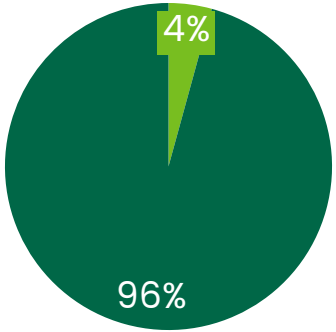


Commercial

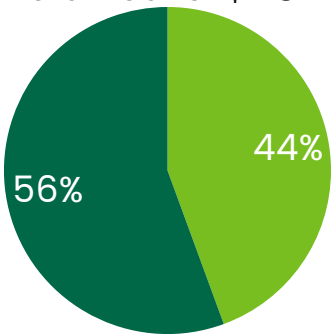
Business
Total Loans: $5.6B



Construction
Total Loans: $0.9B

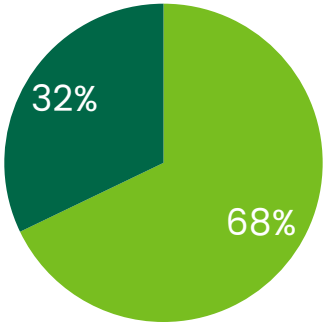


Business RE
Total Loans: $2.8B

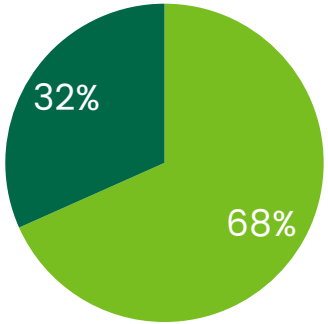


Consumer

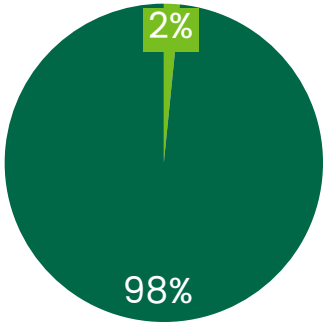
Personal RE
Total Loans: $2.4B



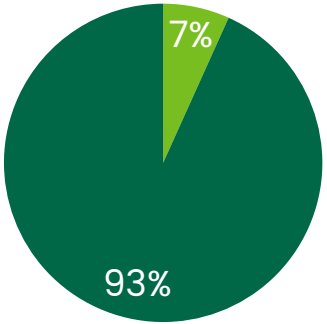
Consumer
Total Loans: $2.0B



HELOC
Total Loans: $0.3B



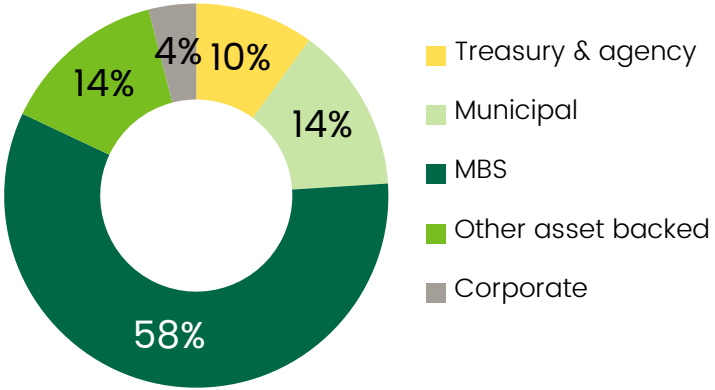
Consumer Card
Total Loans: $0.8B



Source: 2019 10K, as of 12/31/2019

HIGH QUALITY, HIGHLY LIQUID AND DIVERSE INVESTMENT PORTFOLIO

Composition of AFS Portfolio



QTD - June 30, 2020	Avg Rate	Duration (yrs)
Treasury & agency[1]	0.5%	2.8
Municipal	3.0%[2]	4.3
MBS	2.2%	2.5
Other asset-backed	2.3%	1.9
Corporate	2.5%	4.7

[1]Excludes inflation effect on TIPs
[2]Tax equivalent yield
[3]Information as of December 31 for prior years; YTD 2020 is as of June 30

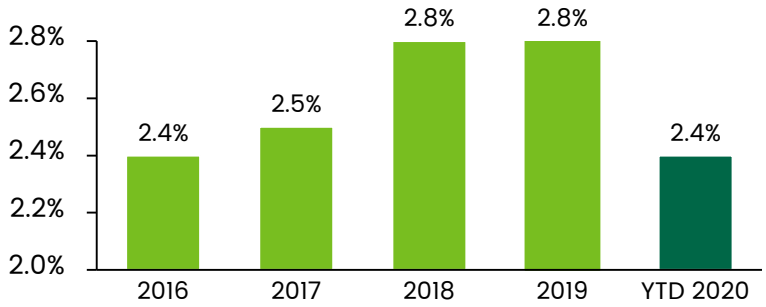
AFS Portfolio as of June 30, 2020

Total average investments	$9.7 billion
Unrealized gain	$281.5 million
12 month maturities / pay-downs	$1.6 billion

