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 MARCH 31, 1996
COMMISSION FILE NO. 2-80070

CASS COMMERCIAL CORPORATION

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

3636 SOUTH GEYER ROAD, SUNSET HILLS, MISSOURI 63127

TELEPHONE: (314) 821-1500

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 March 31, 1996: Common stock, par value $2.50 per share - 1,929,274 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)	
	MARCH 31 1996	DECEMBER 31 1995
ASSETS		
Cash and due from banks	$ 22,144	$ 8,529
Federal funds sold and other short-term investments	42,501	81,813
Cash and cash equivalents	64,645	90,342
Investments in debt and equity securities:		
Held-to-maturity, estimated market value of $127,484 and $131,378 at March 31, 1996 and December 31, 1995, respectively	127,795	130,172
Available-for-sale, at estimated market value	28,814	17,688
Total investments in debt and equity securities	156,609	147,860
Loans, net of unearned income	185,976	174,193
Less: Allowance for loan losses	6,377	6,358
Loans, net	179,599	167,835
Premises and equipment, net	8,255	8,267
Accrued interest receivable	3,566	3,788
Other assets	8,435	7,619
Total assets	$ 421,109	$ 425,711
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	61,887	64,106
Interest-bearing	94,639	97,620
Total deposits	156,526	161,726
Accounts and drafts payable	208,857	209,029
Securities sold under repurchase agreements and other short-term borrowings	4,253	4,947
Other liabilities	7,149	6,696
Total liabilities	376,785	382,398
Stockholders' Equity:		
Common stock, par value $2.50 per share; 4,000,000 shares authorized and 2,000,000 shares issued	5,000	5,000
Surplus	1,740	1,740
Retained earnings	39,185	38,153
Unamortized stock bonus awards	(238)	(266)
Unrealized holding loss on investments in debt and equity securities available-for-sale	(79)	(30)
Common shares in treasury, at cost (70,726 shares at March 31, 1996 and December 31, 1995)	(1,284)	(1,284)
Total stockholders' equity	44,324	43,313
Total liabilities and stockholders' equity	$ 421,109	$ 425,711

See accompanying notes to consolidated financial statements.

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

	(IN THOUSANDS EXCEPT PER SHARE DATA) THREE MONTHS ENDED MARCH 31	
	1996	1995
INTEREST INCOME:		
Interest and fees on loans	$ 3,830	$ 3,367
Interest on debt securities:		
Taxable	2,211	2,542
Exempt from Federal income taxes	15	9
Interest on Federal funds sold and other short-term investments	582	636
Total interest income	6,638	6,554
INTEREST EXPENSE:		
Interest on deposits	1,057	824
Interest on short-term borrowings	38	18
Total interest expense	1,095	842
Net interest income	5,543	5,712
Provision for loan losses	--	--
Net interest income after provision for loan losses	5,543	5,712
NONINTEREST INCOME:		
Information services revenues:		
Freight payment and processing revenue	4,542	5,287
Freight rating services income	904	925
Service charges on deposit accounts	127	86
Other	172	185
Total noninterest income	5,745	6,483
NONINTEREST EXPENSE:		
Salaries and employee benefits	6,071	6,405
Occupancy expense	518	513
Equipment expense	622	681
Other	1,856	2,047
Total noninterest expense	9,067	9,646
Income before income tax expense	2,221	2,549
Income tax expense	746	904
Net income	$ 1,475	$ 1,645
Net income per share	$ .76	$ .86

See accompanying notes to consolidated financial statements.

