Commerce Bancshares, Inc. operates as a super-community bank offering an array of sophisticated financial products delivered with high-quality, personal customer service. The Company’s customer promise ask listen solve is not just its brand, but also its corporate focus. With this platform, Commerce is continually building its long-term franchise while paying strict attention to asset quality and expense management. Commerce provides a full range of financial products to consumer and commercial customers including: lending, payment processing, trust, brokerage and capital markets services. Serving its customers from more than 360 locations in Missouri, Kansas, Illinois, Oklahoma and Colorado and commercial offices throughout the nation’s mid-section, Commerce uses a variety of delivery platforms including an expansive ATM network, full-featured online banking and a central contact center.

7. Denver

Business volume doubled at Grossman Iron & Steel in St. Louis after owners Skip and Cap Grossman purchased a $20 million “mega-shredder” for their 89-year-old family scrap metal business. Commerce funded the purchase with a flexible equipment financing package that mirrored the price volatility in the scrap metal business. “We couldn’t have done this without Commerce Bank,” says Cap (center), here with his brother, Skip (left) and Tim Conway (right) of Commerce.

Commerce Bancshares, Inc. at a Glance

- $17.5 billion in assets
- Super-community bank
- 368 locations
- 5,217 full-time equivalent (FTE) employees
- 91% of the Company’s profitability comes from seven key markets including Kansas City; St. Louis; Peoria/Bloomington, Illinois; Springfield, Missouri; Wichita, Kansas; Tulsa, Oklahoma; and Denver, Colorado

Market Stability

Commerce is a company that values employees, customers and shareholders while striving to produce consistent, solid returns. Over the last 10 years, the average annual shareholder return on the Company’s stock has been 7.3%, while the S&P 500’s performance has declined 1.4%. In December 2008, Commerce paid its 15th consecutive 5% stock dividend.

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## Operating Results

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Net interest income</td>
<td>$497,331</td>
<td>$501,702</td>
<td>$513,199</td>
<td>$538,072</td>
<td>$592,739</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>30,351</td>
<td>28,785</td>
<td>25,649</td>
<td>42,732</td>
<td>108,900</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>315,839</td>
<td>334,837</td>
<td>352,586</td>
<td>371,581</td>
<td>375,712</td>
</tr>
<tr>
<td>Investment securities gains, net</td>
<td>11,092</td>
<td>6,362</td>
<td>9,035</td>
<td>8,234</td>
<td>30,294</td>
</tr>
<tr>
<td>Non-interest expense</td>
<td>482,769</td>
<td>496,522</td>
<td>525,425</td>
<td>574,758</td>
<td>616,113</td>
</tr>
<tr>
<td>Net income</td>
<td>220,341</td>
<td>223,247</td>
<td>219,842</td>
<td>206,660</td>
<td>188,655</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>61,135</td>
<td>63,421</td>
<td>65,758</td>
<td>68,915</td>
<td>72,055</td>
</tr>
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## At Year End

<table>
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<tr>
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<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$14,250,368</td>
<td>$13,885,545</td>
<td>$15,230,349</td>
<td>$16,204,831</td>
<td>$17,532,447</td>
</tr>
<tr>
<td>Loans, including held for sale</td>
<td>8,305,359</td>
<td>8,899,183</td>
<td>9,960,118</td>
<td>10,841,264</td>
<td>11,644,544</td>
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<tr>
<td>Investment securities</td>
<td>4,837,368</td>
<td>3,770,181</td>
<td>3,496,323</td>
<td>3,297,015</td>
<td>3,780,116</td>
</tr>
<tr>
<td>Deposits</td>
<td>10,434,309</td>
<td>10,851,813</td>
<td>11,744,854</td>
<td>12,551,552</td>
<td>12,894,733</td>
</tr>
<tr>
<td>Stockholders' equity</td>
<td>1,426,880</td>
<td>1,337,838</td>
<td>1,442,114</td>
<td>1,527,686</td>
<td>1,576,632</td>
</tr>
<tr>
<td>Non-performing assets</td>
<td>18,775</td>
<td>11,713</td>
<td>18,223</td>
<td>33,417</td>
<td>79,077</td>
</tr>
<tr>
<td>Common shares outstanding*</td>
<td>82,967</td>
<td>78,266</td>
<td>77,123</td>
<td>75,386</td>
<td>75,791</td>
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## Other Financial Data

<table>
<thead>
<tr>
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<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Return on total assets</td>
<td>1.56%</td>
<td>1.60%</td>
<td>1.54%</td>
<td>1.33%</td>
<td>1.15%</td>
</tr>
<tr>
<td>Return on stockholders' equity</td>
<td>15.19</td>
<td>16.19</td>
<td>15.96</td>
<td>14.00</td>
<td>11.83</td>
</tr>
<tr>
<td>Loans to deposits</td>
<td>78.71</td>
<td>81.34</td>
<td>84.73</td>
<td>88.49</td>
<td>92.11</td>
</tr>
<tr>
<td>Equity to assets</td>
<td>10.25</td>
<td>9.87</td>
<td>9.68</td>
<td>9.54</td>
<td>9.69</td>
</tr>
<tr>
<td>Net yield on interest earning assets (T/E)</td>
<td>3.81</td>
<td>3.89</td>
<td>3.92</td>
<td>3.80</td>
<td>3.93</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>12.21</td>
<td>12.21</td>
<td>11.25</td>
<td>10.31</td>
<td>10.92</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>13.57</td>
<td>13.63</td>
<td>12.56</td>
<td>11.49</td>
<td>12.31</td>
</tr>
<tr>
<td>Leverage ratio</td>
<td>9.60</td>
<td>9.43</td>
<td>9.05</td>
<td>8.76</td>
<td>9.06</td>
</tr>
<tr>
<td>Efficiency ratio</td>
<td>59.16</td>
<td>59.30</td>
<td>60.55</td>
<td>62.72</td>
<td>63.16</td>
</tr>
<tr>
<td>Wtd. average common shares outstanding – diluted*</td>
<td>86,381</td>
<td>81,683</td>
<td>78,412</td>
<td>76,848</td>
<td>76,136</td>
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## Per Share Data

<table>
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<tr>
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<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income – basic*</td>
<td>$2.59</td>
<td>$2.77</td>
<td>$2.84</td>
<td>$2.72</td>
<td>$2.50</td>
</tr>
<tr>
<td>Net income – diluted*</td>
<td>2.55</td>
<td>2.73</td>
<td>2.80</td>
<td>2.69</td>
<td>2.48</td>
</tr>
<tr>
<td>Market price*</td>
<td>41.30</td>
<td>45.02</td>
<td>43.91</td>
<td>42.72</td>
<td>43.95</td>
</tr>
<tr>
<td>Book value*</td>
<td>17.20</td>
<td>17.09</td>
<td>18.70</td>
<td>20.26</td>
<td>20.80</td>
</tr>
<tr>
<td>Cash dividends*</td>
<td>.721</td>
<td>.790</td>
<td>.847</td>
<td>.907</td>
<td>.952</td>
</tr>
<tr>
<td>Cash dividend payout ratio</td>
<td>28.26%</td>
<td>28.92%</td>
<td>30.19%</td>
<td>33.76%</td>
<td>38.39%</td>
</tr>
</tbody>
</table>

*Restated for the 5% stock dividend distributed December 2008.
Operating results for most companies were down in 2008 with an even more challenging operating environment expected in 2009. The banks in the KBW Bank Sector (large cap) Index earnings per share declined on average 131% in 2008 due to much higher credit and securities losses. The typical financial service company stock declined 31% in 2008, and the typical bank stock was down 50%.

Commerce Bancshares performed relatively better than our industry last year although we also suffered from higher loan reserves and weaker economic conditions. Commerce earned $2.48 per share in 2008 compared to $2.69 in 2007. The primary difference in earnings came from a much higher loan provision in 2008 of $109 million, compared to $43 million in 2007, as we increased our loan reserve from 1.26% to 1.53% of loans in 2008. Actual loan charge-offs increased 63% to $70 million in 2008.

