



**BOK FINANCIAL®**

**Investor Presentation  
September 2014**

**NASDAQ: BOKF**

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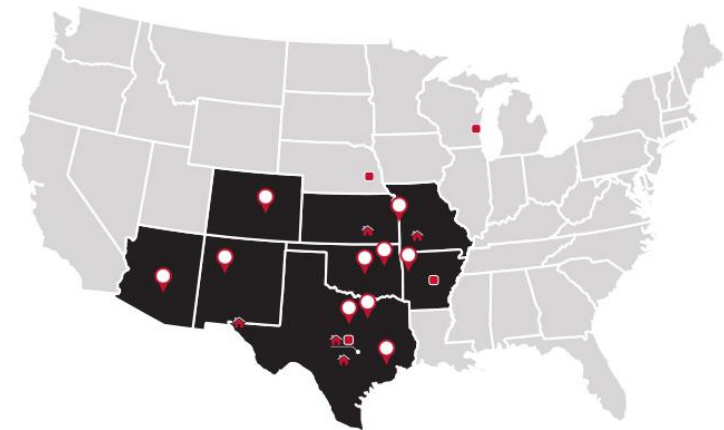
**Non-GAAP Financial Measures:** This presentation may refer to non-GAAP financial measures. Additional information on these financial measures is available in BOK Financial's 10-Q and 10-K filings with the Securities and Exchange Commission which can be accessed at [www.BOKF.com](http://www.BOKF.com).

**Peers:** Peers are defined as the 40 largest U.S.-based publicly traded bank holding companies, based on asset size at 12/31/13.

All data is presented as of June 30, 2014 unless otherwise noted.

# BOK Financial Corp. at a Glance

- ▶ Top 25 bank holding company
- ▶ Strong franchise throughout the Midwest and Southwest
- ▶ Leading energy and healthcare lender nationwide
- ▶ Seasoned management team with consistent execution and solid performance across all economic cycles
- ▶ NASDAQ: BOKF



 FULL SERVICE BANKING MARKETS

 ADDITIONAL MORTGAGE BANKING MARKETS

 ADDITIONAL WEALTH MANAGEMENT MARKETS

	At 6/30/14:
Assets	\$27.8 bil
Loans	\$13.4 bil
Deposits	\$20.6 bil
Tier 1 Common Equity	13.46%
AUM	\$ 62 bil

# BOKF Investment Attributes

Attribute	Evidence
<b>Focused on long-term shareholder value</b>	<i>14.06% compounded annual return from January 1992 through August 2014</i>
<b>Management alignment with shareholders</b>	<i>Insiders own 69% of outstanding shares</i>
<b>Industry-leading performance across all market cycles</b>	<i>23-year track record of profitability</i>
<b>Strong recurring revenue model</b>	<i>49.2% of revenue from fee generating businesses</i>
<b>Sound capital base</b>	<i>10.20 tangible common equity ratio 13.63 Tier 1 Capital Ratio</i>
<b>Pristine credit quality</b>	<i>Net recoveries in three consecutive quarters (0.06%) annualized net charge-offs in Q2 2014</i>
<b>Returning cash to shareholders</b>	<i>2.5% dividend yield and 9-year track record of increasing dividends, augmented by opportunistic stock buybacks</i>

## Driving Long Term Shareholder Value

As of 6/30/14	5 Yr. TSR	10 Yr. TSR	15 Yr. TSR
<b>BOKF</b>	<b>102%</b>	<b>106%</b>	<b>272%</b>
Peer average	130%	28%	165%
Peer median	123%	18%	89%
NASDAQ Bank Index	88%	14%	100%
KBW Bank Index	112%	-4%	19%

*“There is no principle more emphasized in our organization than managing for long-term value rather than short-term results.”*

*– George Kaiser, Chairman*

Total Shareholder Return =  $(\Delta \text{ Stock Price} + \text{Dividends}) / \text{Initial Price}$

