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, 1998
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 September 30, 1998: Common stock, par value $.50 per share - 3,863,648 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 1998	DECEMBER 31 1997
ASSETS		
Cash and due from banks	$ 17,342	$ 10,849
Federal funds sold and other short-term investments	97,716	88,275
Cash and cash equivalents	115,058	99,124
Investment in debt and equity securities:		
Held-to-maturity, estimated market value of $64,800 and $90,389 at September 30, 1998 and December 31, 1997, respectively	64,178	90,139
Available-for-sale, at estimated market value	34,417	36,112
Total investment in debt and equity securities	98,595	126,251
Loans, net of unearned income	215,121	196,478
Less: Allowance for loan losses	4,473	4,484
Loans, net	210,648	191,994
Premises and equipment, net	9,247	9,957
Accrued interest receivable	2,833	3,137
Other assets	6,794	7,864
Total assets	$ 443,175	$ 438,327
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 72,119	$ 61,958
Interest-bearing	114,142	103,899
Total deposits	186,261	165,857
Accounts and drafts payable	194,911	213,755
Short-term borrowings	211	406
Other liabilities	5,295	5,656
Total liabilities	386,678	385,674
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; 20,000,000 shares authorized and 4,000,000 shares issued	2,000	2,000
Surplus	4,746	4,740
Retained earnings	50,327	46,879
Common shares in treasury, at cost (136,352 shares at September 30, 1998 and 141,452 shares at December 31, 1997)	(1,238)	(1,284)
Accumulated other comprehensive income - unrealized gain on debt and equity securities available-for-sale, net of tax	662	364
Unamortized stock bonus awards	--	(46)
Total stockholders' equity	56,497	52,653
Total liabilities and stockholders' equity	$ 443,175	$ 438,327

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	
	1998	1997	1998	1997
	(In Thousands Except Per Share Data)			
INTEREST INCOME:				
Interest and fees on loans	$ 4,525	$ 4,232	$ 13,260	$ 12,762
Interest on debt securities:				
Taxable	1,563	2,239	5,114	7,074
Exempt from federal income taxes	16	19	53	57
Interest on federal funds sold and other short-term investments	1,367	792	3,932	1,669
Total interest income	7,471	7,282	22,359	21,562
INTEREST EXPENSE:				
Interest on deposits	1,043	1,065	3,168	3,051
Interest on short-term borrowings	2	7	8	64
Total interest expense	1,045	1,072	3,176	3,115
Net interest income	6,426	6,210	19,183	18,447
Provision for loan losses	--	--	--	300
Net interest income after provision for loan losses	6,426	6,210	19,183	18,147
NONINTEREST INCOME:				
Information services revenues:				
Freight and utility payment and processing revenue	4,494	4,492	14,205	13,156
Freight rating services income	680	669	1,896	1,841
Service charges on deposit accounts	173	127	487	398
Gain on sale of debt securities	--	216	--	216
Other	57	122	230	513
Total noninterest income	5,404	5,626	16,818	16,124
NONINTEREST EXPENSE:				
Salaries and employee benefits	6,062	6,067	18,923	17,850
Occupancy expense	431	314	1,284	1,252
Equipment expense	627	657	1,916	1,971
Other	1,767	1,986	5,289	5,623
Total noninterest expense	8,887	9,024	27,412	26,696
Income before income tax expense	2,943	2,812	8,589	7,575
Income tax expense	1,052	975	3,055	2,608
Net income	$ 1,891	$ 1,837	$ 5,534	$ 4,967
Earnings per share:				
Basic	$ .49	$ .48	$ 1.43	$ 1.29
Diluted	$ .48	$ .47	$ 1.41	$ 1.27