Without question, 2008 was an exceptionally difficult year for the country and our economy. For the second year in a row, financial markets experienced an extraordinary adjustment, following a sustained period of excessive leverage and risk taking. What began as overly exotic financial vehicles coupled with an over-extended domestic housing market has spread into major financial and commercial failures and a likelihood of a sustained global recession in 2009. The federal government’s response to these challenges has been unprecedented with the extension of credit and guarantees to the public sector. At the same time, extraordinary fiscal and monetary stimuli are being proposed, as private markets, now on the defensive, are willing to take little financial risk.
primarily because of higher consumer losses in credit cards and installment lending. We expect higher commercial and retail losses to continue next year due to a weak economy.

Credit spreads for lending money finally rebounded in 2008 after a long secular decline. Our net interest income increased 10% from $538 million in 2007 to $593 million in 2008, and we expect further improvement next year. The lower risk appetite that financial markets are exhibiting should result in more business going through financial intermediaries at better interest spreads.

In the current financial climate, all commercial banks face three key issues: liquidity, capital and asset quality.

The federal government took the extraordinary step of injecting nearly $350 billion into our industry as preferred stock in 2008. Although we reluctantly agreed that such a program was necessary because of the extreme stress in the financial system, we chose not to participate. We believe we are strongly capitalized with a healthy earnings stream to continue to grow our capital base without outside intervention.

More specifically, your company’s financial position remains strong, as evidenced by:

- Our tangible equity-to-assets ratio was 8.3% at year end.
- We generated $117 million in retained earnings in 2008 to improve our capital ratios, while increasing our loan reserve from 1.3% to 1.5%, as a percentage of total loans.
- Our loan-to-deposit ratio is 92% with no brokered deposits, a well diversified mix due to limited wholesale funding and growth in non-CD deposits of 5%.

Other 2008 financial highlights include:

- Our total return to shareholders (stock appreciation and dividend) was 5% compared to an average (26%) for the 50 largest U.S. commercial banking companies. Over the last five years, our shareholders have had a 5% total return compared to a (6)% total return for the NASDAQ Bank Index.
- In 2008, your company paid a dividend of $0.952 per share, marking the 40th consecutive year of year-over-year dividend increases to our shareholders. We declared a regular dividend for the first quarter 2009 at our February Commerce Bancshares board meeting.
  - Net interest income increased 10% to $593 million in 2008 while core fee income increased 2%. Your company continues to focus heavily on payment system and money management businesses.
  - Non accrual loans and foreclosed real estate increased to $79 million, or 0.70% of loans. Although our increased loan reserve provides a 237% coverage of these loans, we continue to be concerned about how a deteriorating economy will further stress the operating results of our commercial customers.
  - Return on assets was 1.15%, and return on equity was 11.83%, compared to the average of banks in the KBW Bank Sector (large cap) Index of 0.02% and 0.5%, respectively.
  - Underscoring these results, Commerce ranked seventh among the 150 top-performing banks in the First Quarter 2009 issue of Bank Director magazine, up from 15th in 2007. The magazine’s 2008 Bank Performance Scorecard rates financial institutions in three important areas: profitability, capital adequacy and asset quality.

We believe we are strongly capitalized with a healthy earnings stream to continue to grow our capital base without outside intervention.

In 2008, your company paid a dividend of $0.952 per share, marking the 40th consecutive year of year-over-year dividend increases to our shareholders.
INVESTING FOR THE FUTURE
For many years, our business model has focused on our customers’ fundamental financial needs, beginning with their need for payment systems – paper, card and electronic. The strengths we have built in this core franchise, along with those in our two other primary franchises – wealth management and traditional bank credit products – allow us to fully serve our customers’ needs, while diversifying our revenue streams.

Proper execution of this model depends on a highly trained and engaged workforce that is successful in building long-term relationships with our customers. The better we understand our customers’ needs, the more successful we are in offering solutions that address them.

While this business approach has long served us well, its advantages can be masked in a strong economy when money is flowing freely. As global economic conditions have deteriorated, the long-term value and sustainability of our approach has become clearer, not only to us within the bank, but to prospective customers and prospective employees as well. We were pleased to learn that Commerce, for example, ranked first among banks in the Midwest in J.D. Power and Associates 2008 Retail Banking Satisfaction StudySM.

We have entered a “once-in-a-decade” period when we are winning substantial numbers of new customers from banks of all sizes.

The key to our success will now depend on keeping these and all our employees focused on meeting our customers’ needs, while also exercising prudent expense management. In 2008, our efforts included clearly defining the competitive advantages of our various products and training employees to articulate them. Our continued investment in training and development is especially important in maintaining a fully engaged workforce. Since we began to measure our employee engagement in 2004, it has risen steadily, reaching a 2008 favorable rating of 89%, compared to a bank industry norm of 68%.

Our customers’ satisfaction also depends on our success at making it easy and beneficial for them to do business with us. That is why we continue to invest in technologies that add value to our customer relationships, including:

- Image Capture – In 2008, Commerce implemented a new image-processing platform that converts paper checks to electronic images for faster, more efficient processing. Used initially to support the Commerce ATM network, the platform also allowed us to extend business hours in Colorado, where the branch uses it to capture check images. The branch-capture functionality will be expanded in 2009 to encompass additional branches, achieving anticipated transportation savings of more than $600,000 annually.
Commercial customers are also taking advantage of imaging technology through our various remote deposit applications, whereby they can electronically deposit paper checks with the bank, creating operating efficiencies and faster collection times.

- ATM Upgrade – In 2007, Commerce became the first bank in our markets to introduce ATMs that make an electronic image of all check deposits, eliminating the need for deposit slips. In 2008, we completed the implementation of this time- and money-saving technology, which improves customer confidence in ATM deposits and increases usage of this lower-cost channel. The technology also reduces the company’s ATM servicing costs by $1.1 million annually.

- IVR Service Expansion – IVR (interactive voice response) technology provides our customer with a fast, secure way to transfer funds and get account information over the telephone. In 2008, we expanded the services available through IVR to include current day activity with more expansion planned for 2009.

- Instant Issue Visa® Check Card – In 2008, Commerce piloted new technology that allows customers to open a checking account and receive a fully functioning check card and PIN # on the spot. Thanks to new technology that enables branches to print customer names on check cards on-site, the program eliminates the traditional up-to-10-day waiting period for a check card to arrive in the mail. Introduced initially at branches on or near college campuses, the technology will be rolled out further in 2009.

- Checking Product Enhancements – Customers benefited in 2008 from enhancements to our premier checking packages, which now offer free ATM access nationwide. Deluxe ID TheftBlock® coverage was also added as a free service to our checking account customers.

- Website and Online Banking – The “face of Commerce” most seen by our customers is our website, www.commercebank.com, which averaged more than 3 million visits per month in 2008, up 17% from the year before. To improve our customers’ online experience, we undertook a major makeover of the website in 2008, which went live in January 2009. Customers are discovering many new features and easier-to-find, well-organized information that should improve their online experience. With our 2008 addition of mobile banking services, customers can now also transfer funds, view account balances, activity and more from their cell phones and other handheld devices. They can also take advantage of an email alert system notifying them of low account balances, receipt of deposits and security-related issues.

While our customers are increasingly comfortable with transacting day-to-day financial business online, our employees remain our single most important “face” in the everyday marketing of Commerce. Maintaining a strong physical presence in the communities we serve, therefore, remains a priority.

With our growing operations in Tulsa and Denver, we have outgrown our original Missouri-Kansas-Illinois footprint to become a truly regional bank, with 222 full-service branches and 404 ATMs in five states, and commercial offices in another two contiguous states. To further capitalize on our wider distribution system and support cross-selling efforts system-wide, we added pre-approved credit card offers to our branch system in 2008.

In 2008, we grew our geographic diversity by opening a sales office in Nashville and expanding our presence in Cincinnati. Staffed with experienced commercial bankers, these offices provide a platform from which to expand our payment system, asset management and credit product services to targeted companies in the region.
We continued to make progress toward our goal of being the bank of choice for small businesses in our markets as well. A key contributor to our success is our community outreach, where we emphasize our appreciation for the unique challenges faced by small businesses and our particular strengths in serving this important sector.