# Diversified Business Platform

## Retail and Commercial Banking



## Wealth Management



## Transaction Processing

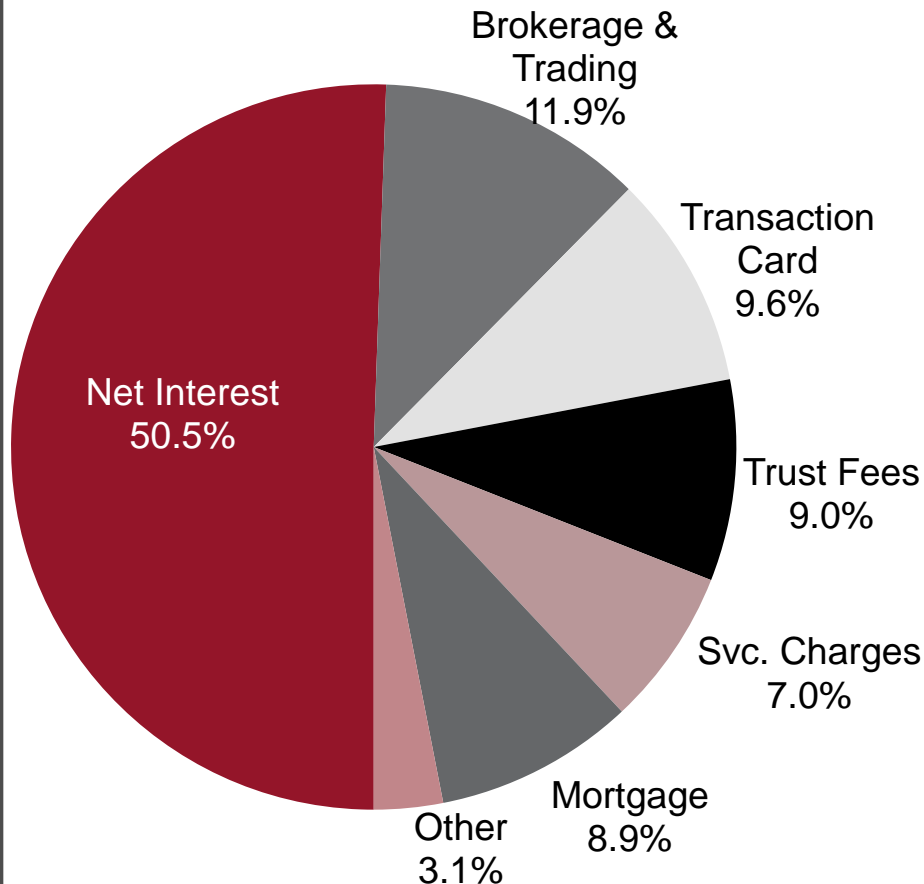


## Mortgage Banking



# Balanced Revenue

Fee Businesses Provide Stability and Growth Opportunity



LT Growth Rates	CAGR 2010-2013
Brokerage and Trading	7.34%
Transaction Card (1)	1.32%
Trust Fees	11.68%
Service Charges (1)	(2.8%)
Mortgage Banking	11.65%
Overall CAGR	5.36%

(1) Impacted by Regulation E and Durbin.

YTD 12/31/13

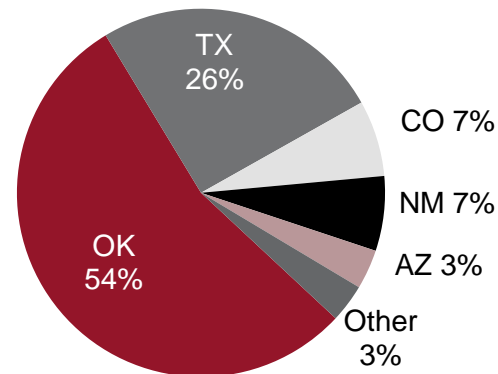
# Deposit Franchise

Market	Branches	Deposit Share
Tulsa, OK	38	31.09%
Dallas-Ft. Worth-Arlington, TX	29	1.75%
Oklahoma City, OK	31	10.57%
Houston-The Woodlands-Sugar Land, TX	14	0.76%
Albuquerque, NM	20	10.74%
Denver-Aurora-Lakewood, CO	11	2.08%
Phoenix-Mesa-Scottsdale, AZ	4	0.90%
Kansas City, MO-KS	3	0.76%
Fayetteville-Springdale-Rogers, AR-MO	2	3.11%

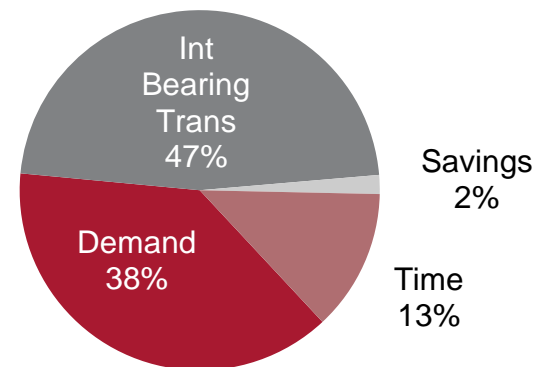
Source: SNL

- Strong core deposit franchise
- Significant organic growth potential
- Deposit franchise stress test: modeling \$2 billion shift out of DDA with 200 bp parallel shock

**By Market**



**Total: \$20.6 billion at 6/30/14**





# Commercial Banking

Diversified by Sector and Geography

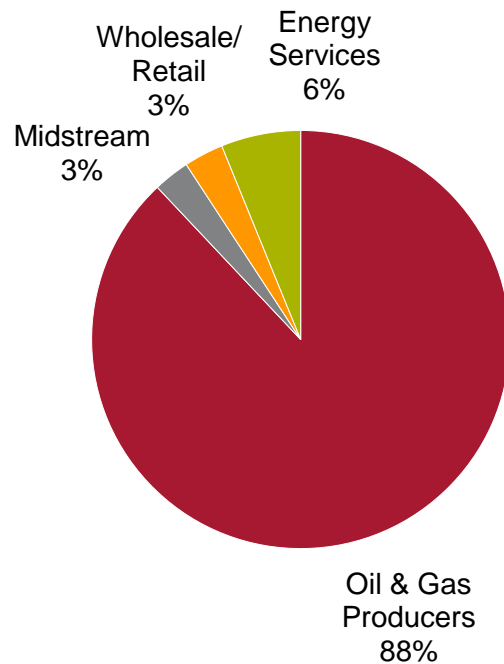
## Loan Portfolio Breakdown - by Sector:

Commercial (In Millions)	6/30/2014	
Energy	\$ 2,419.8	18.0%
Services	\$ 2,377.1	17.7%
Wholesale/Retail	\$ 1,318.2	9.8%
Manufacturing	\$ 452.9	3.4%
Healthcare	\$ 1,394.2	10.4%
Other C&I	\$ 405.5	3.0%
<b>Total Commercial</b>	<b>\$ 8,367.7</b>	
Total Commercial RE	\$ 2,655.0	19.8%
Total Residential Mortg.	\$ 2,008.2	15.0%
Total Consumer	\$ 396.0	2.9%
<b>Total Loans</b>	<b>\$ 13,426.9</b>	

## Loans by Principal Market:

(In Millions)	6/30/2014	
Oklahoma	5,378.4	40.1%
Texas	4,501.6	33.5%
New Mexico	840.7	6.3%
Arkansas	172.2	1.3%
Colorado	1,141.0	8.5%
Arizona	788.5	5.9%
Kansas/MO	604.5	4.5%
	<b>13,426.9</b>	<b>100.0%</b>

