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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarter ended September 30, 2003
Commission File No. 2-80070

CASS INFORMATION SYSTEMS, INC.

Incorporated under the laws of MISSOURI
I.R.S. Employer Identification No. 43-1265338

13001 HOLLENBERG DRIVE, BRIDGETON, MISSOURI 63044

Telephone: (314) 506-5500

Indicate by check mark whether the registrant 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, and has been subject to such filing requirements for the past 90 days.

Yes |X| No |_|

Indicate by check mark whether the registrant is an accelerated filer (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 November 10, 2003: Common stock, par value $.50 per share - 3,335,512 shares outstanding.

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This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

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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 future looking statements, including those set forth in this paragraph. Important factors that could cause our actual results, performance, or achievements to be materially

different from any future results, performance, or achievements expressed or implied by those statements include, but are not limited to: the failure to successfully execute our corporate plan, the loss of key personnel or inability to attract additional qualified personnel, the loss of key customers, increased competition, the inability to remain current with rapid technological change, risks related to acquisitions, risks associated with business cycles and fluctuations in interest rates, utility and system interruptions or processing errors, rules and regulations governing financial institutions and changes in such rules and regulations, credit risk related to borrowers' ability to repay loans, concentration of loans to certain segments such as commercial enterprises, churches and borrowers in the St. Louis area which creates risks associated with adverse factors that may affect these groups and volatility of the price of our common stock. We undertake no obligation to publicly update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, or changes to future results over time.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	September 30 2003	December 31 2002
Assets		
Cash and due from banks	$ 24,603	$ 24,279
Federal funds sold and other short-term investments	65,175	5,727
Cash and cash equivalents	89,778	30,006
Investment in debt and equity securities available-for-sale, at fair value	56,316	69,371
Loans	450,977	434,689
Less: Allowance for loan losses	5,399	5,293
Loans, net	445,578	429,396
Premises and equipment, net	14,196	15,359
Bank owned life insurance	10,590	10,178
Goodwill	3,150	223
Other intangible assets, net	1,992	379
Other assets	15,230	17,321
Total assets	$ 636,830	$ 572,233
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 108,340	$ 109,352
Interest-bearing	161,289	134,166
Total deposits	269,629	243,518
Accounts and drafts payable	295,706	223,621
Short-term borrowings	7	37,438
Other liabilities	8,634	6,610
Total liabilities	573,976	511,187
Shareholders' Equity:		
Preferred stock, par value $.50 per share; 2,000,000 shares authorized and no shares issued	--	--
Common stock, par value $.50 per share; 20,000,000 shares authorized and 4,160,110 shares issued	2,080	2,080
Additional paid-in capital	8,466	8,466
Retained earnings	68,271	64,607
Common shares in treasury, at cost (824,598 shares at September 30, 2003 and 796,278 shares at December 31, 2002)	(16,442)	(15,275)
Unamortized stock bonus awards	(145)	(25)
Accumulated other comprehensive income	624	1,193
Total shareholders' equity	62,854	61,046
Total liabilities and shareholders' equity	$ 636,830	$ 572,233

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 September 30		Nine Months Ended September 30	
	2003	2002	2003	2002
Noninterest Income:				
Freight and utility payment and processing revenue	$ 7,308	$ 6,279	$ 21,147	$ 17,952
Software revenue	2,221	--	5,871	--
Bank service fees	464	403	1,355	1,239
Gains (losses) on sales of investment securities, net	92	(2)	1,454	942
Other	215	76	480	129
Total noninterest income	10,300	6,756	30,307	20,262
Interest Income:				
Interest and fees on loans	6,403	6,753	19,138	19,541
Interest and dividends on debt and equity securities:				
Taxable	91	377	412	2,580
Exempt from federal income taxes	282	527	1,068	1,375
Interest on federal funds sold and other short-term investments	187	206	413	485
Total interest income	6,963	7,863	21,031	23,981
Interest Expense:				
Interest on deposits	449	575	1,339	1,686
Interest on short-term borrowings	--	4	14	29
Total interest expense	449	579	1,353	1,715
Net interest income	6,514	7,284	19,678	22,266
Provision for loan losses	--	90	90	360
Net interest income after provision for loan losses	6,514	7,194	19,588	21,906
Noninterest Expense:				
Salaries and employee benefits	9,274	7,847	28,026	23,350
Occupancy expense	447	367	1,340	1,115
Equipment expense	1,068	1,037	3,350	3,241
Other	3,068	2,242	8,832	6,824
Total noninterest expense	13,857	11,493	41,548	34,530
Income before income tax expense	2,957	2,457	8,347	7,638
Income tax expense	935	683	2,568	2,287
Net income	$ 2,022	$ 1,774	$ 5,779	$ 5,351
Earnings per share*:				
Basic	$ .61	$ .53	$ 1.73	$ 1.60
Diluted	$ .60	$ .52	$ 1.71	$ 1.58
Weighted average shares outstanding*:				
Basic	3,327,989	3,362,047	3,347,816	3,361,531
Effect of dilutive stock options and awards	35,037	20,869	33,052	21,596
Diluted	3,363,026	3,382,916	3,380,868	3,383,127

* Earnings per share and weighted average shares outstanding for three and nine months ended September 30, 2002 have been restated to reflect the 5% stock dividend distributed in December 2002.

See accompanying notes to unaudited consolidated financial statements.

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

	Nine Months Ended September 30	
	2003	2002
Cash Flows From Operating Activities:		
Net income	$ 5,779	$ 5,351
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,495	2,905
Provision for loan losses	90	360
Amortization of stock bonus awards	41	18
Tax benefit from exercise of stock option and bonus awards	176	186
Increase in accrued interest receivable	(326)	(133)
Increase in deferred income	1,565	--
Deferred income tax (benefit) expense	(757)	1,104
Increase (decrease) in income tax liability	1,154	(511)
Increase (decrease) in pension liability	959	(833)
Gains on sales of investment securities, net	(1,454)	(942)
Change in other assets	234	(2,102)
Change in other liabilities	(1,605)	1,819
Other operating activities, net	8	(49)
Net cash provided by operating activities	9,359	7,173
Cash Flows From Investing Activities:		
Proceeds from sales of debt securities available-for-sale	37,831	52,870
Proceeds from maturities of debt and equity securities available-for-sale	15,145	27,786
Purchase of debt and equity securities available-for-sale	(39,813)	(73,850)
Net increase in loans	(18,272)	(35,083)
Purchases of premises and equipment, net	(1,625)	(2,011)
Purchase of bank owned life insurance	--	(10,000)
Net cash used in investing activities	(6,734)	(40,288)
Cash Flows From Financing Activities:		
Net decrease in noninterest-bearing demand deposits	(1,012)	(17,022)
Net increase (decrease) in interest-bearing demand and savings deposits	669	(18,283)
Net increase in time deposits	26,454	27,305
Net increase (decrease) in accounts and drafts payable	72,085	(14,247)
Net (decrease) increase in short-term borrowings	(37,431)	4,800
Cash proceeds from exercise of stock options	260	348
Cash dividends paid	(2,114)	(1,922)
Purchase of common shares for treasury	(1,764)	(383)
Net cash provided by (used in) financing activities	57,147	(19,404)
Net increase (decrease) in cash and cash equivalents	59,772	(52,519)
Cash and cash equivalents at beginning of period	30,006	99,855
Cash and cash equivalents at end of period	$ 89,778	$ 47,336
Supplemental information:		
Cash paid for interest	$ 1,349	$ 1,704
Cash paid for income taxes	1,652	2,356
Transfer of loans to other equity investments	2,000	--

See accompanying notes to unaudited consolidated financial statements.

