UMB Financial Corporation (UMBF)

Updated February 13th, 2026, by Josh Arnold

Key Metrics

Current Price:	$129	**5 Year CAGR Estimate:**	10.5%	**Market Cap:**	$9.8 B
Fair Value Price:	$138	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	03/10/26
% Fair Value:	93%	**5 Year Valuation Multiple Estimate:**	1.4%	**Dividend Payment Date:**	04/01/26
Dividend Yield:	1.3%	**5 Year Price Target**	$203	**Years Of Dividend Growth:**	34
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

UMB Financial Corporation is a financial services holding company headquartered in Kansas City, Missouri. Through several operating subsidiaries, UMB offers complete banking, asset management, health spending solutions, and related financial services to commercial, institutional, and personal customers nationwide. The company's most prominent operating subsidiary is UMB Bank, N.A. UMB has increased its dividend for an impressive 34 consecutive years. It trades with an $9.8 billion market capitalization and produces more than $2.5 billion in annual revenue.

UMB posted fourth quarter and full-year earnings on January 28th, 2026, and results were better than expected on both the top and bottom lines, and by wide margins in both cases. Earnings came to $3.08 per share, which was 61 cents ahead of estimates. Revenue soared 66% higher year-on-year to $721 million, which beat estimates by $43 million. This was due primarily to the Heartland acquisition.

Net interest margin was 3.29% in the fourth quarter, up a very strong 72 basis points from the year-ago period. The company's efficiency ratio was also better at 55.5% from 61.8% a year earlier. Net interest income was $523 million, up 10% from Q3, on quarterly loan production of $2.6 billion.

Net charge-offs were 13 basis while nonperforming loans were $145 million, or 37 basis points of total loans.

We start 2026 with an estimate of $12 in adjusted earnings-per-share as the Heartland acquisition is proving to be quite profitable for UMB.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.22	$3.67	$3.94	$4.96	$6.12	$7.27	$8.88	$8.14	$9.41	$11.35	***$12.00***	***$17.63***
DPS	$0.99	$1.04	$1.17	$1.21	$1.25	$1.38	$1.49	$1.53	$1.57	$1.63	***$1.72***	***$2.20***
Shares[1]	50	50	49	49	48	48	48	49	49	76	***76***	***77***

UMB's adjusted earnings-per-share have compounded at about 10% per year in the past decade. Interest rates moved sharply higher in 2022 and into 2023, which has helped create better lending margins in the sector. We forecast 8% annual growth from 2026's record earnings base, which is primarily from a lack of meaningful lending spread growth. We think continued asset base expansion is the key as UMB is working away from fee generation and more towards traditional lending, and a modest boost in fee income. Rates have moved favorably in recent months for the bank's earnings. We see outstanding credit quality and strong loan growth as key drivers of earnings going forward, in addition to the acquisitions the bank does from time to time. UMBF's net interest margin has flipped from a headwind to a tailwind. The Heartland acquisition, completed in 2025, added meaningfully to UMB's results, and we are optimistic going forward.

The dividend could continue to grow at 5% annually in the coming years, rising from $1.72 this year to $2.20 or so in 2031.

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[1] Share count in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.7	20.2	18.5	13.3	9.2	12.8	9.4	10.3	12.0	10.1	***10.8***	***11.5***
Avg. Yld.	1.7%	1.4%	1.6%	1.8%	2.2%	1.5%	1.8%	1.8%	1.4%	1.4%	***1.3%***	***1.1%***

UMB has traded in a wide range in the past decade, encompassing 9 times earnings to 21 times. We see the banks as facing economic headwinds, so we assess UMB's fair value at 11.5 times earnings. The stock now trades at 10.8 times our raised earnings estimates for this year, so we see it as slightly undervalued at the moment. We expect the dividend yield to remain well under 2% for the foreseeable future.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	31%	28%	30%	24%	20%	19%	17%	19%	17%	14%	***14%***	***12%***

