

Since 1906

Your Business Partner

CASS INFORMATION SYSTEMS

2003 SUMMARY ANNUAL REPORT

Industry Leader

Stability

Technology

The Cass Strategic Edge



2003 IN REVIEW

| FOR THE YEAR | 2003 | % Change | 2002 | 2001 |
|---|------------------|----------|------------------|------------------|
| Total Revenue | \$ 66,259,000 | 16.5% | \$ 56,874,000 | \$ 55,493,000 |
| Net Income | \$ 7,902,000 | 8.1% | \$ 7,312,000 | \$ 7,025,000 |
| Basic Earnings per Common Share* | \$ 2.15 | 8.6% | \$ 1.98 | \$ 1.88 |
| Diluted Earnings per Common Share* | \$ 2.13 | 8.7% | \$ 1.96 | \$ 1.86 |
| Dividends Paid per Common Share* | \$ 0.764 | 7.6% | \$ 0.710 | \$ 0.693 |
| Return on Average Common Shareholders' Equity | 12.88% | 0.9% | 12.76% | 12.79% |
| Total Number of Transactions Processed | 27,977,000 | 12.0% | 24,984,000 | 22,833,000 |
| Total Dollar Volume Paid | \$12,014,000,000 | 16.3% | \$10,350,000,000 | \$ 9,776,000,000 |

| AT YEAR END | 2003 | % Change | 2002 | 2001 |
|------------------------------|----------------|----------|----------------|----------------|
| Total Assets | \$ 639,696,000 | 11.8% | \$ 572,233,000 | \$ 602,377,000 |
| Total Shareholders' Equity | \$ 64,792,000 | 6.1% | \$ 61,046,000 | \$ 55,520,000 |
| Book Value per Common Share* | \$ 17.66 | 7.0% | \$ 16.50 | \$ 15.11 |

*Per share amounts have been restated to reflect a 10% stock dividend declared in February 2004.



CORPORATE PROFILE

Built upon a solid foundation of over 98 years in business, Cass continues to renew and transform itself to meet current business challenges. Today, Cass Information Systems, Inc. is the leading provider of freight invoice payment, audit and rating services. Our Utility Information Services Group has become the leading back-office provider of energy information in North America. We continue to actively pursue opportunities in information processing and electronic commerce.

TABLE OF CONTENTS

| | |
|------------|--|
| IFC | Financial Highlights |
| 01 | Letter to Shareholders |
| 04 | The Cass Strategic Edge |
| 06 | Transportation Information Systems |
| 09 | Utility Information Systems |
| 12 | Cass Commercial Bank |
| 14 | Condensed Consolidated Statements of Income |
| 15 | Condensed Consolidated Balance Sheets |
| 16 | Independent Auditors' Report |
| 16 | Forward-Looking Statements |
| 17 | Directors, Officers and Shareholder Information |

FOR MORE INFORMATION

Please visit our corporate website:
www.cassinfo.com

The year 2003 is now history and what a year it was. Another war has been fought and won on a major Middle Eastern battleground. Our economy was tested and rebounded from a recession. It resumed significant growth, even while the nation was on a war footing.

The business community addressed all segments of the economy. The best major governance issues caused by a few companies that have violated the trust of their shareholder and public constituencies. Last year was no time for the faint of heart!

The year of 2003 was one of transition for the business community. Low interest rates continued and allowed for investment in long-term improvements that should assist future growth efforts. Tax cuts will provide liquidity and capital to enhance economic output, performance and consumption. Opportunities for expansion and growth were presented, but not without risks and competition.

As the international business environment continues to become more and more competitive, the demands on cost control and reduction affect practically

all segments of the economy. The best response is to compete and excel. We have been there before and we will be able to again demonstrate our excellence. Nothing seems better for American business than a period of regrouping, rebuilding and relaunching. We believe such a period is about to end and we will once again see the economic might of this country as we have its military power.

Through it all, God's protection has enveloped us. We have not fled from our problems but have faced them head on. We have sought justice and righteousness in addressing international and internal crises. God has graced us with military victory and allowed us the ability to deal with these tests. If we continue to seek His guidance and direction, incorporating

His righteous standards as our objectives, we will have nothing to fear.

