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 MARCH 31, 2001
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

The number of shares outstanding of registrant's only class of stock as of April 25, 2001: Common stock, par value $.50 per share - 3,277,449 shares outstanding.

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

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	MARCH 31 2001	DECEMBER 31 2000
ASSETS		
Cash and due from banks	$ 24,910	$ 21,680
Federal funds sold and other short-term investments	56,980	94,251
Cash and cash equivalents	81,890	115,931
Investment in debt and equity securities:		
Held-to-maturity, fair value of $6,682 at December 31, 2000	--	6,650
Available-for-sale, at fair value	57,903	62,675
Total investment in debt and equity securities	57,903	69,325
Loans	373,448	372,220
Less: Allowance for loan losses	4,900	4,897
Loans, net	368,548	367,323
Premises and equipment, net	16,191	13,914
Accrued interest receivable	3,175	3,528
Investment in unconsolidated subsidiary	5,005	--
Other assets	7,998	6,865
Total assets	$540,710	$576,886
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 77,957	$ 99,941
Interest-bearing	118,468	112,725
Total deposits	196,425	212,666
Accounts and drafts payable	281,070	302,840
Short-term borrowings	25	--
Other liabilities	8,983	7,559
Total liabilities	486,503	523,065
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 4,000,000 shares issued	2,000	2,000
Surplus	5,050	5,059
Retained earnings	60,271	59,177
Accumulated other comprehensive income	550	159
Common shares in treasury, at cost (717,551 shares at March 31, 2001 and 655,089 shares at December 31, 2000)	(13,591)	(12,480)
Unamortized stock bonus awards	(73)	(94)
Total shareholders' equity	54,207	53,821
Total liabilities and shareholders' equity	$540,710	$576,886

See accompanying notes to consolidated financial statements.

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

	THREE MONTHS ENDED MARCH 31	
	2001	2000
INTEREST INCOME:		
Interest and fees on loans	$ 7,547	$ 6,157
Interest and dividends on debt and equity securities:		
Taxable	972	1,371
Exempt from federal income taxes	14	15
Interest on federal funds sold and other short-term investments	915	862
Total interest income	9,448	8,405
INTEREST EXPENSE:		
Interest on deposits	1,446	954
Interest on short-term borrowings	--	2
Total interest expense	1,446	956
Net interest income	8,002	7,449
Provision for loan losses	--	100
Net interest income after provision for loan losses	8,002	7,349
NONINTEREST INCOME:		
Payment and processing fees	5,312	5,336
Bank service fees	316	334
Other	112	85
Total noninterest income	5,740	5,755
NONINTEREST EXPENSE:		
Salaries and employee benefits	7,722	7,050
Occupancy expense	461	434
Equipment expense	814	752
Other	2,091	1,943
Total noninterest expense	11,088	10,179
Income before income tax expense	2,654	2,925
Income tax expense	904	1,069
Net income	$ 1,750	$ 1,856
Earnings per share:		
Basic	$.53	$.51
Diluted	$.53	$.50
Weighted average shares outstanding:		
Basic	3,293,614	3,643,604
Effect of stock options and awards	43,407	45,361
Diluted	3,337,021	3,688,965

See accompanying notes to consolidated financial statements.