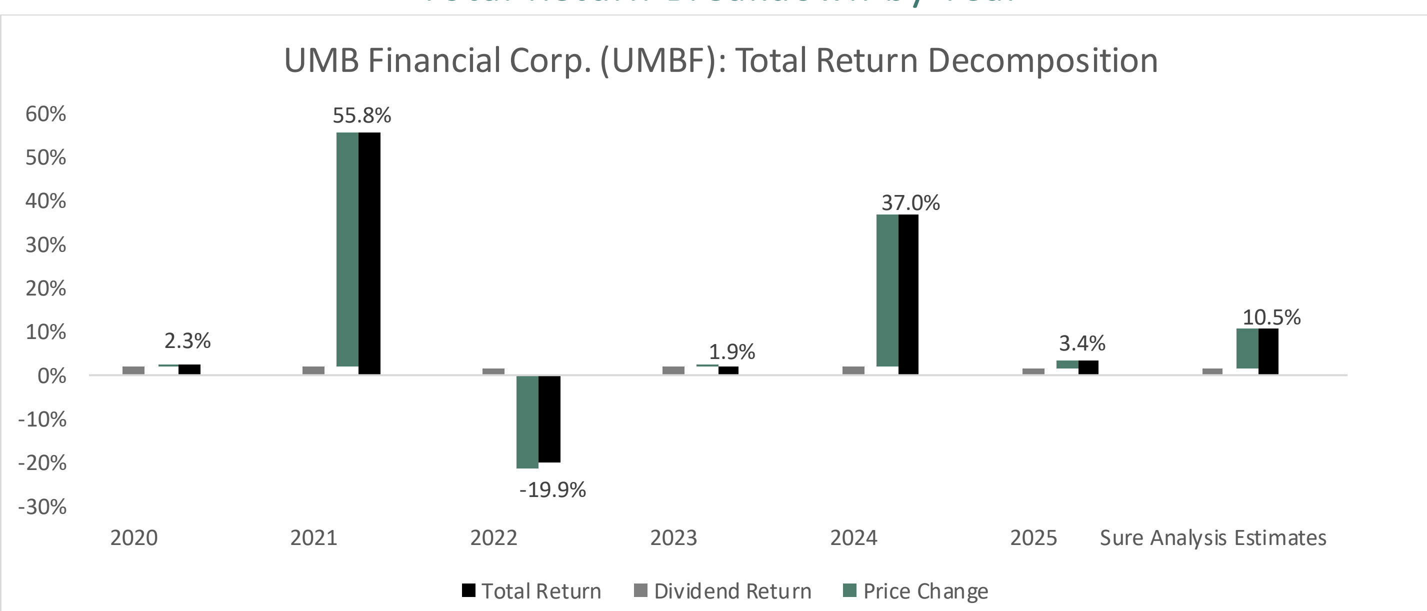
UMB's payout ratio is just one-seventh of earnings, and the bank boasts a 34-year dividend increase streak following its last payout increase. Given these factors, we see the dividend as safe with lots of room to grow in the future. We don't forecast a lot of upside to the payout ratio, so the dividend should grow modestly, keeping the payout ratio well under 20% for the foreseeable future.

UMB Financial Corporation's largest competitive advantage is its entrenched position in the financial services sector. Because of industry regulations, it is very difficult for a new competitor to enter the market and take market share from established lenders like UMB. The company's small size is also a potential advantage, as it allows the company to explore smaller, less-competitive growth opportunities that the big banks would not be interested in pursuing. Of course, recessions aren't kind to banks of any size, but we note UMB weathered 2020 quite well, and 2021 showed record earnings despite economic headwinds.

Final Thoughts & Recommendation

We see the stock as trading below fair value with 8% growth expectations. With a modest yield of 1.3%, and a small positive impact from the valuation, we expect 10.5% total annual returns going forward. As such, we reiterate UMBF at a hold rating, noting the bank's outstanding credit quality and strong growth.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	841	921	948	1,028	1,218	1,196	1,359	1,326	1,467	4,144
SG&A Exp.	444	468	472	518	536	550	579	579	622	---
D&A Exp.	55	55	53	56	63	56	54	59	53	---
Net Profit	159	247	196	244	287	353	432	350	441	702
Net Margin	18.9%	26.8%	20.6%	23.7%	23.5%	29.5%	31.8%	26.4%	30.0%	16.9%
Free Cash Flow	246	290	238	268	313	500	718	446	201	---
Income Tax	45	53	27	42	52	76	100	72	100	173

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	20,683	21,772	23,351	26,561	33,128	42,693	38,512	44,012	50,410	73,094
Cash & Equivalents	1,138	1,744	1,693	1,698	3,541	9,256	1,680	5,607	8,559	953
Goodwill & Int.	207	201	196	208	202	189	286	278	271	2,327
Total Liabilities	18,720	19,590	21,123	23,955	30,111	39,548	35,845	40,911	46,943	65,401
Long-Term Debt	77	79	83	70	270	272	381	2,183	385	474
Total Equity	1,962	2,182	2,228	2,606	3,017	3,145	2,667	3,100	3,467	7,400
LTD/E Ratio	0.04	0.04	0.04	0.03	0.09	0.09	0.14	0.70	0.11	0.494

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.8%	1.2%	0.9%	1.0%	1.0%	0.9%	1.1%	0.8%	0.9%	1.1%
Return on Equity	8.2%	11.9%	8.9%	10.1%	10.2%	11.5%	14.9%	12.1%	13.4%	12.6%
ROIC	7.9%	11.5%	8.6%	9.8%	9.6%	10.5%	13.4%	8.4%	10.6%	7.8%
Shares Out.	50	50	49	49	48	48	49	49	49	74
Revenue/Share	17.07	18.47	19.04	20.94	25.20	24.54	27.89	27.19	29.90	56.25
FCF/Share	4.98	5.82	4.78	5.45	6.48	10.27	14.73	9.14	4.10	---

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.