



**BOK FINANCIAL<sup>®</sup>**

## **Investor Presentation**

**NASDAQ: BOKF**

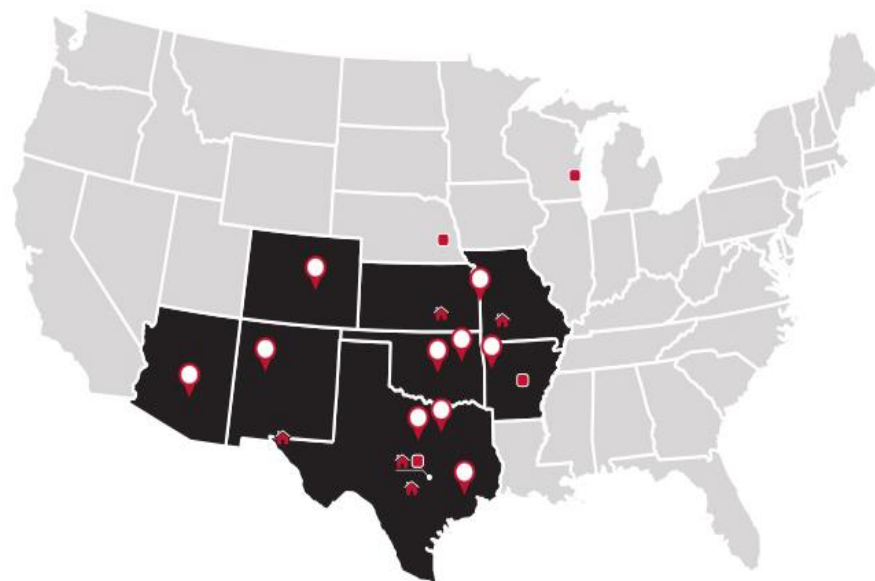
**Forward-Looking Statements:** This presentation contains statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections about BOK Financial Corporation, the financial services industry, and the economy generally. These remarks constitute forward-looking 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 March 31, 2017 unless otherwise noted.

# BOK Financial at a Glance

- One of the largest U.S. bank holding companies
- Valuable Midwest / Southwest franchise
- Seasoned management team
- Consistent execution and solid performance across all economic cycles
- Proven ability to deliver organic growth
- Diverse revenue stream
- Differentiated specialty lending businesses - energy and healthcare
- Disciplined credit approach
- NASDAQ: BOKF



 FULL SERVICE BANKING MARKETS

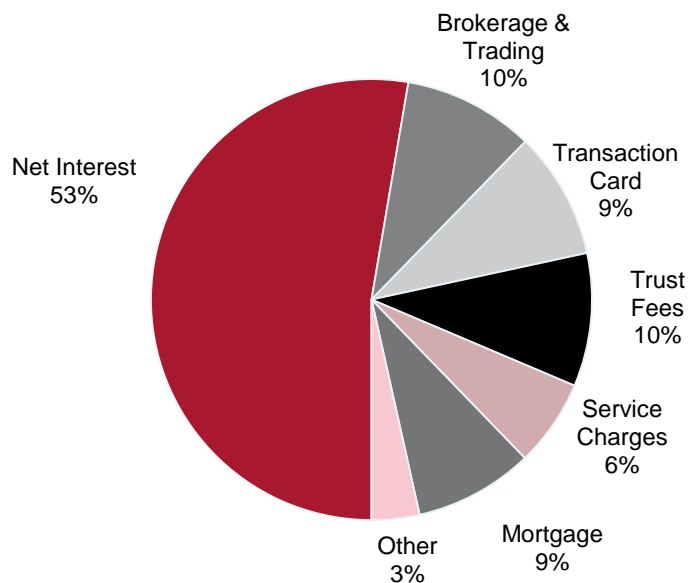
 ADDITIONAL MORTGAGE BANKING MARKETS

 ADDITIONAL WEALTH MANAGEMENT MARKETS

Mar 31, 2017	
Assets	\$33 billion
Loans	\$17 billion
Deposits	\$23 billion
Fiduciary Assets	\$44 billion
Assets Under Management & Custody	\$77 billion

# Diverse Revenue Sources

## Sources of Revenue: 12 months ended 3/31/17

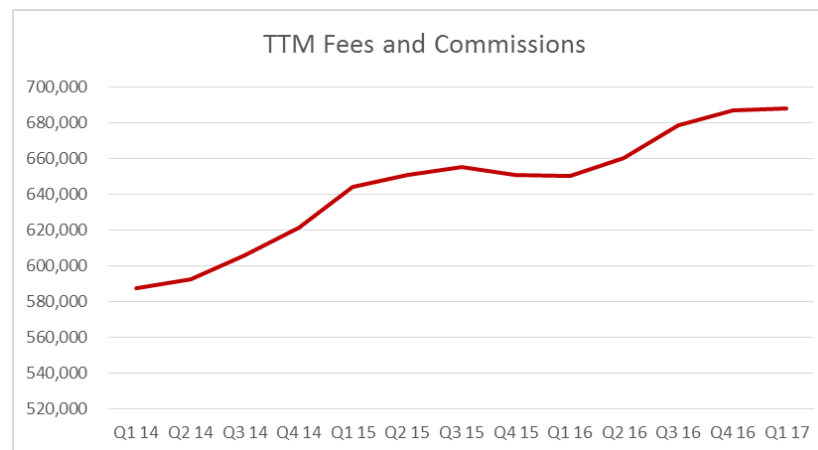


**47% Fee Income**  
**Significant differentiator against other mid-sized regional banks**

## Revenue CAGR 2011–2016

Brokerage and Trading	6%
Transaction Card	3%
Trust Fees	13%
Service Charges	1%
Mortgage Banking	8%
<b>Overall CAGR</b>	<b>5%</b>

