COMMERCE BANCORP INC /NJ/
Form 424B3
September 26, 2005

Filed pursuant to Rule 424(b) 3
File No. 333-128090

The boards of directors of Palm Beach County Bank, or PBCB, and Commerce Bancorp, Inc., or CBH, and Commerce Bank, N.A., or Commerce Bank, a national banking association and a wholly-owned subsidiary of CBH, have approved a merger agreement that will result in PBCB merging into Commerce Bank. In the merger, each outstanding share of PBCB common stock immediately prior to the effective time of the merger will be converted into 1.9835 shares of CBH common stock. Cash will be issued in lieu of fractional shares of CBH common stock. CBH expects to issue approximately 3,325,486 shares of CBH common stock in total at the closing of the merger and convert options to purchase shares of PBCB common stock into options to purchase approximately 91,737 shares of CBH common stock.

The proposed merger requires approval of a majority of the outstanding shares of PBCB common stock. As of September 19, 2005, PBCB shareholders who own approximately 58.67% of the total voting power of PBCB's outstanding shares of common stock, including certain PBCB directors, officers, affiliates, founders and their families and 5% shareholders, have executed a written consent adopting and approving the merger and the merger agreement. Accordingly, no vote is required on your part. Therefore, your vote on the merger is not being solicited hereby, and unless you dissent and seek appraisal rights, you will be able to receive your pro rata portion of the merger consideration on the same terms as those PBCB shareholders who approved the merger by written consent. This prospectus constitutes notice of the Company's receipt of the written consent of shareholders adopting and approving the merger and the merger agreement in accordance with the Florida Business Corporation Act.

We are not asking you for a proxy, and you are requested not to send us a proxy.

The proposed merger is more fully described in this prospectus. A copy of the merger agreement is included as Annex A to this prospectus.

Florida law provides that the shareholders of PBCB common stock who have not approved the merger and the merger agreement and who otherwise strictly comply with the applicable requirements of Sections 1301-1333 of the Florida Business Corporation Act are entitled to an appraisal of the fair value of their shares and may demand payment of the fair value of their shares. Shareholders who wish to assert appraisal rights should comply with the procedures detailed in Sections 1301-1333 of the Florida Business Corporation Act, a copy of which is attached as Annex B to this prospectus. This prospectus constitutes notice of appraisal rights pursuant to Sections 1301-1333 of the Florida Business Corporation Act.

Please see "Risk Factors" beginning on page 8 for a discussion of risks relating to CBH common stock.

CBH common stock is listed for trading on the New York Stock Exchange under the symbol "CBH." On September 21, 2005, the closing price per share of CBH common stock on the New York Stock Exchange was $30.34. Based upon the number of shares of CBH common stock issued and outstanding on September 19, 2005 and the number of shares of CBH common stock anticipated to be issued in the merger, excluding shares subject to PBCB options to be converted into CBH options in the merger, the shares of CBH common stock issued to PBCB shareholders in the merger will constitute approximately 2% of the outstanding common stock of CBH after the merger.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the CBH common stock to be issued in the merger or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of CBH common stock offered by this prospectus are not savings accounts, deposits or other obligations of any bank or non-bank subsidiary of any of the parties. The FDIC or any other governmental agency does not insure or guarantee any loss to you of your investment value in the CBH common stock.

The date of this prospectus is September 23, 2005 and it is being distributed to PBCB's shareholders on or about September 26, 2005.

Table of Contents

Questions and Answers About the Merger	1
Summary	3
The Merger	3
Adoption of the Merger Agreement	5
Reasons for the Merger	5
Opinion of Financial Advisor to the PBCB Board of Directors	6
The Companies	6
Risk Factors	7
Risk Factors	8
Cautionary Statement Concerning Forward-Looking Statements	12
Selected Historical Financial Information of CBH	13
The Merger	15
Material Terms of the Merger Agreement	15
Background of the Merger	23
CBH's Reasons for the Merger	24
PBCB's Reasons for the Merger	25
Opinion of Financial Advisor to the Board of Directors of PBCB	26
Interests of PBCB's Directors, Executive Officers and Others in the Merger	33
The Written Consent of Certain PBCB Shareholders	35
Ownership of CBH Following the Merger	35
Board of Directors and Management of CBH and Commerce Bank Upon Completion of the Merger	35
Regulatory Approvals	35
Resale of CBH Common Stock	36
Appraisal Rights	36
Listing of CBH Common Stock on NYSE	38
Accounting Treatment	38
Material United States Federal Income Tax Consequences	39
Description of CBH Stock	42
Authorized Capital	42
Description of Common Stock	42
"Anti-Takeover" Provisions	42
Comparison of Shareholder Rights	43
Capital	43
Preferred Stock	43
Shareholder Voting	43
Cumulative Voting	44
Action by Written Consent	44
Preemptive Rights	45
Amendment of Governing Documents	45
Size and Classification of the Board of Directors	46
Removal of Directors	46
"Anti-Takeover" Provisions	46
Dividends	49
Liquidation	51
Information Concerning CBH	51
Information Concerning PBCB	51
PBCB Common Stock Information and Dividend Policy	51

Security Ownership of Certain Beneficial Owners and Management of PBCB	51
Where You Can Find More Information	53

Legal Matters	54
Experts	54

ANNEX A—Agreement and Plan of Reorganization
ANNEX B—Sections 1301-1333 of Florida Business Corporation Act and Appraisal Form
ANNEX C—Opinion of SunTrust Capital Markets, Inc.

IMPORTANT

This document, which is sometimes referred to as the prospectus, constitutes a prospectus of CBH for the shares of CBH common stock that CBH will issue to PBCB shareholders in the merger and notice to PBCB shareholders in accordance with the Florida Business Corporation Act. As permitted by the rules of the SEC, this prospectus incorporates important business and financial information about CBH that is contained in documents filed with the SEC and that is not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the Internet website maintained by the SEC at www.sec.gov, as well as other sources. See "Where You Can Find More Information" beginning on page 53. You may also obtain copies of these documents, without charge, from CBH by writing or calling:

Commerce Bancorp, Inc.
Commerce Atrium
1701 Route 70 East
Cherry Hill, NJ 08034-5400
Attn: C. Edward Jordan, Jr.
Executive Vice President
Telephone: (856) 751-9000

In order to obtain timely delivery of these documents, you should request such documents no later than October 12, 2005.

Except as otherwise specifically noted, references to "us," "we" or "our" refer to both CBH and PBCB. Except as otherwise specifically noted, all references to "CBH" mean Commerce Bancorp, Inc. and references to the "CBH banks" mean CBH's banking subsidiaries: Commerce Bank, N.A. and Commerce Bank/North. All references to Commerce Bank mean Commerce Bank, N.A. and all references to "PBCB" mean Palm Beach County Bank.

In "Questions and Answers About the Merger" below and in the "Summary" beginning on page 3, we highlight selected information from this prospectus, but we have not included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a complete description of their legal terms, you should carefully read this entire prospectus, including the annexes, as well as the documents that we have incorporated by reference into this document. See "Where You Can Find More Information" beginning on page 53.

ii

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: ***What is the proposed transaction?***

A: CBH and Commerce Bank entered into a merger agreement with PBCB pursuant to which PBCB will be merged with and into Commerce Bank. Commerce Bank will survive the merger. The merger agreement is included as Annex A to this prospectus and is incorporated herein by reference. It is the legal document that governs the merger.

Q: ***Do I need to approve the merger*?**

A: No. Florida law and PBCB's bylaws allow PBCB's shareholders to act by written consent instead of holding a meeting. As of September 19, 2005, shareholders who control a sufficient number of shares of PBCB common stock to adopt and approve the merger and the merger agreement have executed a written consent adopting and approving the merger and the merger agreement. Therefore, PBCB will not need to hold a special meeting and no vote is required on your part. **We are not asking you for a proxy, and you are requested not to send us a proxy.**

The shareholders who have executed the written consent include certain PBCB directors, officers, affiliates, founders and their families and 5% shareholders.

Q: ***What will I receive in the merger*?**

A: Unless you validly exercise your appraisal rights, for each share of PBCB common stock that you hold immediately prior to the effective time of the merger, you will receive 1.9835 shares of CBH common stock. CBH will not issue any fractional shares of CBH common stock. Cash will be issued in lieu of fractional shares of CBH common stock. PBCB options will be converted into CBH options with the number of shares subject to the option and the exercise price per share to be adjusted based upon the per share merger consideration. Please refer to pages 15 to 16 for more information regarding the definition of per share merger consideration and the treatment of PBCB options.

The exchange ratio of 1.9835 shares of CBH common stock for each share of PBCB common stock outstanding immediately prior to the effective time of the merger is fixed and will not be adjusted to reflect fluctuations in the market price of the CBH common stock prior to the effective time of the merger. However, PBCB's board of directors has the right to terminate the merger agreement if the average of the closing sales prices of CBH common stock, as reported on the New York Stock Exchange, for the seven consecutive trading days ending two trading days prior to the closing of the merger is less than $25.70, subject to CBH's right to increase the per share merger consideration to avoid termination.

Q: ***What are the federal income tax consequences of the merger to me***?

A: We expect the merger to be treated as a tax-free reorganization pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. If the merger is treated as a tax-free reorganization, generally the shareholders of PBCB, for federal income tax purposes, will recognize no gain or loss upon their receipt of CBH common stock in the merger, except with respect to cash received by PBCB shareholders instead of fractional shares of CBH common stock or upon exercise of their dissenters' rights. A PBCB shareholder who receives cash in lieu of fractional shares will generally recognize capital gain or loss based on the difference between the amount of the cash

received and the PBCB shareholder's aggregate adjusted tax basis in the PBCB stock surrendered. **Tax matters are very complicated, and the tax consequences of the merger to each PBCB shareholder will depend on the facts of that shareholder's particular situation. You are urged to consult your own tax advisors regarding the specific tax consequences of the merger, including tax return reporting requirements, the applicability of federal, state, local and foreign tax laws and the effect of any proposed changes in the tax laws. See "Material United States Federal Income Tax Consequences."**

Q: ***Do I have dissenters' rights or appraisal rights?***

A: Yes. You have dissenters' rights or appraisal rights under Florida law. To perfect your appraisal rights you must strictly comply with the procedures in Sections 1301 through 1333 of the Florida Business Corporation Act, a copy of which is included as Annex B to this prospectus. Failure to strictly comply with these procedures will result in the loss of these appraisal rights. See "The Merger — Appraisal Rights."

Q: ***Will PBCB shareholders be able to trade CBH common stock that they receive pursuant to the merger?***

A: Yes. The shares of CBH common stock issued pursuant to the merger have been registered under the Securities Act and will be listed on the New York Stock Exchange. All shares of CBH common stock that you receive pursuant to the merger or upon exercise of PBCB options assumed by CBH in the merger will be freely transferable unless you are deemed to be an affiliate of PBCB or CBH. See "The Merger — Resale of CBH Common Stock."

Q: ***Should I send my stock certificate to CBH's transfer agent now?***

A: No. As soon as practicable after the merger is completed, PBCB's shareholders will receive a letter of transmittal and instructions for surrendering their shares of PBCB common stock in exchange for CBH common stock and, if applicable, cash in lieu of fractional shares. Please do not send in your PBCB stock certificates until you receive the letter of transmittal and instructions.

Q: ***When do you expect the merger to be completed?***

A: We are working to complete the merger in the fourth quarter of 2005. All the conditions set forth in the merger agreement must be satisfied or waived prior to completing the merger. We must also obtain the necessary regulatory approvals prior to completing the merger. We cannot assure you as to if and when all of the conditions of the merger will be met. It is possible we will not complete the merger.

Q: ***Where can I find more information about CBH?***

A: More information about CBH is available from various sources described under "Where You Can Find More Information" on page 53 of this prospectus. Additional information about CBH may be obtained from its Internet website at www.commerceonline.com. CBH has included its website address in this prospectus only as an inactive textual reference and does not intend it to be an active link to its website.

SUMMARY

The following summary highlights selected information from this prospectus and may not contain all of the information that is important to you. To better understand the merger, you should carefully read this entire document and the other documents to which this document refers you. See “Where You Can Find More Information” beginning on page 53.

The Merger

The merger agreement is included as Annex A to this prospectus. We encourage you to read the merger agreement because it is the legal document that governs the merger.

Following the merger, PBCB shareholders will own approximately 2% of the outstanding common stock of CBH.

We anticipate that CBH will issue approximately 3,325,486 shares of CBH common stock to PBCB shareholders in the merger. We also anticipate that CBH will issue approximately 91,737 additional shares of CBH common stock upon the exercise of currently outstanding options to purchase PBCB common stock that will be converted into options to purchase CBH common stock in the merger. Based on the number of shares of CBH common stock issued and outstanding on September 19, 2005 and the number of shares of CBH common stock to be issued in the merger, excluding shares subject to PBCB options to be converted into CBH options in the merger, following the merger, existing CBH shareholders will own approximately 98% and former PBCB shareholders will own approximately 2% of the outstanding common stock of CBH.

The board of directors and management of CBH following the merger will be comprised of the current directors and officers of CBH.

When the merger is complete, CBH will continue to be managed by its current directors and officers. Commerce Bank will also continue to be managed by its current directors and officers.

PBCB directors, executive officers and others may have interests in the merger that are different from your interests. (see page 33)

PBCB shareholders should note that PBCB’s directors, executive officers and others have interests in the merger that may be different from or in addition to the interests of PBCB shareholders generally. These interests include:

- PBCB’s directors and executive officers and their affiliates currently beneficially own 747,690 shares of PBCB common stock;
  - the merger will accelerate the vesting of options held by optionees that are not currently exercisable;
  - Commerce Bank entered into employment agreements with Calvin L. Cearley, the Vice Chairman and Chief Executive Officer of PBCB, William R. Martin, the President and Chief Operating Officer of PBCB, Nancy J. Minniear, the Executive Vice President and Chief Financial Officer of PBCB, and Patricia A. Sheehan, the Senior Vice President, Banking of PBCB;
  - pursuant to their old PBCB employment contracts Messrs. Cearley and Martin are each entitled to a cash change in control payment upon the completion of the merger; and
- all of the directors and officers of PBCB will also receive indemnification rights under the merger agreement.

