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

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**FORM 8-K**

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

**Date of Report (date of earliest event reported): October 13, 2022**

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**CASS INFORMATION SYSTEMS, INC.**  
(Exact name of registrant as specified in its charter)

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**Missouri**  
(State or other jurisdiction of  
incorporation or organization)

**000-20827**  
(Commission  
File Number)

**43-1265338**  
(I.R.S. Employer  
Identification No.)

**12444 Powerscourt Drive, Suite 550**  
**St. Louis, Missouri**  
(Address of principal executive offices)

**63131**  
(Zip Code)

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act.
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading<br>Symbol | Name of each exchange<br>on which registered |
|--|-------------------|--|
| Common Stock, par value \$0.50 per share | CASS              | Nasdaq Global Select Market                  |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On October 13, 2022, Cass Information Systems, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter of fiscal 2022. A copy of this press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information reported under this Item 2.02 of Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

| <b>Exhibit Number</b> | <b>Description</b>   |
|-----------------------|--|
| 99.1                  | <a href="#">Press release issued by Cass Information Systems, Inc. dated October 13, 2022.</a> |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document).                   |

## SIGNATURES

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

Dated: October 13, 2022

CASS INFORMATION SYSTEMS, INC.

By: /s/ Eric H. Brunngraber  
Name: Eric H. Brunngraber  
Title: Chairman and Chief Executive Officer

By: /s/ Michael J. Normile  
Name: Michael J. Normile  
Title: Executive Vice President and Chief Financial Officer



**Contact:** Cass Investor Relations  
ir@cassinfo.com

October 13, 2022

## **Cass Information Systems announces quarterly earnings per share and revenue growth of 33.3% and 22.1%, respectively**

### **Third Quarter Results**

(All comparisons refer to the third quarter of 2021, except as noted)

- Earned record quarterly net income and diluted earnings per share.
- Increase in diluted earnings per share of 33.3%, to \$.64 from \$.48.
- Increase in net income of 29.3%, to \$8.8 million from \$6.8 million.
- Increase in return on average equity to 16.84% from 10.83%.
- Processed record quarterly transportation dollar volumes of \$11.5 billion, a 21.1% increase.
- Increase in financial fees of \$2.6 million, or 30.5%.
- Increase in average payments in advance of funding of \$63.8 million, or 29.8%.
- Increase in average loans, excluding PPP loans, of \$147.3 million, or 17.6%.
- Increase in net interest margin to 2.90% from 2.32%
- Maintained exceptional credit quality.

ST. LOUIS – **Cass Information Systems, Inc. (Nasdaq: CASS)**, (the Company or Cass) reported third quarter 2022 earnings of \$.64 per diluted share, an increase of 33.3% from the \$.48 per diluted share it earned in the third quarter of 2021. Net income for the period was \$8.8 million, an increase of 29.3% from the \$6.8 million earned in the same period in 2021. Diluted earnings per share and net income also increased 3.2% and 2.8%, respectively as compared to the second quarter of 2022.

Eric Brunngraber, the Company’s chairman and chief executive officer, noted, “Experiencing another quarter of record net income and EPS is exciting to see. We are utilizing a large portion of our revenue growth to fund ongoing and new technology initiatives which should allow us to both more efficiently consume data through automation and onboard new customers faster. We believe these technology initiatives will assist our operating leverage beginning in late 2023.”

### **Third Quarter 2022 Highlights**

**Processing Fees** – Processing fees increased \$503,000, or 2.7%, over the same period in the prior year. The increase in processing fee income was largely driven by the increase in facility transaction volumes of 6.8%. Transportation invoice volumes increased 0.6% over the same period.

**Financial Fees** – Financial fees, earned on a transactional level basis for invoice payment services when making customer payments, increased \$2.6 million, or 30.5%, over the same period in the prior year. The increase in financial fee income was largely driven by the increases in transportation and facility dollar volumes in addition to the 29.8% increase in average payments in advance of funding.

**Net Interest Income** – Net interest income increased \$4.5 million, or 39.7%. The Company’s net interest margin increased to 2.90% as compared to 2.32% in the same period last year. The increase in net interest income and margin was largely driven by the rise in market interest rates which are favorable for the Company over the long-term. Our net interest margin has increased from a low of 2.30% during the fourth quarter of 2021 to 2.90% during the third quarter of 2022. Further improvement is expected in future quarters if short-term interest rates continue to increase. The Company was also assisted

by the 10.2% increase in average interest-earning assets, specifically an increase in average loans, excluding PPP loans, of 17.6%.

