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 June 30, 2002
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 July 31, 2002: Common stock, par value $.50 per share - 3,203,722 shares outstanding.

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

TABLE OF CONTENTS

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, 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, increasing competition, the inability to remain current with rapid technological change, risks related to acquisitions, risks associated with business cycles, 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 commercial enterprises, churches and loans in the St. Louis Metropolitan area which creates risks associated with adverse factors that may affect these groups, risks associated with fluctuations in interest rates, 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)

	June 30 2002	December 31 2001
Assets		
Cash and due from banks	$ 27,342	$ 31,915
Federal funds sold and other short-term investments	90,060	67,940
Cash and cash equivalents	117,402	99,855
Investment in debt and equity securities available-for-sale, at fair value	65,641	92,330
Loans	412,628	381,452
Less: Allowance for loan losses	5,109	4,906
Loans, net	407,519	376,546
Premises and equipment, net	16,445	16,798
Accrued interest receivable	2,772	2,627
Foreclosed assets	5,814	5,814
Other assets	7,794	6,905
Total assets	$623,387	$600,875
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	$101,679	$117,351
Interest-bearing	142,782	130,627
Total deposits	244,461	247,978
Accounts and drafts payable	314,240	291,794
Short-term borrowings	--	200
Other liabilities	6,468	5,383
Total liabilities	565,169	545,355
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
Additional paid-in capital	4,848	4,997
Retained earnings	65,919	63,623
Accumulated other comprehensive income	760	522
Common shares in treasury, at cost (796,278 shares at June 30, 2002 and 818,185 shares at December 31, 2001)	(15,275)	(15,597)
Unamortized stock bonus awards	(34)	(25)
Total shareholders' equity	58,218	55,520
Total liabilities and shareholders' equity	$623,387	$600,875

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended June 30		Six Months Ended June 30	
	2002	2001	2002	2001
Interest Income:				
Interest and fees on loans	$ 6,561	$ 7,395	$ 12,788	$ 14,942
Interest and dividends on debt and equity securities:				
Taxable	1,008	770	2,203	1,742
Exempt from federal income taxes	511	13	848	27
Interest on federal funds sold and other short-term investments	119	873	279	1,788
Total interest income	8,199	9,051	16,118	18,499
Interest Expense:				
Interest on deposits	563	951	1,111	2,397
Interest on short-term borrowings	22	1	25	1
Total interest expense	585	952	1,136	2,398
Net interest income	7,614	8,099	14,982	16,101
Provision for loan losses	180	--	270	--
Net interest income after provision for loan losses	7,434	8,099	14,712	16,101
Noninterest Income:				
Freight and utility payment and processing revenue	6,122	5,154	11,673	10,466
Bank service fees	424	383	836	699
Gains on sales of investment securities	944	--	944	--
Other	12	118	53	230
Total noninterest income	7,502	5,655	13,506	11,395
Noninterest Expense:				
Salaries and employee benefits	7,897	7,663	15,503	15,385
Occupancy expense	384	427	748	888
Equipment expense	1,115	904	2,204	1,718
Other	2,317	2,043	4,582	4,134
Total noninterest expense	11,713	11,037	23,037	22,125
Income before income tax expense	3,223	2,717	5,181	5,371
Income tax expense	992	942	1,604	1,846
Net income	$ 2,231	$ 1,775	$ 3,577	$ 3,525
Earnings per share:				
Basic	$.70	$.54	$1.12	$1.08
Diluted	$.69	$.54	$1.11	$1.06
Weighted average shares outstanding:				
Basic	3,201,836	3,259,510	3,201,172	3,276,468
Effect of dilutive stock options and awards	20,949	41,293	20,914	42,344
Diluted	3,222,785	3,300,803	3,222,086	3,318,812

See accompanying notes to unaudited consolidated financial statements.

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

	Six Months Ended June 30	
	2002	2001
Cash Flows From Operating Activities:		
Net income	$ 3,577	$ 3,525
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,943	1,379
Provision for loan losses	270	--
Amortization of stock bonus awards	13	43
Tax benefit from exercise of stock options and bonuses	186	2
(Increase) decrease in accrued interest receivable	(145)	1,001
Increase (decrease) in deferred income	506	(41)
Deferred income tax expense (benefit)	554	(376)
(Decrease) increase in income tax liability	(26)	234
Gains on sales of investment securities	(944)	--
Change in other assets	(1,567)	(1,615)
Change in other liabilities	605	(589)
Other operating activities, net	5	(203)
Net cash provided by operating activities	4,977	3,360
Cash Flows From Investing Activities:		
Proceeds from sales of debt securities available-for-sale	52,238	--
Proceeds from maturities of debt and equity securities available-for-sale	20,275	25,410
Purchase of debt and equity securities available-for-sale	(44,637)	--
Net increase in loans	(31,243)	(18,057)
Purchases of premises and equipment, net	(1,476)	(4,502)
Net cash (used in) provided by investing activities	(4,843)	2,851
Cash Flows From Financing Activities:		
Net decrease in noninterest-bearing demand deposits	(15,672)	(8,458)
Net decrease in interest-bearing demand and savings deposits	(9,272)	(4,163)
Net increase in time deposits	21,427	2,770
Net increase (decrease) in accounts and drafts payable	22,446	(3,858)
Net (decrease) increase in short-term borrowings	(200)	25
Cash proceeds from exercise of stock options	348	11
Cash dividends paid	(1,281)	(1,309)
Purchase of common shares for treasury	(383)	(2,069)
Net cash provided by (used in) financing activities	17,413	(17,051)
Net increase (decrease) in cash and cash equivalents	17,547	(10,840)
Cash and cash equivalents at beginning of period	99,855	115,931
Cash and cash equivalents at end of period	$117,402	$105,091
Supplemental information:		
Cash paid for interest	$ 1,087	$ 2,425
Cash paid for income taxes	1,012	2,137
Transfer of securites from held-to-maturity to available-for-sale	--	6,650
Transfer of loans to foreclosed assets	--	4,205

