UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended December 31, 1999

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal period from ------------- to -------------

Commission file number 2-80070

CASS COMMERCIAL CORPORATION

(Exact name of registrant specified in its charter)

Missouri	43-1265338
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)
13001 Hollenberg Drive, Bridgeton, Missouri	63044
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (314) 506-5500

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock par value $.50

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No -----

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

As of March 5, 2000, 3,642,883 shares of common stock of the registrant were outstanding; the aggregate market value of the shares of common stock of the registrant held by non-affiliates was approximately $58,613,026 based upon the Nasdaq Stock Market closing price of $20.50 for March 5, 2000.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of registrant's Annual Report to Shareholders for the year ended December 31, 1999 are incorporated by reference in Part I and II hereof.

2. Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 17, 2000 is incorporated by reference in Part III hereof.

PART I.

ITEM 1. BUSINESS

CASS COMMERCIAL CORPORATION

Registrant, Cass Commercial Corporation (the "Company"), is a bank holding corporation organized in 1982 under the laws of Missouri and approved by the Board of Governors of the Federal Reserve system in February 1983 and is governed by regulations of the Board of Governors of the Federal Reserve system applying to bank holding companies. As of December 31, 1999, the Company owned 100% of the outstanding shares of common stock of Cass Commercial Bank ("Cass Bank") and Cass Information Systems, Inc. ("CIS"), a non-banking subsidiary. The business of the Company is providing ownership, supervision and control of its subsidiaries in the form of consulting services, strategic planning, policy establishment and centralized accounting, human resources and internal auditing services.

The Company and its subsidiaries had 582 full-time and 45 part-time employees as of December 31, 1999.

Total interest income, total net revenue, income (loss) before income tax, total income tax expense (benefit), identifiable assets, depreciation and amortization expense and capital expenditures attributable to each business segment, for the three years ended December 31, 1999 are set forth in Note 12 of the Notes to Consolidated Financial Statements on page 29 of the Cass Commercial Corporation 1999 Annual Report, which is hereby incorporated by reference.

CASS COMMERCIAL BANK

Cass Bank was organized as a Missouri Trust Company with banking powers in 1906. Its principal banking office is located at 13001 Hollenberg Drive, Bridgeton, Missouri and it has five other bank branches in the St. Louis, Missouri metropolitan area.

Cass Bank provides banking services in the commercial, industrial and residential areas it serves. Its primary focus is on privately owned businesses and churches and church-related ministries. Services include commercial, real estate and personal loans; checking, savings and time deposit accounts and other cash management services. Although Cass Bank has trust powers, it does not operate a trust department. Cass Bank had 71 full-time and 5 part-time employees as of December 31, 1999. At December 31, 1999, Cass Bank had total assets of $214,971,000, deposits of $184,303,000 and aggregate capital accounts of $25,883,000 and for the year ended December 31, 1999, had net income of $3,270,000.

Cass Bank encounters substantial competition from other banks located throughout the St. Louis metropolitan area. Savings and loan associations, credit unions, other financial institutions and non-bank providers of financial services also provide competition. The principal competition however, is represented by bank holding company affiliates, many of which are larger and have greater resources than Cass Bank, and are able to offer a wide range of banking and related services through extensive branch networks.

CASS INFORMATION SYSTEMS, INC.

CIS provides information and payment related services. In 1956, Cass Bank began the operation of a freight payment service to meet the needs of shippers and receivers of freight and transportation companies in the St. Louis metropolitan area. This service was well received and, in 1967, its marketing was expanded to cover the entire United States. The range and scope of the services have been expanded significantly over the years. Today many Fortune 500 companies in the United States utilize the broad array of services provided by CIS. These services now include the processing of freight, utility and other payments, delivery of management information through reports, voice response systems and the Internet, and other services such as auditing, rating and other payment related activities.

The headquarters and main operating location of CIS is at 13001 Hollenberg Drive, Bridgeton, Missouri. Other operating locations are in Columbus, Ohio; Chicago, Illinois and Boston, Massachusetts.

CIS's competition comes from within and outside the banking industry. Many banks which had provided freight payment services in the past, have ceased providing such services or have sold those operations. CIS also competes with several non-bank companies located throughout the United States. The Company believes CIS to be the largest

firm in the freight bill payment industry in terms of the total dollars of freight bills paid, the total number of employees on staff, total revenues and total assets employed. Non-bank competition consists of five primary competitors and numerous small freight bill audit firms located throughout the United States. While offering freight payment services, few of these audit firms compete on a national basis. CIS also competes with several non-bank companies that pay utility bills and provide extensive management reporting that are located throughout the United States. Due to the fact that this is a new market, the competitive environment for utility bill processing and payment is difficult to access and is changing rapidly.

CIS owns several service marks for the freight payment services and logistics information software it provides. Those marks deemed the most valuable are "Freightpay", the basic freight payment service, "Ratemaker", a rate maintenance software product, and "First Rate", a carrier selection software product. In addition, CIS either owns or has applied for other service marks.

CIS is not dependent on any one customer for a large portion of its business. It has a varied client base with no individual client exceeding 5% of total revenue. CIS had 501 full-time employees and 40 part-time employees as of December 31. 1999.

For the year 1999, CIS had net revenues of $36,082,000 and net income of $3,015,000. Total assets as of December 31, 1999 were $284,412,000.

REGULATION AND SUPERVISION

The Company and Cass Bank are extensively regulated under federal and state law. These laws and regulations are intended to protect depositors, not shareholders. To the extent that the following information describes statutory or regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions. Any change in applicable laws or regulations may have a material effect on the business and prospects of the Company. The operations of the Company may be affected by legislative changes and by the policies of various regulatory authorities. The Company is unable to predict the nature or the extent of the effects on its business and earnings that fiscal or monetary policies, economic control or new federal or state legislation may have in the future.

Federal Bank Holding Company Regulation

The Company is a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), and as such, it is subject to regulation, supervision and examination by the Board of Governors of the Federal Reserve System (the "FRB"). The Company is required to file quarterly and annual reports with the FRB and to provide to the FRB such additional information as the FRB may require, and it is subject to regular inspections by the FRB. The FRB also has extensive enforcement authority over bank holding companies, including, among other things, the ability to assess civil money penalties, to issue cease and desist or removal orders and to require that a holding company divest subsidiaries (including its bank subsidiaries). In general, enforcement actions may be initiated for violations of law or regulations or for unsafe or unsound practices.

Under FRB policy, a bank holding company must serve as a source of strength for its subsidiary banks. Under this policy the FRB may require, and has required in the past, a bank holding company to contribute additional capital to an undercapitalized subsidiary bank.

The BHC Act requires every bank holding company to obtain the prior approval of the FRB before (1) acquiring, directly or indirectly, ownership or control of any voting shares of another bank or bank holding company if, after such acquisition, it would own or control 5% or more of such shares (unless it already owns or controls the majority of such shares); (2) acquiring all or substantially all of the assets of another bank or bank holding company; or (3) merging or consolidating with another bank holding company. The FRB will not approve any acquisition, merger or consolidation that would have a substantially anticompetitive result, unless the anticompetitive effects of the proposed transaction are clearly outweighed by a greater public interest in meeting the convenience and needs of the community to be served. The FRB also considers capital adequacy and other financial and managerial factors in reviewing acquisitions or mergers.

With certain exceptions, the BHC Act also prohibits a bank holding company from acquiring or retaining direct or indirect ownership or control of 5% or more of the voting shares of any company which is not a bank or bank holding company, or from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or providing services for its subsidiaries. The principal exceptions to these prohibitions involve certain non-bank activities which, by statute or by FRB regulation or order, have been identified as activities closely related to the

business of banking or of managing or controlling banks. In making this determination, the FRB considers whether the performance of such activities by a bank holding company can be expected to produce benefits to the public such as greater convenience, increased competition or gains in efficiency in resources, which can be expected to outweigh the risks of possible adverse effects such as decreased or unfair competition, conflicts of interest or unsound banking practices. The scope of permissible nonbanking activities may be expanded from time to time by the FRB by regulation or order. Such activities may also be affected by federal legislation.

The FRB has issued a policy statement on the payment of cash dividends by bank holding companies, which expresses the FRB's view that a bank holding company should pay cash dividends only to the extent that its net income for the past year is sufficient to cover both the cash dividends and a rate of earning retention that is consistent with the holding company's capital needs, asset quality and overall financial condition. The FRB also indicated that it would be inappropriate for a company experiencing serious financial problems to borrow funds to pay dividends. Furthermore, under the prompt corrective regulations adopted by the FRB, the FRB may prohibit a bank holding company from paying any dividends if the holding company's bank subsidiary is classified as "undercapitalized."

A bank holding company is required to give the FRB prior written notice of any purchase or redemption of its outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of its consolidated net worth. The FRB may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe or unsound practice or would violate any law, regulation, FRB order, written agreement with the FRB, or any condition imposed by the FRB. This notification requirement does not apply to any company that is "well-capitalized" and "well-managed" as defined in the regulation and is not subject to any unresolved supervisory issues.

Additional aspects of the regulation of bank holding companies under federal law are discussed below.

State Bank Holding Company Regulation

The Company, as a Missouri bank holding company, is also subject to regulation by the Division of Finance of the State of Missouri (the "Division of Finance"). Under the Missouri banking laws, prior approval of the Division of Finance is required before a bank holding company may acquire control of a Missouri chartered bank or a bank holding company incorporated in Missouri. In addition, under the Missouri banking laws, it is unlawful for any bank holding company to obtain control of any bank if the total deposits in the bank together with the total deposits in all banks in Missouri controlled by such bank holding company exceed 13% of the total deposits held by all depository financial institutions in Missouri. In computing deposits for purposes of this calculation, certificates of deposit in the face amount of $100,000 or more, deposits from outside the United States and deposits from banks not controlled by the bank holding company are excluded. Depository financial institution is defined as any financial institution which accepts deposits and which can insure such deposits through an agency of the federal government. As of December 31, 1999, the Company's consolidated Missouri deposits represented less than 1% of the total deposits held by all Missouri depository financial institutions.

Federal and State Bank Regulation

Cass Bank is a federally-insured Missouri state-chartered bank and is a member of the Federal Reserve System. Cass Bank is subject to the supervision and regulation of the Division of Finance, and to the supervision and regulation of the FRB. These agencies may prohibit Cass Bank from engaging in what they believe constitutes unsafe or unsound banking practices.

The ability of banks and bank holding companies to operate in multiple locations or in more than one state is regulated by both federal and state law. Under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Riegle-Neal Act"), "adequately capitalized and adequately managed" bank holding companies may acquire bank subsidiaries located in any state notwithstanding any state laws to the contrary, and adequately capitalized and adequately managed national and state-chartered banks may merge across state lines and keep the branches of the merging banks. The Riegle-Neal Act permits states to require banks to be in existence for a specified period of time up to five years before they can be acquired (either by purchase or through an interstate bank merger) by out-of-state bank holding companies, and to impose state wide market share limits on out-of-state bank holding companies after their initial entry into the state. The Riegle-Neal Act does not authorize interstate branching other than by a bank merger, such as by opening a new branch in another state or by acquiring a branch in another state (without acquiring the entire bank); however, any state may opt to permit out-of-state banks to branch within the state by those methods.

The Community Reinvestment Act requires that, in connection with examinations of financial institutions within its jurisdiction, the FRB shall evaluate the record of the financial institutions in meeting the credit needs of their local communities, including low and moderate income neighborhoods, consistent with the safe and sound operation of those banks. These factors are also considered in evaluating mergers, acquisitions and applications to open a branch or facility. Banks having branch offices in two or more states will receive both an overall CRA performance rating and separate CRA ratings for each of the states in which they have branches.

Section 23A of the Federal Reserve Act is designed to protect banks from abuse in financial transactions with companies with which the bank is affiliated, by (i) limiting a bank's extensions of credit and other covered transactions with any single affiliate to no more than 10% of the bank's capital and surplus, and with all affiliates to no more than 20% of the bank's capital and surplus, (ii) requiring that all of the bank's extensions of credit to an affiliate be appropriately secured by collateral, (iii) requiring that all transactions between a bank and its affiliates be on terms and conditions consistent with safe and sound banking practices, and (iv) prohibiting a bank or its subsidiaries from purchasing low-quality loans or other assets from the bank's affiliates.

Under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), each federal banking agency has adopted, by regulation, guidelines on non-capital safety and soundness standards for institutions under its authority. These cover, among other things, internal controls, information systems and internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees and benefits, such other operational and managerial standards as the agency determines to be appropriate and standards for asset quality, earnings and stock valuation. An institution which fails to meet these standards must develop a plan acceptable to the agency, specifying the steps that the institution will take to meet the standards. Failure to submit or implement such a plan may subject the institution to regulatory sanctions. The Company believes that Cass Bank meets all the standards of FDICIA. FDICIA also imposed new capital standards on insured depository institutions, all of which are met by Cass Bank.

Deposit Insurance and Assessments

As a Federal Depository Insurance Corporation ("FDIC") member institution, the deposits of Cass Bank are currently insured to a maximum of $100,000 per depositor through the Bank Insurance Fund ("BIF"), administered by the FDIC, and Cass Bank is required to pay periodic deposit insurance premium assessments to the FDIC.

The FDIC has adopted a risk-based assessment system. Under the risk-based assessment system, BIF members pay varying assessment rates depending upon the level of the institution's capital and the degree of supervisory concern over the institution. The assessment rates are set by the FDIC semiannually. The FDIC reduced the assessment rates for 1997 to a range of zero (0) cents to 27 cents per $100 of insured deposits and this rate remained the same in 1998 and 1999. The Bank qualified for the $0 assessment rate for 1999, however the Bank paid approximately $30,000 in assessments from the Financing Corporation (FICO). The FICO debt service assessment became applicable to all insured institutions as of January 1, 1997, in accordance with the Deposit Insurance Act of 1996. The FDIC has authority to increase the annual assessment rate if it determines that a higher assessment rate is necessary to increase BIF's reserve ratio. There is no cap on the annual assessment rate which the FDIC may impose.

Under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), a depository institution insured by the FDIC can be held liable for any loss incurred by, or reasonably expected to be incurred by, the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default (the "Cross Guarantee"). "Default" is defined generally as the appointment of a conservator or receiver and "in danger of default" is defined generally as the existence of certain conditions indicating either that there is no reasonable prospect that the institution will be able to meet the demands of its depositors or pay its obligations in the absence of regulatory assistance, or that its capital has been depleted and there is no reasonable prospect that it will be replenished in the absence of regulatory assistance. The Cross Guarantee thus enables the FDIC to assess a holding company's healthy BIF members for the losses of any of such holding company's failed BIF members. Cross Guarantee liabilities are generally superior in priority to obligations of the depository institution to its shareholders, due solely to their status as shareholders, and obligations to other affiliates. Under FIRREA, failure to meet applicable capital guidelines could subject a banking institution to a variety of enforcement remedies available to federal regulatory authorities, including the termination of deposit insurance by the FDIC and a prohibition on the taking of "brokered deposits."

Dividends

The principal source of the Company's cash revenues is dividends received from Cass Bank and CIS. The Missouri banking laws impose certain limitations on the payment of dividends by Missouri state chartered banks such as Cass Bank, as follows: (1) no dividends may be paid which would impair capital; (2) until the surplus fund of a bank is equal to 40% of its capital, no dividends may be declared unless there has been carried to the surplus account no less than one-tenth of its net profits for the dividend period; and (3) dividends are payable only out of a bank's undivided profits. In addition, the appropriate regulatory authorities are authorized to prohibit banks and bank holding companies from paying dividends which would constitute an unsafe and unsound banking practice.

Capital Adequacy

The federal bank regulatory agencies use capital adequacy guidelines in their examination and regulation of bank holding companies and banks. If the capital falls below the minimum levels established by these guidelines, the bank holding company or bank may be denied approval to acquire or establish additional banks or non-bank businesses or to open facilities.

The FRB and FDIC have adopted risk-based capital guidelines for banks and bank holding companies. The risk-based capital guidelines are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks and bank holding companies, to account for off-balance sheet exposure and to minimize disincentives for holding liquid assets. Assets and off-balance sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items. The guidelines are minimums, and the FRB has noted that bank holding companies contemplating significant expansion programs should not allow expansion to diminish their capital ratios and should maintain ratios well in excess of the minimum. The current guidelines require all bank holding companies and federally-regulated banks to maintain a minimum risk-based total capital ratio equal to 8%, of which at least 4% must be Tier 1 capital. Bank holding companies are required under such guidelines to deduct all intangibles except purchased mortgage servicing rights from capital.

In assessing a bank's capital adequacy, the FRB and FDIC also take into consideration market risks, i.e., the risk of loss from the change in value of assets and liabilities due to changes in interest rates, and may require an institution to increase its capital level to address such risks. These agencies have also adopted a policy statement that provides guidance to institutions on the management of interest rate risk.

The FRB also has implemented a leverage ratio, which is Tier 1 capital as a percentage of total average assets less intangibles, to be used as a supplement to the risk-based guidelines. The principal objective of the leverage ratio is to place a constraint on the maximum degree to which a bank holding company may leverage its equity capital base. The FRB requires a minimum leverage ratio of 3%. However, for all but the most highly rated bank holding companies and for bank holding companies seeking to expand, the FRB expects an additional cushion of at least 100 to 200 basis points.

FDICIA

FDICIA made extensive changes to the federal banking laws and instituted certain changes to the supervisory process, including provisions that mandate certain regulatory agency actions against undercapitalized institutions within specified time limits. FDICIA contains various other provisions that may affect the operations of banks and savings institutions.

The prompt corrective action provision of FDICIA requires the federal banking regulators to assign each insured institution to one of five capital categories ("well capitalized", "adequately capitalized" or one of three "undercapitalized" categories) and to take progressively more restrictive actions based on the capital categorization. Under FDICIA, capital requirements include a leverage limit, a risk-based capital requirement and any other measure of capital deemed appropriate by the federal banking regulators for measuring the capital adequacy of an insured depository institution. All institutions, regardless of their capital levels, are restricted from making any capital distribution or paying any management fees that would cause the institution to fail to satisfy the minimum levels for any relevant capital measure.