2003 RESULTS

It gives us great pleasure to announce a record year for the Cass organization. In what could have easily been a very difficult year, we were able to achieve net income of \$7,902,000, an increase of over 8% from the 2002 level of \$7,312,000. On a per share basis, this provided an increase from \$1.96 in 2002 to \$2.13 fully diluted. This represented an increase of 8.7%.

What is amazing is that this occurred in an interest rate environment that produced a significant negative effect on results. Net interest income from investments decreased over \$2.6 million with total interest income down over \$3.4 million. This provided a decrease in these items of almost 9%

“From the fullness of His grace, we all have received one blessing after another.”

JOHN 1:16

and 11% from the previous year’s level. This was totally due to lower interest rates as the average amount of our investments increased over \$19 million from the previous year’s average.

We were able to overcome this setback by achieving increases in fee revenue from information processing activities of over \$3.8 million. In addition, we were able to produce over \$1.4 million in gains from restructuring some of our assets. Our strategy of increasing our investments in information processing paid huge dividends in 2003. This was evidenced by an increase in nearly

1.2 million units processed in our Utility business and over 1.8 million units in our Transportation business. The dollar volume of transactions processed by these businesses increased over \$700 million and \$900 million, respectively.

During 2003 the company’s results include the operations of its GEMS subsidiary. This unit achieved a small, but admirable \$107,000 net profit for the year, continuing its quest to become a very significant competitor in the enterprise software market for municipalities. We are pleased with the progress made by this business.

Finally, the company’s Cass Commercial Bank business unit continued to produce significant asset growth, particularly from its church lending activities. This has become a significant focus of the bank with 35% of its loan portfolio now in this segment. The number of new churches grew significantly and the quality of the portfolio was sound at year end.

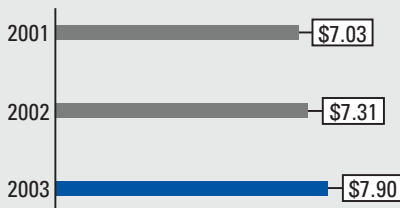
STRATEGY

Cass continues to make progress toward its vision of becoming a distinct information processing company leveraging its ownership of an outstanding commercial bank to obtain leadership in the markets where it competes. Our data acquisition, information management, data delivery

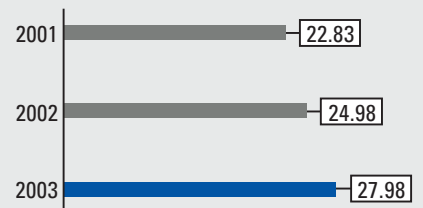
DILUTED EARNINGS PER COMMON SHARE
(in dollars)



NET INCOME
(in millions)



TOTAL TRANSACTIONS
(in millions)



and financial exchange capabilities are superior to all our competitors and remain our core competencies. We have been successful in building new lines of business that require these capabilities and will continue to seek additional markets that will leverage these strengths.

Our growth in information processing activity confirms this strategy is working. We trust the future will continue to attest to our ability to successfully achieve our vision.

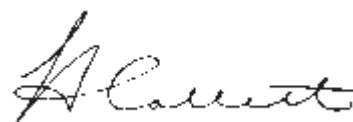
ACKNOWLEDGEMENTS

Each year we seek to publicly thank our staff, shareholders and directors for their faithful support and encouragement. This year is no exception. Our staff was

able to stand the test and overcome great odds in reaching our financial results. Our Board of Directors was resolute in time of great challenge and helped in staying the course while facing great difficulties. Our shareholders once again demonstrated their loyalty and commitment to the Cass organization.

We would be remiss, however, without expressing our gratitude to God for His faithfulness and provision. We were provided opportunities to overcome difficult obstacles. These opportunities were not always planned and we sincerely believe they were the result of a caring, gracious creator who provided during times of difficulty. We have seen this before and will again. No human

being or institution is sufficient unto itself. There is no guarantee that such provision will always provide positive economic benefits, but it is always for our good. We again thank Him for a wonderful year.



Lawrence A. Collett
Chairman and Chief Executive Officer

Since 1906

Cass was founded nearly 100 years ago and has built its reputation, both locally and nationally, focusing on products and services to specialized business niches. With its beginnings as a strong financial institution, Cass continues to grow its payables-related transaction processing and information services.