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

	THREE MONTHS ENDED MARCH 31	
	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,750	$ 1,856
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	625	650
Provision for loan losses	--	100
Amortization of stock bonus awards	21	19
(Increase) decrease in accrued interest receivable	353	(208)
Increase (decrease) in deferred income	83	(408)
Deferred income tax benefit	(554)	(78)
Increase in income tax liability	1,028	610
Change in other assets	(1,403)	341
Change in other liabilities	396	341
Other operating activities, net	(285)	499
Net cash provided by operating activities	2,014	3,722
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities of debt and equity securities:		
Held-to-maturity	--	2,950
Available-for-sale	12,001	4,323
Purchase of debt and equity securities:		
Held-to-maturity	--	(2,000)
Available-for-sale	--	(16,889)
Net increase in loans	(5,430)	(42,008)
Purchases of premises and equipment, net	(2,864)	(676)
Net cash provided by (used in) investing activities	3,707	(54,300)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in noninterest-bearing demand deposits	(21,984)	(10,969)
Net increase (decrease) in interest-bearing demand and savings deposits	3,422	(5,663)
Net increase (decrease) in time deposits	2,321	(173)
Net increase (decrease) in accounts and drafts payable	(21,770)	32,356
Net increase (decrease) in short-term borrowings	25	(8)
Cash proceeds from exercise of stock options	11	47
Cash dividends paid	(656)	(729)
Purchase of common shares for treasury	(1,131)	(3,702)
Net cash provided by (used in) financing activities	(39,762)	11,159
Net decrease in cash and cash equivalents	(34,041)	(39,419)
Cash and cash equivalents at beginning of period	115,931	124,217
Cash and cash equivalents at end of period	$ 81,890	$ 84,798
Supplemental information:		
Cash paid for interest	$ 1,404	$ 950
Cash paid for income taxes	411	439
Transfer of securites from held-to-maturity to available-for-sale	6,650	--
Transfer of loans to investment in unconsolidated subsidiary	4,205	--

See accompanying notes to consolidated financial statements.

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

Note 1 - Basis of Presentation

The accompanying unaudited condensed 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 period ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. For further information, refer to the consolidated financial statements and related footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

Note 2 - Impact of New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133) which establishes standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. In June 1999, the FASB issued Statement of Financial Accounting Standards No. 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133, which defers the effective date of SFAS 133 from fiscal years beginning after June 15, 1999 to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued Statement of Financial Accounting Financial Standards No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, which addresses certain issues causing implementation difficulties. The Company has adopted SFAS 133, as amended, effective January 1, 2001, but since the Company does not participate in any derivative or hedging activities, SFAS 133, as amended, had no impact on the Company's consolidated financial position and results of operations, except for the transfer of all held-to-maturity securities into available-for-sale securities as of January 1, 2001 as permitted by SFAS 133. At the time of the transfer the book value of the securities transferred was $6,650,000 and the market value was $6,682,000. The difference was an unrealized gain recorded net of tax as other comprehensive income.

Note 3 - Loans by Type

(DOLLARS IN THOUSANDS)	MARCH 31, 2001	DECEMBER 31, 2000
Commercial and industrial	$136,795	$136,482
Real estate:		
Mortgage	119,740	117,170
Mortgage - Churches & Related	70,861	65,368
Construction	10,111	9,877
Construction - Churches & Related	15,812	19,587
Industrial revenue bonds	15,474	15,804
Installment	2,359	2,533
Other	2,296	5,399
Total loans	$373,448	$372,220

Note 4 - Stock Repurchase Program

On December 21, 1999 the Board of Directors authorized a stock repurchase program that allowed the repurchase of up to 200,000 shares of common stock through December 31, 2000. On March 21, 2000 the Board of Directors authorized a 100,000 increase in the number of shares that could be purchased under the program. Along with the 300,000 shares authorized under the plan, the Board of Directors approved the repurchase of an additional 153,680 shares. During the First Quarter of 2001 the Company repurchased 53,500 shares. Repurchases were made in the open market or through negotiated transactions from time to time depending on market conditions.

Note 5 - Comprehensive Income

For the three-month periods ended March 31, 2001 and 2000, unrealized gains and losses on debt and equity securities available-for-sale is the Company's only other comprehensive income component. Comprehensive income for the three-month periods ended March 31, 2001 and 2000 is summarized as follows:

(IN THOUSANDS)	THREE MONTHS ENDED MARCH 31 2001	2000
Net Income	$1,750	$1,856
Other comprehensive income:		
Net unrealized gain (loss) on debt and equity securities available-for-sale, net of tax	391	(152)
Total comprehensive income	$2,141	$1,704

Note 6 - Industry Segment Information

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

The Transportation Information Services unit provides freight invoice rating, payment, auditing, cost accounting and transportation information services to large corporate shippers. The Utility Information Services unit 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 unit provides banking services primarily to privately held businesses and churches.

