

COMMERCE BANCSHARES, INC.

INVESTOR UPDATE
FEBRUARY 2015

Charles Kim
Chief Financial Officer

Jeffery Aberdeen
Controller



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 2014 3rd Quarter Report on Form 10-Q and the Corporation’s Current Reports on Form 8-K.

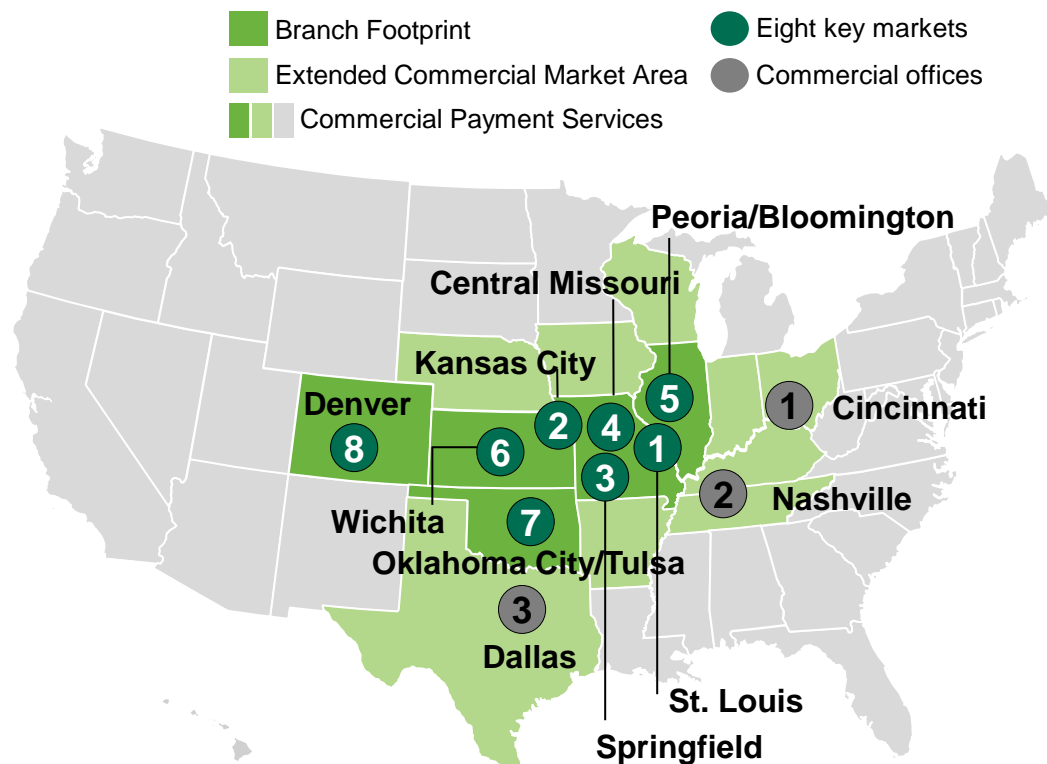
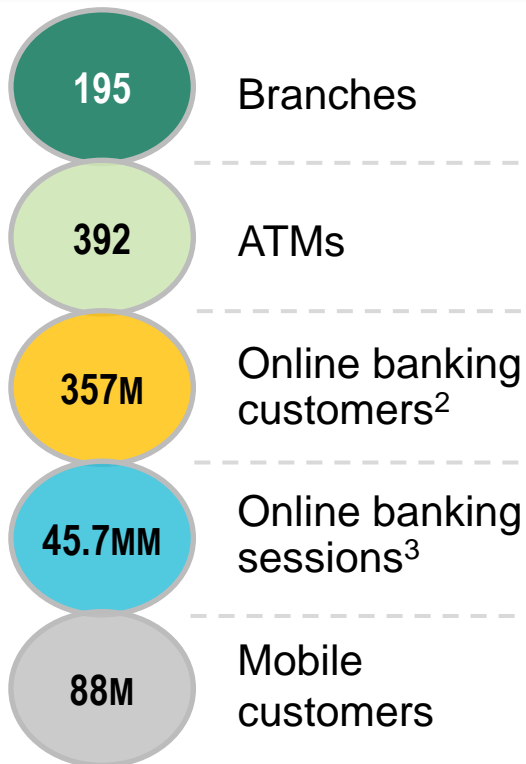


ABOUT COMMERCE BANCSHARES

Super-Community Bank - 150 years strong - \$24.0 billion in assets

- 37th largest U.S. bank based on asset size¹
- Investment in distinctive, high-return businesses coupled with top quartile credit metrics
- Growth opportunities in expansion markets
- Commercial Payment Services offered in 48 states

Distribution Channels



Data as of December 2014 unless otherwise noted

Source: ¹SNL Financial as of 9/30/2014

²Includes active Retail and Small Business customers

³Retail sessions in 2014

We ask, listen and solve.



Commerce Bancshares, Inc. 2

SUPER-COMMUNITY BANK PLATFORM

A CONSISTENT STRATEGY WITH A LONG TERM VIEW

Community Bank Front End

- Responsive to customer needs and changing preferences
- Core values embraced by employees
- Award winning customer service
- Knowledge of customers and markets reduces risk

Customer relationship-based
We ask, listen and solve.

High performing teams and engaged workforce

Investment in distinctive, high-return businesses

Long history of top quartile credit quality metrics

Disciplined approach to acquisitions

Focus on operational efficiencies



Super-Regional Back End

- Sophisticated payment system capabilities
- Broad consumer product offerings
- Private Banking; Trust; Capital Markets
- Shareholder driven and strong financial performance
- Competitive on unit costs



ABOUT OUR MARKETS

St. Louis

Population: 2.8 million
5-yr population growth: 0.6%
Median HH income: \$53M
Unemployment rate: 5.6%

Kansas City

Population: 2.1 million
5-yr population growth: 2.7%
Median HH income: \$56M
Unemployment rate: 5.0%

Community Markets¹

Population: 1.8 million
5-yr population growth: 2.4%
Median HH income: \$51M
Unemployment rate: 4.9%

Tulsa

Population: 0.9 million
5-yr population growth: 3.4%
Median HH income: \$47M
Unemployment rate: 4.4%

Denver

Population: 2.7 million
5-yr population growth: 7.6%
Median HH income: \$61M
Unemployment rate: 3.9%

Nashville

Population: 1.8 million
5-yr population growth: 6.2%
Median HH income: \$50M
Unemployment rate: 5.1%

Cincinnati

Population: 2.1 million
5-yr population growth: 1.1%
Median HH income: \$53M
Unemployment rate: 4.3%

Dallas

Population: 6.9 million
5-yr population growth: 8.6%
Median HH income: \$58M
Unemployment rate: 4.7%

Oklahoma City

Population: 1.3 million
5-yr population growth: 6.2%
Median HH income: \$48M
Unemployment rate: 3.9%



STRONG INDUSTRY RECOGNITION AND INNOVATION

Bank Directors' Top Banks

Commerce ranked #12 on *Bank Director* magazine's 2014 Bank Performance Scorecard (\$5 - \$50 billion asset category)

\$5 BILLION UP TO \$50 BILLION

Bank	Change Rank	Assets	Assets Change	Profitability	Capital Strength	Asset Quality
Bank of America Corp.	1	\$1,822.00B	1.2%	1.2%	A-	1.0%
Wells Fargo Bank	2	\$1,554.00B	1.1%	1.1%	A-	1.0%
Citigroup Inc.	3	\$1,452.00B	1.0%	1.0%	A-	1.0%
JPMorgan Chase & Co.	4	\$1,350.00B	0.9%	0.9%	A-	1.0%
Bank of New York Mellon Corp.	5	\$1,248.00B	0.8%	0.8%	A-	1.0%
US Bancorp	6	\$1,146.00B	0.7%	0.7%	A-	1.0%
TD Bank Group	7	\$1,044.00B	0.6%	0.6%	A-	1.0%
Commerce Bancshares Inc.	12	\$500.00B	0.2%	0.2%	A-	1.0%

America's Best Banks by Forbes

Commerce ranked among the top ten on *Forbes'* list of *America's Best Banks* six years in a row

As reported by *Forbes*

Full List: America's Best And Worst Banks 2015

This is the sixth straight year *Forbes* has ranked the 100 largest publicly traded banks and thrifts. Banks have made huge strides since the global financial crisis threatened to implode the global banking system. The FDIC's "Problem Bank List" of banks shrank to 329 as of September from 515 a year ago (it was 884 at the end of 2010). Although, we are still miles away from the historic low of 47



LIPPER
FUND AWARDS 2013
UNITED STATES

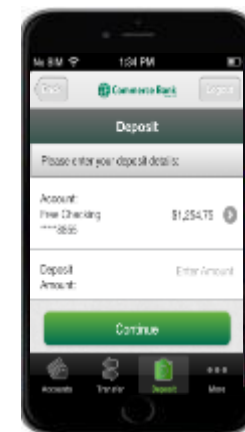
INNOVATION AT COMMERCE



CommerceVantage™



RemitConnect®



ENABLES EXECUTION OF CORPORATE STRATEGIES

Core Values

We have a long term View

We collaborate as One team

We act with Integrity

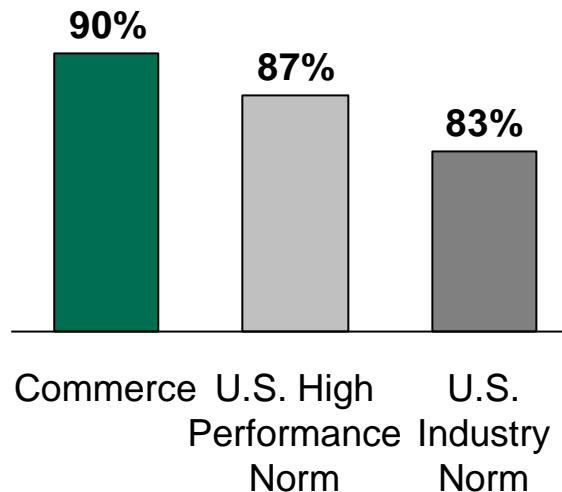
We are Customer focused

We strive for Excellence

- Engaged, long-term leadership team
- Focus on people/talent development
- Award winning customer service
- Knowledge of customers and markets
- Emphasis on credit underwriting – top quartile credit quality metrics
- Focus on EPS growth
- Collaboration drives sales across business lines