Cass not only processes transactions, we also collect data defining the transaction and effect financial payment governing its terms. These core competencies allow us to perform the highest levels of transaction processing in an integrated, efficient, systematic approach.

DATA ACQUISITION

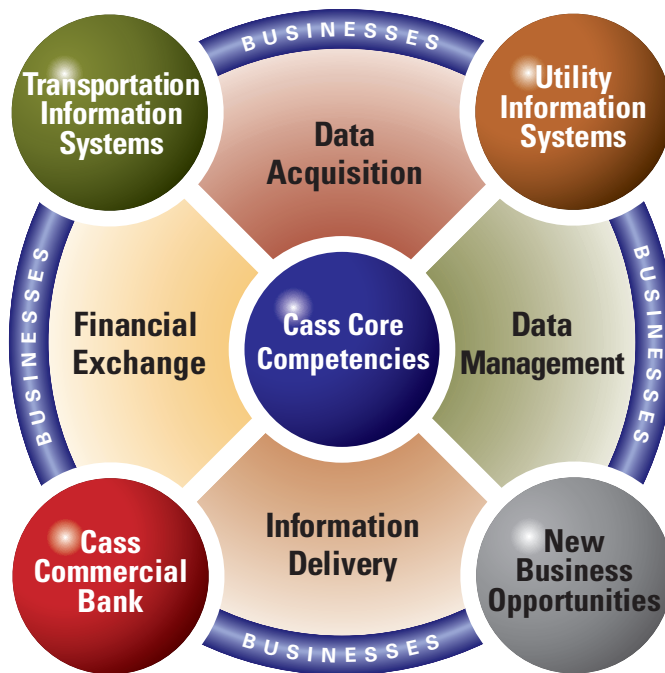
Cass gathers vital information from complex and diverse input documents, electronic media, proprietary databases and data feeds, including data acquired from supplier invoices as well as customer procurement and sales systems.

DATA MANAGEMENT

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

FINANCIAL EXCHANGE

Since Cass is in the unique position of owning a commercial bank, it is also able to manage the movement of funds from its customers to their suppliers. Cass provides immediate, accurate, controlled and protected funds management and transfer system capabilities for all of its customers. Over \$12 billion of payments were processed for its customers in 2003.



INFORMATION DELIVERY

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

IMPLEMENTING THE STRATEGIC EDGE

Cass provides solutions through our core competencies to give customers the ability to achieve critical business objectives. We view our services as providing Business Process Outsourcing (BPO). While traditional outsourcing has provided expense reductions to companies for years, BPO looks to enhance and reengineer the outsourced process. Cass seeks to provide strategic impact to its customers by providing needed process improvements, management information, reducing long-term expenses and improving customer service. This philosophy sustains a competitive advantage in the markets we serve.

This complements our target markets, whose participants are concerned with strategic purchasing decisions. The strategic purchaser is interested in:

- Maximizing cost reduction
- Minimizing risk
- Creating a competitive advantage
- Having a high level of supplier trust and support

Cass' ability to handle complex payable transactions and provide critical information delivers continual cost and value improvements for the market.

This allows our customers to plan for the future, not just react to situations as they occur. Outsourcing becomes an asset and fulfills their strategic needs.

The business units of Cass Information Systems, Inc. deliver these benefits through customized solutions. Cass seeks to be a partner in its outsourcing services, understanding the core business issues of markets served and addressing future challenges our customers will encounter. ■

The Cass Strategic Edge

Our core competencies give us a strategic edge: Not only do we process the transaction, we also collect the data defining the transaction and can effect the financial payment governing its terms. This integrated and efficient approach gives Cass unique capabilities rarely found in the information services industry.

Transportation Information Systems provides freight bill payment, auditing, financial accounting automation, carrier rating and transportation information services to many of the nation's largest companies.

We have been in business since 1956 and are one of only two industry suppliers that can claim the benefits of being a publicly traded financial institution. In 2003 we paid motor, rail, package and international carriers a record \$8.7 billion on behalf of our customers. In addition, we processed 23.4 million freight bills, 1.8 million more than 2002. Our growth has been generated primarily through the addition of new business, but our overall base business began to rebound in the second half of the year reflecting the general recovery of the U.S. economy.

