

# Different by Design.

**UMB Financial**

Second Quarter 2019

July 30, 2019

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).

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.

# Earnings Summary – 2Q 2019



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

	2Q'19	1Q'19	2Q'18	% variance	
				vs. 1Q'19	vs. 2Q'18
Net interest income	\$ 166,414	\$ 163,868	\$ 150,226	1.6	10.8
Noninterest income	105,398	107,382	100,289	(1.8)	5.1
Total revenue	271,812	271,250	250,515	0.2	8.5
Noninterest expense	193,387	190,626	177,218	1.4	9.1
Pre-Provision net revenue	78,425	80,624	73,297	(2.7)	7.0
Provision for loan losses	11,000	12,350	7,000	(10.9)	57.1
Income before taxes	67,425	68,274	66,297	(1.2)	1.7
Income tax expense	10,466	10,530	10,873	(0.6)	(3.7)
<b>Income from continuing operations</b>	<b>\$ 56,959</b>	<b>\$ 57,744</b>	<b>\$ 55,424</b>	<b>(1.4)</b>	<b>2.8</b>
Earnings per share from continuing operations					
as reported - diluted	\$ 1.16	\$ 1.18	\$ 1.11		
Adjustments(1)	0.01	0.01	0.01		
Tax impact of adjustments(1)	-	-	-		
Operating earnings per share - diluted(1)	\$ 1.17	\$ 1.19	\$ 1.12		
Dividends per share	0.30	0.30	0.29		
WASO (diluted)	49,039,692	48,998,571	50,007,022		

(1) Non-GAAP adjustments include acquisition and divestiture income and expense, severance expense and the cumulative tax impact of these adjustments. See the non-GAAP reconciliations and additional information on these items on slides 37 and 38.

# Select Balance Sheet Items



\$ in thousands, average balances; unaudited

## Three Months Ended

	June 30, 2019		March 31, 2019		June 30, 2018		% variance	
	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	vs. 1Q'19	vs. 2Q'18
<b>Assets</b>								
Loans, net of unearned interest	\$ 12,620,981	5.14	\$ 12,303,154	5.18	\$ 11,444,448	4.74	2.6	10.3
Total securities	8,289,430	2.68	7,970,693	2.65	7,400,563	2.41	4.0	12.0
Total earning assets	21,689,507	4.11	21,457,319	4.10	19,204,646	3.79	1.1	12.9
Allowance for loan losses	(109,463)		(105,444)		(101,801)		3.8	7.5
<b>Total assets</b>	<b>\$ 23,270,467</b>		<b>\$ 22,854,152</b>		<b>\$ 20,619,646</b>		<b>1.8</b>	<b>12.9</b>
<b>Liabilities and Shareholders' Equity</b>								
Interest-bearing deposits	\$ 12,707,353	1.25	\$ 12,733,114	1.21	\$ 10,800,015	0.68	(0.2)	17.7
Total interest-bearing liabilities	14,517,843	1.39	14,370,100	1.34	12,615,981	0.83	1.0	15.1
Noninterest-bearing demand deposits	6,078,520		5,989,215		5,666,364		1.5	7.3
Shareholders' equity	2,414,294		2,235,593		2,184,810		8.0	10.5
<b>Total liabilities and shareholders' equity</b>	<b>\$ 23,270,467</b>		<b>\$ 22,854,152</b>		<b>\$ 20,619,646</b>		<b>1.8</b>	<b>12.9</b>
Net interest spread		2.72		2.76		2.96		
Net interest margin		3.19		3.20		3.24		

# Key Performance Metrics

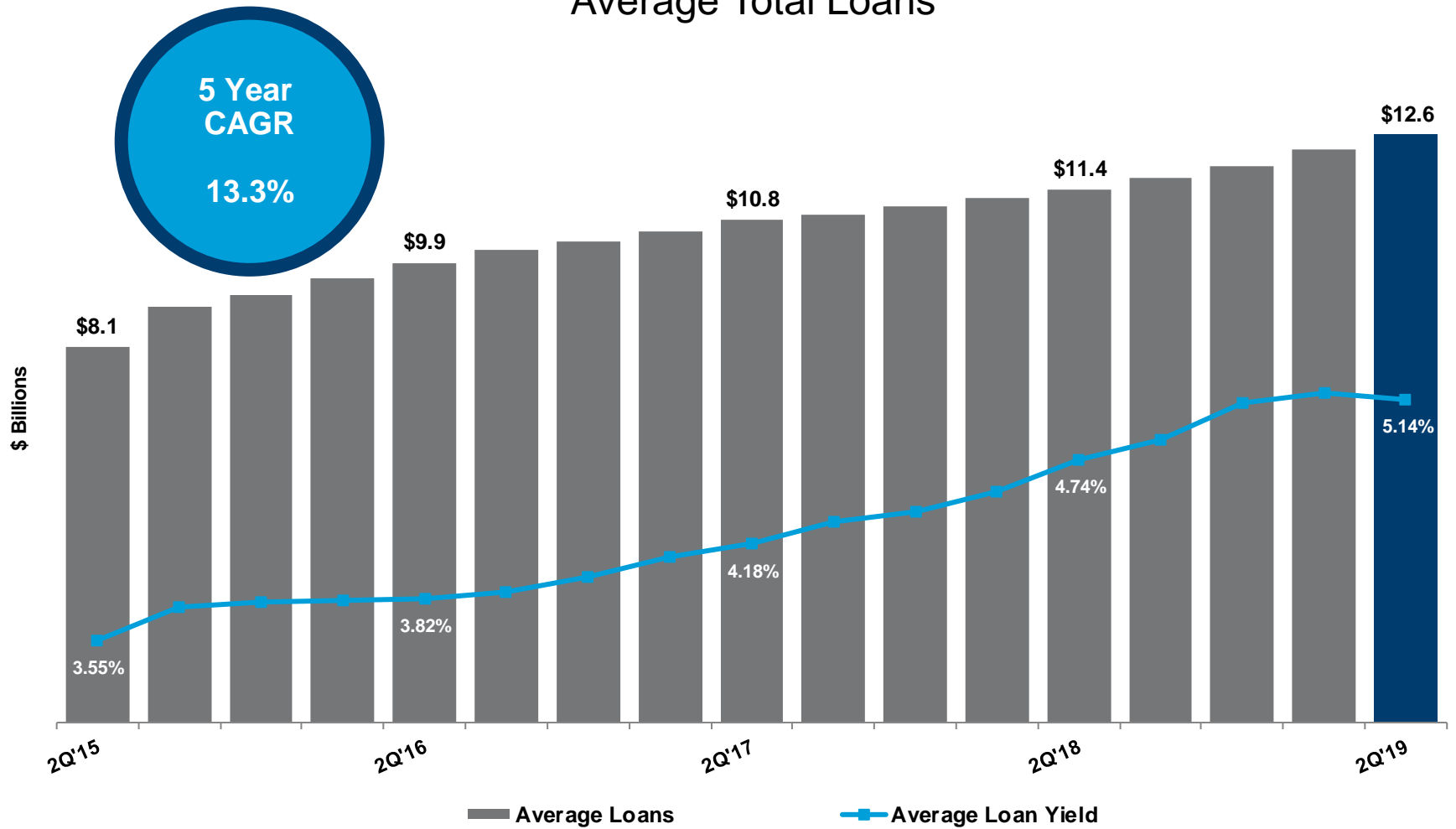


	2Q'19	1Q'19	4Q'18	3Q'18	2Q'18
<b>ROE</b>	9.46%	10.48%	4.57%	10.32%	10.18%
<b>Operating ROE <sup>(1)</sup></b>	9.51%	10.56%	4.95%	10.35%	10.30%
<b>ROA</b>	0.98%	1.02%	0.46%	1.11%	1.08%
<b>Operating ROA <sup>(1)</sup></b>	0.99%	1.03%	0.50%	1.11%	1.09%
<b>Efficiency Ratio</b>	70.32%	70.00%	71.26%	71.27%	70.21%
<b>Operating Efficiency Ratio <sup>(1)</sup></b>	70.19%	69.78%	70.19%	71.18%	69.88%
<b>Net Interest Margin</b>	3.19%	3.20%	3.24%	3.18%	3.24%
<b>Noninterest Income % of Revenue</b>	38.8%	39.6%	37.0%	40.1%	40.0%
<b>Avg. Loan/Deposit Ratio</b>	67.2%	65.7%	65.9%	70.9%	69.5%
<b>Assets Under Mgmt. (billions)</b>	\$ 14.8	\$ 13.6	\$ 12.9	\$ 13.5	\$ 13.4
<b>Common Equity Tier 1 Capital Ratio</b>	12.64%	12.70%	12.89%	13.47%	13.56%
<b>Diluted EPS</b>	\$ 1.16	\$ 1.18	\$ 0.52	\$ 1.16	\$ 1.11
<b>Operating EPS-Diluted <sup>(1)</sup></b>	\$ 1.17	\$ 1.19	\$ 0.56	\$ 1.16	\$ 1.12

(1) This represents a non-GAAP measure. See slides 37 and 38 for additional disclosures and reconciliations related to these non-GAAP financial measures.

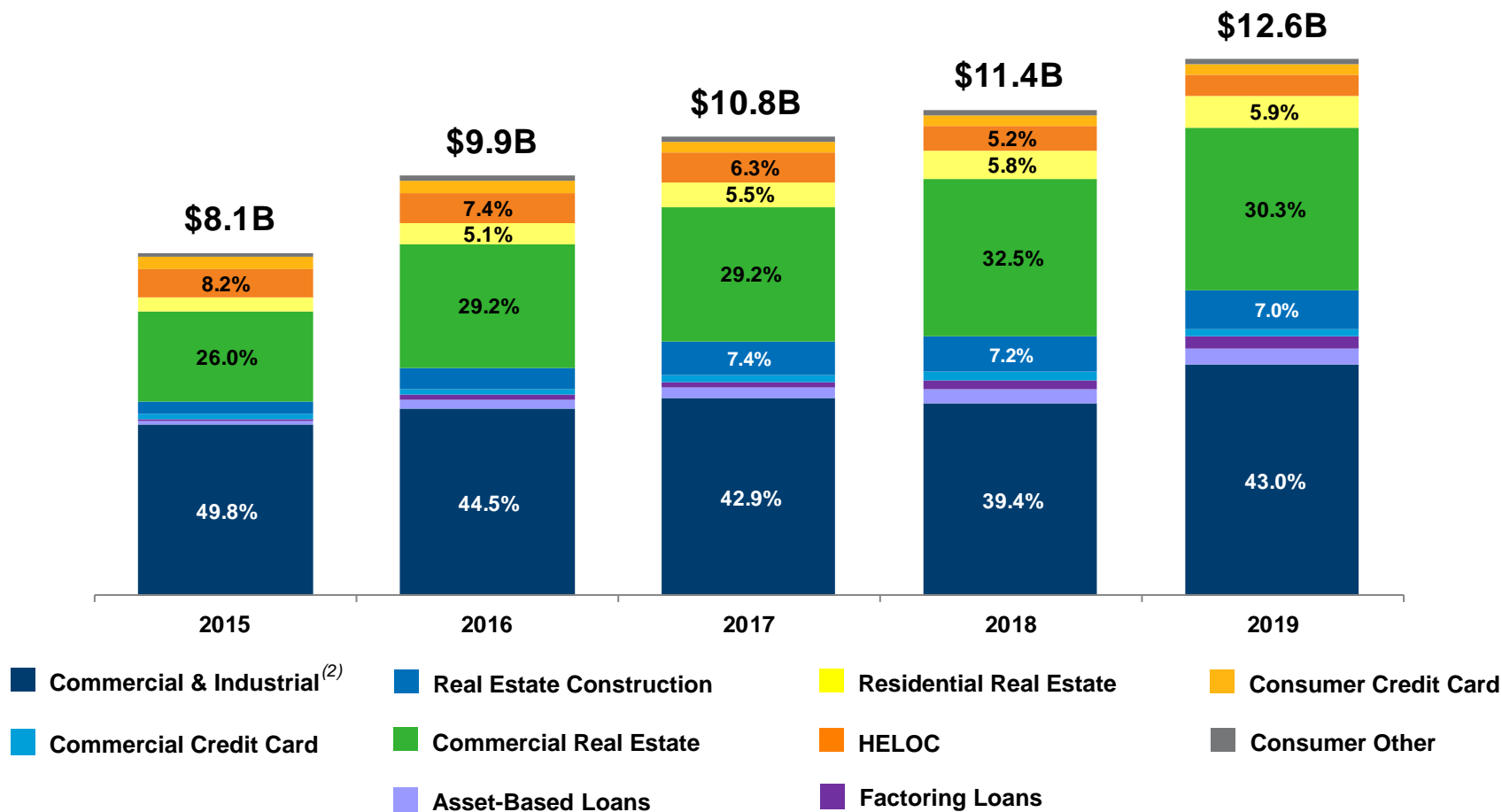
# Balance Sheet

## Average Total Loans



## Diverse Loan Book <sup>(1)</sup>

(Average loan balances for the three months ended June 30 of the indicated year)



