



# Different by Design

**UMB Financial**

First Quarter 2020

April 28, 2020

# Cautionary Notice about Forward-Looking Statements



This presentation of UMB Financial Corporation (the “company,” “our,” “us,” or “we”) contains, and our other communications may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “outlook,” “forecast,” “target,” “trend,” “plan,” “goal,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.”

Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, results, or aspirations. All forward-looking statements are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Our actual future objectives, strategies, plans, prospects, performance, condition, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events, circumstances, or aspirations to differ from those in forward-looking statements are described in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, or other applicable documents that are filed or furnished with the U.S. Securities and Exchange Commission (SEC).

In addition to such factors that have been disclosed previously, the COVID-19 pandemic (the “Pandemic”) may also cause actual results or other future events, circumstances, or aspirations to differ from our forward-looking statements. The Pandemic has created a global public-health crisis that has resulted in widespread volatility and deteriorations in household, business, economic, and market conditions. It is currently adversely affecting the company and its customers, counterparties, employees, and third-party service providers, and the continued adverse impacts on our business, financial position, results of operations, and prospects could be significant. We are not able to accurately predict the extent of the impact of the Pandemic on our capital, liquidity, and other financial positions and on our business, results of operations, and prospects at this time, and we believe it will depend on a number of evolving factors, including: (i) the duration, extent and severity of the Pandemic; (ii) the response of governmental and non-governmental authorities to the Pandemic, which is rapidly changing and not always coordinated or consistent across jurisdictions; (iii) the effect of the Pandemic on our customers, counterparties, employees and third-party service providers, which may vary widely, and which is generally expected to increase our credit, operational, and other risks and (iv) the effect of the Pandemic on economies and markets, which in turn could adversely affect, among other things, the origination of new loans and the performance of our existing loans. The Pandemic is also expected to have a significant impact on our current expected credit loss (CECL) calculation and related provision under a new accounting standard that we were required to phase in beginning January 2020. The CECL calculation includes periodic estimates of the net amount expected to be collected over the contractual term of certain financial assets, and requires us to take into account, among other things, economic conditions forecasted over the life of the financial asset, including the current and anticipated effects of the Pandemic. Any forward-looking statement should be evaluated in light of these considerations.

Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except to the extent required by applicable securities laws. You, however, should consult disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K, or other applicable document that is filed or furnished with the SEC.



## Operational Readiness

- Launched business continuity plans and executive level pandemic task force
- Early move to drive-through only branches to protect associates and customers
- Implemented remote working arrangements for ~80% of our staff
- Increased and strengthened network capacity
- Enhanced cleaning and disinfecting

### Associates

- Improved social distancing for those whose roles require them to work onsite utilizing various sites across our footprint
- Supplemental compensation and additional PTO days for those unable to work remotely
- Providing lunch from local restaurants for associates on site
- Easy access to our associate assistance fund for associates impacted by the crisis
- Expanded health insurance coverage for COVID-19 testing and access to telehealth services

### Communities

- UMB is a founding member of the Kansas City Regional COVID-19 Response and Recovery Fund.
- UMB was able to donate and deliver 2,400 N95 masks to 29 clients in eight states who are on the front line of the crisis, including hospitals and senior living facilities
- UMB's matching gift program helps extend the reach of our associates' generosity
- Supporting communities by sourcing meals from local customer-owned restaurants - more than 200 to date

### Customers

- Options for consumer loan and mortgage deferment or modifications on an individual, customized basis
- A 90-day moratorium on initiating foreclosure on all mortgages and home equity lines and loans
- Access to additional credit lines extended on a case-by-case basis
- Individualized, flexible credit card repayment and payment deferral options, as well as a balance transfer opportunity
- Increased mobile deposit limits
- Augmented relief program to ensure bank fees do not reduce stimulus proceeds for eligible customers
- Six-month term loan payment deferral option for current small business customers
- Processed and received approval for more than 3,000 applications for over \$1.4 billion in funded loans in the first wave of the Paycheck Protection Program
- Had more than 1,700 applications ready to process when the second wave opened up on April 27 to assist small business clients

# Earnings Summary – 1Q 2020



\$ in thousands, except share and per share data; unaudited

	1Q'20	4Q'19	1Q'19	% variance	
				vs. 4Q'19	vs. 1Q'19
Net interest income	\$ 173,941	\$ 172,363	\$ 163,868	0.9	6.1
Noninterest income	98,424	110,355	107,382	(10.8)	(8.3)
Total revenue	272,365	282,718	271,250	(3.7)	0.4
Noninterest expense	188,619	203,450	190,626	(7.3)	(1.1)
Provision for credit losses <sup>(1)</sup>	88,000	2,000	12,350	> 100.0	> 100.0
(Loss) income before taxes	(4,254)	77,268	68,274	(> 100.0)	(> 100.0)
Income tax (benefit) expense	(815)	10,753	10,530	(> 100.0)	(> 100.0)
<b>Net (loss) income</b>	<b>\$ (3,439)</b>	<b>\$ 66,515</b>	<b>\$ 57,744</b>	<b>(&gt; 100.0)</b>	<b>(&gt; 100.0)</b>
<b>Pre-tax, pre-provision income<sup>(3)</sup></b>	<b>\$ 83,746</b>	<b>\$ 79,268</b>	<b>\$ 80,624</b>	<b>5.6</b>	<b>3.9</b>
(Losses) earnings per share - diluted	\$ (0.07)	\$ 1.35	\$ 1.18		
Adjustments <sup>(2)</sup>	0.04	0.01	0.01		
Tax impact of adjustments <sup>(2)</sup>	(0.01)	-	-		
Operating earnings per share - diluted <sup>(2)</sup>	\$ (0.04)	\$ 1.36	\$ 1.19		
Pre-tax (losses) earnings per share - diluted	\$ (0.09)	\$ 1.57	\$ 1.39		
Adjustments <sup>(3)</sup>	1.81	0.04	0.26		
Pre-tax, pre-provision earnings per share - diluted <sup>(3)</sup>	\$ 1.72	\$ 1.61	\$ 1.65		
Dividends per share	0.31	0.31	0.30		
WASO (diluted)	48,689,876	49,187,291	48,998,571		
Book value per share	\$ 55.33	\$ 53.09	\$ 47.92		
Tangible book value per share <sup>(4)</sup>	\$ 51.04	\$ 48.84	\$ 43.95		

(1) The Company adopted ASU 2016-13 as of 1/1/2020. See additional information on slides 9-11.

(2) Non-GAAP adjustments include acquisition expense, severance expense, COVID-19 related expenses and the cumulative tax impact of these adjustments. See the non-GAAP reconciliations and additional information on slide 32.

(3) Non-GAAP adjustments include provision for credit losses. See the non-GAAP reconciliation and additional information on slide 33.

(4) Non-GAAP adjustments include goodwill and other intangibles, net. See non-GAAP reconciliation and additional information on slide 34.

# Noninterest Income – 1Q 2020

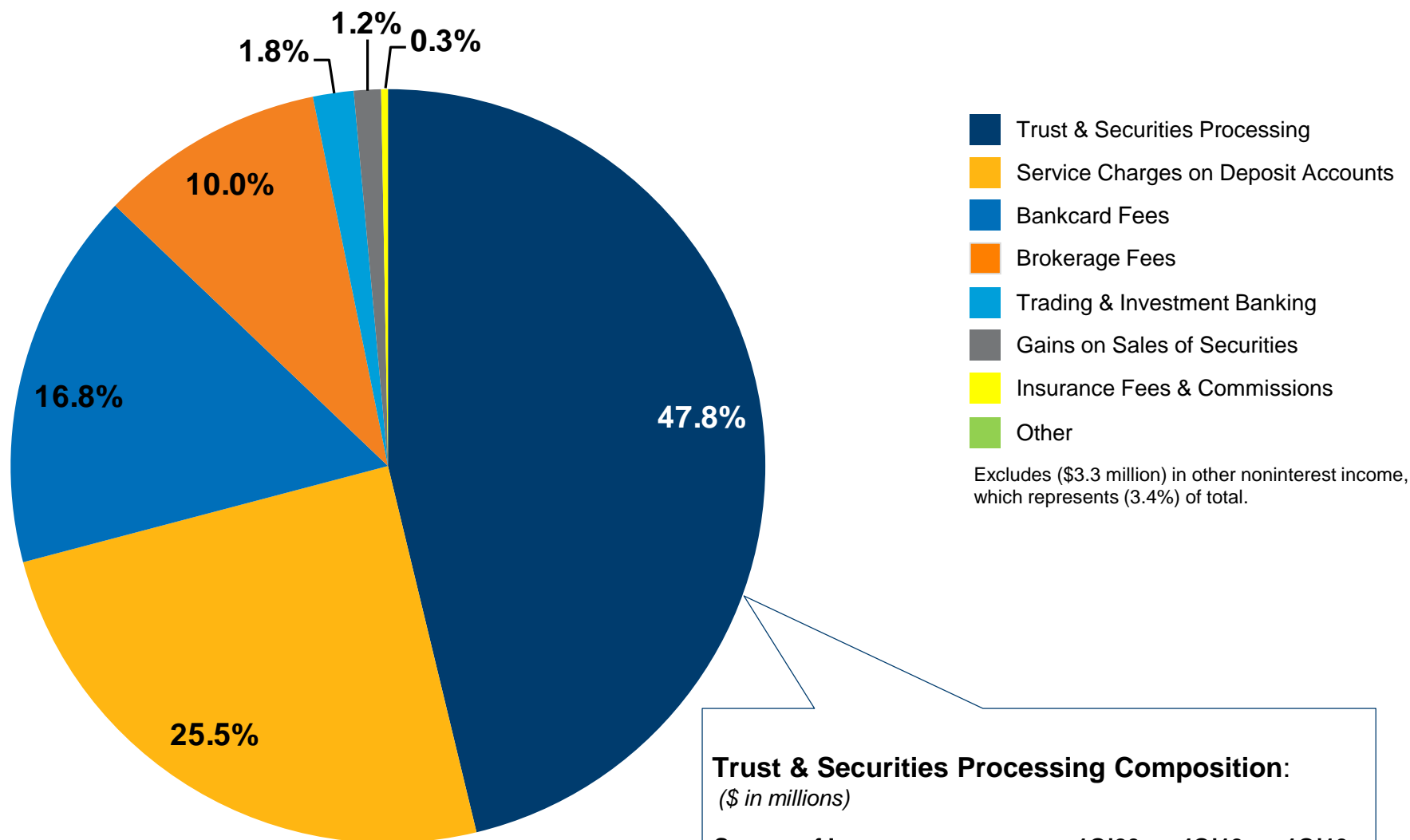


<i>\$ in thousands (unaudited)</i>	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Trust and securities processing</b>	\$ 47,000	\$ 46,835	\$ 45,218	\$ 42,903	\$ 41,957
<b>Trading and investment banking</b>	1,723	6,720	5,712	5,453	5,581
<b>Service charges on deposit accounts</b>	25,081	20,100	20,620	20,747	21,281
<b>Insurance fees and commissions</b>	259	511	320	465	338
<b>Brokerage fees</b>	9,860	8,839	8,102	7,077	7,243
<b>Bankcard fees</b>	16,545	16,326	16,895	16,439	17,067
<b>Gains (losses) on sales of securities</b>	1,227	755	3,057	(1,403)	809
<b>Other</b>	(3,271)	10,269	3,711	13,717	13,106
<b>Total noninterest income</b>	<b>\$ 98,424</b>	<b>\$ 110,355</b>	<b>\$ 103,635</b>	<b>\$ 105,398</b>	<b>\$ 107,382</b>

