SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTER ENDED SEPTEMBER 30, 1997
COMMISSION FILE NO. 2-80070

CASS COMMERCIAL CORPORATION

INCORPORATED UNDER THE LAWS OF MISSOURI
I.R.S. EMPLOYER IDENTIFICATION NO. 43-1265338

13001 HOLLENBERG DRIVE, BRIDGETON, MISSOURI 63044

TELEPHONE: (314) 506-5500

Indicate by check mark whether the registrant 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, and has been subject to such filing requirements for the past 90 days.

Yes X No

The number of shares outstanding of registrant's only class of stock as of November 7, 1997: Common stock, par value $.50 per share - 3,858,548 shares outstanding.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

PART I, Item 1

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)	
	SEPTEMBER 30 1997	DECEMBER 31 1996
Assets		
Cash and due from banks	$ 25,647	$ 10,256
Federal funds sold and other short-term investments	97,300	56,900
Cash and cash equivalents	122,947	67,156
Investments in debt and equity securities:		
Held-to-maturity, estimated market value of $97,383 and $118,362 at September 30, 1997 and December 31, 1996, respectively	97,252	118,313
Available-for-sale, at estimated market value	36,291	41,354
Total investments in debt and equity securities	133,543	159,667
Loans, net of unearned income	196,531	197,775
Less: Allowance for loan losses	4,467	4,396
Loans, net	192,064	193,379
Premises and equipment, net	10,556	8,079
Accrued interest receivable	3,004	3,366
Other assets	8,990	6,675
Total assets	$471,104	$438,322
Liabilities and Stockholders' Equity,		
Liabilities:		
Deposits:		
Noninterest-bearing	74,960	62,244
Interest-bearing	109,124	115,261
Total deposits	184,084	177,505
Accounts and drafts payable	228,523	204,690
Short-term borrowings	268	2,476
Other liabilities	6,758	5,870
Total liabilities	419,633	390,541
Stockholders' Equity:		
Preferred stock, par value $.50 per share; 2,000,000 shares authorized and no shares issued	--	--
Common stock, par value $.50 per share and 20,000,000 shares authorized at September 30, 1997 and December 31, 1996; and 4,000,000 shares issued	2,000	2,000
Surplus	4,740	4,740
Retained earnings	45,839	42,376
Common shares in treasury, at cost (141,452 shares)	(1,284)	(1,284)
Unrealized holding gain on investments in debt and equity securities available-for-sale, net of tax	249	105
Unamortized stock bonus awards	(73)	(156)
Total stockholders' equity	51,471	47,781
Total liabilities and stockholders' equity	$471,104	$438,322

See accompanying notes to consolidated financial statements.

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1997	1996	1997	1996
	(In Thousands Except Per Share Data)			
INTEREST INCOME:				
Interest and fees on loans	$4,232	$4,168	$12,762	$12,004
Interest on debt securities:				
Taxable	2,239	2,519	7,074	7,214
Exempt from federal income taxes	19	19	57	53
Interest on federal funds sold and other short-term investments	792	442	1,669	1,415
Total interest income	7,282	7,148	21,562	20,686
Interest Expense:				
Interest on deposits	1,065	1,154	3,051	3,324
Interest on short-term borrowings	7	38	64	111
Total interest expense	1,072	1,192	3,115	3,435
Net interest income	6,210	5,956	18,447	17,251
Provision for loan losses	--	--	300	--
Net interest income after provision for loan losses	6,210	5,956	18,147	17,251
Noninterest Income:				
Information services revenues:				
Freight payment and processing revenue	4,492	4,381	13,156	13,291
Freight rating services income	669	779	1,841	2,474
Service charges on deposit accounts	127	135	398	409
Gain on sale of debt securities	216	--	216	--
Other	122	138	513	509
Total noninterest income	5,626	5,433	16,124	16,683
Noninterest Expense:				
Salaries and employee benefits	6,067	5,997	17,850	18,122
Occupancy expense	314	548	1,252	1,592
Equipment expense	657	660	1,971	1,894
Other	1,986	1,641	5,623	5,274
Total noninterest expense	9,024	8,846	26,696	26,882
Income before income tax expense	2,812	2,543	7,575	7,052
Income tax expense	975	829	2,608	2,376
Net income	$1,837	$1,714	$ 4,967	$ 4,676
Net income per share	$ .47	$ .44	$ 1.27	$ 1.22

See accompanying notes to consolidated financial statements.

