COMMERCE BANCSHARES INC /MO/
Form 424B3
June 20, 2006

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PROSPECTUS

of

Commerce Bancshares, Inc.

1,678,772 Shares of Common Stock

$5.00 par Value

The boards of directors of Commerce Bancshares, Inc, CBI-Kansas, Inc. (a wholly-owned subsidiary of Commerce) and West Pointe Bancorp, Inc. have agreed to the merger of West Pointe into CBI-Kansas, whereby West Pointe shareholders will receive the merger consideration of approximately $70.44 per share of West Pointe common stock (assuming that 1,148,573 shares of West Pointe common stock will be outstanding on the effective date of the merger), consisting of Commerce common stock and/or the right to receive cash, within certain limits. Commerce Bank, N.A. is a direct wholly-owned subsidiary of CBI-Kansas. West Pointe owns all of the outstanding capital stock of West Pointe Bank And Trust Company. After the merger, West Pointe will cease to exist as a separate legal entity and CBI-Kansas will continue as the merger s surviving corporation. In addition, West Pointe Bank And Trust Company will be merged with Commerce Bank, N.A. and Commerce Bank, N.A. will survive. As a result of the merger of West Pointe into CBI-Kansas, Commerce will (i) issue up to 1,678,772 and no less than 1,099,384 shares of Commerce common stock and (ii) pay up to $20,225,000, for all shares of West Pointe common stock held by West Pointe shareholders immediately before completion of the merger. Pursuant to the terms of the Agreement and Plan of Merger, the cash consideration is limited to 25% of the total consideration. The total merger consideration value is estimated to be $80,900,000. It is currently anticipated that 1,148,573 shares of West Pointe common stock will be outstanding on the effective date of the merger and that such shares of West Pointe common stock will be converted into shares of Commerce common stock and/or the right to receive cash. Commerce common stock is traded on The Nasdaq Stock Market under the symbol CBSH.

PROXY STATEMENT

of

West Pointe Bancorp, Inc.

For a Special Meeting of Shareholders

To be Held on July 20, 2006

The merger cannot be completed unless the West Pointe shareholders approve it by an affirmative vote of the holders of at least two-thirds of the outstanding shares. West Pointe s Board of Directors has scheduled a special meeting for West Pointe shareholders to vote on the merger as follows:

July 20, 2006
10:00 a.m., local time
St. Clair Country Club
South 78th Street
Belleville, Illinois

This document gives you detailed information about the proposed merger. We encourage you to read this entire document carefully, including the section titled Risk Factors beginning on page 10. Please see Where You Can Find More Information beginning on page 79 for additional information about Commerce on file with the Securities and Exchange Commission.

This Proxy Statement/Prospectus is first being mailed to shareholders on or about June 19, 2006.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Commerce Common Stock to be issued under this Proxy Statement/Prospectus or determined if the Proxy Statement/Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of Commerce common stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Stock is subject to investment risks, including loss of value.

Dated June 15, 2006.

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DOCUMENTS INCORPORATED BY REFERENCE

This Proxy Statement/Prospectus incorporates by reference important business and financial information about Commerce that we are not delivering with this document. The Securities and Exchange Commission (SEC) allows us to incorporate by reference information into this document, which means that we can disclose important information to you by referring you to another document separately filed with the SEC. See Where You Can Find More Information beginning on page 79. You can obtain this information from Commerce without charge upon written or oral request by contacting:

Commerce Bancshares, Inc.
1000 Walnut
Kansas City, Missouri 64106
Attention: Corporate Finance
(816) 234-2000

To ensure timely delivery of the documents in advance of the special meeting, you should make your request no later than July 12, 2006.

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June 15, 2006

Dear West Pointe Bancorp, Inc. Shareholder:

You are cordially invited to attend the Special Meeting of the Shareholders of West Pointe Bancorp, Inc. which will be held at St. Clair Country Club, South 78th Street, Belleville, Illinois, on Thursday, July 20, 2006, commencing at 10:00 a.m., local time. At this important meeting, holders of common stock of West Pointe will be asked to adopt an Agreement and Plan of Merger and approve a merger between West Pointe and CBI-Kansas, Inc., a wholly owned subsidiary of Commerce Bancshares, Inc. West Pointe presently owns all of the issued and outstanding shares of West Pointe Bank And Trust Company (the Bank). It is currently anticipated that 1,148,573 shares of West Pointe common stock will be outstanding on the effective date of the merger and shares of West Pointe common stock will be converted into shares of Commerce common stock and/or the right to receive cash.

The Agreement and Plan of Merger was executed on April 13, 2006 and provides for the merger of West Pointe into CBI-Kansas, after certain conditions are met, including the approval of West Pointe shareholders. The merger is also subject to certain required regulatory approvals and will be completed shortly after the necessary regulatory approvals are obtained and other conditions are satisfied or waived. Under Illinois law, holders of common stock of West Pointe have dissenters rights of appraisal with respect to the merger.

The enclosed Proxy Statement/Prospectus describes the terms of the merger in more detail. You should review the Proxy Statement/Prospectus carefully, including the section titled Risk Factors on page 10. Your Board of Directors has carefully reviewed and considered the terms and conditions of the merger and believes that it is fair and in the best interests of West Pointe and its shareholders and unanimously recommends that shareholders vote for the proposal.

A two-thirds vote of all outstanding shares of West Pointe s common stock is required to approve the merger. To ensure your shares will be represented at the meeting, whether or not you plan to attend, we urge you to promptly sign, date and mail your proxy in the enclosed self-addressed envelope, which requires no postage. You may cancel your proxy by attending the meeting and voting in person.

Sincerely,

Terry W. Schaefer
President and Chief Executive Officer

Harry E. Cruncleton
Chairman of the Board

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WEST POINTE BANCORP, INC.
5701 West Main Street
Belleville, Illinois 62226

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of West Pointe Bancorp, Inc.:

A Special Meeting of the shareholders of West Pointe Bancorp, Inc., an Illinois corporation, will be held at St. Clair Country Club, South 78th Street, Belleville, Illinois, on July 20, 2006 commencing at 10:00 a.m., local time for the following purposes:

To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of April 13, 2006 among Commerce Bancshares, Inc., CBI-Kansas, Inc. and West Pointe Bancorp, Inc., a copy of which is attached as Appendix A to the accompanying Proxy Statement/Prospectus.

Holders of West Pointe common stock of record at the close of business on June 14, 2006, will be entitled to notice of and to vote at the Special Meeting or any adjournment or postponement thereof. Approval of the Agreement and Plan of Merger, which is a condition to the consummation of the transactions contemplated by the Agreement and Plan of Merger, requires the affirmative vote of the holders of two-thirds of the outstanding shares of West Pointe common stock. Pursuant to Section 11.65 of the Illinois Business Corporation Act of 1983, West Pointe s shareholders are entitled to dissenters rights.

YOUR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE AGREEMENT AND PLAN OF MERGER AND THE MERGER. YOUR BOARD BELIEVES THAT THE MERGER IS FAIR AND IN THE BEST INTERESTS OF WEST POINTE AND ITS SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO ADOPT THE AGREEMENT AND PLAN OF MERGER AND THE MERGER.

By Order of the Board of Directors

J.E. Cruncleton
Corporate Secretary

Belleville, Illinois
June 15, 2006

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WHAT WEST POINTE SHAREHOLDERS WILL RECEIVE IN THE MERGER

The number of shares of Commerce common stock and the right to receive cash into which one share of West Pointe common stock will be converted in the merger is referred to in this document as the merger consideration. In the merger, Commerce expects to (i) issue up to 1,678,772 and no less than 1,099,384 shares of Commerce common stock and (ii) pay up to $20,225,000 for all shares of West Pointe common stock held by West Pointe shareholders immediately before completion of the merger. Pursuant to the terms of the Agreement and Plan of Merger, the cash consideration is limited to 25% of the total merger consideration. The total merger consideration value is estimated to be $80,900,000. It is currently anticipated that 1,148,573 shares of West Pointe common stock will be outstanding on the effective date of the merger and that shares of West Pointe common stock will be converted into merger consideration of approximately $70.44 per share of West Pointe common stock, consisting of shares of Commerce common stock and/or the right to receive cash.

The actual value of the shares of Commerce common stock issued in the merger cannot be determined at this time since it is based on the market price of such shares at the time the merger is completed. The last reported sales price on June 13, 2006 for Commerce shares as reported by The Nasdaq Stock Market was $50.35. You should obtain current market prices for the Commerce common stock. See Risk Factors beginning at page 10.

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

Q: What is the purpose of this document?

A: This document serves as both a proxy statement of West Pointe and a prospectus of Commerce. As a proxy statement, this document is being provided to you by West Pointe because the West Pointe Board of Directors is soliciting your proxy for use at the special meeting of shareholders called to vote on the proposed merger of West Pointe with and into CBI-Kansas, a subsidiary of Commerce.

As a prospectus, this document is being provided to you by Commerce because as part of the consideration, Commerce is offering shares of its common stock in exchange for your shares of West Pointe common stock in connection with the merger.

Q: What will I receive for my West Pointe common stock?

A: You will receive merger consideration with a value of approximately $70.44 per share of West Pointe common stock held immediately before the completion of the merger (assuming that 1,148,573 shares of West Pointe common stock will be outstanding on the effective date of the merger). This amount will consist of shares of Commerce common stock and/or, if you so elect, the right to receive cash. If you properly elect to receive cash for all or a portion of your West Pointe common stock, you are assured of receiving up to 25% of your merger consideration in cash. If you properly elect to receive more than 25% of your merger consideration in cash, then this cash amount may be reduced (but not below 25% of your total merger consideration) in the event that West Pointe shareholders in the aggregate properly elect to receive more than 25% of their merger consideration in cash. If the cash consideration is oversubscribed, all West Pointe shareholders who properly elect to receive cash in excess of 25% of their total merger consideration will have their cash consideration reduced, and the Commerce common stock consideration increased, until the cash consideration is not more than 25% of their total merger consideration.

Q: Why should West Pointe merge with Commerce?

A: West Pointe s Board of Directors believes that the merger will benefit West Pointe and its shareholders because, among other reasons:

The advantages of combining with a larger financial institution, thereby enabling the West Pointe shareholders to become shareholders of a larger combined entity having greater resources to compete in the banking industry;

The expected financial strength of the combined company following the merger and the ability of the combined company to realize cost savings and to take advantage of various business opportunities with greater financial resources;

The creation of significant synergies and a stronger competitor in the changing banking industry following the merger;

The creation of a stronger banking franchise by combining West Pointe s strong banking presence in Southern Illinois with Commerce s strong banking presence in the Kansas, Missouri and Illinois areas; and

The favorable position of Commerce among West Pointe s and Commerce s peer group of national and regional financial institutions in terms of profitability, capital adequacy and asset quality.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this document. If you hold stock in your name as a shareholder of record, you should complete, sign, date and mail your proxy card in the enclosed return envelope as soon as possible. If the card does not specify a choice, your shares will be voted FOR the merger and all other proposals. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy card or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the special meeting.

Q: Why is my vote important?

A: If you do not vote by proxy or vote in person at the special meeting, it will be more difficult for us to obtain the necessary quorum to hold our special meeting. In addition, your failure to vote, by proxy or in person, will have the same effect as a vote against the merger. The merger must be approved by the holders of two-thirds of the outstanding shares of West Pointe common stock entitled to vote at the special meeting. Commerce shareholders do not have to approve the merger; accordingly, Commerce shareholders will not vote on approval of the Agreement and Plan of Merger. Completion of the merger is also subject to other specified conditions. See The Merger Conditions to the Merger, beginning at page 26. **The West Pointe Board of Directors unanimously recommends that you vote to approve the merger.**

Q: Are there regulatory or other conditions to the completion of the merger?

A: Yes. The merger must be approved by the Board of Governors of the Federal Reserve System and the Office of the Comptroller of Currency, and by the affirmative vote of the holders of two-thirds of the shares entitled to vote at the West Pointe special meeting, assuming a quorum is present. Commerce will complete the filing of applications and notifications to obtain the required regulatory approvals.

Q: Do I have rights to dissent from the merger?

A: Yes. Under Illinois law, West Pointe shareholders have the right to dissent from the Agreement and Plan of Merger and to receive a payment in cash for the fair value of their shares of West Pointe common stock. This value may be more or less than the value you would receive in the merger if you do not dissent. If you dissent, you will receive a cash payment for the value of your shares that will be fully taxable to you. To perfect your dissenters rights, you must follow precisely the required statutory procedures. See The Merger Rights of Dissenting Shareholders, beginning at page 28 and the information in Appendix D.

Q: If my shares of common stock are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: What if I abstain from voting or fail to instruct my broker?

A: If you abstain from voting, the abstention will be counted toward a quorum at the special meeting, but it will have the same effect as a vote against the merger.

Q: If I am not going to attend the special meeting, should I return my proxy card?

A: Yes. Returning your proxy card ensures that your shares will be represented at the special meeting, even if you are unable or do not want to attend.

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Q: Can I change my vote after I mail my proxy card?

A: Yes. You can change your vote at any time before we vote your proxy at the special meeting. You can do this in three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy card. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to West Pointe Bancorp, Inc., 5701 West Main Street, Belleville, Illinois 62226, Attention: Corporate Secretary. Third, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must request a ballot and vote the ballot at the meeting.

Q: Should I send in my stock certificates now?

A: No. You will receive separate instructions for exchanging your stock certificates for certificates of Commerce common stock once the merger is approved and certain other conditions are met.

Q: How and when do I make a cash election?

A: A form of election will be mailed to you at a later date, which will contain instructions on how to make an election. You do not need to be concerned with the election procedure at this time. If the merger is approved, and certain other conditions are met, you will receive a separate mailing containing the form of election, along with complete instructions and a telephone number that you can call with questions concerning the election procedure. You should carefully review and follow the instructions that will accompany the form of election.

If you own West Pointe shares in street name through a bank or broker and you wish to make an election, you will receive or should seek instructions from the bank or broker holding your shares concerning how to make your election.

Street name holders may be subject to an election deadline earlier than the general election deadline. Therefore, you should carefully read any materials you receive from your broker or bank.

Q: Can I elect to receive the cash consideration for a portion of my shares and the stock consideration for the remainder?

A: Yes. The form of election will allow you to make an election, on a per share basis, for the cash consideration or the stock consideration for all or any portion of your West Pointe shares.

Q: Can I change my election after I submit a form of election?

A: Yes. You may revoke your form of election prior to the election deadline by submitting a written notice of revocation to the Exchange Agent or by submitting new election materials. Revocations must specify the name in which your shares are registered on the stock transfer books of West Pointe and other information that the Exchange Agent may request. If you wish to submit a new form of election, you must do so in accordance with the election procedures described in this document and the form of election. If you instructed a broker to submit an election for your shares, you must follow such person s directions for changing those instructions. **Whether you revoke your election by submitting a written notice of revocation or by submitting new election materials, the notice or materials must be received by the Exchange Agent by the election deadline in order for the revocation to be valid.**

Q: May I transfer West Pointe shares after I have made an election?

A: No. If you have made an election, you will have delivered your stock certificates to or made a book entry transfer to the Exchange Agent and thereafter will be unable to sell or otherwise transfer your West Pointe shares after making the election, unless the election is properly revoked before the election deadline or unless the Agreement and Plan of Merger is terminated.

Q: What if I do not make an election or my form of election is not received?

A: If the Exchange Agent does not receive a properly completed form of election from you before the election deadline, together with any West Pointe stock certificates you wish to exchange, properly endorsed for transfer, a book entry transfer of West Pointe shares or a guarantee of delivery as described in the form of election, then you will not have the opportunity to specify the type of merger consideration you wish to receive. As a result, your West Pointe shares will be exchanged solely for the stock consideration. Generally, if there is an

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oversubscription to the cash consideration, shares as to which no election has been made will be allocated to the stock consideration before shares as to which an election for the oversubscribed cash consideration has been made. **You bear the risk of proper delivery of your form of election and should send any form of election by courier or by hand delivery to the appropriate address to be shown in the form of election.**

If you do not make a valid election with respect to your West Pointe shares and have not exercised your dissenters rights, after the completion of the merger, you will receive written instructions from the Exchange Agent on how to exchange your West Pointe stock certificates for the consideration that you are entitled to receive in the merger as a non-electing shareholder. If you do not make a valid election and the West Pointe shares you hold are in book-entry form, such as with a broker, they will be automatically included as part of the consideration payable to non-electing shareholders, and you do not need to take any action.

Q: May I submit a form of election if I vote against adoption of the Agreement and Plan of Merger?

A: Yes. You may submit a form of election even if you vote against adopting the Agreement and Plan of Merger. However, any form of election submitted by a shareholder who exercises dissenters rights under Illinois law will be invalid and will be rejected. If a dissenting shareholder ceases to be a dissenting shareholder but does not submit a valid form of election prior to the election deadline, each West Pointe share held by that dissenting shareholder will be treated as a share for which the shareholder has indicated no preference as to cash or stock consideration. See The Merger Rights of Dissenting Shareholders, beginning at page 28.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the third quarter of 2006. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of the West Pointe shareholders at the special meeting and the necessary regulatory approvals and satisfy the other conditions to the merger.

Q: Who can help answer questions?

A: You should not contact Commerce other than to request Commerce SEC filings incorporated by reference. If you have more questions about the merger, you should contact:

West Pointe Bancorp, Inc.
5701 West Main Street
Belleville, Illinois 62226
Attention: Harry E. Cruncleton or
Terry W. Schaefer
Telephone: (618) 234-5700

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SUMMARY

This summary highlights selected information from this Proxy Statement/Prospectus and may not contain all of the information that is important to you. To understand the merger more fully and for a complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See Where You Can Find More Information beginning on page 79.

The Companies

Commerce Bancshares, Inc.
1000 Walnut
Kansas City, Missouri 64106
(816) 234-2000
Website: *www.commercebank.com*

Commerce is a bank holding company that owns all of the outstanding capital stock of three national banking associations located in Missouri, Kansas and Nebraska. Commerce also directly or indirectly owns various nonbanking subsidiaries, including a mortgage banking company, a credit life insurance company, a small business investment company, a property and casualty insurance agency and a company primarily engaged in holding bank-related real property. The principal assets of Commerce are represented by its banking subsidiaries. The business of Commerce consists primarily of ownership, supervision and control of its subsidiaries, including providing advice, counsel and specialized services in various fields of financial and banking policy and operations.

The total assets of Commerce, on a consolidated basis as of December 31, 2005 were approximately $13.9 billion and net income for the year ended December 31, 2005 was approximately $223.2 million and for the three months ended March 31, 2006, was approximately $52.9 million.

Commerce s common stock is traded on The Nasdaq Stock Market under the symbol CBSH.

West Pointe Bancorp, Inc.
5701 West Main Street
Belleville, Illinois 62226
Telephone: (618) 234-5700
Website: *www.westpointebank.com*

West Pointe is a bank holding company headquartered in Belleville, Illinois. West Pointe owns all of the outstanding capital stock of West Pointe Bank And Trust Company (the Bank), which provides commercial banking services in St. Clair, Monroe and Madison counties in Illinois. The total assets of West Pointe on a consolidated basis, as of December 31, 2005 were approximately $477.4 million and net income for the year ended December 31, 2005 was approximately $3.5 million and for three months ended March 31, 2006 was approximately $691,000.

The Merger

Commerce and Commerce s wholly owned subsidiary, CBI-Kansas, Inc., entered into an Agreement and Plan of Merger on April 13, 2006 with West Pointe. In the proposed merger, West Pointe will be merged with and into CBI-Kansas, with CBI-Kansas as the surviving corporation. In addition, simultaneously with the merger of West Pointe with and into CBI-Kansas, the Bank will be merged with Commerce Bank, N.A., with Commerce Bank, N.A.

as the surviving corporation.

The Merger Consideration

As more fully set forth below, the Agreement and Plan of Merger provides, generally, that up to 100% but no less than 75% of the shares of West Pointe common stock, par value $1.00 per share, outstanding immediately prior to the Effective Time (as defined in the Agreement and Plan of Merger) will be converted into the right to receive Commerce common stock, par value $5.00 per share, in the merger and the remaining shares of West Pointe common stock outstanding immediately prior to the Effective Time will be converted into the right to receive cash.

Up to $20,225,000 in cash will be paid to electing holders of West Pointe common stock and not more than 1,678,772 shares of Commerce common stock will be issued in the merger. The total merger consideration value is estimated to be $80,900,000. Subject to the election and allocation procedures set forth in the Agreement and Plan of Merger, each holder of West Pointe common stock may elect a number of shares of West Pointe common stock that such holder desires to be converted into the right to receive cash by properly delivering to the Exchange Agent (as defined below) a form of election. In the event that the elections to receive cash exceed the limitation set forth above, the cash consideration shall be allocated among such elections on the terms set forth in the Agreement and Plan of Merger. See Election and Allocation Procedures.

The Agreement and Plan of Merger provisions are intended, within certain limits, to freeze the value of the Commerce stock consideration in the merger so that the total merger consideration will equal $80,900,000. The Commerce stock consideration (the aggregate number of shares of Commerce common stock issuable for shares of West Pointe common stock) must consist of no less than 1,099,384 shares of Commerce common stock if the Commerce stock price is $55.19 or greater. If the Commerce stock price is less than $55.19, the Commerce stock consideration will be increased to the smallest number of whole shares of Commerce common stock such that the merger consideration does not exceed $80,900,000, provided that the Commerce stock consideration may not exceed 1,678,772 shares of Commerce common stock. See The Merger Conversion of West Pointe Common Stock, beginning at page 14.

We have attached the Agreement and Plan of Merger to this Proxy Statement/Prospectus as Appendix A. We encourage you to read the Agreement and Plan of Merger as it is the legal document that governs the merger.

Election and Allocation Procedures

Subject to the election and allocation procedures described herein, each holder of West Pointe common stock may submit a form of election specifying a number of shares of West Pointe common stock such holder wishes to have converted into cash.

Holders of West Pointe common stock cannot be guaranteed that all shares of West Pointe common stock covered by an election to receive cash will be converted into cash in the merger, but can be guaranteed that all shares of West Pointe common stock not covered by an election to receive cash will be converted into shares of Commerce common stock in the merger. Consequently, any holder of West Pointe common stock making an election to receive only cash may receive in the merger, cash, shares of Commerce common stock or a combination thereof which does not reflect the exact election made by such holder of West Pointe common stock.

Holders of West Pointe common stock should not send in any stock certificates at this time. Election forms containing detailed election and allocation procedures will be mailed to holders of West Pointe common stock prior to consummation of the merger.

Reasons for the Merger

West Pointe and Commerce are proposing to merge because we believe, among other things, that this combination can create a stronger and more diversified company that will provide significant benefits to our shareholders and customers alike. See The Merger Reasons for the Merger, beginning at page 18.

Recommendation to Shareholders

The West Pointe Board of Directors believes that the merger is fair to you and in your best interests and unanimously recommends that you vote FOR the proposal to approve the merger.

Vote Required

At the special meeting of West Pointe shareholders, the Agreement and Plan of Merger and merger must be approved by the affirmative vote of the holders of at least two-thirds (2/3) of the shares of West Pointe common stock outstanding at the close of business on June 14, 2006. Each share of West Pointe common stock is entitled to one vote.

As of March 31, 2006, West Pointe s directors, executive officers and their affiliates held in the aggregate approximately 217,385 shares of outstanding West Pointe common stock, representing approximately 21.1% of the total number of outstanding shares of West Pointe common stock. All directors and officers of West Pointe owning West Pointe common stock have indicated they intend to vote in favor of the Agreement and Plan of Merger.

Approval of the Agreement and Plan of Merger and merger by Commerce shareholders is not required. Accordingly, Commerce has not called a special meeting of its shareholders.

Regulatory Approvals

We cannot complete the merger unless we obtain approval of the Board of Governors of the Federal Reserve System and the Office of the Comptroller of Currency. Commerce will complete the filing of applications and notifications to obtain the required regulatory approvals. As of the date of this Proxy Statement/Prospectus, we have not received any of the necessary regulatory approvals. We cannot be certain of when or if we will obtain them.

Certain U.S. Federal Income Tax Consequences

The consummation of the merger is conditioned upon the receipt by Commerce and West Pointe of an opinion of counsel that for federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code).

A West Pointe shareholder who exchanges all of such shareholder s shares of West Pointe common stock solely for Commerce common stock in the merger will not recognize gain or loss. A West Pointe shareholder who exchanges all shares of West Pointe common stock solely for cash in the merger and does not actually or constructively own Commerce common stock immediately after the merger will recognize capital gain or loss (provided such shareholder s shares are held as capital assets at the time of the merger). Depending on the West Pointe shareholder s particular circumstances, a West Pointe shareholder who receives cash pursuant to the merger and either also receives Commerce common stock or actually or constructively owns Commerce common stock after the merger will recognize gain (but not loss), which may be capital gain or ordinary income. See Federal Income Tax Consequences, beginning at page 33.

All West Pointe shareholders should read carefully the discussion in Federal Income Tax Consequences and the other sections of the Proxy Statement/Prospectus referred to therein and are urged to consult their own tax advisors as to specific consequences to them of the merger under federal, state, local or any other applicable tax laws.