## 1<sup>st</sup> Quarter '20 Drivers

- As-stated noninterest income decreased \$11.9MM, or 10.8%, compared to 4Q'19, primarily driven by:
  - ❑ Reductions related to market valuation adjustments due to volatility, including a \$16.6MM decrease in company-owned life insurance income, a \$3.5MM reduction in income from UMB's trading portfolio, and an \$824k decrease in derivative income.
  - ❑ Partially offset by
    - An increase of \$5.7MM in healthcare service charge income related to customer transfer and conversion fees;
    - An increase of \$1.0MM in brokerage fees, primarily driven by higher 12b-1 income; and
    - An increase of \$2.0MM in equity earnings on alternative investments and a \$1.9MM gain on the sale of a building, both recorded in other income.
- Private Wealth new business AUM increased 36% linked-quarter and 80% vs. 1Q'19

# Noninterest Income Composition



## Trust & Securities Processing Composition: (\$ in millions)

Source of Income:	1Q'20	4Q'19	1Q'19
Personal Banking	\$ 15.7	\$ 16.2	\$ 15.3
Institutional Banking	<u>31.3</u>	<u>30.5</u>	<u>26.7</u>
	<b>\$ 47.0</b>	<b>\$ 46.8</b>	<b>\$ 42.0</b>

# Noninterest Expense – 1Q 2020



<i>\$ in thousands (unaudited)</i>	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Salaries and employee benefits</b>	\$ 111,060	\$ 120,806	\$ 110,153	\$ 114,454	\$ 116,032
<b>Occupancy, net</b>	12,180	12,249	12,240	11,539	11,743
<b>Equipment</b>	21,241	20,803	19,775	18,824	19,684
<b>Supplies and services</b>	4,185	6,280	4,261	4,285	3,873
<b>Marketing and business development</b>	4,640	8,385	5,655	7,304	4,913
<b>Processing fees</b>	13,390	13,351	13,619	13,096	12,132
<b>Legal and consulting</b>	6,110	10,001	8,374	7,496	5,633
<b>Bankcard</b>	4,860	4,061	4,643	4,701	4,345
<b>Amortization of other intangibles</b>	1,734	1,593	1,335	1,251	1,327
<b>Regulatory fees</b>	2,366	2,940	2,749	2,910	2,890
<b>Other</b>	6,853	2,981	8,593	7,527	8,054
<b>Total noninterest expense</b>	<b>\$ 188,619</b>	<b>\$ 203,450</b>	<b>\$ 191,397</b>	<b>\$ 193,387</b>	<b>\$ 190,626</b>
<b>Operating noninterest expense<sup>(1)</sup></b>	<b>\$ 186,616</b>	<b>\$ 202,778</b>	<b>\$ 191,213</b>	<b>\$ 193,020</b>	<b>\$ 190,029</b>

## 1<sup>st</sup> Quarter '20 Drivers

- Noninterest expense decreased \$14.8MM, or 7.3%, compared to 4Q'19, driven by:
  - ❑ A decrease of \$15.7MM in deferred compensation expense, the offset to the decrease in company-owned life insurance income;
  - ❑ A decrease of \$3.9MM in legal and consulting and \$3.7MM in marketing and business development expense due to the timing of multiple projects;
  - ❑ A decrease of \$1.4MM in postage expense.
  - ❑ These decreases were partially offset by
    - an increase of \$8.1MM related to seasonally higher payroll taxes, medical insurance and 401(k) expense; and
    - an increase of \$4.2MM in derivative expense.

(1) Operating noninterest expense, which excludes the impact of acquisition expense, severance expense and COVID-19 related expense, was \$186.6 million for the first quarter of 2020, a decrease of \$16.2 million, or 8.0 percent, compared to the linked quarter, and a decrease of \$3.4 million, or 1.8 percent, compared to the first quarter of 2019. See slide 32 for a reconciliation of this non-GAAP financial measure.





**Asset Quality**



## CECL Methodology and Key Assumptions

### Macroeconomic forecast

#### **Moody’s Baseline forecast as of March 27<sup>th</sup>**

- 50% probability the economy performs better or worse
- Catalysts: COVID-19, equity market turmoil and plunge in global oil prices
- GDP forecasted to contract 2.2% in 2020; 18% contraction in 2Q20 including a 10% benefit from stimulus bill
- Peak COVID-19 infections by May 2020, and beginning to abate by July
- 13.7% decline in real consumer spending in 2Q20; heavily affected industries include air transportation, amusement parks, spectator amusements, and restaurants and bars (7% of GDP)
- 50% of industries locked down in April, 40% in May, and 20% in June
- 2Q20 avg. national unemployment rate 8.7%, rebound to 6.3% in 3Q20; 6.6% in 2021
- 10-Year Treasury Yield average of 0.77% in 4Q20
- Fed Funds target rate unchanged at effective zero lower bound until 2022

### Key Variables

- |                       |  |
|-----------------------|--|
| • Unemployment rate   | • ~30 different portfolio models   |
| • 2-Year Treasury     | • Historical Industry loss experience data with scalars for commercial real estate portfolio |
| • 10-Year Treasury    | • 1 year reasonable & supportable period   |
| • BBB Corporate Yield |  |
| • Home Price Index    |  |

# CECL: Conservative & Prudent Reserve Build



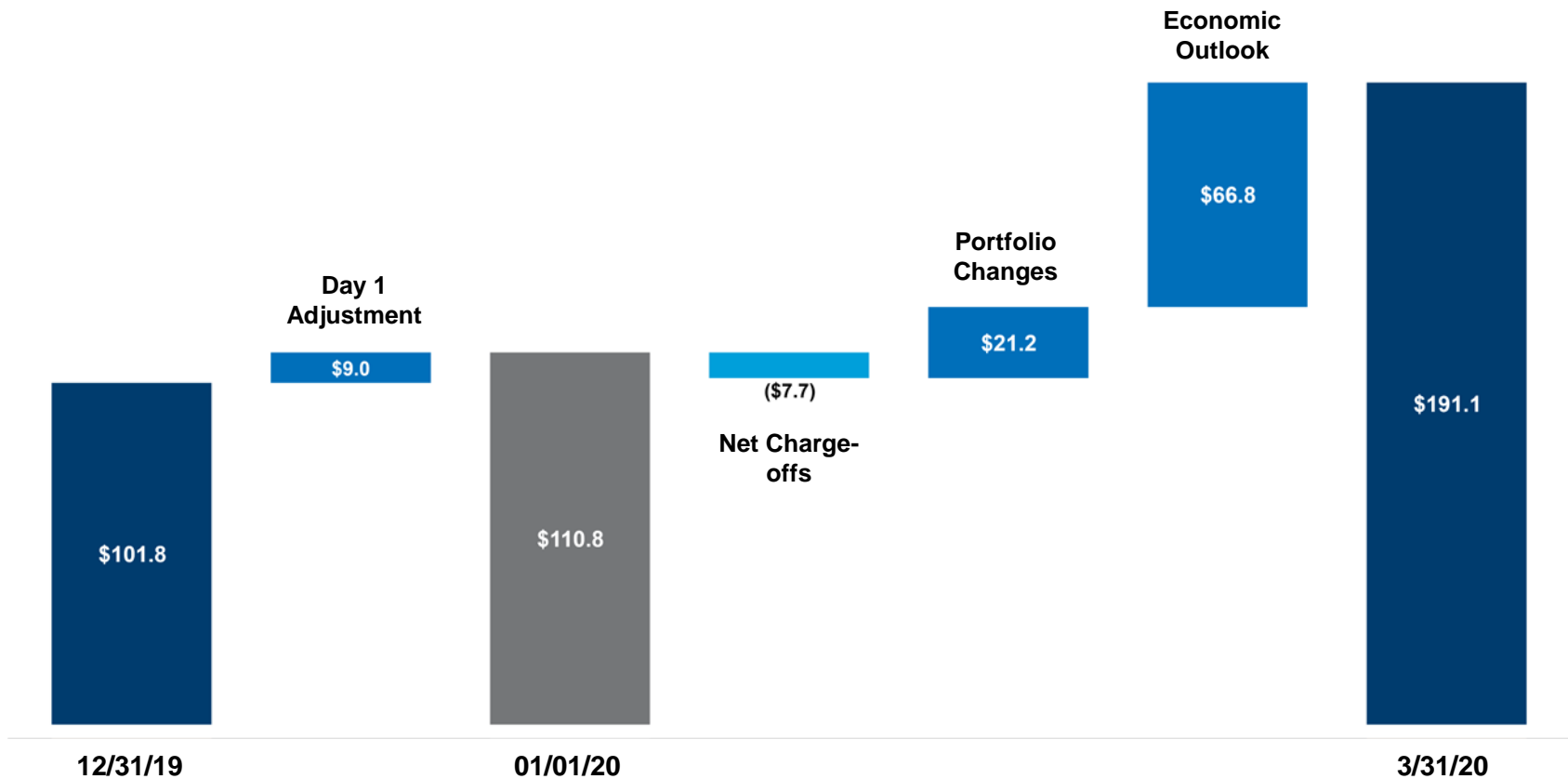
*\$ in millions*

1Q20	Balances	Allowance	% of total	ACL %
Commercial	\$11,236	\$157.9	83%	1.4%
National Businesses	\$523	\$3.6	2%	0.7%
Consumer real estate	\$1,445	\$4.2	2%	0.3%
Credit cards	\$374	\$18.8	10%	5.0%
Other	\$372	\$3.4	2%	0.9%
<b>Total Loans</b>	<b>\$13,950</b>	<b>\$187.9</b>	<b>98%</b>	<b>1.4%</b>
HTM Securities	\$1,114	\$3.2	2%	0.3%
<b>Total Loans &amp; HTM Securities</b>	<b>\$15,064</b>	<b>\$191.1</b>	<b>100%</b>	<b>1.3%</b>