In 2008, we expanded our small business banking sales force by 33%, resulting in a 6% increase in the number of business deposit accounts and a 16% increase in deposit balances. We are finding that our time- and money-saving technology is particularly important to small business. Online banking accounts among small businesses grew by 18% in 2008, and debit card transactions grew by 15%, with approximately 41% of all small business accounts now maintaining a debit card relationship.

Remote deposit, which allows business customers to deposit their paper checks directly into their depository account from their office, continues to gain acceptance as companies look to gain efficiencies and reduce processing costs. Remote deposit volume increased by 73% in 2008, with monthly dollar deposits now exceeding $1 billion. Significant enhancements are expected to increase demand for this service in 2009.

The Small Business Administration recognized our accomplishments when it named Commerce the 2008 SBA Financial Services Champion of the Year in Kansas City. The award recognizes the financial institution that best supports the needs of the small business community. In a survey of nearly 17,000 companies with sales of $10 million to $500 million by Greenwich Associates, Commerce was also named a top Midwest bank in overall satisfaction and treasury management in its “Excellence In Middle Market Banking” awards.

**OVERVIEW OF OPERATIONS**

Reduced economic activity and higher unemployment put stress on our customers and communities in 2008. Commerce’s three core franchises responded by remaining focused on customer satisfaction.

The payoff for staying attentive to customer service, according to J.D. Powers, is “more highly committed customers who contribute to their bank’s profitable annual balance growth.” Our experience in 2008 bears that out.

**Payment Systems**

Our payment systems continue to be our most valuable franchise and the core of our business model. Roughly 54% of our total 2008 revenue and 81% of our pre-tax profits were generated by this business, which includes both fees and interest spread on deposits.

Our fastest growing business within payment systems is our commercial card program. These cards (purchasing, travel and entertainment) provide exceptional functionality, helping us continue to gain market share.

To further grow this important and rapidly expanding business, we doubled our commercial card sales force in 2008 and extended our reach across 48 contiguous states.
Our purchasing card sales volume grew in 2008 at a rate of 53%. We are establishing ourselves as the healthcare industry’s premier card provider, increasing our penetration by 50% in 2008.

Our retail debit card business continued to outperform industry standards. In 2008, Commerce customers, on average, used their debit cards more frequently and had higher monthly spending totals than our peers and the top 20 debit card issuers in the Visa® system.

The investment our company has made in a comprehensive array of well-developed card products for both businesses and consumers pays other dividends as well. In addition to more precisely meeting the needs of any consumer or business customer, our broad selection of products allows us to leverage high-volume relationships with our processing partners.

Moving into 2009, we expect lower retail sales to reduce our fees associated with credit and debit card usage, two major sources of fee income. As one tool in combating these issues, we have enhanced our rewards platform for both our consumer and small business credit card to focus on highly profitable, high-spending consumers and small businesses.

We also continue to enrich our payment systems’ functionality, while tightly managing expenses on the back end. In 2008, we enhanced our Image Lockbox services to allow our business customers to send us image files that can be deposited as image checks or converted to ACH items, whichever is the more efficient for them. Similarly, our new Lockbox Exceptions service allows our customers to resolve exception payments faster and more easily without holding up processing of their deposit.

On the back end, we reduced expenses associated with paper check clearing as additional Image Exchange systems came online. By no longer returning paper checks with our customer statements, we are saving more than $400,000 annually.

Lending and Risk Management

The deteriorating economy had a sobering effect on the asset quality performance of the financial services industry. Increasing unemployment and lower income levels placed a high degree of stress on an over-leveraged consumer segment. The effect was apparent in the increasing level of loan losses in virtually all consumer credit products.

Nowhere was it more evident than in residential mortgage portfolios, particularly those weighted down by sub-prime mortgage products and loans underwritten with little or no documentation of the borrower’s capacity to repay. As part of our long-term business strategy, Commerce elected not to underwrite or originate sub-prime residential mortgages or carry them in our loan portfolio. As a result, the credit losses we sustained in this portfolio segment remain a very small fraction of industry measures.

We were not immune to the increases in credit risk that the industry experienced in credit card and consumer installment loan portfolios. While the increase in losses had a substantial and material impact on total credit losses when compared with prior years, our results have been significantly better than industry averages over time, and that remains true in 2008.

We noted in last year’s report that residential development and home values would be a significant challenge for the national economy. That proved to be an understatement. While farring significantly better than high-growth markets in California, the Southwest and Florida, the residential development and

As part of our long-term business strategy, Commerce elected not to underwrite or originate sub-prime residential mortgages or carry them in our loan portfolio.
The homebuilding industry in St. Louis, Kansas City and our community markets has suffered as well. Our exposure to these portfolio segments is lower than midsize and community bank averages. With our commercial credit problems largely concentrated in our residential construction and development loan portfolio, our overall measures of non-performing loans and credit losses are still very strong when compared with industry averages.

As a result of increasing credit losses, we more than doubled our loan loss provision from $43 million in 2007 to $109 million in 2008. With continuing concern for weaknesses in the economy and the consumer and commercial constituencies we serve, we predict a similar provision strategy in 2009. If economic recovery is sluggish in 2009, or stalls until 2010, we could see further deterioration in other portfolios, such as income-producing real estate and business loans for working capital and owner-occupied business real estate.

**Lipper recently ranked the Commerce Missouri Tax-Free Intermediate Bond Fund as the top U.S. fund in its category for its 10 year performance ending in 2008.**

Our wealth and asset management businesses continued to contribute solid sales and revenue growth in 2008, despite the pressure put on asset management fee income during the last four months of the year.

The Commerce Trust Company substantially mitigated the impact of the severe market downturn through strong sales, improved account retention and superior investment performance for our clients. Trust Company revenue (including Private Banking) grew by about $4 million or 4% in 2008 over 2007, and consolidated profit increased by $400,000 or 1%, a significant achievement in a difficult year.

The Trust Company’s asset management sales reached an all-time high in 2008, with $7.1 million in new annual fees, an increase of 17.1% over 2007. Private banking sales were also strong, with loans increasing by 6.2% to $686 million and deposits growing by 12% to $874 million.

These sales results were driven, in part, by successful execution of the first phase of a three-year strategic growth plan developed in 2007. A key element of this plan involves expanding the Trust Company’s traditional sources of new business, including greater penetration of wealth management opportunities with Commerce’s commercial and retail customers, as well as increased marketing to targeted referral sources outside the bank.

As a result of this initiative, new asset management business sourced from commercial referrals increased by 86% in 2008 to $1.2 million in annual fees. A new data mining-driven initiative to identify wealth management prospects in Commerce’s retail customer base is expected to fuel additional sales growth in 2009.

In 2008, account retention also improved for the fourth consecutive year to 95%. These results suggest that the value proposition we offer in wealth management – which centers on objective financial advice, a conservative, long-term approach to investing and attentive personal service – is satisfying the needs of our clients and helping them achieve their goals.

The Trust Company’s balanced approach to investment management served our clients well in an extraordinarily volatile year. Although absolute returns were generally negative, the combination of our asset allocation advice, manager selections and careful monitoring of risk, allowed Commerce Trust to outperform its peer managers in many categories.

As of December 31, 2008, all eight Commerce Funds portfolios had outperformed a majority of their peers for the
most recent one- and three-year periods, based on Lipper rankings. Lipper, in fact, recently ranked the Commerce Missouri Tax-Free Intermediate Bond Fund as the top U.S. fund in its category for its 10-year performance ending in 2008. Our success in selecting high-quality outside managers is reflected in our 72% “batting average” in selecting outperforming managers over the most recent five-year period.

Our capital markets, brokerage and insurance businesses saw strong revenue gains in 2008 as well. Revenue from these units was $39 million, up 24% over 2007. Activity was particularly strong in our capital markets group, with fixed income sales reaching record levels. The bank sales group, which sells fixed income products to correspondent banks, had a record year, driving overall capital markets group revenue. While brokerage and insurance revenues were up 8% in 2008, these gains were muted by the difficult selling environment in the final quarter of the year.