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

	(IN THOUSANDS) THREE MONTHS ENDED MARCH 31	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,475	$ 1,645
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	601	614
Decrease in accrued interest receivable	222	717
Amortization of stock bonus awards	28	--
Other operating activities, net	(324)	1,102
Net cash provided by operating activities	2,002	4,078
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities of and principal payments made on debt securities	3,760	5,142
Purchases of debt securities	(12,727)	(147)
Net increase in loans	(11,783)	(1,425)
Recoveries of loans previously charged off, net	19	85
Purchases of premises and equipment	(459)	(238)
Net cash provided by (used in) investing activities	(21,190)	3,417
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in demand, interest-bearing demand and savings deposits	(5,734)	(9,316)
Net increase (decrease) in time deposits	534	(22)
Net increase (decrease) in accounts and drafts payable	(172)	13,356
Net decrease in securities sold under repurchase agreements	(694)	(480)
Treasury stock purchased	--	(3)
Dividends paid	(443)	(402)
Net cash provided by (used in) financing activities	(6,509)	3,133
Net increase (decrease) in cash and cash equivalents	(25,697)	10,628
Cash and cash equivalents at beginning of period	90,342	70,806
Cash and cash equivalents at end of period	$64,645	$81,434
Supplemental information:		
Cash paid for interest	$ 1,097	$ 834
Net taxes paid	$ 97	$ 84

See accompanying notes to consolidated financial statements.

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
MARCH 31, 1996

Note 1 - Basis of Presentation

Cass Commercial Corporation (the Company) provides a full range of banking services to individual, corporate and institutional customers 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 March 31, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. 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, 1995.

Note 2 - Impact Of New Accounting Pronouncements

The Company adopted the provisions of Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan (SFAS 114), as amended by Statement of Financial Accounting Standards No. 118, Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures (SFAS 118), on January 1, 1995.

SFAS 114 (as amended by SFAS 118) defines the recognition criterion for loan impairment and the measurement methods for certain impaired loans and loans for which the terms have been modified in troubled debt restructurings (a restructured loan). Specifically, a loan is considered impaired when it is probable a creditor will be unable to collect all amounts due - both principal and interest - according to the contractual terms of the loan agreement. When measuring impairment, the expected future cash flows of an impaired loan must be discounted at the loan's effective interest rate. Alternatively, impairment can be measured by reference to an observable market price, if one exists, or the fair value of the collateral for a collateral-dependent loan. SFAS 114 requires a creditor to measure impairment based on the fair value of the collateral when the creditor has determined foreclosure is probable. Additionally, impairment of a restructured loan is measured by discounting the total expected future cash flows at the loan's effective rate of interest as stated in the original loan agreement.

SFAS 118 amends SFAS 114 to allow a creditor to use existing methods for recognizing interest income on loans for which the accrual of income has been discontinued, which the the Company has opted to do.

The adoption of SFAS 114 and SFAS 118 resulted in no adjustment to the allowance for loan losses.

During October 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS 123). SFAS 123 establishes financial accounting and reporting standards for stock-based employee compensation plans and also applies to transactions in which an entity issues its equity instruments to acquire goods or services from nonemployees. SFAS 123 defines a fair value-based method of accounting for an employee stock option or similar equity instruments and encourages all entities to adopt that method of accounting. However, it also allows an entity to continue to measure compensation cost for those plans using the intrinsic value-based method of accounting prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25). SFAS 123 is effective for transactions entered into in fiscal years beginning after December 15, 1995. Pro forma disclosures required for entities that elect to continue to measure compensation cost using APB 25 must include the effect of all awards granted in fiscal years that begin after December 15, 1994. The Company plans to continue to measure compensation cost using APB 25, therefore the adoption of SFAS No. 123 will not have any impact on the Company's financial condition or results of operations.

During May 1995, the FASB issued Statement of Financial Accounting Standards No. 122, Accounting for Mortgage Servicing Rights (SFAS 122). SFAS 122 requires that an institution which sells or securitizes loans it has originated or purchased and maintains the servicing rights to capitalize the cost of the rights to service such loans. SFAS 122 also requires that an enterprise assess its capitalized mortgage servicing rights for impairment based on the fair value of those rights. SFAS No. 122 should be applied prospectively for fiscal years beginning after December 15, 1995. As the Company is not currently selling or securitizing any loans that it has originated or purchased, SFAS 122 will not have any impact on the Company's financial statements.