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	(IN THOUSANDS) NINE MONTHS ENDED SEPTEMBER 30	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,967	$ 4,676
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,766	1,958
Amortization of stock bonus awards	83	83
Provision for loan losses	300	--
Increase in accrued interest receivable	362	237
Gain on sale of debt securities	(216)	--
Other operating activities, net	(1,555)	(544)
Net cash provided by operating activities	5,707	6,410
Cash Flows From Investing Activities:		
Proceeds from maturities of debt securities:		
Held-to-maturity	20,995	13,874
Available-for-sale	849	5,662
Proceeds from sales of debt securities, available-for-sale	14,216	--
Purchases of debt and equity securities:		
Held-to-maturity	--	(11,018)
Available-for-sale	(9,835)	(28,222)
Net (increase) decrease in loans	1,015	(27,107)
Purchases of premises and equipment	(3,856)	(1,078)
Net cash provided by (used in) investing activities	23,384	(47,889)
Cash Flows From Financing Activities:		
Net increase in demand, interest-bearing demand and savings deposits	6,211	17,652
Net increase in time deposits	368	467
Net increase (decrease) in accounts and drafts payable	23,833	(7,204)
Net increase (decrease) in short-term borrowings	(2,208)	27
Dividends paid	(1,504)	(1,331)
Net cash provided by financing activities	26,700	9,611
Net (increase) decrease in cash and cash equivalents	55,791	(31,868)
Cash and cash equivalents at beginning of period	67,156	90,342
Cash and cash equivalents at end of period	$122,947	$ 58,474
Supplemental information:		
Cash paid for interest	$ 3,165	$ 3,482
Net taxes paid	$ 1,735	$ 2,235

See accompanying notes to consolidated financial statements.

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 30, 1997

Note 1 - Basis of Presentation

Cass Commercial Corporation (the Company) provides a full range of banking services to individual, corporate and institutional customers, with a primary focus on privately held companies, through its wholly owned subsidiary bank, Cass Bank & Trust Company (the Bank). The Bank is subject to competition from other financial and nonfinancial institutions throughout the metropolitan St. Louis, Missouri area. Additionally, the Company and the Bank are subject to the regulations of certain Federal and state agencies and undergo periodic examinations by those regulatory agencies.

The Company also provides information services through its wholly owned subsidiary, Cass Information Systems, Inc. (CIS). These logistics-related services include processing and payment of freight charges, preparation of transportation management reports, auditing of freight charges and rating of freight shipments. CIS is subject to competition from other commercial concerns providing similar services to companies throughout the United States and Canada. The consolidated balance sheet caption, "Accounts and Drafts Payable", consists of obligations related to freight bill payment services which are performed for customers.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation, have been included. Operating results for the period ended September 30, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

When used in this Form 10-Q or future filings by the Company with the Securities and Exchange Commission, in the Company's press releases or other public or shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and to advise readers that various factors, including regional and national economic conditions, substantial changes in levels of market interest rates, credit and other risks of lending and investment activities and competitive and regulatory factors could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from those anticipated or projected.

The Company does not undertake and specifically disclaims any obligation to update any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Note 2 - Impact Of New Accounting Pronouncements

In June 1996, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS 125). SFAS 125 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities based on consistent application of a financial-components approach that focuses on control. It distinguishes transfers of financial assets that are sales from transfers that are secured borrowings. Under the financial-components approach, after a transfer of financial assets, an entity recognizes all financial and servicing assets it controls and liabilities it has incurred and derecognizes financial assets it no longer controls and liabilities that have been extinguished. The financial-components approach focuses on the assets and liabilities that exist prior to the transfer. Many of these assets and liabilities are components of financial assets that existed prior to the transfer. If a transfer does not meet the criteria for a sale, the transfer is accounted for as a secured borrowing with pledge of collateral.

SFAS 125 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after December 31, 1996, and is to be applied prospectively. Earlier or retroactive application is not permitted. The adoption of SFAS 125 on January 1, 1997 did not have a material impact on the Company's financial statements.

In February 1997, the FASB issued Statement of Financial Accounting Standards No. 128, Earnings per Share (SFAS 128) establishing standards for computing and presenting earnings per share (EPS). SFAS 128 simplifies existing standards for computing EPS and makes them comparable to international standards. It replaces the presentation of primary EPS with a presentation of basic EPS. It also requires dual presentation of basic and diluted EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the components of basic and diluted EPS. Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. SFAS 128 is effective for financial statements issued for the periods ending after December 15, 1997, including interim periods, and requires restatement of all prior-period EPS data presented. The Company does not believe the adoption of SFAS 128 will have a material effect on its financial condition or results of operations.

In February 1997, the FASB issued SFAS 129 which establishes standards for disclosing information about an entity's capital structure. SFAS 129 is effective for financial statements for periods ending after December 15, 1997. Since SFAS 129 is a disclosure requirement there will be no impact on the Company's financial statements.

In June 1997, the FASB issued SFAS 130 which establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general-purpose financial statements. SFAS is effective for fiscal years beginning after December 15, 1997. SFAS 130 is a reporting and disclosure requirement and, therefore, will have no impact on the Company's financial statements.

