



A Century of

INNOVATION

A Vision for

THE FUTURE

• 2005 •

CASS INFORMATION SYSTEMS

Summary Annual Report



• CORPORATE PROFILE •

Building on a solid foundation of a century in business, Cass continually renews and reinvents itself in response to a changing and challenging marketplace.

Today, Cass Information Systems, Inc. ranks as the leading provider of freight invoice payment, audit and rating services in North America, the largest back-office provider of energy information in North America and a leader in the growing telecom expense management market.

We continue to actively pursue opportunities in information processing and electronic commerce.

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2005 IN REVIEW

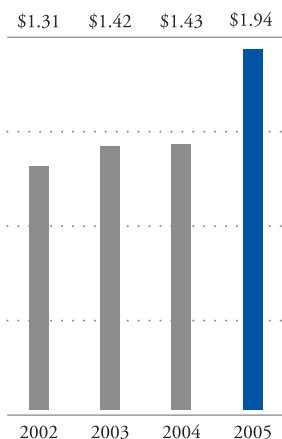
FOR THE YEAR

	2005	2004	% Change
Total Net Revenue	\$ 71,442,000	\$ 61,135,000	16.9%
Net Income	\$ 10,946,000	\$ 8,005,000	36.7%
Basic Earnings per Common Share	\$ 1.99	\$ 1.45	37.2%
Diluted Earnings per Common Share	\$ 1.94	\$ 1.43	35.7%
Dividends Paid per Common Share	\$ 0.580	\$ 0.547	6.0%
Return on Average Total Shareholders' Equity	15.23%	12.16%	25.2%
Total Number of Transactions Processed	32,281,000	28,724,000	12.4%
Total Dollar Volume Paid	\$ 16,372,000,000	\$ 13,453,000,000	21.7%

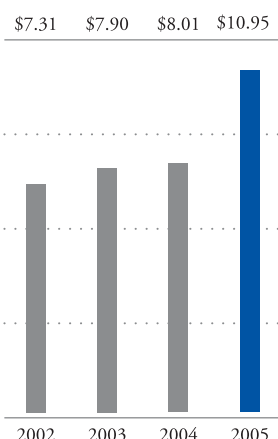
AT YEAR-END

	2005	2004	% Change
Total Assets	\$ 818,698,000	\$ 716,521,000	14.3%
Total Shareholders' Equity	\$ 75,281,000	\$ 69,589,000	8.2%
Book Value per Common Share	\$ 13.69	\$ 12.58	8.8%

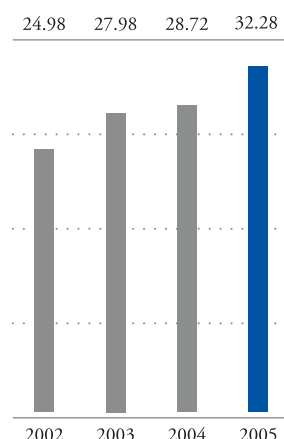
**DILUTED EARNINGS
PER COMMON SHARE**
(in dollars)



NET INCOME
(in millions)



TOTAL TRANSACTIONS
(in millions)



It is with a great sense of gratitude that I announce the results for 2005. It was a record year in so many ways and we are humbled by the multitude of blessings that God has provided our company.

Cass Information Systems' net earnings after taxes for the year ended December 31, 2005, were \$10,946,000, a 37% increase over the \$8,005,000 reached in 2004. On a fully diluted basis, this represents \$1.94 per share, a 36% increase over last year's corresponding \$1.43 per share. These per share numbers have been adjusted for the 50% stock dividend issued September 15, 2005.

Total revenues from continuing operations increased 17% from 2004 to \$71.4 million. Total payment and processing fees increased over \$5.2 million. This reflects the sale of our GEMS software business in December and recognizes only the growth in our core business activities.

This increase is driven by strong growth in transactions processed through our information processing activities, as well as the dollar volume of those transactions. In 2005, we processed over \$16 billion through our information processing business. This 22% growth represents

an increase of 3.56 million transactions and is evidence of the strong demand being received for our services. These numbers exclude activity related to our telecom processing business since it was not owned for most of the 2004 year.

AVERAGE EARNING ASSETS INCREASED OVER \$53 MILLION DUE TO GROWTH IN PROCESSING VOLUME. AS A RESULT OF THIS INCREASE, AS WELL AS HIGHER INTEREST RATE LEVELS FOR 2005, NET INVESTMENT INCOME INCREASED OVER \$5.7 MILLION FOR THE YEAR.

As a result, return on average equity reached 15.23%, a significant increase from the 12.16% achieved in 2004. Average earning assets increased over \$53 million due to growth in processing volume. As a result of this increase, as well as higher interest rate levels for 2005, net investment income increased over \$5.7 million for the year. The company was able to maintain sound

asset quality and a strong capital position as this was occurring.

During 2005, Cass also sold its GEMS software business, which provided enterprise software to medium-sized municipalities throughout the United States. Although it was never a core business, we had nevertheless invested significantly in GEMS in order to improve both the value of the software and its level of business activity. We were pleased to have accomplished this objective and to have set the business on a good foundation for the future.

Our results for 2005 also were achieved despite a writedown of \$3.1 million in an investment Cass made previously in an imaging processing business. The investment was initially made in order to develop new technology that may have been utilized in our transaction processing businesses. The company is a minority owner in the business. As a result of continuing significant losses, the valuation of the investment was deemed to be impaired and the writedown was taken.

• CHAIRMAN'S LETTER TO SHAREHOLDERS •

Overall, the year was a tremendous success and we are thankful for what has been achieved. All of our core businesses are showing good growth and the demand for our services is increasing. We continue to address those activities that fit our vision and strategy and utilize our core competencies. Our financial condition is strong and we look ahead with excitement and enthusiasm to the future.

TELECOM GROWTH

2005 marked the first full year of operation for Cass' Telecom Information Services. This information processing business, acquired in August 2004, has shown remarkable growth during the year. Volume almost tripled and the number of new customers has been a strong indicator of the need and desire for these services in the corporate community. This business not only

continues to grow, but is becoming one of the significant competitors in the industry. We are extremely excited about the potential of this business and anticipate it will be a significant future contributor to both revenue and earnings. We believe it is an excellent addition to our line of information processing services. As a result of its growth, we are expanding to new facilities in Greenville, South Carolina, to provide more capacity and efficiency.