See accompanying notes to unaudited consolidated financial statements.

Note 1 - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with 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 June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information, refer to the consolidated financial statements and related footnotes included in the Cass Information System, Inc.'s ("the Company") Annual Report on Form 10-K for the year ended December 31, 2001.

Note 2 - Impact of New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", 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 SFAS 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 SFAS 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 fair value was $6,682,000. The difference was an unrealized gain recorded net of tax as other comprehensive income.

In June 2001, the FASB issued SFAS 142, "Goodwill and Other Intangible Assets", that supersedes Accounting Principles Board (APB) Opinion No. 17. Under SFAS 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized, but are to be reviewed at least annually for impairment under impairment guidelines established in the statement. SFAS 142 also changes the amortization methodology in intangible assets that are deemed to have finite lives. Finally, SFAS 142 adds to required disclosures regarding goodwill and intangible assets. SFAS 142 is effective for fiscal years beginning after December 15, 2001. The adoption of SFAS 142 on January 1, 2002 did not have a material impact on the consolidated financial statements. In addition, amortization of goodwill previously reported in net income is not material.

In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", that superseded SFAS 121 and APB Opinion No. 30. SFAS 144 provides guidance on differentiating between assets held and used, held for sale, and held for disposal other than by sale, and the required valuation of such assets. SFAS 144 is effective for fiscal years beginning after December 15, 2001. The provisions of SFAS 144 have been adopted by the Company as of January 1, 2002 and will require that the foreclosed assets of the Company be reclassified from held for sale to held for use as of December 31, 2002 if certain conditions are not met. The Company is evaluating the new statement, as it relates to these foreclosed assets, to determine the full effect it may have on the consolidated financial statements.

Note 3 - Loans by Type

(In Thousands)	June 30, 2002	December 31, 2001
Commercial and industrial	$101,623	$115,316
Real estate:		
Mortgage	166,480	128,651
Mortgage - Churches & Related	91,560	86,853
Construction	4,963	16,041
Construction - Churches & Related	28,702	16,674
Industrial revenue bonds	6,073	6,155
Installment	1,845	1,787
Other	11,382	9,975
Total loans	$412,628	$381,452

Note 4 - Stock Repurchase Program

On December 21, 1999 the Board of Directors authorized a stock repurchase program that would allow the repurchase of up to 200,000 shares of its 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 can be purchased under the program. Along with the 300,000 shares authorized under the plan, the Board of Directors has subsequently approved the repurchase of an additional 277,874 shares. The Company repurchased 15,664 shares for $383,000 and repurchased 100,500 shares for $2,069,000 for the six months ended June 30, 2002 and 2001, respectively. 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 and six month periods ended June 30, 2002 and 2001, unrealized gains and losses on debt and equity securities available-for-sale were the Company's only other comprehensive income component. Comprehensive income for the three and six month periods ended June 30, 2002 and 2001 is summarized as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In Thousands)	2002	2001	2002	2001
Net Income	$ 2,231	$ 1,775	$ 3,577	$ 3,525
Other comprehensive income:				
Net unrealized gain (loss) on debt and equity securities available-for-sale, net of tax	1,366	(45)	861	346
Less: reclassification adjustment for realized gains on sales of debt and equity securities, available-for-sale, included in net income, net of tax	(623)	--	(623)	--
Total other comprehensive income (loss)	743	(45)	238	346
Total comprehensive income	$ 2,974	$ 1,730	$ 3,815	$ 3,871

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 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 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, 2001. 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.