## Commercial Banking Energy Lending

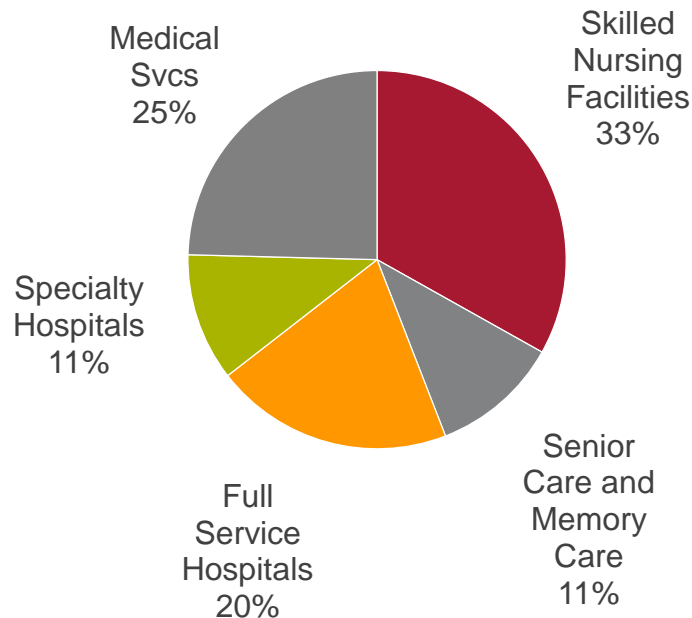


- ▶ \$2.4 billion energy portfolio at 6/30/14
- ▶ Core competency of BOK for over 100 years
- ▶ 50-60% loan to value on proved producing reserves
- ▶ Approximately 59% of production loans are secured by oil
- ▶ Regionally diverse oil and gas properties
- ▶ E&P line utilization, currently 47%, varies due to commodity prices and geopolitical environment
- ▶ Net charge-offs on production portfolio averaged 10 basis points over the last decade
- ▶ No significant impact noted from stress tests using base of \$1.50/mmbtu for gas and \$55/bbl for oil
- ▶ In-house engineering staff represents significant competitive advantage

# Commercial Banking

## Healthcare Lending

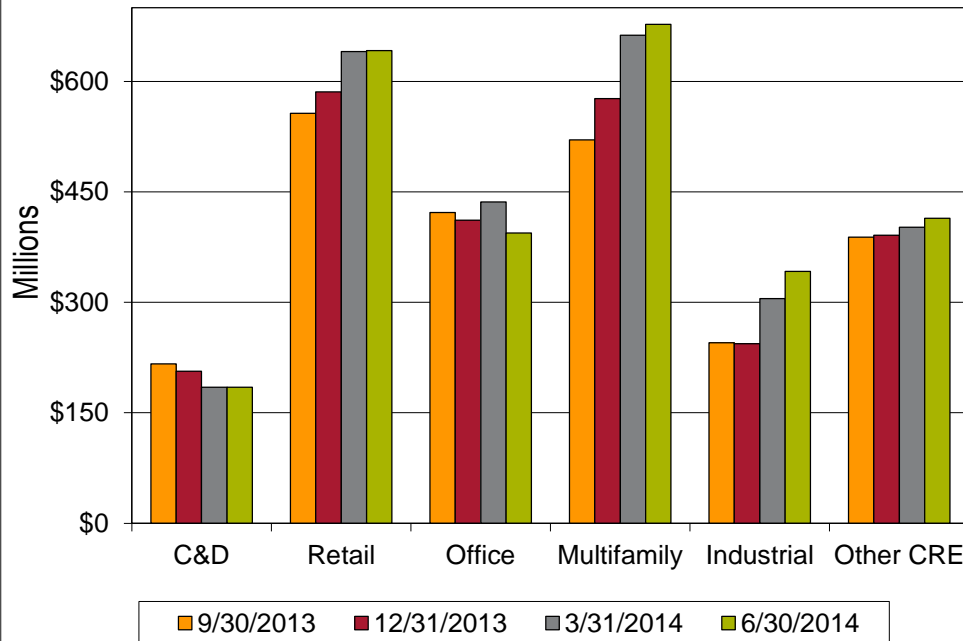
### Healthcare Commitments



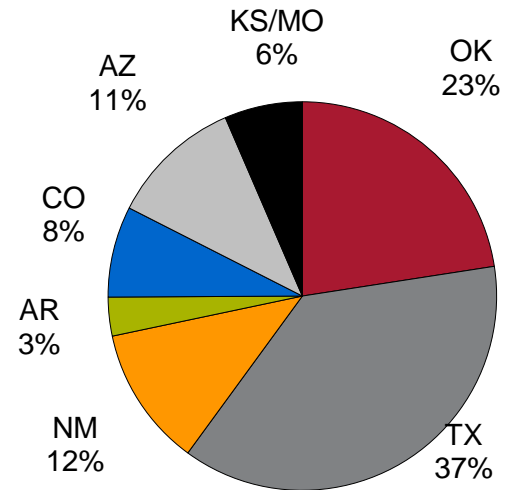
- ▶ Growing line of business within commercial
- ▶ \$1.4 billion portfolio at 6/30/14
- ▶ Portfolio increased at a compound annual rate of 10% since 2007
- ▶ National expertise in skilled nursing facilities and acute care hospitals
- ▶ Other areas of expertise include senior housing, specialty hospitals, and medical service facilities.