COST EFFICIENCIES

The results of 2005 reflect a continuing emphasis throughout the Cass organization in utilizing technology to obtain cost efficiency and containment. During the past year, the total costs of continuing operations, excluding the telecom processing business and the writedown of the image processing business, grew at

a rate of only 6.1% while corresponding revenues increased 13.8%. This is a significant factor in allowing the company to achieve growth in earnings. This productivity improvement is largely due to the application of new and improved technology to more and more operating activities within the company.

From the expansion of electronic interchanges to the elimination of processing steps, activities and processes, Cass continues to make improvements in its operations, allowing for greater throughput and productivity. This will continue to be an emphasis within the company since new technological solutions are the key to protecting market share, attracting new customers and improving service delivery. Our ability and willingness to invest in such solutions is an important contributor to our future performance.

2005 NET EARNINGS AFTER TAXES

\$10,946,000 – A 37% INCREASE
over the \$8,005,000 reached in 2004.

2005 RETURN ON AVERAGE EQUITY

15.23%

Increased from the 12.16% achieved in 2004. Average earning assets increased over \$53 million due to growth in processing volume.

VALUE OF INVOICES PROCESSED

\$16+ billion

This represents an increase of over 3.6 million transactions from 2004.

CUSTOMER SOLUTIONS

In the markets in which we compete, Cass has always been known as the largest provider of services and systems available. This not only relates to our competitive position, but also to our ability to deliver a broader range of processing systems and technological solutions to address the critical processing needs of our client base. These customers, primarily the largest corporations in the country, demand a large amount of processing capability, design, customization and integration efforts in order to address their diverse needs and requirements. Clearly, Cass possesses the ability to meet the complex and diverse needs of these businesses and has built its services in order to be able to provide the processing, financial and risk protection to serve this marketplace.

WE CONTINUE TO INVEST IN METHODS AND SOLUTIONS THAT ALLOW US TO TAKE ADVANTAGE OF OUR UNIQUE POSITION AS BOTH THE BEST PROCESSING SOLUTION AND FINANCIAL PARTNER FOR THE MARKET TO UTILIZE.

The results are becoming very apparent. The ability to provide a broad-based, fully integrated solution that meets customer requirements and delivers the highest level of service and protection is increasingly becoming the Cass advantage.

We continue to invest in methods and solutions that allow us to take advantage of our unique position as both the best processing solution and financial partner for the market to utilize.

ACKNOWLEDGEMENTS

We greatly appreciate all the efforts that have been made by a large constituency to produce the results that we have achieved. We are certainly thankful for the dedicated and committed efforts of our staff in the performance of all the immense work necessary to service existing customers, grow our business and introduce improved systems and production techniques to enable us to be more efficient and productive. They are an outstanding group of people who are also concerned about the way their work is performed and maintain a high level of integrity through all that is done.

We also are thankful to our loyal and supportive shareholders who continue to support our vision and strategy and maintain their trust in the company. While we are excited to see the value of their investments grow, we also deeply appreciate their words of encouragement and the strength they provide for the Cass organization.

For the wise counsel of the Board of Directors we are also very grateful. As we transition to several new members, we are excited to see the maintenance and strengthening of the Cass culture,

an increasing component of our success, become even more pronounced and integrated throughout the organization. The Board's support and guidance in all areas continue to provide sound leadership.

WE LOOK FORWARD TO 2006, READY TO BUILD ON WHAT HAS BEEN ACCOMPLISHED IN THE LAST CENTURY WHILE DISCOVERING NEW AND INNOVATIVE SERVICES AND CAPABILITIES TO LEAD US THROUGH THE NEXT.

Finally, and most importantly, we praise God for another year of growth and success. The ways in which He has watched over and protected us are too many to enumerate. However, we clearly know that regardless of the results of our efforts, there would be no real success without His support. We must acknowledge the many blessings that have been received as a result of such oversight.

We look forward to 2006, ready to build on what has been accomplished in the last century while discovering new and innovative services and capabilities to lead us through the next.

Blessings,



LAWRENCE A. COLLETT
Chairman and Chief Executive Officer



• CELEBRATING ONE HUNDRED YEARS •

Over the past 100 years, Cass has grown from a small neighborhood bank serving the needs of area residents into a leading provider of payment and management information solutions for major corporations nationwide.

We have achieved this remarkable growth by remaining true to the traditional values upon which our company was founded:

STRENGTH & STABILITY

SERVICE & COMMITMENT

INNOVATION & TECHNOLOGY

PROGRESS & PERFORMANCE

1983

Cass Commercial Corporation is incorporated as a holding company for the bank and freight payment services –



this enables Cass to focus on the strengths of both companies while reinforcing its position to remain an independent organization.

TRANSPORTATION INFORMATION SERVICES

\$11.9 billion

Total freight payments for 2005

UTILITY INFORMATION SERVICES

\$4.4 billion

Dollar volumes processed in 2005, up by \$700 million over 2004.

TELECOM INFORMATION SERVICES

190%

Increase in the number of invoices processed in 2005, creating a 57% increase in revenues.

STRENGTH STAB

Longevity is a credible measure of an organization's strength – formidable external forces. The foundation of our strength of honesty and integrity. "The Lord is my strength and



In 1920, Cass Avenue Bank joins the newly created Federal Reserve System, which was only six years old at the time.

RECOGNIZING THE STRONG IRISH HERITAGE in the surrounding neighborhood, Cass Bank began holding an annual

St. Patrick's Day Party



for clients and prospective customers in the early 1930s.



Cass adds a processing facility in Boston by acquiring the Bank of Boston's freight payment business – which, along with Cass, was among the first banks to pioneer this service in the mid-1950s.

GTH & ILLITY

and during the past 100 years, Cass has certainly withstood and stability is an unwavering dedication to the principles song, and He has become my salvation.” – Ex. 15:2

REFLECTING LONGEVITY OF LEADERSHIP, CASS HAS HAD ONLY FOUR CHAIRMEN IN ITS
100 YEAR HISTORY

Harry Rehme, Harry Hartkopf, Harry Krieg and Larry Collett.



A telegram cake celebrating Cass’ 50th anniversary was presented to Cass Chairman Harry Hartkopf in 1956. The cake reads: “Our best wishes to everyone at the bank in celebration of 50 golden years, 1906 – 1956.”



READY to EXPAND after nine years in business, Cass moves from a rented storefront into its own newly constructed building in 1915.

