



# BOK FINANCIAL®

## Investor Presentation

**NASDAQ: BOKF**



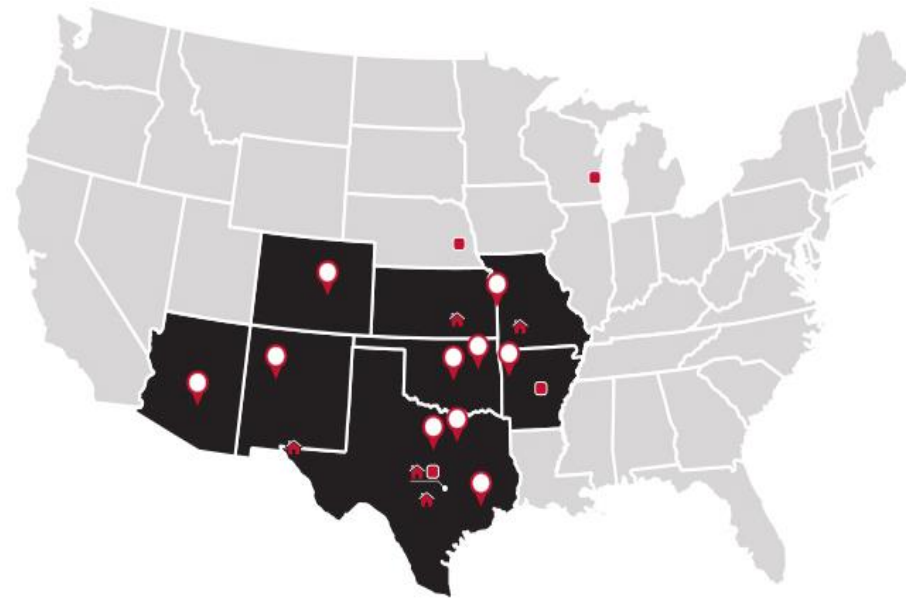
**Forward-Looking Statements:** This presentation contains statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections about BOK Financial Corporation, the financial services industry, and the economy generally. These remarks constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "anticipates", "believes", "estimates", "expects", "forecasts", "plans", "projects", variations of such words, and similar expressions are intended to identify such forward-looking statements. Management judgments relating to, and discussion of the provision and allowance for credit losses involve judgments as to future events and are inherently forward-looking statements. Assessments that BOK Financial's acquisitions and other growth endeavors will be profitable are necessary statements of belief as to the outcome of future events, based in part on information provided by others which BOKF has not independently verified. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions which are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what is expressed, implied or forecasted in such forward-looking statements. Internal and external factors that might cause such a difference include, but are not limited to, changes in interest rates and interest rate relationships, demand for products and services, the degree of competition by traditional and non-traditional competitors, changes in banking regulations, tax laws, prices, levies, and assessments, the impact of technological advances, and trends in customer behavior as well as their ability to repay loans. For a discussion of risk factors that may cause actual results to differ from expectations, please refer to BOK Financial Corporation's most recent annual and quarterly reports. BOK Financial Corporation and its affiliates undertake no obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events, or otherwise.

**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).

All data is presented as of December 31, 2015 unless otherwise noted.

# BOKF at a Glance

- Top 25 U.S bank holding company
- Valuable midwest/southwest franchise
- Seasoned management team
- Consistent execution and solid performance across all economic cycles
- Proven ability to deliver organic growth
- Leading energy and healthcare lender nationwide
- NASDAQ: BOKF



 FULL SERVICE BANKING MARKETS

 ADDITIONAL MORTGAGE BANKING MARKETS

 ADDITIONAL WEALTH MANAGEMENT MARKETS

	<b>At 12/31/15:</b>
Assets	\$31.5 bil
Loans	\$15.9 bil
Deposits	\$21.1 bil
Fiduciary Assets	\$38.3 bil
AUM & Custody	\$ 71.0 bil

# BOKF Investment Attributes

<b>Attribute</b>	<b>Evidence</b>
<b>Focused on long-term shareholder value</b>	<i>Strong growth in total shareholder return over several economic cycles</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>25-year track record of profitability</i>
<b>Strong recurring revenue model</b>	<i>Nearly half of total revenue from fee generating businesses</i>
<b>Sound capital base</b>	<i>Approximately \$300 million of excess capital</i>
<b>Excellent credit quality</b>	<i>All credit metrics at or near top of the peer group due to consistent lending discipline</i>
<b>Returning cash to shareholders</b>	<i>Consistent dividend track record, strong dividend yield and payout ratio, supplemented by opportunistic stock buyback program.</i>

