

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): January 25, 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 January 25, 2024, Cass Information Systems, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter of fiscal 2023. A copy of this press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Also on January 25, 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 fourth quarter of fiscal 2023. 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 January 25, 2024, the Company’s Board of Directors declared a first quarter dividend of \$0.30 per share payable on March 15, 2024 to shareholders of record on March 5, 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 January 25, 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: January 25, 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@cassinvo.com

January 25, 2024

## **Cass Information Systems Reports Fourth Quarter 2023 Results**

### **Fourth Quarter Results**

(All comparisons refer to the fourth quarter of 2022, except as noted)

- Net income of \$8.4 million, or \$0.61 per diluted common share.
- Return on average equity of 16.06%.
- Increase in net interest margin to 3.30% from 3.15%.
- Increase in facility expense transaction volumes of 9.7%
- 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 fourth quarter 2023 earnings of \$0.61 per diluted share, as compared to \$0.67 in the fourth quarter of 2022 and \$0.54 in the third quarter of 2023. Net income for the period was \$8.4 million, a decrease of 9.4% from \$9.3 million in the same period in 2022 and an increase of \$1.0 million, or 13.8%, as compared to the third quarter of 2023. For the year ended December 31, 2023, the Company reported net income and earnings per diluted share of \$30.1 million and \$2.18, respectively, as compared to \$34.9 million and \$2.53, respectively, for the year ended December 31, 2022.

Martin Resch, the Company's President and Chief Executive Officer, noted, "We began the process of onboarding new facility clients during the fourth quarter, reflecting the success of our Waste Invoice Management and Utility Bill Management solutions. This success is reflected in the 9.7% growth in facility transaction volumes which should continue to accelerate in the first and second quarters of 2024." Resch added, "While we continue to experience challenges related to the ongoing freight recession and its impact on payment float and financial fees, our recent technology investments should place us in a good position to grow clients and transactions in a highly efficient manner."

### **Fourth Quarter 2023 Highlights**

**Transportation Dollar Volumes** – Transportation dollar volumes were \$9.0 billion during the fourth quarter of 2023, a decrease of 17.3% as compared to the fourth quarter of 2022 and a decrease of 2.4% as compared to the third quarter of 2023. The decrease in dollar volumes was due to a decrease in the average dollars per transaction to \$1,036 during the fourth quarter of 2023 as compared to \$1,191 in the fourth quarter of 2022 and \$1,038 in the third quarter of 2023 as a result of lower fuel costs and overall freight rates. 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 \$4.8 billion during the fourth quarter of 2023, an increase of 0.7% as compared to the fourth quarter of 2022 and a decrease of 4.9% as compared to the third quarter of 2023. The change in dollar volumes period to period are largely reflective of seasonality and energy prices.

**Processing Fees** – Processing fees increased \$1.4 million, or 7.5%, over the same period in the prior year. The increase in processing fees was largely driven by an increase in ancillary fees and an increase in facility transaction volumes of 9.7%. The Company has experienced recent success in winning facility clients with high transaction volumes which is expected to contribute to more meaningful growth in processing fees beginning in the first quarter of 2024 as these new clients are

onboarded. Transportation invoice volumes decreased 4.8% over the same period. The decline in transportation volumes is 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, increased \$117,000, or 1.0%. The increase in financial fee income was primarily due to the increase in short-term interest rates, partially offset by a decline in transportation dollar volumes of 17.3% in addition to changes in the manner certain vendors receive payments.

**Net Interest Income** – Net interest income decreased \$295,000, or 1.7%. The decrease in net interest income was attributable to a decline in average interest-earning assets of \$157.1 million, or 7.0%. The Company's net interest margin improved to 3.30% as compared to 3.15% in the same period last year, largely driven by the rise in market interest rates.

Net interest income increased \$486,000, or 2.9%, as compared to the third quarter of 2023. The increase was driven by an increase in average interest-earning assets of \$15.8 million, or 0.8% and an increase in the net interest margin of 6 basis points to 3.30% from 3.24% primarily driven by an increase in short-term investment and loan yields.

**Provision for Credit Losses** - The Company recorded a release of credit losses of \$215,000 during the fourth quarter of 2023 as compared to a provision for credit losses of \$500,000 in the fourth quarter of 2022. The release of credit losses for the fourth quarter of 2023 was largely driven by a decrease in total loans of \$25.3 million, or 2.4%, as compared to September 30, 2023.

**Personnel Expenses** - Personnel expenses increased \$876,000, or 3.0%. Salaries and commissions increased \$841,000, or 3.7%, as a result of merit increases and an increase in average full-time equivalent employees ("FTEs") of 10.8% due to strategic investments in various technology initiatives. Share-based compensation decreased \$1.9 million reflecting the Company's financial performance and the impact on performance-based restricted stock between the periods. Pension expense increased \$1.1 million. Despite the Company's defined benefit pension plan being frozen in the first quarter of 2021 resulting in no service cost in subsequent periods, expense increased as a result of the accounting impact of the decline in plan assets during 2022 and corresponding decline in expected return on plan assets for 2023. Other benefits, such as 401(k) match, health insurance and payroll taxes, increased \$864,000, or 21.3%, primarily due to the 10.8% increase in average FTEs as well as a significant increase in employer health insurance costs over prior year levels.