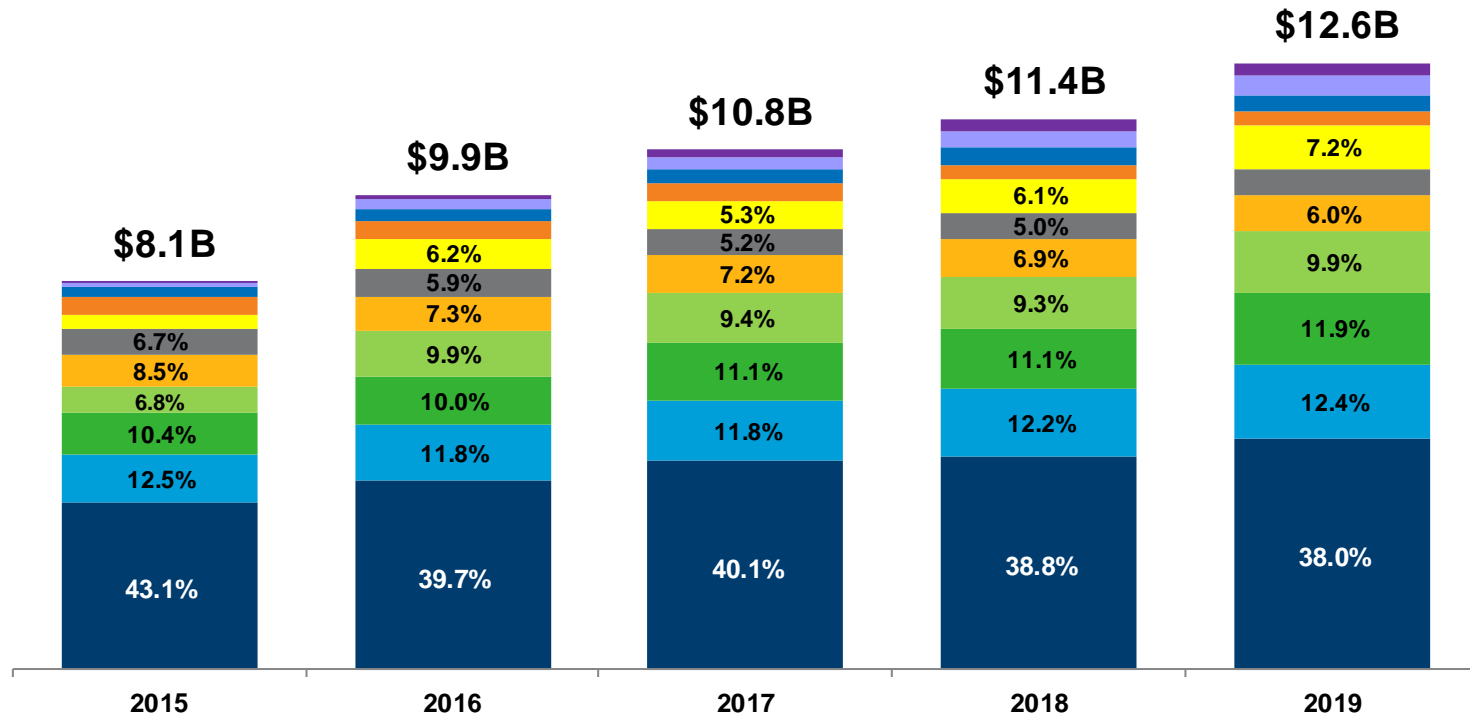
(1) Percentages less than 5% have been omitted.

(2) Includes leases.



## Loans by Region<sup>(1)</sup>

(Average loan balances for the three months ended June 30 of the indicated year)



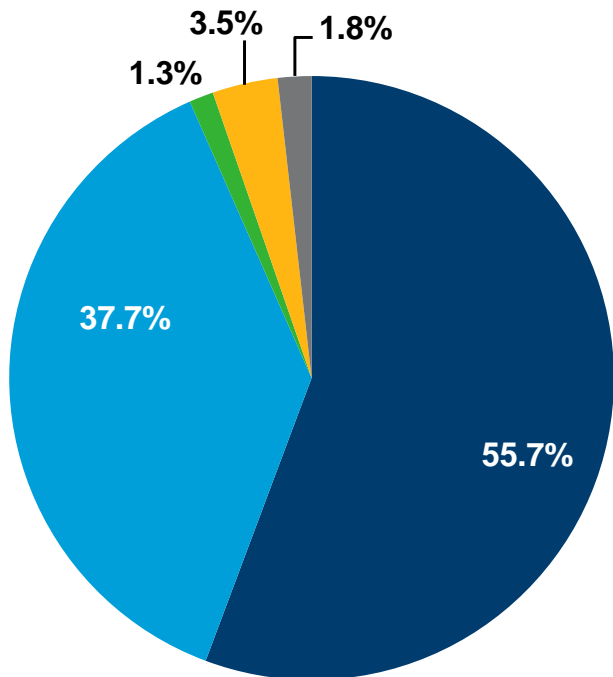
- Kansas City
- St. Louis
- Greater MO
- Texas
- Nebraska
- Marquette Transportation Fin (Natl. Sales)
- Colorado
- Arizona
- Kansas
- Oklahoma
- Marquette Business Credit (Natl. Sales)

(1) Percentages less than 5% have been omitted.

<i>\$ in millions</i>	<b>2Q'19</b>	<b>1Q'19</b>	<b>4Q'18</b>	<b>3Q'18</b>	<b>2Q'18</b>
<b>End-of-Period Total Loans</b>	\$ 12,900.3	\$ 12,549.7	\$ 12,178.2	\$ 11,964.7	\$ 11,631.6
<b>Gross Loan Production</b>	844.2	930.4	709.4	732.9	644.1
<b>Revolving Balance Changes</b>	8.3	(139.9)	106.2	(18.8)	(43.7)
<b>Net Charge-offs</b>	(12.6)	(12.3)	(45.7)	(2.7)	(9.0)
<b>Payoffs</b>	(287.3)	(194.2)	(149.4)	(156.0)	(177.7)
<b>Paydowns</b>	(202.0)	(212.5)	(407.0)	(222.3)	(240.9)
<b>Paydowns/Payoffs as a % of Loans</b>	3.8%	3.2%	4.6%	3.2%	3.6%

## Securities Available for Sale

\$7.2 billion at June 30, 2019

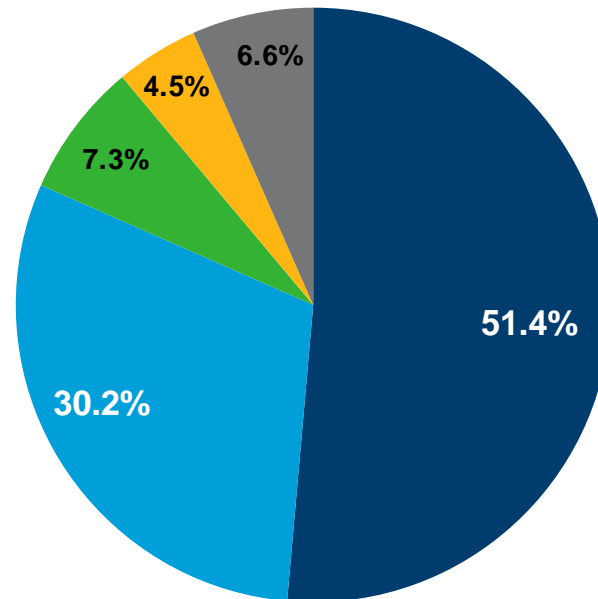


- Mortgage-Backed Securities
- Municipals
- Agencies
- Treasuries
- Corporates

Average Balance: \$7.0 billion  
 Average Yield: 2.55%  
 Duration: 46 months

## Securities Held to Maturity

\$1.1 billion at June 30, 2019



- Healthcare
- Higher Education
- Governmental
- Utility
- Other
  - Social Service*
  - Industrial*
  - Cultural*
  - Civic*
  - K-12 Education*
  - NFP - Other*

Average Balance: \$1.1 billion  
 Average Yield: 3.33%  
 Duration: 72 months



## AFS Portfolio Activity

<i>\$ in millions</i>	2Q'19	1Q'19	4Q'18	3Q'18	2Q'18
<b>Roll off / Cash Flow <sup>(1)</sup></b>	\$ 267	\$ 267	\$ 191	\$ 229	\$ 247
<b>Roll off yield</b>	2.03%	2.11%	2.04%	1.96%	1.91%
<b>Purchased <sup>(2)</sup></b>	\$ 268	\$ 262	\$ 194	\$ 198	\$ 146
<b>Purchase yield</b>	3.35%	3.66%	3.59%	3.66%	3.12%
<b>Forward-looking expectations</b>					
	3Q'19	Next 12 months			
<b>Roll off / Cash Flow</b>	\$ 269	\$ 1,417			
<b>Roll off yield</b>	2.19%	2.33%			

## Loan Portfolio Statistics

at June 30, 2019

**Variable Rate Loans:** \$8.3 billion or 64% of the loan book

- ~36% of variable loans are tied to Prime for the next quarter
- ~63% of variable loans are tied to LIBOR for the next quarter