Conditions to Completing the Merger

The completion of the merger depends on the satisfaction of a number of conditions, including, but not limited to, the following:

approval by the West Pointe shareholders;

the continued accuracy of each company s representations and warranties and compliance by each company with its obligations contained in the Agreement and Plan of Merger;

receipt of a legal opinion from Commerce s counsel as to the tax consequences of the merger;

receipt of legal opinions from Commerce s counsel and West Pointe s counsel covering customary corporate law matters;

receipt of the required regulatory approvals;

the absence of any legal action or court order that prohibits the merger;

the declaration of effectiveness of this registration statement;

the absence of any material adverse change in the financial condition or assets of either Commerce or West Pointe;

the satisfaction of certain financial measures applicable to West Pointe;

dissenters rights shall not have been exercised with respect to more than 25% of the outstanding shares of West Pointe common stock on the closing date;

the receipt by Commerce of an opinion of counsel with respect to certain life insurance maintained for the benefit of West Pointe and/or the Bank;

the execution of non-competition agreements by Harry E. Cruncleton and Terry W. Schaefer; and

the cancellation of all outstanding unexercised stock options under West Pointe s stock option plans.

Termination of the Agreement and Plan of Merger

Commerce, CBI-Kansas and West Pointe can agree to terminate the Agreement and Plan of Merger without completing the merger, and either company can terminate the Agreement and Plan of Merger on its own without completing the merger under various circumstances, including if any of the following occur:

by any of the companies if the merger has not been consummated by December 31, 2006, but such date may be extended in certain circumstances;

by any of the companies if any banking regulatory approval of the merger is denied or if any governmental entity has issued an order imposing a burdensome condition on any of the companies;

by Commerce or CBI-Kansas, on the one hand, or West Pointe on the other, if the other party has materially breached the Agreement and Plan of Merger and has not cured such breach within 45 days of notice of the breach;

by any of the companies if the West Pointe Board of Directors fails to recommend adoption of the Agreement and Plan of Merger by the shareholders of West Pointe, or amends or modifies such recommendation in a manner materially adverse to Commerce, or withdraws such recommendation;

by any of the companies if the shareholders of West Pointe fail to approve the Agreement and Plan of Merger;

by Commerce or CBI-Kansas, on the one hand, and West Pointe, on the other hand, if there has been a material adverse change in the business or financial condition of the other party and such change has not been cured within 45 days of notice of the change or the closing date, whichever is earlier;

by Commerce or CBI-Kansas if the per share Commerce stock price is greater than $61.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time); or

by West Pointe if the per share Commerce stock price is less than $41.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time).

West Pointe Granted a Stock Option to Commerce

To induce Commerce to enter into the Agreement and Plan of Merger, West Pointe granted Commerce an option to purchase up to 217,000 shares of West Pointe common stock at a price per share of $48.75; however, in no event may Commerce acquire more than 19.9% of the outstanding shares of West Pointe common stock (without giving effect to any shares issued under the option) under this stock option agreement. Commerce cannot exercise the option unless the merger is not completed and specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving West Pointe and a third party. We do not know of any event that has occurred as of the date of this document that would allow Commerce to exercise the option. The option will terminate on the earliest to occur of: (i) the Effective Time; (ii) the termination of the Agreement and Plan of Merger so long as a triggering event has not occurred; (iii) the date on which Commerce s Total Profit (as defined below) equals $4,000,000; and (iv) December 31, 2006.

The option could have the effect of discouraging a company from trying to acquire West Pointe prior to completion of the merger or termination of the Agreement and Plan of Merger. Upon the occurrence of certain triggering events, West Pointe may be required to repurchase the option and any shares of West Pointe common stock purchased under the option at a predetermined price, or Commerce may choose to surrender the option to West Pointe for a cash payment. In no event will the total profit received by Commerce with respect to the option exercise exceed $4,000,000 (the Total Profit). West Pointe also has the ability under certain circumstances to call the stock issued pursuant to the grant. **The West Pointe stock option agreement is attached to this document as Appendix B.**

Stock Certificates and Dividend Withholding

When instructed, West Pointe shareholders, other than those West Pointe shareholders who perfect their dissenters rights of appraisal, must surrender the certificates for their shares of West Pointe common stock to Commerce, and inform Commerce of their federal taxpayer identification number, before receiving a certificate for the number of shares of Commerce common stock and any cash in lieu of fractional shares to which such shareholders are entitled. Until a West Pointe shareholder surrenders the certificates for his or her West Pointe common stock and informs Commerce of his or her federal taxpayer identification number, Commerce may withhold the payment of any or all dividends which would otherwise be payable to such shareholder as a shareholder of Commerce. See The Merger Exchange of West Pointe Stock Certificates on page 14.

Comparative Stock Prices

Shares of Commerce common stock are traded on The Nasdaq Stock Market. The last sale price of Commerce common stock as reported on Nasdaq on April 12, 2006 (the last trading day preceding the execution of the Agreement and Plan of Merger) was $51.28. The last sale price for Commerce common stock as reported on Nasdaq on June 13, 2006 (the most recent date for which it was practicable to obtain market price data prior to the printing of this Proxy Statement/Prospectus) was $50.35.

Although shares of West Pointe common stock are quoted on the Pink Sheets and the OTC Bulletin Board, the trading volume of West Pointe common stock is very low. The last sale price of West Pointe common stock as reported on the Pink Sheets and the OTC Bulletin Board on April 12, 2006 (the last trading day preceding the execution of the Agreement and Plan of Merger) was $52.00. The last sale price for West Pointe common stock as reported on the Pink Sheets and the OTC Bulletin Board on June 13, 2006 (the most recent date for which it was practicable to obtain market price data prior to the printing of this Proxy Statement/Prospectus) was $69.00. As of June 14, 2006, there were 619 holders of record of West Pointe common stock. See Commerce Common Stock and West Pointe Common Stock Comparative Per Share Prices and Dividends on page 77.

Dissenters Rights

Under Illinois law, each holder of West Pointe common stock who dissents from the merger has the right to have the fair value of his or her shares appraised by a court and paid to him or her in cash. In order to exercise dissenters rights, the shareholder must comply with specific procedural requirements. If the shareholder fails to comply with these requirements, dissenters rights will not be available. See The Merger Rights of Dissenting Shareholders beginning on page 28.

Comparison of Shareholder Rights

When the merger closes, West Pointe shareholders will become Commerce shareholders. Their rights will be governed by Missouri law and Commerce s governing corporate documents rather than Illinois law and West Pointe s governing corporate documents, as is currently the case. Accordingly, in a number of respects the rights of West

Pointe s shareholders will change as a result of the merger. For a description of these changes, see Differences in Rights of Shareholders beginning on page 39.

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Opinion of Financial Advisor

In deciding to approve the merger, the West Pointe Board of Directors considered the opinion from its financial advisor, Stifel, Nicolaus & Company, Incorporated (Stifel), as to the fairness from a financial point of view of the consideration to be received by the holders of West Pointe common stock in the merger. **This opinion is attached as Appendix C to this Proxy Statement/Prospectus. Shareholders of West Pointe are urged to, and should, read Stifel s opinion in its entirety.**

Accounting Treatment

The merger will be accounted for as a purchase, as that term is used under generally accepted accounting principles, for accounting and financial reporting purposes. Under purchase accounting, tangible and identifiable intangible assets and liabilities (including executory contracts and other commitments) of West Pointe as of the Effective Time will be recorded at their respective fair values and added to those of Commerce. Any excess of purchase price (a combination of cash and Commerce common stock totaling $80,900,000) over the fair values is recorded as goodwill. Financial statements of Commerce issued after the merger would reflect these fair values and would not be restated retroactively to reflect the historical financial position or results of operations of West Pointe.

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SELECTED FINANCIAL DATA

(Amounts in thousands, except per share data)

(unaudited)

We are providing the following financial information to aid you in your analysis of the financial aspects of the merger. This information is only a summary and you should read it in conjunction with the historical financial statements of Commerce and West Pointe and the related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations. The items for West Pointe are contained in its Management s Discussion and Analysis of Financial Condition and Results of Operations beginning on page 53. The items for Commerce are contained in its annual, quarterly and other reports that Commerce has filed with the Securities and Exchange Commission that are incorporated herein by reference. See Where You Can Find More Information beginning on page 79. The following table presents for Commerce and West Pointe on a historical basis, selected consolidated financial data for the periods indicated. See The Merger Conversion of West Pointe Common Stock on page 14.

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	For the Year Ended December 31, 2005	2004	2003	2002	2001
Net interest income and other income:							
Commerce	$ 213,183	$ 202,168	$ 842,901	$ 824,262	$ 804,059	$ 780,537	$ 743,774
West Pointe Bancorp, Inc.	$ 4,235	$ 4,390	$ 17,791	$ 17,938	$ 18,362	$ 17,053	$ 14,069
Net income:							
Commerce	$ 52,944	$ 49,846	$ 223,247	$ 220,341	$ 206,524	$ 196,310	$ 178,712
West Pointe Bancorp, Inc.	$ 691	$ 887	$ 3,548	$ 3,569	$ 3,476	$ 3,773	$ 2,709
Diluted income per common and common equivalent share:							
Commerce	$ 0.78	$ 0.69	$ 3.16	$ 2.95	$ 2.67	$ 2.46	$ 2.20
West Pointe Bancorp, Inc.	$ 0.64	$ 0.84	$ 3.32	$ 3.43	$ 3.42	$ 3.79	$ 2.73
Historical dividends paid per common share:							

Commerce	$ 0.245	$ 0.229	$ 0.914	$ 0.834	$ 0.674	$ 0.535	$ 0.501
West Pointe Bancorp, Inc.	$ 0.200	$ 0.18	$ 0.740	$ 0.620	$ 0.540	$ 0.440	$ 0.360
Total assets (end of period):							
Commerce	$ 13,731,122	$ 14,103,272	$ 13,885,545	$ 14,250,368	$ 14,287,164	$ 13,308,415	$ 12,908,146
West Pointe Bancorp, Inc.	$ 464,774	$ 444,907	$ 477,391	$ 444,021	$ 425,150	$ 411,819	$ 366,714
Long-term borrowings (end of period):							
Commerce	$ 258,616	$ 388,328	$ 269,390	$ 389,542	$ 400,977	$ 338,457	$ 392,586
West Pointe Bancorp, Inc.	$ 10,310	$ 10,310	$ 10,310	$ 10,310	$	$	$
Total shareholders equity (end of period):							
Commerce	$ 1,318,245	$ 1,371,569	$ 1,337,838	$ 1,426,880	$ 1,450,954	$ 1,422,452	$ 1,277,157
West Pointe Bancorp, Inc.	$ 36,187	$ 33,296	$ 35,616	$ 33,518	$ 30,731	$ 28,540	$ 23,388
Book value per common share (end of period):							
Commerce	$ 19.74	$ 19.45	$ 19.79	$ 19.91	$ 19.38	$ 18.33	$ 16.07
West Pointe Bancorp, Inc.*	$ 35.14	$ 32.96	$ 34.78	$ 33.31	$ 31.01	$ 29.18	$ 23.78

* Book value of West Pointe s common stock is determined by dividing total shareholders equity at period-end by the number of shares of common stock outstanding at period-end.

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COMPARATIVE UNAUDITED PER SHARE DATA

The following table sets forth per share data of:

Commerce on a historical basis.

West Pointe on a historical basis.

Commerce and West Pointe combined on a pro forma basis assuming 75% of the merger consideration is comprised of Commerce common stock in the merger.

Commerce and West Pointe combined on a pro forma basis assuming 100% of the merger consideration is comprised of Commerce common stock in the merger.

Commerce and West Pointe combined on a pro forma basis stated on an equivalent West Pointe basis assuming 75% of the merger consideration is comprised of Commerce common stock in the merger.

Commerce and West Pointe combined on a pro forma basis stated on an equivalent West Pointe basis assuming 100% of the merger consideration is comprised of Commerce common stock in the merger.

The table below should be read in conjunction with the historical financial statements and notes thereto for Commerce incorporated by reference into this Proxy Statement/Prospectus and the historical financial statements for West Pointe contained herein. Pro forma combined and equivalent pro forma per share data reflect the combined results of Commerce and West Pointe presented as though they were one company for all periods shown. Pro forma and equivalent pro forma cash dividends paid per share reflect Commerce s cash dividends paid in the periods indicated. The pro forma amounts do not include any adjustments for any estimated operating efficiencies or revenue enhancements resulting from the proposed merger.

Pursuant to the Agreement and Plan of Merger, Commerce has agreed to pay $80,900,000 for 100% of the outstanding shares of West Pointe common stock. West Pointe shareholders can elect to receive cash in lieu of Commerce common stock or a combination of cash and Commerce common stock; however, the total cash consideration to be paid pursuant to the merger cannot exceed $20,225,000. The exchange ratio is based on a ten-day average closing price of Commerce common stock as reported on the Nasdaq Stock Market with limits such that it can be no higher than $55.19 nor lower than $48.19. For purposes of the pro forma and equivalent pro forma calculations, it has been assumed that at the Effective Time there will be 1,148,573 shares of West Pointe common stock outstanding (assuming all of the options to purchase West Pointe common stock are exercised prior to the Effective Time and that certain holders of options use shares of West Pointe common stock to pay the exercise price of such options), and the Commerce common stock price will be $51.79 (the closing Commerce common stock price on April 13, 2006, the date the Agreement and Plan of Merger was executed). Based on these assumptions, the pro forma per share amounts assume an exchange ratio of 1.36 shares of Commerce common stock for each share of West Pointe common stock. This exchange ratio has been used to calculate the West Pointe equivalent pro forma per share information below. See The Merger Conversion of West Pointe Common Stock on page 14.

	Assuming 75% Stock Issued		Assuming 100% Stock Issued	
		Equivalent		Equivalent

	Historical			Pro Forma		Pro Forma
	Commerce	West Pointe Bancorp, Inc.	Pro Forma Commerce	West Pointe Bancorp, Inc.	Pro Forma Commerce	West Pointe Bancorp, Inc.
Diluted income per common share:						
Twelve months ended:						
December 31, 2005	$ 3.16	$ 3.32	$ 3.14	$ 4.27	$ 3.13	$ 4.26
Three months ended:						
March 31, 2006	$ 0.78	$ 0.64	$ 0.77	$ 1.05	$ 0.77	$ 1.05
Cash dividends paid per share:						
Twelve months ended:						
December 31, 2005	$ 0.914	$ 0.740	$ 0.914	$ 1.243	$ 0.914	$ 1.243
Three months ended:						
March 31, 2006	$ 0.245	$ 0.200	$ 0.245	$ 0.333	$ 0.245	$ 0.333
Book value per common share:						
December 31, 2005	$ 19.79	$ 34.78	$ 20.33	$ 27.65	$ 20.51	$ 27.89
March 31, 2006	$ 19.74	$ 35.14	$ 20.18	$ 27.44	$ 20.47	$ 27.84

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Commerce, West Pointe and the potential combined company and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as plan, believe, expect, intend, anticipate, e project, potential, possible or other similar expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either Commerce or West Pointe to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following:

projected business increases following process changes and other investments are lower than expected;

competitive pressure among financial services companies increases significantly;

general economic conditions are less favorable than expected;

political conditions including the threat of future terrorist activity and related actions by the United States abroad may adversely affect either company s businesses and economic conditions as a whole;

changes in the interest rate environment reduce interest margins and impact funding sources;

changes in foreign exchange rates increase exposure;

changes in market rates and prices may adversely impact the value of financial products;

legislation or regulatory environments, requirements or changes may adversely affect businesses in which either company is engaged;

litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect either company or its businesses;

completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;

the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

the integration of West Pointe s business and operations with those of Commerce may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to West Pointe s or Commerce s existing businesses;

the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key customer, partner and other relationships relating to the merger may be greater than expected; and decisions to downsize, sell or close units or otherwise change the business mix of either company.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to Commerce or West Pointe or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, Commerce and West Pointe undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

RISK FACTORS

Because the Market Price of Commerce Common Stock Will Fluctuate, West Pointe Shareholders Cannot Be Sure of the Value of the Merger Consideration They Will Receive.

Upon completion of the merger, each share of West Pointe common stock will be converted into merger consideration consisting of (i) up to 1,678,772 and no less than 1,099,384 shares of Commerce common stock and (ii) up to $20,225,000. The market value of the stock portion of the merger consideration may vary from the closing price of Commerce common stock on the date we announced the merger, on the date that this document was mailed to West Pointe shareholders, on the date of the special meeting of the West Pointe shareholders and on the date we complete the merger and thereafter. While the exchange ratio will be appropriately adjusted if the Commerce common stock price is between $48.19 and $55.19, any change in the market value of Commerce common stock prior to completion of the merger outside of that range will affect the value of the merger consideration that West Pointe shareholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, West Pointe shareholders may not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger. Commerce or CBI-Kansas may terminate the Agreement and Plan of Merger if the per share Commerce stock price is greater than $61.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time). West Pointe may terminate the Agreement and Plan of Merger if the per share Commerce stock price is less than $41.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time). Stock price changes may result from a variety of factors, including general market and economic conditions, changes in West Pointe s and Commerce s respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond West Pointe s and Commerce s control. You should obtain current market quotations for shares of Commerce common stock and for shares of West Pointe common stock.

The Market Price of Commerce Common Stock after the Merger May Be Affected by Factors Different from Those Affecting the Shares of West Pointe or Commerce Currently.

The businesses of Commerce and West Pointe differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of West Pointe. For a discussion of the businesses of Commerce and West Pointe and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under Where You Can Find More Information, and the Information About West Pointe Bancorp, Inc.

The Opinion Obtained by West Pointe from its Financial Advisor Will Not Reflect Changes in Circumstances between Signing the Agreement and Plan of Merger and the Merger.

West Pointe has not obtained an updated opinion as of the date of this document from its financial advisor. Changes in the operations and prospects of Commerce or West Pointe, general market and economic conditions and other factors which may be beyond the control of Commerce and West Pointe, and on which the financial advisor s opinion was based, may significantly alter the value of Commerce or West Pointe or the prices of shares of Commerce common stock or West Pointe common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because West Pointe currently does not anticipate asking its financial advisor to update its opinion, the opinion will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. For a description of the opinion that West Pointe received from its financial advisor, please refer to The Merger Opinion of West Pointe

Financial Advisor. For a description of the other factors considered by the West Pointe Board of Directors in determining to approve the merger, please refer to The Merger Reasons for the Merger West Pointe.

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The Agreement and Plan of Merger Limits West Pointe s Ability to Pursue Alternatives to the Merger.

The Agreement and Plan of Merger contains no shop provisions that, subject to limited exceptions, limit West Pointe s ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of West Pointe. In addition, West Pointe has granted to Commerce an option to acquire up to approximately 217,000 shares of West Pointe common stock under the stock option agreement. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of West Pointe from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquirer proposing to pay a lower per share price to acquire West Pointe than it might otherwise have proposed to pay.

The Merger is Subject to the Receipt of Consents and Approvals from Government Entities that May Impose Conditions that Could Have an Adverse Effect on Commerce.

Before the merger may be completed, various approvals or consents must be obtained from the Board of Governors of the Federal Reserve System and the Office of the Comptroller of Currency. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although Commerce and West Pointe do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of Commerce following the merger, any of which might have a material adverse effect on Commerce following the merger.

West Pointe Executive Officers and Directors Have Financial Interests in the Merger that Are Different from, or in Addition to, the Interests of West Pointe Shareholders.

Executive officers of West Pointe negotiated the terms of the Agreement and Plan of Merger with their counterparts at Commerce, and the West Pointe Board of Directors approved the Agreement and Plan of Merger and unanimously recommended that West Pointe shareholders vote to approve the merger. In considering these facts and the other information contained in this document, you should be aware that West Pointe s executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of West Pointe shareholders. For example, certain executive officers have entered into agreements with West Pointe that provide, among other things, change in control payments and other benefits following the merger. These and some other additional interests of West Pointe directors and executive officers may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it, as a shareholder. Please see Financial Interests of Directors and Officers for information about these financial interests.

THE SPECIAL MEETING

General Information

This Proxy Statement/Prospectus is provided to the shareholders of West Pointe in connection with the solicitation of proxies by the West Pointe Board of Directors for use at the West Pointe special meeting to be held on July 20, 2006 at 10:00 a.m., local time, at St. Clair Country Club, South 78th Street, Belleville, Illinois.

Matters to be Considered

At the special meeting, West Pointe s shareholders will consider and vote upon a proposal to approve the Agreement and Plan of Merger. Under West Pointe s Articles of Incorporation, no other business may properly be brought before the special meeting by a shareholder unless the shareholder has given notice of their intention to do so by June 21, 2006.

The Agreement and Plan of Merger provides, among other things, for the merger of West Pointe with and into CBI-Kansas. CBI-Kansas will be the surviving corporation and the Articles of Incorporation, Bylaws, directors and officers of CBI-Kansas will remain the Articles of Incorporation, Bylaws, directors and officers of CBI-Kansas. Shareholders of West Pointe may receive shares of Commerce common stock and/or cash in the merger.

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Record Date; Quorum

The West Pointe Board of Directors has established the close of business on June 14, 2006 as the date to determine those record holders of West Pointe common stock entitled to notice of and to vote at the West Pointe special meeting. On that date, there were approximately 1,029,808 shares of West Pointe common stock outstanding held by approximately 619 holders of record. A majority of the shares outstanding and entitled to vote on the record date are required to be represented in person or by proxy in order for a quorum to be present for purposes of approving the merger at the special meeting, although the vote of two-thirds of the outstanding shares is required for approval of the merger. In the event a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to solicit additional proxies. Holders of record of West Pointe common stock on the record date are each entitled to one vote per share on the merger to be considered at the special meeting.

Votes Required

The approval and adoption of the Agreement and Plan of Merger requires the affirmative vote of the holders of two-thirds of the outstanding shares of West Pointe common stock outstanding on June 14, 2006. Shares which are present but not voted, either by abstention or non-vote (including broker non-vote) will be counted for purposes of establishing a quorum but will not be counted to determine whether the merger is approved.

Security Ownership of Management

As of March 31, 2006, there were 1,029,808 shares of West Pointe common stock outstanding. As of March 31, 2006, the directors and executive officers of West Pointe beneficially owned approximately 21.1% of the outstanding shares of West Pointe common stock. All officers and directors of West Pointe owning West Pointe common stock have indicated they intend to vote in favor of the Agreement and Plan of Merger.

Voting and Revocation of Proxies

All shares of West Pointe common stock represented at the special meeting by properly executed proxies received before or at the special meeting, unless the proxies have been revoked, will be voted at the special meeting, including any postponement or adjournment of the special meeting. If no instructions are indicated, the proxies will be voted FOR approval of the Agreement and Plan of Merger. In addition, the persons designated in the proxies will have the discretion to vote upon any adjournment of the special meeting to solicit additional proxies.

A person giving a proxy pursuant to this solicitation may revoke it at any time before the proxy is voted at the special meeting. A proxy may be properly revoked by:

- filing with the Corporate Secretary of West Pointe, at 5701 West Main Street, Belleville, IL 62226, before the voting of the proxy, a written instrument revoking the proxy;

- completing a new proxy card and sending it to the address above, in which case the new proxy card will automatically replace any earlier dated proxy card; or

- voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute the revocation of a proxy.

West Pointe will appoint one or more inspectors, who may be employees of West Pointe to determine, among other things, the number of shares of West Pointe common stock represented at the special meeting and the validity of the proxies submitted for vote at the special meeting. The inspector(s) of election appointed for the special meeting will tabulate votes cast by proxy and in person.

Solicitation of Proxies

This Proxy Statement/Prospectus is being furnished to the shareholders of West Pointe in connection with the solicitation of proxies by the West Pointe Board of Directors for use at the special meeting and at any adjournment or adjournments of the special meeting.

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Except for the cost of preparing this Proxy Statement/Prospectus, the cost of solicitation of proxies for the West Pointe special meeting will be borne by West Pointe. In addition to solicitation by mail, West Pointe may cause proxies to be solicited personally or by telephone or email by West Pointe s regular employees.

THE COMPANIES

Commerce

Commerce Bancshares, Inc., a bank holding company as defined in the Bank Holding Company Act of 1956, as amended (the 1956 BHC Act), was incorporated under the laws of Missouri on August 4, 1966. Commerce presently owns all of the outstanding capital stock of three national banking associations. One bank is limited in its activities to the issuance of credit cards. The remaining two banking subsidiaries engage in general banking business, providing a broad range of retail, corporate, investment, trust and asset management products and services to individuals and businesses. Commerce also owns, directly, or through its banking subsidiaries, various non-banking subsidiaries. Their activities include owning real estate leased to Commerce s banking subsidiaries, underwriting credit life and credit accident and health insurance, selling property and casualty insurance (relating to consumer loans made by the banking subsidiaries), venture capital investment, securities brokerage, mortgage banking and leasing activities. The total assets of Commerce on a consolidated basis, as of December 31, 2005, were approximately $13.9 billion and net income for the year ended December 31, 2005, was approximately $223.2 million, and for the three months ended March 31, 2006, was approximately $52.9 million.

See Where You Can Find More Information beginning on page 79 and Selected Financial Data on page 7. The principal executive offices of Commerce are at the Commerce Bank Building, 1000 Walnut, Kansas City, Missouri 64106 (telephone number: (816) 234-2000).