## TTM fees and commissions (\$mm)



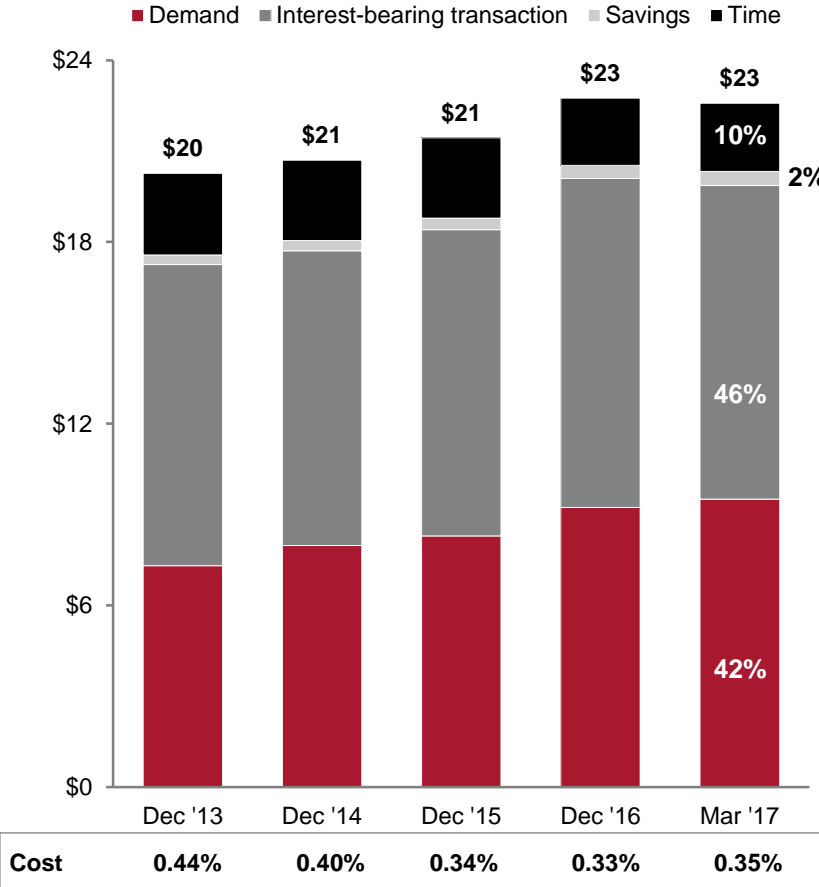
# Strong Balance Sheet

<b>Metric:</b>	<b>At Mar 31, 2017</b>	<b>Notes:</b>
Period End Deposits	\$22.6 billion	LTM deposit growth of 10.6 percent
<b><u>Capital Ratios:</u></b>		<b><u>Excess over regulatory minimum for well-capitalized:</u></b>
Common Equity Tier 1	11.60%	510 basis points
Tier 1 Capital Ratio	11.60%	360 basis points
Total Capital Ratio	13.26%	326 basis points
Leverage Ratio	8.89%	389 basis points
Tangible Book Value per Share	\$43.63	

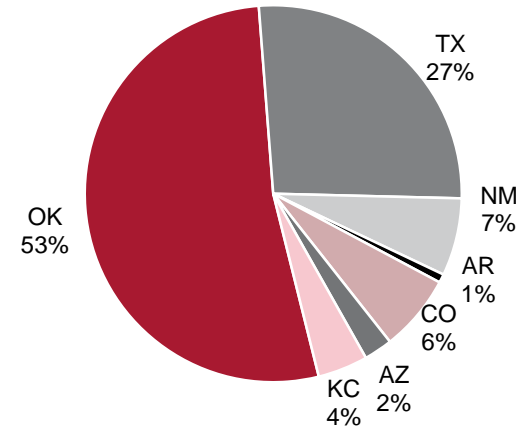
- Capital expected to continue to accumulate throughout 2017
  - Main uses organic growth and regular quarterly dividend

