



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company	COMMERCE BANCORP INC/NJ		Date	05/24/07	
Prepared by	Ty H.		Data taken from	NAIC Data	
Where traded	NYSE		Major product/service	Regional Ba	
CAPITALIZATION --- Outstanding Amounts			Reference		
Preferred (\$M)	0.0		% Insiders	%	
Common (M Shares)	190.9		0.0	0.0	
Debt (\$M)	122.7	% to Tot.Cap.	4.1	% Potential Dil.	None

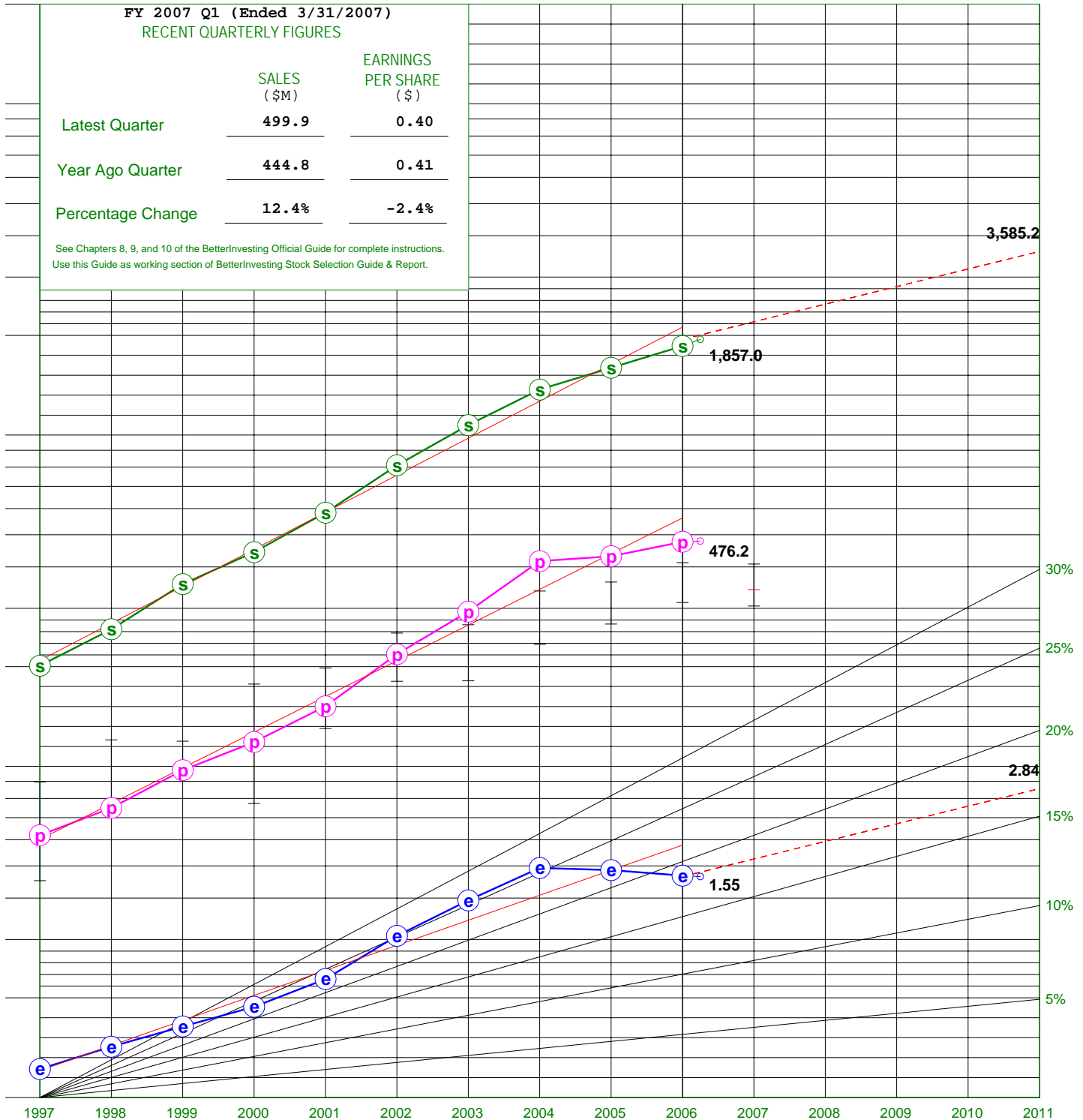
1 VISUAL ANALYSIS of Sales, Earnings and Price