- 4,744 employees
- Continuously strong employee engagement scores

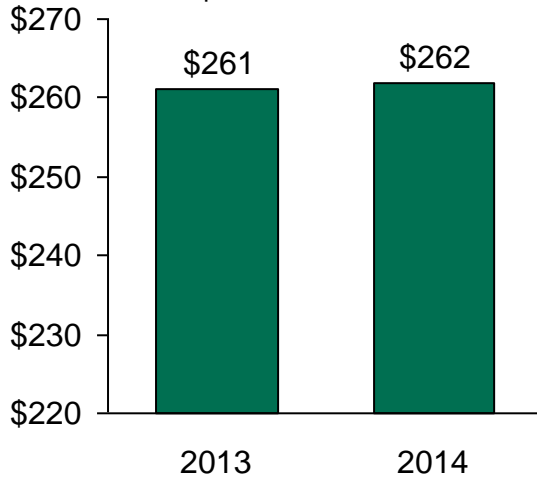
2014 Employee Engagement



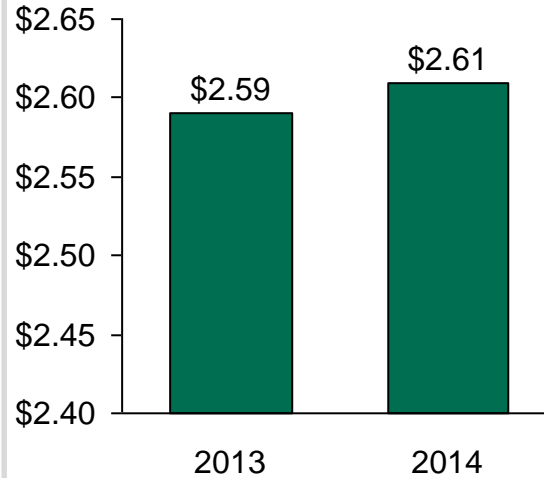
150 years – dedicated to providing high customer service and risk adjusted shareholder returns