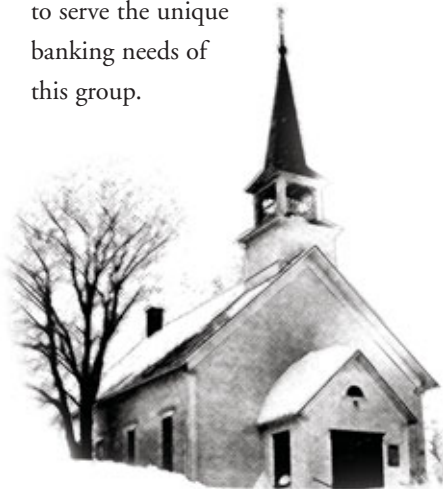
Reflecting its
INCREASING STABILITY,
the bank is transformed into a trust company in 1929 –
Cass Bank & Trust Company.

CASS STRENGTHENS ITS BUSINESS and adds operations in Columbus, Ohio and Chicago, Illinois, with the 1987 acquisition of Comtrac, a freight payment and information services competitor, from First Chicago Bank.



IN 1997, CASS ESTABLISHES
THE CHURCH *and*
CHURCH-RELATED
INSTITUTIONS UNIT

to serve the unique
banking needs of
this group.



In 1998, to meet the
**GROWING
DEMAND**

for its services, Cass forms a separate
utility payment and information
services business unit.

“Safety for Savings’ is the Bank’s motto and
during 20 years of business it has steadily
grown in prestige as well as financial strength.”

– *Who’s Who in North St. Louis, 1925*



SERV COMMI

*Over the course of a century, Cass’ range of services and the
Unchanged is our fierce sense of commitment to our customers
to meet their needs. “Serve the Lord thy God with all*

NEARLY SURROUNDED BY TRUCK TERMINALS,
SERVICE GARAGES AND TRANSFER POINTS,
Cass responds by developing a service to simplify
the payment of freight bills in 1956. Beginning in
1967, these services are marketed to companies
across the United States under what was then called
the “Freight Payment Plan.”

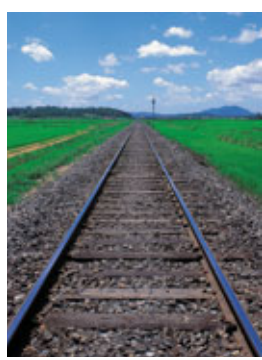


AS THE SURROUNDING NEIGHBORHOOD CHANGED

from residential to commercial in the 1950s, Cass began to shift its focus in order to
better meet the needs of privately held companies in metropolitan St. Louis.

ICE & TMENT

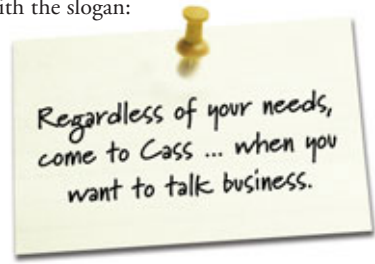
make-up of its customer base have changed dramatically, and to bringing them value and quality in services tailored thy heart and with all thy soul.” – Deut. 10:12



As many banks offering basic freight payment services determine they cannot compete with the sophisticated needs of the shipping industry, Cass expands its customer base with the acquisition of accounts from banks such as CITIZEN’S & SOUTHERN BANK OF ATLANTA, NATIONSBANK, BANK OF AMERICA, AMSOUTH, NATIONAL BANK OF DETROIT, MARINE MIDLAND BANK and BANK ONE.

To make banking
MORE CONVENIENT,
in 1957 Cass offers
WALK-UP
and
DRIVE-UP
windows for customers.

After moving to downtown St. Louis, in 1974, Cass continues to focus on serving the banking needs of *business customers* – highlighting this commitment with the slogan:



THE UTILITY DIVISION



has evolved into a high-technology, process-driven business, operating *24 hours a day, 7 days a week* most of the year.



In 1906, Cass Bank opens for business and issues its first commercial loan – **a \$16,000 REAL ESTATE LOAN** for two buildings and a stable.

2005

Cass opens a bank branch in **ORANGE COUNTY, CA** to service its fast-growing West Coast church lending program.

Cass introduces www.cassinfo.com in 1996 and the following year debuts Internet invoice inquiry – the first of many online services offered to customers.



In 2004, Cass acquires

ProfitLab's Telecom Services

– creating the company's

TELECOM INFORMATION
SERVICES business unit.



Cass is among the first banks in the country to begin using electronic computers to process payroll checks – and in 1967

PROCESSES ITS *1 Millionth Check*

through its

“Automated Payroll Plan”

serving more than 350 St. Louis companies.

INNOVA LEADE

Innovation has long been a hallmark of Cass – underscored in our by the technological advances we bring to our customers. In the years in God may be careful to devote themselves to doing what is good.



In 1991, Lawrence A. Collett is elected Chairman of the Board, becoming the fourth chairman in Cass history.

1941

Attuned to *changing consumer needs*, Cass is one of the first St. Louis area banks to offer **FREE PARKING** for its customers.



Before banks were allowed to have branches, Cass placed metal safe-like containers in the entry areas of key customers' buildings throughout the St. Louis metropolitan area so they and other Cass customers could leave deposits of checks, which were picked up daily by courier. We continue this practice today *for the convenience of our customers.*

TION & RSHIP

transformation from a bank to an information processing leader, and ahead, innovation will continue to set us apart. "Those who have trusted These things are excellent and profitable for everyone." – Titus 3:8

Cass begins offering its *freight payment services* to non-bank customers in 1957. This fundamental change sparks growth in this service area, laying the foundation for the success of **CASS INFORMATION SERVICES.**

CASS TRANSPORTATION SERVICES BECOMES *the first in the industry* to offer online duplicate payment protection in 1979.

Under the leadership of Harry Kreig, CASS INSTALLS A NEW COMPUTER-BASED SYSTEM FOR FREIGHT PAYMENT SERVICES IN 1978 – providing a complete integrated processing system tailored to the specialized needs of the shipper community. The response was excellent and during the following 12 months, the bank experienced the largest influx of new business in its history.



THE FOUNDERS of CASS BANK were a group of businessmen representing a wide variety of enterprises – *pie making and baking, electrical contracting, furniture manufacturing, cigar making, hauling, real estate, feed and milling, house furnishings and even a mortuary.*

2000

Cass begins offering its Ratemaker software as an Internet-based service.

CASS PURCHASES INSIGHT SERVICES, a utility payment and information services provider, in 2001 – significantly increasing its presence in the marketplace.