# Commercial Banking

## Commercial Real Estate Portfolio Trends



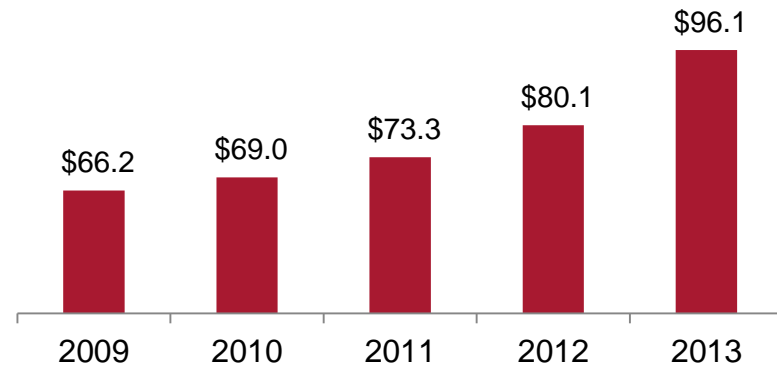
**CRE By Market**



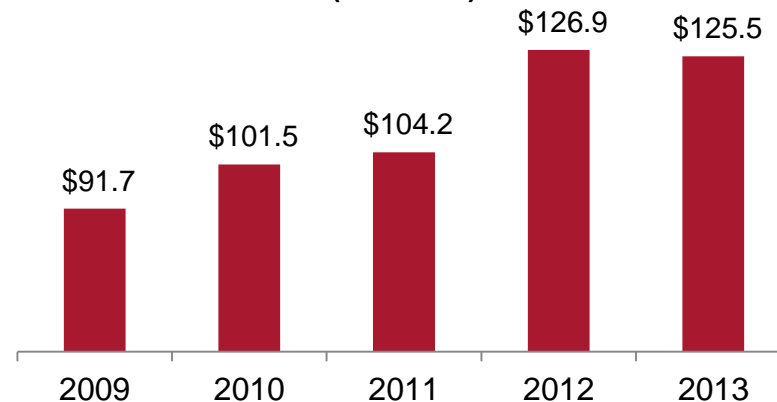
## Wealth Management

- ▶ \$62 billion in assets under management or custody
- ▶ \$32.7 billion in fiduciary assets
- ▶ More than \$1 trillion in traded securities annually
- ▶ Clients include high net worth individuals, corporations, pensions, foundations, government entities, etc.
- ▶ Services include brokerage and trading, institutional wealth management services, advisor services, international services
- ▶ Wealth creation within footprint represents significant driver of new business development.

**Fiduciary and Asset Management Revenue (\$millions)**



**Brokerage & Trading Revenue (\$millions)**

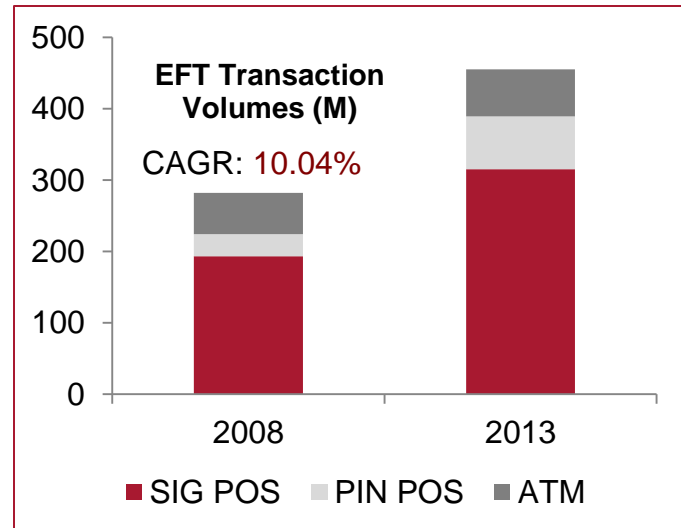
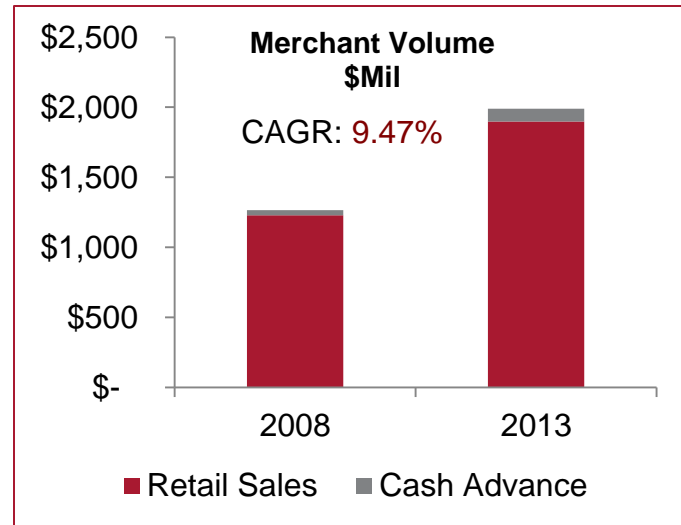
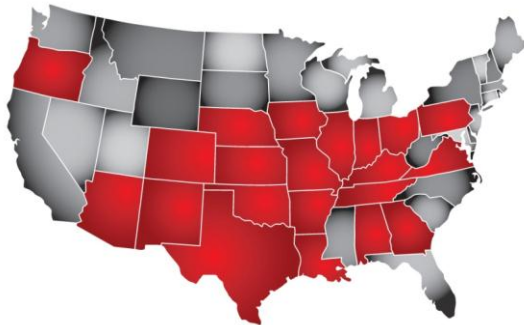


## ATM Network

- ▶ Among the top 10 networks in the US
- ▶ Operates in 21 states; 50% of clients outside Oklahoma
- ▶ Clients: 207 Banks, 138 Credit Unions, 6 C-Store partners
- ▶ In 2013, processed 455 million EFT transactions