Duration

December 2017	3.0 years
December 2018	3.2 years
December 2019	3.0 years
June 2020	2.8 years

YTD Tax Equivalent Rate – Investments[3]



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IMPACT OF CECL: ALLOCATION OF ALLOWANCE

CECL allowances reflect the economic and market outlook due to COVID-19

	December 31, 2019 Incurred Model		March 31, 2020 CECL Model		June 30, 2020 CECL Model	
$ in millions	Allowance for Loan Losses	% of outstanding Loans	Allowance for Credit Losses (ACL)	% of outstanding Loans	Allowance for Credit Losses (ACL)	% of outstanding Loans
Business	$ 44.3	.80%	$ 47.1	.81%	$ 89.7	1.31%
Bus R/E	25.9	.91%	18.7	.63%	23.2	.79%
Construction	21.6	2.40%	17.7	2.04%	17.6	1.89%
Commercial total	**$ 91.8**	**.99%**	**$ 83.5**	**.87%**	**$ 130.5**	**1.22%**
Consumer	15.9	.81%	18.1	.93%	24.3	1.24%
Consumer CC	48.0	6.27%	62.4	8.83%	76.0	11.39%
Personal R/E	3.1	.13%	5.6	.23%	7.7	.29%
Revolving H/E	.6	.18%	1.9	.53%	2.1	.62%
Overdrafts	1.3	19.51%	.1	3.25%	.1	1.89%
Consumer total	**$ 68.9**	**1.27%**	**$ 88.1**	**1.61%**	**$ 110.2**	**1.95%**
Allowance for credit losses on loans	**$ 160.7**	**1.09%**	**$ 171.6**	**1.14%**	**$ 240.7**	**1.47%**
Liability for unfunded lending commitments	**1.1**		**32.3**		**35.3**	
Total allowance for credit losses	**$ 161.8**		**$ 203.9**		**$ 276.0**	

Methodology and Variables

- CECL model utilizes 3rd party baseline forecast
- Key variables include: GDP, disposable income, unemployment rate, various interest rates, CPI inflation rate, HPI, CREPI and market volatility
- Q2 provision for credit loss expense of $80.5 million, includes $72.1 million CECL related reserve increase
  - $69.1 million for loans
  - $3.0 million for unfunded lending commitments

Highlights

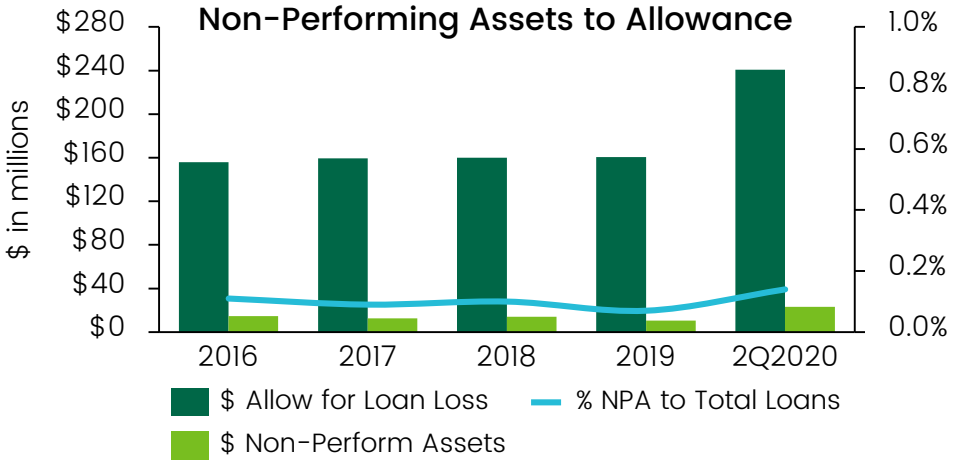
- The increase in Q2 provision for credit losses was driven by a significant deterioration of the economic forecast used in our CECL model due to COVID-19.

