

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

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FORM 8-K

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

Date of report (Date of earliest event reported) July 22, 2004  
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Cass Information Systems, Inc.

-----  
(Exact Name of Registrant as Specified in its Charter)

Missouri

-----  
(State or Other Jurisdiction of Incorporation)

2-80070

43-1265338

-----  
(Commission File Number)

(IRS Employer Identification No.)

13001 Hollenberg Drive, Bridgeton, Missouri

63044

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(Address of Principal Executive Offices)

(Zip Code)

(314) 506-5500

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(Registrant's Telephone Number, Including Area Code)

N/A

-----  
(Former Name or Former Address, if Changed Since Last Report)

CASS INFORMATION SYSTEMS, INC.

FORM 8-K

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No. -----	Description -----
99.1	Press Release dated July 22, 2004, issued by Cass Information Systems, Inc. (the Registrant)

Item 12. Results of Operations and Financial Condition

On July 22, 2004, the registrant issued a press release announcing its preliminary results of operations for the quarter ended June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference. The information in this Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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 hereunto duly authorized.

Cass Information Systems, Inc.

July 22, 2004

By: /s/ Lawrence A. Collett  
-----  
Lawrence A. Collett  
Chairman and Chief Executive Officer

July 22, 2004

By: /s/ Eric H. Brunngraber  
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Eric H. Brunngraber  
Vice President-Secretary  
(Chief Financial and Accounting  
Officer)

EXHIBIT INDEX

Exhibit  
Number  
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Description  
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99.1                    Press Release dated July 22, 2004.

July 22, 2004

Cass Information Systems, Inc.  
Reports 2nd Quarter 2004 Earnings

ST. LOUIS - Cass Information Systems, Inc. (NASDAQ: CASS), the nation's leading provider of freight and utility invoice payment, rating, auditing and information services, reported second quarter earnings of 45 cents per fully diluted share, a 25% decrease from the 60 cents reported for the second quarter of 2003. Total net income for the quarter was down 24% to \$1,700,000, compared to the \$2,239,000 reported for the same period in 2003 when Cass realized a gain of \$1,362,000 from the sale of securities. No such gain was realized in the current quarter.

Positive Operating Results Continue

Profits for the quarter from Cass' core businesses of information processing and banking increased \$106,000 (5%), fueled by a 15% increase in utility invoice processing volume and a 2% increase in freight volume that led to a \$751,000 (11%) rise in information processing fees. A growing customer base and increased freight activity among existing clients led to the positive result. Total freight dollars processed increased 12% and utility dollars increased 14% over the second quarter of 2003. Those increases, combined with growth in deposits at Cass Bank, drove a 17% expansion in average earning assets.

Growth in earning assets largely offset a decline in the net interest margin from 5.02% to 4.33%, stemming from the general level of interest rates. The result was a \$161,000 (2%) decline in net investment income.

Total operating expenses decreased \$558,000 or 4% largely due to a series of cost saving technology initiatives related to processing activity.

The company's Government e-Management Solutions, Inc. (GEMS) subsidiary posted a decline of \$695,000 (38%) in revenues compared to the year-earlier period. A sluggish marketplace contributed to the poor result. The subsidiary continues to receive positive feedback from prospects and customers on its enhanced product line and sales activity is expected to improve during the second half of the year.

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Other variances in operating results from the current period to the same period in 2003 include a \$150,000 loan loss provision which reflects the assessment of risk in the growing loan portfolio and a decrease in effective income tax rates from 32% to 28% resulting from the purchase of additional municipal securities.

"We continue to be excited with the growth in customers and volume through our utility and freight invoice processing divisions. National freight volume continues to expand, and a firming interest rate environment should boost results from lending and investing," said Lawrence A. Collett, Cass chief executive officer and chairman. "While revenues from government software operations were weak, we believe they can return to prior levels. Overall, we will continue to focus on expanding our information processing capabilities and activities."

Six-Month 2004 Results

For the six-month period ended June 30, 2004, the company generated \$.95 fully diluted earnings per share, a 6% decrease from the \$1.01 fully diluted earnings per share reported for the six months ended June 30, 2003. Net income for the first half of 2004 was \$3,547,000, compared to \$3,757,000 in 2003. Total revenues were down \$1,212,000 (4%) compared to the same period of 2003, primarily reflecting the decrease in software revenue. Operating expenses also declined \$853,000 (3%). Net profits for the first half of 2004 generated from the company's core businesses of information processing and banking increased \$893,000 or 24% over the same period in 2003.

Selected Consolidated Financial Data

The following table presents selected unaudited consolidated financial data (in thousands, except share and per share data) for the periods ended June 30, 2004 and 2003.



	Quarter Ended 6/30/04	Quarter Ended 6/30/03	Six Months Ended 6/30/04	Six Months Ended 6/30/03
Transportation Invoice Volume	5,921	5,810	11,350	11,476
Transportation Dollar Volume	\$2,416,168	\$2,154,256	\$4,637,814	\$4,208,168
Utility Transaction Volume	1,286	1,116	2,570	2,149
Utility Dollar Volume	\$ 895,730	\$ 788,714	\$1,830,091	\$1,614,075
Payment and Processing Fees	\$ 7,621	\$ 6,870	\$ 15,219	\$ 13,839
Software Revenue	1,134	1,829	2,313	3,607
Net Investment Income	6,324	6,485	12,697	13,074
Gain on Sale of Debt Securities	--	1,362	441	1,362
Other	607	601	1,156	1,156
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Total Revenues	\$ 15,686	\$ 17,147	\$ 31,826	\$ 33,038
Salaries and Benefits	\$ 9,301	\$ 9,400	\$ 18,458	\$ 18,752
Occupancy	436	457	894	893
Equipment	986	1,121	2,011	2,282
Other	2,590	2,893	5,432	5,721
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Total Operating Expenses	\$ 13,313	\$ 13,871	\$ 26,795	\$ 27,648
Income before Income Taxes	\$ 2,373	\$ 3,276	\$ 5,031	\$ 5,390
Provision for Income Taxes	\$ 673	\$ 1,037	\$ 1,484	\$ 1,633
Net Income	\$ 1,700	\$ 2,239	\$ 3,547	\$ 3,757
Average Earning Assets	\$ 627,453	\$ 534,810	\$ 613,338	\$ 534,564
Net Interest Margin	4.33%	5.02%	4.45%	5.15%
Allowance for Loan Losses to Loans	1.24%	1.22%	1.24%	1.22%
Non-performing Loans to Total Loans	.73%	.39%	.73%	.39%
Net Loan Charge-offs to Loans	--	--	--	--
Provision for Loan Losses	\$ 150	\$ --	\$ 350	\$ 90
Non-performing Loans	\$ 3,467	\$ 1,727	\$ 3,467	\$ 1,727
Basic Earnings per Share	\$ .47	\$ .61	\$ .97	\$ 1.02
Diluted Earnings per Share	\$ .45	\$ .60	\$ .95	\$ 1.01

#### About Cass Information Systems

Cass has been a leading provider of payables services and information support systems to companies throughout North America since 1956. The company pays over \$12 billion annually in freight and utility invoices on behalf of its customers from processing centers in St. Louis, Mo., Columbus, Ohio and Boston, Mass. The support of its bank subsidiary, Cass Commercial Bank, founded in 1906, makes the company unique in the industry.

## Note to Investors

Certain matters set forth in this news release may contain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. For a discussion of certain factors that may cause such forward-looking statements to differ materially from the company's actual results, see the company's annual report on Form 10-K for the year ended December 31, 2003.