

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)

February 13, 2006 (February 13, 2006)

Cass Information Systems, Inc.

(Exact Name of Registrant as Specified in its Charter)

Missouri

(State or Other Jurisdiction of Incorporation)

2-80070

43-1265338

(Commission File Number)

(IRS Employer Identification No.)

13001 Hollenberg Drive, Bridgeton, Missouri

63044

(Address of Principal Executive Offices)

(Zip Code)

(314) 506-5500

(Registrant's Telephone Number, Including Area Code)

N/A

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

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 (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

CASS INFORMATION SYSTEMS, INC.

FORM 8-K

Item 2.02. Results of Operations and Financial Condition.

On February 13, 2006, Cass Information Systems, Inc. issued a press release announcing its preliminary results of operations for the fourth quarter of fiscal year 2005, which ended December 31, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference. The information in this Form 8-K, including Exhibit 99.1, is being furnished under Item 2.02 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press Release dated February 13, 2006, issued by Cass Information Systems, Inc. |

SIGNATURES

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

Cass Information Systems, Inc.

February 13, 2006

By: /s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

February 13, 2006

By: /s/ Eric H. Brunngraber

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

EXHIBIT INDEX

| Exhibit Number ----- | Description ----- |
|----------------------------|--|
| 99.1 | Press Release dated February 13, 2006, issued by Cass Information Systems, Inc. |

News Release

February 13, 2006

Contact: Contact Kenn Entringer at Casey Communications, Inc., (314) 721-2828 or kentringer@caseycomm.com

Cass Information Systems, Inc. Ends 2005
With 36% Per Share Earnings Increase Over 2004

ST. LOUIS - Cass Information Systems, Inc. (NASDAQ: CASS), the nation's leading provider of transportation, utility and telecom invoice payment and information services, reports that it earned \$1.94 per fully diluted share for the year ended Dec. 31, 2005, a 36% increase over the \$1.43 per share (adjusted for a 50% stock dividend issued Sept. 15, 2005) earned in 2004. Net income was \$10,946,000 in 2005, a 37% increase over the \$8,005,000 earned in 2004.

4th Quarter 2005 Earnings

Fourth quarter 2005 earnings were 44 cents per fully-diluted share, identical to the result posted in the fourth quarter of 2004. Net income for the period was \$2,503,000, compared to the \$2,485,000 reported during the final quarter of 2004.

Quarterly earnings were affected by two significant events. The first was the Dec. 30, 2005 sale of a wholly owned subsidiary, Government e-Management Solutions, Inc. (GEMS), resulting in a pre-tax gain of \$1,336,000. Including the gain, GEMS generated \$518,000 in net income for the quarter, with those results reclassified as discontinued operations. Second, the company recognized the impairment of its equity investment in an image processing company, resulting in a \$3,100,000 pre-tax loss. This investment was made in 2001 to acquire imaging technology for the company's payment operations. Accumulated losses resulted in the one-time charge.

4th Quarter Revenues from Core Operations Up Strongly

Overall, 2005 fourth quarter pre-tax income from core operations, which excludes the \$3,100,000 impairment charge, increased \$1,780,000 or 43% over the corresponding period in 2004. Income from

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continuing operations before taxes, which includes the impairment charge, decreased \$1,320,000 or 32%.

Total revenue from continuing operations was up 17% or \$2,747,000 over the year-earlier period. Payment and processing fees led the way with a 20% or \$1,592,000 year-to-year increase. Transportation invoices were up 11% and dollar volume rose 32% due to new business and heightened activity from existing accounts. New customer growth also led to an 8% increase in utility transactions and a 42% increase in dollars processed. The company's telecom group, acquired in August 2004, also contributed to the increase in payment and processing results.

Net investment income increased 25% or \$1,837,000 due to growth in funds generated from payment processing activities and the rise in prevailing interest rates.

Total operating expenses were up 8% or \$967,000 due mainly to the growth of expenses related to the increased processing activity.

2005 Summary

Income from core operations before taxes and the \$3,100,000 impairment charge increased \$5,236,000 or 37% from 2004. Income from continuing operations before taxes, which includes the impairment charge, increased \$2,136,000 or 15%. Total revenues from continuing operations rose \$10,307,000 or 17% in 2005 as Cass boosted processing volumes, fee revenues and investment income. Operating expenses from continuing operations were up 11% or \$5,071,000 due mainly to the increased processing activity and the telecom acquisition.

"Our earnings growth of 36% in 2005 reflects the intrinsic strength of our core businesses, the soundness of our business strategy and a generally favorable economic climate," commented Lawrence A. Collett, Cass chief executive officer and chairman. "The sale of GEMS, a non-core asset, and the write-off reinforces an already solid balance sheet and sets the stage for future growth. As we look ahead to 2006, we believe double-digit growth in net income is attainable."