FINANCIAL PERFORMANCE VS. PRIOR YEAR

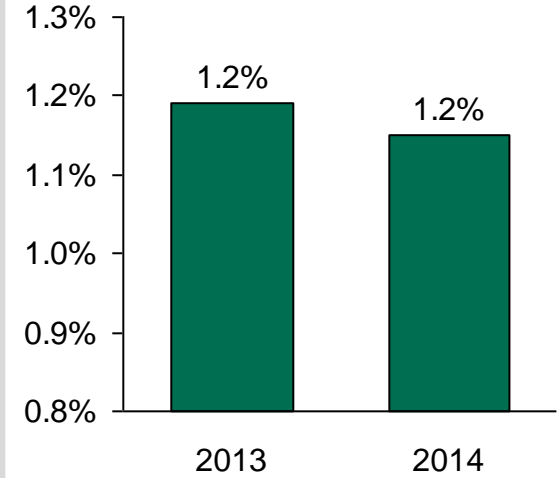
Net Income Attributable CBI \$ millions



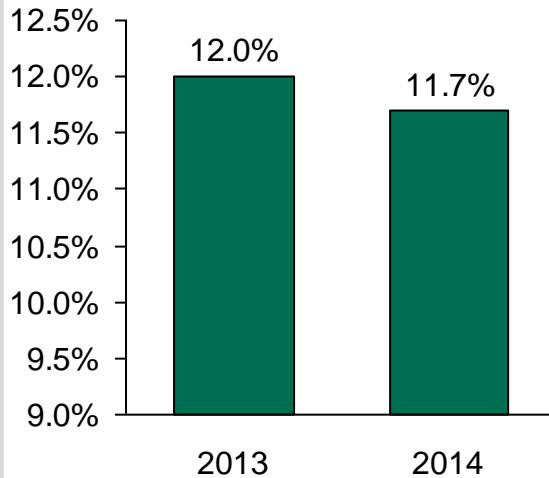
EPS



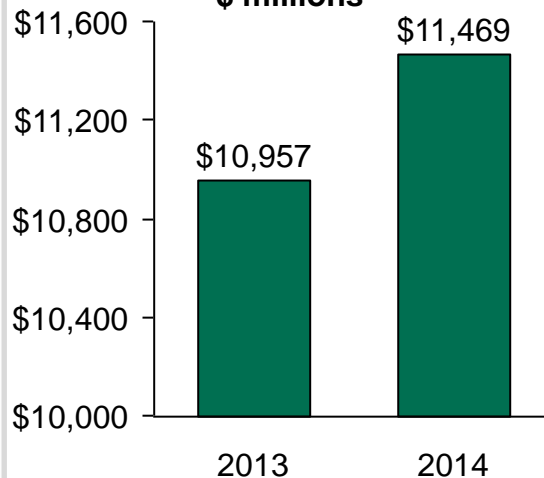
Return on Assets



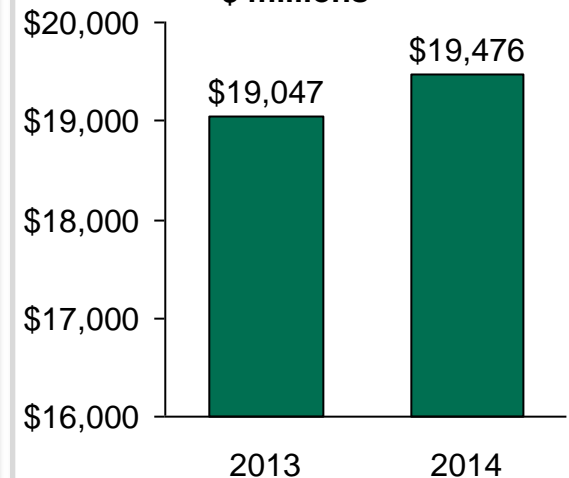
Return on Common Equity



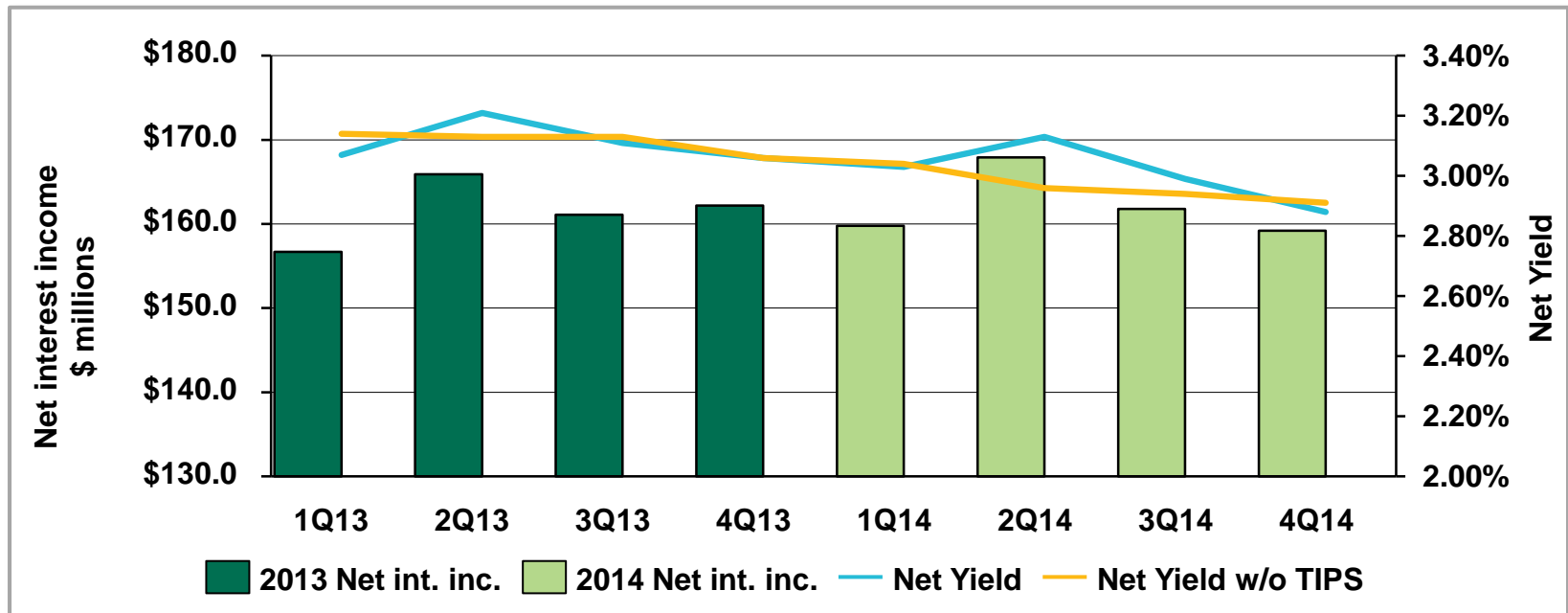
Period End Loans \$ millions



Period End Deposits \$ millions



NET INTEREST INCOME YTD – December 31, 2014



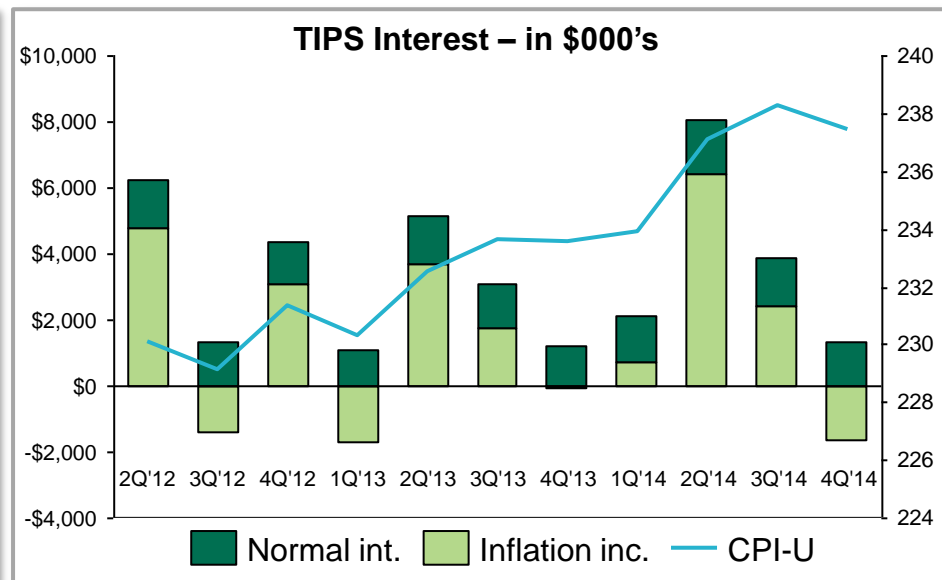
Tax equivalent – QTD	12/31/13	9/30/14	12/31/14
Rates earned – assets	3.20%	3.12%	3.00%
Rates paid – liabilities	0.22%	0.20%	0.20%
Net yield – earning assets	3.06%	2.99%	2.88%

- Excluding TIPS inflation income, NIM would have declined 4 basis points (TE)
- Loan yields declined 3 basis points in 4th quarter 2014; declined 4 basis points in previous quarter
- Net interest income (TE) up \$2.7 million in 2014 on higher average loan balances

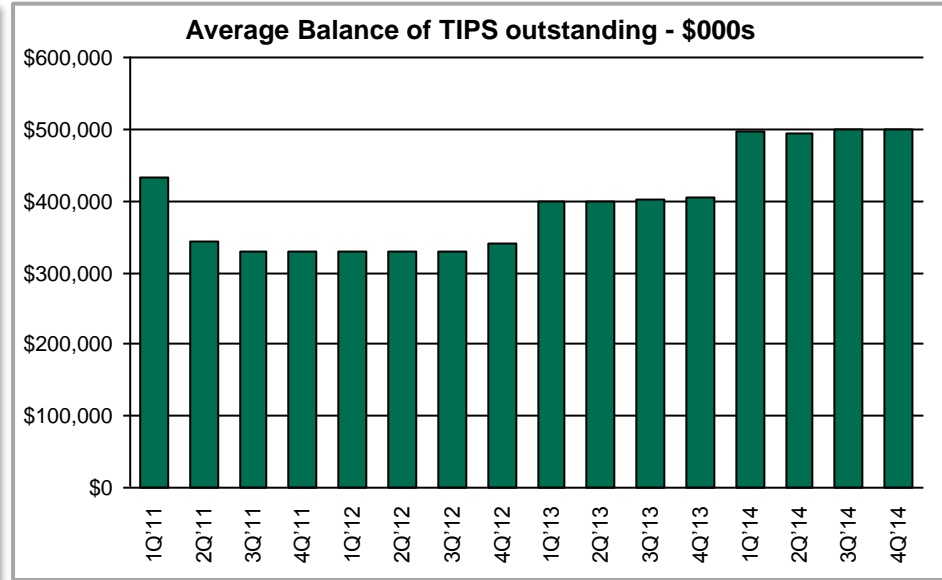


TREASURY INFLATION-PROTECTED SECURITIES (TIPS)

	2013	2014	\$Change
Avg. TIPS O/S	401,162	497,271	
Interest income	\$5,133	\$5,825	\$692
Inflation income	3,642	7,925	4,283
Total interest income	\$8,775	\$13,750	\$4,975
Yield	2.19%	2.77%	
Life to date yield - since 7/09		3.13%	

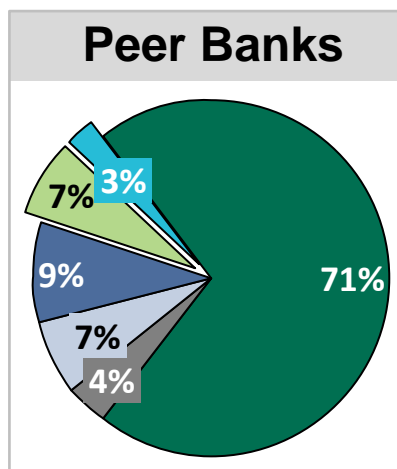
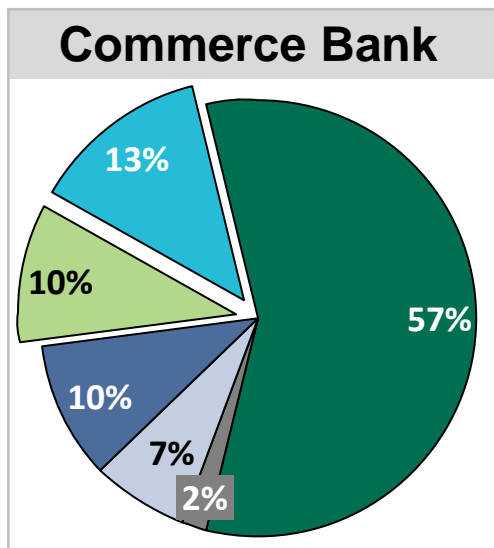


- Interest on TIPS \$5.0 million higher in 2014 vs. 2013; improved yields
- Weighted average maturity of 4.1 years with maturities of \$164 million coming due in 2015 - 2016 (\$44 million due Jan. 2015)
- Life to date yield of 3% compares to rate for 7 year treasuries in 2009 of ~2.5% (approx. life & rates for bonds purchased in 2009)
- Results in above average yields, protection vs. inflation but high volatility

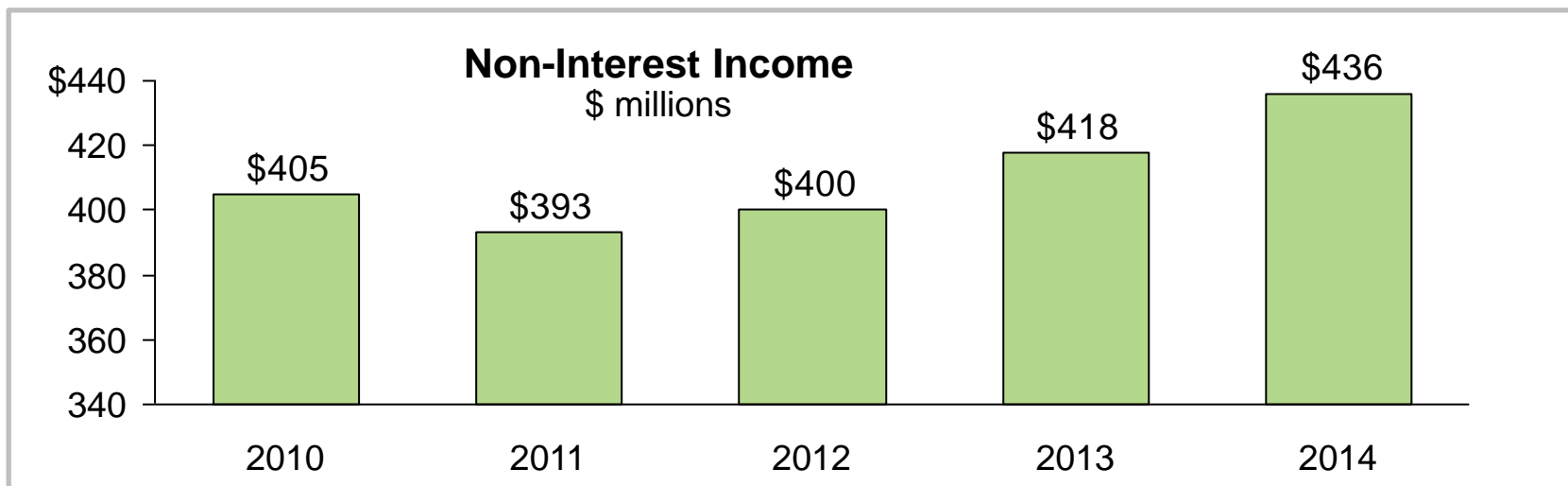


DIVERSE REVENUE RELATIVE TO PEERS

BALANCED MIX OF INTEREST AND NON-INTEREST INCOME



- Net interest income
- Fees & commission
- Deposit service charges
- Other
- Wealth management
- Card income



Peer Banks include: ASBC, BOKF, CYN, CFR, EWBC, FCNCA, FHN, FMER, FULT, HBHC, PB, SBNY, SUSQ, SIVB, SNV, TCB, UMBF, WBS, WTFC

Notes: Excludes Gains and Losses on Securities;