**Non-Personnel Expenses** - Non-personnel expenses rose \$1.7 million, or 18.9%. Certain expense categories such as equipment, outside service fees and data processing are elevated as the Company invests in, and transitions to, improved technology.

**Loans** - When compared to December 31, 2022, ending loans decreased \$68.6 million, or 6.3%. The Company opted to be more selective in booking new loans as a result of the decline in deposits during 2023, focusing on building new client relationships rather than transactional opportunities such as investment grade leases.

**Payments in Advance of Funding** – Average payments in advance of funding decreased \$53.3 million, or 20.3%, primarily due to a 17.3% decrease in transportation dollar volumes, which led to fewer dollars advanced to freight carriers.

**Deposits** – Average deposits decreased \$127.2 million, or 10.7%, when compared to the fourth quarter of 2022. Total deposits at December 31, 2023 decreased \$116.4 million, or 9.3% as compared to December 31, 2022. The Company experienced deposit attrition during the first six months of 2023 as larger commercial depository clients moved their funds to higher interest rate alternatives outside of the banking system. The Company has experienced stabilization in its deposit balances since the second quarter of 2023 as a result of an increase in its deposit rates and increased depositor confidence across the banking industry.

**Accounts and Drafts Payable** - Average accounts and drafts payable decreased \$47.7 million, or 4.1%. The decrease in these balances, which are non-interest bearing, are primarily reflective of the decrease in transportation dollar volumes of 17.3%. Accounts and drafts payable are a stable source of funding generated by payment float from transportation and facility clients.

**Shareholders' Equity** - Total shareholders' equity has increased \$23.5 million since December 31, 2022 as a result of net income of \$30.1 million and a decrease in accumulated other comprehensive loss of \$9.7 million related to the fair value of available-for-sale investment securities, partially offset by dividends of \$16.0 million and the repurchase of Company stock of \$5.8 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 \$2.5 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~~. More information is available at [www.cassinio.com](http://www.cassinio.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 December 31, 2023	Quarter Ended September 30, 2023	Quarter Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Processing fees	\$ 20,728	\$ 19,939	\$ 19,286	\$ 79,566	\$ 76,470
Financial fees	11,467	11,597	11,350	45,985	43,757
Total fee revenue	\$ 32,195	\$ 31,536	\$ 30,636	\$ 125,551	\$ 120,227
Interest and fees on loans	12,796	12,863	11,570	50,825	39,460
Interest and dividends on securities	4,352	4,392	4,890	18,215	16,437
Interest on federal funds sold and other short-term investments	4,573	3,934	3,007	13,720	6,429
Total interest income	\$ 21,721	\$ 21,189	\$ 19,467	\$ 82,760	\$ 62,326
Interest expense	4,687	4,641	2,138	16,266	3,482
Net interest income	\$ 17,034	\$ 16,548	\$ 17,329	\$ 66,494	\$ 58,844
Release of (provision for) credit losses	215	(125)	(500)	550	(1,350)
(Loss) gain on sale of investment securities	(13)	—	—	(173)	15
Other	1,305	1,264	1,481	5,089	4,740
Total revenues	\$ 50,736	\$ 49,223	\$ 48,946	\$ 197,511	\$ 182,476
Salaries and commissions	23,861	23,391	23,020	93,474	85,489
Share-based compensation	342	938	2,253	4,139	6,732
Net periodic pension cost (benefit)	476	129	(606)	878	(2,453)
Other benefits	4,921	5,178	4,057	20,203	16,706
Total personnel expenses	\$ 29,600	\$ 29,636	\$ 28,724	\$ 118,694	\$ 106,474
Occupancy	890	908	875	3,560	3,676
Equipment	1,950	1,789	1,664	7,138	6,668
Other	7,941	7,730	6,526	30,763	22,758
Total operating expenses	\$ 40,381	\$ 40,063	\$ 37,789	\$ 160,155	\$ 139,576
Income from operations before income taxes	\$ 10,355	\$ 9,160	\$ 11,157	\$ 37,356	\$ 42,900
Income tax expense	1,945	1,766	1,872	7,297	7,996
Net income	\$ 8,410	\$ 7,394	\$ 9,285	\$ 30,059	\$ 34,904
Basic earnings per share	\$ .62	\$ .55	\$ .69	\$ 2.22	\$ 2.58
Diluted earnings per share	\$ .61	\$ .54	\$ .67	\$ 2.18	\$ 2.53
Share data:					
Weighted-average common shares outstanding	13,467	13,501	13,548	13,530	13,553
Weighted-average common shares outstanding assuming dilution	13,755	13,793	13,812	13,816	13,808

**Consolidated Balance Sheets**

(\$ in thousands)