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	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5,534	$ 4,967
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,728	1,766
Amortization of stock bonus awards	46	83
Provision for loan losses	--	300
Decrease in accrued interest receivable	304	362
Gain on sale of debt securities	--	(216)
Other operating activities, net	479	(1,555)
Net cash provided by operating activities	8,091	5,707
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities of debt securities:		
Held-to-maturity	25,891	20,995
Available-for-sale	1,999	849
Proceeds from sales of debt securities, available-for-sale	--	14,216
Purchases of debt and equity securities available-for-sale	--	(9,835)
Net (increase) decrease in loans	(18,654)	1,015
Purchases of premises and equipment	(724)	(3,856)
Net cash provided by investing activities	8,512	23,384
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in noninterest-bearing demand, interest-bearing demand and savings deposits	20,724	6,211
Net increase (decrease) in time deposits	(320)	368
Net increase (decrease) in accounts and drafts payable	(18,844)	23,833
Net decrease in short-term borrowings	(195)	(2,208)
Cash proceeds from exercise of stock options	52	--
Cash dividends paid	(2,086)	(1,504)
Net cash provided by (used in) financing activities	(669)	26,700
Net increase in cash and cash equivalents	15,934	55,791
Cash and cash equivalents at beginning of period	99,124	67,156
Cash and cash equivalents at end of period	$ 115,058	$ 122,947
Supplemental information:		
Cash paid for interest	$ 3,178	$ 3,165
Income taxes paid	$ 2,775	$ 1,735

See accompanying notes to consolidated financial statements.

CASS COMMERCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 30, 1998

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 and church-related ministries, through its wholly owned subsidiary bank, Cass Commercial Bank (the Bank), formerly known as Cass Bank & Trust Company. 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 payment processing and information services through its wholly owned subsidiary, Cass Information Systems, Inc. (CIS). These services include processing and payment of freight and utility charges, preparation of management reports, auditing of freight charges, rating of freight shipments and other payment related activities. 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 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, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. 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, 1997.

Note 2 - Impact Of New Accounting Pronouncements

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (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 is a disclosure requirement, it will have no impact on the Company's consolidated financial position and results of operations. The Company has historically provided selected segment information in its annual consolidated financial statements.

In February 1998, the FASB issued Statement of Financial Accounting Standards No. 132, Employers' Disclosures about Pensions and Other Postretirement Benefits (SFAS 132) which standardizes the disclosure requirements for presenting information about pensions and other postretirement benefits. SFAS 132 is effective for the years beginning after December 15, 1997. Since SFAS 132 is a disclosure requirement, it will have no impact on the Company's consolidated financial position and results of operations.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133) which establishes standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. SFAS 133 is effective for all fiscal years beginning after June 15, 1999. Earlier application of SFAS 133 is encouraged but should not be applied retroactively to financial statements of prior periods. The Company is currently evaluating the requirements and impact of SFAS 133.

In October 1998, the FASB issued Statement of Financial Accounting Standards No. 134, Accounting for Mortgage-Backed Securities Retained after the Securitization of Mortgage Loans Held for Sale by a Mortgage Banking Enterprise (SFAS 134) which conforms the subsequent accounting for securities retained after the securitization of mortgage loans by a mortgage banking enterprise with the subsequent accounting for securities retained after the securitization of other types of assets by a nonmortgage banking enterprise. SFAS 134 is effective for the first fiscal quarter beginning after December 15, 1998. Since the Company has not securitized any mortgage loans, SFAS 134 will have no impact on the Company's consolidated financial position and results of operations.

Note 3 - Comprehensive Income

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (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. Under SFAS 130, comprehensive income is divided into net income and other comprehensive income. For the nine-month periods ended September 30, 1998 and 1997, unrealized holding gain (loss) on debt and equity securities available-for-sale is the Company's only other comprehensive income component. Comprehensive income for the nine-month periods ended September 30, 1998 and 1997 is summarized as follows:

	(In Thousands) Three Months Ended September 30		(In Thousands) Nine Months Ended September 30	
	1998	1997	1998	1997
Net Income	$ 1,891	$ 1,837	$ 5,534	$ 4,967
Other comprehensive income:				
Net unrealized gain on debt and equity securities available-for-sale, net of tax	298	236	298	287
Less: adjustment for gain on sale of debt and equity securities, available-for-sale, net of tax	--	143	--	143
Total other comprehensive income	298	93	298	144
	$ 2,189	$ 1,930	$ 5,832	$ 5,111