This year we continued to focus on two major initiatives: increasing business scale and leveraging the transportation information that we collect for our customers, providing them with expanded web-based services to include expense analysis and cost reduction opportunities.

SCALING THE BUSINESS

Technology is providing tremendous opportunities to reduce costs. Two years ago we began a process of converting carrier payments by check to electronic funds transfer. This year

more than 80% of our payments are made electronically. We also no longer mail remittance reports to carriers. This information is obtained electronically using FTP, e-mail or CassPort – our Internet Reporting Site. Both of these changes have eliminated forms, postage, banking fees and labor costs.

All custom reports are delivered to our customers from a personalized inventory on CassPort. Paper and electronic freight bill images can also be accessed from CassPort. Both of these changes have resulted in eliminating the printing and mailing of thousands of reports.

We continue to enhance our freight bill audit process to take advantage of the significant capabilities of our carrier rating engine, Ratemaker. We have brought Ratemaker, Cass' hosted rating

FREIGHT DOLLARS
(in billions)



FREIGHT INVOICES
(in millions)



application, back into the Transportation Processing business unit. While there is still interest for Ratemaker services as a stand-alone product, its synergies are strongest with existing customers. Ratemaker continues to offer the most comprehensive and robust freight rating engine in our industry and will continue to be a strong differentiator in rating and auditing transportation invoices. In the very near future we will dramatically reduce the manual entry of carrier rates in Ratemaker by automating the maintenance function.

Electronic freight bill processing grew by 18% in 2003 compared to the previous year. We expect continued growth in

“We expect continued growth in 2004 using traditional EDI transaction processing and more dramatic increases from carriers using proprietary formats.”

2004 using traditional EDI transaction processing and more dramatic increases from carriers using proprietary formats. We have also used Web Services technology to provide real-time carrier rating transactions to users. We anticipate the demand for this technology will grow because it provides carriers an efficient and reliable way to exchange XML-formatted transactions without the need for complex programming and traditional EDI support structure.

LEVERAGING INFORMATION

One of our objectives in launching our Internet Reporting Site five years ago was to ensure that its design and database structure placed us in a position to enhance the value of the information derived as a result of our processing services. Initially, our Internet Reporting Site contained information related to carrier payment. Customers and their carriers used the site as a convenient replacement for

continued >>

Industry Leader

Cass' Transportation Information Systems business unit pioneered the freight payment services industry in 1956 and is recognized as an industry leader in such services. Our Utility Information Systems business unit has become the de-facto industry standard “back-office” for energy information processing for business.

“Our new service will automate much of the analysis, push information to our customers and alert them to situations before they become potential problems.”

standard reports and telephone inquiry systems. In the second phase of the reporting site development, we expanded our database to include not only payment-related information, but all of the information that resides in our customers' shipment and their carriers' billing files. We also added features to deliver custom reports and freight bill images from our Internet site.

This year we released our Internet portal, CassPort, the launching pad for all of our Internet service offerings. More important, it introduced a direction that we believe will significantly

enhance the value of our services. Information is now analyzed and presented in a way that replaces the time consuming and costly effort of extraction from detailed reports. We have also added key lists, such as the largest carriers, as a precursor to more sophisticated and valuable displays of key cost metrics.

Our customers tell us that time and other priorities prevent them from the type of transportation expense analysis that provides opportunities to become more efficient and save their companies money. Our new service will automate much of the analysis, push information to our customers and alert them to situations before they become potential problems. For example,

managers may see daily updates to key metrics for each of their shipping locations and receive an alert when the cost per pound is escalating. We can also display opportunities to save money by relocating distribution centers or changing providers. Instead of reviewing numerous reports or importing multiple spreadsheets, our customers can get valuable information in seconds.

MARKET POSITION

We believe that scalability and leveraging information are two very important components that will improve profitability and grow our business. Both of these initiatives enhance our position as the market leader and further separate us from our competitors. There are differences between Cass and other companies that provide freight bill payment services. In 2004 they will become even more evident. ■



Our Utility Processing business continued its stellar growth, adding another 1.2 million transactions in 2003 vs. 2002. The Utility Division has now posted a 50% average transactional growth rate over the past three years. Dollar volumes processed grew to \$3.3 billion dollars, up 27% over the prior year.