- Commercial & Industrial loan portfolio accounted for more than two-thirds of the increase in reserves under COVID economic factors
- Commercial real estate accounted for 23% of the increase from Day 1 CECL reserves
- Ending allowance for credit losses of \$188 million equals 150% of projected loss estimates under severely adverse scenario; coverage ratio of 1.4% is 2.8x peak NCO rate during financial crisis
- 1Q'20 provision expense of \$88MM is 10.7x trailing 4-quarter avg provision and 11.5x 1Q'20 NCOs
- Elected 5-year regulatory capital phase-in under recently issued inter-agency guidance

# CECL: Drivers of Change to Allowance

## Allowance for Credit Losses (\$ in millions)





# Net Charge-Off History

## Annual

(\$ in thousands)	2010	2011	2012	2013	2014
Commercial Loans <sup>(1)</sup>	\$ 6,007	\$ 11,880	\$ 7,310	\$ 3,881	\$ 6,459
Consumer Credit Card	14,279	11,127	9,382	8,811	8,301
Other <sup>(2)</sup>	1,411	1,128	1,399	1,483	851
<b>Total Net Charge-Offs</b>	<b>\$ 21,697</b>	<b>\$ 24,135</b>	<b>\$ 18,091</b>	<b>\$ 14,175</b>	<b>\$ 15,611</b>
Average Total Loans	\$ 4,583.7	\$ 4,748.9	\$ 5,243.3	\$ 6,217.2	\$ 6,974.2
(\$ in millions)					
NCOs as % of Avg Loans	0.48%	0.51%	0.35%	0.23%	0.22%

(\$ in thousands)	2015	2016	2017	2018	2019
Commercial Loans <sup>(1)</sup>	\$ 3,415	\$ 9,192	\$ 24,463	\$ 57,618	\$ 28,970
Consumer Credit Card	6,753	6,706	7,141	6,873	6,005
Other <sup>(2)</sup>	329	6,096	441	3,228	(278)
<b>Total Net Charge-Offs</b>	<b>\$ 10,497</b>	<b>\$ 21,994</b>	<b>\$ 32,045</b>	<b>\$ 67,719</b>	<b>\$ 34,697</b>
Average Total Loans	\$ 8,424.0	\$ 9,986.2	\$10,841.5	\$11,604.6	\$12,759.4
(\$ in millions)					
NCOs as % of Avg Loans	0.12%	0.22%	0.30%	0.58%	0.27%

## Quarterly

(\$ in thousands, unaudited)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Commercial Loans <sup>(1)</sup>	\$ 10,537	\$ 11,790	\$ 568	\$ 6,075	\$ (120)
Consumer Credit Card	1,676	1,336	1,377	1,616	1,601
Other <sup>(2)</sup>	111	(557)	241	(73)	6,191
<b>Total Net Charge-Offs</b>	<b>\$ 12,324</b>	<b>\$ 12,569</b>	<b>\$ 2,186</b>	<b>\$ 7,618</b>	<b>\$ 7,672</b>
Average Total Loans	\$12,301.7	\$12,617.3	\$12,884.5	\$13,222.7	\$13,609.7
(\$ in millions)					
NCOs as % of Avg Loans	0.41%	0.40%	0.07%	0.23%	0.23%

(1) Commercial Loans includes commercial and industrial, commercial credit card, asset-based and factoring loans.

(2) Other includes all real-estate related loans (commercial, residential and HELOC), plus consumer loans and DDA charge-offs.

## Commercial Banking Credit Line Draws & Utilization

<i>\$ in millions</i>	Dec '19	Jan '20	Feb '20	Mar '20	Apr 16 '20
Net Draws vs. Prior Month End	\$115.8	\$43.9	\$72.1	\$271.5	(\$2.1)
Utilization	39%	38%	38%	41%	39%

## Loan Modifications

<i>\$ in millions</i>	# of notes	\$ Volume
C&I and CRE	219	\$812.0
Business Banking	981	\$420.0
Commercial Bankcard	34	\$2.0
Consumer Bankcard	344	\$2.0
Other Consumer	127	\$12.0
In Process Modifications	167	\$448.0
<b>Total</b>	<b>1,872</b>	<b>\$1,696.0</b>

- Modification requests represent ~12% of loan portfolio
- Business banking – proactive outreach to provide deferrals

## Paycheck Protection Program

<i>\$ in millions</i>	Applications	\$ Volume
First round	3,063	\$1,430.0
Second round - began April 27	1,700+	<i>pending</i>

- Size \$2k - \$10M
- Median size \$122k
- Actively working to process applications in second round





# Balance Sheet



# Select Balance Sheet Items

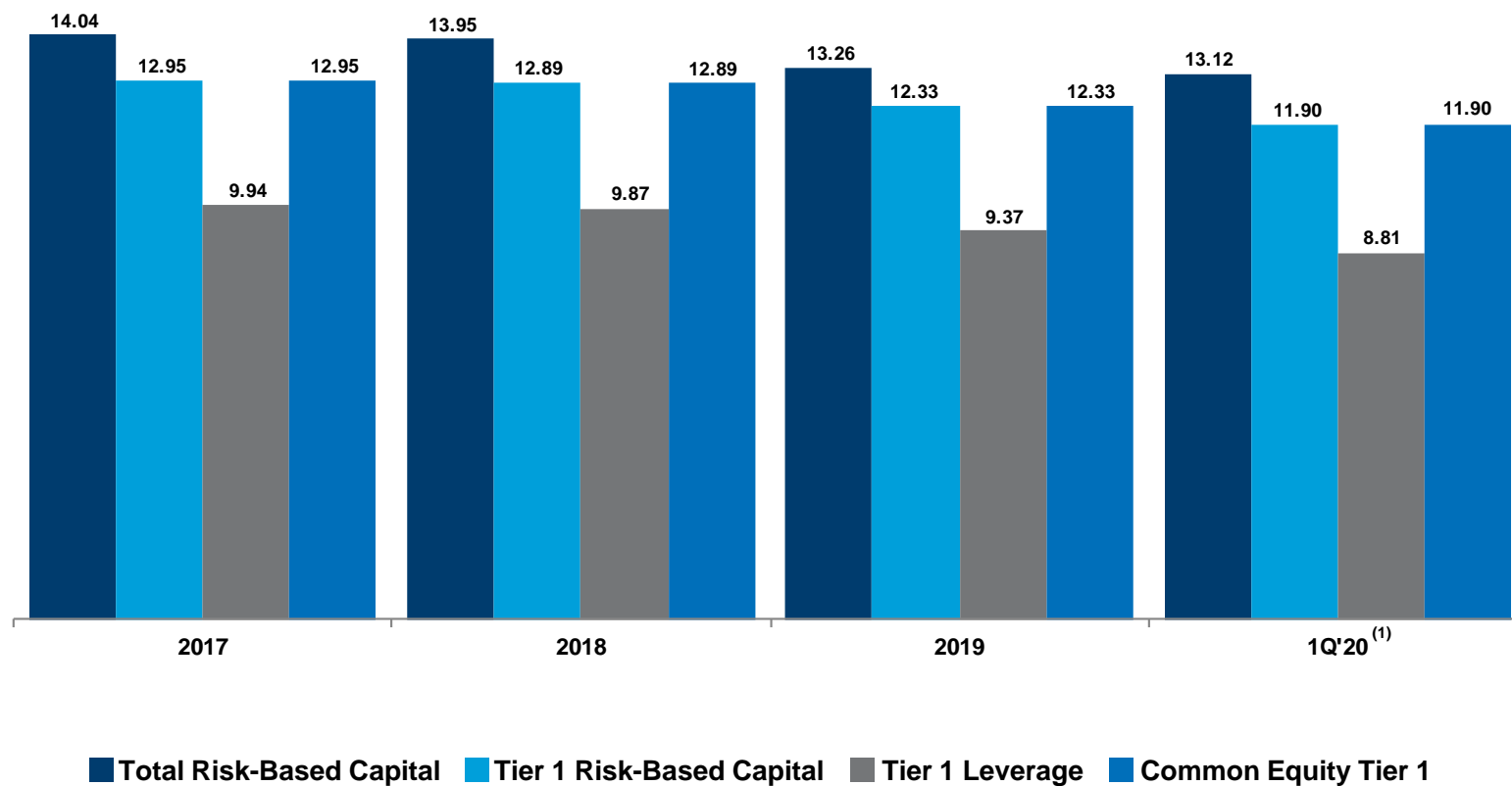


\$ in thousands, average balances; unaudited

## Three Months Ended

	March 31, 2020		December 31, 2019		March 31, 2019		% variance	
	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	vs. 4Q'19	vs. 1Q'19
<b>Assets</b>								
Loans, net of unearned interest	\$ 13,616,566	4.46	\$ 13,231,884	4.69	\$ 12,303,154	5.18	2.9	10.7
Total securities	8,805,562	2.68	8,704,862	2.65	7,970,693	2.65	1.2	10.5
Total earning assets	24,473,287	3.58	23,464,028	3.76	21,457,319	4.10	4.3	14.1
Allowance for credit losses	(112,751)		(109,967)		(105,444)		2.5	6.9
<b>Total assets</b>	<b>\$ 26,039,926</b>		<b>\$ 25,071,023</b>		<b>\$ 22,854,152</b>		<b>3.9</b>	<b>13.9</b>
<b>Liabilities and Shareholders' Equity</b>								
Interest-bearing deposits	\$ 14,330,150	0.83	\$ 13,988,241	1.01	\$ 12,733,114	1.21	2.4	12.5
Total interest-bearing liabilities	16,472,126	0.91	15,740,828	1.10	14,370,100	1.34	4.6	14.6
Noninterest-bearing demand deposits	6,495,611		6,398,309		5,989,215		1.5	8.5
Shareholders' equity	2,720,952		2,599,115		2,235,593		4.7	21.7
<b>Total liabilities and shareholders' equity</b>	<b>\$ 26,039,926</b>		<b>\$ 25,071,023</b>		<b>\$ 22,854,152</b>		<b>3.9</b>	<b>13.9</b>
Net interest spread		2.67		2.66		2.76		
Net interest margin		2.97		3.02		3.20		

## Capital Ratio Trends (%)

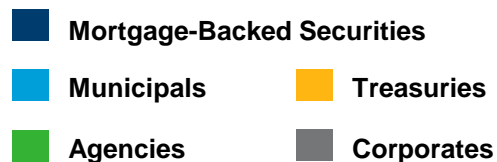
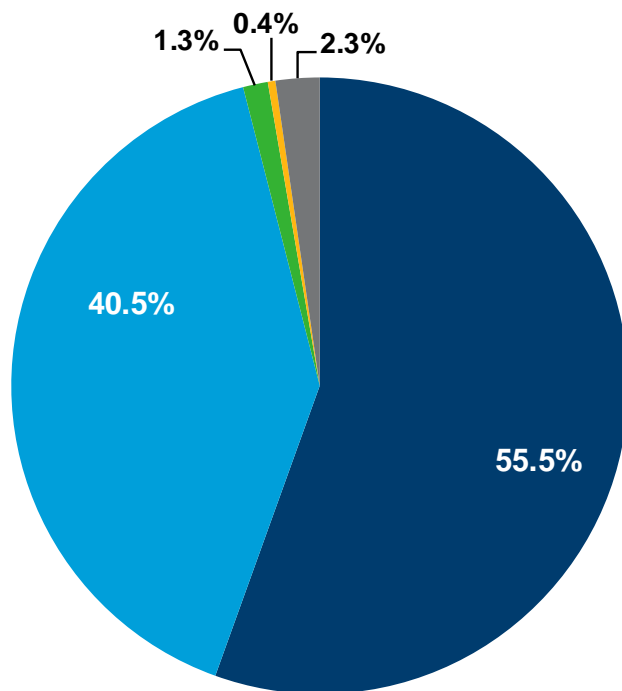


(1) These ratios are reflective of the Company's election to utilize the 5-year regulatory capital phase-in of the adoption of ASU 2016-13 under recently issued inter-agency guidance.