	(unaudited ) December 31, 2023	(unaudited ) September 30, 2023	December 31, 2022
<b>Assets:</b>			
Cash and cash equivalents	\$ 372,468	\$ 408,435	\$ 200,942
Securities available-for-sale, at fair value	627,117	615,855	754,468
Loans	1,014,318	1,039,619	1,082,906
Less: Allowance for credit losses	(13,089)	(13,318)	(13,539)
Loans, net	\$ 1,001,229	\$ 1,026,301	\$ 1,069,367
Payments in advance of funding	198,861	258,587	293,775
Premises and equipment, net	30,093	26,257	19,958
Investments in bank-owned life insurance	49,159	48,857	47,998
Goodwill and other intangible assets	20,654	20,849	21,435
Accounts and drafts receivable from customers	110,651	28,710	95,779
Other assets	68,390	71,027	69,301
<b>Total assets</b>	<b>\$ 2,478,622</b>	<b>\$ 2,504,878</b>	<b>\$ 2,573,023</b>
<b>Liabilities and shareholders' equity:</b>			
<b>Deposits</b>			
Non-interest bearing	\$ 524,359	\$ 511,292	\$ 642,757
Interest-bearing	616,455	666,050	614,460
<b>Total deposits</b>	<b>\$ 1,140,814</b>	<b>\$ 1,177,342</b>	<b>\$ 1,257,217</b>
Accounts and drafts payable	1,071,369	1,082,224	1,067,600
Other liabilities	36,630	39,076	41,881
<b>Total liabilities</b>	<b>\$ 2,248,813</b>	<b>\$ 2,298,642</b>	<b>\$ 2,366,698</b>
<b>Shareholders' equity:</b>			
Common stock	\$ 7,753	\$ 7,753	\$ 7,753
Additional paid-in capital	208,007	207,663	207,422
Retained earnings	145,782	141,444	131,682
Common shares in treasury, at cost	(84,264)	(83,704)	(81,211)
Accumulated other comprehensive loss	(47,469)	(66,920)	(59,321)
<b>Total shareholders' equity</b>	<b>\$ 229,809</b>	<b>\$ 206,236</b>	<b>\$ 206,325</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,478,622</b>	<b>\$ 2,504,878</b>	<b>\$ 2,573,023</b>



**Average Balances (unaudited)**

(\$ in thousands)

	Quarter Ended December 31, 2023	Quarter Ended September 30, 2023	Quarter Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Average interest-earning assets	\$ 2,075,641	\$ 2,059,801	\$ 2,232,764	\$ 2,076,950	\$ 2,205,793
Average loans	1,025,259	1,045,967	1,049,294	1,055,668	992,004
Average securities available-for-sale	615,666	634,835	760,424	665,146	745,637
Average short-term investments	356,887	310,770	346,198	287,243	425,004
Average payments in advance of funding	209,364	234,684	262,620	234,865	278,185
Average assets	2,414,665	2,395,264	2,581,086	2,419,608	2,586,078
Average non-interest bearing deposits	464,924	480,472	567,730	512,608	588,121
Average interest-bearing deposits	592,055	591,556	616,456	571,067	603,251
Average borrowings	11	11	10	2,241	11
Average interest-bearing liabilities	592,066	591,567	616,466	573,308	603,262
Average accounts and drafts payable	1,110,415	1,070,057	1,158,112	1,081,245	1,141,329
Average shareholders' equity	\$ 207,834	\$ 212,591	\$ 194,269	\$ 211,069	\$ 211,142

**Consolidated Financial Highlights (unaudited)**

(\$ and numbers in thousands, except ratios)

	Quarter Ended December 31, 2023	Quarter Ended September 30, 2023	Quarter Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Return on average equity	16.06%	13.80%	18.96%	14.24%	16.53%
Net interest margin <sup>(1)</sup>	3.30%	3.24%	3.15%	3.25%	2.74%
Average interest-earning assets yield <sup>(1)</sup>	4.20%	4.13%	3.53%	4.04%	2.90%
Average loan yield	4.95%	4.88%	4.37%	4.81%	3.98%
Average investment securities yield <sup>(1)</sup>	2.63%	2.62%	2.50%	2.63%	2.30%
Average short-term investment yield	5.08%	5.02%	3.44%	4.78%	1.51%
Average cost of total deposits	1.76%	1.72%	0.72%	1.50%	0.31%
Average cost of interest-bearing deposits	3.14%	3.11%	1.38%	2.85%	0.58%
Average cost of interest-bearing liabilities	3.14%	3.11%	1.38%	2.84%	0.58%
Allowance for credit losses to loans	1.29%	1.28%	1.25%	1.29%	1.25%
Non-performing loans to total loans	—%	—%	0.11%	—%	0.11%
Net loan charge-offs (recoveries) to loans	—%	—%	—%	—%	—%
Common equity tier 1 ratio	14.73%	14.53%	12.80%	14.73%	12.80%
Total risk-based capital ratio	15.49%	15.30%	13.52%	15.49%	13.52%
Leverage ratio	10.71%	10.61%	9.52%	10.71%	9.52%
Transportation invoice volume	8,733	8,925	9,174	35,949	36,807
Transportation dollar volume	\$ 9,044,772	\$ 9,263,453	\$ 10,930,786	\$ 38,288,478	\$ 44,749,359
Facility expense transaction volume	3,505	3,417	3,196	13,857	12,990
Facility expense dollar volume	\$ 4,848,064	\$ 5,096,882	\$ 4,814,145	\$ 19,836,821	\$ 19,514,049

