



Playing Offense in a Challenging Time

COMMERCE BANCSHARES, INC.

INVESTOR UPDATE

1st Quarter 2021



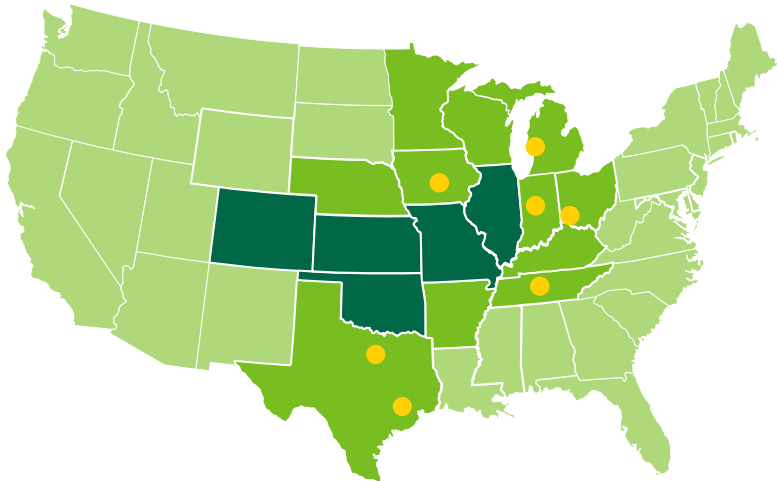
Commerce Bancshares, Inc.

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 2020 Annual Report on Form 10-K, 1st Quarter 2021 Report on Form 10-Q and the Corporation’s Current Reports on Form 8-K.

COMMERCE BANCSHARES

155 YEARS IN BUSINESS



FULL-SERVICE BANKING FOOTPRINT

157 full-service branches and 343 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.

\$33.3
BILLION

TOTAL ASSETS

42ND

LARGEST U.S. BANK
BASED ON ASSET
SIZE¹

\$9.0
BILLION

MARKET CAP

17TH

LARGEST U.S. BANK
BASED ON MARKET
CAP¹

\$62.6
BILLION

TOTAL TRUST ASSETS UNDER ADMINISTRATION

17TH

LARGEST AMONG U.S.
BANK-MANAGED TRUST
COMPANIES BASED ON
AUM¹

13.8%

TIER 1 RISK-BASED CAPITAL RATIO

4TH

HIGHEST AMONG TOP
50 U.S. BANKS BASED
ON ASSET SIZE¹

\$27.4
BILLION

TOTAL DEPOSITS

\$16.4
BILLION

TOTAL LOANS²

\$8.5
BILLION

COMMERCIAL CARD VOLUME

AS OF 12/31/2020

12TH

LARGEST COMMERCIAL
CARD ISSUER³

15.7%

RETURN ON AVERAGE COMMON EQUITY YTD

11TH

YTD ROACE FOR THE TOP
50 U.S. BANKS BASED ON
ASSET SIZE¹

a1

BASELINE CREDIT ASSESSMENT⁴

1 of 6

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

Sources: ¹S&P Global Market Intelligence – Regulated U.S. depositories, which includes commercial banks, bank holding companies, and credit unions, rankings as of 12/31/2020; ²Includes loans held for sale; ³Nilson Reports-Commercial Card: May 2020, based on the top 50 U.S. banks ranked by total assets as of 12/31/2019, S&P Global Market Intelligence; ⁴Moody's Credit Opinion – Commerce Bancshares, Inc., February 22, 2021, baseline Credit Assessment (BCA) reflects a bank's standalone credit strength; Company reports and filings information as of 03/31/2021 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 more than 155 years ago to be a force for good in our region and our industry

V We have a long-term view

O We collaborate as one team

I We act with integrity

C We are customer focused

E We strive for excellence

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



BEYOND FINANCIALS

Supporting each other, our customers and our communities

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

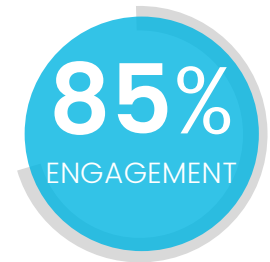
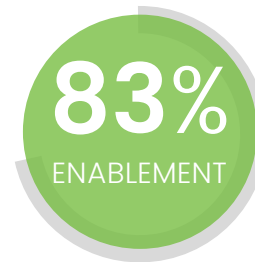
More than **500** nonprofit
organizations supported

by Commerce team members through
leadership roles by serving on boards

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

2020 Engagement & Enablement²

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



¹Federal Reserve Bank and Office of the Comptroller of the Currency

²The Korn Ferry Hay Group – 2020 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 inaugural 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
- Our response to COVID-19

[2020 ESG Report](#) is available on commercebank.com and [Investor.commercebank.com](https://investor.commercebank.com)



OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

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



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



Customer

Deeper focus on growing a diverse customer base



Community

Investing, both financially and with our time in our communities



Supplier

Improve the diversity of our suppliers and spend



Internal

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

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



EMERGE

Connecting young professionals
557+ members



RISE

Empowering women
1,300+ members



PRIDE

Engaging LGBTQIA+ community
392+ members

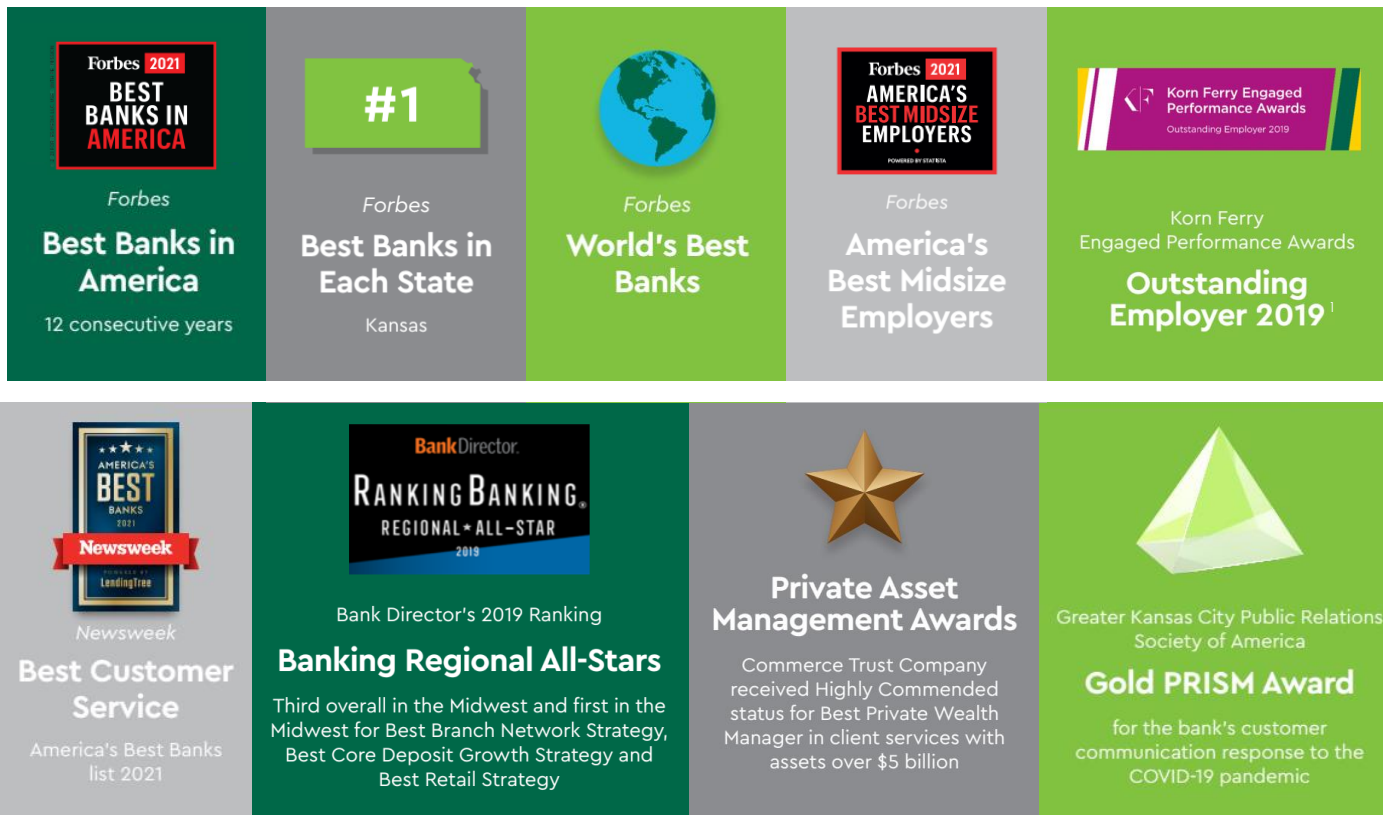
VIBE

Valuing multi-cultural perspectives
408+ members



Commerce Bancshares, Inc.

RECENT RECOGNITION



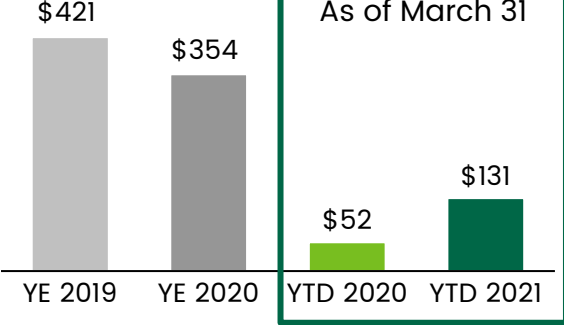
¹The Korn Ferry Hay Group – based on 2018 survey results

FINANCIAL RESULTS

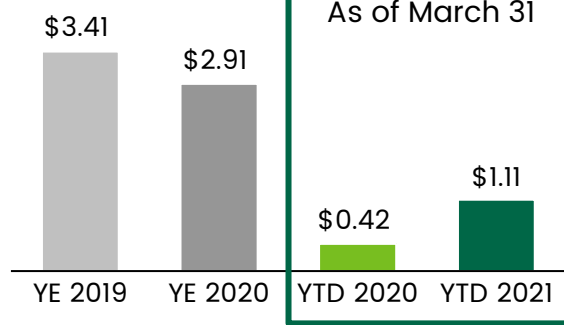
1Q2021

FINANCIAL PERFORMANCE VS. PRIOR YEAR

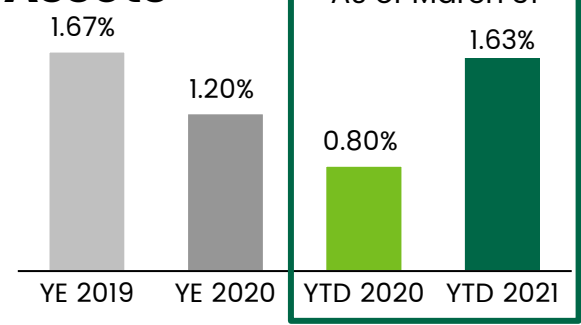
Net Income Attributable to CBI (\$ in Millions)



