Commerce Bancshares (CBSH)

Updated April 21st, 2026 by Jonathan Weber

Key Metrics

Current Price:	$51	**5 Year CAGR Estimate:**	6.8%	**Market Cap:**	$7.0B
Fair Value Price:	$50	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/05/26[1]
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.2%	**Dividend Payment Date:**	06/21/26[2]
Dividend Yield:	2.2%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	56
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Commerce Bancshares is a bank holding for Commerce Bank. It offers general banking services to its customers. Its services include retail and corporate banking, as well as asset management, investment banking, and other offerings. The company was founded in 1865 and operates branches in Colorado, Kansas, Missouri, Illinois and Oklahoma. Commerce Bancshares is headquartered in Kansas City, Missouri.

Commerce Bancshares reported its first quarter earnings results on April 21st. The company generated revenues of $476 million during the quarter, which was up 11.1% from the previous year's quarter. During the quarter, Commerce Bancshares' loan portfolio averaged $20.3 billion, which was up nicely on a sequential basis. Commerce Bancshares' provisions for loan losses were lower than during the previous year's quarter, when the bank added more money to its credit loss reserves, with the number declining from $14 million to $11 million.

Commerce Bancshares generated earnings-per-share of $0.96 during the first quarter, which was up 3% compared to the previous year's quarter, with higher revenues partially offset by higher expenses. Profits rose in 2024 and 2025, and they are forecasted to grow during the current year as well. Accounting for the $0.14 earnings-per-share beat during the first quarter, we forecast earnings-per-share of around $4.20 for the current year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.24	$2.62	$3.28	$3.27	$2.64	$3.93	$3.50	$3.46	$3.87	$4.04	***$4.20***	***$5.36***
DPS	$0.72	$0.74	$0.82	$0.90	$0.93	$0.95	$0.96	$0.98	$0.99	$1.10	***$1.10***	***$1.47***
Shares[3]	156	157	156	153	149	148	145	143	141	139	***137***	***130***

Commerce Bancshares has grown its earnings-per-share by roughly 5% annually since the Great Recession, which is a solid growth rate. During the Great Recession, Commerce Bancshares' profitability declined, but the company remained profitable, unlike many other American banks. Compared to its peers, Commerce Bancshares is a relatively stable performer and a lower-risk stock during times when the economy is not in good shape.

Commerce Bancshares' profits are driven by several factors. The bank's net interest income depends on the amount of outstanding loans as well as the spread between the interest rates the bank pays and the interest rates it earns. During recent years the bank's loan book experienced reasonable growth, although with some temporary ups and downs, and the bank was able to grow its net interest income as well. Commerce Bancshares also keeps growing the trust fees it receives, which is positive for its revenue growth. Commerce Bancshares has repeatedly done share repurchases, which have lowered the bank's share count substantially over the last decade.

We believe that Commerce Bancshares should be able to grow its earnings-per-share at a solid mid-single-digit pace going forward, thanks to a combination of rising revenues and share buybacks, but investors may experience some temporary ups and downs depending on short-term net interest margin trends and credit loss provisioning.

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[1] Estimated date
[2] Estimated date
[3] In Millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.6	18.7	14.3	19.0	22.7	16.4	17.7	14.6	16.0	12.9	***12.1***	***12.0***
Avg. Yld.	1.9%	1.6%	1.6%	1.5%	1.6%	1.5%	1.6%	2.0%	1.6%	2.1%	***2.2%***	***2.3%***

Commerce Bancshares trades at around 12 times our 2026 earnings-per-share estimate right now. The bank's longer-term median earnings multiple is in the mid-teens, but we believe that shares are fairly valued at a 12 times price to earnings multiple, considering the valuation ranges for most banks in the current environment.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	32%	28%	25%	28%	35%	24%	27%	28%	26%	27%	***26%***	***27%***