During March 1995, the FASB issued Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of (SFAS 121). SFAS 121 provides guidance for the recognition and measurement of impairment of long-lived assets, certain identifiable intangibles, and goodwill related both to assets to be held and used and assets to be disposed of. SFAS 121 requires entities to perform separate calculations for assets to be held and used to determine whether recognition of an impairment loss is required and, if so, to measure the impairment. SFAS 121 requires long-lived assets and certain assets and certain identifiable intangibles to be disposed of to be reported at the lower of carrying amount or fair value less costs to sell, except for assets covered by the provisions of APB Opinion No. 30. SFAS 121 is effective for financial statements issued for fiscal years beginning after December 15, 1995, although earlier application is encouraged. The Company does not anticipate that the adoption of SFAS 121 will have a significant impact on its financial statements.

Note 3 - Earnings Per Share

Average common and common stock equivalents outstanding for the three month periods ended March 31, 1996 and 1995 were 1,929,274 and 1,914,318, respectively.

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 200,000 shares of the Company's common stock. As of March 31, 1996, options for 60,000 shares had been awarded under the Option Plan at an option price of $20.63 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 50,000 shares of the Company's common stock. As of March 31, 1996, an aggregate of 16,000 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 1995 consolidated financial statements have been reclassified to conform with the 1996 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 $1,475,000 for the three-month period ended March 31,1996 (the "First Three Months of 1996") compared to net income of $1,645,000 for the three-month period ended March 31,1995 (the "First Three Months of 1995").

The following paragraphs more fully discuss the changes in financial condition and results of operations for the First Three Months of 1996 compared to the First Three Months of 1995. 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 decreased in the First Three Months of 1996 to 5.96 % from 6.34% in the First Three Months of 1995. The prime rate decreased from 9.00% in February, 1995 to 8.25% in February, 1996. The Company is adversely affected by decreases 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 positively affected by increases 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 decrease of $9,164,000 in average earning assets, net of interest-bearing liabilities, coupled with a decrease in the net interest margin resulted in a decrease in net tax-equivalent interest income of $173,000 in the First Three Months of 1996 compared to the First Three Months of 1995. The mix of earning assets changed in the First Three Months of 1996 compared to the First Three Months of 1995 with an increase of $28,281,000 in the average balance of loans and a decrease of $21,218,000 in investment in debt and equity securities. The positive effect of this change in mix was more than offset by the decrease in average net earning assets. The interest volume and rate variance analysis presented on page 7 provides a detailed explanation of the changes in net interest income for the First Three Months of 1996 compared to the First Three Months of 1995.

TABLE 1: CONSOLIDATED AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 1996 AND 1995
(TAX-EQUIVALENT BASIS, IN THOUSANDS)

	AVERAGE BALANCE		AVERAGE YIELD/RATE		INTEREST INCOME/EXPENSE			INCREASE(DECREASE) DUE TO CHANGE IN	
	1996	1995	1996	1995	1996	1995	NET CHANGE	VOLUME	RATE
ASSETS									
Interest-earning assets:									
Loans	$180,188	$151,907	8.55%	9.02%	$3,838	$3,380	$ 458	$ 638	$(180)
Investment in debt and equity securities	148,913	170,131	6.02	6.10	2,235	2,559	(324)	(293)	(31)
Federal funds sold and other short-term investments	44,807	44,858	5.21	5.75	582	636	(54)	(1)	(53)
Total interest-earning assets	373,908	366,896	7.14	7.27	6,655	6,575	80	344	(264)
Nonearning assets:									
Cash and due from banks	17,196	14,548							
Premises and equipment	8,278	7,496							
Other assets	10,224	10,523							
Allowance for loan losses	(6,365)	(6,403)							
Total assets	403,241	393,060							
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest-bearing demand deposits	22,019	20,036	3.32	2.85	182	141	41	16	25
Savings deposits	62,427	50,015	4.74	4.52	737	558	179	151	28
Time deposits of $100,000 or more	4,579	4,918	5.43	5.44	62	66	(4)	(4)	--
Other time deposits	5,777	5,530	5.28	4.33	76	59	17	3	14
Total interest-bearing deposits	94,802	80,499	4.47	4.15	1,057	824	233	166	67
Federal funds purchased and securities sold under repurchase agreements	3,456	1,583	4.41	4.61	38	18	20	21	(1)
Total interest-bearing liabilites	98,258	82,082	4.47	4.16	1,095	842	253	187	66
Noninterest-bearing liabilities:									
Demand deposits	56,051	54,644							
Accounts and drafts payable	197,981	210,020							
Other liabilities	7,339	7,303							
Total liabilities	359,629	354,049							
Stockholders' equity	43,612	39,011							
Total liabilities and stockholders' equity	$403,241	$393,060							
Net interest income					$5,560	$5,733	$(173)	$157	$(330)
Net yield on interest-earning assets	5.96%	6.34%							

