

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

FORM 8-K

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

Date of Report (date of earliest event reported): July 18, 2024

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

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)

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 Symbol	Name of each exchange 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.

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

On July 18, 2024, Cass Information Systems, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter of fiscal 2024. A copy of this press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Also on July 18, 2024, the Company made available on the Investors section of the Company’s website at [www.cassinfo.com](http://www.cassinfo.com), an investor presentation that includes information about the Company’s business and developments and certain financial information relating to the second quarter of fiscal 2024. The information contained in the investor presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission filings and other public announcements that the Company may make, by press release or otherwise, from time to time. A copy of this investor presentation is attached hereto as Exhibit 99.2 and incorporated herein by reference.

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 the Company’s website in addition to following press releases, SEC filings, and public conference calls and webcasts.

The information reported under this Item 2.02 of Form 8-K, including Exhibit 99.1 and Exhibit 99.2, 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 8.01. Other Events.**

On July 16, 2024, the Company’s Board of Directors declared a third quarter dividend of \$0.30 per share payable on September 13, 2024 to shareholders of record on September 3, 2024.

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

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press release issued by Cass Information Systems, Inc. dated July 18, 2024.</a>
99.2	<a href="#">Investor presentation made available on the Investors section of the Company’s website.</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: July 18, 2024

CASS INFORMATION SYSTEMS, INC.

By: /s/ Martin H. Resch  
Name: Martin H. Resch  
Title: President 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

July 18, 2024

## **Cass Information Systems reports Second Quarter 2024 Results**

### **Second Quarter Results**

(All comparisons refer to the second quarter of 2023, except as noted)

- Net income of \$4.5 million, or \$0.32 per diluted common share.
- Return on average equity and assets of 8.01% and 0.78%, respectively.
- Increase in facility expense transaction volumes of 25.1%.
- Processing fee growth of 8.9%.
- Maintained exceptional credit quality, with no non-performing loans or charge-offs.

ST. LOUIS – **Cass Information Systems, Inc. (Nasdaq: CASS)**, (the Company or Cass) reported second quarter 2024 earnings of \$0.32 per diluted share, as compared to \$0.52 in the second quarter of 2023 and \$0.52 in the first quarter of 2024. Net income for the period was \$4.5 million, as compared to \$7.1 million in the second quarter of 2023 and \$7.2 million in the first quarter of 2024.

Martin Resch, the Company's President and Chief Executive Officer, noted, "The first half of 2024 has been both exciting and disappointing. We successfully onboarded several large facility clients, increasing year over year facilities transactions by 25.1%, with a full queue of additional signed deals still to implement. In Transportation we launched Amplify by Cass, our new working capital solution for shippers and carriers, and have already enrolled a number of shippers, in addition to announcing our new partnership with FreightWaves SONAR for supply chain intelligence. In our Waste division, we signed our first resellers and referral partners for our Waste Invoice Management Solution, allowing us to scale sales exponentially. On top of all of this, we have robust pipelines throughout our business lines." Resch added, "Low points include the loss of over \$100 million of non-interest bearing funding due to a cyber event at a client and incurring an aggregate of \$3.4 million of one-time expenses. Our focus for the second half of the year will be on signed client implementations, converting pipeline opportunities to signed deals and reducing run rate expense levels using the new technology that has been completed in the last year. Speed to revenue at lower operating expense is the goal going forward."

### **Second Quarter 2024 Highlights**

**Transportation Dollar Volumes** – Transportation dollar volumes were \$9.1 billion during the second quarter of 2024, a decrease of 6.5% as compared to the second quarter of 2023 and an increase of 1.6% as compared to the first quarter of 2024. The average dollars per transaction declined to \$1,023 during the second quarter of 2024 as compared to \$1,056 in the second quarter of 2023. The average dollars per transaction was \$1,019 during the first quarter of 2024. Transportation dollar volumes are key to the Company's revenue as higher volumes generally lead to an increase in payment float, which generates interest income, as well as an increase in payments in advance of funding, which generates financial fees.

**Facility Expense Dollar Volumes** – Facility expense dollar volumes totaled \$5.0 billion during the second quarter of 2024, an increase of 10.1% as compared to the second quarter of 2023 and a decrease of 5.5% as compared to the first quarter of 2024. The increase as compared to the second quarter of 2023 is largely reflective of new client volume. The decrease as compared to the first quarter of 2024 is due to seasonality of energy usage partially offset by an increase in transaction volumes.

**Processing Fees** – Processing fees increased \$1.7 million, or 8.9%, as compared to the second quarter of 2023. The increase in processing fees was largely driven by an increase in facility transaction volumes of 25.1%. The Company has experienced recent success in winning facility clients with high transaction volumes. Transportation invoice volumes decreased 3.4% over the same period. The decline in transportation volumes is largely due to the on-going freight recession.

**Financial Fees** – Financial fees, earned on a transactional level basis for invoice payment services when making customer payments, decreased \$1.0 million, or 8.9%. The decrease in financial fee income was primarily due to a decline in transportation dollar volumes of 6.5%, in addition to changes in the manner certain vendors receive payments. The Company expects financial fees to increase in future quarters as a result of the launch of its new working capital solution as well as other initiatives to increase revenue related to customer payments.

**Net Interest Income** – Net interest income decreased \$84,000, or 0.5%. The decrease in net interest income was attributable to a decline in average interest-earning assets of \$52.3 million, or 2.6%. The Company had fewer funds to invest due to the loss of approximately \$100.0 million of CassPay related balances in February 2024 as a result of a cyber attack on a large client. The Company does not expect these payment volumes and related balances from this client to return.