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 and six month periods ended June 30, 2002 and 2001, is as follows:

(In Thousands)	Transportation Information Services	Utility Information Services	Banking Services	Corporate	Eliminations	Total
Quarter Ended June 30, 2002						
Total Revenues	$ 8,596	$ 2,599	$ 3,873	$ 554	$ (686)	$14,936
Net Income	851	337	1,043	--	--	2,231
Quarter Ended June 30, 2001						
Total Revenues	$ 8,251	$ 1,897	$ 3,690	$ 452	$ (536)	$13,754
Net Income	784	45	958	(12)	--	1,775
Six Months Ended June 30, 2002						
Total Revenues	$16,149	$ 4,803	$ 7,542	$ 1,107	$ (1,383)	$28,218
Net Income	1,070	457	2,050	--	--	3,577
Six Months Ended June 30, 2001						
Total Revenues	$16,955	$ 3,671	$ 7,067	$ 930	$ (1,127)	$27,496
Net Income	1,744	43	1,762	(24)	--	3,525

Note 7 - Foreclosed assets

On January 2, 2001, the Company's bank subsidiary foreclosed on certain operating assets relating to one borrower in order to protect the financial interest in that borrower. It is accounted for as a foreclosed asset that is held for sale. At June 30, 2002 the investment in this entity was $5,218,000. On August 8, 2001 the Company's bank subsidiary foreclosed on a loan to one borrower and is now carrying the property as a foreclosed asset at what management believes to be fair value less cost to sell of $596,000. For more information on these foreclosed assets see "Summary of Asset Quality" on page 15 of this report.

Note 8 - Commitments and Contingencies

The Company provides customers with off-balance sheet credit support through unused loan commitments to extend credit, standby letters of credit and commercial letters of credit. At June 30, 2002 conditional commitments to extend credit, commercial letters of credit and standby letters of credit totaled approximately $27,320,000, $9,000 and $5,620,000, respectively. Since many of the unused commitments are expected to expire or be only partially used, the total amount of commitments does not necessarily represent future cash requirements.

The Company and its subsidiaries are involved in various pending legal actions and proceedings in which claims for damages are asserted. Management, after discussion with legal counsel, believes the ultimate resolution of these legal actions and proceedings will not have a material effect upon the Company's consolidated financial position or results of operations.

Note 9 - Reclassifications

Certain amounts in the 2001 consolidated financial statements have been reclassified to conform to the 2002 presentation. Such reclassifications have no effect on previously reported net income or shareholders' equity.

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

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 ("the Bank"), Banking 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.

On January 18, 2001 the Company acquired substantially all the utility payment and processing assets of "The Utility Navigator(R)", a division of privately-held InSITE Services, Inc., for $750,000. 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.

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 consolidated 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, 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.

Results of Operations

The following paragraphs more fully discuss the results of operations and changes in financial condition for the three-month period ended June 30, 2002 (the "Second Quarter of 2002") compared to the three-month period ended June 30, 2001 (the "Second Quarter of 2001") and the six-month period ended June 30, 2002 ("First Half of 2002") compared to the six-month period ended June 30, 2001 ("First Half of 2001"). 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 2001 Annual Report on Form 10-K. Results of operations for the First Half of 2002 are not necessarily indicative of the results to be attained for any other period.

Net Income

The Company's net income was $2,231,000 for the Second Quarter of 2002, a $456,000 or 25.7% increase compared to net income of $1,775,000 for the Second Quarter of 2001. The Company's net income was $3,577,000 for the First Half of 2002, a $52,000 or 1.5% increase compared to net income of $3,525,000 for the First Half of 2001. Diluted earnings per share was $.69 for the Second Quarter of 2002, a 27.8% increase compared to $.54 for the Second Quarter of 2001. Diluted earnings per share was $1.11 for the First Half of 2002, a 4.7% increase compared to $1.06 for the First Half of 2001. The increase in net income in the Second Quarter of 2002 over the Second Quarter of 2001 was primarily a result of increased freight and utility processing fee revenue and gains on the sales of securities, that more than offset the decline in interest income due to the decrease in the general level of interest rates. The increase in net income in the First Half of 2002 from the First Half of 2001 was due primarily to the same factors as the increases in the Second Quarter of 2002 from the Second Quarter of 2001. Return on average assets for the Second Quarter of 2002 was 1.51% compared to 1.27% for the Second Quarter of 2001. Return on average assets for the First Half of 2001 was 1.22% compared to 1.28% for the First Half of 2001. Return on average equity for the Second Quarter of 2002 was 16.00% compared to 12.89% for the Second Quarter of 2001. Return on average equity for the First Half of 2002 was 12.96% compared to 13.01% for the First Half of 2001.

Net Interest Income

Second Quarter of 2002 compared to Second Quarter of 2001:

The Company's tax-equivalent net interest income decreased 3.7% or $302,000 from $8,216,000 to $7,914,000. Average earning assets increased 6.8% or $34,515,000 from $508,491,000 to $543,006,000. The tax-equivalent net interest margin decreased from 6.48% to 5.85%. The average tax-equivalent yield on earning assets decreased from 7.23% to 6.28%. The average rate paid on interest-bearing liabilities decreased from 3.21% to 1.61%.

The average balances of loans increased $18,205,000 from $378,722,000 to $396,927,000, investment in debt and equity securities, at amortized cost, increased $68,650,000 from $49,466,000 to $118,116,000, and federal funds sold and other short-term investments decreased $52,340,000 from $80,303,000 to $27,963,000. The average balance of noninterest-bearing demand deposit accounts increased $8,994,000 from $90,186,000 to $99,180,000, accounts and drafts payable decreased $2,783,000 from $289,062,000 to $286,279,000, and interest-bearing liabilities increased $26,749,000 from $118,875,000 to $145,624,000.