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. There was no charge to earnings to provide for loan losses for the First Three Months of 1996 or the First Three Months of 1995. Management determined there was no need for any provision for loan losses during these periods. This determination was based on the low level of nonperforming loans compared to the existing balance of the allowance for loan losses, and the Company experiencing a net recovery of $85,000 in the First Three Months of 1995 and a net recovery of $19,000 in the First Three Months of 1996.

Factors which influence management's determination of the provision for loan losses charged to expense, 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 March 31, 1996, nonperforming loans, including nonaccrual loans and loans past due 90 days or more, totalled $310,000 which represents a $77,000 decrease from the level of nonperforming loans at March 31, 1995. The March 31, 1996 amount of nonperforming loans represents .17% of total loans, which is below industry averages.

At March 31, 1996, impaired loans totalled $948,000 which includes $264,000 nonaccrual loans. The allowance for loan losses on impaired loans was $602,000 at March 31, 1996. Impaired loans with no related allowance for loan losses totaled $138,000 at March 31, 1996. The average balance of impaired loans during the First Three Months of 1996 was $945,000.

The allowance for loan losses at March 31, 1996 was $6,377,000 and at December 31, 1995 was $6,358,000. The allowance for loan losses at March 31, 1996 represents 3.43% of total loans outstanding compared to 3.65% at December 31, 1995. The allowance covers nonperforming loans at March 31, 1996 approximately 20.6 times.

The following table presents information as of and for the three-month period ended March 31, 1996 and 1995 pertaining to the Company's provision for loan losses and analysis of the allowance for loan losses.

	Three Months Ended March 31	
	1996	1995
	(dollars expressed in thousands)	
Allowance at beginning of period	$ 6,358	$ 6,334
Provision for loan losses charged to expense	--	--
Loans charged off	(1)	(35)
Recoveries on loans previously charged off	20	120
Net loan recoveries	19	85
Allowance at end of period	$ 6,377	$ 6,419
Loans outstanding:		
Average	$180,188	$151,907
March 31	185,976	153,891
Ratio of allowance for loan losses to loans outstanding:		
Average	3.54%	4.23%
March 31	3.43%	4.17%
Nonperforming loans:		
Nonaccrual loans	$ 264	$ 202
Loans past due 90 days or more	46	185
Total	$ 310	$ 387
Nonperforming loans as a percent of average total loans	.17%	.25%

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 First Three Months of 1996 decreased $738,000 (11.4%) from the First Three Months of 1995.

CIS's Payment Systems Group experienced a decrease in processing revenues of $745,000 (14.1%), in the First Three Months of 1996 compared to The First Three Months of 1995. CIS acquired the Freight Management Division of The First National Bank of Boston effective June 1, 1994. The accounts of this division were converted to CIS's processing systems in two phases. The first phase of conversion was completed in May, 1995, and the second phase was completed in December, 1995. These conversions resulted in a number of lost accounts which were generally expected and generally represented accounts which were previously processed on an unprofitable basis. The Boston operation accounted for a decrease in processing revenues of $887,000 in the First Three Months of 1996 compared to the First Three Months of 1995. The remainder of CIS's Payment Systems Group experienced an increase in processing revenues of $142,000 in the First Three Months of 1996 compared to the First Three Months of 1995. 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 1996.