Wealth Management excludes Brokerage

Source: Financial Information Systems; data as of 9/30/2014

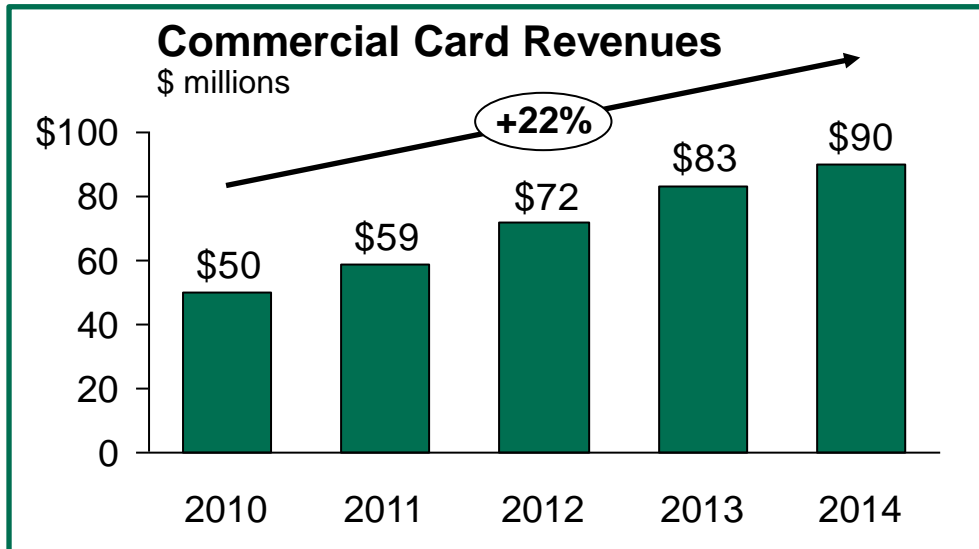
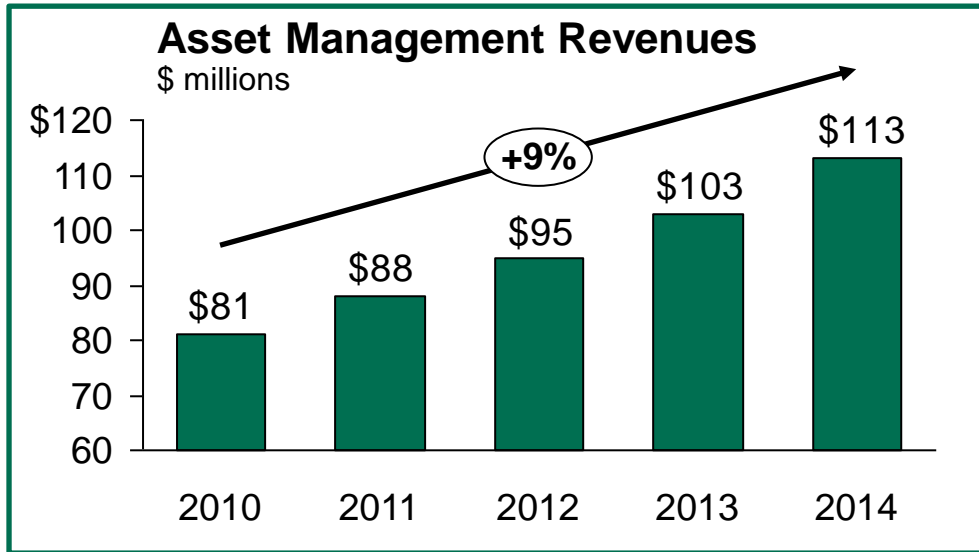
We ask, listen and solve.



Commerce Bancshares, Inc. 10

SUMMARY OF TRUST AND COMMERCIAL CARD REVENUES

Focus on high return businesses added significantly to revenues



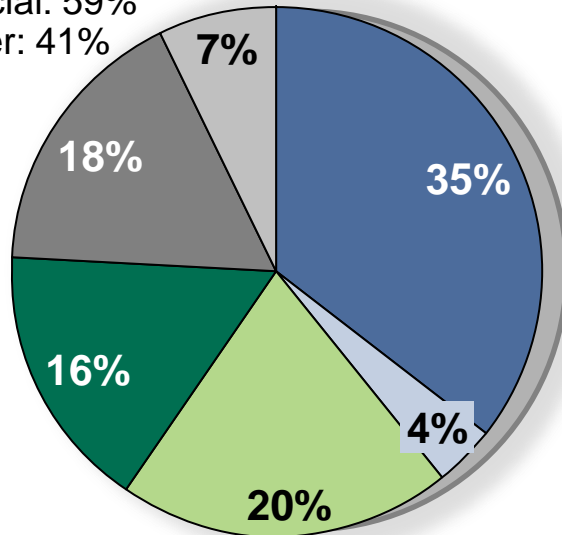
- Asset management and commercial card businesses offer strong growth and good margins
- Combined revenues have grown \$93 million since 2009
- Little reliance on spread income
- Strong organic growth opportunities



WELL-DIVERSIFIED LOAN PORTFOLIO GREW 9% IN 2014

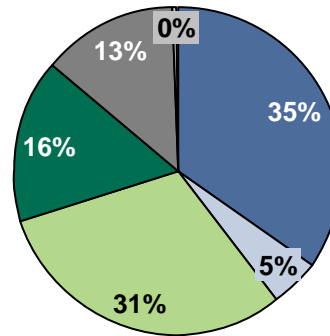
Commerce

Commercial: 59%
Consumer: 41%



Peer Banks

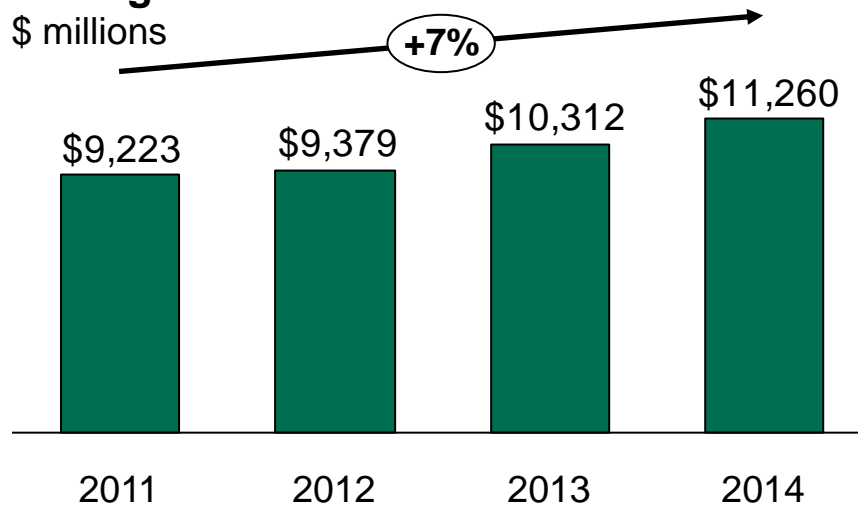
Commercial: 69%
Consumer: 31%



- Bus, Lease & tax free
- Construction
- Business RE
- Personal RE
- Consumer & HELOC
- Consumer Card

Average Loan Growth

\$ millions

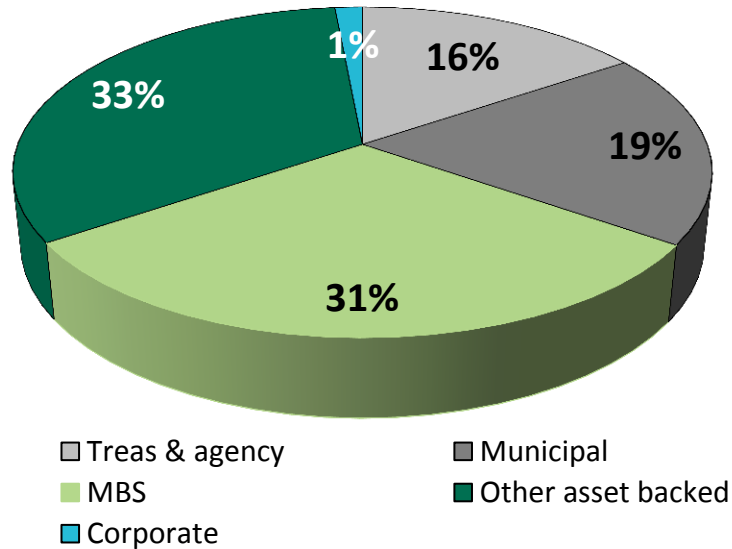


2014 Average Loan Growth from...	\$	%
C&I	336	13
Auto	216	24
Tax-free	157	29
Personal RE	123	2
Construction – CRE	90	3
Lease	60	18



INVESTMENT PORTFOLIO: HIGH QUALITY, DIVERSE, SHORT DURATION

Composition of AFS Portfolio



AFS Portfolio: Dec. 31, 2014

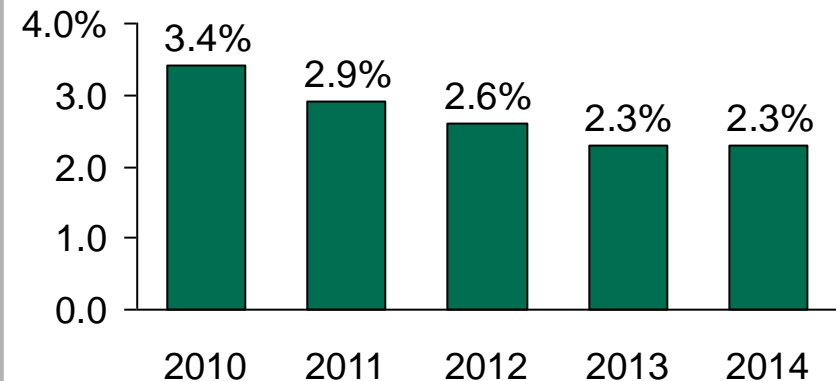
Total investments \$9.4 billion
 Unrealized gain \$137 million
 12 mo. maturities/
 pay-downs \$1.8 billion

Duration (years)

