



## 2008 ANNUAL REPORT AND FORM 10-K

ask      listen      solve

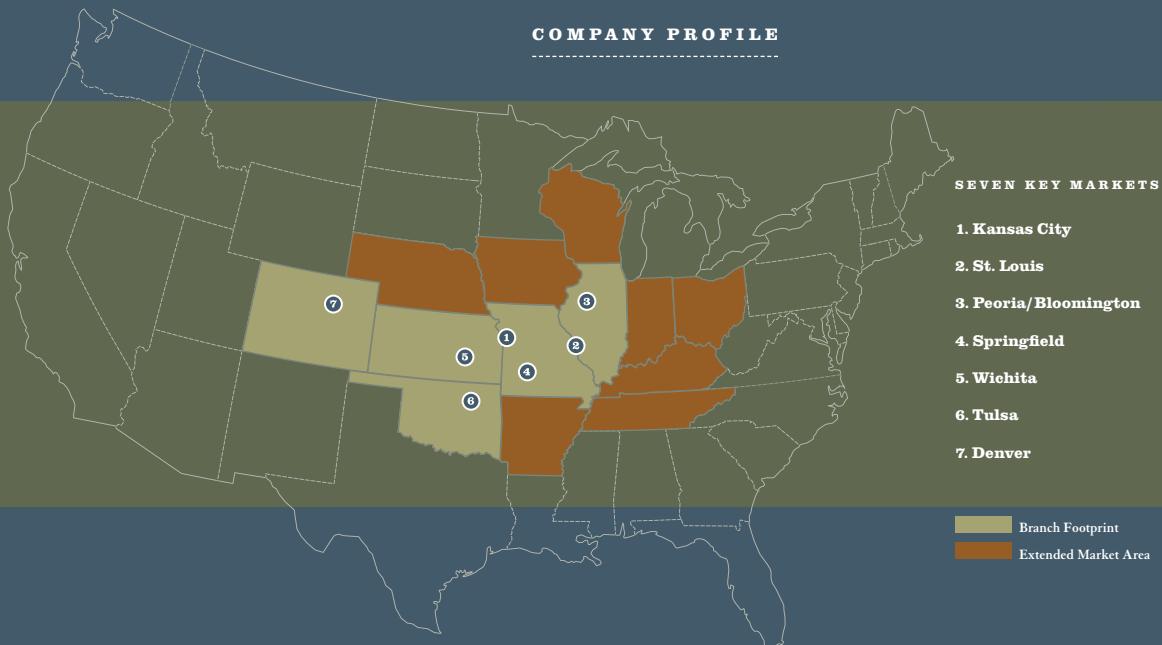


**A Strong Partner in Challenging Times**



**Commerce Bancshares, Inc.**

## COMPANY PROFILE



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.

### 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.

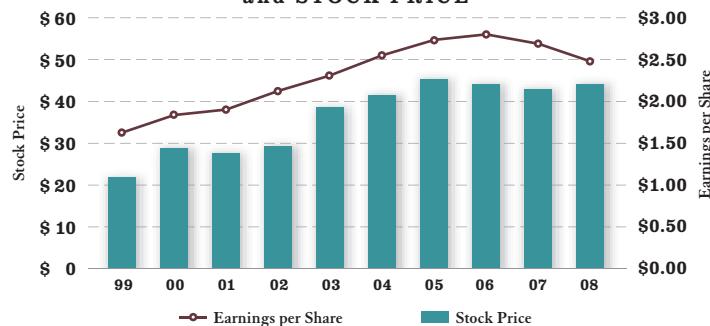
### ABOUT THE COVER

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.

### TABLE OF CONTENTS

## FINANCIAL HIGHLIGHTS

GROWTH in EARNINGS per SHARE  
and STOCK PRICE

(In thousands, except per share data)

2004 2005 2006 2007 2008

**operating results**

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

**at year end**

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

**other financial data**

(based on average balances)

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

**per share data**

Net income – basic*	\$ 2.59	\$ 2.77	\$ 2.84	\$ 2.72	\$ 2.50
Net income – diluted*	2.55	2.73	2.80	2.69	2.48
Market price*	41.30	45.02	43.91	42.72	43.95
Book value*	17.20	17.09	18.70	20.26	20.80
Cash dividends*	.721	.790	.847	.907	.952
Cash dividend payout ratio	28.26%	28.92%	30.19%	33.76%	38.39%

\*Restated for the 5% stock dividend distributed December 2008.

**David W. Kemper, Chairman**

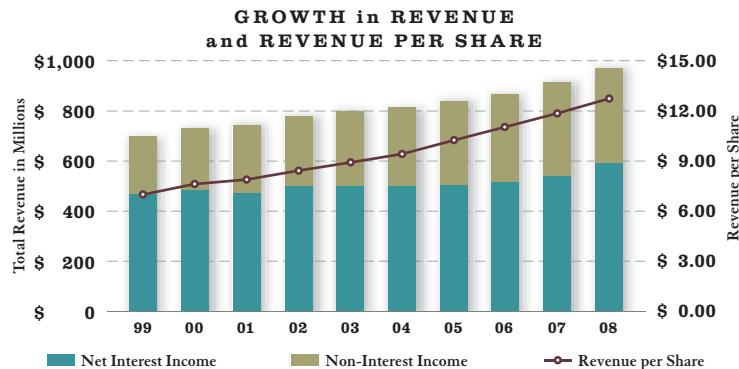
## To Our Shareholders

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.

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.



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

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

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.