Noninterest Expense

Total noninterest expense for the First Three Months of 1996 decreased $579,000 (6.0%) from the First Three Months of 1995 resulting primarily from decreased operating expenses at CIS's operation in Boston. Total noninterest operating expense excluding intercompany charges of the Boston facility decreased $753,000 in the First Three Months of 1996 compared to the First Three Months of 1995.

Salaries and benefits expense decreased $334,000 (5.2%) in the First Three Months of 1996 compared to the First Three Months of 1995. CIS's Boston operation accounted for a decrease of $498,000 resulting from staff attrition and adjustments as account conversions were completed after the First Three Months of 1995. The Company experienced an increase of $164,000 (3.3%) in salary and benefits expense in the remainder of its operations resulting from salary increases effective January 1, 1996.

Equipment expense decreased $59,000 (8.7%) in the First Three Months of 1996 from the First Three Months of 1995. Data processing system changes in CIS's Payment Systems Group late in 1995 accounted for the decrease during the First Three Months of 1996.

Other noninterest expense decreased $191,000 (9.3%) in the First Three Months of 1996 compared to the First Three Months of 1995. Cass Bank experienced a decrease of $74,000 in FDIC insurance expense in the First Three Months of 1996 compared to the First Three Months of 1995 resulting from a reduction in Cass Bank's assessment rate to a minimum of $2,000 per year. The remainder of the decrease in the First Three Months of 1996 largely resulted from a decrease in expenses in the CIS Boston operation as accounts have been converted to CIS's processing systems.

Balance Sheet Analysis

Federal funds sold and other short-term investments decreased from $81,813,000 at December 31, 1995 to $42,501,000 at March 31, 1996. The average balance of these accounts was $44,807,000 in the First Three Months of 1996 compared to $44,858,000 in the First Three Months of 1995. See Table I, page 7 for a presentation of average balances.

Total loans increased $11,783,000 (6.8%) from $174,193,000 at December 31, 1995 to $185,976,000 at March 31, 1996. The average balances of loans increased $28,281,000 (18.6%) from $151,907,000 in the First Three Months of 1995 to $180,188,000 in the First Three Months of 1996. Loan demand and new business volume increased throughout 1995 and has continued into the First Three Months of 1996.

Investments in debt and equity securities increased $8,749,000 (5.9%) from $147,860,000 at December 31, 1995 to $156,609,000 at March 31, 1996. The average balance of investment securities decreased $21,218,000 (12.5%) from $170,131,000 in the First Three Months of 1995 to $148,913,000 in the First Three Months of 1996.

Total earning assets decreased $5,165,000 (1.3%) from $412,395,000 at December 31, 1995 to $407,230,000 at March 31, 1996. The average balance of earning assets increased $7,012,000 (1.9%) from $366,896,000 in the First Three Months of 1995 to $373,908,000 in the First Three Months of 1996. This increase was funded by an increase of $16,176,000 in the average balance of interest-bearing liabilities.

Interest-bearing deposits decreased from $97,620,000 at December 31, 1995 to $94,639,000 at March 31, 1996. The average balances of these deposits increased $14,303,000 (17.8%) from $80,499,000 in the First Three Months of 1995 to $94,802,000 in the First Three Months of 1996. The most significant increase in these deposits occurred in interest-bearing commercial savings accounts.

Noninterest-bearing deposits decreased $2,219,000 (3.5%) from $64,106,000 at December 31, 1995 to $61,887,000 at March 31, 1996. The average balance of these accounts increased $1,407,000 (2.6%) from $54,644,000 in the First Three Months of 1995 to $56,051,000 in the First Three Months of 1996.

Accounts and drafts payable generated by CIS in its freight payment operations decreased slightly from $209,029,000 at December 31, 1995 to $208,857,000 at March 31, 1996. The average balances of these funds decreased from $210,020,000 for the First Three Months of 1995 to $197,981,000 in the First Three Months of 1996. This decrease resulted mainly from lost business associated with the conversion of CIS's Boston operation as discussed on page 10.

Liquidity

As of March 31, 1996, approximately 59% of the Company's loan portfolio was composed of commercial loans, of which 78% represented loans maturing within one year. As of the same date, real estate loans represented approximately 39% of the total and of these, 32% represented balances maturing within one year. Approximately 2% of the loan portfolio is represented by installment loans.

