

CASS INFORMATION SYSTEMS INC
Form 10-Q
November 04, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

OR

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

For the transition period from to

Commission File No. 000-20827

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

Missouri
(State or other jurisdiction of incorporation or organization)

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

13001 Hollenberg Drive
Bridgeton, Missouri
(Address of principal executive offices)

63044
(Zip Code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

(Check one) Large Accelerated Filer Accelerated Filer
 Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of registrant's only class of stock as of November 1, 2010: Common stock, par value \$.50 per share – 9,394,547 shares outstanding.

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Forward-looking Statements - Factors That May Affect Future Results

This report may contain or incorporate by reference forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that, in making any such statements, our expectations are based on reasonable assumptions, forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and other factors beyond our control, which may cause future performance to be materially different from expected performance summarized in the forward-looking statements. These risks, uncertainties and other factors are discussed in the section Part I, Item 1A, “Risk Factors” of the Company’s 2009 Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”), which may be updated from time to time in our future filings with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, or changes to future results over time, unless otherwise required by applicable rules.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CASS INFORMATION SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Dollars in Thousands except Share and Per Share Data)

	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Cash and due from banks	\$ 10,435	\$ 5,763
Interest-bearing deposits in other financial institutions	73,434	33,426
Federal funds sold and other short-term investments	125,599	40,105
Cash and cash equivalents	209,468	79,294
Securities available-for-sale, at fair value	238,262	224,597
Loans	689,683	641,957
Less: Allowance for loan losses	10,758	8,284
Loans, net	678,925	633,673
Premises and equipment, net	9,713	10,451
Investment in bank-owned life insurance	14,055	13,644
Payments in excess of funding	40,111	22,637
Goodwill	7,471	7,471
Other intangible assets, net	295	375
Other assets	19,129	20,839
Total assets	\$ 1,217,429	\$ 1,012,981
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 121,028	\$ 113,151
Interest-bearing	380,231	324,725
Total deposits	501,259	437,876
Accounts and drafts payable	554,945	430,251
Short-term borrowings	13	26
Other liabilities	15,395	15,260
Total liabilities	1,071,612	883,413
Shareholders' Equity:		
Preferred stock, par value \$.50 per share; 2,000,000 shares authorized and no shares issued	—	—
Common Stock, par value \$.50 per share; 20,000,000 shares authorized and 9,949,324 shares issued at September 30, 2010 and December 31, 2009	4,975	4,975
Additional paid-in capital	46,439	45,696
Retained earnings	103,685	92,401
Common shares in treasury, at cost (554,777 shares at September 30, 2010 and 564,119 shares at December 31, 2009)	(13,167)	(13,323)
Accumulated other comprehensive income (loss)	3,885	