**Provision for Credit Losses** - The provision for credit losses was \$550,000 during the third quarter of 2022 as compared to \$340,000 in the third quarter of 2021. The provision for the third quarter of 2022 was primarily driven by the increase in total loans of \$77.6 million, or 8.1%, as compared to June 30, 2022.

**Operating Expenses** - Consolidated operating expenses rose \$5.6 million, or 18.3%. Personnel expense increased \$3.7 million, or 16.0%. Base salaries increased as a result of merit increases, wage pressures, an increase in average full-time equivalent employees of 7.5% due to the Touchpoint acquisition and strategic investment in various technology initiatives, including improved rating engine capabilities and investment in optical character recognition, artificial intelligence, machine learning and other processes to consume images and produce data. Also driving the increase in personnel expense were increases in stock compensation and profit sharing due to improved Company earnings. Certain other expense categories are also elevated as we invest in, and transition to, improved technology. The Company anticipates this elevated spending will result in improved operating leverage beginning in late 2023.

**Loans** - Average loans increased \$111.0 million, or 12.7%. Excluding the reduction in average PPP loans of \$36.3 million, average loans increased \$147.3 million, or 17.6%. The Company has been successful in achieving organic growth in its franchise, faith-based and other commercial and industrial loans. When compared to December 31, 2021, ending loans, excluding PPP loans, increased \$82.8 million, or 8.7%, during the first nine months of 2022.

**Payments in Advance of Funding** – Average payments in advance of funding increased \$63.8 million, or 29.8%, primarily due to an increase in transportation dollar volumes, which led to higher dollars advanced to freight carriers.

**Deposits** – Average deposits increased \$131.0 million, or 12.4%, when compared to the third quarter of 2021. However, average deposits declined \$45.4 million or 3.7%, as compared to the second quarter of 2022, partially due to tightening monetary policy.

**Accounts and Drafts Payable** - Average accounts and drafts payable increased \$171.7 million, or 17.0%. The increase in these balances, which are non-interest bearing, are primarily reflective of the increase in transportation and facility expense dollar volumes.

**Transportation Dollar Volumes** – Transportation dollar volumes hit a record level of \$11.5 billion during the third quarter of 2022. The 21.1% increase in dollar volumes was largely due to inflationary pressures, supply chain disruptions and fuel surcharges, among other factors. The increase in dollar volumes is positively impacting the balance of our interest-earning assets which is helping generate interest income. In addition, higher dollar volumes are having a positive impact on financial fees.

**Facility Expense Dollar Volumes** – Facility dollar volumes totaled \$5.5 billion during the third quarter of 2022. The 30.1% increase in dollar volumes was largely due to an increase in energy prices.

**Capital** - The Company's common equity tier 1, total risk-based capital and leverage ratios were 13.33%, 14.07% and 9.08% at September 30, 2022, respectively. Total shareholders' equity has declined \$54.1 million since December 31, 2021 primarily as a result of an increase in accumulated other comprehensive loss due to the rise in market interest rates and resulting negative impact on the fair value of available-for-sale investment securities.

#### **About Cass Information Systems**

Cass Information Systems, Inc. is a leading provider of integrated information and payment management solutions. Cass enables enterprises to achieve visibility, control and efficiency in their supply chains, communications networks, facilities and other operations. Disbursing over \$80 billion annually on behalf of clients, and with total assets in excess of \$2.6 billion, Cass is uniquely supported by Cass Commercial Bank. Founded in 1906 and a wholly owned subsidiary, Cass Commercial Bank provides sophisticated financial exchange services to the parent organization and its clients. Cass is part of the **Russell 2000**<sup>®</sup>. More information is available at [www.cassinfo.com](http://www.cassinfo.com).

#### **Note to Investors**

*Certain matters set forth in this news release may contain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. These risks and uncertainties include the impact of the COVID-19 pandemic as well as economic and market conditions, inflationary pressures, risks of credit*

*deterioration, interest rate changes, governmental actions, market volatility, security breaches and technology interruptions, energy prices and competitive factors, among others, as set forth in the Company's most recent Annual Report on Form 10-K and subsequent reports filed with the Securities and Exchange Commission. The Company has used, and intends to continue using, the Investors portion of its website to disclose material non-public information and to comply with its disclosure obligations under Regulation FD. Accordingly, investors are encouraged to monitor Cass's website in addition to following press releases, SEC filings, and public conference calls and webcasts.*