FDICIA generally requires annual on-site, full scope examinations by each bank's primary federal regulator. It also requires management, the independent audit committee and outside accountants to develop or approve reports regarding the effectiveness of internal controls, legal compliance and off-balance-sheet liabilities and assets.

Recent Developments: The Gramm-Leach-Bliley Act ("GLBA") was signed into law on November 12, 1999. This major banking legislation now permits affiliation among depository institutions and entities whose activities are considered "financial in nature" or incidental or complementary to such activities. Activities which are expressly considered financial in nature include, among other things, securities and insurance underwriting and agency, investment management and merchant banking. With certain exceptions, GLBA similarly expanded the authorized activities of subsidiaries of national banks (and indirectly through the wild card powers provisions of state law, Missouri banks). These provisions become effective March 11, 2000.

In general, these expanded powers are reserved to bank holding companies, to be known as financial holding companies ("FHC") and banks, where all depository institutions affiliated with them are well capitalized and well managed based on applicable banking regulations and meet specified Community Reinvestment Act ratings. GLBA authorizes the Federal Reserve and the United States Treasury, in cooperation with one another, to determine what additional activities are permissible as financial in nature. Maintenance of activities which are financial in nature will require FHC's and banks to continue to satisfy applicable well capitalized and well managed requirements. Bank holding companies which do not qualify for FHC status are limited to non-banking activities deemed closely related to banking prior to adoption of GLBA.

To become an FHC, the Company would file a declaration with the Federal Reserve electing to engage in activities permissible for an FHC and certifying that it is eligible to do so because it meets the requirements outlined above. The Company currently meets the requirements to make an election to become a FHC; however, the Company's management has not determined at this time whether it will seek such an election. The Company is examining its strategic business plan to determine whether, based on market conditions, the relative financial conditions of Company and its subsidiaries, regulatory capital requirements, general economic conditions, and other factors, Company desires to utilize any of its expanded powers provided in GLBA.

In addition to the creation of FHC's, GLBA establishes a scheme of "functional regulation" of financial services businesses which is intended to reflect the primacy of regulation over activities and entities by regulators routinely responsible for such activities and entities and with the appropriate expertise in the area of regulation. This applies both in allocating responsibility for supervising different companies within an FHC and in supervising different activities within the same company. In this connection, GLBA clarifies the regulation by states of insurance products sold by depository institutions, repeals some of the exemptions enjoyed by banks under federal securities laws relating to securities offered by banks and licensing of broker-dealers and investment advisors.

GLBA also adopts restrictions on financial institutions regarding the sharing of customer non-public personal information with non-affiliated third parties unless the customer has had an opportunity to opt out of the disclosure. GLBA also imposes periodic disclosure requirements concerning the financial institution's policies and practices regarding data sharing with affiliated and non-affiliated parties.

This act will be the subject of extensive rule making by federal banking regulators and others. The effects of this legislation will only begin to be understood over the next several years and at this time cannot be predicted with any certainty.

Monetary Policy

The earnings of a bank holding company are affected by the policies of regulatory authorities, including the FRB, in connection with the FRB's regulation of the money supply. Various methods employed by the FRB are open market operations in United States Government securities, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These methods are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may also affect interest rates charged on loans or paid on deposits. The monetary policies of the FRB have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future.

STATISTICAL DISCLOSURE BY BANK HOLDING COMPANIES

For the statistical disclosure by bank holding companies see Part II. Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations".

ITEM 2. PROPERTIES

CASS COMMERCIAL CORPORATION

The Company's headquarters are located in office facilities leased from CIS at 13001 Hollenberg Drive, Bridgeton, Missouri, 63044.

CASS COMMERCIAL BANK

Cass Bank's headquarters are located at 13001 Hollenberg Drive, Bridgeton, Missouri, 63044. Cass Bank leases approximately 20,500 square feet of a 61,500 square feet building owned by CIS. In addition, Cass Bank owns a banking facility near downtown St. Louis that consists of approximately 1,600 square feet with adjoining drive-up facilities. Cass Bank has additional leased facilities in Maryland Heights, Missouri (2,500 square feet); Fenton, Missouri (1,250 square feet); Chesterfield, Missouri (2,850 square feet) and downtown St. Louis, Missouri (1,500 square feet).

CASS INFORMATION SYSTEMS, INC.

CIS' headquarters are located at 13001 Hollenberg Drive, Bridgeton, Missouri, 63044. This location is owned by CIS, and includes a building with approximately 61,500 square feet of office space, 20,500 of which is occupied by Cass Bank. CIS also operates a production facility in Columbus, Ohio where approximately 20,000 square feet are leased through the year 2000. This space is located at 2545 Farmers Drive, Columbus, Ohio. CIS operates an additional production facility in Lowell, Massachusetts where approximately 25,800 square feet of office space is leased through October 31, 2005. CIS also leases a facility for its rating and software group in Chicago, Illinois where approximately 10,000 square feet of office space is leased through the year 2004.

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are not involved in any pending proceedings other than ordinary routine litigation incidental to their businesses. Management believes none of these proceedings, if determined adversely, would have a material effect on the business or financial condition of the Company or its subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1999.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

As of March 5, 2000, there were 259 holders of record of the Company's common stock. The Company's common stock was listed on the Nasdaq Stock Market effective July 1, 1996. High and low bid prices for each quarter of 1999 and 1998 were as follows:

	1999		1998	
	High	Low	High	Low
1st Quarter	$25-1/8	$24-1/2	$35-1/4	$24-3/4
2nd Quarter	25	24-1/4	34-3/4	30
3rd Quarter	25-1/2	23-1/2	30-3/4	23-7/8
4th Quarter	25-3/4	18-5/8	26-3/4	24-5/8

Dividends paid per share by the Company during the two most recent fiscal years were as follows:

	1999	1998
March 15	$ .19	$ .18
June 15	.19	.18
September 15	.19	.18
December 15	.19	.18

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

(Dollars in thousands, except per share data)	1999	1998	1997	1996	1995
Interest income on loans	$20,371	$17,579	$16,951	$16,193	$14,042
Interest income on debt and equity securities	4,722	6,607	9,151	9,801	9,787
Other interest income	5,782	5,858	3,181	2,132	2,972
Total interest income	30,875	30,044	29,283	28,126	26,801
Interest expense on deposits	4,357	4,271	4,181	4,503	4,036
Interest expense on short-term borrowings	9	10	67	139	92
Total interest expense	4,366	4,281	4,248	4,642	4,128
Net interest income	26,509	25,763	25,035	23,484	22,673
Provision for loan losses	--	--	300	--	(500)
Net interest income after provision	26,509	25,763	24,735	23,484	23,173
Noninterest income	21,444	22,447	21,813	22,091	23,794
Noninterest expense	38,344	36,625	35,911	35,811	37,366
Income before income tax expense	9,609	11,585	10,637	9,764	9,601
Income tax expense	3,411	4,177	3,626	3,245	3,387
Net income	$6,198	$7,408	$7,011	$6,519	$6,214
Basic earnings per share	$1.63	$1.92	$1.82	$1.69	$1.62
Diluted earnings per share	1.61	1.89	1.79	1.66	1.61
Dividends per share	.760	.720	.650	.595	.535
Average total assets	$491,450	$469,606	$443,900	$422,953	$400,197
Average net loans	254,353	208,603	197,761	185,791	152,433
Average debt and equity securities	78,903	109,275	148,027	160,291	161,047
Average total deposits	190,661	176,784	161,778	161,595	143,001
Average total shareholders' equity	57,118	55,246	49,965	45,250	40,924
Return on average total assets	1.26%	1.58%	1.58%	1.54%	1.55%
Return on average total shareholders' equity	10.85	13.41	14.03	14.41	15.18
Total shareholders' equity to total assets at year-end	11.29	11.39	12.01	10.90	10.12
Allowance for loan losses to loans at year-end	1.54	1.97	2.28	2.22	3.65
Nonperforming assets to loans and other real estate at year-end	.15	.35	.39	.40	.36
Net loan charge-offs (recoveries) to average loans outstanding	.06	.03	.10	1.02	(.33)

Interest income on loans includes net loan fees.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following discussion and analysis provides information about the financial condition and results of operations of the Company for the years ended December 31, 1999, 1998 and 1997. This discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto, which are hereby incorporated by reference from the Company's 1999 Annual Report to Shareholders.

NET INCOME

The Company's consolidated net income, earnings per share and selected ratios for 1999, 1998 and 1997 were as follows:

	1999	1998	1997
Net income	$6,198,000	$7,408,000	$7,011,000
Basic earnings per share	$1.63	$1.92	$1.82
Diluted earnings per share	$1.61	$1.89	$1.79
Return on average assets	1.26%	1.58%	1.58%
Return on average equity	10.85%	13.41%	14.03%
Ratio of average total shareholders' equity to average total assets	11.62%	11.77%	11.26%
Ratio of total dividends declared to net income	46.61%	37.55%	35.77%

The 1999 results compared to 1998 include the following significant pre-tax components:

Net interest income increased $746,000 or 2.9% due to a $45,667,000 increase in average loans and a $22,032,000 increase in average earning assets, which were partially offset by a decline in the general level of interest rates that caused the net interest margin to decrease from 5.98% to 5.87%.

Total noninterest income decreased $1,003,000 or 4.5% due to several factors. Total freight and utility payment and processing revenue decreased $583,000 or 3.1% despite a $726,000 increase in revenue from utility payment and processing services. The decrease in revenue from freight payment and processing services was due to several factors. First, there was a decrease in the volume of freight transactions due largely to the growth in competition for electronic data interchange (EDI) processing of parcel and air shipments. Second, there were continued anticipated decreases of some freight payment services that were part of a prior acquisition. Finally, the implementation of new prospects, which typically exceed lost business, appeared to be delayed by our prospect's Y2K remediation programs. Freight rating services revenue decreased $346,000 or 16.1% due to a change in Company direction from selling rating software to Internet-based systems. Finally, the Company recognized a $285,000 gain on the sale of securities in 1998.

Total noninterest expense increased $1,719,000 or 4.7% due to several factors. The most significant was the Company's investment in the utility processing area and in new freight processing capabilities. Due to the rapid growth in the utility processing area, CIS was unable to leverage freight processing resources to the extent that was initially envisioned. As a result, a much larger investment in staff and processing support had to be made to accommodate the fast rate of growth. It is estimated that the pre-tax loss on utility payment processing services exceeded $1,000,000. In addition, CIS invested heavily in Internet system capabilities and internal system development in the freight processing area that will allow greater growth in this area in the future. Finally, annual salary increases and higher benefit expenses accounted for a significant part of the increase.

The 1998 results compared to 1997 include the following significant pre-tax components:

Net interest income increased $1,028,000 or 4.2% due to a $24,948,000 increase in average earning assets and a decrease in the provision for loan losses from $300,000 to $0. These factors more than offset the decrease in net interest margin that was caused by a decline in the general level of interest rates.

Total noninterest income increased $634,000 or 2.9% due largely to an increase in CIS processing revenue of $946,000 as CIS experienced a record processing year. Some of this increase was offset by a decrease in the negative goodwill related to a prior acquisition by CIS that was fully amortized in 1997. Also in 1997,

the Bank received a buyout of its headquarters lease in excess of the remaining net book value of leasehold improvements that resulted in a one-time gain of $95,000.

Total noninterest expenses increased $714,000 or 2.0% due mainly to increased salaries and benefits expense that related to separation costs associated with the streamlining and integration of operations in the freight rating software service and sales group combined with annual salary increases.

NET INTEREST INCOME

Net interest income is the difference between interest earned on loans, investments, and other earning assets and interest paid on deposits and other interest-bearing liabilities. Net interest income is a significant source of the Company's revenues.

Net interest income in 1999 compared to 1998:

On a tax-equivalent basis, net interest income for 1999 totaled $26,721,000, an increase of $833,000 or 3.2% over 1998. The net interest margin for 1999 was 5.87% compared to 5.98% in 1998. The following factors account for this increase in net interest income and decrease in net interest margin:

Total average earning assets increased $22,032,000 or 5.1% to $455,187,000. This increase was due to an increase in non-interest bearing demand and interest bearing deposits at Cass Bank resulting from new business development efforts and an increase in accounts and drafts payable at CIS from an increase in dollars processed. This increase contributed to the increase in net interest income.

Total average loans increased $45,667,000 or 21.4% to $258,742,000. This increase was funded by the increase in deposits and payables along with the maturity of debt securities. This increase in loans increased interest income and had a positive effect on the net interest margin due to the fact that loans are the Company's highest earning asset.

Total average federal funds sold and other short-term investments increased $6,737,000 or 6.1% to $117,542,000. This increase was also funded by the increase in deposits and payables and maturities of debt securities. Since these are the lowest yielding earning assets, increases in average balances outstanding can increase interest income, but reduce the average yield on earning assets and therefore the net interest margin.

Although net interest income increased, the net interest margin decreased primarily because of the decline in the general level of interest rates. The average yield on earning assets decreased to 6.83% in 1999 from 6.96% in 1998. The Company is adversely affected by decreases in the level of interest rates due to the fact that its rate sensitive assets significantly exceed its rate sensitive liabilities. Conversely, the Company is positively affected by increases in the level of interest rates. This is primarily due to the noninterest-bearing liabilities generated by CIS in the form of accounts and drafts payable. More information is contained in the tables that follow.

Net interest income in 1998 compared to 1997:

On a tax-equivalent basis, net interest income for 1998 totaled $25,888,000, an increase of $729,000 or 2.9% over 1997. The net interest margin for 1998 was 5.98% compared to 6.16% in 1997. The following factors account for this increase in net interest income and decrease in net interest margin:

Total average earning assets increased $24,948,000 or 6.1% to $433,155,000. This increase was due to an increase in non-interest bearing demand and interest bearing deposits at Cass Bank resulting from new business development efforts and an increase in accounts and drafts payable at CIS from an increase in dollars processed. This increase contributed to the increase in net interest income.

Total average loans increased $10,795,000 or 5.3% to $210,168,000. This increase was funded by the increase in deposits and payables along with the maturity of debt securities. This increase in loans increased interest income and had a positive effect on the net interest margin due to the fact that loans are the Company's highest earning asset.

Total average federal funds sold and other short-term investments increased $52,905,000 or 91.4% to $110,805,000. This increase was also funded by the increase in deposits and payables and the maturities of

debt securities. Since these are the lowest yielding earning assets, increases in average balances outstanding can increase interest income, but reduce the average yield on earning assets and therefore the net interest margin.

Although net interest income increased, the net interest margin decreased due primarily to the decline in the general level of interest rates. The average yield on earning assets decreased to 6.96% in 1998 from 7.20% in 1997. The Company is adversely affected by decreases in the level of interest rates due to the fact that its rate sensitive assets significantly exceed its rate sensitive liabilities. Conversely, the Company is positively affected by increases in the level of interest rates. This is primarily due to the noninterest-bearing liabilities generated by CIS in the form of accounts and drafts payable. More information is contained in the tables that follow.

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY; INTEREST RATE AND INTEREST DIFFERENTIAL

The following table shows the condensed average balance sheets for each of the periods reported, the interest income and expense on each category of interest-earning assets and interest-bearing liabilities, and the average yield on such categories of interest-earning assets and the average rates paid on such categories of interest-bearing liabilities for each of the periods reported.

	1999			1998			1997		
(DOLLARS IN THOUSANDS)	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE
ASSETS									
Earning assets:									
Loans :									
Taxable	$252,340	$20,022	7.93%	$210,168	$17,404	8.28%	$199,633	$16,781	8.41%
Tax-exempt	6,402	529	8.26	2,907	266	9.15	2,647	257	9.71
Debt and equity securities :									
Taxable	77,646	4,659	6.00	107,924	6,538	6.06	146,534	9,074	6.19
Tax-exempt	1,257	95	7.56	1,351	103	7.62	1,493	114	7.64
Federal funds sold and other short-term investments	117,542	5,782	4.92	110,805	5,858	5.29	57,900	3,181	5.49
Total earning assets	455,187	31,087	6.83	433,155	30,169	6.96	408,207	29,407	7.20
Nonearning assets:									
Cash and due from banks	22,616			21,124			17,665		
Premises and equipment, net	9,265			9,516			7,902		
Other assets	8,771			10,283			14,645		
Allowance for loan losses	(4,389)			(4,472)			(4,519)		
Total assets	$491,450			$469,606			$443,900		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest-bearing demand deposits	$42,207	$1,431	3.39%	$34,296	$1,198	3.49%	$31,873	$1,130	3.55%
Savings deposits	63,164	2,539	4.02	62,246	2,624	4.22	59,918	2,562	4.28
Time deposits of $100,000 or more	3,479	232	6.67	3,928	222	5.65	3,984	222	5.57
Other time deposits	4,641	155	3.34	4,665	227	4.87	5,296	267	5.04
Total interest-bearing deposits	113,491	4,357	3.84	105,135	4,271	4.06	101,071	4,181	4.14
Short-term borrowings	275	9	3.27	280	10	3.57	1,241	67	5.40
Total interest-bearing liabilities	113,766	4,366	3.84	105,415	4,281	4.06	102,312	4,248	4.15
Noninterest-bearing liabilities:									
Demand deposits	77,170			71,649			60,707		
Accounts and drafts payable	238,007			231,655			223,990		
Other liabilities	5,389			5,641			6,926		
Total liabilities	434,332			414,360			393,935		
Shareholders' equity	57,118			55,246			49,965		
Total liabilities and shareholders' equity	$491,450			$469,606			$443,900		
Net interest income		$26,721			$25,888			$25,159	
Net interest margin			5.87%			5.98%			6.16%
Interest spread			2.99%			2.90%			3.05%

Balances shown are daily averages.