# High Quality Investment Portfolio

## Securities Available for Sale

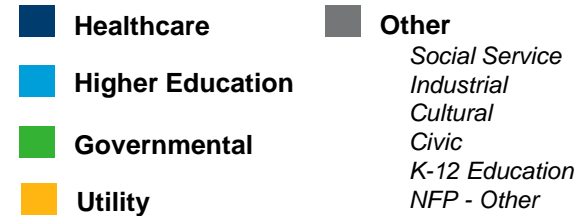
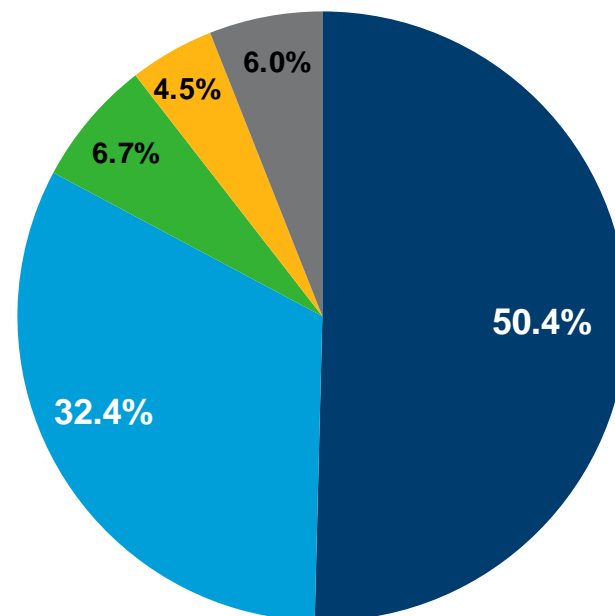
\$7.6 billion at March 31, 2020



Average Balance: \$7.5 billion  
Average Yield: 2.62%  
Duration: 50 months

## Securities Held to Maturity

\$1.1 billion at March 31, 2020



Average Balance: \$1.1 billion  
Average Yield: 3.16%  
Duration: 70 months

### Total Portfolio

Average Yield: 2.67%  
Duration: 53 months



## AFS Portfolio Activity

<i>\$ in millions</i>	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Roll off / Cash Flow <sup>(1)</sup></b>	\$ 309	\$ 462	\$ 254	\$ 267	\$ 267
<b>Roll off yield</b>	2.30%	2.43%	2.19%	2.03%	2.11%
<b>Purchased <sup>(2)</sup></b>	\$ 327	\$ 446	\$ 261	\$ 268	\$ 262
<b>Purchase yield</b>	2.39%	2.69%	2.99%	3.35%	3.66%

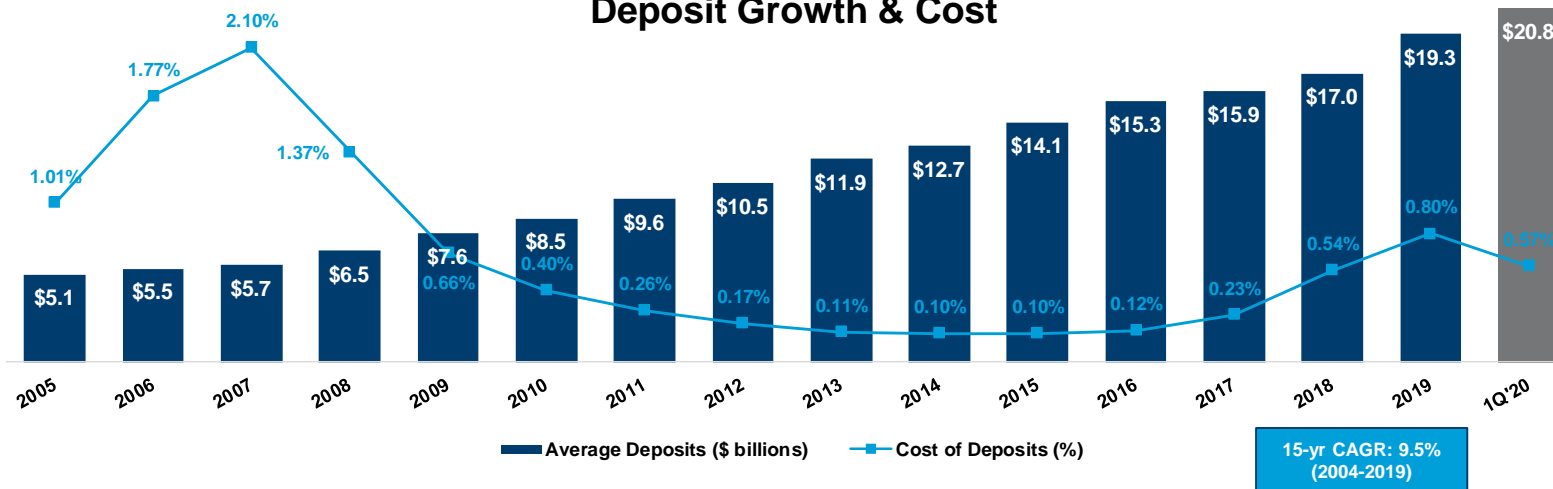
<b>Forward-looking expectations</b>	2Q'20	Next 12 months
<b>Roll off / Cash Flow</b>	\$ 403	\$ 1,752
<b>Roll off yield</b>	2.27%	2.26%

<sup>(1)</sup> Roll off includes cash flow from maturities, calls or amortizations of securities and is presented net of sales.

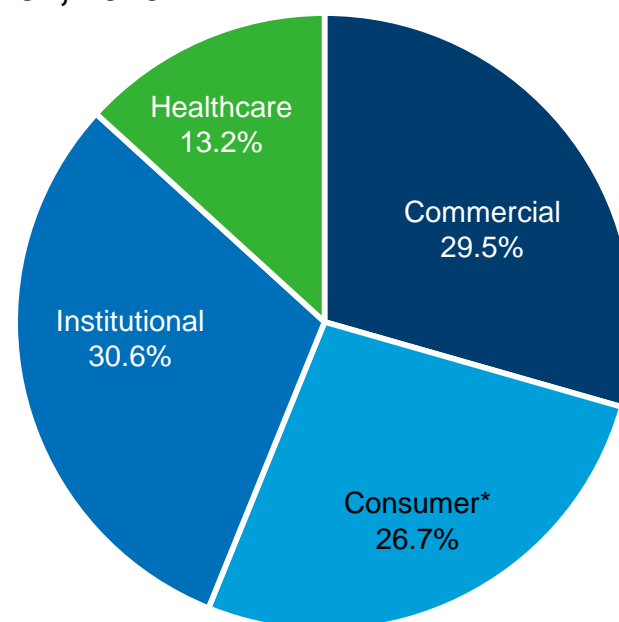
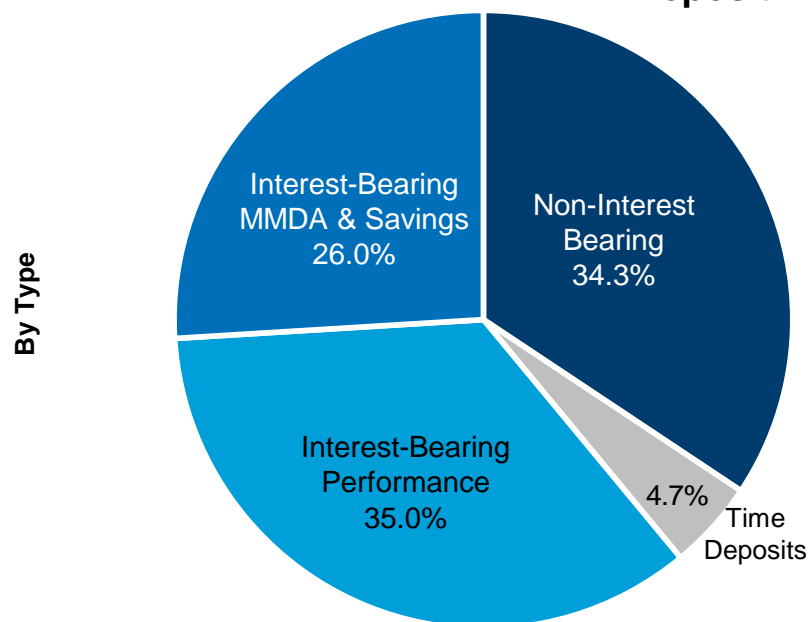
<sup>(2)</sup> Purchased amount is presented net of purchases made related to sales.