To support the future growth of our wealth management business, we continue to invest in technology, such as the 2008 enhancements to our family office online platform that allow Trust Company clients to, among other things, securely store and retrieve images of important family documents online.

Investment training and client service refresher courses are helping our client contact staff stay abreast of our continuously expanding array of investment products and services, and deliver on our value proposition. The sales people in all our wealth management units expect to use the current market conditions to gain market share.

OUTLOOK FOR 2009

The severe stress on our financial system and the restructuring of many major institutions have created many risks and opportunities for commercial banks.

Commerce Bancshares will face a difficult operating environment in 2009, while continuing to focus on our strategic plan as a relationship-oriented super-community bank.

In the short run, a financial system that wants to take less risk coupled with a very weak economy puts tremendous pressure on commercial bank profits and asset quality. But in the long run, this adjustment could be very good for financial intermediaries like Commerce because more business should utilize the banking system seeking the protection of our capital.

In fact, a need for stability and risk aversion is bringing prospects and customers back to well-run and well-capitalized banks. Our core relationship-oriented strategy, along with our focus on deposits and the payment system, is allowing us to grow our business with high satisfaction ratings from our customers. We are seeing and expect to see even more sales opportunities with prospects who want to do business with Commerce Bank.

We are proud of our company and its relative performance in these extraordinary times. Your company has worked hard for many years to build a strong culture that focuses on building relationships and managing risk.

We are now prepared to focus on the year ahead and whatever it brings. We can and will emerge from this recession as an even stronger company if we are attentive to our customers and the attendant risks we now face. As always, we thank you for your support and are committed to enhancing the long-term value of the Commerce franchise.

David W. Kemper, Chairman

COMMERCE BANCSHARES, INC. FEBRUARY 24, 2009
Every story of success begins with a dream. Perhaps the dream is to be the very best chocolate maker. Or to become an owner of a company that you helped grow. Or maybe it is to discover the next “big idea” and then market it to the world. Even in the best of times, it takes the guidance and support of professionals you can trust to make such dreams come true. In trying economic times, you need them even more. That is why, in good times and in bad, you’ll always find Commerce asking our customers questions, listening to their needs and offering solutions that address them. It’s the best way we know to deliver on our customer promise. It’s the only way we know to support our customers’ success.

2008 COMMERCE CUSTOMER SUCCESS STORIES

11 | Building a Successful Family Business from Scrap. Cap and Skip Grossman’s plan to grow their third-generation family business meant expanding into the scrap metal market for old cars and appliances.

12 | A Cooperative Approach to Growth. To support its continuing growth, United Suppliers looked for bankers who understood both agricultural cooperatives and the agribusiness industry.

13 | The Business of Chocolate. Alan McClure’s passion for making artisan dark chocolate has food critics from The New Yorker to the LA Times taking notice.

14 | Designing Their Own Destiny. With financing from Commerce, Sega’s employee-owners were able to purchase their engineering firm from its owners, as well as to construct a new headquarters building.

15 | Taking Care of Business. Commerce manages the details so entrepreneurs Joe and Judy Roetheli can use the proceeds from the sale of one business to support the growth of others.

16 | Getting Greener Every Day. Commerce’s commitment to environmentally responsible business practices is not only helping to save the planet, it’s saving the bank money, too.

17 | One Smart University. Commerce teamed up with Fort Hays State University to provide students with one ID card they can use for everything from accessing financial-aid funds to paying for pizza.

18 | Turning a Hospital Accounting Department into a Revenue Center. St. Elizabeth Medical Center turned to Commerce for an automated accounts payable program that would mirror the hospital’s existing invoice process.
Building a Successful Family Business from Scrap

GROSSMAN IRON & STEEL
ST. LOUIS, MISSOURI

One of the Midwest's largest scrap metal processors and re-sellers

Cap and Skip Grossman had two goals when they updated the strategic plan for their family's scrap metal business in the mid-1990s. First, they wanted to maintain the "customer-focused" philosophy that had been the company's hallmark since 1920. Second, they wanted to grow.

In 2004, the brothers adopted the next phase of their plan when they decided to expand into the scrap market for old cars and appliances. Only one thing stood in their way: the $20 million needed to purchase a "mega-shredder" that could shred a 3,000-pound automobile in six seconds, and process scrap at a rate of more than 300 tons per hour. It would be the largest acquisition in the company's history.

Plans in hand, Skip and Cap met with several banks. "Not all banks support commodity-based businesses like ours," says Skip. "But, as we discovered, not all banks understand commodity-based businesses like Commerce."

"The people of Commerce rolled up their sleeves and spent the time to understand our business as well as any of us here. And that has proved invaluable to us."

Such business knowledge was essential. It enabled Commerce to structure a flexible equipment financing and operating line of credit package that mirrored the price volatility in the scrap metal business.

Since adding the mega-shredder, Grossman Iron & Steel's business volume has more than doubled. The company's banking relationship with Commerce has also increased commensurately. The Grossmans today look to Commerce for everything from equipment loans and operating capital, to treasury and private banking services, to foundation and profit-sharing plan management.

"Whatever we've needed, Commerce has been right there to support us," says Cap. "We couldn't have done this without them."
A Cooperative Approach to Growth

UNITED SUPPLIERS, INC.
ELDORA, IOWA

A cooperative of 1,025 independent agriculture dealers in 17 states

United Suppliers got its first loan from Commerce in 1998 when the agricultural cooperative was building a fertilizer warehouse in St. Joseph, Missouri.

“We’re not like other businesses,” says Keith Jensen, the co-op’s chief financial officer. “Our owners – mostly local grain elevators – are also the customers for our chemical and fertilizer products. We need a bank that understands both our organization and the agribusiness industry.”

Commerce’s Agribusiness and Food Processing Group fit the bill, and a new banking partnership was born.

Since that first term loan, United Suppliers’ business has grown substantially, and its relationship with Commerce has grown with it. The $1.5 billion company has more than doubled its revenues over the past decade. Commerce has supported that growth through a revolving line of credit, lock box services, and vehicle and equipment leasing programs. “Commerce doesn’t just sell us products, they bring us ideas,” Keith says. “They look at situations differently and then offer solutions, like purchasing cards, that save us time and money. “I look at our two organizations as being somewhat similar,” he adds. “There are bigger banks, and there are bigger companies in the agriculture industry. But we’re both large enough to provide a variety of solutions, yet small enough to make the other feel like a valuable customer.”

“If there’s an issue in the agriculture industry that comes out of nowhere, Commerce is usually aware of it before we are. They have a level of commitment to our industry that ordinary banks don’t have.”

Left: Roger Krull, controller and secretary, and Keith Jensen, chief financial officer, both of United Suppliers, look to Commerce for time- and money-saving solutions for the agricultural cooperative. Below, from left: Lance Holden, senior vice president; Adam Otte, officer; and Wayne Lewis, vice president and team leader, all with Commerce Bank’s Agribusiness and Food Processing Group; and Keith Jensen of United Suppliers.
The Business of Chocolate

**PATRIC CHOCOLATE**
**COLUMBIA, MISSOURI**

*Makers of small-batch artisan dark chocolate*

When Alan McClure dug into his Easter basket as a child, he was always disappointed with the chocolate bunnies. “It wasn’t real chocolate,” he recalls. “I knew it could be better.”

And thus began Alan’s quest for a “better chocolate.” Today, the chocolate maker creates artisan chocolate of such remarkable quality that food critics from The New Yorker to the LA Times have taken notice.

And so have chocolate-lovers nationwide. Since completing his first micro batch in early 2007, Alan has expanded distribution to more than 60 fine-food stores. In 2008, sales quadrupled.

“By early 2008, I knew I had a product people wanted,” says Alan, who self-financed his startup. What he needed next was operating capital to help his business grow. With that in mind, he approached two banks he’d learned about through a small business development center.

“The first banker didn’t even open the file I brought along,” Alan recalls. “But with Commerce, it was different. Bob Hull gave me all the time I needed, and he listened.” Within months of that meeting, Commerce arranged a line of credit for Patric Chocolate backed by a Small Business Administration guarantee.