For purposes of these computations, nonaccrual loans are included in the average loan amounts outstanding. Interest on nonaccrual loans is recorded when received as discussed further in Note 1 to the Company's 1999 Consolidated Financial Statements, incorporated by reference herein.

Interest income on loans includes net loan fees of $91,000, $27,000 and $6,000 for 1999, 1998 and 1997, respectively.

Interest income is presented on a tax-equivalent basis assuming a tax rate of 34% for 1999, 1998 and 1997. The tax-equivalent adjustment was approximately $212,000, $125,000 and $124,000 for 1999, 1998 and 1997, respectively.

For purposes of these computations, yields on investment securities are computed as interest income divided by the average amortized cost of the investments.

ANALYSIS OF NET INTEREST INCOME CHANGES

The following table presents the changes in interest income and expense between years due to changes in volume and interest rates. That portion of the change in interest attributable to the combined rate/volume variance has been allocated to rate and volume changes in proportion to the absolute dollar amounts of the change in each.

	1999 Over 1998			1998 Over 1997		
(Dollars in thousands)	Volume	Rate	Total	Volume	Rate	Total
Increase (decrease) in interest income:						
Loans :						
Taxable	$3,371	$(753)	$2,618	$875	$(252)	$623
Tax-exempt	291	(28)	263	24	(15)	9
Debt and equity securities:						
Taxable	(1,817)	(62)	(1,879)	(2,343)	(193)	(2,536)
Tax-exempt	(7)	(1)	(8)	(11)	--	(11)
Federal funds sold and other short-term investments	345	(421)	(76)	2,801	(124)	2,677
Total interest income	2,183	(1,265)	918	1,346	(584)	762
Interest expense on:						
Interest-bearing demand deposits	269	(36)	233	85	(17)	68
Savings deposits	38	(123)	(85)	99	(37)	62
Time deposits of $100,000 or more	(27)	37	10	(3)	3	
Other time deposits	(1)	(71)	(72)	(31)	(9)	(40)
Short-term borrowings	--	(1)	(1)	(40)	(17)	(57)
Total interest expense	279	(194)	85	110	(77)	33
Net interest income	$1,904	$(1,071)	$833	$1,236	$(507)	$729

The change in interest due to both volume and rate has been allocated proportionately.
Average balances include nonaccrual loans.
Interest income includes net loan fees.
Interest income is presented on a tax-equivalent basis assuming a tax rate of 34% for 1999, 1998 and 1997.

ALLOWANCE AND PROVISION FOR LOAN LOSSES

The Company recorded no provision for loan losses in 1999 or 1998 and recorded a provision of $300,000 in 1997. Loan charge-offs, net of recoveries, experienced by the Company were $146,000 in 1999, $56,000 in 1998 and $212,000 in 1997. The allowance for loan losses was $4,282,000 at December 31, 1999, compared to $4,428,000 at December 31, 1998 and $4,484,000 at December 31, 1997. The year-end 1999 allowance represents 1.54% of net outstanding loans, compared to 1.97% at year-end 1998. This decrease relates to the increase in total loans experienced during 1999. From December 31, 1998 to December 31, 1999 the level of nonperforming assets decreased $383,000 or 48.5% to $407,000, which represents .15% of outstanding loans and is well below industry averages.

SUMMARY OF LOAN LOSS EXPERIENCE

(Dollars expressed in thousands)	1999	1998	1997	1996	1995
Allowance at beginning of year	$4,428	$4,484	$4,396	$6,358	$6,334
Loans charged-off:					
Commercial, industrial and IRB's	255	365	412	2,120	183
Real estate:					
Mortgage	--	--	--	--	--
Construction	--	--	--	--	--
Installment	1	--	--	1	3
Total loans charged-off	256	365	412	2,121	186
Recoveries of loans previously charged-off:					
Commercial, industrial and IRB's	109	309	200	152	708
Real estate:					
Mortgage	--	--	--	--	--
Construction	--	--	--	--	--
Installment	1	--	--	7	2

Total recoveries of loans previously charged-off	110	309	200	159	710
Net loans charged-off (recovered)	146	56	212	1,962	(524)
Provision charged to expense	--	--	300	--	(500)
Allowance at end of year	4,282	4,428	4,484	4,396	6,358
Loans outstanding:					
Average	$258,742	$213,075	$202,280	$192,096	$158,937
December 31	278,343	224,888	196,478	197,775	174,193
Ratio of allowance for loan losses to loans outstanding:					
Average	1.65%	2.08%	2.22%	2.29%	4.00%
December 31	1.54%	1.97%	2.28%	2.22%	3.65%
Ratio of net charge-offs (recoveries) to Average loans outstanding	.06%	.03%	.10%	1.02%	(.33)%
Allocation of allowance for loan losses :					
Commercial, industrial and IRB's	$3,844	$3,982	$4,001	$3,825	$5,582
Real estate:					
Mortgage	19	19	366	119	502
Construction	419	427	15	173	7
Installment	0	0	102	279	267
Total	$4,282	$4,428	$4,484	$4,396	$6,358
Percent of categories to total loans:					
Commercial and industrial and IRB's	40.9%	45.2%	48.9%	49.5%	57.3%
Real estate:					
Mortgage	46.5	45.1	44.6	43.2	33.7
Construction	10.6	7.4	4.0	4.6	6.3
Installment	.6	1.1	1.6	1.9	2.3
Other	1.4	1.2	.9	.8	.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Factors which influence management's determination of the provision for loan losses charged to expense for each of the years presented above, among other things, include evaluation of each nonperforming and/or classified loan to determine the estimated loss exposure under existing circumstances known to management; evaluation of all potential problem loans identified in light of possible loss exposure based upon existing circumstances known to management; an analysis of the loan portfolio with regard to potential future loss exposure on loans to specific customers and/or industries; current economic conditions and an overall review of the remainder of the portfolio in light of past loan loss experience.

The Company allocated its allowance for loan losses to the various loan categories at December 31, 1999 based on the ratio of total nonperforming loans over the last 5 years. Management views the allowance for loan losses as being available for all potential or presently unidentified loan losses that may occur in the future. The risk of future losses that is inherent in the loan portfolio is not precisely attributable to a particular loan or category of loans. Allocations estimated for the categories do not specifically represent that loan charge-offs of this magnitude will be required. The allocation does not restrict future loan losses attributable to a particular category of loans from being absorbed by the portion of the allowance attributable to other categories of loans. The risk factors considered when determining the overall level of the alllowance are the same when estimating the allocation by major category, as specified in the above summary.

NONPERFORMING ASSETS

It is the policy of the Company to continually monitor its loan portfolio and to discontinue the accrual of interest on any loan on which payment of principal or interest in a timely manner in the normal course of business is doubtful. Subsequent payments received on such loans are applied to principal if there is any doubt as to the collectibility of such principal; otherwise, these receipts are recorded as interest income. Interest on nonaccrual loans, which would have been recorded under the original terms of the loans, was approximately $44,000 for the year ended December 31, 1999. Of this amount, approximately $1,000 Was actually recorded as interest income on such loans.

At December 31, 1999, after review of potential problem loans identified by management including those noted above, management of the Company concluded the allowance for loan losses was adequate. As of December 31, 1999, approximately $1,310,000 of loans not included in the table below were identified by management as having potential credit problems which raised doubts as to the ability of the borrowers to comply with the present loan

repayment terms. Of this balance of potential problem loans, $5,000 are deemed to be impaired. While these borrowers are currently meeting all of the terms of the applicable loan agreements, their financial condition has caused management to believe that their loans may result in disclosure at some future time as nonaccrual, past due or restructured.

The Company has no concentrations of loans exceeding 10% of total loans which are not otherwise disclosed in the loan portfolio composition table. As can be seen in the loan composition table above and discussed in Note 4 to the Company's 1999 Consolidated Financial Statements (included in the Company's 1999 Annual Report to Shareholders incorporated herein by reference), the Company's primary market niche for banking services is the privately held commercial company and churches and church-related ministries. Loans to the commercial entities are generally secured by the business assets of the company, including accounts receivable, inventory, machinery and equipment, and the building(s)/plant(s) from which the company operates. Operating lines of credit to these companies generally are secured by accounts receivable and inventory, with specific percentages of each determined on a customer by customer basis, based on the business in which the customer operates. Intermediate term credit for machinery and equipment is generally loaned at some percentage of the value of the equipment purchased, again depending on the type of machinery or equipment purchased by the entity (e.g. less funds would be loaned on restaurant equipment which has a lower resale value than certain types of machinery which tend to hold their value). Long term credits are secured by the entities' building(s)/plant(s) and are generally loaned with a maximum 80% loan to value ratio.

Loans secured exclusively by real estate to businesses and churches are generally made with a maximum 80% loan to value ratio, again depending upon the Company's estimate of the resale value and ability for the property to cash flow. The Company's loan policy requires an independent appraisal for all loans over $250,000 Secured by real estate. Company management monitors the local economy in an attempt to determine whether it has had a significant deteriorating effect on such real estate credits. When problems are identified, appraised values are updated on a continual basis, either internally or through ordering an updated external appraisal.

The Company does not have any foreign loans. The Company's loan portfolio does not include a significant amount of single family real estate mortgage or installment credits, as the Company has not concentrated on the consumer side of the banking business.

The Company does not have any other interest-earning assets which would have been included in nonaccrual, past due or restructured loans if such assets were loans.

SUMMARY OF NONPERFORMING ASSETS

(Dollars expressed in thousands)	1999	1998	1997	1996	1995
Commercial, industrial and industrial revenue bonds:					
Nonaccrual	$170	$477	$285	$480	$151
Contractually past due 90 days or more and still accruing	167	179	3	--	186
Renegotiated loans	70	134	449	--	278
Real estate-construction contractually past due 90 days or more and still accruing	--	--	--	--	15
Real estate-mortgage contractually past due 90 days or more and still accruing	--	--	24	306	--
Total nonperforming loans	407	790	761	786	630
Other real estate	--	--	--	--	--
Total nonperforming assets	$407	$790	$761	$786	$630

NONINTEREST INCOME

The Company's noninterest income is derived mainly from fee revenue generated by CIS. As CIS provides its freight and utility processing and payment services, it is compensated by service fees which are typically calculated on a per-item basis and by the accounts and drafts payable generated in the payment process which can be used to generate interest income. In addition to CIS payment processing revenue, CIS also receives fees from the sale, maintenance, and service bureau operations relating to freight rating software. Other noninterest revenue is generated by Cass Bank in the form of fees that relate to the credit, depository, and cash management products of the Bank. Bank customers compensate the bank through these fees, the maintenance of demand deposit balances, or both.

Noninterest income in 1999 compared to 1998 include the following significant pre-tax components:

CIS freight and utility payment and processing revenue decreased $583,000 or 3.1% to $18,226,000. Of the total payment and processing revenue, fees related to utility payment and processing increased $726,000 and fees relating to freight payment and processing services decreased $1,309,000. The increase in utility payment and processing fees relates the rapid expansion of our customer base. At the end of 1999 CIS was processing 1.5 million utility invoices representing over a billion dollars of invoice value on an annualized basis. The decrease in revenue from freight payment and processing services was due to several factors. First, there was a decrease in the volume of freight transactions due largely to the growth in competition for electronic data interchange (EDI) processing of parcel and air shipments. The entrance in the marketplace of niche companies formed to process the increasing volume of overnight package shipments was caused in part by the increase in e-commerce transactions. Historically, this has not been a strategic market for CIS. A number of customers, while retained by CIS, moved this type of transaction to these new competitors. CIS has since reengineered its processes to handle these transactions more effectively and it is anticipated that these transactions will provide significant growth in the future. Second, there were continued anticipated decreases relating to some freight payment services that were part of a prior acquisition. Finally, the implementation of new prospects, which typically exceed lost business, appeared to be delayed by our prospect's Y2K remediation programs.

Freight rating services revenue decreased $346,000 or 16.1% due to a change in the strategic direction of the company from selling rating software to a new Internet-based delivery system of carrier rates to the shipping community that is being developed and will offer an expanded level of features and capabilities to reach the more than 2,000 shipper and 12,000 carrier business partners.

Service charges generated by Cass Bank increased $38,000 or 5.9% to $680,000. This increase was due primarily to the growth of Cass Bank's customer base.

Other variances in total noninterest revenue include the fact that their was a $285,000 gain on the sale of securities in 1998 and that other miscellaneous noninterest income increased $173,000 or 30.6% to $738,000.

Noninterest income in 1998 compared to 1997 include the following significant pre-tax components:

CIS freight and utility payment and processing revenue increased $946,000 or 5.3% to $18,809,000. CIS had a record processing year in paying over 25,000,000 freight invoices with a value of over $7 billion.

Freight rating services revenue decreased $39,000 or 1.9% to $2,146,000 due to declining use of CIS' rating software and related maintenance services.

Service charges generated by Cass Bank increased $118,000 or 22.5% to $642,000. This increase was due primarily to the growth of Cass Bank's customer base.

Other changes in noninterest revenue include the fact that there was a $285,000 gain on the sale of securities in 1998 compared to a $216,000 gain in 1997, and a $538,000 or 48.8% decrease to $565,000 in other miscellaneous noninterest income. This decrease was due primarily to the negative goodwill related to a prior acquisition by CIS that became fully amortized in 1997. Also in 1997, the Bank received a buyout of its headquarters lease in excess of the remaining net book value of leasehold improvements that resulted in a one-time gain of $95,000.

NONINTEREST EXPENSE

Noninterest expense in 1999 compared to 1998 include the following significant pre-tax components:

Salaries and employee benefits increased $979,000 or 3.9% to $25,974,000. This increase was caused by several factors. First, additional staff was hired in utility payment processing in order to keep pace with the growth in this area. Second, employee benefits expense increased 15.1% due to increased pension accruals and health insurance costs. Finally, annual salary increases accounted for the remainder.

Occupancy expense increased $82,000 or 4.8% to $1,780,000. Equipment expense increased $65,000 or 2.5% to $2,714,000. Other noninterest expenses increased $593,000 or 8.1% to $7,876,000. These

increases can be attributed mainly to expansion of our utility payment processing capabilities, increased investment in our freight payment processing and Internet capabilities and other normal operating expense fluctuations. More details on the components of other noninterest operating expenses are contained on the table below.

Noninterest expense in 1998 compared to 1997 include the following significant pre-tax components:

Salaries and employee benefits increased $902,000 or 3.7% to $24,995,000. This increase relates primarily to separation costs associated with the streamlining and integration of operations in the freight rating software service and sales group combined with annual pay increases.

Occupancy expense increased $79,000 or 4.9% to $1,698,000. This increase was due primarily to CIS's Chicago location receiving a $72,000 reimbursement for rent expense to vacate their building by the end of 1997.

Equipment expense remained relatively constant at $2,649,000 compared to $2,654,000 in 1997. Other noninterest expense decreased $262,000 or 3.5% to $7,283,000. More details on the components of other noninterest operating expenses are contained on the table below.

Details of other noninterest expense for 1999, 1998 and 1997 are as follows:

(Dollars in thousands)	1999	1998	1997
Postage, printing and supplies	$2,261	$2,161	$2,129
Advertising and business development	1,509	1,392	1,437
Professional fees	1,064	1,056	1,320
Outside service fees	655	383	353
Data processing services	570	590	652
Telecommunications	612	531	518
Other	1,205	1,170	1,136
Total other noninterest expense	$7,876	$7,283	$7,545

INCOME TAX EXPENSE

Income taxes in 1999 totaled $3,411,000 compared to $4,177,000 in 1998 and $3,626,000 in 1997. When measured as a percent of income before income taxes, the Company's effective tax rate was 35.5% in 1999, 36.1% in 1998 and 34.1% in 1997. The effective tax rate increase from 1997 to 1998 was largely attributable to the full amortization of intangibles during 1997 that related to a prior acquisition.

FINANCIAL CONDITION

LIQUIDITY

Cash and cash equivalents, which consist of cash and due from banks, federal funds sold, and money market funds, were $124,217,000 or 24.8% of total assets at December 31, 1999. These funds represent the Company's and its subsidiaries' primary source of liquidity to meet future expected and unexpected loan demand, depositor withdrawls or reductions in accounts and drafts payable.

Secondary sources of liquidity include the investment portfolio and borrowing lines. Total investment in debt and equity securities represented approximately $82,996,000 or 17% of total assets at December 31, 1999. Of this total, 51% were U.S. treasury securities, 47% were U.S. government agencies, and 2% were other securities. Of the total portfolio, 35% matures in one year, 54% matures in one to five years, and 11% matures in five or more years. Of the total portfolio, 69% is designated available for sale and 31% is designated held to maturity. The investment portfolio provides secondary liquidity through regularly scheduled maturities, the ability to sell securities out of the available for sale portfolio, and the ability to use these securities in conjunction with its reverse repurchase lines of credit.

Cass Bank has unsecured lines at correspondent banks to purchase federal funds up to a maximum of $14,820,000. Additionally, Cass Bank has a line of credit at an unaffiliated financial institution in the maximum amount of $50,000,000 collateralized by securities sold under repurchase agreements.

The deposits of the Company's banking subsidiary have historically been stable, consisting of a sizable volume of core deposits related to customers that utilize many other commercial products of the bank. The accounts and drafts payable generated by CIS has also proven to be a stable source of funds.

INTEREST RATE SENSITIVITY

The Company faces market risk to the extent that its net interest income and its fair market value of equity are affected by changes in market interest rates. The asset/liability management discipline as applied at the Company seeks to limit the volatility, to the extent possible, of both net interest income and the fair market value of equity that can result from changes in market interest rates. This is accomplished by limiting the maturities of fixed rate investments, loans, and deposits; matching fixed rate assets and liabilities to the extent possible; and optimizing the mix of noninterest fee and net interest income. However, as discussed below, the Company's asset/liability position differs significantly from most other bank holding companies with positive "gaps" shown for each time horizon presented. This asset sensitive position is caused primarily by the operations of CIS, which generates large balances of accounts and drafts payable. These balances, which are noninterest bearing, contribute to the Company's high net interest margin but causes the Company to become susceptible to changes in interest rates, with a decreasing net interest margin and fair market value of equity in periods of declining interest rates and an increasing net interest margin and fair market value of equity in periods of rising interest rates.