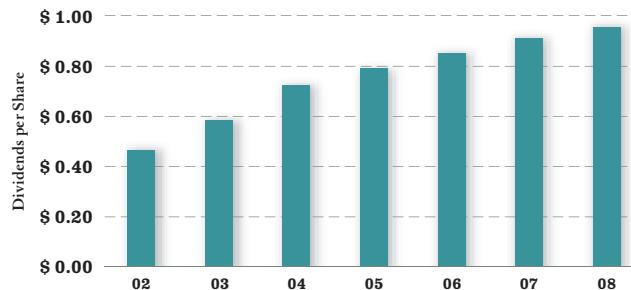
- Non accrual loans and foreclosed real estate increased to \$79 million, or 0.70% of loans. Although our increased loan reserve provides a 237% coverage of these loans, we continue to be concerned about how a deteriorating economy will further stress the operating results of our commercial customers.

- 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.

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## CASH DIVIDENDS PER SHARE

**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

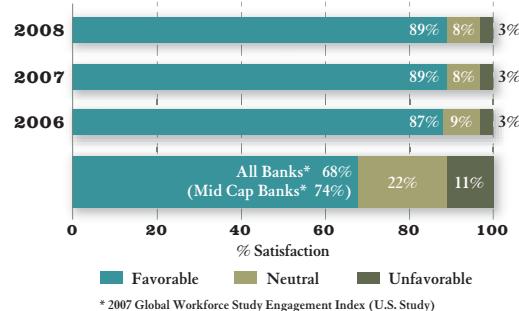
and prospective employees as well. We were pleased to learn that Commerce, for example, ranked first

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

among banks in the Midwest in J.D. Power and Associates 2008 Retail Banking Satisfaction Study<sup>SM</sup>.

While accolades are nice, concrete proof is nicer. We have entered a “once-in-a-decade” period when we are winning substantial numbers of new customers from banks of all sizes. In 2008, we added to our bench strength across our footprint as well, attracting experienced officers who embrace our business model and relationship-banking approach. We welcome them all.

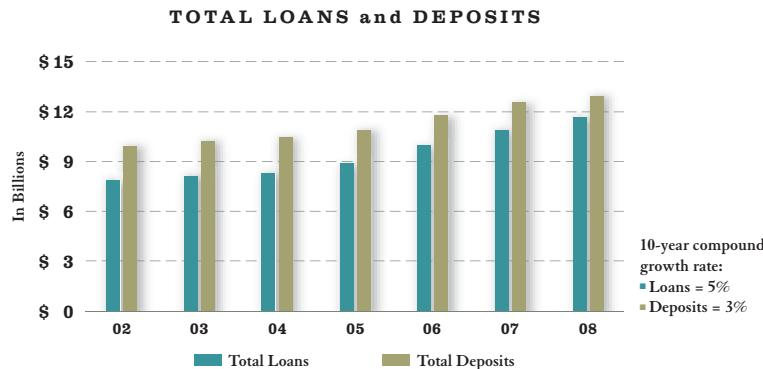
The key to our success will now depend on keeping these and all our employees focused on meeting our customers' needs, while also exercising prudent expense management. In 2008, our efforts included clearly defining the competitive advantages of our various products and training employees to articulate 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,

**EMPLOYEE ENGAGEMENT COMPARISON**

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](http://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

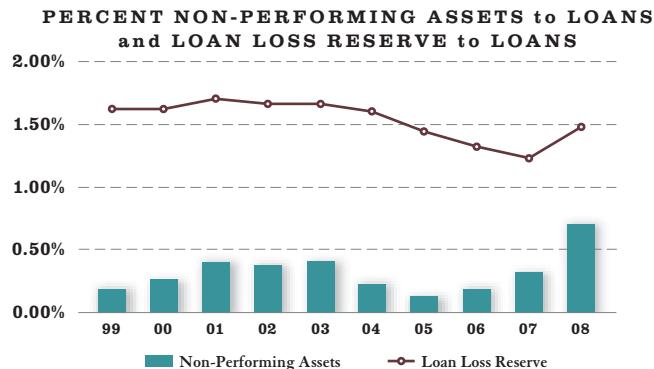
devices. They can also take advantage of an email alert system notifying them of low account balances, receipt of deposits and security-related issues.

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.

**Our customers' satisfaction also depends on our success at making it easy and beneficial for them to do business with us.**



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 13%, 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

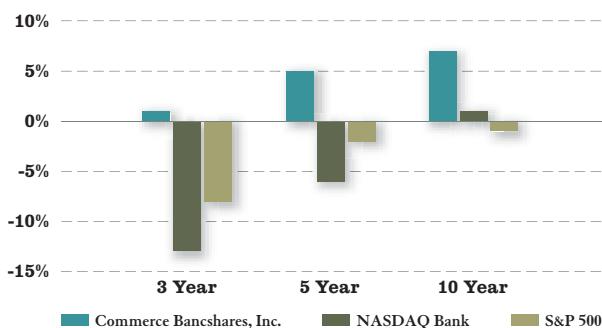
our commercial card sales force in 2008 and extended our reach across 48 contiguous states.

Our growth

rate in expansion markets in 2008 was 200%. In Tulsa and Denver alone, we added 14 new payment system relationships.