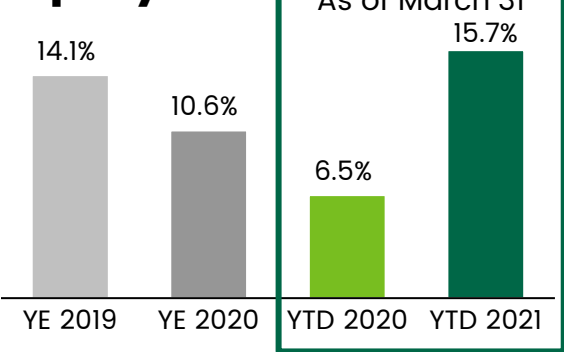
Earnings per Common Share



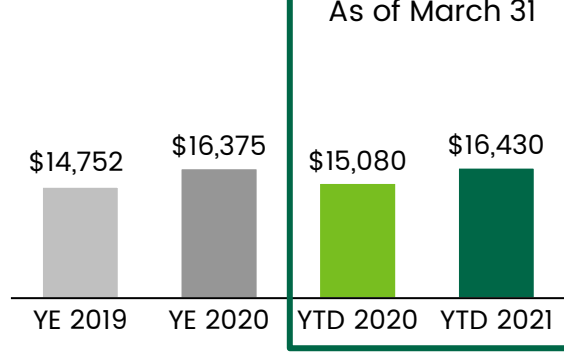
Return on Total Average Assets



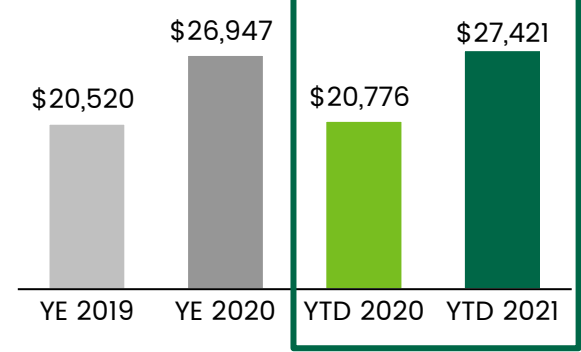
Return on Average Common Equity



Period End Loans (\$ in Billions)



Period End Deposits (\$ in Billions)



1Q2021 EARNINGS HIGHLIGHTS

Highlights

PPNR¹
\$149.2 million

Allowance for Credit
Losses on Loans²
\$20.3 million decrease

Net Income
\$131.0 million

EPS
\$1.11

ROAA
1.63%

ROACE
15.69%

Deposit Growth³
\$0.5 billion

Well-positioned in a challenging environment

- Allowance for credit losses on loans to total loans decreased to 1.22%
 - Decreased to 1.34% excluding Paycheck Protection Program (“PPP”) loans.
- Net charge-offs to total loans of 0.25% and non-performing assets to total loans of 0.14%.
- Loans on deferral of .9% of total loans.
- Non-interest income to total revenue of 39.8%.
- Non-interest income up 0.7% over Q4.
- QTD average loans down slightly from Q4 at \$16.3B.
- QTD average deposits increased \$0.9B in Q1 compared to Q4.
- Tangible common equity to tangible assets of 9.57%.
- Net interest margin decreased 9 bps from Q4 to 2.71%.
- Wealth management client assets increased in Q1 by 2.2% to \$62.6B.

¹ See the non-GAAP reconciliation on page 49; ² Compared to 4Q2020; ³ Compared to 4Q2020, based on period-end balances

BALANCE SHEET HIGHLIGHTS

Average Balances \$ in millions	Change vs.				Highlights
	1Q21		4Q20	1Q20	
Commercial ¹	\$10,647.9	↑	\$4.9	↑ \$1,376.5	<ul style="list-style-type: none"> • Linked quarter (LQ) reflects lower business loans offset by higher construction loans • YoY reflects PPP • LQ reflects higher personal real estate partially offset by lower auto, credit card, home equity
Consumer	5,685.1	↓	(33.2)	↑ 262.0	
Total Loans	\$16,333.0	↓	\$ (28.3)	↑ \$1,638.5	
Investment Securities	\$12,863.1	↑	\$560.6	↑ \$4,139.9	• Reflects net purchase activity
Interest Earning Deposits with Banks	\$1,480.3	↑	\$397.7	↑ \$878.9	• Reflects liquidity from deposit growth
Deposits	\$26,489.2	↑	\$898.6	↑ \$6,221.7	• 3.5% quarterly growth, 31% annual growth
Equity	\$3,385.5	↑	\$49.3	↑ \$160.4	• 5% annual growth
Book Value per Common Share ²	\$28.34	↓	\$ (.69)	↑ \$1.80	• 2.4% quarterly decline, 6.8% annual growth

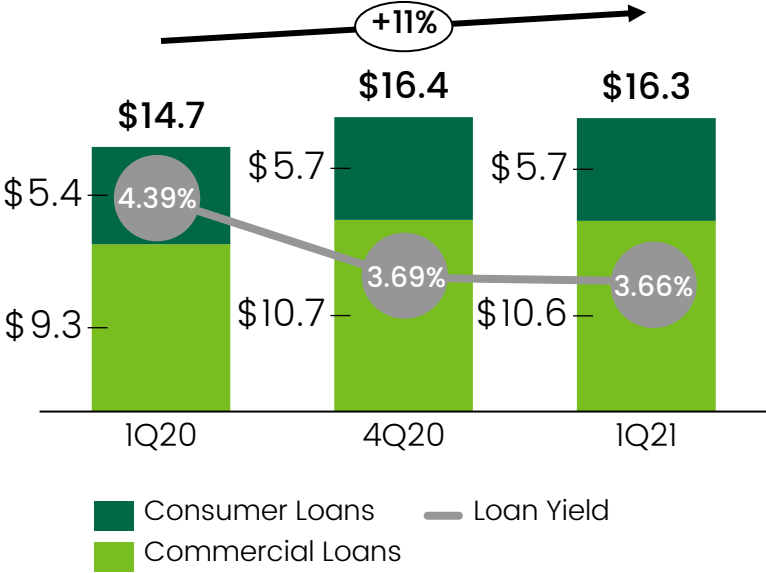
¹ PPP QTD average balances were \$1,374.0 million and \$1,476.2 million as of March 31, 2021 and December 31, 2020, respectively

² For the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020

BALANCE SHEET

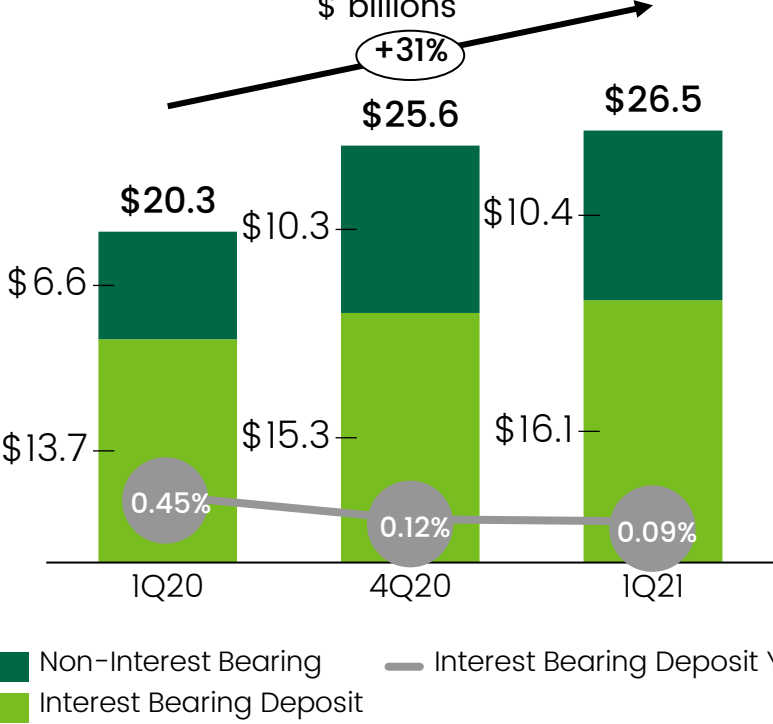
Loans

QTD Average Balances
\$ billions























Deposits

QTD Average Balances
\$ billions

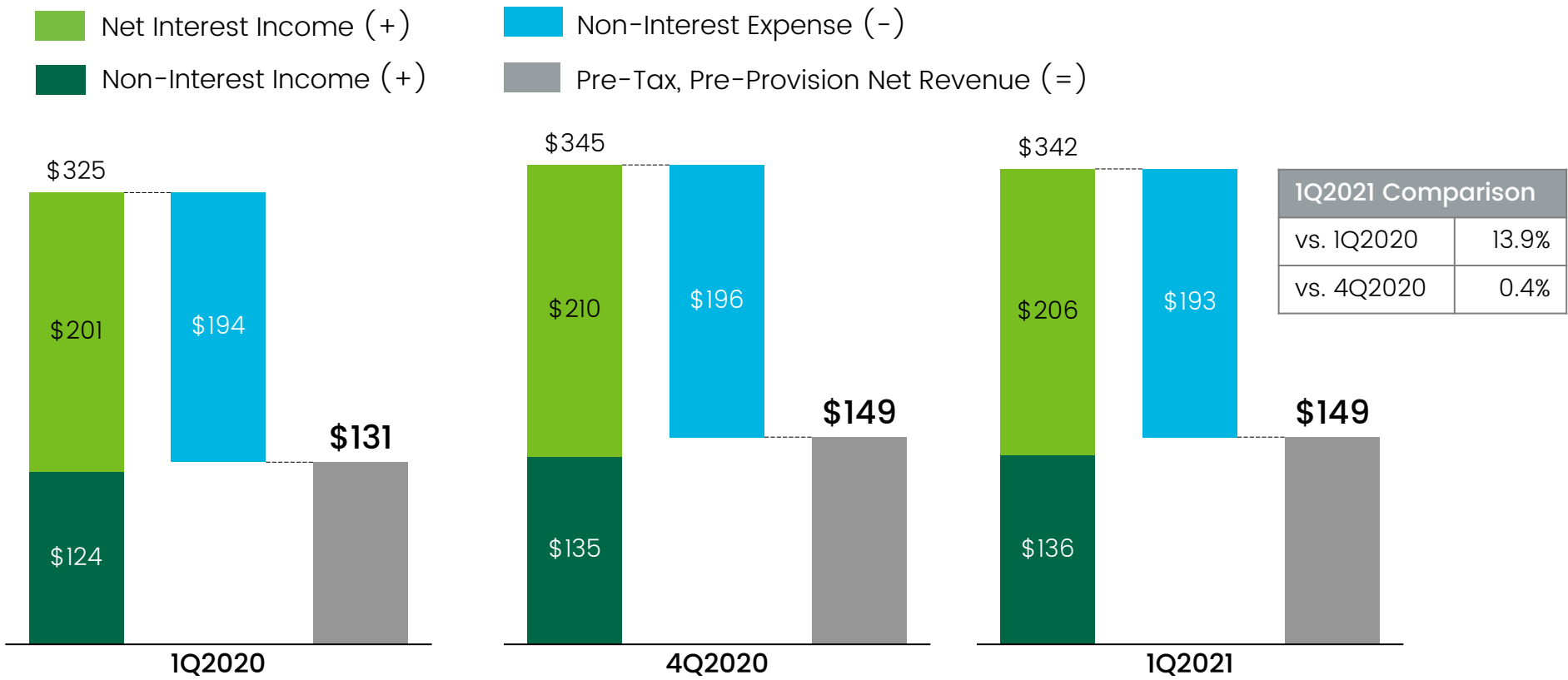


INCOME STATEMENT HIGHLIGHTS

\$ in millions	1Q21	Change vs.		1Q20	Highlights
		4Q20			
Net Interest Income	\$205.7	 \$(4.0)		\$4.7	<ul style="list-style-type: none"> Linked quarter (LQ) decline due to lower earning asset yields partially offset by lower deposit costs and a larger balance sheet
Non-Interest Income	\$136.0	 \$0.9		\$12.4	<ul style="list-style-type: none"> LQ increase in trust fees, capital market fees and loan fees and sales Prior year (PY) increase mainly due to growth in loan fees and sales, capital market fees and trust fees; current year included a gain on a branch sale
Non-Interest Expense	\$192.6	 \$(3.7)		\$(1.1)	<ul style="list-style-type: none"> Decrease of 1.9% over LQ, .6% over PY Salaries and benefits expense flat to PY
Pre-Tax, Pre-Provision Net Revenue ¹	\$149.2	 \$0.7		\$18.2	
Investment Securities Gains (Losses), Net	\$9.9	 \$(2.5)		\$23.2	<ul style="list-style-type: none"> Q1 unrealized fair value gains of \$8.4MM and a \$1.5MM gain on sale of an investment in the private equity portfolio
Provision for Credit Losses	\$(6.2)	 \$(1.8)		\$(64.2)	<ul style="list-style-type: none"> Declines primarily driven by improvement in economic forecast
Net-Income Available to Common Shareholders	\$131.0	 \$1.1		\$81.4	
	1Q21	4Q20		1Q20	
Net Income per Common Share – Diluted	\$1.11	 \$1.11		\$.42	
Efficiency Ratio	56.37%	 56.68%		59.17%	<ul style="list-style-type: none"> Continued expense discipline
Net Yield on Interest Earning Assets	2.71%	 2.80%		3.33%	<ul style="list-style-type: none"> Lower earning asset yields, partially offset by lower deposit costs