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



## 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.

Q4 2023 INVESTOR PRESENTATION



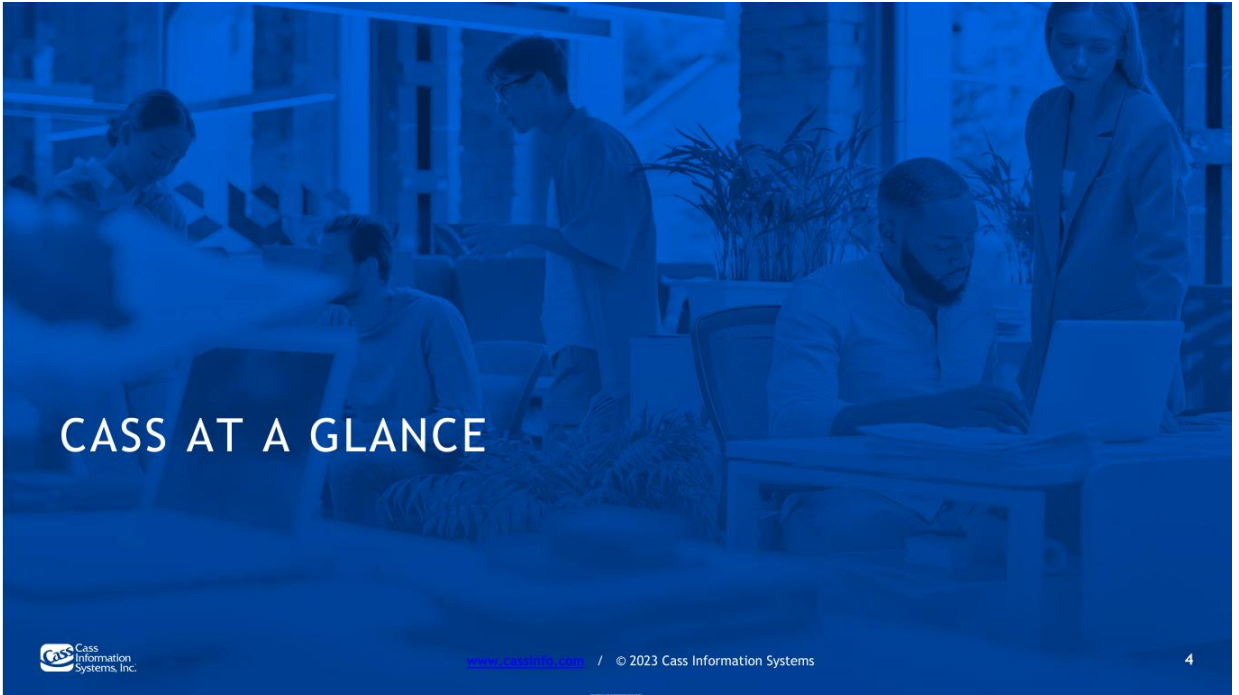


## TABLE OF CONTENTS

- 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.  
**\$610M**

Assets  
**\$2.5B**

YTD ROE  
**14.4%**

TTM NI  
**\$30.1M**

YTD % Fees/  
Rev.  
**66.1%**

% NIB  
Funding  
**72.1%**



## INFORMATION SYSTEMS / PAYMENTS

- + Transportation information systems provides freight invoice audit and payment services in the contract market
- + Facilities expense management provides payments for the energy, telecom, and waste services
- + 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