CASS INFORMATION SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America 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. Operating results for the three and nine month periods ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. For further information, refer to the consolidated financial statements and related footnotes included in the Annual Report on Form 10-K of Cass Information Systems, Inc. ("the Company") for the year ended December 31, 2002.

Certain amounts in the 2002 consolidated financial statements have been reclassified to conform to the 2003 presentation. Such reclassifications have no effect on previously reported net income or shareholders' equity. All share and per share data for 2002 has been restated to reflect the 5% stock dividend issued in December 2002.

Note 2 - Impact of New Accounting Pronouncements

In November 2002, the Financial Accounting Standards Board (FASB) issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness to Others, an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34." This interpretation elaborates on the disclosures to be made by a guarantor in its financial statements about its obligation under guarantees issued. The interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the interpretation are applicable to guarantees issued or modified after December 31, 2002 and did not have a material effect on the Company's consolidated financial statements. The disclosure requirements are effective for financial statements of periods ending after December 15, 2002 and are included in Note 9 of this report.

In December 2002, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123." This statement amends SFAS 123 "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS 123 to require prominent disclosures in both the annual and interim financial statements. Certain of the disclosure modifications are required for fiscal years ending after December 15, 2002.

The Company maintains two stock-based compensation plans, a stock bonus plan and a stock option plan. Upon issuance of shares in the stock bonus plan a contra shareholders' equity amount is recorded for the fair value of the shares at the time of issuance and this amount is amortized to expense over the three-year vesting period. The stock option plan is accounted for under APB 25, "Accounting for Stock Issued to Employees," and accordingly the Company recognizes no compensation expense as the price of the Company's employee stock options equals the market price of the underlying stock on the date of grant. The Company elected not to adopt the recognition provisions of SFAS 123, "Accounting for Stock-Based Compensation," as amended by SFAS 148. An entity that continues to apply APB 25 shall disclose certain pro forma information as if the fair value-based accounting method in SFAS 123 had been used to account for stock-based compensation costs. The required disclosure provisions of SFAS 123, as amended by SFAS 148, are provided in the table below. The Company uses the Black-Scholes option-pricing model to determine the fair value of the stock options at the date of grant. There were no options granted in the Third Quarter of 2003 or 2002. For the First Nine Months of 2003 there were 14,130 options granted and no options granted in the First Nine Months of 2002. The following table presents the effect on earnings and diluted earnings per share for the periods ended September 30, 2003 and 2002:

(In Thousands, except per share data)	Three Months Ended September 30 2003	Three Months Ended September 30 2002	Nine Months Ended September 30 2003	Nine Months Ended September 30 2002
Net income:				
As reported	$ 2,022	$ 1,774	$ 5,779	$ 5,351
Add: Stock based compensation expense included in reported net income, net of tax	11	4	27	12
Less: Stock based compensation expense determined under the fair value based method for all awards, net of tax	(22)	(15)	(60)	(46)
Pro forma net income	$ 2,011	$ 1,763	$ 5,746	$ 5,317
Net income per common share:				
Basic, as reported	$ .61	$ .53	$ 1.73	$ 1.60
Basic, proforma	.61	.52	1.72	1.58
Diluted, as reported	.60	.52	1.71	1.58
Diluted, proforma	.60	.52	1.70	1.57

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51". This interpretation establishes accounting guidance for consolidation of variable interest entities (VIE) that function to support the activities of the primary beneficiary. The primary beneficiary of a VIE entity is the entity that absorbs a majority of the VIE's expected losses, receives a majority of the VIE's expected residual returns, or both, as a result of ownership, controlling interest, contractual relationship or other business relationship with a VIE. Prior to implementation of FIN 46, VIEs were generally consolidated by an enterprise when the enterprise had a controlling financial interest through ownership of a majority of voting interest in the entity. The provisions of FIN 46 were effective immediately for all arrangements entered into after January 31, 2003. If a VIE existed prior to February 1, 2003, FIN 46 was effective at the beginning of the first interim period beginning June 15, 2003. However on October 8, 2003, the FASB deferred the implementation date of FIN 46, for those VIE's in existence prior to February 1, 2003, until the first period ending after December 15, 2003. The Company is currently not a primary beneficiary of a VIE and therefore adoption of FIN 46 is not expected to have a material impact on the consolidated financial statements.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The new guidance amends SFAS 133 for decisions made: (a) as part of the Derivatives Implementation Group process that effectively required amendments to SFAS 133, (b) in connection with other Board projects dealing with financial instruments, and (c) regarding implementation issues raised in relation to the application of the definition of derivative. The amendments set forth in SFAS 149 improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly. SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The provisions of SFAS 149 did not have a material impact on the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Instruments with Characteristics of Both Liabilities and Equity," which establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement requires that an issuer classify a financial instrument that is within its scope, which may have previously been reported as equity, as a liability (or an asset in some circumstances). This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003, except for mandatory redeemable financial instruments of nonpublic companies. The Company currently does not have any instruments that fall within the scope of SFAS 150 and therefore the adoption of SFAS 150 did not have a material impact on its consolidated financial statements.

Note 3 - Loans by Type

(In Thousands)	September 30, 2003	December 31, 2002
Commercial and industrial	$103,503	$101,116
Real estate:		
Mortgage	186,000	176,667
Mortgage - Churches & Related	115,402	105,458
Construction	1,558	3,101
Construction - Churches & Related	33,724	36,074
Industrial revenue bonds	5,643	5,773
Installment	1,937	1,918
Other	3,210	4,582
Total loans	$450,977	$434,689

Note 4 - Stock Repurchases

The Company maintains a treasury stock buyback program and as of September 30, 2003 was authorized by the Board of Directors to repurchase up to 100,000 shares of its common stock. The Company repurchased 59,237 shares for $1,764,000 for the nine months ended September 30, 2003 and repurchased 15,664 shares for $383,000 during the nine months ended September 30, 2002. Repurchases are made in the open market or through negotiated transactions from time to time depending on market conditions.