¹ See the non-GAAP reconciliation on page 49

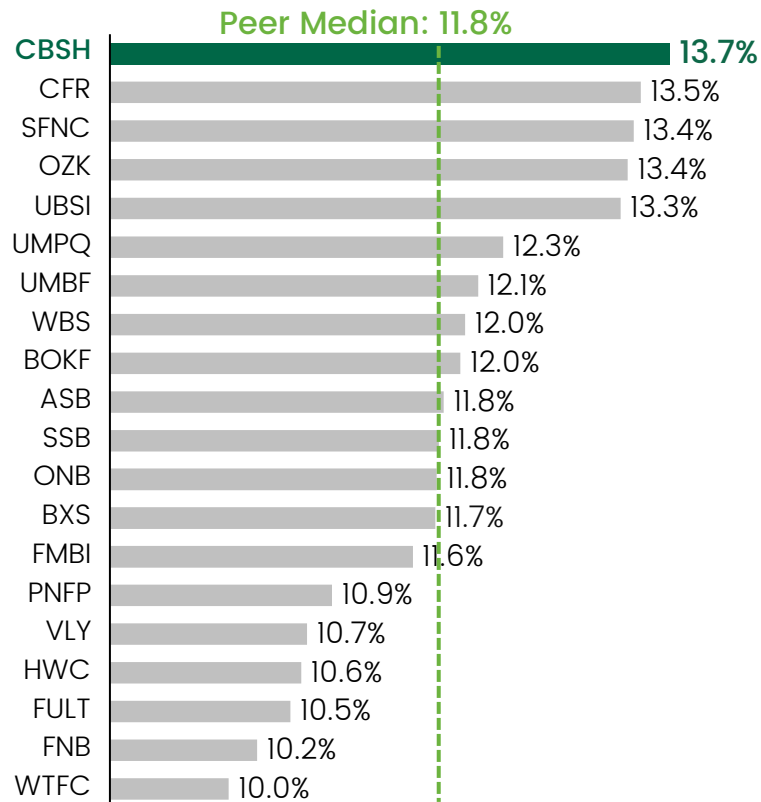
PRE-TAX, PRE-PROVISION NET REVENUE (PPNR)



See the non-GAAP reconciliation on page 49

SOUND CAPITAL AND LIQUIDITY POSITION

Tier 1 Risk-Based Capital Ratio¹



Loan to Deposit Ratio

Large, stable deposit base and low loan to deposit ratio

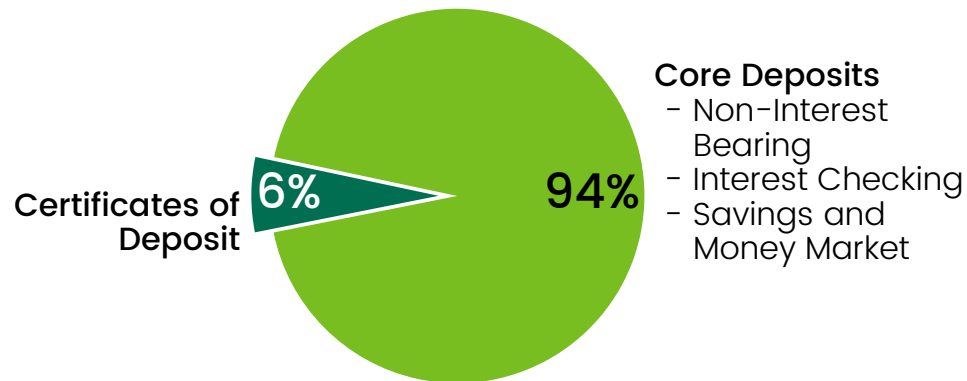
Core Deposits

\$25.6
Billion²

62% Average Loan to Deposit Ratio³
Commerce

81% Average Loan to Deposit Ratio³
Peer Average

Total Deposits

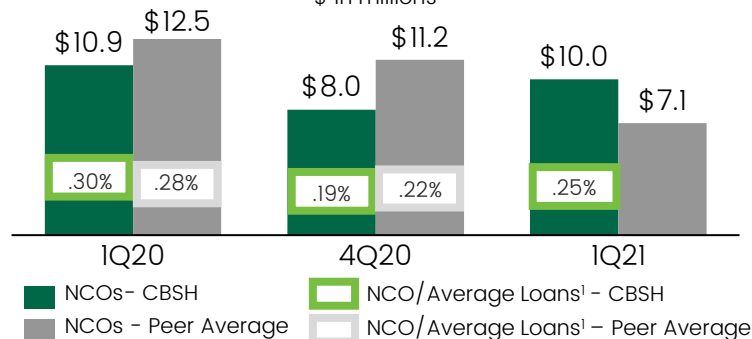


¹S&P Global Market Intelligence as of December 31, 2020; ²Period-end balances as of March 31, 2021; ³ S&P Global Market Intelligence, includes loans held for sale for the quarter ended March 31, 2021, Peers include ASB, BXS, OZK, BOKF, CFR, FNB, FMBI, FULT, HWC, ONB, PNFP, SFNC, SSB, UMBF, UMPQ, UBSI, VLY, WBS, WTFC

MAINTAINING STRONG CREDIT QUALITY

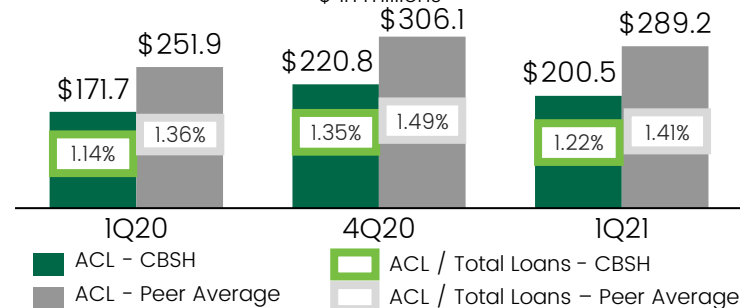
Net Loan Charge-Offs (NCOs)

\$ in millions



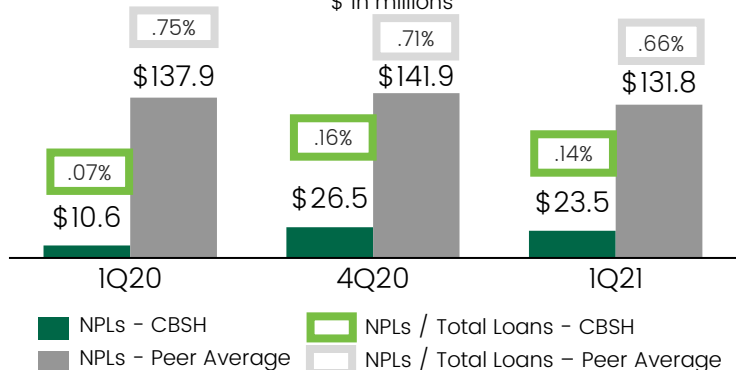
Allowance for Credit Losses on Loans (ACL)

\$ in millions

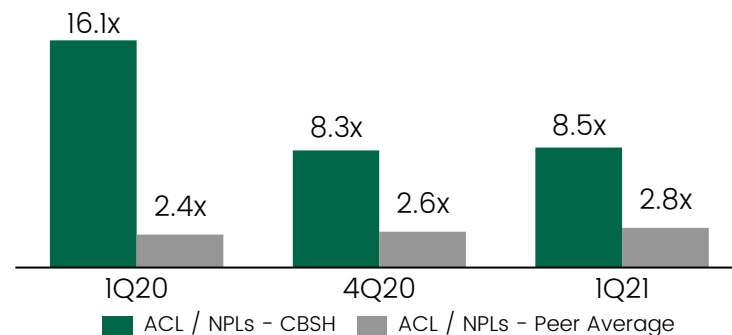


Non-Performing Loans (NPLs)

\$ in millions



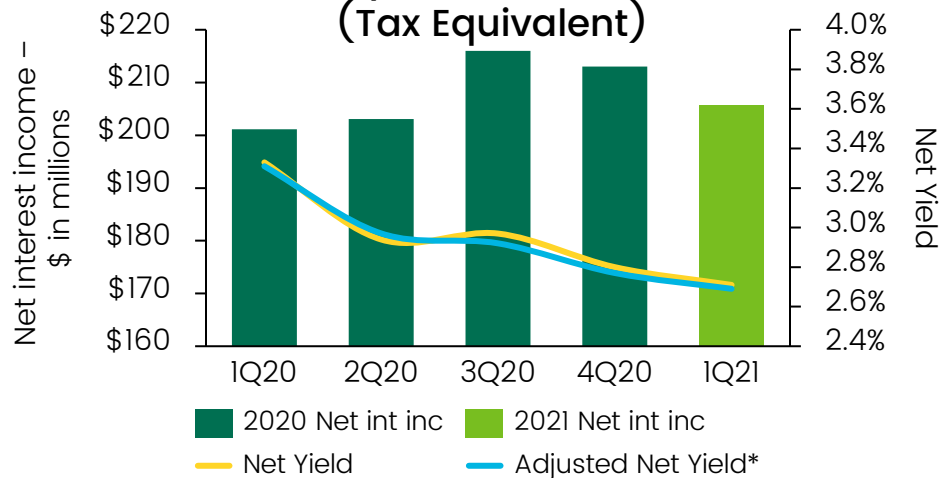
Allowance for Credit Losses on Loans (ACL) to NPLs



Percentages are illustrative and not to scale; Peer Banks include: ASB, BXS, OZK, BOKF, CFR, FNB, FMBI, FULT, HWC, ONB, PNFP, SFNC, SSB, UMBF, UMPQ, UBSI, VLY, WBS, WFTC; ¹As a percentage of average loans (excluding loans held for sale)

NET INTEREST INCOME: YTD – March 31, 2021

Quarterly Net Interest Income
(Tax Equivalent)

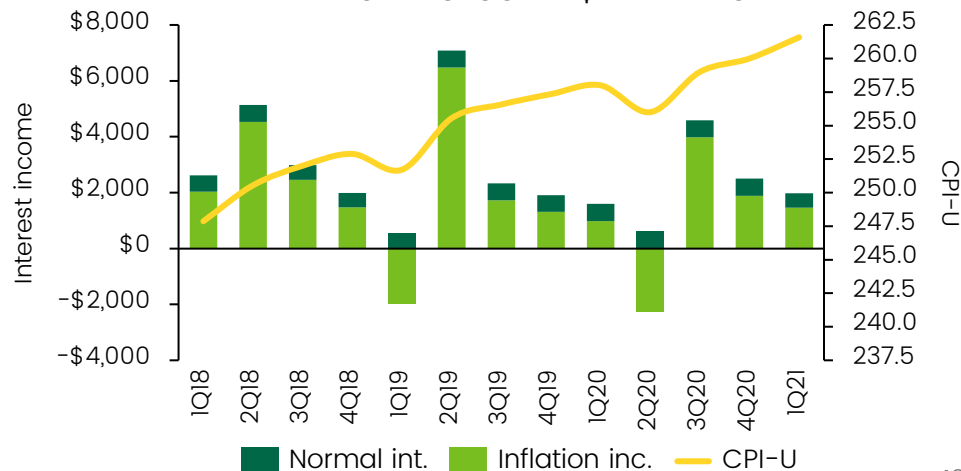


*Adjusted to exclude TIPs inflation income

Tax equivalent - YTD	2020	2021	Change
Rates earned - assets	3.66 %	2.76 %	(0.90) %
Rates paid - liabilities	0.52 %	0.09 %	(0.43) %
Net yield - earning assets	3.33 %	2.71 %	(0.62) %

- Net interest income (tax equivalent) decreased \$4.2 million from the prior quarter, which included a decline of \$426 thousand in TIPs inflation income.
- The net yield on interest earning assets decreased 9 basis points compared to the previous quarter.

