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, including its latest acquisition of CoBiz Financial, Inc., 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, inflation, 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. There may also be difficulties and delays in integrating CoBiz Financial Inc.’s business or fully realizing cost savings and other benefits including, but not limited to, business disruption and customer acceptance of BOK Financial Corporation’s products and services.

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.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

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.
BOK Financial: A Regional Banking Powerhouse

- Top 40* US commercial bank
- Valuable Midwest / Southwest franchise
- Seasoned management team
- Proven ability to deliver organic growth
- Consistent execution
- Consistent strategy
- **NASDAQ: BOKF**
- CoBiz Financial added $3.9 billion in assets on Oct 1, 2018

<table>
<thead>
<tr>
<th>Sept 30, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$33 billion</td>
</tr>
<tr>
<td>Loans</td>
<td>$18 billion</td>
</tr>
<tr>
<td>Deposits</td>
<td>$22 billion</td>
</tr>
<tr>
<td>Fiduciary Assets</td>
<td>$46 billion</td>
</tr>
<tr>
<td>Assets Under Management &amp; Custody</td>
<td>$78 billion</td>
</tr>
</tbody>
</table>

* Total assets at Q2 2018
Core Strategy: Build a recession-proof bank that will outperform peers across the economic cycle

- Consistent organic growth
- Robust portfolio of fee generating businesses provides balance in periods of economic instability
- Differentiated and growing specialty lending businesses
- Opportunistic investment in new businesses
- Disciplined credit focus

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

– George Kaiser, Chairman

<table>
<thead>
<tr>
<th></th>
<th>As of 9/30/18</th>
<th>10 Yr. TSR</th>
<th>15 Yr. TSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOKF</td>
<td></td>
<td>159%</td>
<td>256%</td>
</tr>
<tr>
<td>Peer average</td>
<td></td>
<td>124%</td>
<td>157%</td>
</tr>
<tr>
<td>Peer median</td>
<td></td>
<td>108%</td>
<td>115%</td>
</tr>
<tr>
<td>NASDAQ Bank Index</td>
<td></td>
<td>107%</td>
<td>120%</td>
</tr>
<tr>
<td>KBW Bank Index</td>
<td></td>
<td>89%</td>
<td>74%</td>
</tr>
</tbody>
</table>
CoBiz Financial Acquisition
Update

- Closed October 1, 2018 -- Only 3.5 months after announcement
- Acquisition of a “Best in Class” commercial bank is manifesting itself in both the quality of the people and the client relationships.
- Integration teams executing to a conversion date over the March 23rd weekend
  - $45 million in projected integration costs Q4 2018 to Q1 2019
- Pro forma 2019 GAAP EPS accretion of ~6% remains the expectation

<table>
<thead>
<tr>
<th>CoBiz Bank*</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$3.8 billion</td>
<td>$3.9 billion</td>
</tr>
<tr>
<td>Loans</td>
<td>$3.1 billion</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>Deposits</td>
<td>$3.2 billion</td>
<td>$3.3 billion</td>
</tr>
<tr>
<td>Yield on Loans</td>
<td>4.54%</td>
<td>4.65%</td>
</tr>
<tr>
<td>IB Deposit Cost</td>
<td>0.33%</td>
<td>0.46%</td>
</tr>
<tr>
<td>NCO \ Avg Loans</td>
<td>0.01%</td>
<td>(0.03)%</td>
</tr>
</tbody>
</table>

* Source: S&P Global Market Intelligence
BOK Financial: Diverse Revenue Sources

• 41% fee income is a differentiator for BOKF compared to other midsized regional banks

• Well diversified: no single component of fee income accounts for more than 12% of total revenue

• Further diversity within the fee income categories:
  • **Brokerage and trading**: institutional trading, retail brokerage, investment banking, and financial risk management
  • **Transaction card**: ATM network and merchant services
  • **Fiduciary and asset management**: Mutual funds; corporate, foundation, and personal trust; 401(k) services; and professional services including mineral management
  • **Mortgage banking**: direct and online mortgage originations, mortgage servicing
## Strong Balance Sheet

<table>
<thead>
<tr>
<th>Metric:</th>
<th>At 9/30/18</th>
<th>Pro-Forma for CoBiz Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period End Loans</td>
<td>$18.3 billion</td>
<td>$21.4 billion</td>
</tr>
<tr>
<td>Period End Deposits</td>
<td>$21.6 billion</td>
<td>$24.9 billion</td>
</tr>
<tr>
<td>Loan to Deposit Ratio</td>
<td>85%</td>
<td>86%</td>
</tr>
</tbody>
</table>

