



BOK FINANCIAL[®]

Second Quarter 2017
Earnings Conference Call
July 26, 2017

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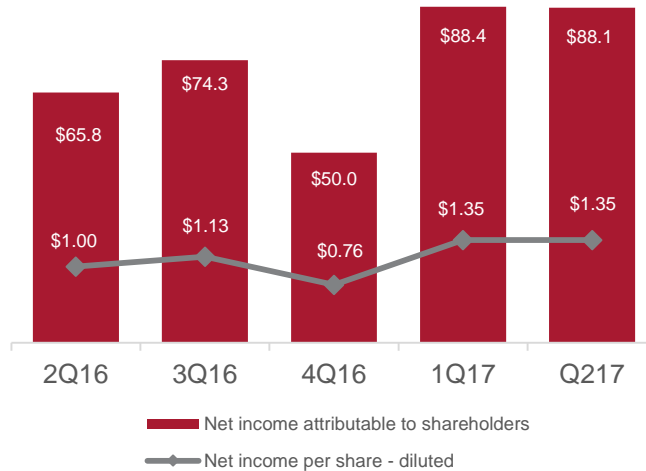
Non-GAAP Financial Measures: This presentation may refer to non-GAAP financial measures. Additional information on these financial measures is available in BOK Financial's 10-Q and 10-K filings with the Securities and Exchange Commission which can be accessed at www.BOKF.com.

All data is presented as of June 30, 2017 unless otherwise noted.

Steven G. Bradshaw
Chief Executive Officer

Second Quarter Summary:

Net Income



	Q2 2017	Q1 2017	Q2 2016
Diluted EPS	\$1.35	\$1.35	\$1.00
Net income before taxes (\$M)	\$136.6	\$126.8	\$96.8
Net income attributable to BOKF shareholders (\$M)	\$88.1	\$88.4	\$65.8

- Noteworthy items impacting Q2 profitability:
 - Strong net interest margin and net interest revenue growth from full benefit from March 2017 Fed rate hike and continued asset sensitivity of balance sheet in early part of rate cycle
 - Fee income driven by strong performance from Fiduciary and Asset Management, Transaction Card, and seasonal strength in mortgage banking
 - Continued careful expense management, including \$5.1 million refund from FDIC
 - \$5.7 million gain on the sale of a merchant banking investment
 - Benign credit environment – no provision for loan losses in the quarter.

Additional Details

(\$B)	Q2 2017	Quarterly Growth	Annualized Quarterly Growth	Year over Year Growth
Period-End Loans	\$17.2	1.1%	4.5%	4.7%
Average Loans	\$17.1	-%	-%	5.3%
Fiduciary Assets	\$44.5	0.2%	0.8%	11.3%
Assets Under Management or in Custody	\$77.8	0.5%	2.0%	6.6%

- Mid single digit annualized loan growth in Q2 2017, driven by momentum in energy banking
- Modest AUM growth driven by market factors

Steven Nell
Chief Financial Officer
Financial Overview

Net Interest Revenue

Net Interest Margin

(\$mil)	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net Interest Revenue	\$205.2	\$201.2	\$194.2	\$187.8	\$182.6
Provision For Credit Losses	\$ --	\$ --	\$ --	\$ 10.0	\$ 20.0
Net Interest Revenue After Provision	\$205.2	\$201.2	\$194.2	\$177.8	\$162.6
Net Interest Margin	2.89%	2.81%	2.69%	2.64%	2.63%
Add Back: Dilution due to FHLB/Fed Trade	0.13%	0.13%	0.12%	0.12%	0.12%
Normalized Net Interest Margin	3.02%	2.94%	2.81%	2.76%	2.75%

- Due to low deposit betas and low deposit pricing pressure, balance sheet continues to behave very asset sensitive in the current interest rate cycle
- Net Interest Margin up 8 basis points sequentially due to:
 - Full impact of March 2017 Fed rate hike
 - Yield on AFS securities up 6 basis points
 - Loan yields up 15 basis points
 - Deposit costs up 5 basis points
- Normalized Net Interest Margin exceeds 3% for first time since Q3 2012

Fees and Commissions

	Revenue, \$mil	Change:		
	Q2 17	Quarterly, Sequential	Quarterly, Year over Year	Trailing 12 Months
Brokerage and Trading	\$31.8	(5.5%)	(19.6%)	(1.4%)
Transaction Card	35.3	9.9%	1.0%	2.8%
Fiduciary and Asset Management	41.8	8.2%	20.1%	15.7%
Deposit Service Charges and Fees	23.4	1.4%	3.3%	2.0%
Mortgage Banking	30.3	20.2%	(13.2%)	0.8%
Other Revenue	15.0	27.5%	12.2%	0.1%
Total Fees and Commissions	\$177.5	8.0%	(1.5%)	3.8%