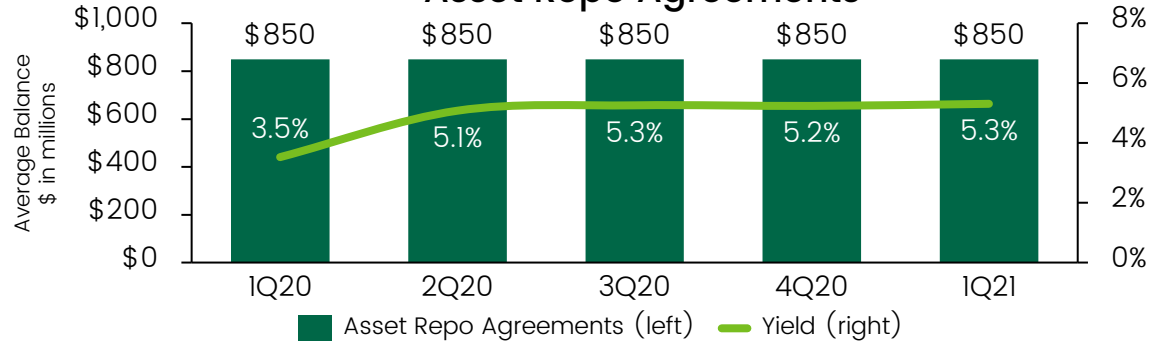
TIPs Interest - \$ in 000s



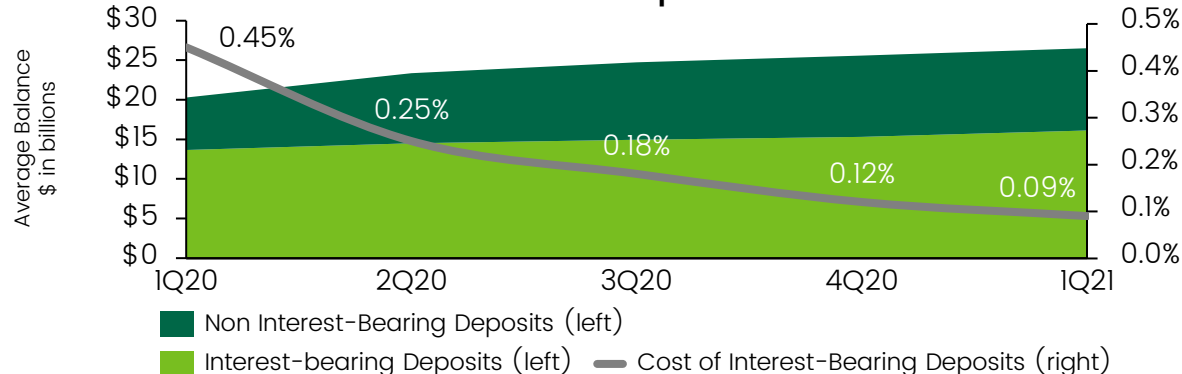
NIM PROTECTION

Hedging structures and low deposit costs provide support to net interest margin in low-rate environment

Asset Repo Agreements



Total Deposits

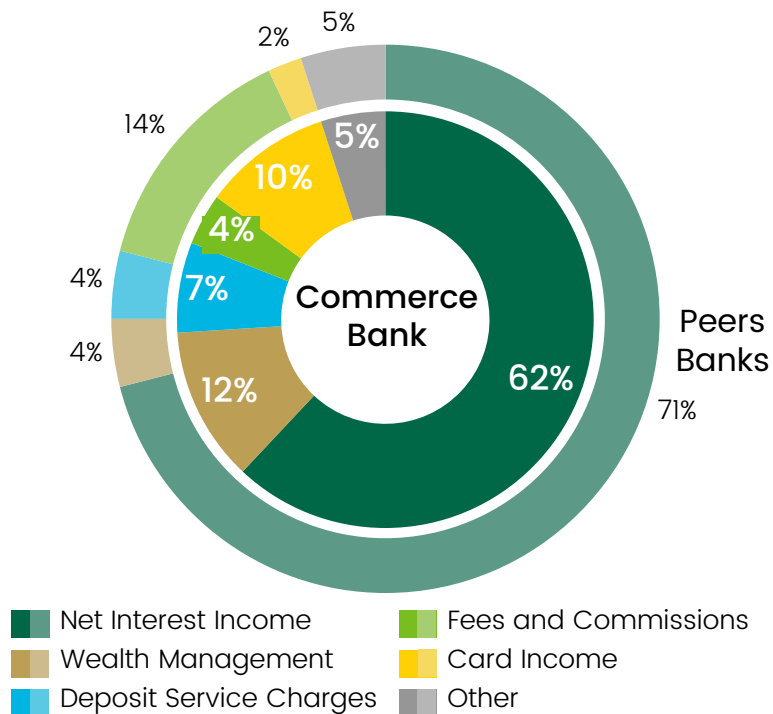


- Interest rate floors with a combined notional value of \$1.5B to hedge the against declining interest rates were monetized in 2020 with \$133MM in gains to be recognized through 2026.
- Asset repo agreements were structured with floor spreads to protect against falling rates. Asset repo agreements start maturing in Q2 2021.
- 39% of Q1 average deposits were non-interest bearing.
- Cost of interest-bearing deposits continued to decline.

A FULL-SERVICE, DIVERSIFIED OPERATING MODEL

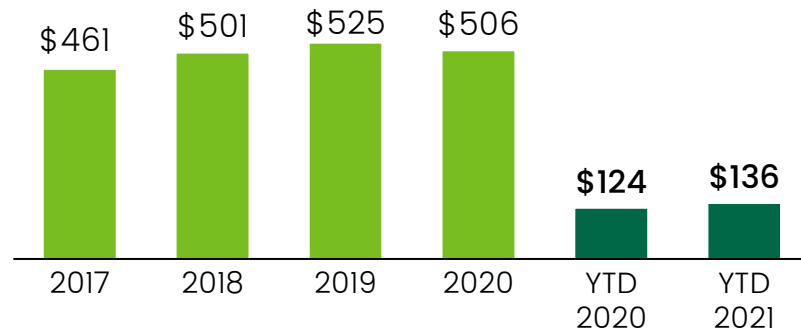
Card, Wealth & Deposit fees provide stable, growing revenue source

Revenue Source Diversification
Compared to Peers¹



Non-Interest Income

\$ in millions



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

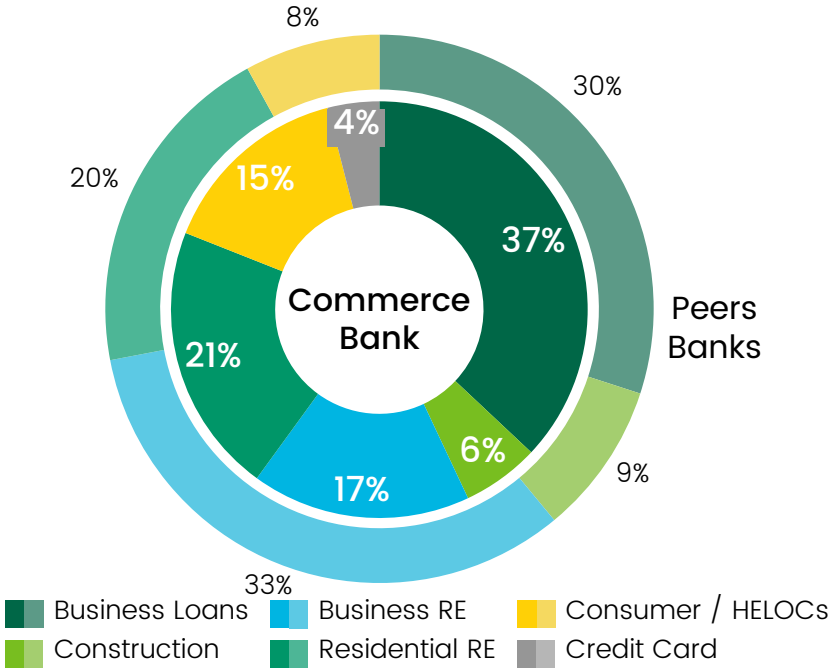
- Prepaid Expense
- **RemitConnect®**
- Claims Payments
- Horizons
- Accounts Payable Automation
- Interest Rate Swaps
- **CommerceHealthcare®**
- Asset Management

Peer Banks include: ASB, BXS, OZK, BOKF, CFR, FNB, FMBI, FULT, HWC, ONB, PNFP, SFNC, SSB, UMBF, UMPQ, UBSI, VLY, WBS, WFTC

¹Source: S&P Global Market Intelligence as of December 31, 2020

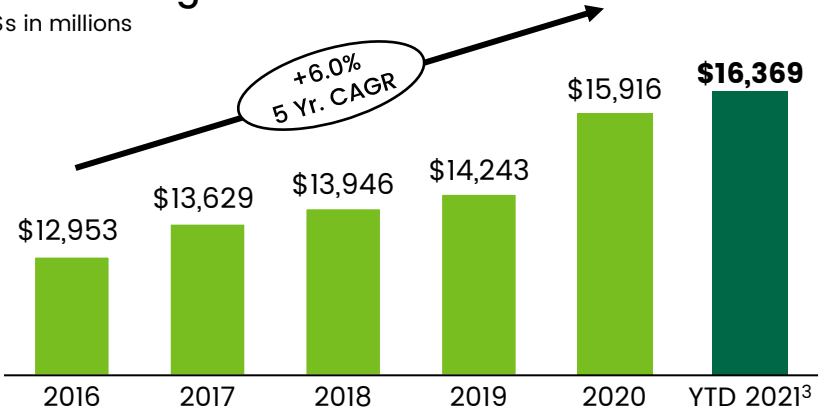
WELL-DIVERSIFIED LOAN PORTFOLIO

Loan Portfolio Diversification Compared to Peers¹



YTD Average Loans²

\$s in millions



2021 Loan Growth by Category

(Average loans Mar. 2021 vs. Dec. 2020)

Business RE & construction	↑ \$52 million
Personal RE	↑ \$48 million
Consumer credit card	↓ \$29 million
Auto/ motorcycle/ other	↓ \$34 million
Business/ lease/ tax-free	↓ \$47 million

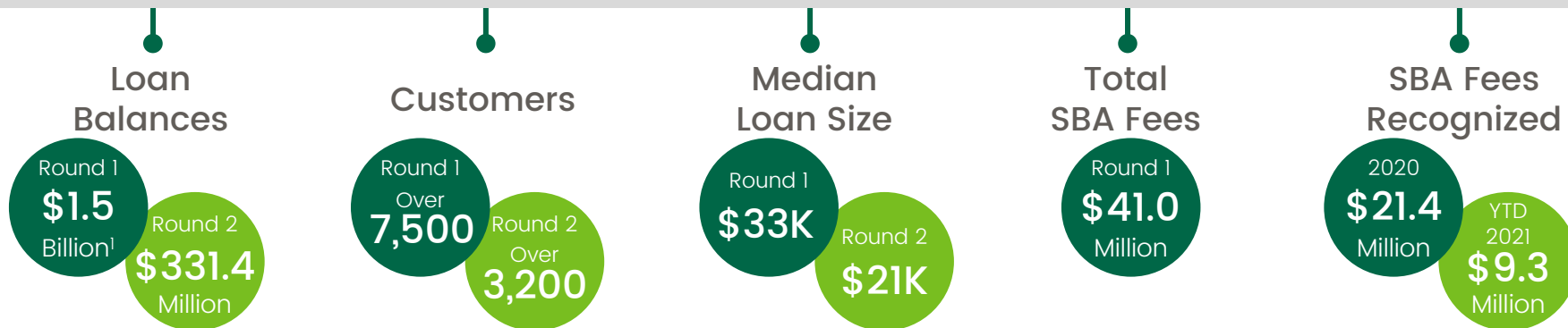
Peer Banks include: ASB, BXS, OZK, BOKF, CFR, FNB, FMBI, FULT, HWC, ONB, PNFP, SFNC, SSB, UMBF, UMPQ, UBSI, VLY, WBS, WFTC