**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.**

## ANNUALIZED TOTAL SHAREHOLDER RETURN



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

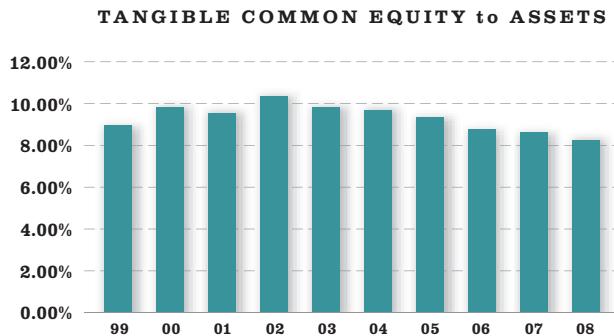
The deteriorating economy had a sobering effect on the asset quality performance of the financial services industry. Increasing unemployment and lower income levels placed a high degree of stress on an over-leveraged consumer segment. The effect was apparent in the increasing level of loan losses in 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 faring significantly better than high-growth markets in California, the Southwest and Florida, the residential development and



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

**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.**

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.

**Wealth and Asset Management**

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

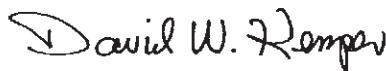
#### **A need for stability and risk aversion is bringing prospects and customers back to well-run and well-capitalized banks.**

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**

## DELIVERING ON OUR PROMISE

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.



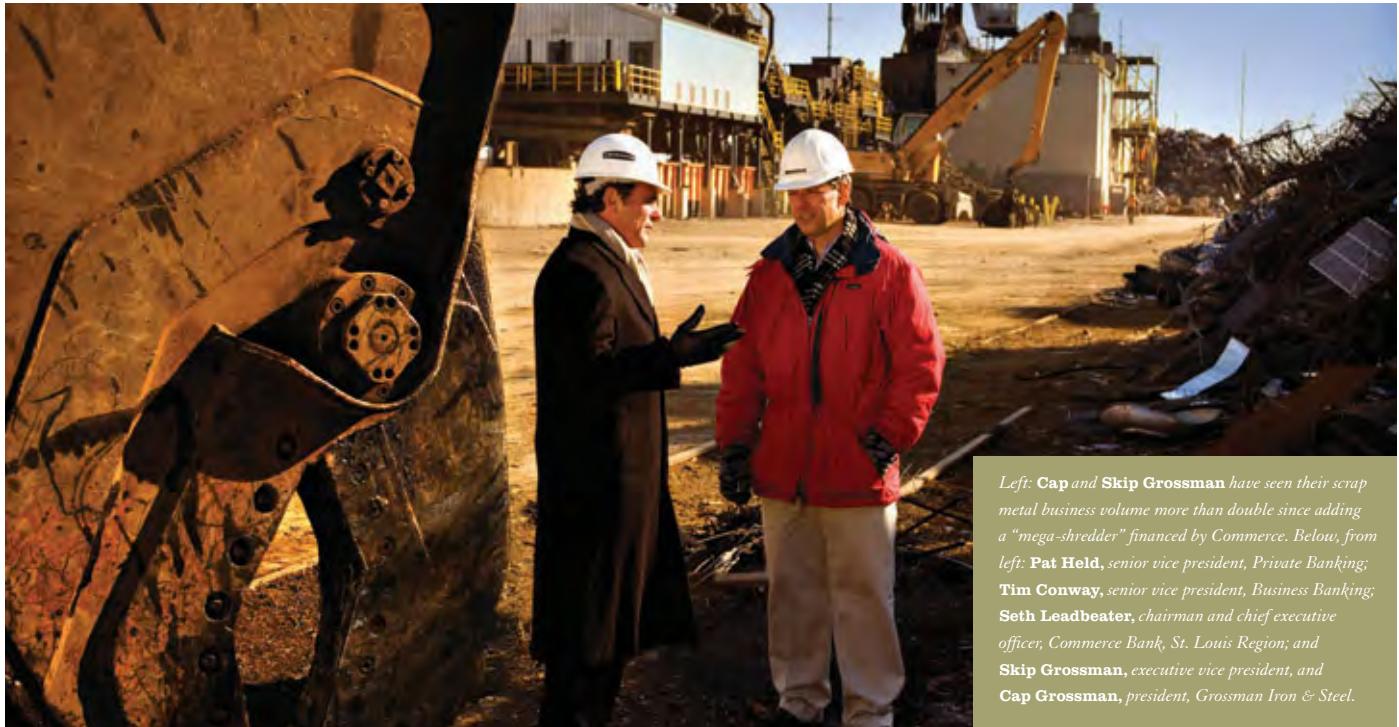
**16 | Getting Greener Every Day.** Commerce's commitment to environmentally responsible business practices is not only helping to save the planet, it's saving the bank money, too.



**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.



Left: Cap and Skip Grossman have seen their scrap metal business volume more than double since adding a "mega-shredder" financed by Commerce. Below, from left: Pat Held, senior vice president, Private Banking; Tim Conway, senior vice president, Business Banking; Seth Leadbeater, chairman and chief executive officer, Commerce Bank, St. Louis Region; and Skip Grossman, executive vice president, and Cap Grossman, president, Grossman Iron & Steel.



## 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."



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.

## 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

**"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."**

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."

## 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."**

Above: A line of credit from Commerce is helping Alan McClure meet growing demand for his artisan dark chocolate. Right, from left: Alan McClure, owner and chocolate maker, Patric Chocolate; Valerie Shaw, executive vice president, Regional Retail Administration; and Bob Hull, small business banking specialist.