Despite unfavorable interest rates, revenues were even stronger. Gross revenues increased 27%, and net income increased 70% over prior year. In 2003, the Utility Division contributed 23% of total Cass earnings, particularly outstanding given the division was created in 1999 and achieved its first profitable month in mid-2001.

Driving the numbers was a significant increase in new customers added in 2003. New customer volume represented a committed annual volume of 1.1 million transactions and over \$800 million of invoices. Cass continues to excel in vertical markets such as retail, banking, REITs and telecom, and is increasingly active in the industrial segment.

REFINING THE MODEL

Cass' Utility Processing business performs data acquisition, payment and web hosting for utility bills on behalf of about 150 leading companies. Currently, Cass is performing these services for nearly 200,000 locations in the United States and Canada, predominantly for electric, gas, water/sewer, trash and telecom expenses.

continued >>

Technology

From its beginnings, Cass has embraced technological changes as a means to expand its business and provide greater satisfaction to its customers. Today, Cass Information Systems provides a family of Electronic Commerce Solutions to vital corporate concerns.



Cass receives invoices centrally at its Columbus, Ohio headquarters, scans the incoming mail and performs complex data entry, not only capturing standard payable information, but also providing detailed meter level information on usage, demand, rate schedules and taxes. Inherent in Cass' processes are quality control edits constantly refined through trial and error, fast turnaround, accurate data capture and a website providing quick paths to bill images online and a robust set of

reporting tools that can be used to benchmark data and identify variances.

Committed to a reseller channel model since early 2000, Cass is the de-facto industry standard "back-office" for some of the most successful energy services providers (ESPs) in North America. These ESPs provide analytical and associated services from the information provided by Cass, such as bill auditing, rate analysis, commodity procurement and performance-based capital investment.

As the costs for gas and electricity continue to trend sharply upward, with tremendous volatility from year to year and region to region, large companies

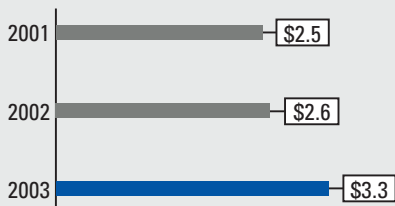
are finding services such as those provided by Cass and its ESPs critical for making intelligent decisions regarding cost control and risk mitigation. Cass sees the need for its data acquisition and analysis to continue to increase, as markets become more complex and bills become increasingly more complicated.

TAKING ADVANTAGE OF ECONOMIES OF SCALE

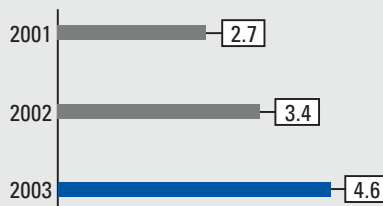
As a dominant company in the marketplace, and the only major competitor with a banking subsidiary, Cass has been able to leverage its size and funds utilization efficiency to offer the most price competitive offering in the industry, while at the same time decreasing its cost per transaction. Increasingly, electronic commerce (EDI 810s and 820s) is driving faster bill turnaround, increased accuracy and decreased costs. 2003 saw a 193% increase in EDI penetration.

A significant amount of time and resources were expended on product

UTILITY DOLLARS
(in billions)



UTILITY TRANSACTIONS
(in millions)



improvement in 2003. A revamped training program and quality control processes were launched, enabling higher productivity and improved quality. The Cass web, which is generally private-labeled for its resellers, has been consolidated onto one platform after running two disparate systems through much of 2001 and 2002, as the result of an acquisition. This has decreased ongoing maintenance costs and allowed Cass to focus on new reports and other productivity improvements.

LOOKING FORWARD

Fueled by deregulation, the utility information industry, in its current

“Cass sees the need for its data acquisition and analysis to continue to increase, as markets become more complex and bills become increasing more complicated.”

form, has been rapidly embraced by the largest multi-site national companies. Consequentially, Cass feels the next layer of growth will come from companies with in-house systems and personnel and from untapped vertical markets, including companies with less than 500 locations. Toward that end, Cass has developed a new product, which will allow end-users to take advantage of Cass’ web tools and data capture system over the web using an Application Service Provider (ASP)

model. This should bridge the gap for companies that have a critical need for utility reporting tools, but may not require accounts payable or a complete outsource solution.