¹Source: S&P Global Market Intelligence as of December 31, 2020; ²Includes loans held for sale, as of December 31, 2020 unless noted otherwise;

³YTD through March 31, 2021

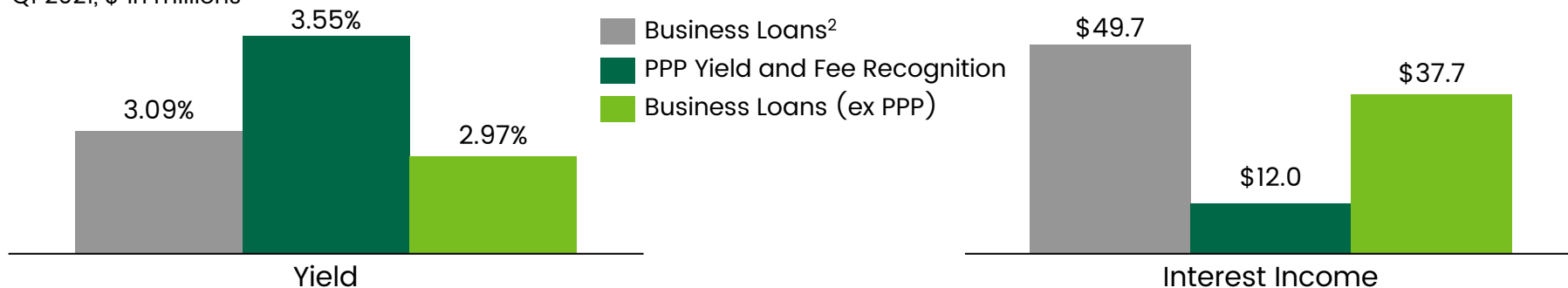
PAYCHECK PROTECTION PROGRAM IMPACT

KEY METRICS



Yield and Interest Income

Q1 2021, \$ in millions



¹Total funded amount in Round 1; Round 2 information through March 31, 2021

²Tax equivalent basis

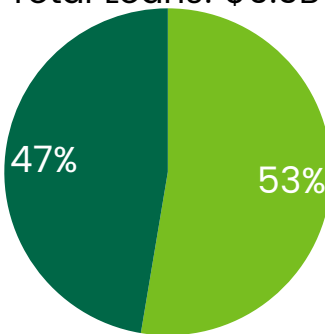
SUMMARY OF FIXED & FLOATING LOANS

Nearly 50% of total loans are variable; 49% of commercial loans have floating rates

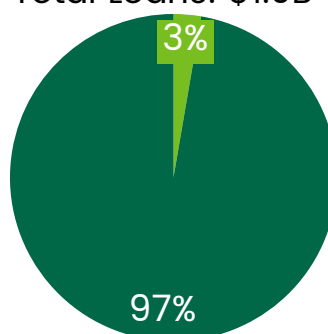


Commercial

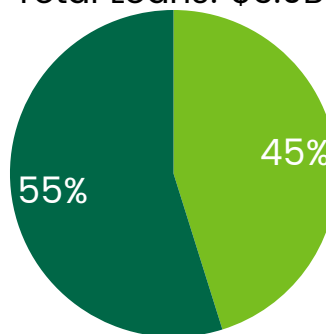
Business
Total Loans: \$6.5B



Construction
Total Loans: \$1.0B

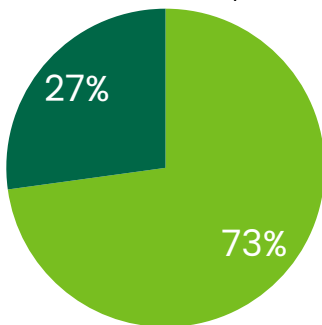


Business RE
Total Loans: \$3.0B

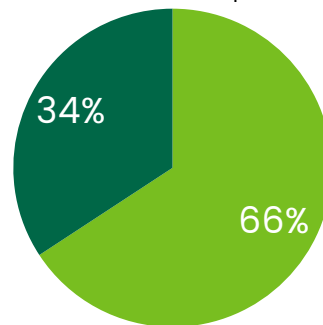


Consumer

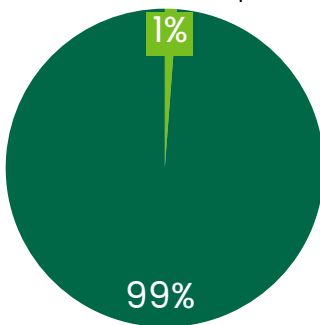
Personal RE
Total Loans: \$2.8B



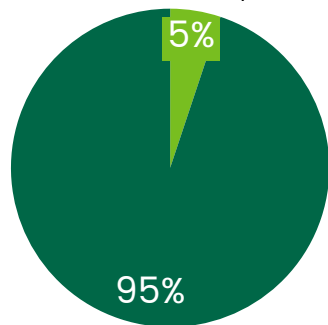
Consumer
Total Loans: \$2.0B



HELOC
Total Loans: \$0.3B

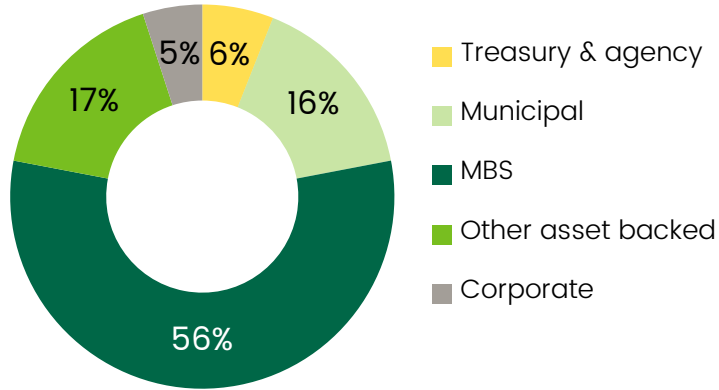


Consumer Card
Total Loans: \$0.7B



HIGH QUALITY, HIGHLY LIQUID AND DIVERSE INVESTMENT PORTFOLIO

Composition of AFS Portfolio



QTD - March 31, 2021	Avg Rate	Duration (yrs)
Treasury & agency ¹	1.7%	3.9
Municipal	2.5% ²	5.1
MBS	1.4%	4.2
Other asset-backed	1.4%	1.7
Corporate	2.2%	4.8

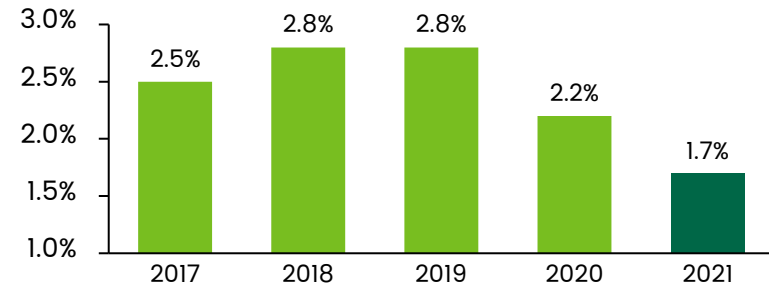
AFS Portfolio as of March 31, 2021

Total average investments ³	\$12.7 billion
Unrealized gain ³	\$283.5 million
12 month maturities / pay-downs	\$2.3 billion

Duration

December 2018	3.2 years
December 2019	3.0 years
December 2020	3.3 years
March 2021	3.9 years

YTD Tax Equivalent Rate – Investments⁴



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

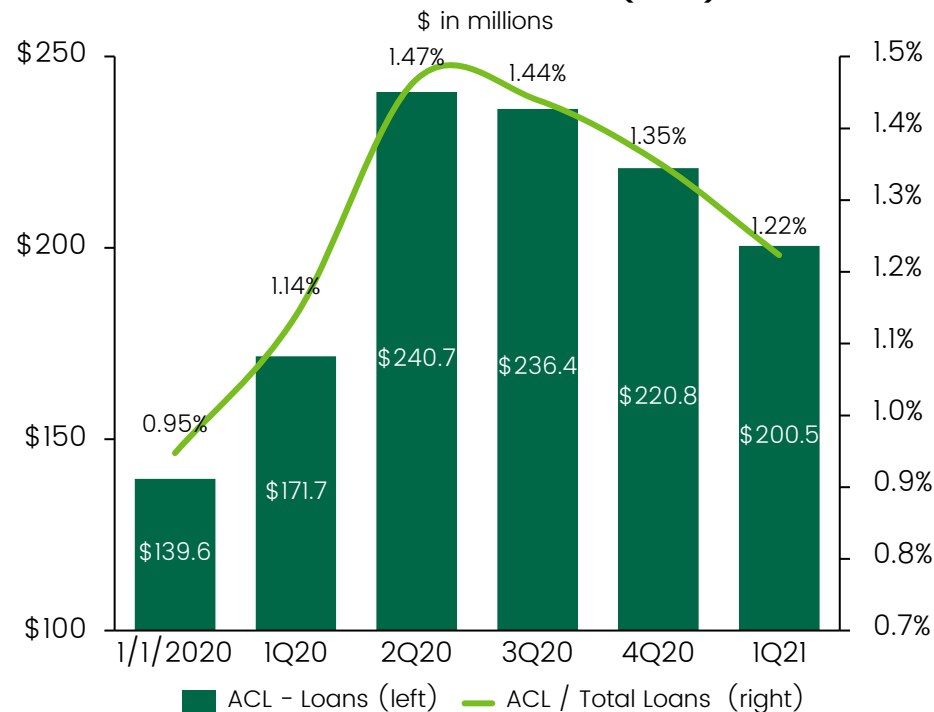
⁴Information as of YTD December 31 for previous years, current year is as of March 31

ALLOCATION OF ALLOWANCE

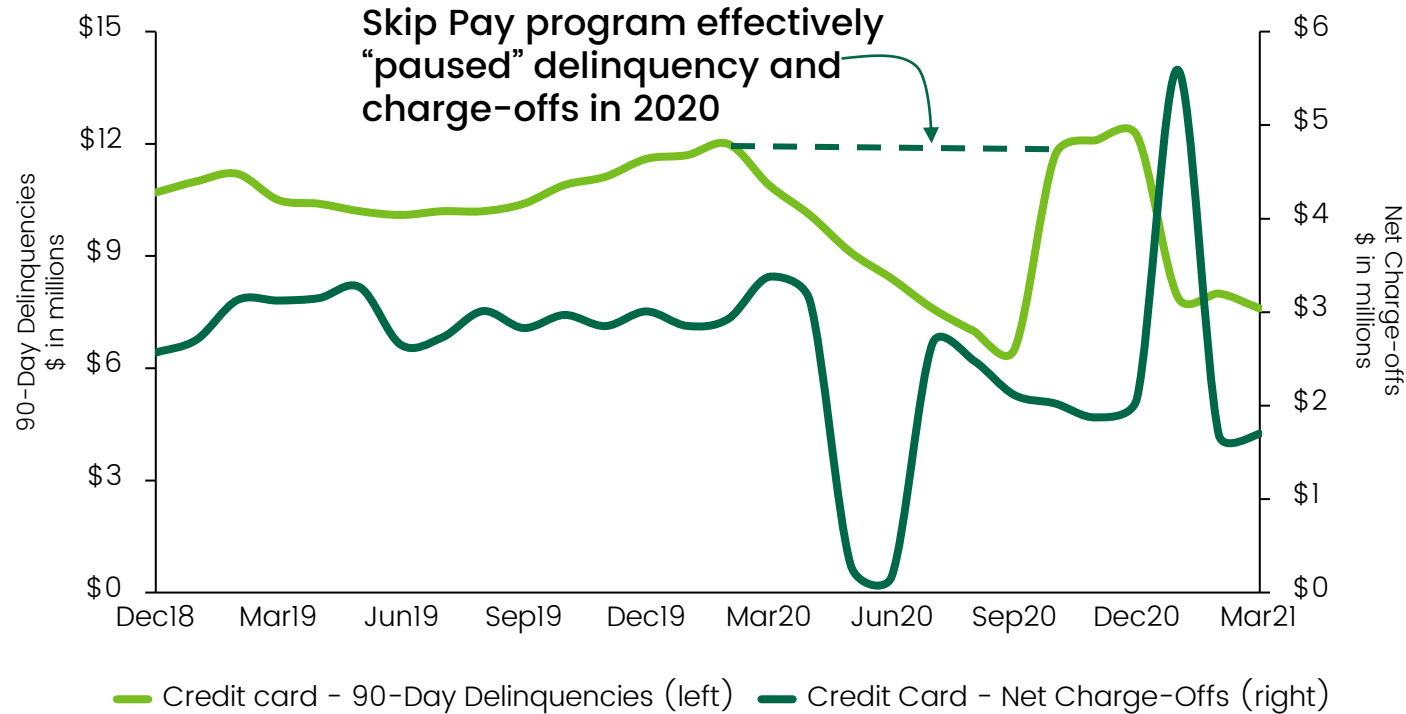
CECL allowances reflect the economic and market outlook