In June 1997, the FASB issued SFAS 131 which establishes standards for the way that public enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim reports issued to shareholders. SFAS 131 is effective for financial statements for periods beginning after December 15, 1997. Since SFAS 131 was only recently issued, the Company has not yet determined the impact of adopting SFAS 131. However, since SFAS 131 is a disclosure requirement there will be no effect on the Company's financial position or results of operations.

Note 3 - Earnings Per Share

Average common and common stock equivalents outstanding for the nine month periods ended September 30, 1997 and 1996 were 3,924,282 and 3,830,131, respectively. Average common and common stock equivalents outstanding for the three month periods ended September 30, 1997 and 1996 were 3,929,642 and 3,910,760, respectively. The weighted average number of common stock equivalents is calculated using the treasury stock method.

Note 4 - Stock Option Plan / Stock Bonus Plan

During May 1995, the Company's Board of Directors established the 1995 Performance-Based Stock Option Plan (the Option Plan) and the 1995 Restricted Stock Bonus Plan (the Bonus Plan). These plans were adopted to aid the Company in securing and retaining qualified personnel. The Option Plan provides for the granting of options on up to 400,000 shares of the Company's common stock. As of September 30, 1997, options for 120,000 shares had been awarded under the Option Plan at an option price of $10.31 per share. These options vest over a period not to exceed seven years, but the vesting period can be less based on the Company's attainment of certain financial operating performance criteria.

The Bonus Plan provides for the issuance of up to 100,000 shares of the Company's common stock. As of September 30, 1997, an aggregate of 32,000 shares of the Company's common stock had been awarded to five participants. Interest in the shares of common stock awarded under the Bonus Plan are subject to forfeiture and vest ratably over a three year period. Common stock awarded under the Bonus Plan is accounted for through the establishment of a contra stockholders' equity account. This contra stockholders' equity account is amortized against income over the vesting period of the stock awards.

Note 5 - Reclassifications

Certain amounts in the 1996 consolidated financial statements have been reclassified to conform with the 1997 presentation. Such reclassifications have no effect on previously reported net income.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net Income

Cass Commercial Corporation (the Company) operates in two primary business segments through its two wholly owned subsidiaries, Cass Bank and Trust Company (Cass Bank), which operates as a commercial bank, and Cass Information Systems, Inc. (CIS), an information services company, whose operations include the processing and payment of freight charges, preparation of transportation management reports, auditing of freight charges and rating of freight shipments. The Company had net income of $4,967,000 for the nine-month period ended September 30, 1997 (the "First Nine Months of 1997") compared to net income of $4,676,000 for the nine-month period ended September 30, 1996 (the "First Nine Months of 1996").

The Company had net income of $1,837,000 for the three-month period ended September 30, 1997 ("Third Quarter of 1997") compared to net income of $1,714,000 for the three-month period ended September 30, 1996 ("Third Quarter of 1996").

The following paragraphs more fully discuss the changes in financial condition and results of operations for the First Nine Months of 1997 compared to the First Nine Months of 1996 and for the Third Quarter of 1997 compared to the Third Quarter of 1996. Such information is provided on a consolidated basis for the Company, Cass Bank and CIS, with expanded disclosures for specific effects CIS's operations have on particular account captions.

Net Interest Income

The Company's tax-equivalent net interest margin on earning assets increased in the First Nine Months of 1997 to 6.23% from 6.01% in the First Nine Months of 1996. This increase was due to increased balances in earning assets coupled with decreases in the balances and rates paid by the Bank on interest-bearing deposits. Prime rate also affected the rates for earning assets as the prime rate increased from 8.25% in February, 1996 to 8.50% in March, 1997. The Company is positively affected by increases in the level of interest rates due to the fact that its rate sensitive assets significantly exceed its rate sensitive liabilities. Conversely, the Company is adversely affected by decreases in the level of interest rates. This is primarily due to the noninterest-bearing liabilities generated by CIS in the form of accounts and drafts payable (See interest sensitivity gap measurement under the section entitled "Asset/Liability Management Program"), as well as a significant portion of the Company's loan portfolio bearing a floating rate of interest.

The increase of $17,233,000 in average earning assets, net of interest-bearing liabilities, coupled with an increase in the net interest margin resulted in an increase in net tax-equivalent interest income of $1,196,000 in the First Nine Months of 1997 compared to the First Nine Months of 1996. The mix of earning assets changed in the First Nine Months of 1997 compared to the First Nine Months of 1996 with an increase of $14,587,000 in the average balance of loans and a decrease of $5,623,000 in investments in debt and equity securities. See Table 1 on page 8 for further explanation of the changes in net interest income for the First Nine Months of 1997 compared to the First Nine Months of 1996.