# Delivering Long Term Shareholder Value

As of 12/31/15	10 Yr. TSR	15 Yr. TSR
<b>BOKF</b>	<b>65%</b>	<b>395%</b>
Rank in Peer Group	7/36	4/36
Peer average	13%	113%
Peer median	8%	76%
KBW Bank Index	(10%)	20%
NASDAQ Bank Index	17%	109%

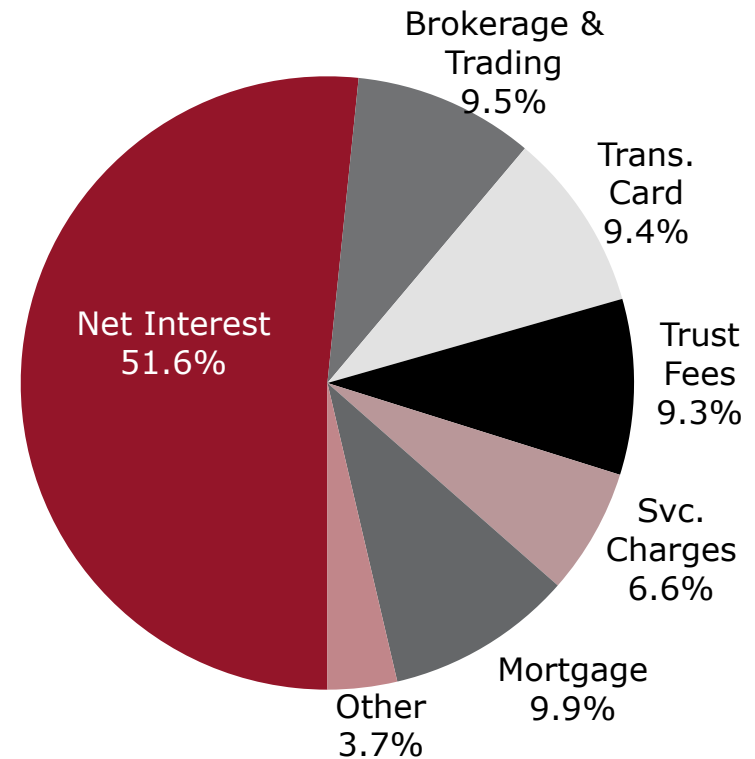
*"There is no principle more emphasized in our organization than managing for long-term value rather than short-term results."*

*– George Kaiser, Chairman*

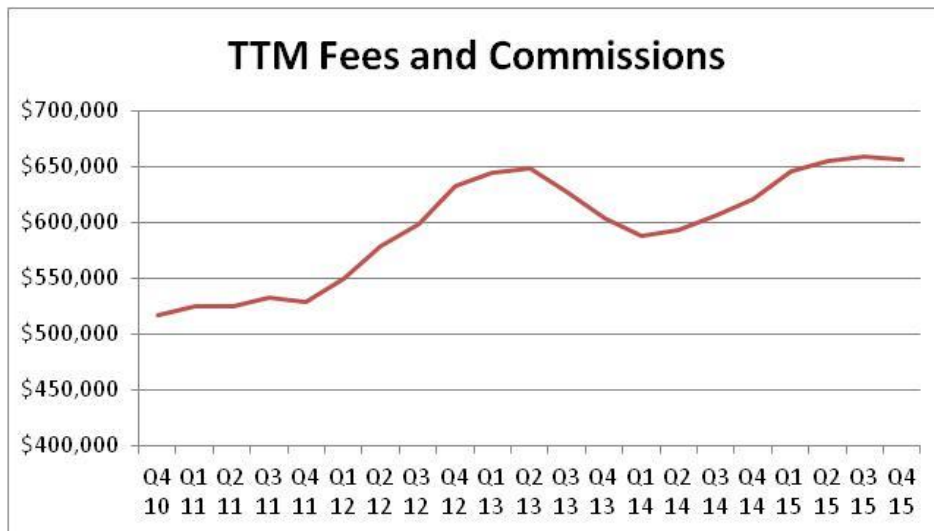
Total Shareholder Return =  $(\Delta \text{ Stock Price} + \text{Dividends}) / \text{Initial Price}$

# Diversified Revenue Sources

CAGR 2010-2015:	
Brokerage and Trading	5.0%
Transaction Card	4.9%
Trust Fees	14.5%
Service Charges	(2.7%)
Mortgage Banking	8.9%
Overall CAGR	5.0%