\$ in millions	December 31, 2020 CECL Model		March 31, 2021 CECL Model	
	Allowance for Credit Losses (ACL)	% of Outstanding Loans	Allowance for Credit Losses (ACL)	% of Outstanding Loans
Business	\$ 63.7	.97%	\$ 50.6	.76%
Bus R/E	30.1	.99%	35.6	1.18%
Construction	27.7	2.72%	33.4	3.11%
Commercial total	\$ 121.5	1.15%	\$ 119.6	1.12%
Consumer	15.2	.78%	13.4	.68%
Consumer CC	74.0	11.30%	59.5	10.03%
Personal R/E	8.3	.29%	6.6	.23%
Revolving H/E	1.5	.48%	1.2	.44%
Overdrafts	.3	8.29%	.2	4.6%
Consumer total	\$ 99.3	1.73%	\$ 80.9	1.42%
Allowance for credit losses on loans	\$ 220.8	1.35%	\$ 200.5	1.22%

Allowance for Credit Losses (ACL) on Loans



CONSUMER CREDIT CARD DELINQUENCIES AND MONTHLY NET CHARGE-OFF TRENDS



- Skip Pay was enacted for May and June 2020 payments to 100% of the portfolio
- Delinquency and net charge-off levels have normalized

COMMERCE AND COVID-19

PROVIDING RELIEF TO OUR CUSTOMERS

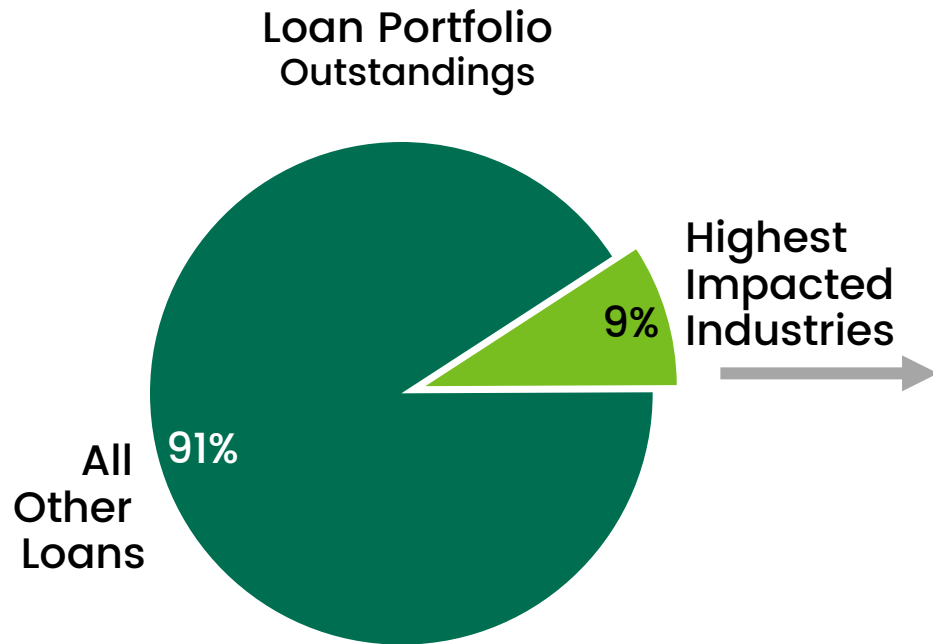
Active deferral exposure reduced as pandemic continues

Payment Relief Requests

Active deferrals ¹ as of December 31, 2020				Active deferrals ¹ as of March 31, 2021		
Loan Type	Number of Requests	% of Portfolio (by \$ amount)	Total Amount of Requests	Number of Requests	% of Portfolio (by \$ amount)	Total Amount of Requests
Commercial	8	.6%	\$57MM	8	1.3%	\$117MM
Mortgage	86	.7%	\$18MM	55	.5%	\$12MM
Consumer Card	93	.1%	\$0.6MM	18	<.1%	\$.1MM
Installment	500	.6%	\$8MM	214	.3%	\$4MM
Med/HSF ²	109	.1%	\$0.3MM	85	.1%	\$.2MM
TOTAL	796	.6%	\$84MM	380	.9%	\$133MM

¹Deferrals are defined as modifications, payment deferrals, forbearance agreements, or change in terms, % of Portfolio calculated on Total Loans (excluding PPP loans); ² No direct consumer credit exposure

LOAN PORTFOLIO: LIMITED EXPOSURE TO PANDEMIC-SENSITIVE INDUSTRIES

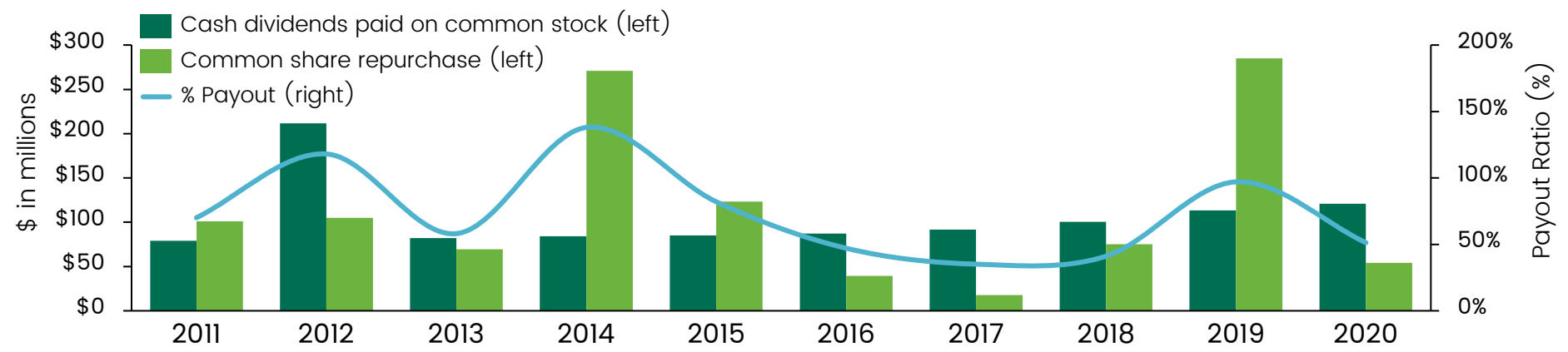


Highest Impacted Industries	\$ in millions 12/31	\$ in millions 3/31	% of Loan Portfolio 3/31
CRE Retail	387	388	2.6%
Hotels	303	309	2.1%
Senior Living	311	307	2.0%
Energy	173	186	1.2%
Retail Stores	111	118	.8%
Restaurants	67	64	.4%
Total	\$1,352	\$1,372	9.1%

STRONG CAPITAL POSITION – FLEXIBILITY IN CAPITAL PLANNING

53 consecutive years of regular common cash dividend increases¹

Capital Returned to Common Shareholders as a percentage of Net Income²



Capital Ratios – 3/31/2021	
Tier 1 common risk-based capital	13.8%
Tier 1 risk-based capital	13.8%
Total risk-based capital	14.8%

- 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 and 2% in 2021 (based on 1Q2021 declared dividend).

¹Based on 1st quarter 2021 declared dividend; ²Net 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
- Develop Claims Payment
- Accelerate Growth in Healthcare
- Accelerate Expansion Market Growth
- Implement Transform 360
- Enhance the People Experience



Commerce
EDGE

...emphasis on culture, collaboration and core values



CBI BLUE CHIP: ENTERPRISE DIGITAL STRATEGY

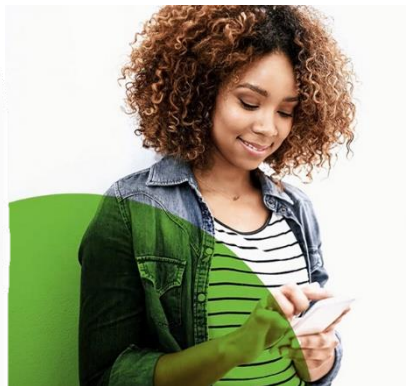
- Creates a single Digital Strategy expanding across all segments of the bank
- Committed to delivering customer digital solutions more rapidly
- Elevates digital leadership to an executive level

OUR VISION

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

WHY

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



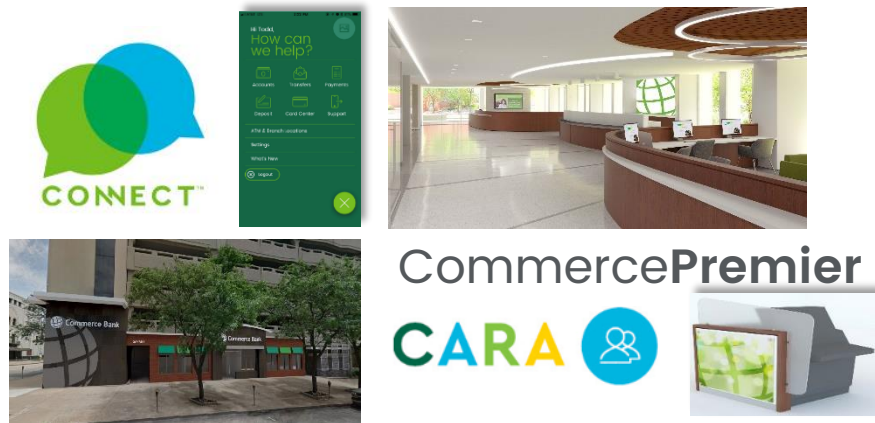
**anywhere,
any time.**

PLAYING OFFENSE: CONSUMER BANKING

Enhancing the Customer Experience

Engaging with customers through the channels they prefer.

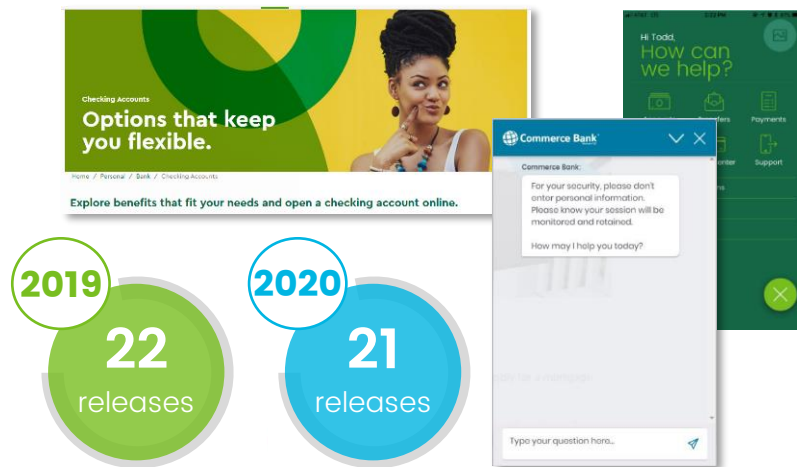
- Technology investments
- New engagement programs
- Enhanced product offerings
- Improved operating model



Consumer Digital

Evolving digital experiences to meet our customers' expectations.