# Deposit Trends and Composition

## Deposit Growth & Cost

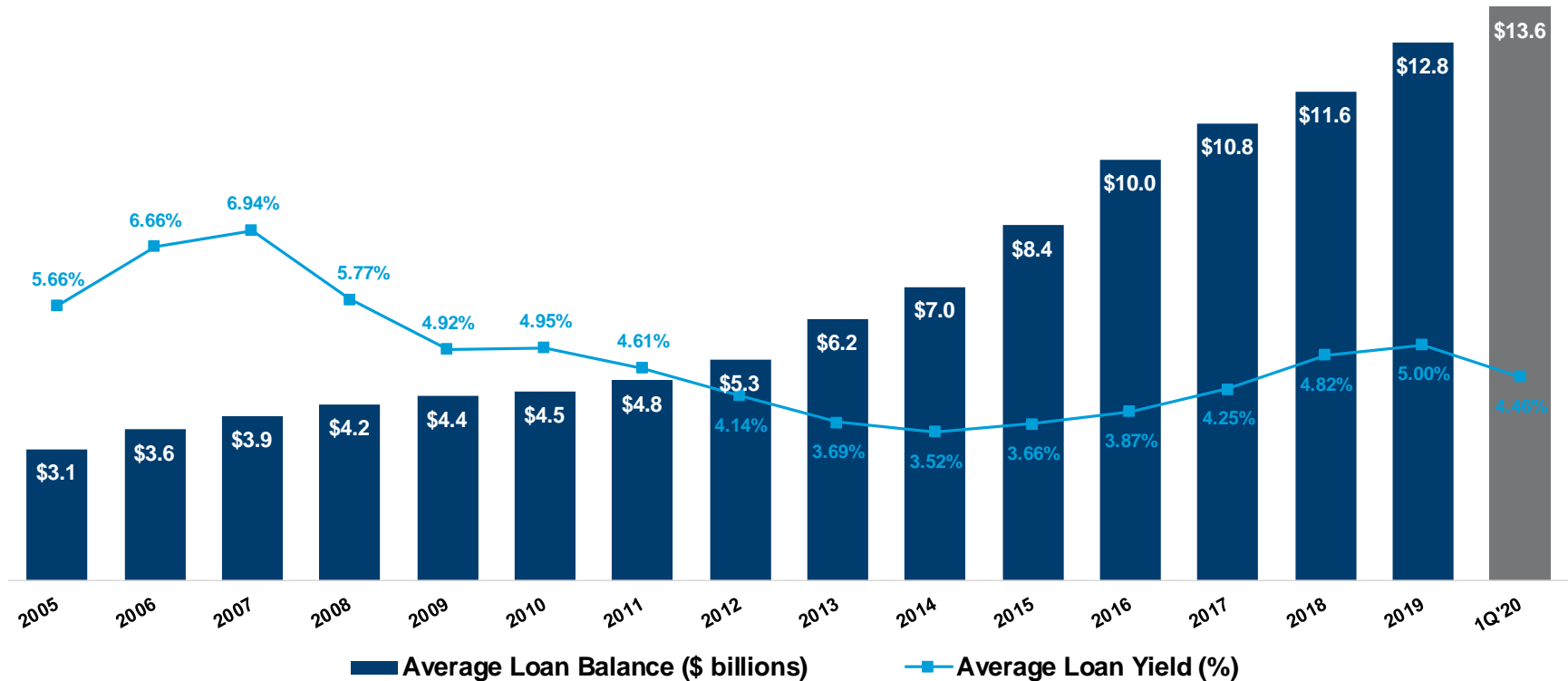


## Deposit Mix at March 31, 2020



\* Includes consumer banking, private wealth and small business

## Average Loans & Yields

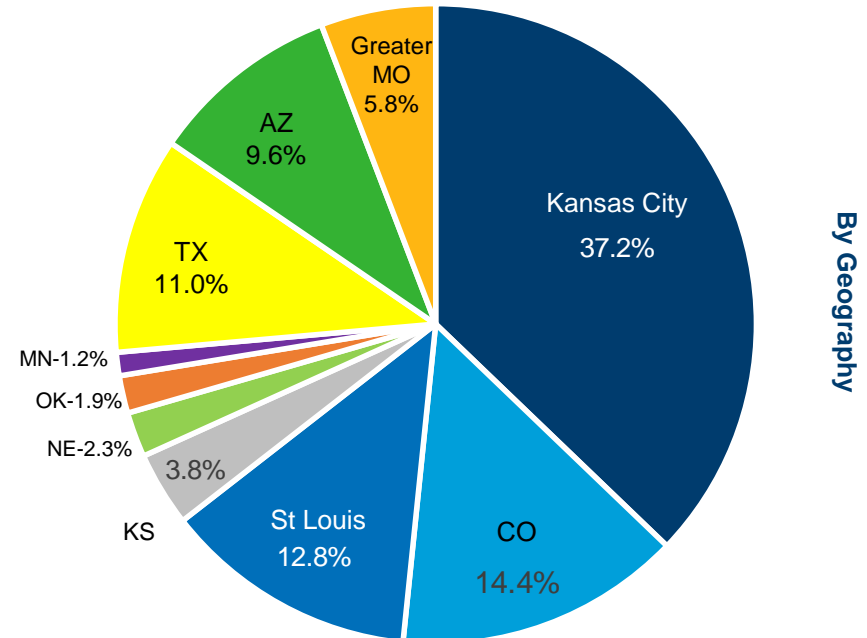
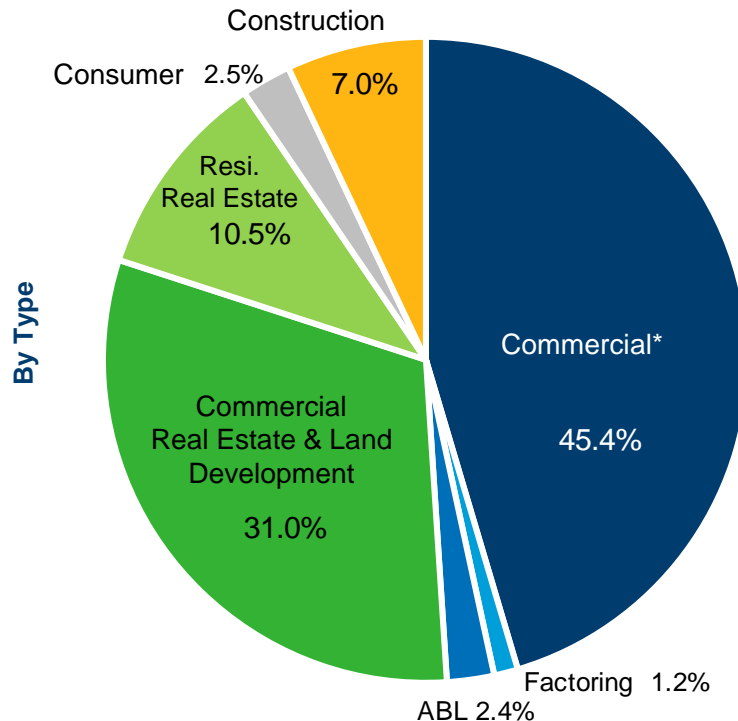


### Long-Term Track Record

15-yr CAGR: 10.7%  
(2004-2019)



## Loan Mix at March 31, 2020



\* Includes C&I, leases and commercial credit card.

## Variable Rate Loans

64% of loans are variable, \$8.9 billion at March 31, 2020

- Tied to LIBOR for the next quarter: 68% or ~\$6.1 billion
- Tied to Prime for the next quarter: 31% or ~\$2.8 billion

## Loan Repricing / Maturity Schedule

- 55% of loans reprice in 2Q 2020
- 65% of loans reprice in the next 12 months

# Quarterly Loan Activity



<i>\$ in millions</i>	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Gross Loan Production</b>	815.9	1,021.6	850.3	844.2	930.4
<b>Revolving Balance Changes</b>	320.6	29.9	(143.6)	8.3	(139.9)
<b>Net Charge-offs</b>	(7.7)	(7.6)	(2.2)	(12.6)	(12.3)
<b>Payoffs</b>	(318.6)	(385.8)	(274.4)	(287.3)	(194.2)
<b>Paydowns</b>	(292.2)	(270.2)	(286.6)	(202.0)	(212.5)
<b>Net Loan Growth</b>	518.0	387.9	143.5	350.6	371.5
<b>End-of-Period Total Loans</b>	\$13,949.7	\$13,431.7	\$13,043.8	\$12,900.3	\$12,549.7
<b>Paydowns/Payoffs as a % of Loans</b>	4.4%	4.9%	4.3%	3.8%	3.2%

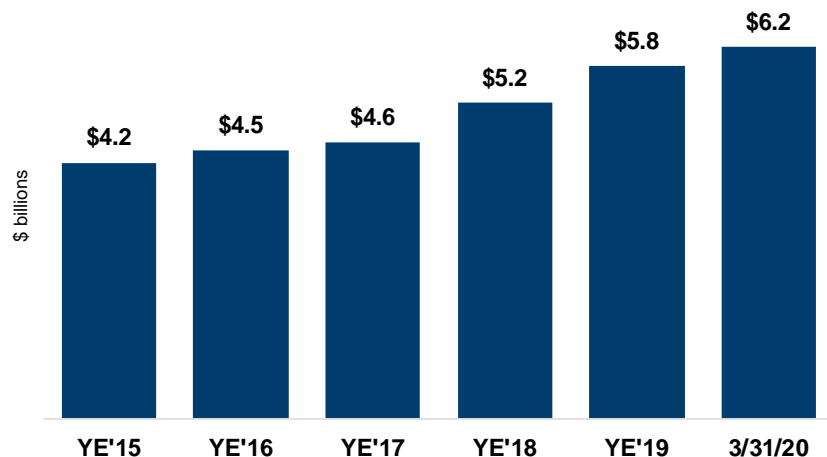
# Commercial & Industrial Loan Portfolio



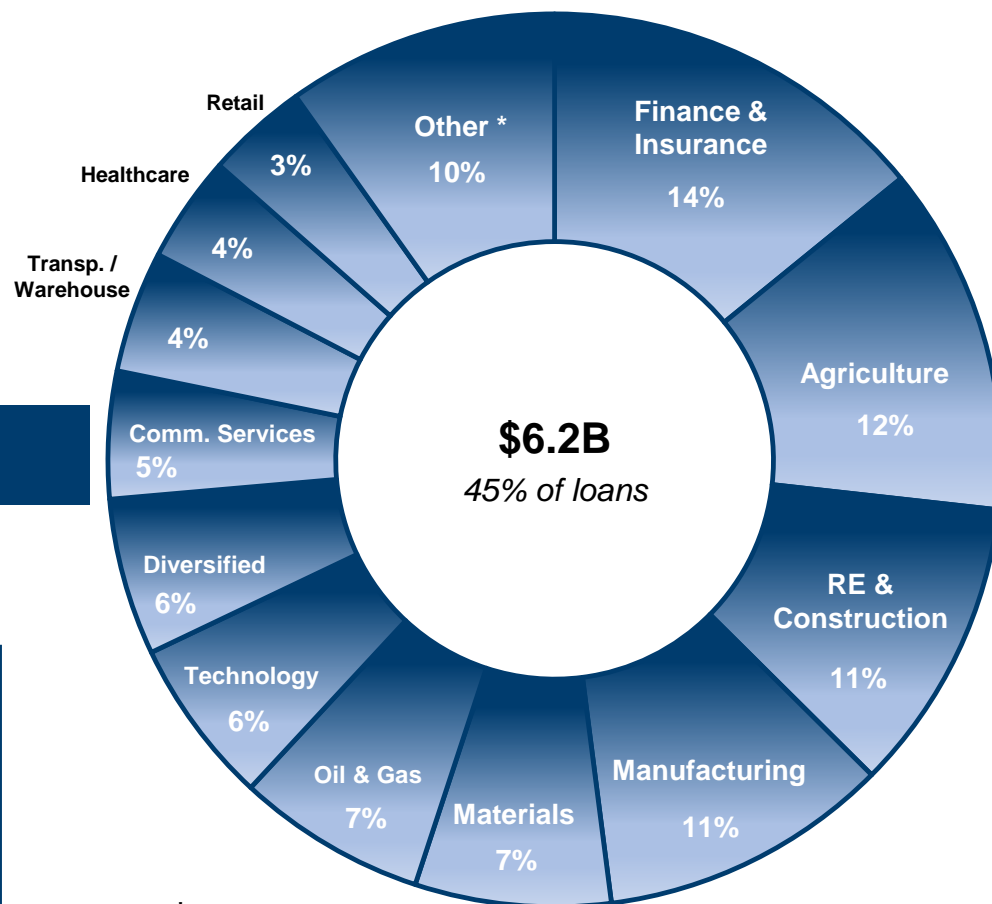
## C&I Portfolio Statistics

- C&I loans (including leases) at 03/31/20: \$6.2 billion, 45% of total UMB loans
- Average loan size: \$4.2 million
- Considerations
  - Internal limits on loan size and projects per sponsor
  - Concentration guidelines for all lending verticals, monitored for changing conditions