### Consolidated Statements of Income (unaudited)

*(\$ and numbers in thousands, except per share data)*

|  | Quarter<br>Ended<br>September 30, 2022 | Quarter<br>Ended<br>June 30, 2022 | Quarter<br>Ended<br>September 30, 2021 | Nine-Months<br>Ended<br>September 30, 2022 | Nine-Months<br>Ended<br>September 30, 2021 |
|--|--|-----------------------------------|--|--|--|
| Processing fees  | \$ 18,964                              | \$ 19,186                         | \$ 18,461                              | \$ 57,184                                  | \$ 55,882                                  |
| Financial fees   | 11,252                                 | 10,623                            | 8,624                                  | 32,406                                     | 23,122                                     |
| Net interest income  | 15,971                                 | 13,641                            | 11,432                                 | 41,515                                     | 32,588                                     |
| (Provision for) release of credit losses                     | (550)                                  | (70)                              | (340)                                  | (850)                                      | 870  |
| Other  | 1,568                                  | 842                               | 492                                    | 3,275                                      | 1,735                                      |
| Total revenues   | \$ 47,205                              | \$ 44,222                         | \$ 38,669                              | \$ 133,530                                 | \$ 114,197                                 |
| Personnel  | \$ 26,999                              | \$ 26,033                         | \$ 23,283                              | \$ 77,750                                  | \$ 68,689                                  |
| Occupancy  | 970                                    | 916                               | 953                                    | 2,801                                      | 2,859                                      |
| Equipment  | 1,633                                  | 1,660                             | 1,700                                  | 5,004                                      | 5,028                                      |
| Other  | 6,719                                  | 5,030                             | 4,754                                  | 16,233                                     | 12,442                                     |
| Total operating expenses                                     | \$ 36,321                              | \$ 33,639                         | \$ 30,690                              | \$ 101,788                                 | \$ 89,018                                  |
| Income from operations before income taxes                   | \$ 10,884                              | \$ 10,583                         | \$ 7,979                               | \$ 31,742                                  | \$ 25,179                                  |
| Income tax expense   | 2,085                                  | 2,021                             | 1,174                                  | 6,123                                      | 4,277                                      |
| Net income   | \$ 8,799                               | \$ 8,562                          | \$ 6,805                               | \$ 25,619                                  | \$ 20,902                                  |
| Basic earnings per share                                     | \$ .65                                 | \$ .63                            | \$ .48                                 | \$ 1.89                                    | \$ 1.47                                    |
| Diluted earnings per share                                   | \$ .64                                 | \$ .62                            | \$ .48                                 | \$ 1.86                                    | \$ 1.45                                    |
| Share data:  |  |                                   |  |  |  |
| Weighted-average common shares outstanding                   | 13,542                                 | 13,543                            | 14,040                                 | 13,554                                     | 14,203                                     |
| Weighted-average common shares outstanding assuming dilution | 13,804                                 | 13,802                            | 14,277                                 | 13,807                                     | 14,442                                     |

## Consolidated Balance Sheets

(\$ in thousands)

|   | (unaudited)<br>September 30, 2022 | (unaudited) June 30,<br>2022 | December 31, 2021   |
|---|-----------------------------------|------------------------------|---------------------|
| <b>Assets:</b>                                    |                                   |                              |                     |
| Cash and cash equivalents                         | \$ 346,994                        | \$ 261,234                   | \$ 514,928          |
| Investment securities                             | 763,789                           | 740,074                      | 673,453             |
| Loans, excluding PPP loans                        | 1,037,101                         | 958,491                      | 954,268             |
| PPP loans   | —                                 | 996                          | 6,299               |
| Allowance for credit losses                       | (13,049)                          | (12,573)                     | (12,041)            |
| Payments in advance of funding                    | 269,221                           | 313,172                      | 291,427             |
| Premises and equipment, net                       | 19,375                            | 19,470                       | 18,113              |
| Investments in bank-owned life insurance          | 47,714                            | 47,435                       | 43,176              |
| Goodwill and other intangible assets              | 21,630                            | 21,825                       | 16,826              |
| Other assets                                      | 118,040                           | 93,864                       | 48,452              |
| <b>Total assets</b>                               | <b>\$ 2,610,815</b>               | <b>\$ 2,443,988</b>          | <b>\$ 2,554,901</b> |
| <b>Liabilities and shareholders' equity:</b>      |                                   |                              |                     |
| <b>Deposits</b>                                   |                                   |                              |                     |
| Non-interest bearing                              | \$ 581,731                        | \$ 604,492                   | \$ 582,642          |
| Interest bearing                                  | 647,990                           | 585,083                      | 638,861             |
| <b>Total deposits</b>                             | <b>1,229,721</b>                  | <b>1,189,575</b>             | <b>1,221,503</b>    |
| Accounts and drafts payable                       | 1,146,334                         | 998,870                      | 1,050,396           |
| Other liabilities                                 | 43,025                            | 49,929                       | 37,204              |
| <b>Total liabilities</b>                          | <b>\$ 2,419,080</b>               | <b>\$ 2,238,374</b>          | <b>\$ 2,309,103</b> |
| <b>Shareholders' equity:</b>                      |                                   |                              |                     |
| Common stock                                      | \$ 7,753                          | \$ 7,753                     | \$ 7,753            |
| Additional paid-in capital                        | 205,624                           | 204,482                      | 204,276             |
| Retained earnings                                 | 126,361                           | 121,386                      | 112,220             |
| Common shares in treasury, at cost                | (81,624)                          | (81,742)                     | (78,904)            |
| Accumulated other comprehensive (loss) income     | (66,379)                          | (46,265)                     | 453                 |
| <b>Total shareholders' equity</b>                 | <b>\$ 191,735</b>                 | <b>\$ 205,614</b>            | <b>\$ 245,798</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 2,610,815</b>               | <b>\$ 2,443,988</b>          | <b>\$ 2,554,901</b> |