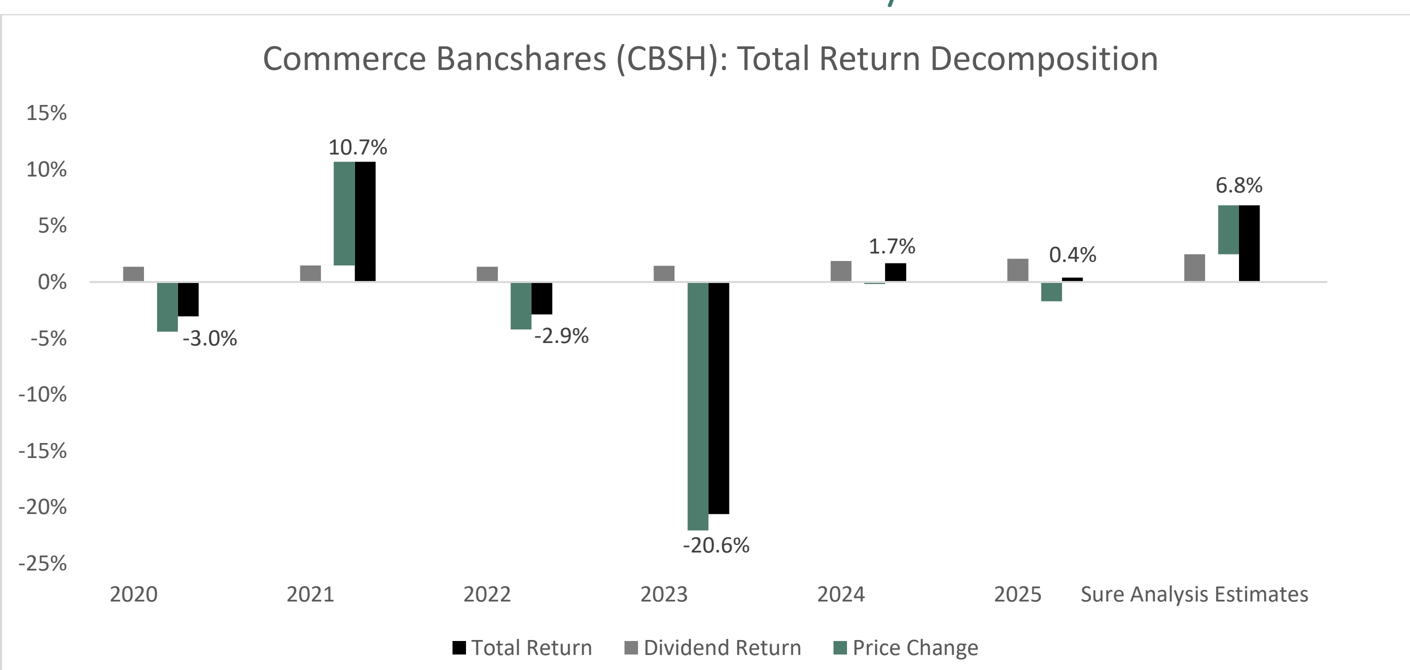
Commerce Bancshares' dividend payout ratio has never been particularly high, even during the Great Recession, when the company's profits took a hit. The dividend payout ratio has declined during the last decade and is now at a low level of below 30%. We believe that the dividend will be quite safe going forward, as Commerce Bancshares will continue to pay out just a small fraction of its profits.

Commerce Bancshares is not an overly large bank, but the company has strong fundamentals. This includes an above-average return on equity compared to its peer group. Commerce Bancshares' capitalization level is healthy as well. Commerce Bancshares' credit quality is strong, as net charge-offs are at a below-average level compared to most peers.

Final Thoughts & Recommendation

Commerce Bancshares is not among the largest players in the banking industry by far, and the company has not produced overly high earnings growth rates in the past. Commerce Bancshares is a quality company with healthy fundamentals, however, and the bank has been more resilient than many of its peers in past crises. We believe that shares are trading slightly above fair value right now, based on our 2026 earnings-per-share estimate. Due to solid but not great forecasted total returns, we rate Commerce Bancshares a hold for now.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,185	1,268	1,369	1,438	1,398	1,404	1,518	1,941	2,066	2,140
SG&A Expense	-	-	-	-	-	-	-	-	-	-
D&A Expense	41	40	39	41	44	45	47	50	54	
Net Profit	273	316	434	419	351	536	496	481	529	571
Net Margin	23.0%	24.9%	31.7%	29.1%	25.1%	38.1%	32.6%	24.8%	25.6%	26.7%
Free Cash Flow	337	388	534	466	592	571	490	374	550	
Income Taxes	124	111	106	109	87	146	132	135	145	161

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	25,759	24,906	25,541	26,133	33,018	36,689	31,876	31,701	31,997	32,915
Cash & Equivalents	767	482	1,206	908	2,208	4,294	848	2,682	3,373	803
Goodwill & Int.	143	142	141	141	144	144	154	151	150	160
Total Liabilities	23,258	22,188	22,604	22,994	29,618	33,241	29,394	28,737	28,664	29,100
Long-Term Debt	102	2	9	24	24	34	29	22	25	13
Shareholders' Equity	2,351	2,572	2,787	2,990	3,397	3,437	2,465	2,944	3,152	3,791
LTD/Equity	0.73	0.56	0.67	0.60	0.63	0.89	1.17	1.00	0.89	0.79

Profitability Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.1%	1.2%	1.7%	1.6%	1.2%	1.5%	1.4%	1.5%	1.7%	1.8%
Return on Equity	11.2%	12.1%	15.3%	13.8%	10.7%	15.6%	16.7%	17.7%	16.8%	16.0%
ROIC	6.2%	7.4%	9.5%	8.4%	6.6%	8.9%	8.4%	8.5%	8.7%	8.7%
Shares Outstanding	156	157	156	153	149	148	145	143	141	139
Revenue Per Share	7.98	7.72	9.19	9.88	9.86	9.95	10.97	14.21	15.34	15.40
FCF/Share	2.27	2.36	3.58	3.20	4.18	4.04	3.54	2.74	4.08	

Note: All figures in millions of U.S. Dollars unless otherwise noted.