West Pointe

West Pointe Bancorp, Inc. is headquartered in Belleville, Illinois and owns all of the outstanding capital stock of the Bank, which provides commercial banking services in Monroe and St. Clair counties in Illinois, and St. Louis City and St. Louis County in Missouri. The total assets of West Pointe on a consolidated basis, as of December 31, 2005, were approximately $477.4 million and net income for the year ended December 31, 2005, was approximately $3.5 million, and for the three months ended March 31, 2006, was approximately $691,000. See West Pointe s financial statements beginning on page F-i and Selected Consolidated Financial Data of West Pointe Bancorp, Inc. on page 46. The principal executive offices of West Pointe are at 5701 West Main Street, Belleville, IL 62226 (telephone number: (618) 234-5700).

West Pointe was incorporated in 1997 under the Illinois Business Corporation Act of 1983 (the IBCA). West Pointe is registered as a bank holding company under the Illinois Bank Holding Company Act of 1957, as amended, and the 1956 BHC Act. The Bank was established in 1990 under the Illinois Banking Act, and operates in the financial services segment. Since its establishment, it has conducted a general banking business embracing the customary functions of commercial banking, including residential real estate, commercial, industrial and consumer lending, collections, safe deposit operations, and other services tailored to individual customer needs. On April 8, 1997, the Bank became a wholly-owned subsidiary of West Pointe pursuant to the Plan of Reorganization and Exchange dated as of February 12, 1997.

West Pointe s primary geographic market areas consist of St. Clair, Monroe and Madison counties in Illinois and St. Louis City and St. Louis County in Missouri. West Pointe has five branch locations in East and West Belleville, Columbia, Dupo and Swansea, Illinois and 25 ATMs serve to meet the convenience and financial needs of its customers. West Pointe s strategy has been to operate as an independent, retail oriented financial institution dedicated to serving the needs of customers in its market areas.

THE MERGER

General

The Agreement and Plan of Merger and certain related matters are summarized below. This summary does not purport to be a complete statement of the terms and conditions of the merger and is qualified in its entirety by reference to the Agreement and Plan of Merger, which is attached as Appendix A to this Proxy Statement/Prospectus and is incorporated herein by reference.

Conversion of West Pointe Common Stock

West Pointe shareholders will receive a combination of (i) up to 1,678,772 and no less than 1,099,384 shares of Commerce common stock and (ii) up to $20,225,000 in the merger. The number of shares of Commerce common stock that a holder of West Pointe common stock would receive in an exchange will vary depending on the price of the Commerce common stock and the number of shares of West Pointe common stock outstanding at the time of the merger. For example, if the number of shares of West Pointe common stock is 1,148,573 (assuming all of the options to purchase West Pointe common stock are exercised prior to the Effective Time and that certain holders of options use shares of West Pointe common stock to pay the exercise price of such options) the number of shares of Commerce common stock that a holder of a share of West Pointe common stock will receive will be between 1.2762 and 1.4616 as the price of Commerce common stock varies between $55.19 and $48.19. Assuming 1,148,573 shares of West Pointe common stock are outstanding immediately prior to the merger, the cash that a holder of a share of West Pointe common stock receives would be $70.44 unless the price of Commerce common stock is greater than $55.19 or less than $48.19. If the total amount of cash payable to electing shareholders would exceed $20,225,000, the shares exchanged for cash will be reduced pro rata to avoid exceeding that figure and shareholders electing cash instead will receive shares of Commerce common stock.

If between the date of the Agreement and Plan of Merger and the Effective Time, the outstanding shares of Commerce common stock shall have been further changed into a different number of shares or a different class, by reason of any issuance of common stock, recapitalization, reclassification, split-up, combination, exchange, readjustment, reorganization, merger, consolidation, distribution, stock split, stock or other dividend, or similar transaction, the Agreement and Plan of Merger shall be adjusted to the extent appropriate to reflect such event.

Stock Options

As of March 31, 2006, options to purchase 214,000 shares of West Pointe common stock were issued and outstanding to certain officers and directors of West Pointe. Prior to the merger, all of West Pointe s outstanding stock options will fully vest and become exercisable. Because option holders with sufficient ownership of West Pointe common stock may surrender currently owned shares of West Pointe common stock to satisfy the option exercise price, West Pointe expects less than 214,000 shares of West Pointe common stock will be issued by West Pointe prior to the merger. If any options to purchase shares of West Pointe stock are outstanding at the closing of the merger, the Agreement and Plan of Merger provides that such options will be cancelled as of the Effective Time.

Exchange of West Pointe Stock Certificates

Once the merger is approved, and certain other conditions are met, you will be receiving by separate mailing a form of election which will allow you to elect the combination of Commerce common stock and cash that you would like to receive in the merger. Included with the form of election will be a letter of transmittal, as well as instructions on how to complete the form of election. We will initially mail forms of election at least 35 days before the expected completion of the merger. If you do not receive a form of election, you should contact the Exchange Agent or your broker to obtain a form of election. You are entitled to make an election with respect to your West Pointe shares even if you vote against the merger. However, any form of election submitted by a West Pointe shareholder who dissents and seeks to exercise appraisal rights will be invalid and will be rejected. If any dissenting shareholder ceases to be a dissenting shareholder but does not submit a valid form of election prior to the election deadline, each West Pointe share held by that dissenting shareholder will be treated as a share for which the shareholder has indicated no preference as to the receipt of the cash consideration or the stock consideration and,

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thus, will receive stock consideration. The form of election will allow you to make a cash election for some or all of your West Pointe shares. West Pointe shares as to which you do not make a valid election prior to the election deadline will be treated as though no election had been made and will be converted into Commerce common stock.

The U.S. federal income tax consequences of the merger to you will vary depending on whether you receive cash or shares of Commerce common stock, or a combination of cash and shares, in exchange for your West Pointe shares. However, at the time you will be required to make a cash election, you will not know if, and to what extent, the proration procedures will change the mix of consideration that you will receive in the merger. As a result, you will not know the tax consequences to you with certainty at the time you make your election. For more information regarding the tax consequences of the merger to West Pointe shareholders, please see Federal Income Tax Consequences.

Exchange Agent

Prior to the completion of the merger, Commerce will appoint Commerce Bank, N.A. or a commercial bank or trust company that is acceptable to West Pointe, to act as the Exchange Agent. The Exchange Agent will effect the election and proration provisions.

Non-Electing Holders

If you do not dissent from the merger and if (i) you do not make an election to receive cash consideration in the merger, (ii) your form of election is not received by the Exchange Agent by the election deadline or (iii) your form of election is improperly completed or is not signed, you will be deemed not to have made an election. West Pointe shareholders not making an election in respect of their West Pointe shares will receive stock consideration for their West Pointe shares, regardless of the elections that have been made by other West Pointe shareholders. See Proration Procedures below.

Proration Procedures

You should be aware that elections you make are subject to the proration procedures provided in the Agreement and Plan of Merger. Regardless of the elections made by West Pointe shareholders, these procedures provide that, in the aggregate:

Up to 25% of the West Pointe shares outstanding (which 25% includes dissenting shares, if any) immediately prior to the Effective Time will be converted into the right to receive cash; and

Assuming the Commerce common stock price is between $48.19 and $55.19, no less than 75% and up to 100% of the West Pointe shares outstanding immediately prior to the Effective Time will be converted into the right to receive stock consideration. If 75% of the West Pointe shares outstanding immediately prior to the Effective Time are converted into the right to receive stock consideration, the stock consideration is estimated to be $60,675,000. If 100% of the West Pointe shares outstanding immediately prior to the Effective Time are converted into the right to receive stock consideration, the stock consideration is estimated to be $80,900,000.

West Pointe shares held by West Pointe shareholders who properly exercise their dissenters rights will be treated as electing shares for purposes of these proration procedures.

References to receipt of the stock consideration include the receipt of cash in lieu of any fractional Commerce shares.

Scenario: The Cash Consideration is Over-Subscribed:

This scenario will occur if holders of more than 25% the outstanding West Pointe shares (which 25% includes dissenting shares, if any) properly elect to receive the cash consideration for their West Pointe shares.

If You Made a Cash Election. In this scenario, if you properly elected to receive cash consideration for all of your West Pointe shares, you would receive cash consideration for only a pro rata portion of each of the West Pointe shares for which you properly made a cash election. You will receive stock consideration for the remaining portion of each of your West Pointe shares.

If You Failed to Make an Election. In this scenario, if you failed to properly make an election for any of your West Pointe shares, you would receive only stock consideration for your West Pointe shares, including cash in lieu of any fractional shares.

We are not making any recommendation as to whether you should elect to receive cash consideration in lieu of stock consideration. You must make your own decision with respect to your election. We cannot make any guarantee that you will receive the amount of cash consideration you elect. As a result of the proration procedures and other limitations described in this document and in the Agreement and Plan of Merger, you may receive stock consideration or cash consideration in amounts that are different from the amounts you elect to receive.

Notwithstanding the above, the number of West Pointe shares to be converted into the cash consideration will not be greater than the number that would permit Commerce and West Pointe to receive the tax opinions described under The Merger Conditions to the Merger, which relate to the merger qualifying as a reorganization under the Code.

Conversion and Exchange of Shares and Related Matters

Holders of unexchanged West Pointe shares will not be entitled to receive any dividends or other distributions payable by Commerce until their certificates are surrendered after the merger is completed. Upon surrender, however, subject to applicable laws, the holders will receive accumulated dividends and distributions, without interest, together with cash in lieu of any fractional shares.

Promptly after the completion of the merger, the Exchange Agent will mail to holders of unexchanged West Pointe stock certificates (other than West Pointe stock certificates representing dissenting shares) a letter of transmittal and instructions for surrendering West Pointe stock certificates in exchange for the merger consideration that a holder of non-electing shares is entitled to receive, along with any dividends and other distributions and any cash in lieu of fractional shares. After a holder of West Pointe stock certificates sends the West Pointe stock certificates to the Exchange Agent together with the properly completed letter of transmittal or form of election, and any other documents that the Exchange Agent may reasonably require, the holder of West Pointe stock certificates will be entitled to receive such consideration. No interest will be paid or will accrue on any cash paid to holders of West Pointe stock certificates.

If there has been a transfer of ownership of West Pointe common stock that is not registered in the transfer records of West Pointe, such holder must present to the Exchange Agent the certificate representing such shares of West Pointe common stock, along with all documents required to evidence and effect the transfer of ownership and to evidence that any applicable stock transfer taxes have been paid prior to receiving any merger consideration.

Fractional Shares

No fractional shares will be issued by Commerce in connection with the merger. If you are a West Pointe shareholder who would otherwise have been entitled to a fraction of a share of Commerce common stock, you will be paid the cash value of such fraction determined by multiplying such fraction by the average of ten (10) closing sale prices of Commerce common stock as reported by Nasdaq on each of the ten (10) consecutive trading days preceding the fifth trading date prior to the Effective Time.

Background of Negotiations

The management of West Pointe has been aware of the increasing competition and continuing consolidation in the banking and financial services industry. From time to time, the management of West Pointe has been approached by the management of other financial institutions regarding the possibility of business combinations involving West Pointe and such other financial institutions. However, none of those preliminary inquiries resulted in significant discussions or a concrete proposal that West Pointe s management was in a position to consider in a material way or recommend to the West Pointe Board of Directors and shareholders.

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In the late summer and early fall of 2005, West Pointe s management and Board of Directors considered estate planning objectives for certain major shareholders and began to consider the overall strategic plan for West Pointe, which included transfers to trusts and gifts of West Pointe stock to family members of such individuals.

In response to previous indications of interest from the management of Commerce, on September 23, 2005, West Pointe s management responded to Commerce as a potential acquiror of West Pointe. Commerce indicated a willingness to discuss a strategic transaction and, on that same date, West Pointe and Commerce executed a Confidentiality Agreement to govern the use of non-public information during the negotiation process.

A special meeting of the Board of Directors of West Pointe was held on September 28, 2005 to discuss the potential transaction and the Board of Directors fiduciary duties in considering both the proposal from Commerce and any other proposal which would arise.

West Pointe engaged Legg Mason Wood Walker, Incorporated (Legg Mason) on October 11, 2005 to provide a fairness opinion in connection with any potential transaction involving West Pointe. Substantially all of the capital markets business of Legg Mason was acquired on December 1, 2005 by Stifel Financial Corp., parent company of Stifel, Nicolaus & Company, Incorporated. On October 12, 2005, the West Pointe Board of Directors reviewed the consideration proposed in the potential transaction as well as various strategic alternatives. Legg Mason provided a financial analysis on October 21, 2005 to the West Pointe Board of Directors on the consideration proposed in the potential transaction.

West Pointe and Commerce negotiated the deal terms between September 28, 2005 and March 8, 2006. These negotiations included in-person meetings with Commerce management and correspondence between the two companies throughout this period. During this period, West Pointe management also met with senior executives of another considerably larger bank holding company to discuss such other company s potential interest in a business combination with West Pointe, and such party conducted a limited off-site review of West Pointe, but both parties decided to not proceed beyond those preliminary discussions. Negotiations with Commerce also included offer letters Commerce to West Pointe dated October 20, 2005, November 1, 2005, February 16, 2006, February 24, 2006, March 1, 2006 and March 8, 2006. In connection with this initial agreement, Commerce executed an offer letter dated March 8, 2006.

Commerce conducted due diligence on West Pointe between March 13 and March 17, 2006, whereby West Pointe provided to Commerce various regulatory documentation, legal documentation (e.g., contracts and litigation files), tax/accounting and financial documentation and operational documentation. Commerce conducted additional due diligence prior to April 13, 2006.

West Pointe, Commerce and their respective counsel negotiated the final terms of the transaction, including the Agreement and Plan of Merger and the stock option agreement, between March 8, 2006 and April 13, 2006.

On April 12, 2006, the West Pointe Board of Directors held a special meeting regarding the Agreement and Plan of Merger. At the meeting, counsel for West Pointe reviewed the terms and conditions of the Agreement and Plan of Merger and responded to questions from the West Pointe Board of Directors. Stifel delivered an oral opinion, subsequently confirmed in writing, that, as of the date of its opinion, and based upon and subject to the considerations described in its opinion, the per share consideration to be received by the holders of shares of West Pointe common stock in the merger pursuant to the Agreement and Plan of Merger was fair to the holders of West Pointe common stock from a financial point of view. In support of its fairness opinion, representatives of Stifel provided a presentation to the West Pointe Board of Directors summarizing its analyses and responded to questions from the West Pointe Board of Directors. At this special meeting, the West Pointe Board of Directors unanimously determined that the Agreement and Plan of Merger and the transactions contemplated under the Agreement and Plan of Merger, including the merger, were advisable to, fair to and in the best interests of West Pointe and its shareholders. Further, the West Pointe Board of Directors directed that the Agreement and Plan of Merger be submitted for approval and adoption by the shareholders of West Pointe, with its recommendation.

On April 13, 2006, West Pointe and Commerce executed the Agreement and Plan of Merger and stock option agreement and distributed a joint press release announcing the proposed merger.

Reasons for the Merger

West Pointe. West Pointe s Board of Directors has determined that the merger is advisable and in the best interests of West Pointe and its shareholders. The West Pointe Board of Directors believes that the merger presents an opportunity to merge with a similar financial institution and create a combined company that will have significantly greater financial strength and earnings power than West Pointe would have on its own. Accordingly, the West Pointe Board of Directors has approved the merger. In reaching its decision to approve the Agreement and Plan of Merger and recommend its approval by West Pointe s shareholders, the West Pointe Board of Directors consulted with West Pointe s management, as well as West Pointe s legal and financial advisors, and considered a number of factors, including, but not limited to, those discussed below.

Financial Considerations. The West Pointe Board of Directors considered the financial terms of the merger based on, among other things, the following factors:

The belief that the value of the consideration to be received by West Pointe represents a fair multiple of West Pointe per share book value and earnings, based on historical and anticipated trading ranges for Commerce common stock;

The potential for stock price appreciation to West Pointe shareholders;

The current and prospective competitive regulatory environments in which West Pointe operates;

The quality and history of Commerce s earnings and the ability to maintain those earnings given the management quality and depth, diversification of risk, representation in growing market areas and ability to grow internally;

The belief that the merger will result in a continuation of significant dividend income, as compared to other alternatives, based on the assumption that Commerce would continue to pay cash and stock dividends at its current rate and with the understanding that current dividends are not necessarily indicative of future dividends;

The advantages of combining with a larger financial institution, thereby enabling the West Pointe shareholders to become shareholders of a larger combined entity having greater resources to compete in the banking industry;

The election and allocation procedure set forth in the Agreement and Plan of Merger that allows West Pointe shareholders to elect between cash and stock, subject to certain limitations;

The expected financial strength of the combined company following the merger and the ability of the combined company to realize cost savings and to take advantage of various business opportunities with greater financial resources;

The written opinion of Stifel dated April 12, 2006, which stated that the merger consideration was fair from a financial point of view to holders of West Pointe common stock; and

The expected treatment of the merger as a tax-free reorganization under the Code.

Strategic Considerations. The West Pointe Board of Directors also considered a number of strategic advantages of the merger in comparison to a stand-alone strategy, including, but not limited to, the following factors:

The creation of significant synergies and a stronger competitor in the changing banking industry following the merger;

The complementary nature of West Pointe s and Commerce s geographic markets for consumer financial service products; and

The creation of a stronger banking franchise by combining West Pointe s strong banking presence in Southern Illinois with Commerce s strong banking presence in the Kansas, Missouri and Illinois areas.

Social Considerations. The West Pointe Board of Directors considered the social and economic effect on the West Pointe shareholders, employees, customers and community, including, but not limited to, the following factors:

The improbability that there would be customer and employee disruption from the merger, based on the merger record of Commerce;

The favorable position of Commerce among West Pointe s and Commerce s peer group of national and regional financial institutions in terms of profitability, capital adequacy and asset quality;

Commerce s large menu of banking and banking related products and services;

Commerce s strong management record;

Commerce s acquisition experience and history of operating acquired banking locations as community banks; and

The opportunity for West Pointe shareholders to participate in the future growth of a larger and more diversified bank holding company having greater financial resources, competitive strengths and business opportunities than would be possible for West Pointe as a stand alone entity.

While the West Pointe Board of Directors considered the foregoing and other factors individually, the West Pointe Board of Directors did not collectively assign any specific or relative weight to the factors considered and did not make any determination with respect to any individual factor. The West Pointe Board of Directors collectively made its determination with respect to the Agreement and Plan of Merger based on the unanimous conclusion reached by its members, in light of the factors that each of them considered appropriate, that the Agreement and Plan of Merger is fair and in the best interests of the West Pointe shareholders.

Commerce. In reaching its decision to approve the Agreement and Plan of Merger, the Board of Directors of Commerce considered a variety of factors, including the following:

The merger will allow Commerce to increase its market share in the demographically attractive markets of metropolitan St. Louis in the counties of St. Clair, Monroe and Madison, Illinois;

Commerce s belief that the merger will provide an opportunity for Commerce to improve West Pointe s operating performance and funding mix, and to expand West Pointe s product offering;

Commerce s familiarity with and review of West Pointe s business, operations, management, markets, competitors, financial condition, earnings and prospects;

West Pointe s financial strength, stable credit quality and concentration in the attractive metropolitan area of Belleville, Illinois;

Commerce s belief that after the merger the combined company will be able to continue to generate high revenue and growth rates; and

The merger will allow Commerce to continue its strategy of geographically diversifying its revenues and earnings.

The foregoing discussion of the information and factors considered by Commerce is not intended to be exhaustive. In reaching its determination to enter into the Agreement and Plan of Merger, Commerce did not assign any relative or specific weights to the foregoing factors.

Opinion of West Pointe Financial Advisor

Stifel acted as West Pointe s financial advisor in connection with the merger. Stifel is a nationally recognized investment banking firm with substantial expertise in transactions similar to the merger. Stifel is an investment banking and securities firm with membership on all the principal United States securities exchanges. As part of its investment banking activities, Stifel is regularly engaged in the independent valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

On April 12, 2006, Stifel rendered its oral opinion, which was subsequently confirmed in writing, to the Board of Directors of West Pointe that, as of such date, the per share consideration to be paid to the holders of West Pointe common stock by Commerce pursuant to the Agreement and Plan of Merger was fair to such holders, from a financial point of view.

The full text of Stifel s written opinion dated April 12, 2006, which sets forth the assumptions made, matters considered and limitations of the review undertaken, is attached as Appendix C to this Proxy Statement/Prospectus and is incorporated herein by reference. Holders of West Pointe common stock are urged to, and should, read this opinion carefully and in its entirety in connection with this Proxy Statement/Prospectus. The summary of the opinion of Stifel set forth in this Proxy Statement/Prospectus is qualified in its entirety by reference to the full text of such opinion. The opinion of Stifel will not reflect any developments that may occur or may have occurred after the date of its opinion and prior to the completion of the merger. Stifel has no obligation to update, revise or reaffirm its opinion, and West Pointe does not currently expect that it will request an updated opinion from Stifel.

No limitations were imposed by West Pointe on the scope of Stifel s investigation or the procedures to be followed by Stifel in rendering its opinion. Stifel was not requested to and did not make any recommendation to West Pointe s Board of Directors as to the form or amount of the consideration to be paid to West Pointe or its shareholders, which was determined through arm s length negotiations between the parties. In arriving at its opinion, Stifel did not ascribe a specific range of values to West Pointe. Its opinion is based on the financial and comparative analyses described below. Stifel s opinion was directed solely to West Pointe s Board of Directors for its use in connection with its consideration of the merger. Stifel s opinion addressed only the fairness of the per share consideration to the holders of West Pointe common stock from a financial point of view, did not address any other aspect of the merger, and was not intended to be and does not constitute a recommendation to any shareholder of West Pointe as to how such shareholder should vote with respect to the merger. Stifel s opinion also did not make any recommendation to West Pointe s shareholders as to whether such shareholders should elect to receive cash in lieu of shares of Commerce common stock (or any combination of cash or Commerce common stock) as per share consideration in exchange for any such shareholder s shares of West Pointe common stock in connection with the merger. Stifel was not requested to opine as to, and its opinion does not address, West Pointe s underlying business decision to proceed with or effect the merger or the relative merits of the merger compared to any alternative transaction that might be available to West Pointe. Stifel was not asked to opine on, and its opinion does not address, the fairness of any consideration paid or exchanged in connection with the proposed merger of the Bank, a subsidiary of West Pointe, with Commerce Bank, N.A., a subsidiary of Commerce s merger subsidiary, CBI-Kansas, Inc.

In connection with its opinion, Stifel, among other things:

- reviewed and analyzed a draft copy of the Agreement and Plan of Merger dated April 10, 2006;

- reviewed and analyzed the audited consolidated financial statements of West Pointe included in their respective Annual Reports on Form 10-K for the five years ended December 31, 2005 and their respective Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005;

- reviewed and analyzed the audited consolidated financial statements of Commerce included in their respective Annual Reports on Form 10-K for the five years ended December 31, 2005 and their respective Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005;

- reviewed the reported prices and trading activity of the publicly traded common stock of Commerce and the reported prices and trading activity of the common stock of West Pointe;

reviewed and analyzed certain other publicly available information concerning West Pointe and Commerce;

reviewed certain non-publicly available information concerning West Pointe, including estimates of certain cost savings, operating synergies, and merger charges, internal financial analyses and forecasts prepared by its management and held discussions with West Pointe s senior management regarding recent developments;

reviewed and analyzed certain publicly available information concerning the terms of selected merger and acquisition transactions that Stifel considered relevant to its analysis;

reviewed and analyzed certain publicly available financial and stock market data relating to selected public companies that Stifel deemed relevant to its analysis;

conducted such other financial studies, analyses and investigations and considered such other information as Stifel deemed necessary or appropriate for purposes of its opinion; and

took into account Stifel s assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuations and its knowledge of the banking industry generally.

In rendering its opinion, Stifel relied upon and assumed, without independent verification, the accuracy and completeness of all of the financial and other information that was provided to Stifel, by or on behalf of West Pointe and Commerce, or that was otherwise reviewed by Stifel and did not assume any responsibility for independently verifying any of such information. With respect to the financial forecasts supplied to Stifel by West Pointe and Commerce (including, without limitation, potential cost savings and operating synergies realized by a potential acquiror), Stifel assumed that they were reasonably prepared on the basis reflecting the best currently available estimates and judgments of the management of West Pointe and Commerce as to the future operating and financial performance of West Pointe and Commerce, that cost saving and operating synergies would be realized in the amounts and time periods estimated by Commerce and that they provided a reasonable basis upon which Stifel could form its opinion. Such forecasts and projections were not prepared with the expectation of public disclosure. All such projected financial information is based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such projected financial information. Stifel has relied on this projected information without independent verification or analyses and does not in any respect assume any responsibility for the accuracy or completeness thereof.

Stifel also assumed that there was no material change in the assets, liabilities, financial condition, results of operations, business or prospects of either West Pointe or Commerce since the date of the last financial statements made available to it. Stifel has also assumed, without independent verification and with West Pointe s consent, that the aggregate allowances for loan losses set forth in the financial statements of West Pointe and Commerce are in the aggregate adequate to cover all such losses. Stifel did not make or obtain any independent evaluation, appraisal or physical inspection of West Pointe s or Commerce s assets or liabilities, the collateral securing any of such assets or liabilities, or the collectibility of any such assets nor did it review loan or credit files of West Pointe or Commerce. Stifel relied on advice of West Pointe s counsel as to certain legal matters with respect to West Pointe, the Agreement and Plan of Merger and the transactions and other matters contained or contemplated therein. Stifel has assumed, with West Pointe s consent, that there are no factors that would delay or subject to any adverse conditions any necessary regulatory or governmental approval and that all conditions to the merger will be satisfied and not waived. In addition, Stifel has assumed that the definitive Agreement and Plan of Merger will not differ materially from the draft it reviewed. Stifel has also assumed that the merger will be consummated substantially on the terms and conditions described in the Agreement and Plan of Merger, without any waiver of material terms or conditions by West Pointe and Commerce.