The Company's Asset/Liability Management Committee (ALCO) measures the Company's interest rate risk sensitivity on a Quarterly basis to monitor and manage the variability of earnings and fair market value of equity in various interest rate environments. The ALCO evaluates the Company's risk position to determine whether the level of exposure is significant enough to hedge a potential decline in earnings and value or whether the Company can safely increase risk to enhance returns. The ALCO uses gap reports, twelve-month net interest income simulations, and fair market value of equity analyses as its main analytical tools to provide management with insight into the Company's exposure to changing interest rates.

A gap report is used by management to review any significant mismatch between the reproaching points of the Company's rate sensitive assets and liabilities in certain time horizons. A negative gap indicates that more liabilities reprice in that particular time frame and, if rates rise, these liabilities will reprice faster than the assets. A positive gap would indicate the opposite. Management has set policy limits specifying acceptable levels of interest rate risk as measured by the gap report. Gap reports can be misleading in that they capture only the repricing timing within the balance sheet, and fail to capture other significant risks such as basis risk and embedded options risk. Basis risk involves the potential for the spread relationship between rates to change under different rate environments and embedded options risk relates to the potential for the alteration of the level and/or timing of cash flows given changes in rates.

Another measurement tool used by management is net interest income simulation, which forecasts net interest income during the coming twelve months under different interest rate scenarios in order to quantify potential changes in short term accounting income. Management has set policy limits specifying acceptable levels of interest rate risk given multiple simulated rate movements. These simulations are more informative than gap reports because they are able to capture more of the dynamics within the balance sheet, such as basis risk and embedded options risk. Simulation results illustrate that the Company's net interest income over the next twelve months would decrease 5% from an immediate and sustained parallel decrease in interest rates of 100 basis points and increase 5% from a corresponding increase in interest rates.

While net interest income simulations do a good job of capturing interest rate risk to short term earnings, they do not capture risk within the current balance sheet beyond twelve months. The Company uses fair market value of equity analyses to help identify longer-term risk that may reside on the current balance sheet. The fair market value of equity is represented by the present value of all future income streams generated by the current balance sheet. The Company measures the fair market value of equity as the net present value of all asset and liability cash flows discounted at forward rates suggested by the current Treasury curve plus appropriate credit spreads. This representation of the change in the fair market value of equity under different rate scenarios gives insight into the magnitude of risk to future earnings due to rate changes. Management has set policy limits relating to declines in the market value of equity. The results of these analyses indicate that the Company's fair market value of equity would decrease 3.5% from an immediate and sustained parallel decrease in interest rates of 100 basis points and increase 3% from a corresponding increase in interest rates.

INTEREST RATE SENSITIVE POSITION

The following table presents the Company's gap or interest rate risk position at December 31, 1999 for the various time periods indicated.

(Dollars in thousands)	Variable Rate	0-90 days	91-180 days	181-364 days	1-5 years	Over 5 Years	Total
Earning assets:							
Loans:							
Taxable	$98,394	$7,736	$7,885	$15,104	$136,946	$5,013	$271,078
Tax-exempt	--	34	63	141	3,212	3,815	7,265
Debt and equity securities:							
Taxable	--	9,987	7,292	16,139	44,257	3,867	81,542
Tax-exempt	--	70	--	--	243	940	1,253
Other	201	--	--	--	--	--	201
Federal funds sold and other short term investments	105,720	--	--	--	--	--	105,720
Total earning assets	204,315	17,827	15,240	31,384	184,658	13,635	467,059
Interest-sensitive liabilities:							
Money market accounts	32,185	--	--	--	--	--	32,185
Now accounts	10,907	--	--	--	--	--	10,907
Savings deposits	47,498	--	--	--	--	--	47,498
Time deposits:							
$100,000 and more	--	581	336	1,265	429	--	2,611
Less than $100,000	--	1,090	851	891	1,031	--	3,863
Short-term borrowings	208	--	--	--	--	--	208
Total interest-bearing liabilities	$90,798	$1,671	$1,187	$2,156	$1,460	--	$97,272
Interest sensitivity gap:							
Periodic	$113,517	$16,156	$14,053	$29,228	$183,198	$13,635	$369,787
Cumulative	113,517	129,673	143,726	172,954	356,152	369,787	369,787
Ratio of interest-bearing assets to interest-bearing liabilities:							
Periodic	2.25x	10.67x	12.84x	14.56x	126.48x	--	4.80x
Cumulative	2.25x	2.40x	2.53x	2.80x	4.66x	4.80x	4.80x

Balances shown reflect earliest repricing date.

INVESTMENT SECURITIES

Investment portfolio changes from December 31, 1998 to December 31, 1999:

U.S. Government Treasury securities decreased $16,703,000 or 28.3% to $42,273,000. This decrease was caused by the decision to allow maturities to exceed reinvestment in this sector in order to improve the yield of the portfolio.

U.S. Government corporations and agencies increased $15,750,000 or 67.0% to $39,269,000. This increase was funded by maturities of U.S. Government Treasury securities.

Investment portfolio changes from December 31, 1997 to December 31, 1998:

U.S. Government Treasury securities decreased $34,172,000 or 36.7% to $58,976,000. This decrease was caused by the decision to increase the Company's current liquidity given expected loan growth and the interest rate environment.

U.S. Government corporations and agencies decreased $7,891,000 or 25.1% to $23,519,000. This decrease was also caused by the decision to increase the Company's current liquidity given expected loan growth and the interest rate environment.

There was no single issuer of securities in the investment portfolio at December 31, 1999 other than the U.S. Government and U.S. Government corporations and agencies, for which the aggregate amortized cost exceeded ten percent of total shareholders' equity.

INVESTMENT BY TYPE (AT BOOK VALUE)

(Dollars in thousands at December 31, 1999)	1999	1998	1997
U.S. Treasury securities	$42,273	$58,976	$93,148
Obligations of U.S. Government corporations and agencies	39,269	23,519	31,410
States and political subdivisions	1,253	1,278	1,492
Stock of the Federal Reserve Bank	201	201	201
Total investments	$82,996	$83,974	$126,251

INVESTMENT BY MATURITY

(Dollars in thousands at December 31, 1999)	Within 1 Year	Over 1 to 5 Years	Over 5 to 10 Years	Over 10 Years	Yield
U.S. Treasury securities	$24,106	$18,167	$--	$--	6.05%
U.S. Government corporations and agencies	5,040	26,090	4,986	3,153	5.86%
States and political subdivisions	70	243	940	--	7.62%
Total investments	$29,216	$44,500	$5,926	$3,153	5.98%
Weighted average yield	5.78%	6.09%	7.09%	5.91%	

Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%.

LOAN PORTFOLIO

Loan portfolio changes from December 31, 1998 to December 31, 1999:

Total loans increased $53,455,000 or 23.7% to $278,343,000. This increase was due mainly to the addition of new lending relationships in Cass Bank's privately held business banking services group and the expansion of church and church-related loans in the St. Louis metropolitan area and selected areas across the United States. At year-end church and church-related credits totaled $65,956,000, which represented a 90% increase over 1998. Additional details regarding the types and maturities of the loan portfolio are contained in the tables below.

Loan portfolio changes from December 31, 1997 to December 31, 1998:

Total loans increased $28,410,000 or 14.5% to $224,888,000. This increase was fueled mainly by the addition of new lending relationships in Cass Bank's privately held business banking services group and the expansion of church and church-related loans in the St. Louis metropolitan area. Additional details regarding the types and maturities of the loan portfolio are contained in the tables below.

LOANS BY TYPE

(Dollars in thousands at December 31)	1999	1998	1997	1996	1995
Commercial and industrial	$106,444	$95,663	$93,633	$94,962	$98,641
Real estate:					
Mortgage	129,482	101,468	87,573	85,360	58,746
Construction	29,633	16,547	7,893	9,164	11,057
Industrial revenue bonds	7,265	5,951	2,520	2,851	1,117
Installment	1,541	2,458	3,066	3,794	3,954
Other	3,978	2,801	1,793	1,644	678
Total loans	$278,343	$224,888	$196,478	$197,775	$174,193

LOANS BY MATURITY

(Dollars in thousands at December 31, 1999)	ONE YEAR OR LESS	OVER ONE YEAR THROUGH FIVE YEARS		OVER FIVE YEARS		TOTAL
		FIXED RATE	FLOATING RATE	FIXED RATE	FLOATING RATE	
Commercial and industrial	$76,907	$24,293	$3,973	$1,271	$ --	$106,444
Real estate:						
Mortgage	17,483	108,257	--	3,742	--	129,482
Construction	22,610	3,611	2,151	--	1,261	29,633
Industrial revenue bonds	238	3,212	--	3,815	--	7,265
Installment	756	785	--	--	--	1,541
Other	3,978	--	--	--	--	3,978
Total loans	$121,972	$140,158	$6,124	$8,828	$1,261	$278,343

Loans have been classified as having "floating" interest rates if the rate specified in the loan varies with the prime commercial rate of interest.

DEPOSITS AND ACCOUNTS AND DRAFTS PAYABLE

Noninterest-bearing demand deposits increased $8,761,000 or 10.6% from $82,911,000 at December 31, 1998 to $91,672,000 at December 31, 1999. The average balance of these accounts increased $5,521,000 or 7.7% from $71,649,000 in 1998 to $77,170,000 in 1999. New business volume increased throughout 1999 and should continue into 2000.

Interest-bearing deposits decreased from $108,071,000 at December 31, 1998 to $97,064,000 at December 31, 1999. The average balances of these deposits, however, increased $8,356,000 or 7.9% from $105,135,000 in 1998 to $113,491,000 in 1999. During the later part of 1999 the account balances of several large depositors were moved into non-depository products in order to assist them in maximizing the return on their funds.

Accounts and drafts payable generated by CIS in its payment processing operations decreased $624,000 or .2% from $250,518,000 at December 31, 1998 to $249,894,000 at December 31, 1999. The average balances of these funds increased $6,352,000 or 2.7% from $231,655,000 in 1998 to $238,007,000 in 1999. Due to CIS' payment processing cycle, average balances are much more indicative of the underlying activity than period-end balances since point-in-time comparisons can be misleading if the comparison dates fall on different days of the week. The increase in average balances can be attributed to the fact that the dollar amount of invoices processed and the amount of time checks were outstanding increased.

The composition of average deposits and the average rates paid on those deposits is represented in the Table entitled "Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rate and Interest Differential" which is included earlier in this discussion. The Company does not have any significant deposits from foreign depositors.

MATURITIES OF CERTIFICATES OF DEPOSITS OF $100,000 OR MORE

(Dollars in thousands at December 31, 1999)	
Three months or less	$581
Three to six months	336
Six to twelve months	1,265
Over twelve months	429
Total	$2,611

CAPITAL RESOURCES

One of the Company's primary objectives is to maintain a strong capital base to warrant the confidence of our customers, shareholders, and bank regulatory agencies. A strong capital base is needed to take advantage of profitable growth opportunities that arise and to provide assurance to depositors and creditors. The Company and its banking subsidiary continue to significantly exceed all regulatory capital requirements, as evidenced by the following capital ratios at December 31, 1999:

	Company Consolidated	Cass Bank
Total capital (to risk-weighted assets)	18.23%	16.39%
Tier I capital (to risk-weighted assets)	16.98	15.14
Tier I capital (to average assets)	11.53	11.54

In 1999, cash dividends declared totaled $2,889,000 or $.76 per share, a $.04 or 5.6% increase over the prior year. During 1999 the Company repurchased 160,000 shares of its stock for general corporate purposes. On December 21, 1999 the Board of Directors authorized a stock repurchase program that would allow the repurchase of up to 200,000 shares of its common stock through December 31, 2000. Repurchases can be made in the open market or through negotiated transactions from time to time depending on market conditions. The stock, if repurchased, will be held as treasury stock to be used for general corporate purposes.

Shareholders' equity was $56,563,000 or 11.3% of total assets at December 31, 1999, a decrease of $841,000 over the balance at December 31, 1998. This decrease resulted from cash dividends paid of $2,889,000, a repurchase of stock of $3,711,000, and a net unrealized loss on available for sale securities of $804,000 which was partially offset by net income of $6,198,000 and other items of $365,000.

Subsidiary dividends are the principal source of funds for payment of dividends by the Company to its shareholders. The only restrictions on dividends are those dictated by regulatory capital requirements and prudent and sound banking principles.

THE YEAR 2000 ISSUE

The Year 2000 issue relates to the ability of computer systems to distinguish date data between the twentieth and twenty-first centuries. The Company's operations are heavily dependent on the use of computer systems. For this reason, the Company implemented a Year 2000 project consisting of five segments or phases: Awareness, Assessment, Renovation, Testing and Implementation. The Company fully completed all phases of the plan for systems considered mission-critical.

Subsequent to the Year 2000 rollover, the Company performed a series of quality control checks on its mission-critical systems. All systems operated as planned, and there were no significant interruptions on the Company's operations. As of the date of this report the Company has not experienced any material difficulties due to Year 2000 issues. Further, there have been no notifications from major vendors, suppliers, customers and business partners indicating any disruptions resulting from Year 2000 issues.

The Company does not expect any future material Year 2000 issues. However, there can be no assurance that a Year 2000 issue will not occur. The Company is prepared to address any Year 2000 issue with contingency plans established during its Year 2000 project.

Through December 31, 1999, the Company's total Year 2000 costs were approximately $2.4 million. This includes internal and external costs expensed, as well as capital expenditures that were capitalized. Costs include, but are not limited to salary expenses, outside service fees (i.e., legal, audit, consulting), hardware and software expenditures, and equipment costs. Funding for Year 2000 costs have been derived from normal operating cash flow and the deployment of internal resources. The Company expects that Year 2000 costs for 2000 will be immaterial.

EFFECT OF RECENT AND PROSPECTIVE ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133) which establishes standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. In June 1999, the FASB issued Statement of Financial Accounting Standards No. 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133, an amendment of FASB Statement No. 133, which defers the effective date of SFAS 133 from fiscal years beginning after June 15, 1999 to fiscal years beginning after June 15, 2000. Earlier application of SFAS 133, as amended, is encouraged but should not be applied retroactively to financial statements of prior periods. The Company is currently evaluating the requirements and impact of SFAS 133, as amended.

INFLATION

Inflation can impact the financial position and results of the operations of banks because banks hold monetary assets and monetary liabilities. Monetary assets and liabilities are those which can be converted into a fixed number of dollars, and include cash, investments, loans and deposits. The Company's consolidated balance sheets, as is typical of financial institutions, reflects a net positive monetary position (monetary assets exceeding monetary liabilities). During periods of inflation, the holding of a net positive monetary position will result in an overall decline in the purchasing power of a bank.

FORWARD-LOOKING STATEMENTS - FACTORS THAT MAY AFFECT FUTURE RESULTS

Statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and the other sections of this Report that are not statements of historical fact are forward-looking statements. Such statements are subject to important risks and uncertainties which could cause the Company's actual results to differ materially from those expressed in any such forward-looking statements made herein. The aforesaid uncertainties include, but are not limited to: burdens imposed by federal and state regulators, credit risk related to borrowers' ability to repay loans from Cass Bank, concentration of loans in the St. Louis Metropolitan area which subjects Cass Bank to risks associated with changes in the local economy, risks associated with fluctuations in interest rates, competition from other banks and other financial institutions, some of which are not as heavily regulated as Cass Bank and, particularly in the case of CIS, risks associated with breakdowns in data processing systems and competition from other providers of similar services.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding the market risk of the Company's financial instruments, see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Company's primary market risk exposure is to interest rate risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements and related footnotes of the Company and its subsidiaries on pages 14 through 30 of its Annual Report to Shareholders and the report thereon of KPMG LLP on page 31 of the Annual Report to Shareholders are hereby incorporated by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

NONE

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning directors and executive officers of the Registrant is incorporated herein by reference from the Company's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders, a copy of which will be filed no later than 120 days after the close of the fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation is incorporated herein by reference from the Company's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders, a copy of which will be filed not later than 120 days after the close of the fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning security ownership of certain beneficial owners and management is incorporated herein by reference from the Company's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders, a copy of which will be filed not later than 120 days after the close of the fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and transactions is incorporated herein by reference from the Company's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders, a copy of which will be filed not later than 120 days after the close of the fiscal year.

PART IV.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are incorporated by reference in or filed as an exhibit to this Report:

(1) Financial Statements:

	Annual Report Page Number
CASS COMMERCIAL CORPORATION AND SUBSIDIARIES	
Consolidated Balance Sheets, December 31, 1999 and 1998	14
Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997	15
Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997	16
Consolidated Statements of Shareholders' Equity And Comprehensive Income for the years ended December 31, 1999, 1998 and 1997	17
Notes to Consolidated Financial Statements	18-30
Independent Auditors' Report	31

(2) Financial Statement Schedules:

None other than those included as Notes to Consolidated Financial Statements.