# Strong Core Deposit Franchise

## Deposit mix and cost (\$bn)



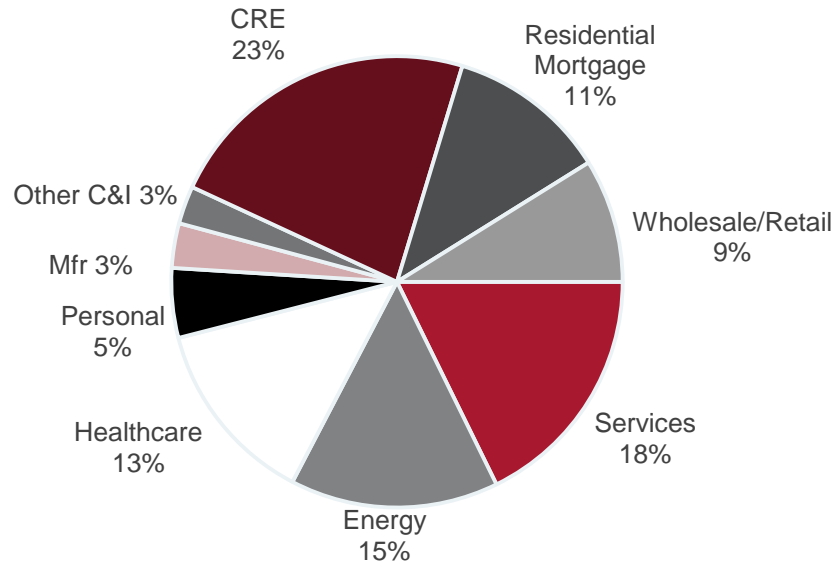
## Geographic deposit mix



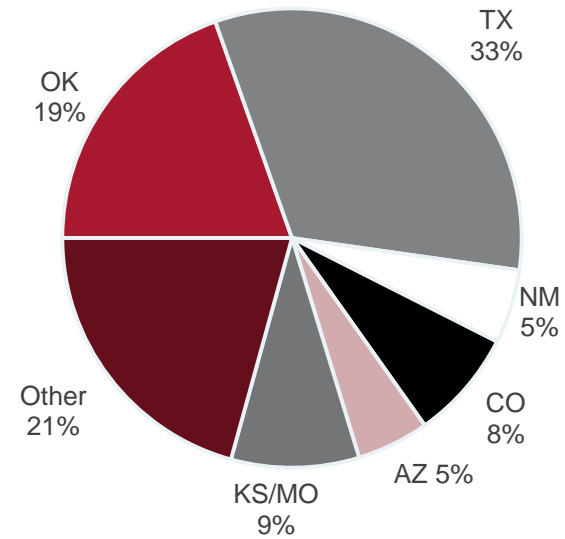
MSA	Branches	Deposit share
Tulsa, OK	24	30.0%
Dallas-Fort Worth-Arlington, TX	22	1.5%
Oklahoma City, OK	18	12.5%
Albuquerque, NM	17	9.5%
Houston-The Woodlands-Sugar Land, TX	13	0.7%
Denver-Aurora-Lakewood, CO	11	1.9%
Kansas City, MO-KS	7	1.7%
Phoenix-Mesa-Scottsdale, AZ	4	0.8%
Fayetteville-Springdale-Rogers, AR-MO	2	3.4%
Other MSAs	10	
<b>Total Branches</b>	<b>131</b>	

Source: SNL

Loan Portfolio Segmentation

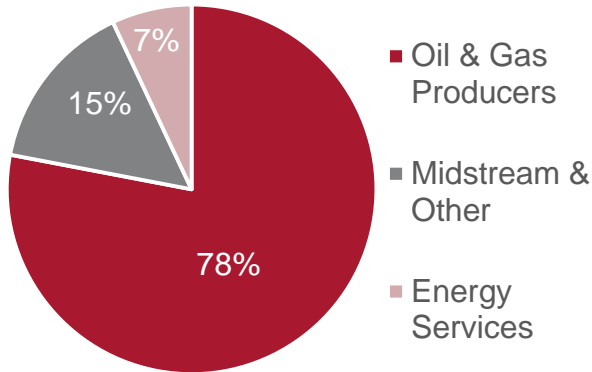


Loan Portfolio by Collateral Location:

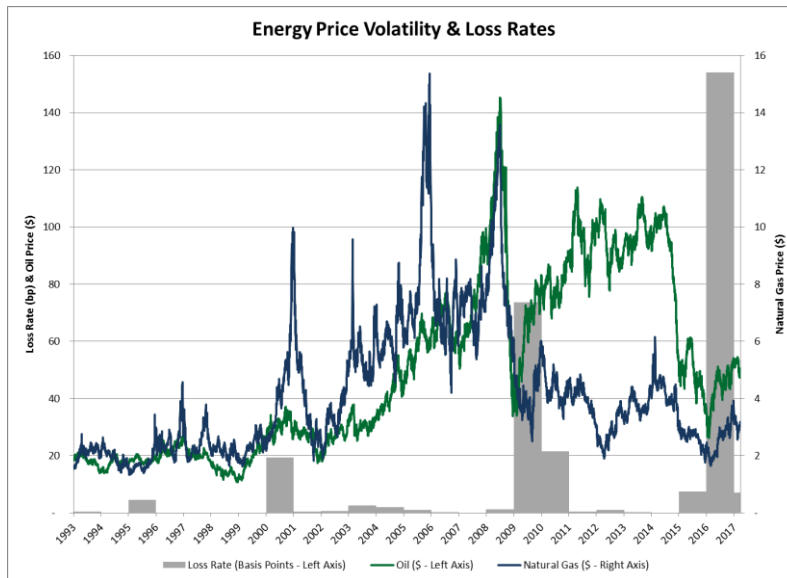


Disciplined concentration management  
Diversified by sector and geography

# A Top U.S. Energy Banker



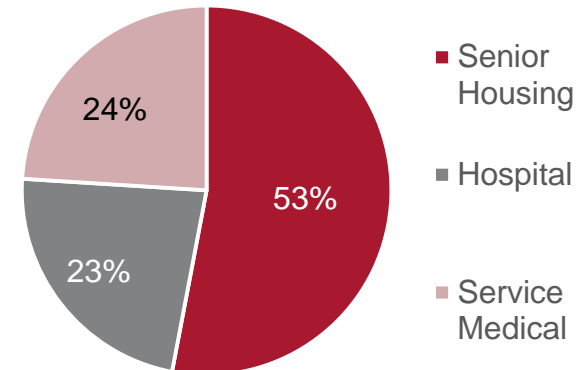
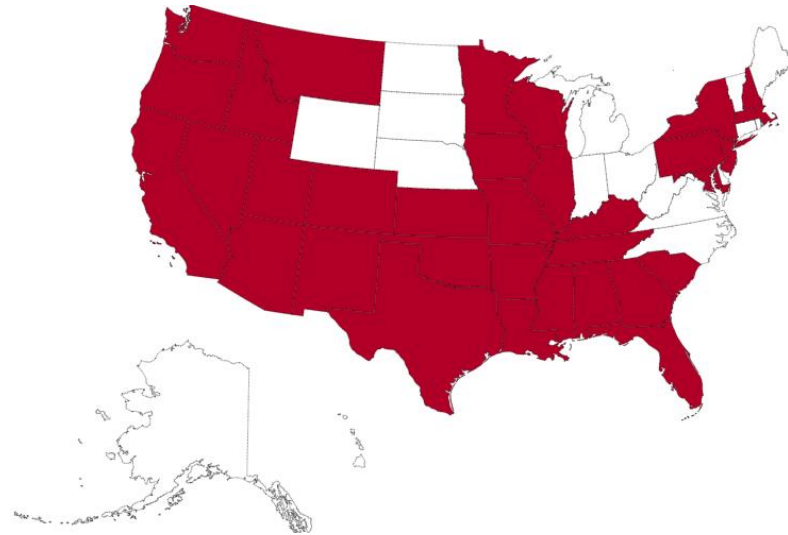
- Core competency of BOK for over 100 years
- Differentiated specialty lending business
- Substantially all first lien, senior secured, reserve-based loans – the sweet spot in energy lending
- Regionally diverse collateral focused on “lower 48” onshore drilling
- In-house engineering staff represents significant competitive advantage
- At 3/31/17:
  - \$2.5 billion outstandings
  - \$2.8 billion unfunded commitments
  - E&P line utilization 51%
  - Fourth consecutive quarterly reduction in criticized/classified/nonaccrual energy loan outstandings
  - 17% quarterly decrease in energy nonaccrual loans

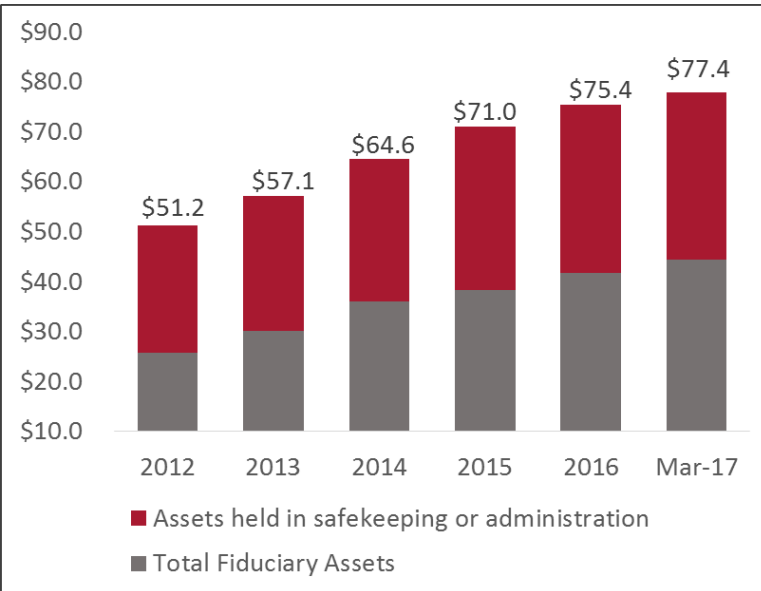


20 year average gross loss rate on E&P loans (gross chargeoffs as a percent of period average loans) is 14.3 bps



- Growing line of business within commercial banking
  - Five year CAGR 17.7% through 12/31/16
- As of December 2016, commitments totaled \$2.2 billion across 35 states and three categories:
  - Senior Housing
  - Hospitals
  - Service Medical
- Healthcare portfolio characteristics:
  - Favorable LIBOR spreads
  - Above-average loan utilization rates
  - Predominately BOK Financial originated commitments - less than 14% of commitments from broadly syndicated transactions
  - Senior Housing commitments real-estate collateralized and secured
  - Favorable credit metrics - No senior housing charge-offs (net of recoveries) since 2003





## Awards, Recognition, and Rankings:

*19 "Best in Class" awards for Retirement Plans group*

*Seventh largest corporate trustee bank ranked by number of issues and dollar amount*

*Two five-star ratings from Morningstar for Cavanal Hill*

*Three #1 Lipper awards in 2016 for Cavanal Hill*

*Five top-ten rankings for investment banking underwriting services*

*One of the top 25 firms that fulfills the hedging needs of the mortgage banking industry.*

- ▶ Four primary lines of business:
  - ▶ The Private Bank
  - ▶ BOK Financial Advisors
  - ▶ Institutional Wealth Management
  - ▶ Cavanal Hill
- ▶ Compounded Annual Revenue Growth 2011-2016: **8.4%**
- ▶ Assets under management or custody: **\$77 billion**
- ▶ Fiduciary assets: **\$44 billion**
- ▶ Loans: **Over \$1 billion**
- ▶ Deposits: **Over \$4 billion**
- ▶ More than \$1 trillion in traded securities annually
- ▶ Clients include high net worth individuals, corporations, pensions, foundations, government entities, etc.