Note 4 - Earnings Per Share

Average common shares outstanding for the nine month periods ended September 30, 1998 and 1997 were 3,861,903 and 3,858,548, respectively. Average common shares outstanding for the three month periods ended September 30, 1998 and 1997 were 3,862,811 and 3,858,548, respectively. The only dilutive instruments are stock options, which resulted in weighted average shares and dilutive potential common shares of 3,931,427 and 3,924,007 for the nine month periods ended September 30, 1998 and 1997, respectively and 3,927,843 and 3,930,792 for the three month periods ended September 30, 1998 and 1997, respectively.

Note 5 - Reclassifications

Certain amounts in the 1997 consolidated financial statements have been reclassified to conform with the 1998 presentation. Such reclassifications have no effect on previously reported net income.

Note 6 - Supplemental Executive Retirement Plan

During June 1998, the Company's Board of Directors established the Supplemental Executive Retirement Plan for key executive officers of the Company. This Plan was adopted to provide key executive employees through the Plan with retirement benefits that are comparable to those of other Company employees. Estimated annual costs to the Company for 1998 are $143,000.

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 Commercial Bank (the Bank), a commercial bank, and Cass Information Systems, Inc. (CIS), a payment processing and information services company, whose operations include the processing and payment of freight and utility charges, preparation of management reports, auditing of freight charges, rating of freight shipments and other payment related activities. The Company had net income of $5,534,000 for the nine-month period ended September 30, 1998 (the "First Nine Months of 1998") compared to net income of $4,967,000 for the nine-month period ended September 30, 1997 (the "First Nine Months of 1997").

The Company had net income of $1,891,000 for the three-month period ended September 30, 1998 ("Third Quarter of 1998") compared to net income of $1,837,000 for the three-month period ended September 30, 1997 ("Third Quarter of 1997").

The following paragraphs more fully discuss the changes in financial condition and results of operations for the First Nine Months of 1998 compared to the First Nine Months of 1997 and for the Third Quarter of 1998 compared to the Third Quarter of 1997. Such information is provided on a consolidated basis for the Company, the Bank and CIS, with expanded disclosures for specific effects CIS's operations have on particular account captions.

Net Interest Income

The increase of $22,881,000 in average earning assets, net of interest-bearing liabilities, was the primary contributor of the increase in net tax-equivalent interest income of $727,000 in the First Nine Months of 1998 compared to the First Nine Months of 1997. The mix of earning assets changed in the First Nine Months of 1998 compared to the First Nine Months of 1997 with an increase of $56,437,000 in the average balance of federal funds sold and other short-term investments and a decrease of $40,436,000 in debt and equity securities. The Company's average earning assets, net of interest-bearing liabilities, increased $20,435,000 in the Third Quarter of 1998 compared to the Third Quarter of 1997, which was the primary contributor to an increase in net tax-equivalent interest income of $217,000. These changes are a result of the Company's ongoing asset/liability management program.

The Company's tax-equivalent net interest margin on earning assets decreased in the First Nine Months of 1998 to 6.09% from 6.23% in the First Nine Months of 1997. The Company's tax-equivalent net interest margin on earning assets decreased in the Third Quarter of 1998 to 6.07% from 6.15% in the Third Quarter of 1997. These decreases are primarily due to the maturity of higher-yielding debt securities and an increased investment in federal funds sold and other short-term investments. See Tables 1 and 2 on pages 7 and 9 for further explanation of the changes in net interest income for the respective periods.