### Average Balances (unaudited)

(\$ in thousands)

|  | Quarter<br>Ended<br>September 30, 2022 | Quarter<br>Ended<br>June 30, 2022 | Quarter<br>Ended<br>September 30, 2021 | Nine-Months<br>Ended<br>September 30, 2022 | Nine-Months<br>Ended<br>September 30, 2021 |
|--|--|-----------------------------------|--|--|--|
| Average interest-earning assets        | \$ 2,243,219                           | \$ 2,222,655                      | \$ 2,036,297                           | \$ 2,196,704                               | \$ 1,965,977                               |
| Average loans, excluding PPP loans     | 983,953                                | 972,756                           | 836,664                                | 971,307                                    | 801,205                                    |
| Average PPP loans                      | 152                                    | 1,115                             | 36,406                                 | 1,391                                      | 84,069                                     |
| Average payments in advance of funding | 277,683                                | 293,150                           | 213,922                                | 283,431                                    | 196,492                                    |
| Average assets                         | 2,617,814                              | 2,616,220                         | 2,373,244                              | 2,587,760                                  | 2,279,429                                  |
| Average deposits                       | 1,184,330                              | 1,229,744                         | 1,053,369                              | 1,193,795                                  | 1,013,974                                  |
| Average accounts and drafts payable    | 1,182,373                              | 1,135,504                         | 1,010,641                              | 1,135,673                                  | 952,747                                    |
| Average shareholders' equity           | \$ 207,247                             | \$ 207,828                        | \$ 254,521                             | \$ 216,827                                 | \$ 257,763                                 |

### Consolidated Financial Highlights (unaudited)

(\$ and numbers in thousands, except ratios)

|  | Quarter<br>Ended<br>September 30, 2022 | Quarter<br>Ended<br>June 30, 2022 | Quarter<br>Ended<br>September 30, 2021 | Nine-Months<br>Ended<br>September 30, 2022 | Nine-Months<br>Ended<br>September 30, 2021 |
|--|--|-----------------------------------|--|--|--|
| Return on average equity                           | 16.84%                                 | 16.53%                            | \$11 10.61%                            | 15.80%                                     | 10.84%                                     |
| Net interest margin                                | 2.90%                                  | 2.54%                             | 2.32%                                  | 2.61%                                      | 2.31%                                      |
| Allowance for credit losses to loans               | 1.26%                                  | 1.31%                             | 1.32%                                  | 1.26%                                      | 1.32%                                      |
| Non-performing loans to total loans                | —%                                     | —%                                | —%                                     | —%   | —%   |
| Net loan charge-offs (recoveries) to loans         | —%                                     | —%                                | —%                                     | —%   | —%   |
| Transportation invoice volume                      | 9,385                                  | 9,289                             | 9,333                                  | 27,633                                     | 27,581                                     |
| Transportation dollar volume                       | \$ 11,549,980                          | \$ 11,413,414                     | \$ 9,540,408                           | \$ 33,818,573                              | \$ 26,385,936                              |
| Facility expense transaction volume <sup>(1)</sup> | 3,315                                  | 3,186                             | 3,104                                  | 9,794                                      | 9,351                                      |
| Facility expense dollar volume                     | \$ 5,485,783                           | \$ 4,570,178                      | \$ 4,215,044                           | \$ 14,699,903                              | \$ 11,590,437                              |

<sup>(1)</sup> Facility expense transaction volumes have been restated for the current and prior periods to reflect total invoices processed. In prior periods, we utilized billing account numbers in our Telecom division as a proxy for transactions.