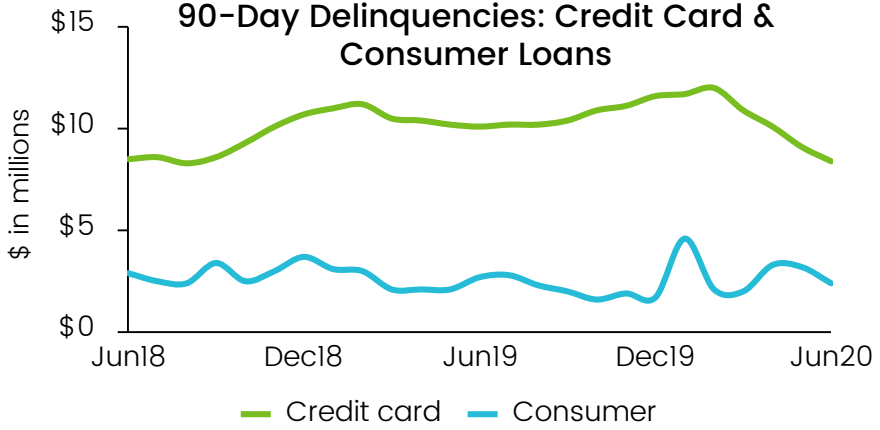
* Note: The allowance for unfunded lending commitments is included in Other liabilities on the consolidated balance sheets.

NET LOAN CHARGE-OFFS: YTD – June 30, 2020

$ in 000s	YTD 2019	YTD 2020	Actual $ Chge	2020 Loss Rate
Business	$ 731	$ 2,876	$ 2,145	0.09%
Overdraft	570	742	172	42.90%
Construction	(117)	—	117	0.00%
Business R/E	(51)	(27)	24	0.00%
Personal R/E	80	(75)	(155)	(0.01)%
Consumer	3,647	3,073	(574)	0.32%
HELOC	135	(72)	(207)	(0.04)%
Credit card	18,024	12,741	(5,283)	3.68%
Total	**$ 23,019**	**$ 19,258**	**$ (3,761)**	**0.25%**

- Loss rate on credit card loans decreased from 5.06% in the prior quarter to 2.17% this quarter.
- Relief program implemented in Q2 allowed credit card customers to skip payments for two months.





COMMERCE AND COVID-19

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

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 reduced payments, suspension of payments in full, deferrals, or modifications, based on individual situations.
- **Foreclosure sales** have been **cancelled or postponed** and **new foreclosure referrals** have been **halted**
- All **automobile repossession** activity was **temporarily suspended**

Credit Cards

- Opportunity to **skip payments** 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
- **Stop payment fees** can be waived in the event a customer is not able to cancel recurring debits due to the merchant being closed

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

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

Relief programs for our commercial customers

Loans

- **Payment deferments** for existing clients
- Small Business Administration (SBA) **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 diem 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.

Commerce Bancshares, Inc.

PROVIDING RELIEF TO OUR CUSTOMERS

Payment Relief Requests[1]

Loan Type	Number of Requests	% of Portfolio (by # of notes)	Total Amount of Requests	Approx. % Making Payment in Last 60 Days[4]
Commercial	741	5.6%	$720MM[5]	46%
Mortgage	192	1.6%	$48MM	54%
Consumer Card[2]	1,597	.6%	$10MM	71%
Installment	3,940	4.7%	$76MM	74%
Med/HSF[3]	3,427	4.7%	$9MM	60%

General Program Guidelines

Commercial – 90-day deferral of interest, principal or principal and interest. A second 90-day deferral may be granted under certain circumstances. Interest continues to accrue, but interest is not charged on the deferred interest amount.

Mortgage - Forbearance up to 360 days, consistent with CARES Act. Multiple post-forbearance resolution options available, based on the situation.

Consumer Card - Deferral of two monthly payments for consumer credit cards – balances continue to accrue interest at the applicable APR. Up to 90 days for all consumer revolving lines.

Installment - Deferral of payments up to 90 days – balances continue to accrue interest at the applicable APR.

HSF – Upon request, deferral of payments up to 90 days – balances continue to accrue interest at the applicable APR.

[1]Requests are defined as modifications, payment deferrals, forbearance agreements, or change in terms, Data through July 16, 2020; [2]Does not include proactive relief offered through our skip pay program; [3]No direct consumer credit exposure; [4]60-day period is from May 17 – July 16; [5]16 commercial requests totaling $107MM, or 15% of the $720MM in commercial requests, are > 90 days.

WHAT OUR CUSTOMERS ARE SAYING

"**I can't thank you enough for your support and for Commerce's ability to help us and our business.** We sincerely appreciate the fast turnaround and all you have done."

"I wanted to send you a quick note to tell you that **your staff is doing a great job during these challenging times.** Between working with Private Banking and Commercial Lending **service has been amazing.**"

Branch Customer Relationship Score of 91%

"**It's very rare to receive such prodigious service,** I wanted to let you know how much I appreciate my experience with Commerce through this [PPP loan] process."