To enhance its image as a commercial rather than neighborhood bank, in 1973 Cass opens a second location in downtown St. Louis – and keeps the 13th and Cass location as a branch facility.



PROG PERFOR

Progress and performance go hand in hand. Throughout Cass' resulting in measurable progress – financial progress, certainly, but “Be diligent in these matters; give yourself wholly to them,



In 1927, Cass moves into a newly constructed building at 13th and Cass where it continues operations until 1974. Later, the company donates the building to the city and it now serves as a bus terminal.

2000

Cass adopts a new corporate name, a change reflecting that the majority of company revenue is derived from its payment and information processing services.



THE BANK'S CASS TRANSPORTATION SERVICES DIVISION is incorporated as *Cass Information Systems* in 1983 – keeping pace with changes in the business environment and more accurately reflecting the widening scope of services offered.

RESS & MANCE

*history, success has come from steady, reliable performance
also progress in our ability to help customers achieve their goals.
so that everyone may see your progress” – 1 Tim. 4:15*

“ I recall the bank holiday of the early ‘30s and the problems many banks have had and are having today. Over the years Cass Bank built a strong foundation and a retaining wall that kept those angry waves of destruction from destroying the ambitions of those people in the past and the present ... I am grateful to be a shareholder and will be until time will be no more. ”

– Robert R. Hartkopf, Shareholder
June 12, 1989



Cass Transportation Services surpasses
the \$1+ BILLION PER YEAR
mark in 1982.



TO KEEP UP WITH THE GROWTH

of its information services and to house increasing operations, in 1993
*Cass Information Systems moved to a new building in
Bridgeton, Missouri,*
which later expanded to become the bank’s headquarters.

TELECOM INFORMATION SERVICES

88%

Increase in our customer base for the Telecom Services Division in 2005.

UTILITY INFORMATION SERVICES

5.65 million

Transactions processed in 2005, leading the industry in total transactions processed.

CASS COMMERCIAL BANK

\$513 million

Average loan balances for the year in 2005, an increase of \$36 million over 2004.



On the first day doors were open to the public in 1906, bank deposits totaled \$51,000 by the close of business. By 1978, total assets topped \$100 million and today, a century later, Cass’ total assets exceed \$800 million.

• THE CASS STRATEGIC EDGE •

Our core competencies give us a strategic edge:

Not only do we process the transaction, we also collect the data defining the transaction and can effect the financial payment governing its terms.

DATA ACQUISITION

Cass gathers vital information from complex and diverse input documents, electronic media, proprietary databases and data feeds. This includes data acquired from supplier invoices as well as customer procurement and sales systems.

DATA MANAGEMENT

Once data is assembled, this information is integrated into customer-unique financial and accounting systems. Information is also used to develop management reporting for operational control, feedback, planning assistance and performance measurement.



FINANCIAL EXCHANGE

Since Cass is in the unique position of owning a commercial bank, it is also able to manage the movement of funds from its customers to their suppliers. Cass provides immediate, accurate, controlled and protected funds management and transfer system capabilities for all of its customers. Over \$16.3 billion of payments were processed for its customers in 2005.

INFORMATION DELIVERY

Cass' information delivery solutions provide reports, digital images, data files and retrieval capabilities through the Internet or directly into customer internal systems. Transaction, operation, control, status and processing exception information is delivered through this system creating an efficient, accessible and reliable asset for customers.

• CASS TRANSPORTATION INFORMATION SERVICES •



Last year, Transportation Information Services experienced one of the most successful years of growth in its history.

New business implementations and increases from our core customers combined for carrier payments of almost \$12 billion in 2005, an increase of 23% compared to the previous year and 38% compared to 2003. The record-breaking processing

volume was the major reason for the significant increase in our earnings this year.

The market for freight bill and parcel shipment audit, payment and transportation information delivery continues to be very

strong. Increasingly, large companies are looking for a supplier like Cass with the resources, financial strength and experience to deliver creative solutions to their unique business requirements and to provide the security that a publicly traded financial company offers.

A number of factors have contributed to our strong performance over the last three years. In particular, three technological innovations occurred during this period that allowed us to increase the value and economics of the services that we offer:

WE HAVE MADE A MAJOR COMMITMENT TO THE DEVELOPMENT OF INFORMATION DELIVERY APPLICATIONS THAT MAKE ANALYZING INFORMATION EASIER, TIMELIER AND MORE INTUITIVE.

INTERNET AND WEB-BASED APPLICATIONS

A major challenge in supply chain information management is digesting and providing visibility to large amounts of data within a time frame that achieves efficiencies and transportation cost reductions achievable. The Internet, combined with sophisticated web-based application software, is making it much easier for companies to analyze information more creatively and quickly. A variety of analysis tools, metrics and ad-hoc views of data are replacing traditional reporting. The availability of information on the Internet has also made it possible to automate many support systems, resulting in response time improvements and back-office cost reductions.

At Cass, we have made a major commitment to the development of information

delivery applications that make analyzing information easier, timelier and more intuitive. And we are only scratching the surface. The demand for more sophisticated tools continues to increase as technology advances – and we plan to continue to take advantage of the latest IT offerings, adapting them to our business and adding value for our customers.

INFORMATION EXCHANGE

Another challenge has been reliable synchronization of information among multiple trading partners. While traditional methods of data exchange such as EDI (Electronic Data Interchange) continue to be important, XML (Extended Markup Language), web-services and integration with enterprise resource planning systems are removing many of the obstacles of reaching seamless processing and communication. With the growth of relatively inexpensive bandwidth and connectivity, system integration is expected to continue to expand. Bandwidth and the Internet, combined with programming and mapping tools like .NET and XML, are making true processing continuity achievable.

We believe that more significant advances lie ahead. Tremendous opportunities exist to reduce costs and improve payment performance by more closely integrating our processing, not only with our customers but also with their carrier suppliers. XML and web-services are enabling Cass, our customers and their

carriers to achieve greater billing exchange synchronization to reduce processing exceptions and transaction costs.

Among the more important services that we provide for customers is reconciling carrier charges to the invoice amount anticipated by our customer. An entire process is devoted to ensuring that the correct amount is paid. Web tools and data simplification are making it possible for rate exchange and collaboration between Cass, our customers and their carriers to significantly decrease the costs of auditing freight invoices.