### Loan Repricing/Maturity Schedule

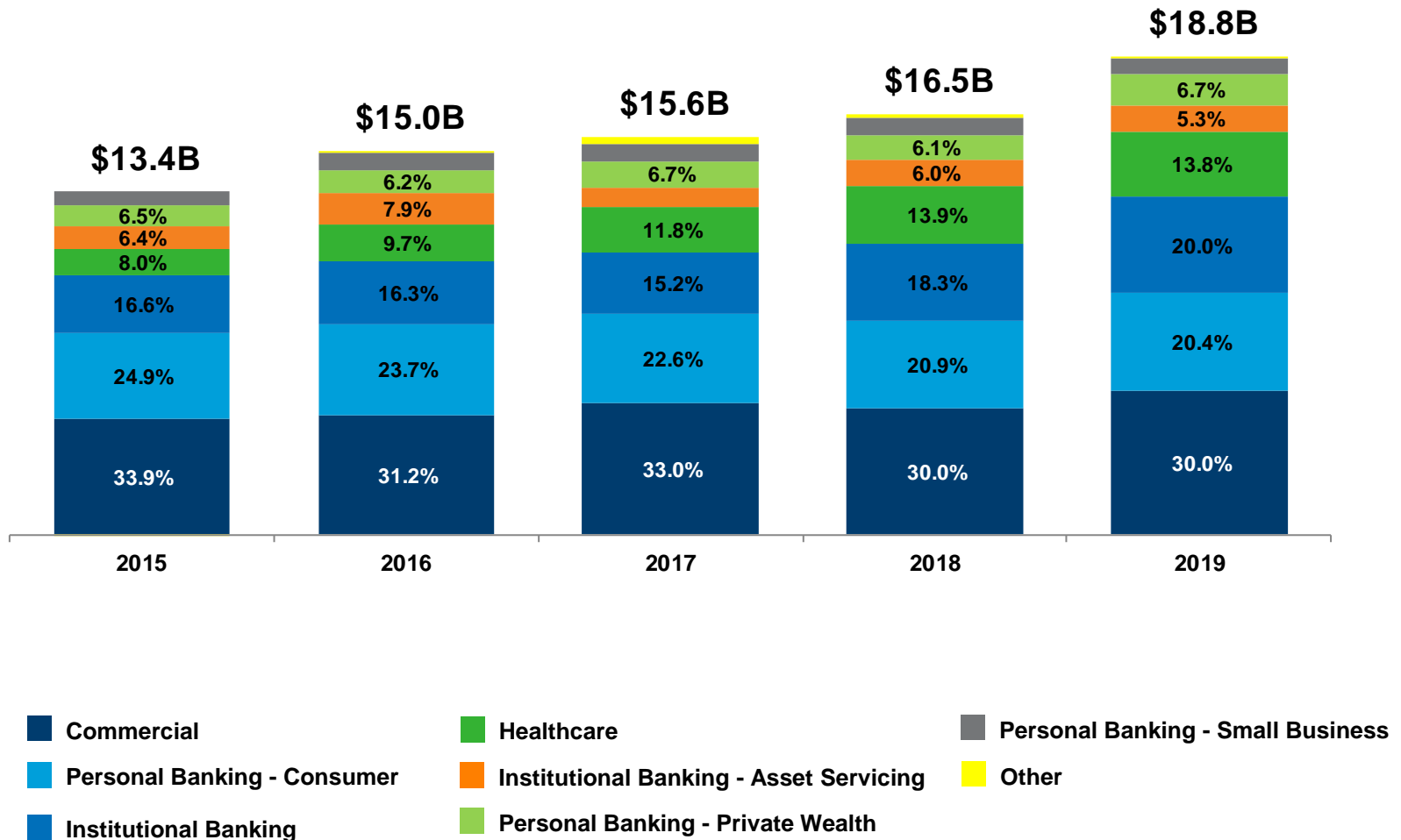
- 59% in 3<sup>rd</sup> quarter 2019
- 68% in the next 12 months

<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.

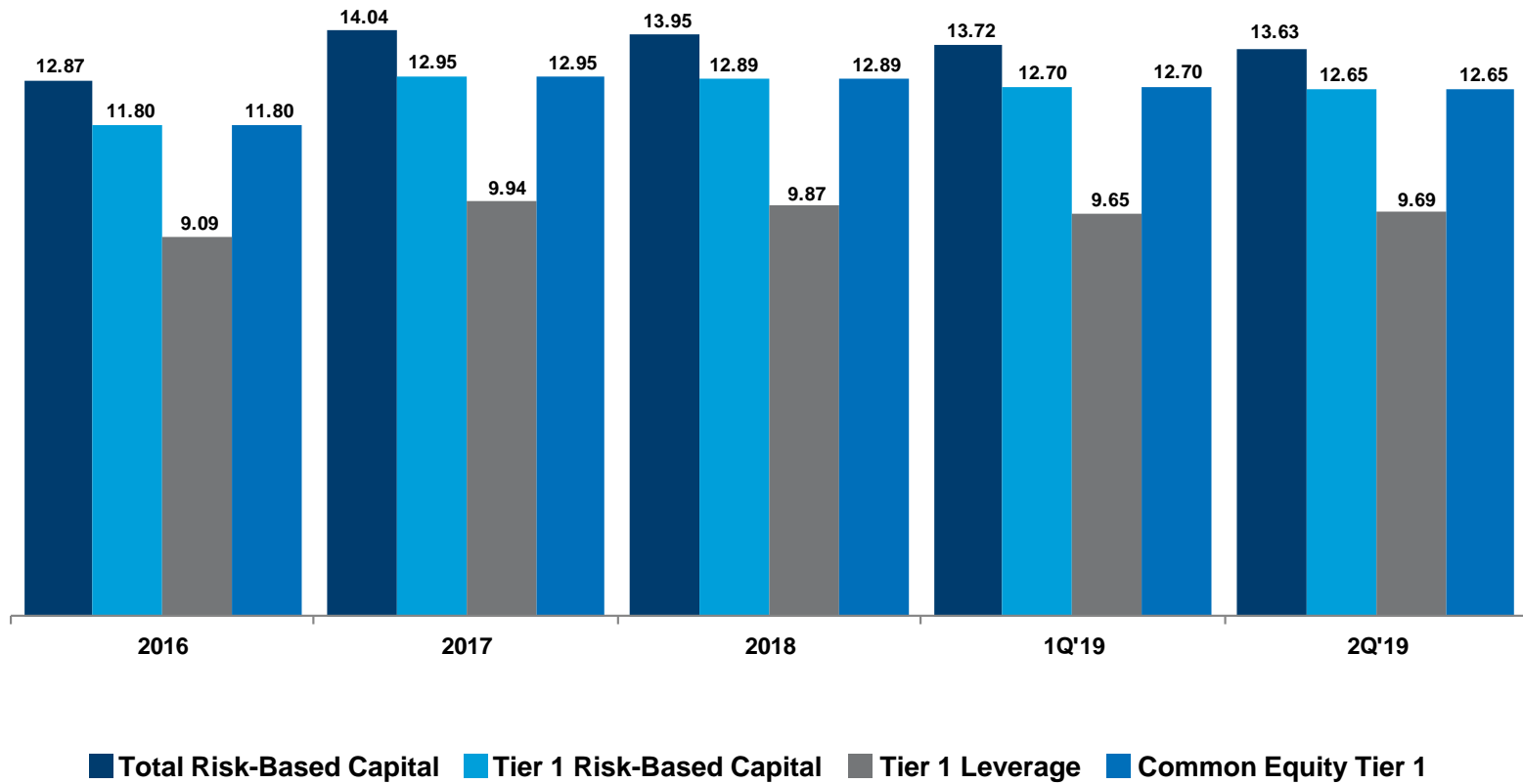
## Diverse Sources of Deposits<sup>(1)</sup>

(Average deposits for the three months ended June 30 of the indicated year)



(1) Percentages less than 5% have been omitted.

## Capital Ratio Trends (%)



# Asset Quality

# Net Charge-Off History

<b>Annual</b>					
<i>(\$ in thousands)</i>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Commercial Loans <sup>(1)</sup>	\$ 4,113	\$ 6,007	\$ 11,880	\$ 7,310	\$ 3,881
Consumer Credit Card	12,291	14,279	11,127	9,382	8,811
Other <sup>(2)</sup>	3,854	1,411	1,128	1,399	1,483
<b>Total Net Charge-Offs</b>	<b>\$ 20,258</b>	<b>\$ 21,697</b>	<b>\$ 24,135</b>	<b>\$ 18,091</b>	<b>\$ 14,175</b>
Average Total Loans <i>(\$ in millions)</i>	\$ 4,356.2	\$ 4,583.7	\$ 4,748.9	\$ 5,243.3	\$ 6,217.2
NCOs as % of Avg Loans	0.47%	0.48%	0.51%	0.35%	0.23%

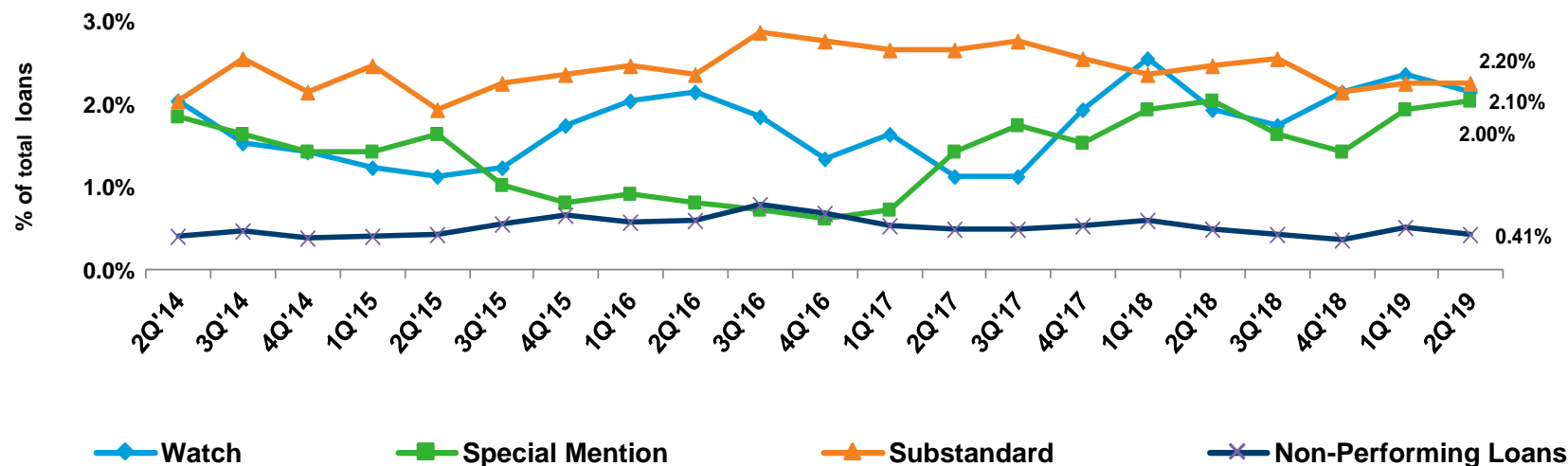
<i>(\$ in thousands)</i>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Commercial Loans <sup>(1)</sup>	\$ 6,459	\$ 3,415	\$ 9,192	\$ 24,463	\$ 57,618
Consumer Credit Card	8,301	6,753	6,706	7,141	6,873
Other <sup>(2)</sup>	851	329	6,096	441	3,228
<b>Total Net Charge-Offs</b>	<b>\$ 15,611</b>	<b>\$ 10,497</b>	<b>\$ 21,994</b>	<b>\$ 32,045</b>	<b>\$ 67,719</b>
Average Total Loans <i>(\$ in millions)</i>	\$ 6,974.2	\$ 8,424.0	\$ 9,986.2	\$10,841.5	\$11,604.6
NCOs as % of Avg Loans	0.22%	0.12%	0.22%	0.30%	0.58%

<b>Quarterly</b>					
<i>(\$ in thousands, unaudited)</i>	<b>2Q'18</b>	<b>3Q'18</b>	<b>4Q'18</b>	<b>1Q'19</b>	<b>2Q'19</b>
Commercial Loans <sup>(1)</sup>	\$ 6,137	\$ 624	\$ 44,010	\$ 10,537	\$ 11,790
Consumer Credit Card	1,786	1,632	1,606	1,676	1,336
Other <sup>(2)</sup>	1,081	490	51	111	(557)
<b>Total Net Charge-Offs</b>	<b>\$ 9,004</b>	<b>\$ 2,746</b>	<b>\$ 45,667</b>	<b>\$ 12,324</b>	<b>\$ 12,569</b>
Average Total Loans <i>(\$ in millions)</i>	\$11,442.7	\$11,716.0	\$11,965.8	\$12,301.7	\$12,617.3
NCOs as % of Avg Loans	0.32%	0.09%	1.51%	0.41%	0.40%

(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.





## Definitions:

**“Watch”** – This rating represents credit exposure that presents higher than average risk and warrants greater than routine attention due to conditions affecting the borrower, the borrower’s industry or the economic environment.

**“Special Mention”** – This rating reflects a potential weakness that deserves management’s close attention and that, if left uncorrected, may result in deterioration of the repayment prospects.