**\$1.1B**  
YTD average  
float

## COMMERCIAL BANK

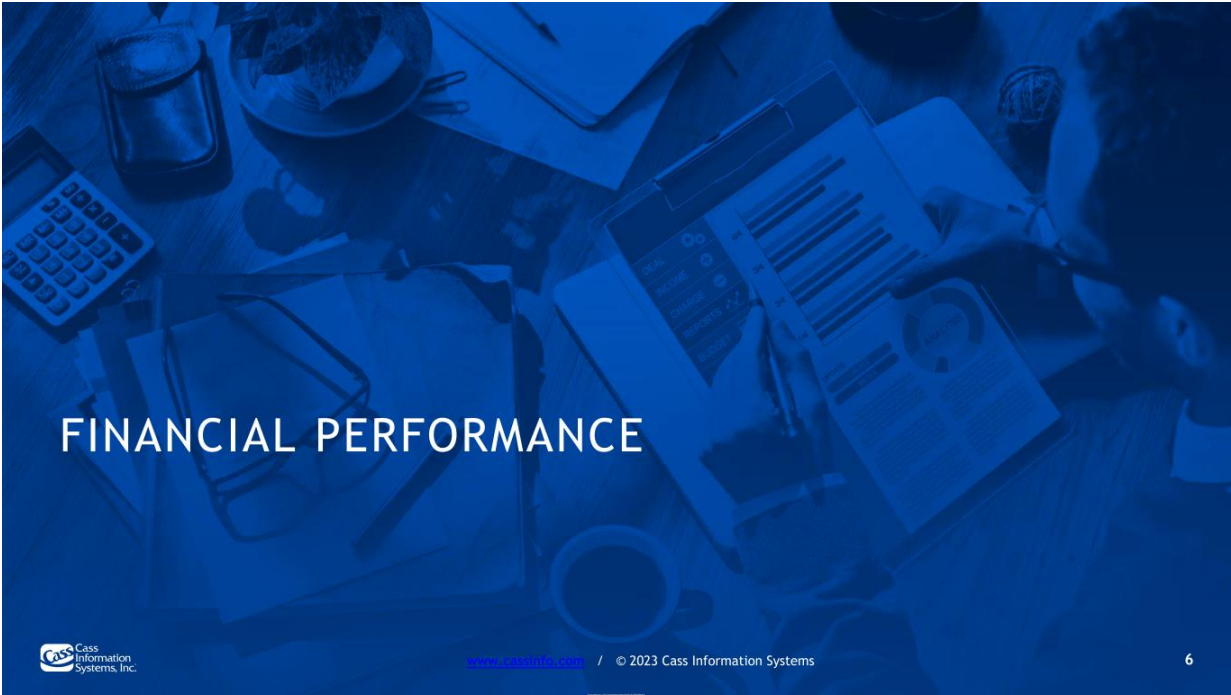
- + Commercial bank operates in three primary niches
  - St. Louis C&I market
  - Faith based organizations across the U.S.
  - McDonalds' franchisees
- + Strong track record of asset quality

**\$1.0B**  
Loans

**\$1.1B**  
Deposits

**1.50%**  
YTD cost of  
deposits

**\$0**  
Charge-offs

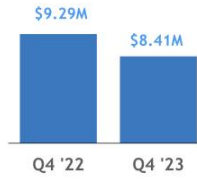


# FINANCIAL PERFORMANCE

## Q4 2023 FINANCIAL HIGHLIGHTS

- + Net income of \$8.4 million
- + Diluted EPS of \$0.61
- + Return on average equity of 16.06%
- + Quarterly revenue of \$50.7 million
- + Expanding net interest margin
- + Exceptional credit quality
- + Continued progress on technology initiatives
- + Increase in facility expense transaction volumes of 9.7%
- + Repurchased 13,964 shares of stock

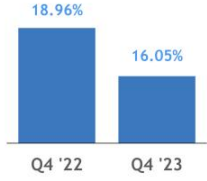
NET INCOME



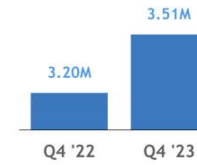
DILUTED EPS



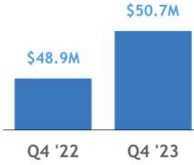
RETURN ON EQUITY



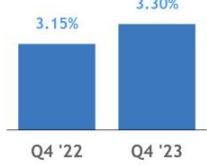
FACILITY TRANSACTION VOLUME



TOTAL REVENUES



NET INTEREST MARGIN





## QUARTERLY FINANCIAL PERFORMANCE

- + Revenue improved in 4Q2023 as compared to 3Q2023 as result of a higher level of interest-earning assets, net interest margin and processing fees in addition to a release of credit losses related to a decline in loans outstanding
- + Net income, ROE and EPS levels improved due to revenue growth exceeding relatively nominal expense growth during the quarter

TOTAL REVENUE



NET INCOME



RETURN ON EQUITY



DILUTED EPS



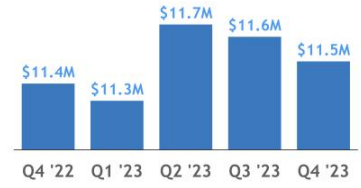


# REVENUE & EXPENSES

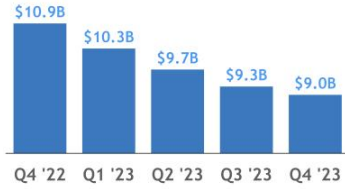
## FINANCIAL FEES

- + Despite a decline in transportation dollar volumes, which led to a lower average balance of payments in advance of funding, and changes in the manner certain vendors receive payments, financial fees increased slightly compared to the same period last year due to the increase in short-term interest rates
- + Transportation dollar volumes declined due to lower fuel costs and overall freight rates

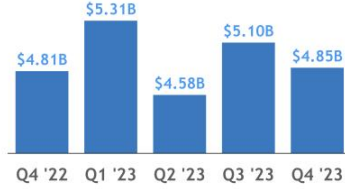
### FINANCIAL FEES



### TRANSPORTATION DOLLAR VOLUMES



### FACILITY DOLLAR VOLUMES



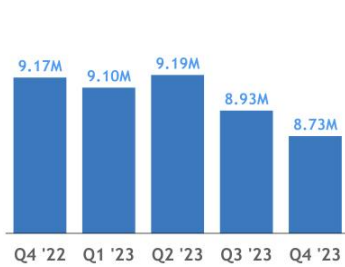
### AVERAGE PAYMENTS IN ADVANCE OF FUNDING