Cass’ goal in 2004 is to continue to grow transactions and revenue in its core markets, and to leverage world-class data capture, financial transaction and data presentation to create products that will allow Cass to grow past its traditional utility base. ■

Stability

Cass’ tenure in the industries that it serves, coupled with its strong financial position provide a secure partner for our customers. Its conservative, yet innovative, management provides a stable platform for its shareholders, customers and employees.

Cass Commercial Bank continued to pursue its niche strategy in 2003, specializing in its two areas of expertise: providing quality banking services to privately owned businesses and churches. For 2003, total loans grew by 8% while deposits grew by 12%.

Our church business team demonstrated superior loan growth, growing at a 14% pace while our traditional corporate and institutional segment showed good deposit growth, in excess of 13%. Our overall business mix continues to develop with total church business accounting for 23% of

deposits and 35% of total loans. We continue to place our emphasis on superior levels of customer service emphasizing referrals from customers and other professional referral sources. This was demonstrated in 2003 as 59% of our loan growth was from new customers, while the remaining 41% came from existing customers.



Overall asset quality remains healthy with loan delinquencies as of December 31, 2003, less than one-half of 1%. Actual loans charged off during the year were negligible and the loan loss reserve remains adequate at 1.17% of total loans. We continue to maintain a sound credit culture and emphasize early identification in our credit administration. The condition of

the overall economy has presented greater challenges in our traditional corporate customer base than in our church ministry base.

Overall profitability for Cass Commercial Bank remained strong during 2003 with earnings equivalent to those of the prior year. Although loan volumes increased, the extremely low interest rate environment impacted the overall interest spreads negatively. We also saw some margin compression due to a shift of our deposit mix toward more expensive sources. Operating expenses remained well under control and actually decreased from the prior year. The bank's fee income increased 9%. The bank's focus during the coming year will be to emphasize operating expense



control while keeping the current loan and deposit growth trends active.

2003 marked good progress in the utilization of prior investments in banking technology. We continue to see the benefits of imaging technology in the bank's check clearing operations. Customers now receive images of cleared checks each month via CD-ROMs, images over the Internet banking system or reduced check images on paper. This provides an excellent convenience for our customers while allowing the bank to operate more efficiently. As we look forward to the coming year, we continue to focus on maintaining high loan

"2003 marked good progress in the utilization of prior investments in banking technology. We continue to see the benefits of imaging technology in the bank's check clearing operations."

quality. We are also studying significant opportunities to expanding and upgrading our bank branch network. These opportunities include both the repositioning of certain St. Louis metropolitan branches as well as studying geographical expansion into other areas. 2004 also marks a significant milestone in the check clearing process that all banks use. The Check Clearing for the Twenty-First Century legislation that was signed into law in October 2003 will become effective in

October 2004. This allows for banks to exchange images of checks rather than the actual paper check itself. Cass Commercial Bank is equipped to take advantage of this new generation of back-office technology and intends to use it for the mutual advantage of our customer base and our banking efficiency. We look forward to these challenges while maintaining our focus in providing excellent service to our customers. ■

Your Business Partner

It is not just the services offered that make Cass the leader in our markets. We provide a staff of experienced people dedicated to streamlining business procedures and reducing expenses. Through our business relationships we become partners with our customers.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands of Dollars, Except Share and per Share Information)

December 31,

| REVENUES | 2003 | 2002 | 2001 |
|--|-----------------|-----------------|-----------------|
| Payment and Processing Revenue | \$ 28,440 | \$ 24,622 | \$ 21,490 |
| Net Investment Income | 26,192 | 28,844 | 32,250 |
| Software Revenue | 7,696 | — | — |
| Gain on Sale of Debt Securities | 1,454 | 1,477 | — |
| Other Revenues | 2,477 | 1,931 | 1,753 |
| Total Revenues | 66,259 | 56,874 | 55,493 |
| EXPENSES | | | |
| Salaries and Employee Benefits Expense | 37,152 | 31,405 | 30,469 |
| Occupancy Expense | 1,782 | 1,500 | 1,658 |
| Equipment Expense | 4,478 | 4,310 | 3,831 |
| Other Expenses | 11,492 | 9,360 | 8,771 |
| Total Expenses | 54,904 | 46,575 | 44,729 |
| Income Before Income Tax Expense | 11,355 | 10,299 | 10,764 |
| Income Tax Expense | 3,453 | 2,987 | 3,739 |
| Net Income | \$ 7,902 | \$ 7,312 | \$ 7,025 |
| EARNINGS PER SHARE* | | | |
| Basic | \$ 2.15 | \$ 1.98 | \$ 1.88 |
| Diluted | 2.13 | 1.96 | 1.86 |
| WEIGHTED AVERAGE SHARES OUTSTANDING* | | | |
| Basic | 3,677,314 | 3,697,788 | 3,729,039 |
| Diluted | 3,714,553 | 3,721,290 | 3,777,275 |