12 Months Ended 12/31/15

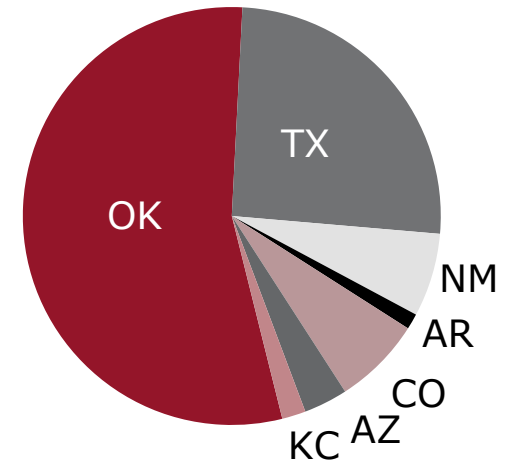


# Strong Core Deposit Franchise

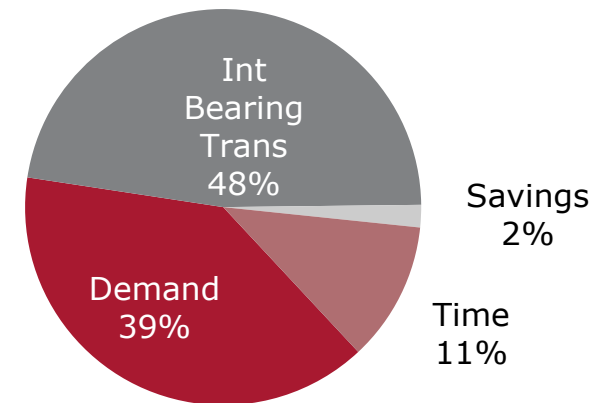
Market	Branches	Deposit Share
Tulsa, OK	26	29.96
Dallas-Fort Worth-Arlington, TX	23	1.71
Oklahoma City, OK	20	12.28
Houston-The Woodlands-Sugar Land, TX	14	0.66
Denver-Aurora-Lakewood, CO	11	2.05
Albuquerque, NM	17	10.05
Phoenix-Mesa-Scottsdale, AZ	4	0.99
Kansas City, MO-KS	3	0.84
Fayetteville-Springdale-Rogers, AR-MO	2	3.41

Source: SNL

- 135 total branches, urban-centric locations
- Significant opportunity for organic growth in key markets such as Houston, Dallas, Kansas City, and Denver
- Modeling \$2 billion shift out of DDA with 200 basis point short-term rate increase



**Total: \$21.1 billion at 12/31/15**



# Commercial Banking

Diversified by Sector and Geography

## Loan Portfolio Breakdown - by Sector:

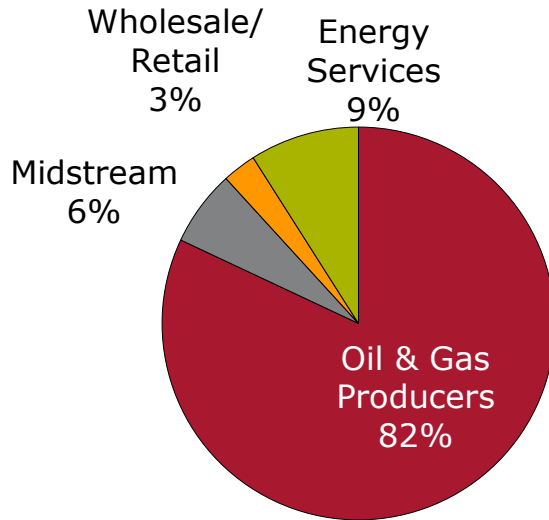
<b>Commercial (Millions)</b>	<b>12/31/2015</b>	
Energy	\$ 3,097.3	19.4%
Services	\$ 2,784.3	17.5%
Healthcare	\$ 1,883.4	11.8%
Wholesale/retail	\$ 1,422.1	8.9%
Manufacturing	\$ 556.7	3.5%
Other C&I	\$ 508.8	3.2%
<b>Total Commercial</b>	<b>\$ 10,252.5</b>	
Total Commercial RE	\$ 3,259.0	20.4%
Total Residential Mortg.	\$ 1,876.9	11.8%
Total Consumer	\$ 552.7	3.5%
<b>Total Loans</b>	<b>\$ 15,941.1</b>	

## Loans by Principal Market:

<b>(In Millions)</b>	<b>12/31/2015</b>	
Oklahoma	6,187.0	38.8%
Texas	5,535.2	34.7%
New Mexico	821.3	5.2%
Arkansas	170.7	1.1%
Colorado	1,288.2	8.1%
Arizona	1,189.4	7.5%
Kansas/MO	749.3	4.7%
	<b>15,941.1</b>	<b>100.0%</b>