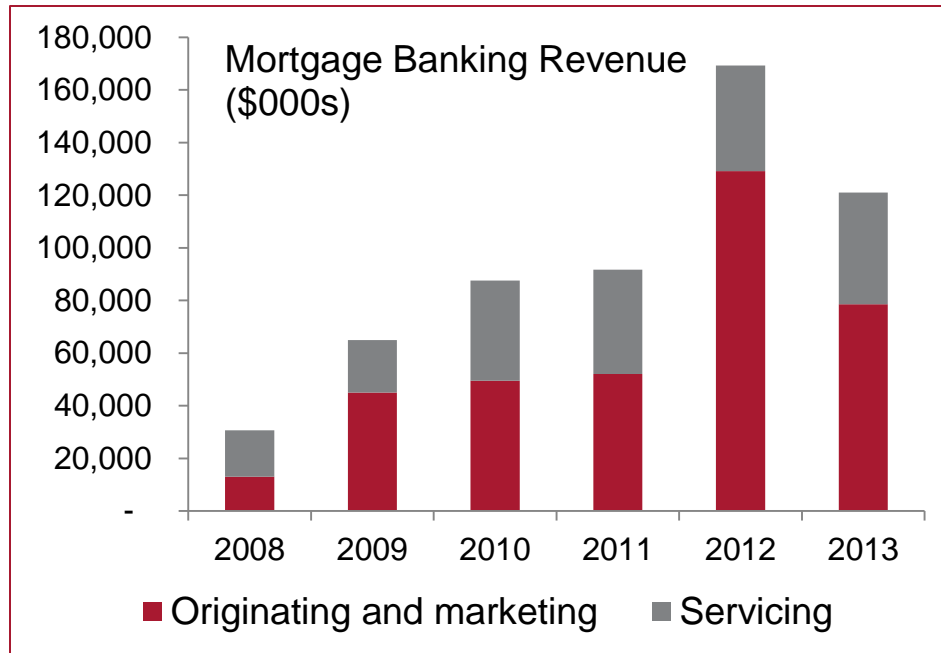
## Merchant Payment Processing

- ▶ Process payments for 7,161 merchant and cash advance locations
- ▶ In 2013, processed \$1.9 billion in merchant sales



# Mortgage Banking

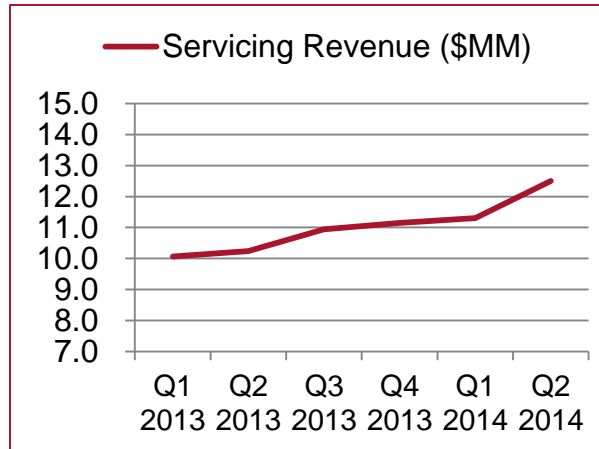
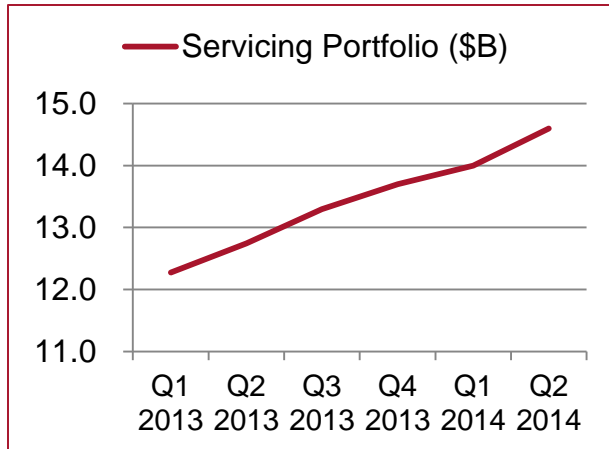
## Building a Recurring Revenue Model



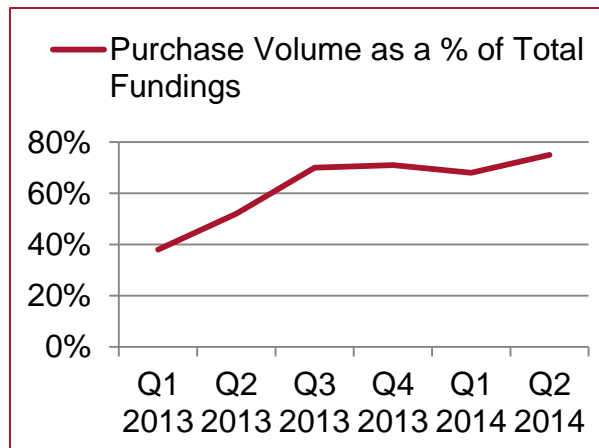
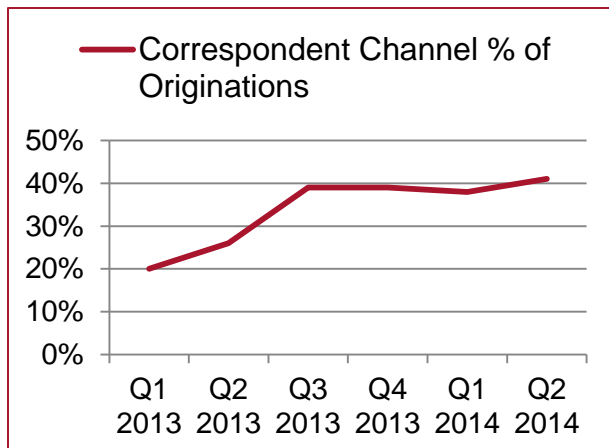
- ▶ Housed within the retail banking business
- ▶ Several key strategic initiatives:
  - ▶ Build servicing portfolio
  - ▶ Expand correspondent network
  - ▶ Build platform that reaches homebuyers and homeowners wherever they shop for mortgages
- ▶ Refinancing volume 25% of total funded volume in Q2 '14

# Mortgage Banking

## Building a Recurring Revenue Model



- ✓ Consistent growth in servicing portfolio drives recurring servicing revenue



- ✓ Expansion of locally-connected correspondent channel drives shift to purchase volume as a percent of originations.