Note 5 - Comprehensive Income

For the three and nine month periods ended September 30, 2003 and 2002, 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 nine month periods ended September 30, 2003 and 2002 is summarized as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
(In Thousands)	2003	2002	2003	2002
Net Income	$ 2,022	$ 1,774	$ 5,779	$ 5,351
Other comprehensive income:				
Net unrealized (loss) gain on debt and equity securities available-for-sale, net of tax	(280)	1,066	391	1,927
Less: reclassification adjustment for realized (gains) losses on sales of debt and equity securities, available-for-sale, included in net income, net of tax	(61)	1	(960)	(622)
Total other comprehensive (loss) income	(341)	1,067	(569)	1,305
Total comprehensive income	$ 1,681	$ 2,841	$ 5,210	$ 6,656

Note 6 - Industry Segment Information

The services provided by the Company are classified into four reportable segments: Transportation Information Services, Utility Information Services, Banking Services and Government Software 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 Transportation Information Services segment provides freight invoice rating, payment, auditing, cost accounting and transportation information services to large corporate shippers. The Utility Information Services segment processes and pays utility invoices, including electricity, gas, water, telephone and refuse, for large corporate entities that have many locations or are heavy users of energy. The Banking Services segment provides banking services primarily to privately-held businesses and churches. The Government Software Services segment provides the public sector with integrated financial, property and human resource management systems through the Company's wholly-owned subsidiary, Government e-Management Solutions, Inc. (GEMS).

The Company's accounting policies for segments are described in the summary of significant accounting policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2002. 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 fair value.

All four segments market their services 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 nine month periods ended September 30, 2003 and 2002, is as follows:

(In Thousands)	Transportation Information Services	Utility Information Services	Banking Services	Government Software Services	Corporate and Eliminations	Total
Quarter Ended September 30, 2003						
Total Revenues:						
Revenue from customers	$ 8,072	$ 3,282	$ 3,239	$ 2,221	$ --	$ 16,814
Intersegment revenue	7	4	369	--	(380)	--
Net Income	518	499	903	102	--	2,022
Total Assets	261,728	68,845	302,461	7,134	(3,338)	636,830
Goodwill	223	--	--	2,927	--	3,150
Other Intangible Assets, Net	--	--	--	1,613	379	1,992
Quarter Ended September 30, 2002						
Total Revenues:						
Revenue from customers	$ 7,969	$ 2,549	$ 3,432	N/A	$ --	$ 13,950
Intersegment revenue	(3)	(1)	386	N/A	(382)	--
Net Income	377	345	1,052	N/A	--	1,774
Total Assets	252,878	65,601	277,853	N/A	(7,573)	588,759
Goodwill	223	--	--	N/A	--	223
Other Intangible Assets, Net	--	--	--	N/A	587	587
Nine Months Ended September 30, 2003						
Total Revenues:						
Revenue from customers	$ 24,632	$ 9,225	$ 10,167	$ 5,871	$ --	$ 49,895
Intersegment revenue	111	30	989	--	(1,130)	--
Net Income	1,507	1,200	2,944	128	--	5,779
Total Assets	261,728	68,845	302,461	7,134	(3,338)	636,830
Goodwill	223	--	--	2,927	--	3,150
Other Intangible Assets, Net	--	--	--	1,613	379	1,992
Nine Months Ended September 30, 2002						
Total Revenues:						
Revenue from customers	$ 24,661	$ 7,364	$ 10,143	N/A	$ --	$ 42,168
Intersegment revenue	(81)	(18)	1,217	N/A	(1,118)	--
Net Income	1,447	802	3,102	N/A	--	5,351
Total Assets	252,878	65,601	277,853	N/A	(7,573)	588,759
Goodwill	223	--	--	N/A	--	223
Other Intangible Assets, Net	--	--	--	N/A	587	587

Note 7 - Intangible Assets

The Company accounts for intangible assets in accordance with 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 September 30, 2003 and December 31, 2002 are as follows:

(In Thousands)	September 30, 2003	December 31, 2002
Goodwill	$3,150	$ 223
Customer list	781	--
Software	832	--
Minimum pension liability	379	379
Other intangible assets, net	1,992	379
Total intangible assets	$5,142	$ 602

The increase in goodwill, customer list and software relates to the consolidation of GEMS, which is further discussed in Item 2 on page 12 of this report. The customer list and software are amortized over 15 years and 4 years, respectively. The minimum pension liability was recorded in accordance with SFAS 87, "Employers' Accounting for Pensions", which requires the Company to record an additional minimum pension liability by the amount that the accumulated benefit obligation exceeds the sum of the fair value of plan assets and accrued amount previously recorded and offset this liability by an intangible asset to the extent of previously unrecognized prior service costs. The liability and corresponding intangible asset are adjusted annually.

Amortization of intangible assets amounted to $78,000 and $233,000 for the three and nine-month periods ended September 30, 2003, respectively. There was no amortization of intangible assets recorded in 2002. Estimated amortization of intangibles over the next five years is as follows: $311,000 in 2003, 2004, 2005 and 2006 and $55,000 in 2007.

Note 8 - Equity Investments in Non-Marketable Securities

During the second quarter of 2003, the Company converted its $2,000,000 investment in a private imaging company from a convertible debenture into common stock. As part of the conversion, the Company committed to invest an additional $1,100,000 if certain conditions are met. As of September 30, 2003, the total investment of the Company in this entity was $2,708,000 and is included in other assets in the accompanying consolidated balance sheets. The Company now has an effective 19.93% ownership interest in this entity and the Chairman and CEO of the Company is a member of the entity's Board of Directors. No business has been transacted between the companies during the nine-month periods ended September 30, 2003 or 2002.

The Company made its initial investment in 2001 through a convertible debenture. The business has since performed poorly and has recently received a commitment of an additional $3,000,000 from a new non-affiliated majority owner, in addition to the Company's additional commitment. The new majority owner is currently in the process of stabilizing the business and improving its financial performance. The primary condition for any additional investment by the Company is the amount of the new majority owner's actual financial investment. Should the full amount of such commitment not materialize or the business fail to meet its objectives, the Company's investment could be subject to future impairment.

The Company accounts for this investment, along with its other non-marketable equity investments, under the cost method. Under the cost method of accounting, investments are carried at cost and are adjusted only for other-than-temporary declines in fair value, distributions of earnings and additional investments. The Company periodically evaluates whether any declines in fair value of its investments are other than temporary. In performing this evaluation, the Company considers various factors including any decline in market price, where available, the investee's financial condition, results of operations, operating trends and other financial ratios.