# Energy



- 100 year history in energy lending and expertise to manage through downturns
- Disciplined focus on senior secured, first lien, reserve-based lending
- Only 16 basis points of gross losses in energy for the 15 years ended 12/31/15
- As of 12/31/15:
  - \$5.6 billion commitments and \$3.1 billion O/S
  - ~60/40 split between oil and gas
  - SNCs = 52% of commitments, 46% of outstandings
  - E&P line utilization 62%
  - ALLL to period end loans: **2.89%**
  - Q4 energy chargeoffs totaled \$2.1 million, 2015 totaled \$5.3 million

\$mil	Q4 2014		Q3 2015		Q4 2015	
Pass Performing Loans	2,832.6	99.0%	2,527.5	89.1%	2,580.7	83.3%
Spec. Mention Performing ("Criticized")	10.5	0.4%	196.3	6.9%	325.7	10.5%
Potential Problem Loans	15.9	0.6%	96.4	3.4%	129.8	4.2%
Nonaccrual Loans	1.4	0.0%	17.9	0.6%	61.2	2.0%
<b>Total Energy Loans</b>	<b>\$2,860.4</b>		<b>\$2,838.1</b>		<b>\$3,097.3</b>	

## Q4 Energy Portfolio Stress Test:

Stress Test Price Deck:	Nat Gas \$/MMBTU:	Oil \$/BBL:
2016	\$1.80	\$25.00
2017	\$2.00	\$28.00
2018	\$2.25	\$30.00
2019	\$2.35	\$35.00
2020 & Thereafter	\$2.45	\$42.00

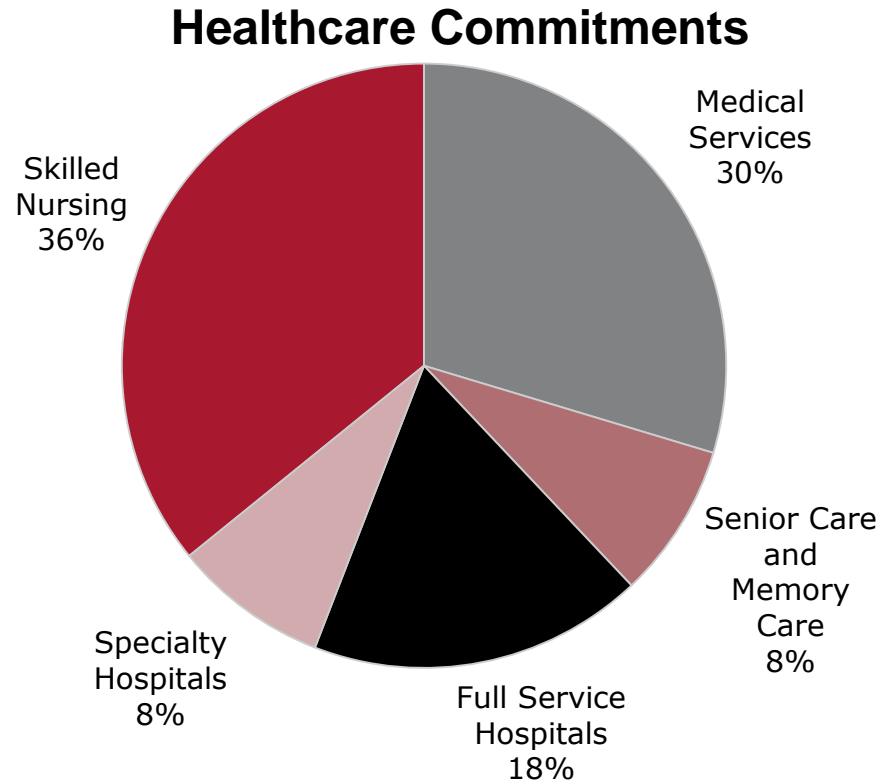
- Assumes 10+ year depressed commodity price environment
- Inherent loss content in this scenario factored into 2016 loan loss provision guidance of \$60-\$80 million for 2016.

## Energy LLR Appropriateness:

- **BOK Financial believes its 2.89% LLR for energy loans is appropriate at 12/31/15.**
- **BOK Financial has largely avoided the highest-risk areas of the energy industry:**
  - Only 9 percent of portfolio to energy services companies
  - Limited second lien exposure at present: 2 transactions; \$20 million commitments; \$10 million outstanding
  - No exposure to higher-risk segments of the capital stack: including mezzanine debt, subordinated debt, high yield debt, or equity.
  - No deepwater offshore exposure
  - No funded exposure to any of the 42 E&P companies that declared bankruptcy in 2015.