The Company's tax-equivalent net interest income for the Third Quarter of 1997 increased $261,000 (4.4%) compared to the Third Quarter of 1996. This increase resulted mainly from an increase of $5,822,000 in average earning assets and a decrease of $8,862,000 in interest-paying liabilities in the Third Quarter of 1997 over the Third Quarter of 1996. The mix of average earning assets also improved with an increase of $4,752,000 in average loans and a decrease of $19,434,000 in average investments in debt and equity securities. See Table 2 on page 10 for further explanation of the changes in net interest income.

TABLE 1: CONSOLIDATED AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996
(TAX-EQUIVALENT BASIS, IN THOUSANDS)

	AVERAGE BALANCE		AVERAGE YIELD/RATE	
	1997	1996	1997	1996
ASSETS				
Interest-earning assets:				
Loans	$203,518	$188,931	8.43%	8.51%
Investment in debt and equity securities	153,955	159,578	6.22	6.11
Federal funds sold and other short-term investments	40,459	36,244	5.52	5.22
Total interest-earning assets	397,932	384,753	7.28	7.21
Nonearning assets:				
Cash and due from banks	17,258	17,893		
Premises and equipment	9,459	8,180		
Other assets	12,523	10,166		
Allowance for loan losses	(4,534)	(6,397)		
Total assets	432,638	414,595		
LIABILITIES AND STOCKHOLDERS' EQUITY				
Interest-bearing liabilities:				
Interest-bearing demand deposits	31,548	23,141	3.52	3.29
Savings deposits	58,253	67,783	4.27	4.63
Time deposits of $100,000 or more	3,804	4,545	5.52	5.35
Other time deposits	5,356	5,841	5.04	5.13
Total interest-bearing deposits	98,961	101,310	4.12	4.39
Short-term borrowings	1,534	3,239	5.58	4.58
Total interest-bearing liabilities	100,495	104,549	4.15	4.39
Noninterest-bearing liabilities:				
Demand deposits	62,694	56,671		
Accounts and drafts payable	213,186	201,898		
Other liabilities	6,863	6,779		
Total liabilities	383,238	369,897		
Stockholders' equity	49,400	44,698		
Total liabilities and stockholders' equity	$432,638	$414,595		
Net interest income				
Net yield on interest-earning assets			6.23%	6.01%

	INTEREST INCOME/EXPENSE			INCREASE(DECREASE) DUE TO CHANGE IN	
	1997	1996	NET CHANGE	VOLUME	RATE
ASSETS					
Interest-earning assets:					
Loans	$12,828	$12,030	$ 798	$ 921	$(123)
Investment in debt and equity securities	7,159	7,294	(135)	(260)	125
Federal funds sold and other short-term investments	1,669	1,415	254	171	83
Total interest-earning assets	21,656	20,739	917	832	85
Nonearning assets:					
Cash and due from banks					
Premises and equipment					
Other assets					

Allowance for loan losses					
Total assets					
LIABILITIES AND STOCKHOLDERS' EQUITY					
Interest-bearing liabilities:					
Interest-bearing demand deposits	831	569	262	219	43
Savings deposits	1,862	2,349	(487)	(314)	(173)
Time deposits of $100,000 or more	157	182	(25)	(30)	5
Other time deposits	201	224	(23)	(18)	(5)
Total interest-bearing deposits	3,051	3,324	(273)	(143)	(130)
Short-term borrowings	64	111	(47)	(67)	20
Total interest-bearing liabilities	3,115	3,435	(320)	(210)	(110)
Noninterest-bearing liabilities:					
Demand deposits					
Accounts and drafts payable					
Other liabilities					
Total liabilities					
Stockholders' equity					
Total liabilities and stockholders' equity					
Net interest income	$18,541	$17,304	$1,237	$1,042	$ 195
Net yield on interest-earning assets					

AVERAGE BALANCES, INTEREST AND RATES
For the Nine Months Ended September 30, 1997 and 1996, Continued

NOTES:

1) For purposes of these computations, non-accrual loans are included in the average loan amounts outstanding.

2) Interest income on loans includes net fees of $4,000 and $7,000 for the First Nine Months of 1997 and 1996, respectively.

3) Income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $94,000 for the First Nine Months of 1997 and $53,000 for the First Nine Months of 1996.