The Company's net interest margin improved to 3.32% as compared to 3.25% in the second quarter of 2023 driven by an increase in the average yield on interest-earning assets of 43 basis points, partially offset by a \$197.9 million decrease in average non-interest bearing funding, consisting of \$145.6 million in average non-interest bearing deposits and \$52.3 million in average accounts and drafts payable and a 46 basis point increase in the cost of interest-bearing liabilities.

**Provision for Credit Losses** - The Company recorded a provision of credit losses of \$400,000 during the second quarter of 2024 as compared to a release of credit losses of \$120,000 in the second quarter of 2023. The provision for credit losses for the second quarter of 2024 was largely driven by the increase in total loans of \$25.0 million, or 2.4%, as compared to March 31, 2024.

**Personnel Expenses** - Personnel expenses increased \$425,000, or 1.4%. Salaries and commissions increased \$642,000, or 2.7%, primarily as a result of merit increases. Share-based compensation decreased \$435,000 reflecting the Company's financial performance and the impact on performance-based restricted stock between the periods. Looking forward to the second half of 2024, the Company expects to take advantage of recent technology investments to begin decreasing the run rate level of salaries and commissions expense.

Also, on July 16, 2024, the Company approved an Amendment providing for the termination of its noncontributory defined-benefit pension plan. The Company expects to record one-time termination expenses of approximately \$5.0 million through operating expense related to the plan termination. The expense related to the termination is expected to be incurred during the fourth quarter of 2024 and first quarter of 2025 as the plan liabilities are settled. The successful termination of the plan is expected to reduce run rate operating expense by approximately \$1.0 million on an annual basis.

**Non-Personnel Expenses** - Non-personnel expenses increased \$3.0 million. Included in non-personnel expenses for the second quarter of 2024 are \$2.1 million of reserves and other losses on outstanding receivables in addition to \$1.3 million related to estimated late fees to be incurred on facility transactions. The late fees were mostly driven by a check processing delay with our third-party vendor, the same CassPay client which incurred the cyber attack.

**Loans** - When compared to March 31, 2024, ending loans increased \$25.0 million, or 2.4%. The Company experienced growth in its franchise restaurant and equipment finance portfolios during the second quarter of 2024.

**Payments in Advance of Funding** – Average payments in advance of funding decreased \$41.7 million, or 16.4%, primarily due to a 6.5% decrease in transportation dollar volumes, which led to fewer dollars advanced to freight carriers, as well as the continued consolidation of freight carriers.

**Deposits** – Average deposits decreased \$16.6 million, or 1.6%, when compared to the second quarter of 2023 and \$34.1 million, or 3.2%, as compared to the first quarter of 2024. The Company has experienced a migration of client funds from non-interest bearing to interest-bearing driven by the rising interest rate environment. In addition, seasonal tax and compensation payments contributed to the decrease in average non-interest bearing deposits as compared to the first quarter of 2024.

**Accounts and Drafts Payable** - Average accounts and drafts payable decreased \$52.3 million, or 5.0%. The decrease in these balances, which are non-interest bearing, are primarily reflective of the cyber event at a CassPay client which decreased average balances by approximately \$100.0 million and a decrease in transportation dollar volumes of 6.5%.

partially offset by an increase in facility dollar volumes of 10.1%. Accounts and drafts payable are a significant source of funding generated by payment float from transportation, facility and CassPay clients.

**Shareholders' Equity** - Total shareholders' equity has increased \$116,000 since December 31, 2023 as a result of net income of \$11.6 million, partially offset by dividends of \$8.0 million, an increase in accumulated other comprehensive loss of \$2.2 million primarily related to the fair value of available-for-sale investment securities and the repurchase of Company stock of \$1.0 million.

#### **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 \$90 billion annually on behalf of clients, and with total assets of \$2.3 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 was recently named as one of America's best midsize companies by a leading publication and is part of the **Russell 2000**. More information is available at [www.cassinfo.com](http://www.cassinfo.com).

#### **Forward Looking Information**

This information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include future financial and operating results, expectations, intentions, and other statements that are not historical facts. Such statements are based on current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties. These risks and uncertainties include the impact of 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. Actual results may differ materially from those set forth in the forward-looking statements.

#### **Note to Investors**

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 Ended June 30, 2024	Quarter Ended March 31, 2024	Quarter Ended June 30, 2023	Six-Months Ended June 30, 2024	Six-Months Ended June 30, 2023
Processing fees	\$ 21,103	\$ 21,253	\$ 19,386	\$ 42,356	\$ 38,899
Financial fees	10,628	10,777	11,662	21,405	22,921
Total fee revenue	\$ 31,731	\$ 32,030	\$ 31,048	\$ 63,761	\$ 61,820
Interest and fees on loans	13,592	12,776	12,931	26,368	25,166
Interest and dividends on securities	4,383	4,437	4,677	8,820	9,471
Interest on federal funds sold and other short-term investments	3,267	4,441	2,100	7,708	5,213
Total interest income	\$ 21,242	\$ 21,654	\$ 19,708	\$ 42,896	\$ 39,850
Interest expense	5,312	5,178	3,694	10,490	6,938
Net interest income	\$ 15,930	\$ 16,476	\$ 16,014	\$ 32,406	\$ 32,912
(Provision for) release of credit losses	(400)	(95)	120	(495)	460
Loss on sale of investment securities	(13)	—	(199)	(13)	(160)
Other	1,342	1,267	1,224	2,609	2,520
Total revenues	\$ 48,590	\$ 49,678	\$ 48,207	\$ 98,268	\$ 97,552
Salaries and commissions	24,259	23,976	23,617	48,235	46,222
Share-based compensation	474	1,226	909	1,700	2,858
Other benefits	5,124	5,405	4,906	10,529	10,378
Total personnel expenses	\$ 29,857	\$ 30,607	\$ 29,432	\$ 60,464	\$ 59,458
Occupancy	826	861	907	1,687	1,762
Equipment	1,988	1,881	1,749	3,869	3,399
Other	10,122	7,322	7,251	17,444	15,092
Total operating expenses	\$ 42,793	\$ 40,671	\$ 39,339	\$ 83,464	\$ 79,711
Income from operations before income taxes	\$ 5,797	\$ 9,007	\$ 8,868	\$ 14,804	\$ 17,841
Income tax expense	1,313	1,855	1,730	3,168	3,586
Net income	\$ 4,484	\$ 7,152	\$ 7,138	\$ 11,636	\$ 14,255
Basic earnings per share	\$ .33	\$ .53	\$ .53	\$ .86	\$ 1.05
Diluted earnings per share	\$ .32	\$ .52	\$ .52	\$ .84	\$ 1.03
<b>Share data:</b>					
Weighted-average common shares outstanding	13,538	13,530	13,553	13,534	13,576
Weighted-average common shares outstanding assuming dilution	13,822	13,785	13,854	13,804	13,859