# Healthcare Banking

- Growing line of business within commercial
- \$1.9 billion portfolio at 12/31/15
- Five year CAGR 18.4%
- National expertise in skilled nursing facilities and acute care hospitals
- Other areas of expertise include senior housing, specialty hospitals, and medical service facilities.



# Commercial Real Estate

## Disciplined Concentration Management

### Concentration by Product Type:

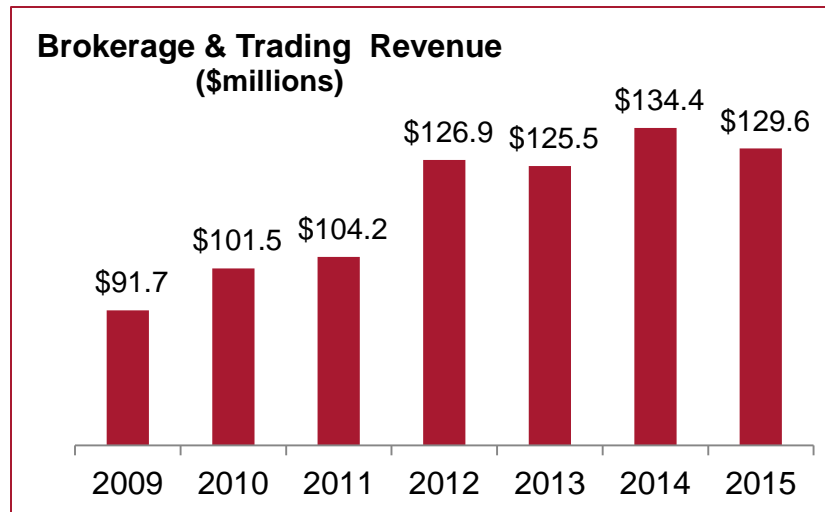
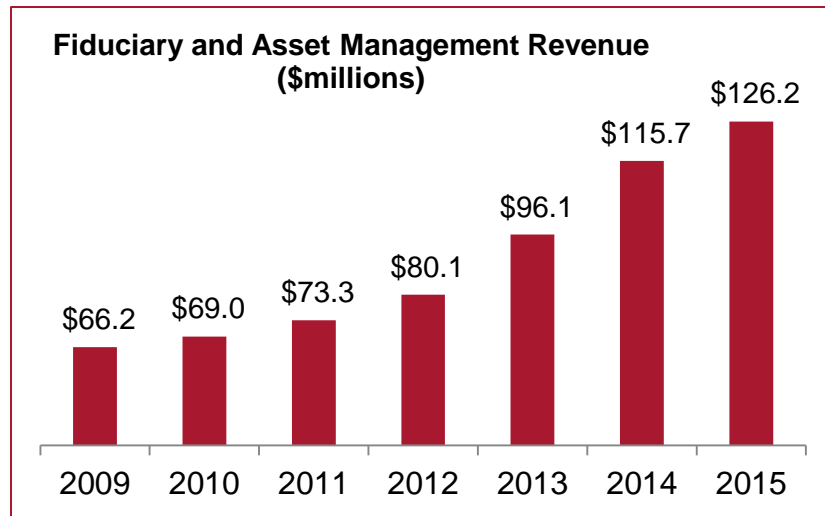
<b>(In Millions)</b>	<b>12/31/2015</b>	
Retail	796.5	24.4%
Multifamily	751.1	23.0%
Office	637.7	19.6%
Industrial	563.2	17.3%
Resi Const and Dev	160.4	4.9%
Other CRE	350.1	10.7%
<b>Total CRE</b>	<b>3,259.0</b>	<b>100.0%</b>

### Concentration by Geography:

<b>(In Millions)</b>	<b>12/31/2015</b>	
Oklahoma	739.8	22.7%
Texas	1,204.2	36.9%
New Mexico	313.4	9.6%
Arkansas	69.3	2.1%
Colorado	224.0	6.9%
Arizona	507.5	15.6%
Kansas/MO	200.8	6.2%
	<b>3,259.0</b>	<b>100.0%</b>

- Little to no energy downturn impact on CRE portfolio to date
- Houston CRE totals \$320 million
  - Retail 51%, Industrial 19% Multifamily 9%, Office 9%, Other 12%
  - No downtown Houston office exposure

# Wealth Management



- ▶ \$71 billion in assets under management or custody
- ▶ \$38.3 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.