TABLE 2: CONSOLIDATED AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996
(TAX-EQUIVALENT BASIS, IN THOUSANDS)

	AVERAGE BALANCE		AVERAGE YIELD/RATE	
	1997	1996	1997	1996
ASSETS				
Interest-earning assets:				
Loans	$201,422	$196,670	8.37%	8.43%
Investment in debt and equity securities	146,102	165,536	6.15	6.11
Federal funds sold and other short-term investments	54,495	33,991	5.77	5.16
Total interest-earning assets	402,019	396,197	7.21	7.18
Nonearning assets:				
Cash and due from banks	18,019	17,705		
Premises and equipment	10,127	8,063		
Other assets	13,445	10,052		
Allowance for loan losses	(4,455)	(6,426)		
Total assets	439,155	425,591		
LIABILITIES AND STOCKHOLDERS' EQUITY				
Interest-bearing liabilities:				
Interest-bearing demand deposits	31,914	24,105	3.61	3.49
Savings deposits	59,389	72,654	4.30	4.42
Time deposits of $100,000 or more	4,425	4,558	5.83	5.14
Other time deposits	5,208	5,756	5.03	5.03
Total interest-bearing deposits	100,936	107,073	4.19	4.28
Short-term borrowings	520	3,245	5.34	4.65
Total interest-bearing liabilities	101,456	110,318	4.19	4.29
Noninterest-bearing liabilities:				
Demand deposits	64,868	57,185		
Accounts and drafts payable	215,224	206,007		
Other liabilities	6,933	6,375		
Total liabilities	388,481	379,885		
Stockholders' equity	50,674	45,706		
Total liabilities and stockholders' equity	$439,155	$425,591		
Net interest income				
Net yield on interest-earning assets			6.15%	5.98%

	INTEREST INCOME/EXPENSE		NET CHANGE	INCREASE(DECREASE) DUE TO CHANGE IN	
	1997	1996		VOLUME	RATE
ASSETS					
Interest-earning assets:					
Loans	$4,250	$4,177	$ 73	$ 100	$(27)
Investment in debt and equity securities	2,266	2,548	(282)	(301)	19
Federal funds sold and other short-term investments	792	442	350	293	57
Total interest-earning assets	7,308	7,167	141	92	49
Nonearning assets:					
Cash and due from banks					
Premises and equipment					

Other assets					
Allowance for loan losses					
Total assets					
LIABILITIES AND STOCKHOLDERS' EQUITY					
Interest-bearing liabilities:					
Interest-bearing demand deposits	290	212	78	71	7
Savings deposits	644	810	(166)	(144)	(22)
Time deposits of $100,000 or more	65	59	6	(2)	8
Other time deposits	66	73	(7)	(7)	--
Total interest-bearing deposits	1,065	1,154	(89)	(82)	(7)
Short-term borrowings	7	38	(31)	(36)	5
Total interest-bearing liabilities	1,072	1,192	(120)	(118)	(2)
Noninterest-bearing liabilities:					
Demand deposits					
Accounts and drafts payable					
Other liabilities					
Total liabilities					
Stockholders' equity					
Total liabilities and stockholders' equity					
Net interest income	$6,236	$5,975	$ 261	$ 210	$ 51
Net yield on interest-earning assets					

AVERAGE BALANCES, INTEREST AND RATES
For the Three Months Ended September 30, 1997 and 1996, Continued

NOTES:
1) For purposes of these computations, non-accrual loans are included in the average loan amounts outstanding.

2) Interest income on loans includes net fees of $1,000 and $1,000 for both the Third Quarter of 1997 and 1996.

3) Income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $26,000 and $19,000 for the Third Quarter of 1997 and 1996, respectively.

Provision for Loan Losses

A significant determinant of the Company's operating results is the level of loan losses and the provision for loan losses. The Company charged $300,000 to earnings to provide for loan losses for the First Nine Months of 1997. There was no charge to earnings to provide for loan losses for the First Nine Months of 1996. The quality of the loan portfolio has continued to remain strong. The level of nonperforming loans, at .18% of average loans, remains well below industry standards. Nonperforming loans are covered over 12 times by the allowance for loan losses at September 30, 1997. The Company experienced net charge offs of $229,000 in the First Nine Months of 1997.

Factors which influence management's determination of the adequacy of the allowance for loan losses, among other things, include: evaluation of each nonperforming and/or classified loan to determine the estimated loss exposure under existing circumstances known to management; evaluation of all potential problem loans identified in light of possible loss exposure based upon existing circumstances known to management; analysis of the loan portfolio with regard to potential future loss exposure on loans to specific customers and/or industries; current economic conditions; and an overall review of the loan portfolio in light of past loan loss experience.

At September 30, 1997, impaired loans totalled $1,030,000 which includes $350,000 of nonaccrual loans. The allowance for loan losses on impaired loans was $365,000 at September 30, 1997. The average balance of impaired loans during the First Nine Months of 1997 was $1,063,000.

The allowance for loan losses at September 30, 1997 was $4,467,000 and at December 31, 1996 was $4,396,000. The allowance for loan losses at September 30, 1997 represents 2.27% of total loans outstanding compared to 2.22% at December 31, 1996.

The following table presents information as of and for the three and six-month periods ended September 30, 1997 and 1996 pertaining to the Company's provision for loan losses and analysis of the allowance for loan losses.