June 2013	2.7
Dec 2013	2.9
June 2014	2.7
Dec 2014	2.4

December 31, 2014	Weighted Avg rate	Weighted Life (years)
Treasury & agency*	1.6%	5.0
Municipal - TE	3.7%	5.4
MBS	2.7%	3.3
Other asset-backed	0.9%	2.1
Corporate	2.2%	5.3

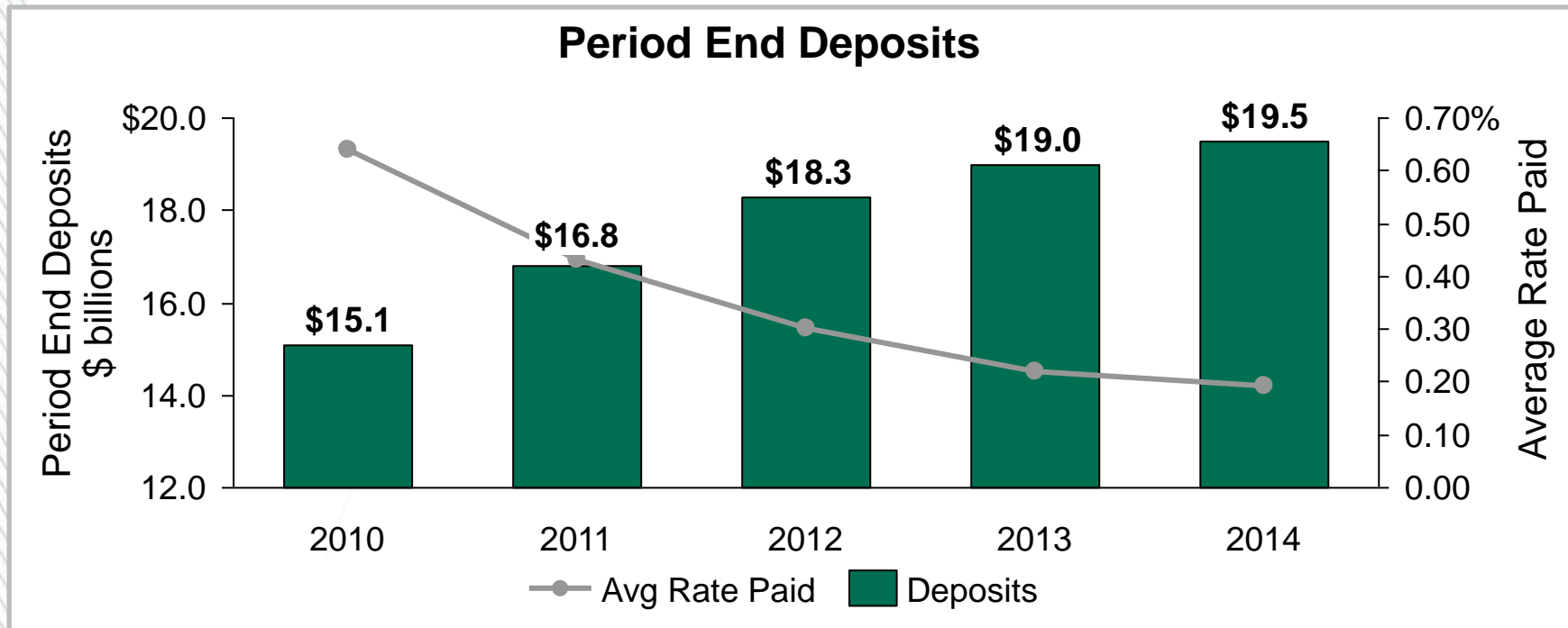
TE Yield – Investments



*Excludes inflation effect on TIPs
 Sources: InTrader, AFS portfolio



DEPOSIT GROWTH CONTINUES BUT AT A SLOWER PACE

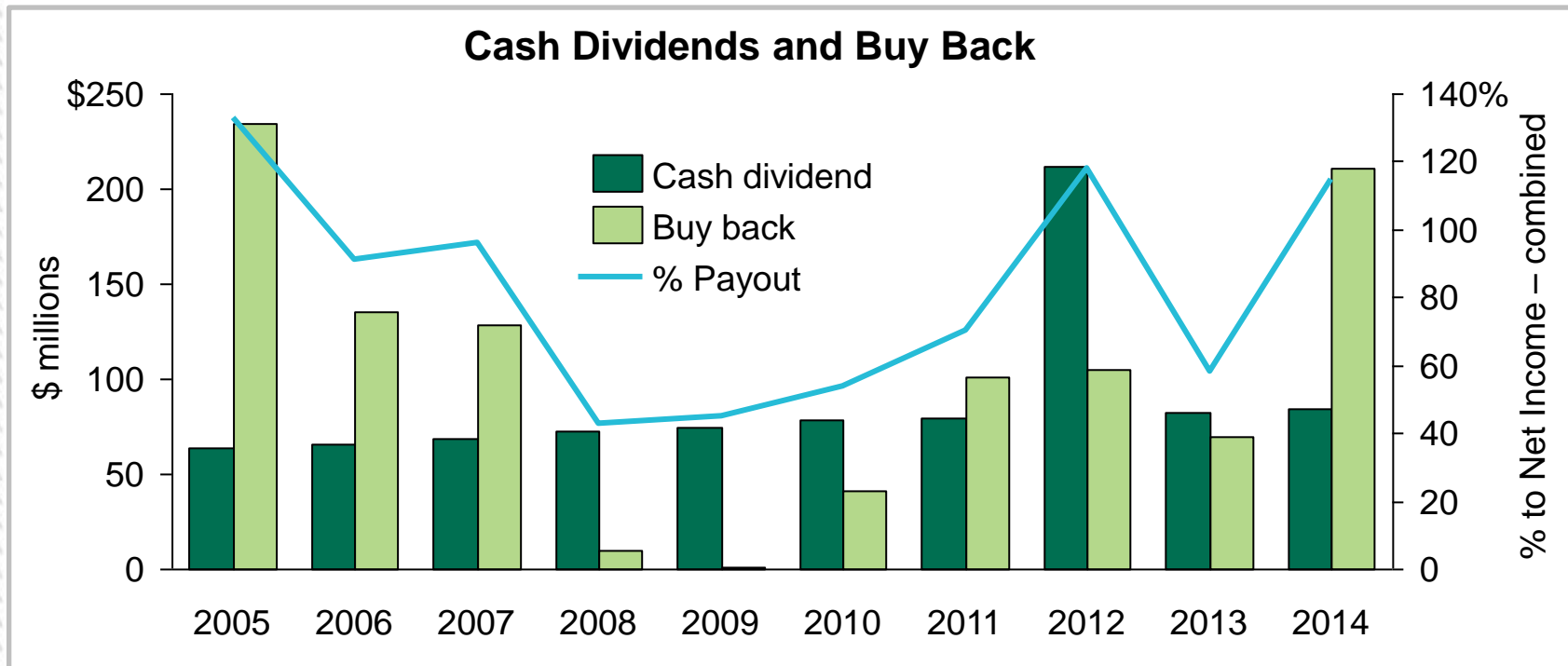


\$ in billions	2009	2014	5 Year Growth
Consumer	\$8.4	\$9.7	15%
Private Banking	\$1.3	\$2.3	77%
Commercial	\$4.5	\$7.5	67%

- After strong growth in 2011 and 2012, core deposit growth slowed to 3-4% in 2013 and 2014
- No signs yet of corporate deployment of funds on deposit



STRONG CAPITAL POSITION – FLEXIBILITY IN CAPITAL PLANNING



Capital Ratios – 12/31/2014

Tangible common equity to assets	8.6%
Tier 1 risk-based capital	13.7%
Total risk-based capital	14.9%

- Repurchased treasury stock of \$211 million in 2014 as part of preferred stock / ASR transaction
- Total cash dividends in 2012 of \$212 million, included \$131 million special dividend
- Expect 1Q15 Basel 3 tier 1 common ratio of 12.0% vs. minimum ratio plus buffer of 7%*

47 consecutive years of regular common cash dividend increases

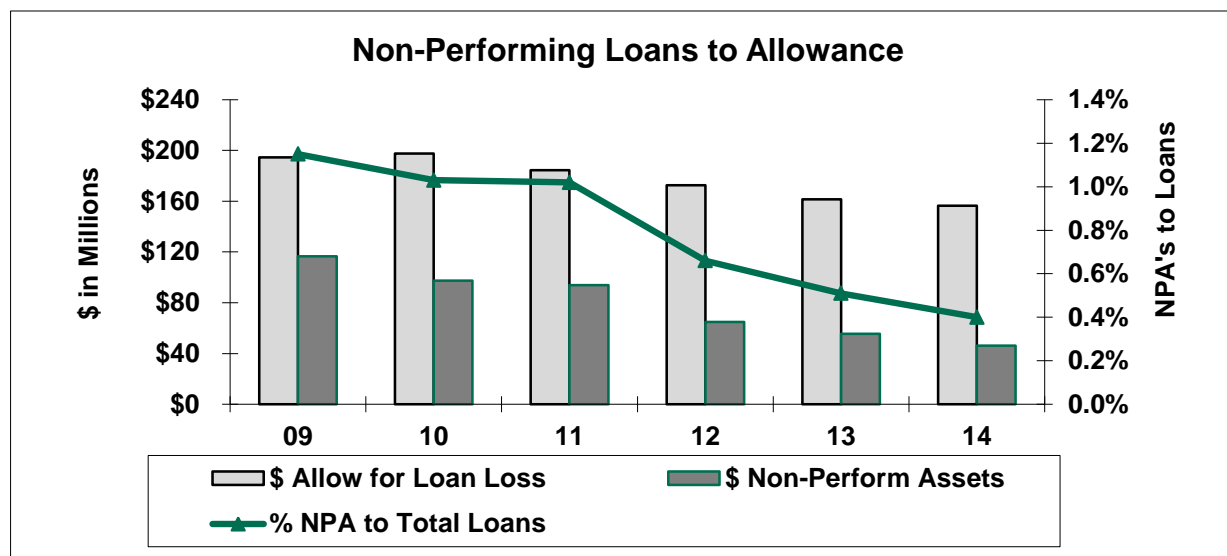
* Uses fully phased-in ratio in 2019



2014 NET LOAN CHARGE-OFFS REFLECT LOWER RECOVERIES

\$ in 000's	YTD 2013	YTD 2014	\$ Change	2014 Loss Rate
Business	\$ (867)	465	1,332	0.01%
Leases	-	-	-	0.00%
Overdraft	1,086	1,074	(12)	21.97%
Construction	(4,692)	(1,529)	3,163	-0.37%
Business R/E	952	427	(525)	0.02%
Personal R/E	1,227	527	(700)	0.03%
Consumer	7,540	8,805	1,265	0.54%
HELOC	986	40	(946)	0.01%
Credit card	25,121	24,722	(399)	3.28%
Total	\$ 31,353	34,531	3,178	0.31%