## 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.

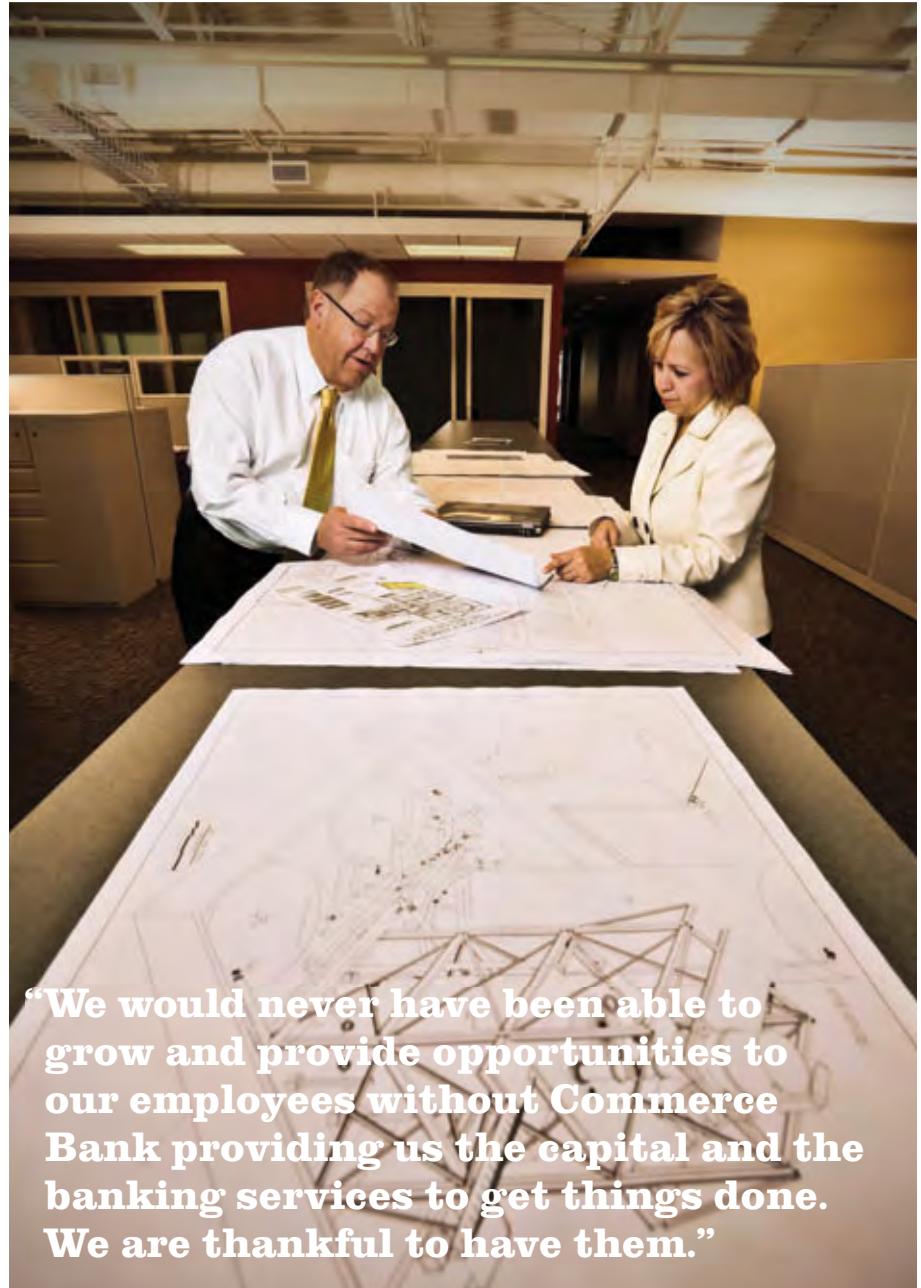
"Commerce was the only bank that showed faith in our employees and was willing to support us," says Cindi Keegan, Sega's chief financial officer.

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."





**Left:** Joe and Judy Roetheli depend on The Commerce Trust Company for financial solutions that allow them to fulfill their entrepreneurial dreams. **Below, seated, from left:** Marcia Ubben, vice president, The Commerce Trust Company; Tim Rice, vice president, Private Banking; Judy Roetheli, founder and president, S&M NuTec LLC; standing, John Melvin, vice president, Wealth Management; Matt Schmitt, vice president, The Commerce Trust Company; and Joe Roetheli, founder and CEO, S&M NuTec LLC.

## 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."



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.