The PBCB board of directors was aware of these interests at the time the merger was approved.

The completion of the merger is subject to the satisfaction or waiver of various conditions. (see page 20)

The completion of the merger depends upon the satisfaction or waiver of a number of conditions. These conditions include, among others, the following:

· receipt of all required regulatory approvals and expiration of all related statutory waiting periods;

· CBH's counsel must have rendered a legal opinion stating that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

· accuracy of the other party's representations and warranties contained in the merger agreement;

· the performance by the other party of its obligations contained in the merger agreement in all material respects; and

· each of PBCB's board members must have executed a non-competition agreement.

To review all of the conditions contained in the merger agreement, you should read the merger agreement which is included as Annex A to this prospectus. There can be no assurance that the conditions to the completion of the merger will be satisfied or waived.

The merger agreement may be terminated in a limited number of circumstances. (see page 21)

At any time before the completion of the merger, the merger agreement may be terminated:

· by the mutual written consent of the boards of directors of CBH and PBCB;

· by CBH or PBCB upon written notice to the other party 30 days after the date on which any request or application for a required regulatory approval has been denied or withdrawn at the request or recommendation of the governmental entity that must grant such approval;

· by CBH or PBCB upon written notice to the other party if any governmental entity of competent jurisdiction issues a final nonappealable order enjoining or otherwise prohibiting the merger;

· by CBH or PBCB if the merger is not consummated on or before March 31, 2006;

· by CBH or PBCB if the PBCB shareholders do not approve the proposed merger by the required vote;

· by CBH or PBCB if there is a material breach of any of the representations or warranties contained in the merger agreement on the part of the other party, which breach is not cured within 30 days following written notice to the party committing the breach, or which breach, by its nature, cannot be cured prior to the closing of the merger; provided, however, that neither party has the right to terminate the merger agreement unless the breach of representation or warranty, together with all other such breaches, would entitle the party receiving the representation not to consummate the transactions contemplated by the merger agreement;

· by CBH or PBCB if there is a material breach of any of the covenants or agreements contained in the merger agreement on the part of the other party, which breach is not cured within 30 days following receipt by the breaching party of written notice of the breach from the other party, or which breach, by its nature, cannot be cured prior to the closing of the merger; or

·

by PBCB, if the average of the closing sales prices of CBH common stock, as reported on the New York Stock Exchange, for the seven consecutive trading days ending two trading days prior to closing of the merger is less than $25.70 and CBH does not elect to increase the per share merger consideration as provided in the merger agreement.

The above termination rights are subject to limitations more fully described on pages 21 to 22 and which limitations are set forth in the merger agreement included as Annex A to this prospectus.

Regulatory approvals are required in connection with the merger. (see page 35)

We must get approval of the merger from the Office of the Comptroller of the Currency, or OCC, and provide notice to the Florida Office of Financial Regulation, or FOFR, prior to completing the merger. We filed an application with the OCC requesting approval of the merger and provided notice to the FOFR. We cannot assure you as to if and when we will receive approval from the OCC.

For accounting purposes, CBH and PBCB will be treated as if the combination occurs on the closing date of the merger. (see page 38)

Following the completion of the merger, CBH will include the fair value of the assets and liabilities of PBCB in CBH's consolidated balance sheet and will include the income of PBCB after the closing date in CBH's consolidated statement of income.

Adoption of the Merger Agreement

The proposed merger requires approval by a majority of the outstanding shares of PBCB common stock. Each share of PBCB common stock is entitled to one vote. On September 19, 2005, there were 1,676,575 shares of PBCB common stock outstanding. As of September 19, 2005, holders of approximately 58.67% of the total voting power of PBCB's outstanding shares of common stock have executed a written consent adopting and approving the merger and the merger agreement. Accordingly, no vote is required on your part. Therefore, PBCB will not need to hold a special meeting and no further action is required on the part of PBCB shareholders. The PBCB shareholders who have executed the written consent are certain PBCB directors, officers, affiliates, founders and their families and 5% shareholders. As of September 19, 2005, directors and executive officers and their affiliates beneficially owned approximately 44% of the outstanding shares of PBCB common stock.

Reasons for the Merger

PBCB

The PBCB board of directors unanimously approved the merger because the board of directors believes that the merger will be beneficial to its shareholders, because, among other reasons:

- the structure of the merger and the financial and other terms of the merger agreement, including the fact that the transaction is a stock-for-stock merger that will allow PBCB shareholders to continue to participate in the future growth prospects of both companies;

- the belief that a combination with CBH would allow PBCB shareholders, as shareholders of the combined entity, to participate in a more favorable investment opportunity than a continuing investment in PBCB was likely to achieve on a stand-alone basis;

- the complementary nature of the businesses of PBCB and CBH and the anticipated improved stability of CBH's businesses and earnings in varying economic and market climates relative to PBCB on a stand-alone basis as a result of greater geographic, asset and line-of-business diversification; and

- the belief that the transaction with CBH offered greater value for PBCB's shareholders than other alternatives available to PBCB.

5

To review PBCB's reasons for the merger in greater detail, see pages 25 to 26.

CBH

The CBH board of directors believes the merger will be beneficial to CBH and its shareholders because, among other reasons:

- the merger allows for CBH to continue its long-term growth strategy of opening new stores in both existing and new markets;
- the merger establishes a platform in southeast Florida from which CBH plans to expand by 15-25 stores per year;
- a high percentage of the southeast Florida population is originally from the mid-Atlantic states, thereby making southeast Florida a natural extension of CBH's New York and Philadelphia markets, where the CBH brand is widely recognized;
- Southeast Florida is viewed as an attractive and high growth market, with a projected five-year population growth rate of 10% and total bank deposits of approximately $130 billion; and
- PBCB is a bank with a similar culture regarding customer service and credit quality.

Opinion of Financial Advisor to the PBCB Board of Directors

PBCB's board of directors has engaged SunTrust Robinson Humphrey, a division of SunTrust Capital Markets, Inc., or SunTrust, as its financial advisor in connection with the merger. PBCB's board of directors has received a written opinion of SunTrust, dated July 25, 2005, that, as of the date of the opinion, and based upon and subject to the considerations described in the opinion, the exchange ratio to be used in determining the consideration to be received by holders of PBCB common stock in the merger is fair, from a financial point of view. The full text of SunTrust's written opinion is included as Annex C to this prospectus. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. The opinion is directed to PBCB's board of directors and does not constitute a recommendation by SunTrust to any PBCB shareholder as to any matter relating to the merger.

The Companies

Commerce Bancorp, Inc.
1701 Route 70 East
Cherry Hill, NJ 08034
(856) 751-9000

Commerce Bank, N.A.
1900 Market Street
Philadelphia, PA 19103
(888) 751-9000

Commerce Bancorp, Inc. (NYSE: CBH) is a New Jersey business corporation registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. CBH was incorporated on December 9, 1982 and became an active bank holding company on June 30, 1983 through the acquisition of Commerce Bank.

As of June 30, 2005, CBH had total assets of $33.4 billion, total loans of $10.7 billion, and total deposits of $30.5 billion.

As of August 1, 2005, CBH operated two bank subsidiaries:

- one nationally chartered bank subsidiary: Commerce Bank, N.A., Philadelphia, Pennsylvania; and
- one New Jersey state chartered bank subsidiary: Commerce Bank/North, Ramsey, New Jersey.

As of June 30, 2005, CBH's bank subsidiaries had 326 full service retail stores located in the states of New Jersey, Pennsylvania, Delaware, New York and Virginia as well as the District of Columbia. The CBH banks provide a full range of retail and commercial banking services for consumers and small and mid-sized companies. Lending services are focused on commercial real estate and commercial and consumer loans to local borrowers. The CBH banks' lending and investment activities are funded principally by retail deposits gathered through each bank's retail store network.

In addition, CBH, through Commerce Insurance Services, Inc., a non-bank subsidiary of Commerce Bank/North, referred to as Commerce Insurance, operates an insurance brokerage agency concentrating on commercial property, casualty and surety as well as personal lines of insurance and employee benefits for clients in multiple states, primarily Delaware, New Jersey, New York and Pennsylvania. Since 1996, Commerce Insurance has completed several strategic acquisitions of insurance brokerage agencies.

Commerce Bank, N.A., a national banking association, is a wholly-owned subsidiary of CBH. In the merger, PBCB will be merged with and into Commerce Bank with Commerce Bank surviving the merger as a wholly-owned subsidiary of CBH. Commerce Bank operates a non-bank subsidiary, Commerce Capital Markets, Inc., Philadelphia, Pennsylvania, which engages in various securities, investment services and brokerage activities.

Palm Beach County Bank
2130 Centerpark West Drive
West Palm Beach, FL 33409
(561) 684-5515

PBCB is a privately-held state-chartered bank with approximately $350 million in assets, as of June 30, 2005, and seven branch offices. PBCB, which commenced operations in 1999, offers a broad range of commercial banking services to consumers and small businesses in Palm Beach County, Florida.

Risk Factors

For a description of risks related to CBH common stock see pages 8 through 11.

RISK FACTORS

As a result of the merger, PBCB's shareholders will be subject to the following new or increased risks related to CBH. You should consider these matters in connection with the other information that CBH has included or incorporated by reference into this prospectus. The risks and uncertainties described below are not the only ones facing CBH. Additional risks and uncertainties not presently known to CBH, or that CBH currently sees as immaterial, may also harm CBH's business. If any of the risks or uncertainties described below or any such additional risks and uncertainties actually occur, CBH's business, results of operations and financial condition could be materially and adversely affected.

Throughout this section, unless the context indicates otherwise, when we use the term "CBH," we are referring to Commerce Bancorp, Inc. and its subsidiaries.

CBH plans to continue to grow rapidly and there are risks associated with rapid growth.

CBH intends to continue to rapidly expand its business and operations to increase its deposits and loans. In particular, CBH intends to expand its banking franchise through continued store expansion and selective acquisitions.

Continued growth may present operating and other problems that could adversely affect CBH's business, financial condition and results of operations. CBH's growth may place a strain on its administrative, operational, personnel and financial resources and increase demands on its systems and controls. CBH anticipates that its business growth may require continued enhancements to and expansion of its operating and financial systems and controls and may strain or significantly challenge them. CBH's inability to continue to upgrade or maintain effective operating and financial control systems and to recruit and hire necessary personnel or to successfully integrate new personnel into CBH's operations could adversely impact its financial condition, results of operations and cash flows. Additionally, CBH cannot assure you that its existing operating and financial control systems and infrastructure will be adequate to maintain and effectively monitor future growth.

CBH's ability to manage growth successfully will depend on its ability to attract qualified personnel and maintain cost controls and asset quality while attracting additional loans and deposits on favorable terms, as well as on factors beyond CBH's control, such as economic conditions and interest rate trends. If CBH grows too quickly and is not able to attract qualified personnel, control costs and maintain asset quality, this continued rapid growth could materially adversely affect CBH's financial performance.

If CBH does not adjust to rapid changes in the financial services industry, its financial performance may suffer.

CBH's ability to maintain its history of strong financial performance and return on investment to shareholders may depend in part on its ability to expand its scope of available financial services as needed to meet the needs and demands of its customers. CBH's business model focuses on using superior customer service to provide traditional banking services to a growing customer base. However, CBH operates in an increasingly competitive environment in which its competitors now include securities dealers, brokers, mortgage bankers, investment advisors and finance and insurance companies who seek to offer one-stop financial services to their customers that may include services that CBH has not been able or allowed to offer to its customers in the past. This increasingly competitive environment is primarily a result of changes in regulation, changes in technology and product delivery systems and the accelerating pace of consolidation among financial services providers. CBH cannot assure you that it will be able to continue to compete successfully in this environment without expanding the scope of financial services CBH provides, or that if CBH needs to expand the scope of services that it provides, that it will be able to do so successfully.

CBH's future success depends on its ability to compete effectively in a highly competitive market and geographic area.

CBH faces substantial competition in all phases of its operations from a variety of different competitors. CBH encounters competition from commercial banks, savings and loan associations, mutual savings banks and other financial institutions. CBH's competitors, including credit unions, consumer finance companies, factors, insurance companies and money market mutual funds, compete with lending and deposit-gathering services offered by CBH. There is very strong competition for financial services in the Pennsylvania, New Jersey, Delaware, New York, Virginia and District of Columbia areas in which CBH currently conducts its businesses. This geographic area includes offices of many of the largest financial institutions in the world. Many of those competing institutions have much greater financial and marketing resources than CBH has. Due to their size, many competitors can achieve larger economies of scale and as a result may offer a broader range of products and services than CBH. If CBH is unable to offer competitive products and services, its earnings may be negatively affected.

Some of the financial services organizations with which CBH competes are not subject to the same degree of regulation as is imposed on bank holding companies and federally insured financial institutions. As a result, these nonbank competitors have certain advantages over CBH in accessing funding and in providing various services. The banking business in CBH's current primary market area is very competitive, and the level of competition facing CBH may increase further, which may limit CBH's asset growth and profitability.

Economic conditions either nationally or locally in areas in which CBH's operations are concentrated may be less favorable than expected.

Deterioration in local, regional, national or global economic conditions could result in, among other things, an increase in loan delinquencies, a decrease in property values, a change in housing turnover rate or a reduction in the level of bank deposits. Particularly, a weakening of the real estate or employment market in CBH's primary market areas could result in an increase in the number of borrowers who default on their loans and a reduction in the value of the collateral securing their loans, which in turn could have an adverse effect on CBH's profitability. Substantially all of CBH's real estate loans are collateralized by properties located in these market areas, and substantially all of CBH's loans are made to borrowers who live in and conduct business in these market areas. Any material economic deterioration in these market areas could have an adverse impact on CBH's profitability.

Changes in interest rates could reduce CBH's income and cash flows.