“Meeting with a banker can be intimidating,” Alan says. “But Commerce is anything but intimidating. They understand.”

“I feel like I can tell Commerce what is going on in my business and what I need, and I’ll get an honest response about what is feasible. My banker always follows through and does what he says he’ll do.”
Designing Their Own Destiny

**SEGA INC.**
**STILWELL, KANSAS**

A 100% employee-owned engineering firm

When the owners of Sega offered to sell the engineering firm to their 93 employees in 1995, the employees were eager to buy. But their expertise was in energy production and distribution design, not Employee Stock Ownership Plans. They needed help in financing the purchase.

“Commerce was the only bank that showed faith in our employees and was willing to support us,” says Cindi Keegan, Sega’s chief financial officer.

The ESOP, it turned out, wasn’t the only thing Sega employees wanted. Scattered throughout six properties, the employee-owners wished to consolidate operations at a single location. Commerce financed both the ESOP’s purchase of company stock as well as the loan the firm needed to build a new headquarters.

Soon the firm was receiving all of its banking services from Commerce, including a working capital line of credit, a wholesale lockbox, Benefits Banking for Sega employees, online banking and more.

“Commerce is a good fit for us, with values similar to our own” says John Brown, Sega’s current president and CEO. “They support the community and firms like ours. We want to return the favor.”

Since the ESOP was completed, Sega has continued to grow. “By 2007, we had outgrown our building again,” says John. “You can guess where we went to finance our addition.”

“We would never have been able to grow and provide opportunities to our employees without Commerce Bank providing us the capital and the banking services to get things done. We are thankful to have them.”

Above: John Brown and Cindi Keegan are among the employee-owners of Sega, Inc., which recently completed a major headquarters expansion financed by Commerce. Left, from left: Pam Hill and Byron McCallum, vice presidents, Commercial Lending; John Brown, president and chief executive officer, Sega, Inc., and Cindi Keegan, chief financial officer, Sega, Inc.
Taking Care of Business

JOE AND JUDY ROETHELI
KANSAS CITY, MISSOURI

The entrepreneurs who invented breath mints for pets

In 1996, Joe and Judy Roetheli were just an ordinary couple – she, a school teacher and he, a government employee – when they became frustrated with their dog Ivan’s bad breath. Finding no good way to treat it, they invented one: Greenies, a toothbrush-shaped dental chew.

Ten years and 750 million Greenies later, the Roetheli’s sold their fast-growing business to Mars, Inc. and pondered their next move.

“We wanted to put our money somewhere that it could grow, but would still be easily accessible,” recalls Joe. What the couple really needed, they discovered, was a team of advisors: an investment portfolio manager, trust administrator, private banker and wealth management consultant who would “take care of the details” so they could focus on their real passion: growing new businesses.

“The people at Commerce understand us. Whatever we need, they take care of it at the drop of a pin.”

The Roetheli’s search ended at The Commerce Trust Company. Already at home with Commerce from earlier banking relationships, the Roetheli’s put their team to work creating financial solutions that supported their entrepreneurial inclinations. Within two years, the couple had amassed some 20 businesses, ranging from a spa to a construction tools company to a documentary film foundation.

“We’ve built a good working relationship,” says Judy. “They help us get where we’re going.”
Getting Greener Every Day

COMMERCE BANK  
O’FALLON, MISSOURI

A sustainable approach to banking

During the hot summer months, the demand for electricity can skyrocket. To meet it, electric utilities often add capacity that then lies idle at other times of the year.

But Kansas City Power & Light had a greener idea. Its leaders approached Commerce Bank with a proposal.

“They asked us to reduce the bank’s energy consumption during peak times, and offered us a financial incentive to do so,” says Steve Byrne, vice president of Corporate Facilities for Commerce. The bank’s employees embraced the idea, and Commerce is now saving $30,000 a year for what Steve calls “doing the right thing.”

“There’s a cultural shift under way where our employees don’t just welcome environmentally friendly programs, they expect them,” says Mike Feulner, vice president of Corporate Real Estate. Mike oversaw the design and construction of Commerce’s new O’Fallon Banking Center – the first “green” bank building in Missouri. Designed to use 24% less energy than similar facilities, the branch is a model for future construction and is registered for LEED (Leadership in Energy & Environmental Design) certification.

“We want to build and operate our facilities in ways that are both environmentally and fiscally responsible. That means exploring alternatives and applying the most effective solutions around our system.”

from the U.S. Green Building Council.

“We’re getting smarter about how to optimize energy use, recycle construction waste and more,” Feulner adds. “It’s helping save the planet, and it’s saving Commerce money, too.”

Left: Commerce’s new banking center in O’Fallon, Missouri, is the first bank building registered for LEED certification in the state of Missouri. From left, Mike Feulner, vice president, Corporate Real Estate, and Sandy Fults, vice president, branch manager, O’Fallon Banking Center. Below: By replacing 25-year-old air conditioning equipment in Commerce’s Kansas City headquarters, the bank lowered its energy costs substantially. Steve Byrne is vice president, Corporate Facilities.
One Smart University

FORT HAYS STATE UNIVERSITY
HAYS, KANSAS

One of the nation’s first universities to offer a Smart Card

Back in the early 1990s when online banking was in its infancy, Fort Hays State University President Dr. Edward H. Hammond had an idea. A Florida university, he’d learned, had developed a special ID card that students could use for everything from checking out library books, to unlocking their dorm rooms, to paying for pizza off-campus. FHSU students, he thought, would like that as well.

But to create such a card, the university needed a banking partner. Of all the banks he approached, only one – Commerce – was interested.

“My first motive was to make life easier for our students, who were carrying multiple cards around campus,” says Dr. Hammond. “But Commerce showed us how the card could save the university money as well.”

How? Eighty percent of FHSU’s 10,000 students receive financial aid funds at the beginning of each semester. Prior to the Tiger Card’s introduction, refund checks were prepared and mailed by hand. Now funds are transferred electronically where students can access them immediately using their Tiger Cards.

“This process alone saves us more than $100,000 annually in postage, labor and other administrative costs,” says Dr. Hammond. Commerce’s on-campus branch and ATM deliver added convenience to students, faculty and staff as well.

“Long before Smart Cards became popular, Commerce worked with us to develop a win-win card solution that met our needs and set a standard that other universities have since followed.”
Turning a Hospital Accounting Department into a Revenue Center

ST. ELIZABETH MEDICAL CENTER 
EDGEOOD, KENTUCKY

A “Distinguished Hospital for Clinical Excellence” five years running

St. Elizabeth Medical Center had heard many times from banks hoping to provide purchasing cards for its managers and directors. But the hospital wasn’t interested. “That’s not what we’re about,” explains Steve Wagner, director of accounting for the three-hospital system. “We want to maintain control of our expenses and invoice processing.”

When Commerce called, however, the conversation was different.

“Commerce assured us that setting up the new automated accounts payable program would require much more work on their end than on ours. And that was absolutely the case.”

After learning about the hospital’s accounting needs, Commerce bankers suggested not a purchasing card, but an automated accounts payable program that would mirror the hospital’s existing invoice process. Instead of cutting checks, the hospital would pay participating vendors electronically, receiving a revenue share in return. “We liked what we heard,” Steve recalls, “but it seemed too good to be true.” So he called other Commerce customers using similar programs.

Commerce started signing up vendors, who benefited from the faster guaranteed payments that the new payment system delivered. Within months, St. Elizabeth’s was receiving thousands of dollars a month in revenue-sharing checks.

And that dollar amount is expected to grow. In late 2008, St. Elizabeth’s merged with St. Luke’s Hospital, creating the largest hospital system in northern Kentucky.

“You program has been a success,” says Steve, “but we’ve only scratched the surface.”
COMMUNITY ADVISORS

A fundamental element of Commerce Bank’s super-community strategy is the role of our Community Advisors. We believe that a deep understanding and a close relationship with the communities we serve can be achieved only when we are interwoven in the fabric of the market. Local civic and business leaders, serving as Community Advisors, provide the insight to local needs that ensures Commerce delivers on its promise. Following are the names of these ambassadors within each of our markets.