The Company's accounting policies for segments are the same as those described in the summary of significant accounting policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2000. Management evaluates segment performance based on net income after allocations for corporate expenses and income taxes. Transactions between segments are accounted for at what management believes to be market value. The Company has initiated the reporting of information relating to the Utility Information Services unit due to its growth and formalization of its existence as an operating unit. Previous period information has been restated to reflect this addition.

All three 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-month periods ended March 31, 2001 and 2000, is as follows:

(IN THOUSANDS)	TRANSPORTATION INFORMATION SERVICES	UTILITY INFORMATION SERVICES	BANKING SERVICES	CORPORATE	ELIM-INATIONS	TOTAL
Quarter Ended March 31, 2001						
Total Revenues	$8,704	$1,774	$3,377	$478	$(591)	$13,742
Net Income	960	(2)	804	(12)	--	1,750
Quarter Ended March 31, 2000						
Total Revenues	$8,963	$ 873	$3,368	$388	$(488)	$13,104
Net Income	1,157	(151)	873	(23)	--	1,856

Note 7 - Investment in Unconsolidated Subsidiary

On January 2, 2001, the Company's Bank subsidiary foreclosed on certain operating assets relating to one borrower in order to protect the Bank's financial interest in that borrower. The Bank is currently stabilizing this business and operating it as Government e-Business, Inc. It is accounted for as an unconsolidated subsidiary. At March 31, 2001 the investment in this subsidiary was $5,005,000.

Note 8 - Reclassifications

Certain amounts in the 2000 consolidated financial statements have been reclassified to conform with the 2001 presentation. Such reclassifications have no effect on previously reported net income.

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

Cass Information Systems, Inc. (the "Company") operates in three primary business segments: Transportation Information Services, Utility Information Services and through the Company's wholly owned subsidiary, Cass Commercial Bank ("Cass Bank"), Banking Services. The Company is a payment processing and information services company, whose operations include the processing and payment of freight and utility charges, preparation of management information, auditing and rating of charges and other payment related activities for customers located throughout the United States. Cass 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.

On January 18, 2001 the Company announced that it acquired substantially all the utility payment and processing related assets of "The Utility Navigator(R)" a division of privately held InSITE Services, Inc. These assets include books and records relating to the business, customer and vendor lists, customer contracts, reporting history and databases, marketing and advertising materials, trademarks and other intellectual property, and a license to the software used to process and pay utility bills.

The following paragraphs more fully discuss the results of operations and changes in financial condition for the three-month period ended March 31, 2001 (the "First Quarter of 2001") compared to the three-month period ended March 31, 2000 (the "First Quarter of 2000"). 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 2000 Annual Report on Form 10-K. Results of operations for the First Three Months of 2001 are not necessarily indicative of the results to be attained for any other period.

RESULTS OF OPERATIONS

NET INCOME

The Company had net income of $1,750,000 for the First Quarter of 2001, a $106,000 or 5.7% decrease compared to net income of $1,856,000 for the First Quarter of 2000. Diluted earnings per share was $.53 for the First Quarter of 2001, a 6.0% increase compared to $.50 for the First Quarter of 2000. Return on average assets for the First Quarter of 2001 was 1.30% compared to 1.50% for the First Quarter of 2000. Return on average equity for the First Quarter of 2001 was 13.11% compared to 13.35% for the First Quarter of 2000.

NET INTEREST INCOME

First Quarter of 2001 compared to First Quarter 2000:

The Company's tax-equivalent net interest income increased 8.5% or $637,000 from $7,488,000 to $8,125,000. Average earning assets increased 10.4% or $47,337,000 from $456,340,000 to $503,677,000. The tax-equivalent net interest margin decreased from 6.60% to 6.56%. The average tax-equivalent yield on earning assets

increased from 7.44% to 7.73%. The average rate paid on interest-bearing liabilities increased from 3.90% to 4.76%.