**Consolidated Balance Sheets**

(\$ in thousands)

	(unaudited) June 30, 2024	(unaudited) March 31, 2024	December 31, 2023
<b>Assets:</b>			
Cash and cash equivalents	\$ 223,727	\$ 192,803	\$ 372,468
Securities available-for-sale, at fair value	540,802	621,929	627,117
Loans	1,061,991	1,036,997	1,014,318
Less: Allowance for credit losses	(13,633)	(13,299)	(13,089)
Loans, net	\$ 1,048,358	\$ 1,023,698	\$ 1,001,229
Payments in advance of funding	214,581	221,552	198,861
Premises and equipment, net	33,469	32,613	30,093
Investments in bank-owned life insurance	49,840	49,496	49,159
Goodwill and other intangible assets	20,281	20,463	20,654
Accounts and drafts receivable from customers	78,407	32,856	110,651
Other assets	73,131	98,169	68,390
<b>Total assets</b>	<b>\$ 2,282,596</b>	<b>\$ 2,293,579</b>	<b>\$ 2,478,622</b>
<b>Liabilities and shareholders' equity:</b>			
<b>Deposits</b>			
Non-interest bearing	\$ 372,031	\$ 412,879	\$ 524,359
Interest-bearing	640,315	666,213	616,455
<b>Total deposits</b>	<b>\$ 1,012,346</b>	<b>\$ 1,079,092</b>	<b>\$ 1,140,814</b>
Accounts and drafts payable	996,832	944,793	1,071,369
Other liabilities	43,493	40,207	36,630
<b>Total liabilities</b>	<b>\$ 2,052,671</b>	<b>\$ 2,064,092</b>	<b>\$ 2,248,813</b>
<b>Shareholders' equity:</b>			
Common stock	\$ 7,753	\$ 7,753	\$ 7,753
Additional paid-in capital	204,128	204,361	208,007
Retained earnings	149,236	148,845	145,782
Common shares in treasury, at cost	(81,554)	(82,316)	(84,264)
Accumulated other comprehensive loss	(49,638)	(49,156)	(47,469)
<b>Total shareholders' equity</b>	<b>\$ 229,925</b>	<b>\$ 229,487</b>	<b>\$ 229,809</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,282,596</b>	<b>\$ 2,293,579</b>	<b>\$ 2,478,622</b>



**Average Balances (unaudited)**

(\$ in thousands)

	Quarter Ended June 30, 2024	Quarter Ended March 31, 2024	Quarter Ended June 30, 2023	Six-Months Ended June 30, 2024	Six-Months Ended June 30, 2023
Average interest-earning assets	\$ 1,958,427	\$ 2,063,239	\$ 2,010,771	\$ 2,010,833	\$ 2,086,333
Average loans	1,039,461	1,016,246	1,075,891	1,027,854	1,076,055
Average securities available-for-sale	589,480	635,422	686,777	612,451	705,703
Average short-term investments	265,291	352,163	185,230	308,727	239,886
Average payments in advance of funding	213,185	194,338	254,869	203,761	247,918
Average assets	2,308,045	2,381,582	2,370,359	2,344,813	2,434,494
Average non-interest bearing deposits	407,079	447,900	552,718	427,489	553,178
Average interest-bearing deposits	638,328	631,622	509,319	634,975	549,985
Average borrowings	11	11	3,199	11	4,509
Average interest-bearing liabilities	638,339	631,633	512,518	634,986	554,494
Average accounts and drafts payable	996,944	1,035,833	1,049,281	1,016,388	1,072,105
Average shareholders' equity	\$ 225,265	\$ 226,669	\$ 214,066	\$ 225,967	\$ 211,940

**Consolidated Financial Highlights (unaudited)**

(\$ and numbers in thousands, except ratios)