**“Substandard”** – Loans in this category are inadequately protected by the current paying capacity of the borrower or by the collateral pledged, if any, and are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

**“Non-Performing”** – Includes restructured loans on non-accrual and all other non-accrual loans.

# Income Statement

# Noninterest Income – 2Q 2019



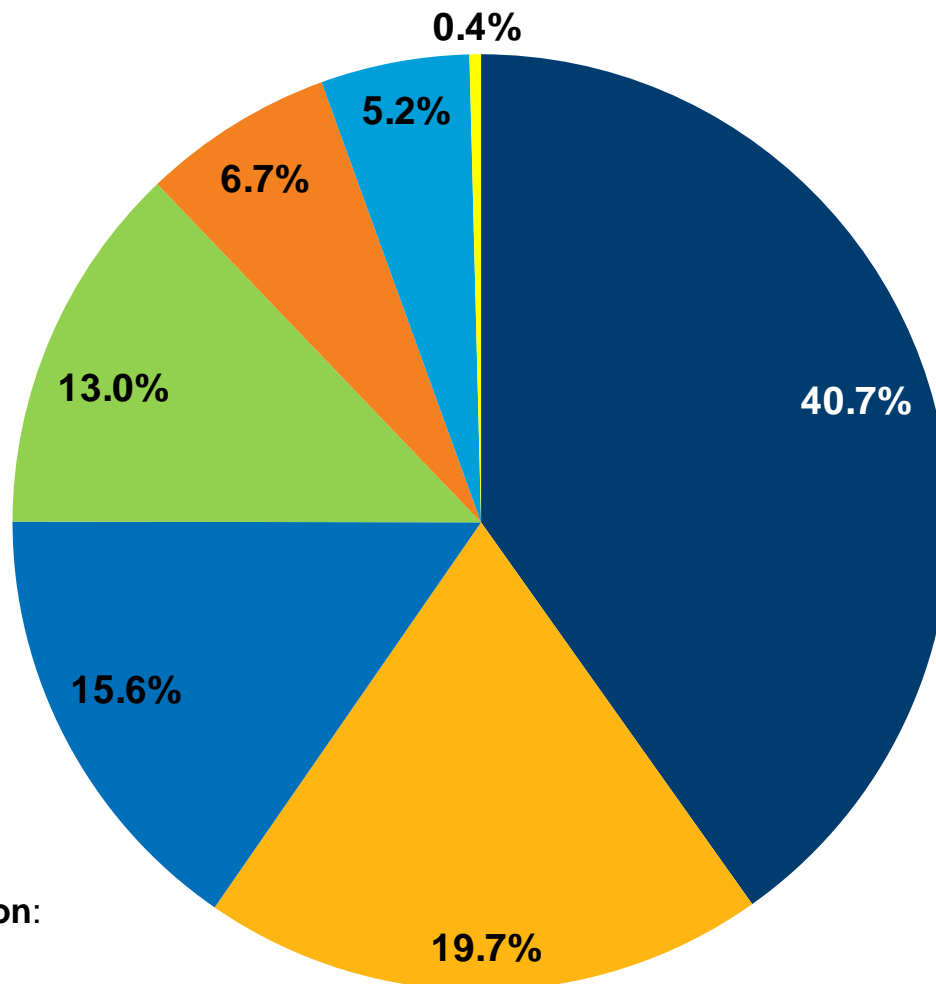
<i>\$ in thousands (unaudited)</i>	2Q'19	1Q'19	4Q'18	3Q'18	2Q'18
<b>Trust and securities processing</b>	\$ 42,903	\$ 41,957	\$ 41,891	\$ 43,425	\$ 42,845
<b>Trading and investment banking</b>	5,453	5,581	3,119	3,711	4,653
<b>Service charges on deposit accounts</b>	20,747	21,281	20,733	20,927	20,722
<b>Insurance fees and commissions</b>	465	338	312	339	340
<b>Brokerage fees</b>	7,077	7,243	6,761	6,402	6,291
<b>Bankcard fees</b>	16,439	17,067	16,375	16,838	17,184
<b>(Losses) gains on sales of securities</b>	(1,403)	809	-	211	228
<b>Other</b>	13,717	13,106	5,808	9,032	8,026
<b>Total noninterest income</b>	<b>\$105,398</b>	<b>\$107,382</b>	<b>\$ 94,999</b>	<b>\$100,885</b>	<b>\$100,289</b>

## 2<sup>nd</sup> Quarter '19 Drivers

- Noninterest income decreased \$2.0MM, or 1.8%, compared to 1Q'19, primarily driven by:
  - ❑ A decrease of \$2.2MM in gains on sales of securities, with a loss of \$1.4MM realized in the 2<sup>nd</sup> quarter;
  - ❑ A decrease of \$3.4MM in company-owned life insurance income, recorded in other income, which is offset by a proportionate decrease in deferred compensation expense; and
  - ❑ Partially offset by increases of \$1.1MM in equity earnings on alternative investments, recorded in other income, and \$946k in higher trust and securities processing income.

# Noninterest Income Composition – 2Q 2019

- Trust & Securities Processing
- Service Charges on Deposit Accounts
- Bankcard Fees
- Trading & Investment Banking
- Other
- Brokerage Fees
- Insurance Fees & Commissions
- Losses on Sales of Securities \*



\* Excluded from chart: (\$1.4 million) losses on sales of AFS securities, which represents (1.3%) of noninterest income.

## Trust & Securities Processing Composition:

(\$ in millions)

Source of Income:	2Q'19	1Q'19	2Q'18
Personal Banking – Private Wealth & Prairie Capital	\$ 15.7	\$ 15.3	\$ 16.0
Institutional Banking – Fund Services	19.8	20.0	21.2
Institutional Banking – Corp. Trust & other	<u>7.4</u>	<u>6.7</u>	<u>5.6</u>
	<b>\$ 42.9</b>	<b>\$ 42.0</b>	<b>\$ 42.8</b>

# Noninterest Expense – 2Q 2019



<i>\$ in thousands (unaudited)</i>	2Q'19	1Q'19	4Q'18	3Q'18	2Q'18
<b>Salaries and employee benefits</b>	\$ 114,454	\$ 116,032	\$ 103,992	\$ 102,956	\$ 104,175
<b>Occupancy, net</b>	11,539	11,743	11,845	11,628	10,813
<b>Equipment</b>	18,824	19,684	18,983	18,533	18,842
<b>Supplies and services</b>	4,285	3,873	3,669	4,528	4,146
<b>Marketing and business dev</b>	7,304	4,913	6,483	6,671	6,184
<b>Processing fees</b>	13,096	12,132	11,948	12,331	11,537
<b>Legal and consulting</b>	7,496	5,633	11,085	8,470	6,460
<b>Bankcard</b>	4,701	4,345	4,316	4,407	4,165
<b>Amortization of other intangibles</b>	1,251	1,327	1,332	1,385	1,485
<b>Regulatory fees</b>	2,910	2,890	2,681	3,337	3,772
<b>Other</b>	7,527	8,054	7,987	6,139	5,639
<b>Total noninterest expense</b>	<b>\$ 193,387</b>	<b>\$ 190,626</b>	<b>\$ 184,321</b>	<b>\$ 180,385</b>	<b>\$ 177,218</b>
<b>Operating noninterest expense<sup>(1)</sup></b>	<b>\$ 193,020</b>	<b>\$ 190,029</b>	<b>\$ 181,591</b>	<b>\$ 180,161</b>	<b>\$ 176,375</b>

## 2<sup>nd</sup> Quarter '19 Drivers

- Noninterest expense increased \$2.8MM, or 1.4%, compared to 1Q'19, driven by:
  - A \$2.4MM increase in marketing and business development expense and an increase of \$1.9MM in legal and consulting expense due to the timing of multiple technology and product initiatives; and
  - Partially offset by a decrease of \$1.6MM in salary and benefits expense, comprised of
    - \$3.2MM in decreased deferred compensation expense;
    - \$3.3MM in seasonally lower payroll taxes; and
    - partially offset by increased salary expense, as annual merit increases were effective during the quarter, and bonus / commission expense related to higher volumes.

(1) Operating noninterest expense, which excludes the impact of acquisition and divestiture expense and severance expense, was \$193.0 million for the second quarter of 2019, an increase of \$3.0 million, or 1.6 percent, compared to the linked quarter, and an increase of \$16.6 million, or 9.4 percent, compared to the second quarter of 2018. See slides 37 and 38 for a reconciliation of this non-GAAP financial measure.

# Segment Updates

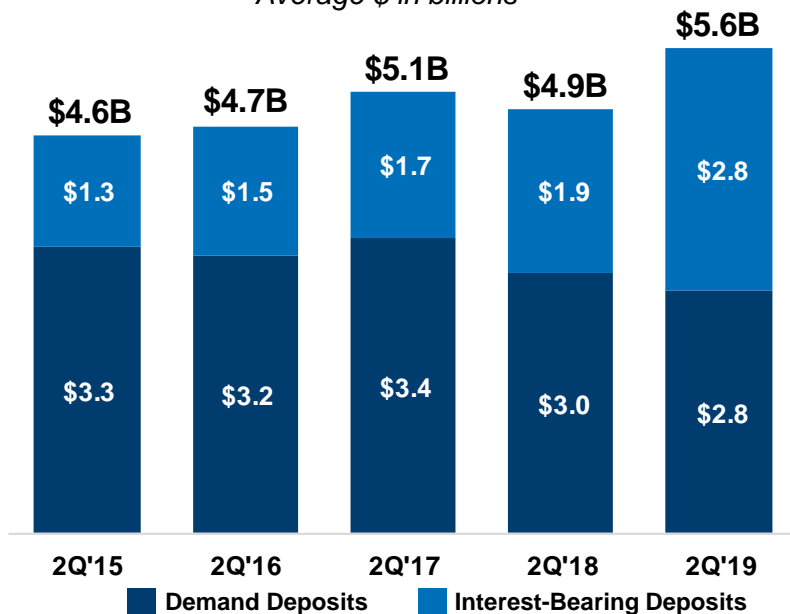
## Commercial Banking Segment Results

(\$ in thousands, unaudited)

	2Q'19	1Q'19	2Q'18	% Variance	
				vs. 1Q'19	vs. 2Q'18
Net interest income	\$ 102,579	\$ 99,814	\$ 93,145	2.8	10.1
Provision for loan losses	9,306	10,329	5,139	(9.9)	81.1
Noninterest income	20,387	23,181	19,169	(12.1)	6.4
Noninterest expense	68,511	66,820	62,850	2.5	9.0
<b>Income before taxes</b>	<b>45,149</b>	<b>45,846</b>	<b>44,325</b>	<b>(1.5)</b>	<b>1.9</b>
Income tax expense	7,008	7,071	7,269	(0.9)	(3.6)
<b>Income from continuing operations</b>	<b>\$ 38,141</b>	<b>\$ 38,775</b>	<b>\$ 37,056</b>	<b>(1.6)</b>	<b>2.9</b>

