UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2007

OR

|_|TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission File No. 2-80070

CASS INFORMATION SYSTEMS, INC.
(Exact name of registrant as 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)

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

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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

(Check one) Large Accelerated Filer _____ Accelerated Filer X Non-Accelerated Filer ________

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ___ No X

The number of shares outstanding of registrant's only class of stock as of July 27, 2007: Common stock, par value $.50 per share - 8,371,189 shares outstanding.

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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 forward-looking statements, including those set forth in this paragraph and in the "Risk Factors" section of the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission. 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.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CASS INFORMATION SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in Thousands except Share and Per Share Data)

	June 30 2007	December 31 2006
Assets		
Cash and due from banks	$ 22,475	$ 26,995
Federal funds sold and other short-term investments	198,098	169,509
Cash and cash equivalents	220,573	196,504
Securities available-for-sale, at fair value	132,589	102,749
Loans	521,007	504,125
Less: Allowance for loan losses	6,843	6,592
Loans, net	514,164	497,533
Premises and equipment, net	12,843	12,898
Investment in bank-owned life insurance	12,278	12,024
Payments in excess of funding	16,145	9,333
Goodwill	7,471	7,471
Other intangible assets, net	1,016	1,156
Other assets	18,529	18,803
Total assets	$ 935,608	$ 858,471
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 87,534	$ 106,587
Interest-bearing	179,674	183,307
Total deposits	267,208	289,894
Accounts and drafts payable	560,732	468,393
Short-term borrowings	181	181
Subordinated convertible debentures	3,700	3,700
Liabilities related to discontinued operations	--	277
Other liabilities	14,342	12,105
Total liabilities	846,163	774,550
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 9,112,484 shares issued at June 30, 2007 and December 31, 2006, respectively	4,556	4,556
Additional paid-in capital	17,321	17,896
Retained earnings	87,972	81,516
Common shares in treasury, at cost (741,295 shares at June 30, 2007 and 784,773 shares at December 31, 2006)	(16,131)	(17,077)
Accumulated other comprehensive loss	(4,273)	(2,970)
Total shareholders' equity	89,445	83,921
Total liabilities and shareholders' equity	$ 935,608	$ 858,471

See accompanying notes to unaudited consolidated financial statements.

CASS INFORMATION SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in Thousands except Per Share Data)

	Three Months Ended June 30 2007	Three Months Ended June 30 2006	Six Months Ended June 30 2007	Six Months Ended June 30 2006
Fee Revenue and Other Income:				
Information services payment and processing revenue	$ 11,399	$ 9,806	$ 22,648	$ 19,494
Bank service fees	428	348	821	925
Other	224	200	445	401
Total fee revenue and other income	12,051	10,354	23,914	20,820
Interest Income:				
Interest and fees on loans	9,327	9,056	18,315	17,838
Interest and dividends on securities:				
Taxable	226	272	469	538
Exempt from federal income taxes	1,050	638	1,960	1,274
Interest on federal funds sold and other short-term investments	1,679	1,408	3,534	2,680
Total interest income	12,282	11,374	24,278	22,330
Interest Expense:				
Interest on deposits	1,965	1,464	3,925	2,728
Interest on short-term borrowings and other	23	1	25	3
Interest on subordinated convertible debentures	49	49	98	98
Total interest expense	2,037	1,514	4,048	2,829
Net interest income	10,245	9,860	20,230	19,501
Provision for loan losses	225	150	450	300
Net interest income after provision for loan losses	10,020	9,710	19,780	19,201
Operating Expense:				
Salaries and employee benefits	11,896	10,267	23,435	20,537
Occupancy	532	485	1,022	940
Equipment	877	743	1,689	1,396
Amortization of intangible assets	70	43	140	86
Other operating expense	2,557	2,746	4,979	5,194
Total operating expense	15,932	14,284	31,265	28,153
Income before taxes and discontinued operations	6,139	5,780	12,429	11,868
Income tax expense	1,947	2,056	4,051	4,192
Net income from continuing operations	4,192	3,724	8,378	7,676
Loss from discontinued operations before income tax expense	--	(325)	--	(325)
Income tax benefit	--	(136)	--	(136)
Net loss from discontinued operations	--	(189)	--	(189)
Net Income	$ 4,192	$ 3,535	$ 8,378	$ 7,487
Basic Earnings Per Share:				
From continuing operations	$ .51	$ .45	$ 1.01	$ .92
From discontinued operations	--	(.02)	--	(.02)
Basic earnings per share	.51	.43	1.01	.90
Diluted Earnings Per Share:				
From continuing operations	$ .49	$ .43	$ .98	$ .90
From discontinued operations	--	(.02)	--	(.02)
Diluted earnings per share	.49	.41	.98	.88

See accompanying notes to unaudited consolidated financial statements.

CASS INFORMATION SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in Thousands)

	Six Months Ended June 30	
	2007	2006
Cash Flows From Operating Activities:		
Net income from continuing operations	$ 8,378	$ 7,676
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,388	913
Provision for loan losses	450	300
Stock-based compensation expense	319	104
Deferred income tax expense (benefit)	986	(1,031)
Increase in income tax liability	251	1,225
Increase in pension liability	958	828
Other operating activities, net	575	369
Operating activities of discontinued operations	--	(1,853)
Net cash provided by operating activities	13,305	8,531
Cash Flows From Investing Activities:		
Proceeds from maturities of securities available-for-sale	35,000	45,510
Purchase of securities available-for-sale	(66,994)	(41,059)
Net increase in loans	(17,081)	(2,460)
Increase in payments in excess of funding	(6,812)	(2,999)
Purchases of premises and equipment, net	(1,044)	(1,840)
Net cash used in investing activities	(56,931)	(2,848)
Cash Flows From Financing Activities:		
Net decrease in noninterest-bearing demand deposits	(19,053)	(19,507)
Net decrease in interest-bearing demand and savings deposits	(6,925)	(16,946)
Net increase in time deposits	3,291	25,706
Net increase in accounts and drafts payable	92,339	11,951
Net increase in short-term borrowings	--	18
Cash proceeds from exercise of stock options	16	322
Tax benefit on stock awards	36	32
Cash dividends paid	(2,009)	(1,778)
Purchase of common shares for treasury	--	(870)
Net cash provided by (used in) financing activities	67,695	(1,072)
Net increase in cash and cash equivalents	24,069	4,611
Cash and cash equivalents at beginning of period	196,504	149,692
Cash and cash equivalents at end of period	$ 220,573	$ 154,303
Supplemental information:		
Cash paid for interest	$ 3,964	$ 2,425
Cash paid for income taxes	2,757	1,889

See accompanying notes to unaudited consolidated financial statements.

Note 1 - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Certain amounts in the 2006 consolidated financial statements have been reclassified to conform to the 2007 presentation. Such reclassifications have no effect on previously reported net income or shareholders' equity. The Company's bank subsidiary sold the assets of Government e-Management Solutions, Inc. ("GEMS"), its wholly owned subsidiary, on December 30, 2005. The assets, liabilities and results of operations of GEMS were presented in the 2006 consolidated financial statements as discontinued operations. There was no discontinued operations activity in the six-month period ended June 30, 2007. The Company issued a 50% stock dividend on September 15, 2006 and the share and per share information have been restated for all periods presented in the accompanying consolidated financial statements. For further information, refer to the audited consolidated financial statements and related footnotes included in Cass Information System, Inc.'s ("the Company" or "Cass") Annual Report on Form 10-K for the year ended December 31, 2006.

Note 2 - Intangible Assets

The Company accounts for intangible assets in accordance with Statement of Financial Accounting Standard ("SFAS") 142, "Goodwill and Other Intangible Assets," which requires that intangibles with indefinite useful lives be tested annually for impairment and those with finite useful lives be amortized over their useful lives. Intangible assets for the periods ended June 30, 2007 and December 31, 2006 are as follows:

	June 30, 2007		December 31, 2006	
(In Thousands) Amortized intangible assets:	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Software	$ 862	$ (489)	$ 862	$ (402)
Customer List	750	(107)	750	(54)
Total	1,612	(596)	1,612	(456)
Unamortized intangible assets:				
Goodwill	7,698	(227)*	7,698	(227)*
Total unamortized intangibles	7,698	(227)	7,698	(227)
Total intangible assets	$ 9,310	$ (823)	$ 9,310	$ (683)

*Amortization through December 31, 2001 prior to adoption of SFAS 142.

Software is amortized over four to five years and the customer list is amortized over seven years. Amortization of intangible assets amounted to $140,000 and $86,000 for the six-month periods ended June 30, 2007 and 2006, respectively. Estimated amortization of intangibles over the next five years is as follows: $301,000 in 2007, $280,000 in 2008, $222,000 in 2009, and $107,000 in 2010 and in 2011.

Note 3 - Equity Investments in Non-Marketable Securities

Non-marketable equity investments in low-income housing projects are included in other assets on the Company's consolidated balance sheets. The total balance of these investments at June 30, 2007 was $ 288,000.

Note 4 - Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding. Diluted earnings per share is computed by dividing net income, adjusted for the net income effect of the interest expense on the outstanding convertible debentures, by the sum of the weighted-average number of common shares outstanding and the weighted-average number of potential common shares outstanding. The calculations of basic and diluted earnings per share for the periods ended June 30, 2007 and 2006 are as follows:

(Dollars in Thousands except Per Share data)	Three Months Ended June 30 2007	2006	Six Months Ended June 30 2007	2006
Basic				
Net income from continuing operations	$ 4,192	$ 3,724	$ 8,378	$ 7,676
Net loss from discontinued operations	--	(189)	--	(189)
Net income	$ 4,192	$ 3,535	$ 8,378	$ 7,487
Weighted-average common shares outstanding	8,314,355	8,307,912	8,311,747	8,315,555
Basic earnings per share from continuing operations	$ .51	$ .45	$ 1.01	$ .92
Basic earnings per share from discontinued operations	--	(.02)	--	(.02)
Basic earnings per share	$ .51	$ .43	$ 1.01	$ .90
Diluted				
Net income from continuing operations	$ 4,192	$ 3,724	$ 8,378	$ 7,676
Net income effect of 5.33% convertible debentures	27	27	54	54
Net income from continuing operations	4,219	3,751	8,432	7,730
Net loss from discontinued operations	--	(189)	--	(189)
Net income	$ 4,219	$ 3,562	$ 8,432	$ 7,541
Weighted-average common shares outstanding	8,314,355	8,307,913	8,311,747	8,315,555
Effect of dilutive stock options and awards	102,867	71,481	98,304	62,666
Effect of 5.33% convertible debentures	172,717	172,717	172,717	172,717
Weighted-average common shares outstanding assuming dilution	8,589,939	8,552,111	8,582,768	8,550,938
Diluted earnings per share from continuing operations	$ .49	$ .43	$ .98	$ .90
Diluted earnings per share from discontinued operations	--	(.02)	--	(.02)
Diluted earnings per share	$ .49	$ .41	$ .98	$ .88

Share and per share data for 2006 in the schedule above have been restated for the 50% stock dividend issued on September 15, 2006.

Note 5 - Stock Repurchases

The Company maintains a treasury stock buyback program pursuant to which the Board of Directors has authorized the repurchase of up to 150,000 shares of the Company's Common Stock. The Company did not repurchase any shares during the six-month period ended June 30, 2007 and repurchased 20,000 shares in the comparable period in 2006. As of June 30, 2007, 120,000 shares remained available for repurchase under the program. Repurchases are made in the open market or through negotiated transactions from time to time depending on market conditions.

Note 6 - Comprehensive Income

For the six-month periods ended June 30, 2007 and 2006, unrealized gains and losses on debt and equity securities available-for-sale were the Company's only other comprehensive income component. Comprehensive income for the three and six month periods ended June 30, 2007 and 2006 is summarized as follows:

(In Thousands)	Three Months Ended June 30 2007	2006	Six Months Ended June 30 2007	2006
Net income from continuing operations	$ 4,192	$ 3,724	$ 8,378	$ 7,676
Other comprehensive income:				

Net unrealized loss on securities available-for-sale, net of tax	(1,170)	(584)	(1,303)	(486)
Total comprehensive income from continuing operations	$ 3,022	$ 3,140	$ 7,075	$ 7,190

Note 7 - Industry Segment Information

The services provided by the Company are classified into two reportable segments: Information Services and Banking Services. Each of these segments provides distinct services that are marketed through different channels. They are managed separately due to their unique service, processing and capital requirements.

The Information Services segment provides freight, utility and telecommunication invoice processing and payment services to large corporations. The Banking Services segment provides banking services primarily to privately-held businesses and churches.