- Charge-offs on commercial type loans remain low – lower level of recoveries on construction loans suggests slowing going forward
- Loss rates on both consumer and consumer credit card loans remain low
- Growth in consumer losses reflective of higher loan volumes mostly in auto loan portfolio
- Non-performing loans continue to decline



MAINTAINING THE BALANCE

Continued strong performance of the core bank



COMMERCE BANK

150 YEARS STRONG

Deepen relationships and profitability in **traditional markets & lines of business**

Execute on disciplined **sales** process

Achieve continuous process & cost **efficiencies**

Divest businesses & activities that no longer provide acceptable returns

Invest in distinctive, **high return** businesses

Innovate on select products and services








Leverage our position in the **expanded geographic markets** and maximize profitability

Continuous improvement

Innovation & investment

Disciplined focus on priority blue chip investments



-  Supply Chain Finance
-  Expansion Market Growth
-  Claims Payment
-  Transforming the Retail Model
-  New Commerce Mortgage
-  Accelerated Growth in Wealth Management
-  Health Services Financing



People
Our greatest asset
The Commerce EDGE



2015 BUSINESS PLAN: OVERVIEW OF OUR STRATEGIC POSITION

Strengths

- Solid performance in 2014
- Excellent credit metrics
- Avenues for new loan growth (mortgage, indirect, leasing, healthcare)
- Industry leading payments capabilities
- Scale and capabilities in wealth management
- Unit cost efficiencies in back office
- Highly engaged team (*The Commerce EDGE*)
- Super community format

Opportunities

- Focus on Blue Chip investments to generate new revenues/profits
 - Outsize growth in expansion markets
 - Rapid adoption in new products/services (e.g., Claims Payment, HSF, Supply Chain Finance)
 - Adapt quickly to transform retail revenue/expense model
- Continue to raise the bar on product innovation and service quality

Challenges

- Continuing margin erosion
- Regulatory and compliance distractions/costs
- Balance need for growth and risk management
- Changing customer expectations and preferences
- Controlling costs in businesses that no longer meet return expectations

Threats

- Highly competitive operating environment
 - Relaxed lending standards
 - Downward pricing pressure
- Modest re-leveraging of consumer balance sheets, creating lending risk
- Deposit run-off as rates rise
- Technology threats (via banks and non-banks)
- Continuing low, flat yield curve
- Fraud and cyber-security
- Damaging regulation



TRANSFORMING THE RETAIL MODEL

Opportunities:

- + New and refreshed product and service offerings
- + Attracting new households
- + Evolution of distribution strategy
- + Leverage strong online performance to expand relationships
- + Continued focus on expense reduction

Blue Chips and Key Priorities:

- Continue transformation of branch model
- Re-engineer sales models to align with changing customer expectations
- Deliver new products to increase revenue opportunities
- Deliver expanded digital capabilities
- Aggressively refine lending process

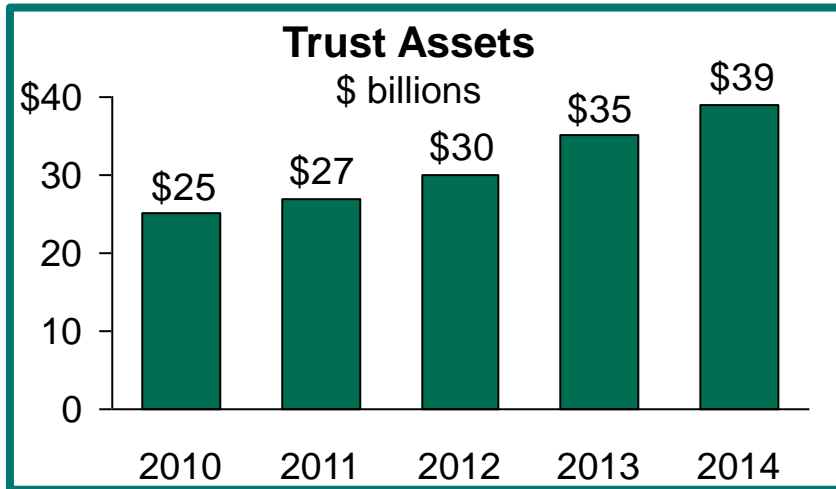
Evolving the branch distribution strategy to meet changes in customer preferences



Branches remain a critical component of our overall distribution strategy, but changing to remain relevant

COMMERCE TRUST COMPANY – GROWING WEALTH SECTOR

- \$39 billion in total client assets
- Ranked #25 nationally based on assets under management¹
- Bond Fund achieved 5-star rating by Morningstar
- #2 Fastest Growing Family Office (Bloomberg)
- Fixed Income Funds named Lipper's #1 small fixed income firm in U.S. for 2nd straight year



As reported by *Bloomberg*

THE RICHEST FAMILY OFFICES

FIRM NAME > MAIN OFFICE LOCATION(S)	ADA, IN BILLIONS ²	YOY % CHANGE	NUMBER OF FAMILIES
1 HSBC Private Wealth Solutions > HONG KONG	\$143.5	3	334
2 Northern Trust > CHICAGO	116.4	3	4,340
3 Citi Private Bank > NEW YORK	100.5	8	NA
4 Bessemer Trust > NEW YORK	96.6	10	>2,200 ³
5 Silvercrest Asset Management Group > NEW YORK	13.0	21	420
21 Commerce Family Office (Commerce Trust Co.) > ST. LOUIS	11.2	31	94
22 Whittier Trust > SOUTH PASADENA, CALIFORNIA	10.0	12	314
23 ATAG Private & Corporate Services > BASEL, SWITZERLAND	8.4	5	52

KEY ■ FIRMS WITH GREATEST YEAR-OVER-YEAR GROWTH ■ RANK ACCORDING TO YOY GROWTH



Blue Chips and Key Priorities

- Expand sales staff and calling programs
- Focus on newer markets
- Managed product lines offer growth opportunities
- Expand Family Office
- Emerging wealth – Horizons in Brokerage

Sources: CTC quarterly stats as of 12/31/2014
 Bloomberg Global Family Office ranking published November, 2014
¹SNL Financial 9/30/2014

We ask, listen and solve.

COMMERCIAL – REVENUE GROWTH OPPORTUNITIES



PRODUCT

Healthcare Suite
 Clayton Holdings
Equipment Finance
 Treasury Services
 Corporate Card
 Merchant Services
 International
 Franchise Finance
 Floor Plan Lending
 Farmer Mac
 ESOPs

INDUSTRY

Healthcare
 Energy
 Agribusiness
 Food Processing
 Not-for-Profit
Aviation
 Beverage Distribution
 Municipalities
 Manufacturing
 Education
 CRE