Fee and commission revenue drivers:

- Brokerage and trading: Soft quarter for fees due to impact of fiduciary rule implementation on retail brokerage business, lower investment banking deal flow, and reduced institutional trading volume.
- Transaction card: Revenue momentum rebuilding due to strong sales activity in 1H2017. Year over year comparison impacted by heavy contract buyout revenue in 2Q16.
- Fiduciary and asset management: Strong revenue growth from corporate trust and institutional wealth; zero fee waivers this quarter compared to \$1.8 million in 2Q16; and contribution from seasonal tax planning business.
- Mortgage banking: Strong sequential increase due to seasonality, higher retail gain on sale margins, and improved pipeline hedge performance.
- NOTE: \$1.6 million of revenue from repossessed oil wells included in “other revenue” line.

Expenses

(\$mil)	Q2 2017	Q1 2017	Q2 2016	%Incr. Seq.	%Incr. YOY
Personnel Expense	\$143.7	\$136.4	\$139.2	5.4%	3.3%
Other Operating Expense	\$107.1	\$108.3	\$112.2	(1.1)%	(4.5)%
Total Operating Expense	\$250.9	\$244.7	\$251.4	2.5%	(0.2)%

Personnel Expense:

- Increase due to full quarter's impact of March merit increases, severance expense, and updated vesting assumptions on equity incentive awards

Other Operating Expense:

- Business promotion expense up \$1 million sequentially due to timing of advertising spend
- \$5.1 million of FDIC expense rebates from prior quarters due to designation of BOKF as a custody bank.
 - Expect FDIC expense run rate to be ~\$1 million per quarter lower going forward
- Higher OREO expense due to \$900,000 of operating costs, net of gain on partial property sales, associated with repossessed oil wells (offsetting revenue of \$1.6 million)
- Lower provision for recourse losses caused reduction in mortgage banking expense

Other Balance Sheet Statistics



	June 30 2017	Mar 31 2017	June 30 2016
Period End AFS Securities	\$8.3 billion	\$8.4 billion	\$8.8 billion
Average AFS securities	\$8.4 billion	\$8.6 billion	\$8.9 billion
Period End Deposits	\$22.3 billion	\$22.6 billion	\$20.8 billion
Average Deposits	\$22.1 billion	\$22.4 billion	\$20.5 billion
Common Equity Tier 1	11.8%	11.6%	11.9%
Tier 1	11.8%	11.6%	11.9%
Total Capital Ratio	13.4%	13.3%	13.5%
Leverage Ratio	9.3%	8.9%	9.1%
Tangible Common Equity Ratio	9.2%	8.9%	9.3%
Tangible Book Value per Share	\$44.87	\$43.63	\$44.68

- AFS securities down due to continued repositioning of balance sheet in light of rising rate environment
- Deposits down slightly from Q1 but up 8% year over year including Mobank impact.
- BOK Financial remains well capitalized at quarter end; all capital ratios increased sequentially in Q2
- Year over year decrease in capital ratios due to Mobank acquisition and share repurchases

2017 Assumptions

- Mid-single-digit loan growth for the full year
- Available-for-sale securities portfolio expected to be flat for balance of the year (*)
- Stable to increasing net interest margin and modest sequential growth in net interest income expected in Q3 and Q4
- Loan loss provision of \$0-\$10 million for full year (*)
- Low-single-digit revenue growth from fee-generating businesses on a trailing twelve month basis
- Expenses flat to slightly down compared to 2016

** Guidance changed from prior quarter*

Stacy Kymes
EVP-Corporate Banking

Loan Portfolio by Type:

(\$mil)	June 30 2017	Mar 31 2017	Seq. Loan Growth
Commercial and Industrial	\$10,638.0	\$10,327.1	3.0%
Commercial Real Estate	3,688.6	3,871.1	(4.7%)
Residential Mortgage	1,939.2	1,946.3	(0.4%)
Personal	917.9	847.4	8.3%
Total	\$17,183.7	\$16,991.9	1.1%

Loan Portfolio by Market:

(\$mil)	June 30 2017	Mar 31 2017	Seq. Loan Growth
OK	\$5,753.9	\$5,595.3	2.8%
TX	6,286.1	6,145.0	2.3%
NM	810.1	833.1	(2.8%)
AR	177.4	175.6	1.0%
CO	1,440.7	1,376.3	4.7%
AZ	1,416.2	1,468.4	(3.6%)
KC	1,299.3	1,398.2	(7.1%)
Total	\$17,183.6	\$16,991.9	1.1%

- Strong energy growth drove C&I portfolio increase
- Arizona down due to CRE paydowns
- Decrease in KC partially due to payoff of criticized loan

Commercial & Industrial:

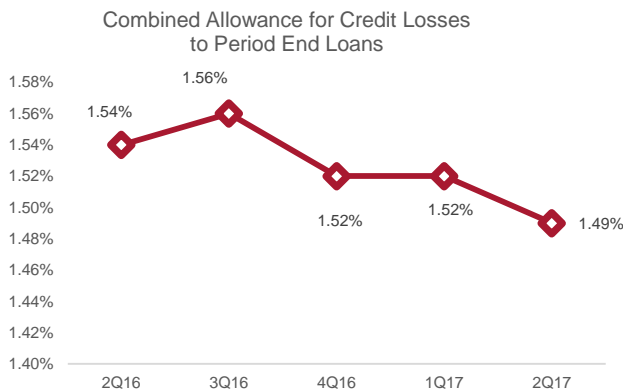
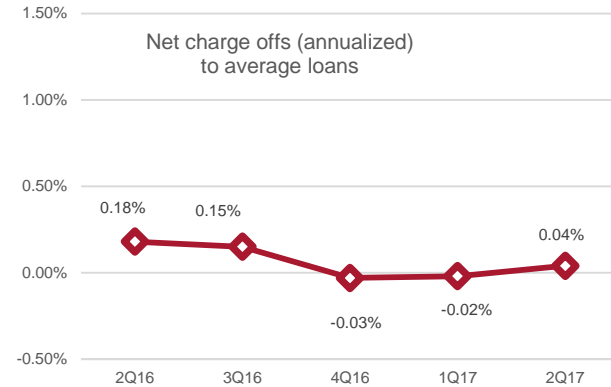
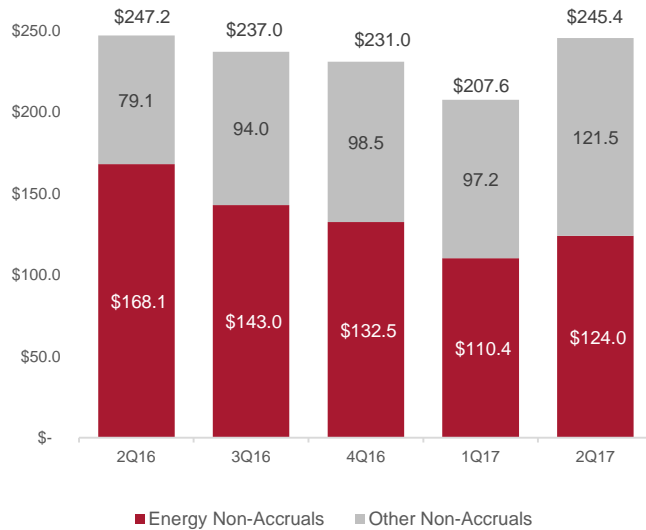
(\$mil)	June 30 2017	Mar 31 2017	Seq. Loan Growth
Energy	\$2,847.2	\$2,537.1	12.2%
Services	2,958.8	3,013.4	(1.8%)
Healthcare	2,221.5	2,265.6	(1.9%)
Wholesale/retail	1,543.7	1,506.2	2.5%
Manufacturing	546.2	543.4	0.5%
Other	520.6	461.4	12.8%
Total C&I	\$10,638.0	\$10,327.1	3.0%

Commercial Real Estate

(\$mil)	June 30 2017	Mar 31 2017	Seq. Loan Growth
Retail	\$722.8	\$745.0	(3.0%)
Multifamily	952.4	923.0	3.2%
Office	863.0	860.9	0.2%
Industrial	693.6	871.5	(20.4%)
Residential Const. and Land Dev.	141.6	136.0	4.1%
Other CRE	315.2	334.7	(5.8%)
Total CRE	\$3,688.6	\$3,871.1	(4.7%)