The average balance of loans increased $66,814,000 from $304,850,000 to $371,664,000, investment in debt and equity securities decreased $26,617,000 from $89,977,000 to $63,360,000, and federal funds sold and other short-term investments increased $7,140,000 from $61,513,000 to $68,653,000. The average balance of noninterest bearing demand deposit accounts decreased $1,213,000 from $82,855,000 to $81,642,000, accounts and drafts payable increased $24,672,000 from $254,693,000 to $279,365,000, and interest bearing liabilities increased $25,094,000 from $98,521,000 to $123,615,000 during this period.

The increase in average loans was attributable to the Bank's marketing efforts, both in the commercial and church and church-related areas. The decrease in average noninterest bearing demand deposit accounts and interest bearing liabilities relates mainly to the transfer of funds by existing customers from deposit accounts into non-deposit investment accounts. The increase in average accounts and drafts payable relates to an increase in the dollar volume of transactions processed.

The increase experienced during the First Quarter of 2001 in net interest income was caused primarily by increases in the level of average earning assets funded by the increase in accounts and drafts payable and a shift in earning assets to higher yielding loans. The decrease in net interest margin was caused primarily by an increase in rates paid on deposits, which fluctuate with market rates. 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 table on page 9 and Item 3 "Quantitative and Qualitative Disclosures about Market Risk" on page 14.

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.

	FIRST QUARTER 2001			FIRST QUARTER 2000		
(DOLLARS IN THOUSANDS)	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE
ASSETS 1						
Earning assets:						
Loans 2,3:						
Taxable	$355,960	$7,322	8.37%	$297,627	$6,058	8.19%
Tax-exempt 4	15,704	341	8.83	7,223	133	7.41
Debt and equity securities 5:						
Taxable	62,228	972	6.35	88,748	1,371	6.21
Tax-exempt 4	1,132	21	7.54	1,229	20	6.55
Federal funds sold and other short-term investments	68,653	915	5.42	61,513	862	5.64
Total earning assets	503,677	9,571	7.73	456,340	8,444	7.44
Nonearning assets:						
Cash and due from banks	18,375			26,896		
Premises and equipment, net	14,488			9,440		
Investment in unconsolidated subsidiary	4,466			--		
Other assets	10,664			9,515		
Allowance for loan losses	(4,898)			(4,325)		
Total assets	$546,772			$497,866		
LIABILITIES AND SHAREHOLDERS' EQUITY 1						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 51,117	$ 522	4.15%	$ 43,486	$ 383	3.54%
Savings deposits	64,451	814	5.14	48,387	496	4.12
Time deposits of $100 or more	4,105	59	5.84	2,622	32	4.91
Other time deposits	3,923	51	5.29	3,826	43	4.52
Total interest-bearing deposits	123,596	1,446	4.76	98,321	954	3.90
Short-term borrowings	19	--	--	200	2	4.02
Total interest-bearing liabilities	123,615	1,446	4.76	98,521	956	3.90
Noninterest-bearing liabilities:						
Demand deposits	81,642			82,855		
Accounts and drafts payable	279,365			254,693		
Other liabilities	8,010			5,877		
Total liabilities	492,632			441,946		
Shareholders' equity	54,140			55,920		
Total liabilities and shareholders' equity	$546,772			$497,866		
Net interest income		$8,125			$7,488	
Interest spread			2.97%			3.54%
Net interest margin			6.56%			6.60%

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 2000 Consolidated Financial Statements.
3. Interest income on loans includes net loan fees of $4,000 and $12,000 for the First Quarter of 2001 and 2000, respectively.
4. Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $123,000 and $39,000 for the First Quarter of 2001 and 2000, respectively.
5. For purposes of these computations, yields on investment securities are computed as interest income divided by the average amortized cost of the investment securities.