# Q2 2014 Results

## Second Quarter Highlights

	Q2 2014	Q1 2014
Net Income	\$75.9 million	\$76.6 million
Diluted EPS	\$1.10	\$1.11

### Drivers:

- Strong execution of growth strategies across the entire business
- Double-digit annualized loan growth in Q2
- Sustainable growth across all fee-generating lines of business

## Second Quarter Highlights

\$billions	Q2 2014	Q1 2014	Q2 2013	% Growth, Seq.	% Growth, YOY
Period-End Loans	\$13.4	\$13.1	\$12.4	2.7% (10.7% ann.)	7.9%
Avg. Loans	13.3	12.9	12.3	2.4% (9.8% ann.)	8.0%
Fiduciary Assets	\$32.7	\$31.3	\$28.3	4.5%	15.7%

### Drivers:

- Loan growth driven by traditional C&I customers
- Energy loans up 3.2% in Q2 (13.0% annualized) - best sequential loan growth since Q3 2012
- Continued strong credit quality of underlying portfolio
- Fiduciary asset increase due to acquisitions as well as organic growth

# Commercial Loan Growth

(\$millions)	Jun 30, 2014	Mar 31, 2014	Sequential Loan Growth
Energy	\$2,419.8	\$2,344.1	3.2%
Services	2,377.1	2,232.5	6.5%
Wholesale/retail	1,318.2	1,226.0	7.5%
Manufacturing	452.9	444.2	2.0%
Healthcare	1,394.2	1,396.6	(0.2%)
Other	405.6	408.4	(0.7%)
<b>Total Commercial</b>	<b>\$8,367.7</b>	<b>\$8,051.7</b>	<b>3.9%</b>

# Commercial Real Estate

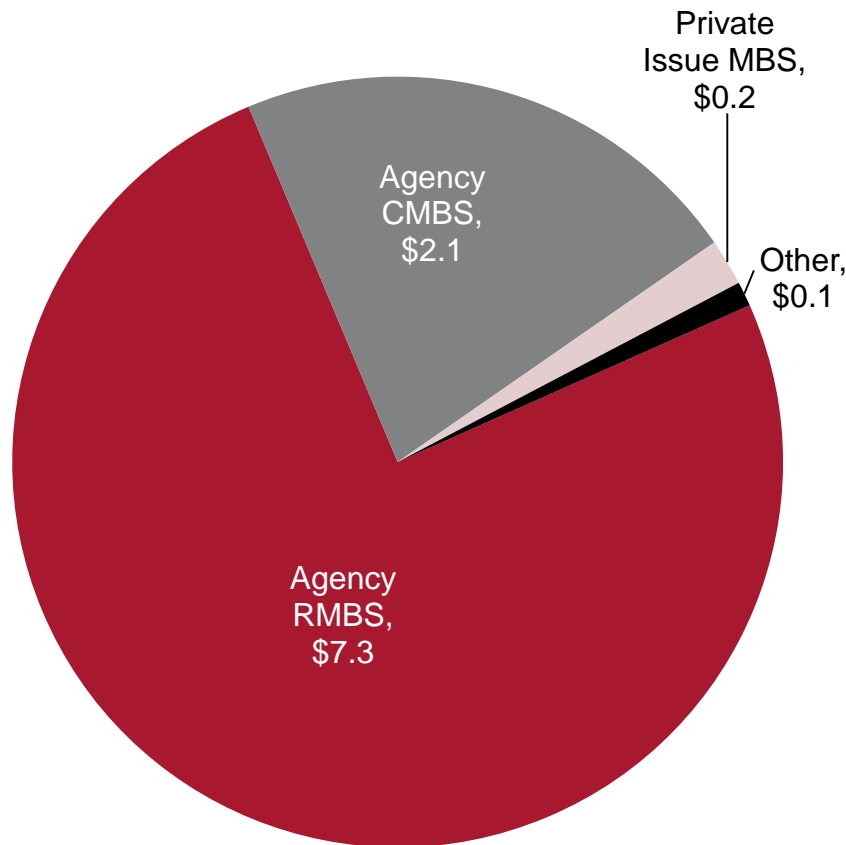
(\$millions)	Jun 30, 2014	Mar 31, 2014	Sequential Loan Growth
Residential construction and land development	\$184.8	\$184.8	0%
Retail	642.1	640.5	0.3%
Office	394.2	436.3	-9.6%
Multifamily	677.4	662.7	2.2%
Industrial	342.1	305.2	12.1%
Other CRE	414.4	401.9	3.1%
<b>Total CRE</b>	<b>\$2,655.0</b>	<b>\$2,631.4</b>	<b>0.9%</b>

# Total Loans

(\$millions)	Jun 30, 2014	Mar 31, 2014	Sequential Loan Growth
Total Commercial	\$8,367.7	\$8,051.7	3.9%
Total CRE	2,655.0	2,631.4	0.9%
Total Residential Mortgage	2,008.2	2,018.7	-0.5%
Total Consumer	396.0	376.1	5.3%
Total Loans	\$13,426.9	\$13,077.9	2.7%