	Quarter Ended June 30, 2024	Quarter Ended March 31, 2024	Quarter Ended June 30, 2023	Six-Months Ended June 30, 2024	Six-Months Ended June 30, 2023
Return on average equity	8.01%	12.66%	13.37%	10.36%	13.56%
Return on average assets	0.78%	1.20%	1.21%	1.00%	1.18%
Net interest margin <sup>(1)</sup>	3.32%	3.26%	3.25%	3.29%	3.24%
Average interest-earning assets yield <sup>(1)</sup>	4.41%	4.27%	3.98%	4.34%	3.91%
Average loan yield	5.26%	5.06%	4.82%	5.16%	4.72%
Average investment securities yield <sup>(1)</sup>	2.84%	2.71%	2.64%	2.77%	2.63%
Average short-term investment yield	4.95%	5.07%	4.55%	5.02%	4.38%
Average cost of total deposits	2.04%	1.93%	1.38%	1.99%	1.25%
Average cost of interest-bearing deposits	3.35%	3.30%	2.88%	3.32%	2.50%
Average cost of interest-bearing liabilities	3.35%	3.30%	2.89%	3.32%	2.52%
Allowance for credit losses to loans	1.28%	1.28%	1.25%	1.28%	1.25%
Non-performing loans to total loans	—%	—%	—%	—%	—%
Net loan charge-offs (recoveries) to loans	—%	—%	—%	—%	—%
Common equity tier 1 ratio	14.32%	14.84%	13.66%	14.32%	13.66%
Total risk-based capital ratio	15.08%	15.60%	14.39%	15.08%	14.39%
Leverage ratio	11.32%	10.92%	10.65%	11.32%	10.65%

<sup>(1)</sup>Yields are presented on tax-equivalent basis assuming a tax rate of 21%.

Transportation invoice volume	8,879	8,771	9,193	17,649	18,291
Transportation dollar volume	\$ 9,081,343	\$ 8,939,646	\$ 9,711,801	\$ 18,020,989	\$ 19,980,252
Facility expense transaction volume	4,337	4,264	3,467	8,601	6,935
Facility expense dollar volume	\$ 5,039,283	\$ 5,329,566	\$ 4,578,490	\$ 10,368,848	\$ 9,891,875



## The Power to Deliver Solutions

Around the world, leading enterprises rely on Cass for our vertical expertise, processing power, and global payment network to execute critical financial transactions while driving greater control and efficiency across critical business expenses.

Q2 2024 INVESTOR PRESENTATION



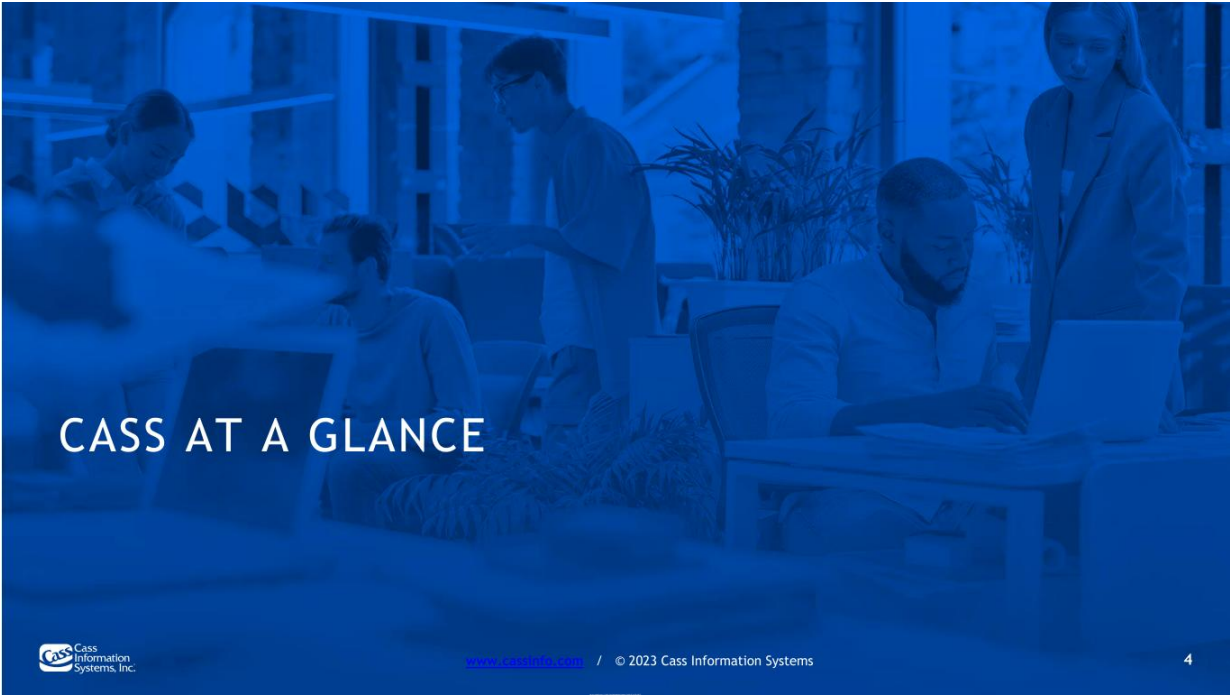


## TABLE OF CONTENTS

- 3 [Forward-Looking Statements](#)
- 4 [Cass at a Glance](#)
- 6 [Financial Performance](#)
- 9 [Revenue & Expenses](#)
- 14 [Balance Sheet](#)
- 19 [Capital](#)
- 20 [Leadership and Shareholder Information](#)

## FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements contain words such as “anticipate,” “believe,” “can,” “would,” “should,” “could,” “may,” “predict,” “seek,” “potential,” “will,” “estimate,” “target,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “intend” or similar expressions that relate to the Company’s strategy, plans or intentions. Forward-looking statements involve certain important risks, uncertainties, and other factors, any of which could cause actual results to differ materially from those in such statements. Such factors include, without limitation, the “Risk Factors” referenced in our most recent Form 10-K filed with the Securities and Exchange Commission (SEC), other risks and uncertainties listed from time to time in our reports and documents filed with the SEC, and the following factors: ability to execute our business strategy; business and economic conditions; effects of a prolonged government shutdown; economic, market, operational, liquidity, credit and interest rate risks associated with the Company’s business; effects of any changes in trade, monetary and fiscal policies and laws; changes imposed by regulatory agencies to increase capital standards; effects of inflation, as well as, interest rate, securities market and monetary supply fluctuations; changes in the economy or supply-demand imbalances affecting local real estate values; changes in consumer and business spending; the Company’s ability to realize anticipated benefits from enhancements or updates to its core operating systems from time to time without significant change in client service or risk to the Company’s control environment; the Company’s dependence on information technology and telecommunications systems of third-party service providers and the risk of systems failures, interruptions or breaches of security; the Company’s ability to achieve organic fee income, loan and deposit growth and the composition of such growth; changes in sources and uses of funds; increased competition in the payments and banking industries; the effect of changes in accounting policies and practices; the share price of the Company’s stock; the Company’s ability to realize deferred tax assets or the need for a valuation allowance; ability to maintain or increase market share and control expenses; costs and effects of changes in laws and regulations and of other legal and regulatory developments; technological changes; the timely development and acceptance of new products and services; the Company’s continued ability to attract, hire and maintain qualified personnel; ability to implement and/or improve operational management and other internal risk controls and processes and reporting system and procedures; regulatory limitations on dividends from the Company’s bank subsidiary; changes in estimates of future loan reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; widespread natural and other disasters, pandemics, dislocations, political instability, acts of war or terrorist activities, cyberattacks or international hostilities; impact of reputational risk; and success at managing the risks involved in the foregoing items. The Company can give no assurance that any goal or plan or expectation set forth in forward-looking statements can be achieved, and readers are cautioned not to place undue reliance on such statements. The forward-looking statements are made as of the date of original publication of this presentation, and the Company does not intend, and assumes no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law. This presentation is a high-level summary of our recent and historical financial results and current business developments. For more detailed information, please refer to our press releases and filings with the SEC.



# CASS AT A GLANCE

## OVERVIEW

- + Cass is an information services company that processes freight and facility payments for a number of the largest global companies
- + The information systems business has a 70-year legacy
- + As a result of its \$90B of payments, Cass generates \$1B+ of average non-interest bearing float
- + Cass continues to operate a strong and profitable commercial bank founded in 1906

Market. Cap.  
**\$550M**

Assets  
**\$2.3B**

YTD ROE  
**10.36%**

TTM NI  
**\$27.4M**

YTD % Fees/  
Rev.  
**64.9%**

% AVG NIB  
Funding  
**68.7%**



## INFORMATION SYSTEMS / PAYMENTS

- + Transportation information systems provides freight invoice audit and payment services
- + Facilities expense management provides invoice management, payment and business intelligence for all types of utility and facility related expenses
- + CassPay provides complex treasury management and payment services for fintech and other payment companies

**\$90B**  
Annual  
payments  
volume

**50M**  
Annual invoice  
volume

**\$130M** TTM  
fee revenue

**\$1.0B**  
YTD average  
float

## COMMERCIAL BANK

- + Cass Commercial Bank operates in three primary niches
  - St. Louis C&I market
  - Faith based organizations across the U.S.
  - McDonalds' franchisees
- + Strong track record of asset quality