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 increase in debt and equity securities and decrease 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. Noninterest-bearing demand deposits have increased due to the fact that customers maintain higher noninterest-bearing balances to compensate the Bank for services and to avoid higher service fees in a lower rate environment and the Bank's marketing efforts to attract more deposits. Interest-bearing liabilities increased due to increased deposits by existing customers and new deposit accounts. The moderate decrease in average accounts and drafts payable relates to normal fluctuations in these balances.

The decreases experienced during the Second Quarter of 2002 in net interest income and the net interest margin was 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 adjusting the allocation of assets in its portfolio to longer-term, higher-yielding assets, increasing the size of the loan portfolio and increasing earning assets by increasing deposits. Nonetheless, the dramatic decline in interest rates adversely affected the Company's net interest income and margin. 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 pages 11 and 12.

First Half of 2002 compared to the First Half of 2001:

The Company's tax-equivalent net interest income decreased 5.2% or $848,000 from $16,341,000 to $15,493,000. Average earning assets increased 6.7% or $33,956,000 from $505,975,000 to $539,931,000. The tax-equivalent net interest margin decreased from 6.51% to 5.79%. The average tax-equivalent yield on earning assets decreased from 7.47% to 6.21%. The average rate paid on interest-bearing liabilities decreased from 3.99% to 1.64%.

The average balances of loans increased $14,985,000 from $375,213,000 to $390,198,000, investment in debt and equity securities, at amortized cost, increased $60,762,000 from $56,252,000 to $117,014,000, and federal funds sold and other short-term investments decreased $41,791,000 from $74,510,000 to $32,719,000. The average balance of noninterest bearing demand deposit accounts increased $15,826,000 from $85,938,000 to $101,764,000, accounts and drafts payable increased $2,325,000 from $284,240,000 to $286,565,000, and interest-bearing liabilities increased $18,816,000 from $121,232,000 to $140,048,000.

The increases and decreases experienced in account balances during the First Half of 2001 were attributable to the same factors as those described for the second quarter, except that the average balance of accounts and drafts payable increased slightly in the First Half of 2002 compared with the First Half of 2001 which was also due to normal fluctuations in these balances.

The decreases experienced during the First Half of 2002 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 table on page 12 and 13.

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.

	Second Quarter 2002			Second Quarter 2001		
(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	$ 390,838	$ 6,485	6.66%	$363,270	$ 7,181	7.93%
Tax-exempt (4)	6,089	115	7.58	15,452	325	8.44
Debt and equity securities (5):						
Taxable	73,035	1,008	5.54	48,426	770	6.38
Tax-exempt (4)	45,081	772	6.87	1,040	19	7.33
Federal funds sold and other short-term investments	27,963	119	1.71	80,303	873	4.36
Total earning assets	543,006	8,499	6.28	508,491	9,168	7.23
Nonearning assets:						
Cash and due from banks	24,245			24,805		
Premises and equipment, net	16,399			16,936		
Foreclosed assets	5,499			5,256		
Other assets	8,559			11,173		
Allowance for loan losses	(5,002)			(4,910)		
Total assets	$ 592,706			$561,751		
Liabilities And Shareholders' Equity (1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 59,356	$ 166	1.12%	$ 57,093	$ 433	3.04%
Savings deposits	46,406	151	1.31	52,278	397	3.05
Time deposits of $100 or more	30,410	200	2.64	5,827	72	4.96
Other time deposits	5,543	46	3.33	3,628	49	5.42
Total interest-bearing deposits	141,715	563	1.59	118,826	951	3.21
Short-term borrowings	3,909	22	2.26	49	1	8.19
Total interest-bearing liabilities	145,624	585	1.61	118,875	952	3.21

Noninterest-bearing liabilities:						
Demand deposits	99,180			90,186		
Accounts and drafts payable	286,279			289,062		
Other liabilities	5,708			8,409		
Total liabilities	536,791			506,532		
Shareholders' equity	55,915			55,219		
Total liabilities and shareholders' equity	$ 592,706			$561,751		
Net interest income		$ 7,914			$ 8,216	
Interest spread			4.67%			4.02%
Net interest margin			5.85%			6.48%

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 2001 Consolidated Financial Statements.
3. Interest income on loans includes net loan fees of $202,000 and $7,000 for the Second Quarter of 2002 and 2001, respectively.
4. Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $300,000 and $117,000 for the Second Quarter of 2002 and 2001, 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.