Missouri

BOLIVAR

Donald Cupps
Ellis, Cupps & Cole

William A. Easley, Jr.
Retired, Commerce Bank, N.A.

JoAnne Ellis
Retired Educator

Phil Hutchens
Hutchens Construction

Mike McCracken
Commerce Bank, N.A.

Eugene Miekley
Miekley and Cupps, PC

Fred S. Osborn
Commerce Bank, N.A.

Mike Petrie
Commerce Bancshares, Inc.

Keith Shumaker
Shumaker Tire, Inc.

Jerry Watley
Able 2 Products Co.

BRAZEN

Patrick Cox
State Park Marina

Scott Earls
The Vacation Channel

Kevin Gerard
Country Mart

John Himmel
Commerce Bank, N.A.

Rob Johns
Commerce Bank, N.A.

Chris Lucchi
MG Hospitality

CENTRAL MISSOURI

Mike Alden
University of Missouri

Dan Atwill
Atwill & Montgomery, Attorneys

Brent Bradshaw
Orscheln Management Company

Morris F. Burger
Burger’s Country Cured Hams

Brad Clay
Commerce Bank, N.A.

Joe Hartman
Retired, Commerce Bank, N.A.

Gregg E. Hollabaugh
Commerce Bancshares, Inc.

Ron Hopkins
Commerce Bank, N.A.

George M. Huffman
Pearl Motor Company

Jack W. Knipp
Knipp Enterprises

Rick Kruse
Retired, Boone National Savings & Loan Assoc.

Dr. Mike Lutz
Mike Lutz, DDS

David A. Machens
Machens Enterprises

Teresa Maledy
Commerce Bank, N.A.

Jim McRoberts
McRoberts Farms, Inc.

Mike Petrie
Commerce Bancshares, Inc.

Robert K. Pugh
MBS Textbook Exchange

Jim Rollis
Associated Electric Cooperative

James Schatz
Commerce Bank, N.A.

Valerie Shaw
Commerce Bank, N.A.

Steve Sowers
Commerce Bank, N.A.

Col. C. R. Stribling, III
Missouri Military Academy

Ken Tewob
Commerce Bank, N.A.

Mel Toellner
Gold Crest Distributing & Songbird Station

Jack Waters
Tribune Publishing Co.

Larry Webber
Webber Pharmacy

Dr. John S. Williams
Horton Animal Hospital

EASTERN JACKSON COUNTY

Kevin G. Barth
Commerce Bancshares, Inc.

Jim Denning
Discover Vision Centers

Jay E. Dorst
Commerce Bank, N.A.

Bill Ferguson
Commerce Bank, N.A.

Todd E. Gafney
Commerce Bank, N.A.

Gary Hawkins
HSMC Certified Public Accountants, PC

Kelly Hooker
Commerce Bank, N.A.

Robert Hormann
Darvet, Inc.

Rob Lund
Realty Trust Group

Mark Martin
Formworky, LLC

James Orr
Mechanical Breakdown Protection, Inc.

David Orscheln
Orscheln Management Associates, CPA, PC

Edward J. Reardon, II
Commerce Bank, N.A.

Walter “Bud” Whisler
Great American Title Company

HANNIBAL

C. Todd Ahrens
Hannibal Regional Hospital

David M. Bleigh
Bleigh Construction Company and Bleigh Ready Mix Company

John C. Grossmeier
Hannibal Regional Hospital, Hannibal Regional Healthcare System

Gregg E. Hollabaugh
Commerce Bancshares, Inc.

Jim Humphreys
Luck, Humphreys and Associates, CPA, PC

Jerold (Jerry) W. Lee
Commerce Bank, N.A.

Lee A. Steinman
C & S Companies, Inc.
Missouri Continued

HARRISONVILLE
Robert W. Atkinson
Retired
Connie Aversman
Commerce Bank, N.A.
Larry Dobson
Real Estate Investments
Elvin S. Douglas, Jr.
Crouch, Spangler & Douglas
Julia Hampton
Julia Hampton, CPA, PC
Martin E. Ismert
Schier Plumbing
Scott Milner
G.R. Milner Ford
Laurence Smith
Reece & Nichols Smith Realty
Larry Snider
Snider & Swepe Optometry

JOPLIN
David C. Humphreys
TAMKO Roofing Products, Inc.,
Dr. Richard E. LaNear
Missouri Southern State University
Barbara J. Majzoub
Yorktown Properties
Fred S. Osborn
Commerce Bank, N.A.
Mike Petrie
Commerce Bancshares, Inc., Commerce Bank, N.A.
Peter B. Ramsour
Able Products, Inc.
Eric Schnelle
St/H Farm Supply, Inc.
Russell G. Smith, Jr.
MYRUSH Fattures Investment Properties

KANSAS CITY
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Commerce Bancshares, Inc., Commerce Bank, N.A.
Clay C. Blair, III
Clay Blair Services Corp.
John O. Brown
Retired, Commerce Bancshares, Inc.
Lee A. Derrough
Hunt Midwest Enterprises, Inc.
Earl H. Devanny, III
Cerner Corporation
Stephen D. Dunn
J.E. Dunn Construction Co., Inc.
Stephen Gound
Labconco Corp.
C. L. William Haw
National Farms, Inc.
Jonathan M. Kemper
Commerce Bancshares, Inc., Commerce Bank, N.A.
David Kiersznowski
DEMDACO
Dennis A. Mullin
Steel & Pipe Supply Company, Inc.
Karen L. Pletz, J.D.
Kansas City University of Medicine and Biosciences
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Commerce Bank, N.A.
Jerry D. Reece
Reece & Nichols
Edward J. Schifman
Vero Holdings, LLC
Ladd M. Seaberg
Midwest Grain Products, Inc.
Charles S. Sosland
Sosland Publishing Company
Thomas W. Willard
Tower Properties
Susan S. Witcher
Faultless Laundry Company, Inc.
Hugh J. Zimmer
Zimmer Companies

LEBANON
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Retired, Commerce Bank, N.A.
Hugh V. Corry
Hardware Electric & Plumbing Supply Company
Brian Esther
Commerce Bank, N.A.
Lester M. Evans
Cattelanen
John Himmel
Commerce Bank, N.A.
Harold Storck
Cattelanen
Dan M. Waterman
CPI

POPLAR BLUFF
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Commerce Bank, N.A.
Larry Cotrell
Butler County Coroner
Luther P. Godwin
Ozark Ridge Golf Course
Bob Greer
John M. Greer Construction Co.
Gregg E. Hollabaugh
Commerce Bancshares, Inc.
James P. McLane
McLane Livestock Transport, Inc.
Samuel P. Spain
Spain Merrell & Miller
Austin Tinsley, IV
Ozark Physical Therapy
Roger Tolliver
Commerce Bank, N.A.
Ben Traxel
Dille and Traxel, LLC

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Robert J. Brown Lumber Company
Scott Burnham
CBIZ, BCK&W Insurance Services
James H. Counts
Attorney at Law
Richard N. DeShon
Artesian Ice & Cold Storage
Pat Dillon
Heartland Health
Karen M. Graves
Civic Leader
Pete Gray
Gray Automotive Products Co.
William J. Hurley
Smurfit/Stone Container Corporation
Corky Marquart
Commerce Bank, N.A.
Dr. Scott Murphy
Murphy-Watson-Barr Eye Center
Mike Petrie
Commerce Bancshares, Inc., Commerce Bank, N.A.
Edward J. Reardon, II
Commerce Bank, N.A.
Judy Sallbert
Heartland Foundation

ST. LOUIS
KRW Advisors, LLC
AGRI-LABORATORIES, LTD.
Bradley D. Scott
Commerce Bank, N.A.
Emily H. Sechter
Commerce Bank, N.A.

LEBANON
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Drury Hotels
Todd Epsten
Major Brands, Inc.
Joseph Forshaw, IV
Forshaw of St. Louis
James G. Forsyth, III
Moto, Inc.
Juanita Hinshaw
H & H Advisors
Donald A. Jubel
Spartan Light Metal Products
David W. Kemper
Commerce Bancshares, Inc.
Alois J. Koller, Jr.
Koller Enterprises, Inc.