CBH's income and cash flows and the value of its assets and liabilities depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investment securities, and the interest rates paid on interest-bearing liabilities such as deposits and borrowings. These rates are highly sensitive to many factors which are beyond CBH's control, including general economic conditions and policies of various governmental and regulatory agencies, in particular, the Board of Governors of the Federal Reserve System. Changes in monetary policy, including changes in interest rates, will influence the origination of loans and investment securities and the amounts paid on deposits. If the rate of interest CBH pays on its deposits and other borrowings increases more than the rate of interest CBH earns on its loans and other investments, CBH's net interest income, and therefore its earnings, could be adversely affected. CBH's earnings could also be adversely affected if the rates on its loans and other investments fall more quickly than those on its deposits and other borrowings.

CBH operates in a highly regulated environment; changes in laws and regulations and accounting principles may adversely affect CBH.

CBH is subject to extensive state and federal regulation, supervision and legislation which govern almost all aspects of its operations. These laws may change from time to time and are primarily intended for the protection of customers, depositors and the deposit insurance funds. The impact of any changes to these laws may negatively impact CBH's ability to expand its services and to increase the value of its business. Regulatory authorities have extensive discretion in the exercise of their supervisory and enforcement powers. They may, among other things, impose restrictions on the operation of a banking institution, the classification of assets by such institution and such institution's allowance for loan losses. Regulatory and law enforcement authorities also have wide discretion and extensive enforcement powers under various consumer protection, civil rights and other laws, including the Gramm-Leach Blilely Act, the Bank Secrecy Act, the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act and the Real Estate Settlement Procedures Act. These laws also permit private individual and class action lawsuits and provide for the recovery of attorney's fees in certain instances. Any changes to these laws or any applicable accounting principles may negatively impact CBH's results of operations and financial condition. While CBH cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on it, these changes could be materially adverse to CBH's investors and shareholders.

CBH is required to maintain an allowance for loan losses. These reserves are based on management's judgment and may have to be adjusted in the future. Any adjustment to the allowance for loan losses, whether due to regulatory changes, economic conditions or other factors, may affect CBH's financial condition and earnings.

CBH maintains an allowance for loan losses. The allowance for loan losses is maintained at a level believed adequate by management to absorb losses inherent in the loan portfolio. In conjunction with an internal loan review function that operates independently of the lending function, management monitors the loan portfolio to identify risks on a timely basis so that an appropriate allowance can be maintained. Based on an evaluation of the loan portfolio, CBH's management presents a quarterly review of the loan loss reserve to the CBH board of directors, indicating any changes in the reserve since the last review and any recommendations as to adjustments in the reserve. In making its evaluation, in addition to the factors discussed below, CBH's management considers the results of recent regulatory examinations, which typically include a review of the allowance for loan losses as an integral part of the examination process.

In establishing the allowance, CBH's management evaluates individual large classified loans and nonaccrual loans, and determines an aggregate reserve for those loans based on that review. An allowance for the remainder of the loan portfolio is also determined based on historical loss experience within the components of the portfolio. These allocations may be modified if current conditions indicate that loan losses may differ from historical experience, based on economic factors and changes in portfolio mix and volume.

In addition, a portion of the allowance is established for losses inherent in the loan portfolio which have not been identified by the more quantitative processes described above. This determination inherently involves a higher degree of subjectivity, and considers risk factors that may not have yet manifested themselves in CBH's historical loss experience. Those factors include changes in levels and trends of charge-offs, delinquencies, and nonaccrual loans, trends in volume and terms of loans, changes in underwriting standards and practices, portfolio mix, tenure of loan officers and management, entrance into new geographic markets, changes in credit concentrations, and national and local economic trends and conditions. While the allowance for loan losses is maintained at a level believed to be adequate by CBH's management for estimated losses in the loan portfolio, determination of the allowance is inherently subjective, as it requires estimates, all of which may be susceptible to significant change. Changes in these estimates may impact the provisions charged to expense in future periods.

10

Federal regulatory authorities, as an integral part of their examination process, review CBH's loans and allowance for loan losses. CBH cannot assure you that it will not increase the allowance for loan losses or the regulators will not require CBH to increase this allowance. Either of these occurrences could negatively impact CBH's results of operations.

If CBH fails to maintain an effective system of internal controls, it may not be able to accurately report its financial results or prevent fraud. As a result, current and potential shareholders could lose confidence in CBH's financial reporting, which could harm its business and the trading price of CBH's common stock.

If CBH fails to maintain an effective system of internal controls, fails to correct any issues in the design or operating effectiveness of internal controls over financial reporting or fails to prevent fraud, current and potential shareholders could lose confidence in CBH's financial reporting, which could harm its business and the trading price of CBH's common stock.

It may be difficult for a third party to acquire CBH and this could depress CBH's stock price.

Under CBH's restated certificate of incorporation, CBH has authorized 10,000,000 shares of preferred stock, which the board of directors may issue with terms, rights, preferences and designations as the board of directors may determine and without any vote of the shareholders, unless otherwise required by law. Issuing the preferred stock, depending upon the rights, preferences and designations set by the board of directors, may delay, deter or prevent a change in control of CBH. In addition, "anti-takeover" provisions of CBH's restated certificate of incorporation, federal and state banking laws and New Jersey law may restrict the ability of the shareholders to approve a merger or business combination or obtain control of CBH. This may tend to make it more difficult for shareholders to replace existing management or may prevent shareholders from receiving a premium for their shares of CBH common stock.

CBH common stock is not insured by any governmental agency and, therefore, investment in them involves risk.

The securities of CBH are not deposit accounts or other obligations of any bank, and are not insured by the FDIC, or any other governmental agency, and are subject to investment risk, including the possible loss of principal.

Terrorist attacks and threats or actual war may impact all aspects of our operations, revenues, costs and stock price in unpredictable ways.

Recent terrorist attacks in the United States and abroad, as well as future events occurring in response or in connection to them, including, without limitation, future terrorist attacks against United States targets, rumors or threats of war, actual conflicts involving the United States or its allies or military or trade disruptions, may impact CBH's operations. Any of these events could cause consumer confidence and savings to decrease or result in increased volatility in the United States and worldwide financial markets and economy. Any of these occurrences could have an adverse impact on CBH's operating results, revenues and costs and may result in the volatility of the market price for CBH's common stock and on the future price of CBH's common stock.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

CBH has included or may include statements in this prospectus (including documents incorporated by reference described under the heading “Where You Can Find More Information”) that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to CBH’s beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors that are sometimes beyond CBH’s control. You will be able to recognize a forward-looking statement because it contains the words “anticipate,” “believe,” “estimate,” “expect,” “project,” “objective,” “may,” “could,” “should,” “would,” “intend,” “plan expressions to identify it as a forward-looking statement.

The following factors, among others, could cause financial performance to differ materially from that expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which CBH conducts its operations; the effects of, and changes in, trade, monetary and fiscal policies, including interest rate policies of the FRB; inflation; interest rates, market and monetary fluctuations; CBH’s timely development of competitive new products and services and the acceptance of such products and services by customers; the willingness of customers to substitute competitors’ products and services for CBH’s products and services and vice versa; the impact of changes in financial services laws and regulations, including laws concerning taxes, banking, securities and insurance; technological changes; future acquisitions; the expense savings and revenue enhancements from acquisitions being less than expected; the growth and profitability of CBH’s noninterest or fee income being less than expected; CBH’s ability to adequately estimate its allowance for loan losses; CBH’s ability to maintain its growth and further development of its community-based retail branching network; unanticipated regulatory or judicial proceedings; changes in consumer spending and saving habits; and CBH’s success at managing the risks involved in the foregoing. CBH cautions that the foregoing list of important factors is not exclusive.

CBH cautions you that any such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause CBH’s actual results, performance or achievements to differ materially from the future results, performance or achievements CBH has anticipated in such forward-looking statements. You should note that many factors, some of which are discussed in “Risk Factors” and elsewhere in this prospectus could affect CBH’s future financial results and could cause those results to differ materially from those expressed or implied in CBH’s forward-looking statements contained or incorporated by reference in this document. CBH does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of CBH.

CBH cautions you not to place significant reliance on these forward-looking statements, which speak only as of the date of this prospectus or the date of the incorporated documents, as applicable.

SELECTED HISTORICAL FINANCIAL INFORMATION OF CBH

We are providing the following selected financial information to assist you in analyzing the financial aspects of the merger. The selected CBH financial data set forth below, including the accompanying notes, are qualified in their entirety by, and should be read in conjunction with the historical consolidated financial statements and related notes contained in the annual, quarterly and other reports filed by CBH with the SEC, which we have incorporated by reference into this prospectus (see “Where You Can Find More Information” beginning on page 53).

The following table presents selected historical consolidated financial data derived from CBH’s consolidated financial statements for each of the five fiscal years in the period ended December 31, 2004, which have been audited by Ernst & Young LLP, independent registered public accounting firm. The following financial information should be read in conjunction with CBH’s consolidated financial statements and the related notes to those statements and other financial and operating data incorporated by reference into this prospectus. All financial data as of June 30, 2004 and June 30, 2005 and for the six months ended June 30, 2004 and June 30, 2005 have been derived from CBH’s unaudited consolidated financial statements incorporated by reference into this prospectus, and in the opinion of CBH’s management, reflects all adjustments, which are of only a normal or recurring nature, necessary to present fairly the data for the period presented. Per share data and other appropriate share information for all periods presented have been restated for the two-for-one stock split in the form of a 100% stock dividend effective March 7, 2005. In addition, prior year diluted net income per share amounts have been restated to reflect the impact of the CBH’s 5.95% Convertible Trust Capital Securities. Refer to Note 1 — Significant Accounting Policies of the Notes to Consolidated Financial Statements, which appears in the notes to CBH’s consolidated financial statements incorporated by reference into this prospectus, for further discussion of the required restatement. Operating results for the six months ended June 30, 2005 are not necessarily indicative of results that may be expected for the year ending December 31, 2005.

13

	Year Ended December 31,					Six Months Ended June 30,	
	2004	**2003**	**2002**	**2001**	**2000**	**2005**	**2004**
	(dollars in thousands except per share data)						
Income Statement Data:							
Net interest income	$ 1,017,785	$ 755,866	$ 572,755	$ 401,326	$ 296,930	$ 567,368	$ 474,961
Provision for loan losses	39,238	31,850	33,150	26,384	13,931	10,750	20,248
Non-interest income	375,071	332,478	257,466	196,805	150,760	219,332	178,507
Non-interest expense	938,778	763,392	579,168	420,036	315,357	536,905	438,505
Income before income taxes	414,840	293,102	217,903	151,711	118,402	239,045	194,715
Net income	273,418	194,287	144,815	103,022	80,047	156,546	128,210
Per Share Data:							
Net income-basic	$ 1.74	$ 1.36	$ 1.08	$ 0.80	$ 0.65	$ 0.97	$ 0.82
Net income-diluted	1.63	1.29	1.01	0.76	0.62	0.91	0.77
Dividends declared	0.40	0.34	0.31	0.28	0.25	0.22	0.19
Average shares and equivalents outstanding:							
Basic	156,625	142,169	133,590	129,331	123,511	161,547	155,144
Diluted	172,603	156,507	149,389	136,204	128,445	176,724	171,787
Selected Ratios:							
Performance:							
Return on average assets	1.03%	0.99%	1.05%	1.08%	1.09%	0.98%	1.04%
Return on average equity	18.78	18.81	18.50	17.64	19.81	17.82	18.87
Net interest margin	4.28	4.36	4.69	4.76	4.62	3.98	4.34
Liquidity and Capital:							
Stockholders' equity to total assets	5.46	5.62	5.60	5.60	5.93	5.54	4.97
Risk-based capital:							
Tier 1	12.30	12.66	11.47	10.81	10.79	12.39	12.37
Total	13.25	13.62	12.51	11.96	11.92	13.29	13.31
Leverage ratio	6.19	6.61	6.37	6.24	6.92	6.20	6.33
Asset Quality:							
Non-performing assets to total period-end assets	0.11%	0.10%	0.11%	0.16%	0.20%	0.11%	0.11%
Net charge-offs to average loans outstanding	0.19	0.16	0.18	0.19	0.11	0.10	0.19
Non-performing loans to total period-end loans	0.35	0.29	0.24	0.37	0.37	0.33	0.36
Allowance for loan losses to total end of period loans	1.43	1.51	1.56	1.46	1.32	1.32	1.50
	413	515	640	398	357	396	419

Allowance for loan losses to non-performing loans

	As of December 31,					As of June 30,	
	2004	2003	2002	2001	2000	2005	2004
				(in thousands)			
Balance Sheet Data:							
Total assets	$ 30,501,645	$ 22,712,180	$ 16,403,981	$ 11,363,703	$ 8,296,516	33,362,936	26,738,671
Loans (net)	9,318,991	7,328,519	5,731,856	4,516,431	3,638,580	10,547,392	8,205,768
Securities available for sale	8,044,150	10,650,655	7,806,779	4,152,704	2,021,326	7,676,837	12,131,104
Securities held to maturity	10,463,658	2,490,484	763,026	1,132,172	1,513,456	11,708,266	3,772,204
Trading securities	169,103	170,458	326,479	282,811	109,306	183,894	182,105
Deposits	27,658,885	20,701,400	14,548,841	10,185,594	7,387,594	30,519,063	24,061,748
Long-term debt	200,000	200,000	200,000	80,500	80,500	200,000	200,000
Stockholders' equity	1,665,705	1,277,288	918,010	636,570	492,224	1,849,491	1,328,115

THE MERGER

Material Terms of the Merger Agreement

The following is a brief summary of the material terms of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, which is included as Annex A to this prospectus and incorporated herein by reference.

Transaction Summary

The merger agreement provides for a transaction in which PBCB will merge with and into Commerce Bank. Commerce Bank will be the surviving corporation in the merger and the separate corporate existence of PBCB will cease.