	First Half of 2002			First Half of 2001		
(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	$ 384,087	$ 12,636	6.63%	$ 359,636	$ 14,503	8.13%
Tax-exempt (4)	6,111	230	7.59	15,577	666	8.62
Debt and equity securities (5):						
Taxable	79,585	2,203	5.58	55,166	1,742	6.37
Tax-exempt (4)	37,429	1,281	6.90	1,086	40	7.43
Federal funds sold and other short-term investments	32,719	279	1.72	74,510	1,788	4.84
Total earning assets	539,931	16,629	6.21	505,975	18,739	7.47
Nonearning assets:						
Cash and due from banks	23,662			21,608		
Premises and equipment, net	16,497			15,719		
Foreclosed assets	5,453			4,863		
Other assets	9,002			11,042		
Allowance for loan losses	(4,972)			(4,904)		
Total assets	$ 589,573			$ 554,303		
Liabilities And Shareholders' Equity (1)						
Interest-bearing liabilities:						
Interest-bearing demand deposits	$ 59,623	$ 344	1.16%	$ 54,121	$ 955	3.56%
Savings deposits	45,929	307	1.35	58,331	1,211	4.19
Time deposits of $100 or more	27,026	366	2.73	4,971	130	5.27
Other time deposits	5,198	94	3.65	3,775	101	5.40
Total interest-bearing deposits	137,776	1,111	1.63	121,198	2,397	3.99

Short-term borrowings	2,272	25	2.22	34	1	5.93
Total interest-bearing liabilities	140,048	1,136	1.64	121,232	2,398	3.99
Noninterest-bearing liabilities:						
Demand deposits	101,764			85,938		
Accounts and drafts payable	286,565			284,240		
Other liabilities	5,540			8,262		
Total liabilities	533,917			499,672		
Shareholders' equity	55,656			54,631		
Total liabilities and shareholders' equity	$ 589,573			$ 554,303		
Net interest income		$ 15,493			$ 16,341	
Interest spread			4.57%			3.48%
Net interest margin			5.79%			6.51%

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 2001 Consolidated Financial Statements.
3. Interest income on loans includes net loan fees of $258,000 and $11,000 for the First Half of 2002 and 2001, respectively.
4. Interest income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $511,000 and $240,000 for the First Half of 2002 and 2001, respectively.
5. For purposes of these computations, yields on investment securities are computed as interest income divided by the average amortized cost of the investments.

Analysis of Net Interest Income Changes

The following table presents the changes in interest income and expense between periods due to changes in volume and interest rates. That portion of the change in interest attributable to the combined rate/volume variance has been allocated to rate and volume changes in proportion to the absolute dollar amounts of the change in each.

	Second Quarter 2002 Over 2001		
(Dollars in thousands)	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans (1,2):			
Taxable	$ 517	$ (1,213)	$ (696)
Tax-exempt (3)	(180)	(30)	(210)
Debt and equity securities:			
Taxable	350	(112)	238
Tax-exempt (3)	754	(1)	753
Federal funds sold and other short-term investments	(390)	(364)	(754)
Total interest income	1,051	(1,720)	(669)
Interest expense on:			
Interest-bearing demand deposits	17	(284)	(267)
Savings deposits	(40)	(206)	(246)
Time deposits of $100 or more	176	(48)	128
Other time deposits	20	(23)	(3)
Short-term borrowings	22	(1)	21
Total interest expense	195	(562)	(367)
Net interest income	$ 856	$ (1,158)	$ (302)

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%.

(Dollars in thousands)	First Half 2002 Over 2001 Volume	Rate	Total
Increase (decrease) in interest income:			
Loans (1,2):			
Taxable	$ 937	$ (2,804)	$(1,867)
Tax-exempt (3)	(364)	(72)	(436)
Debt and equity securities:			
Taxable	697	(236)	461
Tax-exempt (3)	1,244	(3)	1,241
Federal funds sold and other short-term investments	(702)	(807)	(1,509)
Total interest income	1,812	(3,922)	(2,110)
Interest expense on:			
Interest-bearing demand deposits	89	(700)	(611)
Savings deposits	(216)	(688)	(904)
Time deposits of $100 or more	326	(90)	236
Other time deposits	31	(38)	(7)
Short-term borrowings	25	(1)	24
Total interest expense	255	(1,517)	(1,262)
Net interest income	$ 1,557	$ (2,405)	$ (848)

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 a $180,000 provision made for loan losses during the Second Quarter of 2002 compared with no provision made during the Second Quarter of 2001. There was a $270,000 provision made during the First Half of 2002 compared with no provision made during the First Half of 2001. Net loans charged off for the Second Quarter of 2002 were $77,000 compared to net loan recoveries of $47,000 for the Second Quarter of 2001. Net loans charged off during the First Half of 2002 were $67,000 compared with net loan recoveries of $50,000 during the First Half of 2001. The provision for loan losses varies over time based on an ongoing assessment of the adequacy of the allowance for loan losses. The increase in the provision made for loan losses during the Second Quarter and First Half of 2002 compared to the corresponding periods in 2001 were due to many factors, the most significant being the increase in the size of the loan portfolio.

The allowance for loan losses at June 30, 2002 was $5,109,000 and at December 31, 2001 was $4,906,000. The ratio of allowance for loan losses to total loans outstanding at June 30, 2002 was 1.24% compared to 1.29% at December 31, 2001. Nonperforming loans were $476,000 or .12% of total loans at June 30, 2002 compared to $472,000 or .12% of total loans at December 31, 2001.