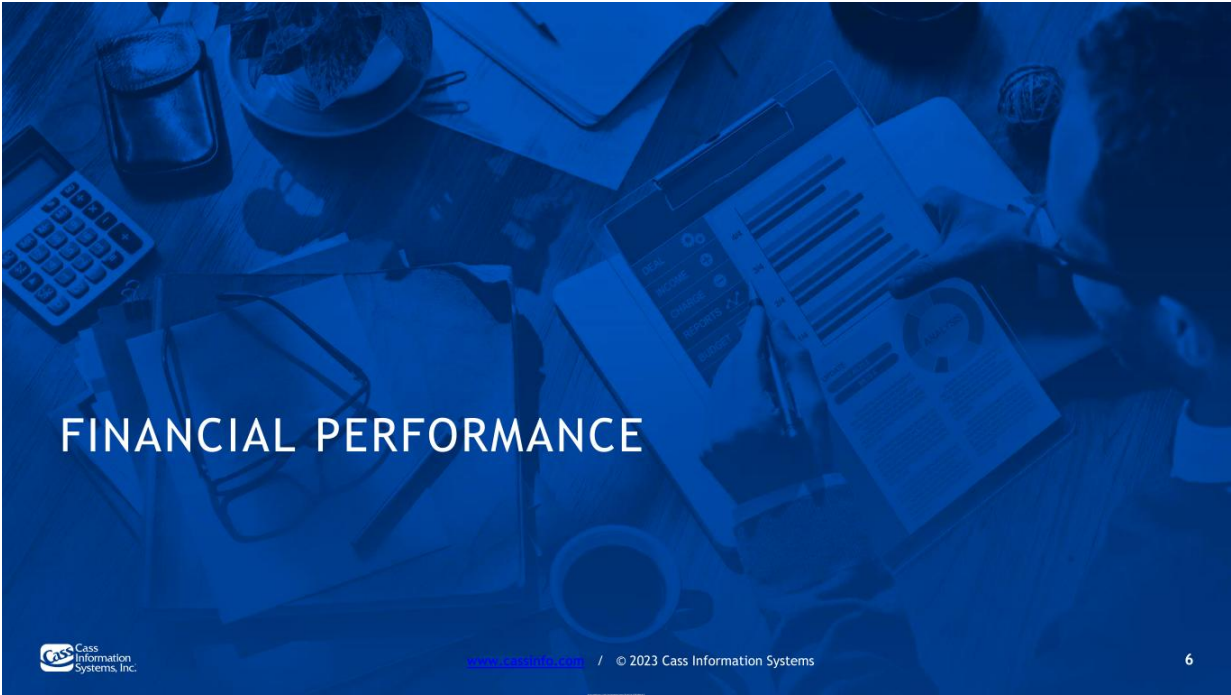
**\$1.1B**  
Loans

**\$1.0B**  
Deposits

**2.04%**  
YTD cost of  
deposits

**\$0**  
Charge-offs



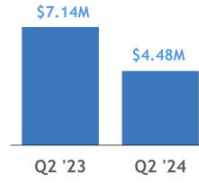


# FINANCIAL PERFORMANCE

## Q2 2024 FINANCIAL HIGHLIGHTS

- + Net income of \$4.5 million
- + Diluted EPS of \$0.32
- + Return on average equity of 8.01%
- + Increase in facility expense transaction volumes of 25.1%
- + Processing fee growth of 8.9%
- + Increase in net interest margin to 3.32%
- + Exceptional credit quality
- + 1-time expenses of \$3.4 million for the quarter

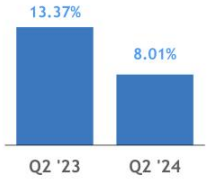
NET INCOME



DILUTED EPS



RETURN ON EQUITY



FACILITY TRANSACTION VOLUME



PROCESSING FEES



NET INTEREST MARGIN





## QUARTERLY FINANCIAL PERFORMANCE

TOTAL REVENUE



TOTAL OPERATING EXPENSE



NET INCOME



DILUTED EPS



RETURN ON EQUITY



ROAA



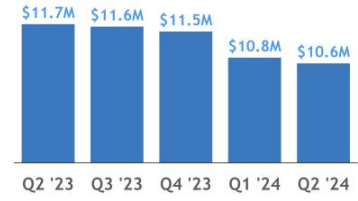


# REVENUE & EXPENSES

## FINANCIAL FEES

- + Financial fees declined due to a 6.5% decline in transportation dollar volumes, which led to a lower average balance of payments, in addition to changes in the manner certain vendors receive payments.
- + The Company expects its new working capital solution and other initiatives to increase financial fees in future quarters.

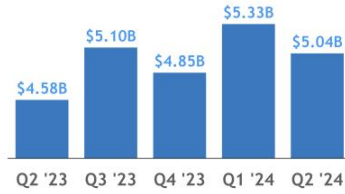
### FINANCIAL FEES



### TRANSPORTATION DOLLAR VOLUMES



### FACILITY DOLLAR VOLUMES



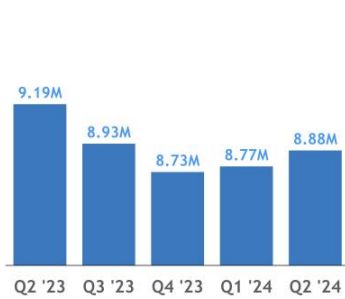
### AVERAGE PAYMENTS IN ADVANCE OF FUNDING



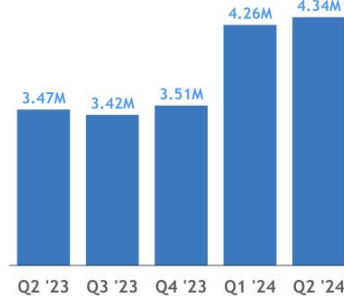
## PROCESSING FEES

- + The change quarter to quarter is generally correlated to transportation and facility invoice volumes.
- + Processing fees increased 8.9% as compared to 2Q 2023 primarily due to a 25.1% increase in facility invoice volumes. The Company has experienced recent success in winning facility clients with high transaction volumes.
- + Transportation invoice volumes declined 3.4% due to the on-going freight recession.

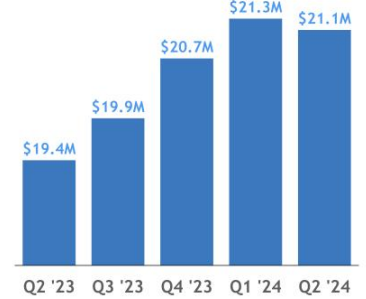
TRANSPORTATION INVOICE VOLUMES



FACILITY INVOICE VOLUMES



PROCESSING FEES



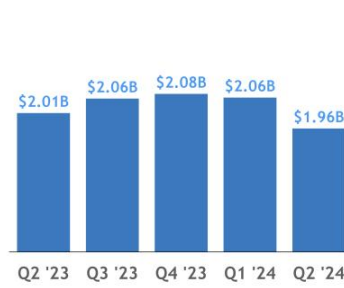
## NET INTEREST INCOME

- + The net interest margin improved 7 basis points from the second quarter of 2023.
- + The Company lost approximately \$100.0 million of CassPay non-interest bearing balances in February 2024 as a result of a cyber attack on a large client. The loss of these balances has caused interest-earning assets and net interest income to decline despite the increase in the net interest margin. The Company does not expect these balances from this client to return.