Note 9 - Commitments and Contingencies

The Company is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, commercial letters of credit and standby letters of credit. The Company's 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 September 30, 2003, 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 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. The approximate remaining term of commercial and standby letters of credit range from less than 1 to 5 years. Since some of the financial instruments may expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. Commitments to extend credit and letters of credit are subject to the same underwriting standards as those financial instruments included on the consolidated balance sheets. The Company evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of the credit, is based on management's credit evaluation of the borrower. Collateral held varies, but is generally accounts receivable, inventory, residential or income-producing commercial property or equipment. In the event of nonperformance, the Company may obtain and liquidate the collateral to recover amounts paid under its guarantees on these financial instruments.

The following table shows conditional commitments to extend credit, standby letters of credit and commercial letters of credit at September 30, 2003:

		Amount of Commitment Expiration per Period		
(In Thousands)	Total	Less than 1 year	Over 1-3 Years	Over 3-5 Years
Unused loan commitments	$24,701	$18,301	$6,400	$ --
Standby letters of credit	4,451	4,215	173	63
Commercial letters of credit	402	402	--	--

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.

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

The Company operates in four primary business segments: Transportation Information Services, Utility Information Services and through the Company's wholly owned subsidiaries, Cass Commercial Bank ("the Bank"), Banking Services and Government e-Management Solutions, Inc. (GEMS), Government Software Services. The Company is a payment processing and information services company, whose operations include the processing and payment of freight and utility invoices, preparation of management information, auditing and rating of invoices and other payment-related activities for customers located throughout the United States. The Bank provides specialized banking services to privately-held businesses located primarily in the St. Louis, Missouri metropolitan area and church and church-related entities located in the St. Louis metropolitan area and selected cities throughout the United States. GEMS provides the public sector in the United States with integrated financial, property and human resource management systems.

Critical Accounting Policies

The Company has prepared all of the consolidated financial information in this report in accordance with accounting principles generally accepted in the United States of America (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. There can be no assurances that actual results will not differ from those estimates.

Management has identified the accounting policy related to the allowance for loan losses as critical to the understanding of the Company's results of operations, since the application of this policy requires significant management assumptions and estimates that could result in materially different amounts to be reported if conditions or underlying circumstances were to change. The impact and any associated risks related to these policies on our business operations are discussed in the " Allowance and Provision for Loan Losses" section of this report.

In addition, management evaluates certain long-term assets such as premises and equipment, goodwill, investments and foreclosed assets for impairment. Generally, 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. The application of this policy also requires significant management assumptions and estimates that could result in materially different results if conditions or underlying circumstances change.

Consolidation of Subsidiary

On January 2, 2001, the Bank foreclosed on certain operating assets relating to one borrower in order to protect its financial interests. This borrower was a software company that provided the public sector with integrated financial, property and human resource management systems. The Bank sold these assets to a wholly owned subsidiary, Government e-Management Solutions, Inc. (GEMS) and invested in and stabilized this business. From the date of foreclosure through December 31, 2002 these assets were accounted for as a foreclosed asset held for sale. Statement of Financial Accounting Standards SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", adopted by the Company on January 1, 2002, requires that if certain criteria are not met for long-lived asset (disposal) groups classified as held for sale by the end of the fiscal year in which SFAS 144 is initially applied, the related long-lived assets shall be reclassified as held and used. Therefore, as of January 1, 2003, the Company has reclassified the foreclosed assets relating to GEMS as held and used and consolidated its operations into those of the Company.

Results of Operations

The following paragraphs more fully discuss the results of operations and changes in financial condition for the three-month period ended September 30, 2003 (the "Third Quarter of 2003") compared to the three-month period ended September 30, 2002 (the "Third Quarter of 2002") and the nine-month period ended September 30, 2003 ("First Nine Months of 2003") compared to the nine-month period ended September 30, 2002 ("First Nine Months of 2002"). 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 2002 Annual Report on Form 10-K. Results of operations for the Third Quarter of 2003 are not necessarily indicative of the results to be attained for any other period.

The Company's net income was $2,022,000 for the Third Quarter of 2003, a $248,000 or 14.0% increase compared to net income of $1,774,000 for the Third Quarter of 2002. The Company's net income was $5,779,000 for the First Nine Months of 2003, a $428,000 or 8.0% increase compared to net income of $5,351,000 for the First Nine Months of 2002. Diluted earnings per share were $.60 for the Third Quarter of 2003, a 15.4% increase compared to $.52 for the Third Quarter of 2002. Diluted earnings per share were $1.71 for the First Nine Months of 2003, an 8.2% increase compared to $1.58 for the First Nine Months of 2002. Return on average assets for the Third Quarter of 2003 was 1.26% compared with 1.18% for the Third Quarter of 2002. Return on average assets for the First Nine Months of 2003 was 1.27% compared with 1.21% for the First Nine Months of 2002. Return on average equity for the Third Quarter of 2003 was 13.11% compared to 12.16% for the Third Quarter of 2002. Return on average equity for the First Nine Months of 2003 was 12.67% compared with 12.68% for the First Nine Months of 2002.

Noninterest Income

Noninterest income is principally derived from payment and processing fees. Processing volumes related to these fees for the three and nine-month periods ended September 30, 2003 and 2002 are as follows:

	Three Months Ended September 30			Nine Months Ended September 30		
(In Thousands)	2003	2002	% Change	2003	2002	% Change
Transportation Information Services:						
Invoice Bill Volume	5,882	5,639	4.3%	17,358	15,914	9.1%
Invoice Dollar Volume	$2,208,878	$1,989,867	11.0%	$6,417,046	$5,717,571	12.2%
Payment and Processing Fees	$4,886	$4,542	7.6%	$14,525	$13,097	10.9%
Utility Information Services:						
Invoice Transaction Volume	1,218	870	40.0%	3,367	2,477	35.9%
Invoice Dollar Volume	$878,998	$725,695	21.1%	$2,493,073	$1,919,357	29.9%
Payment and Processing Fees	$2,422	$1,737	39.4%	$6,622	$4,855	36.4%

The increases in fees from the Transportation Information Services Division during the Third Quarter and First Nine Months of 2003 were due to new customers and new services. The increases in fees from the Utility Information Services Division were primarily due to the addition of new customers from the marketing efforts of this new segment.

The consolidation of GEMS resulted in $2,221,000 of additional noninterest income for the Third Quarter of 2003 and $5,871,000 for the First Nine Months of 2003. As explained earlier, the operating results of this wholly owned subsidiary were consolidated on January 1, 2003. Bank service fees for the Third Quarter of 2003 were $464,000, a $61,000 or 15.1% increase compared to the Third Quarter of 2002. Bank service fees for the First Nine Months of 2003 were $1,355,000, an $116,000 or 9.4% increase compared with the First Nine Months of 2002.

