

UMB FINANCIAL CORP
Form 10-Q
May 05, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

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

For the quarterly period ended **March 31, 2010**

OR

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

For the transition period from _____ to _____

Commission file number 0-4887

UMB FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

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Missouri
(State or other jurisdiction of
incorporation or organization)

43-0903811
(I.R.S. Employer
Identification Number)

1010 Grand Boulevard, Kansas City, Missouri
(Address of principal executive offices)

64106
(ZIP Code)

(Registrant's telephone number, including area code): **(816) 860-7000**

Indicate by check mark whether the registrant (1) 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

As of April 30, 2010, UMB Financial Corporation had 40,464,984 shares of common stock outstanding.

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	March 31, 2010	December 31, 2009
<u>ASSETS</u>		
Loans:	\$ 4,301,965	\$ 4,314,705
Allowance for loan losses	(67,442)	(64,139)
Net loans	4,234,523	4,250,566
Loans held for sale	17,706	17,523
Investment Securities:		
Available for sale	4,740,505	4,885,788
Held to maturity (market value of \$57,570 and \$58,366, respectively)	55,968	56,986
Federal Reserve Bank stock and other	22,432	22,732
Trading securities	34,858	38,214
Total investment securities	4,853,763	5,003,720
Federal funds sold and securities purchased under agreements to resell	21,177	329,765
Interest-bearing due from banks	724,437	1,057,195
Cash and due from banks	319,966	458,093
Bank premises and equipment, net	213,330	217,642
Accrued income	61,515	64,949
Goodwill	131,356	131,356
Other intangibles	46,635	47,462
Other assets	99,648	85,084
Total assets	\$ 10,724,056	\$ 11,663,355
<u>LIABILITIES</u>		
Deposits:		
Noninterest-bearing demand	\$ 2,716,510	\$ 2,775,222
Interest-bearing demand and savings	3,904,509	3,904,268
Time deposits under \$100,000	738,260	772,040
Time deposits of \$100,000 or more	861,230	1,082,958
Total deposits	8,220,509	8,534,488
Federal funds purchased and repurchase agreements	1,311,296	1,927,607
Short-term debt	21,874	29,514
Long-term debt	24,212	25,458
Accrued expenses and taxes	103,549	107,896
Other liabilities	13,165	22,841
Total liabilities	9,694,605	10,647,804

SHAREHOLDERS' EQUITY

Common stock, \$1.00 par value; 80,000,000 shares authorized, 55,056,730 shares issued, and 40,488,195 and 40,439,607 shares outstanding, respectively	55,057	55,057
Capital surplus	713,062	712,774
Retained earnings	581,443	562,748
Accumulated other comprehensive income	36,631	40,454
Treasury stock, 14,568,535 and 14,617,123 shares, at cost, respectively	(356,742)	(355,482)
Total shareholders' equity	1,029,451	1,015,551
Total liabilities and shareholders' equity	\$ 10,724,056	\$ 11,663,355

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**UMB FINANCIAL CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF INCOME***(unaudited, dollars in thousands, except share and per share data)*

	Three Months Ended March 31,	
	2010	2009
<u>INTEREST INCOME</u>		
Loans	\$ 53,483	\$ 52,800
Securities:		
Taxable interest	23,779	29,122
Tax-exempt interest	7,317	7,020
Total securities income	31,096	36,142
Federal funds and resell agreements	61	130
Interest-bearing due from banks	1,319	842
Trading securities	142	168
Total interest income	86,101	90,082
<u>INTEREST EXPENSE</u>		
Deposits	9,624	13,823
Federal funds and repurchase agreements	444	660
Long-term debt	259	390
Total interest expense	10,327	14,873
Net interest income	75,774	75,209
Provision for loan losses	8,310	6,000
Net interest income after provision for loan losses	67,464	69,209
<u>NONINTEREST INCOME</u>		
Trust and securities processing	35,572	24,899
Trading and investment banking	7,027	4,861
Service charges on deposits	20,519	20,795
Insurance fees and commissions	1,699	1,570
Brokerage fees	1,336	2,352
Bankcard fees	12,020	10,947
Gain on sales of securities available for sale, net	5,382	42
Other	2,875	3,443
Total noninterest income	86,430	68,909
<u>NONINTEREST EXPENSE</u>		
Salaries and employee benefits	62,253	57,996
Occupancy, net	8,921	8,144
Equipment	10,870	12,996
Supplies and services	4,707	5,377
Marketing and business development	3,705	3,191
Processing fees	11,029	7,004
Legal and consulting	1,622	1,548

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Bankcard	3,190	3,957
Amortization of other intangible assets	2,091	976
Regulatory Fees	3,238	1,727
Other	5,752	3,728
Total noninterest expense	117,378	106,644
Income before income taxes	36,516	31,474
Income tax provision	10,331	8,873
NET INCOME	\$ 26,185	\$ 22,601
<u>PER SHARE DATA</u>		
Net income - basic	\$ 0.65	\$ 0.56
Net income - diluted	0.65	0.55
Dividends	0.185	0.175
Weighted average shares outstanding	40,089,527	40,598,097
See Notes to Condensed Consolidated Financial Statements.		

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	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance - January 1, 2009	\$ 55,057	\$ 707,812	\$ 502,073	\$ 41,105	\$ (331,236)	\$ 974,811
Comprehensive income						
Net income			22,601			22,601
Change in unrealized gains on securities				5,370		5,370
Total comprehensive income						27,971
Cash dividends (\$0.175 per share)			(7,188)			(7,188)
Purchase of treasury stock					(12,443)	(12,443)
Issuance of equity awards		(1,261)			1,393	132
Recognition of equity based compensation		1,202				1,202
Net tax benefit related to equity compensation plans		58				58