(3) Exhibits

3.1 Restated Articles of Incorporation of Registrant, incorporated by reference to Exhibit 4.1 to Form S-8 Registration Statement No. 333-44499, filed with the SEC on January 20, 1998

3.2 By Laws of Registrant, incorporated by reference to Exhibit 4.2 to Form S-8 Registration Statement No. 333-44499, filed with the SEC on January 20, 1998

10.1 1995 Restricted Stock Bonus Plan, as amended to January 19, 1999, including form of Restriction Agreement, incorporated by reference to Exhibit 4.3 to Post-Effective Amendment No. 2 to Form S-8 Registration Statement No. 33-91456, filed with the SEC on February 16, 1999

10.2 1995 Performance-Based Stock Option Plan, as amended to January 19, 1999, including forms of Option Agreements, incorporated by reference to Exhibit 4.3 to Post-Effective Amendment No. 2 to Form S-8 Registration Statement No. 33-91568, filed with the SEC on February 16, 1999

13 1999 Annual Report to Shareholders (only those portions of such Annual Report as are incorporated by reference in parts I and II hereof shall be deemed a part of this Report)

21 Subsidiaries of registrant

23 Consent of KPMG LLP

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CASS COMMERCIAL CORPORATION

Date: March 17, 2000 By /s/ Lawrence A. Collett
Lawrence A. Collett
Chairman and Chief Executive Officer

Date: March 17, 2000 By /s/ Eric H. Brunngraber
Eric H. Brunngraber
Vice President-Secretary
(Chief Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on the dates indicated by the following persons on behalf of the Company and in their capacity as a member of the Board of Directors of the Company.

Date: March 17, 2000 By /s/ Bryan S. Chappel
Bryan S. Chappel

Date: March 17, 2000 By /s/ Lawrence A. Collett
Lawrence A. Collett

Date: March 17, 2000 By /s/ Thomas J. Fucoloro
Thomas J. Fucoloro

Date: March 17, 2000 By /s/ Harry J. Krieg
Harry J. Krieg

Date: March 17, 2000 By /s/ A.J. Signorelli
A.J. Signorelli

Date: March 17, 2000 By /s/ John J. Vallina
John J. Vallina

Date: March 17, 2000 By /s/ Irving A. Shepard
Irving A. Shepard

Cass Commercial Corporation 1999 Annual Report

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Strengthening Our Foundation

THE CASS ORGANIZATION OFFICIALLY BEGAN WITH THE INCORPORATION OF CASS AVENUE BANK IN 1906. SINCE THAT TIME,THE ORGANIZATION HAS BEEN CHARACTERIZED BY ITS CONTINUITY, GROWTH, STABILITY, AND PERFORMANCE.

IN 1999, SIGNIFICANT FUNDS WERE EXPENDED TO EXPAND EMERGING MARKETS, OBTAIN NEW TECHNOLOGY, INVEST IN NEW AND IMPROVED SYSTEMS, AND EXPAND OUR PRESENCE IN MARKETS SERVED. THE COSTS OF THESE ACTIVITIES WERE SIGNIFICANT. HOWEVER, WE BELIEVE THE LONG-TERM BENEFITS TO BE CRITICAL AND THAT THE NEED TO CONTINUE INVESTMENTS OF THIS NATURE WILL NOT DIMINISH.

CHAIRMAN'S LETTER TO SHAREHOLDERS

As indicated by the headings in this year's Annual Report, 1999 was a year of transitioning for the Cass organization. While a financial price was paid for this, in many ways, 1999 may be remembered as one of the most crucial years in our history. This is due primarily to the many significant events that occurred and will have a major impact on the company's future results.

I. OVERALL RESULTS

Financially, 1999 was a disappointing year for the company. Net income was $6,198,000 representing a decrease of 16.3% from corresponding 1998 results. This represented a 14.8% decrease in diluted earnings per share from $1.89 to $1.61 in the same corresponding period.

Total assets for the company were $500,845,000 representing a 0.6% decrease from the same levels of the previous year.

II. 1999 HIGHLIGHTS

There were two key areas where Cass achieved significant growth in its business segments.

Total loans for the organization were $278,343,000 compared to $224,888,000 at year-end 1998. This represented a 23.8% increase from previous levels. This loan growth occurred in both our church and business divisions. Our church and related ministry efforts provided an increase of $31,168,000 during this year. This represents our continued expansion to this very important community and a movement of our lending activities to churches in other parts of the country. Business loans increased $22,287,000 representing another strong showing. This resulted from continued expansion of our business relationships and from the consolidation of other financial institutions in the St. Louis region. We are extremely pleased with the level of loan growth achieved during 1999.

This growth did not adversely affect the outstanding asset quality ratios of the organization. Loan losses for the year were only 0.09% of outstanding loans. Additionally, nonaccrual assets were only 0.06% of total loans as of year-end. The company's loan loss reserve was a healthy 1.54% to total loans outstanding at year-end.

The company's financial strength is further reflected by the level of its tangible net worth. The company's leverage ratio was 11.53%, far above the standards required by regulatory institutions.

1999 was a year of transitioning for the Cass organization.

We are extremely pleased with the level of loan growth achieved during 1999.

There were also several significant accomplishments that occurred during the year. Initially, the company's sizeable investment in Y2K preparation was obviously a success. Both Cass Commercial Bank and Cass Information Systems, Inc. utilized large amounts of time and resources in preparing for the millennium change. In addition to program changes, equipment purchases and systems replacements, a significant amount of time was spent in system testing and contingency planning. We were not surprised that the smooth transition into the new year occurred because we had properly and adequately prepared.

Also, our investment in Internet freight processing systems continued during 1999. A large amount of effort was utilized for our e-Cass systems for freight processing. We are very encouraged by the response of the marketplace to these systems and by the impact they are having on the freight payment processing market.

Our utility processing services experienced a doubling of growth during 1999. Our desire to establish a presence in this marketplace was achieved. At year-end, we were processing an annualized volume of some $1.3 billion per year. This response has been helpful in assessing the future potential of the utility processing market and our ability to grow this business.

III. DISAPPOINTMENTS

While the utility processing business grew at a rapid pace, the growth did not come without its corresponding setbacks. Because of the rapid growth, we were unable to leverage our freight processing resources to the extent initially envisioned. As a result, a much larger investment in staff and processing support had to be made in order to accommodate the fast pace of growth. This had a negative consequence on the profits of the company. It is estimated that the before tax loss from this operation exceeded $1 million for the year. While we are hopeful that positive financial returns will emanate, nevertheless, this did have an adverse impact on our income results for 1999. We are currently evaluating the additional investment which must be made in this operation and its long-term financial benefit to Cass.

Interest rate levels also played a role in the profit picture for 1999. Until the middle of November, interest rates were significantly lower than for the corresponding levels in 1998. Due to the company's asset sensitivity, this also had a negative impact on earnings. While much of this was overcome by loan growth, nevertheless, earnings results were negatively impacted.

As profits from our freight processing business decreased for the year, overall volume also did not increase significantly. This was due primarily to two factors: a growth in the competition for EDI (Electronic Data Interchange) processing of parcel and air shipments, and a delay in the decisions of new companies to begin utilizing outsourced services. New and emerging competition initially

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attacked the market for parcel and air EDI shipments. Corporations using this type of transportation were targeted. As a result, Cass lost significant volume in the early part of the year to this competition. Due to modified system changes and more competitive pricing, we were able to negate any further loss and anticipate growth in this business in the future. However, it did have a negative effect on our fee income in 1999.

Additionally, as a result of Y2K systems changes and the lack of resources for technology integration, many companies delayed decisions to utilize outsourced services, such as Cass, until the end of the year or shortly thereafter. While Cass' sales pipeline remained extremely high throughout the year and continues to be at record levels, the number of new customers did not materialize as quickly as expected. We have begun to see a change as more customers have started to make the decision to utilize Cass' services. It is our anticipation that significant growth in new business will once again occur and the freight processing market will grow faster than previously. However, the growth was much slower in 1999.

IV. SEGMENT GROWTH

We are extremely encouraged with the growth potential in all of our business divisions.

Our freight processing business will be off to a great start in 2000. With a strong sales pipeline and Y2K concerns behind us, we anticipate a new challenge of expansion and resource procurement to handle the new business. We are well positioned for this with our multiple processing centers in Boston, Massachusetts; Columbus, Ohio; and St. Louis, Missouri.

The utility processing market appears poised for continued growth. Our challenge will be to convert this volume into profitable processing. This will require new system processing improvements, production facilities focused only on utility processing and better processing efficiency enhancements for this business to perform better in the future. While we are encouraged by the fact that companies have become aware of the need to obtain information to allow them to seize opportunities to reduce utility costs, we are concerned about the increasing investment required to sustain this business and the lengthening time it may take to produce the desired level of profitability.

Our church business division continues to grow significantly. At year-end, over $65,956,000 in loans were outstanding to churches and church related organizations. This business has been so successful that Cass has begun to develop relationships with organizations across the United States. Our reception has been encouraging, and we are optimistic about the future growth of this business division.

It is our desire to have the organization's past performance and strong growth opportunities reflected in the value of its underlying securities.

Our business division also continues to expand. This core banking division is known as one of the leading providers of loans to privately held companies in the St. Louis area. With continuing consolidation in the financial services arena, we expect this growth to continue. The relationships established by Cass over the years, along with our experience and track record with these clients, continues to support our ability to be a strong financial partner for these businesses.

We feel an improved interest rate environment and continued growth in our business divisions should provide a return to the strong consistent earnings trend characteristic of the organization since its inception in 1906. While we are disappointed with last year's results and the impact on the company's stock price, nevertheless, it is our feeling that the core markets and opportunities for the company remain strong and that the future will be a positive one for Cass Commercial Corporation.

V. CREDITS

1999 was a year of great stress for the staff of our organization. Not only did we have to overcome the interest rate issues faced at the beginning of the year, we also had to ensure that our systems were Y2K compliant and try to grow our businesses at the same time. The performance of our staff under such conditions was outstanding. They remain our most valuable asset, and we are thankful for their commitment, support and productivity during this time of transition.

We are also grateful for our shareholder community, which despite a loss in the value of their holdings, nevertheless, has been very supportive of our objectives and strategy. Cass was not alone in this regard, as the market did not treat most financial institutions very politely in 1999. Nevertheless, it is our desire to have the organization's past performance and strong growth opportunities reflected in the underlying value of its securities. We want to deeply thank our shareholders for their encouragement and long-term commitment to the organization.

Finally, we cannot end this report without our recognition of the role that God has played in 1999. It is very misleading to associate God's blessings only with improved net earnings. That would be a great mistake! We have seen His blessings and His grace, perhaps more clearly in 1999 than ever. Without such, we could never have handled all the major activities and changes that occurred. We are so thankful for His watchfulness and guidance.

/s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

PRIVATELY HELD BUSINESSES BANKING SERVICES

1999 BUSINESS RESULTS

Cass' oldest line of business, providing commercial banking services to privately held companies, recorded a strong year in 1999. Net loans grew by $22 million, representing a solid growth of 12%. As of December 31, 1999, loans outstanding to privately held businesses totaled $212 million, representing 76% of Cass' total loan portfolio. Credit quality remains excellent as demonstrated by the ratio of non-performing loans to total loans, representing only 0.09%. This compares very favorably to the industry average of 0.58% for peer banks.

Total average deposit balances were up for the year by $14 million, representing an increase of 8%. Fee income from depository and treasury management products grew by $188,000 or 16%.

We are pleased to report that 72.5% of the increases in business volumes are the result of new clients, with the remainder representing growth from existing clients. Approximately 46% of these new clients came to us from larger banks going through mergers, with 54% coming from other traditional middle market competitors. We believe this demonstrates how Cass Commercial Bank is meeting a real need in the St. Louis middle market business community and differentiating itself across a broad spectrum of banking competition.

BUSINESS STRATEGY

Focus - Cass remains committed to our core strategy of focusing on commercial middle market banking services. We believe this is more than just a choice of business activity preference and constitutes a sound marketing strategy. This strategy allows all of our bankers and executive management to develop an in-depth understanding of the preferences of private business owners, which benefits our clients and is an attraction to our prospects. In 1999 we introduced two direct contact campaigns to communicate our understanding of this niche and to build awareness with our target audience. Through these programs along with the traditional calling by our bankers, we have presented a clear and consistent formula of combining excellence in service quality with new technology in the delivery of our banking services.

Service - Our service quality is extremely high due largely to our structure of utilizing banking teams to surround our clients. Team members with strong functional expertise work together serving the same group of clients on a repetitive basis. This structure ensures quick response, relationship continuity, strong functional specialization, and quality assurance by the team leadership. This personal attention is particularly important to our clients and prospects, as larger banks have continued to reduce the level of available local service support.

Unique services offered by Cass include our Cass Client Circle discussion groups. These are groups of clients, which meet quarterly to share business management ideas and general knowledge resources, facilitated by Cass personnel.

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This year's direct mail campaign reiterated our commitment to providing excellence in service and maintaining dependable fiscal conservatism.

[PHOTO]

We have received excellent feedback from the clients participating in these voluntary groups, and will continue to expand the program. We also provide information resources to our clients through our Cass Breakfast Series. This provides expert speakers addressing pertinent business topics on a quarterly basis in a breakfast seminar format.

Technology - In 1999 Cass invested substantially in our backroom operations. We are adding new state-of-the-art tools using digital technology, which allows us to provide several new banking products. One example is Positive Account Reconciliation, which enables our clients to minimize check fraud by reconciling their bank accounts on a daily basis. It gives the client the ability to make pay/return decisions on the day checks are presented, greatly reducing the risk of check fraud.

Additionally, Cass now offers compact disc based check images. This offers our clients a more convenient and secure method of storing and retrieving check images. With this banking product, our clients receive a compact disc in conjunction with their monthly bank statement. Our clients find that this significantly reduces both their reconciliation time and check storage space needed. Finally, with this service, images of checks can be retrieved via our new Internet access systems. Additional capabilities are being planned for these systems, including enhanced information reporting and the ability to complete more transaction types online.

Providing St. Louis privately owned companies with thoughtful and sincere personal service has been a hallmark of Cass since 1906. As we enter the 21st century, our objective is to maintain that level of service. We are further committed to combining this commitment to service excellence with technological innovation. We believe this combination has made and will continue to make us extremely attractive to the markets we serve.

CHURCHES AND CHURCH-RELATED BANKING SERVICES

1999 was another year of outstanding growth for the church business division of Cass Commercial Corporation.

Our church & ministry relationships reached their highest level in 1999 with more than one hundred and fifty customers with loan outstandings exceeding $65 million, a 90% increase over 1998. Our church & ministry depository, cash management and investment relationships are also larger than any prior year.

Additionally, our church & ministry new business pipeline including church refinancing, church expansion and new construction projects is currently stronger than we have ever experienced.

As our church & ministry relationships continue to increase in number, they also continue to diversify among small, medium and large-sized churches, representing an even wider variety of denominations and ministries.

We also continued to widen the scope of our church & ministry activities, seeking to further establish Cass Commercial Bank as a nationwide church & ministry lender. We have church & ministry relationships in Missouri, Illinois, Indiana, Texas, Oklahoma, Colorado and California.

We have found that lending to churches has indeed been solid business. To date, every one of our church customers has managed its financial responsibilities in an appropriate manner, and we have experienced no defaults or foreclosures.

Cass' approach to providing financial services to churches and ministries is to work as if we are a member of the finance committee. We invest our time to partner with a church, helping analyze its overall financial capabilities, including reviewing various project affordability models, and evaluating expansion and new construction alternatives.

Cass' underwriting approach has been created to reflect the uniqueness of churches and their approach to fiscal stewardship. We have developed a financial analysis system that is specifically geared toward evaluating a church's overall

[PHOTO]

Cass' commitment to working with churches & ministries nationwide is an important part of our culture as an organization. We believe this work has both philosophical and practical benefits to the community as a whole.

[PHOTO]

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Our church & ministry division provides building refinancing, expansion and new construction loans for churches and ministries nationwide.

financial condition and how it compares with other churches. Further, we focus in depth on historical and projected cash flow, revenue growth rate and the ability to manage various debt alternatives.

One of our guiding principles is to recommend a financial plan that is affordable and reasonable allowing a church to achieve its objectives in a prudent and rational manner.

Another dimension of our comprehensive relationship with a church & ministry is our counselor approach to a church's depository needs, both short and longer term. As we work closely with each church in understanding its fiscal philosophy and operating approach, we also initiate a comprehensive analysis comparing various operating, savings and investment alternatives to determine the best fit for our customer.

We approach every church with a "team" of experienced bankers. This team includes officers from lending, depository, cash management, customer service, and executive management, and it provides relationship continuity and consistency for our church & ministry customers.

Our church business vision further describes the underlying reasons why Cass is involved with churches and ministries above and beyond our business objectives ... first, to produce results that will provide Kingdom value; second, to integrate an eternal perspective into the organization; and third, to improve our communities.

Cass seeks to accomplish this mission by providing funds to churches & ministry-related organizations, by using funds deposited by these organizations to assist similar institutions, by our corporate contributions, and by our involvement with the church community.

These are some of the key reasons why Cass is involved in churches and ministries. These reasons are philosophical, foundational, and practical ... and these are an important part of our Cass culture.

At Cass, this work is far more than just a business activity. It extends to all aspects of our lives, not just work. We are indeed thrilled that God has provided us the opportunity to serve this important part of our community.

FREIGHT PAYMENT PROCESSING SERVICES

Our business is providing freight bill payment, audit, cost accounting and transportation information services to many of the nation's largest manufacturing, chemical, food and personal products companies. We continue to develop our strategy of focusing on processing automation and Internet-based information delivery systems that create an electronic commerce model unmatched in the industry.

In 1999 we began the most significant transformation of our business since the development of on-line processing in the early 1980s. There are three components to our strategy:

Processing Automation
Processing System Enhancement
Information Delivery on the Internet

PROCESSING AUTOMATION

Electronic invoice receipt has been a major part of Cass Information System's (CIS) processing model for many years. We are expanding our electronic processing using traditional Electronic Data Interchange (EDI) protocols but recognize that our market will require flexibility and information that has heretofore been unavailable to CIS's customers. In 1999 we began reengineering our electronic processing system to prepare us for accelerated expansion and new data transfer protocols such as XML. In addition, the explosive growth in electronic commerce has created a demand for information that will help e-commerce companies select the most cost effective routing of its packages. Cass is devoting a separate processing and information database to respond to this market.