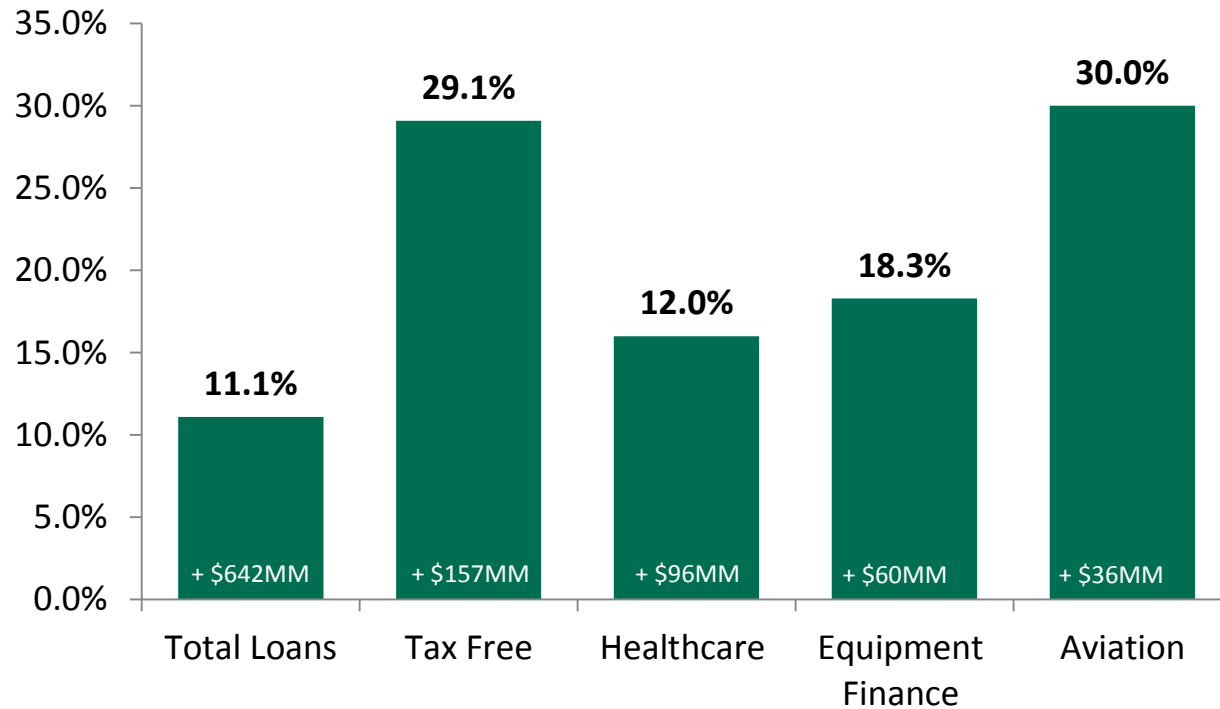
COMPETITION

Product Deficiency
 RM Issues
 Drop in Service
 Other Issues

TERRITORY

Expansion Markets
 Core Markets
 Counties
 Cities

Loan Growth YOY 2013-2014

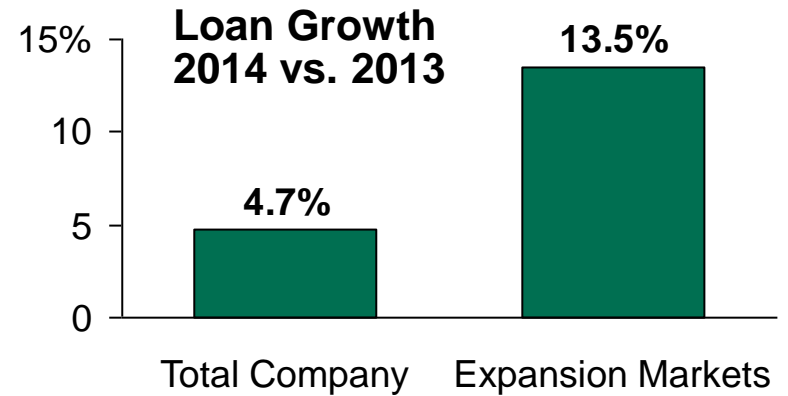
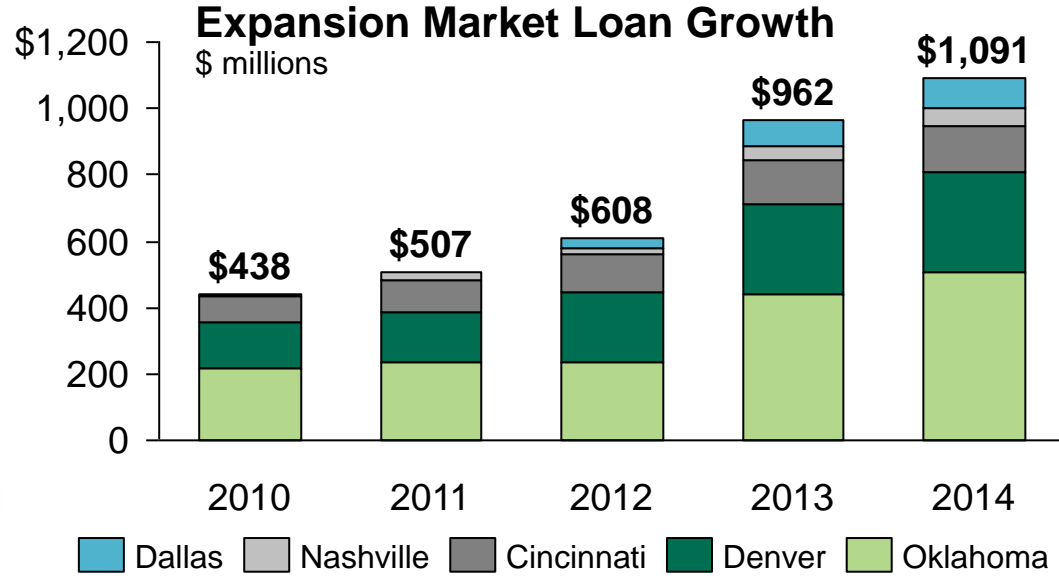


Blue Chips and Key Priorities:

- Enhance systematic sales process
- Refine Healthcare Banking strategy; opportunities – RemitConnect, Health Services Financing, Point of Care
- Growth in equipment finance; aviation opportunities
- Build out capabilities in Expansion Markets



COMMERCIAL BANKING – EXPANSION MARKETS



EXPANSION MARKETS OFFERING GROWTH OPPORTUNITIES

CARD PRODUCTS – A LEADER IN THE PAYMENTS INDUSTRY

Consistently ranked among the top issuers in the Nilson Report

Commercial Card
Debit Card
Consumer Card
Merchant Services

- #7** Purchasing Card Issuer
- #17** Commercial Card Issuer

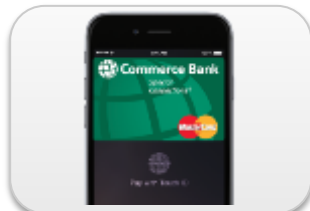
- #35** Debit Card Issuer

- #18** Consumer Card Issuer*

- #13** Bank Acquirer*

Key Products:

- AP Automation
- Health Services Financing
- Claims Payments
- Private Network
- Supply Chain Finance
- Point of Care
- toggle
- Apple Pay

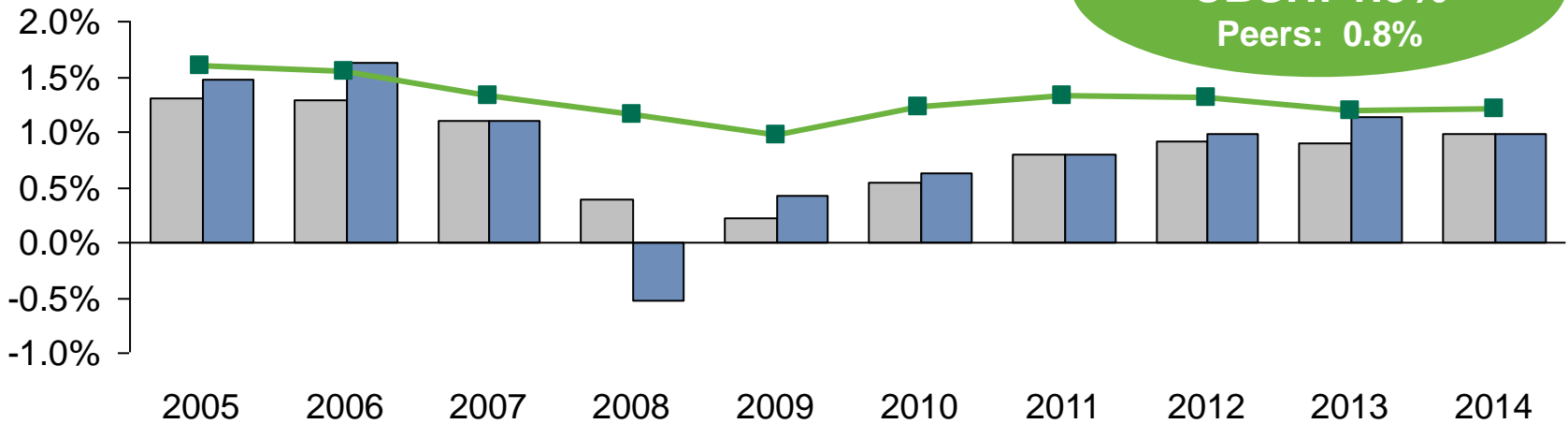


*Excludes non-banks
Source: Nilson Reports (Debit: April 2014; Consumer Card: February 2014;
Merchant: March 2014; Purchasing: August 2014; Commercial Card August 2014)

We ask, listen and solve.