The liquidity of the Company is primarily represented by cash and due from banks of $22,144,000 and Federal funds sold and other short-term investments of $42,501,000 at March 31, 1996. Included in this caption are $30,751,000 invested in money market funds consisting of short-term U.S. Government and agency issues.

Investments in debt and equity securities represented approximately 37% of total assets at March 31, 1996. Of the U.S. Government securities in the Company's investment portfolio, which represented 72% of the total, 21% have maturities of less than one year. U.S. Government Agencies and Corporations represented 27% of the total. Obligations of states and political subdivisions constituted 1% of the investment portfolio at March 31, 1996. There were no sales of debt securities in the First Three Months of 1996. Of the total portfolio, over 87% 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 deposits of Cass Bank consist of a sizable volume of core deposits. Historically, the Company has been a net provider of Federal funds. During the First Three Months of 1996, the Company was a net provider of Federal funds, averaging nearly $9,200,000 in net funds sold. Additionally, the Company averaged over $35,500,000 in short-term money market funds during the First Three Months of 1996. The Company was able to meet its liquidity requirements in the First Three Months of 1996 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 March 31, 1996 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	$ 91,618	$ 4,451	$ 5,659	$ 9,347	$ 74,570	$ 331	$185,976
Investment in debt and equity securities	--	6,283	6,006	12,118	111,313	20,889	156,609
Federal funds sold and other short-term investments	42,501	--	--	--	--	--	42,501
Total interest-earning assets	$134,119	$10,734	$11,665	$21,465	$185,883	$ 21,220	$385,086
Interest-bearing liabilities:							
Interest-bearing transaction accounts	$ 84,215	$ --	$ --	$ --	$ --	$ --	$ 84,215
Time deposits-$100,000 or more	--	1,409	1,191	1,917	--	--	4,517
Other time deposits	--	1,669	1,886	1,472	880	--	5,907
Federal funds purchased and securities sold under repurchase agreements	4,253	--	--	--	--	--	4,253
Total interest-bearing liabilities	$ 88,468	$ 3,078	$ 3,077	$ 3,389	$ 880	$ --	$ 98,892
Interest sensitivity gap:							
Periodic	$ 45,651	$ 7,656	$ 8,588	$18,076	$185,003	$ 21,220	$286,194
Cumulative	45,651	53,307	61,895	79,971	264,974	286,194	
Ratio of interest-sensitive assets to interest-sensitive liabilities:							
Periodic	1.52x	3.49x	3.79x	6.33x	211.23x	--	3.89x
Cumulative	1.52x	1.58x	1.65x	1.82x	3.68x	3.89x	3.89x

Capital Resources

Stockholders' equity was $44,324,000 or 10.53% of total assets at March 31, 1996, an increase of $1,011,000 over the amount outstanding at December 31, 1995. This increase resulted from net income of $1,475,000; dividends paid of $443,000 ($.23 per share); decrease in unrealized holding losses of $49,000; and the amortization of the stock bonus plan of $28,000. Primary capital, including the allowance for loan losses, reached $50,701,000 at March 31, 1996 or 12.04% of total assets compared to $49,671,000 or 11.60% of total assets at December 31, 1995.

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 March 31, 1996:

	Company Consolidated	Cass Bank
Leverage Ratio	10.45%	11.20%
Tangible Capital Ratio	11.96	13.30
Primary Capital	12.04	13.30
Risk Based Capital:		
Tier I	17.76	15.53
Tier II	19.01	16.78

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) Exhibits

Number	Description
3.1.a	Amendment dated April 15, 1996 to Registrant's Articles of Incorporation

(b) Cass Commercial Corporation did not file any reports on Form 8-K during the three months ended March 31, 1996.