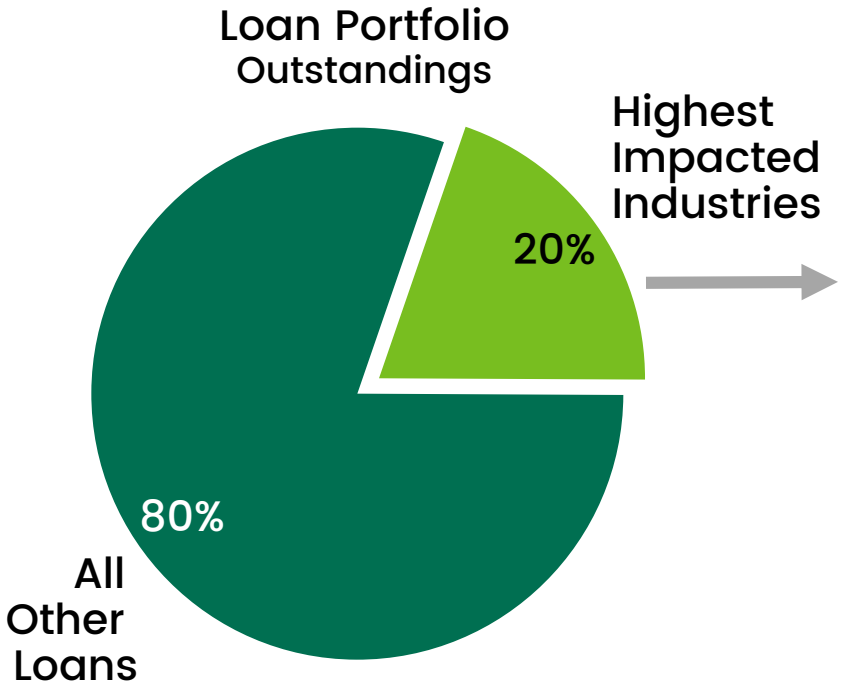
"My sincerest thanks for all your personal assistance in getting our PPP application through your organization. **We are very grateful and look forward to a long-term relationship with Commerce."**

"**Thank you for all you are doing to support your customers** and help small businesses get through this challenging time."

"**We are very grateful for all your help and support to get the PPP loan secured...**You have answered every call and been very responsive throughout this process. Thanks again for all you've done to this point and we look forward to additional opportunities to grow our relationship with Commerce in the months and years to come."

LOAN PORTFOLIO: LIMITED EXPOSURE TO PANDEMIC-SENSITIVE INDUSTRIES

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.



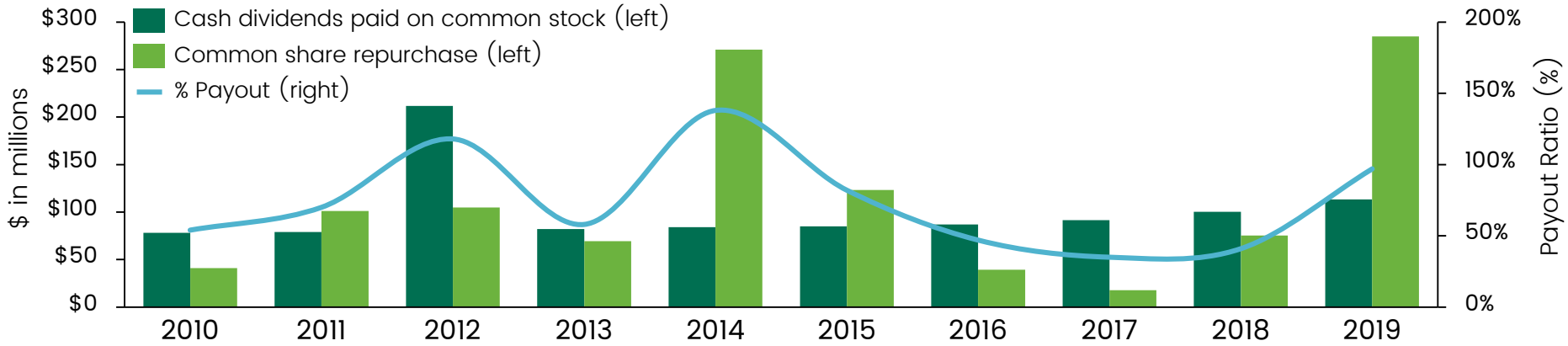
Highest Impacted Industries	$ in millions 3/31	$ in millions 6/30	% of Loan Portfolio 6/30
Hospitals	$758	$757	5.1%
Multifamily / Student Housing	544	568	3.8%
CRE Retail	404	392	2.6%
Senior Living	297	302	2.0%
Hotels	278	285	1.9%
Auto Dealers	315	250	1.7%
Energy	201	168	1.1%
Retail Stores	217	136	0.9%
Restaurants	84	82	0.6%
Total	**$3,098**	**$2,940**	**19.7%**

Industry breakdowns represent outstanding balances, excluding PPP loans, as of June 30, 2020, segmented by NAICS codes

STRONG CAPITAL POSITION – FLEXIBILITY IN CAPITAL PLANNING

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

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



Capital Ratios – 3/31/2020	
Tier 1 common risk-based capital	13.5%
Tier 1 risk-based capital	14.2%
Total risk-based capital	15.2%

- 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.
- Common cash dividends increased 10% in 2018, 16% in 2019 and 9% in 2020 (based on 1Q2020 declared dividend).