The Company's accounting policies for segments are the same as those described in the summary of significant accounting policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2006. Management evaluates segment performance based on net income after allocations for corporate expenses and income taxes. Transactions between segments are accounted for at what management believes to be market value. Information for prior periods has been restated to reflect changes in the composition of the Company's segments.

All revenue originates from and all long-lived assets are located within the United States and no revenue from any customer of any segment exceeds 10% of the Company's consolidated revenue.

Summarized information about the Company's operations in each industry segment for the three and six-month periods ended June 30, 2007 and 2006, is as follows:

(In Thousands)	Information Services	Banking Services	Corporate, Eliminations and Other	Total
Quarter Ended June 30, 2007				
Total Revenues:				
Revenue from customers	$ 18,337	$ 3,734	$ --	$ 22,071
Intersegment revenue	485	405	(890)	--
Net income from continuing operations	3,439	753	--	4,192
Total assets	626,443	324,033	(14,868)	935,608
Goodwill	7,335	136	--	7,471
Other intangible assets, net	1,016	--	--	1,016
Assets related to discontinued operations	--	--	--	--
Quarter Ended June 30, 2006				
Total Revenues:				
Revenue from customers	$ 16,051	$ 4,013	$ --	$ 20,064
Intersegment revenue	481	358	(839)	--
Net income from continuing operations	2,669	1,055	--	3,724
Total assets	509,191	315,683	1,848	826,722
Goodwill	4,262	136	--	4,398
Other intangible assets, net	849	--	--	849
Assets related to discontinued operations	--	--	400	400
Six Months Ended June 30, 2007				
Total Revenues:				
Revenue from customers	$ 36,079	$ 7,615	$ --	$ 43,694
Intersegment revenue	972	754	(1,726)	--
Net income from continuing operations	6,633	1,745	--	8,378
Total assets	626,443	324,033	(14,868)	935,608
Goodwill	7,335	136	--	7,471
Other intangible assets, net	1,016	--	--	1,016
Assets related to discontinued operations	--	--	--	--
Six Months Ended June 30, 2006				
Total Revenues:				
Revenue from customers	$ 31,876	$ 8,145	$ --	$ 40,021
Intersegment revenue	887	712	(1,599)	--
Net income from continuing operations	5,430	2,246	--	7,676
Total assets	509,191	315,683	1,848	826,722

Goodwill	4,262	136	--	4,398
Other intangible assets, net	849	--	--	849
Assets related to discontinued operations	--	--	400	400

Note 8 - Loans by Type

(In Thousands)	June 30, 2007	December 31, 2006
Commercial and industrial	$ 116,524	$ 113,162
Real estate: (Commercial and church)		
Mortgage	368,469	352,044
Construction	29,072	29,779
Industrial revenue bonds	5,685	6,293
Other	1,257	2,847
Total loans	$ 521,007	$ 504,125

Note 9 - Commitments and Contingencies

In the normal course of business, the Company is party to activities that contain credit, market and operational risks that are not reflected in whole or in part in the Company's consolidated financial statements. Such activities include traditional off-balance sheet credit-related financial instruments and commitments under operating and capital leases. These financial instruments include commitments to extend credit, commercial letters of credit and standby letters of credit. The Company's maximum potential 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. At June 30, 2007, no amounts have been accrued for any estimated losses for these 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 or its subsidiaries 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. At June 30, 2007 the balance of unused loan commitments, standby and commercial letters of credit were $24,276,000, $5,797,000 and $3,159,000, respectively. 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 balances 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. In the event of nonperformance, the Company or its subsidiaries may obtain and liquidate the collateral to recover amounts paid under its guarantees on these financial instruments.

The following table summarizes contractual cash obligations of the Company related to operating lease commitments, time deposits and convertible subordinated debentures at June 30, 2007:

		Amount of Commitment Expiration per Period			
(Dollars in Thousands)	Total	Less than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Operating lease commitments	$ 4,124	$ 711	$ 1,128	$ 917	$ 1,368
Time deposits	92,088	87,486	3,153	1,449	--
Convertible subordinated debentures*	3,700	--	--	--	3,700
Total	$ 99,912	$ 88,197	$ 4,281	$ 2,366	$ 5,068

* Includes principal payments only.

The Company and its 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 10 - Stock-Based Compensation

On April 16, 2007, the Company's shareholders approved the 2007 Omnibus Incentive Stock Plan ("the Omnibus Plan") to provide incentive opportunities for key employees and non-employee directors and to align the personal financial interests of such individuals with those of the Company's shareholders. The Omnibus Plan permits the issuance of up to 800,000 shares of the Company's common stock in the form of stock options, stock appreciation rights, restricted stock, restricted stock units and performance awards. As of June 30, 2007, no awards have been granted under the Omnibus Plan.

The Company also continues to maintain its other stock-based incentive plans, which permit the awards of up to 259,875 shares of restricted common stock and the granting of options to acquire up to 1,039,000 shares of common stock. Restricted shares are amortized to expense over the three-year vesting period. Options currently vest and expire over a period not to exceed seven years. The plans authorize the grant of awards in the form of options intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code, options that do not qualify (non-statutory stock options) and grants of restricted shares of common stock. The Company issues shares out of treasury stock for restricted shares and option exercises.

As of June 30, 2007, the total unrecognized compensation expense related to non-vested stock awards was $1,508,000 and the related weighted-average period over which it is expected to be recognized is approximately 2.5 years. Changes in restricted shares outstanding were as follows:

	Shares	Fair Value
Balance at December 31, 2006	22,481	22.88
Granted	39,520	37.30
Vested	(5,416)	18.64
Forfeited	--	--
Balance at March 31, 2007	56,585	33.36
Granted	3,600	34.03
Vested	(4,911)	22.53
Forfeited	(600)	29.94
Balance at June 30, 2007	54,674	34.41

As of June 30, 2007, the total unrecognized compensation expense related to non-vested stock options was $118,000 and the related weighted-average period over which it is expected to be recognized is approximately 4.4 years.

There were no stock options granted during the six-month period ended June 30, 2007. Following are the assumptions used to estimate the fair value of option grants during the six-month period ended June 30, 2006:

	Six Months Ended June 30	
	2007	2006
Risk-free interest rate	-	4.37%
Expected life	-	7 yrs.
Expected volatility	-	5.00%
Expected dividend yield	-	1.88%

The risk-free interest rate is based on the zero-coupon U.S. Treasury yield for the period equal to the expected life of the options at the time of the grant. The expected life was derived using the historical exercise activity. The Company uses historical volatility for a period equal to the expected life of the options using average monthly closing market prices of the Company's stock. The expected dividend yield is determined based on the Company's current rate of annual dividends.

Under the treasury stock method, outstanding stock options are dilutive when the average market price of the Company's common stock, when combined with the effect of any unamortized compensation expense, exceeds the option price during a period. In addition, proceeds from the assumed exercise of dilutive options along with the related tax benefit are assumed to be used to repurchase common shares at the average market price of such stock during the period. Anti-dilutive shares are those option shares with exercise prices in excess of the current market value.

A summary of the Company's stock option program for the three and six-month periods ended June 30, 2007 is shown below.

	Shares	Weighted-Average Exercise Price	Average Remaining Contractual Term Years	Aggregate Intrinsic Value ($000)
Outstanding at December 31, 2006	87,805	$ 15.40		
Granted	--	--		
Exercised	(258)	15.96		
Forfeited or expired	--	--		
Outstanding at March 31, 2007	87,547	15.40	4.09	$ 1,607
Granted	--	--		
Exercised	(700)	16.89		
Forfeited or expired	--	--		
Outstanding at June 30, 2007	86,847	15.39	3.84	1,812
Exercisable at June 30, 2207	16,777	$ 11.27	2.79	$ 419

The total intrinsic value of options exercised was $16,000 and $1,623,000 for the six-month periods ended June 30, 2007 and 2006, respectively.

A summary of the activity of the non-vested options during the three and six-month periods ended June 30, 2007 is shown below.

	Shares	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2006	85,406	$ 2.38
Granted	--	--
Vested	(15,336)	1.75
Forfeited	--	--
Nonvested at March 31, 2007	70,070	2.52
Granted	--	--
Vested	--	--
Forfeited	--	--
Nonvested at June 30, 2007	70,070	$ 2.52

Note 11 - Defined Pension Plans

The Company has a noncontributory defined benefit pension plan, which covers most of its employees. The Company accrues and makes 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. Disclosure information is based on a measurement date of December 31 of the corresponding year.

The following table represents the components of the net periodic pension costs for 2006 and an estimate for 2007:

(In Thousands)	Estimated 2007	Actual 2006
Service cost - benefits earned during the year	$ 1,622	$ 1,554
Interest cost on projected benefit obligation	1,771	1,565
Expected return on plan assets	(1,865)	(1,603)
Net amortization	197	270
Net periodic pension cost	$ 1,725	$ 1,786

Pension costs recorded to expense were $429,000 and $415,000 for the three-month periods ended June 30, 2007 and 2006, respectively and were $832,000 and $753,000 for the six-month periods ended June 30, 2007 and 2006, respectively. The Company has not made any contribution to the plan during the six-month period ended June 30, 2007, but expects to contribute at least $1,800,000 in 2007.

In addition to the above funded benefit plan, the Company has an unfunded supplemental executive retirement plan which covers key executives of the Company. This is a noncontributory plan in which the Company and its 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 following table represents the components of the net periodic pension costs for 2006 and an estimate for 2007:

(In Thousands)	Estimated 2007	Actual 2006
Service cost - benefits earned during the year	$ 44	$ 43
Interest cost on projected benefit obligation	233	150
Net amortization	249	111
Net periodic pension cost	$ 526	$ 304

Pension costs recorded to expense were $141,000 and $47,000 for the three-month periods ended June 30, 2007 and 2006, respectively, and were $227,000 and $95,000 for the six-month periods ended June 30, 2007 and 2006, respectively.

Note 12 - Income Taxes

The Company adopted FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes" effective January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes in financial statements and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken.

The Company had unrecognized tax benefits of approximately $655,000 as of January 1, 2007. The total amount of federal and state unrecognized tax benefits at January 1, 2007 that, if recognized, would affect the effective tax rate was $488,000, net of federal tax benefit. There have been no significant changes to the unrecognized tax benefits during the three and six month periods ended June 30, 2007. The Company expects a reduction of $31,000 in unrecognized tax benefits during the remaining six-month period ending December 31, 2007 as a result of the lapse of federal and state statutes of limitations.

Interest and penalties were immaterial at the date of adoption. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. The amount of interest recognized during the three and six-month periods ended June 30, 2007 was immaterial.

The Company is subject to income tax in the U. S. federal jurisdiction and numerous state jurisdictions. U.S. federal income tax returns for tax years 2003 and 2006 remain subject to examination by the Internal Revenue Service ("IRS"). In addition, the Company is subject to state tax examinations for the tax years 2003 through 2006.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Cass Information Systems, Inc. provides payment and information processing services to large manufacturing, distribution and retail enterprises from its processing centers in St. Louis, Missouri, Columbus, Ohio, Boston, Massachusetts, Greenville, South Carolina and Wellington, Kansas. The Company's services include freight invoice rating, payment processing, auditing, and the generation of accounting and transportation information. Cass also processes and pays utility invoices, which includes electricity, gas and telecommunications expenses and is a provider of telecom expense management solutions. Cass extracts, stores and presents information from freight, utility and telecommunication invoices, assisting its customers' transportation, energy and information technology managers in making decisions that will enable them to improve operating performance. The Company receives data from multiple sources, electronic and otherwise, and processes the data to accomplish the specific operating requirements of its customers. It then provides the data in a central repository for access and archiving. The data is finally transformed into information through the Company's databases that allow client interaction as required and provide Internet-based tools for analytical processing. The Company also, through Cass Commercial Bank, its St. Louis, Missouri based bank subsidiary (the "Bank"), provides banking services in the St. Louis metropolitan area and Orange County, California. In addition to supporting the Company's payment operations, the Bank provides banking services to its target markets, which include privately owned businesses and churches and church-related ministries.