### Capital Ratios:

<table>
<thead>
<tr>
<th>Capital Ratios:</th>
<th>Regulatory minimum for well-capitalized:</th>
<th>At 9/30/18</th>
<th>Pro-Forma for CoBiz Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1</td>
<td>7.0%</td>
<td>12.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Tier 1 Capital Ratio</td>
<td>8.5%</td>
<td>12.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Total Capital Ratio</td>
<td>10.5%</td>
<td>13.4%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Leverage Ratio</td>
<td>4.0%</td>
<td>9.9%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

### Capital Deployment

- Primary use is for organic growth and regular quarterly dividends
- Disciplined M&A of targeted firms that add to the quality, scale and scope of client offerings
- Opportunistic share re-purchases
Strong Core Deposit Franchise

**BOKF**

- **MMDA & Savings**: 48%
- **Non-Int. Bearing**: 42%
- **CDs**: 10%

**CoBiz**

- **MMDA & Savings**: 51%
- **Non-Int. Bearing**: 46%
- **CDs**: 2%

**Combined**

- **MMDA & Savings**: 49%
- **Non-Int. Bearing**: 42%
- **CDs**: 9%

**Total Deposits**

- **BOKF**: $21.6 bn
- **CoBiz**: $3.3 bn
- **Combined**: $24.9 bn

**MSA**

<table>
<thead>
<tr>
<th>MSA</th>
<th>Branches</th>
<th>Deposit share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tulsa, OK</td>
<td>23</td>
<td>32%</td>
</tr>
<tr>
<td>Dallas-Fort Worth-Arlington, TX</td>
<td>21</td>
<td>2%</td>
</tr>
<tr>
<td>Oklahoma City, OK</td>
<td>19</td>
<td>10%</td>
</tr>
<tr>
<td>Albuquerque, NM</td>
<td>16</td>
<td>11%</td>
</tr>
<tr>
<td>Houston-The Woodlands-Sugar Land, TX</td>
<td>12</td>
<td>1%</td>
</tr>
<tr>
<td>Denver-Aurora-Lakewood, CO*</td>
<td>17</td>
<td>4%</td>
</tr>
<tr>
<td>Kansas City, MO-KS</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Phoenix-Mesa-Scottsdale, AZ*</td>
<td>8</td>
<td>1%</td>
</tr>
<tr>
<td>Fayetteville-Springdale-Rogers, AR-MO</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Other MSAs</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td><strong>Total Branches</strong></td>
<td><strong>138</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Geographic deposit mix (BOKF Standalone)**

- **OK**: 51%
- **TX**: 27%
- **NM**: 7%
- **AZ**: 7%
- **CO**: 3%
- **KC**: 4%
- **AR**: 1%

Source: S&P Global Market Intelligence

*Pro-Forma for CoBiz acquisition; prior to purchase accounting mark assessment*
Diversified Loan Portfolio

Loan Portfolio Segmentation - Standalone

- Personal 5%
- Non O-O CRE 21%
- Energy 18%
- Healthcare 13%
- Gen. C&I 32%
- Resi 11%

Loan Portfolio by Collateral Location - Standalone:

- OK 20%
- TX 33%
- NM 5%
- CO 5%
- AZ 8%
- KS/MO 7%
- Other 22%
- Other 22%

Loan Portfolio Segmentation – Pro-Forma w/ CoBiz *

- Personal 5%
- Non O-O CRE 22%
- Energy 15%
- Healthcare 13%
- Gen. C&I 34%
- Resi 11%

Loan Portfolio by Collateral Loc. – Pro-Forma w/CoBiz *

- OK 17%
- TX 29%
- NM 4%
- CO 16%
- AZ 8%
- KS/MO 6%
- Other 20%
- Other 20%

*Pro-Forma for CoBiz acquisition; prior to purchase accounting mark assessment
100 year history in energy lending and a playbook that works:

- Focus on first lien, senior secured E&P lending – the “sweet spot” in energy lending
- Internal staff of 13 petroleum engineers and engineering techs to confirm property values – a material investment that is a key to strong credit performance across the cycle.
- Focus on on-shore “lower 48” property sets with no deepwater offshore exposure
- Minimal exposure to second liens, undeveloped reserves, or other higher-risk components of the capital stack
- 50-60% loan to value on proved producing reserves
- Actual forward markets are the value determinant for borrowing bases
- Extraction and transportation costs are deducted from collateral values