## C&I Growth Trends



## C&I Industry Composition



### \* Other - 10%

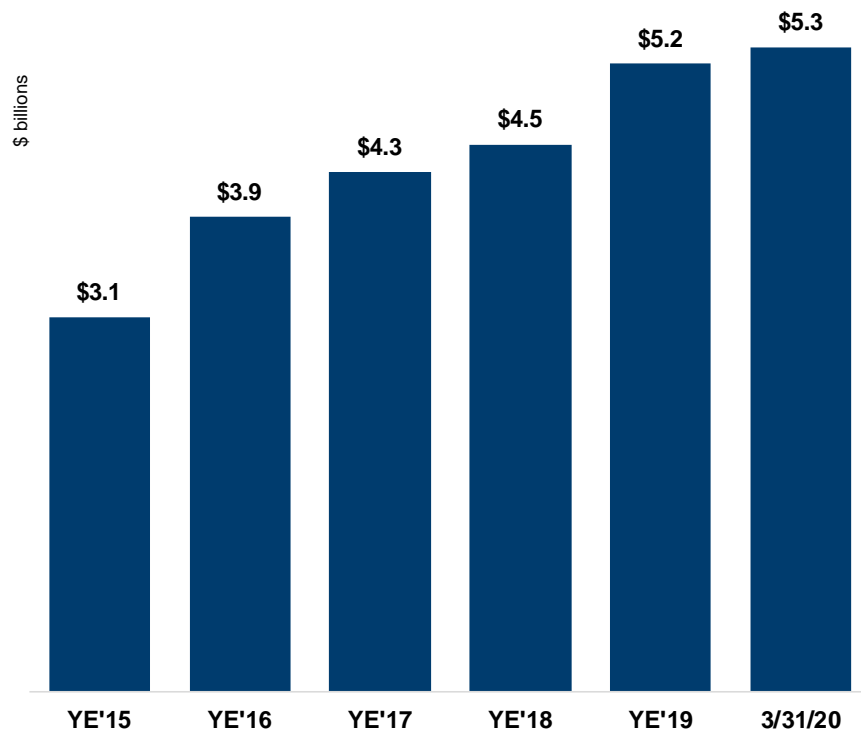
- Auto-Related: 3.0%
- Food/Bev Manufacturing: 2.5%
- Entertain/Recreation: 2.1%
- Government/Education: 1.3%
- Consumer Services: 0.4%
- Utilities: 0.4%
- Textile Manufacturing: 0.3%



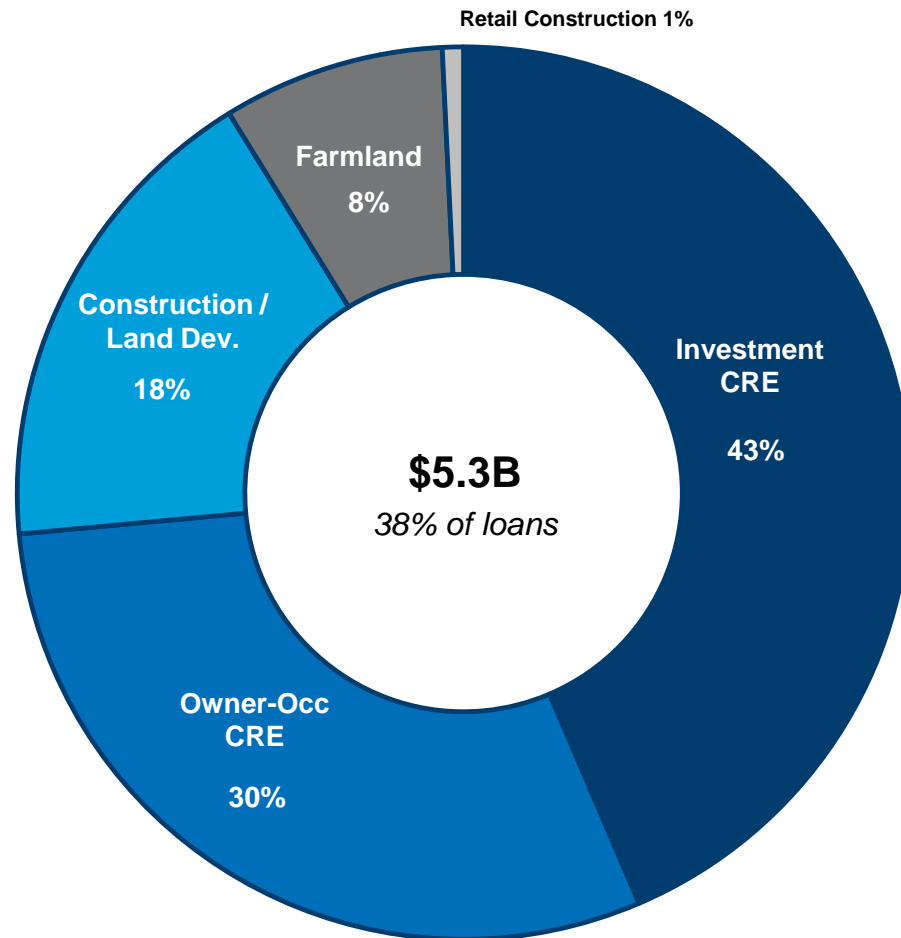
## CRE Growth Trends

Commercial Real Estate & Construction at 03/31/20

\$5.3 billion, 38% of total UMB loans



## Total CRE Composition



Investment CRE and construction / land development managed by Real Estate Group (“REG”); details on following slide

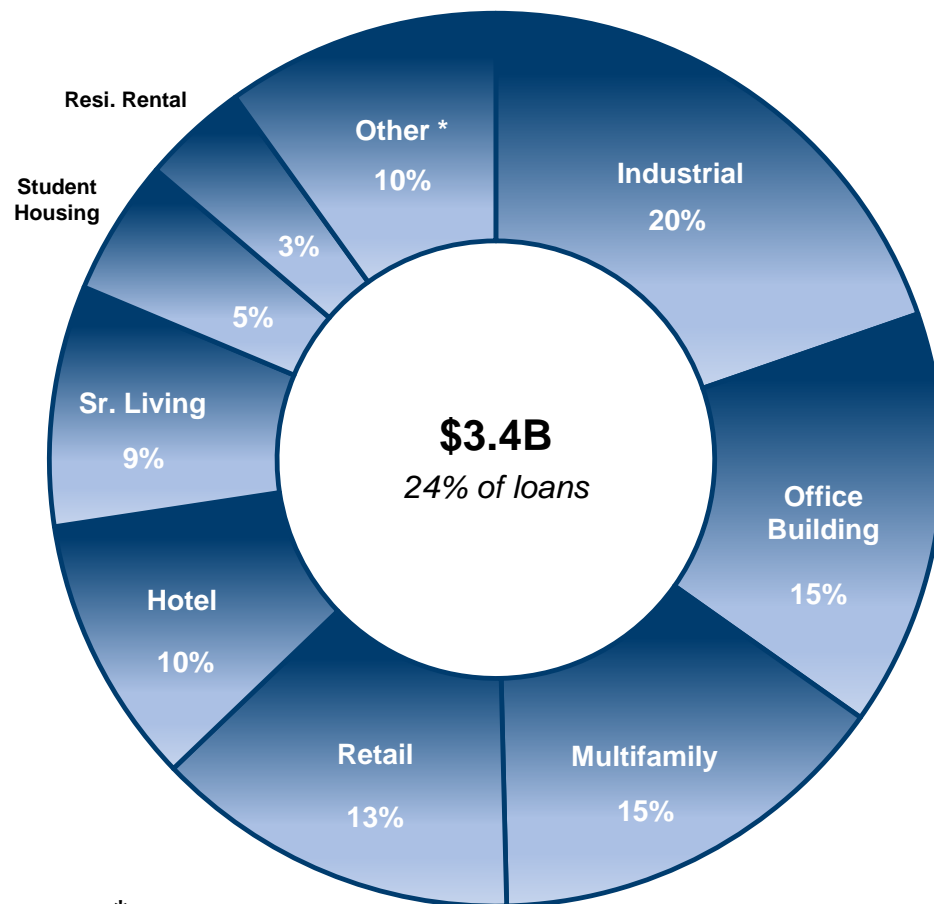
## Real Estate Group Overview

- Investment CRE and Construction/Development loans \$3.4 billion, 24% of total UMB loans
- Average Loan-to-value: 63%
- Recourse: 91% of portfolio

### Regulatory Concentrations:

- Total non-farmland CRE / Total RBC: 143%
- Construction & Development Loans / Total RBC: 42%

## UMB Investment CRE Composition

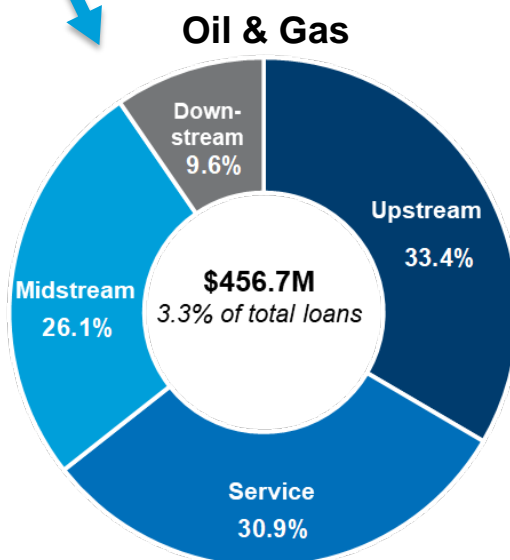


### \* Other - 10%

- Self Storage: 2.1%
- Mixed Use: 1.9%
- Home Builder for-sale: 1.7%
- Healthcare: 1.5%
- Special Purpose: 1.5%
- Vacant Land: 1.2%
- Manufactured Housing Park: 0.1%