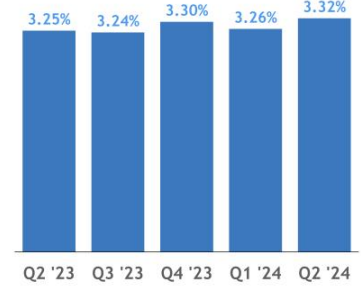
NET INTEREST INCOME



AVERAGE INTEREST-EARNING ASSETS



NET INTEREST MARGIN



## OPERATING EXPENSE

- + Salaries and commissions have stabilized and are expected to decline beginning in 4Q2024 as the Company expects to take advantage of recent technology investments.
- + Share-based compensation declined reflecting the Company's financial performance and the impact on performance-based restricted stock between the periods.
- + The Company announced its intent to terminate its noncontributory defined-benefit pension plan. The termination is expected to result in one-time expenses of approximately \$5.0 million but decrease run-rate operating expense by approximately \$1.0 million on an annual basis.
- + Other expense includes \$3.4 million of one-time items as described in the earnings release.

(\$\$ in millions)

Expense	2Q2023	3Q2023	4Q2023	1Q2024	2Q2024
Salaries and commissions	\$23.6	\$23.4	\$23.9	\$24.0	\$24.3
Share-based compensation	0.9	0.9	0.3	1.2	0.5
Net periodic pension cost	0.1	0.1	0.5	0.2	0.2
Other benefits	4.8	5.2	4.9	5.2	5.0
<b>Total personnel expense</b>	<b>29.4</b>	<b>29.6</b>	<b>29.6</b>	<b>30.6</b>	<b>30.0</b>
Occupancy expense	0.9	0.9	0.9	0.9	0.8
Equipment expense	1.7	1.8	2.0	1.9	2.0
Other expense	7.3	7.8	7.9	7.3	10.1
<b>Total operating expense</b>	<b>\$39.3</b>	<b>\$40.1</b>	<b>\$40.4</b>	<b>\$40.7</b>	<b>\$42.9</b>



# BALANCE SHEET

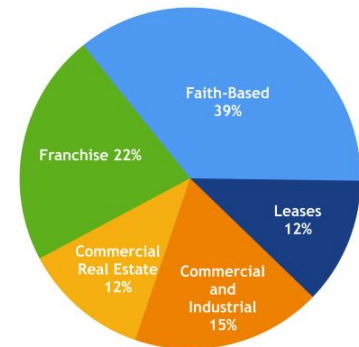
## LOANS

- + Loans increased 2.4% during the second quarter of 2024. The Company experienced growth in its franchise restaurant and equipment finance portfolios.
- + The Company has not incurred a loan charge-off since 2015.

(\$ in millions)

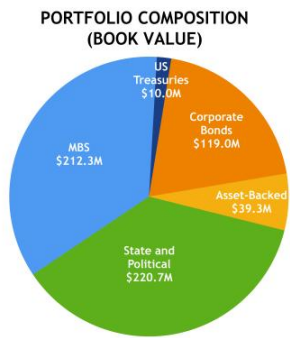
Portfolio Composition	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
Franchise	\$224.6	\$221.8	\$214.7	\$213.9	\$229.6
Faith-Based	386.1	385.4	389.2	387.5	382.2
Leases	134.2	127.7	121.3	126.1	131.4
Other C&I	175.3	167.9	162.6	186.4	187.6
Other CRE	135.6	136.8	126.6	123.0	131.2
Ending Loans	\$1,055.8	\$1,039.6	\$1,014.3	\$1,037.0	\$1,062.0
Loan Yield	4.82%	4.88%	4.95%	5.06%	5.26%
ACL/Loans	1.25%	1.28%	1.29%	1.28%	1.28%
Net Charge-Offs	—	—	—	—	—
Non-Performing Loans/Loans	—	—	—	—	—

PORTFOLIO COMPOSITION  
6/30/24





## INVESTMENT PORTFOLIO COMPOSITION

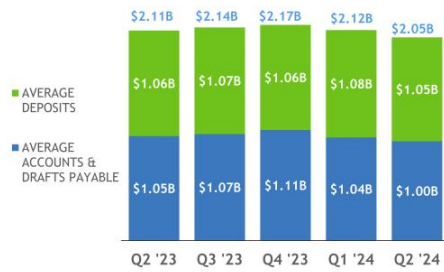


- + All investment securities are classified as available-for-sale. The overall weighted-average repricing term is 3.55 years and the average yield for 2Q2024 was 2.89%. The portfolio had unrealized losses of \$60.5 million at June 30, 2024 resulting in a total fair value for the portfolio of \$540.8 million.
- + The asset-backed securities are backed by student loans in the FFELP program with a minimum 97% guaranty by the U.S. Department of Education. These securities have long maturities but are floating rate assets.
- + Of the total \$119.0 million portfolio of high-quality corporate bonds, \$57.0 million are floating rate.
- + The mortgage-backed securities portfolio has an estimated average life of 4.9 years.
- + 99% of the municipal securities are an investment grade of "A" or higher.

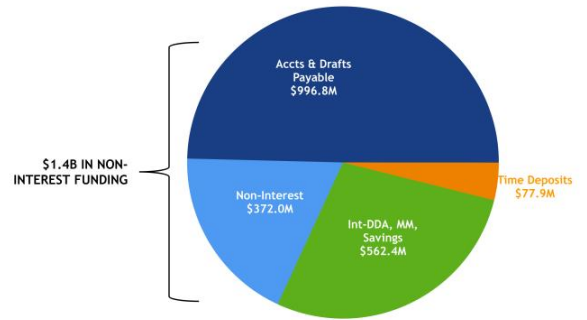
## FUNDING

- For 2Q2024, 68.7% of average funding was non-interest bearing, a strategic advantage in the current interest rate environment.
- Average accounts and drafts payable declined during the second quarter of 2024 as a result of the cyber event at a CassPay client, resulting in the loss of approximately \$100.0 million of balances, in addition to a decrease in transportation dollar volumes of 6.5%, partially offset by an increase in facility dollar volumes of 10.1%.