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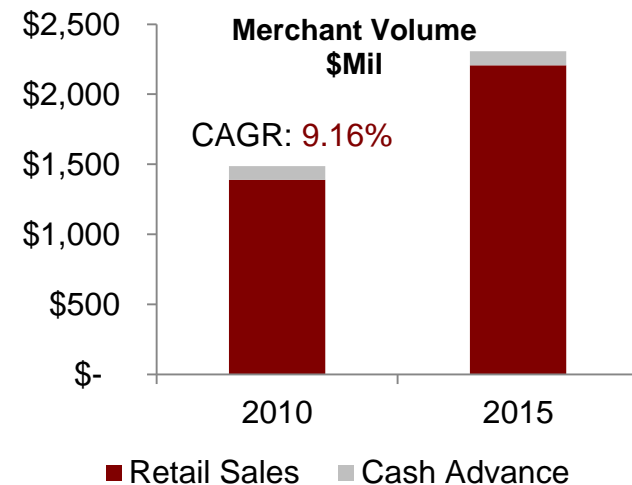
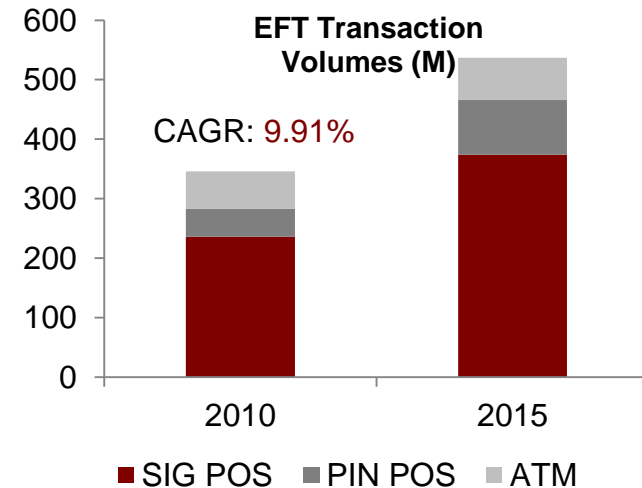
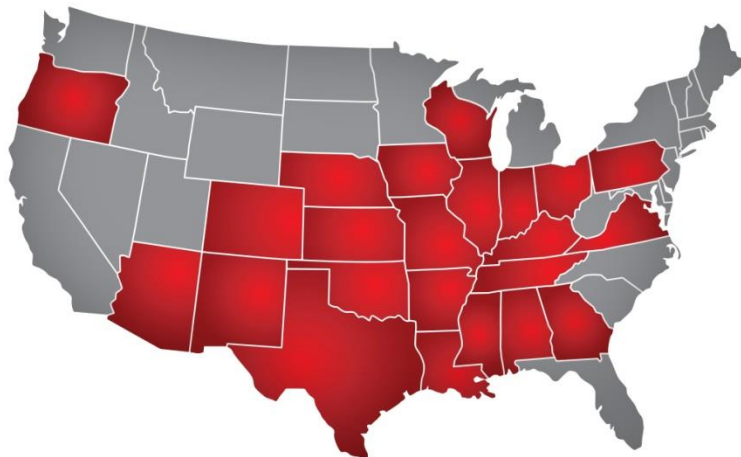
  