## 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."

## One Smart University

### FORT HAYS STATE UNIVERSITY HAYS, KANSAS

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

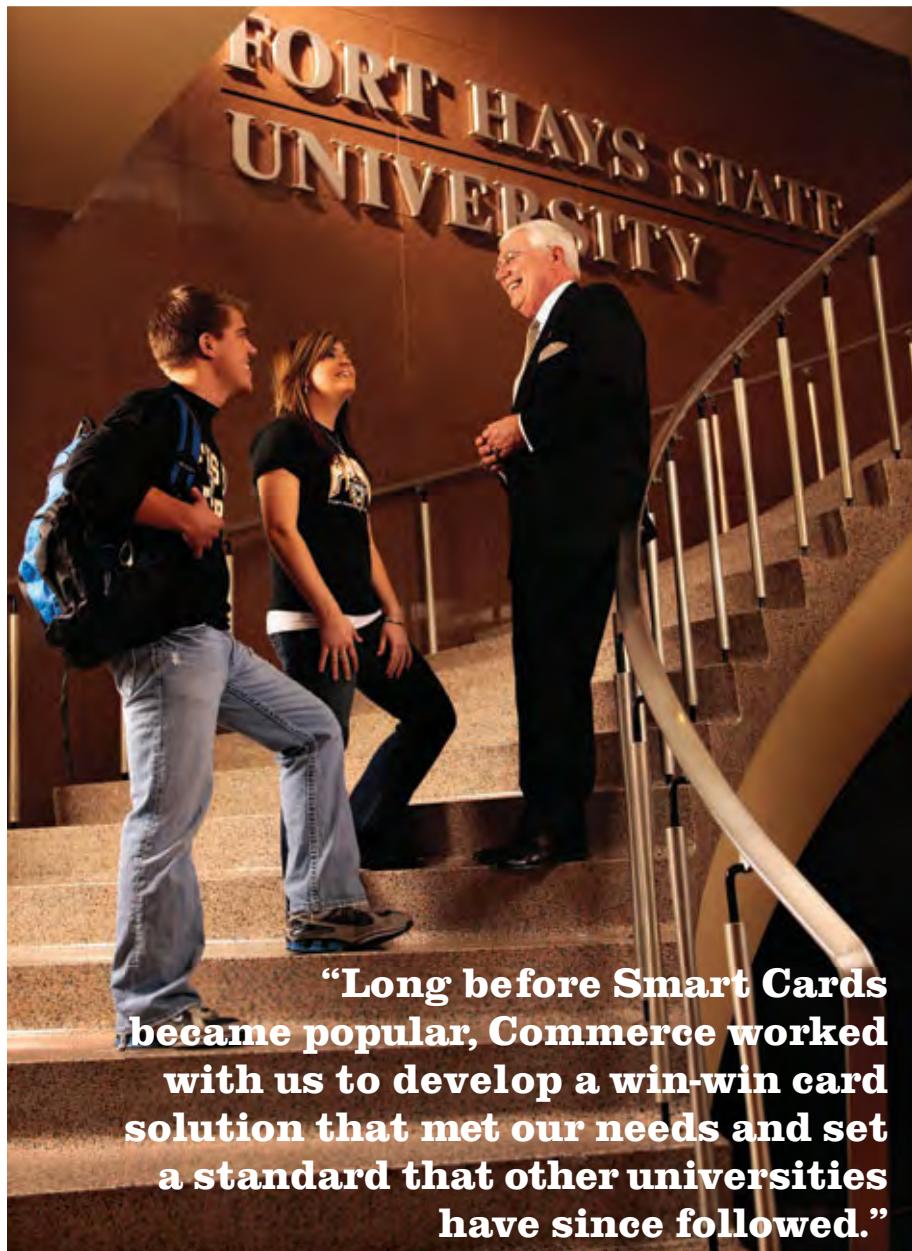
Back in the early 1990s when online banking was in its infancy, Fort Hays State University President Dr. Edward H. Hammond had an idea. A Florida university, he'd learned, had developed a special ID card that students could use for everything from checking out library books, to unlocking their dorm rooms,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



*Above: With Commerce's help, Dr. Ed Hammond made Fort Hays State University one of the nation's first universities to offer a smart ID card system. Right, from left: Don Becker, assistant vice president, University Cards, Commerce Bank; Tom Thomas, community bank president, Hays, Kansas; Angela Stieben, branch manager, Fort Hays State University Banking Center; and Dr. Ed Hammond, president, Fort Hays State University.*





Left: Steve Wagner and April Snedegar have turned St. Elizabeth Medical Center's accounting department into a revenue center by using an electronic payment system from Commerce. Below, from left: Steve Wagner, director of accounting, St. Elizabeth Medical Center; April Snedegar, controller, St. Elizabeth Medical Center; and Tim Sexton, vice president; Terry Carson, national account executive; Steve Bloemer, senior vice president, market manager, Cincinnati Region; and David Meier and Tim Kozeny, relationship managers, Commerce Commercial Card Services.



## Turning a Hospital Accounting Department into a Revenue Center

**ST. ELIZABETH MEDICAL CENTER  
EDGEWOOD, 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.

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 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."**

"They had nothing but good things to say about Commerce," he says.

With St. Elizabeth's blessing,

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.

"Our 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

### BARRY COUNTY

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, DVM Office*

Fred S. Osborn  
*Commerce Bank, N.A.*

Mike Petrie  
*Commerce Bancshares, Inc.*  
*Commerce Bank, N.A.*

Keith Shumaker  
*Shumaker Tire, Inc.*

Jerry Watley  
*Able 2 Products Co.*

### BOLIVAR

John Himmel  
*Commerce Bank, N.A.*

Jannis Keeling  
*Keeling Accounting & Financial Services*

Craig Lehman  
*Shelter Insurance Agency*

Robert Moreland  
*Commerce Bank, N.A.*

Ed Peterson  
*Century 21-Peterson Real Estate*

Dr. C. Pat Taylor  
*Southwest Baptist University*

R. D. Vestal  
*Vestal Equipment Co., Inc.*

### BRANSON

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*

### CAPE GIRARDEAU

William H. Bess, II  
*Bluff City Beer Company*

Leon Eftink  
*The Remodeling Room*

W. Cliff Ford

Ford & Sons  
*Funeral Home, Inc.*

Alan Gregory  
*Gregory Construction, Inc.*

Gregg E. Hollabaugh  
*Commerce Bancshares, Inc.*

Mike Kasten

Kasten Farms

Richard R. Kennard  
*Coad Chevrolet, Inc.*  
*Coad Toyota*

John Layton  
*Layton and Southard, LLC*

Todd Petzoldt  
*East Perry Lumber Company*

Roger Tolliver  
*Commerce Bank, N.A.*

Allen Toole  
*Cape Electrical Supply, Inc.*

### 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.*

Commerce Bank, N.A.