Stifel s opinion is necessarily based on economic, market, financial and other conditions as they exist on, and on the information made available to it as of, the date of its opinion. It is understood that subsequent developments may affect the conclusions reached in its opinion and that Stifel does not have any obligation to update, revise or reaffirm its opinion.

The financial forecasts furnished to Stifel for West Pointe and estimates of potential cost savings and operating synergies to be realized by a potential acquiror were prepared by the management of West Pointe and constitute forward-looking statements. As a matter of policy, West Pointe and Commerce do not publicly disclose internal management forecasts, projections or estimates of the type furnished to Stifel in connection with its analysis of the financial terms of the merger, and such forecasts and estimates were not prepared with a view towards public disclosure. These forecasts and estimates were based on numerous variables and assumptions which are inherently uncertain and which may not be within the control of the management of West Pointe and Commerce, including, without limitation, factors related to the integration of West Pointe and general economic, regulatory and competitive conditions. Accordingly, actual results could vary materially from those set forth in such forecasts and estimates.

In connection with rendering its opinion, Stifel performed a variety of financial analyses that are summarized below. Such summary does not purport to be a complete description of such analyses. Stifel believes that its analyses and the summary set forth herein must be considered as a whole and that selecting portions of such analyses and the factors considered therein, without considering all factors and analyses, could create an incomplete view of the analyses and processes underlying its opinion. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Stifel considered the results of all of its analyses as a whole and did not attribute any particular weight to any analyses or factors considered by it. The range of valuations resulting from any particular analysis described below should not be taken to be Stifel s view of the actual value of West Pointe. In its analyses, Stifel made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of West Pointe or Commerce. Any estimates contained in Stifel s analyses are not necessarily indicative of actual future values or results, which may be significantly more or less favorable than suggested by such estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the actual prices at which companies or their securities actually may be sold. No company or transaction utilized in Stifel s analyses was identical to West Pointe or Commerce or the merger. Accordingly, an analysis of the results described below is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other facts that could affect the public trading value of the companies to which they are being compared. None of the analyses performed by Stifel was assigned a greater significance by Stifel than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Stifel. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which West Pointe common stock or Commerce common stock may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

In accordance with customary investment banking practice, Stifel employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that Stifel used in providing its opinion on April 12, 2006. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by Stifel more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of Stifel s financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Stifel. The summary data set forth below do not represent and should not be viewed by anyone as constituting conclusions reached by Stifel with respect to any of the analyses performed by it in connection with its opinion. Rather, Stifel made its determination as to the fairness to the shareholders of West Pointe of the per share merger consideration, from a financial point of view, on the basis of its experience and professional judgment after considering the results of all of the analyses performed. Accordingly, the data included in the summary tables and the corresponding imputed ranges of value for West Pointe should be considered as a whole and in the context of the full narrative description of all of the financial analyses set forth in the following pages, including the assumptions underlying these analyses. Considering the data included in the summary table without considering the full narrative description of all of the financial analyses, including the assumptions underlying these analyses, could create a misleading or incomplete view of the financial analyses performed by Stifel.

In connection with rendering its opinion and based upon the terms of the draft Agreement and Plan of Merger reviewed by it, Stifel assumed the aggregate consideration to be $80.9 million, and at the time of the opinion, the per share consideration to be $70.44.

Pro Forma Effect of the Merger. Stifel reviewed certain estimated future operating and financial information developed by West Pointe, publicly available financial estimates of Commerce (including its recently announced agreement to acquire Boone National Savings & Loan Association FA) and certain estimated future operating and financial information for the pro forma combined entity resulting from the merger for the twelve month periods ended

December 31, 2006 and December 31, 2007. Based on this analysis, Stifel compared certain of West Pointe s estimated future per share results with such estimated figures for the pro forma combined entity. Based on this analysis on a pro forma basis, the merger is forecast to be accretive to West Pointe s earnings per share for the twelve month period ended December 31, 2007. Stifel also reviewed certain financial information in order to determine the estimated effect of the merger on West Pointe s book value, tangible book value and dividend. Based on this analysis on a pro forma basis, the merger is forecast to be dilutive to both West Pointe s book value per share and West Pointe s tangible book value per share. Based on historical dividend rates, Stifel noted that West Pointe s shareholders who elect to receive Commerce shares would receive an increase in their dividends.

Analysis of Bank Merger Transactions. Stifel analyzed certain information relating to recent transactions in the banking industry, consisting of (1) 196 U.S. bank acquisitions announced since April 10, 2005, with announced transaction values and excluding merger of equals transactions, referred to below as Group A, (2) 17 selected Central U.S. bank acquisitions announced since April 10, 2005, involving sellers headquartered in the Central U.S. with total assets between $150 million and $1 billion and excluding merger of equals transactions, referred to below as Group B. Stifel calculated the following ratios with respect to the merger and the selected transactions:

		Median Statistics for Selected Transactions	
Ratios	**Commerce / West Pointe**	**Group A**	**Group B**
Price Per Share/Book Value Per Share	227%	220%	237%
Price Per Share/Tangible Book Value Per Share	227%	233%	240%
Adjusted Price/6.50% Equity	246%	276%	252%
Price Per Share/Last 12 Months EPS	21.2x	23.4x	20.4x
Price Per Share/Current Year EPS	23.1x	NA	20.9x
Price Per Share/Forward Year EPS	21.6x	NA	19.3x
Price/Assets	19.0%	22.1%	18.9%
Premium over Tangible Book Value/Deposits	11.3%	14.2%	11.1%
Price/Deposits	22.6%	25.9%	22.5%

This analysis resulted in a range of imputed values for West Pointe common stock of between $68.32 and $82.98 per share based on the median multiples for Group A, and between $62.97 and $74.42 per share based on the median multiples for Group B.

Present Value Analysis. Applying present value analysis to the theoretical future earnings and dividends of West Pointe, Stifel compared the per share consideration to the calculated present value of one share of West Pointe s common stock on a stand-alone basis. The analysis was based upon West Pointe s management s projected earnings growth, a range of assumed price/earnings ratios, and a 13.0%, 13.5% and 14.2% discount rate. Stifel selected the range of terminal price/earnings ratios on the basis of past and current trading multiples for other publicly-traded comparable banks. The stand-alone present value of West Pointe s common stock calculated on this basis ranged from $32.09 to $38.03 per share.

Discounted Cash Flow Analysis. Using a discounted cash flow analysis, Stifel estimated the net present value of the future streams of after-tax cash flow that West Pointe could produce for dividends to a potential acquiror, referred to below as dividendable net income. In this analysis, Stifel assumed that West Pointe would perform in accordance with management s estimates and calculated assumed after-tax distributions to a potential acquiror such that West Pointe s tangible common equity ratio would be maintained at 6.5% of assets. Stifel calculated the sum of the assumed perpetual dividendable net income streams per share beginning in the year 2006 discounted to present values at assumed discount rates ranging from 12.5% to 17.5%, reflecting the general range for the bank industry based on Stifel s historical experience, and based upon West Pointe s estimated cost savings of 0% and 22% of West Pointe s non-interest expense. This discounted cash flow analysis indicated an implied equity value reference range of $16.20 to $61.78 per share of West Pointe common stock. This analysis did not purport to be indicative of actual future results and did not purport to reflect the prices at which shares of West Pointe common stock may trade in the public markets. A discounted cash flow analysis was included because it is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, including estimated cost savings and operating synergies, earnings growth rates, dividend payout rates and discount rates.

Analysis of Premium to Market Price for Merger Transactions. Stifel analyzed the premiums paid to the then current market price one day, one week and one month prior to the date of announcement of a transaction for 847

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transactions in the bank and thrift industries announced in the United States between April 10, 1996 and April 10, 2006. Stifel calculated the following ratios with respect to the merger and such transactions:

		Transactions Announced Between 4/10/96 and 4/10/06		
Market Premium Data	**Commerce/ West Pointe**	**25th Percentile**	**Median**	**75th Percentile**
Premium to stock price 1 day prior to announcement	35.5%	12.9%	25.0%	42.8%
Premium to stock price 1 week prior to announcement	42.3%	16.5%	29.0%	45.5%
Premium to stock price 1 month prior to announcement	42.3%	19.9%	33.3%	50.6%

This analysis resulted in a range of imputed values for West Pointe common stock of $65.00, $63.86 and $66.00 based on the median premiums for such transactions.

Comparison of Selected Companies. Stifel reviewed and compared certain multiples and ratios for the merger with a peer group of 10 selected banks in the Midwest with assets between $150 million and $1 billion and comparable Return on Average Equity, Return on Average Assets, Equity to Assets, and Loans to Assets ratios to West Pointe. In order to calculate a range of imputed values for a share of West Pointe common stock, Stifel applied a 33.3% control premium to the trading prices of the selected group of comparable companies and compared the resulting theoretical offer price to each of the following categories: book value, tangible book value, adjusted 6.5% equity, latest 12 months earnings, estimated 2006 earnings as provided by First Call, estimated 2007 earnings as provided by First Call, assets, tangible book value to deposits and deposits. Stifel then applied the resulting range of multiples and ratios for the peer group specified above to the appropriate financial results of West Pointe. This analysis resulted in a range of imputed values for West Pointe common stock of between $48.58 and $70.06 per share based on the median multiples and ratios for the peer group. The 33.3% control premium selected by Stifel was based on a 10 year analysis of one month market premiums paid in bank and thrift merger transactions.

Additionally, Stifel calculated the following ratios with respect to the 10 selected comparable companies after application of the 33.3% control premium:

		Trading Multiples for Selected Peer Group With Control Premium Applied(1)		
Ratios	**Commerce/ West Pointe**	**10th Percentile**	**Median**	**90th Percentile**
Price Per Share/Book Value Per Share	227%	163%	190%	251%
Price Per Share/Tangible Book Value Per Share	227%	178%	226%	291%
Adjusted Price/6.50% Equity	246%	180%	210%	290%
Price Per Share/Latest 12 Months Earnings	21.2x	17.6x	18.9x	26.6x
Price Per Share/Estimated 2006 Earnings Per Share(2)	23.1x	16.4x	16.5x	19.7x
Price Per Share/Estimated 2007 Earnings Per Share(2)	21.6x	14.2x	14.9x	18.2x
Price/Assets	19.0%	14.7%	16.7%	20.9%
Premium over Tangible Book Value/Deposits	11.3%	7.6%	10.1%	15.7%
Price/Deposits	22.6%	18.1%	20.9%	26.1%

(1) Based on prices as of market close on April 10, 2006.

(2) Projected EPS estimates based on First Call consensus.

Also, Stifel reviewed and compared certain multiples and ratios for the merger with the same peer group of 10 selected banks in the Midwest with assets between $150 million and $1 billion and comparable Return on Average Equity, Return on Average Assets, Equity to Assets, and Loans to Assets ratios to West Pointe without applying the control premium of 33.3%. Stifel then applied the resulting range of multiples and ratios for the peer group specified above to the appropriate financial results of West Pointe. This analysis resulted in a range of imputed values for West Pointe common stock of between $36.44 and $52.54 per share based on the median multiples and ratios for the peer group.

Additionally, Stifel calculated the following ratios with respect to the 10 selected comparable companies without application of the control premium:

Ratios	Commerce/ West Pointe	Trading Multiples for Selected Peer Group Without Control Premium Applied(1) 10th Percentile	Median	90th Percentile
Price Per Share/Book Value Per Share	227%	122%	142%	188%
Price Per Share/Tangible Book Value Per Share	227%	133%	169%	218%
Adjusted Price/6.50% Equity	246%	127%	152%	210%
Price Per Share/Latest 12 Months Earnings	21.2x	13.2x	14.2x	20.0x
Price Per Share/Estimated 2006 Earnings Per Share(2)	23.1x	12.3x	12.4x	14.8x
Price Per Share/Estimated 2007 Earnings Per Share(2)	21.6x	10.7x	11.2x	13.6x
Price/Assets	19.0%	11.5%	13.0%	15.7%
Premium over Tangible Book Value/Deposits	11.3%	3.1%	5.8%	9.4%
Price/Deposits	22.6%	13.6%	16.4%	19.7%

(1) Based on prices as of market close on April 10, 2006.

(2) Projected EPS estimates based on First Call consensus.

As described above, Stifel s opinion was among the many factors taken into consideration by the West Pointe Board of Directors in making its determination to approve the merger. West Pointe s Board of Directors did not find it practical to, and did not, make any specific observations or draw any conclusions with respect to any of the individual analyses presented by Stifel, but rather the West Pointe Board of Directors reviewed and digested the analyses in their totality in reaching its conclusions with respect to the advisability of the merger.

Pursuant to the terms of Stifel s engagement, West Pointe paid Stifel a nonrefundable cash fee upon the delivery of its fairness opinion that was not contingent upon consummation of the merger, agreed to reimburse Stifel for certain out-of-pocket expenses and has agreed to indemnify Stifel, its affiliates and their respective partners, directors, officers, agents, consultants, employees and controlling persons against certain liabilities, including liabilities under the federal securities laws. In the ordinary course of business, Stifel makes a market in Commerce s equity securities and actively trades equity securities of West Pointe and Commerce for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. In the past, Stifel has provided investment banking and other brokerage services to West Pointe and Commerce for which Stifel received customary fees for its services. Stifel may seek to provide investment banking and other brokerage services to Commerce in the future. Certain employees of Stifel s Investment Banking Department own less than one percent (1%) of Commerce s equity securities in the aggregate.

The West Pointe Board of Directors recommends that West Pointe shareholders vote FOR approval of the Agreement and Plan of Merger.

Operations and Management After the Merger

At the Effective Time the separate corporate existence of West Pointe will terminate as it merges with and into CBI-Kansas. The Articles of Incorporation and Bylaws of CBI-Kansas as in effect immediately prior to the effective time will remain the Articles of Incorporation and Bylaws of CBI-Kansas from and after the effective time until amended as provided by law. The officers and directors of CBI-Kansas will remain the officers and directors of CBI-Kansas from and after the Effective Time. It is expected that existing management of the surviving corporation will be supplemented with personnel from Commerce who will assist in bringing new methods and systems to the surviving corporation which have been developed by Commerce. Commerce also expects to enhance the net interest margin and non-interest income of the surviving corporation by expanding the products and services offered. Commerce will also analyze the surviving corporation s operations for potential efficiencies and anticipates achieving operating cost savings through the proposed consolidation and the elimination of redundant costs. While there can be no assurances that operating cost savings will be realized or in what fiscal period the savings will actually be recorded, plans are currently being developed to realize operating cost savings. It is expected that the annualized level of operating cost savings achieved will be realized unevenly throughout the period of consolidation, with the majority of any savings realized in the latter part of the period. The extent to which the operating cost savings will be achieved depends, among other things, on the regulatory environment and economic conditions, and may be affected by unanticipated changes in business activities, inflation and operating costs.

Conditions to the Merger

The merger is conditioned on the fulfillment prior to the closing of certain conditions set forth in the Agreement and Plan of Merger, including, among other things, the following:

The approval of the Agreement and Plan of Merger by the holders of two-thirds of all of the outstanding shares of West Pointe common stock;

The accuracy of representations of Commerce, CBI-Kansas and West Pointe made in the Agreement and Plan of Merger and the performance of their respective obligations thereunder;

The absence of a material adverse event since December 31, 2005 affecting the financial condition, properties, assets, liabilities, rights or business of West Pointe;

The absence of a material adverse event since December 31, 2005 affecting the financial condition, properties, assets, liabilities, rights or business of Commerce or CBI-Kansas;

The receipt by Commerce and West Pointe of an opinion from Blackwell Sanders Peper Martin LLP relating to certain tax matters;

The receipt by Commerce of an opinion from Bryan Cave LLP as to certain corporate matters regarding West Pointe;

The receipt by West Pointe of an opinion from Blackwell Sanders Peper Martin LLP as to certain corporate matters regarding Commerce;

The receipt of necessary regulatory approvals;

A minimum amount of equity and minimum loan loss reserve of West Pointe;

Dissenters rights shall not have been exercised with respect to more than 25% of the outstanding shares of West Pointe common stock on the Closing Date;

A Registration Statement to register the shares of Commerce common stock to be received by certain West Pointe shareholders in the merger shall have been filed;

The absence of any temporary restraining order, preliminary or permanent injunction or other order or legal restraint that would prevent the consummation of the merger;

The receipt by Commerce of an opinion of counsel with respect to certain life insurance contracts and split dollar agreements maintained for the benefit of West Pointe or the Bank;

The cancellation of all outstanding unexercised options for West Pointe common stock under West Pointe s stock option plans; and

Commerce shall have entered into non-competition agreements with Harry E. Cruncleton and Terry W. Schaefer.

Conduct of Business Pending the Merger

Pursuant to the Agreement and Plan of Merger, West Pointe has agreed to carry on its business and cause the Bank and its other subsidiaries to carry on their respective businesses in the usual, regular and ordinary course in substantially the same manner as conducted prior to the execution of the Agreement and Plan of Merger. West Pointe has agreed to certain limitations on its ability to engage in material transactions.

No Solicitation

The Agreement and Plan of Merger provides that unless and until the Agreement and Plan of Merger has been terminated, neither West Pointe nor any of its subsidiaries will solicit or encourage or, subject to the fiduciary duties of their directors as advised by counsel, hold discussions or negotiations with, or provide information to, any person in connection with any proposal from any person relating to the acquisition of all or a substantial portion of the business, assets or stock of West Pointe, the Bank, or any other subsidiary of West Pointe. West Pointe is required to promptly advise Commerce of its receipt of, and the substance of, any such proposal or inquiry.

Waiver and Amendment

Prior to or at the Effective Time, any provision of the Agreement and Plan of Merger, including, without limitation, the conditions to consummation of the merger, may be (i) waived, to the extent permitted under law, in writing by the party which is entitled to the benefits thereof; or (ii) amended at any time by written agreement of the parties, whether before or after approval of the Agreement and Plan of Merger by the shareholders of West Pointe; provided, however, that after any such approval, no such amendment shall alter the amount or change the form of the consideration or alter or change any of the terms of the Agreement and Plan of Merger if such alteration or change would adversely affect the holders of West Pointe common stock or would legally require further approval of such holders. It is anticipated that a condition to consummate the merger would be waived only in those circumstances where the Board of Directors of Commerce, CBI-Kansas or West Pointe, as the case may be, deems such waiver to be in the best interests of such company and its shareholders.

Termination of the Agreement and Plan of Merger

The Agreement and Plan of Merger and the merger may be terminated at any time prior to the closing date, provided that the terminating party is not then in material breach of the Agreement and Plan of Merger, by:

- The mutual consent of Commerce, CBI-Kansas and West Pointe;

- Commerce, CBI-Kansas or West Pointe if the merger has not been consummated by December 31, 2006 unless extended up to 60 days thereafter by Commerce or West Pointe under certain circumstances;

- Commerce, CBI-Kansas or West Pointe if regulatory approval has been denied or the merger has been enjoined or if any regulator has issued an order with respect to the merger which imposes a burdensome condition on Commerce, CBI-Kansas or West Pointe;

- Commerce or CBI-Kansas, on the one hand, or West Pointe, on the other hand, if the other party has materially breached the Agreement and Plan of Merger and has not cured such breach within 45 days of notice of the breach;

Commerce, CBI-Kansas or West Pointe if the West Pointe Board of Directors fails to recommend adoption of the Agreement and Plan of Merger by the West Pointe shareholders or amends or modifies the recommendation in a manner materially adverse to Commerce or CBI-Kansas or withdraws such recommendation;

Commerce, CBI-Kansas or West Pointe if the West Pointe shareholders do not approve the merger at a duly held meeting of the West Pointe shareholders;

Commerce, or CBI-Kansas, on the one hand, or West Pointe on the other hand, if there has been a material adverse change or event with respect to the other party s business, financial condition, results of operations or prospects and such change or effect has not been cured within 45 days or the closing date, whichever is earlier;

Commerce or CBI-Kansas if the per share Commerce stock price is greater than $61.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time); or

West Pointe if the per share Commerce stock price is less than $41.69 (adjusted for stock splits, stock dividends, recapitalizations or other adjustments pertaining to or affecting the Commerce common stock prior to the Effective Time).

Effect of Termination. If the Agreement and Plan of Merger is terminated, it will become void, and there will be no liability on the part of Commerce or West Pointe, except that (1) both Commerce and West Pointe will remain liable for any willful breach of the Agreement and Plan of Merger and (2) designated provisions of the Agreement and Plan of Merger, including the payment of fees and expenses, the confidential treatment of information and publicity restrictions, will survive the termination. In addition, if the Agreement and Plan of Merger is terminated, under certain specified circumstances the stock option agreement will remain in effect in accordance with its terms.

Effective Time

It is presently anticipated that the Effective Time will occur in the third quarter of 2006, but no assurance can be given to that effect.

Federal Securities Laws Consequences and Resales of Commerce Stock by Affiliates

The shares of Commerce to be issued pursuant to the merger have been registered under the Securities Act of 1933, as amended. The provisions of Rule 145 under the Securities Act allow such shares to be sold without restriction by shareholders of West Pointe who are not deemed to be affiliates (as that term is defined in the rules under the Securities Act) of West Pointe. An affiliate of West Pointe is a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, West Pointe. These restrictions are expected to apply to the directors and executive officers of West Pointe and the holders of 10% or more of the outstanding West Pointe common stock. The same restrictions apply to the spouses and certain relatives of those persons and any trusts, estates, corporations or other entities in which those persons have a 10% or greater beneficial or equity interest.

Shareholders not falling into the category of affiliate have no restrictions on when they may sell the Commerce stock received in the merger. The shares of Commerce to be issued to affiliates of West Pointe will be registered with the SEC on a separate registration form and may be sold by such affiliates pursuant to that registration statement. If an affiliate elects not to be included in that registration statement, then the Commerce shares will be issued to that affiliate with a legend requiring such shares be sold for one year pursuant to Rule 145 under the Securities Act, or in transactions otherwise exempt from registration under the Securities Act.

Rights of Dissenting Shareholders

Under Illinois law, the relevant provisions of which are attached to this document as Appendix D (Sections 11.65 and 11.70 of the IBCA), each West Pointe shareholder who dissents from the merger and who complies with various procedural requirements of Section 11.70 of the IBCA is entitled to receive the fair value of his or her shares of West Pointe common stock in cash, with accrued interest. Specifically, a West Pointe shareholder may dissent from the merger and CBI-Kansas, as the merger s surviving corporation, must pay to the shareholder, upon the surrender of certificates representing his or her shares, the fair value of the shares as of the day prior to West Pointe s special meeting, with accrued interest. If CBI-Kansas and you cannot agree on the fair value of your shares, then the IBCA provides for a judicial determination of these amounts. The value as determined by an Illinois court may be more or less than the value you are entitled to under the Agreement and Plan of Merger. If you desire to exercise dissenters rights, you should refer to the Section 11.70 of the IBCA in its entirety and should consult with legal counsel prior to taking any action to ensure that you comply strictly with the applicable statutory provisions.

However, to exercise dissenters rights, you must do all of the following:

file with West Pointe prior to or at the special meeting a written demand for payment for your shares before a vote is taken;

not vote in favor of the merger (note that a vote, in person or by proxy, against approval and adoption of the Agreement and Plan of Merger will not constitute a written demand for payment); and

continue to hold your shares of West Pointe common stock through the Effective Time.

Your failure to vote against the proposal to adopt and approve the merger and Agreement and Plan of Merger will not constitute a waiver of your dissenters rights under the IBCA if you make written demand for payment before the vote is taken. Conversely, a vote against approval and adoption of the merger and Agreement and Plan of Merger will not by itself be sufficient to satisfy your obligations if you are seeking dissenters rights. You must follow the procedures set forth in Section 11.70 of the IBCA to obtain dissenters rights.

Each outstanding share of West Pointe common stock as to which a legally sufficient demand in accordance with Section 11.70 of the IBCA has been made and that did not vote in favor of approval of the merger retains all other rights of a shareholder until those rights are cancelled by consummation of the merger. However, after the Effective Time, each share held by a dissenting shareholder will represent only the rights of a dissenting shareholder under the IBCA, which includes the right to obtain payment for the estimated fair value of those shares.

Within 10 days after the effective date of the merger or 30 days after you have delivered your written demand for payment, whichever is later, CBI-Kansas will send to you a statement setting forth its opinion as to the fair value of your shares, as well as certain financial statements and a commitment to pay to you such estimated fair value for your shares or instructions to sell your shares within 10 days. If you do not agree with the opinion of CBI-Kansas as to the estimated fair value of the shares or the amount of interest due, then within 30 days of your receipt of CBI-Kansas valuation statement, you must notify CBI-Kansas as to what you estimate the fair value of your shares to be and the amount of interest due and demand the difference between your estimated fair value and the amount of the payment by CBI-Kansas or the proceeds of the sale of your shares.

If, within 60 days from delivery of CBI-Kansas notice to the dissenting shareholders, you and CBI-Kansas have not agreed in writing as to the fair value of the shares and interest due, CBI-Kansas will either pay the difference in value demanded by you, with interest, or file a petition in the circuit court requesting the court to determine the fair value of the shares and interest due. CBI-Kansas will be required to then make all dissenters, whose demands remain unsettled, a party to such proceeding. If CBI-Kansas does not commence the action, you may commence an action as permitted by law.