TABLE 1: CONSOLIDATED AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(TAX-EQUIVALENT BASIS, IN THOUSANDS)

	AVERAGE BALANCE		AVERAGE YIELD/RATE		INCREASE INCOME/EXPENSE			INCREASE(DECREASE) DUE TO CHANGE IN	
	1998	1997	1998	1997	1998	1997	NET CHANGE	VOLUME	RATE
ASSETS									
Interest-earning assets:									
Loans	$212,833	$203,518	8.37%	8.43%	$13,318	$12,828	$ 490	$ 583	$ (93)
Investment in debt and equity securities	113,490	153,926	6.12	6.22	5,194	7,159	(1,965)	(1,852)	(113)
Federal funds sold and other short-term investments	96,896	40,459	5.43	5.52	3,932	1,669	2,263	2,291	(28)
Total interest-earning assets	423,219	397,903	7.09	7.28	22,444	21,656	788	1,022	(234)
Nonearning assets:									
Cash and due from banks	19,588	17,258							
Premises and equipment	9,576	9,459							
Other assets	11,188	12,552							
Allowance for loan losses	(4,512)	(4,534)							
Total assets	459,059	432,638							
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest-bearing demand deposits	33,478	31,548	3.55	3.52	888	831	57	51	6
Savings deposits	60,448	58,253	4.28	4.27	1,933	1,862	71	70	1
Time deposits of $100,000 or more	3,982	3,804	5.71	5.52	170	157	13	7	6
Other time deposits	4,733	5,356	5.00	5.04	177	201	(24)	(23)	(1)
Total interest-bearing deposits	102,641	98,961	4.13	4.12	3,168	3,051	117	105	12
Short-term borrowings	289	1,534	3.70	5.58	8	64	(56)	(40)	(16)
Total interest-bearing liabilities	102,930	100,495	4.13	4.15	3,176	3,115	61	65	(4)
Noninterest-bearing liabilities:									
Demand deposits	69,673	62,694							
Accounts and drafts payable	226,397	213,186							
Other liabilities	5,631	6,863							
Total liabilities	404,631	383,238							
Stockholders' equity	54,428	49,400							
Total liabilities and stockholders' equity	$459,059	$432,638							
Net interest income					$19,268	$18,541	$ 727	$ 957	$(230)
Net yield on interest-earning assets			6.09%	6.23%					

AVERAGE BALANCES, INTEREST AND RATES, Continued

NOTES:

(1) For purposes of these computations, nonaccrual loans are included in the average loan amounts outstanding.

(2) Interest income on loans includes net fees of $15,000 and $4,000 for the First Nine Months of 1998 and 1997, respectively.

(3) Income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $85,000 and $94,000 for the First Nine Months of 1998 and 1997, respectively.

TABLE 2: CONSOLIDATED AVERAGE BALANCE SHEETS AND NET INTEREST INCOME ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1998 AND 1997
(TAX-EQUIVALENT BASIS, IN THOUSANDS)

	AVERAGE BALANCE		AVERAGE YIELD/RATE		INCREASE INCOME/EXPENSE		NET CHANGE	INCREASE(DECREASE) DUE TO CHANGE IN	
	1998	1997	1998	1997	1998	1997		VOLUME	RATE
ASSETS									
Interest-earning assets:									
Loans	$218,057	$201,422	8.27%	8.37%	$4,543	$4,250	$ 293	$ 347	$ (54)
Investment in debt and equity securities	103,481	145,863	6.09	6.16	1,588	2,266	(678)	(651)	(27)
Federal funds sold and other short-term investments	99,995	54,495	5.42	5.77	1,367	792	575	625	(50)
Total interest-earning assets	421,533	401,780	7.06	7.22	7,498	7,308	190	321	(131)
Nonearning assets:									
Cash and due from banks	20,753	18,019							
Premises and equipment	9,324	10,127							
Other assets	9,465	13,684							
Allowance for loan losses	(4,491)	(4,455)							
Total assets	456,584	439,155							
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest-bearing demand deposits	32,293	31,914	3.54	3.61	288	290	(2)	3	(5)
Savings deposits	59,714	59,389	4.27	4.30	643	644	(1)	4	(5)
Time deposits of $100,000 or more	3,997	4,425	5.56	5.83	56	65	(9)	(6)	(3)
Other time deposits	4,507	5,208	4.93	5.03	56	66	(10)	(9)	(1)
Total interest-bearing deposits	100,511	100,936	4.12	4.19	1,043	1,065	(22)	(8)	(14)
Short-term borrowings	263	520	3.02	5.34	2	7	(5)	(3)	(2)
Total interest-bearing liabilities	100,774	101,456	4.11	4.19	1,045	1,072	(27)	(11)	(16)
Noninterest-bearing liabilities:									
Demand deposits	72,568	64,868							
Accounts and drafts payable	222,173	215,224							
Other liabilities	5,152	6,933							
Total liabilities	400,667	388,481							
Stockholders' equity	55,917	50,674							
Total liabilities and stockholders' equity	$456,584	$439,155							
Net interest income					$6,453	$6,236	$ 217	$ 332	$(115)
Net yield on interest-earning assets			6.07%	6.15%					