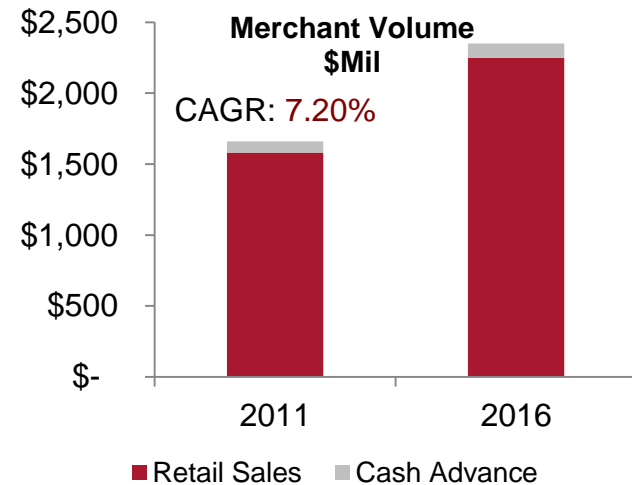
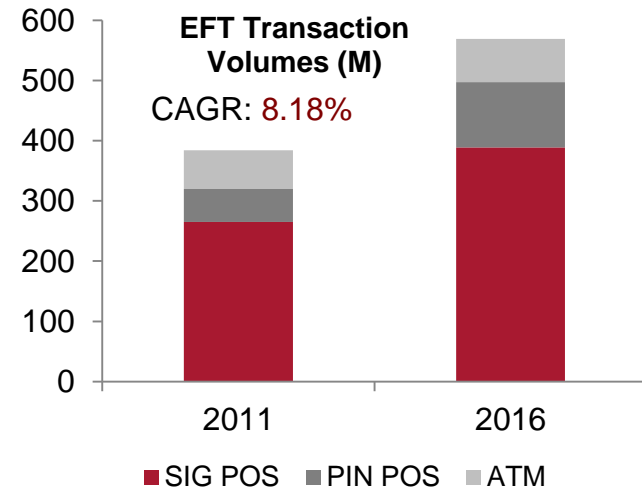
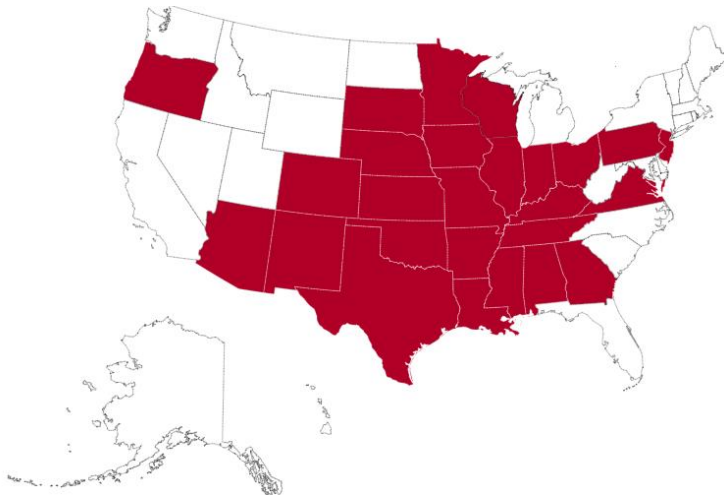
# Transaction Processing

## ATM Network

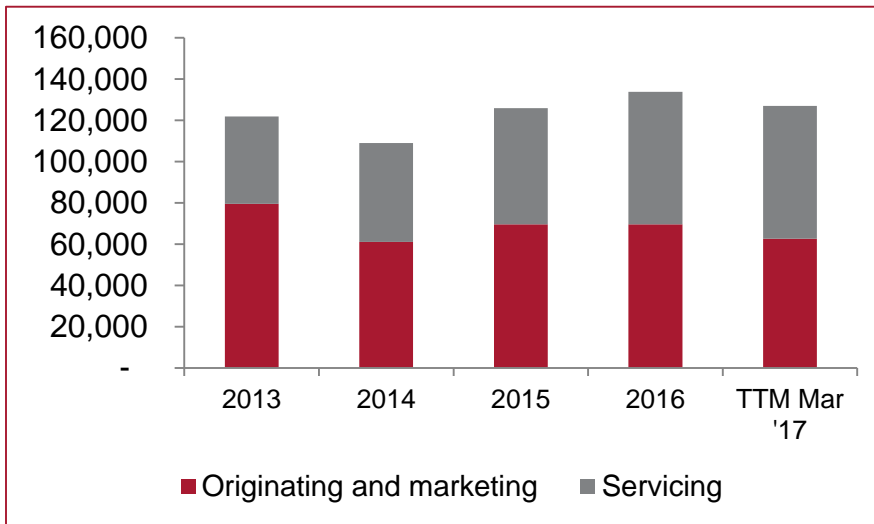
- Among the top 10 networks in the US
- Operates in 25 states; more than 60% of clients outside Oklahoma
- Clients: 221 Banks, 150 Credit Unions, 4 C-Store partners
- In 2016, processed 569 million EFT transactions