Merger Consideration

Each share of PBCB common stock issued and outstanding immediately prior to the effective time of the merger (with the exception of shares held by PBCB, CBH or any of CBH's subsidiaries, which will be cancelled) will be converted into shares of CBH common stock as described below. We refer to the number of shares of CBH common stock to be received for each share of PBCB common stock being converted into CBH stock as the "per share merger consideration."

In the merger, CBH will issue 1.9835 shares of CBH common stock for each share of PBCB common stock. This is a fixed exchange ratio and will not be adjusted to reflect fluctuations in the market price of the CBH common stock prior to the effective time of the merger. However, PBCB's board of directors will have the right to terminate the merger if certain minimum price levels for CBH's common stock are not maintained, subject to CBH's right to increase the per share merger consideration to avoid termination. See "— Termination of the Merger Agreement" for a discussion on the minimum price levels.

The value of the CBH common stock to be issued in the merger in exchange for each share of PBCB common stock cannot be determined precisely before completion of the merger. **Further, no assurance can be given that the current fair market value of CBH common stock will be equivalent to the fair market value of CBH common stock on the date that stock is received by a PBCB shareholder or at any other time**.

If, between the date of the merger agreement and the effective time of the merger, the shares of CBH common stock are changed into a different number or class of shares by reason of reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, a stock dividend is declared with a record date within that period or any distribution is made in respect of shares of CBH common stock, other than a regular quarterly cash dividend consistent with past practice, appropriate adjustments will be made to the per share merger consideration.

No Fractional Shares

No fractional shares of CBH common stock will be issued in the merger. Instead, PBCB shareholders who would otherwise have been entitled to receive a fraction of a share of CBH common stock will receive cash (without interest) in an amount equal to the product of the fractional interest of CBH common stock the PBCB shareholder would have been entitled to receive multiplied by the average of the last reported sale price per share of CBH common stock as reported on the New York Stock Exchange for the seven consecutive trading days immediately prior to the second business day prior to the effective time of the merger.

15

Treatment of PBCB Stock Options

Each outstanding option under PBCB's stock option plans that is outstanding and unexercised will be converted automatically at the effective time of the merger into a fully vested option to purchase CBH common stock under CBH option plans. After the merger, the former PBCB's stock options will be subject to the terms of the applicable CBH options plan and the agreements evidencing grants thereunder, except that:

- the number of shares of CBH common stock subject to the new CBH stock option will be equal to the product of the number of shares of PBCB common stock subject to the PBCB stock option and the per share merger consideration, rounded to the nearest whole share (and .5 of a share will be rounded up); and

- the exercise price per share of CBH common stock subject to the new CBH stock option will be equal to the exercise price per share of PBCB common stock under the PBCB stock option divided by the per share merger consideration, rounded to the nearest cent (and .5 of a cent will be rounded up).

Exchange Procedures for PBCB Stock

CBH's transfer agent will act as the exchange agent under the merger agreement. As soon as practicable after the merger is completed, the exchange agent will mail to each PBCB shareholder a letter of transmittal and instructions for use in surrendering his or her PBCB stock certificates to the exchange agent. Upon the surrender of a PBCB stock certificate to the exchange agent in accordance with the instructions and a properly completed and signed letter of transmittal, the exchange agent will exchange the PBCB stock certificate for new certificates representing the whole number of shares of CBH common stock into which the shares of PBCB common stock represented by the PBCB stock certificate have been converted in accordance with the merger agreement and, if applicable, cash in lieu of fractional shares of CBH common stock.

Representations and Warranties

The merger agreement contains statements and promises, called representations and warranties, made by PBCB and CBH.

To review these representations and warranties you should read the merger agreement, which is included as Annex A to this prospectus. The merger agreement provides that the respective representations and warranties of CBH and PBCB will not survive after the completion of the merger or the termination of the merger agreement.

The representations and warranties of the parties will be deemed to be true and correct unless the totality of any facts, circumstances or events inconsistent with any of those representations or warranties has had or would have a material adverse effect on the business, results of operations or financial condition of the party making those representations and warranties and its subsidiaries taken as a whole or on the ability of that party and its subsidiaries to consummate the transactions contemplated by the merger agreement. In determining whether a material adverse effect has occurred or is likely, the parties will disregard any effects resulting from any:

- changes in banking or similar laws, rules or regulations of general applicability or interpretations thereof by courts or governmental authorities;
- changes in GAAP or regulatory accounting principles that apply to banks, thrifts or their holding companies generally;
- any action or omission of either party taken with the prior consent of the other party;
- any events, conditions, or trends in business or financial conditions affecting the banking industry;
- any change or development in financial or securities markets or the economy in general including changes in interest rates;
- the announcement or execution of the merger agreement, including any impact on relationships with customers or employees; or
- charges and expenses contemplated in connection with the merger and not otherwise in violation of the merger agreement.

Conduct of Business Pending the Merger

PBCB has agreed, during the period from the date of the merger agreement to the completion of the merger (except as expressly provided in the merger agreement and except as consented to by CBH), to conduct its business in the ordinary course consistent with past practice. Specifically, PBCB has agreed that it will not, without the prior consent of CBH:

- except for the withdrawal of $4.3 million in dividends, declare or pay any dividends on, or make other distributions in respect of, any of its capital stock;
- repurchase, redeem or otherwise acquire any shares of capital stock of PBCB, or any securities convertible into or exercisable for any shares of the capital stock of PBCB;
- split, combine or reclassify any shares of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;
- issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or any securities convertible into or exercisable for, any rights, warrants or options to acquire any shares, or enter into an agreement with respect to any of the foregoing, except for the issuance of PBCB common stock upon the exercise of outstanding options issued under PBCB’s option plans in accordance with their present terms;
- amend its articles of incorporation, bylaws or other similar governing documents;
- make any capital expenditures, other than in the ordinary course of business or as necessary to maintain existing assets in good repair and which do not exceed $100,000 in the aggregate;
- enter into any new line of business;

· acquire or agree to acquire, by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire any assets, other than in connection with foreclosures, settlements in lieu of foreclosure or troubled loan or debt restructurings or in the ordinary course of business consistent with past practices;

· take any action that is intended or may reasonably be expected to result in any of its representations and warranties set forth in the merger agreement being or becoming untrue, or in any of the conditions to the merger not being satisfied;

· change its methods of accounting in effect at December 31, 2004, except as required by changes in GAAP or regulatory accounting principles as concurred to by PBCB's independent auditors;

· except as required by applicable law, as set forth in the merger agreement, or as required to maintain qualification pursuant to the Code, adopt, amend or terminate any employee benefit plan or any agreement, arrangement, plan or policy between PBCB and any of its current or former directors, officers or employees or any affiliate of such person;

· except for normal increases in the ordinary course of business consistent with past practice (including, but not limited to, the payment of bonuses for 2005 in the aggregate amount of $252,000 to the employees of PBCB and its subsidiaries on or about December 5, 2005 to be allocated by Calvin L. Cearley) or except as required by applicable law, increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any plan or agreement as in effect as of the date of the merger agreement (including, without limitation, the granting of any stock options, stock appreciation rights, restricted stock, restricted stock units or performance units or shares);

· other than activities in the ordinary course of business consistent with past practice, sell, lease, encumber, assign or otherwise dispose of, or agree to sell, lease, encumber, assign or otherwise dispose of, any of its material assets, properties or other rights or agreements;

· other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity;

· file any application to relocate or terminate the operations of any of its banking offices;

· create, renew, amend or terminate, or give notice of a proposed renewal, amendment or termination of, any contract, agreement or lease for goods, services or office space, involving payments thereunder by PBCB in excess of $100,000 per year to which PBCB is a party or by which PBCB or its properties is bound, other than the renewal in the ordinary course of business of any lease the term or option to renew of which expires before the merger is completed;

· take or cause to be taken any action which would or could reasonably be expected to prevent the merger from qualifying as a reorganization under Section 368(a) of the Code;

- revoke PBCB's election to be taxed as a Subchapter S Corporation within the meaning of Code Sections 1361 and 1362;

- take or allow any action (other than the completion of the merger) that would result in the termination of PBCB's status as a validly electing S corporation within the meaning of Code Sections 1361 and 1362; or

- agree to do any of the foregoing.

CBH has agreed that it will not, and it will not permit its subsidiaries to, except as otherwise contemplated by the merger agreement or with the prior written consent of PBCB:

- declare or pay any dividends on or make any other distributions in respect of any of its capital stock, except for regular quarterly cash dividends consistent with past practice;

- take any action that is intended or may reasonably be expected to result in any of its representations and warranties set forth in the merger agreement being or becoming untrue, or in any of the conditions to the merger not being satisfied;

- take any action or enter into any agreement that could reasonably be expected to jeopardize or materially delay the receipt of any required regulatory approval;

- take or cause to be taken any action which would or could reasonably be expected to prevent the merger from qualifying as a reorganization under Section 368(a) of the Code; or

- agree to do any of the foregoing.

Additional Agreements

Employee Benefit Plans. The merger agreement provides that as of the effective time of the merger, the employees of PBCB will be eligible to participate in employee benefit plans of CBH or its subsidiaries in which similarly situated employees of CBH or its subsidiaries participate to the same extent that similarly situated employees of CBH or its subsidiaries participate. The merger agreement further provides that with respect to each CBH employee benefit plan for which length of service is taken into account for any purpose, service with PBCB (or predecessor employers to the extent PBCB provides past service credit) will be treated as service with CBH for purposes of determining eligibility to participate, vesting and entitlement to benefits, including for vacation entitlement; provided however, that such service will not be recognized to the extent that such recognition would result in a duplication of benefits. Such service will also apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any pre-existing condition limitations. Each CBH employee benefit plan will waive pre-existing condition limitations to the same extent waived under the applicable PBCB employee benefit plan. PBCB's employees will be given credit for amounts paid under a corresponding benefit plan during the same period for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the CBH employee benefit plan.

Employment Agreements. CBH and its subsidiaries agreed to assume and honor in accordance with their terms the portions of PBCB's employment agreements with Calvin L. Cearley and William R. Martin, which provide for cash payment upon a change in control. In addition, CBH and its subsidiaries acknowledged that the merger will constitute a change in control of PBCB for purposes of such agreements. Total agreed-upon payments to these executives to satisfy these contracts is approximately $1.4 million. See "— Interests of PBCB's Directors, Executive Officers and Others in the Merger."

Commerce Bank has entered into employment agreements with Messrs. Cearley and Martin, and Nancy J. Minniear and Patricia A. Sheehan. See "— Interests of PBCB's Directors, Executive Officers and Others in the Merger."

Termination of Voting Trust. At the time the merger agreement was executed, all shares of PBCB common stock were held of record by The Palm Beach County Bank Voting Trust. On August 8, 2005, pursuant to the merger agreement, the voting trust was terminated with respect to the PBCB common stock. In connection with such termination, the voting trust distributed all of the shares of PBCB common stock held by it to the owners of interests in the voting trust in proportion to such owner's ownership interest in the voting trust.

Accounting Matters. Pursuant to the merger agreement, PBCB agreed to cooperate with CBH concerning accounting and financial matters necessary or appropriate to facilitate the merger (taking into account CBH's policies, practices and procedures), including, without limitation, issues arising in connection with record keeping, loan classification, valuation adjustments, levels of loan loss reserves and other accounting practices, and PBCB's lending, investment or asset/liability management policies.

Indemnification. The merger agreement provides that for a period of six years after the effective time of the merger, CBH will indemnify all individuals who are or have been officers, directors or employees of PBCB prior to the effective time of the merger from any acts or omissions in such capacities prior to the effective time of the merger, to the extent that such indemnification is provided pursuant to the articles of incorporation or bylaws of PBCB on the date of the merger agreement and is permitted under the Florida Interstate Branching Act, as amended, the Florida Banking Corporation Act, as amended, and The National Banking Act, as amended.

The discussion above is only a summary and does not contain a complete explanation of all of the covenants contained in the merger agreement. To review all of the various covenants and agreements contained in the merger agreement, you should read the merger agreement which is included as Annex A to this prospectus.

Conditions to the Merger

Completion of the merger is subject to various conditions. While it is anticipated that all of the applicable conditions will be satisfied, there can be no assurance as to whether or when all of those conditions will be satisfied or, where permissible, waived.

The respective obligations of CBH and PBCB to complete the merger are subject to the following conditions:

- approval of the merger agreement by PBCB's shareholders;
- authorization by the New York Stock Exchange of listing of the shares of CBH common stock to be issued in the merger;
- receipt of all required regulatory approvals and expiration of all related statutory waiting periods;

- effectiveness of the registration statement for the CBH shares of common stock to be issued in the merger;

- absence of any order, injunction or decree of a court or agency of competent jurisdiction or other legal restraint or prohibition which prevents the completion of the merger;

- absence of any statute, rule, regulation, order, injunction or decree which prohibits, restricts or makes illegal completion of the merger;

- the receipt by CBH and PBCB of an opinion of CBH's counsel substantially to the effect that on the basis of facts, representations and assumptions set forth in such opinion, which are consistent with the facts existing at the effective timer of the merger, the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and

- accuracy of the other party's representations and warranties contained in the merger agreement as of the dates specified in the merger agreement, except, in the case of most of those representations and warranties, where the failure to be so accurate has had or would have a "material adverse effect" on the party making those representations and warranties (see "— Representations and Warranties"), and the performance by the other party of its obligations contained in the merger agreement in all material respects.

In addition, CBH's obligation to complete the merger is subject to each of PBCB's board members executing a non-competition agreement.

To review all of the conditions contained in the merger agreement, you should read the merger agreement which is included as Annex A to this prospectus.