At June 30, 2002, impaired loans totaled $5,054,000, which included $454,000 of nonaccrual loans compared with impaired loans at December 31, 2001 of $525,000, which included $454,000 of nonaccrual loans. The allowance for loan losses on impaired loans was $542,000 at June 30, 2002. The increase in impaired loans from December 31, 2001 relates primarily to one borrower, with an outstanding balance of $4,108,000. The borrower has been making payments on the related loans, but such payments have been consistently sixty days past due. The loans to this borrower are collateralized by real estate.

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 potential losses in the portfolio. A charge or credit is made to the provision for loan losses 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 specific component includes a review of each loan on the Company's classified or watch list in terms of collateral and possible loss exposure based on existing circumstances known to management and under current economic conditions. The general component relates to all other loans which are evaluated based on the loan grade assigned to the credit with a percentage of each grade allocated to the allowance for loan losses. The percentages are based on historical standards. The loan grades assigned to each credit are evaluated on an annual basis, unless circumstances require interim evaluation. Finally, 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.

Summary of Asset Quality

The following table presents information as of and for the three and six month periods ended June 30, 2002 and 2001 pertaining to the Company's provision for loan losses and analysis of the allowance for loan losses.

	Three Months Ended June 30		Six Months Ended June 30	
(Dollars in Thousands)	2002	2001	2002	2001
Allowance at beginning of period	$ 5,006	$ 4,900	$ 4,906	$ 4,897
Provision charged to expense	180	--	270	--
Loans charged off	95	--	95	--
Recoveries on loans previously charged off	18	47	28	50
Net loans charged-off (recovered)	77	(47)	67	(50)
Allowance at end of period	$ 5,109	$ 4,947	$ 5,109	$ 4,947
Loans outstanding:				
Average	$ 396,927	$ 378,722	$ 390,198	$ 375,213
June 30	412,628	386,122	412,628	386,122
Ratio of allowance for loan losses to loans outstanding:				
Average	1.29%	1.31%	1.31%	1.32%
June 30	1.24	1.28	1.24	1.28
Nonperforming loans:				
Nonaccrual loans	$ 454	$ 1,757	$ 454	$ 1,757
Loans past due 90 days or more	22	--	22	--
Total nonperforming loans	476	1,757	476	1,757
Foreclosed assets	5,814	5,690	5,814	5,690
Total nonperforming assets	$ 6,290	$ 7,447	$ 6,290	$ 7,447
Nonperforming loans to total loans	.12%	.46%	.12%	.46%
Nonperforming assets to total assets	1.01%	1.32%	1.01%	1.32%

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. The Bank is currently in the process of stabilizing this business and intends to operate the business until it can be merged into another entity or sold. This entity, Government e-Management Solutions, Inc., is a software company that provides the public sector with integrated financial, property and human resource management systems. At June 30, 2002, the Bank's investment in this entity was $5,218,000. This investment is shown on the Company's consolidated balance sheets as "Foreclosed assets". Based on unaudited financial statements, this company generated $1,279,000 in revenues and incurred $1,347,000 in operating expenses during the Second Quarter of 2002. The $68,000 pre-tax loss for the Second Quarter of 2002 includes $72,000 of depreciation and amortization. For the First Half of 2002 revenues were $2,512,000 and operating expenses were $2,595,000. The $83,000 pre-tax loss for the First Half of 2002 includes $144,000 of depreciation and amortization. The value of this entity is predicated on its ability to become profitable or to be sold at an amount equal to or in excess of the Bank's investment. Should one of these not occur, the Company may face a charge against earnings representing a diminished value on its investment.

On August 8, 2001, the Bank foreclosed on a loan to one borrower and is now carrying the property as other real estate owned at what management believes to be the fair value less cost to sell of the property of $596,000. The remaining balance of the loan of $110,000 was charged against the allowance for loan losses at the time of foreclosure.

Noninterest Income

Noninterest income is principally derived from payment and processing fees. Processing volumes related to these fees for the three and six month periods ended June 30, 2002 and 2001 are as follows:

	Three Months Ended June 30			Six Months Ended June 30		
(In Thousands)	2002	2001	% Change	2002	2001	% Change
Transportation Information Services:						
Invoice Bill Volume	5,316	5,140	3.4%	10,275	9,998	2.8%
Invoice Dollar Volume	$1,886,067	$1,808,533	4.3%	$3,727,704	$3,667,166	1.7%
Utility Information Services:						
Invoice Transaction Volume	845	668	26.5%	1,607	1,354	18.7%
Invoice Dollar Volume	$589,295	$562,945	4.7%	$1,193,662	$1,159,071	3.0%