[1]Based on 1st quarter 2020 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

- 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



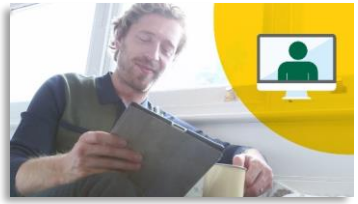
Exploration Centers

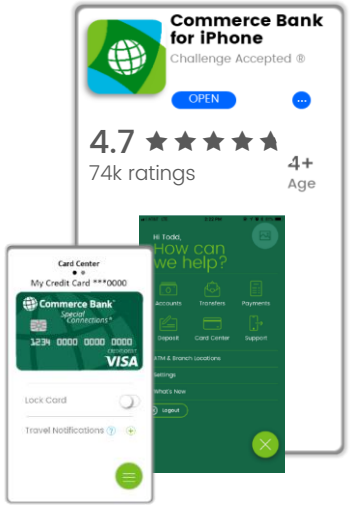
Consumer Digital Business

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







GROWTH MINDSET: INTERNAL INNOVATION AT COMMERCE

TOOLS

<HACKATHON/>

Internal software development events to rapidly build, test, and promote new products or services for both internal and external customers.

innovation

Commerce's commitment to promoting an innovative mindset, from everyday incremental improvement to transformative changes in the way we do business.

AGILE

As innovation and technology rapidly drive change, our customers' needs and expectations continue to evolve. AGILE enables our organization to meet this disruption head on.

KEY PROJECTS

Insight 360

Commerce's implementation of a single, integrated Customer Relationship Management (CRM) platform that will enable commercial business lines to improve sales, service, and fulfillment interactions with clients.

COMMERCIAL TOM

Target Operating Model (TOM) is an initiative to help Commerce design a future operating model across people, process, and technology to simplify processes, drive consistency, and improve efficiencies in a way that can best support the commercial lending model and customer experience.

CARA

Customer Advising & Referral Assistant (CARA) is a guided conversation tool that helps us better understand our customers' needs, make consistent recommendations, and free up time to concentrate on building relationships with our clients.

salesforce TRUST CRM

Commerce Trust Company's implementation of a Customer Relationship Management (CRM) platform to improve sales, service levels, and fulfillment interactions with clients.

Transform 360

A Bank-wide project to replace the existing mainframe core system with a new and modern solution.

Commerce Bancshares, Inc.

CONSUMER BANKING SNAPSHOT

$10.4 BILLION Consumer Deposits

$4.2 BILLION Consumer Loans*

1.1 MILLION Consumer Households*

164 Full-service branches

366 ATMs



Focus on Digital

Commerce Bank App Rating

4.7 ★★★★★

4.7 ★★★★★

Digital HH Penetration

46%

Digital Loan Sales (000s)

$42,755

Mobile Deposit Use

13%

Period end balances, information as of December 31, 2019; App store rating as of 1/15/2020
*Excludes Trust Company / Private Banking households

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.

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

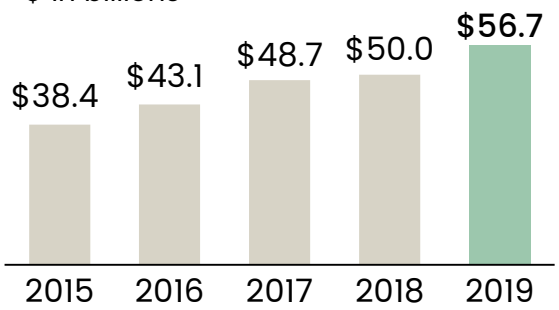
$57 BILLION Total Client Assets[2]

$34 BILLION Assets Under Management

$539 MILLION Managed Brokerage Assets

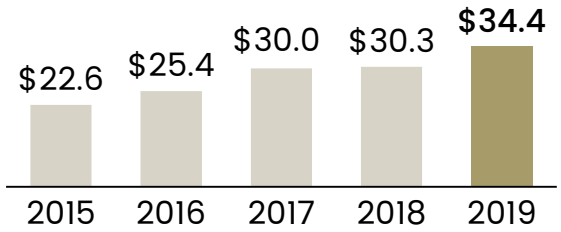
Total Client Assets[2]