THE MILESTONE GROUP

## ATM Network

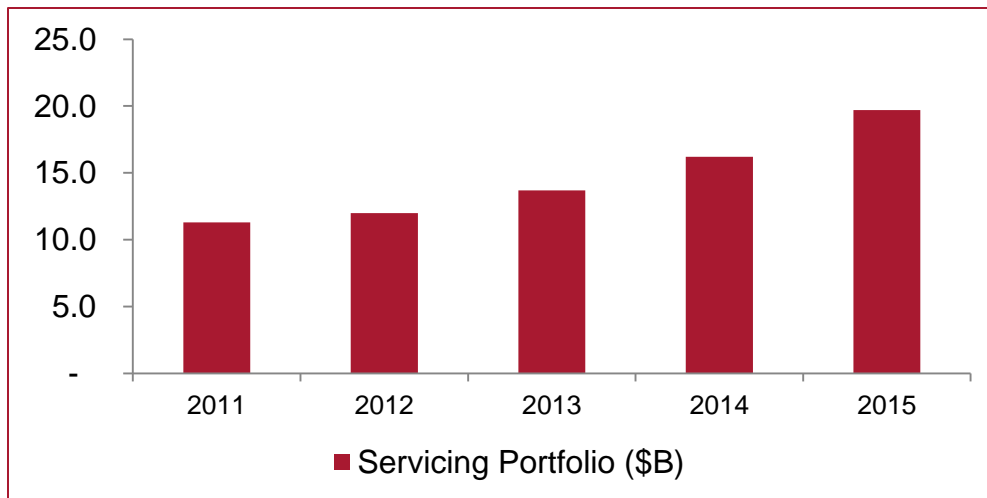
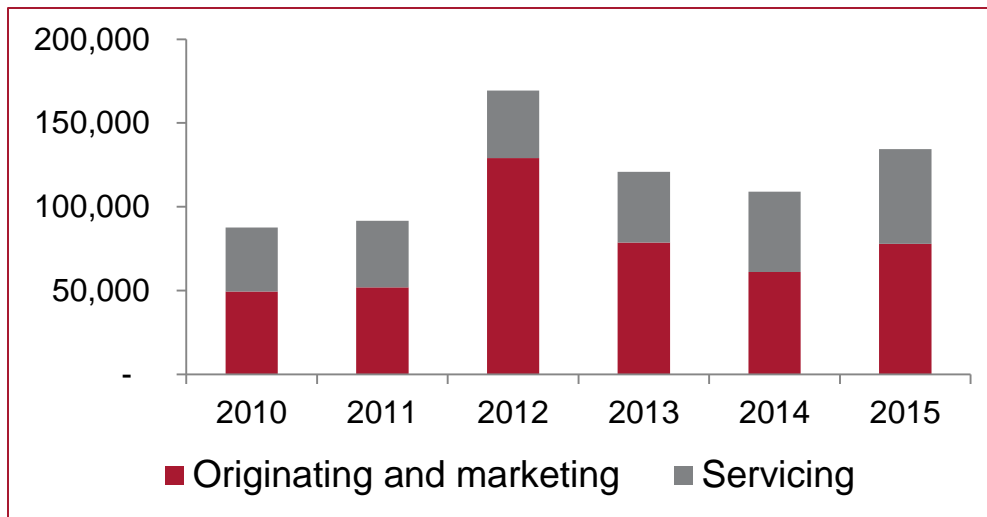
- Among the top 10 networks in the US
- Operates in 23 states; 60% of clients outside Oklahoma
- Clients: 216 Banks, 137 Credit Unions, 5 C-Store partners
- In 2015, processed 537 million EFT transactions

## Merchant Payment Processing

- Process payments for 6,967 merchant and cash advance locations
- In 2015, processed \$2.2 billion in merchant sales



# Mortgage Banking



- Top 50 U.S. mortgage originator
- 702 employees
- Three distinct origination channels – Retail, Correspondent, HomeDirect (online)
- Annual origination volume approaching \$7 billion
- Building servicing portfolio to increase recurring revenues. Servicing 126,000 customers with \$19.7 billion of unpaid balance at 12/31/15
- Expansion of loan origination network driving revenue growth
- Refinancing volume 41% of total funded volume in Q4 '15



# Summary

✓ Diverse sources of revenue	✓ Capital and willingness to make accretive acquisitions
✓ Deep and experienced management team	✓ Sound financial condition
✓ Multiple growth drivers	✓ Differentiated business model

**BOK Financial is a high-quality bank holding company that deserves a premium valuation**



# **Appendix**

## **2015 Financial Results**

# Financial Highlights

Full Year	2015	2014	
Net Income (\$mil)	\$288.6	\$292.4	
Diluted EPS	\$4.21	\$4.22	

- Double digit year-over-year loan growth
- Mid-single-digit year over year revenue growth
- Strong expense controls
- Higher-than-expected credit costs

Fourth Quarter	Q4 2015	Q3 2015	Q4 2014
Net Income (\$mil)	\$59.6	\$74.9	\$64.3
Diluted EPS	\$0.89	\$1.09	\$0.93

- Continued strong loan growth
- \$22.5 million provision for credit losses
- Lower production volume and hedge mark to mark activity negatively impacted mortgage revenue
- Higher expenses from year end personnel and mortgage-related true ups

# Additional Q4 2015 Highlights

(\$bil)	Q4 2015	Q3 2015	% Growth, Seq.		Q4 2014	% Growth, YOY
Period-End Loans	\$15.9	\$15.4	3.7% 14.9% ann.		\$14.2	12.2%
Avg. Loans	15.6	15.2	2.6% 10.4% ann.		13.9	12.3%
Fiduciary Assets	\$38.3	\$37.8	1.5%		\$36.0	6.5%
Assets Under Management or in Custody	\$71.0	\$67.0	6.0%		\$64.6	10.0%

## Drivers:

- Strong loan growth continues in fourth quarter
- Higher-than-expected loan growth from energy portfolio due to single customer advance
- Large new custody client signed by trust department in Q4
- Strong year-over-year growth for AUM in a flat market