## \$9.7B AFS Portfolio

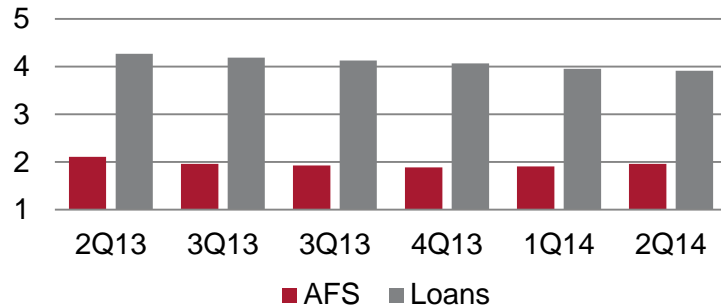
High Quality, Actively Managed



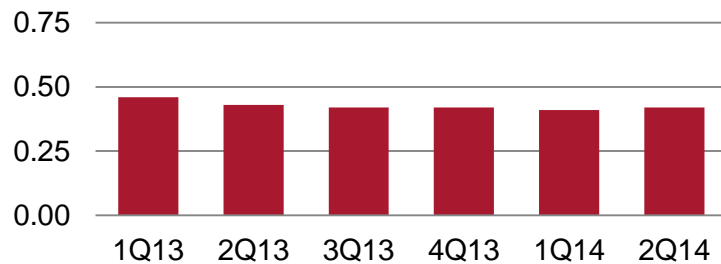
- ▶ **Securities portfolio used primarily to manage interest rate risk and generate incremental net interest revenue**
- ▶ **Consistent strategy; actively managed for total return**
- ▶ **Total AFS portfolio estimated duration of 3.1 years**
- ▶ **Duration expected to extend to 3.4 years with 200bp interest rate shock**
- ▶ **Goal to reduce AFS portfolio by \$1.2 billion in 2014 to prepare for rising rate environment**

# Net Interest Margin

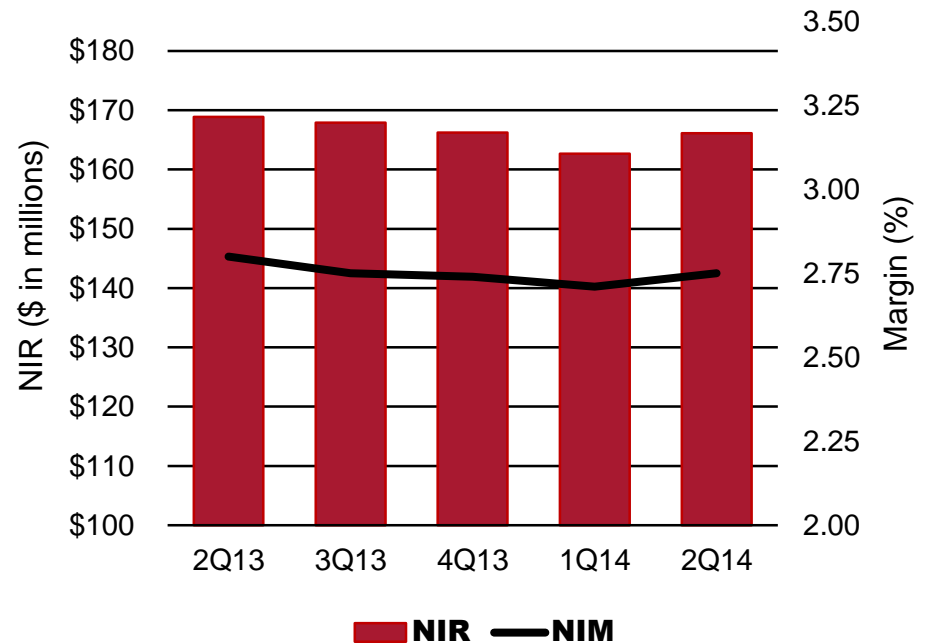
### Yields (%)



### Cost of Int Bearing Liab (%)



### Net Interest Revenue & Margin





# Net Interest Revenue

	Q2 2014	Q1 2014
Net Interest Revenue	\$166.1 million	\$162.6 million

## Drivers:

- Strong loan growth
- Improved NIM in Q2
- One additional day in Q2

# Other Operating Revenue

(\$millions)	Q2 2014	% Growth, Seq.	% Growth, YOY	
Brokerage and trading	\$39.1	32.3%	18.8%	Investment banking business posts best quarter ever
Transaction card	31.5	8.2%	5.2%	Record quarter driven by higher transaction volume, new customer growth
Fiduciary and asset management	29.5	14.9%	19.1%	Growth in customer accounts, asset values, and contribution from recent acquisitions
Deposit service charges and fees	23.1	2.0%	-3.5%	Sequential growth due to seasonality
Mortgage banking	29.3	28.4%	-19.9%	Continued build-out of sales channels drives increased production in all sales channels
Other revenue	11.5	4.8%	4.4%	
<b>Total Fees and Commissions</b>	<b>\$164.1</b>	<b>16.5%</b>	<b>3.1%</b>	