ST. LOUIS METRO EAST
William Courtney
Hiltech Concrete & Structural Repair
Mona Haberer
Hortica Insurance & Employee Benefits
Scott Lively
GMCH Certified Public Accountants
James Rauckman
Rauckman High Voltage Sales, LLC
Garrett Reuter
Greenfielder, Hemker & Gale, PC
Dr. James T. Rosborg
McKendree University
Terry W. Schaefer
Retired, Commerce Bank, N.A.
Dr. Ed Szewczyk
Eye Physicians & Surgeons of Belleville

ST. LOUIS METRO
Charles L. Drury, Jr.
Drury Hotels
Todd Epsten
Major Brands, Inc.
Joseph Forshaw, IV
Forshaw of St. Louis
James G. Forsyth, III
Moto, Inc.
Juanita Hinshaw
H & H Advisors
Donald A. Jubel
Spartan Light Metal Products
David W. Kemper
Commerce Bancshares, Inc.
Alois J. Koller, Jr.
Koller Enterprises, Inc.

Kris Konsup
Bacheye International, Inc.
 Seth M. Leadbeater
Commerce Bancshares, Inc., Commerce Bank, N.A.
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Subsurface Constructors, Inc.
 Victor L. Richey, Jr.
ESCO Technologies, Inc.
 Jerome M. Rubenstein
Bryan Cave, LLP
 Steven F. Schankman
Contemporary Productions, LLC
 James E. Schiele
St. Louis Screw & Bolt Co.
 Todd Schneck
Schneck Markets, Inc.
 John (Jack) A. Schreiber
Commerce Bank, N.A.
 Earl E. Walker
Carr Lane Manufacturing Co.
 Kelvin R. Westbrook
KRW Advisors, LLC

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William Courtney
Hiltech Concrete & Structural Repair
Mona Haberer
Hortica Insurance &
Employee Benefits
Scott Lively
GMCH Certified Public
Accountants
James Rauckman
Rauckman High Voltage
Sales, LLC
Garrett Reuter
Greenfielder, Hemker &
Gale, PC
Dr. James T. Rosborg
McKendree University
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Bank, N.A.
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Scott Lively
GMCH Certified Public
Accountants
James Rauckman
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Sales, LLC
Garrett Reuter
Greenfielder, Hemker &
Gale, PC
Dr. James T. Rosborg
McKendree University
Terry W. Schaefer
Retired, Commerce
Bank, N.A.
Dr. Ed Szewczyk
Eye Physicians & Surgeons of
Belleville
Missouri Continued

**ST LOUIS**

**CENTRAL/NORTH**
- Cyrus Blackmore
  Blackmore & Glunt, Inc.
- Herbert (Herb) S. Jones
  Messenger Printing & Publishing, Inc.
- Stephen Mattis
  Allied Industrial Equipment Corporation
- Lisa D. McLaughlin
  Polisnelli Shlaton Flanigan Suelthau P.C.
- Richard C. Mueller, Jr.
  Ropp Funeral Chapel
- Howard Nimmons
  Howard A. Nimmons CPA, P.C.
- Carl A. Rausch
  Retired
- Greg W. Schmittgens
  Humes & Barrington, LLP
- Don Zykan
  Zykan Properties

**ST LOUIS SOUTH**
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  Physician, Retired
- Michael D. Allen
  Hoy Optical
- Phillip J. Amato
  City Councilman, City of Arnold
- Thomas E. Muzzey
  One Call Concrete Construction, Inc.
- Louis J. Naeger
  Louis J. Naeger & Associates
- Lee Thurman
  Thurman, Shinn and Company

**ST LOUIS WEST**
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  Attorney at Law
- James N. Foster
  McMahon, Berger, Hanna, Linsin, Cody & McCarthy, P.C.
- Jack Hoffmann
  Milestone Solutions

**SPRINGFIELD**
- Richard E. Harbko
  Lambert St. Louis International Airport
- Stuart Krawill
  Beam of St. Louis, Inc.
- Howard M. Rosen
  Conner Ash, P.C.
- Jim Shubert
  Shubert Design
- Bill Voss
  American Family Insurance

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  Tropicana Bowling Lanes
- J. L. (Juggie) Hinduja
  Sinclair Industries, Inc.
- Myron J. Kleevens
  Organizational Development Strategies
- Patrick N. Lawlor
  Lawlor Corporation
- Robert L. Mihalov
  Talk Show Host – KTRS
- Dennis Scharf
  Scharf Tax Services
- Richard C. Ward
  Zimmer Real Estate Services, L.C./ONCOR International

**ST CHARLES COUNTY**
- Gaspare Calvaruso
  SSM St. Joseph Health Center
- John M. McGuire
  St. Charles Community College
- Peter J. Mihelich, Jr.
  Geissler Promotions
- Duane A. Mueller
  Cisel-Mueller Construction Company
- Tarlton J. Pitman
  Pitman Funeral Home, Inc.
- David Ross
  Barnes-Jewish St. Peters Hospital
- William J. Zollmann, III
  Attorney at Law

**KANSAS**

**BUTLER COUNTY**

**EL DORADO**
- Eugene S. Adams
  Retired
- Ray L. Connell
  Connell & Connell
- Mark Utech
  Commerce Bank, N.A.
- Dr. Jackie Vietti
  Butler Community College

**COLUMBUS**
- Jay Hatfield
  Jay Hatfield Chevrolet
- Wesley C. Houser
  Retired, Commerce Bank, N.A.
- Don Kirk
  H & K Campers Inc.
- Charles Norris
  Investments

**GARDEN CITY**
- Fred S. Osborn
  Commerce Bank, N.A.
- Jane Rhinehart
  Commerce Bank, N.A.
- Darrel Shumake
  Attorney at Law

**HAYS**
- James W. Aubel
  A & A Coors
- D. G. Bickle, Jr.
  Warehouse, Inc.
- Kurt David
  Eagle Communications, Inc.
- Ken Johnson
  Retired
- Gail Kuehl
  Kuehl Operations
- Earnest A. Lehman
  Midwest Energy, Inc.
- Mike Petrie
  Commerce Bancshares, Inc.
- Rooney Agri Business
- Adam E. Steven
  Commerce Bancshares, Inc.
- Lee Reeve
  Reeve Cattle Company
- Itzel Rodriguez
  Garden City Community College
- Patrick Rooney
  Rooney Agri Business
- Adam F. Steven
  Commerce Bancshares, Inc.
- Pat Sullivan
  Sullivan Analytical Service, Inc.
- Bob Tempel
  WindRiver Grain, LLC
- Craig Wheeler
  Commerce Bank, N.A.

**SOUTH**

**COUNTY**
- Jay Hatfield
  Jay Hatfield Chevrolet
- Wesley C. Houser
  Retired, Commerce Bank, N.A.
- Don Kirk
  H & K Campers Inc.
- Charles Norris
  Investments

**ST LUCIE**

**CITY OF**
- Fred S. Osborn
  Commerce Bank, N.A.
- Jane Rhinehart
  Commerce Bank, N.A.
- Darrel Shumake
  Attorney at Law
Lawrence

Martin B. Dickinson, Jr.
Schroeder Professor of Law,
University of Kansas

Sidney A. Garrett
Retired

Mark Heider
Commerce Bank, N.A.

Evans Ice
Stephens & Brand, LLP

Eugene W. Meyer
Lawrence Memorial Hospital

Martin W. Moore
Advancio, Inc.

Kevin J. O’Malley
O’Malley Beverages of Kansas, Inc.

Edward J. Reardon, II
Commerce Bank, N.A.

Michael Treanor
Treasurer Architects, P.A.

Leavenworth

J. Sanford Bushman
DeMaranville & Kramer CPAs, LLC

Norman B. Dawson
Retired, Commerce Bancshares, Inc.

Sherry DeMaranville
DeMaranville and Associates

Mark Denney
J.F. Denney Plumbing & Heating

Thomas A. Dials
President, Armed Forces Insurance Exchange

David A. Greenamyre
Besel Heating & Roofing

Stephen J. Kempf
Retired, Armed Forces Insurance Exchange

Lawrence W. O’Donnell, Jr.
Lawrence W. O’Donnell, Jr.,
CPA Chartered

Bill Petrie
Commerce Bank, N.A.