Gains on the sales of investment securities for the Third Quarter of 2003 were $92,000 compared with a net loss of $2,000 in Third Quarter of 2002. Gains for the First Nine Months of 2003 were $1,454,000, a $512,000 or 54.4% increase over the First Nine Months of 2002. The fair value of securities sold in the Third Quarter of 2003 was $13,297,000 and for the Third Quarter of 2002 was $633,000. The fair value of securities sold in the First Nine Months of 2003 was $37,831,000 and for the First Nine Months of 2002 was $52,870,000. The sales of securities were transacted to adjust the portfolio to reflect the changes in the interest rate environment and growth in the loan portfolio during the past two years and to offset the loss in interest income due to the dramatic decline in the general level of interest rates.

Other noninterest income increased $139,000 from $76,000 in the Third Quarter of 2002 to $215,000 in the Third Quarter of 2003. Other noninterest income for the First Nine Months of 2003 increased $351,000 from $129,000 in the First Nine Months of 2002 to $480,000 in the First Nine Months of 2003. This increase is primarily due to income recognized from the increase in the cash surrender value of bank owned life insurance purchased by the Company in the Third Quarter of 2002.

Net Interest Income

Third Quarter of 2003 compared to Third Quarter of 2002:

The Company's tax-equivalent net interest income decreased 11.8% or $899,000 from $7,593,000 to $6,694,000. Average earning assets increased 6.1% or $33,108,000 from $542,929,000 to $576,037,000. The tax-equivalent net interest margin decreased from 5.55% to 4.61%. The average tax-equivalent yield on earning assets decreased from 5.97% to 4.92%. The average rate paid on interest-bearing liabilities decreased from 1.61% to 1.14%.

The average balances of loans increased $34,034,000 from $414,378,000 to $448,412,000, investment in debt and equity securities, at amortized cost, decreased $34,484,000 from $80,582,000 to $46,098,000, and federal funds sold and other short-term investments increased $33,558,000 from $47,969,000 to $81,527,000. The average balance of noninterest-bearing demand deposit accounts increased $6,142,000 from $97,317,000 to $103,459,000, interest-bearing liabilities increased $13,875,000 from $142,304,000 to $156,179,000 and accounts and drafts payable increased $10,696,000 from $295,138,000 to $305,834,000.

The increase in average loan balances during this period was primarily attributable to the Bank's marketing efforts, both in the commercial and church and church-related areas. The decrease in debt and equity securities and increase in federal funds sold and other short-term investments reflects management's asset allocation decisions given projected liquidity requirements, market interest rates and the attractiveness of alternative investments. The increase in interest-bearing liabilities is primarily due to an increase in other time deposits as a result of a certificate of deposit promotion. The increase in average accounts and drafts payable relates to increases in invoice dollars paid, primarily from new business, reduced by a decrease in the amount of time funds were held by the Company for investment.

The decreases experienced during the Third Quarter of 2003 in net interest income and the net interest margin were due primarily to the decline in the general level of interest rates. The Company partially mitigated the effects of this decline in interest rates by increasing loan balances, which is one of the Company's highest yielding earning assets. 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. Conversely, the Company is adversely affected by decreases in the level of interest rates. This is primarily due to the noninterest-bearing liabilities generated by the Company in the form of accounts and drafts payable. For more information please refer to the tables on pages 14 through 17.

First Nine Months of 2003 compared to the First Nine Months of 2002:

The Company's tax-equivalent net interest income decreased 11.9% or $2,753,000 from $23,086,000 to $20,333,000. Average earning assets increased 1.4% or $7,599,000 from $540,941,000 to $548,540,000. The tax-equivalent net interest margin decreased from 5.71% to 4.96%. The average tax-equivalent yield on earning assets decreased from 6.13% to 5.29%. The average rate paid on interest-bearing liabilities decreased from 1.63% to 1.24%.

The average balances of loans increased $41,028,000 from $398,346,000 to $439,374,000, investment in debt and equity securities, at amortized cost, decreased $49,183,000 from $104,737,000 to $55,554,000, and federal funds sold and other short-term investments increased $15,754,000 from $37,858,000 to $53,612,000. The average balance of noninterest bearing demand deposit accounts decreased $2,314,000 from $100,265,000 to $97,951,000, accounts and drafts payable increased $5,177,000 from $289,454,000 to $294,631,000, and interest-bearing liabilities increased $4,864,000 from $140,808,000 to $145,672,000.

The increases and decreases experienced in earning assets and funding sources during the First Nine Months of 2003 were attributable to the same factors as those described for the third quarter, except for noninterest-bearing deposits. The average balance of noninterest-bearing deposits decreased slightly in the First Nine Months of 2003 compared with the First Nine Months of 2002 due to a shift from demand and savings deposits to time deposits as new and existing customers shifted funds to higher yielding deposit accounts.

The decreases experienced during the First Nine Months of 2003 in net interest income and the net interest margin were also caused primarily by decreases in the general level of interest rates. For more information please refer to the tables on pages 14 through 17.

Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rate and Interest Differential

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

(Dollars in thousands)	Third Quarter 2003 Average Balance	Third Quarter 2003 Interest Income/ Expense	Third Quarter 2003 Yield/ Rate	Third Quarter 2002 Average Balance	Third Quarter 2002 Interest Income/ Expense	Third Quarter 2002 Yield/ Rate
Assets(1)						
Earning assets:						
Loans(2),(3):						
Taxable	$ 442,753	$ 6,332	5.67%	$ 408,329	$ 6,679	6.49%
Tax-exempt(4)	5,659	107	7.50	6,049	114	7.48
Debt and equity securities(5):						
Taxable	19,598	91	1.84	33,709	377	4.44
Tax-exempt(4)	26,500	426	6.38	46,873	796	6.74
Federal funds sold and other short-term investments	81,527	187	.91	47,969	206	1.70
Total earning assets	576,037	7,143	4.92	542,929	8,172	5.97
Nonearning assets:						
Cash and due from banks	20,133			24,121		
Premises and equipment, net	14,639			16,276		
Foreclosed assets	1,154			5,623		
Other assets	28,646			15,102		
Allowance for loan losses	(5,397)			(5,142)		
Total assets	$ 635,212			$ 598,909		
Liabilities And Shareholders' Equity(1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 51,348	$ 74	.57%	$ 51,047	$ 135	1.05%
Savings deposits	36,985	61	.65	38,169	115	1.20
Time deposits of $100 or more	45,835	191	1.65	46,776	282	2.39
Other time deposits	22,011	123	2.22	5,701	43	2.99
Total interest-bearing deposits	156,179	449	1.14	141,693	575	1.61
Short-term borrowings	--	--	--	611	4	2.60
Total interest-bearing liabilities	156,179	449	1.14	142,304	579	1.61
Noninterest-bearing liabilities:						
Demand deposits	103,459			97,317		
Accounts and drafts payable	305,834			295,138		
Other liabilities	8,545			6,257		
Total liabilities	574,017			541,016		
Shareholders' equity	61,195			57,893		
Total liabilities and shareholders' equity	$ 635,212			$ 598,909		
Net interest income		$ 6,694			$ 7,593	
Interest spread			3.78%			4.36%
Net interest margin			4.61%			5.55%