	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
	(dollars in thousands)			
Allowance at beginning of period	$ 4,447	$ 6,421	$ 4,396	$ 6,358
Provision for loan losses charged to expense	--	--	300	--
Loans charged off	(1)	(119)	(412)	(121)
Recoveries on loans previously charged off	21	40	183	105
Net loan (charge-offs) recoveries	20	(79)	(229)	(16)
Allowance at end of period	$ 4,467	$ 6,342	$ 4,467	$ 6,342
Loans outstanding:				
Average	$201,422	$196,670	$203,518	$188,931
September 30	196,531	201,284	196,531	201,284
Ratio of allowance for loan losses to loans outstanding:				
Average	2.22%	3.22%	2.19%	3.36%
September 30	2.27%	3.15%	2.27%	3.15%
Nonperforming loans:				
Nonaccrual loans	$ 360	$ 296	$ 360	$ 296
Loans past due 90 days or more	--	14	--	14
Total	$ 360	$ 310	$ 360	$ 310
Nonperforming loans as a percent of average loans	.18%	.16%	.18%	.16%

Noninterest Income

Noninterest income is principally derived from service fees generated by CIS's Payment Systems and Software Systems Groups. Total noninterest income for the Third Quarter of 1997 and the First Nine Months of 1997 increased $193,000 (3.6%) and decreased $559,000 (3.4%), respectively, from the corresponding periods of 1996.

CIS's Payment Systems Group experienced a decrease in processing revenues of $135,000 (1.0%) in the First Nine Months of 1997 compared to the First Nine Months of 1996. This decrease resulted primarily from termination fees of $265,000 received from three clients in the First Nine Months of 1996 partially offset by an increase in processing volume in The First Nine Months of 1997. The volume of accepted new business proposals remains strong and should result in increasing revenues in CIS's Payment Systems Group as new accounts are placed in service throughout the remainder of 1997.

CIS's Software Systems Group experienced a decrease in revenues of $633,000 (25.6%) and $110,000 (14.1%) in the First Nine Months of 1997 and the Third Quarter of 1997, respectively, compared to the corresponding periods of 1996. This decrease resulted mainly from a decline in software sales due to increased competition from broad based providers of logistics software in the marketplace.

A gain of $216,000 was recognized on the sale of $14,216,000 in debt securities available-for-sale in the Third Quarter of 1997. This sale was transacted as part of the Company's overall asset/liability management program. This transaction also increased the Company's capability to meet expected future loan demand.

Noninterest Expense

Total noninterest expense for the First Nine Months of 1997 decreased $186,000 (.7%) from the First Nine Months of 1996. Total noninterest expense for the Third Quarter of 1997 increased $178,000 (2.0%) from the Third Quarter of 1996.

Salaries and benefits expense decreased $272,000 (1.5%) in the First Nine Months of 1997 compared to the First Nine Months of 1996. Salaries and benefits expense increased $70,000 (1.2%) in the Third Quarter of 1997 compared to the Third Quarter of 1996. Systems development costs of over $450,000 and $175,000, related to new client server technology, were capitalized in the First Nine Months of 1997 and in the Third Quarter of 1997, respectively.

Occupancy expense decreased $340,000 (21.4%) in the First Nine Months of 1997 compared to the First Nine Months of 1996. Occupancy expense decreased $234,000 (42.7%) in the Third Quarter of 1997 compared to the Third Quarter of 1996. The decrease was due primarily to the Company and the Bank moving their headquarters in April, 1997 to a new facility which was added on to the property owned by CIS in Bridgeton, Missouri. This consolidation of facilities resulted in occupancy expense savings. Additionally, under arrangements with building management, CIS's Chicago location received $72,000 reimbursement for rent expense to vacate the building by the end of 1997, which is prior to the terms of their lease. Rent payments for the last four months of 1997 have also been abated, resulting in decreased rent expense of $94,000 for the Third Quarter of 1997 for the CIS Chicago location.

Equipment expense increased $77,000 (4.1%) in the First Nine Months of 1997 compared to the First Nine Months of 1996. This increase resulted from expansion of processing systems in CIS's Payment Systems Group.

Other noninterest expense increased $349,000 (6.6%)in the First Nine Months of 1997 compared to the First Nine Months of 1996. Other noninterest expense increased $345,000 (21.0%) in the Third Quarter of 1997 compared to the Third Quarter of 1996. Expenses incurred for contract programming in CIS's Payment Systems Group accounted for $145,000 of the increase. Consulting expense for product development incurred by CIS's Software Systems Group accounted for $95,000 of the increase. Expenses associated with the headquarters move of the Company and the Bank in April, 1997 accounted for an increase of approximately $40,000.