Robert K. Pugh

*MBS Textbook Exchange*

Jim Rolls  
*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 Tebow  
*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.*  
*Commerce Bank, N.A.*

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  
*Durvet, Inc.*

Rob Lund  
*Realty Trust Group*

Mark Martin  
*Formworks, LLC*

James Orr  
*Mechanical Breakdown Protection, Inc.*

David Orscheln  
*Ortran, Inc. / OIX, Inc.*

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 & Swopes 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  
S&H Farm Supply, Inc.  
Russell G. Smith, II  
MYRUSH Futures  
Investment Properties

**KANSAS CITY**

Kevin G. Barth  
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 Kiersnowski  
DEMDACO  
Dennis A. Mullin  
Steel & Pipe Supply  
Company, Inc.  
Karen L. Pletz, J.D.  
Kansas City University of  
Medicine and Biosciences  
Edward J. Reardon, II  
Commerce Bank, N.A.  
Jerry D. Reece  
Reece & Nichols  
Edward J. Schifman  
Veco Holdings, LLC  
Ladd M. Seaberg  
Midwest Grain Products, Inc.  
Charles S. Sosland  
Sosland Publishing Company  
Thomas R. Willard  
Tower Properties  
Susan S. Witcher  
Faultless Laundry  
Company, Inc.  
Hugh J. Zimmer  
Zimmer Companies

**LEBANON**

Jerry N. Benson  
Retired, Commerce  
Bank, N.A.  
Hugh V. Corry  
Hardware Electric &  
Plumbing Supply Company  
Brian Esther  
Commerce Bank, N.A.  
Lester M. Evans  
Cattleman  
John Himmel  
Commerce Bank, N.A.  
Harold Storck  
Cattleman  
Dan M. Waterman  
CPA  
**POPLAR BLUFF**  
Bill R. Brandt  
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 Merrill & Miller  
Austin Tinsley, IV  
Ozark Physical Therapy  
Roger Tolliver  
Commerce Bank, N.A.  
Ben Traxel  
Dille and Traxel, LLC  
**ST. JOSEPH**  
Robert J. Brown, Jr.  
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-Burr  
Eye Center  
Mike Petrie  
Commerce Bancshares, Inc.  
Commerce Bank, N.A.  
Edward J. Reardon, II  
Commerce Bank, N.A.  
Judy Sabbert  
Heartland Foundation  
Steve Schram  
Agri-Laboratories, Ltd.  
Bradley D. Scott  
Commerce Bank, N.A.  
Emil H. Sechter  
Commerce Bank, N.A.  
**ST. LOUIS METRO**  
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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.

**Kristopher G. Kosup**

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Seth M. Leadbeater  
Commerce Bancshares, Inc.  
Commerce Bank, N.A.  
John B. Morgan  
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 Schnuck  
Schnuck Markets, Inc.  
John (Jack) A. Schreiber  
Commerce Bank, N.A.  
Earl E. Walker  
Carr Lane Manufacturing Co.  
Kelvin R. Westbrook  
KRW Advisors, LLC  
**ST. LOUIS**  
**METRO EAST**  
William Courtney  
Helitech Concrete &  
Structural Repair  
Mona Haberer  
Hortica Insurance &  
Employee Benefits  
Scott Lively  
GMCH Certified Public  
Accountants  
James Rauckman  
Rauckman High Voltage  
Sales, LLC  
Garrett Reuter  
Greensfelder, Hemker  
& Gale, P.C.  
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  
*Polsinelli Shalton Flanigan Suelthaus P.C.*

Richard C. Mueller, Jr.  
*Bopp 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**

Dr. Maria C. Albano  
*Physician, Retired*

Michael D. Allen  
*Hoya 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*

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Richard K. Brunk  
*Attorney at Law*