In a proceeding brought by CBI-Kansas to determine value, the court will determine the costs of the proceeding, including the reasonable compensation of expenses of the appraisers appointed by the court and excluding fees and expenses of counsel and experts for the respective parties. If the fair value of the shares as determined by the court materially exceeds the price that CBI-Kansas estimated to be the fair value of the shares or if no estimate was given, then all or any part of the costs may be assessed against CBI-Kansas. If the amount that any dissenter estimated to be the fair value of the shares materially exceeds the fair value of the shares as determined by the court, then all or any part of the costs may be assessed against that dissenter. The fees and expenses for counsel and experts may be awarded to the dissenter if the court finds that CBI-Kansas did not substantially comply with the procedure to dissent in the statute. In addition, the fees and expenses for counsel and experts can be assessed against either party if the court finds that such party acted arbitrarily, vexatiously, or not in good faith with respect to the dissenter s rights.

The shares for which you have properly exercised your dissenters rights and followed the right to dissent procedures in the IBCA will not be converted into, or represent, the right to receive Commerce common stock as provided under the Agreement and Plan of Merger. None of these shares will, after the Effective Time, be entitled to vote for any purpose or receive any dividends or other distributions. If, however, you, as the holder of such shares, fail to properly perfect, effectively withdraw, waive or lose, or otherwise become ineligible to exercise dissenting shareholder s rights under the IBCA, then at that time shares held by you will be converted into Commerce common stock as provided in the Agreement and Plan of Merger.

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Regulatory Approvals Required for the Merger

The regulatory approvals required to complete the transactions contemplated by the Agreement and Plan of Merger include approval from the Board of Governors of the Federal Reserve System and the Office of the Comptroller of Currency. Commerce will complete the filing of applications and notifications to obtain the required regulatory approvals.

Federal Reserve System. The merger is subject to approval of the Board of Governors of the Federal Reserve System pursuant to Section 3 of the Bank Holding Company Act of 1956. The Board of Governors of the Federal Reserve System is prohibited from approving any transaction under the applicable statutes that (1) would result in a monopoly, (2) would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or (3) may have the effect in any section of the United States of substantially lessening competition, tending to create a monopoly or resulting in a restraint of trade, unless the Board of Governors of the Federal Reserve System finds that the anti-competitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. The Board of Governors of the Federal Reserve System may not approve an interstate acquisition without regard to state law if the applicant controls, or after completion of the acquisition the combined entity would control, more than 10 percent of the total deposits of insured depository institutions in the United States.

In addition, in reviewing a transaction under the applicable statutes, the Board of Governors of the Federal Reserve System will consider the financial and managerial resources of the companies and their subsidiary banks and the convenience and needs of the community to be served as well as the companies effectiveness in combating money-laundering activities. In connection with its review, the Board of Governors of the Federal Reserve System will provide an opportunity for public comment on the application for the merger, and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate.

Under the Community Reinvestment Act of 1977, as amended (the CRA), the Board of Governors of the Federal Reserve System must take into account the record of performance of each of Commerce and West Pointe in meeting the credit needs of the entire communities, including low-and moderate-income neighborhoods, served by the company and its subsidiaries. Each of Commerce s and West Pointe s principal depository institution has received an outstanding CRA rating from the United States Office of the Comptroller of the Currency, and its other depository institutions have received either an outstanding or satisfactory CRA rating.

Commerce s right to exercise its option under the stock option agreement is also subject to the prior approval of the Board of Governors of the Federal Reserve System, to the extent that the exercise of Commerce s option under the stock option agreement would result in Commerce owning more than 5% of the outstanding shares of West Pointe common stock. In considering whether to approve Commerce s right to exercise its option, including its right to purchase more than 5% of the outstanding shares of West Pointe common stock, the Board of Governors of the Federal Reserve System would generally apply the same statutory criteria it will apply to its consideration of the merger.

Antitrust Considerations. At any time before or after the acquisition is completed, the Antitrust Division of the United States Department of Justice or the United States Federal Trade Commission, which we refer to as the Antitrust Division and the FTC, respectively, could take action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the acquisition or seeking divestiture of substantial assets of Commerce or West Pointe or their subsidiaries. Private parties also may seek to take legal action under the antitrust laws under some circumstances. Based upon an examination of information available relating to the businesses in which the companies are engaged, Commerce and West Pointe believe that the completion of the merger will not violate U.S. antitrust laws. However, Commerce and West Pointe can give no assurance that a challenge to the merger on antitrust grounds will not be made, or, if such a challenge is made, that Commerce and West Pointe will prevail.

In addition, the merger may be reviewed by the state attorneys general in the various states in which Commerce and West Pointe operate. Although Commerce and West Pointe believe there are substantial arguments to the contrary, these agencies may claim the authority, under the applicable state and federal antitrust laws and regulations, to investigate and/or disapprove the merger. There can be no assurance that one or more state attorneys general will not attempt to file an antitrust action to challenge the merger.

Timing. We cannot assure you that all of the regulatory approvals described above will be obtained, and, if obtained, we cannot assure you as to the date of any approvals or the absence of any litigation challenging such approvals. Likewise, we cannot assure you that the Antitrust Division, the FTC or any state attorney general will not attempt to challenge the merger on antitrust grounds, and, if such a challenge is made, we cannot assure you as to its results.

Pursuant to the Bank Holding Company Act, a transaction approved by the Board of Governors of the Federal Reserve System may not be completed until 30 days after approval is received, during which time the Antitrust Division may challenge the merger on antitrust grounds. The commencement of an antitrust action would stay that is, suspend-the effectiveness of an approval unless a court specifically were to order otherwise. With the approval of the Board of Governors of the Federal Reserve System and the concurrence of the Antitrust Division, the waiting period may be reduced to no less than 15 days.

Commerce and West Pointe believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that they will be able to obtain all requisite regulatory approvals on a timely basis without the imposition of any condition that would have a material adverse effect on Commerce or West Pointe.

We are not aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

Transactions Between Commerce and West Pointe

No shares of West Pointe common stock are presently owned by Commerce or by any of its subsidiaries or principals, or by trustees for the benefit of Commerce or any of its subsidiaries, shareholders or employees as a class or by an escrow arrangement instituted by Commerce.

THE STOCK OPTION AGREEMENT

The following description which sets forth the material provisions of the stock option agreement under which West Pointe has granted an option to Commerce to purchase shares of West Pointe common stock in specified circumstances, is subject to the full text of, and qualified in its entirety by reference to, the stock option agreement, which is attached to this document as Appendix B and which is incorporated by reference to this document. We urge you to read the stock option agreement carefully and in its entirety, as it is the legal document governing the stock option.

The Stock Option

When we entered into the Agreement and Plan of Merger, we also entered into a stock option agreement. Under the terms of the stock option granted by West Pointe to Commerce, Commerce may purchase up to 217,000 shares of West Pointe common stock at an exercise price of $48.75 per share (the Option Price). However, the number of shares issuable upon exercise of the option cannot exceed 19.9% of West Pointe common stock outstanding without giving effect to any shares issued under the option. In the event that any additional shares of common stock are either issued or redeemed after the date of the stock option agreement, the number of shares of common stock subject to the option will be adjusted so that such number equals 19.9% of the number of shares of common stock then issued and outstanding without giving effect to any shares of common stock subject to or issued under the option. The terms of the stock option agreement are summarized below.

Purpose of the Stock Option Agreement

The stock option agreement may have the effect of making an acquisition or other business combination of West Pointe by a third party more costly because of the need in any transaction to acquire any shares of common

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stock issued under the stock option agreement or because of any cash payments made under the stock option agreement. The stock option agreement may, therefore, discourage third parties from proposing an alternative transaction to the merger, including one that might be more favorable, from a financial point of view, to West Pointe shareholders than the merger.

To our knowledge, no event giving rise to the right to exercise the stock option has occurred as of the date of this document.

Exercise; Expiration

Commerce may exercise its option in whole or in part if a Triggering Event (as defined below) occurs prior to the Effective Time, as these terms are described below. The purchase of any shares of West Pointe common stock under the option is subject to compliance with applicable law, which may require regulatory approval.

The term Triggering Event generally occurs if: (i) any person (other than Commerce or any of its subsidiaries) shall have publicly announced or delivered to West Pointe a proposal, or disclosed publicly or to West Pointe an intention to make a proposal, to purchase 20% or more of the assets or any equity securities of, or to engage in a merger, reorganization, tender offer, share exchange, consolidation or similar transaction involving West Pointe or any of its subsidiaries and West Pointe shall not have rejected such proposal within 10 business days thereafter (an Acquisition Transaction); (ii) West Pointe or any of its subsidiaries shall have authorized, recommended, proposed or publicly announced an intention to authorize, recommend or propose, or entered into, an agreement, including without limitation, an agreement in principle, with any person (other than Commerce or any of its subsidiaries) to effect or provide for an Acquisition Transaction; or (iii) any person (other than Commerce or any of its subsidiaries) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act)) or the right to acquire beneficial ownership of, or any group (as such term is defined under the Exchange Act) shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, shares of West Pointe common stock (other than trust account shares) aggregating 20% or more of the then outstanding shares of West Pointe common stock. As used in this Agreement, person shall have the meaning specified in Sections 3(a)(9) and 13(d) of the Exchange Act.

If the option becomes exercisable, it may be exercised, in whole or in part, within three months following the occurrence of a Triggering Event. Commerce s right to exercise its option and certain other rights under the stock option agreement are subject to an extension in order to obtain required regulatory approvals and comply with applicable regulatory waiting periods. The option is exercisable for shares of West Pointe common stock.

Termination

The stock option agreement will terminate on the earliest to occur of: (i) the Effective Time, (ii) the termination of the Agreement and Plan of Merger, so long as a Triggering Event has not occurred, (iii) the date on which Commerce s total profit equals $4,000,000 and (iv) December 31, 2006.

Rights Under the Stock Option Agreement

Upon West Pointe entering into a definitive agreement with respect to a Triggering Event, following a request of Commerce, West Pointe may be required to repurchase the option and all or any part of the shares issued under the option. The repurchase of the option will be at a price equal to the number of shares for which the option may be exercised multiplied by the amount by which the market/offer price, as that term is defined in the stock option agreement, exceeds the option price. At the request of the owner of option shares from time to time, West Pointe may be required to repurchase such number of the option shares from the owner as designated by the owner at a price equal to the market/offer price, as that term is defined in the stock option agreement, multiplied by the number of option shares so designated.

The stock option agreement provides that the total profit realized by Commerce as a result of a stock option agreement may in no event exceed $4,000,000.

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At any time after December 31, 2006 and provided that West Pointe has not entered into a definitive agreement with respect to a Triggering Event prior to December 31, 2006, West Pointe has the right, at its election, to repurchase from the holder of the option any shares purchased under the stock option agreement. The repurchase price for such shares is the Option Price. West Pointe may exercise its right to repurchase from the holder of the option, in whole or in part, any shares then owned by such holder by delivering a written notice or notices stating that West Pointe elects to repurchase the shares in accordance with the stock option agreement (each such notice, a Call Notice). As promptly as practicable, West Pointe must deliver to the holder the applicable Option Price.

To the extent that, upon or following the delivery of a Call Notice, West Pointe is prohibited under applicable law or regulation from repurchasing the shares set out in the Call Notice, West Pointe must notify the holder in writing and thereafter deliver, from time to time, to the holder the portion of the Option Price that West Pointe is no longer prohibited from delivering, within two business days after the date on which it is no longer so prohibited.

FEDERAL INCOME TAX CONSEQUENCES

The following general discussion sets forth the anticipated material United States federal income tax consequences of the merger to U.S. holders (as defined below) of West Pointe common stock that exchange their shares of West Pointe common stock for cash, shares of Commerce common stock, or a combination of cash and Commerce common stock in the merger. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income tax. This discussion is based upon the Code, the regulations promulgated under the Code and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

This discussion addresses only those West Pointe shareholders that hold their shares of West Pointe common stock as a capital asset within the meaning of Section 1221 of the Code. Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a financial institution;
- a tax-exempt organization;
- an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);
- an insurance company;
- a mutual fund;
- a dealer in stocks and securities, or foreign currencies;
- a trader in securities that elects the mark-to-market method of accounting for your securities;
- a holder of West Pointe common stock subject to the alternative minimum tax provisions of the Code;
- a holder of West Pointe common stock that received West Pointe common stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;

a person that is not a U.S. holder (as defined below);

a person that has a functional currency other than the U.S. dollar; or

a holder of West Pointe common stock that holds West Pointe common stock as part of a hedge, straddle, constructive sale or conversion transaction.

Determining the actual tax consequences of the merger to you may be complex. They will depend on your specific situation and on factors that are not within our control. You should consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability

and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

For purposes of this discussion, the term U.S. holder means a beneficial owner of West Pointe common stock that is (i) an individual citizen or resident of the United States, (ii) a corporation or partnership organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust, if a United States court can exercise primary supervision over it, and one or more United States persons have authority to control substantial decisions that affect it, or (iv) an estate subject to United States income tax on its worldwide income.

Tax Consequences of the Merger Generally

The parties intend for the merger to qualify as a reorganization for United States federal income tax purposes. The consummation of the merger is conditioned on the delivery, by Blackwell Sanders Peper Martin LLP, of an opinion to Commerce and to West Pointe to the effect that (1) the merger will be a tax-free reorganization within the meaning of Section 368(a) of the Code, and (2) no gain or loss will be recognized by the shareholders of West Pointe to the extent they receive Commerce common stock in exchange for shares of West Pointe common stock.

This opinion will be based on representation letters provided by Commerce and West Pointe and on customary factual assumptions, all of which must continue to be true and accurate in all material respects as of the Effective Time. None of the opinions described above will be binding on the Internal Revenue Service. Commerce and West Pointe have not sought and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the merger, and as a result, there can be no assurance that the Internal Revenue Service will not disagree with or challenge any of the conclusions described herein.

If you exchange your West Pointe common stock exclusively for cash and neither you nor certain persons or entities related to you own Commerce common stock after the merger, you will recognize gain or loss on the difference between the cash you receive and your tax basis for that stock.

As a result of the merger qualifying as a reorganization within the meaning of Section 368(a) of the Code, if you exchange your West Pointe common stock exclusively for Commerce common stock, you will recognize no gain or loss, and if you exchange your West Pointe common stock for a combination of cash and Commerce common stock, you will generally recognize gain (but not loss) in an amount equal to the lesser of:

- the amount of gain realized (i.e., the excess, if any, of the sum of the cash and the fair market value of the Commerce common stock you receive over your tax basis in the West Pointe common stock surrendered in the merger); and

- the amount of cash that you receive in the merger.

For this purpose, gain or loss must be calculated separately for each identifiable block of shares surrendered in the exchange, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares. If you have different bases or holding periods in respect of shares of West Pointe common stock, you should consult your tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Commerce common stock received in the merger.

Any recognized gain or loss will generally be long-term capital gain or loss if your holding period with respect to the West Pointe common stock surrendered is more than one year at the Effective Time. In some cases, cash received in the merger could be treated as having the effect of the distribution of a dividend, under the tests set forth in Section 302 of the Code, in which case such cash received would be treated as dividend income. In the case of

U.S. holders who are individuals, trusts or estates, any such dividend income will be subject to tax at the same preferential rates as net capital gains if the applicable requirements are satisfied. These rules are complex and dependent upon the specific factual circumstances particular to you. Consequently, if you may be subject to these rules, you should consult your tax advisor as to the application of these rules to the particular facts relevant to you.

The aggregate tax basis in the shares of Commerce common stock that you receive in the merger, including any fractional share interests deemed received by you under the treatment described below, will equal your aggregate adjusted tax basis in the West Pointe common stock you surrender, increased by the amount of taxable gain, if any, that you recognize on the exchange (including any portion of the gain that is treated as a dividend but excluding any

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gain or loss resulting from the deemed receipt and redemption of a fractional share interest described below) and decreased by the amount of any cash received by you in the merger (excluding any cash received in lieu of a fractional share interest). Your holding period for the shares of Commerce common stock that you receive in the merger (including a fractional share interest deemed received and redeemed as described below) will include your holding period for the shares of West Pointe common stock that you surrender in the exchange.

Cash in Lieu of a Fractional Share

If you receive cash in lieu of a fractional share of Commerce common stock, you will be treated as having received the fractional share of Commerce common stock pursuant to the merger and then as having exchanged the fractional share of Commerce common stock for cash in a redemption by Commerce. As a result, assuming that the redemption of a fractional share of Commerce common stock is treated as a sale or exchange and not as a dividend, you generally will recognize gain or loss equal to the difference between the amount of cash received and the basis of the fractional share of Commerce common stock as set forth above. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for the shares is greater than one year. The deductibility of capital losses is subject to limitations.

Backup Withholding

If you are a non-corporate holder of West Pointe common stock you may be subject to information reporting and backup withholding at a rate of 28% on any cash payments you receive. You generally will not be subject to backup withholding, however, if you:

- furnish a correct taxpayer identification number and certify that you are not subject to backup withholding on the substitute Form W-9 or successor form included in the election form/letter of transmittal you will receive; or

- are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against your United States federal income tax liability, provided you timely furnish the required information to the Internal Revenue Service.

Reporting Requirements

If you receive shares of Commerce common stock as a result of the merger, you will be required to retain records pertaining to the merger and you will be required to file with your United States federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. EACH WEST POINTE SHAREHOLDER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO HIM OR HER, INCLUDING THE APPLICATION AND EFFECT OF FEDERAL, STATE, LOCAL AND OTHER TAX LAWS.

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BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth certain information as of March 31, 2006, relating to the beneficial ownership of West Pointe common stock by (a) each person known to West Pointe to be the beneficial owner of 5% or more of the outstanding West Pointe common stock, (b) each director and executive officer of West Pointe, and (c) all directors and executive officers of West Pointe as a group. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission which generally attribute beneficial ownership of securities to persons who possess sole or shared voting power and/or investment power with respect to those securities. The business address of each person listed is 5701 West Main Street, Belleville, Illinois 62226. Except as otherwise indicated, each person indicated below has sole voting and investment power with respect to the shares of West Pointe common stock reported as beneficially owned by such person.

Name	Number of Shares	Percentage of Beneficial Ownership
Terry W. Schaefer(1)	60,132	5.68%
Harry E. Cruncleton(2)	54,930	5.18%
William C. Allison(3)	25,341	2.43%
David G. Embry(4)	67,764	6.50%
Jack B. Haydon(5)	25,882	2.48%
Charles G. Kurrus, III(6)	30,144	2.89%
Edward J. Szewczyk(7)	36,271	3.48%
Wayne W. Weeke(8)	42,304	4.06%
Bruce A. Bone(9)	8,498	.82%
Robert G. Cady(10)	9,980	.96%
Bonnie M. Hettenhausen(11)	1,959	.19%
Albert M. Miller(12)	7,834	.75%
Quinten E. Spivey(13)	1,612	.16%
Anthony T. Holdener, Jr.(14)	300	.03%
All directors and named executive officers as a group (14 persons)(15)	372,951	31.46%

(1) Includes 11,076 shares over which Mr. Schaefer has sole beneficial ownership, 19,372 shares over which Mr. Schaefer has shared beneficial ownership and options to purchase 29,684 shares.

(2) Includes 25,246 shares over which Mr. Cruncleton has shared beneficial ownership and options to purchase 29,684 shares.

(3) Includes 7,242 shares over which Mr. Allison has sole beneficial ownership, 6,183 shares over which Mr. Allison has shared beneficial ownership and options to purchase 11,916 shares.

(4) Includes 55,848 shares over which Mr. Embry has sole beneficial ownership and options to purchase 11,916 shares.

(5)

Includes 200 shares over which Mr. Haydon has sole beneficial ownership, 13,766 shares over which Mr. Haydon has shared beneficial ownership and options to purchase 11,916 shares.

(6) Includes 16,978 shares over which Mr. Kurrus has sole beneficial ownership, 1,250 shares over which Mr. Kurrus has shared beneficial ownership and options to purchase 11,916 shares.

(7) Includes 24,355 shares over which Dr. Szewczyk has sole beneficial ownership and options to purchase 11,916 shares.

(8) Includes 24,474 shares over which Mr. Weeke has sole beneficial ownership, 5,914 shares over which Mr. Weeke has shared beneficial ownership and options to purchase 11,916 shares.

(9) Includes 664 shares over which Mr. Bone has sole beneficial ownership and options to purchase 7,834 shares.

(10) Includes 2,146 shares over which Mr. Cady has sole beneficial ownership and options to purchase 7,834 shares.

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(11) Includes 695 shares over which Ms. Hettenhausen has sole beneficial ownership, 364 shares over which Ms. Hettenhausen has shared beneficial ownership options to purchase 900 shares.

(12) Includes options to purchase 7,834 shares.

(13) Includes 675 shares over which Mr. Spivey has sole beneficial ownership, 937 shares over which Mr. Spivey has shared beneficial ownership.

(14) Includes options to purchase 300 shares.

(15) Includes 144,353 shares over which the named executive officers and directors as a group have sole beneficial ownership, 73,032 shares over which the named executive officers and directors as a group have shared beneficial ownership and options to purchase 155,566 shares.

FINANCIAL INTERESTS OF DIRECTORS AND OFFICERS

Certain members of management of West Pointe and the Bank, and their Boards of Directors, may have interests in the transaction in addition to their interests as shareholders of West Pointe which are summarized below. The West Pointe Board of Directors was aware of these factors and considered them, among other matters, in approving the Agreement and Plan of Merger.

Stock Options

Under the terms of the West Pointe 1998 Stock Option Plan, upon approval of the Agreement and Plan of Merger and merger by the West Pointe shareholders, a change of control will be deemed to have occurred. The effective date of such change of control will be determined by the West Pointe Board of Directors, but such change of control will occur prior to the Effective Time of the merger. On the effective date of the change of control, all currently unvested stock options held by West Pointe officers and directors will become fully vested and exercisable. Prior to the Effective Time, each outstanding West Pointe stock option will be exercised by the option holder or, pursuant to the Agreement and Plan of Merger, will be terminated. As a result, it is expected that all of the outstanding stock options to purchase 214,000 shares of West Pointe common stock will be exercised by the option holders prior to the Effective Time.

The following table sets forth the number of options held by West Pointe s officers and directors expected to be exercised prior to the Effective Time. The estimated value assumes a West Pointe common stock price of $70.44, less the cost of exercise of the stock option.

Name	Options Held	Aggregate Exercise Price	Total Value of Options (Less Exercise Price)
Terry Schaefer	39,500	$ 1,211,095	$ 1,571,285
Harry Cruncleton	39,500	$ 1,211,095	$ 1,571,285
William Allison	16,000	$ 493,155	$ 633,885
David Embry	16,000	$ 493,155	$ 633,885
Jack Haydon	16,000	$ 493,155	$ 633,885
Charles Kurrus, III	16,000	$ 493,155	$ 633,885

Edward Szewczyk	16,000	$	493,155	$	633,885
Wayne Weeke	16,000	$	493,155	$	633,885
Bruce Bone	13,500	$	482,283	$	468,657
Bonnie Hettenhausen	3,000	$	125,250	$	86,070
Anthony Holdener	1,500	$	65,625	$	40,035
Al Miller	10,500	$	327,032	$	412,588
Robert Cady	10,500	$	327,032	$	412,588

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Indemnification

The West Pointe Articles of Incorporation provide for the indemnification of each director, officer and employee of West Pointe against any liabilities and expenses related to his or her capacity as a director, officer or employee of West Pointe, subject to certain exceptions.

The Agreement and Plan of Merger provides that CBI-Kansas will indemnify the present directors, officers, employees and agents of West Pointe and the Bank following the Effective Time against all damages in connection with any action arising out of actions or omissions occurring prior to the Effective Time to the fullest extent permitted under Missouri law. The Agreement and Plan of Merger further provides that CBI-Kansas will cause all persons covered under West Pointe s directors and officers liability insurance at the Effective Time to be covered for a period of at least three years following the Effective Time by CBI-Kansas directors and officers liability policy, or any equivalent substitute for that policy.

Salary Continuation and Other Agreements

West Pointe and the Bank have entered into salary continuation agreements with Terry W. Schaefer, Bruce A. Bone, Anthony T. Holdener, Jr., Bonnie M. Hettenhausen, Robert G. Cady, Dale A. Hoepfinger, William M. Metzger, Albert A. Miller and Kory A. Kunze. Each of these agreements contains a change in control provision pursuant to which the officer may be entitled to receive certain benefits, as described below, in the event of a change in control of either West Pointe or the Bank. The merger will constitute a change in control under each of the salary continuation agreements.

Under the terms of the salary continuation agreement with Terry W. Schaefer, Mr. Schaefer is entitled to a change in control benefit of $153,200 payable immediately for 15 years following the event of a change in control of West Pointe or the Bank. Under the terms of salary continuation agreements with the other officers, if there is a change in control of West Pointe or the Bank, the executive would be entitled to an annual retirement benefit for 15 years payable beginning when the executive reaches age 65, provided that the executive is still employed by West Pointe and/or the Bank. The estimated annual retirement benefit payable to each other executive officer is as follows (which amount would be multiplied by 15 in the event the executive elected to receive a lump sum payment): Bruce A. Bone $71,933; Anthony T. Holdener, Jr. $38,824; Bonnie M. Hettenhausen $29,597; Robert G. Cady $32,612; Dale A. Hoepfinger $25,269; William M. Metzger $32,660; Albert A. Miller $22,966; and Kory A. Kunze $36,400. In the event that the executive officer dies, his or her beneficiary generally is entitled to receipt of the benefits otherwise payable to the executive.