Termination of the Merger Agreement

At any time before the completion of the merger, the merger agreement may be terminated:

- by the mutual written consent of CBH and PBCB;

- by CBH or PBCB upon written notice to the other party 30 days after the date on which any request or application for a required regulatory approval is denied or withdrawn at the request or recommendation of the governmental entity which must grant such approval, unless within the 30-day period following the denial or withdrawal a petition for rehearing or an amended application is filed with the applicable governmental entity, provided, however, the right to terminate is not available to any party if the denial or request or recommendation for withdrawal is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of that party set forth therein;

- by CBH or PBCB upon written notice to the other party if any governmental entity of competent jurisdiction issues a final nonappealable order enjoining or otherwise prohibiting the merger;

- by CBH or PBCB if the merger is not consummated on or before March 31, 2006; however, the right to terminate will not be available to any party whose breach of the merger agreement is the cause of the failure of the merger to have occurred on or prior to March 31, 2006;

- by CBH or PBCB if the PBCB shareholders do not approve the proposed merger by the required vote;

- by CBH or PBCB (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement) if there is a material breach of any of the representations or warranties contained in the merger agreement on the part of the other party, which breach is not cured within 30 days following written notice to the party committing the breach, or which breach, by its nature, cannot be cured prior to the closing of the merger; provided, however, that neither party has the right to terminate the merger agreement unless the breach of representation or warranty, together with all other such breaches, would entitle the party receiving the representation not to consummate the transactions contemplated by the merger agreement;

- by CBH or PBCB (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement) if there is a material breach of any of the covenants or agreements contained in the merger agreement on the part of the other party, which breach is not cured within 30 days following receipt by the breaching party of written notice of the breach from the other party, or which breach, by its nature, cannot be cured prior to the closing of the merger; or

- by PBCB, if the average of the closing sales prices of CBH common stock, as reported on the New York Stock Exchange, for the seven consecutive trading days ending two trading days prior to closing of the merger is less than $25.70 and CBH does not elect to increase the per share merger consideration as provided in the merger agreement.

Extension, Waiver and Amendment of the Merger Agreement

Extension and Waiver. At any time prior to the completion of the merger, each of CBH and PBCB may, to the extent legally allowed:

- extend the time for the performance of the obligations under the merger agreement;

- waive any inaccuracies in the other party's representations and warranties contained in the merger agreement; and

- waive the other party's compliance with any of its agreements or conditions contained in the merger agreement.

Amendment. Subject to compliance with applicable law, CBH and PBCB may amend the merger agreement in writing at any time before or after approval of the merger by PBCB shareholders. However, after approval of the merger and the merger agreement by PBCB shareholders, there may not be, without their further approval, any amendment of the merger agreement that reduces the amount or changes the form of the consideration to be delivered to the PBCB shareholders.

Expenses

The merger agreement provides that each of CBH and PBCB will pay its own expenses in connection with the transactions contemplated by the merger agreement.

Closing Date and Effective Date

We will complete the merger after all the conditions to the merger set forth in the merger agreement have been satisfied or waived, unless we agree otherwise. The merger will become effective when the articles of merger reflecting the merger are filed with the Secretary of State of the State of Florida and the OCC.

Background of the Merger

The CBH business model produces long-term growth by increasing deposits at existing stores and opening new stores in both existing and new markets. When exploring potential new markets, CBH contemplates the cost/benefit relationship of expanding de novo versus expanding through the acquisition of a community bank within a potential new market. While not actively seeking to engage in a strategic transaction, CBH began 2005 with the objective of selecting its next market for expansion.

PBCB was established in 1999 with local management and directors for the purpose of growing the bank in the Palm Beach County, Florida area. While not specifically seeking to engage in a strategic transaction, PBCB's board of directors has periodically reviewed strategic options for PBCB as part of its corporate governance responsibilities. These strategic discussions included the possibility of business combinations involving PBCB and larger financial institutions, particularly in view of continuing consolidation and other developments in the financial services industry.

In 2004, PBCB began preliminary discussions with potential merger partners. Due to Florida's interstate banking laws, a strategic acquisition by Commerce Bank was an option for CBH to enter the Florida market. In March 2005, Calvin L. Cearley, the Vice Chairman and Chief Executive Officer of PBCB, was introduced to Vernon W. Hill II, the Chairman, President and Chief Executive Officer of CBH. Messrs. Cearley and Hill engaged in a series of discussions involving their respective senior management teams in March through June 2005. On June 28, 2005, the parties entered into a mutual confidentiality agreement. Following extensive discussions, the parties began negotiating the basic terms of a possible transaction and engaged in more in-depth due diligence reviews of each other in early July 2005.

On July 11, 2005, CBH made an offer to acquire PBCB in a merger transaction, subject to the negotiation of a definitive merger agreement and the satisfactory completion of due diligence by each party. The parties further negotiated the terms of the proposed merger transaction and reached an agreement as to the basic terms on July 14, 2005. During this time period, Mr. Cearley informally advised the PBCB board of directors regarding the status of the potential transaction with CBH.

On July 18, 2005, legal counsel for each of PBCB and CBH began the preparation of the merger agreement and accompanying documentation. From that time until the announcement of the merger on July 25, 2005, the discussions continued between PBCB and CBH and their respective advisors regarding the proposed transaction, the merger agreement and related agreements. During the week of July 18, PBCB and CBH concluded their due diligence reviews. On July 21, 2005, Mr. Cearley notified the PBCB board of directors of a July 23, 2005 meeting to consider the merger transaction.

On July 19, 2005, CBH's board of directors and Commerce Bank's board of directors each met to review and vote upon the terms of the merger agreement and the transactions contemplated thereby. That day, each of CBH's board of directors and Commerce Bank's board of directors unanimously approved the merger, the terms of the merger agreement, and the transactions contemplated thereby.

On July 23, 2005, PBCB's board of directors met in West Palm Beach, Florida to consider the potential merger with CBH. At this meeting, Mr. Cearley reviewed the strategic rationale for the transaction, including the ability of shareholders to participate in a larger, more diversified financial institution, the value of the CBH common stock to be received by the PBCB shareholders in the merger and other matters. Mr. Cearley also discussed alternative transactions considered by PBCB management since the beginning of 2004. Legal counsel for PBCB then fully advised PBCB's board of directors regarding the legal structure of the potential merger and the fiduciary duties of the board of directors in considering the merger. Counsel then led the board through an extensive review of the merger agreement. SunTrust then made an extensive presentation to PBCB's board of directors regarding the financial aspects of the potential merger. SunTrust then orally advised PBCB's board of directors that it was prepared to opine that the exchange ratio in the merger was fair to PBCB shareholders from a financial point of view. PBCB's board of directors meeting was then concluded and a board of directors meeting was scheduled for Monday, July 25, 2005 to consider and vote on the merger transaction.

On July 25, 2005, PBCB's board of directors met again after having the opportunity to review the draft merger agreement and considering the advice of legal counsel and SunTrust. The definitive merger agreement was presented to the board by legal counsel and SunTrust delivered its opinion dated July 25, 2005 that the exchange ratio was fair to PBCB shareholders from a financial point of view. PBCB's board of directors then voted unanimously to approve the merger, the merger agreement and the transactions contemplated thereby. See Annex C to this prospectus.

CBH's Reasons for the Merger

CBH's board of directors believes the merger is in the best interest of CBH and its shareholders. In reaching its determination, CBH's board of directors consulted with CBH's senior management, as well as its advisors, and gave significant consideration to a number of factors. The following factors, without limitation, were considered by CBH's board of directors in reaching its decision:

· The merger allows for CBH to continue its long-term growth strategy of opening new stores in both existing and new markets.

· The merger establishes a platform in southeast Florida from which CBH plans to expand by 15-25 stores per year.

· A high percentage of the southeast Florida population is originally from the mid-Atlantic states, thereby making southeast Florida a natural extension of CBH's New York and Philadelphia markets, where the CBH brand is widely recognized.

· Southeast Florida is viewed as an attractive and high growth market, with a projected five-year population growth rate of 10% and total bank deposits of approximately $130 billion.

· PBCB is a bank with a similar culture regarding customer service and credit quality.

· Based on the 3,325,486 shares to be received by PBCB shareholders and the range of closing prices of CBH common stock during the period when the terms of the transaction were finalized, CBH valued the transaction at approximately $100 million. This was determined to be a reasonable cost for the PBCB franchise and entry into the southeast Florida market.

CBH does not intend this discussion of the information and factors considered by CBH's board of directors to be exhaustive, although this discussion does include all material factors considered by the CBH board of directors. CBH's board of directors did not assign any relative or specific weight to the factors considered and individual directors of CBH might have weighed factors differently.

PBCB's Reasons for the Merger

PBCB's board of directors believes that the merger is in the best interests of PBCB and its shareholders. In reaching its decision to approve the merger and the merger agreement and recommend the merger and the merger agreement to its shareholders, PBCB's board of directors consulted with PBCB's management, as well as its legal and financial advisors, and carefully considered a number of factors and potential benefits, including:

· the structure of the merger and the financial and other terms of the merger agreement, including the fact that the transaction is a stock-for-stock merger that will allow shareholders to continue to participate in the future growth prospects of the combined companies, the merger consideration and the other terms of the agreement which are generally customary for similar financial institutions transactions;

· its knowledge of PBCB's business, operations, financial condition, earnings and prospects, including its potential growth and profitability and the associated business risks;

· its knowledge of the current and prospective economic and competitive environment facing the financial services industry generally, including continued consolidation and evolving trends in technology, and the competitive effects of these factors on smaller financial institutions such as PBCB;

· the financial analysis presented by SunTrust to the PBCB board of directors, and the opinion delivered to PBCB's board of directors by SunTrust to the effect that, as of July 25, 2005, and based upon and subject to the considerations described in the opinion, the exchange ratio to be used in determining the consideration to be received by holders of PBCB common stock in the merger is fair, from a financial point of view (see Annex C to this prospectus);

· its review, based in part on the presentation of its financial advisors and PBCB's management, of CBH's business, operations, financial condition, earnings and prospects and the historical trading prices of CBH's common stock as well as its greater liquidity as compared to PBCB common stock;

· its belief that a combination with CBH would allow PBCB shareholders, as shareholders of the combined entity, to participate in a more favorable investment opportunity than a continuing investment in PBCB was likely to achieve on a stand-alone basis;

· the complementary nature of the businesses of PBCB and CBH and the anticipated improved stability of CBH's businesses and earnings in varying economic and market climates relative to PBCB on a stand-alone basis as a result of greater geographic, asset and line-of-business diversification;

· the judgment, advice and analysis of PBCB's management with respect to the potential strategic, financial and operational benefits of the merger;

· its belief that the transaction with CBH offered greater value for PBCB's shareholders than other alternatives available to PBCB, including continuing as an independent company;

· the expected treatment of merger as a "reorganization" for U.S. federal income tax purposes, which would generally allow PBCB shareholders to avoid recognizing gain or loss upon the conversion of shares of PBCB common stock into shares of CBH common stock in the merger, and

· the results of the due diligence of CBH conducted by PBCB management and its financial and legal advisors.

The foregoing discussion of the factors considered by PBCB's board of directors is not intended to be exhaustive, but rather includes material factors considered by PBCB's board of directors. In reaching its decision to approve the merger agreement and the other transactions contemplated by the merger agreement, PBCB's board of directors did not quantify or assign any relative weights to the factors considered and individual directors may have given different weights to different factors. PBCB's board of directors considered all these factors as a whole and considered them to be overall favorable to, and to support, a determination that the merger agreement is in the best interests of PBCB and its shareholders.

Opinion of Financial Advisor to the Board of Directors of PBCB

PBCB's board of directors engaged SunTrust Robinson Humphrey, a division of SunTrust Capital Markets, Inc., as its financial advisor in connection with the merger. At the July 23, 2005 meeting of the PBCB board of directors, SunTrust reviewed with the board its financial analysis of the merger and delivered its oral opinion, which was subsequently confirmed in writing on July 25, 2005, that, as of the date of such opinion and based upon and subject to certain matters stated therein, the 1.9835, referred to in "— Opinion of Financial Advisor to the Board of Directors of PBCB" as the "exchange ratio," shares of CBH common stock to be exchanged for each share of PBCB common stock (other than certain shares specified in the merger agreement) was fair from a financial point of view to the holders of PBCB common stock.

The full text of the opinion of SunTrust, which sets forth the assumptions made, matters considered and limitations on the review undertaken, is included as Annex C and is incorporated by reference in this prospectus. The summary of the SunTrust opinion described below is qualified in its entirety by reference to the full text of the SunTrust opinion. PBCB shareholders are urged to read the opinion carefully and in its entirety.

SunTrust's opinion is directed to the board of directors of PBCB and relates only to the fairness from a financial point of view of the exchange ratio to the holders of PBCB common stock. SunTrust's opinion does not address any other aspect of the merger and does not constitute a recommendation to any shareholder. It addresses the aggregate consideration to be received by the holders of PBCB common stock as a whole, without regard to size of holdings by individual shareholders, and does not address the particular situations of specific shareholders.

Material and Information Considered with Respect to the Merger

In arriving at its opinion, SunTrust among other things:

- reviewed the July 25, 2005 draft of the merger agreement;
- reviewed certain publicly available business and historical financial information and other data relating to the business and financial prospects of PBCB and CBH, including certain publicly available consensus financial forecasts and estimates relating to CBH that were reviewed and discussed with the management of CBH;
- reviewed internal financial and operating information with respect to the business, operations and prospects of PBCB furnished to SunTrust by PBCB that is not publicly available;
- reviewed the reported prices and trading activity of CBH's common stock and compared those prices and activity with other publicly-traded companies that SunTrust deemed relevant;
- compared the historical financial results and present financial condition of PBCB and CBH with those of publicly traded companies that SunTrust deemed relevant;
- compared stock market data of CBH with publicly traded companies which SunTrust deemed relevant;
- reviewed certain pro forma effects of the merger on CBH's financial statements and potential benefits of the merger and discussed these items with the management of PBCB and CBH;
- compared the financial terms of the merger with the publicly available financial terms of certain other recent transactions that SunTrust deemed relevant;
- conducted discussions with members of the management of PBCB and CBH concerning their respective businesses, operations, assets, present condition and future prospects; and undertook such other studies, analyses and investigations, and considered such information, as SunTrust deemed appropriate.