## Merchant Payment Processing

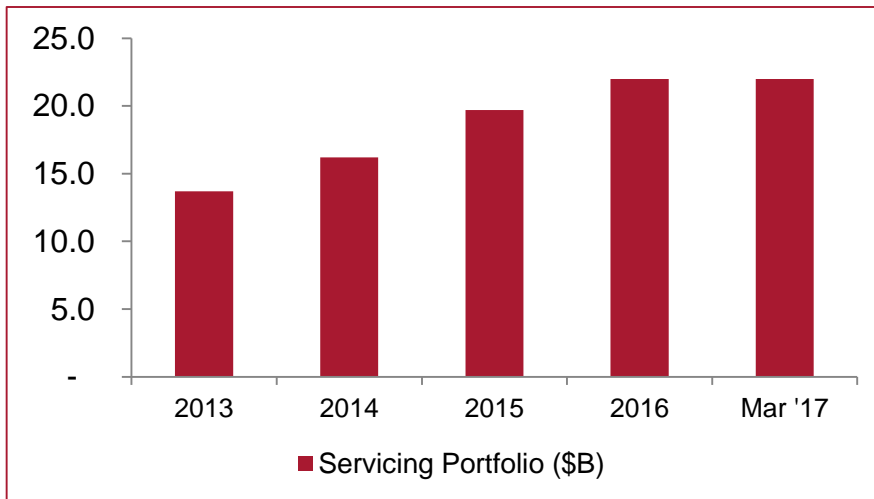
- Process payments for 6,697 merchant and cash advance locations
- In 2016, processed \$2.2 billion in merchant sales



# Mortgage Banking

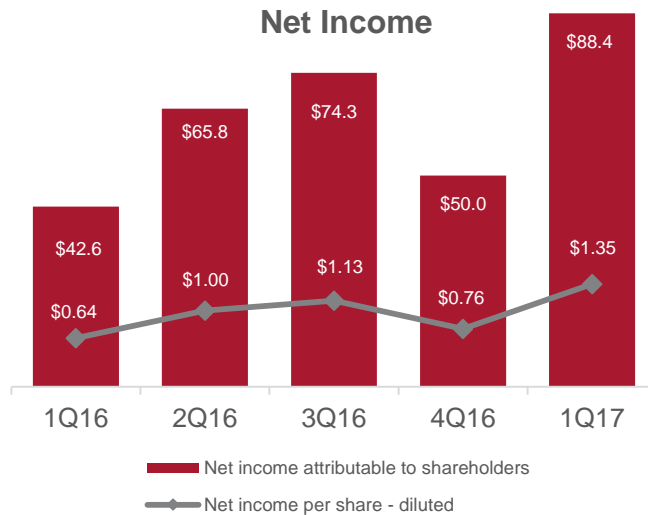


- Top 50 U.S. mortgage originator
- Growing online sales channel – HomeDirect Mortgage
- Annual origination volume ~ \$6 billion
- Servicing \$22 billion of mortgages at 3/31/17



Q1 2017 Financial Results

# First Quarter Summary:



	Q1 2017	Q4 2016	Q1 2016
Diluted EPS	\$1.35	\$0.76	\$0.64
Net income before taxes (\$M)	\$126.8	\$72.4	\$62.4
Net income attributable to BOKF shareholders (\$M)	\$88.4	\$50.0	\$42.6

- Noteworthy items impacting Q1 profitability:

- Improved interest rate environment. BOKF balance sheet behaving more asset sensitive in the early part of the current interest rate cycle.
- Continued healthy fee and commission income, driven by wealth management.
- Much better expense management: total expenses down \$21 million despite full quarter of Mobank-related operating expenses.
- Significant improvement in MSR hedging outcomes.
- Benign credit environment – no provision for loan losses in the quarter.

# Loan and AUM Growth

(\$B)	Q1 2017	Quarterly Growth	Annualized Quarterly Growth	Year over Year Growth
Period-End Loans	\$17.0	--%	0.1%	6.0%
Average Loans	\$17.1	2.5%	*10.0%	7.2%
Fiduciary Assets	\$44.3	6.1%	24.4%	13.3%
Assets Under Management or in Custody	\$77.4	2.6%	10.4%	7.6%

- Loans flat in Q1 but still expecting mid-single-digit loan growth in 2017
- Strong growth in fiduciary assets and assets under management or custody
  - New and expanded customer relationships
  - Growth continues to exceed market rates

*\* Due to full quarter impact of Mobank acquisition*

## Loan Portfolio by Type:

(\$mil)	Mar 31 2017	Dec 31 2016	Seq. Loan Growth
Commercial and Industrial	\$10,327.1	\$10,390.8	(0.6)%
Commercial Real Estate	3,871.1	3,809.0	1.6%
Residential Mortgage	1,946.3	1,949.8	(0.2)%
Personal	847.5	840.0	0.9%
<b>Total</b>	<b>\$16,991.9</b>	<b>16,989.7</b>	<b>0.0%</b>