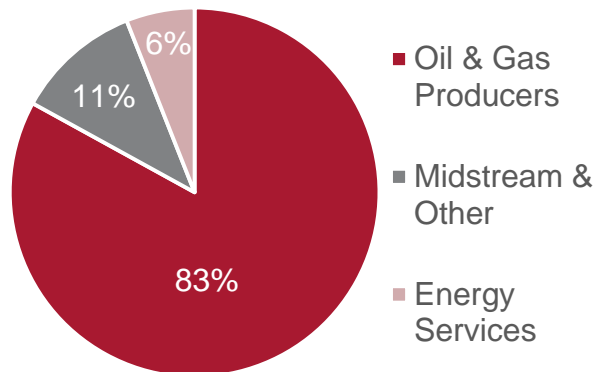
- Energy loan growth of 12.2% was primary driver of overall C&I growth
- Healthcare portfolio growth temporarily stalled due to uncertain political environment
- CRE portfolio down due to internal concentration management efforts combined with higher-than-expected paydown activity in Q2.

Key Credit Quality Metrics



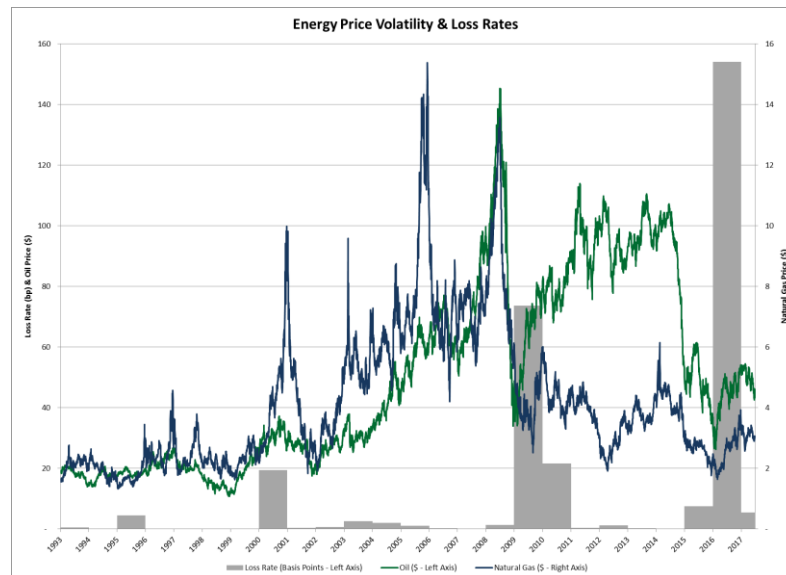
- ✓ No material signs of stress in any loan portfolio
- ✓ Appropriately reserved for any potential issues with a combined allowance of 1.49%, which is at or near the top of the peer group

Energy Lending Update



At 6/30/17:

- \$5.7 billion commitments
- \$2.8 billion outstanding
- E&P line utilization 53%
- Q2 energy net chargeoffs \$228k
- Fifth consecutive quarterly reduction in criticized/classified energy loan outstandings



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

- \$723 million outstanding at 6/30/17
 - Only \$2 million criticized loans – no change from 3/31/17
- 60% of portfolio considered service based and less susceptible to online competition

Diversified portfolio:

- Top ten “goods based” retail CRE exposures total \$192 million. Goods based determined by:
 - >50% of gross potential rent from the Moody’s retail industry classifications that are most susceptible to e-commerce threats.
 - Or >35% of gross potential rent from any one goods-based retailer.
- Highly diversified tenant base with no material exposure to any one tenant. Top five tenant concentrations are as follows:

1. Investment grade retail pharmacy chain: 13 loans totaling \$45MM
2. Investment grade retail pharmacy chain: 4 loans totaling \$8MM
3. Investment grade “dollar store” chain: 9 loans totaling \$7.9MM
4. Investment grade arts and crafts supply chain: 4 loans totaling \$7.8MM
5. Investment grade “dollar store” chain: 5 loans totaling \$4.1MM

Top 5 tenants only represent \$72.8 million or 10.1% of retail CRE exposure

Retail C&I Update

- Total Retail/Wholesale category outstandings at 6/30: \$1,543.7 million
- Retailers total \$652.6 million or 42% of this category
 - 65% of retailer outstandings are service-based retailers (61% of commitments)
 - Criticized loans total \$8.6 million (1.32%)
- Retail C&I portfolio by type:

Store Type	Outstanding at 6/30/17	Notes:
Convenience Stores	\$128.3	
Grocers	\$45.2	
Auto Dealers	\$49.5	
Restaurants	\$158.7	
Other	\$270.9	Over \$100 million to a single investment-grade retailer with low risk of online competition
TOTAL	\$652.6	

Steven G. Bradshaw
Chief Executive Officer
Closing Remarks

Question and Answer Session