



2010 SUMMARY ANNUAL REPORT

Experience: Cass.

Strength, Innovation and Expertise: the Power to Deliver Solutions



Cass Information Systems, Inc. is the leading provider of transportation, utility and telecom expense management and related business intelligence services, disbursing \$27 billion annually on behalf of its clients. With total assets exceeding \$1 billion, Cass is a business process outsourcer focused on invoice processing, auditing and payment services. Cass is uniquely supported by Cass Commercial Bank, founded in 1906. Today, Cass Commercial Bank is a wholly owned subsidiary, providing sophisticated financial exchange services to the parent organization and its clients.

TABLE OF CONTENTS

1	2010 Year In Review
2	Letter To Shareholders
5	Cass Delivers Continuous Value
14	Condensed Consolidated Statements Of Income
15	Condensed Consolidated Balance Sheets
16	Report Of Independent Registered Public Accounting Firm
16	Forward-Looking Statements
17	Board Of Directors And Executive Officers
17	Shareholder Information

6 Transportation
INFORMATION SERVICES

8 Utility
INFORMATION SERVICES

10 Telecom
INFORMATION SERVICES

12 Cass Commercial Bank

2010 YEAR IN REVIEW

In 2010, we marked two significant milestones in surpassing \$20 million in net income and achieving more than \$27 billion paid on behalf of clients.

For The Year Ended December 31,	2010	2009
Total Net Revenues	\$ 96,217,000	\$ 87,919,000
Net Income	\$ 20,310,000	\$ 16,129,000
Basic Earnings per Common Share	\$ 2.18	\$ 1.76
Diluted Earnings per Common Share	\$ 2.15	\$ 1.73
Dividends Paid per Common Share	\$ 0.58	\$ 0.53
Total Number of Transactions Processed	38,534,000	34,619,000
Total Dollar Volume Paid	\$ 27,426,336,000	\$23,717,451,000
Return on Average Total Shareholders' Equity	14.74%	13.71%
Return on Average Assets	1.76%	1.65%

As Of December 31,	2010	2009
Total Assets	\$ 1,188,035,000	\$ 1,012,981,000
Total Shareholders' Equity	\$ 142,094,000	\$ 129,568,000
Book Value per Common Share	\$ 15.14	\$ 13.81

DILUTED EARNINGS PER
COMMON SHARE

2010	\$2.15
2009	\$1.73
2008	\$2.03
2007	\$1.90
2006	\$1.61

NET INCOME
(in millions)

2010	\$20.31
2009	\$16.13
2008	\$19.01
2007	\$17.80
2006	\$15.07

TOTAL TRANSACTIONS
(in millions)

2010	38.53
2009	34.62
2008	36.42
2007	32.74
2006	29.27

Dear Fellow Shareholders



ERIC BRUNNGRABER,
President and Chief Executive Officer

I am delighted to report that in 2010 Cass set all-time records for total net income and revenue. As satisfying as these results may be, and in contrast to 2009 when the global recession led to one of our first down years in recent memory, I believe we are just beginning to surface our true potential.

In 2010, an improving economy, plus our ability to win new business, buoyed operating results by increasing fee revenue and balances which, in turn, increased earning assets and net interest income. We held operating expenses in check, yet did not shy away from investing in the people and technology that will help us to fulfill our core strategy. That strategy is based on relentlessly pursuing and meeting the needs of our prospects and customers, broadening our service lines, expanding geographically and seeking out new markets where we can employ our competencies in transaction processing, funds management and financial exchange.

I firmly believe that by every significant measure of corporate vision and performance, Cass Information Systems is well positioned for future growth and prosperity. It is my hope that after reviewing this annual report – a document that details our achievements in 2010 and aspirations for 2011 and beyond – you will conclude the same.

BEHIND A RECORD-SETTING 2010

Total revenue for 2010 was \$96.2 million, an \$8.3 million or 9.4% increase from the \$87.9 million recorded in 2009. As longtime shareholders know, company revenues come from two primary sources. The first is fees derived primarily from payment and information processing; the second, net investment income resulting from the balances generated by payment-processing activities plus net interest income generated by Cass Commercial Bank.