Edward J. Reardon, II
Commerce Bank, N.A.

Robert D. Schmitt, II
Mama Mia’s, Inc.

Manhattan

Kelly Briggs
Bayer Construction

Dr. Yar Ebadi
Kansas State University

Tom Giller
Commerce Bank, N.A.

Neal Helmick
Griffith Lumber Co.

Rich Jankovich
Commerce Bank, N.A.

Mike Petrie
Commerce Bancshares, Inc.

Dr. Roger P. Reitz
Medical Associates of Manhattan

Adam E. Steven
Commerce Bancshares, Inc.

Eleanor G. Stolzer
Griffith Lumber Co.

L. W. Stolzer
Griffith Lumber Co.

Roy Worthington
Charlon & Wilson Bonded Abstracters

Pittsburg

James L. Belew
Investments

Dr. Thomas W. Bryant
Pittsburg State University

Harvey R. Dean
Pitco, Inc.

Joe Dellasega
U.S. Awards

Adam Endicott
Unique Metal Fabrication, Inc.

Roberta A. McNay
Investments

Frederick E. Osborn
Commerce Bank, N.A.

Mike Petrie
Commerce Bancshares, Inc.

Douglas L. Smith
Rancher / Farming

Dr. Donald Beggs
Wichita State University

Michael P. Brown
College Hill OB/GYN

Michael E. Bukaty
Last Shaw Enterprises, Inc.

John C. Cleveron
Commerce Bank, N.A.

Monte A. Cook
Commerce Bank, N.A.

Thomas E. Dowd
Dowd & Sons Construction Co., Inc.

Stephen Hayes
The Hayes Company, Inc.

Ronald W. Holt
Sedgwick County

Reno County

(V)ergi Geurian Pipeline Testing Consortium, Inc.

Brett Mattison
Mitchell & Mattison Company

Dr. Pamela D. Pierce
Pathology Associates, PA

Mike Ringwald
Farmer (Ellinwood, Kan.)

Alan R. Woodard
Commerce Bank, N.A.

Wichita

Stanley R. Ahlerich
Rancher / Farming

Dr. Donald Beggs
Wichita State University

Fran D. Jabara
Jabara Ventures Group

Paul D. Jackson
Vantage Point Properties, Inc.

Tom J. Kemp
Kemp Construction, Inc.

Seth M. Leadbeater
Commerce Bancshares, Inc.

Douglas D. Neff
Commerce Bank, N.A.

Derek L. Park
Sandcastle Management

Marilyn B. Paul
Commerce Bank, N.A.

Mike Petrie
Commerce Bancshares, Inc.

Barry L. Schwan
House of Schwon, Inc.

Clifford W. Stone
Stone Farms

Thomas D. White
White & Ellis Drilling, Inc.
<table>
<thead>
<tr>
<th><strong>Illinois</strong></th>
<th><strong>CHAMPAIGN-URBANA</strong></th>
<th><strong>PEORIA</strong></th>
<th><strong>Oklahoma</strong></th>
<th><strong>TULSA</strong></th>
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<td>Julie Dobski</td>
<td>Mark Arends</td>
<td>Bruce Alkire</td>
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<td>Little Jewels Learning Center</td>
<td>Arends Brothers, Inc.</td>
<td>Coldwell Banker Commercial</td>
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<td>Brent Eichelberger</td>
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<td>Commerce Bank, N.A.</td>
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<td>George Farnsworth</td>
<td>Brian Egeberg</td>
<td>Afton Booth</td>
<td>Jeffrey W. Davis</td>
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<td>Retired</td>
<td>Commerce Bank, N.A.</td>
<td>The Unland Companies</td>
<td>U.S. Beef Corporation</td>
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<td>Robert Fleming</td>
<td>Gregg E. Hollabaugh</td>
<td>Brent Eichelberger</td>
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<td>Fleming Law Office</td>
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<td>Mill Creek Lumber</td>
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<td>Ron Greene</td>
<td>Robert Lakin</td>
<td>Lowell (Bud) Grieves</td>
<td>R. Carl Hudgins</td>
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<td>AFNI, Inc.</td>
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<td>Roger Rhodes</td>
<td>Seth M. Leadbeater</td>
<td>Ken Lackey</td>
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<td>Kemp Farms, Inc.</td>
<td>Horizon Hobby, Inc.</td>
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<td>The Nordam Group, Inc.</td>
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<td>Seth M. Leadbeater</td>
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<td>Richard Lenahan</td>
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<td>Retired</td>
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<td>Dennis Myers</td>
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<td>Myers, Inc.</td>
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<td>Eugene Striegel</td>
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<td>Striegel, Knobloch &amp; Co.</td>
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</tbody>
</table>
Officers
David W. Kemper  
Chairman of the Board, President and Chief Executive Officer  
Jonathan M. Kemper  
Vice Chairman  
Seth M. Leadbeater  
Vice Chairman  
A. Bayard Clark, III  
Executive Vice President and Chief Financial Officer  
Kevin G. Barth  
Executive Vice President  
Charles G. Kim  
Executive Vice President  
Robert C. Matthews, Jr.  
Executive Vice President  
V. Raymond Strangboener  
Executive Vice President  
Sara E. Foster  
Senior Vice President  
Robert J. Rauscher  
Senior Vice President  
J. Daniel Stinnett  
Vice President, Secretary and General Counsel  
Michael J. Petrie  
Senior Vice President  
Jeffery D. Aberdeen  
Controller  
Wayne McGaughey  
Auditor
**CORPORATE HEADQUARTERS**
1000 Walnut
P.O. Box 419248
Kansas City, MO 64141-6248
(816) 234-2000
www.commercebank.com

**INDEPENDENT ACCOUNTANTS**
KPMG LLP
Kansas City, Missouri

**TRANSFER AGENT, REGISTRAR AND DIVIDEND DISPERSING AGENT**
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
(800) 317-4445
(800) 952-9245 TDD
www.computershare.com

**STOCK EXCHANGE LISTING**
NASDAQ
Symbol: CBSH

**COMMON STOCK INFORMATION**
The table below sets forth the high and the low prices of actual transactions for the Company’s common stock, which is publicly traded on the NASDAQ Stock Market.

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<th>Fiscal 2008</th>
<th>High</th>
<th>Low</th>
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<tr>
<td>First Quarter</td>
<td>$43.43</td>
<td>$36.19</td>
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<td>Second Quarter</td>
<td>43.49</td>
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<td>Third Quarter</td>
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<td>Fourth Quarter</td>
<td>52.86</td>
<td>35.44</td>
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**ANNUAL MEETING**
The annual meeting of shareholders will be held Wednesday, April 15, 2009, at 9:30 a.m., in the Kemper Auditorium on the 15th floor of the Commerce Trust Building at 922 Walnut Street, Kansas City, MO 64106.

**INVESTOR INQUIRIES**
Shareholders, analysts and investors seeking information about the Company should direct their inquiries to:

Jeffery D. Aberdeen, Controller
1000 Walnut
P.O. Box 419248
Kansas City, MO 64141-6248
(800) 892-7100
mymoney@commercebank.com

**SHAREHOLDERS MAY RECEIVE FUTURE ANNUAL REPORTS AND PROXY MATERIALS OVER THE INTERNET**
To take advantage of the opportunity to receive materials electronically, rather than by mail, **individuals who hold stock in their name** may simply fill out the online consent form by logging onto the sign-up website at: http://www.computershare.com/us/ecomms.

Please note:
- You will need your account number from the proxy card to complete the enrollment process.
- Your consent is entirely revocable.
- You can always vote your proxy on the Internet whether or not you elect to receive your materials electronically.

Employee PIP (401K) shareholders can access the information through http://www.econsent.com/cbsh. Shareholders who hold their Commerce stock through a bank, broker or other holder of record, should refer to the information provided by that entity for instructions on how to elect to view future annual reports and proxy statements over the Internet.

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