The specific payment and information processing services provided to each customer are developed individually to meet each customer's requirements, which can vary greatly. In addition, the degree of automation such as electronic data interchange ("EDI"), imaging, and web-based solutions varies greatly among customers and industries. These factors combine so that pricing varies greatly among the customer base. In general, however, Cass is compensated for its processing services through service fees and account balances that are generated during the payment process. The amount, type and calculation of service fees vary greatly by service offering, but generally follow the volume of transactions processed. Interest income from the balances generated during the payment processing cycle is affected by the amount of time Cass holds the funds prior to payment and the dollar volume processed. Both the number of transactions processed and the dollar volume processed are therefore key metrics followed by management. Other factors will also influence revenue and profitability, such as changes in the general level of interest rates, which have a significant effect on net interest income. The funds generated by these processing activities are invested in overnight investments, investment grade securities and loans generated by the Bank. The Bank earns most of its revenue from net interest income, or the difference between the interest earned on its loans and investments and the interest paid on its deposits. The Bank also assesses fees on other services such as cash management services.

Industry-wide factors that impact the Company include the acceptance by large corporations of the outsourcing of key business functions such as freight, utility and telecommunication payment and audit. The benefits that can be achieved by outsourcing transaction processing and the management information generated by Cass' systems can be influenced by factors such as the competitive pressures within industries to improve profitability, the general level of transportation costs, deregulation of energy costs and consolidation of telecommunication providers. Economic factors that impact the Company include the general level of economic activity that can affect the volume and size of invoices processed, the ability to hire and retain qualified staff and the growth and quality of the loan portfolio. The general level of interest rates also has a significant effect on the revenue of the Company.

On July 7, 2006, the Company acquired 100% of the stock of NTransit, Inc., a company whose service provides auditing and expense management of parcel shipments. While this acquisition did not meet the Regulation S-X criteria of a significant business combination, it positioned the Company to expand its offerings in the specialized service and expertise in parcel shipping, which is a unique segment of the transportation industry that has experienced tremendous growth in recent years.

Currently, management views Cass' major opportunity and challenge as the continued expansion of its payment and information processing service offerings and customer base. Management intends to accomplish this by maintaining the Company's lead in applied technology, which, when combined with the security and processing controls of the Bank, makes Cass unique in the industry.

Critical Accounting Policies

The Company has prepared all of the consolidated financial information in this report in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). In preparing the consolidated financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates have been generally accurate in the past, have been consistent and have not required any material changes. There can be no assurances that actual results will not differ from those estimates. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position have been discussed with the Audit Committee of the Board of Directors and are described below.

Allowance for Loan Losses. The Company performs periodic and systematic detailed reviews of its loan portfolio to assess overall collectability. The level of the allowance for loan losses reflects management's estimate of the collectability of the loan portfolio. Although these estimates are based on established methodologies for determining allowance requirements, actual results can differ significantly from estimated results. These policies affect both segments of the Company. The impact and associated risks related to these policies on the Company's business operations are discussed in the "Provision and Allowance for Loan Losses" section of this report.

Impairment of Assets. The Company periodically evaluates certain long-term assets such as intangible assets including goodwill, foreclosed assets, internally developed software and investments in private equity securities for impairment. Generally, these assets are initially recorded at cost, and recognition of impairment is required when events and circumstances indicate that the carrying amounts of these assets will not be recoverable in the future. If impairment occurs, various methods of measuring impairment may be called for depending on the circumstances and type of asset, including quoted market prices, estimates based on similar assets, and estimates based on valuation techniques such as discounted projected cash flows. Assets held for sale are carried at the lower of cost or fair value less costs to sell. These policies affect both segments of the Company and require significant management assumptions and estimates that could result in materially different results if conditions or underlying circumstances change.

Income Taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in the Company's financial statements or tax returns such as the realization of deferred tax assets, changes in tax laws or interpretations thereof. In addition, the Company is subject to the continuous examination of its income tax returns by the Internal Revenue Service and other taxing authorities. Effective January 1, 2007, the Company adopted FIN No. 48, "Accounting for Uncertainty in Income Taxes- an interpretation of FASB Statement No. 109." FIN No. 48 provides guidance for the recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. See Note 12 to the financial statements.

Pension Plans. The amounts recognized in the consolidated financial statements related to pension are determined from actuarial valuations. Inherent in these valuations are assumptions including expected return on plan assets, discount rates at which the liabilities could be settled at December 31, 2006, rate of increase in future compensation levels and mortality rates. These assumptions are updated annually and are disclosed in Note 13 to the consolidated financial statements filed with the Company's annual report on Form 10-K for the year ended December 31, 2006. In September 2006, the FASB issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS No. 158"). SFAS No. 158 requires companies to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. The funded status is measured as the difference between the fair value of the plan assets and the benefit obligation as of the date of its fiscal year-end. The Company recognized the required changes and disclosures in its consolidated 2006 financial statements.

Results of Operations

The following paragraphs more fully discuss the results of operations and changes in financial condition for the three-month period ended June 30, 2007 ("Second Quarter of 2007") compared to the three-month period ended June 30, 2006 ("Second Quarter of 2006") and the six-month period ended June 30, 2007 ("First Half of 2007") compared to the six-month period ended June 30, 2006 ("First Half of 2006"). The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes and with the statistical information and financial data appearing in this report as well as the Company's 2006 annual report on Form 10-K. Results of operations for the Second Quarter of 2007 are not necessarily indicative of the results to be attained for any other period.

Net Income

The following table summarizes the Company's operating results:

(Dollars in Thousands except Per Share Data)	Three Months Ended June 30 2007	2006	% Change	Six Months Ended June 30 2007	2006	% Change
Net income	$ 4,192	$ 3,535	18.6%	$ 8,378	$ 7,487	11.9%
Net income from continuing operations	$ 4,192	$ 3,724	12.6%	$ 8,378	$ 7,676	9.1%
Diluted earnings per share	$ .49	$ .41	19.5%	$ .98	$ .88	11.4%
Diluted earnings per share from continuing operations	$ .49	$ .43	14.0%	$ .98	$ .90	8.9%
Return on average assets	1.93%	1.75%	--	1.95%	1.86%	--
Return on average equity	19.18%	18.22%	--	19.64%	19.62%	--

Fee Revenue and Other Income from Continuing Operations

The Company's fee revenue is derived mainly from freight and utility processing and payment fees. As the Company provides its 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 balances generated in the payment process which can be used to generate interest income. Processing volumes related to fees and accounts and drafts payable for the three and six-month periods ended June 30, 2007 and 2006 were as follows:

(In Thousands)	Three Months Ended June 30 2007	2006	% Change	Six Months Ended June 30 2007	2006	% Change
Freight Core Invoice Transaction Volume*	6,462	6,163	4.9%	12,526	12,157	3.0%
Freight Invoice Dollar Volume	$ 3,684,047	$ 3,624,224	1.7%	$ 7,095,441	$ 7,074,300	0.3%
Utility Transaction Volume	2,271	1,593	42.6%	4,511	3,096	45.7%
Utility Transaction Dollar Volume	$ 1,832,094	$ 1,275,735	43.6%	$ 3,606,098	$ 2,649,950	36.1%
Payment and Processing Fees	$ 11,399	$ 9,806	16.2%	$ 22,648	$ 19,494	16.2%

*Core invoices exclude parcel shipments.

Second Quarter of 2007 compared to Second Quarter of 2006:

Freight transaction volume and invoice dollar volume for the Second Quarter of 2007 increased slightly compared to the same period in 2006 despite the lack of growth in shipping activity in the United States, particularly in the large manufacturing segments. The increase in transaction and dollar volume from utility transactions increased primarily due to new customers as the growth of this division continues. The increase in utility transaction volume drove the increase in payment and processing fees.

Bank service fees increased $80,000 or 23% primarily due to higher commercial account fees and check processing volume. Other income increased $24,000 in the Second Quarter of 2007.

First Half of 2007 compared to First Half of 2006:

Freight and utility transaction volume and dollar volume increased for the First Half of 2007 compared to 2006 due to the same factors discussed above for the Second Quarter of 2007.

Bank service fees decreased $104,000 or 11%. This decrease was due primarily to a penalty charged for the early withdrawal of a certificate of deposit by one large customer in the first quarter of 2006. Other income increased $44,000 in the First Half of 2007.

Net Interest Income

Net interest income is the difference between interest earned on loans, investments, and other earning assets and interest expense on deposits and other interest-bearing liabilities. Net interest income is a significant source of the Company's revenues. The following table summarizes the changes in net interest income and related factors for the three and six-month periods ended June 30, 2007 and 2006:

	Three Months Ended June 30			Six Months Ended June 30		
(Dollars in Thousands)	2007	2006	% Change	2007	2006	% Change
Average earnings assets	$789,525	$737,204	7.1%	$784,601	$740,320	6.0%
Net interest income*	10,848	10,235	6.0%	21,363	20,251	5.5%
Net interest margin*	5.51 %	5.57 %	--	5.49 %	5.52 %	--
Yield on earning assets*	6.55 %	6.39 %	--	6.53 %	6.29 %	--
Rate on interest bearing liabilities	4.35 %	3.42 %	--	4.32 %	3.23 %	--

*Presented on a tax-equivalent basis assuming a tax rate of 35%.

Second Quarter of 2007 compared to Second Quarter of 2006:

The increase in net interest income was primarily due to an increase in earning assets and an increase in yields on earning assets that exceeded the counteracting effect of increases in rates paid on deposit accounts. The increase in earning assets was funded by an increase in accounts and drafts payable due to the increase in dollar volume processed. Yields on earning assets and rates paid on deposit accounts both increased as the general level of interest rates increased. However, as the balances of earning assets greatly exceed the balances of interest-bearing deposits, the net effect on net interest income was positive.

Total average loans increased $279,000, less than 1%, to $528,121,000. Total average investment in debt and equity securities increased $38,854,000 or 42% to $130,411,000 as the Company invested a portion of the increase in payables. Total average federal funds sold and other short-term investments increased $13,188,000 or 11% to $130,993,000. This increase provides additional liquidity to the Company. For more information on the changes in net interest income please refer to the tables that follow.

First Half of 2007 compared to First Half of 2006:

The increase in net interest income was primarily due to an increase in earning assets and an increase in yields on earning assets that exceeded the counteracting effect of increases in rates paid on deposit accounts. The increase in earning assets was funded by an increase in accounts and drafts payable due to the increase in dollar volume processed. Yields on earning assets and rates paid on deposit accounts both increased as the general level of interest rates increased. However, as the balances of earning assets greatly exceed the balances of interest-bearing deposits, the net effect on net interest income was positive.

Total average loans decreased $6,042,000 or 1% to $522,444,000. Total average investment in debt and equity securities increased $30,479,000 or 33% to $123,645,000 as the Company invested a portion of the increase in payables. Total average federal funds sold and other short-term investments increased $19,844,000 or 17% to $138,512,000. This increase provides additional liquidity to the Company. For more information on the changes in net interest income please refer to the tables that follow.

The Company is positively affected by increases in the level of interest rates due to the fact that its rate-sensitive assets significantly exceed its rate-sensitive liabilities. This is primarily due to the noninterest-bearing liabilities generated by the Company in the form of accounts and drafts payable. Changes in interest rates will affect some earning assets such as federal funds sold and floating rate loans immediately and some earning assets, such as fixed rate loans and municipal bonds, over time.

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 tax-equivalent 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.

	Second Quarter 2007			Second Quarter 2006		
(Dollars in Thousands)	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Assets (1)						
Earning assets:						
Loans (2,3):						
Taxable	$ 522,134	$ 9,256	7.11%	$ 522,277	$ 8,996	6.91%
Tax-exempt (4)	5,987	108	7.24	5,565	91	6.56
Debt and equity securities (5):						
Taxable	19,041	226	4.76	25,336	272	4.31
Tax-exempt (4)	111,370	1,616	5.82	66,221	983	5.95
Federal funds sold and other short-term investments	130,993	1,679	5.14	117,805	1,407	4.79
Total earning assets	789,525	12,885	6.55	737,204	11,749	6.39
Nonearning assets:						
Cash and due from banks	25,305			27,790		
Premises and equipment, net	12,860			12,574		
Bank owned life insurance	12,193			11,700		
Goodwill and other intangibles	8,533			5,275		
Other assets	29,444			22,181		
Assets related to discontinued operations	--			365		
Allowance for loan losses	(6,908)			(6,227)		
Total assets	$ 870,952			$ 810,862		
Liabilities And Shareholders' Equity (1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$64,394	$ 519	3.23%	$ 68,091	$ 382	2.25%
Savings deposits	22,277	189	3.40	21,076	117	2.23
Time deposits of $100 or more	67,019	873	5.22	53,683	634	4.74
Other time deposits	30,401	384	5.05	30,849	331	4.30
Total interest-bearing deposits	184,091	1,965	4.28	173,699	1,464	3.38
Short-term borrowings & other	615	23	15.00	137	1	2.93
Subordinated debentures	3,700	49	5.31	3,700	49	5.31
Total interest-bearing liabilities	188,406	2,037	4.33	177,536	1,514	3.42
Noninterest-bearing liabilities:						
Demand deposits	94,461			97,863		
Accounts and drafts payable	487,201			448,731		
Other liabilities	13,213			8,564		
Liabilities related to discontinued operations	--			349		
Total liabilities	783,281			733,043		
Shareholders' equity	87,671			77,819		
Total liabilities and shareholders' equity	$870,952			$ 810,862		
Net interest income		$ 10,848			$ 10,235	
Interest spread			2.22%			2.97%
Net interest margin			5.51			5.57

1. Balances shown are daily averages.
2. 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 2006 Consolidated Financial Statements, filed with the Company's 2006 Annual Report on Form 10-K.
3. Interest income on loans includes net loan fees of $48,000 and $37,000 for the Second Quarter of 2007 and 2006, respectively.
4. Interest income is presented on a tax-equivalent basis assuming a tax rate of 35%. The tax-equivalent adjustment was approximately $603,000 and $375,000 for the Second Quarter of 2007 and 2006, respectively.