While multiple factors helped both components rebound sharply from 2009 levels, two major drivers were growth in new accounts among all business lines and volume increases from existing customers – with the latter particularly beneficial to our results in the transportation sector. A third driver was the “flight to quality” in the banking industry. Our strong financial position and operating

results allowed our banking group to serve as a reliable source of credit. Additionally, as other financial institutions struggled, Cass Bank was sought out as a safe haven for deposits.

Going deeper into the numbers, payment-processing fee revenue is largely powered by transaction volumes. Transportation invoice volume for 2010 was 26.3 million items, a 3.2 million or 14% increase over 2009. Utility invoice volume for 2010 was 12.2 million items, a 7% increase over the 11.5 million items processed a year earlier. Other significant sources of fee income are fees for telecom spend under management that increased 42% and bank service fees which increased 7%. The ability of Cass to grow all of our lines of business in 2010 indicates that our value proposition resonates well in the markets we serve. The net result was \$56.1 million in fee revenue, a \$4.9 million or 10% increase over 2009.

Similarly, Cass generates net investment income from several sources. One is income originating from balances generated by payment processing. Here, transportation-invoice dollar volume for 2010 was \$17.0 billion, a strong \$2.9 billion or 21% increase over 2009, with utility-invoice dollar volume coming in at \$10.5 billion, a \$790 million or 8% increase over the prior year. All told, payment processing activities across all service lines produced average investable balances of \$533.6 million, a \$73.7 million or 16% increase over 2009. Average bank deposits grew as well. They were \$470.1 million in 2010, an \$88.8 million or 23% increase over 2009. These combined funding sources created a \$165.6 million

increase in average earning assets to \$1,060.6 billion during 2010. Offsetting some of the benefit of the increase in earning assets was the continuation of historically low short-term interest rates as the Federal Reserve continued to stimulate the economy. Net investment income for 2010 was \$40.1 million, a \$3.4 million or 9% increase over 2009.

Total operating expenses for 2010 were \$68.3 million, only a 3% or \$1.9 million increase over 2009. Factors that relate to the growth of our business accounted for most of this, including production salaries, supplies and incentive compensation. Additional expenditures were made in staff salaries,

Above all, we will remain true to the principles that define our company.

professional fees, and equipment to strengthen our platform for future growth. Gratifying to note is that the new methods and technologies to boost productivity that we implemented during 2009, despite the difficult economy, produced positive, measurable results.

In sum, Cass produced record total net income of \$20.3 million in 2010, a 26% increase over 2009. On a diluted earnings per share basis, 2010 net income was \$2.15 compared to \$1.73 in 2009. Equally important in this low

rate environment, our profit margins remained strong with a return on average assets of 1.76% and return on average shareholders' equity of 14.74%. These results were all the more remarkable in the context of our strong liquidity and capital positions. For example, our year-end capital ratio of 11.96% places Cass among the strongest organizations in our industry. In contrast to many of our peers who were forced to reduce or eliminate dividends in recent years, the Cass board of directors increased our dividend 14% this past October. Our commitment to maintaining a fortress-like balance sheet remains a key component of our business strategy.

BUSINESS UNIT RESULTS

Transportation transaction volume, which fell sharply in 2009 due to the recession, recovered smartly in 2010. Although base activity has yet to return to 2008 levels, this recovery combined with new accounts to produce a significant increase in profitability. Anticipatory investment continues, as the transportation group accomplished several key objectives in 2010, namely: the installation of the final component of a new image-based workflow system, preparatory work for a new office in the Netherlands and process and business analytic enhancements pertaining to international and inter-continental shipments.

Utility transactions processed by Cass continued to expand in 2010, surpassing 1 million bills per month and \$10 billion in managed spend. Beyond the numbers, the group sustained its robust record for accretive performance by adding new key accounts, partnering with

“A house is built on wisdom; established by understanding; and filled with precious and pleasant riches by knowledge.”

Proverbs 24:3

new energy service providers and investing in software to enhance productivity and service capability. Examples include modules for greenhouse gas reporting and customizable consumption metrics.

Telecom expense management services grew significantly by adding new accounts last year. Total telecom invoices processed, dollars paid and BANS (billing account numbers) under management were all up substantially. The telecom expense management group continues to make great strides in process improvements and enhanced functionality. A case in point was the 2010 release of a major upgrade to our software platform. It provides an enhanced user interface, multilingual capabilities and new ad-hoc reporting functions.