AVERAGE BALANCES, INTEREST AND RATES, Continued

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

(2) Interest income on loans includes net fees of $2,000 and $1,000 for the Third Quarter of 1998 and 1997, respectively.

(3) Income is presented on a tax-equivalent basis assuming a tax rate of 34%. The tax-equivalent adjustment was approximately $27,000 and $26,000 for the Third Quarter of 1998 and 1997, 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. There was no charge to earnings to provide for loan losses for the First Nine Months of 1998; however the Company charged $300,000 to earnings to provide for loan losses for the First Nine Months of 1997. Management made the decision to make a provision for loan losses in the First Nine Months of 1997 based on the loan growth experienced. The quality of the loan portfolio has continued to remain strong. The level of nonperforming loans, at .39% of average loans for the Nine Months ended September 30, 1998, remains well below industry averages. Nonperforming loans are covered over 5 times by the allowance for loan losses at September 30, 1998. The Company experienced net charge-offs of $11,000 in the First Nine Months of 1998.

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, 1998, impaired loans totalled $670,000 which includes $547,000 of nonaccrual loans. The allowance for loan losses on impaired loans was $521,000 at September 30, 1998. The average balance of impaired loans during the First Nine Months of 1998 and the First Nine Months of 1997 was $1,061,000 and $1,063,000, respectively.

The allowance for loan losses at September 30, 1998 was $4,473,000 and at December 31, 1997 was $4,484,000. The allowance for loan losses at September 30, 1998 represents 2.08% of total loans outstanding compared to 2.28% at December 31, 1997.

The following table presents information as of and for the three and nine-month periods ended September 30, 1998 and 1997 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	
	1998	1997	1998	1997
	(dollars in thousands)			
Allowance at beginning of period	$ 4,569	$ 4,447	$ 4,484	$ 4,396
Provision for loan losses charged to expense	--	--	--	300
Loans charged off	(105)	(1)	(105)	(412)
Recoveries on loans previously charged off	9	21	94	183
Net loan (charge-offs) recoveries	(96)	20	(11)	(229)
Allowance at end of period	$ 4,473	$ 4,467	$ 4,473	$ 4,467
Loans outstanding:				
Average	$ 218,057	$ 201,422	$ 212,833	$ 203,518
September 30	215,121	196,531	215,121	196,531
Ratio of allowance for loan losses to loans outstanding:				
Average	2.05%	2.22%	2.10%	2.19%
September 30	2.08%	2.27%	2.08%	2.27%
Nonperforming loans:				
Nonaccrual loans	$ 547	$ 360	$ 547	$ 360
Loans past due 90 days or more	274	--	274	--
Total	$ 821	$ 360	$ 821	$ 360
Nonperforming loans as a percent of average loans	.38%	.18%	.39%	.18%

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 Nine Months of 1998 increased $694,000 (4.3%) compared to the First Nine Months of 1997. Total noninterest income for the Third Quarter of 1998 decreased $222,000 (3.9%) from the Third Quarter of 1997.

CIS's Payment Systems Group experienced an increase in processing revenues of $1,049,000 (8.0%) in the First Nine Months of 1998 compared to the First Nine Months of 1997. This increase includes CIS's utility processing revenue, which increased $377,000 (253.0%) in the First Nine Months of 1998 compared to the First Nine Months of 1997. Freight processing revenue increased $672,000 (5.2%) in the First Nine Months of 1998 compared to 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 1998.