More of our customers have or will be developing more sophisticated purchasing and order entry systems that can feed the freight bill payment process. CIS receives payment authorization files from most of its large customers today. As more companies adopt integrated business systems, the opportunities for increased automation such as transaction rating and automatic carrier payment will become more prevalent.

Last year we experienced our largest increase in automated (ACH) carrier payments. We believe that in the next few years the traditional method of paying by check will become outmoded. With the support of Cass Commercial

[PHOTO]

We believe that increased automation in the future, coupled with the growing demand for Internet-based information delivery systems, will provide numerous opportunities for Cass to expand its business.

Bank, CIS is aggressively working with the carrier community to convert to the more efficient and less costly method of electronic payment.

In the first quarter of 2000, CIS will allow its customers access to freight bill exceptions for review and approval. Freight bill images will be available by accessing our Internet system where customers will see an image of the paper document or an electronic transaction to review and approve for payment. The costly and inefficient receipt of documents and telephone approvals will be eliminated.

PROCESSING SYSTEM ENHANCEMENT

While our industry migrates from paper to electronic processing, Cass will continue its record of excellence for paying paper invoices. Over the years, CIS has perfected its processing system to ensure data integrity and on-time, daily processing. In 1999 we began the development of a system that will take advantage of the latest technology and provide more operating efficiency and flexibility without disrupting our core payment application.

The freight bill authorization and Internet system provide our constituencies with more timely and extensive information about processing transactions, allowing our support staff to focus on enhancing the delivery of transportation and accounting information.

E-CASS

Several years ago Cass developed its first Internet application: payment inquiry for our customers and their carriers. Last year over 3.5 million inquiries were made over the Internet. In June of 1999, our standard payment report displays were placed on the Internet. In October, the carriers our customers patronize could access their receivables records and the billing requirements of our customers.

Scheduled for the first or early second quarter of 2000, Cass will launch the linchpin of its Internet information delivery system. The fourth phase is a comprehensive database of transportation and accounting information. The system will use an OLAP (On-Line Analytical Processing) design that displays key metrics used to manage a company's transportation network. These components can be analyzed by using data mining features. Our objective is to develop Internet-based information systems that display data in ways that exceed traditional methods and help our customers manage their supply chain business.

Since introducing our business model to companies, we are experiencing tremendous growth opportunities. We believe that our focus will solidify Cass as the leader in our market and will allow us to expand our business as we enter a new century.

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Our objective is to develop Internet-based information systems that display data in ways which help our customers better manage their supply chain business.

UTILITIES PAYMENT PROCESSING SERVICES

1999 was the second year of existence for the Utility Payments Division of Cass Information Systems. The new division experienced sizable growth in 1999 by marketing the two main values of our outsourced utility payables product: transaction cost reduction by leveraging Cass' economies of scale; and expanded energy information to provide an energy information data warehouse.

The clear trend in 1999 was the market's recognition of the ever-increasing value of information contained in utility bills. With the Cass Utility Payable solution, our customers get comprehensive energy and payment information from every bill - information that proves invaluable in auditing the bills and developing an energy consumption profile. Whether our customers use in-house resources or take advantage of our energy services partners, they are seeing returns on investment attributable to detection of overcharges, rate analysis and negotiation, competitive commodity bids and decreased processing costs.

It is worth noting that energy deregulation, while already a primary driver in the market, is still in its infancy. Although only a handful of states have fully opened competitive markets, dozens more have initiatives underway.

We are helping some of the nation's largest retail, commercial and industrial corporations find savings. Cass increased the number of store locations we support in this market to over 30,000. The types of invoices that Cass pays include electric, gas, water, sewer, telephone, trash and other facility-related repetitive payables.

DOLLAR VALUE/2000 EST

[GRAPHIC]

INVOICES PROCESSED/2000 EST

[GRAPHIC]

The clear trend in 1999
was the market's recognition
of the ever-increasing value of
information contained in utility bills.

On an annualized basis at the end of 1999, Cass Information Systems was processing 1.5 million invoices with over a billion dollars in invoice value. Going into 2000, we have committed business scheduled for implementation that will add $200 million in invoice value and 250,000 additional invoices per year.

Much of 1999 was spent developing systems and infrastructure necessary to enable Cass to compete aggressively in this marketplace. During the year, an expanded Sales & Marketing structure was designed and implemented. Cass markets its products with a direct sales force, with a Web site tuned to attract inquiries based on expected key words, and through a combination of direct mail and telemarketing follow-up. Cass sells its services directly to end-user companies and in conjunction with affiliations with some of the industry's largest providers of Energy Information and Utility Auditing services.

During 1999, the scope of our data capture was expanded in order to accommodate a broader base of energy service types. In November, we brought the first customers on-line for in-house imaging, a move that will bring significant cost savings and, more importantly, provide better service to our customers.

For 2000, we will continue to focus on process improvement. Significant improvements are needed and will require that we invest in new technologies and systems to support continued growth.

We anticipate continued growth in our utility processing services. As this market expands, we expect both client demand and processing volume to also increase. It is our feeling that the difficulties associated with rapid growth and system enhancements must be overcome to allow us to be better positioned to profitably sustain this growth into the future.

CONSOLIDATED BALANCE SHEETS

(In Thousands of Dollars, Except Share and per Share Data)	DECEMBER 31 1999	1998
ASSETS		
Cash and due from banks	$ 18,497	$ 22,558
Federal funds sold and other short-term investments	105,720	156,827
Cash and cash equivalents	124,217	179,385
Investment in debt and equity securities:		
Held-to-maturity, fair value of $25,381 and $57,191 at December 31, 1999 and 1998, respectively	25,554	56,605
Available-for-sale, at fair value	57,442	27,369
Total investment in debt and equity securities	82,996	83,974
Loans	278,343	224,888
Less: Allowance for loan losses	4,282	4,428
Loans, net	274,061	220,460
Premises and equipment, net	9,181	9,249
Accrued interest receivable	2,764	2,764
Other assets	7,626	8,080
Total assets	$500,845	$503,912
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposits:		
Noninterest-bearing	$ 91,672	$ 82,911
Interest-bearing	97,064	108,071
Total deposits	188,736	190,982
Accounts and drafts payable	249,894	250,518
Short-term borrowings	208	323
Other liabilities	5,444	4,685
Total liabilities	444,282	446,508
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 and 4,000,000 shares issued	2,000	2,000
Surplus	5,087	4,796
Retained earnings	54,814	51,505
Accumulated other comprehensive income (loss)	(417)	387
Common shares in treasury, at cost (277,149 and 132,123 shares at December 31, 1999 and 1998, respectively)	(4,770)	(1,213)
Unamortized stock bonus awards	(151)	(71)
Total shareholders' equity	56,563	57,404
Total liabilities and shareholders' equity	$500,845	$503,912

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands of Dollars, Except Share and per Share Data)	YEAR ENDED DECEMBER 31 1999	1998	1997
INTEREST INCOME:			
Interest and fees on loans	$20,371	$17,579	$16,951
Interest and dividends on debt and equity securities:			
Taxable	4,659	6,538	9,074
Exempt from federal income taxes	63	69	77
Interest on federal funds sold and other short-term investments	5,782	5,858	3,181
Total interest income	30,875	30,044	29,283
INTEREST EXPENSE:			
Interest on deposits	4,357	4,271	4,181
Interest on short-term borrowings	9	10	67
Total interest expense	4,366	4,281	4,248
Net interest income	26,509	25,763	25,035
Provision for loan losses	--	--	300
Net interest income after provision for loan losses	26,509	25,763	24,735
NONINTEREST INCOME:			
Information services revenue:			
Freight and utility payment and processing revenue	18,226	18,809	17,863
Freight rating services revenue	1,800	2,146	2,107
Service charges on deposit accounts	680	642	524
Gain on sale of debt securities	--	285	216
Other	738	565	1,103
Total noninterest income	21,444	22,447	21,813
NONINTEREST EXPENSE:			
Salaries and employee benefits	25,974	24,995	24,093
Occupancy expense	1,780	1,698	1,619
Equipment expense	2,714	2,649	2,654
Other	7,876	7,283	7,545
Total noninterest expense	38,344	36,625	35,911
Income before income tax expense	9,609	11,585	10,637
Income tax expense	3,411	4,177	3,626
Net income	$ 6,198	$ 7,408	$ 7,011
EARNINGS PER SHARE:			
Basic	$ 1.63	$ 1.92	$ 1.82
Diluted	$ 1.61	$ 1.89	$ 1.79
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic	3,791,250	3,862,393	3,858,548
Effect of stock options and awards	57,182	67,281	59,000
Diluted	3,848,432	3,929,674	3,917,548

See accompanying notes to consolidated financial statements.

CONSOLIDATED
STATEMENTS OF
CASH FLOWS

(In Thousands of Dollars)	YEAR ENDED DECEMBER 31 1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 6,198	$ 7,408	$ 7,011
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,433	2,359	2,470
Amortization of stock bonus awards	68	50	110
Provision for loan losses	--	--	300
Deferred income tax expense (benefit)	(492)	131	271
Increase in accrued interest receivable	--	373	229
Gain on sale of debt securities	--	(285)	(216)
Increase (decrease) in pension liability	834	(203)	(219)
Other operating activities, net	1,401	(1,219)	(1,665)
Net cash provided by operating activities	10,442	8,614	8,291
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of debt securities available-for-sale	--	6,409	14,235
Proceeds from prepayments and maturities of debt securities:			
Held-to-maturity	30,819	32,974	28,076
Available-for-sale	1,690	2,905	1,178
Purchases of debt and equity securities available-for-sale	(33,091)	--	(9,835)
Net decrease (increase) in loans	(53,601)	(28,466)	1,085
Purchases of premises and equipment, net	(1,923)	(1,250)	(3,901)
Net cash provided by (used in) investing activities	(56,106)	12,572	30,838
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in noninterest-bearing demand, interest-bearing demand and savings deposits	(918)	25,945	(10,878)
Net decrease in time deposits	(1,328)	(820)	(770)
Net increase (decrease) in accounts and drafts payable, net	(624)	36,763	9,065
Net decrease in short-term borrowings	(115)	(83)	(2,070)
Proceeds from exercise of stock options	81	52	--
Cash dividends paid	(2,889)	(2,782)	(2,508)
Purchase of common shares for treasury	(3,711)	--	--
Net cash provided by (used in) financing activities	(9,504)	59,075	(7,161)
Net increase (decrease) in cash and cash equivalents	(55,168)	80,261	31,968
Cash and cash equivalents at beginning of year	179,385	99,124	67,156
Cash and cash equivalents at end of year	$124,217	$179,385	$ 99,124
SUPPLEMENTAL INFORMATION:			
Interest paid	$ 4,375	$ 4,314	$ 4,301
Income taxes paid	3,536	3,712	2,785

See accompanying notes to consolidated financial statements.

STATEMENTS OF
SHAREHOLDERS' EQUITY AND
COMPREHENSIVE INCOME

(In Thousands of Dollars, Except per Share Data)	Common Stock	Surplus	Retained Earnings	Accumulated Other Compre-hensive Income (Loss)	Treasury Stock	Unamortized Stock Bonus Awards	Total	Compre-hensive Income
Balance, December 31, 1996	$2,000	$4,740	$42,376	$ 105	$(1,284)	$(156)	$47,781	
Comprehensive income for 1996								$6,654
Net income	--	--	7,011	--	--	--	7,011	7,011
Cash dividends ($.65 per share)	--	--	(2,508)	--	--	--	(2,508)	
Other comprehensive income:								
Net unrealized gain on debt and equity securities available-for-sale, net of tax								402
Adjustment for gain on sale of debt and equity securities, available-for-sale, net of tax								(143)
Total other comprehensive income	--	--	--	259	--	--	259	259
Amortization of Stock Bonus Plan awards	--	--	--	--	--	110	110	
Balance, December 31, 1997	2,000	4,740	46,879	364	(1,284)	(46)	52,653	
Comprehensive income for 1997								7,270
Net income	--	--	7,408	--	--	--	7,408	7,408
Cash dividends ($.72 per share)	--	--	(2,782)	--	--	--	(2,782)	
Other comprehensive income:								
Net unrealized gain on debt and equity securities available-for-sale, net of tax								211
Adjustment for gain on sale of debt and equity securities, available-for-sale, net of tax								(188)
Total other comprehensive income	--	--	--	23	--	--	23	23
Issuance of 3,000 common shares pursuant to Stock Bonus Plan	--	48	--	--	27	(75)	--	
Amortization of Stock Bonus Plan awards	--	--	--	--	--	50	50	
Exercise of Stock Options	--	8	--	--	44	--	52	
Balance, December 31, 1998	2,000	4,796	51,505	387	(1,213)	(71)	57,404	
Comprehensive income for 1998								7,431
Net income	--	--	6,198	--	--	--	6,198	6,198
Cash dividends ($.76 per share)	--	--	(2,889)	--	--	--	(2,889)	
Purchase of 160,000 common shares for Treasury	--	--	--	--	(3,711)	--	(3,711)	
Other comprehensive income (loss):								
Net unrealized loss on debt and equity securities available-for-sale, net of tax	--	--	--	(804)	--	--	(804)	(804)
Issuance of 5,900 common shares pursuant to Stock Bonus Plan	--	87	--	--	61	(148)	--	
Amortization of Stock Bonus Plan awards	--	--	--	--	--	68	68	
Exercise of Stock Options	--	(12)	--	--	93	--	81	
Tax benefit on stock awards	--	216	--	--	--	--	216	
Balance, December 31, 1999	$2,000	$5,087	$54,814	$(417)	$(4,770)	$(151)	$56,563	
Comprehensive income for 1999								$5,394

See accompanying notes to consolidated financial statements.

Note 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cass Commercial Corporation (the Company) provides a full range of banking services to individual, corporate and institutional customers through its wholly owned subsidiary bank, Cass Commercial Bank (the Bank). The Bank is subject to competition from other financial and nonfinancial institutions throughout the metropolitan St. Louis, Missouri, area. Additionally, the Company and the Bank are subject to the regulations of certain federal and state agencies and undergo periodic examinations by those regulatory agencies.

The Company also provides information services through its wholly owned subsidiary, Cass Information Systems, Inc. (CIS). These services include processing and payment of freight and utility charges, preparation of transportation management reports, auditing of freight charges and rating of freight shipments. CIS is subject to competition from other commercial concerns providing similar services to companies throughout the United States and Canada. The consolidated balance sheet caption, "Accounts and Drafts Payable," consists of obligations related to bill payment services which are performed for customers.

The accounting and reporting policies of the Company and its subsidiaries conform to generally accepted accounting principles. The following is a description of the more significant of those policies:

Basis of Presentation The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after elimination of intercompany transactions.

In preparing the consolidated financial statements, Company management is required to make estimates and assumptions which significantly affect the reported amounts in the consolidated financial statements. A significant estimate which is particularly susceptible to change in a short period of time is the determination of the allowance for loan losses.

Investment in Debt and Equity Securities At the time of purchase, debt securities are classified into one of two categories: available-for-sale or held-to-maturity. Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. All equity securities, and debt securities not classified as held-to-maturity, are classified as available-for-sale.

Available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization of premiums or discounts. Unrealized gains and losses, net of the related tax effect, on available-for-sale securities are excluded from earnings and reported as accumulated other comprehensive income. Gains and losses on the sale of available-for-sale securities are determined using the specific identification method.

A decline in the fair value of any available-for-sale or held-to-maturity security below cost that is deemed other than temporary is charged to earnings and results in the establishment of a new cost basis for the security.

The Bank is required to maintain an investment in the capital stock of the Federal Reserve Bank. The stock is recorded at cost, which represents redemption value.

Interest on Loans Interest on loans is recognized based upon the principal amounts outstanding. It is the Company's policy to discontinue the accrual of interest when there is reasonable doubt as to the collectibility of principal or interest. Subsequent payments received on such loans are applied to principal if there is any doubt as to the collectibility of such principal; otherwise, these receipts are recorded as interest income. The accrual of interest on a loan is resumed when the loan is current as to payment of both principal and interest and/or the borrower demonstrates the ability to pay and remain current.

Allowance for Loan Losses The allowance for loan losses is increased by provisions charged to expense and reduced by net charge-offs. The provisions charged to expense are based on economic conditions, past losses, collection experience, risk characteristics of the portfolio and such other factors which, in management's judgment, deserve current recognition.

Management believes the allowance for loan losses is adequate to absorb losses in the loan portfolio. While management uses all available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. Additionally, various regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for loan losses. Such agencies may require the Company to increase the allowance for loan losses based on their judgments and interpretations about information available to them at the time of their examination.

Information Services Revenue Revenue from freight and utility related services is recognized when fees are billed to customers, generally monthly.

Premises and Equipment Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed over the estimated useful lives of the assets, or the respective lease terms for leasehold improvements, using straight-line and accelerated methods. Estimated useful lives are 31-1/2 to 39 years for buildings, 8 to 10 years for leasehold improvements and 3 to 10 years for furniture, fixtures and equipment. Maintenance and repairs are charged to expense as incurred.

Intangible Assets Cost in excess of fair value of net assets acquired and fair value in excess of cost of net assets acquired have resulted from business acquisitions which were accounted for using the purchase method.

Cost in excess of fair value of net assets acquired and fair value in excess of cost of net assets acquired are amortized on a straight-line basis over 3 to 15 years.

Assets and liabilities acquired in business acquisitions accounted for by the purchase method were recorded at their fair value at the date of acquisition. The premiums and discounts related to the fair value adjustments are amortized using the level-yield method.

Management reviews goodwill periodically for impairment.

Lines of Credit At December 31, 1999, the Bank has $14,820,000 of unsecured federal funds lines of credit in place with unaffiliated financial institutions. Additionally, at December 31, 1999, the Bank has a line of credit of $50,000,000 under securities sold under repurchase agreements with an unaffiliated financial institution.

Income Taxes Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Cash Flows For purposes of the consolidated statements of cash flows, the Company considers due from banks, federal funds sold and other short-term investments to be cash equivalents.