Cass Bank, which provides the infrastructure, security and investment management components for our payment operations, enjoyed another banner year. By any measure of bank performance, including liquidity, profitability, capital adequacy, asset quality and risk management, Cass outperformed its peers by a wide margin.

LOOKING TO THE FUTURE

We project that the economy will continue to gradually improve in 2011. This environment could lead to higher transaction volumes in the transportation sector. The bottom-line benefits of this transaction growth may be somewhat muted however, given

that short-term interest rates remain historically low which negatively impacts our investment income. When short-term interest rates do rise, Cass will be able to capitalize on the increase with higher investment returns.

An improving economy also means the return of competition, especially in the banking sector. Many competitors that were preoccupied with stemming losses and rebuilding balance sheets over the past three years are returning to the lending market. Hopefully, the irrational pricing and underwriting that was rampant prior to the financial panic will not resurface. In any case, Cass will remain true to our long-standing, conservative lending practices.

Growth prospects for our three transaction processing businesses are strong as we continue to develop long-term relationships with our customers. As we work to make the Cass experience one that delights our clients, we will continue to pursue opportunities to cross-sell multiple lines of services into large organizations. With our liquidity and strong financial position, we will continue to explore non-organic growth opportunities as well.

Above all, Cass will remain true to the principles that define our company. Strategic decisions will continue to be based on enhancing our competitive position over the long term. In serving clients, we will apply our

core competencies to their core needs. We will maintain a strong financial position and diligently map and execute our business plan to ensure that Cass operates profitably. Finally, we will strive to be good stewards of all resources entrusted to us.

ACKNOWLEDGEMENTS

Cass could not have achieved this year’s record-setting results without the dedicated efforts of our employees. Likewise, we thank the members of our board of directors for their counsel and unwavering commitment in support of our core values and unique culture.

We also thank our customers. They energize us as they challenge us to identify better ways to serve their business needs. Thankfully in 2010, our shareholder-partners were financially rewarded for their faith in Cass. Yet, even in years when that has not been the case, the abiding loyalty of so many of our shareholders humbles us.

Finally, we save our ultimate gratitude for the divine guidance that God so charitably provides. Our confidence in His vision and belief in His sovereignty inspires us as we advance the Cass experience during the coming year.



Eric H. Brunngraber
President and Chief Executive Officer
Cass Information Systems, Inc.

Cass Delivers Continuous Value

Cass-supplied business intelligence is the foundation of continuous process improvement, enabling organizations to better understand expenses as related to the unique intricacies of their operations. Expense reduction can then be achieved through initiatives such as process optimization, supplier-contract renegotiation, invoice-error resolution and other improvements.



Transportation

INFORMATION SERVICES

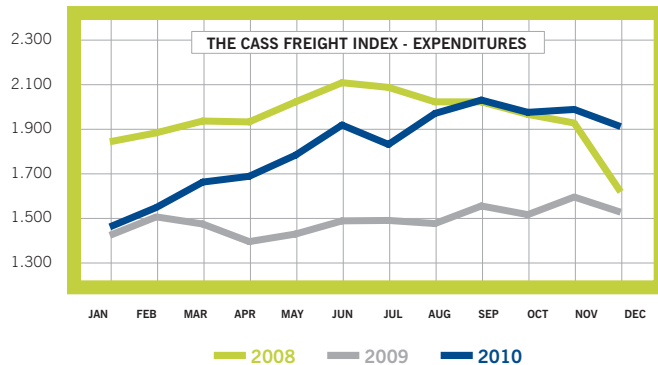


The results for 2010 exceeded our expectations. The dramatic downturn in business in 2009 and the trends we observed coming into 2010 caused us to anticipate stabilization at best.

However as the year progressed, The Cass Freight Index, which measures the shipping activity of our customer base, showed a significant recovery. Shipment activity began to increase in April and continued to escalate for several months. We still have not entirely regained our 2008 position, but the positive movement has been encouraging.

The partial return of our base business – in combination with new sales – resulted in a 14% increase in freight bills processed and a 21% increase in dollars paid to carriers over 2009. The significant growth in dollars was caused in part by an increase in fuel surcharges. Dollar growth can also be attributed to the recovery of some of our larger customers in industries with higher-dollar freight. The increased processing volume resulted in a 16% growth in fees for the year. Investment income, our other revenue component, remained relatively flat despite the increase in carrier payments, primarily due to historically low interest rates.