TREMENDOUS OPPORTUNITIES EXIST TO REDUCE COSTS AND IMPROVE PAYMENT PERFORMANCE BY MORE CLOSELY INTEGRATING OUR PROCESSING, NOT ONLY WITH OUR CUSTOMER BUT ALSO WITH THEIR CARRIER SUPPLIERS.

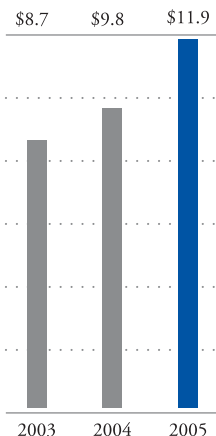
FINANCIAL EXCHANGE

The conversion from manually intensive and costly payment by check to electronic funds transfer and remittance automation has made cash receipt much more dependable and payment application much less costly. These same enhancements are now being adapted to foreign currency transactions, making entry into global financial exchange services much easier and economical.

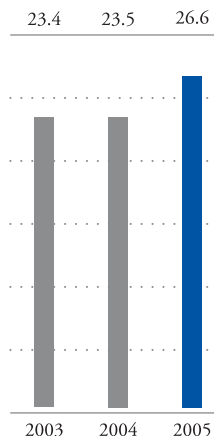
These advancements have allowed us to automate the entire processing and information delivery for some very large U.S. customers – and are also providing opportunities to dramatically change the nature of our business.

Evaluated Receipt Services (ERS) have gained success in transacting the purchase and payment of goods and services for many companies, but it has received limited acceptability in our industry. However, the Internet and improved file translation tools make the synchronization of freight rates among Cass, the carriers and our mutual customers much more realistic. Ratemaker, our premier freight rating service, makes invoice-less payments attainable for large numbers of transactions.

FREIGHT DOLLARS
(in billions)



FREIGHT INVOICES
(in millions)




FINANCIAL SECURITY AND STABILITY

Beyond these technology innovations, one other change has played an important role in our success. Cass is one of only two publicly traded financial companies in our industry. The oversight

requirements for making carrier payments of \$12 billion are necessarily comprehensive and strict, and it is critical that assets are properly managed and protected. That has always been one of our strengths and it is crucial when selecting a service provider.

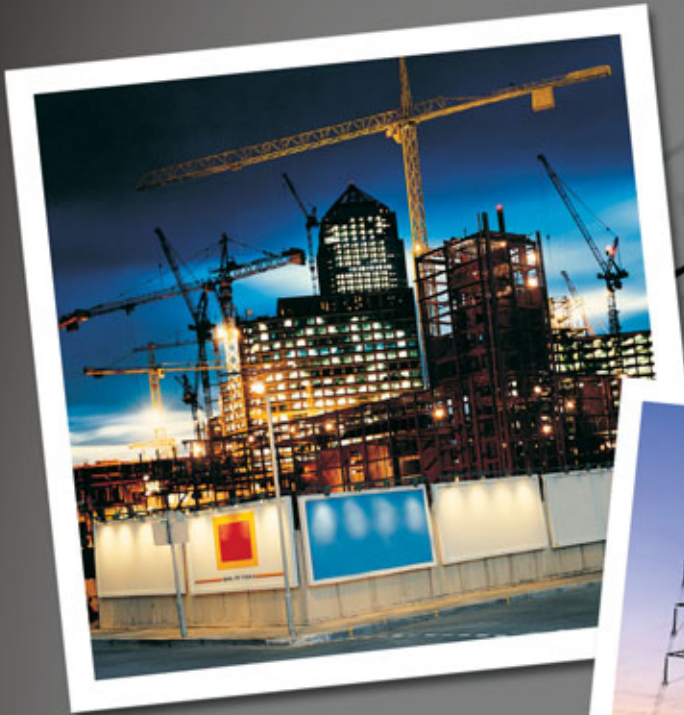
LEADING THE EVOLUTION

Technological change has created a momentum that will continue to dramatically affect our business. One-way, stand-alone data flow is being replaced with collaboration and synchronization that will greatly change the way we do business. It will not only continue to improve the exchange of information, but will significantly change the economics of information processing. Cass' financial strength, experience and commitment are making a difference. 



CASS TRANSPORTATION FACT:
WEB TOOLS AND DATA SIMPLIFICATION ARE MAKING IT POSSIBLE FOR RATE EXCHANGE AND COLLABORATION BETWEEN CASS, THE CARRIERS AND OUR CUSTOMERS TO SIGNIFICANTLY DECREASE THE COSTS OF AUDITING FREIGHT INVOICES.

• CASS UTILITY INFORMATION SERVICES •



Utility Information Services continued to build on its market advantage, adding another 457,000 transactions in 2005.

With nearly 5.65 million transactions processed in 2005, the Utility Division continues to lead the industry in total transactions processed. Dollar volumes processed reached \$4.4 billion, up \$700 million over 2004.

Formed in the late 1990s and based in Columbus, Ohio, the Utility Division today is a significant contributor to shareholder value. Continuing investments in technology, combined with growing economies of scale, are driving increasing contributions to the bottom

line. During 2005, the Utility Division increased its after-tax contribution by 34%, and Cass remains committed to the market space with increasingly sophisticated services and technological enhancements.

• CASS UTILITY INFORMATION SERVICES •

Sales remained strong in 2005 with 25 new customers added, representing committed annual volume of 550,000 transactions and \$1.1 billion in spend. A strong fourth quarter and positive pipelines indicate this type of growth will extend to 2006 as well. Currently, Cass assists its customers with facility-related invoices at 280,000 sites across the United States and Canada.

WITH NEARLY 5.65 MILLION TRANSACTIONS PROCESSED IN 2005, THE UTILITY DIVISION CONTINUES TO LEAD THE INDUSTRY IN TOTAL TRANSACTIONS PROCESSED. DOLLAR VOLUMES PROCESSED REACHED \$4.4 BILLION, UP \$700 MILLION OVER 2004.

ADVANCES IN DATA ACQUISITION

The Utility Division currently provides data acquisition and payment for more than one dozen types of facility-related expenses. Cass has invested heavily in the data acquisition systems of this operation. Each invoice is tracked throughout the process to monitor the progress from presentation to payment to web delivery.

During the data acquisition process, Cass' systems apply more than 100 edits as information is gathered. In addition, quality control specialists review edit overrides, as well as anomalies detected by

sophisticated usage algorithms, as a supplemental check on data capture. Statistical sampling is also utilized in a process that generated audits of more than 400,000 fields of data in 2005.