## Loan Portfolio by Market:

(\$mil)	Mar 31 2017	Dec 31 2016	Seq. Loan Growth
OK	\$5,595.3	\$5,765.7	(3.0)%
TX	6,145.0	5,978.2	2.8%
NM	833.1	803.4	3.7%
AR	175.6	173.7	1.1%
CO	1,376.3	1,393.5	(1.2)%
AZ	1,468.4	1,522.5	(3.5)%
KC	1,398.2	1,352.7	3.4%
<b>Total</b>	<b>\$16,991.9</b>	<b>\$16,989.7</b>	<b>0.0%</b>

- Flat loan growth in Q1 due to heavy paydown activity in March
- Pipelines support mid-single-digit loan growth forecast for 2017



## Commercial & Industrial:

(\$mil)	Mar 31 2017	Dec 31 2016	Seq. Loan Growth
Energy	\$2,537.1	\$2,497.9	1.6%
Services	3,013.4	3,109.0	(3.1)%
Healthcare	2,265.6	2,201.9	2.9%
Wholesale/retail	1,506.2	1,576.8	(4.5)%
Manufacturing	543.4	515.0	5.5%
Other	461.3	490.2	(5.9)%
<b>Total C&amp;I</b>	<b>\$10,327.1</b>	<b>\$10,390.8</b>	<b>(0.6)%</b>

## Commercial Real Estate

(\$mil)	Mar 31 2017	Dec 31 2016	Seq. Loan Growth
Retail	\$745.0	\$761.9	(2.2)%
Multifamily	923.0	903.3	2.2%
Office	860.9	798.9	7.8%
Industrial	871.5	871.7	0.0%
Residential Const. and Land Dev.	136.0	135.5	0.3%
Other CRE	334.7	337.7	(0.9)%
<b>Total CRE</b>	<b>\$3,871.1</b>	<b>\$3,809.0</b>	<b>1.6%</b>

- First quarter of energy loan outstandings growth since Q4 2015; expect continued growth in energy portfolio through balance of 2017
- Expect limited growth in CRE portfolio in 1H 2017, then flat to down for balance of the year due to internal concentration limits

# Net Interest Revenue

## Net Interest Margin

(\$mil)	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net Interest Revenue	\$201.2	\$194.2	\$187.8	\$182.6	\$182.6
Provision For Credit Losses	\$ --	\$ --	\$ 10.0	\$ 20.0	\$ 35.0
Net Interest Revenue After Provision	\$201.2	\$194.2	\$177.8	\$162.6	\$147.6
Net Interest Margin *	2.81%	2.69%	2.64%	2.63%	2.65%

- Improved yield on AFS securities: up 5 basis points sequentially
- Loan yields were 3.88%, up 21 basis points compared to the fourth quarter of 2016 and up 31 basis points compared to the first quarter of 2016 due to recent interest rate increases
  - Approximately 70% of loan portfolio reprices within one year.
- Cost of interest-bearing liabilities up only 8 basis points sequentially and 12 basis points year-over-year.

\* Note: ~12 basis points of NIM dilution due to FHLB/Fed trade

# Fees and Commissions

	Revenue, \$mil	Change:		
	Q1 17	Quarterly, Sequential	Quarterly, Year over Year	Trailing 12 Months
Brokerage and Trading	\$33.6	18.0%	4.0%	7.3%
Transaction Card	32.1	(6.9)%	(0.7)%	4.3%
Fiduciary and Asset Management	38.6	11.9%	20.5%	12.1%
Deposit Service Charges and Fees	23.0	(1.4)%	2.2%	1.5%
Mortgage Banking	25.2	(11.3)%	(21.5)%	4.9%
Other Revenue	11.9	(7.4)%	(1.3)%	(0.2)%
<b>Total Fees and Commissions</b>	<b>\$164.4</b>	<b>1.4%</b>	<b>(0.6)%</b>	<b>5.8%</b>

## Fee and commission revenue drivers:

- Brokerage and trading: Securities trading up 32% in Q1; nonrecurrence of \$5 million trading portfolio mark to market that impacted Q4 results; 17% increase in retail brokerage fees.
- Transaction card: Sluggish start to year but very strong sales activity and sales pipeline should put this business on track for mid-single-digit growth in 2017.
- Fiduciary and asset management: Strong revenue growth in all lines of business. Money market fee waivers down to \$445,000 in Q1, from \$1.4 million in Q4 '16 and \$2.1 million in Q1 '16.
- Mortgage banking: Revenue down in line with expectations due to lower refinancing volume / higher interest rates.