In 2009, automation and efficiency initiatives allowed us to consolidate our invoice processing from Boston to St. Louis. This move resulted in a significant reduction of expenses in 2010. The combination of the revenue increase and cost reduction produced a significant increase in earnings when compared to the previous year.



Cass publishes The Cass Freight Index, used by many industry analysts and economists as a general barometer of North American shipping trends. The index, based on \$17 billion in transactions processed by Cass on behalf of its client base, is publicly available at: www.cassinfo.com/frtindex.

FREIGHT DOLLARS
(in billions)



FREIGHT INVOICES
(in millions)



HOW THE CASS EXPERIENCE DELIVERS VALUE

The market rewards organizations that move goods more efficiently, so transportation managers are in constant search of cost controls. Savvy organizations focus on the auditing and paying of freight bills, because superior execution of this business process produces actionable business intelligence that is used to lower costs.

Cass clients experience a key advantage: precise visibility of their transportation costs, which leads to better decisions, improved planning and tighter controls. For example, data analysis can reveal shipping practices that don't conform to approved policy for carrier selection or route guidance. Enforcing such policies can lower expenses.

THE VALUE OF INFORMATION ASSETS

Delivering business intelligence continues to be a large part of our value proposition. Today CassPort®, our business analytics platform, manages transportation data from the past five years for some of the world's largest companies. In addition to the availability of their own logistics data, our clients highly value the Cass Freight Benchmarking Service, which allows our customers to compare their transportation costs by mode of

transportation and lane of traffic. CassPort is the Web portal that provides access to these information services, and for many customers is their primary transportation expense management information source. We believe that the value of the information that we manage for our

Cass clients experience a key advantage: precise visibility of their transportation costs.

clients will play an increasingly larger role in our longer-term strategic plan.

FURTHER ACHIEVEMENTS IN 2010

The Federal Reserve approved our application to establish Cass Europe B.V. Our European headquarters is located on the Dinalog (Dutch Institute for Advanced Logistics) campus in Breda, the Netherlands, a logistics hub for Europe.

As we partner with our customers to address their needs for global supply chain visibility, we continue to invest in technology that enables more

economical and scalable service offerings. In 2010, we released the last major component of a new image-based, workflow system that positions us for more flexible processing and economic global expansion.

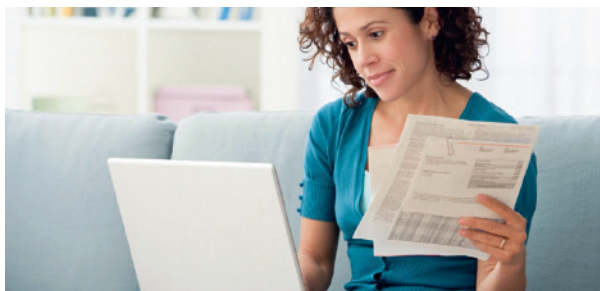
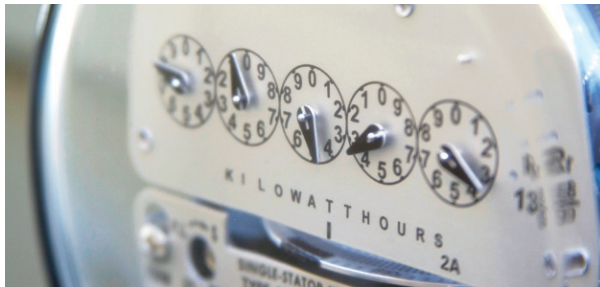
We are making major enhancements to improve processing automation and business analytics for international and intercontinental shipment transactions. These advances – which normalize data across numerous variables to provide a global view of freight costs – bring clarity to the complex business of managing ocean, forwarder and heavy air shipping. Increasingly, our customers are looking to Cass to provide advancement to this segment of their supply chain, and we expect our growth in this area to continue.

CONTINUED RECOVERY

One of the fallouts of the 2009 economic recession was an inclination for many companies in our market to withhold outsourcing decisions until they saw evidence of business recovery. 2010 brought a resumption in demand and subsequent upswing in our business. We look forward to further recovery in 2011 as we expand our services globally. ■

Utility

INFORMATION SERVICES



2010 marked two important milestones for Cass Utility Information Services.