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

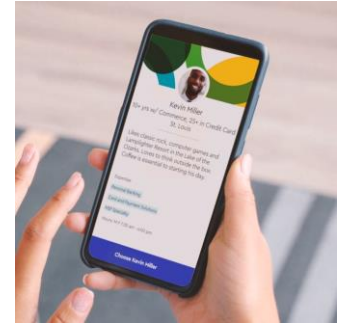


PLAYING OFFENSE: CONSUMER BANKING

Commerce Bank CONNECT® Mobile App

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

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



Commerce Bank Mortgage

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

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



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





PLAYING OFFENSE: 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

Customer Relationship Management



Commercial

Project completed in Q4 2020 to align all Commercial business lines on Insight360.

Ongoing enhancements being made on both platforms to improve sales, service and marketing interactions with customers and prospects.

nCino Platform & Insight360 leveraged for CARES Act Programs.



Wealth



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.



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

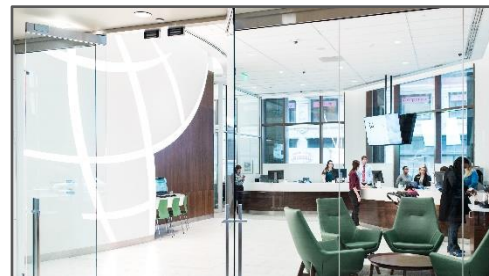


Commerce Bancshares, Inc.

PLAYING OFFENSE: CONSUMER BANKING



157 Full-service branches | 354 ATMs



Focus on Digital



Commerce
Bank App Rating



4.7 ★★★★★



4.7 ★★★★★



Digital HH
Penetration

65.9%



Digital Loan
Sales (000s)

\$47,165



Mobile
Deposit Use

24%

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

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



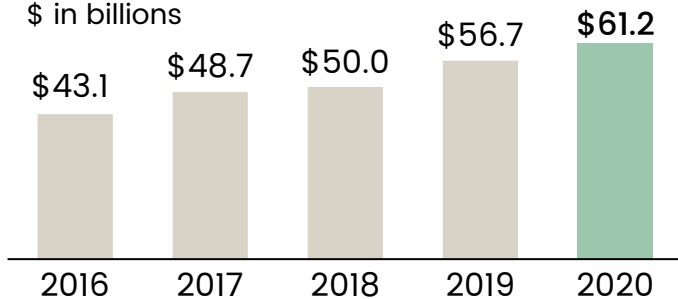
Commerce Bancshares, Inc.

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.



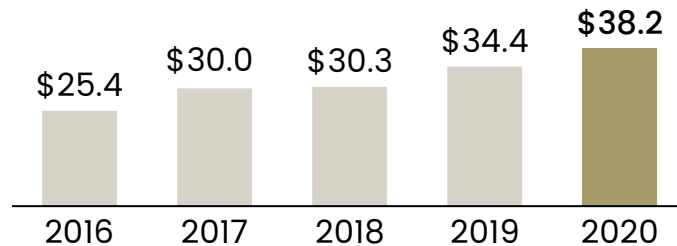
Total Client Assets²

\$ in billions



Assets Under Management

\$ in billions



Period end balances. Information as of December 31, 2020

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

²Assets under administration

Key Growth Initiatives

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

Strengthening our wealth brands

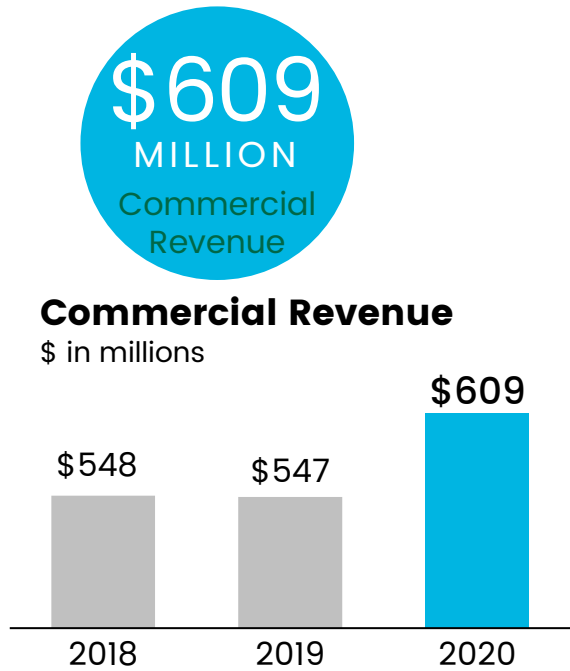
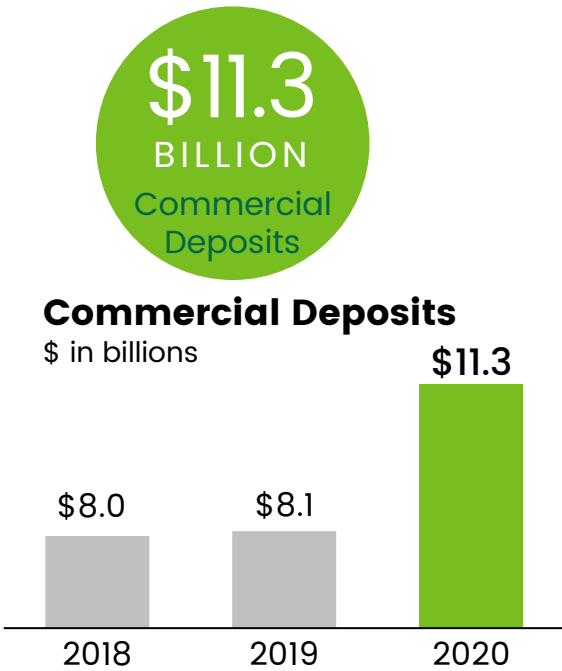
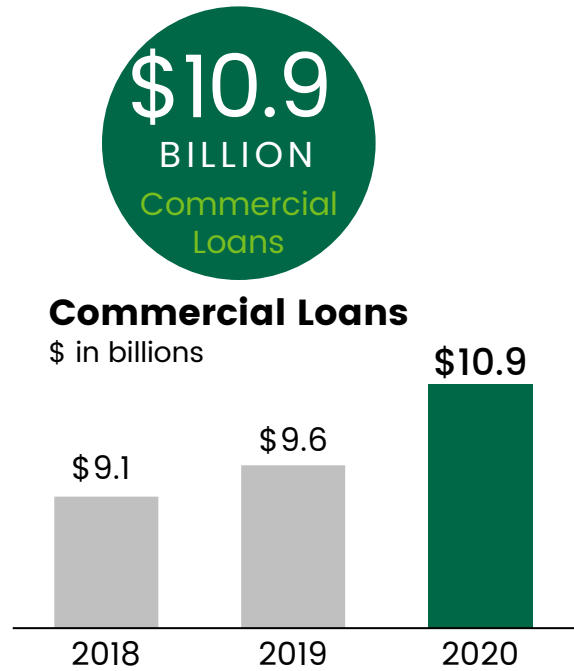


COMMERCIAL BANKING

Revenue growth opportunities

Financing solutions – options for all sizes and types of businesses

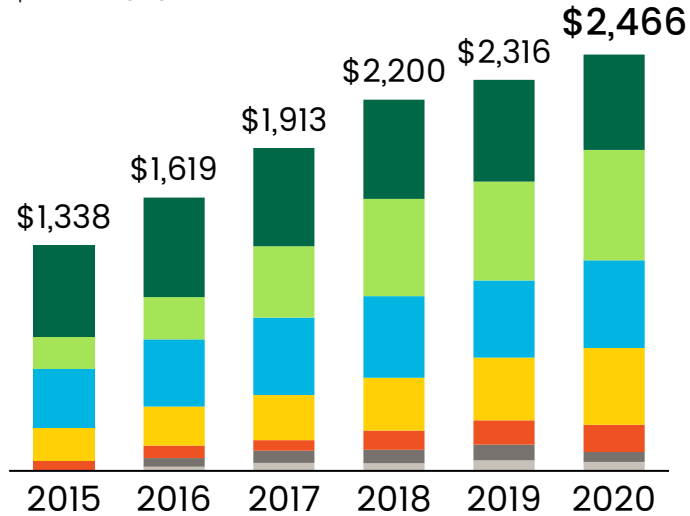
- Working Capital Lines of Credit
- Term Financing
- Construction & Real Estate Loans
- Equipment Financing
- International Financing
- Employee Stock & Ownership Financing
- Tax-exempt Financing
- Government Lending Programs
- Interest Rate Swaps
- Floor Plan Lending



COMMERCIAL BANKING – EXPANSION MARKETS OFFER GROWTH OPPORTUNITIES

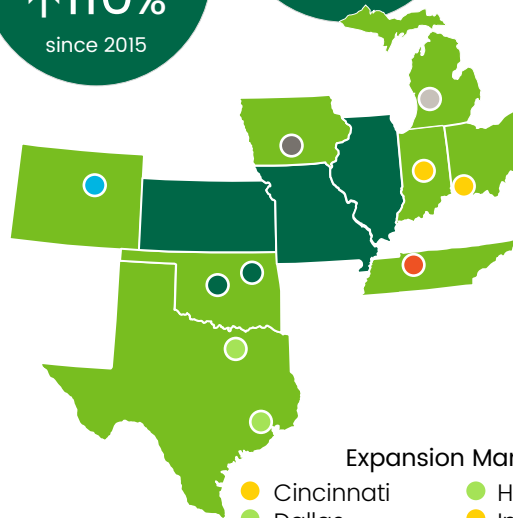
Expansion Market Loan Growth

\$ in millions

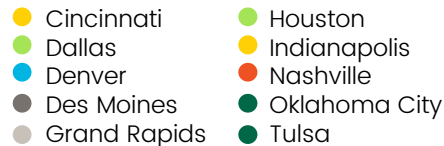


Expansion Market Loan Growth
↑110%
since 2015

Fee Income Growth
↑106%
since 2015



Expansion Markets



Team Overview for Expansion Markets

of team members per market
(includes open positions)

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

INDUSTRY-LEADING COMMERCIAL PAYMENTS CAPABILITIES

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

RECEIVABLES. PAYABLES. AUTOMATION.
TURNS OUT COMMERCE IS WAY MORE THAN A BANK.