This combination of invoice tracking and quality control focus allows Cass to deliver controls and accuracy that exceed anything a customer would likely achieve with an in-house system.

COMMITTED TO DATA PROTECTION

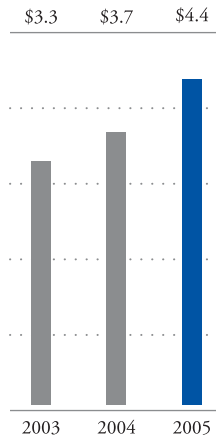
At the core of the Utility Division's offering is our customer web portal where clients can view detailed trending and benchmarking reports, as well as bill abstracts and the actual image of the invoice. More than 240 gigabytes of data and 1.6 terabytes of images are warehoused in the Columbus, Ohio, IT site. Significant upgrades completed in 2005 make the website faster, easier to

navigate and more secure. Cass systems are regularly tested by third-party web security auditors, as well as by certain customers granted the authority to do their own security assessments.

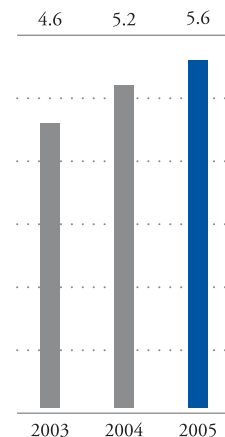
SALES REMAINED STRONG IN 2005 WITH 25 NEW CUSTOMERS ADDED, REPRESENTING COMMITTED ANNUAL VOLUME OF 550,000 TRANSACTIONS AND \$1.1 BILLION IN SPEND.

The Utility Division continues to allocate significant expenditures and planning resources to disaster recovery. In addition to standard local backups and redundant servers, the Utility Division also houses a significant portion of business-critical data on off-site disaster recovery servers in other company data centers, while

UTILITY DOLLARS
(in billions)



UTILITY INVOICES
(in millions)



• CASS UTILITY INFORMATION SERVICES •

maintaining backup computer and operational systems. The Columbus processing center passed a real-world test of recovery in 2005, as a substation fire took the center off the electric grid for more than nine hours – yet processing continued with no impact to internal or external users because of these preparations.

LEVERAGING THE POWER OF IMAGES

The Utility Division is committed to leveraging the power of images instead of paper. Sophisticated image-based workflow processes are the backbone of the Cass solution. Our image-based exception workflow system also includes a web presentation component for exception items.

The Utility Division continues to expand its Intranet, built on the .NET framework,

with increasingly sophisticated tools to address customer issues arising from the payable process. New applications were developed, tested and put into production in 2005, and we continue to improve existing Intranet applications.

CASS REMAINS COMMITTED TO THE MARKET SPACE WITH INCREASINGLY SOPHISTICATED SERVICES AND TECHNOLOGICAL ENHANCEMENTS.

2006 will mark an even bigger commitment to image-based processing, as IT initiatives bring new options to data acquisition with a goal of end-to-end paperless processing.

BUILDING THE CASS BRAND

The Utility Division has prospered by attracting the best and brightest energy service providers in the market. These industry leaders rely on Cass to be the back-office that assembles and normalizes bill data and gives customers a cost-effective and secure method to drive costs out of the payment process.

The Utility Division will embark on new initiatives that will help create more demand for Cass' services. If an energy service provider doesn't have Cass as its engine for data acquisition and payment, then the solution lacks a key best-of-breed component. *BO*

CASS UTILITY FACT:

CASS IS REGULARLY TESTED BY THIRD-PARTY WEB SECURITY AUDITORS HIRED BY CASS, AS WELL BY KEY CUSTOMERS GRANTED THE AUTHORITY TO DO THEIR OWN SECURITY ASSESSMENTS. IT IS OUR COMMITMENT TO THE PROTECTION OF THE CUSTOMERS' DATA.



• CASS TELECOM INFORMATION SERVICES •



Expansion of the Internet coupled with an insatiable demand for real-time information have created extensive growth in telecom services, features and vendors.

Over that same time frame, rapid growth and deregulation in the telecom industry have severely complicated contracts,

pricing programs and billing. Within this environment, errors as well as opportunities for optimizing services occur frequently. According to research analysts, enterprises

today are overpaying their telecom bills by as much as 5% to 12% – and struggle to recover even a small portion of their overpayments.

DELIVERING VALUE

Cass' nCONTROL™ solution combines telecommunications expertise and leading technology to reduce costs and improve process performance for our clients. nCONTROL delivers value to our clients in a number of ways:

- Consolidates multi-sourced, complex information in one common data repository
- Reduces manual efforts – we currently receive 90% of our data electronically
- Increases visibility of data, organized the way the client needs it
- Presents data in a single location, on the web
- Automates workflow
- Provides invoice processing, auditing, optimization and inventory management
- Leverages Cass Bank's financial exchange capabilities for electronic bill payment
- Provides seamless automated funding, G/L posting and accruals

Cass' proven approach to Telecom Expense Management (TEM) includes continuous feedback and measurements to deliver ongoing improvement. Our telecom professionals apply their years of experience and knowledge to deliver significant processing efficiencies and hard-dollar savings from credits, refunds and optimizations. We provide a sustained return on investment and quality customer service.

ACHIEVING GROWTH

In 2005, we increased our customer base for Telecom Information Services by 88%, adding major clients such as PepsiCo, Nestle USA, Rollins and Velocita Wireless. The addition of new

**OUR TELECOM PROFESSIONALS
APPLY THEIR YEARS OF EXPERIENCE
AND KNOWLEDGE TO DELIVER
SIGNIFICANT PROCESSING
EFFICIENCIES AND HARD-DOLLAR
SAVINGS FROM CREDITS, REFUNDS
AND OPTIMIZATIONS.**

clients and rising volumes from existing clients increased the number of invoices we processed by 190% and increased revenues by 57%.

IMPLEMENTING INNOVATIONS

From a technical perspective, 2005 innovations included streamlining interfaces with Cass' banking and payment systems to fully automate bill payment for our clients. We developed more electronic interfaces with telecom carriers to increase our EDI transmissions, and also added online invoice images, accrual features and multi-level invoice approvals. We enhanced nCONTROL's workflow automation, centralizing features for storing vendor contact information, notes and external documents.