James N. Foster  
*McMahon, Berger, Hanna, Linihan, Cody & McCarthy, P.C.*

Jack Hoffmann  
*Milestone Solutions*

**Richard E. Hrabko**

*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*

**ST. LOUIS EAST**

**Tino DiFranco**  
*Tropicana Bowling Lanes*

**J. L. (Juggie) Hinduja**  
*Sinclair Industries, Inc.*

**Myron J. Klevens**  
*Organizational Development Strategies*

**Patrick N. Lawlor**  
*Lawlor Corporation*

**McGraw Milhaven**  
*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.**  
*Gaellner Promotions*

**Duane A. Mueller**  
*Cissell Mueller Construction Company*

**Tarlton J. Pitman**  
*Pitman Funeral Home, Inc.*

**David Ross**

*Barnes-Jewish St. Peters Hospital*

**William J. Zollmann, III**  
*Attorney at Law*

**SPRINGFIELD**

**Roger Campbell, Jr.**  
*Campbell Ford-Mercury, Inc.*

**Kenneth L. Carter**  
*Rankin Company*

**John Cox**  
*Commerce Bank, N.A.*

**Steve Eoff**  
*D & E Plumbing & Heating*

**Karen Garwitz**  
*Hoffman Supply Company*

**Joe C. Greene**  
*Husch Blackwell*

*Sanders LLP*

**Bunch Greenwade**  
*G & H Contractors, LLC / Rancher*

**Robert A.**  
*Hammerschmidt, Jr.*  
*Commerce Bank, N.A.*

**John Himmel**  
*Commerce Bank, N.A.*

**Seth M. Leadbeater**  
*Commerce Bancshares, Inc.*

**Dennis Scharf**  
*Commerce Bank, N.A.*

**Mary Kay Meek**  
*Try-Meek, Inc.*

**Alvin D. Meeker**  
*Retired, Commerce Bank, N.A.*

**James F. Moore**  
*Investments*

**Rob Murray, III**  
*R. B. Murray Company*

**Keith Noble**  
*Commerce Bank, N.A.*

**Richard Ollis**

*Ollis & Company Insurers*

**Mike Petrie**  
*Commerce Bancshares, Inc.*

*Commerce Bank, N.A.*

**B. Glenn Robinson**

*Grand Country Square*

**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*

**Fred S. Osborn**  
*Commerce Bank, N.A.*

**Mike Petrie**  
*Commerce Bancshares, Inc.*

*Commerce Bank, N.A.*

**Jane Rhinehart**  
*Commerce Bank, N.A.*

**Darrel Shumake**  
*Attorney at Law*

**GARDEN CITY**

**Richard Harp**  
*Commerce Bank, N.A.*

**Caverly Hart**  
*The Finnup Foundation*

**Dr. Gloria Hopkins**  
*Fry Eye Associates*

**Dennis Kleysteuber**  
*Kleysteuber & Gillen Inc.*

**Dr. Tom Koksal**  
*Plaza Medical*

**Dr. Grant Larkin**  
*Grant Larkin, DDS*

**Stewart Nelson**  
*GMCN Architects*

**Mike Petrie**  
*Commerce Bancshares, Inc.*

*Commerce Bank, N.A.*

**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.*

**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.*

**Thomas L. Thomas**  
*Commerce Bank, N.A.*

**L. Earl Watkins**  
*Sunflower Electric Power Corp.*

**Vance Westhusin**  
*Midland Marketing Co-op, Inc.*

## Kansas Continued

**JOHNSON COUNTY**

Kevin G. Barth  
*Commerce Bancshares, Inc.*  
*Commerce Bank, N.A.*

Thomas P. Carrico  
*Gill Studios, Inc.*

Robert Choun  
*Metro Air Conditioning Co.*

Gordon Docking  
*Hospital Management Consultants*

Isak Federman  
*F&G Capital Management*

Bill Ferguson  
*Commerce Bank, N.A.*

Todd E. Gafney  
*Commerce Bank, N.A.*

Lance W. Hart  
*Commerce Bank, N.A.*

Chris Herre  
*Rose Construction Co., Inc.*

Matt McBride  
*Continental Title Company*

Pat Olney  
*Commerce Bank, N.A.*

Greg Prieb  
*Greg Prieb Homes, Inc.*

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

Thomas K. Rogge  
*Cramer Products*

Diane Ruggiero  
*Kansas City Regional Association of Realtors*

Daniel E. Sight  
*Sight Commercial Property Consulting*

Kevin Winters  
*CBIZ*

**LAWRENCE**

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

Sidney A. Garrett  
*Retired*

Mark Heider  
*Commerce Bank, N.A.*

Evan Ice  
*Stephens & Brand, LLP*

Eugene W. Meyer  
*Lawrence Memorial Hospital*

Martin W. Moore  
*Advanco, Inc.*

Kevin J. O'Malley  
*O'Malley Beverages of Kansas, Inc.*

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

Michael Treanor  
*Treanor 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 F. Steven  
*Commerce Bancshares, Inc.*