For the first time, the utility group averaged 1 million bills per month, finishing the year with nearly a 7% increase over 2009. Thanks to continued customer acquisition, the utility team also surpassed \$10 billion in managed spend, increasing 8.2% to \$10.5 billion. These growth milestones validate the Cass experience, where accurate utility information and tight payment controls offer the foundation of energy expense management.

Best practices, scalability and technology investments continued to produce increased efficiencies and superior services in 2010. The utility group added 45 new customers in 2010, representing another \$2.8 million in committed revenue.

DELIVERING THE CASS EXPERIENCE

Cass teams with its partners – the pre-eminent energy service provider (ESP) network in the United States – to deliver the Cass experience to end-user organizations. Cass and its partners serve primarily large, multi-site retail, commercial, real estate and industrial companies. Cass focuses on the business process of managing utility, waste and other facility-related invoices, while the partners focus on overall energy savings.

Cass executes with precision, using honed competencies in data acquisition, business analytics, financial exchange and overall process management. Process outputs include on-time payments and valuable information assets harvested from the invoices. Cass deploys sophisticated Web services to deliver this business intelligence to its ESP partners and end-user customers. Each ESP partner mines the data to develop savings strategies in areas such as auditing, demand management, rate optimization and commodity procurement. In addition, more and more companies are relying on this data to baseline, monitor and control greenhouse gas emissions.

Unlike competitors that lose focus by having to deploy resources and technology on data capture and manage outsourced banking payments, Cass' ESP partners are

UTILITY DOLLARS (in billions)



UTILITY INVOICES (in millions)



focused on their core competencies and free to develop and deploy intellectual capital with one goal in mind – driving energy savings to the customer.

PRODUCING BUSINESS VALUE

The Cass model – which allows Cass and its partner network to focus on its own specialized set of core competencies – has enabled Cass to grow to the largest utility bill processor in the country. Cass currently manages 45 million invoices and 6 terabytes of images through an industry-leading Web portal called Expense\$mart®. This customer-facing tool is best-in-class for performance, reliability and ease-of-use.

The end-user customer organization experiences tremendous business value: It is able to **(1)** understand its actual costs in precise terms; **(2)** share information with facility stakeholders to drive behavior-based conservation initiatives; **(3)** take action on energy savings strategies proposed by the ESP partner; and **(4)** continuously monitor the effectiveness of its actions. The result is tangible cost-savings that drive increased shareholder value.

MANAGING UTILITY PAYABLES

The Cass methodology for managing utility payables is unique to the market. Four critical items – speed, quality, control and user experience – drive every capital investment and hiring decision.

Cass designed its 24-hour operation to ensure the fastest start in the utility payment industry. Beginning with a scanned image or an EDI record from a trading partner, critical bill data is harvested with technology and human capture. Along the way, validations are applied, questions resolved and quality-

The Cass methodology for managing utility payables is unique to the market.

control checks performed. Average bill turnaround remains at well under one business day.

As the cycle progresses, a 24-person vendor relations staff works a network of contacts to check for potentially missing bills, resolve inappropriate late fees and probe for process improvement. Financial transactions are handled by check, ACH or other electronic means to speed receipt and application of payment. Finally, data and images are uploaded to Expense\$mart, Cass' industry-leading portal accessed by more than 13,000 users in North America.

EXPERIENCE EXPENSE\$MART®

Cass continues to expand the services it offers through Expense\$mart. New modules released in 2010 include:

■ **eCO2Trak™** This module is a comprehensive greenhouse gas reporting engine based on emissions data derived from key utility bills such as electricity, gas, fuel oils, steam, etc.

■ **StaTrak™** This sophisticated tool allows organizations to enter/upload their own, user-defined, key performance indicators (KPIs), creating rich, custom context to use in analyzing the data at all levels of the portfolio (enterprise to site). For example, an industrial customer can track performance based on its own production hours.

■ **ReporTrak™** The leading custom report-building tool in the utility expense management arena, ReporTrak allows users quick, easy report construction, refinement and delivery. This tool provides the ultimate “normalization” of diverse utility data – across any vendor, bill or service type.

LOOKING AHEAD

We look to continue the momentum in 2011, advancing technology and driving margins. The demand for energy services remains strong, and Cass and its partners provide the broadest spectrum of solutions in the market. ■

Telecom

INFORMATION SERVICES



Cass Telecom Information Services has the experience organizations seek when looking for a partner to help them manage telecom expenses.