Reclassifications Certain amounts in the 1998 and 1997 consolidated financial statements have been reclassified to conform with the 1999 presentation. Such reclassifications have no effect on previously reported net income.

Note 2
CAPITAL REQUIREMENTS AND REGULATORY RESTRICTIONS

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company and the Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulators to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios of total and Tier I capital to risk-weighted assets, and of Tier I capital to average assets. Management believes as of December 31, 1999, the Company and the Bank meet all capital adequacy requirements to which they are subject.

The Bank is also subject to the regulatory framework for prompt corrective action. The most recent notification from the regulatory agencies, dated November 30, 1999, categorized the Bank as well capitalized. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Bank's category.

Subsidiary dividends are the principal source of funds for payment of dividends by the Company to its shareholders. The Bank is subject to regulations which require the maintenance of minimum capital levels. At December 31, 1999, unappropriated retained earnings of $12,438,000 were available at the Bank for the declaration of dividends to the Company without prior approval from regulatory authorities.

Restricted funds on deposit used to meet regulatory reserve requirements amounted to approximately $4,522,000 and $3,763,000 at December 31, 1999 and 1998, respectively.

The Company and the Bank's actual and required capital amounts and ratios as of December 31, 1999 and 1998, are as follows:

	ACTUAL		CAPITAL REQUIREMENTS		REQUIREMENT TO BE WELL CAPITALIZED UNDER PROMPT CORRECTIVE ACTION PROVISIONS	
(Dollars In Thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
At December 31, 1999						
Total capital (to risk-weighted assets):						
Cass Commercial Corporation	$60,736	18.23%	$26,654	8.00%	$ N/A	N/A%
Cass Commercial Bank	28,014	16.39	13,676	8.00	17,095	10.00
Tier I capital (to risk-weighted assets):						
Cass Commercial Corporation	$56,570	16.98%	$13,327	4.00%	$ N/A	N/A%
Cass Commercial Bank	25,873	15.14	6,838	4.00	10,257	6.00
Tier I capital (to average assets):						
Cass Commercial Corporation	$56,570	11.53%	$14,717	3.00%	$ N/A	N/A%
Cass Commercial Bank	25,873	11.54	6,725	3.00	11,208	5.00
At December 31, 1998						
Total capital (to risk-weighted assets):						
Cass Commercial Corporation	$60,073	21.14%	$22,732	8.00%	$ N/A	N/A%
Cass Commercial Bank	27,526	15.12	14,568	8.00	18,211	10.00
Tier I capital (to risk-weighted assets):						
Cass Commercial Corporation	$56,510	19.89%	$11,366	4.00%	$ N/A	N/A%
Cass Commercial Bank	25,246	13.86	7,284	4.00	10,926	6.00
Tier I capital (to average assets):						
Cass Commercial Corporation	$56,510	12.05%	$14,073	3.00%	$ N/A	N/A%
Cass Commercial Bank	25,246	12.04	6,291	3.00	10,485	5.00

Note 3
INVESTMENT IN DEBT AND
EQUITY SECURITIES

Debt and equity securities have been classified in the consolidated balance sheets according to management's intent.

The amortized cost and fair values of debt securities classified as held-to-maturity at December 31, 1999 and 1998, are as follows:

(In Thousands)	1999 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Treasury securities	$14,146	$ 15	$ (7)	$14,154
Obligations of U.S. Government corporations and agencies	10,155	--	(186)	9,969
States and political subdivisions	1,253	19	(14)	1,258
	$25,554	$ 34	$(207)	$25,381

(In Thousands)	1998 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Treasury securities	$38,369	$ 484	$ --	$38,853
Obligations of U.S. Government corporations and agencies	16,958	72	(28)	17,002
States and political subdivisions	1,278	60	(2)	1,336
	$56,605	$ 616	$(30)	$57,191

The amortized cost and fair value of debt securities classified as held-to-maturity at December 31, 1999, by contractual maturity, are as follows. Expected maturities may differ from contractual maturities because borrowers have the right to prepay obligations with or without prepayment penalties.

(In Thousands)	1999 Amortized Cost	Fair Value
Due in 1 year or less	$17,088	$17,030
Due after 1 year through 5 years	3,979	3,929
Due after 5 years through 10 years	4,487	4,422
	$25,554	$25,381

The amortized cost and fair values of debt and equity securities classified as available-for-sale at December 31, 1999 and 1998, are summarized as follows:

(In Thousands)	1999 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Treasury securities	$28,107	$ 37	$ (17)	$28,127
Obligations of U.S. Government corporations and agencies	29,765	11	(662)	29,114
Total debt securities	57,872	48	(679)	57,241
Stock of the Federal Reserve Bank	201	--	--	201
	$58,073	$ 48	$(679)	$57,442

	1998			
(In Thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Treasury securities	$20,055	$ 552	$ --	$20,607
Obligations of U.S. Government corporations and agencies	6,527	51	(17)	6,561
Total debt securities	26,582	603	(17)	27,168
Stock of the Federal Reserve Bank	201	--	--	201
	$26,783	$ 603	$ (17)	$27,369

The amortized cost and fair value of debt securities classified as available-for-sale at December 31, 1999, by contractual maturity, are shown in the following table. Expected maturities may differ from contractual maturities because borrowers have the right to prepay obligations with or without prepayment penalties.

(In Thousands)	1999 Amortized Cost	1999 Fair Value
Due in 1 year or less	$12,118	$12,128
Due after 1 year through 5 years	41,104	40,521
Due after 5 years through 10 years	1,446	1,439
Due after 10 years	3,204	3,153
	$57,872	$57,241

The amortized cost of debt securities pledged to secure public deposits, securities sold under agreements to repurchase and for other purposes was approximately $55,899,000 and $49,813,000 at December 31, 1999 and 1998, respectively.

There were no sales of debt and equity securities classified as available-for-sale in 1999. In 1998 and 1997, proceeds from the sale of debt securities classified as available-for-sale were $6,409,000 and $14,235,000, respectively, with gross gains realized on those sales of $285,000 and $216,000, respectively.

Note 4
LOANS

A summary of loan categories at December 31, 1999 and 1998, is as follows:

(In Thousands)	1999	1998
Commercial and industrial	$106,444	$ 95,663
Real estate:		
Mortgage	129,482	101,468
Construction	29,633	16,547
Industrial revenue bonds	7,265	5,951
Installment	1,541	2,458
Other	3,978	2,801
	$278,343	$224,888

The Company originates commercial, industrial, real estate and installment loans to businesses, churches and consumers throughout the metropolitan St. Louis area. The Company also originates church and church-related loans outside the metropolitan St. Louis area. The Company does not have any particular concentration of credit in any one economic sector; however, a substantial portion of the commercial and industrial loans are extended to privately held commercial companies in this market area, and are generally secured by the assets of the business. The Company also has a substantial portion of real estate loans that are extended to churches, in this market area and throughout the United States, which are secured by mortgages.

Loan transactions involving executive officers and directors of the Company and its subsidiaries and loans to associates of executive officers and directors for the year ended December 31, 1999, are summarized below. Such loans were made in the normal course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility.

(In Thousands)	
Aggregate balance, January 1, 1999	$ 3,418
New loans	59
Payments	(2,247)
Aggregate balance, December 31, 1999	$ 1,230

A summary of the activity in the allowance for loan losses for 1999, 1998 and 1997 is as follows:

(In Thousands)	1999	1998	1997
Balance, January 1	$4,428	$4,484	$4,396
Provision charged to expense	--	--	300
Loans charged off	(256)	(365)	(412)
Recoveries of loans previously charged off	110	309	200
Net loan charge-offs	(146)	(56)	(212)

Balance, December 31	$4,282	$4,428	$4,484

A summary of impaired loans at December 31, 1999 and 1998, is as follows:

(In Thousands)	1999	1998
Nonaccrual loans	$170	$477
Impaired loans continuing to accrue interest	173	273
Total impaired loans	$343	$750

The allowance for loan losses on impaired loans was $175,000 and $397,000 at December 31, 1999 and 1998, respectively. Impaired loans with no related allowance for loan losses totaled $168,000 and $309,000 at December 31, 1999 and 1998, respectively. The average balance of impaired loans during 1999 and 1998 was $517,000 and $972,000, respectively.

A summary of interest income on impaired loans for 1999, 1998 and 1997 is as follows:

(In Thousands)	1999 Nonaccrual Loans	1999 Impaired Loans Continuing to Accrue Interest	1999 Total
Income recognized	$ 1	$ --	$ 1
Interest income if interest had accrued	44	1	45

(In Thousands)	1998 Nonaccrual Loans	1998 Impaired Loans Continuing to Accrue Interest	1998 Total
Income recognized	$ 17	$ 25	$ 42
Interest income if interest had accrued	78	26	104

(In Thousands)	1997 Nonaccrual Loans	1997 Impaired Loans Continuing to Accrue Interest	1997 Total
Income recognized	$ 1	$ 45	$ 46
Interest income if interest had accrued	27	53	80

Note 5
PREMISES AND EQUIPMENT
A summary of premises and equipment at December 31, 1999 and 1998, is as follows:

(In Thousands)	1999	1998
Land	$ 367	$ 367
Buildings	6,341	6,250
Leasehold improvements	1,264	1,268
Furniture, fixtures and equipment	19,392	17,558
	27,364	25,443
Less accumulated depreciation and amortization	18,183	16,194
	$ 9,181	$ 9,249

Depreciation charged to expense in 1999, 1998 and 1997 amounted to $1,993,000, $1,953,000 and $1,932,000, respectively.

The Company's subsidiaries lease various premises and equipment under operating lease agreements which expire at various dates through 2007. The following is a schedule, by year, of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1999:

(In Thousands)	
2000	$ 704
2001	385
2002	342
2003	345
2004	259
2005 and thereafter	275
	$2,310

Rental expense for 1999, 1998 and 1997 was $1,271,000, $1,161,000 and $1,205,000, respectively.

Note 6

INTEREST-BEARING DEPOSITS

Interest-bearing deposits consist of the following at December 31, 1999 and 1998:

(In Thousands)	1999	1998
NOW and Money Market		
Demand Accounts	$43,092	$ 37,699
Savings deposits	47,498	62,569
Time deposits:		
Less than $100	3,863	4,369
$100 and more	2,611	3,434
	$97,064	$108,071

Interest on deposits consists of the following for 1999, 1998 and 1997:

(In Thousands)	1999	1998	1997
NOW and Money Market			
Demand Accounts	$1,431	$1,198	$1,130
Savings deposits	2,539	2,624	2,562
Time deposits:			
Less than $100	207	227	267
$100 and more	180	222	222
	$4,357	$4,271	$4,181

The scheduled maturities of certificates of deposit at December 31, 1999 and 1998, are summarized as follows:

(Dollars In Thousands)	1999 Amount	1999 Percent of Total	1998 Amount	1998 Percent of Total
Due within:				
One year	$5,014	77.4%	$6,863	88.0%
Two years	938	14.5	921	11.8
Three years	382	5.9	19	.2
Four years	--	--	--	--
Five years	140	2.2	--	--
	$6,474	100.0%	$7,803	100.0%

Note 7
EMPLOYEE BENEFITS
The Company has a noncontributory defined benefit pension plan which covers substantially all of its employees. The Company's subsidiaries accrue and make contributions designed to fund normal service costs on a current basis using the projected unit credit with service proration method to amortize prior service costs arising from improvements in pension benefits and qualifying service prior to the establishment of the plan over a period of approximately 30 years.

The pension cost for 1999, 1998 and 1997 was $784,000, $517,000 and $538,000, respectively, and included the following components:

(In Thousands)	1999	1998	1997
Service cost - benefits earned during the year	$ 929	$ 763	$ 706
Interest cost on projected benefit obligations	747	617	544
Expected return on plan assets	(899)	(765)	(622)
Net amortization and deferral	(7)	(98)	(90)
Net periodic pension cost	$ 784	$ 517	$ 538

A summary of the activity in the defined benefit pension plan's benefit obligation, assets, funded status and amounts recognized in the Company's consolidated balance sheets at December 31, 1999, 1998 and 1997, is as follows:

(In Thousands)	1999	1998	1997
Benefit obligation:			
Balance, January 1	$10,771	$ 7,976	$ 7,322
Service cost	929	763	706
Interest cost	747	617	544
Actuarial loss (gain)	(1,733)	1,548	503
Benefits paid	(152)	(133)	(105)
Balance, December 31	$10,562	$10,771	$ 7,976
Plan assets:			
Fair value, January 1	$10,886	$ 9,232	$ 7,487
Actual return	1,017	953	1,076
Employer contribution	207	834	774
Benefits paid	(152)	(133)	(105)
Fair value, December 31	$11,958	$10,886	$ 9,232
Funded status:			
Unfunded projected benefits obligation	$ 1,396	$ 115	$ 262
Unrecognized prior service cost	134	141	148
Unrecognized net gains	(3,241)	(1,390)	(1,861)
Accrued pension cost	$(1,711)	$(1,134)	$(1,451)

The weighted average discount rate and the rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.75% and 4.00% in 1999, 6.75% and 4.00% in 1998 and 7.25% and 4.00% in 1997. The expected long-term rate of return on assets was 8.00% in 1999, 1998 and 1997.

In addition to the above funded benefit plan, in 1998 the Company developed an unfunded supplemental executive retirement plan which covers key

executives of the Company. This is a noncontributory plan in which the Company's subsidiaries make accruals designed to fund normal service costs on a current basis using the same method and criteria as its defined benefit plan.

The pension cost for 1999 and 1998 for the supplemental executive retirement plan was $257,000 and $143,000, respectively, and included the following components:

(In Thousands)	1999	1998
Service cost - benefits earned during the year	$ 38	$ 25
Interest cost on projected benefit obligation	113	59
Net amortization and deferral	106	59
Net periodic pension costs	$257	$143

A summary of the activity in the supplemental executive retirement plan's benefit obligation, funded status and amounts recognized in the Company's consolidated balance sheets at December 31, 1999 and 1998, is as follows:

(In Thousands)	1999	1998
Benefit obligation:		
Balance, January 1	$ 972	$ 822
Service cost	38	25
Interest cost	113	59
Actuarial loss (gain)	443	66
Balance, December 31	$ 1,566	$ 972
Funded Status:		
Unfunded projected benefits obligation	$(1,566)	$(972)
Unrecognized prior service cost	704	763
Unrecognized actuarial loss	462	66
Accrued pension cost	(400)	(143)
Minimum liability adjustment	(581)	(451)
Accrued pension cost	$ (981)	$(594)

The weighted average discount rate and the rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.75% and 4.00% in 1999, and 6.75% and 5.00% in 1998.

The Company maintains a noncontributory profit sharing plan which covers substantially all of its employees. Employer contributions are calculated based upon formulas which relate to current operating results and other factors. Profit sharing expense recognized in the consolidated statements of income in 1999, 1998 and 1997 was $1,413,000, $1,679,000 and $1,564,000, respectively.

The Company sponsors a defined contribution 401(k) plan to provide additional retirement benefits to substantially all employees. Contributions under the 401(k) plan for 1999, 1998 and 1997 were $234,000, $199,000 and $220,000, respectively.

The Company maintains a restricted stock bonus plan which provides for the issuance of up to 100,000 shares of the Company's common stock. During 1999, 1998 and 1995, the Company awarded 5,900, 3,000 and 32,000 shares of common stock, respectively. The fair value of such shares has been recorded in the consolidated financial statements through the establishment of a contra shareholders' equity account which is amortized over the three-year vesting period. Amortization of the restricted stock bonus awards totaled $68,000, $50,000 and $110,000 for 1999, 1998 and 1997, respectively.

The Company also maintains a performance-based stock option plan which provides for the granting of options to acquire up to 400,000 shares of Company common stock. Options vest over a period not to exceed seven years, but the vesting period can be less based on the Company's attainment of certain financial operating performance criteria.

The following table summarizes stock options outstanding as of December 31, 1999:

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life
$10.32	85,440	3.47 years
20.36	6,000	4.00
23.00	3,500	6.00
24.63	2,000	6.00
25.25	61,350	6.00
25.45	8,500	4.00

Changes in options outstanding were as follows:

	Shares	Weighted Average Exercise Price
Balance at December 31, 1996	120,000	$10.32
Granted	14,500	23.34
Forfeited	(16,000)	10.32
Balance at December 31, 1997	118,500	11.91
Exercised	(7,200)	10.32
Forfeited	(1,400)	10.32
Balance at December 31, 1998	109,900	12.04
Granted	67,100	25.11
Exercised	(9,960)	10.32
Forfeited	(250)	10.32
Balance at December 31, 1999	166,790	17.38

At December 31, 1999, 41,756 shares were exercisable with a weighted average exercise price of $10.32.

The Company accounts for stock-based compensation under the stock option plan in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25), and accordingly, recognizes no compensation expense as the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant. The Company elected not to adopt the recognition provisions of the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). An entity that continues to apply APB 25 shall disclose certain pro forma information as if the fair value-based accounting method in SFAS 123 had been used to account for stock-based compensation costs. The pro forma effects were calculated and are immaterial to the results of operations of the Company.