(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 2002 Consolidated Financial Statements.
(3). Interest income on loans includes net loan fees of $26,000 and $101,000 for the Third Quarter of 2003 and 2002, respectively.
(4). Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $180,000 and $308,000 for the Third Quarter of 2003 and 2002, 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 Nine Months of 2003 Average Balance	Interest Income/ Expense	Yield/ Rate	First Nine Months of 2002 Average Balance	Interest Income/ Expense	Yield/ Rate
Assets(1)						
Earning assets:						
Loans(2),(3):						
Taxable	$ 433,670	$ 18,925	5.83%	$ 392,256	$ 19,315	6.58%
Tax-exempt(4)	5,704	323	7.57	6,090	344	7.55
Debt and equity securities(5):						
Taxable	22,971	412	2.40	64,125	2,580	5.38
Tax-exempt(4)	32,583	1,613	6.62	40,612	2,077	6.84
Federal funds sold and other short-term investments	53,612	413	1.03	37,858	485	1.71
Total earning assets	548,540	21,686	5.29	540,941	24,801	6.13
Nonearning assets:						
Cash and due from banks	19,840			23,817		
Premises and equipment, net	15,232			16,423		
Foreclosed assets	1,096			5,507		
Other assets	27,559			11,060		
Allowance for loan losses	(5,372)			(5,029)		
Total assets	$ 606,895			$ 592,719		
Liabilities And Shareholders' Equity(1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 52,367	$ 295	.75%	$ 56,733	$ 479	1.13%
Savings deposits	36,244	224	.83	43,314	422	1.30
Time deposits of $100 or more	43,824	607	1.85	33,682	648	2.57
Other time deposits	12,022	213	2.37	5,367	137	3.41
Total interest-bearing deposits	144,457	1,339	1.24	139,096	1,686	1.62
Short-term borrowings	1,215	14	1.54	1,712	29	2.26
Total interest-bearing liabilities	145,672	1,353	1.24	140,808	1,715	1.63
Noninterest-bearing liabilities:						
Demand deposits	97,951			100,265		
Accounts and drafts payable	294,631			289,454		
Other liabilities	7,670			5,782		
Total liabilities	545,924			536,309		
Shareholders' equity	60,971			56,410		
Total liabilities and shareholders' equity	$ 606,895			$ 592,719		
Net interest income		$ 20,333			$ 23,086	
Interest spread			4.05%			4.50%
Net interest margin			4.96%			5.71%

(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 2002 Consolidated Financial Statements.
(3). Interest income on loans includes net loan fees of $61,000 and $359,000 for the First Nine Months of 2003 and 2002, respectively.
(4). Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $655,000 and $819,000 for the First Nine Months of 2003 and 2002, 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.

(In Thousands)	Third Quarter 2003 Over 2002		
	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans(1),(2):			
Taxable	$ 535	$ (882)	$ (347)
Tax-exempt(3)	(7)	--	(7)
Debt and equity securities:			
Taxable	(119)	(167)	(286)
Tax-exempt(3)	(330)	(40)	(370)
Federal funds sold and other short-term investments	104	(123)	(19)
Total interest income	183	(1,212)	(1,029)
Interest expense on:			
Interest-bearing demand deposits	1	(62)	(61)
Savings deposits	(3)	(51)	(54)
Time deposits of $100 or more	(6)	(85)	(91)
Other time deposits	94	(14)	80
Short-term borrowings	(2)	(2)	(4)
Total interest expense	84	(214)	(130)
Net interest income	$ 99	$ (998)	$ (899)

(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 34%.

(In Thousands)	First Nine Months 2003 Over 2002		
	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans(1),(2):			
Taxable	$ 1,928	$(2,318)	$ (390)
Tax-exempt(3)	(22)	1	(21)
Debt and equity securities:			
Taxable	(1,163)	(1,005)	(2,168)
Tax-exempt(3)	(399)	(65)	(464)
Federal funds sold and other short-term investments	161	(233)	(72)
Total interest income	505	(3,620)	(3,115)
Interest expense on:			
Interest-bearing demand deposits	(35)	(149)	(184)
Savings deposits	(61)	(137)	(198)
Time deposits of $100 or more	167	(208)	(41)
Other time deposits	128	(52)	76
Short-term borrowings	(7)	(8)	(15)
Total interest expense	192	(554)	(362)
Net interest income	$ 313	$(3,066)	$(2,753)

(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 34%.

Allowance and Provision for Loan Losses

A significant determinant of the Company's operating results is the provision for loan losses and the level of loans charged off. There was no provision made for loan losses during the Third Quarter of 2003 and a $90,000 provision made in the Third Quarter of 2002. There was a $90,000 provision made during the First Nine Months of 2003 and a $360,000 provision made during the First Nine Months of 2002. Net loans recovered for the Third Quarter of 2003 were $6,000 compared to $5,000 for the Third Quarter of 2002. Net loans recovered for the First Nine Months of 2003 were $16,000 compared with net loans charged off of $62,000 for the First Nine Months of 2002. The provision for loan losses can vary over time based on an ongoing assessment of the adequacy of the allowance for loan losses.

The allowance for loan losses at September 30, 2003 was $5,399,000 and at December 31, 2002 was $5,293,000. The ratio of allowance for loan losses to total loans outstanding at September 30, 2003 was 1.20% and 1.22% at December 31, 2002. Nonperforming loans were $1,943,000 or .43% of total loans at September 30, 2003 compared to $9,194,000 or 2.12% of total loans at December 31, 2002. The decrease from December 31, 2002 is primarily due to two loans totaling $4,252,000 that were renegotiated in 2002 that are currently performing under their new terms and two loans totaling $4,891,000 that were contractually past due over 90 days at year-end and were fully paid-off during the First Quarter of 2003.