# Expenses

(\$mil)	Q1 2017	Q4 2016	Q1 2016	%Incr. Seq.	%Incr. YOY
Personnel Expense	\$136.4	\$141.1	\$133.6	(3.3)%	2.1%
Other Operating Expense	\$108.3	\$124.4	\$109.0	(13.0)%	(0.7)%
Total Operating Expense	\$244.7	\$265.5	\$242.6	(7.8)%	0.9%

## Mobank acquisition:

- One time integration expenses totaled \$2.0 million
- First full quarter of Mobank personnel and operating expenses in Q1: total \$2.9 million compared to \$1.2 million in Q4

## Personnel Expense:

- Q4 2016 included \$5.0 million severance expense – payroll expense flat sequentially excluding this item.
- Regular compensation down \$4 million sequentially and incentive compensation down \$5.3 million sequentially
- Offset by merit increases, higher payroll taxes due to seasonality, and full quarter of Mobank personnel

## Other Operating Expense:

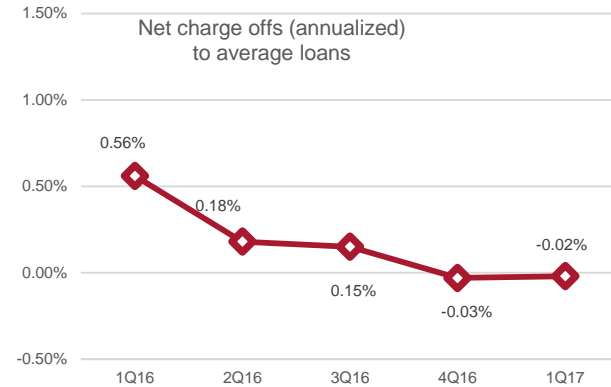
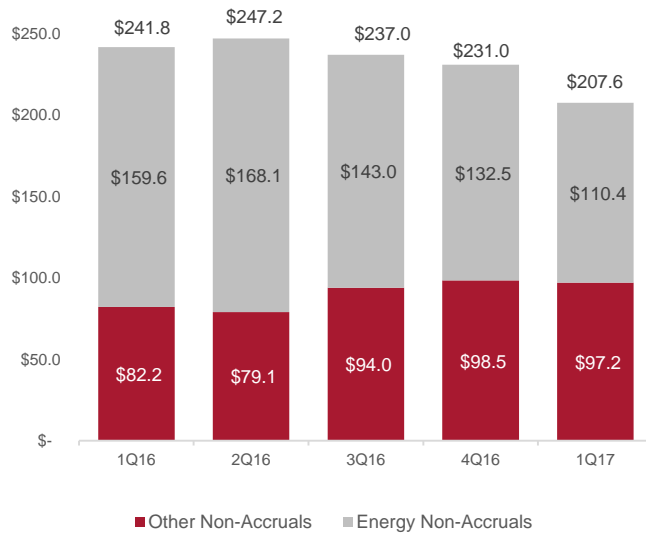
- Professional fees down \$4.4 million due to lower Mobank and Mortgage related outsourcing expenses
- Deposit insurance expense down \$2.4 million due to improvements in credit quality and other risk factors
- Mortgage banking costs down due to \$4.3 million decrease in MSR prepayments (lower refi rates in Q1) and \$900,000 decrease in provision for recourse losses

# Other Balance Sheet Statistics

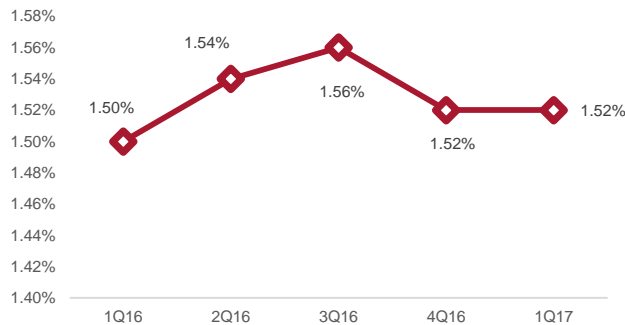
	Mar 31 2017	Dec 31 2016	Mar 31 2016
Period End AFS Securities	\$8.4 billion	\$8.7 billion	\$8.9 billion
Average AFS securities	\$8.6 billion	\$8.8 billion	\$9.0 billion
Period End Deposits	\$22.6 billion	\$22.7 billion	\$20.4 billion
Average Deposits	\$22.4 billion	\$21.7 billion	\$20.6 billion
Common Equity Tier 1	11.6%	11.2%	12.0%
Tier 1	11.6%	11.2%	12.0%
Total Capital Ratio	13.3%	12.8%	13.2%
Leverage Ratio	8.9%	8.7%	9.1%
Tangible Common Equity Ratio	8.9%	8.6%	9.3%
Tangible Book Value per Share	\$43.63	\$42.53	\$43.73

- AFS securities down due to continued repositioning of balance sheet in light of rising rate environment
- Deposits stable from Q4 2017
- BOK Financial remains well capitalized at quarter end; all capital ratios increased sequentially in Q1
- Year over year decrease in capital ratios due to Mobank acquisition and share repurchases

# Key Credit Quality Metrics



Combined Allowance for Credit Losses to Period End Loans



- ✓ Stable credit environment in Q1
- ✓ Energy portfolio continues to improve; no material signs of stress in any other portfolio
- ✓ Nonaccrual loans down 10%
- ✓ Second consecutive quarter of net recoveries
- ✓ Well reserved for any potential issues with a combined allowance of 1.52%, which is at or near the top of the peer group

## 2017 Assumptions

- Mid-single-digit loan growth for the full year
- \$700 million reduction in available for sale securities portfolio for the full year
- Stable to increasing net interest margin
- Low-single-digit net interest revenue growth (linked quarter annualized)
- Loan loss provision of \$15 - \$20 million for the year
- Low-single-digit revenue growth from fee-generating businesses on a trailing twelve month basis
- Expenses flat to slightly down compared to 2016
- Capital deployment through organic growth, acquisitions, dividends, and limited stock buybacks

Thank You!