Cass is one of the oldest and most-trusted telecom expense management (TEM) providers in the industry, serving organizations in retail, manufacturing, health-care, insurance, financial services, and other industries. Cass has been providing TEM services for over 10 years, although its roots in expense management date back to 1956. Combining the experience of a professional telecom staff, proven industry best practices and highly automated processes, Cass delivers service excellence.

2010 - A GROWTH YEAR

The Telecom Information Services business grew significantly in 2010 as the group increased its customer count by 33%. Key statistics for the telecom group include:

- Telecom spend under management increased by 42%.
- Billing account numbers processed increased by 46%.
- Invoices processed increased by 14%.
- Dollars paid on behalf of telecom customers increased by 54%.

The release of our truly integrated, wireless expense management solution in 2009 was a key driver for this growth. Companies prefer an integrated solution for both fixed and wireless. Cass enables complete visibility, allowing organizations to obtain a comprehensive view of all telecom carriers, inventory and expenses from one platform. The number of wireless devices under Cass management increased 88% in 2010.

In 2010, two key factors caused corporations to recognize the need for formalized processes to manage their wireless expenses. First, corporations saw significant increases in wireless data usage, as corporate users continued to trade “voice-only” cell phones for “data-capable” smartphones. Second, major carriers began to move away from unlimited data price plans, which had been holding down the costs of heavy data consumption.

Cass offers the distinction of being the only TEM provider that offers the protection of a regulated, publicly held, bank holding company.

The most significant milestone for the year was a major upgrade to our industry-leading TEM software. This new version includes an enhanced user interface, multilingual capabilities and additional ad-hoc reporting functions for a superior user experience.

THE CASS TEM EXPERIENCE

Organizations that select Cass TEM services are able to fully leverage today's technology while maintaining optimal expense control. The typical Cass client is able to implement Cass services in 90 days and achieves a positive ROI during the first year.

Cass TEM software is configured to address each customer's business rules. The customer's telecom contract rates, location information, allocation rules and other information are loaded into the software. When change happens and service requests come in, all requests are documented in the software, which can also generate emails to carriers initiating service requests.

Throughout the month, Cass receives carrier invoices electronically – usually in EDI 811 format so that every line-item charge can be read by the software. The software identifies anomalies and kicks out suspicious charges or exceptions, which are reviewed by Cass telecom analysts and audit specialists who are familiar with carrier billing practices and experienced in dispute management.

With the support of Cass, telecom managers can easily manage and monitor the whole process. By viewing online reports, they can see inventory, service orders, disputes in process, and other status items. They can quickly report on spend by department, by division, by service type or

Cass TEM clients are able to fully leverage today's technology.

carrier. The Cass recommendations for usage optimization can be easily approved online. When it's time to negotiate a new contract, the Cass client organization has the data it needs.

THE BUSINESS VALUE OF TEM

Whether the focus is on fixed, wireless or both types of expenses, organizations typically implement or revitalize their telecom expense management processes for three reasons:

■ **Cost savings** Enterprise telecom invoices are riddled with errors. A \$2.75 overcharge that affects 3,000 lines that remains unnoticed for two

years results in \$198,000 in overcharges. Due to the number of line-item charges in a typical enterprise telecom invoice, the potential for errors and savings is impressive.

■ **Greater process efficiencies and tighter controls** Organizations that are savvy about managing costs want to eliminate manual processes such as data entry, dispute resolution and check cutting. They also want to be able to exchange data between enterprise systems and allocate expenses precisely.

■ **Better visibility and accurate data** Best-in-class organizations run on solid data. Accurate data on telecom spend provides greater leverage during procurement cycles. Organizations can negotiate much better terms and rates when they know their actual usage and can better anticipate future needs.

A STRONG, WELL-CAPITALIZED BUSINESS PARTNER

In selecting strategic partners, multi-billion-dollar companies want to do business with profitable, well-resourced companies that can help them execute over the long term. Cass offers the distinction of being the only TEM provider that offers the protection of a regulated, publicly held, bank holding company. Cass is required to comply with government regulations, including those of the Federal Reserve, which ensures the safety and soundness of the system behind our clients' financial transactions. ■

Cass Commercial Bank



ABOVE: Cass Commercial Bank's lending team includes Jeanne Scannell, Brett Dempsey, Robert Mathias (president), Robert Garagiola, Mark Benteen and David O'Reilly.