SunTrust assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information discussed with or reviewed by it in arriving at its opinion. With respect to the financial forecasts, estimates, pro forma effects and estimates of synergies and other potential benefits of the merger provided to or discussed with it, SunTrust assumed, at the direction of the management of PBCB and without independent verification or investigation, that they have been reasonably prepared on bases reflecting the best currently available information, estimates and judgments of the management of PBCB and CBH and are otherwise reasonable. SunTrust also assumed with the approval of PBCB that the future financial results referred to in its opinion that were provided to it by PBCB will be achieved, and that the synergies and other potential benefits of the merger will be realized, at the times and in the amounts estimated by the management of PBCB and CBH.

In arriving at its opinion, SunTrust did not conduct a physical inspection of the properties and facilities of PBCB. SunTrust did not review individual credit files nor did it make any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities) of PBCB or CBH or any of their respective subsidiaries (including, without limitation, Commerce Bank), and SunTrust was not furnished with any such evaluation or appraisal. SunTrust is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect to such portfolios and, accordingly, SunTrust assumed that PBCB's and CBH's allowances for losses are in the aggregate adequate to cover those losses.

27

The SunTrust opinion is necessarily based upon market, economic and other conditions as they existed on and could be evaluated as of, the date of its opinion. SunTrust's opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available to PBCB or PBCB's underlying business decision to effect the merger. SunTrust was not asked to, nor did it, offer any opinion as to any terms or conditions of the merger agreement or the form of the merger (other than the exchange ratio). The financial markets in general and the market for the common stock of PBCB and CBH, in particular, are subject to volatility, and SunTrust's opinion did not address potential developments in the financial markets or what the value of CBH common stock will be when issued pursuant to the merger agreement or the prices at which it will trade or otherwise be transferable at any time.

For purposes of its opinion, SunTrust assumed that:

· the merger agreement does not differ in any respect from the draft it examined and that CBH and PBCB will comply in all material respects with the terms of the merger agreement and the transaction will be consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement;

· the merger will be treated as a tax-free reorganization for federal income tax purposes; and

· all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on PBCB or CBH or on the expected benefits of the merger.

Subsequent developments may affect SunTrust's opinion and SunTrust does not have any obligation to update or revise its opinion.

In preparing its opinion, SunTrust performed a variety of financial and comparative analyses, a summary of which is described below. The summary is not a complete description of the analyses underlying SunTrust's opinion or the presentation made to PBCB's board, but summarizes the material analyses performed and presented in connection with its opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. Accordingly, SunTrust believes that its analyses must be considered as an integrated whole and that selecting portions of its analyses and factors, without considering all analyses and factors, or focusing on information in tabular format, could create a misleading or incomplete view of the processes underlying such analyses and SunTrust's opinion.

In performing its analyses, SunTrust made numerous assumptions with respect to PBCB, CBH, industry performance and general business, economic, market and financial conditions, many of which are beyond the control of PBCB and CBH. The estimates contained in these analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by such analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

SunTrust's opinion and analyses were only one of many factors considered by PBCB's board of directors in its evaluation of the merger and should not be viewed as determinative of the views of PBCB's board of directors or management of PBCB with respect to the merger or the consideration to be received by PBCB in the merger. The exchange ratio was determined on the basis of negotiations between PBCB and CBH. In arriving at its opinion, SunTrust did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative) supported or failed to support its opinion. Rather, SunTrust arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believed that the totality of the factors considered and analysis it performed in connection with its opinion operated collectively to support its determination as to the fairness of the exchange ratio from a financial point of view. PBCB's decision to enter into the merger was made solely by PBCB's board of directors and not as a result of a recommendation by SunTrust.

The following is a summary of the material financial and comparative analyses presented by SunTrust in connection with its opinion to PBCB's board of directors. The summary includes information presented in a tabular format. In order to understand fully the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.

Aggregate Consideration

The consideration upon which SunTrust based its opinion consists of the following:

- Based on the 1,676,575 shares of PBCB common stock outstanding as of July 25, 2005 and the exchange ratio, the shareholders of PBCB in the aggregate will receive 3,325,486 shares of CBH common stock.

- Based on the last trading price of CBH common stock on July 22, 2005 of $33.22, the value of the shares of CBH common stock to be received in exchange for each share of PBCB common stock was $65.89.

The aggregate value of the shares of CBH common stock to be received by PBCB shareholders for purposes of the SunTrust opinion was $110,472,662.

In addition, 46,250 options to acquire shares of PBCB common stock at a weighted average exercise price of $11.54 were outstanding as of July 25, 2005, all of which will vest upon consummation of the merger. Based on the exchange ratio, these PBCB options will be exchanged for 91,737 options to acquire shares of CBH common stock at a weighted average exercise price of $5.82. The aggregate value of the options to acquire CBH common stock to be received in exchange for the PBCB options (defined as the difference between $33.22 and the new weighted average exercise price for the options) was $2,513,594.

Finally, CBH agreed in the merger agreement to allow PBCB to distribute $4,300,000 to the shareholders of PBCB prior to the consummation of the merger. Therefore, the total aggregate consideration to be paid to the shareholders of PBCB for purposes of SunTrust's opinion equaled $117,286,256.

Analysis of PBCB

Analysis of Selected Publicly-Traded Reference Companies

SunTrust reviewed and compared publicly available financial data, market information and trading multiples for PBCB with other selected publicly-traded banks and thrifts located in the state of Florida that SunTrust deemed relevant to PBCB. These companies are:

BankAtlantic Bancorp, Inc. (BBX)
BankUnited Financial Corporation (BKUNA)
Capital City Bank Group, Inc. (CCBG)
Centerstate Banks of Florida, Inc. (CSFL)
Commercial Bankshares, Inc. (CLBK)
Harbor Florida Bancshares, Inc. (HARB)
Seacoast Banking Corporation of Florida, Inc. (SBCF)
TIB Financial Corp. (TIBB)

For the selected publicly-traded reference companies, SunTrust analyzed, among other things, stock price as a multiple of projected calendar year 2005 and 2006 earnings per share, book value per share, tangible book value per share and assets to market capitalization. All multiples were based on closing stock prices as of July 22, 2005. Projected earnings per share for the reference companies were based on First Call consensus estimates. First Call is an information provider that publishes a compilation of estimates of projected financial performance for publicly-traded companies produced by equity research analysts at leading investment banking firms. The following tables set forth the median multiples indicated by the market analysis of selected publicly-traded reference companies compared to multiples based upon the aggregate consideration set forth above:

	Peer Median	Merger
Market Price to:		
Calendar 2005E EPS	20.59x	28.19x
Calendar 2006E EPS	17.51	25.78
Book Value Per Share (1)	2.41	4.65
Tangible Book Value Per Share (1)	2.93	4.65
Market Capitalization / Assets (1)	18.69%	33.50%

(1) Palm Beach County Bank figures as of June 30, 2005.

SunTrust noted that none of the companies used in the market analysis of selected publicly-traded companies was identical to PBCB and that, accordingly, the analysis necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics of the companies reviewed and other factors that would affect the market values of the selected publicly-traded companies.

Analysis of Selected Merger and Acquisition Transactions

SunTrust reviewed and analyzed the financial terms, to the extent publicly available and deemed relevant by SunTrust, for all completed and pending mergers and acquisitions involving selling banks and thrifts in the state of Florida with total assets of between $100.0 million and $1.0 billion that were announced between January 1, 2002 and May 1, 2005. The universe included 28 reference transactions.

30

For the selected transactions, SunTrust analyzed, among other things, acquisition price as a multiple of latest twelve months earnings per share, book value per share, tangible book value per share, total assets and premium to deposits. All multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. The following tables set forth the median multiples indicated by this analysis compared to multiples based upon the aggregate consideration set forth above:

	Reference Transactions Median	Merger
Market Price to:		
LTM EPS (1)	24.98x	39.56x
Book Value Per Share (2)	2.96	4.65
Tangible Book Value Per Share (2)	3.08	4.65
Total Assets (2)	22.87%	33.50%
Premium/Deposits (3)	23.38	39.24

(1) PBCB figures as of March 31, 2005. Adjusted for impact of 35% tax rate.

(2) PBCB figures as of June 30, 2005.

(3) PBCB figures based on book value of $25.2 million as of June 30, 2005 and $234.5 million of core deposits at March 31, 2005.

SunTrust noted that no transaction considered in the analysis of selected merger and acquisition transactions is identical to the merger and may differ significantly from the merger based on, among other things, the size of the transactions, the structure of the transactions and the dates that the transactions were announced and consummated. All multiples for the selected transactions were based on public information available at the time of announcement of such transaction, without taking into account differing market and other conditions during the period during which the selected transactions occurred.

Dividend Discount Analysis

SunTrust performed a dividend discount analysis based upon projections provided by PBCB's management for the fiscal years ending December 31, 2005 through 2010 to estimate the net present equity value per share of PBCB. SunTrust discounted 4.5 years of estimated cash flows for PBCB, assuming a dividend rate sufficient to maintain an equity capital ratio (defined as equity divided by assets) of 6.00% and using a range of discount rates from 13% to 15%. In order to derive the terminal value of PBCB's earnings stream beyond 2009, SunTrust assumed terminal value multiples of fiscal year 2010 net income ranging from 15.0x to 17.0x. The present value of this terminal amount was then calculated based on the range of discount rates mentioned above. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of PBCB common stock. This analysis yielded a range of stand-alone aggregate values for PBCB of between $72.9 million and $90.8 million, with a median value of $81.6 million.

Analysis of CBH

Analysis of Selected Publicly-Traded Reference Companies

SunTrust reviewed and compared publicly available financial data, market information and trading multiples for CBH with other selected publicly-traded reference companies that SunTrust deemed relevant to CBH. These companies are:

AmSouth Bancorporation (ASO)
Colonial BancGroup, Inc. (CNB)
Comerica Incorporated (CMA)
Compass Bancshares, Inc. (CBSS)
First Horizon National Corporation (FHN)
Huntington Bancshares Incorporated (HBAN)
KeyCorp (KEY)
M&T Bank Corporation (MTB)
North Fork Bancorporation (NFB)
Regions Financial Corporation (RF)
TD Banknorth Inc. (BNK)
UnionBanCal Corporation (UB)
Zions Bancorporation (ZION)

For the selected publicly-traded reference companies, SunTrust analyzed, among other things, stock price as a multiple of projected calendar years 2005 and 2006 earnings per share, book value per share, tangible book value per share and 2005 price to growth ratios. All multiples were based on closing stock prices as of July 22, 2005. Projected earnings per share for the reference companies were based on First Call consensus estimates. The following table sets forth the median multiples indicated by the market analysis of selected publicly-traded reference companies:

	CBH	Reference Companies Median
Market Price to:		
Calendar 2005E EPS	18.0x	14.3x
Calendar 2006E EPS	15.5	13.0
Book Value Per Share	2.9	2.2
Tangible Book Value Per Share	2.9	3.0
2005 Price to Earnings Growth, or PEG, Ratio	1.1	1.6

SunTrust noted that none of the companies used in the market analysis of selected publicly-traded companies were identical to CBH and that, accordingly, the analysis necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies reviewed and other factors that would affect the market values of the selected publicly-traded companies.

Dividend Discount Analysis

SunTrust performed two separate dividend discount analyses to estimate the net present equity value per share of CBH: (i) a dividend discount analysis based upon projections provided by First Call for the fiscal years ending December 31, 2005 and 2006 and based upon the consensus five year projected net income growth estimates for CBH provided by First Call of 16.7% and an annual asset growth rate of 15% for the fiscal years ending December 31, 2007, 2008, 2009 and 2010; and (ii) a dividend discount analysis based upon projections provided by First Call for the fiscal years ending December 31, 2005 and 2006 and based upon CBH management's long-term annual net income growth rate goal of 20% and an annual asset growth rate of 15% for the fiscal years ending December 31, 2007, 2008, 2009 and 2010.

SunTrust discounted 4.5 years of estimated cash flows for CBH using a range of discount rates in both analyses from 12% to 14%. In order to derive the terminal value of CBH's earnings stream beyond 2009, SunTrust assumed terminal value multiples of fiscal year 2010 net income ranging from 14.5x to 16.5x. The present value of this terminal amount was then calculated based on the range of discount rates mentioned above. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of CBH common stock. The analysis yielded a range of stand-alone values for CBH common stock under the First Call consensus case of between $32.89 and $40.40 per share, with a median value of $36.51 per share. The analysis yielded a range of stand-alone values for CBH common stock under the management goals case of between $37.04 and $45.47 per share, with a median value of $41.11 per share. SunTrust noted as part of its analysis that CBH's closing stock price on July 22, 2005 was $33.22 per share.

Other Factors and Analyses

SunTrust took into consideration various other factors and analyses, including: historical market prices and trading volumes for CBH's common stock; movements in the common stock of selected publicly-traded companies; movements in the S&P Bank Index; and analyses of the costs of equity of each of PBCB and CBH.

Information Regarding SunTrust

PBCB's board of directors selected SunTrust to act as its financial advisor and render a fairness opinion regarding the merger because SunTrust is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and because it is familiar with PBCB, its business and its industry. SunTrust is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

Pursuant to a letter agreement dated July 24, 2005, PBCB paid SunTrust a fee of $100,000 upon the delivery of its fairness opinion and the signing of the merger agreement. In addition, PBCB has agreed to pay SunTrust a financial advisory fee of $900,000 at closing of the merger. In addition, PBCB has agreed to reimburse SunTrust for its reasonable out-of-pocket expenses and to indemnify SunTrust and certain related persons against certain liabilities arising out of or in conjunction with its rendering of services under its engagement, including certain liabilities under the federal securities laws. No limitations were imposed by PBCB on the scope of SunTrust's investigation or the procedures to be followed by SunTrust in rendering its opinion. SunTrust was not requested to and did not make recommendations to PBCB's board of directors as to the form or amount of the consideration to be received by PBCB shareholders, which was determined through arm's length negotiations between PBCB and CBH. In arriving at its opinion, SunTrust performed a variety of financial and comparative analyses described above to determine the fairness, from a financial point of view, of the exchange ratio. In the ordinary course of its business, SunTrust and its affiliates may actively trade in the debt and equity securities of CBH for its own account and the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, SunTrust and its affiliates (including SunTrust Banks, Inc.) may have other financing and business relationships with PBCB or CBH in the ordinary course of business.