Eleanor G. Stolzer  
*Griffith Lumber Co.*

L. W. Stolzer  
*Griffith Lumber Co.*

**PITTSBURG**

Roy Worthington  
*Charlson & Wilson Bonded Abstracters*

James L. Belew  
*Investments*

Dr. Thomas W. Bryant  
*Pittsburg State University*

Harvey R. Dean  
*Pitsco, Inc.*

Joe Dellasega  
*U.S. Awards*

Adam Endicott  
*Unique Metal Fabrication, Inc.*

Roberta A. McNay  
*Investments*

Fred S. Osborn  
*Commerce Bank, N.A.*

Mike Petrie  
*Commerce Bancshares, Inc.*

Ronald L. Rhodes  
*Rhodes Grocery, Inc.*

Steve W. Sloan  
*Midwest Minerals, Inc.*

**BRIAN SUTTON**

*Commerce Bank, N.A.*

Judith A. Westhoff  
*Retired, Commerce Bank, N.A.*

Wendell L. Wilkinson  
*Commerce Bank, N.A.*

**RENO COUNTY (HUTCHINSON)**

Vergi Geurian  
*Pipeline Testing Consortium, Inc.*

Brett Mattison  
*Decker & Mattison Company*

Dr. Pamela D. Pierce  
*Reno Pathology Associates, P.A.*

Mike Ringwald  
*Farmer (Ellinwood, Kan.)*

Alan R. Woodard  
*Commerce Bank, N.A.*

**WICHITA**

Stanley R. Ahlerich  
*Rancher / Farming*

Dr. Donald Beggs  
*Wichita State University*

Michael P. Brown  
*College Hill OB/GYN*

Michael E. Bukaty  
*Latshaw Enterprises, Inc.*

John C. Clevenger  
*Commerce Bank, N.A.*

Monte A. Cook  
*Commerce Bank, N.A.*

Thomas E. Dondlinger  
*Dondlinger & Sons Construction Co., Inc.*

Stephen Hayes  
*The Hayes Company, Inc.*

Ronald W. Holt  
*Sedgwick County*

**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. Pauly  
*Commerce Bank, N.A.*

Mike Petrie  
*Commerce Bancshares, Inc.*

Barry L. Schwan  
*House of Schwan, Inc.*

Clifford W. Stone  
*Stone Farms*

Thomas D. White  
*White & Ellis Drilling, Inc.*

## Illinois

### BLOOMINGTON-NORMAL

Julie Dobski  
*Little Jewels Learning Center*  
McDonald's

Brent Eichelberger  
*Commerce Bank, N.A.*

George Farnsworth  
*Retired*

Robert Fleming  
*Fleming Law Office*

Ron Greene  
*AFNI, Inc.*

Gregg E. Hollabaugh  
*Commerce Bancshares, Inc.*

Parker Kemp  
*Kemp Farms, Inc.*

Robert Lakin  
*Commerce Bank, N.A.*

Seth M. Leadbeater  
*Commerce Bancshares, Inc.*  
*Commerce Bank, N.A.*

Richard Lenahan  
*Retired*

Dennis Myers  
*Myers, Inc.*

Eugene Striegel  
*Striegel, Knobloch & Co.*

### CHAMPAIGN-URBANA

Mark Arends  
*Arends Brothers, Inc.*

Dana Brenner  
*University of Illinois at Champaign-Urbana*

Brian Egeberg  
*Commerce Bank, N.A.*

Gregg E. Hollabaugh  
*Commerce Bancshares, Inc.*

Robert Lakin  
*Commerce Bank, N.A.*

Kim Martin  
*Martin, Hood, Fries & Associates, L.L.C.*

Roger Rhodes  
*Horizon Hobby, Inc.*

### PEORIA

Bruce Alkire  
*Coldwell Banker Commercial Devonshire Realty*

Daniel Altorfer  
*United Facilities, Inc.*

Afton Booth  
*The Unland Companies*

Brent Eichelberger  
*Commerce Bank, N.A.*

Lowell (Bud) Grieves  
*Mark Twain Hotel*

Gregg E. Hollabaugh  
*Commerce Bancshares, Inc.*

Seth M. Leadbeater  
*Commerce Bancshares, Inc.*  
*Commerce Bank, N.A.*

Stuart L. Levenick  
*Caterpillar, Inc.*

Dr. James Maxey  
*Great Plains Orthopaedics*

Timothy Shea  
*Peoria Builders*

Jan Wright  
*Central Illinois Business Publishers, Inc.*

## Oklahoma

### TULSA

Steven H. Austin  
*Commerce Bank, N.A.*

Nevyle R. Cable  
*First National Bank of Okmulgee*

Jeffery W. Davis  
*U.S. Beef Corporation*

James D. Dunn  
*Mill Creek Lumber*

R. Carl Hudgins  
*Commerce Bank, N.A.*

Bruce C. Humphrey  
*Commerce Bank, N.A.*

Ken Lackey  
*The Nordam Group, Inc.*

Dr. George S. Mauerman  
*Eastern Oklahoma Orthopedic Center, Inc.*

D. Lindsay Perkins  
*Lindsay Development, LLC*

John Turner  
*First Stuart Corporation*

Daryl Woodard  
*Woodard Technology & Investment*

## Officers

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*Chairman of the Board,  
 President and Chief Executive  
 Officer*

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*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 Stranghoener**  
*Executive Vice President*

**Sara E. Foster**  
*Senior Vice President*

**Michael J. Petrie**  
*Senior Vice President*

**Robert J. Rauscher**  
*Senior Vice President*

**J. Daniel Stinnett**  
*Vice President, Secretary  
 and General Counsel*

**Jeffery D. Aberdeen**  
*Controller*

**Wayne McGaugh**  
*Auditor*

## Directors

**John R. Capps\***  
*President and Chief Executive  
 Officer, Plaza Motor  
 Company*

**W. Thomas Grant, II**  
*Consultant, Quest Diagnostics*

**James B. Hebenstreit\***  
*President, Bartlett and  
 Company*

**David W. Kemper**  
*Chairman of the Board,  
 President and Chief Executive  
 Officer, Commerce  
 Bancshares, Inc.*

**Jonathan M. Kemper**  
*Vice Chairman, Commerce  
 Bancshares, Inc.*

**Thomas A. McDonnell\***  
*President and Chief Executive  
 Officer, DST Systems, Inc.*

**Terry O. Meek**  
*President, Meek Lumber  
 Yard, Inc.*

**Benjamin F. Rassieur, III\***  
*President, Paulo Products  
 Company*

**Dan C. Simons**  
*President, Electronic Division,  
 The World Company*

**Andrew C. Taylor**  
*Chairman and Chief  
 Executive Officer, Enterprise  
 Rent-A-Car Company*

**Kimberly G. Walker\***  
*Chief Investment Officer,  
 Washington University in  
 St. Louis*

**Robert H. West\***  
*Retired, Chairman and Chief  
 Executive Officer, Butler  
 Manufacturing Company*

\*Audit Committee Members

**CORPORATE HEADQUARTERS**

1000 Walnut  
P.O. Box 419248  
Kansas City, MO 64141-6248  
(816) 234-2000  
[www.commercebank.com](http://www.commercebank.com)

**INDEPENDENT ACCOUNTANTS**

KPMG LLP  
Kansas City, Missouri

**TRANSFER AGENT, REGISTRAR AND  
DIVIDEND DISBURSING AGENT**

Computershare Trust Company, N.A.  
P.O. Box 43078  
Providence, RI 02940-3078  
(800) 317-4445  
(800) 952-9245 TDD  
[www.computershare.com](http://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.

<b>FISCAL 2008</b>	<b>HIGH</b>	<b>LOW</b>
First Quarter	\$43.43	\$36.19
Second Quarter	43.49	37.55
Third Quarter	50.47	34.76
Fourth Quarter	52.86	35.44

**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](mailto: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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**COMMERCE BANCSHARES, INC.**

**1000 WALNUT  
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KANSAS CITY, MO 64141-6248**

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Website: [www.commercebank.com](http://www.commercebank.com)

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