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

(Dollars in Thousands)	First Half of 2007 Average Balance	First Half of 2007 Interest Income/ Expense	First Half of 2007 Yield/ Rate	First Half of 2006 Average Balance	First Half of 2006 Interest Income/ Expense	First Half of 2006 Yield/ Rate
Assets (1)						
Earning assets:						
Loans (2,3):						
Taxable	$516,332	$18,173	7.10%	$ 523,194	$ 17,721	6.83%
Tax-exempt (4)	6,112	220	7.26	5,292	180	6.86
Debt and equity securities (5):						
Taxable	19,791	469	4.78	26,983	537	4.01
Tax-exempt (4)	103,854	3,015	5.85	66,183	1,961	5.98
Federal funds sold and other short-term investments	138,512	3,534	5.15	118,668	2,680	4.55
Total earning assets	784,601	25,411	6.53	740,320	23,079	6.29
Nonearning assets:						
Cash and due from banks	25,387			28,342		
Premises and equipment, net	12,851			12,313		
Bank owned life insurance	12,131			11,644		
Goodwill and other intangibles	8,563			5,296		
Other assets	28,816			21,395		
Assets related to discontinued operations	--			150		
Allowance for loan losses	(6,790)			(6,241)		
Total assets	$ 865,559			$ 813,219		
Liabilities And Shareholders' Equity (1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$64,530	$ 1,037	3.24%	$ 75,560	$ 853	2.28%
Savings deposits	22,626	383	3.41	20,464	219	2.16
Time deposits of $100 or more	68,144	1,763	5.22	45,459	1,016	4.51
Other time deposits	29,941	742	5.00	31,419	639	4.10
Total interest-bearing deposits	185,241	3,925	4.27	172,902	2,727	3.18
Short-term borrowings & other	645	25	7.82	151	3	4.01
Subordinated debentures	3,700	98	5.34	3,700	98	5.34
Total interest-bearing liabilities	189,586	4,048	4.31	176,753	2,828	3.23
Noninterest-bearing liabilities:						
Demand deposits	95,379			99,389		
Accounts and drafts payable	481,810			452,240		
Other liabilities	12,746			7,020		
Liabilities related to discontinued operations	--			876		
Total liabilities	779,521			736,278		
Shareholders' equity	86,038			76,941		
Total liabilities and shareholders' equity	$865,559			$813,219		
Net interest income		$21,363			$ 20,251	
Interest spread			2.22%			3.06%
Net interest margin			5.49			5.52

1. Balances shown are daily averages.
2. 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 2006 Consolidated Financial Statements, filed with the Company's 2006 Annual Report on Form 10-K.
3. Interest income on loans includes net loan fees of $94,000 and $109,000 for the First Half of 2007 and 2006, respectively.

4. Interest income is presented on a tax-equivalent basis assuming a tax rate of 35%. The tax-equivalent adjustment was approximately $1,133,000 and $749,000 for the First Half of 2007 and 2006, respectively.
5. 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 periods 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.

	Second Quarter 2007 Over 2006		
(In Thousands)	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans (1,2):			
Taxable	$ (2)	$ 262	$ 260
Tax-exempt (3)	7	10	17
Debt and equity securities:			
Taxable	(73)	27	(46)
Tax-exempt (3)	656	(23)	633
Federal funds sold and other short-term investments	164	108	272
Total interest income	752	384	1,136
Interest expense on:			
Interest-bearing demand deposits	(22)	159	137
Savings deposits	7	65	72
Time deposits of $100 or more	169	70	239
Other time deposits	(5)	58	53
Short-term borrowings & other	10	12	22
Subordinated debentures	--	--	--
Total interest expense	159	364	523
Net interest income	$ 593	$ 20	$ 613

1. Average balances include nonaccrual loans.
2. Interest income includes net loan fees.
3. Interest income is presented on a tax-equivalent basis assuming a tax rate of 35%.

	First Half 2007 Over 2006		
(In Thousands)	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans (1,2):			
Taxable	$ (234)	$ 686	$ 452
Tax-exempt (3)	29	11	40
Debt and equity securities:			
Taxable	(159)	91	(68)
Tax-exempt (3)	1,094	(40)	1,054
Federal funds sold and other short-term investments	481	373	854
Total interest income	1,211	1,121	2,332
Interest expense on:			
Interest-bearing demand deposits	(138)	322	184
Savings deposits	25	139	164
Time deposits of $100 or more	568	179	747
Other time deposits	(31)	134	103
Short-term borrowings & other	17	5	22
Subordinated debentures	--	--	--
Total interest expense	441	779	1,220
Net interest income	$ 770	$342	$1,112

1. Average balances include nonaccrual loans.
2. Interest income includes net loan fees.
3. Interest income is presented on a tax-equivalent basis assuming a tax rate of 35%.

Provision and Allowance for Loan Losses

An important determinant of the Company's operating results is the provision for loan losses and the level of loans charged off. There was a $225,000 and $150,000 provision made for loan losses during the Second Quarter of 2007 and the Second Quarter of 2006, respectively. There was a $450,000 and $300,000 provision made for loan losses during the First Half of 2007 and the First Half of 2006, respectively. As discussed below, the Company continually analyzes the outstanding loan portfolio based on the performance, financial condition and collateralization of the credits. There were $204,000 and $51,000 of net loan charge-offs in the Second Quarter of 2007 and 2006, respectively. There were $199,000 of net loan charge-offs in the First Half of 2007 and $272,000 in the First Half 2006.

The allowance for loan losses at June 30, 2007 was $6,843,000 and at December 31, 2006 was $6,592,000. The ratio of allowance for loan losses to total loans outstanding at June 30, 2007 was 1.31% compared to 1.31% at December 31, 2006. Nonperforming loans were $2,855,000 or .55% of total loans at June 30, 2007 compared to $795,000 or .16% of total loans at December 31, 2006.

At June 30, 2007, nonperforming loans, which are also considered impaired, consisted of $2,855,000 in non-accrual loans as shown in the following table. This total consists of four loans, three of which relate to businesses that are for sale or are in process of liquidation. Nonperforming loans at December 31, 2006 consisted of $795,000 in non-accrual loans and relate to two of the same borrowers. In addition, a loan of $2,194,000 is for a building on which the Company is initiating foreclosure, offset by a charge-off of $285,000 for a loan on non-accrual as of December 31, 2006. Total nonperforming loans increased $1,273,000 from June 30, 2006 to June 30, 2007. This increase was primarily due to a commercial loan which is currently in the foreclosure process.

In addition to the nonperforming loans discussed above, at June 30, 2007, approximately $6,243,000 of loans not included in the table below were identified by management as having potential credit problems. They may also be classified for regulatory purposes. These loans are excluded from the table due to the fact they are current under the original terms of the loans, however circumstances have raised doubts as to the ability of the borrowers to comply with the current loan repayment terms. Included in this balance is $3,245,000 related to one borrower that was renegotiated several years ago and although current under the new terms of the contract, management believes, due to the financial condition of the borrower, there still remains risk as to the collectability of all amounts under the loan agreement. The remaining loans are closely monitored by management and have specific reserves established for the estimated loss exposure.

The allowance for loan losses has been established and is maintained to absorb probable losses in the loan portfolio. An ongoing assessment of risk of loss is performed to determine if the current balance of the allowance is adequate to cover probable losses in the portfolio. A charge or credit is made to expense to cover any deficiency or reduce any excess. The current methodology employed to determine the appropriate allowance consists of two components, specific and general. The Company develops specific valuation allowances on commercial, real estate, and construction loans based on individual review of these loans and an estimate of the borrower's ability to repay the loan given the availability of collateral, other sources of cash flow and collection options available. The general component relates to all other loans, which are evaluated based on loan grade. The loan grade assigned to each loan is typically evaluated on an annual basis, unless circumstances require interim evaluation. The Company assigns a reserve amount consistent with each loan's rating category. The reserve amount is based on derived loss experience over prescribed periods. In addition to the amounts derived from the loan grades, a portion is added to the general reserve to take into account other factors including national and local economic conditions, downturns in specific industries including loss in collateral value, trends in credit quality at the Company and the banking industry, and trends in risk rating changes. As part of their examination process, federal and state agencies review the Company's methodology for maintaining the allowance for loan losses and the balance in the account. These 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.

Summary of Asset Quality

(Dollars in Thousands)	Three Months Ended June 30 2007	Three Months Ended June 30 2006	Six Months Ended June 30 2007	Six Months Ended June 30 2006
Allowance at beginning of period	$ 6,822	$ 6,213	$ 6,592	$ 6,284
Provision charged to expense	225	150	450	300
Loans charged off	285	54	285	278
Recoveries on loans previously charged off	81	3	86	6
Net loans charged-off (recovered)	204	51	199	272
Allowance at end of period	$ 6,843	$ 6,312	$ 6,843	$ 6,312
Loans outstanding:				
Average	$ 528,121	$ 527,842	$ 522,444	$ 528,486
June 30	521,007	531,494	521,007	531,494
Ratio of allowance for loan losses to loans outstanding:				
Average	1.30%	1.20%	1.31%	1.19%
June 30	1.31	1.19	1.31%	1.19
Nonperforming loans:				
Nonaccrual loans	$ 2,855	$ 1,582	$ 2,855	$ 1,582
Loans past due 90 days or more	--	--	--	--
Renegotiated loans	--	--	--	--
Total non performing loans	$ 2,855	$ 1,582	$ 2,855	$ 1,582
Foreclosed assets	--	--	--	--
Nonperforming loans as percentage of average loans	.54%	.30%	.55%	.30%

The Bank had no properties carried as other real estate owned as of June 30, 2007 and 2006 and December 31, 2006.

Operating Expense from Continuing Operations

Total operating expense for the Second Quarter of 2007 increased $1,648,000 or 12% to $15,932,000 compared to the Second Quarter of 2006 due primarily to expenses related to the 16% growth in processing activity. Total operating expense for the First Half of 2007 increased $3,112,000 or 11% to $31,265,000 compared to the First Half of 2006 due primarily to expenses related to the 16% growth in processing activity.

Salaries and benefits expense for the Second Quarter of 2007 increased $1,629,000 or 16% to $11,896,000 compared to the Second Quarter of 2006 and increased $2,898,000 or 14% to $23,435,000 for the First Half of 2007 compared to the First Half of 2006 primarily due to additional headcount to service new transaction business and an increase in bonuses related to the earnings increase over the comparable period last year.

Occupancy expense for the Second Quarter of 2007 increased $47,000 or 10% to $532,000 from the Second Quarter of 2006 and increased $82,000 or 9% from the First Half of 2006 compared to the First Half of 2007.

Equipment expense for the Second Quarter of 2007 increased $134,000 or 18% compared to the Second Quarter of 2006 due to additional depreciation on asset purchases and increased $293,000 or 21% from the First Half of 2006 compared to the First Half of 2007 due also to asset purchases and additional software licenses.

Amortization of intangible assets was $70,000 for the Second Quarter of 2007 compared to $43,000 in 2006 and $140,000 for the First Half of 2007 compared to $86,000 in 2006. The increases were related to the customer list acquired with the NTransit purchase in July 2006.

Other operating expense for the Second Quarter of 2007 decreased $189,000, or 7% compared to the Second Quarter of 2006 and decreased $215,000 from the First Half of 2006 compared to the First Half of 2007. The decreases were due to lower legal and outside services expenses.