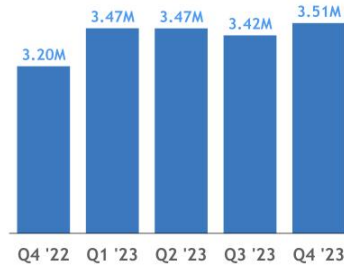
## PROCESSING FEES

- + The change quarter to quarter is generally correlated to transportation and facility invoice volumes.
- + Processing fees increased as compared to 4Q 2022 due to an increase in ancillary fees and facility invoice volumes. The Company has experienced recent success in winning facility clients with high transaction volumes.
- + Transportation invoice volumes declined due to the on-going freight recession.

TRANSPORTATION INVOICE VOLUMES



FACILITY INVOICE VOLUMES



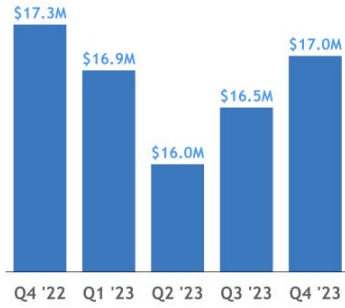
PROCESSING FEES



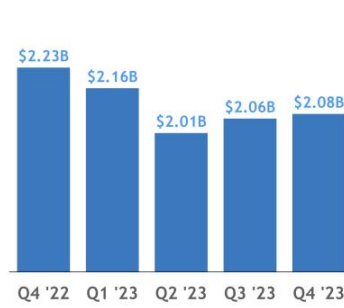
## NET INTEREST INCOME

- + The increase in short-term interest rates has had a positive impact on net interest margin, jumping from 3.15% during 4Q 2022 up to 3.30% in 4Q 2023.
- + Average interest-earning assets have declined as compared to the fourth quarter of 2022 as a result of a decrease in payment float generated from transportation clients due to a decline in freight rates and a decrease in deposit balances generated from Bank clients.

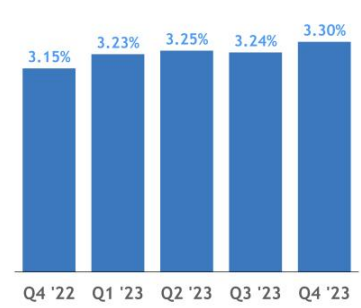
NET INTEREST INCOME



AVERAGE INTEREST-EARNING ASSETS



NET INTEREST MARGIN



## OPERATING EXPENSE

- + Salaries and commissions as well as other benefits have increased due to average FTEs being up 10.8% as compared to 4Q 2022, primarily due to technology initiatives.
- + Despite the pension plan being frozen resulting in no service cost, expense is up due to the accounting impact of the decline in plan assets during 2022.
- + Other operating expenses are also elevated as Cass invests in, and transitions to, improved technology which Cass anticipates will result in improved operating leverage in future quarters.

(\$\$ in millions)

Expense	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023
Salaries and commissions	23.0	22.6	23.6	23.4	23.9
Share-based compensation	2.3	2.0	0.9	0.9	0.3
Net periodic pension (benefit) cost	(0.6)	0.1	0.1	0.1	0.5
Other benefits	4.0	5.3	4.8	5.2	4.9
<b>Total personnel expense</b>	<b>28.7</b>	<b>30.0</b>	<b>29.4</b>	<b>29.6</b>	<b>29.6</b>
Occupancy expense	0.9	0.9	0.9	0.9	0.9
Equipment expense	1.7	1.7	1.7	1.8	2.0
Other expense	6.5	7.8	7.3	7.8	7.9
<b>Total operating expense</b>	<b>37.8</b>	<b>40.4</b>	<b>39.3</b>	<b>40.1</b>	<b>40.4</b>



# BALANCE SHEET

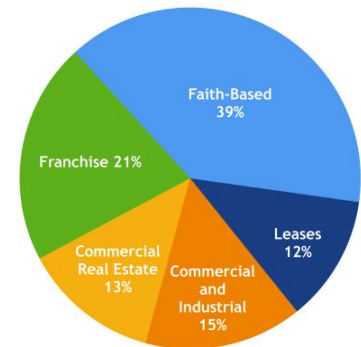
## LOANS

- + Cass has opted to be more selective in booking new loans as a result of the decline in deposits during the first half of 2023, focusing solely on new client relationships.
- + Cass has not incurred a loan charge-off since 2015

(\$ in millions)