Total noninterest income for the Second Quarter of 2002 was $7,502,000, a $1,847,000 or 32.7% increase compared with the Second Quarter of 2001. Total noninterest income for the First Half of 2002 was $13,506,000, a 18.5% increase compared with the First Half of 2001. The Company's payment and processing revenue for the Second Quarter of 2002 was $6,122,000, a $968,000 or 18.8% increase compared to the Second Quarter of 2001. Fees generated from the Transportation Information Services Division in the Second Quarter of 2002 were $4,422,000, a $375,000 or 9.3% increase compared to the Second Quarter of 2001. Processing fees from the Utility Information Services Division in the Second Quarter of 2002 were $1,700,000, a $593,000 or 53.6% increase compared to the Second Quarter of 2001. Payment and processing revenue for the First Half of 2002 was $11,673,000, a $1,207,000 or 11.5% increase compared to the First Half of 2001. Fees generated from the Transportation Information Services Division for the First Half of 2002 were $8,555,000, a $181,000 or 2.2% increase compared to the First Half of 2001. Processing fees from the Utility Information Services Division for the First Half of 2002 were $3,118,000, a $1,026,000 or 49.0% increase compared to the First Half of 2001. The increases in fees from the Transportation Information Services Division during the Second Quarter of 2002 and the First Half of 2002 were due to new customers and new services. The new customers and services more than offset the effects of a dramatic drop in national freight activity over last year's levels. The increases in fees from the Utility Information Services Division were primarily due to the addition of new customers from marketing efforts and through the acquisition of "The Utility Navigator(R)".

Bank service fees for the Second Quarter of 2002 were $424,000, a $41,000 or 10.7% increase compared to the Second Quarter of 2001. Bank service fees for the First Half of 2002 were $836,000, a $137,000 or 19.6% increase compared to the First Half of 2001. These increases are due to the fact that service fees increase as the value of noninterest-bearing deposits, used to compensate the Bank, decrease as the general level of interest rates decrease and to an expansion of the Bank's customer base.

In the Second Quarter of 2002 the Company recorded gains of $944,000 on the sales of securities with a fair value of $52,238,000. 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 year and to offset the loss in interest income due to the dramatic decline in the general level of interest rates.

Noninterest Expense

Total noninterest expense for the Second Quarter of 2002 was $11,713,000, a $676,000 or 6.1% increase compared to the Second Quarter of 2001. Total noninterest expense for the First Half of 2002 was $23,037,000, a $912,000 or 4.1% increase compared to the First Half of 2001.

Salaries and benefits expense for the Second Quarter of 2002 was $7,897,000, a $234,000 or 3.1% increase compared to the Second Quarter of 2001. Salaries and benefits expense for the First Half of 2002 was $15,503,000, a $118,000 or .8% increase compared to the First Half of 2001. The most significant influence on these increases were benefit expenses, which increased $123,000 in the Second Quarter of 2002 and $180,000 in the First Half of 2002 primarily due to increases in health insurance and pension expense.

Occupancy expense for the Second Quarter of 2002 was $384,000, a $43,000 or 10.1% decrease compared to the Second Quarter of 2001. Occupancy expense for the First Half of 2002 was $748,000, a $140,000 or 15.8% decrease compared to the First Half of 2001. These decreases relate primarily to reduced rent and related expenses from the closing of the Company's office in Chicago and one of its bank branches located in St. Louis, Missouri. The decrease in the First Half of 2002 also included a decrease in rent expense the Company experienced after moving its Columbus operations from leased space to a newly acquired building.

Equipment expense for the Second Quarter of 2002 was $1,115,000, an increase of $211,000 or 23.3% compared to the Second Quarter of 2001. Equipment expense for the First Half of 2002 was $2,204,000, an increase of $486,000 or 28.3% compared to the First Half of 2001. These increases were due primarily to increased investments in information technology.

Other noninterest expense for the Second Quarter of 2002 was $2,317,000, an increase of $274,000 or 13.4% compared to the Second Quarter of 2001. Other noninterest expense for the First Half of 2002 was $4,582,000, an increase of $448,000 or 10.8% compared to the First Half of 2001. These increases were due primarily to increases in production expenses such as postage and outside service fees.

Financial Condition

Total assets at June 30, 2002 were $623,387,000, an increase of $22,512,000 or 3.7% from December 31, 2001. Loans, net of the allowance for loan losses, at June 30, 2002 were $407,519,000, an increase of $30,973,000 or 8.2% from December 31, 2001. Total investments in debt and equity securities at June 30, 2002 were $65,641,000, a $26,689,000 or 28.9% decrease from December 31, 2001. Federal funds sold and other short-term investments at June 30, 2002 were $90,060,000 a $22,120,000 or 32.6% increase from December 31, 2001.

Total deposits at June 30, 2002 were $244,461,000, a $3,517,000 or 1.4% decrease from December 31, 2001. Accounts and drafts payable were $314,240,000, a $22,446,000 or 7.7% increase from December 31, 2001. Total shareholders' equity at June 30, 2002 was $58,218,000, a $2,698,000 or 4.9% increase from December 31, 2001.