Interests of PBCB's Directors, Executive Officers and Others in the Merger

PBCB's shareholders should note that PBCB's directors, executive officers and others noted below have interests in the merger that may be different from or in addition to the interests of PBCB shareholders generally. PBCB's board of directors was aware of these interests and took these interests into account in approving the proposed merger and the transactions contemplated by the merger agreement.

33

PBCB Stock Ownership

PBCB's directors and executive officers and their affiliates beneficially own approximately 44% of the PBCB common stock.

PBCB Stock Options

PBCB's directors and executive officers currently hold options to purchase 21,500 shares of PBCB common stock at option prices per share ranging from \$9.52 to \$15.51. The merger will accelerate the vesting of those options that are not currently exercisable. Upon completion of the merger, holders of PBCB stock options will be entitled to receive CBH stock options and, upon the exercise of their CBH stock options, a number of shares of CBH common stock determined as described under " — Material Terms of the Merger Agreement — Treatment of PBCB Stock Options."

Employment Agreements

Commerce Bank entered into employment agreements with each of Messrs. Cearley and Martin, Ms. Minniear and Ms. Sheehan. Each of the employment agreements have terms of two years. Mr. Cearley's employment agreement provides that Mr. Cearley will serve as Chairman/Florida and will be paid an annual base salary of \$205,000. Mr. Martin's employment agreement provides that Mr. Martin will serve as a Senior Vice President and will be paid an annual base salary of \$187,500. Ms. Minniear's employment agreement provides that Ms. Minniear will serve as a Vice President and will be paid an annual base salary of \$89,000. Ms. Sheehan's employment agreement provides that Ms. Sheehan will serve as a Vice President and will be paid an annual base salary of \$82,000. Each of such employment agreements contain confidentiality and non-solicitation provisions. Messrs. Cearley's and Martin's employment agreements also contain non-competition provisions.

Change of Control Payments

Two members of PBCB's senior management, Messrs. Cearley and Martin had employment agreements with PBCB providing them with certain benefits in the event of a "change in control," as defined therein, of PBCB. In general, these benefits include the right to receive a lump sum equal to three times the executive's annual base salary plus three times the most recent bonus paid to such executive. CBH and PBCB agreed that the completion of the merger will constitute a change in control for purposes of each of the employment agreements with Messrs. Cearley and Martin. Accordingly, upon completion of the merger, Mr. Cearley will receive approximately \$735,000 and Mr. Martin will receive approximately \$683,000 in satisfaction of the change in control provisions contained in each of their employment agreements with PBCB.

Indemnification

The merger agreement provides that for a period of six years after the effective time of the merger, CBH will indemnify all individuals who are or have been officers, directors or employees of PBCB prior to the merger from any acts or omissions in such capacities prior to the merger, to the extent that such indemnification is provided pursuant to the articles of incorporation or bylaws of PBCB on the date of the merger agreement and is permitted under the Florida Interstate Branching Act, as amended, the Florida Banking Corporation Act, as amended and The National Banking Act, as amended.

The Written Consent of Certain PBCB Shareholders

The proposed merger requires approval by a majority of the outstanding shares of PBCB common stock. Each share of PBCB common stock is entitled to one vote. On September 19, 2005, there were 1,676,575 shares of PBCB common stock outstanding. As of September 19, 2005, PBCB shareholders who control approximately 58.67% of the total voting power of PBCB's outstanding shares of common stock have executed a written consent adopting and approving the merger and the merger agreement. Accordingly, no vote is required on your part. Therefore, PBCB will not need to hold a special meeting and no further action is required on the part of PBCB shareholders. The PBCB shareholders who have executed the written consent are certain PBCB directors, officers, affiliates, founders and their families and 5% shareholders.

Ownership of CBH Following the Merger

As a result of the merger, the holders of PBCB common stock will become shareholders of CBH. Upon completion of the merger, each outstanding share of PBCB stock will be converted into the right to receive CBH common stock.

We anticipate that CBH will issue approximately 3,325,486 shares of CBH common stock to PBCB shareholders. We also anticipate that CBH will issue approximately 91,737 additional shares of CBH common stock upon the exercise of currently outstanding options to purchase PBCB common stock that will be converted into options to purchase CBH common stock in the merger. Based upon the number of shares of CBH common stock issued and outstanding on September 19, 2005 and the number of shares of CBH common stock anticipated to be issued in the merger, excluding shares subject to PBCB options to be converted into CBH options in the merger, the shares of CBH common stock issued to PBCB shareholders in the merger will constitute approximately 2% of the outstanding common stock of CBH after the merger. Assuming the exercise of all of PBCB options, assumed in the merger, after the merger, PBCB shareholders will own approximately 2% of the common stock of CBH.

Board of Directors and Management of CBH and Commerce Bank Upon Completion of the Merger

When the merger is complete, CBH will continue to be managed by its current directors and officers and Commerce Bank will continue to be managed by its current directors and officers.

Regulatory Approvals

CBH and PBCB have agreed to use their reasonable best efforts to obtain as promptly as practicable all regulatory permits, consents, approvals and authorizations required to complete the transactions contemplated by the merger agreement, which includes approval from the OCC. We must also provide notice of the transactions contemplated by the merger agreement to the FOFR. We filed an application with the OCC requesting approval of the merger and provided notice to the FOFR. The merger cannot proceed in the absence of approval from the OCC. Although CBH and PBCB expect to obtain the required regulatory approval, there can be no assurance as to if and when the regulatory approval will be obtained.

CBH and PBCB are not aware of any other material governmental approvals or actions that are required prior to the parties' completion of the merger. It is presently contemplated that if any such additional governmental approvals or actions are required, such approvals or actions will be sought.

Resale of CBH Common Stock

Shares of CBH common stock to be issued to PBCB shareholders in the merger have been registered under the Securities Act and may be traded freely and without restriction by those shareholders not deemed to be affiliates (as that term is defined under the Securities Act) of PBCB as of the time the merger was approved by written consent or of CBH following the merger. Any subsequent transfer of shares, by any person who was an affiliate of PBCB at the time the merger was approved by written consent, or of CBH following the merger will, under existing law, require either:

- the further registration under the Securities Act of the CBH common stock to be transferred,
- compliance with Rule 145 promulgated under the Securities Act, which permits limited sales under certain circumstances, or
- the availability of another exemption from registration.

An "affiliate" of an entity is a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such entity. These restrictions generally apply to the directors and executive officers of an entity and holders of 10% or more of such entity's common stock. The same restrictions apply to certain relatives or the spouse of those persons and any trusts, estates, corporations or other entities in which those persons have a 10% or greater beneficial or equity interest. CBH will give stop transfer instructions to the transfer agent with respect to the shares of CBH common stock to be received by persons subject to these restrictions, and the certificates for their shares will be appropriately legended.

PBCB has agreed in the merger agreement to cause each person who is an affiliate of PBCB for purposes of Rule 145 under the Securities Act to deliver to CBH a written agreement intended to ensure compliance with the Securities Act.

Appraisal Rights

Pursuant to Sections 1301 to 1333 of the Florida Business Corporation Act, any PBCB shareholder who has not consented to the merger and the merger agreement may dissent from the proposed merger and elect to have the fair value of his or her shares judicially determined and paid in cash (exclusive of any appreciation in anticipation of the merger), but only if the shareholder complies with the provisions of Sections 1301 to 1333 of the Florida Business Corporation Act, a copy of which is included as Annex B to this prospectus.

The following is a brief summary of the statutory procedures that must be followed by you to perfect your appraisal rights under Florida law. **This summary is not intended to be complete and is qualified in its entirety by reference to Sections 1301 to 1333 of the Florida Business Corporation Act, a copy of which is included as Annex B to this prospectus**.

All written demands for appraisal should be addressed to: Calvin L. Cearley, c/o Palm Beach County Bank, 2130 Centre Park West Drive, West Palm Beach, Florida 33409. It is important that PBCB receive all written demands promptly as provided above. This written demand should be signed by, or on behalf of, the shareholder of record. The written demand for appraisal should be made pursuant to a fully executed appraisal form, a copy of which is included at the end of Annex B to this prospectus.

Within 20 days after PBCB notifies a shareholder it is taking action with respect to the merger without a shareholder meeting, a shareholder who elects to dissent must file with PBCB a written notice of the shareholder's intent to demand payment if the merger is effectuated. A dissenting shareholder failing to file an election to dissent within that 20-day period will be bound by the terms of the proposed corporate action. Any shareholder who consents to the approval of the merger and the merger agreement may not exercise its right to dissent.

Within 10 days after the date the merger becomes effective, PBCB (or CBH) will provide each former shareholder who has properly provided a notice of intent to demand payment of fair value a written appraisal notice and form, which will indicate CBH's estimate of the fair value of the common stock. The notice and offer to purchase at such fair value must be accompanied by a balance sheet of PBCB as of the end of the last fiscal year that is not more than 15 months before the appraisal notice, income statement of PBCB for that same period, a cash flow statement of PBCB for that same period, and the latest available interim financial statements of PBCB, if any.

A shareholder asserting dissenters' rights must execute and return the form to CBH and deposit the shareholder's certificates in accordance with the terms of the notice, before the date specified in the appraisal notice, which will not be fewer than 40 or more than 60 days after the appraisal notice and form were sent to the shareholder. A shareholder who deposits shares in accordance with the assertion of dissenters' rights has no further rights as a shareholder, but only has the right to receive "fair value" for the shares in accordance with the dissenters' procedures, unless the appraisal demand is withdrawn.

A shareholder who does not execute and return the form and deposit his or her certificates by the date set forth in the appraisal notice, will no longer be entitled to dissenters' rights, will be bound by the terms of the merger, and will receive the merger consideration. A shareholder who complies with the requirements and wishes to withdraw from the appraisal process may do so by notifying CBH in writing before the date set forth in the appraisal notice as the due date to execute and return the form. A shareholder who fails to withdraw from the appraisal process may not thereafter withdraw without CBH's written consent.

If a shareholder timely accepts the offer to pay the fair value of the shares as set forth in the appraisal notice, payment will be made within 90 days after CBH receives the form from the shareholder. A shareholder who is dissatisfied with the offer must include in his or her returned form a demand for payment of that shareholder's estimate of the fair value of the shares plus interest, otherwise the shareholder will be entitled to payment of only the amount offered. Interest is to be calculated at the interest rate on judgments in Florida on the effective date of the merger. Once CBH has made payment of an agreed upon value, the shareholders will cease to have any interest in the shares.

If a shareholder makes demand for payment which remains unsettled, CBH shall commence a proceeding within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If CBH fails to file such proceedings, any dissenting shareholder may do so in PBCB's name. All dissenting shareholders, except for those that have agreed upon a value with CBH, are deemed to be parties to the proceeding. In such proceeding, the court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. CBH shall pay each dissenting shareholder the amount found to be due within 10 days after final determination of the proceedings. Upon payment of such judgment, the dissenting shareholder will cease to have any interest with respect to his or her shares.

The court in any appraisal proceeding will determine the cost and expense of any appraisal proceeding and such costs and expenses will be assessed against CBH. However, all or any part of such cost and expense may be apportioned and assessed against all or some of the dissenting shareholders, in such amount as the court deems equitable, if the court determines that such shareholders acted arbitrarily, vexatiously or not in good faith with respect to their dissenters' rights. The court may also assess the fees and expenses of counsel

37

and experts for the respective parties in the amounts the court finds equitable against CBH if the court finds that CBH did not substantially comply with its requirements under Sections 607.1320 and 607.1322 of the Florida Business Corporation Act, or, against any party which the court finds acted arbitrarily, vexatiously, or not in good faith with respect to the dissenters' rights provided by the Florida Business Corporation Act. In the event CBH fails to make any required payments, the shareholders may sue directly for the amount owed, and to the extent successful, will be entitled to recover all costs and expenses of the suit, including attorney's fees.

Dissenting shareholders may dissent as to less than all shares registered in their names. Thus, fiduciaries, such as brokers and trustees, may object to a proposal on behalf of some beneficial owners and vote in favor of it on behalf of others. If a dissenting shareholder dissents as to less than all shares registered in his or her name, the dissenting shareholder's rights will be determined as if the shares to which he or she dissents and the other shares registered in his or her name were registered in the names of different shareholders.

Failure to comply strictly with these procedures will cause you to lose your appraisal rights. Consequently, if you desire to exercise your appraisal rights you are urged to consult a legal advisor before attempting to exercise these rights.

Listing of CBH Common Stock on NYSE

CBH common stock is listed on the New York Stock Exchange. CBH agreed to use its best efforts to cause the shares of CBH common stock to be issued in the merger to be listed on the New York Stock Exchange. It is a condition of the merger that those shares be listed on the New York Stock Exchange.

Accounting Treatment

CBH will account for the merger as a purchase, as that term is used under accounting principles generally accepted in the United States of America, for accounting and financial reporting purposes. Under purchase accounting, the assets and liabilities of PBCB as of the date of acquisition will be recorded at their respective fair values and added to those of CBH. The amount by which the purchase price paid by CBH exceeds the fair value of the net tangible and identifiable intangible assets acquired by CBH through the merger will be recorded as goodwill. Financial statements of CBH issued after the date of acquisition will reflect these values and will not be restated retroactively to reflect the historical financial position or results of operations of PBCB.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Blank Rome LLP, the following discussion summarizes the material U.S. federal income tax consequences of the merger of PBCB with and into Commerce Bank, assuming that the merger is effected as described in the merger agreement and this prospectus. This opinion and the following discussion are based on currently existing provisions of the existing Treasury Regulations promulgated under the Code and current administrative rulings and court decisions, all of which are subject to change. Any such change, which may or may not be retroactive, could alter the tax consequences of the merger to the shareholders of PBCB.