Income tax expense for the Second Quarter of 2007 decreased $109,000 or 5% compared to the Second Quarter of 2006 and decreased $141,000 for the First Half of 2007 compared to the First Half of 2006. The effective tax rate was 31.7% and 35.6% for the Second Quarters of 2007 and 2006, respectively and was 32.6% and 35.3% for the Second Halves of 2007 and 2006, respectively. The decreases reflect the impact of the increase in tax-exempt securities.

Financial Condition

Total assets at June 30, 2007 were $935,608,000, an increase of $77,137,000, or 9% from December 31, 2006. The most significant changes in asset balances during this period were an increase of $28,589,000 or 17% in federal funds sold and other short-term investments and an increase of $29,840,000 in securities available for sale. Changes in federal funds sold and other short-term investments reflect the Company's daily liquidity position and are affected by the changes in the other asset balances and changes in deposit and accounts and draft payable balances.

Total liabilities at June 30, 2007 were $846,163,000, an increase of $71,613,000, or 9% from December 31, 2006. Total deposits at June 30, 2007 were $267,208,000, a decrease of $22,686,000 or 8% from December 31, 2006. Accounts and drafts payable at June 30, 2007 were $560,732,000, an increase of $92,339,000 or 20%. Total shareholders' equity at June 30, 2007 was $89,445,000, a $5,524,000 or 6.6% increase from December 31, 2006.

Deposits in the First Half of 2007 decreased as customers moved funds into other higher-yielding investments. Accounts and drafts payable will fluctuate from period-end to period-end due to the payment processing cycle, which results in lower balances on days when checks clear and higher balances on days when checks are issued. For this reason, average balances are a more meaningful measure of accounts and drafts payable (for average balances refer to the tables under the "Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rate and Interest Differential" section of this report).

The increase in total shareholders' equity resulted from net income of $8,378,000, cash received on the exercise of stock options of $16,000, $36,000 tax benefit on stock and option awards, $319,000 from stock-based compensation expense and the FIN 48 tax adjustment of $87,000 offset by dividends paid of $2,009,000 ($.12 per share) and an increase in other comprehensive loss of $1,303,000.

Liquidity and Capital Resources

The balance of liquid assets consists of cash and cash equivalents, which include cash and due from banks, federal funds sold and money market funds, and was $220,573,000 at June 30, 2007, an increase of $24,069,000 or 12% from December 31, 2006. At June 30, 2007 these assets represented 24% of total assets. These funds are the Company's and its subsidiaries' primary source of liquidity to meet future expected and unexpected loan demand, depositor withdrawals or reductions in accounts and drafts payable.

Secondary sources of liquidity include the investment portfolio and borrowing lines. Total investment in securities was $132,589,000 at June 30, 2007, an increase of $29,840,000 from December 31, 2006. These assets represented 14% of total assets at June 30, 2007. Of this total, 86% were state and political subdivision securities, 12% were U.S. Treasury securities and 2% were U.S. government agencies. Of the total portfolio, 13% mature in one year, 29% mature in one to five years, and 58% mature in five or more years. During the Second Quarter of 2007 the Company did not sell any securities.

The Bank has unsecured lines of credit at correspondent banks to purchase federal funds up to a maximum of $29,000,000. Additionally, the Bank maintains a line of credit at unaffiliated financial institutions in the maximum amount of $54,913,000 collateralized by U.S. Treasury and agency securities and commercial and residential mortgage loans.

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 other commercial products of the Bank. The accounts and drafts payable generated by the Company has also historically been a stable source of funds.

Net cash flows provided by operating activities were $13,305,000 for the First Half of 2007 compared with $8,531,000 for the First Half of 2006. This increase is attributable to the increase in net income of $702,000, the increase in net income taxes deferred and payable of $1,043,000, the absence of a loss of $1,853,000 in operating activities related to discontinued operations and the other normal fluctuations in asset and liability accounts. Net cash flows from investing and financing activities fluctuate greatly as the Company actively manages its investment and loan portfolios and customer activity influences changes in deposit and accounts and drafts payable balances. Other causes for the changes in these account balances are discussed earlier in this report. Due to the daily fluctuations in these account balances, the analysis of changes in average balances, also discussed earlier in this report, can be more indicative of underlying activity than the period-end balances used in the statements of cash flows. Management anticipates that cash and cash equivalents, maturing investments and cash from operations will continue to be sufficient to fund the Company's operations and capital expenditures in 2007.

The Company faces market risk to the extent that its net interest income and fair market value of equity are affected by changes in market interest rates. For information regarding the market risk of the Company's financial instruments, see Item 3. "QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK".

Risk-based capital guidelines require the Company to meet a minimum total capital ratio of 8.0% of which at least 4.0% must consist of Tier 1 capital. Tier 1 capital generally consists of (a) common shareholders' equity (excluding the unrealized market value adjustments on the available-for-sale securities), (b) qualifying perpetual preferred stock and related surplus subject to certain limitations specified by the Federal Deposit Insurance Corporation ("FDIC"), (c) minority interests in the equity accounts of consolidated subsidiaries less (d) goodwill, (e) mortgage servicing rights within certain limits, and (f) any other intangible assets and investments in subsidiaries that the FDIC determines should be deducted from Tier 1 capital. The FDIC also requires a minimum leverage ratio of 3.0%, defined as the ratio of Tier 1 capital less purchased mortgage servicing rights to total assets, for banking organizations deemed the strongest and most highly rated by banking regulators. A higher minimum leverage ratio is required of less highly-rated banking organizations. Total capital, a measure of capital adequacy, includes Tier 1 capital, allowance for loan losses, and debt considered equity for regulatory capital purposes.

The Company and the Bank continue to exceed all regulatory capital requirements, as evidenced by the following capital amounts and ratios at June 30, 2007 and December 31, 2006:

June 30, 2007 (In Thousands)	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$ 92,424	13.99%
Cass Commercial Bank	41,769	14.89
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$ 81,881	12.40%
Cass Commercial Bank	38,249	13.64
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$ 81,881	9.49%
Cass Commercial Bank	38,249	11.60

December 31, 2006 (In Thousands)	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$ 85,205	13.64%
Cass Commercial Bank	42,242	14.19
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$ 74,913	11.99%
Cass Commercial Bank	38,511	12.94
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$ 74,913	8.65%
Cass Commercial Bank	38,511	11.25

Inflation

The Company's assets and liabilities are primarily monetary, consisting of cash, cash equivalents, securities, loans, payables and deposits. Monetary assets and liabilities are those that can be converted into a fixed number of dollars. The Company's consolidated balance sheet reflects a net positive monetary position (monetary assets exceed 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 company. Management believes that replacement costs of equipment, furniture, and leasehold improvements will not materially affect operations. The rate of inflation does affect certain expenses, such as those for employee compensation, which may not be readily recoverable in the price of the Company's services.

Impact of New Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes", an Interpretation of SFAS No. 109 "Accounting for Income Taxes". FASB Interpretation No. 48 clarifies the accounting for uncertainty in income taxes in financial statements and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken. The Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The FASB Interpretation is effective for fiscal years beginning after December 15, 2006. The Company implemented FASB Interpretation No. 48 on January 1, 2007, which did not have a material impact on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ("SFAS No. 158"). SFAS No. 158 requires companies to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. The funded status is measured as the difference between the fair value of the plan assets and the projected benefit obligation as of the date of its fiscal year-end. The Company recognized the required changes and disclosures in its consolidated 2006 financial statements.

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB No. 108"). SAB No. 108 provides interpretive guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. This statement is effective for fiscal years ending after November 15, 2006. This bulletin did not have an impact on the Company's consolidated financial statements.

In February 2007, the FASB issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Company is currently assessing the impact of SFAS No. 159 on its financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As described in the Company's annual report on Form 10-K for the year ended December 31, 2006, the Company manages its interest rate risk through measurement techniques that include gap analysis and a simulation model. As part of the risk management process, asset/liability management policies are established and monitored by management. The policy objective is to limit the change in annualized net interest income to 15% from an immediate and sustained parallel change in interest rates of 200 basis points. Based on the Company's most recent evaluation, management does not believe the Company's risk position at June 30, 2007 has changed materially from that at December 31, 2006.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures designed to ensure that the information it is required to disclose in the reports it files with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported to management, including the Chief Executive Officer and Principal Financial Officer, within the time periods specified in the rules of the SEC. The Company's Chief Executive Officer and Principal Financial Officer have evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of June 30, 2007 and based on their evaluation, believe that, as of June 30, 2007, these controls and procedures were effective at the reasonable assurance level to ensure that the Company is able to collect, process and disclose the information it is required to disclose in the reports it files with the SEC within the required time periods.

There were no changes in the second quarter of 2007 in the Company's internal control over financial reporting identified by the Chief Executive Officer and Principal Financial Officer in connection with their evaluation that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended).

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

The Company has included in Part I, Item 1A of its annual report on Form 10-K for the year ended December 31, 2006, a description of certain risks and uncertainties that could affect the Company's business, future performance or financial condition (the "Risk Factors"). There are no material changes to the Risk Factors as disclosed in the Company's 2006 annual report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

At the annual meeting of the shareholders of Cass Information Systems, Inc. held on April 16, 2007, the following proposals were voted on and approved:

The following is a summary of votes cast. No broker non-votes were received.

Proposal to elect four directors for a term of three years ending 2010:

	For	Withheld Authority
Lawrence A. Collett	6,720,713	164,343
Wayne J. Grace	6,742,295	142,761
James J. Lindemann	6,742,553	142,503
Andrew J. Signorelli	6,710,169	174,887

Proposal to elect one director for a term of two years ending 2009:

	For	Withheld Authority
John J. Gillis, Jr.	6,729,053	156,003

Proposal to approve the 2007 Omnibus Incentive Stock Plan:

For	Against	Abstain
5,238,068	163,960	107,615

Proposal to ratify KPMG LLP as independent registered public accounting firm for 2007:

For	Against	Abstain
6,834,308	15,995	34,755

ITEM 5. OTHER INFORMATION

(a) None

(b) There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board of Directors since the filing of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2007.

ITEM 6. EXHIBITS

Exhibit 10.1 2007 Omnibus Incentive Stock Plan.

Exhibit 31.1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CASS INFORMATION SYSTEMS, INC.

DATE: August 6, 2007 By /s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: August 6, 2007 By /s/ P. Stephen Appelbaum

P. Stephen Appelbaum
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

CASS INFORMATION SYSTEMS, INC.
2007 OMNIBUS INCENTIVE STOCK PLAN

ARTICLE I
PURPOSE

The purpose of the Cass Information Systems, Inc. 2007 Omnibus Incentive Stock Plan (the "Plan") is to provide incentive opportunities for Non-Employee Directors and key Employees, and to align their personal financial interest with the Company's stockholders. The Plan includes provisions for stock options, stock appreciation rights, restricted stock, restricted stock units and performance related awards.

ARTICLE II
DEFINITIONS

2.1 "BOARD" OR "BOARD OF DIRECTORS" means the Board of Directors of the Company.

2.2 "CHANGE OF CONTROL" means one or more of the following occurrences:

(a) Any individual, corporation (other than the Company), partnership, trust, association, pool, syndicate, or any other entity or any group of persons acting in concert, becomes a beneficial owner (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934) of securities of the Company possessing more than one-third (1/3) of the voting power for the election of the Board of Directors;

(b) The consummation of any consolidation, merger, or other business combination involving the Company in which holders of voting securities of the Company, immediately prior to such consummation, own, as a group, immediately after such consummation, voting securities of the Company (or, if the Company does not survive such transaction, voting securities of the entity surviving such transaction) having less than two-thirds (2/3) of the total voting power in an election of the directors of the Company or such other surviving entity;

(c) During any period of two (2) consecutive years, individuals, who at the beginning of such period, constitute members of the Board of Directors cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company's stockholders, of each new director of the Company is approved by a vote of at least two-thirds (2/3) of the members of the Board of Directors then still in office who are directors of the Company at the beginning of any such period; or

(d) The consummation of any sale, lease, exchange, or other transfer (in one transaction or in a series of related transactions) of all, or substantially all, of the assets of the Company (on a consolidated basis) to a party which is not controlled by or under common control with the Company.

In the event that any provision of this definition of Change in Control provides for a smaller degree of change of ownership than that required in the corresponding meaning of change in the ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company under Proposed Treasury Regulation 1.409A-3(g)(5) or any successor regulation and the benefit which becomes vested or payable on account of a Change in Control is subject to Code Section 409A, the determination as to whether there has been a Change in Control shall be determined by the provisions of such Proposed Treasury Regulation 1.409A-3(g)(5) or any successor regulation.

2.3 "CODE" means the Internal Revenue Code of 1986, as amended from time to time.