CIS's Freight Rating Services Group experienced an increase in revenues of $55,000 (3.0%) in the First Nine Months and an increase in revenues of $11,000 (1.6%) in the Third Quarter of 1998 compared to the corresponding periods of 1997.

Other noninterest income decreased $283,000 (55.2%) in the First Nine Months of 1998 and decreased $65,000 (53.3%) in the Third Quarter of 1998 compared to the corresponding periods of 1997. The Bank received a buyout of its headquarters lease in the First Nine Months of 1997 in excess of the remaining net book value of leasehold improvements which resulted in a one-time gain of $95,000. Amortization of negative goodwill, relating to a prior acquisition made by CIS, was fully amortized in 1997 which contributed $217,000 to noninterest income for the First Nine Months of 1997 and $72,000 in the Third Quarter of 1997.

Noninterest Expense

Total noninterest expense for the First Nine Months of 1998 increased $716,000 (2.7%) from the First Nine Months of 1997. Total noninterest expense for the Third Quarter of 1998 decreased $137,000 (1.5%) from the Third Quarter of 1997.

Salaries and benefits expense increased $1,073,000 (6.0%) in the First Nine Months of 1998 compared to the First Nine Months of 1997. The increase relates primarily to separation costs associated with the streamlining and integration of operations in the freight rating services group which were expensed in the First Nine months of 1998, combined with annual pay increases.

Occupancy expense increased $32,000 (2.6%) in the First Nine Months of 1998 compared to the First Nine Months of 1997. In the First Nine Months of 1997 CIS's Chicago location received a $72,000 reimbursement for rent expense to vacate their building by the end of 1997, which was offset with a reduction in rent paid for the new location in the First Nine Months of 1998 compared with the First Nine Months of 1997.

Other noninterest expense decreased $334,000 (5.9%) in the First Nine Months of 1998 compared to the First Nine Months of 1997. Other noninterest expense decreased $219,000 (11.0%) in the Third Quarter of 1998 compared to the Third Quarter of 1997. These decreases are attributable to several items including decreases in both outside service fees and professional fees.

Balance Sheet Analysis

Cash and due from banks increased from $10,849,000 at December 31, 1997 to $17,342,000 at September 30, 1998. The average balance of cash and due from banks increased $2,330,000 (13.5%) from $17,258,000 in the First Nine Months of 1997 to $19,588,000 in the First Nine Months of 1998.

Federal funds sold and other short-term investments increased from $88,275,000 at December 31, 1997 to $97,716,000 at September 30, 1998. The average balance of these accounts was $96,896,000 in the First Nine Months of 1998 compared to $40,459,000 in the First Nine Months of 1997. The increase in the average balance of these accounts resulted primarily from maturities of debt securities and increased average balances in accounts and drafts payable. See Table 1 and Table 2 on pages 7 and 9 for a presentation of average balances.

Total loans increased $18,643,000 (9.5%) from $196,478,000 at December 31, 1997 to $215,121,000 at September 30, 1998. The average balances of loans increased $9,315,000 (4.6%) from $203,518,000 in the First Nine Months of 1997 to $212,833,000 in the First Nine Months of 1998. Loan demand and new business volume increased throughout 1997 and has continued into the First Nine Months of 1998. Outstanding loans remained at relatively similar levels in 1997 due to loan repayments resulting from several loan customers selling their businesses or requesting credit extensions higher than the Company could provide.

Investments in debt and equity securities decreased $27,656,000 (21.9%) from $126,251,000 at December 31, 1997 to $98,595,000 at September 30, 1998. The average balance of investment securities decreased $40,436,000 (26.3%) from $153,926,000 in the First Nine Months of 1997 to $113,490,000 in the First Nine Months of 1998 as a result of the Company's ongoing asset/liability management program.