Balance Sheet Analysis

Federal funds sold and other short-term investments increased from $56,900,000 at December 31, 1996 to $97,300,000 at September 30, 1997. The average balance of these accounts was $40,459,000 in the First Nine Months of 1997 compared to $36,244,000 in the First Nine Months of 1996. The increase in the average balance of these accounts has resulted from decreased debt and equity securities balances. See Table 1 and Table 2 on pages 8 and 10 for a presentation of average balances.

Total loans decreased $1,244,000 (.6%) from $197,775,000 at December 31, 1996 to $196,531,000 at September 30, 1997. The average balances of loans increased $14,587,000 (7.7%) from $188,931,000 in the First Nine Months of 1996 to $203,518,000 in the First Nine Months of 1997. Loan demand and new business volume increased throughout 1996 and has continued into the First Nine Months of 1997

Investments in debt and equity securities decreased $26,124,000 (16.4%) from $159,667,000 at December 31, 1996 to $133,543,000 at September 30, 1997. The average balance of investment securities decreased $5,623,000 (3.5%) from $159,578,000 in the First Nine Months of 1996 to $153,955,000 in the First Nine Months of 1997.

Total earning assets increased $13,032,000 (3.1%) From $414,342,000 at December 31, 1996 to $427,374,000 at September 30, 1997. The average balance of earning assets increased $13,179,000 (3.4%) from $384,753,000 in the First Nine Months of 1996 to $397,932,000 in the First Nine Months of 1997. This increase was mainly funded by an increase of $11,288,000 in the average balance of accounts and drafts payable.

Other assets increased from $6,675,000 at December 31, 1996 to $8,990,000 at September 30, 1997. The average balance of other assets increased $2,357,000 (23.2%) from $10,166,000 in the First Nine Months of 1996 to $12,523,000 in the First Nine Months of 1997. These increases are attributed to increases in prepaid assets and accounts receivable.

Interest-bearing deposits decreased from $115,261,000 at December 31, 1996 to $109,124,000 at September 30, 1997. The average balances of these deposits decreased $2,349,000 (2.3%) from $101,310,000 in the First Nine Months of 1996 to $98,961,000 in the First Nine Months of 1997.

Noninterest-bearing deposits increased $12,716,000 (20.4%) from $62,244,000 at December 31, 1996 to $74,960,000 at September 30, 1997. The average balance of these accounts increased $6,023,000 (10.6%) from $56,671,000 in the First Nine Months of 1996 to $62,694,000 in the First Nine Months of 1997 which reflects increased business development efforts at Cass Bank.

Accounts and drafts payable generated by CIS in its freight payment operations increased $23,833,000 (11.6%) from $204,690,000 at December 31, 1996 to $228,523,000 at September 30, 1997. The average balances of these funds increased $11,288,000 (5.6%) from $201,898,000 for the First Nine Months of 1996 to $213,186,000 in the First Nine Months of 1997. This increase has resulted from new business placed in service in the latter half of 1996 and in the First Nine Months of 1997.

Liquidity

As of September 30, 1997, approximately 63% of the Company's loan portfolio was composed of commercial loans, of which 64% represented loans maturing within one year. As of the same date, real estate loans, primarily commercial, represented approximately 36% of the total and of these, 40% represented balances maturing within one year. Approximately 1% of the loan portfolio is represented by installment loans.

The liquidity of the Company is primarily represented by cash and due from banks of $25,647,000 and Federal funds sold and other short-term investments of $97,300,000 at September 30, 1997. Included in this caption are $64,000,000 invested in money market funds consisting of short-term U.S. Government and agency issues.

Investments in debt and equity securities represented approximately 28% of total assets at September 30, 1997. Of the U.S. Government securities in the Company's investment portfolio, which represented 74% of the total, 28% have maturities of less than one year. U.S. Government Agencies and Corporations represented 25% of the total. Obligations of states and political subdivisions constituted 1% of the investment portfolio at September 30, 1997. The Company sold $14,216,000 in debt securities in the Third Quarter of 1997 recognizing a gain on the sale of $216,000. Of the total portfolio, over 88% of the securities have maturities of five years or less. These securities provide the Company longer term liquidity than its primary sources, cash and due from banks and other short-term instruments. Additionally, short-term liquidity could be satisfied, if necessary, by the sale of certain debt securities maintained as available-for-sale; however, the Company does not foresee any such short-term liquidity needs.

The funds provided by Cass Bank consist of a sizable volume of core deposits. Historically, the Company has been a net provider of Federal funds. During the First Nine Months of 1997, the Company was a net provider of Federal funds, averaging over $16,500,000 in net funds sold. Additionally, the Company averaged $23,900,000 in short-term money market funds during the First Nine Months of 1997. The Company was able to meet its liquidity requirements in the First Nine Months of 1997 through the growth of deposit accounts and the liquid nature of Federal funds sold and other short-term investments.