2.4 "COMPANY" means Cass Information Systems, Inc., a Missouri corporation, and any successor corporation by merger or otherwise. When the context so admits or requires, "Company" includes Subsidiaries.

2.5 "COMMITTEE" means a committee of two (2) or more members of the Board appointed by the Board of Directors to administer the Plan pursuant to Article III herein. A person may serve on the Committee only if he or she is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and satisfies the requirements of an "outside director" for purposes of Code Section 162(m).

2.6 "EMPLOYEE" means any person employed by the Company or a Subsidiary on a full-time salaried basis. The term "Employee" shall not include a person hired as an independent contractor, leased employee, consultant or a person otherwise designated by the Committee at the time of hire as not eligible to participate in the Plan.

2.7 "FAIR MARKET VALUE" means, as of any given date, the value of Stock determined as follows:

(i) the last reported sale price of the Stock as quoted on The NASDAQ Stock Market on such date (or, if such date is not a trading day, the immediately preceding trading day) or, if no such reported sale takes place on any such date, the average of the closing bid and asked prices on such date (or, if such date is not a trading day, the immediately preceding trading day);

(ii) if the Stock is then listed on another national securities exchange, the last reported sale price or, if no such reported sale takes place on any such day, the average of the closing bid and asked prices on the principal national securities exchange on which the Stock is listed or admitted to trading; or

(iii) if none of the foregoing is applicable, then the Fair Market Value of a share of Stock shall be determined in good faith by the Committee in its discretion.

2.8 "INCENTIVE STOCK OPTION" or "ISO" means an Option grant which meets or complies with the terms and conditions set forth in the Code Section 422 and applicable regulations.

2.9 "INDICATORS OF PERFORMANCE" means the criteria used by the Committee to evaluate the Company's performance with respect to awards under the Plan including: the Company's Pretax Income; Net Income; Earnings Per Share; Revenue; Fee Revenue; Expenses; Return on Assets; Return on Equity; Return on Investment; Net Profit Margin; Operating Profit Margin; Discretionary Cash Flow (net cash provided by operating activities, less estimated total changes in operating assets and liabilities); Total Stockholder Return; Share Price; Lease Operating Expenses; Earnings before Income Tax, Depreciation and Amortization (EBITDA); Capitalization; Liquidity; Reserve Adds or Replacement; Funding and Development Costs; Production Volumes; Results of Customer Satisfaction Surveys and other measures of Quality, Safety, Productivity, Cost Management or Process Improvement or other measures the Committee approves. The Committee has the discretion to select the particular Indicators of Performance to be utilized in determining awards, and such Indicators of Performance may vary between Performance Periods and different awards. In addition, such Indicators of Performance may be determined solely by reference to the performance of the Company, a Subsidiary, or a division or unit of any of the foregoing, or based upon comparisons of any of the performance measures relative to other companies. In establishing an Indicator of Performance, the Committee may exclude the impact of any event or occurrence which the Committee determines should appropriately be excluded such as, for example, a restructuring or other nonrecurring charge, an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, or a change in accounting standards required by U.S. generally accepted accounting principles.

2.10 "NON-EMPLOYEE DIRECTOR" means any person duly elected a director of the Company who is not an Employee of the Company.

2.11 "OPTION" or "STOCK OPTION" means a right granted under the Plan to an Participant to purchase a stated number of shares of Stock at a stated exercise price.

2.12 "PARTICIPANT" means an Employee or Non-Employee Director who has received or been granted a benefit under the Plan.

2.13 "PERFORMANCE AWARD" means an award established by the Committee pursuant to Article X.

2.14 "PERFORMANCE AWARD PARTICIPANT" means any eligible Employee so designated by the Committee.

2.15 "PERFORMANCE PERIOD" means a period established by the Committee of not less than one year, at the conclusion of which performance-based compensation, subject to the terms of the Performance Award, becomes vested and non-forfeitable or settlement is made with a Performance Award Participant with respect to the Performance Award.

2.16 "RESTRICTED STOCK" means Stock granted pursuant to Article VIII of the Plan.

2.17 "RESTRICTED STOCK UNIT" or "RSU" means Restricted Stock Unit granted pursuant to Article IX of the Plan. RSU's are similar to Restricted Stock except that no shares of stock are actually issued to a Participant. Instead, a Participant is granted units and each unit has a Fair Market Value equal to the Fair Market Value of a share of Stock as of any given date.

2.18 "RESTRICTION PERIOD" is the period of time during which shares of Restricted Stock or RSUs are subject to forfeiture if the restrictions applicable to such shares or RSUs are violated, as determined by the Committee.

2.19 "SPREAD" means, with respect to a SAR, the difference of the Fair Market Value of a share of Stock on the exercise date and the Fair Market Value of a share of Stock on the grant date.

2.20 "STOCK" means the common stock of the Company.

2.21 "STOCK APPRECIATION RIGHT" or "SAR" means a right to receive a payment equal to the excess of the Fair Market Value of Stock as of the exercise date over the exercise price specified in the SAR.

2.22 "SUBSIDIARY" means any corporation or similar legal entity (other than the Company) in which the Company or a Subsidiary of the Company owns fifty percent (50%) or more of the total combined voting power of all classes of stock, provided that, with regard to Incentive Stock Options, "Subsidiary" shall have the meaning provided under Section 424(f) of the Code.

2.23 "TEN PERCENT STOCKHOLDER" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) Stock possessing more than ten percent (10%) of the total combined voting power of all classes of Stock of the Company or any of its affiliates.

2.24 "TERMINATED FOR CAUSE" and "TERMINATION FOR CAUSE" means termination by the Company of the Participant's employment or service by reason of: (a) an order of any federal or state regulatory authority having jurisdiction over the Company or any Subsidiary; (b) the willful failure of the Participant substantially to perform his or her duties set forth by his or her employment agreement (other than any such failure due to the Participant's physical or mental illness); (c) a willful breach by the Participant of any material provision of any written agreement with the Company or any Subsidiary; (d) the Participant's commission of a crime that constitutes a felony or other crime of moral turpitude or criminal fraud; (e) chemical or alcohol dependency which materially and adversely affects the Participant's performance of his or her duties to the Company or any Subsidiary; (f) any act of disloyalty or breach of responsibilities to the Company or any Subsidiary, which is intended by the Participant to cause material harm to the Company; (g) misappropriation (or attempted misappropriation) of any of the Company's or any Subsidiary's funds or property by the Participant; or (h) the Participant's material and intentional violation of any Company or Subsidiary policy applicable to the Participant.

2.25 "TOTAL DISABILITY" and "TOTALLY DISABLED" means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code, as determined by the Committee in good faith, upon receipt of and reliance on sufficient competent medical advice.

ARTICLE III
ADMINISTRATION

3.1 THE COMMITTEE. The Plan shall be administered by the Committee. Subject to such approvals and other authority as the Board may reserve to itself from time to time, the Committee shall, consistent with the provisions of the Plan, from time to time establish such rules and regulations and appoint such agents as it deems appropriate for the proper administration of the Plan, and make such determinations under, and such interpretations of, and take such steps in connection with the Plan, Options, SARs, Restricted Stock, RSUs or Performance Awards as it deems necessary or advisable.

3.2 AUTHORITY OF THE COMMITTEE. Subject to the provisions herein, the Committee shall have the full power to determine the size and types of grants of Options, SARs, Restricted Stock, RSUs and Performance Awards; to determine the terms and conditions of such grants and Performance Awards in a manner consistent with the Plan; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend or waive rules and regulations for the Plan's administration; and to amend the terms and conditions of any outstanding Options, SARs, Restricted Stock, RSUs or Performance Awards to the extent such terms and conditions are within the sole discretion of the Committee as provided in the Plan and subject to the limitations and restrictions otherwise applicable under the Plan including those contained in Article XIII. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authority hereunder. The Committee may take any action consistent with the terms of the Plan which the Committee deems necessary to comply with any government laws or regulatory requirements of a foreign country, including, but not limited to, modifying the terms and conditions governing any Options, SARs, Restricted Stock, RSUs or Performance Awards, or establishing any local country plans as sub-plans to this Plan.

3.3 DECISIONS BINDING. All determinations and decisions of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding and conclusive upon all parties.

3.4 COMMITTEE AWARDS. Award to non-employee directors of the Company who are Committee members shall be made by the Board of Directors except that a Committee member shall not participate in any Board determinations relating to grants of awards to such Committee member.

ARTICLE IV
ELIGIBILITY

Those Employees who, in the judgment of the Committee, may make key contributions to the profitability and growth of the Company shall be eligible to receive Options, SARs, Restricted Stock, RSUs and Performance Awards under the Plan. All Non-Employee Directors shall be eligible to receive Options (other than ISOs), SARs, Restricted Stock and RSUs under the Plan.

ARTICLE V
MAXIMUM SHARES AVAILABLE

5.1 AUTHORIZED SHARES OF STOCK. The Stock to be distributed under the Plan may be either authorized and issued shares or unissued shares of the Stock, including but not limited to such shares held as treasury shares. Subject to Article XI, the maximum amount of Stock which may be issued under the Plan in satisfaction of exercised award or issued as Restricted Stock shall not exceed, in the aggregate, eight hundred thousand (800,000) shares.

5.2 INDIVIDUAL LIMITS ON GRANTS. Under the Plan, no Employee or Non-Employee Director shall be awarded, during the term of the Plan, Options, SARs, RSUs and Restricted Stock covering more than eighty thousand (80,000) shares of Stock on an annual basis. For purposes of this Section 5.2, a grant of one SAR or RSU shall be treated as a grant of one share of Stock.

5.3 LAPSED AWARDS. Stock subject to an Option which for any reason is can celled or terminated without having been exercised or Stock awarded as Restricted Stock which is forfeited, shall again be available for grants under the Plan.

ARTICLE VI
STOCK OPTIONS

6.1 GRANT OF OPTIONS.

(a) The Committee may, at any time and from time to time on or after the effective date of the Plan, grant Options under the Plan to eligible Participants, for such numbers of shares of Stock and having such terms as the Committee shall designate, subject however, to the provisions of the Plan. The Committee may also determine the type of Option granted (e.g., ISO, nonstatutory, other statutory Options as from time to time may be permitted by the Code) or a combination of various types of Options. Options designated as ISOs shall comply with all the provisions of Section 422 of the Code and applicable regulations and shall not be granted to Non-Employee Directors (for this purpose only, a Non-Employee Director shall not be considered a Participant). The aggregate Fair Market Value (determined at the time the Option is granted) of Stock with respect to which ISOs are exercisable for the first time by an individual during a calendar year under all plans of the Company, any Subsidiary shall not exceed one hundred thousand dollars ($100,000). Upon determination by the Committee that an Option is to be granted to a Participant, written notice shall be given to such person as soon as practicable, specifying the terms, conditions, rights and duties related thereto. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern. Any individual at any one time and from time to time may hold more than one Option granted under the Plan or under any other Stock plan of the Company.

(b) Each Option shall be evidenced by a "Stock Option Agreement" in such form and containing such provisions consistent with the provisions of the Plan as the Committee from time to time shall approve.

(c) In the event that an ISO does not comply with all the provisions of Section 422 of the Code and applicable regulations, such Option shall become a nonqualified stock Option on the date of said noncompliance.

6.2 EXERCISE PRICE. The price at which shares of Stock may be purchased under an Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Stock on the date the Option is granted. Notwithstanding the foregoing, a Ten Percent Stockholder shall not be granted an ISO unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Stock on the date such Option is granted.

6.3 OPTION PERIOD. The period during which an Option may be exercised shall be determined by the Committee, provided that such period shall not be less than one (1) year from the date on which the Option is granted or longer than: (a) ten (10) years from the date on which the Option is granted in the case an ISO; (b) five (5) years from the date on which the Option is granted with respect to a grant of an ISO to a Ten Percent Stockholder; and (c) ten (10) years and one (1) day from the date on which the Option is granted in the case of other Options.

6.4 VESTING OF OPTIONS. Except as provided in Section 6.5, the date or dates on which installment portions of an Option shall vest and may be exercised during the term of an Option shall be determined by the Committee and may vary from Option to Option, provided that no more than one-third (1/3) of the shares of Stock subject to an Option may vest in any one (1) year. The vesting of any Option may also be conditioned on the achievement of Indicators of Performance established by the Committee. Notwithstanding anything in this Section 6.4 to the contrary but subject to the provisions of this Plan and

Board approval, the Committee may, on an individual basis, accelerate the time at which installment portion(s) of an outstanding Option may be exercised.