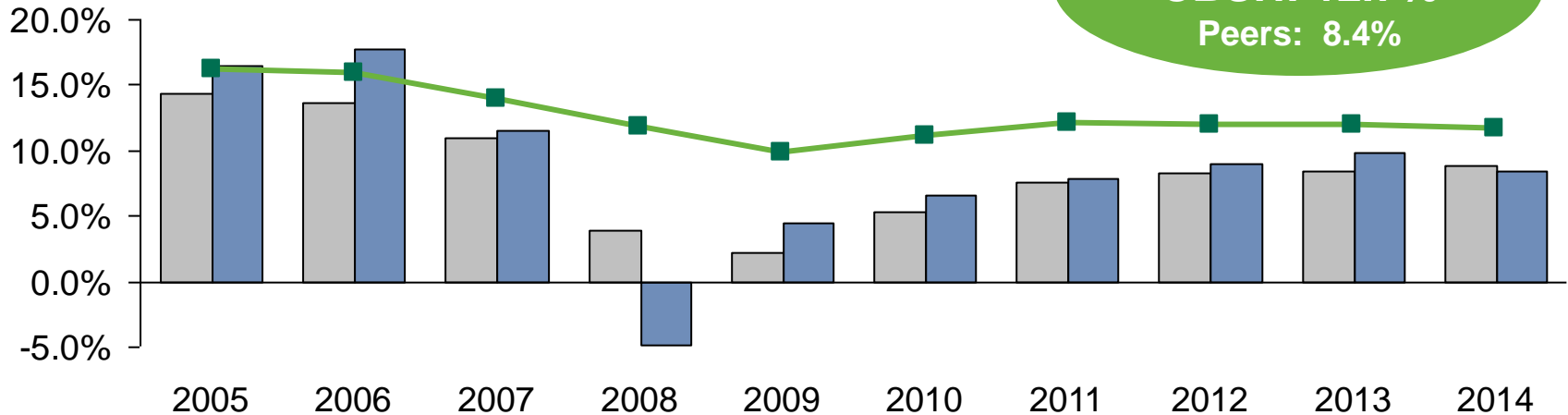
COMMERCE BANK HAS BEEN A SOLID PERFORMER OVER TIME

Return on Assets



■ Commerce Bank
 Peer Banks
 Large Banks

Return on Equity

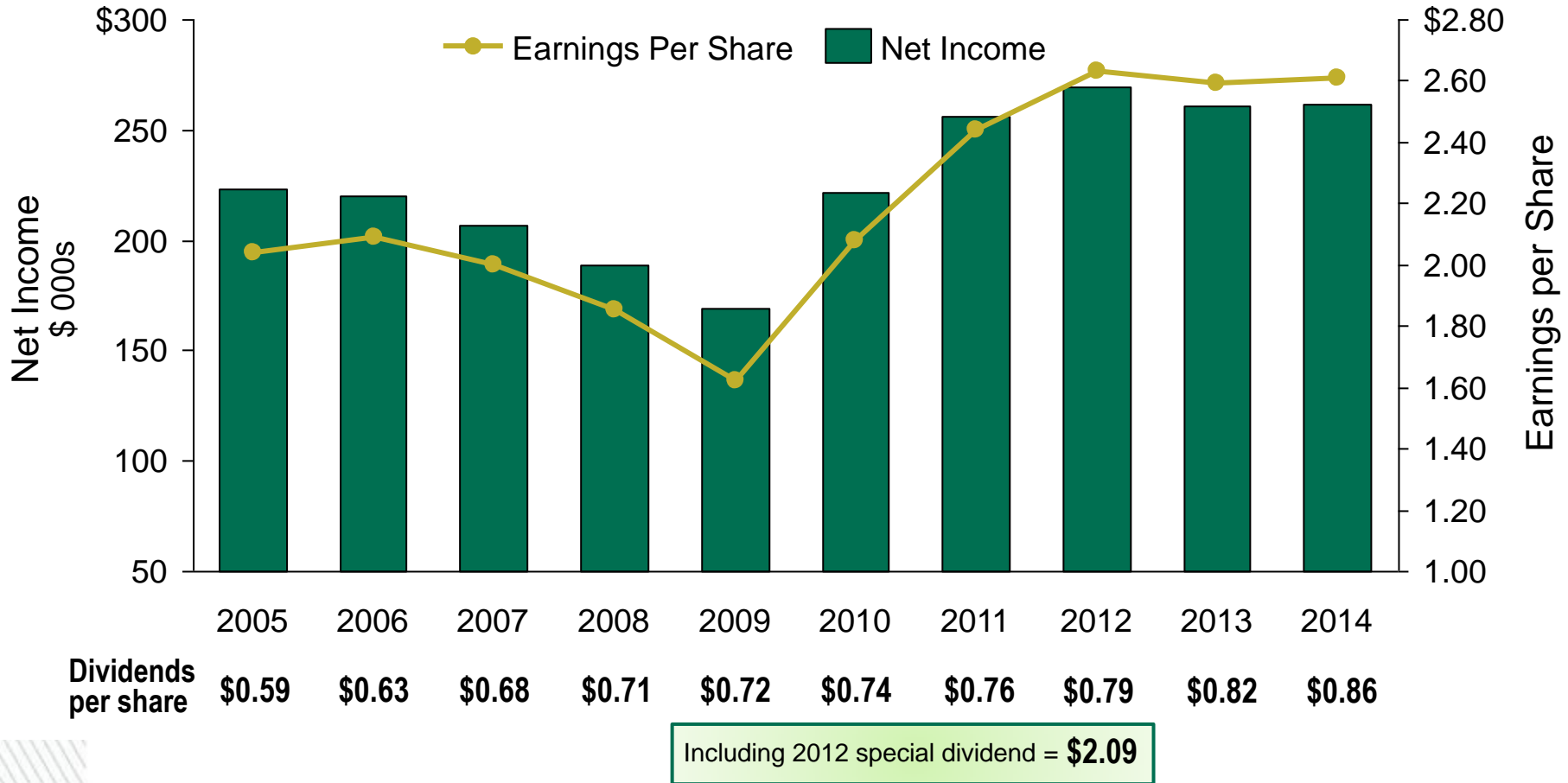


Peer Banks include: ASBC, BOKF, CYN, CFR, EWBC, FCNCA, FHN, FMER, FULT, HBHC, PB, SBNY, SUSQ, SIVB, SNV, TCB, UMBF, WBS, WTFC
 Large banks include: JP Morgan, Citigroup, BoA, Wells Fargo, US Bancorp, Regions, Fifth Third, PNC
 Source: SNL Financial

We ask, listen and solve.



LONG TERM VIEW: NET INCOME AND EARNINGS PER SHARE



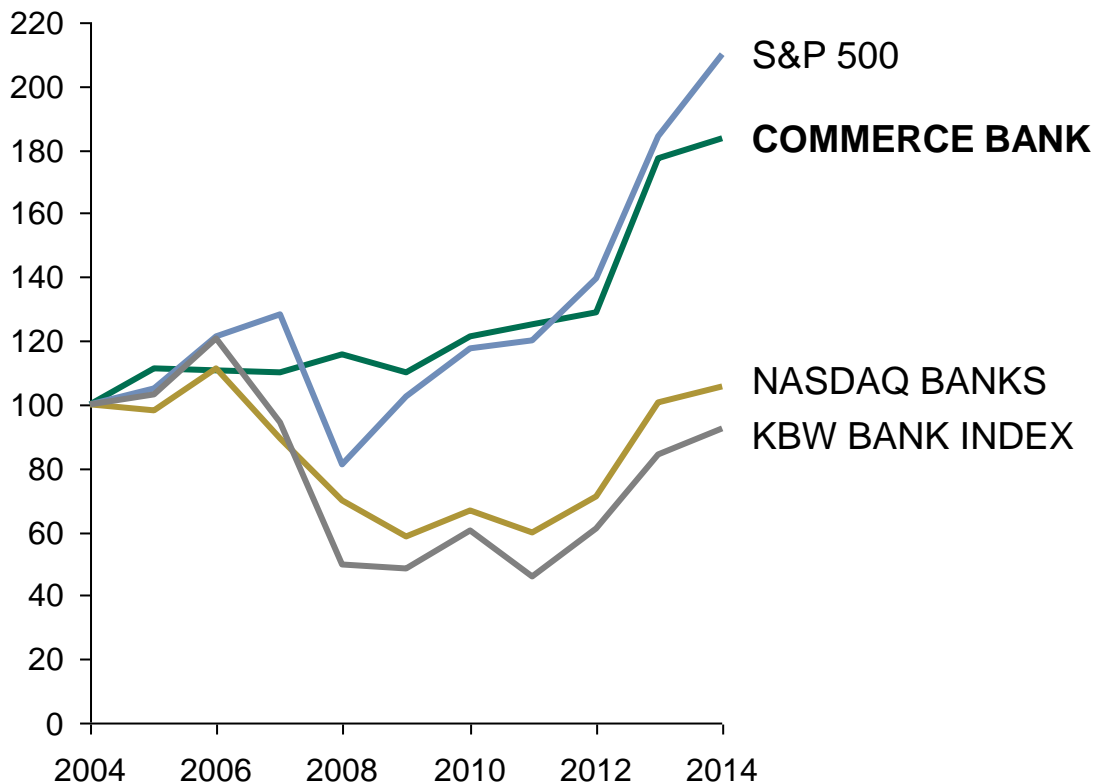
EPS REMAINS STRONG
47TH CONSECUTIVE YEAR OF DIVIDEND GROWTH



STEADY SHAREHOLDER RETURNS IN A HIGHLY VOLATILE MARKET

Total Shareholder Returns*

Indexed, 12/31/2004 = 100



Annualized Total Shareholder Returns*

Percent

	1 yr	3 yr	5 yr	10 yr
CBSH	3.7%	13.5%	10.7%	6.2%
S&P 500	15.2%	20.4%	15.4%	7.7%
NASDAQ Banks	4.9%	20.8%	12.5%	0.6%
KBW Bank Index	9.4%	26.0%	13.6%	(0.8%)

Consistent, positive returns to shareholders
Significant outperformance relative to bank stocks

*Assumes reinvested dividends; multi-year returns are annualized; includes special dividend effective 11/28/2012
 Source: Bloomberg; data as of 12/31/2014



Recent Fixed Income Award

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At Commerce we're committed to providing sound investment options to help you meet your goals, no matter where life takes you. We offer a range of mutual fund portfolios managed by Commerce Investment Advisors, Inc., a subsidiary of Commerce Bank, or separately managed accounts through The Commerce Trust Company. May we discuss your needs?

Past performance does not guarantee future results, which may vary. To obtain the most recent month-end returns, please visit our website at www.commercefunds.com. A current Commerce Funds prospectus or additional information regarding The Commerce Funds may be obtained by visiting our website, calling 1-800-995-6365 or by writing to The Commerce Funds, P.O. Box 219525, Kansas City, MO 64121-9525. Please consider a Fund's objectives, risks, and charges and expenses, and read the prospectus carefully before investing. The prospectus contains this and other information about the Fund.

Commerce Investment Advisors ranked #1 out of 61 eligible firms in Lipper Inc.'s fixed income Small Company universe for the three-year period ended 10/31/12, based on risk-adjusted returns. Lipper's Small Company universe is comprised of fund families with less than \$43.5 billion in total net assets. Only fund families with at least five bond funds were eligible for the fixed income funds manager award. Asset Class Group Awards are given for the three-year period only. Lipper Classification Awards are granted annually to the fund in each Lipper classification that consistently delivered the strongest risk-adjusted performance (calculated with dividends reinvested). Fund Classification Awards are given for three-year, five-year, and ten-year periods. The funds did not win the awards for other time periods. The individual funds may not have ranked number one in their categories.

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