CBH

FY 2007 Q1 (Ended 3/31/2007)
RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	499.9	0.40
Year Ago Quarter	444.8	0.41
Percentage Change	12.4%	-2.4%

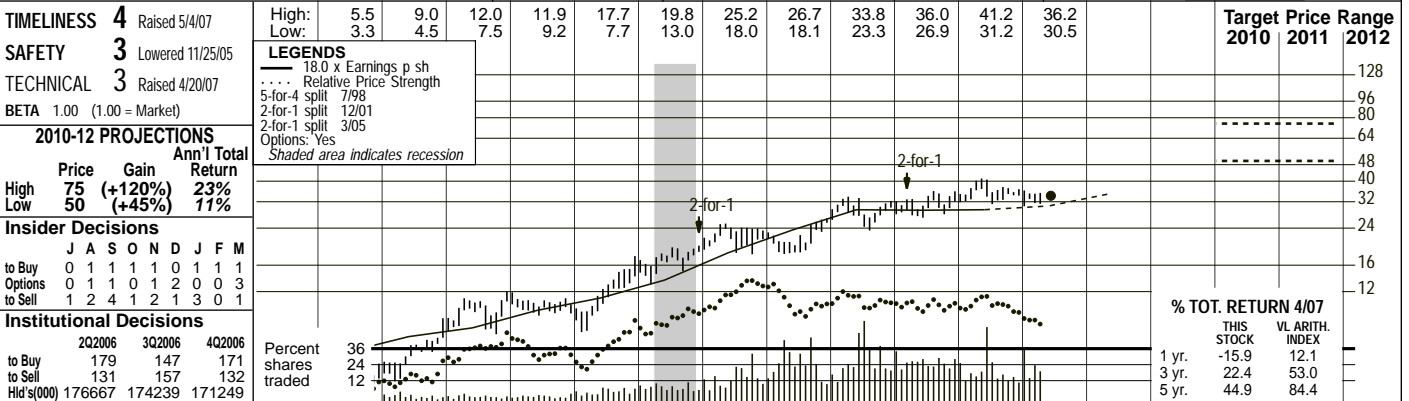
See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions. Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



- (1) Historical Sales Growth _____ **29.4 %**
- (2) Estimated Future Sales Growth _____ **13.0 %**
- (3) Historical Earnings Per Share Growth _____ **19.0 %**
- (4) Estimated Future Earnings Per Share Growth _____ **13.0 %**

COMMERCE BANCORP NYSE-CBH

RECENT PRICE **34.16** P/E RATIO **20.8** (Trailing: 21.1, Median: 19.0) RELATIVE P/E RATIO **1.07** DIV'D YLD **1.5%** VALUE LINE



Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Value Line Pub., Inc.	10-12
Earnings per sh ^A	.14	.21	.27	.36	.33	.34	.41	.45	.54	.62	.76	1.02	1.31	1.63	1.62	1.63	1.70	1.95		3.50
Div'ds Decl'd per sh ^B	.06	.06	.07	.09	.10	.11	.14	.21	.21	.24	.28	.30	.33	.38	.44	.48	.52	.56		.72
Book Value per sh	1.65	1.71	1.95	1.86	2.25	2.24	2.60	2.83	2.94	3.87	4.85	6.77	8.31	10.37	12.86	15.15	16.60	18.05		25.25
Common Shs Outst'g ^C	30.27	43.01	46.73	56.22	68.82	77.75	93.71	106.08	121.34	127.05	131.26	135.67	153.74	160.64	179.50	184.90	190.00	190.00		190.00
Avg Ann'l P/E Ratio	7.6	8.1	8.4	7.8	9.4	11.6	15.3	21.5	19.0	18.9	22.7	21.8	16.6	17.9	19.1	21.6	20.0	18.0		18.0
Relative P/E Ratio	4.9	4.9	5.0	5.1	6.3	7.3	8.8	11.2	10.8	1.23	1.16	1.19	.95	.95	1.02	1.17	1.17	1.17		1.20
Avg Ann'l Div'd Yield	5.4%	3.5%	3.1%	3.3%	3.2%	2.7%	2.2%	2.2%	2.0%	2.1%	1.6%	1.3%	1.5%	1.3%	1.4%	1.4%	1.4%	1.4%		1.1%

CAPITAL STRUCTURE as of 12/31/06		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total Assets (\$mill)	94000
Total Debt	\$777.4 mill. Due in 5 Yrs \$777.4 mill.	1390.0	1905.0	2922.7	3638.6	4516.4	5731.9	7328.5	9319.0	12525	15455	18000	21200							Loans (\$mill)	32200
Leases, Uncapitalized	Annual rentals \$73.1 mill. No Defined Benefit Pension Plan	147.1	173.7	244.4	296.9	401.3	572.8	755.9	1017.8	1153.6	1274.5	1460	1700							Net Interest Inc (\$mill)	2850
Pfd Stock	None	4.7	5.9	9.2	13.9	26.4	33.2	31.9	39.2	19.2	33.7	50.0	70.0							Loan Loss Prov'n (\$mill)	100
Pfd Div'd	None	57.4	89.0	114.6	150.8	196.8	257.5	332.5	375.1	442.8	591.2	680	780							Noninterest Inc (\$mill)	1160
Common Stock	189,411,677 shs.	137.9	182.0	252.5	315.4	420.0	579.2	763.4	938.8	1146.4	1355.8	1580	1820							Noninterest Exp (\$mill)	2850
MARKET CAP: \$6.5 billion (Large Cap)		40.3	49.3	66.0	80.0	103.0	144.8	194.3	273.4	282.9	315.1	335	385							Net Profit (\$mill)	690
ASSETS(\$Mill.)	2004 2005 12/31/06	34.9%	34.1%	32.2%	32.4%	32.1%	33.5%	33.7%	34.1%	34.3%	33.8%	35.0%	35.0%							Income Tax Rate	35.0%
Loans	9319.0 12525.0 15454.0	1.02%	1.01%	.99%	.96%	.91%	.88%	.86%	.90%	.74%	.70%	.65%	.65%							Return on Total Assets	.75%
Funds Sold	-- -- --	23.0	23.0	23.0	23.0	200.0	200.0	200.0	200.0	--	Nil	Nil	Nil							Long-Term Debt (\$mill)	Nil
Securities	18676.9 22667.2 26089.1	250.8	300.7	356.8	492.2	636.6	918.0	1277.3	1665.7	2309.2	2801.1	3150	3430							Shr. Equity (\$mill)	4800
Other Earning	-- -- --	6.4%	6.1%	5.4%	5.9%	5.6%	5.6%	5.5%	6.0%	6.2%	6.0%	5.5%	5.5%							Shr. Eq. to Total Assets	5.0%
Other	2505.7 3273.8 3728.7	35.3%	38.9%	44.0%	43.9%	39.7%	34.9%	32.3%	30.6%	32.6%	34.1%	35.5%	35.0%							Loans to Tot Assets	34.5%
LIABILITIES(\$Mill.)		16.1%	16.4%	18.5%	16.3%	16.2%	15.8%	15.2%	16.4%	12.3%	11.2%	10.5%	11.0%							Return on Shr. Equity	14.5%
Deposits	27658.9 34726.7 41288.2	10.8%	8.8%	11.9%	10.2%	10.6%	11.4%	11.6%	12.9%	9.1%	8.0%	7.5%	8.0%							Retained to Com Eq	11.5%
Funds Borrowed	661.2 1106.4 777.4	35%	47%	36%	37%	34%	28%	24%	22%	26%	28%	29%	28%							All Div'ds to Net Prof	20%
Long-Term Debt	200.0 -- --	BUSINESS: Commerce Bancorp, Inc. provides personal, commercial, and trust services through its banking subsidiaries, which include Commerce Bank; Commerce Bank/Pennsylvania; and Commerce Bank/Shore. Serves NJ, PA, NY, DE and FL through 428 banking facilities. Retail svcs. include checking, savings, money markets, and CDs. At 12/06: consumer loans: 36% of gross loans; real estate, 19%; commercial, 45%. Net charge-offs: .11% of avg. loans. At 12/06, loan loss reserve: 1.03% of total loans; nonperforming assets: .12%. Has about 11,800 empls. Off. & dir. own 8.6% of stock (4/07 proxy). Chrmn. & Pres.: Vernon W. Hill, II, Inc.: NJ. Addr.: 1701 Route 70 East, Commerce Atrium, Cherry Hill, NJ 08034. Tel.: 888-751-9000. Internet: www.commerceonline.com.																			