$ 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

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*

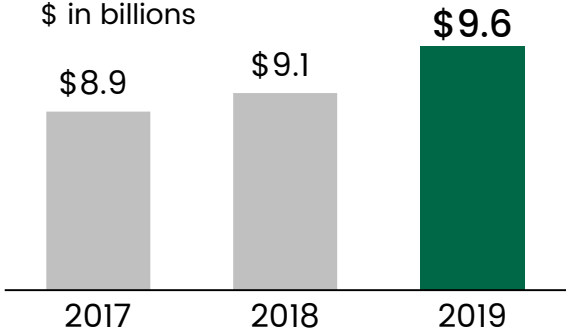
$9.6 BILLION Commercial Loans

$8.1 BILLION Commercial Deposits

$547 MILLION Commercial Revenue

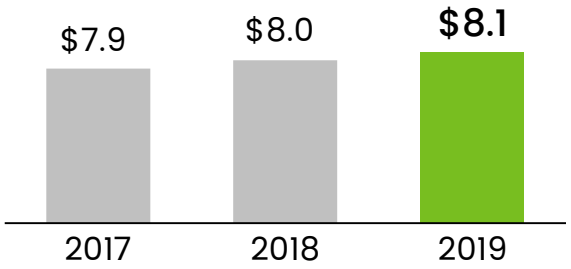
Commercial Loans

$ in billions



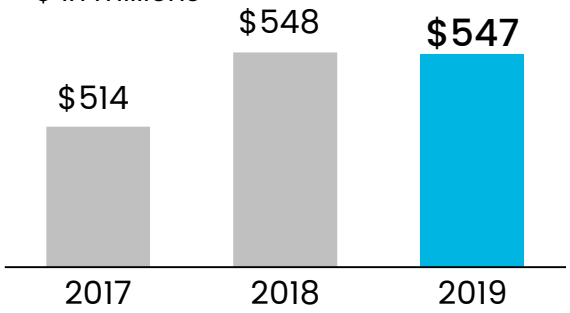
Commercial Deposits

$ in billions



Commercial Revenue

$ in millions

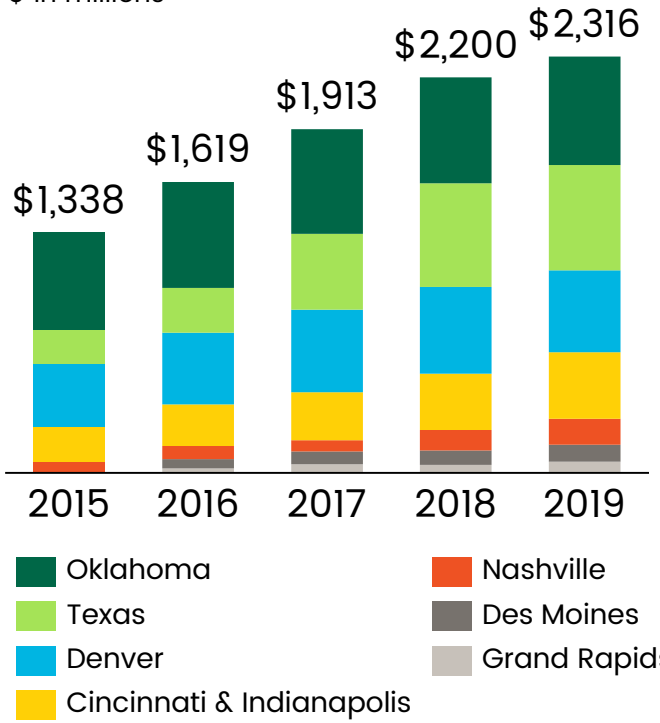


Commercial segment as of December 31, 2019

COMMERCIAL BANKING – EXPANSION MARKETS OFFER GROWTH OPPORTUNITIES

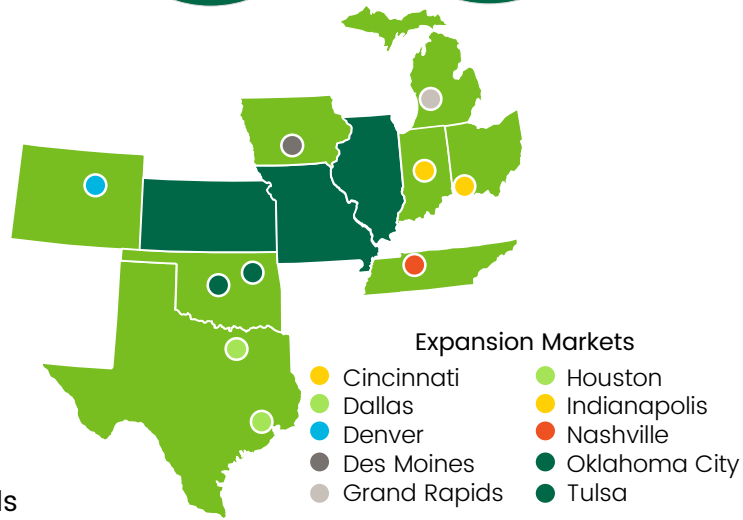
Expansion Market Loan Growth

$ 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 Bancshares, Inc.