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.

	FIRST QUARTER 2001 OVER 2000		
(DOLLARS IN THOUSANDS)	VOLUME1	RATE1	TOTAL
Increase (decrease) in interest income:			
Loans 2,3:			
Taxable	$1,137	$127	$1,264
Tax-exempt 4	179	29	208
Debt and equity securities:			
Taxable	(428)	29	(399)
Tax-exempt 4	(2)	3	1
Federal funds sold and other short-term investments	89	(36)	53
Total interest income	975	152	1,127
Interest expense on:			
Interest-bearing demand deposits	70	69	139
Savings deposits	183	135	318
Time deposits of $100 or more	20	7	27
Other time deposits	1	7	8
Short-term borrowings	(1)	(1)	(2)
Total interest expense	273	217	490
Net interest income	$ 702	$(65)	$ 637

1. The change in interest due to both volume and rate has been allocated proportionately.
2. Average balances include nonaccrual loans.
3. Interest income includes net loan fees.
4. 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 First Quarter of 2001 compared to a $100,000 provision during the First Quarter of 2000. Net loan recoveries were $3,000 compared to $27,000. The decrease in the provision made during 2001 relates to a reduction in the balance of potential problem loans from December 31, 2000 to March 31, 2001.

The allowance for loan losses at March 31, 2001 was $4,900,000 and at December 31, 2000 was $4,897,000. The allowance for loan losses at March 31, 2001 and December 31, 2000 represented 1.32% of total loans outstanding. Nonperforming loans were $1,488,000 or .40% of average loans at March 31, 2001 compared to $1,131,000 or .30% of average loans for the year ended December 31, 2000.

At March 31, 2001, impaired loans totaled $1,537,000 which includes $1,441,000 of nonaccrual loans. The allowance for loan losses on impaired loans was $333,000 at March 31, 2001. The average balance of impaired loans during the First Quarter of 2001 and the First Quarter of 2000 was $1,563,000 and $179,000, respectively. This increase relates to the addition of several problem credits over the past year.

Factors which influence management's determination of the adequacy of the allowance for loan losses, among other things, include: evaluation of each nonperforming and/or classified loan to determine the estimated loss exposure under existing circumstances known to management; evaluation of all potential problem loans identified in light of loss exposure based upon existing circumstances known to management; analysis of the loan portfolio with regard to future loss exposure on loans to specific customers and/or industries; current economic conditions; and, an overall review of the loan portfolio in light of past loan loss experience. In management's judgment, the allowance for loan losses is considered adequate to absorb probable losses in the loan portfolio.

SUMMARY OF ASSET QUALITY

The following table presents information as of and for the three month periods ended March 31, 2001 and 2000 pertaining to the Company's provision for loan losses and analysis of the allowance for loan losses.

	THREE MONTHS ENDED MARCH 31	
(DOLLARS IN THOUSANDS)	2001	2000
Allowance at beginning of period	$ 4,897	$ 4,282
Provision charged to expense	--	100
Loans charged off	--	--
Recoveries on loans previously charged off	3	27
Net loan recoveries	3	27
Allowance at end of period	$ 4,900	$ 4,409
Loans outstanding:		
Average	$371,664	$304,850
March 31	373,448	320,378
Ratio of allowance for loan losses to loans outstanding:		
Average	1.32%	1.45%
March 31	1.31%	1.38%
Nonperforming loans:		
Nonaccrual loans	$ 1,441	$ 167
Loans past due 90 days or more	47	6
Total	$ 1,488	$ 173
Nonperforming loans as a percent of average loans	.40%	.06%

On January 2, 2001 the Bank foreclosed on certain operating assets relating to one borrower in order to protect the Bank's financial interest in that borrower. At the time of foreclosure, loans to this borrower amounted to $4,205,000. The Bank is currently stabilizing this business and operating it as Government e-Business. As of March 31, 2001 the investment in this subsidiary was $5,005,000. During the First Quarter of 2001, this subsidiary had a pre-tax loss of $263,000, which includes depreciation and amortization of $196,000.