Commerce's earnings potential continues to be limited by the difficult interest-rate environment. The net interest margin in the March interim deteriorated 26 basis points from a year ago, to 3.27%, because of the inverted yield curve. However, net interest income still rose 8%, even with the margin compression, due to greater interest-earning assets. Indeed, the bank posted an 18% jump in deposits, while loans climbed at a comparable pace. That said, we think margin compression will continue over the next few quarters. Meanwhile, Commerce's credit quality should remain solid. Nonperforming assets as a percentage of total assets rose from a scant .08% last year, to .11%.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05 to '10-'12
Loans	15.5%	20.0%	20.0%
Earnings	17.0%	23.0%	14.0%
Dividends	16.0%	12.0%	10.0%
Book Value	18.0%	26.5%	14.5%
Total Assets	16.5%	27.0%	20.5%

Cal-endar	LOANS (\$Mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2004	7671	8206	8779	9319	
2005	9837	10547	11151	12525	
2006	13345	14132	14550	15455	
2007	15778	16500	17200	18000	
2008	18400	19200	20000	21200	

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2004	.38	.40	.42	.43	1.63
2005	.45	.46	.45	.26	1.62
2006	.41	.41	.41	.40	1.63
2007	.40	.42	.42	.46	1.70
2008	.46	.48	.49	.52	1.95

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2003	.082	.082	.082	.082	.33
2004	.095	.095	.095	.095	.38
2005	.11	.11	.11	.11	.44
2006	.12	.12	.12	.12	.48
2007	.13	.13	.13	.13	.48

We expect Commerce to continue its geographic expansion plans over the coming year. The bank plans to open about 65 new locations in 2007, as it focuses on its long-range goal of increasing the number of branches between 15% and 20% per year. Although Commerce is still concentrating most of its business in the metropolitan New York and greater Philadelphia areas, it also has expanded in the southeast Florida market. These new branches should help to lift Commerce's deposit growth and boost interest income. **The bank prospects over the 3- to 5-year horizon are bright.** Commerce's strong deposit base and healthy loan growth will likely allow it to increase net interest income between 15% and 20% annually over this timeframe. As it opens new accounts, fees associated with these accounts will also rise. But growth in non-interest expense should remain high because of the new branches. **Commerce Bancorp's stock has not performed well over the past year.** Furthermore, our projections indicate sub-par performance over the next year. We believe that this stems from the effects of the narrow interest rate spread, and will likely persist over the coming quarters. As a result, loan, deposit, and fee income growth will probably be the primary catalysts for the long-term earnings gains we envision. A wider geographic presence through additional branch openings should also help lift the top line. Meanwhile, we project wide upside potential over the 2010-2012 period for these shares.

Randy Shrikishun May 25, 2007