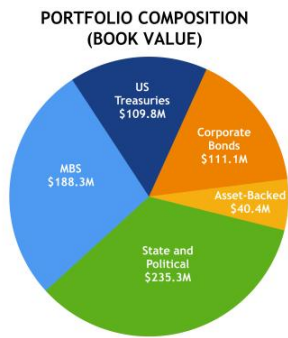
Portfolio Composition	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23
Franchise	223.3	223.7	224.6	221.8	214.7
Faith-Based	395.3	386.2	386.1	385.4	389.2
Leases	160.7	145.0	134.2	127.7	121.3
Other C&I	177.6	180.2	175.3	167.9	162.6
Other CRE	126.0	135.3	135.6	136.8	126.6
Ending Loans	1,082.9	1,070.4	1,055.8	1,039.6	1,014.3
Loan Yield	4.37%	4.61%	4.82%	4.88%	4.95%
ACL/Loans	1.25%	1.24%	1.25%	1.28%	1.29%
Net Charge-Offs	—	—	—	—	—
Non-Performing Loans/Loans	0.11%	—	—	—	—

PORTFOLIO COMPOSITION  
12/31/23





## INVESTMENT PORTFOLIO COMPOSITION

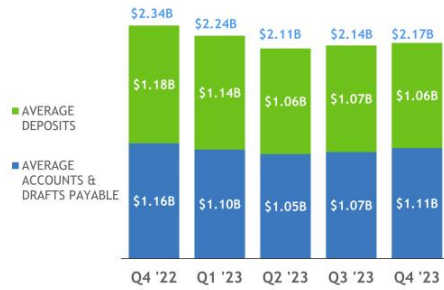


- + All investment securities are classified as available-for-sale. The overall weighted-average repricing term is 3.7 years and the average yield for 4Q2023 was 2.63%. The portfolio had unrealized losses of \$57.8 million at December 31, 2023 resulting in a total fair value for the portfolio of \$627.1 million.
- + All of the \$109.8 million of U.S. Treasury bonds mature by July 31, 2024.
- + 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 \$111.1 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.

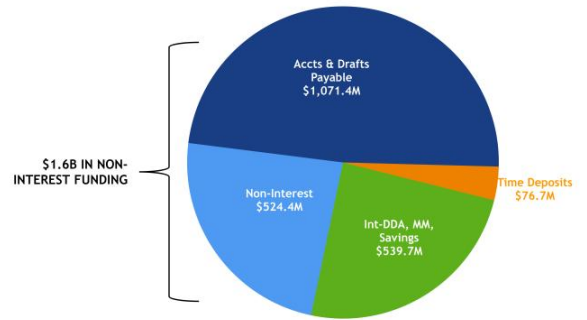
## FUNDING

- + For 4Q 2023, 72.7% of average funding was non-interest bearing, a strategic advantage in current rate environment.
- + The Company experienced deposit attrition during 2023 as larger commercial clients moved their funds to higher interest rate alternatives outside of the banking system. Average deposits have stabilized since the second quarter of 2023.
- + Payment float has declined from 4Q2022 due to lower fuel costs and overall freight rates but was up compared to 3Q2023.