Total earning assets increased $428,000 (0.1%) From $411,004,000 at December 31, 1997 to $411,432,000 at September 30, 1998. The average balance of earning assets increased $25,316,000 (6.4%) from $397,903,000 in the First Nine Months of 1997 to $423,219,000 in the First Nine Months of 1998. This increase was funded by an increase of $13,211,000 in the average balance of accounts and drafts payable and an increase of $10,659,000 in average total deposits.

Interest-bearing deposits increased from $103,899,000 at December 31, 1997 to $114,142,000 at September 30, 1998. The average balances of these deposits increased $3,680,000 (3.7%) from $98,961,000 in the First Nine Months of 1997 to $102,641,000 in the First Nine Months of 1998.

Noninterest-bearing deposits increased $10,161,000 (16.4%) from $61,958,000 at December 31, 1997 to $72,119,000 at September 30, 1998. The average balance of these accounts increased $6,979,000 (11.1%) from $62,694,000 in the First Nine Months of 1997 to $69,673,000 in the First Nine Months of 1998 which reflects increased business development efforts at the Bank.

Accounts and drafts payable generated by CIS in its payment operations decreased $18,844,000 (8.8%) from $213,755,000 at December 31, 1997 to $194,911,000 at September 30, 1998. The average balances of these funds increased $13,211,000 (6.2%) from $213,186,000 for the First Nine Months of 1997 to $226,397,000 in the First Nine Months of 1998. This increase has resulted from successful sales efforts leading to the addition of new processing volume.

Liquidity

As of September 30, 1998, approximately 49% of the Company's loan portfolio was composed of commercial loans, of which 75% represented loans maturing within one year. As of the same date, real estate loans, primarily commercial, represented approximately 50% of the total and of these, 37% 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 $17,342,000 and federal funds sold and other short-term investments of $97,716,000 at September 30, 1998. Included in this caption are $63,000,000 invested in money market funds consisting of short-term U.S. Government and agency issues.

Investments in debt and equity securities represented approximately 22% of total assets at September 30, 1998. Of the U.S. Government securities in the Company's investment portfolio, which represented 73% of the total, 34% have maturities of less than one year. U.S. Government Agencies and Corporations represented 26% of the total. Obligations of states and political subdivisions constituted 1% of the investment portfolio at September 30, 1998. There were no sales of debt securities in the First Nine Months of 1998. Of the total portfolio, over 86% 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 the 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 1998, the Company was a net provider of federal funds, averaging over $19,384,000 in net funds sold. Additionally, the Company averaged over $77,512,000 in short-term money market funds during the First Nine Months of 1998. The Company was able to meet its liquidity requirements in the First Nine Months of 1998 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 over time will produce a relatively high net interest margin compared to other financial institutions. This asset-sensitive position does mean that net interest income could be reduced in a declining rate environment. 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, 1998 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	$ 85,055	$13,206	$ 7,939	$ 13,982	$ 93,479	$ 1,460	$215,121
Investment in debt and equity securities	--	6,081	6,016	12,018	61,247	13,233	98,595
Federal funds sold and other short-term investments	97,716	--	--	--	--	--	97,716
Total interest-earning assets	$182,771	$19,287	$ 13,955	$ 26,000	$154,726	$ 14,693	$411,432
Interest-bearing liabilities:							
Interest-bearing transaction accounts	$105,840	$ --	$ --	$ --	$ --	$ --	$105,840
Time deposits-$100,000 or more	--	1,384	1,050	1,359	--	--	3,793
Other time deposits	--	926	1,220	1,682	681	--	4,509
Short-term borrowings	211	--	--	--	--	--	211
Total interest-bearing liabilities	$106,051	$ 2,310	$ 2,270	$ 3,041	$ 681	$ --	$114,353
Interest sensitivity gap:							
Periodic	$ 76,720	$16,977	$ 11,685	$ 22,959	$154,045	$ 14,693	$297,079
Cumulative	76,720	93,697	105,382	128,341	282,386	297,079	
Ratio of interest-sensitive assets to interest-sensitive liabilities:							
Periodic	1.72x	8.35x	6.15x	8.55x	227.20x	--	3.60x
Cumulative	1.72x	1.86x	1.95x	2.13x	3.47x	3.60x	3.60x

Capital Resources

Stockholders' equity was $56,497,000 or 12.75% of total assets at September 30, 1998, an increase of $3,844,000 over the balance at December 31, 1997. This increase resulted from net income of $5,534,000; the amortization of the stock bonus plan of $46,000; increase in unrealized holding gains of $298,000; cash received from the exercise of stock options of $52,000; and offset by dividends paid of $2,086,000 ($.54 per share).