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Selected Consolidated Financial Data

The following table presents selected unaudited consolidated financial data (in thousands, except per share data) for the periods ended December 31, 2005 and 2004:

| | Quarter Ended 12/31/05 | Quarter Ended 12/31/04 | Year Ended 12/31/05 | Year Ended 12/31/04 |
|---|------------------------------|------------------------------|---------------------------|---------------------------|
| Transportation Invoice Volume | 6,715 | 6,072 | 26,626 | 23,526 |
| Transportation Dollar Volume | \$ 3,400,498 | \$ 2,578,590 | \$ 11,949,052 | \$ 9,752,203 |
| Utility Transaction Volume | 1,430 | 1,324 | 5,655 | 5,198 |
| Utility Dollar Volume | \$ 1,256,181 | \$ 885,203 | \$ 4,423,045 | \$ 3,700,665 |
| Payment and Processing Fees | \$ 9,415 | \$ 7,823 | \$ 35,901 | \$ 30,695 |
| Net Investment Income | 9,331 | 7,494 | 32,789 | 27,088 |
| Gain on Sales of Debt Securities | - | 604 | 547 | 1,045 |
| Other | 554 | 632 | 2,205 | 2,307 |
| Total Revenues | \$ 19,300 | \$ 16,553 | \$ 71,442 | \$ 61,135 |
| Salaries and Benefits | \$ 9,820 | \$ 9,085 | \$ 38,252 | \$ 33,774 |
| Occupancy | 498 | 423 | 1,941 | 1,589 |
| Equipment | 648 | 689 | 2,795 | 3,276 |
| Other | 2,380 | 2,182 | 9,128 | 8,406 |
| Total Operating Expenses | \$ 13,346 | \$ 12,379 | \$ 52,116 | \$ 47,045 |
| Impairment of Equity Investment | 3,100 | -- | 3,100 | -- |
| Income from Continuing Operations before Income Taxes | \$ 2,854 | \$ 4,174 | \$ 16,226 | \$ 14,090 |
| Provision for Income Taxes | \$ 869 | \$ 1,261 | \$ 5,416 | \$ 4,209 |
| Income from Continuing Operations | \$ 1,985 | \$ 2,913 | \$ 10,810 | \$ 9,881 |
| Income (Loss) from Discontinued Operations | 833 | (645) | 259 | (2,823) |
| Provision (Credit) for Income Taxes | 315 | (217) | 123 | (947) |
| Income (Loss) from Discontinued Operations | \$ 518 | \$ (428) | \$ 136 | \$ (1,876) |
| Net Income | \$ 2,503 | \$ 2,485 | \$ 10,946 | \$ 8,005 |
| Average Earning Assets | \$ 742,367 | \$ 682,937 | \$ 697,285 | \$ 643,847 |
| Net Interest Margin | 5.24% | 4.59% | 4.95% | 4.48% |
| Allowance for Loan Losses to Loans | 1.19% | 1.21% | 1.19% | 1.21% |
| Non-performing Loans to Total Loans | .28% | .11% | .28% | .11% |
| Net Loan Charge-offs to Loans | .02% | .01% | .10% | -- |
| Provision for Loan Losses | \$ 150 | \$ 50 | \$ 775 | \$ 550 |
| Non-performing Loans | \$ 1,464 | \$ 538 | \$ 1,464 | \$ 538 |
| Basic Earnings per Share from Continuing Operations | \$.36 | \$.53 | \$ 1.96 | \$ 1.79 |
| Basic Earnings per Share from Discontinued Operations | .10 | (.08) | .03 | (.34) |
| Basic Earnings per Share | \$.46 | \$.45 | \$ 1.99 | \$ 1.45 |
| Diluted Earnings per Share from Continuing Operations | \$.34 | \$.52 | \$ 1.92 | \$ 1.76 |
| Diluted Earnings per Share from Discontinued Operations | .10 | (.08) | .02 | (.33) |
| Diluted Earnings per Share | \$.44 | \$.44 | \$ 1.94 | \$ 1.43 |

About Cass Information Systems

Cass Information Systems is the leading provider of transportation, utility and telecom invoice payment and information services. The company, which has been involved in the payables services and information support business since 1956, disburses over \$15 billion annually on behalf of customers from processing centers in St. Louis, Mo., Columbus, Ohio, Boston, Mass. and Greenville, S.C. The support of Cass Commercial Bank, founded in 1906, makes Cass Information Systems unique in the industry.

Note to Investors

Certain matters set forth in this news release may contain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. For a discussion of certain factors that may cause such forward-looking statements to differ materially from the company's actual results, see the company's reports filed from time to time with the Securities and Exchange Commission including the company's annual report on Form 10-K for the year ended December 31, 2004.