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: May 10, 1996 By Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: May 10, 1996 By Lawrence L. Frieben

Lawrence L. Frieben
Vice President-Secretary
(Chief Financial and Accounting Officer)

AMENDMENT OF ARTICLES OF INCORPORATION

CASS COMMERCIAL CORPORATION

Honorable Rebecca McDowell Cook
Secretary of State
State of Missouri
Jefferson City, Missouri 65101

Pursuant to the provisions of The General and Business Corporation Law of Missouri, the undersigned Corporation certifies the following:

1. The name of the Corporation is Cass Commercial Corporation.

2. An amendment to the Corporation's Articles of Incorporation was adopted by the shareholders on April 15, 1996.

3. The present Article Three is deleted in its entirety and the following is substituted in lieu thereof as Article Three.

ARTICLE THREE

The aggregate number of shares which the Corporation shall have authority to issue is Twenty Two Million (22,000,000) shares, of which Twenty Million (20,000,000) shares shall be Common Stock having a par value of $.50 per share, and Two Million (2,000,000) shares shall be Preferred Stock having a par value of $.50 per share. No shareholder shall be entitled to the preemptive right to acquire additional shares of the Corporation.

The Board of Directors is expressly authorized, prior to issuance, by adopting resolutions providing for the issuance of shares of any particular series of Preferred Stock and, if and to the extent from time to time required by law, by filing certification thereto with the Secretary of State of Missouri, to set or change the number of shares to be included in each series of Preferred Stock and to set or change in any one or more respects the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms and conditions of redemption relating to the shares of each such series. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, setting or changing the following:

(a) the distinctive serial designation of such series and the number of shares constituting such series;

(b) the annual dividend rate on shares of such series, whether dividends shall be cumulative and, if so, from which date or dates;

(c) whether the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon and after which such shares shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(d) the obligation, if any, of the Corporation to retire shares of such series pursuant to a sinking fund;

(e) whether shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;

(f) whether the shares of such series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;

(g) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution, or winding up of the Corporation; and

(h) any other relative rights, powers, preferences, qualifications, limitations or restrictions thereof relating to such series.

4. Of the 1,929,274 Common shares outstanding, 1,929,274 of such shares were entitled to vote on such amendment. No shares other than Common shares were outstanding or entitled to vote.

5. The number of shares voted for and against the amendment was as follows:

CLASS	NO. VOTED FOR	NO. VOTED AGAINST
Common	1,329,076	28,028

6. The amendment changed the number or par value of authorized shares having a par value; the amount in dollars of authorized shares having a par value as changed is: $11,000,000.

7. The amendment provides for a reclassification of issued shares as follows:

> Upon effectiveness of this Amendment, each outstanding share of Common Stock, $2.50 par value per share, shall automatically and without any action on the part of the holder thereof be converted into and become one share of Common Stock, $.50 par value per share.

IN WITNESS WHEREOF, the undersigned, Lawrence A. Collett, Chairman, President and Chief Executive Officer of Cass Commercial Corporation, has executed this instrument and its Secretary, Lawrence L. Frieben, has affixed its corporate seal hereto and attested said seal on the 19th day of April, 1996.

CORPORATE SEAL

CASS COMMERCIAL CORPORATION

ATTEST:

/s/ Lawrence L. Frieben	By: /s/ Lawrence A. Collett
Secretary or Assistant Secretary	Chairman, President and Chief Executive Officer

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

On this 19th day of April, in the year 1996, before me, Joan S. Meyer, a Notary Public in and for said State, personally appeared Lawrence A. Collett, the Chairman, President and Chief Executive Officer of Cass Commercial Corporation, a Missouri corporation, known to me to be the person who executed the within Amendment of Articles of Incorporation and did state that the seal affixed to the within instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and acknowledged to me that he executed the same for the purposes therein stated.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

/s/ Joan S. Meyer

Notary Public

My Commission Expires:

4/2/2000
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1,000

3-MOS
DEC-31-1996
JAN-01-1996
MAR-31-1996
22,144
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11,750
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28,814
127,795
127,484
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6,377
421,109
156,526
4,253
7,149
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5,000
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421,109
3,830
2,226
582
6,638
1,057
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6,358
1
20
6,377
6,377
0
0

Information available only at year-end.