**AVERAGE DEPOSITS AND ACCOUNTS & DRAFT PAYABLE**



**FUNDING COMPOSITION**



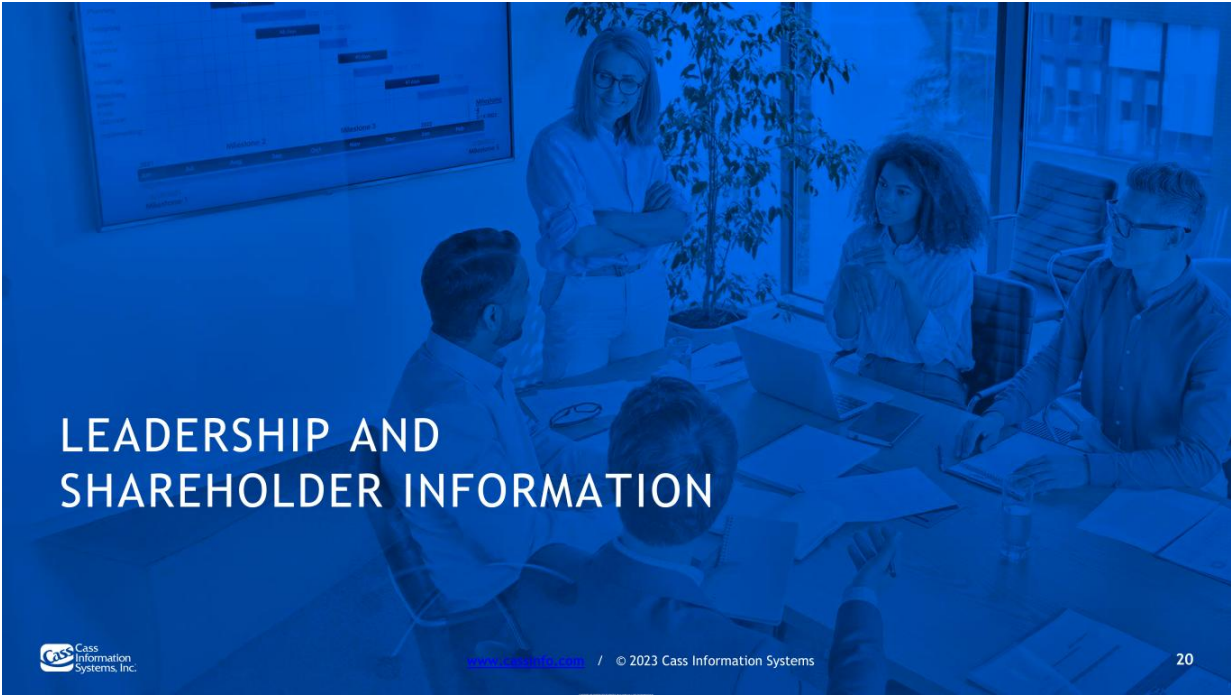
## KEY FUNDING POINTS

- + 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 fourth quarter of 2023 was 1.76%.
- + 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 \$228 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

- + Repurchased 13,964 shares of Company stock during 4Q2023
- + Maintain 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

Tier 1 leverage ratio at 12/31/23	<b>10.71%</b>
Common equity tier 1 risk-based ratio at 12/31/23	<b>14.73%</b>
Tier 1 risk-based ratio at 12/31/23	<b>14.73%</b>
Total risk-based ratio at 12/31/23	<b>15.49%</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**

Vice President - CassPay

**Mark A. Campbell**

Senior Vice President

**James M. Cavellier**

Executive Vice President and  
Chief Information Officer

**Dwight D. Erdbruegger**

President, Cass Commercial Bank

**Carl N. Friedholm**

Vice President and General Manager -  
Telecom Expense Management

**Nicole M. Jennings**

Vice President - Internal Audit and  
Risk Management

**Teresa D. Meares**

Vice President and General Manager -  
Waste Expense Management

**Ross M. Miller**

Vice President and General Manager -  
TouchPoint

**Sean M. Mullins**

Vice President - Infrastructure,  
Security, and Risk

**Michael J. Normile**

Executive Vice President and  
Chief Financial Officer

**Christi A. Reiter**

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 General  
Manager - 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

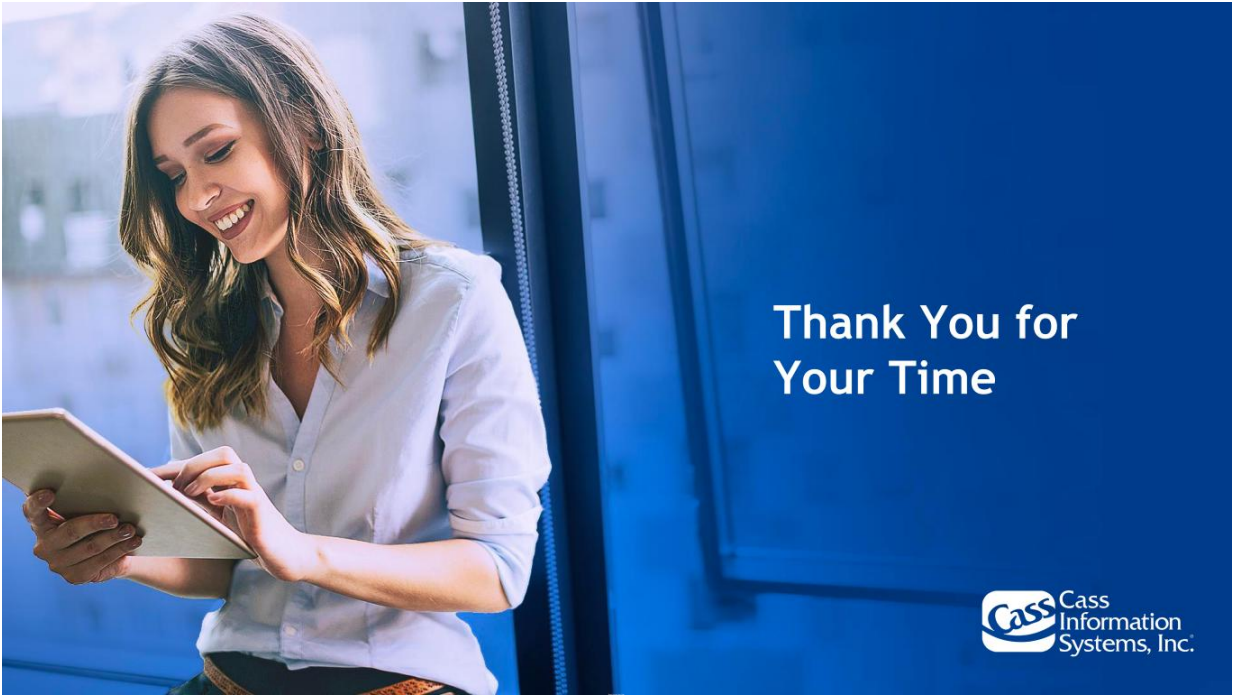
Overnight correspondence should be mailed to:

Computershare  
150 Royall St, Suite 101  
Canton, MA 02021

### TOLL-FREE PHONE

866.323.8170





Thank You for  
Your Time