Note 8
OTHER NONINTEREST EXPENSE
Details of other noninterest expense for 1999, 1998 and 1997 are as follows:

(In Thousands)	1999	1998	1997
Postage, printing and supplies	$2,261	$2,161	$2,129
Advertising and business development	1,509	1,392	1,437
Professional fees	1,064	1,056	1,320
Outside service fees	655	383	353
Data processing services	570	590	652
Telecommunications	612	531	518
Other	1,205	1,170	1,136
Total other noninterest expense	$7,876	$7,283	$7,545

Note 9
INCOME TAXES
The components of income tax expense for 1999, 1998 and 1997 are as follows:

(In Thousands)	1999	1998	1997
Current:			
Federal	$3,560	$3,654	$3,114
State	343	392	241
Deferred	(492)	131	271
	$3,411	$4,177	$3,626

A reconciliation of expected income tax expense, computed by applying the effective federal statutory rate of 34% for 1999, 1998 and 1997 to income before income tax expense, to reported income tax expense is as follows:

(In Thousands)	1999	1998	1997
Expected income tax expense	$3,267	$3,939	$3,617
(Reductions) increases resulting from:			
Tax-exempt interest	(136)	(79)	(78)
State taxes, net of federal benefit	226	259	159
Amortization of intangibles	--	--	(98)
Other, net	54	58	26
Income tax expense	$3,411	$4,177	$3,626

The tax effects of temporary differences which give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1999 and 1998, are presented below:

(In Thousands)	1999	1998
Deferred tax assets:		
Unrealized loss on investment in debt and equity securities available-for-sale	$ 215	$ --
Allowance for loan losses	898	920
Accrued pension cost	590	390
Premises and equipment	39	13

Other	292	188
Total deferred tax assets	2,034	1,511
Deferred tax liabilities:		
Unrealized gain on investment in debt and equity securities available-for-sale	--	(199)
Discount accretion	(57)	(165)
Other	(143)	(219)
Total deferred tax liabilities	(200)	(583)
Net deferred tax asset	$1,834	$ 928

A valuation allowance would be provided on deferred tax assets when it is more likely than not that some portion of the assets will not be realized. The Company has not established a valuation allowance at December 31, 1999 or 1998, due to management's belief that all criteria for recognition have been met, including the existence of a history of taxes paid sufficient to support the realization of deferred tax assets.

Note 10
CONTINGENCIES
The Company's subsidiaries are involved in various pending legal actions and proceedings in which claims for damages are asserted. Management, after discussion with legal counsel, believes the ultimate resolution of these legal actions and proceedings will not have a material effect upon the Company's consolidated financial position or results of operations.

Note 11
DISCLOSURES ABOUT
FINANCIAL INSTRUMENTS
The Company is party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, commercial letters of credit and standby letters of credit. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, commercial letters of credit and standby letters of credit is represented by the contractual amounts of those instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commercial and standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. These off-balance-sheet financial instruments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the financial instruments may expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. Commitments to extend credit and letters of credit are subject to the same underwriting standards as those financial instruments included on the consolidated balance sheets. The Company evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of the credit, is based on management's credit evaluation of the borrower. Collateral held varies, but is generally accounts receivable, inventory, residential or income-producing commercial property or equipment.

Conditional commitments to extend credit, commercial letters of credit and standby letters of credit totaled approximately $24,438,000, $99,000 and $4,756,000, respectively, at December 31, 1999.

Following is a summary of the carrying amounts and fair values of the Company's financial instruments at December 31, 1999 and 1998:

	1999	
(In Thousands)	Carrying Amount	Fair Value
Balance sheet assets:		
Cash and cash equivalents	$124,217	$124,217
Investment in debt and equity securities	82,996	82,823
Loans, net	274,061	270,712
Accrued interest receivable	2,764	2,764
	$480,038	$480,516
Balance sheet liabilities:		
Deposits	$188,736	$189,052
Accounts and drafts payable	249,894	249,894
Short-term borrowings	208	208
Accrued interest payable	51	51
	$438,889	$439,205

	1998	
(In Thousands)	Carrying Amount	Fair Value
Balance sheet assets:		
Cash and cash equivalents	$179,385	$179,385
Investment in debt and equity securities	83,974	84,560
Loans, net	220,460	222,877
Accrued interest receivable	2,764	2,764
	$486,583	$489,586
Balance sheet liabilities:		
Deposits	$190,982	$191,035
Accounts and drafts payable	250,518	250,518
Short-term borrowings	323	323
Accrued interest payable	60	60
	$441,883	$441,936

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Cash and Other Short-term Instruments   For cash and cash equivalents, accrued interest receivable, accounts and drafts payable, short-term borrowings and accrued interest payable, the carrying amount is a reasonable estimate of fair value because of the demand nature or short maturities of these instruments.

Investment in Debt and Equity Securities   Fair values are based on quoted market prices or dealer quotes.

Loans   The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposits   The fair value of demand deposits, savings deposits and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities. The fair value estimates above do not include the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the market nor the benefit derived from the customer relationship inherent in existing deposits.

Commitments to Extend Credit and Standby Letters of Credit   The fair value of commitments to extend credit and standby letters of credit are estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements, the likelihood of the counterparties drawing on such financial instruments and the present credit-worthiness of such counterparties. The Company believes such commitments have been made at terms which are competitive in the markets in which it operates; however, no premium or discount is offered thereon and, accordingly, the Company has not assigned a value to such instruments for purposes of this disclosure.

Limitations   Fair value estimates are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Other significant assets or liabilities that are not considered financial assets or liabilities include premises and equipment and the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the market (core deposit intangible). In addition, tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of the estimates.

Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on management's judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 12

INDUSTRY SEGMENT INFORMATION

The services provided by the Company are classified into two industry segments: Information Services and Banking Services which are more fully discussed in Note One. The Company maintains separate financial statements for each of these segments which identify each segment's assets and net income. Revenue from the Banking Services segment is derived primarily from net interest revenue, which includes both interest income and interest expense, and revenue from the Information Services segment is derived primarily from interest income and fees from its freight and utility payment, rating and processing services. Total net revenue is comprised of total net interest income and total noninterest income, less provision for loan losses.

Summarized information about the Company's operations in each industry as of and for the years ended December 31, 1999, 1998 and 1997, is as follows:

	TOTAL INTEREST INCOME		
(In Thousands)	1999	1998	1997
Information Services	$ 15,808	$ 15,306	$ 15,353
Banking Services	15,215	14,910	14,087
Eliminations	(148)	(172)	(157)
Total	$ 30,875	$ 30,044	$ 29,283

	TOTAL NET REVENUE		
(In Thousands)	1999	1998	1997
Information Services	$ 36,082	$ 36,878	$ 35,918
Banking Services	12,187	11,779	10,987
Eliminations	(316)	(447)	(357)
Total	$ 47,953	$ 48,210	$ 46,548

	INCOME (LOSS) BEFORE INCOME TAX		
(In Thousands)	1999	1998	1997
Information Services	$ 4,585	$ 6,694	$ 6,352
Banking Services	5,156	5,014	4,464
Corporate Items	(132)	(123)	(179)
Total	$ 9,609	$ 11,585	$ 10,637

	TOTAL INCOME TAX EXPENSE (BENEFIT)		
(In Thousands)	1999	1998	1997
Information Services	$ 1,570	$ 2,403	$ 2,157
Banking Services	1,886	1,815	1,530
Corporate Items	(45)	(41)	(61)
Total	$ 3,411	$ 4,177	$ 3,626

	IDENTIFIABLE ASSETS		
(In Thousands)	1999	1998	1997
Information Services	$284,412	$285,397	$246,488
Banking Services	214,971	228,032	209,485
Corporate Items	56,702	57,809	52,882
Eliminations	(55,240)	(67,326)	(70,528)
Total	$500,845	$503,912	$438,327

	DEPRECIATION AND AMORTIZATION EXPENSE		
(In Thousands)	1999	1998	1997
Information Services	$ 2,102	$ 2,056	$ 2,024
Banking Services	301	283	420
Corporate Items	30	20	26
Total	$ 2,433	$ 2,359	$ 2,470

(In Thousands)	CAPITAL EXPENDITURES		
	1999	1998	1997
Information Services	$ 1,425	$ 907	$ 3,427
Banking Services	454	294	468
Corporate Items	60	49	6
Total	$ 1,938	$ 1,250	$ 3,901

Note 13
CONDENSED FINANCIAL INFORMATION OF
PARENT COMPANY

Following are the condensed balance sheets of the Company (parent company only) as of December 31, 1999 and 1998, and the related condensed schedules of income and cash flows for each of the years in the three-year period ended December 31, 1999.

CONDENSED BALANCE SHEETS DECEMBER 31

(In Thousands)	1999	1998
Assets:		
Cash	$ 280	$ 694
Investment in Cass Commercial Bank	25,883	25,364
Investment in Cass Information Systems, Inc.	30,027	31,207
Other assets	512	544
Total assets	$56,702	$57,809
Liabilities and Shareholders' Equity:		
Total liabilities	$ 139	$ 405
Total shareholders' equity	56,563	57,404
Total liabilities and shareholders' equity	$56,702	$57,809

CONDENSED SCHEDULES OF INCOME DECEMBER 31

(In Thousands)	1999	1998	1997
Income:			
Dividends received from subsidiaries	$6,142	$2,880	$2,680
Management fees from subsidiaries	1,473	1,328	1,282
Total income	7,615	4,208	3,962
Expenses:			
Salaries and employee benefits	1,252	1,092	1,130
Other expenses	352	359	331
Total expenses	1,604	1,451	1,461
Income before income taxes and equity in undistributed income of subsidiaries	6,011	2,757	2,501
Income tax benefit	(45)	(41)	(61)
	6,056	2,798	2,562
Equity in undistributed income of subsidiaries	142	4,610	4,449
Net income	$6,198	$7,408	$7,011

CONDENSED SCHEDULES OF CASH FLOWS DECEMBER 31

(In Thousands)	1999	1998	1997
Cash flows from operating activities:			
Net income	$6,198	$7,408	$7,011
Adjustments to reconcile net income to net cash provided by operating activities:			
Net income of subsidiaries exclusive of management fees	(7,758)	(8,818)	(8,411)
Dividends from subsidiaries	6,142	2,880	2,680
Management fees from subsidiaries	1,473	1,328	1,282
Amortization of stock bonus plan	68	50	110
Other, net	63	157	177
Net cash provided by operating activities	6,186	3,005	2,849
Cash flows from financing activities:			

Cash dividends paid	(2,889)	(2,782)	(2,508)
Purchase of common shares for treasury	(3,711)	--	--
Net cash used in financing activities	(6,600)	(2,782)	(2,508)
Net increase (decrease) in cash and cash equivalents	(414)	223	341
Cash and cash equivalents at beginning of year	694	471	130
Cash and cash equivalents at end of year	$ 280	$ 694	$ 471

Independent Auditors' Report

THE BOARD OF DIRECTORS
AND SHAREHOLDERS
CASS COMMERCIAL CORPORATION:

We have audited the accompanying consolidated balance sheets of Cass Commercial Corporation and subsidiaries (the Company) as of December 31, 1999 and 1998, 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, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cass Commercial Corporation and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

St. Louis, Missouri
February 11, 2000

BOARD OF DIRECTORS, OFFICERS AND SHAREHOLDER INFORMATION

DIRECTORS

Cass Commercial Corporation, Cass Commercial Bank and Cass Information Systems, Inc.

Lawrence A. Collett
Chairman of the Board, Chief Executive Officer, Cass Commercial Corporation

John J. Vallina
President, Cass Commercial Bank

Robert J. Bodine
Chairman Emeritus, Bodine Aluminum, Inc.

Bryan S. Chapell
President, Covenant Theological Seminary

Thomas J. Fucoloro
Consultant

Harry J. Krieg
Chairman Emeritus

Howard A. Kuehner
Investor

Jake Nania
Investor

Irving A. Shepard
President, Venture Consultants, Inc.

A.J. Signorelli
Founder, Andrews Educational & Research Center and Hope Educational & Research Center

Bruce E. Woodruff
Attorney; of counsel to Armstrong Teasdale LLP

OFFICERS

Cass Commercial Corporation

Lawrence A. Collett
Chairman of the Board, Chief Executive Officer

Eric H. Brunngraber
Vice President, Secretary & Chief Financial Officer

William C. Bouchein
Vice President, Treasurer

Wayne D. Muskopf
Vice President, Human Resources

Barbara J. Netherton
Controller

Karen L. Lowry
Human Resources Officer

CORPORATE HEADQUARTERS

Cass Commercial Corporation
13001 Hollenberg Drive
Bridgeton, Missouri 63044
(314) 506-5500

COMMON STOCK

The common stock of Cass Commercial Corporation is listed on the over-the-counter market and quoted on the NASDAQ National Market System under the symbol "CASS." The stock generally appears as "CassCo" or "CassCommrcl" in the newspaper stock tables.

ANNUAL MEETING

The annual meeting of shareholders of Cass Commercial Corporation will be held at the

corporate headquarters on
April 17, 2000, at 11:00 a.m.

TRANSFER AGENT

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

ChaseMellon Shareholder Services, L.L.C.
Overpeck Centre
85 Challenger Road
Ridgefield Park, New Jersey 07660
(888) 213-0965
www.chasemellon.com

INDEPENDENT AUDITORS

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

INVESTOR RELATIONS

Analysts and others seeking financial information about Cass Commercial Corporation should contact:

Cass Commercial Corporation
Investor Relations Department
13001 Hollenberg Drive
Bridgeton, Missouri 63044
(314) 506-5500

10K AND OTHER PUBLICATIONS

For additional copies of this annual report and Form 10K and other financial information, please contact the Investor Relations Department at the address and phone number above.

BUSINESS UNIT
OFFICERS

Cass Commercial Bank

OFFICERS

Lawrence A. Collett
Chairman of the Board, Chief
Executive Officer

John J. Vallina
President

Eric H. Brunngraber
Vice President, Secretary
& Chief Financial Officer

BANKING SERVICES

Ray E. McCormick
Vice President

Douglas J. Hoffman
Vice President, Treasurer

Patsy J. Moffitt
Assistant Vice President

Dana L. Pannett
Assistance Vice President,
Compliance

Dorothy M. Smith
Assistant Vice President

Nancy Elliott
Assistant Vice President

Sandra L. Hatchett
Assistant Vice President

Karen McGrew
Operations Officer

LOAN ADMINISTRATION

Emory A. Jackson
Vice President

Michelle L. Gottlieb
Assistant Vice President,
Credit Administration

Roberta L. Harrington
Assistant Vice President,
Loan Administration

BUSINESS DIVISION

Kenneth A. Witbrodt, Jr.
Executive Vice President

Mark A. Benten
Vice President, Team Leader

Edward L. Campbell, Jr.
Vice President

David A. Lucks
Vice President

Jeanne M. Scannell
Vice President

Robert J. Garagiola
Vice President, Team Leader

H. Ely Britton
Senior Vice President

Thomas Dickson
Vice President

Donald P. Doherty
Vice President

John J. Scherer
Vice President, Team Leader

Robert C. Hockney
Vice President

Rebeckah L. Kenney
Vice President

Francis J. Sommer
Vice President

Alex D. Fennoy
Assistant Vice President

CHURCH DIVISION
Theodore F. Winters
Senior Vice President

Dorothy M. Jones
Assistant Vice President

Albert Buck
Vice President

Chris R. Dimond
Vice President, Team Leader

Cass Information Systems, Inc.

Lawrence A. Collett
Chairman of the Board,
Chief Executive Officer

Eric H. Brunngraber
Vice President, Secretary
& Chief Financial Officer

FREIGHT PAYMENT SERVICES

OFFICERS
John F. Pickering
President, Chief
Operating Officer

Gus A. Nelson
Senior Vice President

Terrence J. Cowee
Senior Vice President,
Marketing & Sales

Jeffrey J. Thurston
Vice President, Information
Technology

Robert V. Delaney
Vice President

Mark A. Campbell
Vice President, General
Manager, St. Louis Facility

Jeffrey A. Nini
Vice President, General
Manager, Columbus Facility

Anthony J. Rubico
Vice President, General
Manager, Boston Facility

OPERATIONS
Kim A. Acsay
Steven W. Aylward
Donna W. Bartley
James P. Crowley
Gunars A. Dunskis
James M. Dwyer
Sheila D. Foston
Joe A. Getz
Emilia Girvids
Gail M. Hart
Barry L. Kitson
Vickie L. Maloney
Nancy L. Moon
Carol A. Reynolds
JoAnn Ross
Thomas G. Schaper
Jerry A. Young
Kevin B. Weston
David L. Zike

MARKETING
AND SALES
Richard E. Dekostic
Stephen W. Johnson
Gregg R. Klein
Louis V. Nowak
Thomas M. Zygmunt

UTILITY PAYMENT
SERVICES

OFFICERS
Harry M. Murray
Executive Vice President

OPERATIONS
John D. McKissack
Susan P. Millman

MARKETING AND SALES
Gary B. Langfitt
Vice President
Mary A. Shaw

Phyllis J. Higgins
Edward F. Clark

SEE, I LAY A STONE IN ZION, A TESTED STONE, A PRECIOUS CORNERSTONE FOR A SURE FOUNDATION, THE ONE WHO TRUSTS WILL NEVER BE DISMAYED.

ISAIAH 28:16

[CASS LOGO]

Cass Commercial Corporation
13001 Hollenberg Drive
Bridgeton, Missouri 63044

SUBSIDIARIES OF CASS COMMERCIAL CORPORATION

Name & Address	State of Incorporation
Cass Commercial Bank 13001 Hollenberg Drive Bridgeton, Missouri 63044	Missouri
Cass Information Systems, Inc. 13001 Hollenberg Drive Bridgeton, Missouri 63044	Missouri

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Cass Commercial Corporation:

We consent to the incorporation by reference in the registration statements No. 33-91456, No. 33-91568, and No. 333-44499 on Form S-8 of Cass Commercial Corporation (Cass) of our report dated February 11, 2000, relating to the consolidated balance sheets of Cass Commercial Corporation and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 1999, which report appears in the December 31, 1999 annual report on Form 10-K of Cass.

/s/ KPMG LLP

St. Louis, Missouri
March 17, 2000

12-MOS
DEC-31-1999
JAN-01-1999
DEC-31-1999
18,497
81,000
24,720
0
57,442
25,554
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278,343
4,282
500,845
188,736
208
255,338
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0
0
2,000
54,563
500,845
20,371
4,722
5,782
26,509
4,357
4,366
26,509
0
0
38,344
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0
6,198
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1.61
5.87
170
167
70
1,310
4,428
256
110
4,282
4,282
0
0