Asset/Liability Management Program

The Company's earning assets significantly exceed its interest-bearing liabilities. This is primarily due to the noninterest-bearing liabilities generated by CIS in the form of accounts and drafts payable. Within this framework, the Company's asset/liability management program strives to maintain an appropriate balance between rate-sensitive assets and liabilities. The primary goal of the Company is to maintain a level of earning assets net of interest-bearing liabilities which will produce a relatively high net interest margin compared to other financial institutions. The Company's Investment Committee monitors the sensitivity of its subsidiaries' assets and liabilities with respect to changes in interest rates and repricing opportunities, and directs the overall acquisition and allocation of funds.

The following table presents the Company's rate sensitive position at September 30, 1997 for the various time frames indicated.

	VARIABLE RATE	THREE MONTHS OR LESS	OVER THREE THROUGH SIX MONTHS	OVER SIX THROUGH TWELVE MONTHS	OVER ONE THROUGH FIVE YEARS	OVER FIVE YEARS	TOTAL
			(Dollars expressed in thousands)				
Interest-earning assets:							
Loans	$ 78,883	$ 8,518	$ 9,762	$ 10,723	$ 87,077	$ 1,568	$196,531
Investment in debt and equity securities	--	6,009	6,121	15,963	88,609	16,841	133,543
Federal funds sold and other short-term investments	97,300	--	--	--	--	--	97,300
Total interest-earning assets	$176,183	$14,527	$ 15,883	$ 26,686	$175,686	$ 18,409	$427,374
Interest-bearing liabilities:							
Interest-bearing transaction accounts	$ 99,363	$ --	$ --	$ --	$ --	$ --	$ 99,363
Time deposits-$100,000 or more	--	2,558	423	1,594	114	--	4,689
Other time deposits	--	1,077	1,386	1,535	1,074	--	5,072
Short-term borrowings	268	--	--	--	--	--	268
Total interest-bearing liabilities	$ 99,631	$ 3,635	$ 1,809	$ 3,129	$ 1,188	$ --	$109,392
Interest sensitivity gap:							
Periodic	$ 76,552	$10,892	$ 14,074	$ 23,557	$174,498	$ 18,409	$317,982
Cumulative	76,552	87,444	101,518	125,075	299,573	317,982	
Ratio of interest-sensitive assets to interest-sensitive liabilities:							
Periodic	1.77x	4.00x	8.78x	8.53x	147.88x	--	3.91x
Cumulative	1.77x	1.85x	1.97x	2.16x	3.74x	3.91x	3.91x

Capital Resources

Stockholders' equity was $51,471,000 or 11.03% of total assets at September 30, 1997, an increase of $3,690,000 over the amount outstanding at December 31, 1996. This increase resulted from net income of $4,967,000; dividends paid of $1,504,000 ($.39 per share); increase in unrealized holding gains of $144,000; and the amortization of the stock bonus plan of $83,000.

Subsidiary dividends are the principal source of funds for payment of dividends by the Company to its stockholders. The only restrictions on dividends are those dictated by regulatory capital requirements and prudent and sound banking principles.

The Company and its banking subsidiary continue to significantly exceed all regulatory capital requirements, as evidenced by the following capital ratios at September 30, 1997:

	Company Consolidated	Cass Bank
Leverage Ratio	11.77%	11.82%
Tangible Capital Ratio	11.86	12.24
Primary Capital	11.99	12.26
Risk Based Capital:		
Tier I	16.67	15.15
Tier II	17.92	16.40

Inflation

Inflation can impact the financial position and results of the operations of financial institutions because financial institutions hold monetary assets and monetary liabilities. Monetary assets and liabilities are those which can be converted into a fixed number of dollars, and include cash, investments, loans and deposits. The Company's consolidated balance sheets, as is typical of financial institutions, reflect a net positive monetary position (monetary assets exceeding monetary liabilities). During periods of inflation, the holding of a net positive monetary position will result in an overall decline in the purchasing power of a financial institution.

PART II
- -------

Item 1. LEGAL PROCEEDINGS

None

Item 2. CHANGES IN SECURITIES

None

Item 3. DEFAULTS IN SENIOR SECURITIES

None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) None

(b) Cass Commercial Corporation did not file any reports on Form 8-K during the three months ended September 30, 1997.

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 thereunto duly authorized.

CASS COMMERCIAL CORPORATION

DATE: November 5, 1997 By Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: November 5, 1997 By Eric H. Brunngraber

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

9

9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
25,647
64,000
33,300
0
36,291
97,252
97,383
196,531
4,467
471,104
184,084
268
6,758
0
0
0
2,000
49,471
471,104
12,762
7,131
1,669
21,562
3,051
3,115
18,447
300
216
26,696
7,575
7,575
0
0
4,967
1.27
1.27
6.23
360
0
0
0
4,396
412
183
4,467
0
0
0

To be provided at December 31, 1997 in the Annual Report.