# Exposure to Sensitive Industries

Loan Verticals	Outstanding at 3/31/20	% of total UMB loans	Potentially More Impacted Subset *	% of total UMB loans	Reasons for Excluding Portion of Balances	Notes / Considerations
\$ millions						
Multifamily/Student Housing CRE	\$663.8	4.8%	\$361.6	2.6%	31% top sponsor guaranteed; 14% under construction**	87% recourse, largely Class A properties; weighted average LTVs 59% multifamily/67% student housing
Retail CRE	\$444.6	3.2%	\$235.7	1.7%	90% recourse; 47% top sponsor guaranteed; 3% under construction**	90% recourse; 38% grocery-anchored
Hotel CRE	\$328.2	2.4%	\$200.8	1.4%	23% top sponsor guaranteed; 16% under construction**	100% recourse; flagged properties, majority limited service hotels; weighted average LTV 62%
Transportation C&I	\$293.4	2.1%	\$198.4	1.4%	32% to clients with top industry positioning, strong net worth and liquidity	Well-diversified, largely truck and warehouse; <1% passenger travel or tour-related
<b>Subtotal</b>	<b>\$1,730.0</b>	<b>12.4%</b>	<b>\$996.5</b>	<b>7.1%</b>		
Oil and Gas	\$456.7	3.3%	\$215.0	1.5%	Strong equity sponsors and many customers hedged against oil prices	Service sector and some upstream more vulnerable
<b>Total</b>	<b>\$2,186.7</b>	<b>15.7%</b>	<b>\$1,211.5</b>	<b>8.7%</b>		



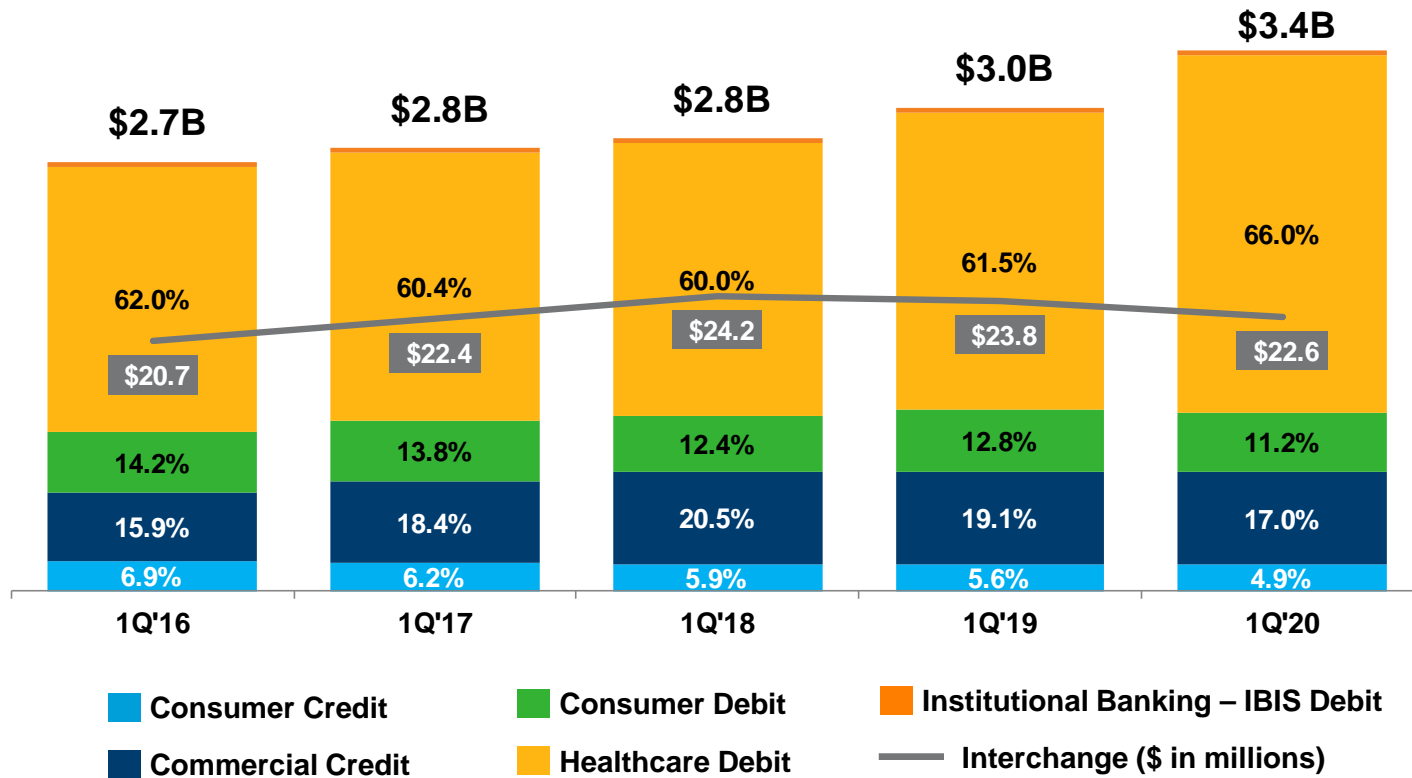
- Proactive dialog and customized solutions for clients
- Continuous monitoring of customer liquidity and outlooks for at-risk portfolios

\* We analyzed our portfolios in each category for specific characteristics based on what is currently known, such as guarantees, recourse, liquidity positions and hedging strategies that provide protection, as well as those which may carry more risk if the current environment is prolonged. This “more impacted subset” are balances that we’re monitoring more closely.

\*\* Excludes construction properties that will come to market within 6 months.