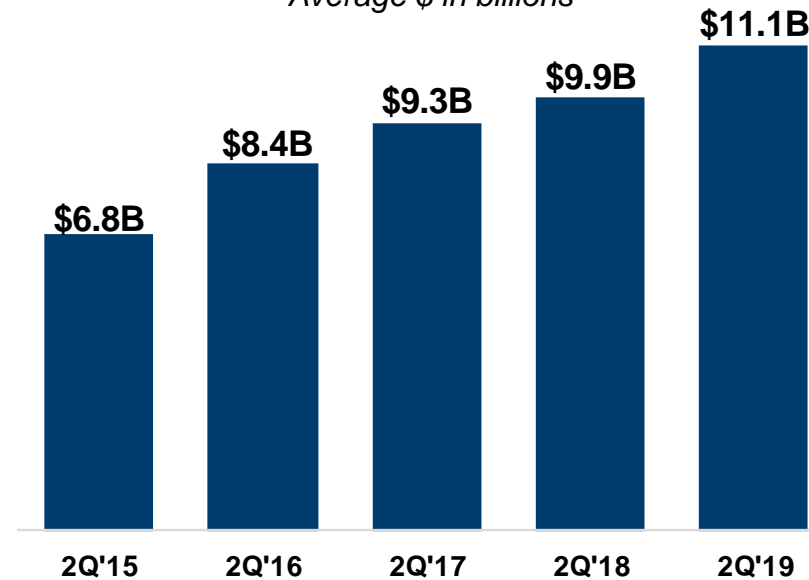
### Commercial Banking Deposits

Average \$ in billions



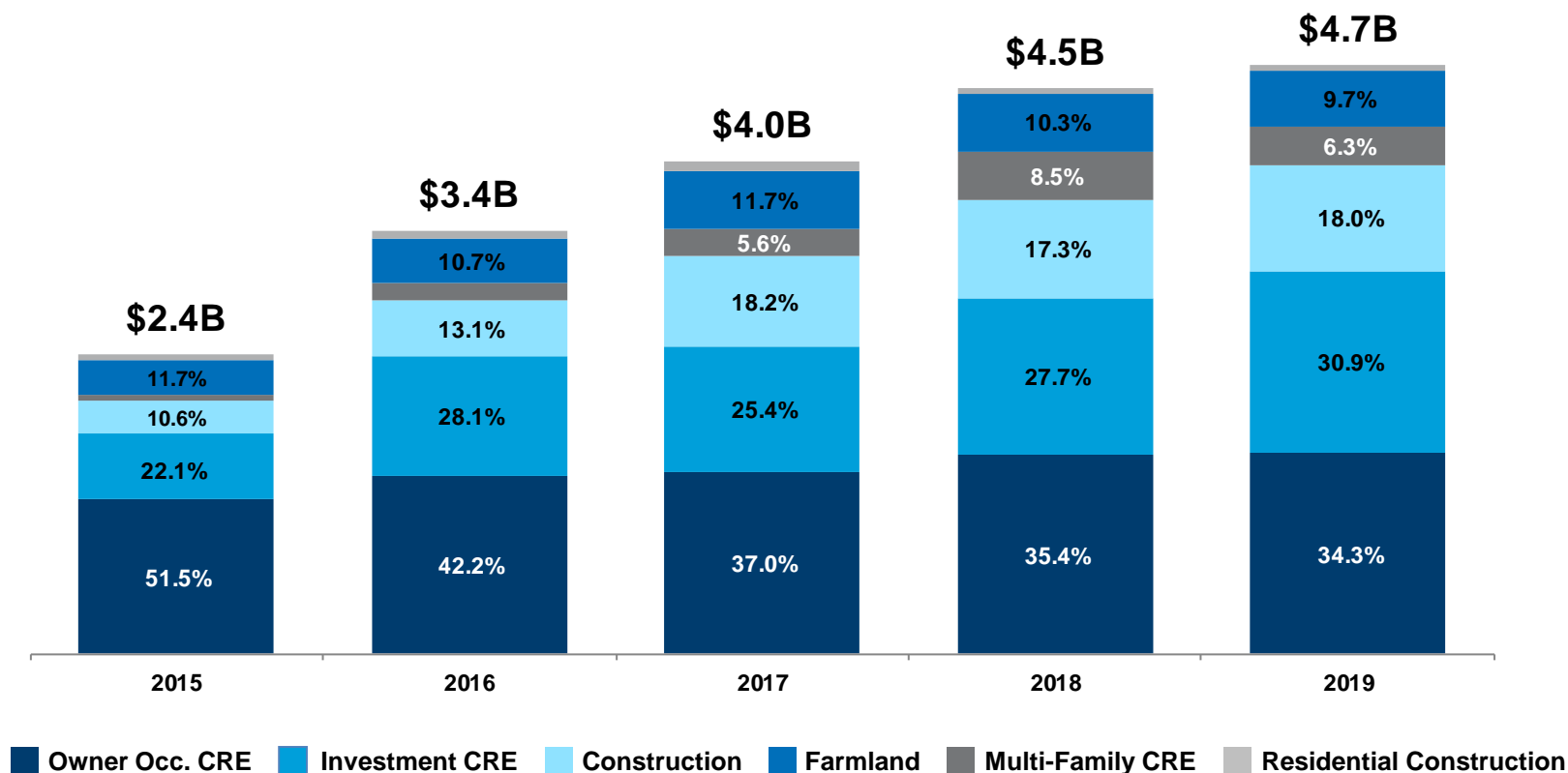
### Commercial Banking Loans

Average \$ in billions



## CRE & Construction Lending <sup>(1)</sup>

(Average loan balances for the three months ended June 30 of the indicated year)



(1) Percentages less than 5% have been omitted.



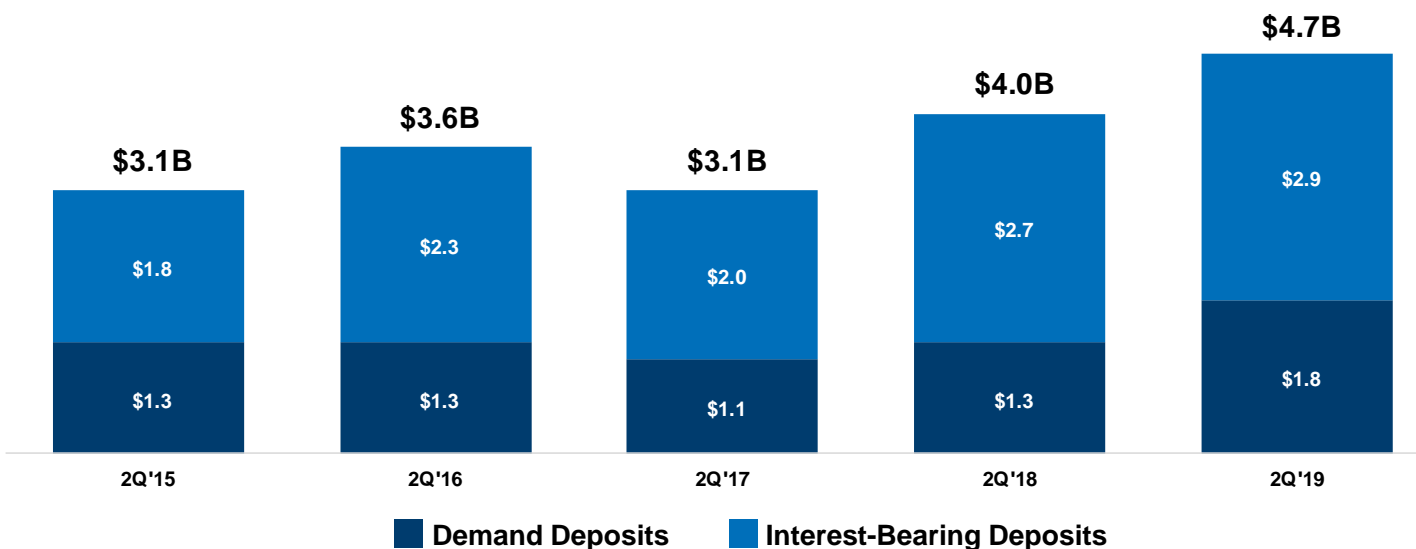
## Institutional Banking Segment Results

(\$ in thousands, unaudited)

	2Q'19	1Q'19	2Q'18	% Variance	
				vs. 1Q'19	vs. 2Q'18
Net interest income	\$ 19,164	\$ 20,709	\$ 16,226	(7.5)	18.1
Provision for loan losses	181	286	322	(36.7)	(43.8)
Noninterest income	46,777	45,787	43,414	2.2	7.7
Noninterest expense	52,415	52,613	47,554	(0.4)	10.2
<b>Income before taxes</b>	<b>13,345</b>	<b>13,597</b>	<b>11,764</b>	<b>(1.9)</b>	<b>13.4</b>
Income tax expense	2,071	2,097	1,929	(1.2)	7.4
<b>Income from continuing operations</b>	<b>\$ 11,274</b>	<b>\$ 11,500</b>	<b>\$ 9,835</b>	<b>(2.0)</b>	<b>14.6</b>

## Institutional Banking Deposits

Average \$ in billions



## Investor Solutions

- Banking services for 4 of the top 10 broker-dealers
- FDIC sweep solutions; liquidity alternative to overnight funds
- Expanded to include Fintech clients as a channel for services in 2019

## Corporate Trust

- Bond trustee and agency services to municipal and corporate issuers
- Approximately \$19.8 billion in assets under administration
- #3 trustee and #3 paying agent in U.S. based on number of new deals

## Investment Banking

- Fixed income services for banks, institutional, municipal & corporate clients
- \$17.5 billion par value bonds traded YTD 2019

## Distressed Debt/ Specialty Finance

- Workout defaulted bond deals on behalf of holders
- Specialty corporate trust
- Aviation lease transactions

## Institutional Custody

- Provides custodial services to municipalities, corporations, fund companies and more
- Among top 10 U.S. fund custodians as measured by AUC (MFSG)

## Asset Servicing

- Fund accounting & administration
- Alternative Investments
- \$224 billion in assets under administration

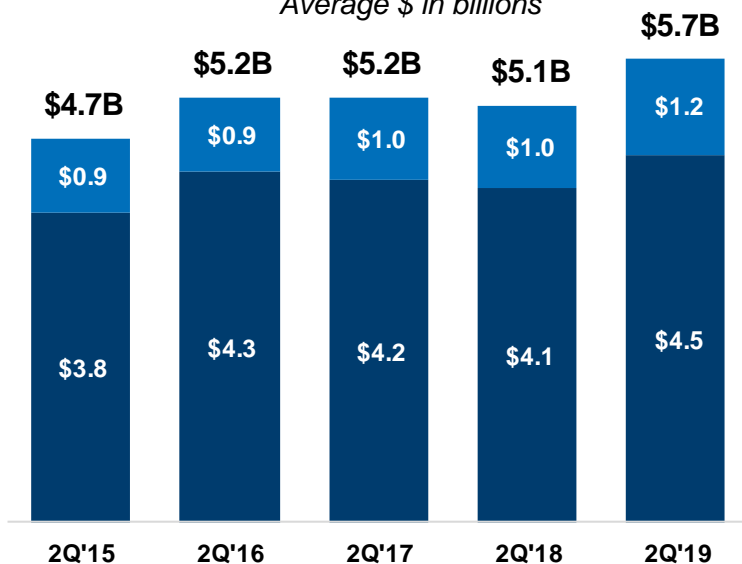
## Personal Banking Segment Results

(\$ in thousands, unaudited)

	2Q'19	1Q'19	2Q'18	% Variance	
				vs. 1Q'19	vs. 2Q'18
Net interest income	\$ 33,334	\$ 32,302	\$ 31,043	3.2	7.4
Provision for loan losses	1,513	1,735	1,539	(12.8)	(1.7)
Noninterest income	29,385	28,351	28,724	3.6	2.3
Noninterest expense	60,024	58,408	54,263	2.8	10.6
<b>Income before taxes</b>	<b>1,182</b>	<b>510</b>	<b>3,965</b>	<b>&gt; 100.0</b>	<b>(70.2)</b>
Income tax expense	184	79	650	> 100.0	(71.7)
<b>Income from continuing operations</b>	<b>\$ 998</b>	<b>\$ 431</b>	<b>\$ 3,315</b>	<b>&gt; 100.0</b>	<b>(69.9)</b>