BELOW: Cass Franchise Banking Advisor David O'Reilly and McDonald's Owner/Operator James Williams look over a newly finished location in St. Louis, Missouri.

Despite the weak economic conditions, Cass Commercial Bank again completed another record year with increased earnings, deposits and loans managed.

While many financial institutions continue to feel the effects of the "Great Recession" of the past three years, Cass Bank was well positioned as a safe haven for depositors and a consistent provider of credit to the business and church ministry markets.

Some of our financial highlights for the year include:

- Net income up 39% to \$7.1 million;
- Loans managed grew 10% to \$709 million at year end;
- Deposits grew 18% year over year to \$519 million;
- Asset quality continued at a very strong level with net credit charge-offs of only .07% of total loans.

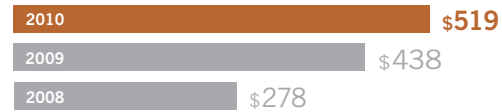
By these measures, the bank had an outstanding year as we executed our strategic plan from a position of strength.

2011 economic conditions look more promising as the economy appears to be in the recovery phase. We have just weathered three of the most tumultuous economic years and are still feeling the effects of dislocations caused by massive government intervention in the financial markets. Stubbornly high unemployment and housing values that continue to search for a bottom have made the recovery slow and uneven. The business rebound has been stronger and more sustained and, fortunately, this is a big focus for Cass.

CONSOLIDATED LOANS MANAGED (in millions)



BANK DEPOSITS (in millions)



EXPERIENCE: CASS

Providing credit for businesses and project financing for church ministries, Cass has brought expertise and experience to its customer relationships for more than 100 years. Cass has experienced bankers with a senior management team that provides a “trusted advisor” role to our clients.

EXPERIENCE: CASS AND WESTMINSTER CHRISTIAN ACADEMY

Cass was honored to have been chosen to lead a group of four banks to provide project financing to construct the new Westminster Christian Academy in St. Louis County. The \$50 million project will be completed in September 2011 to welcome its first class at the new school facility. We were able to arrange \$35 million in bank financing – despite the economic and financial environment – to build this worthwhile project.

EXPERIENCE: CASS AND MCDONALD’S FRANCHISES

A major new business line for Cass in 2010 was to provide financing for McDonald’s franchise restaurants. David O’Reilly brought his 25 years of McDonald’s franchise banking experience to Cass, and this specialized niche has become a major new business line in just one year. We now bank over 30 franchise operators throughout the country.



Head of School for Westminster Christian Academy Jim Marsh and Cass Church Banking Advisor Brett Dempsey survey construction progress on-site. A total of \$50 million in construction, renovations and improvements is under way in anticipation of the school moving to the new campus in 2011.

THE BANK’S ROLE

Cass Commercial Bank provides many services for the overall company including financial interchange and payments for the Cass transportation, utilities and telecom service groups. The most important role, however, continues to be our position to manage the assets of the corporation, ensuring pre-eminent asset quality for our depositors and those companies that entrust Cass with their funds.

We have very high standards through a conservative credit philosophy that has served us well through the past “Great Recession.” When our clients “experience Cass Commercial Bank,” they are experiencing an emphasis on relationship banking well developed for the past 104 years. ■

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

For the Year Ended December 31,	2010	2009	2008
REVENUES			
Payment and Processing	\$ 54,183	\$ 48,665	\$ 50,721
Net Investment Income	40,071	36,681	38,560
Gain on Sales of Securities	—	697	552
Other	1,963	1,876	1,897
Total Net Revenues	96,217	87,919	91,730
EXPENSES			
Salaries and Employee Benefits	51,368	50,614	49,723
Occupancy	2,485	2,396	2,228
Equipment	3,561	3,348	3,331
Other	10,870	10,027	10,282
Total Expenses	68,284	66,385	65,564
Income Before Income Tax Expense	27,933	21,534	26,166
Income Tax Expense	7,623	5,405	7,160
Net Income	\$ 20,310	\$ 16,129	\$ 19,006
EARNINGS PER SHARE			
Basic	\$ 2.18	\$ 1.76	\$ 2.08
Diluted	2.15	1.73	2.03
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	9,335,283	9,156,673	9,150,342
Diluted	9,447,575	9,374,069	9,431,750