## Purchase Volume & Interchange Revenue

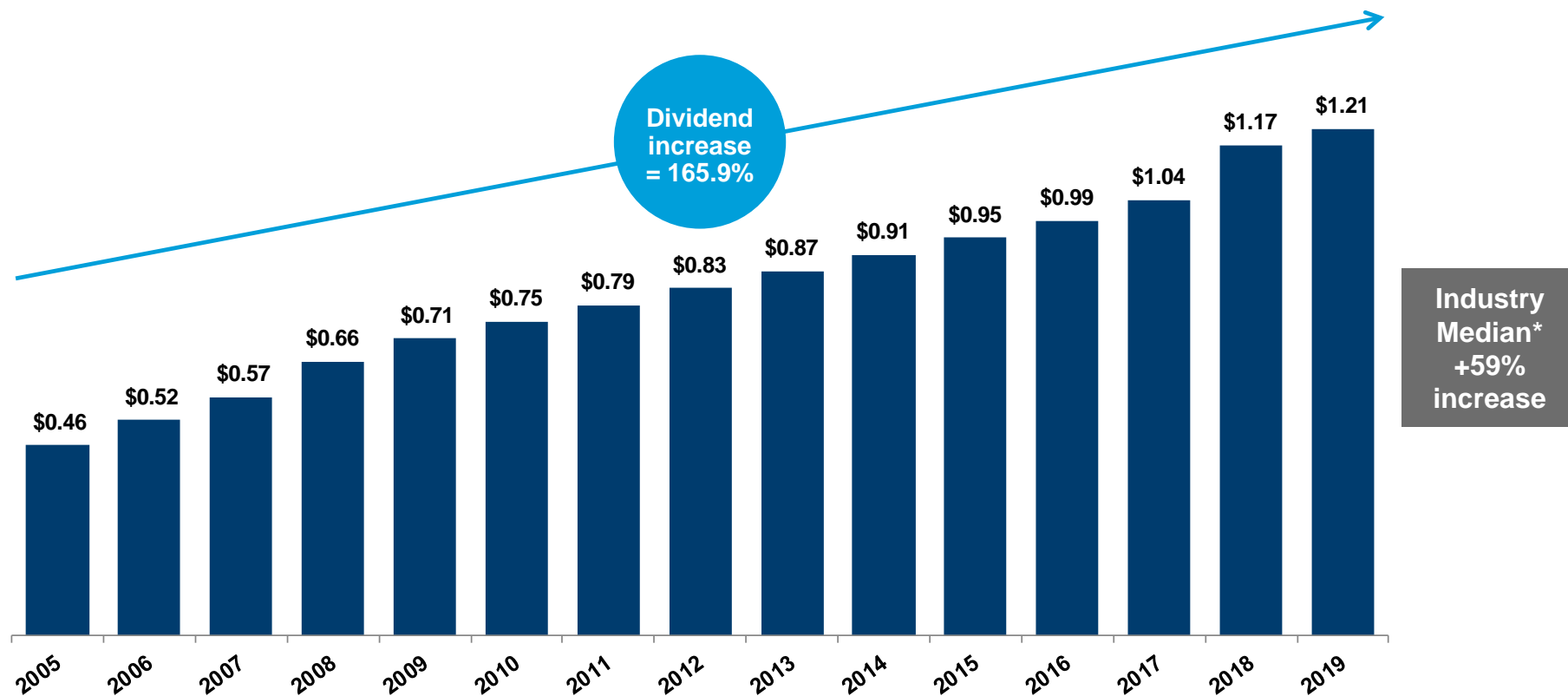




# Appendix

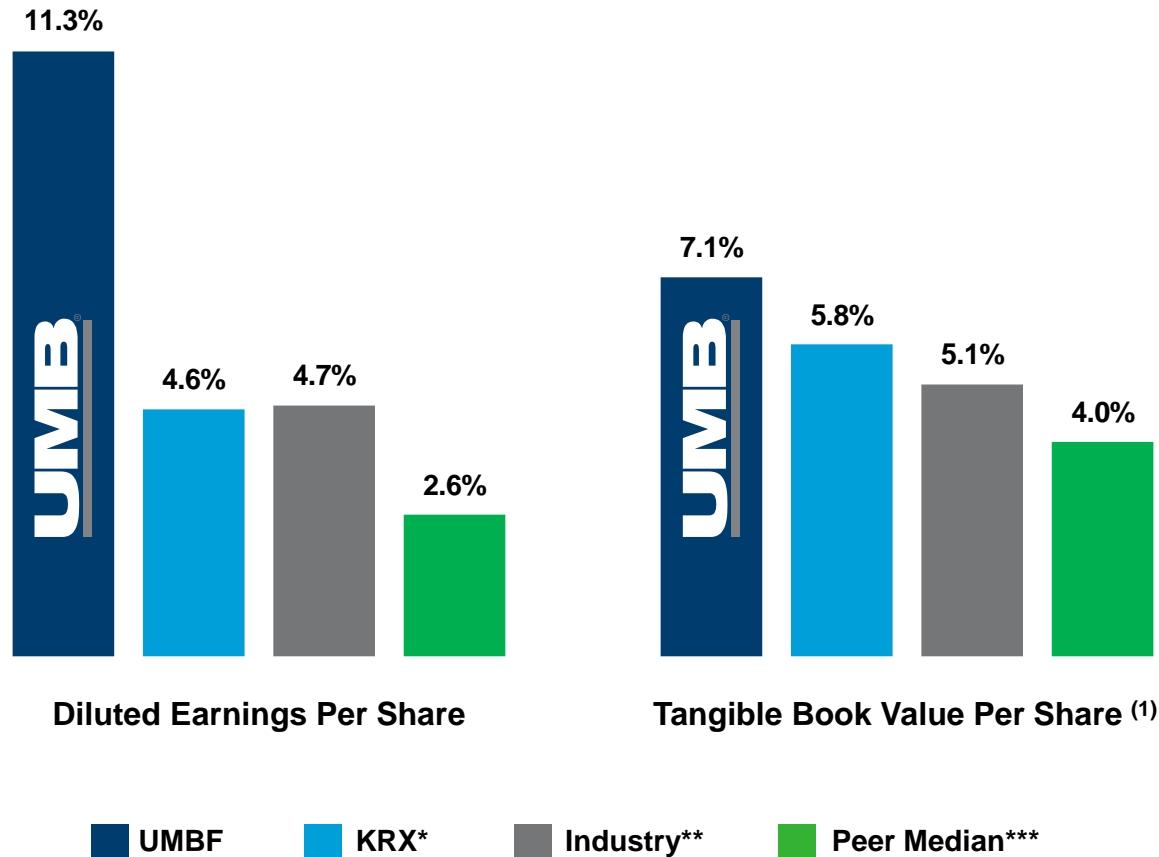
# Returning Capital to Our Shareholders

## Annual Dividends Declared 2005 - 2019





## 15-Year Compound Annual Growth Rates 2004 - 2019



Data as available at time of printing, 01/25/20. <sup>(1)</sup> See reconciliation of tangible book value per share on slide 34.

\*KBW Nasdaq Regional Bank Index (50 banks); \*\*All publicly-traded banks with data reported for both 2004 and 2019; \*\*\*UMB traditional peer group (15 banks).

Source: S&P Global.

In this presentation, we provide information about pre-tax pre-provision income, net operating (loss) income, operating (losses) earnings per share-diluted (operating EPS-diluted), operating return on average equity (operating ROE), operating return on average assets (operating ROA), operating noninterest expense, operating efficiency ratio, pre-tax, pre-provision earnings per share-diluted (PTPP EPS), tangible shareholders' equity, tangible assets, tangible common equity ratio and tangible book value per share, all of which are non-GAAP financial measures. This information supplements the results that are reported according to generally accepted accounting principles in the United States (GAAP) and should not be viewed in isolation from, or as a substitute for, GAAP results. The differences between the non-GAAP financial measures and the nearest comparable GAAP financial measures are reconciled on the next 3 slides. The Company believes that these non-GAAP financial measures and the reconciliations may be useful to investors because they adjust for acquisition-, severance-, and COVID-19 related items that management does not believe reflect the Company's fundamental operating performance. COVID-19 related expense includes hazard pay for branch associates, computer hardware expense to support associates working remotely, and additional cleaning and janitorial supplies to disinfect the Company's premises.

- Pre-tax pre-provision income for the relevant period is defined as GAAP net income, adjusted to reflect the impact of excluding income tax and provision expense.
- Net operating (loss) income for the relevant period is defined as GAAP net (loss) income, adjusted to reflect the impact of excluding expenses related to acquisitions, severance expense, COVID-19 related expense, and the cumulative tax impact of these adjustments.
- Operating EPS-diluted is calculated as diluted (losses) earnings per share as reported, adjusted to reflect, on a per share basis, the impact of excluding the non-GAAP adjustments described above for the relevant period.
- Operating ROE is calculated as net operating (loss) income, divided by the Company's average total shareholders' equity for the relevant period.
- Operating ROA is calculated as net operating (loss) income, divided by the Company's average assets for the relevant period.
- Operating noninterest expense for the relevant period is defined as GAAP noninterest expense, adjusted to reflect the pre-tax impact of non-GAAP adjustments described above.
- Operating efficiency ratio is calculated as the Company's operating noninterest expense, net of amortization of other intangibles, divided by the Company's total non-GAAP revenue (which is calculated as net interest income plus noninterest income, less gains on sales of securities available for sale, net).
- Tangible book value per shares is defined as the Company's total shareholders' equity, net of intangible assets, divided by the Company's total shares outstanding.
- Tangible common equity ratio is calculated as the Company's total shareholders' equity, net of intangible assets, divided by the Company's total assets, net of intangible assets.

# Non-GAAP Reconciliations



## Net Operating Income

(unaudited, \$ in thousands except per share data)

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Net (loss) income (GAAP)	\$ (3,439)	\$ 66,515	\$ 57,744
Adjustments:			
Acquisition expense	123	100	27
Severance expense	1,652	572	570
COVID-19 related expense	228	-	-
Tax impact of adjustments (i)	(445)	(149)	(133)
Total Non-GAAP adjustments (net of tax)	1,558	523	464
Net operating (loss) income (Non-GAAP)	\$ (1,881)	\$ 67,038	\$ 58,208
(Losses) earnings per share - diluted	\$ (0.07)	1.35	\$ 1.18
Acquisition expense	-	-	-
Severance expense	0.04	0.01	0.01
COVID-19 related expense	-	-	-
Tax impact of adjustments (i)	(0.01)	-	-
Operating (losses) earnings per share - diluted (Non-GAAP)	\$ (0.04)	\$ 1.36	\$ 1.19
GAAP			
Return on average assets	-0.05%	1.05%	1.02%
Return on average equity	-0.51%	10.15%	10.48%
Non-GAAP			
Operating return on average assets	-0.03%	1.06%	1.03%
Operating return on average equity	-0.28%	10.23%	10.56%

(i) Calculated using the Company's marginal tax rate of 22.2%.

## Operating Noninterest Expense & Efficiency Ratio

(unaudited, \$ in thousands)

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Noninterest expense (GAAP)	\$ 188,619	\$ 203,450	\$ 190,626
Adjustments (pre-tax):			
Acquisition expense	123	100	27
Severance expense	1,652	572	570
COVID-19 related expense	228	-	-
Total Non-GAAP adjustments (pre-tax)	2,003	672	597
Operating noninterest expense (Non-GAAP)	\$ 186,616	\$ 202,778	\$ 190,029
Noninterest expense	\$ 188,619	\$ 203,450	\$ 190,626
Less: Amortization of other intangibles	1,734	1,593	1,327
Noninterest expense, net of amortization of other intangibles (Non-GAAP) (numerator A)	\$ 186,885	\$ 201,857	\$ 189,299
Operating noninterest expense (Non-GAAP)	\$ 186,616	\$ 202,778	\$ 190,029
Less: Amortization of other intangibles	1,734	1,593	1,327
Operating expense, net of amortization of other intangibles (Non-GAAP) (numerator B)	\$ 184,882	\$ 201,185	\$ 188,702
Net interest income	\$ 173,941	\$ 172,363	\$ 163,868
Noninterest income	98,424	110,355	107,382
Less: Gains (losses) on sales of securities available for sale, net	1,227	755	809
Total Non-GAAP revenue (denominator A)	\$ 271,138	\$ 281,963	\$ 270,441
Efficiency ratio (numerator A/denominator A)	68.93%	71.59%	70.00%
Operating efficiency ratio (numerator B/denominator A) (Non-GAAP)	68.19%	71.35%	69.78%

# Non-GAAP Reconciliations



## Pre-Tax, Pre-Provision Income

(unaudited; \$ in thousands except per share data)

	Three Months Ended		
	March 31,	December 31,	March 31,
	2020	2019	2019
Net (loss) income before taxes (GAAP)	\$ (4,254)	\$ 77,268	\$ 68,274
Adjustments:			
Provision for credit losses	88,000	2,000	12,350
Pre-tax, pre-provision income (Non-GAAP)	<u>\$ 83,746</u>	<u>\$ 79,268</u>	<u>\$ 80,624</u>
Pre-tax (losses) earnings per share-diluted (GAAP)	\$ (0.09)	1.57	\$ 1.39
Provision for credit losses	1.81	0.04	0.26
Pre-tax, pre-provision earnings per share-diluted (Non-GAAP)	<u>\$ 1.72</u>	<u>\$ 1.61</u>	<u>\$ 1.65</u>

## Tangible Common Equity Ratio

(unaudited; \$ in thousands)

	March 31, 2020	December 31, 2019	March 31, 2019
Total shareholders' equity (GAAP)	\$ 2,663,441	\$ 2,606,440	\$ 2,350,843
Less: Intangible assets			
Goodwill	180,867	180,867	180,867
Other intangibles, net	25,839	27,597	13,676
Total intangibles, net	206,706	208,464	194,543
Total tangible shareholders' equity (Non-GAAP)	<u>\$ 2,456,735</u>	<u>\$ 2,397,976</u>	<u>\$ 2,156,300</u>
Total assets (GAAP)	\$ 26,244,886	\$ 26,561,355	\$ 23,556,760
Less: Intangible assets			
Goodwill	180,867	180,867	180,867
Other intangibles, net	25,839	27,597	13,676
Total intangibles, net	206,706	208,464	194,543
Total tangible assets (Non-GAAP)	<u>\$ 26,038,180</u>	<u>\$ 26,352,891</u>	<u>\$ 23,362,217</u>
Total shareholders' equity to total assets ratio (GAAP)	10.15%	9.81%	9.98%
Tangible common equity to tangible assets ratio (Non-GAAP)	9.44%	9.10%	9.23%



## Tangible Book Value

(unaudited, \$ in thousands except share and per share data)

	March 31, 2020	December 31, 2019	March 31, 2019	December 31, 2004
Total shareholders' equity (GAAP)	\$ 2,663,441	\$ 2,606,440	\$ 2,350,843	\$ 819,182
Less: Intangible assets				
Goodwill	180,867	180,867	180,867	59,115
Other intangibles, net	25,839	27,597	13,676	4,859
Total intangibles, net	206,706	208,464	194,543	63,974
Total tangible shareholders' equity (Non-GAAP)	\$ 2,456,735	\$ 2,397,976	\$ 2,156,300	\$ 755,208
Total shares outstanding <sup>(1)</sup>	48,134,601	49,097,606	49,058,246	43,282,106
Ratio of total shareholders' equity (book value) per share	\$ 55.33	\$ 53.09	\$ 47.92	\$ 18.93
Ratio of total tangible shareholders' equity (tangible book value) per share (Non-GAAP)	\$ 51.04	\$ 48.84	\$ 43.95	\$ 17.45

(1) Share count for December 31, 2004 adjusted for Company's 2-for-1 stock split on May 31, 2006.