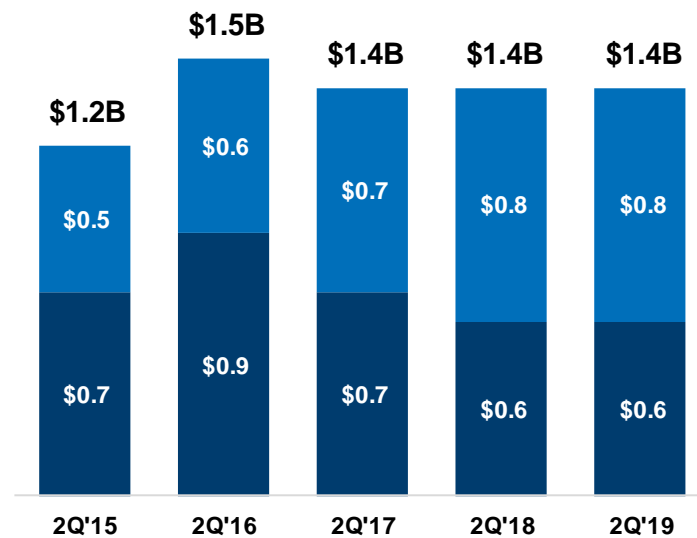
### Personal Banking Deposits

Average \$ in billions



### Personal Banking Loans

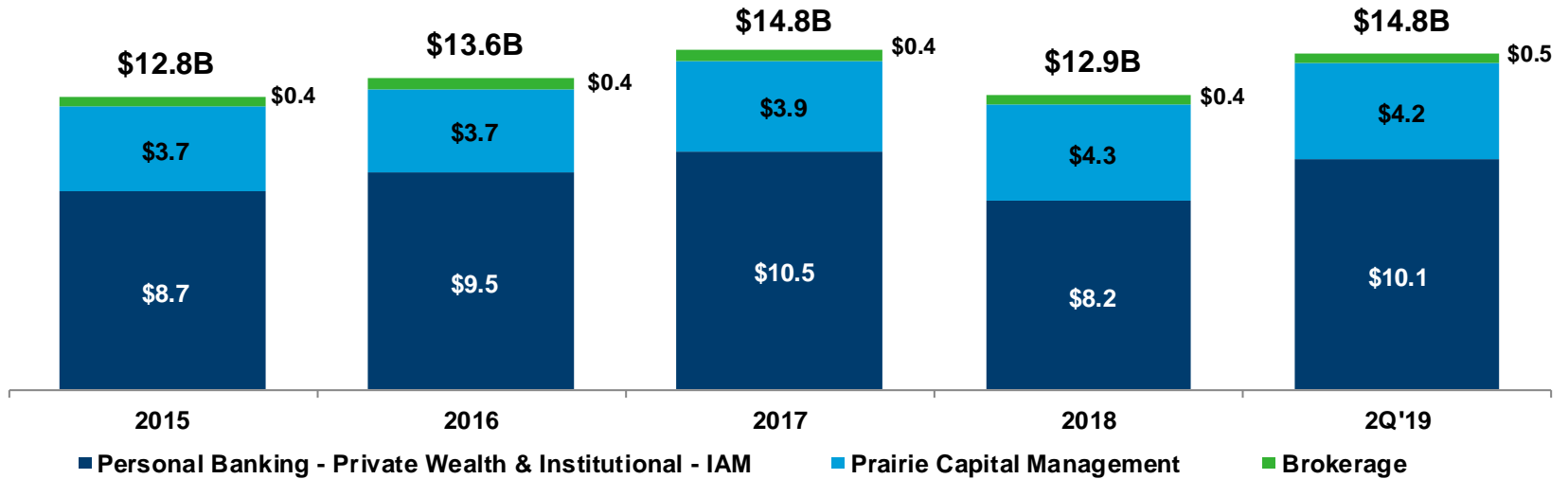
Average \$ in billions



■ Consumer & Small Business ■ Private Banking

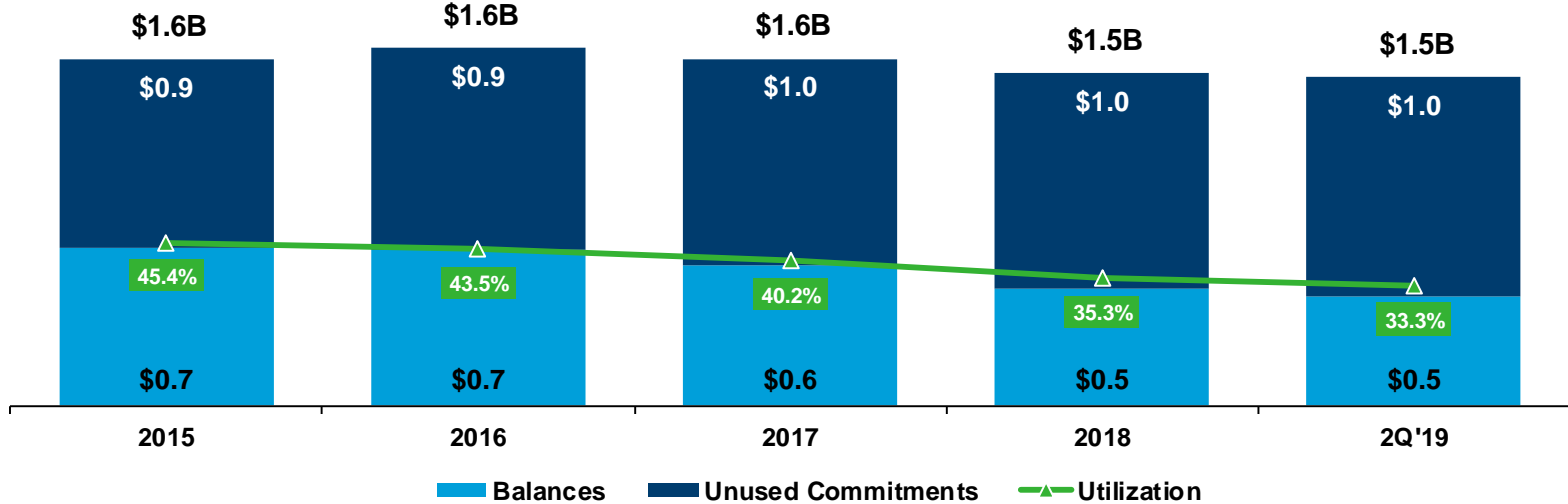
## Assets Under Management

\$ in billions



## Home Equity Lines of Credit

\$ in billions



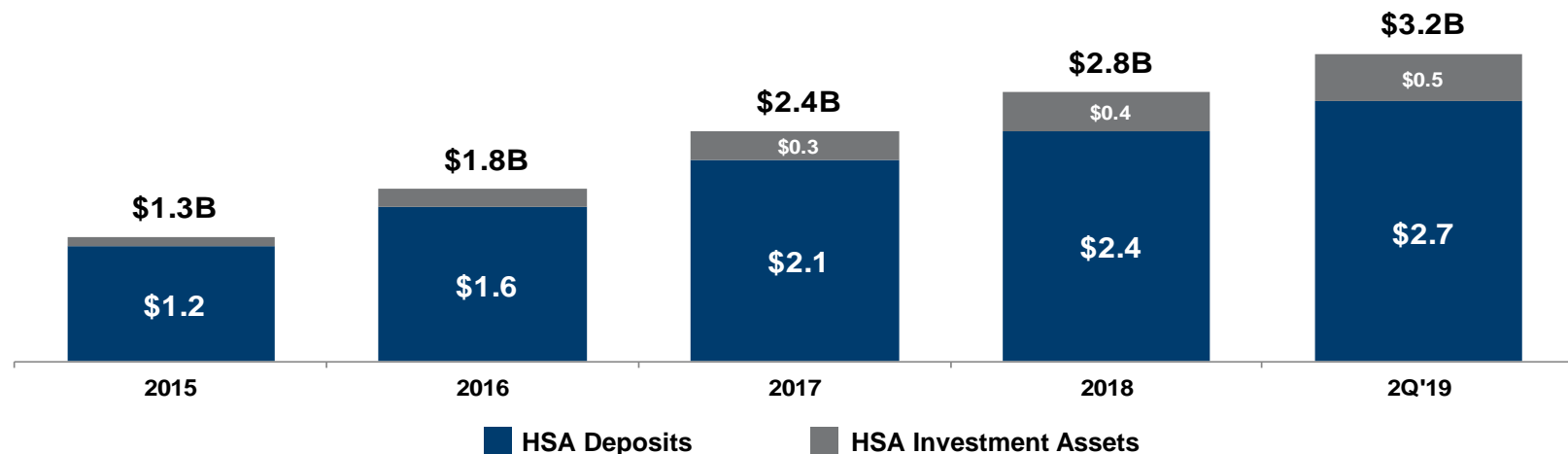
## Healthcare Services Segment Results

(\$ in thousands, unaudited)

	2Q'19	1Q'19	2Q'18	% Variance	
				vs. 1Q'19	vs. 2Q'18
Net interest income	\$ 11,337	\$ 11,043	\$ 9,812	2.7	15.5
Noninterest income	8,849	10,063	8,982	(12.1)	(1.5)
Noninterest expense	12,437	12,785	12,551	(2.7)	(0.9)
<b>Income before taxes</b>	<b>7,749</b>	<b>8,321</b>	<b>6,243</b>	<b>(6.9)</b>	<b>24.1</b>
Income tax expense	1,203	1,283	1,025	(6.2)	17.4
<b>Income from continuing operations</b>	<b>\$ 6,546</b>	<b>\$ 7,038</b>	<b>\$ 5,218</b>	<b>(7.0)</b>	<b>25.5</b>