Payments under each of the salary continuation agreements are capped to the extent that payments would result in the imposition of an excise tax payable under the excess parachute rules of Section 280G of the Code. Additionally, no payments will be made under the agreement if a payment will constitute a prohibited payment under any applicable law or regulation.

The Bank has entered into split dollar agreements or supplemental life insurance agreements with Harry E. Cruncleton, Terry W. Schaefer, Bruce A. Bone, Anthony T. Holdener, Jr., Bonnie M. Hettenhausen, Robert G. Cady, Dale A. Hoepfinger, Albert A. Miller and Kory A. Kunze. Each of these agreements contains a change in control provision pursuant to which the executive may be entitled to receive certain benefits, as described below, in the event of a change in control of either West Pointe or the Bank. The merger will constitute a change in control under each of the split dollar agreements.

Pursuant to the split dollar or supplemental life insurance agreements, the Bank pays the premiums on the life insurance policies covering the life of each executive officer. The Bank will receive a portion of the proceeds payable upon the death of the executive officer and the executive s beneficiary will receive the remaining portion. The agreement with Mr. Cruncleton provides that the Bank will be the beneficiary of the net death proceeds (the net cash surrender value of the policy on February 1, 1996 plus the total premiums paid by the Bank since that date) under any life insurance policy insuring Mr. Cruncleton s life. The approximate amount of proceeds that each other executive s beneficiary will receive under the agreement is as follows: Terry W. Schaefer $500,000 to $1,000,000, depending on the year of death; Bruce A. Bone $250,000; Anthony T. Holdener, Jr. $150,000; Bonnie M. Hettenhausen $150,000; Robert G. Cady $250,000; Dale A. Hoepfinger

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$150,000; Albert A. Miller $150,000; and Kory A. Kunze $150,000. The agreements for each executive provide that the payments are contingent upon the executive not being terminated prior to age 65 and that such amount does not exceed the net death proceeds under the policy. Upon termination of the executive s employment following a change of control in West Pointe or the Bank, the Bank is required to maintain the policy in full force and effect; however, the Bank may replace the policy with comparable insurance.

Each of the agreements described above may be amended prior to the Effective Time for compliance with Section 409A of the Code.

DIFFERENCES IN RIGHTS OF SHAREHOLDERS

General

West Pointe is incorporated in the State of Illinois, while Commerce is incorporated in the State of Missouri. As a result of the merger, West Pointe shareholders, whose rights are currently governed by the West Pointe Articles of Incorporation, as amended (the   West Pointe Articles of Incorporation   ), Bylaws (the   West Pointe Bylaws   ) and the IBCA will, upon consummation of the merger, become Commerce shareholders. Following the merger, their rights will be governed by Missouri law (rather than Illinois law), and will also be governed by the Commerce Articles of Incorporation, as amended (the   Commerce Articles of Incorporation   ) and Bylaws, as amended (the   Commerce Bylaws   ). The material differences between the rights of West Pointe s shareholders and Commerce s shareholders result from differences in the governing state law and the companies   governing corporate documents.

The following summary is not intended to be an exhaustive description of the provisions discussed. It is qualified in its entirety by reference to IBCA, the General and Business Corporation Law of Missouri (the   MGBCL   ), the West Pointe Articles of Incorporation, the West Pointe Bylaws, the Commerce Articles of Incorporation and Commerce Bylaws.

Authorized Capital Stock

West Pointe is authorized under the West Pointe Articles of Incorporation to issue 10,050,000 shares of capital stock, consisting of 10,000,000 common shares, $1.00 par value per share, and 50,000 preferred shares, $1.00 par value per share.

Commerce is authorized under the Commerce Articles of Incorporation to issue 102,000,000 shares of capital stock, consisting of 100,000,000 common shares, $5.00 par value per share, and 2,000,000 preferred shares, $1.00 par value per share.

Dividends and Liquidation Preference

Pursuant to the Commerce Articles of Incorporation and West Pointe Articles of Incorporation, holders of shares of Commerce common stock and West Pointe common stock are entitled to dividends when and if declared by the Board of Directors of their respective corporations; upon liquidation, such holders are entitled to share pro rata in the assets of their respective corporations remaining after payments to creditors and any preferred shareholders.

Preemptive Rights

Under the IBCA, the shareholders of a corporation organized on or after January 1, 1982 shall have no preemptive rights to acquire unissued shares of the corporation except to the extent, if any, that such right is provided in the articles of incorporation. West Pointe was organized in 1997 and the West Pointe Articles of Incorporation provide that no holder of any of the shares of any class or series of stock shall have any preemptive rights.

Under the MGBCL, the preemptive right of a shareholder to acquire additional shares of a corporation may be limited or denied to the extent provided in the articles of incorporation. The Commerce Articles of Incorporation provide that no holder of any of the shares of any class of stock shall have any preemptive rights.

Number of Directors

Under the IBCA, the board of directors of a corporation shall consist of one or more members, the number of which is to be fixed by the bylaws. The bylaws may establish a variable range for the size of the board by prescribing a minimum and maximum (which maximum may not exceed the prescribed minimum by more than five (5)) number of directors. The West Pointe Articles of Incorporation and West Pointe Bylaws state that the West Pointe Board of Directors shall have not less than six (6) nor more than fifteen (15) directors (exclusive of directors, if any, to be elected by holders of preferred stock of West Pointe, voting separately as a class). Currently the West Pointe Board of Directors consists of eight (8) directors.

Under the MGBCL, a corporation shall have a board of directors consisting of at least one or more members, the number of which shall be specified in the corporation s articles of incorporation or bylaws. Under the Commerce Bylaws, the Commerce Board of Directors consists of twelve (12) directors; however, the Commerce Board of Directors has the authority to increase or decrease the number of directors, provide that the number of directors shall not fall below three (3). Currently, the Commerce Board of Directors consists of twelve (12) directors.

Classification of Directors and Term

The IBCA permits classification of an Illinois corporation s board of directors into two (2) or three (3) classes, divided as equally as possible, if the corporation s articles of incorporation or bylaws so provide and if the board consists of six or more directors. The West Pointe Articles of Incorporation and West Pointe Bylaws provide for a staggered board of directors comprised of three classes, divided as nearly equal in size as possible. The West Pointe Articles of Incorporation and West Pointe Bylaws provide that directors are elected to a three (3) year term.

The MGBCL permits classification of a Missouri corporation s board of directors with as equal of number in each class as possible if the corporation s articles of incorporation or bylaws so provide. The Commerce Articles of Incorporation and Commerce Bylaws provide for a staggered board of directors comprised of three classes as equal in size as possible. The MGBCL permits a corporation to elect each director to a term of between one (1) and three (3) years. The Commerce Articles of Incorporation and the Commerce Bylaws provide that directors are elected to a three (3) year term.

Removal of Directors

The IBCA provides that one or more directors of a corporation may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors, except in certain circumstances, including in the case of a corporation with a classified board (see above) where the articles of incorporation may provide that directors may be removed only for cause. The West Pointe Articles of Incorporation provide for the removal of any director or the entire West Pointe Board of Directors, at any time, but only for cause (as defined in the West Pointe Articles of Incorporation), and only by the affirmative vote of the holders of at least 80% of the outstanding shares of capital stock of West Pointe entitled to vote generally in the election of directors, voting together as one class. The preceding sentence does not apply with respect to any director elected by the holders of preferred stock who have the right, voting separately as a class, to elect one or more directors.

The MGBCL provides that, unless the articles of incorporation or bylaws provide otherwise, one or more directors of a corporation may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors. The MGBCL also provides that any director may be removed for cause by action of a majority of the entire board of directors if the director, at the time of removal, fails to meet the qualifications stated in the articles of incorporation or bylaws for election as a director or is in breach of any agreement between such director and the corporation relating to such director s services as a director or employee of the corporation. The Commerce Articles of Incorporation provide that the entire Commerce Board of Directors may be removed only by a vote of 80% of the holders of the shares then entitled to vote generally in the election of directors, voting together as one class.

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Director Vacancies

The IBCA provides that director vacancies are to be filled by election of the shareholders at an annual or special meeting and by the board of directors between shareholder meetings unless otherwise provided in the bylaws. The West Pointe Articles of Incorporation and West Pointe Bylaws provide that any vacancy or newly created directorship shall be filled by a vote of two-thirds of the West Pointe Board of Directors.

The MGBCL provides that, unless otherwise provided in the articles of incorporation or the bylaws, the board of directors can fill vacancies by a majority vote until the next election of directors by shareholders. The Commerce Bylaws provide that any vacancy or newly created directorship shall be filled by a vote of the majority of the Commerce Board of Directors.

Special Meetings of Directors

Both the IBCA and MGBCL provide that special meetings of the board of directors shall be held upon such notice as prescribed by the bylaws. The West Pointe Bylaws provide that special meetings of the West Pointe Board of Directors may be called by or at the request of the Chairman, President or one-third of the West Pointe Board of Directors and that such request need not state the purpose of the proposed special meeting. The Commerce Bylaws provide that special meetings of the Commerce Board of Directors shall be called by the Secretary of Commerce at the written request of the Chairman, Vice-Chairman, President or a majority of the Commerce Board of Directors and that such request shall state the purpose of the proposed special meeting.

Indemnification; Limitation of Liability

Under the IBCA and the MGBCL, a corporation may indemnify any person made or threatened to be made a party to any legal proceeding, including any suit by or in the name of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation in any such capacity with respect to another enterprise, against expenses and other amounts reasonably incurred by him in connection with such legal proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The foregoing notwithstanding, no indemnification may be made in respect to any claim brought by or in the name of the corporation as to which such person is adjudged to be liable to the corporation unless and only to the extent that a proper court determines that in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court deems proper. A corporation is required to indemnify its directors, officers, employees or agents to the extent that such persons have been successful in defending an action, suit or proceeding or any claim, issue or matter therein. These indemnification rights are not exclusive of any other rights to which the person seeking indemnification is entitled and do not limit a corporation s right to provide further indemnification.

The West Pointe Articles of Incorporation provide rights of indemnification generally as set forth in the IBCA as described above. The Commerce Bylaws provide rights of indemnification generally as set forth in the MGBCL as described above, except that the right of indemnification is limited to directors and officers.

Insofar as indemnification of directors, officers or persons controlling Commerce for liabilities arising under the Securities Act of 1933 may be permitted pursuant to the foregoing provisions, Commerce has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Shareholder Voting

Cumulative voting. The IBCA and the MGBCL each provide for cumulative voting of directors; however, a corporation s articles of incorporation may limit or eliminate cumulative voting rights. The West Pointe Articles of Incorporation provide that there shall be no cumulative voting by shareholders of any class or series in the election of directors of the Corporation. The Commerce Bylaws also provide that there shall be no cumulative voting by shareholders for the election of directors.

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Quorum. The IBCA and the MGBCL each provide that, unless provided in the corporation s articles of incorporation or bylaws, a majority of votes of shares entitled to vote on a matter shall constitute a quorum but that the articles of incorporation may require any number or percent greater than a majority of votes to constitute a quorum. The West Pointe Bylaws and the Commerce Bylaws each state that majority of the outstanding shares of stock entitled to vote, represented in person or by proxy at a meeting of shareholders, constitutes a quorum at such meeting.

Majority voting. The IBCA and the MGBCL each provide that the affirmative vote of a majority of the holders of the shares represented at a meeting where a quorum is present shall constitute the act of the shareholders, unless a greater number or percent is required by the corporation s articles of incorporation, bylaws or by statute. The West Pointe Bylaws and the Commerce Bylaws both contain provisions requiring majority voting on all matters except for those where otherwise specified in the company s articles of incorporation, bylaws or by statute.

Special voting. Special voting provisions apply in the case of a merger or change in control. See Shareholders Vote for Mergers on page 44 and Anti-takeover Statutes on page 44.

Special Meetings of Shareholders

Under the IBCA, special meetings of shareholders may be called by the president, the board of directors, by the holders of not less than one-fifth (1/5) of all of the outstanding shares entitled to vote on the matter at issue, or by such other officers or persons provided in the articles of incorporation or bylaws. The West Pointe Articles of Incorporation and West Pointe Bylaws provide that special meetings of shareholders may be called at any time by the West Pointe Board of Directors or by a committee of the West Pointe Board of Directors which has been duly designated and has been granted such authority by a resolution of the West Pointe Board of Directors.

Under the MGBCL, a special meeting of shareholders may be called by the board of directors or by such other person or persons as may be authorized by the articles of incorporation or the bylaws. The Commerce Bylaws provide that special meetings of Commerce shareholders may be called only by the Chairman of the Commerce Board of Directors (or any Vice-Chairman or President in the Chairman s absence) or by a majority of the Commerce Board of Directors.

Shareholder Inspection

Under the IBCA, any shareholder shall have the right to examine, in person or by agent, at any reasonable time, the corporation s books and records of account, minutes, voting trust agreements, and record of shareholders and to make extracts therefrom, but only if for a proper purpose. In order to exercise this right, a shareholder must make written demand upon the corporation, stating the records sought to be examined and the purpose of the examination.

Under the MGBCL, any shareholder may at all proper times inspect the corporation s amount of assets and liabilities, minutes, officer information, stock ledger, shareholder list and other books and records as may be regulated by the corporation s bylaws. Missouri statutory law and Missouri case law, however, do not provide specific guidance as to whether a shareholder may appoint an agent for the purpose of examining books and records or the extent to which a shareholder must have a proper purpose.

Amendment of Articles of Incorporation

Under the IBCA, generally, a corporation may amend its articles of incorporation upon (1) a majority vote of the entire board, without shareholder action, for certain matters that do not adversely affect any class of shareholders and (2) by a resolution of the board and affirmative vote of at least two-thirds of the votes of the shares entitled to vote on the amendment for most matters. The West Pointe Articles of Incorporation provide that certain provisions of the West Pointe Articles of Incorporation (pertaining to shareholder meetings, cumulative voting, notice for nominations and proposals, directors, removal of directors, approval of certain business combinations, evaluation of business combinations, indemnification, elimination of directors liability and amendment of bylaws and articles of incorporation) require a vote of the holders of not less than 80% of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as one class, in order to

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repeal, alter, amend or rescind such articles. The West Pointe shareholders may otherwise repeal, alter, amend or rescind any other provision of the West Pointe Articles of Incorporation as prescribed by the IBCA.

Under the MGBCL, a corporation may amend its articles of incorporation upon a resolution of the board of directors, proposing the amendment and its submission to the shareholders for their approval by the holders of a majority of the shares of common stock entitled to vote thereon. The Commerce Articles of Incorporation provide that provisions of the Commerce Articles of Incorporation dealing with the number, term, and removal of directors, and certain business combinations may not be repealed or amended without the affirmative vote of holders of at least 75% of the outstanding shares of voting stock. The Commerce shareholders may otherwise amend, alter, change or repeal any provision of the Commerce Articles of Incorporation as provided by the MGBCL.

Amendment of Bylaws

Under the IBCA, the bylaws of a corporation may be made, altered, amended or repealed by the shareholders or the board of directors unless the articles of incorporation reserve this power for the shareholders. The West Pointe Articles of Incorporation and West Pointe Bylaws provide that the West Pointe Board of Directors may make, repeal, alter, amend or rescind the West Pointe Bylaws by a vote of two-thirds of the board of directors. The West Pointe Bylaws shall not be adopted, repealed, altered, amended or rescinded by the shareholders of West Pointe except by the vote of the holders of not less than 80% of outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as one class.

Under the MGBCL, the bylaws of a corporation may be made, altered, amended or repealed by the shareholders, unless and to the extent that such power is vested in the board of directors by the articles of incorporation. The Commerce Articles of Incorporation and Commerce Bylaws authorize the Commerce Board of Directors to make, alter, amend or repeal the Commerce Bylaws, subject to the rights of shareholders at any regular or special meeting to alter or repeal bylaws made by the Commerce Board of Directors.

Notice of Shareholder Proposals; Nominations of Directors

The West Pointe Articles of Incorporation provide that any shareholder who intends to bring a matter before the annual meeting of shareholders must deliver written notice of such shareholder s intent to the Secretary of West Pointe. Such notice must be received by the Secretary not less than 30 days nor more than 60 days prior to such meeting. Such written notice with respect to business proposals must set forth (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on West Pointe s books, of the shareholder proposing such business, (iii) the class and number of shares of stock of West Pointe which are beneficially owned by such shareholder, and (iv) any material interest of the shareholder in such business. Such written notice with respect to nominations for election of directors must set forth (i) the name, age, business address and, if known, residential address of each proposed nominee, (ii) the principal occupation or employment of each nominee, (iii) the number of shares of stock of West Pointe that are beneficially owned by the nominee, (iv) such other information as would be required to be included in a proxy statement soliciting proxies for the election of the proposed nominee pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, and (v) as to the shareholder giving such notice, (a) his, her or its name and address, as they appear on West Pointe s books, and (b) the class and number of shares of stock of West Pointe which are beneficially owned by such shareholder.

The Commerce Bylaws provide that any shareholder who intends to bring a matter before the annual meeting of shareholders must deliver written notice of such shareholder s intent to the Secretary of Commerce. Such notice must be received by the Secretary not less than 60 days nor more than 90 days in advance of such meeting. Such written notice must set forth (i) a brief description of the business to be brought before the meeting and the reasons for it,

(ii) the name and address of the shareholder, (iii) the class or series and number of shares of capital stock of Commerce which are beneficially owned by the shareholder, (iv) any arrangement between such shareholder and any other person in connection with the proposal and any material interest of the shareholder in the proposed business described in the notice, and (v) a representation that such shareholder will appear in person or by proxy at the annual meeting. Such written notice with respect to nominations for the election of directors shall set forth (i) the name, age, business address and residential address of the nominee, (ii) the principal occupation or employment of

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the nominee, (iii) the class or series and number of shares of capital stock of Commerce which are beneficially owned by the nominee, and (iv) any other information about the nominee that is required by Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, to be disclosed in the proxy materials for the meeting involved as if he or she were a nominee of the corporation for election as one of its directors.

Shareholders Vote for Mergers

Under the IBCA, an Illinois corporation must obtain the affirmative vote of the holders of two-thirds of the outstanding shares of the corporation entitled to vote thereon to approve a merger or consolidation, provided that the corporation s articles of incorporation may supersede the two-thirds statutory requirement by specifying a larger or smaller vote so long as at least a majority vote is required. However, the West Pointe Articles of Incorporation do not amend the two-thirds statutory requirement.

Under the MGBCL, a Missouri corporation must obtain the affirmative vote of the holders of two-thirds of the outstanding shares of the corporation entitled to vote thereon to approve a merger or consolidation.

Neither the IBCA nor the MGBCL require a vote of a corporation s shareholders if such corporation is merged with and into a parent corporation that owns 90% or more of such corporation s stock.

Dissenters Rights

Dissenters rights, also known as appraisal rights, are rights afforded to shareholders who dissent from specific transactions.

The IBCA provides dissenters rights to shareholders entitled to vote in merger transactions (except as indicated below), in a sale, lease or exchange of all, or substantially all, of the property and assets of the corporation other than in the usual and regular course of business, certain amendments of the articles of incorporation that materially and adversely affects the dissenters shares, or as may otherwise be provided in the articles of incorporation, bylaws or board or shareholders resolution. The dissenting shareholders, if they comply with the procedural requirements of the IBCA, are entitled to elect not to participate in the subject transaction and to receive instead the fair value of their shares in cash.

The MGBCL provides dissenters rights to shareholders entitled to vote in mergers or consolidations. The dissenting shareholders, if they comply with the procedural requirements of the MGBCL, are entitled to elect not to participate in the subject transaction and to receive instead the fair value of their shares in cash.

Anti-takeover Statutes

The IBCA and the MGBCL each have statutes known as a business combination statute. These statutes restrict certain business combinations between a corporation in that state and an interested shareholder. For this purpose, a business combination means one of various types of transactions, including mergers, that increases the proportionate voting power of the interested shareholder. An interested shareholder means any person who owns or controls 15% or more of the outstanding shares of the corporation s voting stock in Illinois or 20% or more in Missouri.

Under the IBCA, a corporation may not engage in a business combination with an interested shareholder for a period of three (3) years following the time that the shareholder became an interested shareholder unless:

- prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;

upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting shares of the corporation outstanding at the time the transaction commenced (excluding directors and officers and employee stock plans); or at or subsequent to such time the business combination is approved by the board of directors and authorized at a shareholder meeting by the affirmative vote of at least 662/3% of the outstanding voting stock not owned by the interested shareholder.

Under the MGBCL, a corporation may not engage in a business combination with an interested shareholder for a period of 5 years following the time that the shareholder became an interested shareholder other than:

a business combination approved by the corporation s board of directors prior to the date on which the interested shareholder became an interested shareholder;

a business combination approved by the holders of a majority of the outstanding voting stock not owned by the interested shareholder at a meeting called no earlier than 5 years after the date on which the interested shareholder became an interested shareholder; or

a business combination that satisfies certain fairness and procedural requirements.

Both the IBCA and the MGBCL provide that a corporation in that state may opt out of coverage by the business combination statute by including a provision to that effect in its governing corporate documents. Neither West Pointe nor Commerce has done so.

Control Share Acquisition

The IBCA does not contain a control share acquisition statute, and neither the West Pointe Articles of Incorporation nor the West Pointe Bylaws address the issue.

The MGBCL provides certain procedures for control share acquisitions to be followed unless the corporation s articles of incorporation or bylaws provide that the statute does not apply. The Commerce Bylaws specifically provide that the provision in the MGBCL regarding control share acquisitions shall not apply to Commerce.

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INFORMATION ABOUT WEST POINTE BANCORP, INC.

SELECTED CONSOLIDATED FINANCIAL DATA OF WEST POINTE BANCORP, INC. (unaudited, in thousands except per share data)

The following table sets forth selected consolidated financial information of West Pointe for the periods ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004, 2003, 2002 and 2001. The information contained in this table should be read in conjunction with West Pointe s historical Consolidated Financial Statements and related notes thereto included elsewhere in this Proxy Statement/Prospectus.

	At or for the Three Months Ended March 31,		At or for the Year Ended December 31,				
	2006	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
lance Sheet Data period end)							
tal assets	$ 464,774	$ 444,907	$ 477,391	$ 444,021	$ 425,150	$ 411,819	$ 366,714
ans, net	256,330	243,990	254,030	238,148	214,397	219,172	198,179
vestments securities	170,484	156,229	181,869	167,689	179,221	146,751	128,729
tal deposits	388,953	377,444	401,996	375,244	360,921	350,990	322,101
areholders equity	36,188	33,296	35,616	33,518	30,731	28,540	23,388
come Statement ta							
erest income	$ 6,177	$ 5,205	$ 22,519	$ 20,083	$ 20,580	$ 22,055	$ 24,030
erest expense	2,922	1,935	9,115	6,538	7,164	9,169	13,643
t interest income	3,255	3,270	13,404	13,545	13,416	12,886	10,387
ovision for loan loss		(45)	2	658	1,213	600	630
t interest income er provision for loan ses	3,255	3,315	13,402	12,887	12,203	12,286	9,757
n-interest income	980	1,120	4,387	4,393	4,945	4,167	3,682
n-interest expense	3,430	3,289	13,115	12,572	12,588	11,240	9,823
come before income es	805	1,146	4,674	4,708	4,560	5,213	3,616
come taxes	114	259	1,126	1,139	1,084	1,440	907
t earnings	691	887	3,548	3,569	3,476	3,773	2,709
vidends							
mmon stock	205	181	750	619	531	429	353
tio of total idends declared to income	29.71%	20.44%	21.13%	17.33%	15.28%	11.36%	13.03
r Share Data							
uted earnings per re	$ .64	$ .84	$ 3.32	$ 3.43	$ 3.42	$ 3.79	$ 2.73

vidends per share	.20	.18	.74	.62	.54	.44	.36
ok value (period d) per share	35.14	32.96	34.78	33.31	31.01	29.18	23.78
eighted average mber of common ares outstanding	1,078,353	1,057,301	1,068,145	1,041,743	1,017,693	994,402	992,183
nancial Ratios							
turn on average total ets(1)	.60%	.81%	.78%	.82%	.83%	.98%	.76
turn on average total areholders equity(1)	7.72	10.59	10.22	11.13	11.80	14.54	12.06
t interest margin	3.15	3.37	3.38	3.55	3.65	3.78	3.29
t interest spread	2.78	3.12	3.08	3.33	3.45	3.51	2.89
erage assets per ployee	3,986	3,800	3,738	3,656	3,205	2,998	2,962

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	At or for the Three Months Ended March 31,		At or for the Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
Asset Quality Ratios							
Allowance for loan losses to loans	.75%	1.04%	.78%	1.12%	1.24%	1.10%	1.12%
Non-performing loans to loans	.37	.74	.33	1.82	1.05	.79	.56
Net loan charge-offs to average loans(1)	.11	.12	.28	.29	.42	.20	.09
Capital Ratios of the Company							
Average shareholders equity to average assets	7.71%	7.64%	7.68%	7.37%	7.01%	6.71%	6.32%
Total risk-based capital ratio	16.59	16.79	16.20	16.94	13.01	10.93	10.84
Leverage ratio	10.14	9.97	10.05	9.70	7.00	6.49	6.32
Capital Ratios of the Bank							
Average shareholders equity to average assets	7.41%	7.52%	7.49%	7.34%	7.17%	7.02%	6.65%
Total risk-based capital ratio	12.75	12.99	12.48	13.11	13.16	11.34	11.36
Leverage ratio	7.69	7.58	7.65	7.37	7.08	6.76	6.66

(1) Ratios for the three-month periods are annualized.