NONINTEREST INCOME

Noninterest income is principally derived from payment and processing fees. Total invoices processed by the Transportation Information Services unit were 4,858,000 for the First Quarter of 2001, a decrease of 16,000 or .3% compared to the First Quarter of 2000. Total dollar volume of invoices processed by the Transportation Information Services unit was $1,858,633,000, an increase of $56,695,000 or 3.1%. Total invoices processed by the Utility Information Services unit were 557,000, an increase of 166,000 or 42.5%. Total dollars processed by the Utility Information Services was $380,290,000, an increase of $157,341,000 or 70.6%. This excludes volume related to the Utility Navigator(R) purchase, which was processed under an interim agreement in the First Quarter of 2001. These figures also exclude any volume related to history data loading. The Company believes the inclusion of such data distorts processing volumes since it relates to one-time, non-repetitive processing and does not involve payment of any invoices.

Total noninterest income was $5,740,000, a $15,000 or .3% decrease. Payment and processing revenue for the First Quarter of 2001 was $5,312,000, a $24,000 or .4% decrease compared to the First Quarter of 2000. Several factors caused this decrease. Although the dollar value of invoices processed increased, the Company

continues to see decreases in invoices processed due to general economic conditions. Freight rating services revenue also decreased due to a change in strategic direction from selling rating software to a new Internet-based delivery system of carrier rates that offers expanded features and capabilities.

Bank service fees for the First Quarter of 2001 were $316,000, a $18,000 or 5.4% decrease compared to the First Quarter of 2000. This decrease was attributable to a decrease in the fees received on credit card sales made by Bank customers.

NONINTEREST EXPENSE

Total noninterest expense for the First Quarter of 2001 was $11,088,000, a $909,000 or 8.9% increase compared to the First Quarter of 2000.

Salaries and benefits expense for the First Quarter of 2001 was $7,722,000, a $672,000 or 9.5% increase compared to the First Quarter of 2000. This increase was caused by expenses related to increased staff to support expanded operations of the Utility Information Services unit and to higher levels of overall technology staff.

Occupancy expense for the First Quarter of 2001 was $461,000, a $27,000 or 6.2% increase compared to the First Quarter of 2000. This increase was caused mainly by increases in utility expenses and real estate taxes related to the purchase of the new facility in Columbus, Ohio.

Equipment expense for the First Quarter of 2001 was $814,000, an increase of $62,000 or 8.2% compared to the First Quarter of 2000. This increase was due primarily to increased investments in information technology.

Other noninterest expense for the First Quarter of 2001 was $2,091,000, an increase of $148,000 or 7.6% compared to the First Quarter of 2000. This increase was due primarily to increases in legal fees, telecommunication expenses, and travel expenses.

FINANCIAL CONDITION

Total assets at March 31, 2001 were $540,710,000, a decrease of $36,176,000 or 6.3% from December 31, 2000. Loans, net of the allowance for loan losses, were $368,548,000, an increase of $1,225,000 or .3%. Total investments in debt and equity securities were $57,903,000, a $11,422,000 or 16.5% decrease. Federal Funds sold and other short-term investments were $56,980,000 a $37,271,000 or 39.5% decrease.

Total deposits at March 31, 2001 were $196,425,000, a $16,241,000 or 7.6% decrease from December 31, 2000. Accounts and drafts payable were $281,070,000, a $21,770,000 or 7.2% decrease. Total shareholders' equity was $54,207,000, a $386,000 or .7% increase.