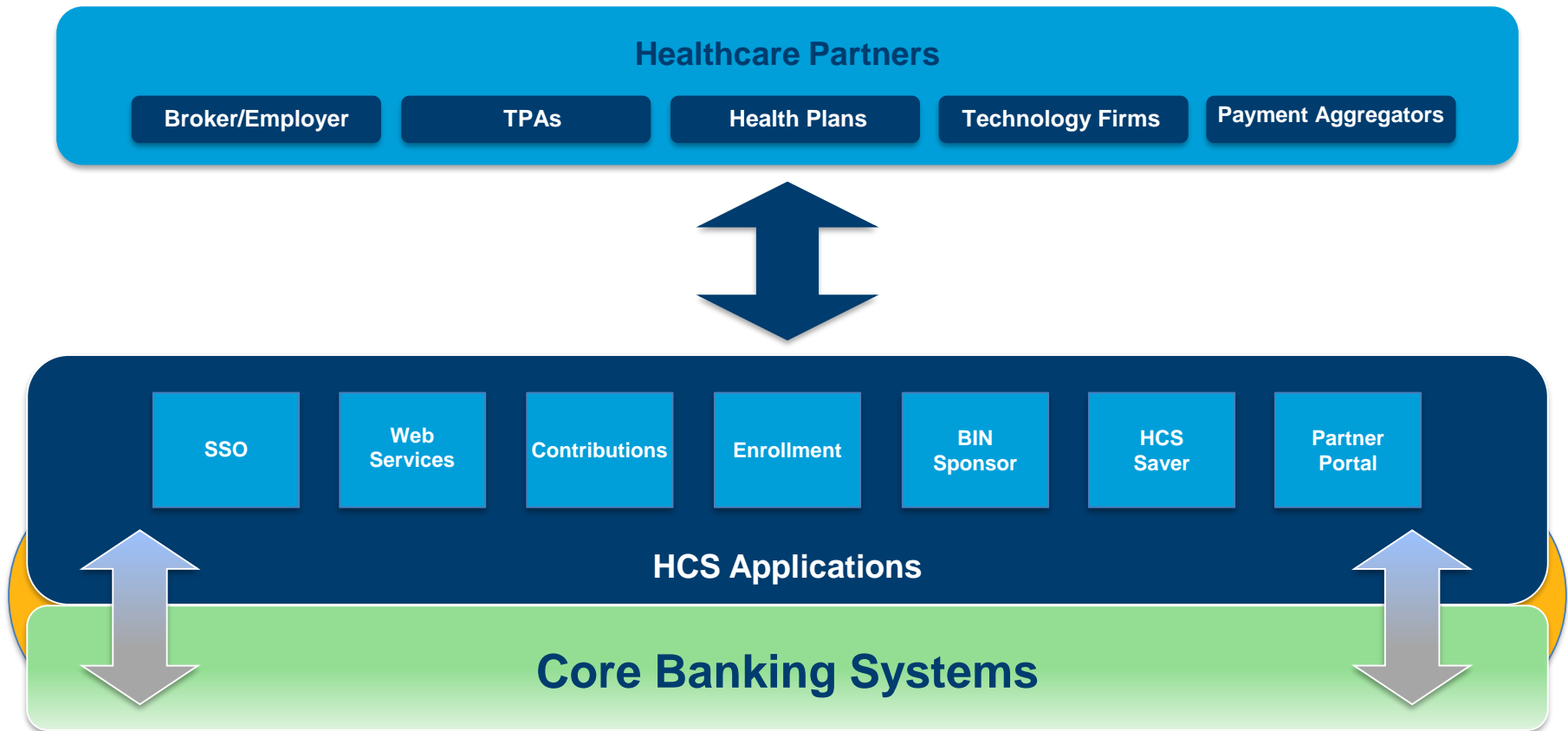
## Healthcare Deposits & Assets

End-of-period balances; \$ in billions



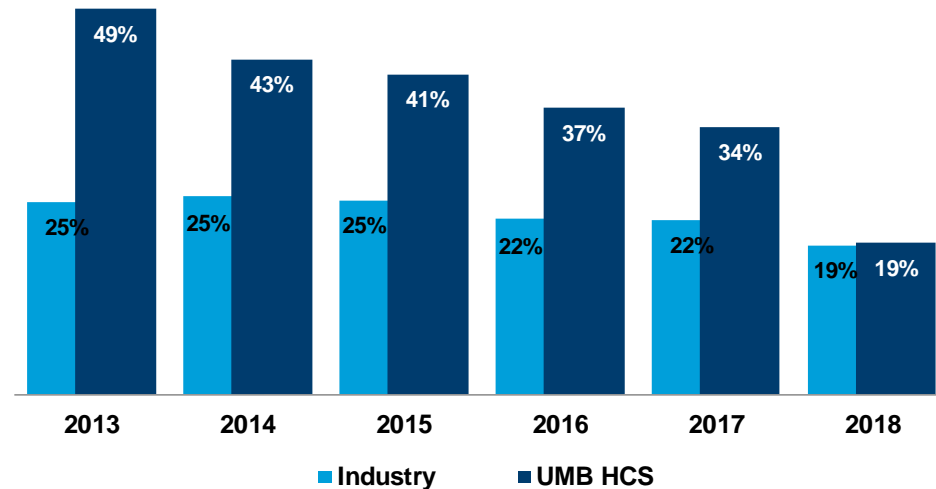
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2Q'19</u>
HSA deposits as % of total UMB deposits	7.8%	9.7%	11.4%	12.5%	13.6%

UMB offers a *modular and configurable* platform of applications and services that deliver the underlying *core banking* functionality to our healthcare partners



✓ HCS represents a unique asset as one of the top 5 leaders in a growing niche market.

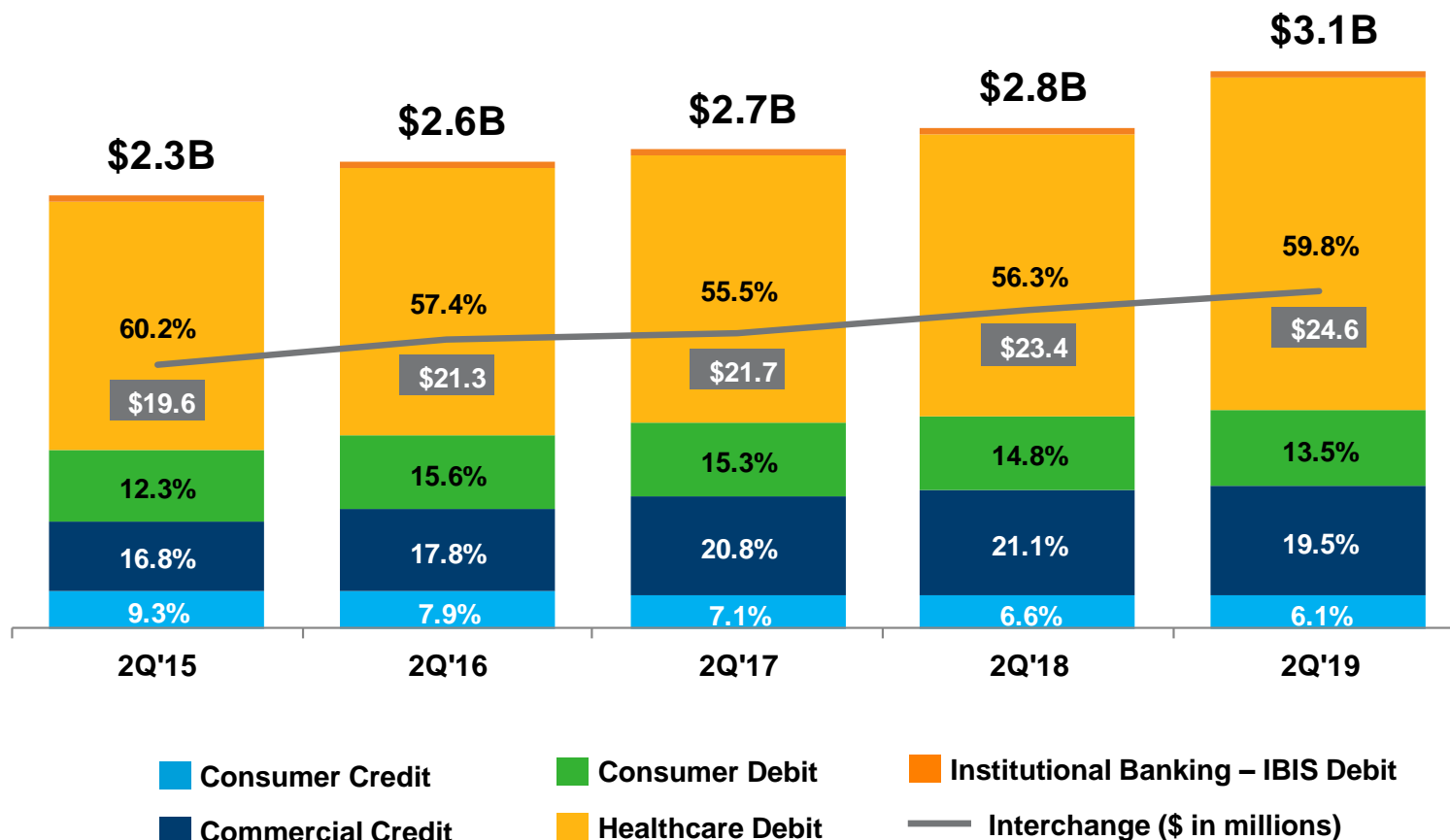
**Growth Rates – Deposits and Assets**



	Total Accounts	Total Assets	Account Market Share (%)
Optum Bank	3,948	\$9,772	16%
Health Equity	3,883	\$7,241	15%
HSA Bank	2,722	\$7,201	11%
<b>UMB Bank</b>	<b>1,421</b>	<b>\$2,826</b>	<b>6%</b>
Fidelity	1,230	\$3,560	5%
Payflex	1,026	\$2,275	4%
BenefitWallet	1,000	\$2,500	4%
Bank of America	896	\$2,493	4%
WageWorks	770	\$1,462	3%
Discovery Benefits	675	\$841	3%

Total Accounts in thousands and Total Assets in millions

## Purchase Volume & Interchange Revenue<sup>(1)</sup>

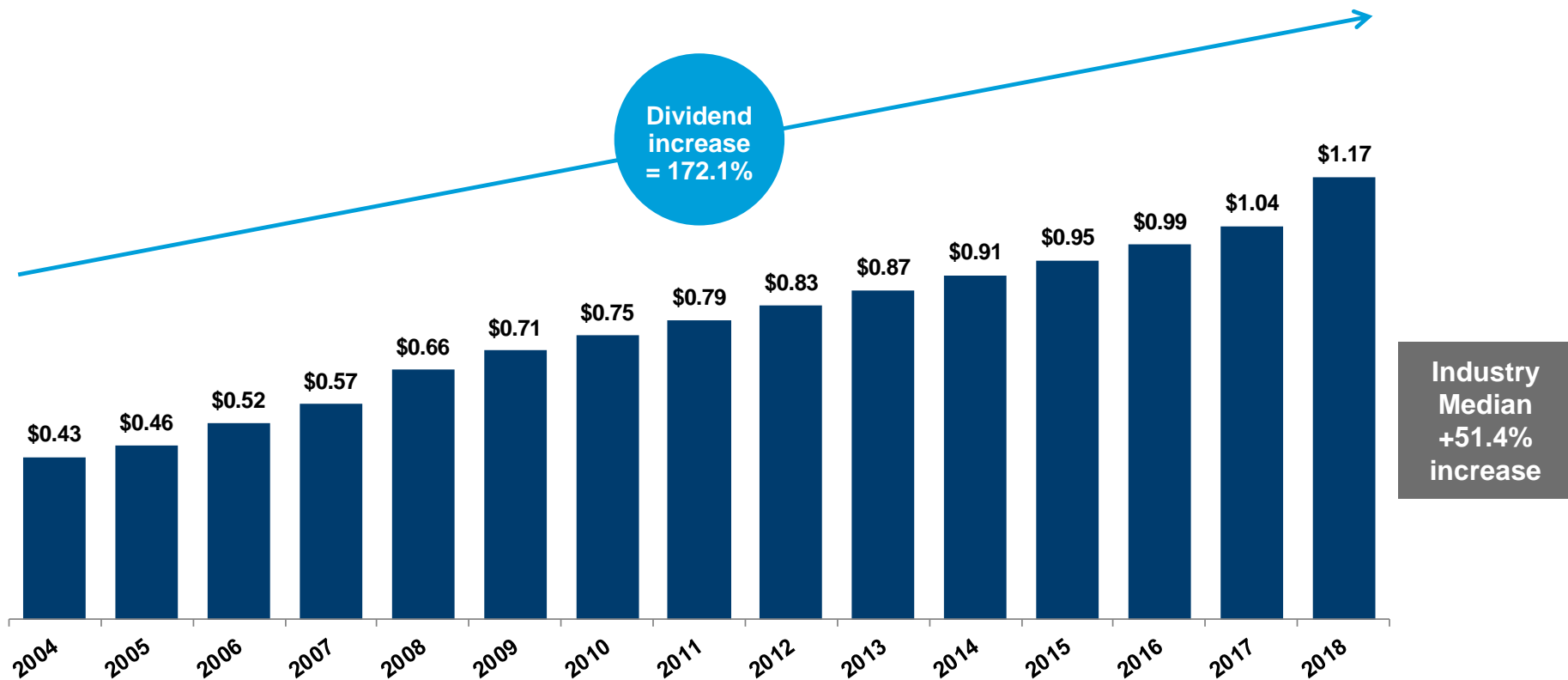


(1) Percentages less than 5% have been omitted.