\$174
MILLION

Payments
Revenue

\$52.3
MILLION

Treasury
Management
Revenue

\$8.5
BILLION

Commercial
Card Volume

\$6.1
BILLION

Merchant
Volume

Key Verticals

CommerceHealthcare®

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

Claims Payments

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

COMMERCE HEALTHCARE

Specialty Healthcare Division

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

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

Patient Lending solutions reached \$1 billion in funding since inception

Providing payment automation solutions to more than 350 hospitals nationwide

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

Successfully completed 'HFMA Peer Review' certification



Expanding our solutions portfolio

CommerceHealthcare®



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



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

Consistently ranked among the top issuers in the Nilson Report

#12

Commercial
Card Issuer

#7

Purchasing¹
Card Issuer

#9

Bank
Acquirer

#12

Consumer
Card

#20

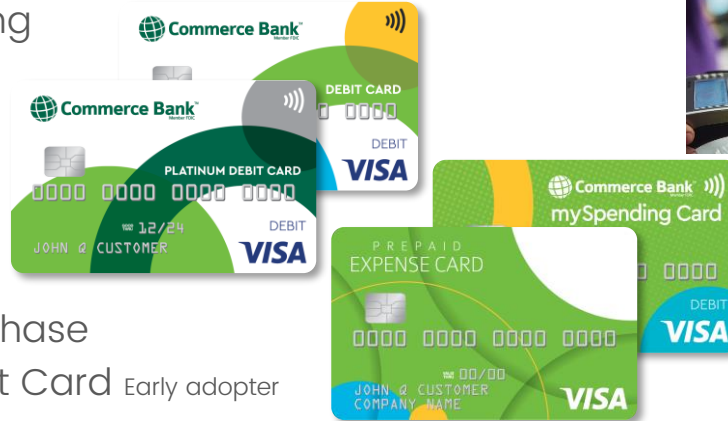
Debit
Card

#11

Prepaid
Card

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}

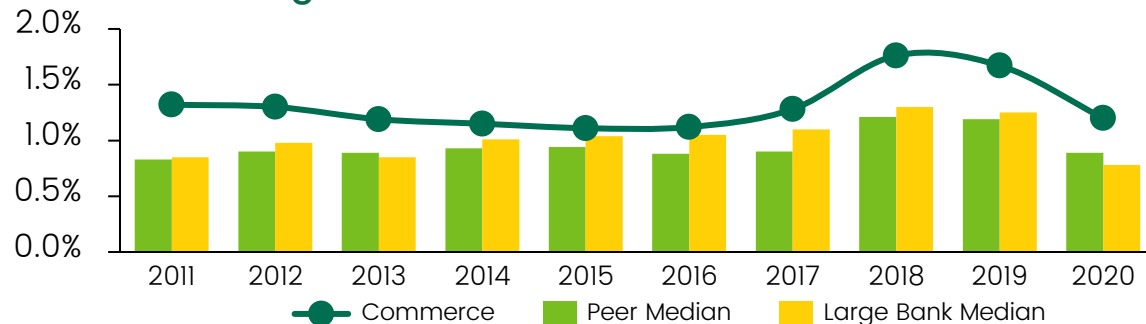


¹Includes fleet cards

Source: Nilson Reports (Debit: April 2020; Consumer Card: February 2020; Prepaid: September 2020; Merchant: March 2020; Purchasing: May 2020; Commercial Card: May 2020), based on the top 50 U.S. banks ranked by total assets as of 12/31/2019, S&P Global Market Intelligence

COMMERCE BANK MAINTAINS SOLID PERFORMANCE OVER TIME

Return on Average Assets

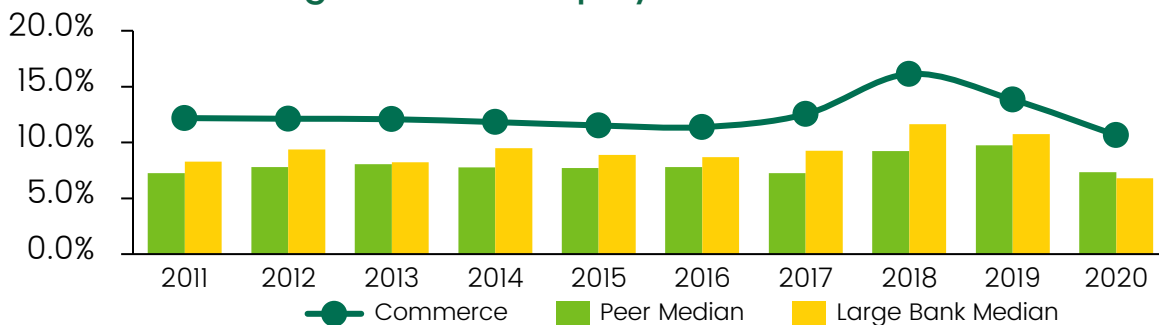


ROAA 10-yr average

CBSH: 1.31%

Peers: 0.96%

Return on Average Common Equity



ROACE 10-yr average

CBSH: 12.4%

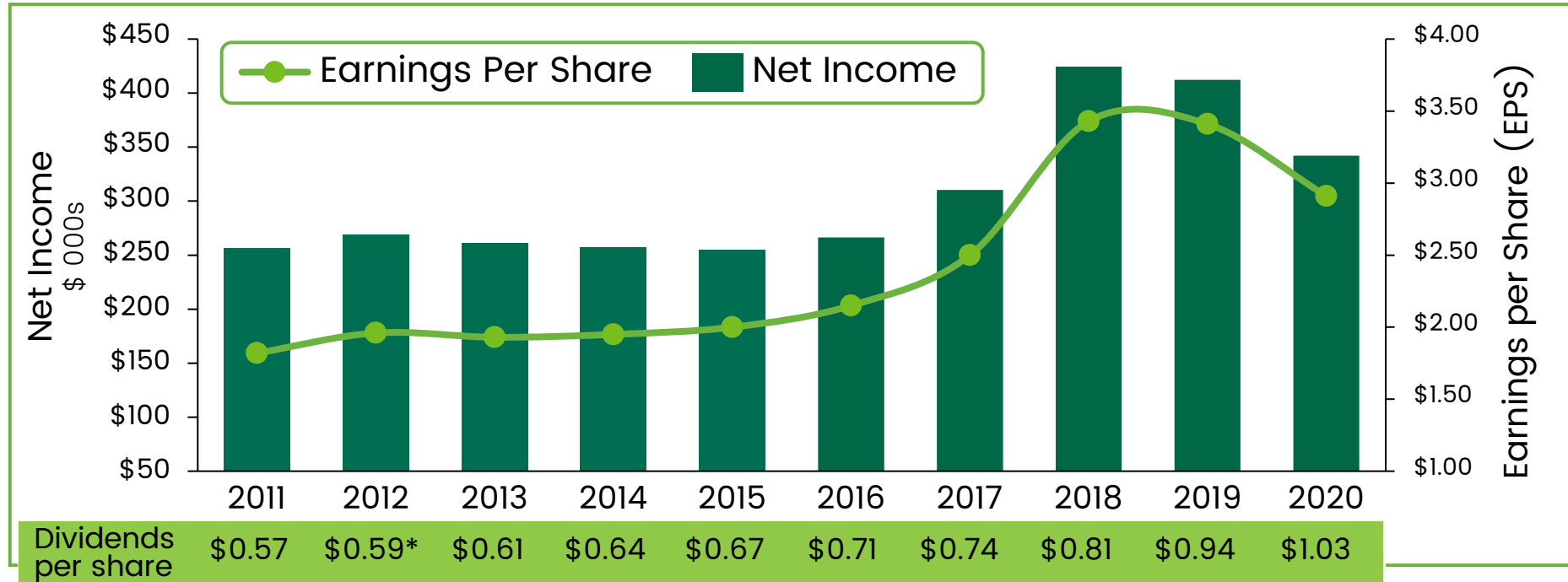
Peers: 8.0%

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

Large Banks include: JPM, BAC, C, WFC, USB, TFC, PNC, FITB, CFG, KEY

Sources: S&P Global Market Intelligence and company reports and filings as of 12/31/2020

LONG-TERM VIEW: NET INCOME AND EARNINGS PER SHARE



EPS REMAINS STRONG

2021 MARKS THE 53RD CONSECUTIVE YEAR OF DIVIDEND GROWTH

**Including 2012 special dividend = \$1.56*

All data has been restated for 5% stock dividend distributed in December 2020

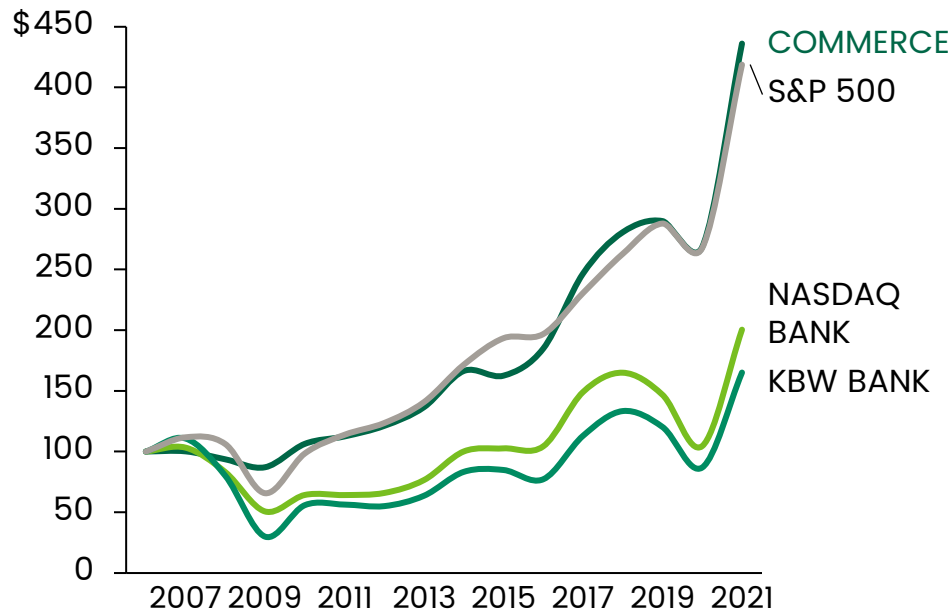
Net Income represents Net Income Available to Common Shareholders

STEADY SHAREHOLDER RETURNS

as of March 31, 2021

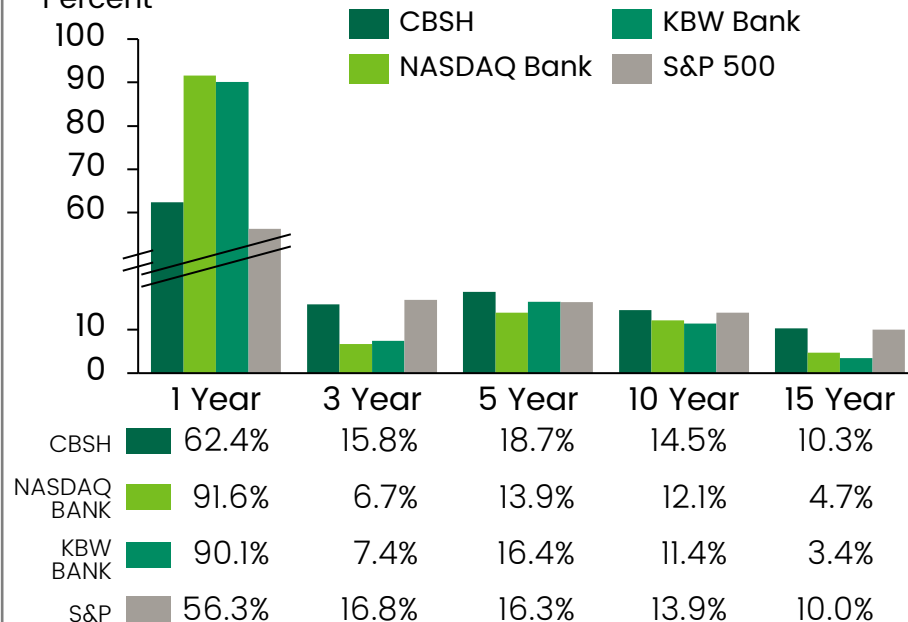
Total Shareholder Returns

Indexed, 3/31/2006 = \$100



Annualized Comparison Total Shareholder Returns

Percent



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

NON-GAAP RECONCILIATIONS

Pre-tax, Pre-provision Net Revenue

		For The Three Months Ended		
(DOLLARS IN THOUSANDS)		Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020
A	Net Interest Income	\$ 205,748	\$ 209,763	\$ 201,065
B	Non-Interest Income	\$ 136,045	\$ 135,117	\$ 123,663
C	Non-Interest Expense	\$ 192,573	\$ 196,310	\$ 193,698
Pre-Provision Net Revenue (A+B-C)		\$ 149,220	\$ 148,570	\$ 131,030

Investor Relations

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Matthew.Burkemper@commercebank.com

Commerce Bancshares, Inc. Investor Relations website:

<http://investor.commercebank.com/>





Playing Offense in a Challenging Time



Commerce Bancshares, Inc.