Description of the Business

Unless the context otherwise requires, in this section the terms we , us and our refer to West Pointe on a consolidated basis.

Business of the Holding Company

West Pointe was incorporated in 1997 under the IBCA. We are registered as a bank holding company under the Illinois Bank Holding Company Act of 1957, as amended, and the federal Bank Holding Company Act of 1956, as amended (the 1956 BHC Act). We function as the holder of the capital stock of the Bank, our wholly-owned subsidiary. Subject to constraints under the 1956 BHC Act, West Pointe may acquire or develop other financially oriented businesses in the future, although it has no present commitments for any such acquisition or development. Under Illinois and federal law, West Pointe may acquire additional banks or engage in other permitted activities which are closely related to banking; however, we have no present commitments for any such bank acquisitions or for engaging in other banking related activities. Any such acquisitions of banks or organizations engaged in permitted activities could be made for stock, cash or debt obligations of West Pointe.

At the present time, except as mentioned below, West Pointe has no material assets, liabilities or operations other than those of the Bank, does not own or lease any property and has no paid employees. We utilize the premises and services of the employees of the Bank. As described in our financial statements, West Pointe had a revolving $5 million line of credit with an unaffiliated bank which matured on January 7, 2006. As of December 31, 2005, there was no advance on this line of credit. The principal executive offices of West Pointe are located at 5701 West Main Street, Belleville, Illinois 62226.

Bank Products and Services

The Bank was established in 1990 under the Illinois Banking Act, and operates in the financial services segment. Since its establishment, it has conducted a general banking business embracing the customary functions of commercial banking, including residential real estate, commercial, industrial and consumer lending, collections, safe deposit operations, and other services tailored to individual customer needs. On April 8, 1997, the Bank became a wholly-owned subsidiary of West Pointe pursuant to the Plan of Reorganization and Exchange dated as of February 12, 1997. In March of 1997, West Pointe launched its website at www.westpointebank.com, providing customers with full-service Internet banking and bill payment capabilities. At December 31, 2005, the Company had total assets of $477,391,032, total deposits of $401,996,154 and total loans (net of allowance for loan losses of $2,002,059) of $253,697,470. For information relating to our results of operations and other financial data see our Management s Discussion and Analysis of Financial Condition and Results of Operations on page 53.

Market Area

West Pointe s primary geographic market areas consist of St. Clair, Monroe and Madison counties in Illinois and St. Louis City and St. Louis County in Missouri. Our five branch locations in East and West Belleville, Columbia, Dupo and Swansea, Illinois and 25 ATMs serve to meet the convenience and financial needs of our customers. West Pointe believes that the area is experiencing growth in both the commercial and residential populations serviced by West Pointe. Our strategy is to operate as an independent, retail oriented financial institution dedicated to serving the needs of customers in our market areas. Our commitment is to provide a broad range of personalized products and services to meet the needs of our customers.

Lending Activities

The Bank makes and services both secured and unsecured loans to individuals, firms and corporations. The Bank s loan portfolio is composed of loans in the following categories: commercial, financial and agricultural; commercial real estate; real estate construction; consumer residential real estate; and other consumer loans. The percent of loans for the various areas of business of the Bank as of December 31, 2005, based on principal amount, were 25.7% commercial, 20.2% residential real estate, 50.5% commercial and other real estate, 1.9% automobile and 1.7% other consumer loans. As of December 31, 2005, the Bank had approximately 3,955 loans outstanding in the aggregate amount of $255,699,529.

The commercial, financial and agricultural loan portfolio is diversified and includes loans secured by non-real estate collateral to manufacturers, retailers, distributors, service providers and investors. Emphasis is generally placed upon middle-market and community businesses with financial stability and known local management. Underlying collateral for commercial, financial and agricultural loans includes, but is not limited to, inventory, equipment, vehicles and accounts receivable. In the case of corporations, the Bank may obtain personal guarantees from principal shareholders and/or officers.

The commercial real estate loan portfolio consists largely of mortgage loans secured by commercial properties located in the communities served by West Pointe s banking centers. A significant portion of the commercial real estate portfolio is comprised of traditional commercial loans with real estate taken as additional collateral. These loans are made to fund the acquisition of buildings and real estate for commercial, industrial, office and retail use. The maximum loan-to-value ratio applicable to improved commercial properties is 85%. Prior approval of the Bank s Loan and Discount Committee is required for new loans with loan-to-value ratios exceeding this limit.

The real estate construction loan portfolio consists of loans made to finance land development preparatory to erecting new structures or the on-site construction of 1-4 family residences, commercial properties, retail centers, medical and business offices, warehouse facilities and multi-family residential developments. The maximum loan-to-value ratio applicable to loans made for the purpose of land development activities is 75%. The maximum loan-to-value ratios applicable to commercial/multi-family and 1-4 family residential construction loans are 80% and 85%, respectively.

The 1-4 family residential real estate portfolio is predominantly comprised of loans extended for owner-occupied residential properties. These loans typically are secured by first mortgages on the properties financed and generally have a maximum loan-to-value ratio of 85%. The amortization periods for these loans generally do not exceed twenty years with interest being calculated on a fixed or floating rate basis. The 1-4 family residential real estate category also includes home equity lines of credit and closed-end second mortgage loans. Closed-end second mortgage loans generally bear a fixed rate of interest over a three to five year term with a five to fifteen year amortization, while home equity lines of credit generally have an interest rate indexed to the prime rate. Home equity loans generally have a maximum loan-to-value ratio of 85%.

The consumer loan portfolio consists of both secured and unsecured loans to individuals for household, family, and other personal expenditures such as automobile financing, home improvements and recreational and educational purposes. Consumer loans are typically structured with fixed rates of interest and full amortization of principal and interest within three to five years. The maximum loan-to-value ratio applicable to consumer loans is generally 80%. This category of loans also includes revolving credit products such as checking overdraft protection and MasterCard and VISA credit cards. Consumer loans are either unsecured or are secured with various forms of collateral, other than real estate.

The Bank s asset quality management program, particularly with regard to loans, is designed to analyze potential risk elements and to support the growth of a profitable and high quality loan portfolio. The Bank employs the use of a loan rating system to monitor the loan portfolio and to determine the adequacy of the allowance for loan losses. The Bank s lending philosophy is to invest in loans in the communities served by its banking centers so it can effectively monitor and control credit risk. The majority of the loan portfolio is comprised of retail loans and loans to small-to-midsized businesses. A periodic review of selected credits (based on loan size) is conducted to identify loans with heightened risks or inherent losses. Factors which could contribute to increased risk in the loan portfolio include, but are not limited to, changes in interest rates, general economic conditions and reduced collateral values. The Bank is not engaged in making loans to foreign countries.

As of December 31, 2005, and effective January 30, 2006, the statutory legal lending limit amount for the Bank to loan to one customer was $9,441,015.

Deposit Activities

The Bank offers similar types of deposit accounts to those offered by other financial institutions. The categories of deposit accounts within the Bank s portfolio include non-interest bearing demand deposits, interest bearing demand deposits, savings and money market deposits, time deposits of $100,000 and more, and time deposits of less than $100,000. On December 31, 2005, the Bank had approximately 26,442 deposit accounts representing $401,996,154 in deposits.

Core deposits originating within the communities served by our banking locations continue to be the Bank s most reliable and most important source of funds. Deposit products are offered to individuals, partnerships, corporations, public entities and not-for-profit organizations. Within each deposit category, customers have a variety of product options to choose from, each of which may have characteristics specifically suited to their needs. These product options may have variations in service fees, minimum balance requirements and interest rates. In the case of time deposits, the Bank offers a wide variety of products with varying maturity terms and rates. The Bank operates in a highly competitive market place for deposits and strives to price its deposit products accordingly. The Bank has no brokered deposits. No material portion of the Bank s deposits has been obtained from a single customer or customers (including federal, state, and local governments and agencies) the loss of any one or more of which would have a materially adverse effect on the Bank, nor is a material portion of the Bank s deposits concentrated within a single industry or group of related industries.

Investment Activities

The Bank invests a portion of its assets in U.S. Treasury and U.S. agencies, mortgage-backed securities, state, county and municipal obligations and equity securities. The Bank s investments are managed in relation to loan demand and deposit growth, and are generally used to provide for the investment of excess funds at yields and risks relative to yields and risks of the loan portfolio, while providing liquidity to fund increases in loan demand or to offset fluctuations in deposits. The Bank does not engage in hedging activities.

The Bank classifies investment securities as available for sale or held to maturity. Available for sale investment securities are held with the option of their disposal in the foreseeable future to meet investment objectives or for other operational needs. Held to maturity investment securities generally provide a relatively stable source of income. As of December 31, 2005, the Bank had no investment securities classified as held to maturity. Available for sale investment securities are recorded at fair value. As of December 31, 2005, all of the investment securities held in the Bank s investment portfolio are classified as available for sale. At December 31, 2005, the Bank s available for sale portion of the investment securities portfolio reflected a fair value of $167,905,905 and an amortized cost of $170,156,176. The U.S. government agencies portion of the available for sale portfolio is comprised of restricted securities issued by the Federal Home Loan Bank. Available for sale mortgage-backed securities are comprised of securities issued by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Government National Mortgage Association. Over 74% of the obligations of states and political subdivisions portion of the available for sale portfolio is rated by either Moody s Rating Service or Standard and Poor s Rating Service as AAA.

In addition to available for sale investment securities, the Bank holds equity securities in the form of Federal Home Loan Bank stock.

Supervision and Regulation

General

As a bank holding company, we are primarily regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 (the 1956 BHC Act). Under the 1956 BHC Act, the Federal Reserve Board s prior approval is required if we propose to acquire all or substantially all of the assets of any bank, acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank, or merge or consolidate with any other bank holding company. The 1956 BHC Act also prohibits us, with certain exceptions, from acquiring direct or indirect ownership or control of more than 5% of any class of voting shares of any non-banking company. Under the 1956 BHC Act, we may not engage in any business other than managing and controlling banks or furnishing certain specified services to subsidiaries and may not acquire voting control of non-banking companies unless the Federal Reserve Board determines such businesses and services to be closely related to banking. When reviewing bank acquisition applications for approval, the Federal Reserve Board considers, among other things, each subsidiary bank s record in meeting the credit needs of the communities it serves in accordance with the CRA.

We are required to file with the Federal Reserve Board various reports and such additional information as the Federal Reserve Board may require. The Bank is also subject to regulation by the Federal Deposit Insurance Corporation. In addition, there are numerous other federal and state laws and regulations which control the activities of us and the Bank, including requirements and limitations relating to capital and reserve requirements, permissible investments and lines of business, transactions with affiliates, loan limits, mergers and acquisitions, issuance of securities, dividend payments and extensions of credit. This regulatory framework is intended primarily for the protection of depositors and the preservation of the federal deposit insurance funds, and not for the protection of security holders. Statutory and regulatory controls increase a bank holding company s cost of doing business and limit the options of its management to employ assets and maximize income.

In addition to its regulatory powers, the Federal Reserve impacts the conditions under which we operate by its influence over the national supply of bank credit. The Federal Reserve Board employs open market operations in U.S. Government securities, changes in the discount rate on bank borrowings, changes in the federal funds rate on overnight inter-bank borrowings, and changes in reserve requirements on bank deposits in implementing its monetary policy objectives. These instruments are used in varying combinations to influence the overall level of the interest rates charged on loans and paid for deposits, the price of the dollar in foreign exchange markets and the level of inflation. The monetary policies of the Federal Reserve have had a significant effect on the operating results of financial institutions in the past, most notably the low interest rate environment in 2003 and the first six months of 2004 and the subsequent rising rate environment during the last six months of 2004 and throughout 2005. In view of changing conditions in the national economy and in the money markets, as well as the effect of credit policies of monetary and fiscal authorities, no prediction can be made as to possible future changes in interest rates, deposit levels or loan demand, or their effect on our financial performance.

Under Federal Reserve policy, we are expected to act as a source of financial strength to the Bank and to commit resources to support the Bank in circumstances when it might not otherwise do so. The Federal Reserve Board may prohibit the payment of dividends by bank holding companies if their actions constitute unsafe or unsound practices. The payment of dividends by the Bank also may be affected by factors such as the maintenance of adequate capital. At December 31, 2005, the Bank was well-capitalized under regulatory capital adequacy standards.

Illinois Regulation

West Pointe is subject to additional regulation under the Illinois Bank Holding Company Act of 1957, as amended. As an Illinois bank holding company, we are subject to examination by the Illinois Department of Financial and Professional Regulation (IDFPR). The Bank is organized under the laws of the State of Illinois and as such is also subject to IDFPR supervision. The IDFPR requires all state banks to file a full and accurate statement of their affairs annually, and IDFPR examiners conduct periodic examinations of state banks.

The IDFPR has the right to promulgate rules and regulations necessary for the supervision and regulation of Illinois banks under its jurisdiction and for the protection of the public investing in such institutions. The regulatory authority of the IDFPR includes, but is not limited to: the establishment of reserve requirements; the regulation of the payment of dividends; the regulation of stock repurchases; the regulation of incorporators, shareholders, directors, officers and employees; the establishment of permitted types of withdrawal accounts and types of contracts for savings programs, loans and investments; the regulation of the conduct and management of banks, chartering and branching of institutions, mergers, conversions; and limitations on investments in and loans to affiliates.

Competition

West Pointe encounters strong competition both in making loans and in attracting deposits. The deregulation of the banking industry and the widespread enactment of state laws permitting multi-bank holding companies, as well as an increasing level of interstate banking have created a highly competitive environment for commercial banking. In various aspects of its business, the Bank competes with other commercial banks, savings and loan associations, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking companies, and other financial intermediaries. Most of these competitors, some of which are affiliated with bank holding companies, have substantially greater resources and lending limits, and may offer certain services that the Bank does not currently provide. In addition, many of the Bank s non-bank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks. The potential for competition among financial institutions of all types has increased significantly. We believe that we compete with approximately 22 financial institutions in our geographic market.

To compete effectively, the Bank relies upon specialized services, responsive handling of customer needs, and personal contacts by its officers, directors, and employees. Large multi-branch banking competitors tend to compete primarily by rate and the number and location of branches, while smaller, independent institutions like the Bank tend to compete primarily by rate and personal service.

Employees

As of December 31, 2005, the Bank employed 111 full-time employees and 14 part-time employees. West Pointe does not have any employees and, as needed, utilizes the services of the employees retained by the Bank. No collective bargaining unit represents the employees. West Pointe and the Bank consider relations with their employees to be good.

Website Address

We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and various other filings with the SEC. These filings are available on the website of the SEC at www.sec.gov. Our website address is www.westpointebank.com. We make available free of charge on our website access to our SEC filings as soon as reasonably practicable after we file such reports. The reference to our website does not constitute incorporation by reference of the information contained in the website and should not be considered part of this document.

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Description of Property

West Pointe and the Bank both operate out of the Bank s headquarters office, four branch offices and two office space locations, all of which are owned with the exception of one branch office. The following is a brief description of the properties owned and leased by the Company:

Location	Size	Description	Owned/ Leased
Belleville, Illinois	23,500 s.f.	Headquarters	Owned
Belleville, Illinois	15,600 s.f.	Branch Office	Owned
Swansea, Illinois	7,200 s.f.	Branch Office	Owned
Columbia, Illinois	3,200 s.f.	Branch Office	Leased
Dupo, Illinois	2,900 s.f.	Branch Office	Owned
Belleville, Illinois	21,700 s.f.	Office Space(1)	Owned
Belleville, Illinois	8,000 s.f.	Office Space(2)	Owned

(1) West Pointe uses a portion of this property for record retention purposes only; the remaining portion of the property is leased to third parties on an interim basis.

(2) West Pointe acquired this property in the fourth quarter of 2004 and intended to use it for various administrative functions. This property was sold in March 2006.

Legal Proceedings

West Pointe is not a party to any material pending legal proceedings before any court, administrative agency or tribunal, nor is West Pointe aware of any litigation threatened against it in any court, administrative agency or other tribunal. The Bank, is subject to various claims, lawsuits and administrative proceedings arising in the ordinary course of business from time to time. The Bank management is of the opinion, based upon present information, including evaluations by outside counsel, that the Bank s financial condition, results of operations or cash flows will not be materially affected by the ultimate resolution of pending or threatened legal proceedings.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF WEST POINTE BANCORP, INC.

Introduction

The primary business of West Pointe and its sole subsidiary, the Bank (referred to collectively in this Section, unless the context requires otherwise, as West Pointe) consists of providing a diversified range of financial services in the communities in which it operates including consumer and commercial lending, retail banking and other ancillary financial services traditionally offered by full-service financial institutions. Additional services offered include mortgage origination and servicing, investment management and trust services, the issuance of debit cards, full-service brokerage and the sale of annuities. West Pointe operates from five banking locations and 25 automated teller machines located in St. Clair, Madison and Monroe counties in Illinois.

The following provides a narrative discussion and analysis of the major trends affecting West Pointe s results of operations, financial condition, asset quality, and capital resources and asset/liability management during the three year period ended December 31, 2005. Throughout this discussion, certain prior year amounts have been reclassified to conform to the current year presentation. **This discussion should be read in conjunction with the Consolidated Financial Statements of West Pointe and the accompanying Notes to Consolidated Financial Statements, which are included elsewhere in this report.**

Financial Overview

Net income for the year ended December 31, 2005, was $3,548,248 compared with $3,569,404 for the year ended December 31, 2004, and $3,475,937 for the year ended December 31, 2003. Return on average assets was .78% for the year ended December 31, 2005, .82% for the year ended December 31, 2004 and .83% for the year ended December 31, 2003. Return on average equity was 10.22% for the year ended December 31, 2005, 11.13% for the year ended December 31, 2004 and 11.80% for the year ended December 31, 2003.

Basic net income per share for the year ended December 31, 2005 decreased slightly to $3.50 per share from $3.58 for the year ended December 31, 2004. Basic net income per share totaled $3.54 for the year ended December 31, 2003. Diluted net income per share for the year ended December 31, 2005 decreased to $3.32 per share from $3.43 for the year ended December 31, 2004. Diluted net income per share totaled $3.42 for the year ended December 31, 2003.

The modest decrease in net income for the year ended December 31, 2005 compared to the year ended December 31, 2004 was primarily the result of a modest decrease in net interest income and an increase in noninterest expense, partially offset by a decrease in the provision for loan losses. During 2005, management of West Pointe continued its resolve to improve the quality of the loan portfolio, the outcome of which resulted in a substantial reduction in the provision for loan losses. Nonperforming loans decreased significantly from December 31, 2004 to December 31, 2005. This decrease was primarily attributable to the liquidation of loans to two borrowers. The modest increase in net income for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily the result of an increase in net interest income, a decrease in the provision for loan losses offset by a decrease in noninterest income.

At December 31, 2005, West Pointe reported total assets of $477,391,032, an increase of 7.5% from $444,021,124 at December 31, 2004. This increase resulted primarily from growth in loans and an increase in the volume of securities. The growth in these areas was funded primarily by increases in deposits and repurchase agreements.

Results of Operations

Net Interest Income

Net interest income is comprised of interest income and loan-related fees less interest expense. Net interest income is affected by a number of factors including: the level, pricing, mix and maturity of earning assets and interest bearing liabilities; interest rate fluctuations; and asset quality. Net interest income as presented below is on a tax-equivalent basis, which adjusts tax-exempt income to an amount that would yield the same after-tax income had the income been subject to taxation at the federal statutory rate, currently 34% for West Pointe. Reference is made to the following two tables, which present West Pointe s average balance sheet and volume and rate change analysis for each of the three years ended December 31, 2005, 2004 and 2003.

Net interest income for the year ended December 31, 2005 was $14,169,124 compared to $14,282,273 for the year ended December 31, 2004. Net interest income for the year ended December 31, 2003, was $14,144,228. During 2003 and the first half of 2004, the Federal Reserve Bank continued its trend, initiated in 2001, of reducing the federal funds rate in an effort to stimulate the economy. The year 2003 ended with a federal fund rate of 1.00%. These declines in interest rates brought about increased prepayments on both loans and securities. In addition, the interest rates on variable rate loans were reset to the lower market interest rates. These factors combined to cause a reduction in interest income, which was more than offset by the decline in interest expense. This expense reduction primarily resulted from repayment of higher-cost deposits. During the last half of 2004, the Federal Reserve Bank began to increase the federal funds rate. By year-end 2004, the federal funds rate reached a level of 2.25%, an increase of 125 basis points over the year-end 2003 level. During 2005, the Federal Reserve Bank continued its trend, initiated in 2004, of increasing the federal funds rate. By year-end 2005, the federal funds rate reached a level of 4.25%, an increase of 200 basis points over the year-end 2004 level. The increases in interest rates have decreased prepayments on loans and securities and have contributed to reduced levels of loan refinancing activities. Further increases in the federal funds rate during 2006 may be dependent upon several factors including, but not limited to, the level of inflation and its impact on the U.S. economy. During the year ended December 31, 2005 compared to the year ended December 31, 2004, net interest income decreased $871,457 as a result of the interest rate environment. This decrease occurred as the interest rates earned on interest earning assets increased at a slower pace than the interest rates paid on interest bearing liabilities. During the year ended December 31, 2004 compared to the year ended December 31, 2003, net interest income decreased $636,111 as a result of the interest rate environment. This decrease occurred as the interest rates earned on interest earning assets declined at a faster pace than the interest rates paid on interest bearing liabilities.

During the year ended December 31, 2005, the average balance of interest earning assets increased $16,163,457 compared to the year ended December 31, 2004, which resulted in an increase in tax-equivalent interest income of $1,293,499. The increase in the average balance of interest earning assets was principally attributable to increases in the volume of loans, non-taxable securities and interest earning due from bank balances. These increases were partially offset by a decrease in taxable securities. Changes in yields on interest earning assets increased tax-equivalent interest income by $1,170,556. The yield on the loan portfolio increased 37 basis points for the year ended December 31, 2005, compared to the year ended December 31, 2004. This increase occurred as a result of changes in the prime lending rate, which increased from 5.25% at December 31, 2004 to 7.25% at December 31, 2005. While certain loans in the commercial and real estate loan portfolios reprice as the prime rate changes, the timing of this repricing does not always occur simultaneously with the prime rate change. Loans that reprice with changes in the prime rate generally reprice to the same extent. The yield on taxable securities increased 16 basis points during the year ended December 31, 2005, compared to the year ended December 31, 2004. During 2005, West Pointe continued to receive prepayments on those securities. The proceeds from certain of those prepayments, along with proceeds from certain taxable securities sold or matured were reinvested at slightly higher interest rates. As the overall interest rate environment began to increase during the latter part of 2004 and continued to increase throughout 2005, West Pointe management continued to analyze potential interest rate risk in the investment portfolio that could occur in a rising rate environment. This potential interest rate risk could result in a net unrealized loss in the portfolio that exceeds West Pointe s acceptable level. In an effort to limit this potential interest rate risk exposure, management continued, in 2005, to purchase securities with shorter average lives. The yield on tax-exempt securities decreased 22 basis points during the year ended December 31, 2005 compared to the year ended December 31, 2004. This decrease was primarily the result of sales of tax-exempt securities with higher rates.

During the year ended December 31, 2004, the average balance of interest earning assets increased $14,866,435 compared to the year ended December 31, 2003, which resulted in an increase in tax-equivalent interest income of $961,049. The increase in the average balance of interest earning assets was principally attributable to increases in the volume of loans and securities. Changes in yields on interest earning assets decreased tax-equivalent interest income by $1,449,146. The yield on the loan portfolio decreased 59 basis points for the year ended December 31, 2004 compared to the year ended December 31, 2003. This decrease occurred despite the fact that the prime lending rate increased from 4.00% at December 31, 2003 to 5.25% at December 31, 2004. The yield on taxable securities remained stable during the year ended December 31, 2004 compared to the year ended December 31, 2003. However, West Pointe continued to receive prepayments on those securities. The proceeds from those prepayments, along with proceeds from taxable securities called for redemption, sold or matured were reinvested at comparable interest rates. The yield on tax-exempt securities decreased 36 basis points during the year ended December 31, 2004 compared to the year ended December 31, 2003. This decrease was primarily the result of purchases of tax-exempt securities at lower rates.