This discussion does not address all U.S. federal income tax considerations that may be relevant to particular PBCB shareholders in light of their individual circumstances or to PBCB shareholders who are subject to special rules, such as:

- financial institutions and mutual funds;
- banks;
- insurance companies;
- investment companies;
- retirement plans;
- tax-exempt organizations;
- dealers in securities;
- traders in securities that elect to use a mark-to-market method;
- persons that hold their PBCB common stock as part of a straddle, a hedge against a currency risk or a constructive sale or conversion transaction;
- persons that are or who hold their PBCB common stock through partnerships or pass-through entities;
- persons who are not citizens or residents of the United States or who are foreign corporations, foreign partnerships or foreign estates or trusts;
- persons whose functional currency is not the U.S. dollar;
- persons who hold PBCB stock as qualified small business stock within the meaning of Section 1202 of the Code;
- persons who are subject to the alternative minimum tax provisions of the Code; or
- persons who acquired their PBCB common stock in connection with stock option or stock purchase plans or in some other compensatory transaction.

This discussion assumes that PBCB's shareholders hold their shares of PBCB common stock as capital assets. In addition, the following discussion does not address the tax consequences of the merger under foreign, state or local tax laws. Furthermore, the discussion does not address the tax consequences of transactions effected before, after or at the

39

same time as the merger, whether or not they are in connection with the merger, including, without limitation, transactions in which persons acquired PBCB common stock or disposed of CBH shares. PBCB shareholders are urged to consult their tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effects of state, local and non-U.S. tax laws and U.S. tax laws other than income tax laws.

It is a condition to the closing under the merger agreement that Blank Rome LLP, counsel to CBH and Commerce Bank render a tax opinion to the effect that the merger will constitute a tax-free reorganization within the meaning of Section 368(a) of the Code. This discussion is, and the opinion of Blank Rome LLP is subject to certain assumptions, limitations and qualifications, and is based upon the truth and accuracy of certain factual representations made by CBH, Commerce Bank and PBCB and upon the condition that there is no adverse change in U.S. federal income tax law. This discussion and the tax opinion of Blank Rome LLP do not bind the Internal Revenue Service from adopting a contrary position, and it is possible that the Internal Revenue Service may successfully assert a contrary position in litigation or other proceedings.

Assuming that the merger constitutes a reorganization within the meaning of Section 368(a) of the Code, the following U.S. federal income tax consequences will result to PBCB shareholders who exchange their PBCB stock for CBH stock:

· *No Gain or Loss*. Subject to the discussion below regarding cash received in lieu of fractional shares of CBH common stock and cash received upon exercise of appraisal rights, PBCB shareholders receiving CBH common stock in the merger will not recognize any gain or loss as a result of the receipt of CBH common stock in the merger.

· *Tax Basis and Holding Period*. A PBCB shareholder's aggregate tax basis in the CBH common stock, including any fractional shares deemed received, as discussed below, will be equal to the aggregate tax basis of the PBCB common stock surrendered in the exchange. A PBCB shareholder's holding period for the CBH common stock received will include the holding period for the PBCB common stock surrendered in the exchange.

Cash Payments Received in Lieu of Fractional Shares.

· *Gain or Loss*. Cash payments received by PBCB shareholders in lieu of fractional shares of CBH common stock will be treated as if such fractional shares had been issued in the merger and then redeemed by CBH. A PBCB shareholder receiving such cash will generally recognize capital gain or loss with respect to such payment, equal to the difference, if any, between such PBCB shareholder's tax basis in the fractional share and the amount of cash received. The capital gain or loss will be long-term if the holding period for such PBCB common stock is more than one year as of the date of the exchange.

Cash Payments Received Upon Exercise of Appraisal Rights.

· A PBCB shareholder who receives cash for all of his or her shares of PBCB common stock pursuant to the exercise of appraisal rights in connection with the merger generally will recognize gain or loss equal to the difference between the tax basis of the shares of PBCB common stock surrendered and the amount of cash received, except that any cash received that is, or is deemed to be, interest for federal income tax purposes will be taxed as ordinary income. Gain or loss that is not treated as ordinary income will be capital gain or loss and any such capital gain or loss will be long-term if the PBCB shareholder has held such shares of PBCB common stock for more than one year as of the effective time of the merger.

Tax Treatment of the Entities.

· *No Gain or Loss*. No gain or loss will be recognized by PBCB, CBH or Commerce Bank as a result of this merger.

Other relevant tax considerations in connection with the merger include the following:

Payments in connection with the merger may be subject to “backup withholding” at a 28% rate. Backup withholding generally applies if a holder: (a) fails to furnish his or her taxpayer identification number, or TIN, (b) furnishes an incorrect TIN, (c) fails to properly include a reportable interest or dividend payment on its United States federal income tax return or (d) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN provided is its correct number and that the shareholder is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons generally are entitled to exemption from backup withholding, including corporations, financial institutions and certain foreign shareholders if such foreign shareholders submit a statement, signed under penalties of perjury, attesting to their exempt status. Certain penalties apply for failure to furnish correct information and for failure to include reportable payments in income. Each PBCB shareholder should consult such shareholder’s own tax advisor as to its qualification for exemption from backup withholding and the procedure for obtaining such exemption.

PBCB shareholders receiving CBH common stock in the merger should file a statement with their U.S. federal income tax returns for the year in which the merger occurs setting forth the tax basis in the PBCB common stock exchanged in the merger and the fair market value of the CBH common stock received in the merger.

No ruling from the Internal Revenue Service has been or will be requested in connection with the merger. In addition, shareholders of PBCB should be aware that the opinion of Blank Rome LLP discussed in this section is not binding upon the Internal Revenue Service. Moreover, the Internal Revenue Service could adopt a contrary position which could be sustained by a court.

The preceding discussion is intended only as a summary of the material U.S. federal income tax consequences of the merger and does not purport to be a complete analysis or discussion of all potential tax effects relevant thereto. Thus, PBCB shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the merger, including tax return reporting requirements, the applicability and effect of foreign, federal, state, local and other applicable tax laws and the effect of any proposed changes in the tax laws.

DESCRIPTION OF CBH STOCK

The following is a summary of certain provisions of CBH's restated certificate of incorporation and is qualified in its entirety by reference to the complete text of CBH's restated certificate of incorporation. For a further description of these provisions see "Comparison of Shareholder Rights."

Authorized Capital

The authorized capital stock of CBH consists of 500,000,000 shares of common stock, par value $1.00 per share, and 10,000,000 shares of preferred stock, no par value.

Under CBH's restated certificate of incorporation, the CBH board of directors is authorized, without further shareholder action, to provide for the issuance of preferred stock in one or more series, with such designations, number of shares, relative rights, preferences and limitations as shall be set forth in resolutions providing for the issuance thereof adopted by the CBH board of directors. As of June 30, 2005, no shares of CBH preferred stock were outstanding.

Description of Common Stock

As of June 30, 2005, there were 163,339,251 shares of CBH common stock outstanding held by approximately 58,000 shareholders of record.

The rights, preferences and privileges of holders of CBH common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which CBH may designate and issue in the future.

Voting Rights. Holders of CBH common stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders and do not have cumulative voting rights. Holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election.

Dividends. For a description of dividend rights, see "Comparison of Shareholder Rights — Dividends — CBH."

Liquidation. For a description of liquidation rights, see "Comparison of Shareholder Rights — Liquidation — CBH."

Preemptive Rights. For a description of preemptive rights, see "Comparison of Shareholder Rights — Preemptive Rights — CBH."

Transfer Agent and Registrar. The transfer agent and registrar for CBH common stock is Registrar and Transfer Company.

"Anti-Takeover" Provisions

For a description of CBH's anti-takeover provisions, see "Comparison of Shareholder Rights — "Anti-Takeover" Provisions — CBH."

COMPARISON OF SHAREHOLDER RIGHTS

The rights of shareholders of a corporation are governed by the laws of the state in which the corporation is incorporated, as well as the governing instruments of the corporation itself - that is, its certificate (or articles) of incorporation and bylaws. Therefore, differences in the rights of holders of CBH common stock and PBCB common stock arise from the states of their respective organization and their respective certificate or articles of incorporation and bylaws. CBH is organized under the laws of the state of New Jersey and PBCB is organized under the laws of the state of Florida. After the merger is completed, the rights of PBCB shareholders who become CBH shareholders will be governed by CBH's restated certificate of incorporation and bylaws and the New Jersey Business Corporation Act.

The following is a summary of the material differences between CBH shareholders' rights and PBCB shareholders' rights. This summary is qualified in its entirety by references to applicable provisions of the New Jersey Business Corporation Act, Florida Business Corporation Act, CBH's restated certificate of incorporation and bylaws and PBCB's articles of incorporation and bylaws. This summary does not reflect the rules of the New York Stock Exchange that may apply to CBH.

Capital

CBH. CBH has the authority to issue 510,000,000 shares of capital stock consisting of 500,000,000 shares of common stock with a par value of $1.00 per share and 10,000,000 shares of preferred stock with no par value per share.

PBCB. PBCB has the authority to issue 2,000,000 shares of common stock with a par value of $5.60 per share. PBCB's articles of incorporation do not authorize the issuance of preferred stock.

Preferred Stock

CBH. CBH's restated certificate of incorporation authorizes CBH's board of directors to issue, from time to time, 10,000,000 shares of preferred stock in one or more series. Prior to the issuance of a series of preferred stock, CBH's board of directors may fix the designations, preferences, qualifications, limitations, restrictions and special or relative rights, if any, relating to the shares of the series. If the series of preferred stock is convertible, CBH's restated certificate of incorporation authorizes CBH's board of directors to increase the authorized shares of any class or series, that the preferred stock is convertible into, including CBH common stock, to such number that will be sufficient, when added to the previously authorized but unissued shares of such class or series, to satisfy the conversion privileges of the convertible preferred shares issued. As of June 30, 2005, CBH's board of directors has not designated a series of preferred stock.

PBCB. PBCB's articles of incorporation do not authorize the issuance of preferred stock.

Shareholder Voting

CBH.

General. Each share of CBH common stock is entitled to one vote per share on all matters submitted to shareholders. Generally, corporate actions taken by vote of CBH shareholders are authorized upon receiving the affirmative vote of a majority of the votes cast by all CBH shareholders entitled to vote on such action. The election of directors is determined by a plurality vote, as the nominees receiving the highest number of votes cast by CBH shareholders will be elected to CBH's board of directors.

Quorum. In general, a majority of the outstanding shares, represented in person or by proxy, at a shareholders' meeting duly called shall constitute a quorum for the transaction of business.

Approval of Business Combinations. According to CBH's restated certificate of incorporation, unless approved by resolution of CBH's board of directors prior to the consummation of such transaction, any merger or consolidation of CBH with or into any other corporation or any sale, lease, exchange or other disposition of all or substantially all of the assets of CBH to or with any other corporation, person or other entity, will require the affirmative vote of the holders of at least eighty percent (80%) of the outstanding shares of capital stock of CBH issued and outstanding and entitled to vote.

PBCB.

General. Each share of PBCB common stock is entitled to one vote per share on all matters submitted to shareholders. Generally, corporate actions taken by vote of PBCB's shareholders are authorized upon receiving the affirmative vote of a majority of the shares represented at the shareholders' meeting and entitled to vote on the subject matter. The election for directors is determined by a plurality vote, as the nominees receiving the highest number of votes cast by PBCB shareholders will be elected to PBCB's board of directors.

Quorum. A majority of the shares entitled to vote, represented in person or by proxy, constitutes a quorum at a shareholders' meeting.

Approval of Business Combinations. Unless the board of directors requires a greater vote, a plan of merger or share exchange to be authorized must be approved by each class entitled to vote on the plan by a majority of all the votes entitled to be cast on the plan by that class.

Cumulative Voting

CBH. Holders of CBH common stock do not have cumulative voting rights.

PBCB. Holders of PBCB common stock do not have cumulative voting rights.

Action by Written Consent

CBH. Unless CBH's board of directors otherwise expressly directs:

· any action which may be taken at a meeting of shareholders may be taken without a meeting if all shareholders who would be entitled to vote at a meeting for such purpose execute a written consent approving such action; or

· any action which may be taken at a meeting of shareholders, other than the annual election of directors, may be taken without a meeting, if a consent in writing to such action is signed by shareholders entitled to cast such a percentage of the number of votes which all such shareholders are entitled to cast thereon as is required by law for the taking of action at a meeting of the shareholders.

In no case may the percentage be less than the larger of two-thirds of the total number of votes which all CBH shareholders are entitled to cast upon such action or the minimum percentage of the vote required by law, if any, for the proposed action. Action by less than unanimous consent will not become effective until after at least ten days' written notice of the action has been given to shareholders of record entitled to vote on the action. Action regarding a plan of merger or plan of consolidation may not, however, be approved by written consent by less than unanimous consent.

PBCB. Any action required or permitted by the Florida Business Corporation Act to be taken at a meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if PBCB shareholders who hold outstanding PBCB stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted execute a written consent approving such action. Within ten days after obtaining authorization by written consent, notice must be given to those shareholders who have not consented in writing.

Preemptive Rights

CBH. Holders of CBH common stock have no preemptive, subscription, redemption or conversion rights.

PBCB. PBCB's articles of incorporation provide that each PBCB shareholder has the right to purchase, subscribe for, or receive a right or rights to purchase or subscribe for, the subscription price offered to the general public, a pro rata portion of any stock of any class that PBCB may issue or sell, exclusive of shares issued pursuant to any option plan adopted by PBCB.

Amendment of Governing Documents

CBH.

Amendment of Certificate of Incorporation. Generally, under the New Jersey Business Corporation Act, an amendment to CBH's restated certificate of incorporation requires the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote thereon. CBH's restated certificate of incorporation, however, requires the affirmative vote of at least eighty percent (80%) of the outstanding shares of capital stock of CBH issued and outstanding and entitled to vote to amend or rescind the provisions providing for a supermajority vote for certain business combinations.

Amendment of Bylaws. The