At September 30, 2003, impaired loans totaled $8,350,000, which included $1,462,000 of nonaccrual loans compared with impaired loans at December 31, 2002 of $12,188,000, which included $51,000 of nonaccrual loans. The allowance for loan losses on impaired loans was $1,122,000 at September 30, 2003. The decrease in impaired loans from December 31, 2002 relates primarily to the decrease in loans contractually past due over 90 days as explained in the previous paragraph. The current balance of $4,199,000 of loans renegotiated in 2002, as explained in the previous paragraph, relates to two borrowers and although currently performing, are still considered impaired by management. The remaining balance of impaired loans relates to several other borrowers. One represents a borrower that has an outstanding balance of $1,425,000, which is collateralized by all business assets and has been current on all payments. This borrower has experienced financial difficulties due to general economic conditions. Should its condition not improve, a shortfall in collection of the full principal balance could result. The probable shortfall has been specifically reserved for in the allowance for loan losses. A second borrower has an outstanding balance of $760,000 collateralized by real estate and has a SBA guarantee. There has been delinquency in loan payments due to slower than expected lease-up of real estate property. Another borrower with an outstanding balance of $635,000 is current under the loan terms, but is going through a liquidation of assets. This loan is secured by the borrower's inventory, but management believes that there may be a shortfall in collecting the full principal balance of the loan upon liquidation and therefore has specifically reserved for the expected shortfall. The remaining balance is made up of smaller loans, one with a balance of $481,000 that was renegotiated in the First Quarter of 2003 and is current under the new terms of the agreement.

The allowance for loan losses has been established and is maintained to absorb losses inherent 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, commercial real estate, and construction loans when a loan is considered to be impaired. A loan is impaired when, based on an evaluation of current information and events, it is probable that the Company will not be able to collect all amounts due (principal and interest) pursuant to the original contractual terms. The Company measures impairment based upon the present value of expected future cash flows discounted at the loan's original effective interest rate or the fair value of the collateral if the loan is collateral dependent. 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 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

The following table presents information as of and for the three and nine-month periods ended September 30, 2003 and 2002 pertaining to the Company's provision for loan losses and analysis of the allowance for loan losses.

(Dollars in Thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2003	2002	2003	2002
Allowance at beginning of period	$ 5,393	$ 5,109	$ 5,293	$ 4,906
Provision charged to expense	--	90	90	360
Loans charged off	--	--	2	95
Recoveries on loans previously charged off	6	5	18	33
Net loans (recovered) charged-off	(6)	(5)	(16)	62
Allowance at end of period	$ 5,399	$ 5,204	$ 5,399	$ 5,204
Loans outstanding:				
Average	$ 448,412	$ 414,378	$ 439,374	$ 398,346
September 30	450,977	416,473	450,977	416,473
Ratio of allowance for loan losses to loans outstanding:				
Average	1.20%	1.26%	1.23%	1.31%
September 30	1.20	1.25	1.20	1.25
Nonperforming loans:				
Nonaccrual loans	$ 1,462	$ 450	$ 1,462	$ 450
Loans past due 90 days or more	--	1,911	--	1,911
Renegotiated loans	481	172	481	172
Total non performing loans	$ 1,943	$ 2,533	$ 1,943	$ 2,533
Other impaired loans	$ 6,407	$ 4,978	$ 6,407	$ 4,978
Foreclosed assets	$ 1,154	$ 5,911	$ 1,154	$ 5,911
Nonperforming loans as percentage of average loans	.43%	.61%	.44%	.64%

Foreclosed assets at September 30, 2002 includes $5,315,000 related to operating assets of one business, which was foreclosed on by the Bank on January 2, 2001. This entity, Government e-Management Solutions, Inc. (GEMS), is a software company that provides the public sector with integrated financial, property and human resource management systems. As explained earlier, under the provision of SFAS 144, this group of assets was reclassified effective January 1, 2003 and the related operations have been consolidated into those of the Company.

The Bank currently has two properties which it is carrying as other real estate owned at what management believes to be fair value less costs to sell. The first property was foreclosed on August 8, 2001 and is recorded at $858,000 and the second property was foreclosed on December 19, 2002 and is recorded at $296,000.

Noninterest Expense

Total noninterest expense for the Third Quarter of 2003 increased $2,364,000 or 20.6% compared to the Third Quarter of 2002 and increased $7,018,000 or 20.3% in the First Nine Months of 2003 over 2002. Of these increases, the consolidation of GEMS contributed $2,016,000 for the quarter and $5,523,000 for the first nine months. Excluding the GEMS consolidation, total noninterest expense increased 3.0% for the quarter and 4.3% for the first nine months.

Salaries and benefits expense for the Third Quarter of 2003 increased $1,427,000 or 18.2% over the same period last year and increased $4,676,000 or 20.0% for the First Nine Months of 2003 over 2002. Of these increases, the consolidation of GEMS amounted to $1,041,000 for the quarter $3,064,000 for the first nine months. The remaining increases were due primarily to an increase in staff in the utility processing division due to an increase in production and to increases in health, worker's compensation, pension and short-term disability insurance expenses.

Occupancy expense for the Third Quarter of 2003 increased $80,000 or 21.8% compared to the Third Quarter of 2002 and increased $225,000 or 20.2% in the First Nine Months of 2003 over 2002. Of these increases, $59,000 relates to the consolidation of GEMS for the quarter and $175,000 for the first nine months. The remaining increases relate primarily to real estate taxes and the maintenance and repair of premises.

Equipment expense for the Third Quarter of 2003 increased $31,000 compared to the Third Quarter of 2002 and increased $109,000 or 3.4% in the First Nine Months of 2003 over 2002. Increases in equipment expenses related to the consolidation of GEMS were $118,000 for the quarter and $320,000 in the first nine months. The increases related to the consolidation were offset by decreases in computer equipment maintenance from the consolidation of equipment within the transportation processing division and lower depreciation and amortization on equipment and computer software.

Other noninterest expenses for the Third Quarter of 2003 increased $826,000 or 36.8% compared to the Third Quarter of 2002 and increased $2,008,000 or 29.4% in the First Nine Months of 2003 over 2002. The consolidation of GEMS contributed $798,000 for the quarter and $1,964,000 for the first nine months. Included in the other noninterest expenses of GEMS is the amortization of customer list and software intangible assets of $78,000 for the quarter and $233,000 for the first nine months. Excluding the affect of the GEMS consolidation, these expenses remained relatively flat for the Third Quarter and increased for the first nine months due to increases in consulting and legal fees.

Income tax expense for the Third Quarter of 2003 increased $252,000 or 36.9% compared to the Third Quarter of 2002 and increased $281,000 or 12.3% for the First Nine Months of 2003 over 2002. The effective tax rate for the Third Quarter of 2003 was 32% compared with 28% in the Third Quarter of 2002 and was 31% for the First Nine Months of 2003 compared to 30% for the First Nine Months of 2002. The primary reason for the increase in the effective tax rate for the Third Quarter of 2003 was due to the reduction of the Company's investment in tax-exempt securities. Since the decrease in the investment in tax-exempt securities occurred in the Second Quarter of 2003 the effective tax rate for First Nine Months of 2003 did not have the full effect of this reduction.

