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UMB Financial Corporation Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Your first question comes from the line of Peyton Green from FTN Midwest. Please go ahead.

Peyton Green – FTN Midwest

Yes, good morning. I was wondering if you could comment a little bit – you mentioned that you would suffer from the repricing of investment securities going forward, but to what degree would you operate with a smaller portfolio rather than reinvesting in shorter lower-yielding bonds?

Mike Hagedorn

Good morning, Peyton; it's Mike. As we mentioned earlier, over the next 12 months, this rollout yields [ph] 448. We obviously expect to reinvest those at lower yields and some slight reduction in the duration of the portfolio is something that we're currently looking at.

Peyton Green – FTN Midwest

Okay. All right, great. And then –

Mariner Kemper

Second part of your question is, would we replace them I assume with loans otherwise, right?

Peyton Green – FTN Midwest

Yes.

Mariner Kemper

And of course, we are looking for good quality loans all the time and to the extent that that eats its way into the size of the investment portfolio either way, we are happy, so –.

Peyton Green – FTN Midwest

Okay. And then in terms of the loan growth, you had very strong commercial loan growth. Was there any particular sector that contributed to it this quarter that might not have been apparent over the past couple?

Mariner Kemper

Peyton, it's interesting – we are particularly pleased. It's actually come across our entire footprint in all of our markets. I would – I somewhat attribute it to, my best guess here that while our competitors are retrenched in and looking internally, we're out – we have been able to – our sales force has been able to be out on the street and shaking trees and developing new relationships. So, it's just across the board, its new business alongside extensions from current customers.

Peter deSilva

Peyton, I'd also comment – it's Peter – that we haven't – we are not in Arizona in a big way; we are not in Vegas; we are not in California or Florida, some of the places that have been particularly hard hit. But, we are in the heart of the country right now where agriculture and energy are doing particularly well and the economies in the cities we generally do business in are not being hurt quite as significantly as some of the other parts of the country.

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