**AVERAGE DEPOSITS AND ACCOUNTS & DRAFTS PAYABLE**



**FUNDING COMPOSITION**



## KEY FUNDING POINTS

- + Accounts and drafts payable represents float generated by our payments businesses and have proven a very stable source of funding over a long period of time.
- + Deposits are generated from core Bank and CassPay clients. These deposits almost entirely consist of operating accounts from core faith-based and other C&I clients as well as CassPay clients where the Company generates float.
- + The cost of deposits for the second quarter of 2024 was 2.04%.
- + The Bank participates in the CDARS and ICS programs offered by Promontory Interfinancial Network, LLC, enabling FDIC insurance up to \$100 million on money market accounts and \$50 million on certificates of deposit.
- + There are no brokered deposits or wholesale borrowings.
- + The Bank has a \$239 million secured line of credit with the FHLB collateralized by commercial mortgage loans.
- + The Company has \$250.0 million of unused lines of credit collateralized by investment securities.

## CAPITAL

- + The Company maintains excess capital to support organic balance sheet growth and opportunistic acquisitions
- + Quarterly dividend of \$0.30 per share and Cass has continuously paid regularly scheduled cash dividends since 1934
- + No share buybacks during 2Q2024 but capital levels support future buybacks pending balance sheet growth and acquisition opportunities

Tier 1 leverage ratio at 6/30/24	<b>11.32%</b>
Common equity tier 1 risk-based ratio at 6/30/24	<b>14.32%</b>
Tier 1 risk-based ratio at 6/30/24	<b>14.32%</b>
Total risk-based ratio at 6/30/24	<b>15.08%</b>



# LEADERSHIP AND SHAREHOLDER INFORMATION

## BOARD OF DIRECTORS

**Eric H. Brunngraber**  
Executive Chairman

**Ralph W. Clermont**  
Retired Managing Partner,  
KPMG LLP, Saint Louis, Missouri

**Robert A. Ebel**  
Retired Chief Executive Officer,  
Universal Printing Company

**Benjamin F. (Tad) Edwards, IV**  
Chairman, Chief Executive Officer,  
and President, Benjamin F. Edwards  
& Company

**Wendy J. Henry**  
Retired Managing Partner,  
BKD, LLP

**James J. Lindemann**  
Retired Executive  
Vice President, Emerson

**Ann W. Marr**  
Retired Executive Vice President  
of Global Human Resources,  
World Wide Technology

**Martin H. Resch**  
President and  
Chief Executive Officer

**Sally H. Roth**  
Retired Area President –  
Upper Midwest, Regions Bank

**Joseph D. Rupp**  
Lead Director and Retired Chairman, President,  
and Chief Executive Officer, Olin Corporation

**Randall L. Schilling**  
Chief Executive Officer,  
OPO Startups, LLC

**Franklin D. Wicks, Jr., Ph.D.**  
Retired Executive Vice President and  
President, Applied Markets, Sigma-Aldrich

## LEADERSHIP COUNCIL

**Cory J. Bricker**

Senior Vice President and  
President - CassPay

**Mark A. Campbell**

Senior Vice President and  
President - Government Payables

**James M. Cavellier**

Executive Vice President and  
Chief Information Officer

**Dwight D. Erdbruegger**

President and Chief Operating  
Officer, Cass Commercial Bank

**Carl N. Friedholm**

Senior Vice President and President -  
Telecom Expense Management

**Nicole M. Jennings**

Vice President - Internal Audit and  
Risk Management

**Teresa D. Meares**

Senior Vice President and President -  
Waste Expense Management

**Ross M. Miller**

Senior Vice President and President -  
TouchPoint

**Sean M. Mullins**

Vice President - Chief  
Information Security Officer

**Michael J. Normile**

Executive Vice President and  
Chief Financial Officer

**Christi A. Reiter**

Senior Vice President -  
Human Resources

**Martin H. Resch**

President and  
Chief Executive Officer

**Jeanne M. Scannell**

Chief Credit Officer - Cass  
Commercial Bank

**Matthew S. Schuckman**

Executive Vice President, General  
Counsel, and Corporate Secretary

**Anthony G. Urban**

Executive Vice President -  
Transportation Information Services

**Todd J. Wills**

Senior Vice President and President -  
Utility Expense Management

## SHAREHOLDER INFORMATION

### CORPORATE HEADQUARTERS

Cass Information Systems, Inc.  
12444 Powerscourt Drive, Suite 550  
Saint Louis, Missouri 63131  
314.506.5500  
[www.cassinfo.com](http://www.cassinfo.com)

### INVESTOR RELATIONS

[ir@cassinfo.com](mailto:ir@cassinfo.com)

### COMMON STOCK

The company's common stock trades on the NASDAQ stock market under the symbol CASS.

### SHAREHOLDER WEBSITE

[www.computershare.com/investor](http://www.computershare.com/investor)

### INDEPENDENT AUDITORS

KPMG LLP  
10 South Broadway, Suite 900  
Saint Louis, Missouri 63102

### SHAREHOLDER ONLINE INQUIRIES

[www-us.computershare.com /investor/Contact](http://www-us.computershare.com/investor/Contact)

### TRANSFER AGENT

Shareholder correspondence should be mailed to:

Computershare  
P.O. Box 43006  
Providence, RI 02940-3006

Overnight correspondence should be mailed to:

Computershare  
150 Royall St, Suite 101  
Canton, MA 02021

### TOLL-FREE PHONE

866.323.8170





Thank You for  
Your Time