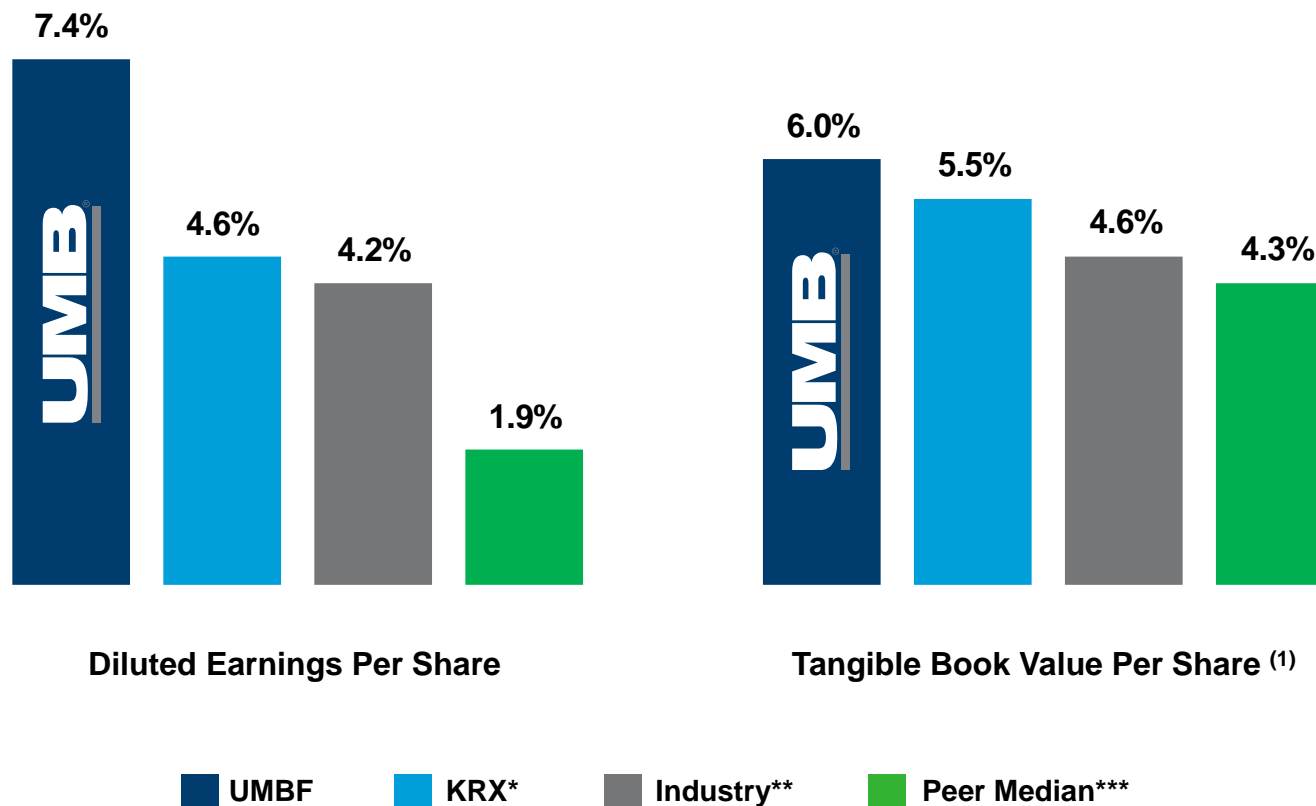


# Appendix

## Annual Dividends Declared 2004 - 2018



## 15-Year Compound Annual Growth Rates 2003 - 2018



Data as available at time of printing, 07/19/18. (1) See reconciliation of tangible book value per share on slide 39.

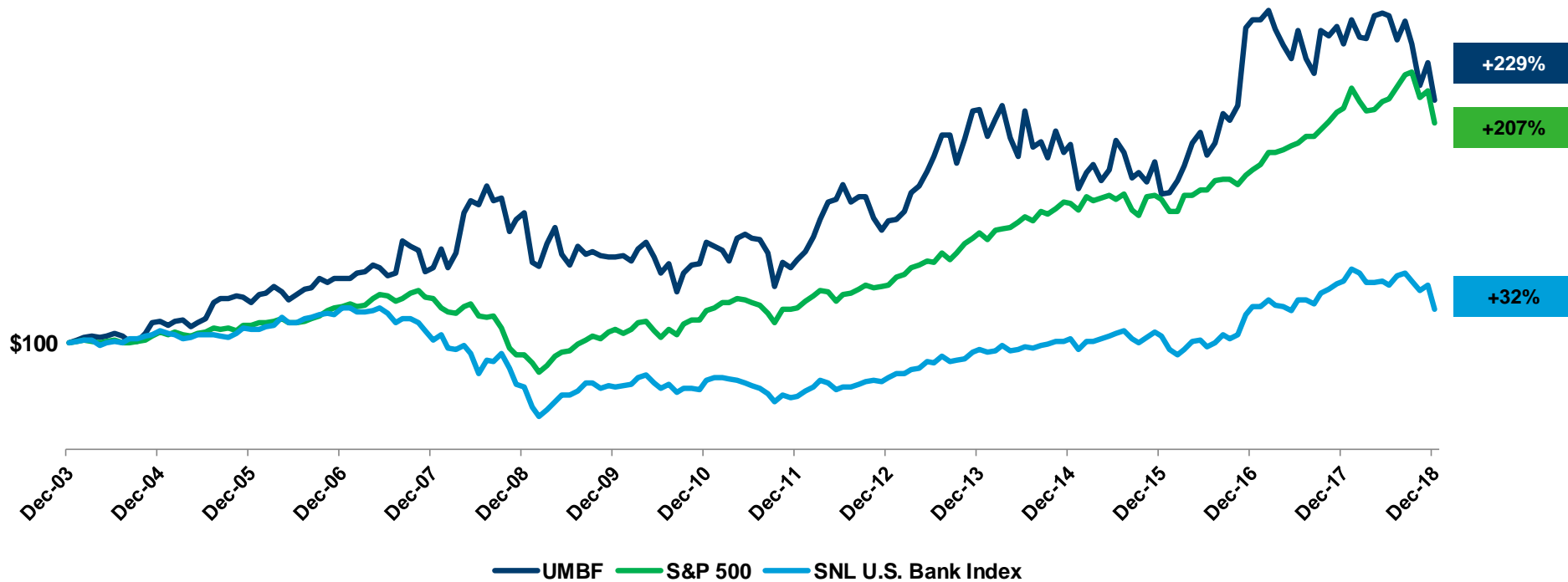
\*KBW Nasdaq Regional Bank Index (50 banks); \*\*All publicly-traded banks with data reported for 2003 and 2018; \*\*\*UMB traditional peer group (15 banks).

Source: S&P Global.

# Long-Term Shareholder Return



December 31, 2003 – December 31, 2018  
Reinvesting all dividends



Source: S&P Global

# Net Operating Income Non-GAAP Reconciliation



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

	Three Months Ended			Six Months Ended	
	June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Income from continuing operations (GAAP)	\$ 56,959	\$ 57,744	\$ 55,424	\$ 114,703	\$ 112,957
Adjustments:					
Acquisition and divestiture expense (income)	70	27	(24)	97	(6)
Severance expense	297	570	867	867	2,814
Tax impact of adjustments (i)	(81)	(133)	(188)	(214)	(624)
Total Non-GAAP adjustments	286	464	655	750	2,184
Net operating income from continuing operations (Non-GAAP)	\$ 57,245	\$ 58,208	\$ 56,079	\$ 115,453	\$ 115,141
Earnings per share from continuing operations as reported - diluted	\$ 1.16	\$ 1.18	\$ 1.11	\$ 2.34	\$ 2.26
Acquisition and divestitures expense (income)	-	-	-	-	-
Severance expense	0.01	0.01	0.01	0.02	0.05
Tax impact of adjustments (i)	-	-	-	-	(0.01)
Operating earnings per share from continuing operations - diluted (Non-GAAP)	\$ 1.17	\$ 1.19	\$ 1.12	\$ 2.36	\$ 2.30
GAAP					
Return on average assets	0.98%	1.02%	1.08%	1.00%	1.10%
Return on average equity	9.46%	10.48%	10.18%	9.95%	10.49%
Non-GAAP					
Operating return on average assets	0.99%	1.03%	1.09%	1.01%	1.12%
Operating return on average equity	9.51%	10.56%	10.30%	10.01%	10.69%

In this presentation, we provide information about net operating income from continuing operations, operating earnings per share from continuing operations-diluted (operating EPS-diluted), operating return on average equity (operating ROE), operating return on average assets (operating ROA), operating noninterest expense and operating efficiency ratio, 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 in the table above and on the next slide. The Company believes that these non-GAAP financial measures and the reconciliations may be useful to investors because they adjust for acquisition-, divestiture-, and severance-related items that management does not believe reflect the Company's fundamental operating performance. Net operating income for the relevant period is defined as GAAP net income, adjusted to reflect the impact of excluding expenses related to acquisitions and divestitures, severance expense, and the cumulative tax impact of these adjustments.

*(continued on next page)*

# Operating Noninterest Expense & Efficiency Ratio

## Non-GAAP Reconciliation



	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	June 30,
	2019	2019	2018	2019	2018
(unaudited, \$ in thousands)					
Noninterest expense (GAAP)	\$ 193,387	\$ 190,626	\$ 177,218	\$ 384,013	\$ 353,094
Adjustments (pre-tax):					
Acquisition and divestiture expense (income)	70	27	(24)	97	(6)
Severance expense	297	570	867	867	2,814
Total Non-GAAP adjustments (pre-tax)	367	597	843	964	2,808
Operating noninterest expense (Non-GAAP)	193,020	190,029	176,375	383,049	350,286
Noninterest expense	193,387	190,626	177,218	384,013	353,094
Less: Amortization of other intangibles	1,251	1,327	1,485	2,578	3,047
Noninterest expense, net of amortization of other intangibles (numerator A)	192,136	189,299	175,733	381,435	350,047
Operating noninterest expense (Non-GAAP)	193,020	190,029	176,375	383,049	350,286
Less: Amortization of other intangibles	1,251	1,327	1,485	2,578	3,047
Operating expense, net of amortization of other intangibles (numerator B)	191,769	188,702	174,890	380,471	347,239
Net interest income	166,414	163,868	150,226	330,282	298,148
Noninterest income	105,398	107,382	100,289	212,780	205,814
Less: (Losses) gains on sales of securities available for sale, net	(1,403)	809	228	(594)	367
Total revenue (denominator A)	\$ 273,215	\$ 270,441	\$ 250,287	\$ 543,656	\$ 503,595
Efficiency ratio (numerator A/denominator A)	70.32%	70.00%	70.21%	70.16%	69.51%
Operating efficiency ratio (numerator B/denominator A) (Non-GAAP)	70.19%	69.78%	69.88%	69.98%	68.95%

Operating EPS-diluted is calculated as diluted 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 income from continuing operations, divided by the Company's average total shareholders' equity for the relevant period. Operating ROA is calculated as net operating income from continuing operations, 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 (losses) on sales of securities available for sale, net).

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

# Tangible Book Value Non-GAAP Reconciliation



	For the Year Ended	
	December 31, 2018	December 31, 2003
Total shareholders' equity	\$ 2,228,470	\$ 811,923
Less: Intangible assets		
Goodwill	180,867	57,428
Other intangibles, net	15,003	5,601
Total intangibles	195,870	63,029
Total tangible shareholders' equity (Non-GAAP)	\$ 2,032,600	\$ 748,894
Total shares outstanding (1)	49,117,222	43,388,156
Ratio of total shareholders' equity (book value) per share	\$ 45.37	\$ 18.71
Ratio of total tangible shareholders' equity (tangible book value) per share (Non-GAAP)	\$ 41.38	\$ 17.26

(1) Share count for December 31, 2003 adjusted for Company's 2-for-1 stock split on May 31, 2006.

In this presentation, we provide information about tangible book value per share, which is a non-GAAP financial measure. 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 difference between the non-GAAP financial measure and the nearest comparable GAAP financial measure is reconciled in the table above. The Company believes that this non-GAAP financial measure and the reconciliation may be useful to investors because it is an important measure of the strength of the Company's capital and its ability to generate earnings on tangible equity invested by our shareholders. Tangible book value ratio is calculated as the Company's total shareholders' equity, net of intangible assets, divided by the Company's total shares outstanding.