6.5 TERMINATION OF SERVICE. Subject to the provisions of this Section 6.5, an Option shall terminate at the end of and may be exercised, to the extent the Option is exercisable under the Option Agreement, within the period not to exceed the lesser of (a) ninety (90) days after the Participant ceases to be an Employee or Non-Employee Director for any reason other than Total Disability or death or (b) the remaining term of the Option award. If an Employee's or Non-Employee Director's employment or service is terminated by reason of Total Disability, all Options granted to such Participant will become fully exercisable upon such termination and may be exercised within the period not to exceed the lesser of: (a) one (1) year following such termination; or (b) the remaining term of the Option award. If an Employee or Non-Employee Director of the Company dies while in the employ or service of the Company or a Subsidiary or within ninety days after the termination of such employment or service, Options granted to such Participant shall become fully exercisable on the Participant's death and may, within the lesser of (a) twelve (12) months after the Participant's death or (b) the remaining term of the Option award, be exercised by the person or persons to whom the Participant's rights under the Option shall pass by will or by the applicable laws of descent and distribution. Unless otherwise specifically provided in the Option agreement, no Option may be exercised after a Participant's service with the Company or a Subdivision is Terminated for Cause. In no event may an Option be exercised to any extent by anyone after the expiration or termination of the Option as provided in this Section 6.5 except that the Committee may elect to extend the period of Option exercise and vesting provisions for an Employee or Non-Employee Director whose employment or service with the Company terminates for any reason.

6.6 PAYMENT FOR SHARES. The exercise price of an Option shall be paid to the Company in full at the time of exercise at the election of the Participant: (a) in cash; (b) in shares of Stock having a Fair Market Value equal to the aggregate exercise price of the Option and satisfying such other requirements as may be imposed by the Committee; (c) partly in cash and partly in such shares of Stock; (d) through the withholding of shares of Stock (which would otherwise be delivered to the Participant) with an aggregate Fair Market Value on the exercise date equal to the aggregate exercise price of the Option; or (e) through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate exercise price of the Option. The Committee may limit the extent to which shares of Stock may be used in exercising Options. No Participant shall have any rights to dividends or other rights of a stockholder with respect to shares of Stock subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such shares of Stock and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

ARTICLE VII
STOCK APPRECIATION RIGHTS

7.1 GRANT OF SARs.

(a) The Committee may authorize grants to any Participant of Stock Appreciation Rights upon such terms and conditions as it may determine in accordance with this Article VII. A Stock Appreciation Right will be a right of the Participant to receive from the Company upon exercise an amount determined by the Committee at the date of grant and expressed as a percentage of the Spread (not to exceed 100 percent) at the time of exercise.

(b) Each grant will specify the number of shares of Stock in respect of which it is made and the term during which it may be exercised.

(c) Each SAR shall be evidenced by a "Stock Appreciation Right Agreement" in such form and containing such provisions consistent with the provisions of the Plan as the Committee from time to time shall approve.

7.2 EXERCISE PRICE; PAYMENT ON EXERCISE.Each grant made will specify the exercise price, which will not be less than 100% of the Fair Market Value per share of Stock on the date of grant for each SAR subject to the grant. A grant may provide that the amount payable on exercise of a Stock Appreciation Right may be paid: (a) in cash; (b) in shares of Stock having an aggregate Fair Market Value per Share equal to the Spread (or the designated percentage of the Spread); or (c) in a combination thereof, as determined by the Committee in its discretion. Such payment shall be made no later than March 15 of the year immediately following the last day of the year in which the exercise occurs or by a later date by which such payment may be made so that the payment falls under the short term deferred exception of Code

Section 409A. A grant may specify that the amount payable to the Participant on exercise of a SAR may not exceed a maximum amount specified by the Committee at the date of grant.

7.3 SUCCESSIVE GRANTS.Successive grants of SARs may be made to the same Participant whether or not any Stock Appreciation Rights or other award previously granted to such Participant remain unexercised or outstanding.

7.4 EXERCISABILITY OF SARs.

(a) Each SAR grant shall specify the required period or periods of continuous service by the Participant with the Company or any Subsidiary that are necessary before the Stock Appreciation Rights or installments thereof become exercisable, and provide that (i) no more than one third of the SARs under a specific grant sale becomes exercisable in one year and (ii) no SAR may be exercised except at a time when the Spread is positive. Notwithstanding anything in this Section 7.4 to the contrary but subject to the provisions of this Plan and Board approval, the Committee may, on an individual basis, accelerate the time at which installment portions of outstanding SARs may be exercised.

(b) A grant may specify Indicators of Performance that must be achieved as a condition to the exercise of the Stock Appreciation Rights.

(c) No Stock Appreciation Right shall be exercisable prior to one (1) year from the date of grant and more than ten (10) years from the date of grant.

(d) An SAR shall terminate at the end of, and may be exercised to the extent the SAR is exercisable under the SAR agreement, within the period not to exceed the lesser of (a) ninety (90) days after the Participant ceases to be an Employee or Non-Employee Director for any reason other than Total Disability or death or (b) the remaining term of the SAR award. If an Employee's or Non-Employee Director's employment or service with the Company or a Subsidiary is terminated by reason of Total Disability, all SARs granted to such Participant will become fully exercisable upon such termination and may be exercised within the period not to exceed the lesser of: (a) one (1) year following such termination; or (b) the remaining term of the SAR award. If an Employee or Non-Employee Director of the Company dies while in the employ or service of the Company or a Subsidiary or within ninety days after the termination of such employment or service, SARs granted to such Participant shall become fully exercisable on the Participant's death and may, within the lesser of (a) twelve (12) months after the Participant's death or (b) the remaining term of the SAR award, be exercised by the person or persons to whom the Participant's rights under the SAR shall pass by will or by the applicable laws of descent and distribution. In no event may an SAR be exercised to any extent by anyone after the expiration or termination of the SAR as provided in this Section 6.5 except that the Committee may elect to extend the period of SAR exercise and vesting provisions for an Employee or Non-Employee Director whose employment or service with the Company terminates for any reason.

(e) Unless otherwise specifically provided in the SAR agreement , no Stock Appreciation Right may be exercised after a Participant's service with the Company or a Subsidiary has been Terminated for Cause.

7.5 NO RIGHTS AS STOCKHOLDER. No Participant shall have any rights to dividends or other rights of a stockholder of Stock with respect to an SAR.

ARTICLE VIII
RESTRICTED STOCK

8.1 TERMS OF GRANT. At the time of making a grant of Restricted Stock to a Participant, the Committee shall establish a Restriction Period during which shares of Restricted Stock are subject to forfeiture if the restrictions applicable to such shares are violated. Except as provided in Section 8.3, forfeiture restrictions on a grant of Restricted Stock shall lapse in a calendar year with respect to no more than one third of the shares subject to such grant except that the Committee may, subject to the provisions of this Plan and Board approval, on an individual basis, accelerate the time at which restrictions on Restricted stock lapse. The Committee shall and assign such terms, conditions and other restrictions to the Restricted Stock as it shall determine. The vesting of any such Restricted Stock may be conditioned on the achievement of Indicators of Performance during a Performance Period established by the Committee. All restrictions imposed with respect to a grant of Restricted Stock must lapse within ten years of such grant.

8.2 RESTRICTED STOCK - RIGHTS. Restricted Stock will be represented by a Stock certificate registered in the name of the Restricted Stock recipient. Such certificate, accompanied by a separate, duly-endorsed stock power, shall be deposited with the Company. Instead of issuing certificates, the Company may elect to have unvested shares of Restricted Stock held in book entry form on the books of the Company depository or another institution designated by the Company if and only to the extent permitted by applicable laws and the Company's Articles of Incorporation and Bylaws. The recipient shall be entitled to receive dividends during the Restriction Period and shall have the right to vote such Restricted Stock and all other stockholder's rights, with the exception that: (a) the recipient will not be entitled to delivery of the Stock certificate during the Restriction Period; (b) the Company will retain custody of the Restricted Stock during the Restriction Period; and (c) the non-fulfillment of the terms and conditions established by the Committee pursuant to the grant shall cause a forfeiture of the Restricted Stock. The Committee may, in addition, prescribe additional restrictions, terms and conditions upon or to the Restricted Stock.

8.3 TERMINATION OF SERVICE. The Committee may establish such rules concerning the termination of service of a recipient of Restricted Stock prior to the expiration of the applicable Restriction Period as it may deem appropriate; provided, however, that if an Employee or Non-Employee Director terminates service by reason of death or Total Disability, the applicable forfeitable restrictions will lapse upon such death or occurrence of Total Disability. Unless otherwise specifically provided in the Restricted Stock Agreement, Restricted Stock will be forfeited immediately upon termination of a Participant's service with the Company or a Subsidiary if the Participant's employment is Terminated for Cause.

8.4 RESTRICTED STOCK AGREEMENT. Each grant of Restricted Stock shall be evidenced by a "Restricted Stock Agreement" in such form and containing such terms and conditions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

8.5 LEGEND ON CERTIFICATES. The Committee may legend the certificates representing Restricted Stock to give appropriate notice of such restrictions. For example, the Committee may determine that some or all certificates representing shares of Restricted Stock shall bear the following legend:

> `THE SALE OR OTHER TRANSFER OF THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE, WHETHER VOLUNTARY, INVOLUNTARY, OR BY OPERATION OF LAW, IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AS SET FORTH IN THE CASS INFORMATION SYSTEMS, INC. OMNIBUS 2007 INCENTIVE STOCK PLAN, AND IN A RESTRICTED STOCK AGREEMENT. A COPY OF THE PLAN AND SUCH RESTRICTED STOCK AGREEMENT MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY.'

8.6 RETURN OF RESTRICTED STOCK TO COMPANY. On the date set forth in the applicable Restricted Stock Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Company and thereafter shall be available for grant under the Plan.

8.7 SECTION 83(b) ELECTION. The Committee may provide in a Restricted Stock Agreement that the award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the award under Code Section 83(b). If a Participant makes an election pursuant to Code Section 83(b) with respect to a Restricted Stock award, the Participant shall be required to promptly file a copy of such election with the Company.

ARTICLE IX
RESTRICTED STOCK UNITS

9.1 GRANT OF RSUs. The Committee may authorize grants to any Participant of RSUs upon such terms and conditions as it may determine in accordance with this Article IX. A RSU is the right of the Participant to receive from the Company, upon vesting of the RSU, an amount or a percentage of the amount not to exceed 100 percent, equal to the number of RSUs becoming vested multiplied by the Fair Market Value of a share of Stock on the vesting date.

(a) Each grant will specify the number of RSUs being granted.

(b) Each RSU shall be evidenced by a "Restricted Stock Unit Agreement" in such form and containing such provisions consistent with the provisions of the Plan as the Committee from time to time shall approve.

(c) Each grant shall be evidenced by a "Restricted Stock Unit Agreement," in such form and containing such provisions consistent with the provisions of the Plan as the Committee from time to time shall approve.

9.2 PAYMENT ON VESTING. A grant may provide that the amount payable on vesting of a RSU may be paid: (a) in cash; (b) in shares of Stock having an aggregate Fair Market Value equal to the amount payable (or the designated percentage of the amount payable); or (c) in a combination thereof, as determined by the Committee in its discretion. Such payment shall be made no later than March 15 of the year immediately following the calendar year in which the vesting occurs or by a later date by which such payment may be made so that the payment falls under the short term deferral exception of Code Section 409A. A grant may specify that the amount payable to the Participant on vesting of an RSU may not exceed a maximum amount specified by the Committee at the date of grant.

9.3 SUCCESSIVE GRANTS. Successive grants of RSUs may be made to the same Participant whether or not any RSUs or other award previously granted to such Participant remain unexercised or outstanding.

9.4 VESTING OF RSUs. At the time of making a grant of RSUs to a Participant, the Committee shall established a Restriction Period during which RSUs are subject to forfeiture if restrictions applicable to such RSUs are violated.

(a) The Committee may assign such terms, conditions and other restrictions to the RSUs as it will determine.

(b) A grant may specify the Indicators of Performance that must be achieved as a condition to the vesting of an RSU grant.

(c) No more than one third of the RSUs in a grant shall become vested in a calendar year except that RSUs shall be fully vested on a Participant's death or Total Disability and the Committee, subject to the provisions of this Plan and Board approval, may accelerate the time, on an individual basis, at which RSUs vest.

(d) RSUs subject to a grant must be fully vested within ten (10) years from the date of grant.

(e) Unless otherwise specifically provided in the Restricted Stock Unit Agreement, no RSU may vest after a Participant's service with the Company or a Subsidiary has been Terminated for Cause.