# Expenses

	Q2 2014	Q1 2014
Other Operating Expense	\$214.7 million	\$185.1 million

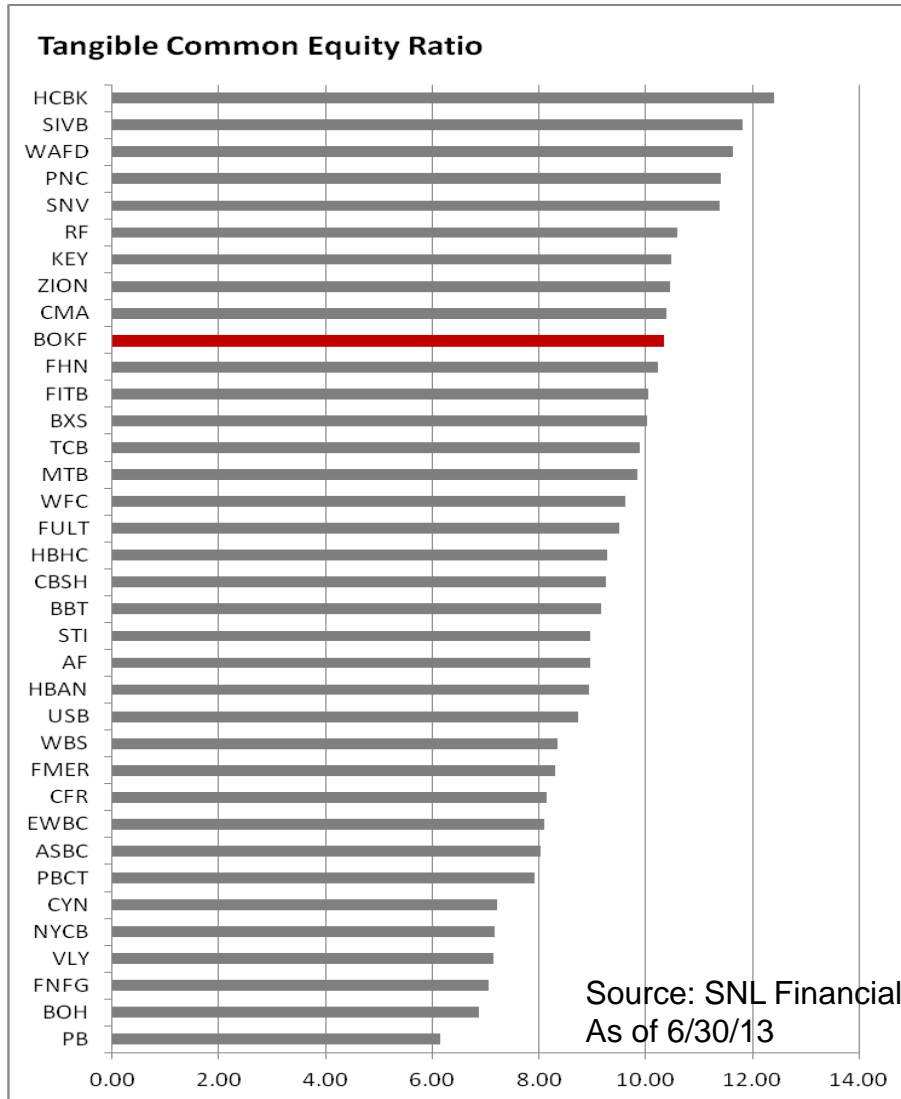
## Drivers:

- Personnel expense in Q2 2014 in line with expectations
  - Q1 included ~\$17 million of accrual reversals
- Higher variable expenses due to strong Q2 revenue growth (impacts several expense line items)
- Forecasted higher professional fees to support regulatory initiatives

## Balance Sheet

	Q2 2014	Q1 2014
Available for sale securities	\$9.7 billion	\$9.9 billion
Average deposits	\$20.5 billion	\$20.2 billion
Tier 1 Capital Ratio	13.63%	13.77%
Total Capital Ratio	15.38%	15.55%
Leverage Ratio	10.26%	10.17%
Tier 1 Common Equity ratio (1)	13.46%	13.59%

1) *Based on our interpretation of the existing Basel I standards. Based on our interpretation of the new capital rule, our estimated Tier 1 common equity ratio on a fully phased-in basis would be approximately 12.35%, 535 basis points above the 7% regulatory threshold.*



- ▶ Tier 1 common equity ratio 13.46% as of June 30, 2014.
- ▶ Based on our interpretation of the new capital rule, our estimated Tier 1 common equity ratio is approximately 12.35%, nearly 535 basis points above the 7% regulatory threshold.

### Capital deployment

- ▶ Acquired MBM Advisors in April 2014
- ▶ Acquired GTRUST Financial Services in February 2014
- ▶ Increased quarterly dividend to 40 cents per share in October 2013
- ▶ \$1 special dividend November 2012
- ▶ Repurchased 384,796 shares in 2012
- ▶ Acquired The Milestone Group in August 2012

## Solid Credit Quality at June 30, 2014

Continued Positive Trends

▶ ALL to period end loans:

**1.42%**

▶ Net annualized charge-offs to average loans:

**(.06)%**

▶ Allowance for loan losses to nonaccruing loans:

**197.24%**

▶ Non-performing assets to period end loans and repossessed assets\*:

**1.09%**

\*Excluding government guaranteed assets.

## Revised 2014 Assumptions

- ▶ Low double-digit annual loan growth
- ▶ Continued nominal pressure on NIM
- ▶ Continued reduction of securities portfolio offset by growth in loan portfolio
- ▶ Reduce the securities portfolio by \$1.2 billion over the full year
- ▶ Net interest income to be flat to slightly down for the balance of the year
- ▶ Continued strong performance from fee generating businesses
  - ▶ Favorable year-over-year comps from mortgage business in Q3, Q4
- ▶ Some expense growth in Q3, Q4 tempered by careful cost containment
- ▶ Continued loan growth will reduce the likelihood of any release of loan loss reserves.

# Superior Balanced Strategy



- ▶ Management alignment with shareholders
- ▶ Industry-leading performance across all market cycles
- ▶ Strong recurring revenue model
- ▶ Sound capital base
- ▶ Pristine credit quality
- ▶ Returning cash to shareholders