The decrease in debt and equity securities is primarily due to the maturity of several large investments during the First Quarter of 2001. The decrease in federal funds sold and other short-term investments relates primarily to the decrease in balances generated from deposits and accounts and drafts payable. The ending balances of accounts and drafts payable will fluctuate from period end to period end due to the payment processing cycle, which results in lower balances on days when checks clear and higher balances on days when checks are issued. For this reason, average balances are a more meaningful measure of accounts and drafts payable. The average balance of accounts and drafts payable increased $24,672,000 or 9.7%, from $254,693,000 to $279,365,000. The increase in total shareholders' equity resulted from net income of $1,750,000; an increase in other comprehensive income of $391,000; cash received from the exercise of stock options of $11,000 and the amortization of the stock bonus plan of $21,000; offset by the purchase of treasury shares for $1,131,000 (53,500 shares) and dividends paid of $656,000 ($.20 per share).

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents, which consist of cash and due from banks, federal funds sold, and money market funds, were $81,890,000 or 15.1% of total assets at March 31, 2001. These funds represent 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 represented approximately $57,903,000 or 10.7% of total assets at March 31, 2001. Of this total, 42% were U.S. treasury securities, 55% were U.S. government agencies, and 3% were other securities. Of the total portfolio, 28% matures in one year, 60% matures in one to five years, and 12% matures in five or more years. At January 1, 2001 the Company transferred the remaining balance of held-to-maturity securities into available-for-sale securities upon adoption of SFAS 133. The investment portfolio provides secondary liquidity through regularly scheduled maturities, the ability to sell securities out of the available-for-sale portfolio, and the ability to use these securities in conjunction with its reverse repurchase lines of credit.

Cass Bank has unsecured lines at correspondent banks to purchase federal funds up to a maximum of $20,320,000. Additionally, Cass Bank has a line of credit at an unaffiliated financial institution in the maximum amount of $60,000,000 in reverse repurchase agreement lines with unaffiliated financial institutions.

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 has also historically been a stable source of funds.

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 significantly exceed all regulatory capital requirements, as evidenced by the following capital amounts and ratios at March 31, 2001 and December 31, 2000:

MARCH 31, 2001	AMOUNT	RATIO
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$53,829,000	12.81%
Cass Commercial Bank	21,696,000	11.96
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$48,929,000	11.65%
Cass Commercial Bank	19,422,000	10.70
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$48,929,000	9.04%
Cass Commercial Bank	19,422,000	8.31

DECEMBER 31, 2000	AMOUNT	RATIO
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$57,712,000	13.55%
Cass Commercial Bank	26,064,000	13.38
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$52,815,000	12.40%
Cass Commercial Bank	23,624,000	12.13
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$52,815,000	10.26%
Cass Commercial Bank	23,624,000	10.52

INFLATION

Inflation can impact the financial position and results of the operations of banks and bank holding companies because these companies hold monetary assets and monetary liabilities. Monetary assets and liabilities are those which can be converted into a fixed number of dollars, and include cash, investments, loans and deposits. The Company's consolidated balance sheets, reflect a net positive monetary position (monetary assets exceeding 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.

FORWARD-LOOKING STATEMENTS - FACTORS THAT MAY AFFECT FUTURE RESULTS

Statements in Management's Discussion and Analysis of Financial Condition and Results of Operations and the other sections of this Report that are not statements of historical fact are forward-looking statements. Such statements are subject to important risks and uncertainties which could cause the Company's actual results to differ materially from those expressed in any such forward-looking statements made herein. The aforesaid uncertainties include, but are not limited to: burdens imposed by federal and state regulators, credit risk related to borrowers' ability to repay loans, concentration of loans in the St. Louis Metropolitan area which subjects the Company to risks associated with changes in the local economy, risks associated with fluctuations in interest rates, competition from other banks and other financial institutions, some of which are not as heavily regulated as the Company and risks associated with breakdowns in data processing systems and competition from other providers of similar 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, 2000, 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 March 31, 2001 has changed materially from that at December 31, 2000.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
None

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) None

(b) Cass Information Systems, Inc. did not file any reports on Form 8-K during the three-month period ended March 31, 2001.

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: April 30, 2001 By /s/Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: April 30, 2001 By /s/Eric H. Brunngraber

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