9.5 NO RIGHTS AS A STOCKHOLDER. No Participant shall have rights to dividends, vesting, voting or other rights as a shareholder of Stock with respect to RSUs.

ARTICLE X
PERFORMANCE AWARDS

10.1 PERFORMANCE AWARDS. Performance Awards pursuant to this Article X are based upon achieving established Indicators of Performance over a Performance Period. At the time of making a Performance Award, the Committee shall establish such terms and conditions as it shall determine applicable to such Performance Award. Performance Awards shall be paid not later than March 15 of the calendar year immediately following the calendar year in which the Performance Period ends or by a later date by which such payment may be made so that the payment falls under the short term deferral exception of Code Section 409A. Recipients of Performance Awards are not required to provide consideration for such Awards other than the rendering of service. A Performance Award shall be paid in cash. For avoidance of doubt, a Performance Award under this Article X is not in lieu of any annual bonus plan or other bonus program established and approved by the Board of Directors from time to time.

10.2 ADMINISTRATIVE PROCEDURE. The Committee shall designate Employees as Performance Award Participants to become eligible to receive Performance Awards and shall establish Performance Periods, provided that, as calculated by the Committee: (a) the cash covered by all Awards granted under the Plan during a calendar year shall not exceed five million dollars ($5,000,000); and (b) the cash covered by all awards granted to an individual under the Plan during a calendar year shall not exceed two million five hundred thousand dollars ($2,500,000).

10.3 INDICATORS OF PERFORMANCE. The Committee shall establish Indicators of Performance applicable to the Performance Period. Indicators of Performance are utilized to determine amount and timing of Performance Awards, and may vary between Performance Periods and different Performance Awards.

10.4 AWARD ADJUSTMENT. Subject to the terms of the Performance Award, the Committee may make downward adjustments in Awards to Performance Award Participants.

10.5 PARTIAL PERFORMANCE PERIOD PARTICIPATION. Subject to applicable restrictions under Section 162(m) of the Code, the Committee shall determine the extent to which an Employee shall participate in a partial Performance Period because of becoming eligible to be a Performance Award Participant after the beginning of such Performance Period. In the event a Performance Award Participant's employment with the Company is terminated for any reason, other than after a Change of Control, prior to completing at least fifty (50) percent of the Performance Period for a Performance Award, no payment shall be made pursuant to the Performance Award. In the event a Performance Award Participant's employment with the Company is terminated (i) on account of termination by the Company for other than Termination for Cause, (ii) death or (iii) Total Disability after completing at least fifty (50) percent of the Performance Period for a Performance Award, such Performance Award Participant shall be paid a pro rata portion of the Performance Award, if the Indicators of Performance are met, no later than March 15 of the year immediately following the calendar year in which his or her employment is terminated or by a later date by which such payment may be made so that the payment falls under the short term deferral exception of Code Section 409A. No payment shall be made pursuant to a Performance Award if the Performance Award Participant's employment with the Company is voluntarily terminated by him or her for any reason or is Terminated for Cause prior to the end of the Performance Period.

ARTICLE XI
ADJUSTMENT UPON CHANGES IN STOCK

The number of shares of Stock, including limits under Sections 5.1 and 5.2, which may be issued pursuant to this Plan, the number of shares covered by, and the exercise price per share of, each outstanding Option and SAR, the number of shares granted as Restricted Stock and the number of RSUs, shall be adjusted proportionately, and any other appropriate adjustments shall be made, for any increase or decrease in the total number of issued and outstanding shares of Stock (or change in kind) resulting from any change in the Stock through a merger, consolidation, reorganization, recapitalization, subdivision or consolidation of shares or other capital adjustment or the payment of a Stock dividend or other increase or decrease (or change in kind) in such shares. In the event of any such adjustment, fractional shares shall be eliminated. Except as otherwise determined by the Committee, no change shall be made to an Incentive Stock Option under this Article XI to the extent it would constitute a "modification" under section 424(h)(3) of the Code.

ARTICLE XII
CHANGE IN CONTROL

Notwithstanding anything to the contrary in the Plan, upon a Change in Control of the Company, the following shall apply:

(a) If a Change of Control occurs during a Restriction Period(s) applicable to Restricted Stock and RSUs issued under the Plan, all restrictions imposed hereunder on such Restricted Stock and RSUs shall lapse effective as of the date of the Change in Control;

(b) If a Change in Control occurs during a Performance Period(s) applicable to an award granted under the Plan, a Performance Award Participant shall earn no less than the award of cash which the Performance Award Participant would have earned if applicable Indicator(s) of Performance had been achieved and the Performance Period(s) had terminated as of the date of the Change in Control; and

(c) Any outstanding Options and SARs that are not exercisable shall become exercisable effective as of the date of a Change in Control. If an Participant's employment is terminated within two (2) years after the effective date of a Change in Control for a reason other than a Termination for Cause, to the extent that any Option or SAR was exercisable at the time of the Participant's termination of employment, such Option or SAR, other than an ISO, may be exercised within the lesser of: (a) twelve (12) months following the date of termination of employment, or (b) the term of the Option or SAR.

ARTICLE XIII
MISCELLANEOUS

13.1 EFFECT ON OTHER PLANS. Except as otherwise required by law, no action taken under the Plan shall be taken into account in determining any benefits under any pension, retirement, thrift, profit sharing, group insurance or other benefit plan maintained by the Company or any Subsidiary, unless such other plan specifically provides for such inclusion.

13.2 TRANSFER RESTRICTIONS. No Option (except as provided in Section 13.2), SAR or RSU, grant of Restricted Stock or Performance Award under this Plan shall be transferable other than by will or the laws of descent and distribution. Any Option or SAR shall be exercisable: (a) during the lifetime of an Participant, only by the Participant or, to the extent permitted by the Code, by an appointed guardian or legal representative of the Participant; and (b) after death of the Participant, only by the Participant's legal representative or by the person who acquired the right to exercise such Option or SAR by bequest or inheritance or by reason of the death of the Participant.

13.3 TRANSFER OF OPTIONS. The Committee may, in its discretion, authorize all or a portion of the Options to be granted to an Participant to be on terms which permit transfer by such Participant to an immediate family member of the Participant who acquires the options from the Participant through a gift or a domestic relations order. For purposes of this Article XIII, Section 13.3, "family member" includes any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, trusts for the exclusive benefit of these persons and any other entity owned solely by these persons, provided that the Stock Option agreement pursuant to which such Options are granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section and provided further that subsequent transfers of transferred Options shall be prohibited except in accordance with Article XIII, Section 13.2. Following transfer, any such Options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of termination of employment of Article VI, Section 6.5 hereof shall continue to be applied with respect to the original Participant, following which the Options shall be exercisable by the transferee only to the extent and for the periods specified in Article VI, Section 6.5. Notwithstanding the foregoing, an ISO may not be transferred to a family member in accordance with this Section 13.3.

13.4 WITHHOLDING TAXES. The Company shall have the right to withhold from any settlement hereunder any federal, state, or local taxes required by law to be withheld, or require payment in the amount of such withholding. If settlement hereunder is in the form of Stock, such withholding may be satisfied by the withholding of shares of Stock by the Company, unless the Participant shall pay to the Company an amount sufficient to cover the amount of taxes required to be withheld, and such withholding of shares does not violate any applicable laws, rules or regulations of federal, state or local authorities.

13.5 TRANSFER OF EMPLOYMENT. Transfer of employment or consulting assignment between the Company and a Subsidiary shall not constitute termination of employment or service for the purpose of the Plan. Whether any leave of absence shall constitute termination of employment for the purposes of the Plan shall be determined in each case by the Committee.

13.6 ADMINISTRATIVE EXPENSES. All administrative expenses associated with the administration of the Plan shall be paid by the Company.

13.7 TITLES AND HEADINGS. The titles and headings of the articles in this Plan are for convenience of reference only and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.8 NO GUARANTEE OF CONTINUED EMPLOYMENT OR SERVICE. No grant or award to an Employee under the Plan or any provisions thereof shall constitute any agreement for or guarantee of continued employment by the Company and no grant or award to a Non-Employee Director shall constitute any agreement for or guarantee of continuing as a Non-Employee Director.

13.9 COMMITTEE DUTIES AND POWERS. The Committee shall have such duties and powers as may be necessary to discharge its responsibilities under this Plan, including, but not limited to, the ability to construe and interpret the Plan and resolve any ambiguities with respect to any of the terms and provisions hereof as written and as applied to the operation of the Plan.

13.10 PROCEEDS. The proceeds received by the Company from the sale of Stock under the Plan shall be added to the general funds of the Company and shall be used for corporate purposes as the Board shall direct.

13.11 GOVERNING LAW AND VENUE. This plan shall be governed by and construed and enforced in accordance with the laws of the State of Missouri, excluding conflict of law rules and principles, except to the extent such laws are preempted by Federal law. Courts located in the State of Missouri shall have exclusive jurisdiction to determine all matters relating to the Plan and that venue is proper in such courts.

13.12 FOREIGN JURISDICTIONS. Awards may be granted to employees who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the exercise or vesting of awards in order to minimize the Company's obligation with respect to tax equalization for Participants on assignments outside their home country.

13.13 SUCCESSORS. All obligations of the Company under the Plan, with respect to awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business or assets of the Company.

13.14 BENEFICIARY DESIGNATIONS. If permitted by the Committee, a Participant under the Plan many name a beneficiary or beneficiaries to whom any vested but unpaid award shall be paid in the event of the Participant's death. Each such designation shall revoke all prior designations by the Participant and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate and, subject to the terms of the Plan and of the applicable award agreement, any unexercised vested award may be exercised by the administrator, executor or the personal representative of the Participant's estate.

13.15 INVESTMENT REPRESENTATION. As a condition to the exercise of an award, the Committee may require the person exercising such award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

13.16 FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to the Plan or any award. The Committee shall determine whether cash, or awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

ARTICLE XIV
AMENDMENT AND TERMINATION

The Board may at any time terminate or amend this Plan in such respect as it shall deem advisable, provided, the Board may not, without further approval of the shareholders of the Company, amend the Plan to: (i) increase the number of shares of Stock which may be issued under the Plan; (ii) change Plan provisions relating to establishment of the exercise prices under Options or SARs granted; (iii) extend the duration of the Plan beyond the date approved by the shareholders; (iv) reprice, replace or regrant Options or SARs through cancellation, or by lowering the exercise price of a previously granted Option or SARs; (v) make any change to the Plan considered material under the listing requirements of The NASDAQ Stock Market or any other exchange on which the Company's Stock is listed; or (vi) increase the maximum dollar amount of ISOs which an individual Participant may exercise during any calendar year beyond that permitted in the Code and applicable rules and regulations of the Treasury Department. No amendment or termination of the Plan shall, without the consent of the Participant, alter or impair any of the rights or obligations under any grants or other rights theretofore granted such person under the Plan.

ARTICLE XV
DURATION OF THE PLAN

This Plan was approved by the Board of Directors on __________, 2007 and will be effective on April ____, 2007, subject to approval by the Company's shareholders at the 2007 annual meeting of shareholders. If not sooner terminated by the Board, this Plan shall terminate on April ____, 2017, but Options, SARs, Restricted Stock, RSUs and Performance Awards and other rights theretofore granted and any Restriction Period may extend beyond that date, and the terms of the Plan shall continue to apply to such grants.

IN WITNESS WHEREOF, the undersigned has caused this Cass Information Systems, Inc. 2007 Omnibus Incentive Stock Plan to be adopted on behalf of the Company this ___ day of April, 2007.

CASS INFORMATION SYSTEMS, INC.

By:__________________________________

President

CERTIFICATIONS

I, Lawrence A. Collett, Chairman and Chief Executive Officer of Cass Information Systems, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cass Information Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2007

/s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, P. Stephen Appelbaum, Chief Financial Officer of Cass Information Systems, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cass Information Systems, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of nternal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2007

/s/ P. Stephen Appelbaum

P. Stephen Appelbaum
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cass Information Systems, Inc. ("the Company") on Form 10-Q for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence A. Collett, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer
(Principal Executive Officer)
August 6, 2007

A signed original of this written statement required by Section 906 has been provided to Cass Information Systems, Inc. and will be retained by Cass Information Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cass Information Systems, Inc. ("the Company") on Form 10-Q for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, P. Stephen Appelbaum, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ P. Stephen Appelbaum

P. Stephen Appelbaum
Chief Financial Officer
(Principal Financial and Accounting Officer)
August 6, 2007

A signed original of this written statement required by Section 906 has been provided to Cass Information Systems, Inc. and will be retained by Cass Information Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.