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

CARD PRODUCTS – A LEADER AMONGST TOP 50 U.S. BANKS

Consistently ranked among the top issuers in the Nilson Report

#12	#7	#12	#12	#19	#14
Commercial Card Issuer	Purchasing[1] Card Issuer	Bank Acquirer	Consumer Card	Debit Card	Prepaid Card

A full suite of innovative card and payment product offerings

- Health Services Financing
- Claims Payments
- Multi Account Chip
- Co-Brand
- toggle®
- Prepaid Expense
- Contactless Visa® Debit Card Early adopter











[1]Includes fleet cards
Source: Nilson Reports (Debit: April 2019; Consumer Card: February 2019; Prepaid: July 2019; Merchant: March 2019; Purchasing: June 2019; Commercial Card: June 2019), based on the top 50 U.S. banks ranked by total assets as of 12/31/2018, S&P Global Market Intelligence

CAPITAL FOR BUSINESS®

A middle-market private equity firm focused on the success of industrial growth companies

Quick Facts:

- Small Business Investment Company (SBIC) founded in 1959
- Nationwide footprint with Greater Midwest Focus
- 31 Portfolio Companies Representing
  - $500MM in Revenue
  - 1,900 Employees
- Net Book Value as of June 30, 2020: $73.8MM

Investment Criteria

- Manufacturing, distribution and certain service companies
- Cash flow positive
- Good management
- Consistent financial performers
- Operate in niche markets
- Significant and defensible market positions
- Differentiated products and services
- Scalable business platforms

Financial Parameters

- Revenues - $10 million to $100 million
- EBITDA - $2 million to $7 million

Transaction Types

Management buyouts
Leveraged buyouts
Succession plans
Recapitalizations
Corporate divestitures

Investment Structures

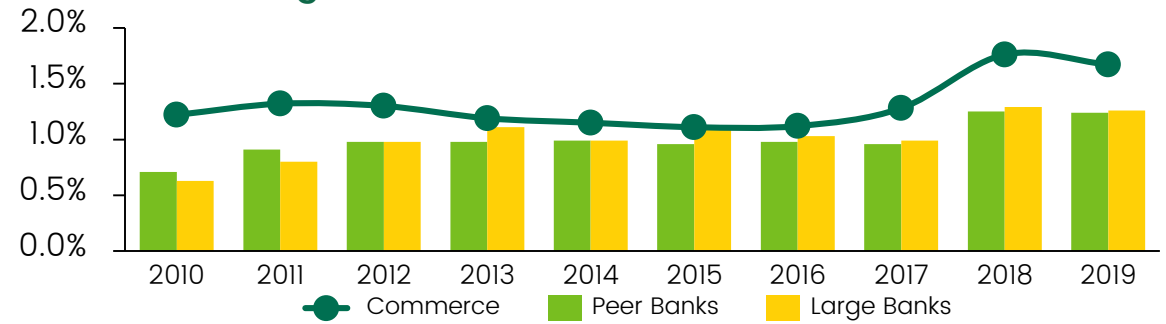
Subordinated debt
Preferred stock
Common stock
Warrants

Other Information

Co-investors
Majority control
Target 5-7 year hold period
Management participation