From an operations perspective, we centralized paper invoice processing, moving functions from Greenville, South Carolina, to our Columbus, Ohio, facility where we have over 400 bill

**CASS TELECOM FACT:
ACCORDING TO RESEARCH
ANALYSTS, ENTERPRISES ARE
OVERPAYING THEIR TELECOM
BILLS BY 5% TO 12%. THESE
ENTERPRISES STRUGGLE TO
RECOVER EVEN A SMALL
PORTION OF THEIR
OVERPAYMENTS.**





CASS TELECOM FACT:

INDUSTRY EXPERTS HAVE OBSERVED MANY FORTUNE 1000 CLIENTS ARE SEEKING TO OUTSOURCE TELECOM EXPENSE MANAGEMENT. ADDITIONAL OPPORTUNITIES EXIST TO PROVIDE TELECOM SERVICES TO CURRENT CASS' TRANSPORTATION AND UTILITIES CUSTOMERS.

processing team members. We applied process improvements to reduce the number of days needed to implement a new client, and also improved the efficiency and effectiveness of our auditing, optimization and circuit management services.


OUR VISION IS TO PROVIDE THE BEST VALUE IN THE TELECOM EXPENSE MANAGEMENT MARKET BY MAINTAINING HIGH OPERATIONAL PERFORMANCE AND EXTENDING COST ADVANTAGES TO OUR CLIENTS.

LOOKING FORWARD

We plan to continue investing in our current infrastructure, improving our operational processes and developing an

enhanced version of our nCONTROL technology. Our vision is to provide the best value in the TEM market by maintaining high operational performance and extending cost advantages to our clients. Our superior technology, extensive domain knowledge and quality management practices drive our high operational performance. We ensure cost advantages for our clients with efficient paper processing facilities, numerous EDI relationships and strong financial exchange capabilities.

To support our vision, we have aligned with experienced, industry-leading partners to provide continuously improving value for our clients. We believe focusing on our core capabilities while offering complementary services will drive optimal return on investment for our clients.

Industry experts have observed many Fortune 1000 clients seeking to outsource TEM. Additional opportunities exist to provide our Telecom services to current Cass Transportation and Utilities customers. We anticipate both of these groups will contribute to our continued growth in 2006. 

• CASS COMMERCIAL BANK •



2005 was a year of achievement for Cass Commercial Bank, bringing to a close our first century of providing banking services.

Last year marked several key milestones, as total loans surpassed the \$500 million level for the first time in Cass Bank's history, and our California bank branch concluded its first full year of operation.

After acquiring Franklin Bancorp of California in November 2004, we immediately began plans to upgrade the quality of our newly purchased branch located in Orange, California. In February 2005, we received regulatory approval to move our branch a few

miles away to a new office location in Santa Ana, California. This move positions us to better execute our strategy of cross-selling deposit services to our already existing base of church loan customers in the Southern California market. Additionally, our new California

branch offers the opportunity to introduce Cass Bank's other specialty niche of serving privately owned small businesses. Our new presence in California increases our opportunities for continued growth beyond the St. Louis region.

WE CONTINUE TO ACHIEVE SUCCESS GROWING OUR SMALL CORPORATE AND CHURCH CUSTOMER BASES THROUGH OUR TRADITIONAL RELATIONSHIP-BUILDING APPROACH. IN 2005, OVER 40% OF OUR LOAN GROWTH COULD BE ATTRIBUTED TO NEW CLIENT RELATIONSHIPS.

Last year, we also upgraded two of our five St. Louis area bank branches. In both cases, the new locations offer better visibility, more space, better drive-through teller facilities and more appealing aesthetics. We are pleased with the results of our 2005 branch upgrade initiatives and believe this serves to enhance the overall banking experience for our customers.

FINANCIAL PROGRESS

Overall, 2005 represented another solid performance for Cass Bank's loan portfolio. We again experienced solid loan growth, with average loan balances for the year reaching \$513 million, an increase of \$36 million or 7.5%. Meanwhile, the bank's net interest margin improved to 4.95%, from 4.48% in 2004. Loan

quality remained healthy with charge-offs and non-performing loans representing just two-hundredths of 1% of total loans and three-tenths of 1% of total loans, respectively. Both of these loan quality indicators are highly favorable by industry standards. Our loan portfolio continues to be a valuable source of profitability for the entire organization, and remains the highest priority for Cass Bank management. While controlling credit risk is of vital importance to the Cass strategy, it remains just one component of a larger risk management effort. We also pay close attention to our internal controls over interest rate risk, liquidity risk and various other types of operating risks.

FOCUSED STRATEGY

In today's hyper-competitive banking environment, we believe Cass Bank's narrow niche focus still serves us well. We continue to seek business exclusively in two specialized niche market segments: privately owned businesses and churches. Within these two specializations, we have broad expertise and can offer our clients a knowledgeable and personalized level of service. We believe this focus is attractive to our clients and prospects, and differentiates us from most banks, whether large or small, which typically follow the "be all things to all people" strategy. We continue to achieve success growing our small corporate and church customer bases through our traditional relationship-building

approach. In 2005, over 40% of our loan growth could be attributed to new client relationships.

PRIORITIES FOR THE FUTURE

As we move into our centennial year of 2006, our priority initiatives include:

- Continuing to leverage digital imaging technologies to reduce paper in our transaction and credit processing
- Maintaining diligence in the conservative administration of our loan portfolio
- Fully staffing and managing the growth of our new California banking branch
- Introducing remote check image capture equipment to larger customers and prospects to enhance their convenience and foster potential growth of core deposits

WE NOW LOOK FORWARD WITH EAGER ANTICIPATION TO ALL THAT OUR NEXT 100 YEARS IN THE BANKING BUSINESS WILL BRING.

We began in 1906 as Cass Avenue Bank and developed throughout the remainder of the 20th century as a niche commercial bank. Today, we continue in that tradition, while also embracing our role as a strategic part of Cass Information Systems, providing important asset and risk management functions. We now look forward with eager anticipation to all that our next 100 years in the banking business will bring. 