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, 1998:

	Company Consolidated	Cass Bank
Total capital (to risk-weighted assets)	22.84%	16.20%
Tier I capital (to risk-weighted assets)	21.58	14.95
Tier I capital (to average assets)	12.13	11.38

The Year 2000 Issue

The Year 2000 issue relates to systems that have used a two-digit format rather than a four-digit format to represent the year. The risk of system failure and data processing errors may be the result of this programming logic. Management has implemented a company-wide initiative for preparing its systems, applications and equipment for functionality in the Year 2000 and beyond. The Company's Year 2000 project consists of five phases including awareness, assessment, renovation, testing and implementation. The awareness and assessment phases are substantially complete; renovation, testing and implementation are well underway.

The Company continues to monitor efforts to ready internal systems for the Year 2000. Highest priority has been assigned to those systems determined to be critical to the ongoing operations of the Company. Programming changes and testing of critical systems, applications, and equipment are scheduled to be substantially complete by December 31, 1998. If modifications to existing systems and conversions to new systems proceed as scheduled, management presently believes that the Year 2000 issue will not pose a substantial internal operating risk to the Company.

The Company modified its credit risk assessment to include the consideration of incremental risk that may be posed by customer's inability, if any, to address Year 2000 issues. Management presently believes this risk to be manageable, and continues to monitor customer's efforts to prepare for the Year 2000. Additionally, the Company has implemented a process for assessing the readiness of its major vendors, suppliers and business partners. There can be no guarantee, however, that the systems of these outside parties will be remediated on a timely basis. To that end, there is no assurance that a failure to remediate by one of these parties would not have a material adverse effect on the Company.

The Company believes it will substantially complete the implementation of its Year 2000 program prior to the commencement of the Year 2000. However, the risk of system failures, either internal or external, cannot be eliminated. Therefore, the Company intends to assess the worst case scenario caused by the Year 2000 issue and address the possible effects thereof. The Company will assess the types and nature of contingency plans that will be required to maintain the Company's operational capacity after January 1, 2000. This assessment will cover all critical areas of the Company, as well as customers, suppliers and business partners.

To date, the Company and its subsidiaries have incurred approximately $1.3 million in both direct and indirect costs associated with Year 2000 readiness efforts. The Company estimates that $2.9 million will approximate total expenditures through the Year 2000. This includes internal and external costs that will be expensed, as well as new hardware and software which will be capitalized. Funding for costs associated with Year 2000 efforts will be derived from normal operating cash flow. As a result, Year 2000 expenses are not expected to have a material effect on the Company's results of operations.

The foregoing discussion of Year 2000 issues is based on management's most current estimates. These estimates utilize multiple assumptions of future events, including, but not limited to, the continued availability of certain resources, third party efforts, and other factors. However, there can be no guarantee that these estimates will be achieved, and actual costs and results could differ materially from the estimates currently anticipated by the Company.

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.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk exposures that affect the "Quantitative and Qualitative Disclosures" presented in the Company's annual report on 10K for the year ended December 31, 1997.

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, 1998.

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, 1998

By /s/ Lawrence A. Collett

Lawrence A. Collett
Chairman and Chief Executive Officer

DATE: November 5, 1998

By /s/ Eric H. Brunngraber

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

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3-MOS
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JUL-01-1998
SEP-30-1998
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34,417
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TO BE DOCUMENTED IN THE DEC-31-1998 STATEMENTS.

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DEC-31-1998
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SEP-30-1998
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4,473
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TO BE DOCUMENTED IN THE DEC-31-1998 STATEMENTS.