# Net Interest Revenue and Margin

(\$mil)	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Net Interest Revenue	\$181.3	\$178.6	\$175.7	\$167.7	\$169.7
Provision for credit losses	\$ 22.5	\$ 7.5	\$ 4.0	\$ 0.0	\$ 0.0
NIR after provision	\$158.8	\$171.1	\$171.7	\$167.7	\$169.7
Net Interest Margin	2.64%	2.61%	2.61%	2.55%	2.61%
NIM dilutive impact of FHLB/Fed trade	0.12%	0.12%	0.12%	0.13%	0.14%
Normalized NIM	2.76%	2.73%	2.73%	2.68%	2.75%

- Continued loan growth drives increase in net interest revenue
- Loan loss provision of \$22.5 million reflects energy credit migration and increased risk in energy portfolio
- NIM up slightly due to ongoing remix of earning assets

# Fees and Commissions Revenue

(\$mil)	3 mos ended 12/31/15	% Growth, Seq.	% Growth, YOY	% Growth, 12 mos ended 12/31/15
Brokerage and trading	\$30.3	(4.2%)	(1.1%)	(-3.6%)
Transaction card	32.3	(0.6%)	2.7%	4.0%
Fiduciary and asset management	31.2	1.2%	1.7%	9.1%
Deposit service charges and fees	22.8	(3.4%)	1.0%	(0.5%)
Mortgage banking	25.0	(24.5%)	(16.8%)	23.2%
Other revenue	14.2	9.7%	17.0%	4.9%
<b>Total Fees and Commissions</b>	<b>\$155.8</b>	<b>(5.4%)</b>	<b>(1.3%)</b>	<b>6.1%</b>

- Brokerage and trading: Lower retail brokerage and investment banking fees in Q4
- Transaction card: Consistent mid-single-digit year over year growth
- Fiduciary and asset management: Up slightly from Q3 due to continued new client sales activity
- Mortgage banking: Lower production volumes due to higher interest rates in the quarter, seasonality, TRID combined with hedge mark to market volatility

# Expense Review

(\$mil)	Q4 2015	Q3 2015	Q4 2014	%Incr. Seq.	%Incr. YOY
Personnel Expense	\$133.2	\$129.1	\$125.7	3.2%	6.0%
Other Operating Expense	\$ 99.4	\$ 95.5	\$100.1	4.1%	(0.7%)
Total operating expense	\$232.6	\$224.6	\$225.9	3.6%	3.0%

- Higher personnel expense: \$1.1 million increase in regular compensation expense; \$0.8 million higher employee benefits; \$2.3 million increase in incentive comp.
- Higher mortgage banking costs due to approximately \$3 million one-time adjustments to reflect revised default servicing cost assumptions.

# Other Balance Sheet Statistics

	Q4 2015	Q3 2015	Q4 2014
Period End AFS Securities	\$9.0 billion	\$8.8 billion	\$9.0 billion
Average AFS securities	\$9.0 billion	\$8.9 billion	\$9.2 billion
Period End Deposits	\$21.1 billion	\$20.6 billion	\$21.1 billion
Average deposits	\$20.7 billion	\$20.7 billion	\$20.7 billion
Common Equity Tier 1	12.1%	12.8%	N/A
Tier 1	12.1%	12.8%	13.3%
Total Capital Ratio	13.3%	13.9%	14.7%
Leverage Ratio	9.3%	9.6%	10.0%
Tangible Common Equity Ratio	9.0%	9.8%	10.1%
Tangible Book Value per Share	\$42.51	\$43.52	\$41.82

- Deposits up at quarter end due to normal seasonality and temporary customer activity
- Reductions in capital ratios due to use of excess capital for stock buyback

# Key Credit Quality Metrics

- Combined allowance for credit losses to period end loans:

**1.43%**

- ▶ Net annualized charge-offs to average loans:

**0.08%**

- Combined allowance for credit losses to nonaccruing loans\*:

**181.5%**

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

**0.99%**

\*Excluding government guaranteed assets.



# 2016 Assumptions

- Mid-single-digit loan growth
- Approximately \$200-\$250 million per quarter decrease in fixed income portfolio
- Stable to increasing NIM
- Increasing NII
- Provision for credit losses for the full year of \$60-\$80 million
- Continued mid-single-digit revenue growth from fee-generating businesses (TTM basis)
- Expense growth < revenue growth
- Capital deployment through organic growth, acquisition, dividends, and more limited stock buybacks
- Close MBT Bancshares acquisition midyear
  - \$6 - \$8 million of pretax consolidation-related charges post closing