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands of dollars, except share and per share information)

December 31,

REVENUES	2005	2004	2003
Payment and Processing Revenue	\$ 35,901	\$ 30,695	\$ 28,440
Net Investment Income	32,789	27,088	26,192
Gain on Sale of Debt Securities	547	1,045	1,454
Other Revenues	2,205	2,307	2,477
Total Revenues	71,442	61,135	58,563
EXPENSES			
Salaries and Employee Benefits Expense	38,044	33,558	32,825
Occupancy Expense	1,941	1,589	1,545
Equipment Expense	2,795	3,276	4,045
Impairment of Equity Expense	3,100	—	—
Other Expenses	9,336	8,622	8,968
Total Expenses	55,216	47,045	47,383
Income from Continuing Operations			
Before Income Tax Expense	16,226	14,090	11,180
Income Tax Expense	4,982	4,209	3,385
Net Income from Continuing Operations	11,244	9,881	7,795
Net Income (Loss) from Discontinued Operations	(298)	(1,876)	107
Net Income	\$ 10,946	\$ 8,005	\$ 7,902
EARNINGS PER SHARE			
Basic	\$ 1.99	\$ 1.45	\$ 1.43
Diluted	1.94	1.43	1.42
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	5,508,475	5,512,151	5,515,971
Diluted	5,702,401	5,621,623	5,571,830

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of dollars, except share and per share information)

December 31,

ASSETS	2005	2004
Cash and Cash Equivalents	\$ 149,692	\$ 87,543
Loans and Investments, Net	617,881	571,541
Premises and Equipment, Net	11,987	11,376
Other Assets	39,138	46,061
Total Assets	\$ 818,698	\$ 716,521
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits	\$ 286,998	\$ 275,629
Accounts and Drafts Payable	445,811	358,473
Borrowings	3,888	3,827
Other Liabilities	6,720	9,003
Total Liabilities	743,417	646,932
Shareholders' Equity		
Preferred Stock, par value \$.50 per share; 2,000,000 shares authorized and no shares issued	—	—
Common Stock, par value \$.50 per share; 20,000,000 shares authorized; 6,336,593 and 4,494,510 shares issued at December 31, 2005 and 2004, respectively	3,168	2,247
Additional Paid in Capital	18,486	18,370
Retained Earnings	71,506	64,685
Accumulated Other Comprehensive (Loss) Income	(406)	543
Common Shares in Treasury, at cost (836,457 and 807,262 shares at December 31, 2005 and 2004, respectively)	(17,313)	(16,096)
Unamortized Stock Bonus Awards	(160)	(160)
Total Shareholders' Equity	75,281	69,589
Total Liabilities and Shareholders' Equity	\$ 818,698	\$ 716,521

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF CASS INFORMATION SYSTEMS, INC.:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cass Information Systems, Inc. and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, cash flows, and shareholders' equity and comprehensive income for each of the years in the three-year period ended December 31, 2005 (not presented herein); and in our report dated March 10, 2006, we expressed an unqualified opinion on those consolidated financial statements. As discussed in that report, during the fourth quarter of 2005, Cass Information Systems, Inc. announced the sale of the business and assets of Government e-Management Solutions, Inc (GEMS). The assets, liabilities and results of operation of GEMS are included in discontinued operations in the consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

St. Louis, Missouri
March 10, 2006

FORWARD-LOOKING STATEMENTS

FACTORS THAT MAY AFFECT FUTURE RESULTS

This report may contain or incorporate by reference forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause future performance to vary from expected performance summarized in the future-looking statements, including those set forth in this paragraph. Important factors that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by those statements include, but are not limited to: the failure to successfully execute our corporate plan, the loss of key personnel or inability to attract additional qualified personnel, the loss of key customers, increased competition, the inability to remain current with rapid technological change, risks related to acquisitions, risks associated with business cycles and fluctuations in interest rates, utility and system interruptions or processing errors, rules and regulations governing financial institutions and changes in such rules and regulations, credit risk related to borrowers' ability to repay loans, concentration of loans to certain segments such as commercial enterprises, churches and borrowers in the St. Louis area which creates risks associated with adverse factors that may affect these groups and volatility of the price of our common stock. We undertake no obligation to publicly update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, or changes to future results over time.

BOARD OF DIRECTORS

LAWRENCE A. COLLETT

Chairman of the Board, Chief Executive Officer

ROBERT J. BODINE

Chairman Emeritus, Bodine Aluminum, Inc.

K. DANE BROOKSHER

Chairman, Prologis

ERIC H. BRUNNGRABER

Chief Financial Officer

BRYAN S. CHAPELL

President, Covenant Theological Seminary

BENJAMIN F. EDWARDS, IV

Branch Manager and
Member of the Board of Directors,
AG Edwards and Sons, Inc.

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Consultant

WAYNE J. GRACE

Retired Managing Director,
UHY Advisors MO, Inc.

HARRY J. KRIEG

Chairman Emeritus

HOWARD A. KUEHNER

Investor

IRVING A. SHEPARD

President, Venture Consultants, Inc.

A.J. SIGNORELLI

Founder, Andrews Educational & Research
Center and Hope Educational & Research Center

OFFICERS

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Chairman of the Board, Chief Executive Officer

ERIC H. BRUNNGRABER

Chief Financial Officer

HARRY M. MURRAY

Executive Vice President

JOHN F. PICKERING

Chief Operating Officer,
Transportation Information Services

GARY B. LANGFITT

Chief Operating Officer,
Utility Information Services

TECUMSEH HOOPER JR.

Chief Operating Officer,
Telecom Information Services

JOHN J. VALLINA

Vice Chairman, Cass Commercial Bank

KENNETH A. WITBRODT

President, Cass Commercial Bank

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

Cass Information Systems, Inc.
13001 Hollenberg Drive
Bridgeton, Missouri 63044
(314) 506-5500
E-mail: cass@cassinfo.com
Web: www.cassinfo.com

COMMON STOCK

The company's common stock trades on the
NASDAQ stock market under the symbol CASS.

ANNUAL MEETING

The annual meeting of shareholders will be held
April 17, 2006, at 11:00 a.m. at the Charles F.
Knight Executive Education Center, John M. Olin
School of Business at Washington University,
St. Louis, Missouri.

INVESTOR RELATIONS

Security analysts, investment managers
and others seeking financial information
about the company should contact:

Investor Relations
Cass Information Systems, Inc.
13001 Hollenberg Drive
Bridgeton, Missouri 63044
(314) 506-5500

INDEPENDENT AUDITORS

KPMG LLP
10 South Broadway
Suite 900
St. Louis, Missouri 63102

TRANSFER AGENT

Shareholders with inquiries regarding
stock accounts, dividends, change of
ownership or address, lost certificates or
consolidation of accounts should contact:

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
888-213-0965
www.melloninvestor.com

10-K AND OTHER PUBLICATIONS

A copy of the company's Form 10-K, as filed with
the Securities and Exchange Commission, will be
furnished without charge upon written request to
the address above or from the company's website
at: www.cassinfo.com.



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