The increase in loans relates primarily to the Bank's marketing efforts, both in the commercial and church and church-related areas. The decrease in debt and equity securities relates to the sale of $52,238,000 of securities in the Second Quarter of 2002, which was partially offset by the purchase of securities during the First Quarter of 2002. The selling of these securities also resulted in an increase in federal funds sold and other short-term investments that will be used to fund expected future loan growth as well as other investment opportunities. The decrease in deposits reflects normal daily and seasonal fluctuations. The ending balances of accounts and drafts payable increased due to 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. For this reason, average balances are a more meaningful measure of accounts and drafts payable (for average balances refer to the tables on page 11 to 13). The increase in total shareholders' equity resulted from net income of $3,577,000; cash received from the exercise of stock options of $348,000; the amortization of the stock bonus plan of $13,000 and the tax benefit received from the exercise of stock awards of $186,000; the increase in other comprehensive income of $238,000; offset by dividends paid of $1,281,000 ($.40 per share) and the purchase of treasury shares for $383,000 (15,664 shares).

Liquidity and Capital Resources

The balances of liquid assets consists of cash and cash equivalents, which include cash and due from banks, federal funds sold, and money market funds were $117,402,000 at June 30, 2002, an increase of $17,547,000 or 17.6% from December 31, 2001. At June 30, 2002 these assets represented 18.8% 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 $65,641,000 at June 30, 2002, a decrease of $26,689,000 or 28.9% from December 31, 2001. These assets represented 10.5% of total assets at June 30, 2002. Of this total, 71% were state and municipal securities, 20% were U.S. government agencies, 6% were U.S. treasury securities, 1% were mortgage-backed securities and 2% were other securities. Of the total portfolio, 6% matures in one year, 21% matures in one to five years, and 73% 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. 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 repurchase lines of credit.

The Bank has unsecured lines at correspondent banks to purchase federal funds up to a maximum of $24,000,000. Additionally, The Company maintains secured lines of credit at unaffiliated financial institutions in the maximum amount of $43,000,000.

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 has also historically been a stable source of funds.

Net cash provided by operating activities totaled $4,791,000 for the First Half of 2002, compared to $3,358,000 for the First Half of 2001. Net cash used in investing activities was $4,843,000 for the First Half of 2002, compared with net cash provided of $2,851,000 for the First Half of 2001. Net cash provided by financing activities for the First Half of 2002 was $17,599,000, compared with net cash used of $17,049,000 for the First Half of 2001. The increase in net cash used in investing activities relates primarily to the increase in outstanding loans, which was partially offset by the net amount of securities sold over securities purchased during the First Half of 2002. The increase in net cash provided by financing activities relates primarily to an increase in deposits and accounts and drafts payable during the First Half of 2002.

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 June 30, 2002 and December 31, 2001:

June 30, 2002	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$57,093,000	11.94%
Cass Commercial Bank	26,561,000	11.13
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$51,984,000	10.87%
Cass Commercial Bank	23,650,000	9.91
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$51,984,000	8.90%
Cass Commercial Bank	23,650,000	8.76

December 31, 2001	Amount	Ratio
Total capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$54,537,000	12.22%
Cass Commercial Bank	25,363,000	11.41
Tier I capital (to risk-weighted assets)		
Cass Information Systems, Inc.	$49,631,000	11.12%
Cass Commercial Bank	22,608,000	10.17
Tier I capital (to average assets)		
Cass Information Systems, Inc.	$49,631,000	8.75%
Cass Commercial Bank	22,608,000	9.20

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, 2001, the Company manages its interest rate risk through measurement techniques that include gap analysis and a simulation model. As part of the risk management process, asset/liability management policies are established and monitored by management. The policy objective is to limit the change in annualized net interest income to 15% from an immediate and sustained parallel change in interest rates of 200 basis points. Based on the Company's most recent evaluation, management does not believe the Company's risk position at June 30, 2002 has changed materially from that at December 31, 2001.

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
At the annual meeting of the shareholders of Cass Information Systems, Inc. held on April 15, 2002, the following proposals were voted on and approved:

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

	For	Withheld Authority / Against	Abstentions
1.Proposal to elect three Directors for a term of three years ending 2005;			
Bryan S. Chapell	2,578,090	12,520	612,212
Jake Nania	2,573,240	17,370	612,212
John J. Vallina	2,562,910	27,700	612,212
Bruce E. Woodruff	2,570,340	20,270	612,212
2.Proposal to ratify the selection of KPMG LLP as independent accountants for 2005.	2,578,710	2,400	621,700

ITEM 5. OTHER INFORMATION
None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 99.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Cass Information Systems, Inc. did not file any reports on Form 8-K during the three-month period ended June 30, 2002.

SIGNATURES

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

CASS INFORMATION SYSTEMS, INC.

DATE: August 8, 2002

By /s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: August 8, 2002

By /s/ Eric H. Brunngraber

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

Exhibit 99.1

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 June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence A. Collett, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities 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
August 8, 2002

Exhibit 99.2

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 June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric H. Brunngraber, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities 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/ Eric H. Brunngraber

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Eric H. Brunngraber
Vice President - Secretary
(Chief Financial and Accounting Officer)
August 8, 2002