

COMMERCE BANCSHARES INC /MO/
Form 10-Q
August 05, 2016
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 0-2989
COMMERCE BANCSHARES, INC.
(Exact name of registrant as specified
in its charter)

Missouri 43-0889454
(State of Incorporation) (IRS Employer Identification No.)

1000 Walnut, 64106
Kansas City, MO
(Address of principal executive offices) (Zip Code)

(816) 234-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of July 31, 2016, the registrant had outstanding 96,563,720 shares of its \$5 par value common stock, registrant's only class of common stock.

Commerce Bancshares, Inc. and Subsidiaries

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PART I: FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Commerce Bancshares, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(Unaudited)	
	(In thousands)	
ASSETS		
Loans	\$ 13,091,888	\$ 12,436,692
Allowance for loan losses	(153,832)	(151,532)
Net loans	12,938,056	12,285,160
Loans held for sale (including \$7,094,000 of residential mortgage loans carried at fair value at June 30, 2016 and \$4,981,000 at December 31, 2015)	33,254	7,607
Investment securities:		
Available for sale (\$583,208,000 pledged at June 30, 2016 and \$568,257,000 at December 31, 2015 to secure swap and repurchase agreements)	9,221,346	9,777,004
Trading	30,512	11,890
Non-marketable	111,931	112,786
Total investment securities	9,363,789	9,901,680
Federal funds sold and short-term securities purchased under agreements to resell	13,725	14,505
Long-term securities purchased under agreements to resell	825,000	875,000
Interest earning deposits with banks	183,223	23,803
Cash and due from banks	428,300	464,411
Land, buildings and equipment, net	342,237	352,581
Goodwill	138,921	138,921
Other intangible assets, net	6,561	6,669
Other assets	436,627	534,625
Total assets	\$24,709,693	\$24,604,962
LIABILITIES AND EQUITY		
Deposits:		
Non-interest bearing	\$6,906,265	\$7,146,398
Savings, interest checking and money market	10,978,734	10,834,746
Time open and C.D.'s of less than \$100,000	749,160	785,191
Time open and C.D.'s of \$100,000 and over	1,515,888	1,212,518
Total deposits	20,150,047	19,978,853
Federal funds purchased and securities sold under agreements to repurchase	1,632,272	1,963,552
Other borrowings	103,878	103,818
Other liabilities	296,675	191,321
Total liabilities	22,182,872	22,237,544
Commerce Bancshares, Inc. stockholders' equity:		
Preferred stock, \$1 par value		
Authorized 2,000,000 shares; issued 6,000 shares	144,784	144,784
Common stock, \$5 par value		
Authorized 120,000,000 shares;		
issued 97,972,433 shares	489,862	489,862

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Capital surplus	1,333,995	1,337,677
Retained earnings	470,558	383,313
Treasury stock of 1,244,063 shares at June 30, 2016 and 603,003 shares at December 31, 2015, at cost	(51,707) (26,116)
Accumulated other comprehensive income	134,424	32,470
Total Commerce Bancshares, Inc. stockholders' equity	2,521,916	2,361,990
Non-controlling interest	4,905	5,428
Total equity	2,526,821	2,367,418
Total liabilities and equity	\$24,709,693	\$24,604,962

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
(In thousands, except per share data)	(Unaudited)			
INTEREST INCOME				
Interest and fees on loans	\$ 121,151	\$ 113,467	\$ 240,484	\$ 224,753
Interest and fees on loans held for sale	692	39	827	60
Interest on investment securities	54,698	53,264	103,589	91,700
Interest on federal funds sold and short-term securities purchased under agreements to resell	19	15		