CONDENSED CONSOLIDATED BALANCE SHEETS

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

as of December 31,	2010	2009
ASSETS		
Cash and Cash Equivalents	\$ 138,929	\$ 79,294
Loan and Investments, Net	961,311	858,270
Premises and Equipment, Net	9,617	10,451
Other Assets	78,178	64,966
Total Assets	\$1,188,035	\$1,012,981
LIABILITIES		
Deposits	\$ 518,590	\$ 437,876
Accounts and Drafts Payable	516,107	430,251
Other Liabilities	11,244	15,286
Total Liabilities	1,045,941	883,413
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; 9,949,324 shares issued at December 31, 2010 and 2009	4,975	4,975
Additional Paid in Capital	46,653	45,696
Retained Earnings	107,263	92,401
Common Shares in Treasury, at cost (561,533 and 564,119 shares at December 31, 2010 and 2009, respectively)	(13,549)	(13,323)
Accumulated Other Comprehensive Loss	(3,248)	(181)
Total Shareholders' Equity	142,094	129,568
Total Liabilities and Shareholders' Equity	\$1,188,035	\$1,012,981

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cass Information Systems, Inc. and subsidiaries (the Company) as of December 31, 2010 and 2009, 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, 2010 (not presented herein); and in our report dated March 10, 2011, we expressed an unqualified opinion on those consolidated financial statements.

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



St. Louis, Missouri
March 10, 2011

FORWARD-LOOKING STATEMENTS

FACTORS THAT MAY AFFECT FUTURE RESULTS

This report may contain or incorporate by reference forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that, in making any such statements, our expectations are based on reasonable assumptions, forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors beyond our control, which may cause future performance to be

materially different from expected performance summarized in the forward-looking statements. These risks, uncertainties and other factors are discussed in Part I, Item 1A, "Risk Factors" section of the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, or changes to future results over time.

BOARD OF DIRECTORS

LAWRENCE A. COLLETT*Chairman of the Board***K. DANE BROOKSHER***Retired Chairman & Chief Executive Officer, ProLogis***ERIC H. BRUNNGRABER***President & Chief Executive Officer***BRYAN S. CHAPELL***President, Covenant Theological Seminary***ROBERT A. EBEL***Chief Executive Officer, Universal Printing Company***BENJAMIN F. EDWARDS, IV***Chairman, Chief Executive Officer & President, Benjamin F. Edwards & Company***JOHN L. GILLIS, JR.***Retired, Armstrong Teasdale LLP***WAYNE J. GRACE***Retired Managing Director, UHY Advisors MO, Inc.***JAMES J. LINDEMANN***Executive Vice President, Emerson Electric Co.***RANDALL L. SCHILLING***President & Chief Executive Officer, Candlestiq***ANDREW J. SIGNORELLI***President, Hope Educational & Research Center***FRANKLIN D. WICKS, JR., PH. D.***Executive Vice President and President of Research Products, Sigma-Aldrich*

EXECUTIVE OFFICERS

ERIC H. BRUNNGRABER*President & Chief Executive Officer***P. STEPHEN APPELBAUM***Chief Financial Officer***HARRY M. MURRAY***Executive Vice President***JOHN F. PICKERING***Chief Operating Officer, Transportation Information Services***GARY B. LANGFITT***Chief Operating Officer, Utility Information Services***JAMES M. DWYER***Vice President & General Manager, Telecom Information Services***ROBERT J. MATHIAS***President & Chief Operating Officer, Cass Commercial Bank*

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

Cass Information Systems, Inc.
13001 Hollenberg Drive
Bridgeton, Missouri 63044
314.506.5500
cass@cassinfo.com
www.cassinfo.com

COMMON STOCK

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

ANNUAL MEETING

The annual meeting of shareholders will be held April 18, 2011, at 11 a.m. at the Charles F. Knight Executive Education and Conference Center, Olin Business School at Washington University, St. Louis, Missouri.

INVESTOR RELATIONS

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

Investor Relations Department
Cass Information Systems, Inc.
13001 Hollenberg Drive
Bridgeton, Missouri 63044
314.506.5500

10-K AND OTHER PUBLICATIONS

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

TRANSFER AGENT

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

BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, New Jersey 07310
866.323.8170

www.bnymellon.com/shareowner/equityaccess

INDEPENDENT AUDITORS

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

Strength, Innovation and Expertise:
the Power to Deliver Solutions



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