The average balance of interest bearing liabilities increased $10,892,087 for the year ended December 31, 2005 compared to the year ended December 31, 2004. This increase included an increase of $4,591,357 in average interest bearing deposits. The majority of this increase was attributable to an increase in the average balance of savings and money market deposits. Average savings and money market deposits increased $17,898,015 for the year ended December 31, 2005 compared to the year ended December 31, 2004. This increase was partially offset by a decrease in the average balance of interest bearing demand deposits of $14,274,834 at December 31, 2005 compared to December 31, 2004. The increase in the average balance of savings and money market deposits and the decrease in the average balance of interest bearing demand deposits was due, in part, to the daily transfer of certain account balances from interest bearing demand deposits to savings deposits, which is discussed further under *Deposits.* The increase in the average balance of interest bearing liabilities from the year ended December 31, 2004 to the year ended December 31, 2005 also includes an increase of $6,300,730 in average borrowings. Average borrowings for the year ended December 31, 2005 included other short-term borrowings, Federal Home Loan Bank advances and subordinated debentures. The increase in average borrowings is discussed under *Borrowings.* The increase in the average balance of interest bearing liabilities for the year ended December 31, 2005, compared to the year ended December 31, 2004, resulted in an increase in interest expense of $535,191. The average rate paid on total interest bearing liabilities increased 64 basis points for the year ended December 31, 2005, compared to the year ended December 31, 2004. This increase resulted in an increase in interest expense of $2,042,013.

The average balance of interest bearing liabilities increased $6,921,540 for the year ended December 31, 2004 compared to the year ended December 31, 2003. This increase included an increase of $6,415,434 in average interest bearing deposits. The majority of this increase was attributable to increases in the average balance of interest bearing demand deposits and time deposits. Average interest bearing demand deposits and time deposits increased $2,105,370 and $5,276,636, respectively, for the year ended December 31, 2004 compared to the year ended December 31, 2003. Management believes that continued skepticism surrounding the performance of the stock market, evident during 2004 as well as the past few years, resulted in customers desiring to retain funds in more liquid accounts. Additional deposit information is discussed further under *Deposits.* The increase in the average balance of interest bearing liabilities from the year ended December 31, 2003 to the year ended December 31, 2004 also includes an increase of $506,106 in average borrowings. Average borrowings for the year ended December 31, 2004 included other short-term borrowings, Federal Home Loan Bank advances and subordinated debentures. The increase in average borrowings is discussed under *Borrowings.* The increase in the average balance of interest bearing liabilities for the year ended December 31, 2004, compared to the year ended December 31, 2003, resulted in an increase in interest expense of $186,893. The average rate paid on total interest bearing liabilities decreased 21 basis points for the year ended December 31, 2004, compared to the year ended December 31, 2003. This decrease resulted in a decrease in interest expense of $813,035.

During 2005, West Pointe s net interest margin was 3.38% compared to 3.55% and 3.65% in 2004 and 2003, respectively. The interest rate spread was 3.08% for 2005, which compares to 3.33% and 3.45% for 2004 and 2003, respectively. Interest rate trends had a significant impact on West Pointe s yields and costs during the period from 2003 through 2005. The continuing compression in the net interest margin during 2005, compared to 2004 and 2003, occurred as the cost of interest bearing liabilities increased at a faster pace than the yields on interest earning assets. In addition to the higher interest rate environment experienced in 2005, competitive pricing for both loans and deposits continues to directly impact the net interest margin.

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The following table sets forth West Pointe s average balance sheets for the last three years, the interest income and expense associated with such categories of interest earning assets and interest bearing liabilities, and the average yields and rates on such categories.

DISTRIBUTION OF AVERAGE ASSETS, LIABILITIES AND SHAREHOLDERS EQUITY AND INTEREST RATE INFORMATION

	2005			2004			2003	
	Average Balance	**Interest**	**Average Yield/ Cost**	**Average Balance**	**Interest**	**Average Yield/ Cost**	**Average Balance**	**Intere**
ssets:								
ue from	$ 8,234,147	$ 272,498	3.31%	$ 5,221,053	$ 67,207	1.29%	$ 9,864,786	$ 96
	250,625,438	16,399,033	6.54	227,023,334	13,996,939	6.17	218,459,617	14,775
s(4)(5)	117,989,363	4,251,695	3.60	133,069,241	4,573,127	3.44	125,078,434	4,303
rities(4)(6)	41,943,311	2,361,180	5.63	37,315,174	2,183,078	5.85	34,359,530	2,132
hing assets	418,792,259	23,284,406	5.56	402,628,802	20,820,351	5.17	387,762,367	21,308
ng assets:								
m banks	9,955,974			10,261,971			9,557,400	
nd	12,122,280			12,040,217			12,030,971	
	13,890,985			13,003,528			13,156,962	
an losses	(2,445,197)			(2,875,601)			(2,715,196)	
	$ 452,316,301			$ 435,058,917			$ 419,792,504	
ND RS								
abilities:								
emand	$ 21,149,415	$ 180,153	.85%	$ 35,424,249	$ 136,501	.39%	$ 33,318,879	$ 156
ey market	133,924,966	1,745,630	1.30	116,026,951	1,115,744	.96	116,993,523	1,260
	177,553,256	5,913,088	3.33	176,585,080	4,618,677	2.62	171,308,444	5,095
borrowings	23,532,974	684,242	2.91	22,049,194	363,044	1.65	22,324,845	364
an Bank	450,625	13,875	3.08	5,464,795	281,229	5.15	5,161,918	287
entures	10,310,000	578,294	5.61	478,880	22,883	4.78		
ring	366,921,236	9,115,282	2.48	356,029,149	6,538,078	1.84	349,107,609	7,164

ng							
	46,318,198			42,698,167		37,204,297	
	4,360,597			4,257,965		4,032,982	
	417,600,031			402,985,281		390,344,888	
uity	34,716,270			32,073,636		29,447,616	
nd quity	$ 452,316,301			$ 435,058,917		$ 419,792,504	
ne		$ 14,169,124			$ 14,282,273		$ 14,14
d			3.08%		3.33%		
in			3.38%		3.55%		

(1) For purposes of these computations, nonaccrual loans are included in the daily average loan amounts outstanding; interest on nonaccrual loans is recorded when received.

(2) Includes loans held for sale.

(3) Information presented on a tax-equivalent basis assuming a tax rate of 34% and reduced by disallowed interest expense pursuant to Internal Revenue Code Section 291. The disallowed interest expense amounted to $34,768, $18,729 and $11,787 for 2005, 2004 and 2003, respectively. The tax-equivalent adjustment amounted to $69,587, $68,292 and $79,843 for 2005, 2004 and 2003, respectively.

(4) Yields are calculated on historical cost and exclude the impact of the unrealized gain (loss) on available for sale securities.

(5) Includes Federal Home Loan Bank stock.

(6) Information presented on a tax-equivalent basis assuming a tax rate of 34% and reduced by disallowed interest expense pursuant to Internal Revenue Code Section 291. The disallowed interest expense amounted to $162,437, $111,261 and $116,467 for 2005, 2004 and 2003, respectively. The tax-equivalent adjustment amounted to $695,591, $668,813 and $648,117 for 2005, 2004 and 2003, respectively.

The following table sets forth the volume and rate variances that affected net interest income.

	2005 Compared with 2004 Increase (Decrease) Due to(1)			**2004 Compared with 2003 Increase (Decrease) Due to(1)**		
	Volume	**Rate**	**Net**	**Volume**	**Rate**	**Net**
Interest earned on:						
Interest bearing due from banks	$ 55,155	$ 150,136	$ 205,291	$ (54,176)	$ 24,399	$ (29,777)
Loans(2)	1,511,273	890,821	2,402,094	563,486	(1,342,356)	(778,870)
Taxable securities	(535,854)	214,422	(321,432)	274,622	(4,836)	269,786
Non-taxable securities(3)	262,925	(84,823)	178,102	177,117	(126,353)	50,764
Total interest earning assets	1,293,499	1,170,556	2,464,055	961,049	(1,449,146)	(488,097)
Interest paid on:						
Interest bearing demand deposits	(71,635)	115,287	43,652	9,438	(29,643)	(20,205)
Savings and money market deposits	190,626	439,260	629,886	(10,330)	(133,957)	(144,287)
Time deposits	25,459	1,268,952	1,294,411	153,112	(630,342)	(477,230)
Short-term borrowings	25,942	295,256	321,198	(4,520)	3,470	(1,050)
Federal Home Loan Bank advances	(185,949)	(81,405)	(267,354)	16,310	(22,563)	(6,253)
Subordinated debentures	550,748	4,663	555,411	22,883		22,883
Total interest bearing liabilities	535,191	2,042,013	2,577,204	186,893	(813,035)	(626,142)
Net interest income	$ 758,308	$ (871,457)	$ (113,149)	$ 774,156	$ (636,111)	$ 138,045

(1) The change in interest due to both rate and volume has been allocated to rate and volume changes in proportion to the relationship of the absolute dollar amounts of the change in each.

(2) Presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment relating to the change in interest income was an increase of $1,295 for 2005 compared with 2004 and a decrease of $11,551 for 2004 compared with 2003.

(3) Presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment relating to the change in interest income was an increase of $26,778 for 2005 compared with 2004 and an increase of $20,696 for 2004 compared with 2003.

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Provision for Loan Losses

The provision for loan losses is the charge to earnings that management determines to be necessary to maintain the adequacy of the allowance for loan losses. Factors which influence management s determination of the provision for loan losses, include, among other things, a review of individual loans, size and quality of the loan portfolio, current and projected economic conditions, regulatory guidelines, and historical loan loss experience. The provision for loan losses charged to expense in the year ended December 31, 2005 decreased to $2,000, compared with $658,000 and $1,213,000 in the years ended December 31, 2004 and 2003, respectively. The decrease in the provision for loan losses for the year ended December 31, 2005 compared to the year ended December 31, 2004 was primarily attributable to a substantial decrease in nonperforming and impaired loans during 2005. In addition, during 2005 and as a result of management s continuing allowance for loan loss methodology review, West Pointe determined that a reserve associated with the possible closure of Scott Air Force Base was no longer necessary. During 2005, the U.S. Department of Defense through the Base Realignment and Closure (BRAC) Commission determined that, unlike several other military bases, Scott Air Force Base was not to be considered for closure. In West Pointe s market area, Scott Air Force Base is vital to the economy. As such, closure of the base could have resulted in additional loan loss exposure to West Pointe. During 2005, the impact on the provision for loan losses that resulted from these items was partially offset by net loans charged off. During the latter part of 2004 and throughout 2005, management continued to monitor and evaluate the West Pointe s allowance for loan loss methodology. That review included a thorough evaluation of selected credits with heightened risk or inherent losses. The results of that review also contributed to the reduced provision for loan losses recorded during 2005 compared to 2004. The provisions for loan losses recorded during 2005 and 2004 were recorded during the first nine months of those years. The results of the allowance for loss methodology review and the evaluation of the credit quality of the loan portfolio, in general, resulted in no provisions for loan losses being recorded during the fourth quarters of 2005 or 2004. Activity in the allowance for loan losses and nonperforming loan data are discussed under Asset Quality.

Noninterest Income

Excluding net securities gains, noninterest income for the year ended December 31, 2005 was $4,008,635, compared with $4,078,925 and $4,316,108 in the years ended December 31, 2004 and 2003, respectively. Total noninterest income as a percentage of average assets was .97%, 1.01% and 1.18% for the years ended December 31, 2005, 2004 and 2003, respectively.

The following table sets forth information pertaining to the major components of noninterest income.

	Year Ended December 31,		
	2005	**2004**	**2003**
Service charges on deposits	$ 1,383,815	$ 1,531,329	$ 1,331,403
Mortgage banking	375,023	461,206	865,375
Trust fees	691,856	674,723	694,157
Brokerage and insurance service	373,254	369,697	331,532
Credit card income	405,641	402,872	378,317
Earnings on cash surrender value of life insurance	308,000	428,068	488,087
Gain on sale of securities, net	378,516	314,048	629,318
Gain on sale of credit card portfolio	191,221		
Other	279,825	211,030	227,237
Total noninterest income	$ 4,387,151	$ 4,392,973	$ 4,945,426

Service charges on deposits are fees received for services related to retail and commercial deposit products. These fees apply to both interest bearing and noninterest bearing accounts and also include charges for insufficient funds and overdrafts. These fees represent the largest component of noninterest income. Service charges on deposits totaled $1,383,815 for the year ended December 31, 2005 compared to $1,531,329 and $1,331,403 for the years ended December 31, 2004 and December 31, 2003, respectively. The decrease for the year ended December 31, 2005 compared to the year ended December 31, 2004 was primarily attributable to decreases in charges for

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insufficient funds and overdrafts coupled with decreases resulting from a reduction in the volume of service charges on business deposit accounts. Many of West Pointe s commercial deposit accounts receive an earnings credit on balances maintained. These earnings credits are used to reduce scheduled service charges and increase or decrease as interest rates rise or fall. As a result of the higher interest rate environment experienced in 2005, these earnings credits increased, thus reducing the level of service charges being assessed. The increase for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily attributable to an increase in charges for insufficient funds and overdrafts coupled with increases in various service charges that resulted from an analysis of West Pointe s service charge schedule. The results of that analysis, completed during the fourth quarter of 2003, were implemented on January 1, 2004.

Mortgage banking income totaled $375,023 for the year ended December 31, 2005, compared to $461,206 and $865,375 for the years ended December 31, 2004 and December 31, 2003, respectively. Mortgage banking income includes mortgage origination fees, mortgage servicing and miscellaneous fees, and gains or losses on the sale of mortgage loans. The level of mortgage banking income decreased 18.7% for the year ended December 31, 2005 compared to the year ended December 31, 2004 and decreased 46.7% for the year ended December 31, 2004 compared to the year ended December 31, 2003. The mortgage loan sales volume depends heavily on the prevailing interest rates and the strength of the local real estate market. The lower levels of mortgage banking income for the years ended December 31, 2005 and December 31, 2004 were reflective of the higher interest rate environment that existed during those years. The higher level of mortgage banking income recorded during the year ended December 31, 2003 was indicative of the lower interest rate environment that characterized that year. A rising interest rate environment, as experienced in 2005 and the latter half of 2004, tends to decrease mortgage loan production and mortgage refinancing activity. Conversely, a decreasing interest rate environment tends to increase these activities. The majority of mortgage loans originated by West Pointe are sold into the secondary market with servicing rights retained in certain cases. West Pointe management anticipates that mortgage banking activities will continue at lower levels during 2006.

Income from trust fees totaled $691,856 for the year ended December 31, 2005 compared to $674,723 and $694,157 for the years ended December 31, 2004 and December 31, 2003, respectively. Income from trust fees is derived primarily from administration of estates, personal trusts and investment management agencies. The modest increase in income from trust fees for the year ended December 31, 2005 compared to the year ended December 31, 2004 was primarily due to the receipt of one-time fees charged in connection with the administration of certain trusts.

Income from brokerage and insurance services totaled $373,254 for the year ended December 31, 2005 compared to $369,697 and $331,532 for the years ended December 31, 2004 and December 31, 2003, respectively, and remained relatively stable for those years compared. During the past several years, through an arrangement with Raymond James Financial Services, Inc., member NASD and SIPC, West Pointe has expanded its product line to include additional investment opportunities. Products available through the brokerage and insurance service function include stocks, bonds, mutual funds, annuities and other non-deposit investment products.

Credit card income totaled $405,641 for the year ended December 31, 2005 compared to $402,872 and $378,317 for the years ended December 31, 2004 and December 31, 2003, respectively. Credit card income primarily consists of merchant processing fees for credit card transactions and interchange fees received on transactions of West Pointe s cardholders. Credit card income remained stable for the year ended December 31, 2005 compared to the year ended December 31, 2004. Credit card income increased $24,555 for the year ended December 31, 2004, compared to the year ended December 31, 2003. This increase was partially due to higher levels of merchant processing fees for credit card transactions and additional interchange fees received on transactions of West Pointe s cardholders. At the end of the third quarter of 2005, West Pointe sold its credit card portfolio to an unaffiliated third party. The decision to sell the portfolio was based, in part, on management s analysis of the program s level of contribution to West Point s earnings. The sale was completed following the purchaser s due diligence examination and the execution of a definitive agreement. A gain of $191,221 was recognized on the sale of the portfolio. Notwithstanding the sale, West Pointe will continue to receive a portion of the interchange revenues on credit cards issued by the purchaser. In addition, the sale is not expected to diminish West Pointe s interchange revenues on debit cards.

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During the year ended December 31, 2005, West Pointe recorded an increase in cash surrender value of life insurance of $308,000 compared to $428,068 and $488,087 for the years ended December 31, 2004 and December 31, 2003, respectively. These cash surrender value increases relate to various bank owned life insurance (BOLI) policies. Certain of the BOLI policies were purchased in connection with West Pointe s director fee deferral program and West Pointe s salary continuation agreements which have been established with various West Pointe officers. The remaining BOLI policies were purchased in connection with West Pointe s split dollar agreements with certain West Pointe officers and other employee benefit programs. These BOLI policies provide certain benefits to West Pointe including, but not limited to, exclusion from income taxes of the increase in their cash surrender values. The reduced level of the cash surrender value increase from the year ended December 31, 2004 to the year ended December 31, 2005 was primarily due to the write-down of the carrying value of an insurance policy to its appropriate cash surrender value. The subject insurance policy is associated with a split dollar agreement executed in 2000 by and between West Pointe and an officer of West Pointe. The reduced level of the cash surrender value increase from the year ended December 31, 2003 to the year ended December 31, 2004 was primarily the result of interest rate reductions on certain of the BOLI policies.

Net securities gains totaled $378,516 for the year ended December 31, 2005 compared to $314,048 and $629,318 for the years ended December 31, 2004 and December 31, 2003, respectively. Available for sale securities transactions are an integral part of balance sheet and interest rate risk management activities and result in gains or losses being realized from the sale of such securities. Net securities gains recorded during the years ended December 31, 2005 and December 31, 2004 resulted from management s decision to sell certain securities due to favorable market conditions. Net securities gains recorded during the year ended December 31, 2003 resulted from management s decisions to decrease interest income on non-taxable securities to minimize alternative minimum tax positions and to reconfigure certain segments of the securities portfolio to limit potential interest rate risk that could result from a rising interest rate environment, as described under *Net Interest Income.* West Pointe management believes that the securities portfolio is presently structured to minimize interest rate risk that can occur in a rising rate environment.

Other noninterest income includes such items as interchange fees on automated teller machine (ATM) transactions, safe deposit rental fees, check printing fees, wire transfer fees and other miscellaneous fees. Collectively, the components of other noninterest income generated revenues of $279,825 for the year ended December 31, 2005 compared to $211,030 and $227,237 for the years ended December 31, 2004 and December 31, 2003, respectively. The increase for the year ended December 31, 2005 compared to the year ended December 31, 2004 primarily resulted from an increase in fee income earned in connection with the issuance of West Pointe s money orders and other official checks. These money orders and official checks are drawn on another financial institution and West Pointe receives commission fee income based on the float associated with those items. The decrease for the year ended December 31, 2004 compared to the year ended December 31, 2003 resulted from modest declines in a number of categories of other noninterest income.

Noninterest Expense

Noninterest expense increased to $13,114,649 for the year ended December 31, 2005 compared with $12,571,337 and $12,589,157 for the years ended December 31, 2004 and 2003, respectively. The increase for the year ended December 31, 2005 compared to the year ended December 31, 2004 was attributable to increases in employee compensation and benefits, net occupancy expenses, legal and professional fees, data processing expenses, advertising expenses and other noninterest expenses, partially offset by a modest decrease in furniture and equipment expenses. The modest decrease for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily attributable to a decrease in legal and professional fees, partially offset by increases in employee compensation and benefits, furniture and equipment and other noninterest expenses. Noninterest expense as a percentage of average assets was 2.90%, 2.89% and 3.0% for the years ended December 31, 2005, 2004 and 2003, respectively.

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The following table sets forth information pertaining to the major components of noninterest expense.

	Year Ended December 31, 2005	2004	2003
Employee compensation and benefits	$ 6,964,304	$ 6,696,338	$ 6,530,843
Occupancy, net	805,354	729,936	730,497
Furniture and equipment	732,345	803,270	679,766
Legal and professional fees	718,277	636,225	1,071,471
Data processing	499,245	461,601	459,832
Advertising	477,805	419,565	399,278
Other	2,917,319	2,824,402	2,717,470
Total noninterest expense	$ 13,114,649	$ 12,571,337	$ 12,589,157

Employee compensation and benefits is the largest component of noninterest expense representing approximately 53% of total noninterest expense for the year ended December 31, 2005. Expenses associated with employee compensation and benefits totaled $6,964,304 for the year ended December 31, 2005 compared to $6,696,338 and $6,530,843 for the years ended December 31, 2004 and December 31, 2003, respectively. The increase in employee compensation and benefits for the year ended December 31, 2005 compared to the year ended December 31, 2004 primarily reflected the cost of normal merit increases and increased medical insurance benefit costs. The increase in employee compensation and benefits for the year ended December 31, 2004 compared to the year ended December 31, 2003 primarily reflected the cost of normal merit increases, increased medical insurance benefit costs, and increased costs associated with the salary continuation agreements established for various West Pointe officers. West Pointe had 121 full-time equivalent employees at December 31, 2005, compared to 119 and 131, respectively, at December 31, 2004 and 2003.

Net occupancy expenses totaled $805,354 for the year ended December 31, 2005 compared to $729,936 and $730,497 for the years ended December 31, 2004 and December 31, 2003, respectively. The increase in occupancy expenses for the year ended December 31, 2005 compared to the year ended December 31, 2004 primarily resulted from increased real estate taxes and utility costs associated with West Pointe s banking locations.

Furniture and equipment expenses totaled $732,345 for the year ended December 31, 2005 compared to $803,270 and $679,766 for the years ended December 31, 2004 and December 31, 2003, respectively. The decrease in furniture and equipment expenses for the year ended December 31, 2005 compared to the year ended December 31, 2004 was primarily attributable to reduced depreciation expenses as well as reduced equipment rent and maintenance expenses. The increase in furniture and equipment expenses for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily attributable to depreciation expenses associated with West Pointe s technology hardware as well as other furniture and equipment.

Legal and professional fees include costs relating to audit and accounting fees, investment consulting services, legal fees for compliance with SEC regulations, legal fees for the collection of delinquent loans, and legal fees relating to the defense of various lawsuits of which West Pointe is a party to in the ordinary course of business. Legal and professional fees totaled $718,277 for the year ended December 31, 2005, compared to $636,225, and $1,071,471 for the years ending December 31, 2004 and December 31, 2003, respectively. The increase in legal and professional fees for the year ended December 31, 2005 compared to the year ended December 31, 2004 primarily resulted from increased legal fees incurred on various corporate matters. The decrease in legal and professional fees for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily attributable to the recovery of approximately $501,000 from West Pointe s insurance carrier of legal fees previously paid in connection with certain lawsuits of which West Pointe was a party to. The recovery resulted from the settlement of various lawsuits in 2004. During 2005, West Pointe would have incurred a substantial decrease in legal and professional fees compared to 2004 had the aforementioned recovery not been received.

Data processing expenses totaled $499,245 for the year ended December 31, 2005 compared to $461,601 and $459,832 for the years ended December 31, 2004 and December 31, 2003, respectively. The modest increases for the periods compared resulted from normal growth in operations. West Pointe currently employs the services of an outside provider for its data processing needs.

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Advertising expenses totaled $477,805 for the year ended December 31, 2005 compared to $419,565 and $399,278 for the years ended December 31, 2004 and December 31, 2003, respectively. The increases resulted from expanded media advertising activities in areas served by West Pointe s banking centers.

Other noninterest expense includes such items as FDIC insurance premiums, mortgage banking expenses, contributions, telephone expenses, postage costs, certain credit card program expenses, foreclosed property expenses and other miscellaneous expenses. Other noninterest expense totaled $2,917,319 for the year ended December 31, 2005 compared to $2,824,402 and $2,717,470 for the years ended December 31, 2004 and December 31, 2003, respectively. The increases for the year ended December 31, 2005 compared to the year ended December 31, 2004 and for the year ended December 31, 2004 compared to the year ended December 31, 2003 were primarily attributable to expenses associated with certain non-performing assets.

West Pointe recorded income tax expense of $1,126,200 for the year ended December 31, 2005 compared to $1,139,400 and $1,083,600 for the years ended December 31, 2004 and December 31, 2003, respectively. The provision for income taxes consists of both federal and state income taxes. The modest increase in income tax expense for the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily attributable to an increased level of income before income taxes. The effective income tax rates remained stable at 24.1%, 24.2% and 23.8% for the years ended December 31, 2005, 2004 and 2003, respectively.

Financial Condition

General

Total assets at December 31, 2005 increased $33,369,908 to $477,391,032 compared with $444,021,124 at December 31, 2004. This increase primarily resulted from increases in the volume of loans and securities. These increases were funded primarily by an increase in deposits.

Loans

Loans, including loans held for sale, are the largest classification within earning assets of West Pointe and represented 59.8%, 56.4% and 56.3% of average interest earning assets during the years ended December 31, 2005, 2004 and 2003, respectively. Loans increased 6.2% to $255,699,529 at year-end 2005 from $240,767,062 at year-end 2004. Average loans, including loans held for sale, totaled $250,625,438 in 2005 and increased $23,602,104, or 10.4% from $227,023,334 in 2004. The growth in average loans during 2004 was primarily attributable to increased loan demand and continuing aggressive sales efforts in an extremely competitive market environment. Substantially all of West Pointe s loans were originated in its primary market territory.

The following table presents the composition of the loan portfolio by type of borrower and major loan category and the percentage of each to the total loan portfolio for the periods presented.

	December 31,								
	2005		2004		2003		2002		
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Am
ORROWERS									
al and									
	$ 65,768,521	25.7%	$ 64,073,669	26.6%	$ 55,147,337	25.5%	$ 59,685,132	27.3%	$ 48,
ate									