Financial Condition

Total assets at September 30, 2003 were $636,830,000, an increase of $64,597,000 or 11.3% from December 31, 2002. Loans, net of the allowance for loan losses, at September 30, 2003 were $445,578,000, an increase of $16,182,000 or 3.8% from December 31, 2002. Total investments in debt and equity securities at September 30, 2003 were $56,316,000, a $13,055,000 or 18.8% decrease from December 31, 2002. Federal funds sold and other short-term investments at September 30, 2003 were $65,175,000 a $59,448,000 increase from December 31, 2002.

Total deposits at September 30, 2003 were $269,629,000, a $26,111,000 or 10.7% increase from December 31, 2002. Accounts and drafts payable were $295,706,000, a $72,085,000 or 32.2% increase from December 31, 2002. Short-term borrowings at September 30, 2003 were $7,000, a $37,431,000 decrease from December 31, 2002. Total shareholders' equity at September 30, 2003 was $62,854,000, a $1,808,000 or 3.0% increase from December 31, 2002.

The increase in loans relates primarily to the Bank's marketing efforts. The decrease in debt and equity securities relates to the sale of $37,831,000 of securities and the maturity $15,145,000 of securities during the First Nine Months of 2003. The reduction in securities contributed to an increase in federal funds sold and other short-term investments. The increase in deposits was primarily due to the Bank's promotional efforts in the Second Quarter of 2003. The ending balances of accounts and drafts payable increased due to both the fact that these balances 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 and due to special funding arrangements the Company made with a few large customers at year-end. For this reason, average balances are a more meaningful measure of accounts and drafts payable (for average balances refer to the tables on pages 14 through 16). The increase in total shareholders' equity resulted from net income of $5,779,000; cash received from the exercise of stock options of $260,000; the tax benefit received from the exercise of stock options of $176,000; and the amortization of the stock bonus plan of $41,000; offset by dividends paid of $2,114,000 ($.63 per share); purchase of treasury shares of $1,764,000 (59,237 shares); a decrease in other comprehensive income of $569,000 and $1,000 of other items.

Liquidity and Capital Resources

The balances of liquid assets consist of cash and cash equivalents, which include cash and due from banks, federal funds sold, and money market funds were $89,778,000 at September 30, 2003, an increase of $59,772,000 from December 31, 2002. At September 30, 2003 these assets represented 14.1% 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 debt and equity securities was $56,316,000 at September 30, 2003, a decrease of $13,055,000 or 18.8% from December 31, 2002. These assets represented 8.8% of total assets at September 30, 2003. Of this total, 73% were state and municipal securities, 20% were U.S. treasury securities, 6% were U.S. government agencies and 1% were other securities. Of the total portfolio, 14% matures in less than one year, 14% matures in one to five years and 72% matures in five or more years. The investment portfolio provides secondary liquidity through regularly scheduled maturities, the ability to sell securities and the ability to use these securities in conjunction with repurchase lines of credit.

The Bank has unsecured lines at correspondent banks to purchase federal funds up to a maximum of $33,000,000. Additionally, the Company maintains secured lines of credit at unaffiliated financial institutions in the maximum amount of $76,546,000.

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

Net cash provided by operating activities totaled $9,359,000 for the First Nine Months of 2003, compared to $7,173,000 for the First Nine Months of 2002. Net cash used in investing activities was $6,734,000 for the First Nine Months of 2003, compared with $40,288,000 for the First Nine Months of 2002. Net cash provided by financing activities for the First Nine Months of 2003 was $57,147,000, compared with net cash used of $19,404,000 for the First Nine Months of 2002. The increase in net cash provided by operating activities relates primarily to the consolidation of GEMS. The decrease of net cash used in investing activities in the First Nine Months of 2003 relates to the purchase of more securities, a larger increase in loan balances and the purchase of bank owned life insurance in the First Nine Months of 2002. The increase in net cash provided by financing activities in the First Nine Months of 2003 over net cash used in 2002 relates to the increase of accounts and drafts payable balances and an increase in deposit balances in 2003 compared with a decrease in 2002. These increases were partially offset by a decrease in short-term borrowings.

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 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 September 30, 2003 and December 31, 2002:

September 30, 2003	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$62,866,000	12.09%
Cass Commercial Bank	30,941,000	11.89
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$57,467,000	11.05%
Cass Commercial Bank	27,822,000	10.69
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$57,467,000	9.54%
Cass Commercial Bank	27,822,000	9.54

December 31, 2002	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$59,625,000	12.07%
Cass Commercial Bank	27,425,000	10.94
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$54,332,000	11.00%
Cass Commercial Bank	24,412,000	9.74
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$54,332,000	9.16%

Cass Commercial Bank	24,412,000	8.98

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.

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, 2002, 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 September 30, 2003 has changed materially from that at December 31, 2002.

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 SEC is recorded, processed, summarized and reported to management, including the Chief Executive Officer and Chief Financial Officer within the time periods specified in the rules of the SEC. The Company's Chief Executive and Chief Financial Officers have reviewed and evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2003 and based on their evaluation believe that these procedures are effective 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.

Since the date of the most recent evaluation of the Company's internal controls by the Chief Executive and Chief Financial Officers, there have been no significant changes that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS IN SENIOR SECURITIES

None

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

(b) Reports of Form 8-K

The Company filed a report on Form 8-K under Items 7 and 9 dated July 17, 2003, reporting the announcement of the Company's earnings for the second quarter of 2003.

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: November 10, 2003 By /s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: November 10, 2003 By /s/ Eric H. Brunngraber

Eric H. Brunngraber
Vice President-Secretary
(Chief Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION

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 quarterly 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 consolidated 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)) 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) 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

   c) 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 registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls 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.

/s/ Lawrence A. Collett
- -------------------------------------
Lawrence A. Collett
Chairman and Chief Executive Officer
November 10, 2003

Exhibit 31.2

CERTIFICATION

I, Eric H. Brunngraber, Chief Financial and Accounting 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 consolidated financial statements, and other financial information included in this quarterly 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)) 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) 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

   c) 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 registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls 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.

/s/ Eric H. Brunngraber
- --
Eric H. Brunngraber
Vice President - Secretary
(Chief Financial and Accounting Officer)
November 10, 2003

Exhibit 32

CERTIFICATION PURSUANT TO
10 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 September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Lawrence A. Collett and Eric H. Brunngraber, Chairman and Chief Executive Officer and Chief Financial and Accounting Officer, respectively, 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 result of operations of the Company.

/s/ Lawrence A. Collett
- ---------------------------------------
Lawrence A. Collett
Chairman and Chief Executive Officer
November 10, 2003

/s/ Eric H. Brunngraber
- ---------------------------------------
Eric H. Brunngraber
Vice President - Secretary
(Chief Financial and Accounting Officer)
November 10, 2003

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.