*Earnings per share and share amounts have been restated to reflect a 10% stock dividend declared in February 2004.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands of Dollars, Except Share and per Share Information)

December 31,

| ASSETS | 2003 | 2002 |
|--|-------------------|-------------------|
| Cash and Cash Equivalents | \$ 62,367 | \$ 30,006 |
| Loans and Investments, Net | 532,673 | 498,767 |
| Premises and Equipment, Net | 13,538 | 15,359 |
| Investment in Unconsolidated Subsidiary | — | 5,298 |
| Other Assets | 31,118 | 22,803 |
| Total Assets | \$ 639,696 | \$ 572,233 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Deposits | \$ 272,428 | \$ 243,518 |
| Accounts and Drafts Payable | 293,769 | 223,621 |
| Short-Term Borrowings | 123 | 37,438 |
| Other Liabilities | 8,584 | 6,610 |
| Total Liabilities | 574,904 | 511,187 |
| 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 4,160,110 shares issued | 2,080 | 2,080 |
| Surplus | 8,466 | 8,466 |
| Retained Earnings | 69,695 | 64,607 |
| Accumulated Other Comprehensive Income | 1,122 | 1,193 |
| Common Shares in Treasury, at cost (824,598 and 796,278 shares at December 31, 2003 and 2002, respectively) | (16,442) | (15,275) |
| Unamortized Stock Bonus Awards | (129) | (25) |
| Total Shareholders' Equity | 64,792 | 61,046 |
| Total Liabilities and Shareholders' Equity | \$ 639,696 | \$ 572,233 |

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Cass Information Systems, Inc. and subsidiaries as of December 31, 2003 and 2002, 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, 2003 (not presented herein); and in our report dated February 27, 2004, 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
February 27, 2004*

FORWARD-LOOKING STATEMENTS**FACTORS THAT MAY AFFECT FUTURE RESULTS**

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

BOARD OF DIRECTORS

LAWRENCE A. COLLETT

Chairman of the Board, Chief Executive Officer

ROBERT J. BODINE

Chairman Emeritus, Bodine Aluminum, Inc.

ERIC H. BRUNNGRABER

Chief Financial Officer

BRYAN S. CHAPELL

President, Covenant Theological Seminary

THOMAS J. FUCOLORO

Consultant

WAYNE J. GRACE

Managing Director, Grace Advisors, Inc.

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

LAWRENCE A. COLLETT

Chairman of the Board, Chief Executive Officer

ERIC H. BRUNNGRABER

Chief Financial Officer

HARRY M. MURRAY

Executive Vice President

JOHN F. PICKERING

Chief Operating Officer,
Transportation Information Services

GARY B. LANGFITT

Chief Operating Officer,
Utility Information Services

JOHN J. VALLINA

Vice Chairman,
Cass Commercial Bank

KENNETH A. WITBRODT

President,
Cass Commercial Bank

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

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

COMMON STOCK

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

ANNUAL MEETING

The annual meeting of shareholders will be held on April 19, 2004, at 11:00 a.m. at the corporate headquarters.

INVESTOR RELATIONS

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

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

TRANSFER AGENT

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

Mellon Investor Services LLC
Overpeck Centre
85 Challenger Road
Ridgefield Park, New Jersey 07660
(888) 213-0965
Web: www.melloninvestor.com

10-K AND OTHER PUBLICATIONS

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

INDEPENDENT AUDITORS

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



CASS INFORMATION SYSTEMS, INC.
13001 HOLLENBERG DRIVE
BRIDGETON, MISSOURI 63044

www.cassinfo.com