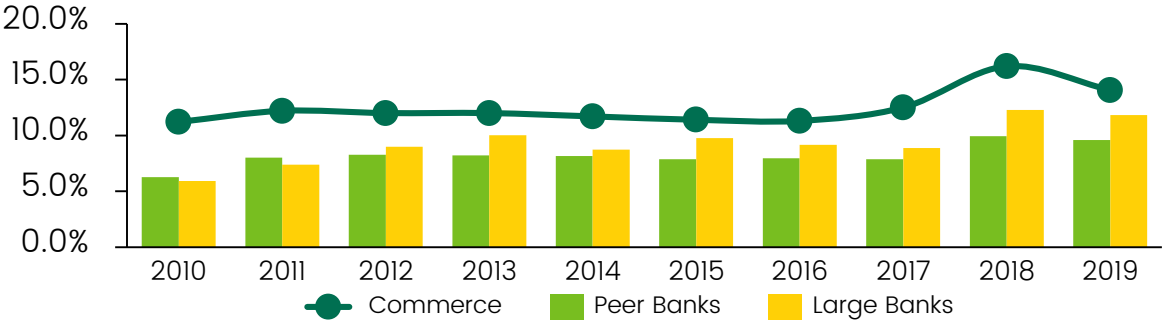
COMMERCE BANK MAINTAINS SOLID PERFORMANCE OVER TIME

Return on Average Assets



ROAA 10-yr average
CBSH: 1.31%
Peers: 1.00%

Return on Average Common Equity



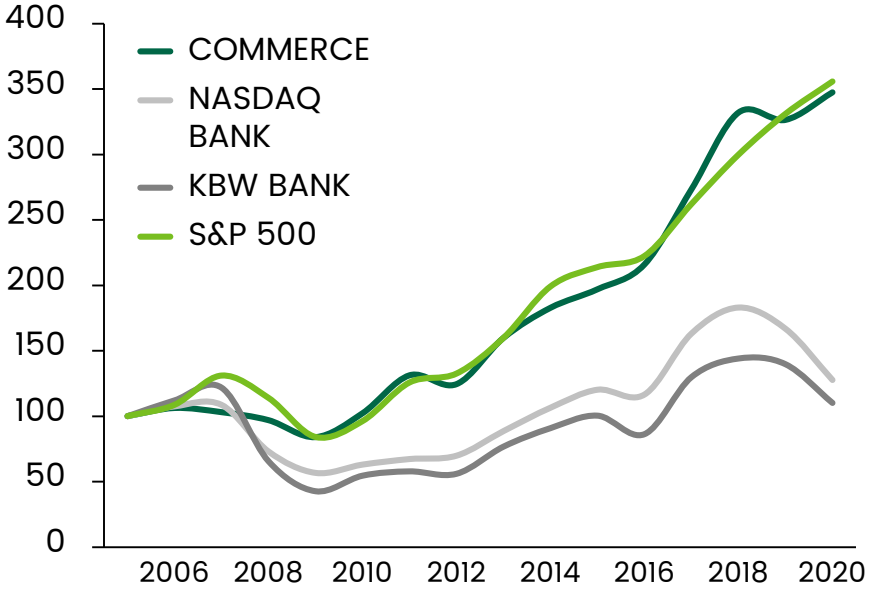
ROACE 10-yr average
CBSH: 12.4%
Peers: 8.2%

Peer Banks include ASB, BOKF, BXS, CFR, FNB, FULT, HWC, IBKC, ONB, OZK, PB, PNFP, SFNC, UBSI, UMBF, UMPQ, VLY, WBS, WTFC
Large Banks include: JPM, BAC, C, WFC, USB, PNC, FITH, RF
Sources: S&P Global Market Intelligence and company reports and filings as of 12/31/2019

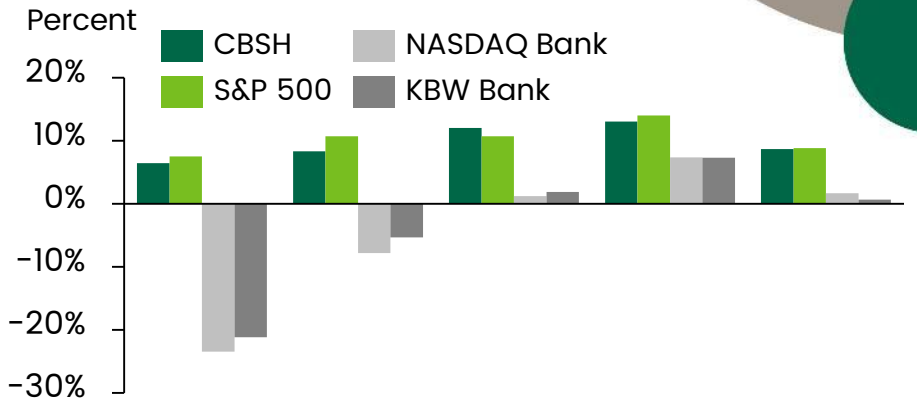
Commerce Bancshares, Inc.

STEADY SHAREHOLDER RETURNS
as of June 30, 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	6.4%	8.3%	12.0%	13.0%	8.7%
S&P	7.4%	10.7%	10.7%	14.0%	8.8%
NASDAQ BANK	-21.2%	-5.3%	1.9%	7.3%	0.7%
KBW BANK	-23.5%	-7.9%	1.2%	7.3%	1.6%

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

Source: Bloomberg; data as of 06/30/2020

NON-GAAP RECONCILIATIONS

Pre-tax, Pre-provision Net Revenue

	(DOLLARS IN THOUSANDS)	For The Three Months Ended June 30, 2020	March 31, 2020	June 30, 2019
A	Net Interest Income	$ 203,057	$ 201,065	$ 211,634
B	Non-Interest Income	$ 117,515	$ 123,663	$ 127,259
C	Non-Interest Expense	$ 187,512	$ 193,698	$ 189,779
	Pre-Provision Net Revenue (A+B-C)	**$ 133,060**	**$ 131,030**	**$ 149,114**

Investor Relations

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Matthew.Burkemper@commercebank.com

Commerce Bancshares, Inc. Investor Relations website:
http://investor.commercebank.com/

Commerce Bancshares, Inc.

Embracing a Growth Mindset

Commerce Bancshares, Inc.