At 9/30/18:

- $3.3 billion outstanding and $3.1 billion unfunded commitments
- E&P line utilization 54%

Portfolio Composition at 9/30/18:

- Oil & Gas Producers: 82%
- Midstream & Other: 12%
- Energy Services \ Other: 6%

Strong through-the-cycle credit performance:

<table>
<thead>
<tr>
<th>Net Charge Offs</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>3Q 2018 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;P</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.07%</td>
<td>1.42%</td>
<td>0.23%</td>
<td>0.48%</td>
</tr>
<tr>
<td>Total Energy</td>
<td>-0.01%</td>
<td>-0.15%</td>
<td>0.17%</td>
<td>1.16%</td>
<td>0.18%</td>
<td>0.40%</td>
</tr>
</tbody>
</table>
Healthcare Banking Expertise

- Growing line of business within commercial banking
- As of September 30, 2018, outstandings totaled $2.4 billion across 31 states
- Healthcare portfolio characteristics:
  - Favorable LIBOR spreads
  - Above-average loan utilization rates
  - Predominately BOK Financial originated commitments - less than 12% 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

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**Loans Outstanding (3Q18)**

- Senior Housing: 15%
- Hospital: 76%
- Service Medical: 9%

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**Loans Outstanding ($000,000’s)**

- CAGR: 16.5%
- 2012: $1,000
- 2017: $2,500

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Commercial Real Estate

- $3.8 billion outstanding and $1.4 billion unfunded commitments at 9/30/18
- Over two-thirds of outstanding collateral within BOKF footprint.
- BOKF allocates 175% of Tier 1 capital plus reserves to CRE.
- Further controls and limitations by product type and geography. Concentration guidelines are analyzed and adjusted quarterly as needed.
- Extensive, granular loan underwriting guideline standards reviewed and adjusted semi-annually.
- Strong relationship between the front line production/bankers and credit concurrence officers. Bi-weekly vetting and discussion of potential opportunities in loan pipeline.
- Minimal exposure to residential construction and land development (highest risk, most cyclical sector in CRE)
Wealth Management

- Four primary lines of business:
  - The Private Bank
  - BOK Financial Advisors
  - Institutional Wealth Management
  - Cavanal Hill Investment Management
- Clients include high net worth individuals, corporations, pensions, foundations, government entities, etc.
- Wealth Management by the numbers:
  - Assets under management or custody: **$78 billion**
  - Fiduciary assets: **$46 billion**
  - Loans: **Over $1.4 billion**
  - Deposits: **Over $5.4 billion**
  - More than **$1 trillion** in traded securities annually

**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.
Debit Processing & ATM Network
- Among the top 10 networks in the US
- Operates nationally with customers based in 26 states and the Virgin Islands; more than 65% of clients outside Oklahoma
- Clients: Banks / Credit Unions / C-Store Chains
- In 2017, processed 607 million EFT transactions

Merchant Payment Processing
- Process payments for 6,504 merchant and cash advance locations
- In 2017, processed $2.4 billion in merchant sales
Mortgage Banking

- Top 50 U.S. mortgage originator
- Three lines of business:
  - Direct mortgage origination through BOKF retail network
  - Growing online sales channel – HomeDirect Mortgage
  - Mortgage Servicing
- Annual origination volume in 2017 ~ $3 billion
- Servicing $22 billion of mortgages at 9/30/18
3Q 2018 Financial Results
Third Quarter Summary

Noteworthy items impacting Q3 profitability:

- Loan growth remains strong coming off a record-breaking quarter.
- Net interest income continues to grow on a pre-provision basis.
- Fees and commission revenue increased 6% sequentially, enhanced by a large advisory fee for a client.
- Small increase in expenses.
- Provision for loan losses recorded due to loan growth.
### Additional Details

<table>
<thead>
<tr>
<th>$billions</th>
<th>Q3 2018</th>
<th>Quarterly Growth</th>
<th>Annualized Quarterly Growth</th>
<th>Year over Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period-End Loans</td>
<td>$18.3</td>
<td>1.9%</td>
<td>7.7%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Average Loans</td>
<td>$18.2</td>
<td>2.5%</td>
<td>10.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Period-End Deposits</td>
<td>$21.6</td>
<td>(2.4)%</td>
<td>(9.6)%</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>Average Deposits</td>
<td>$21.9</td>
<td>(0.5)%</td>
<td>(2.2)%</td>
<td>(0.8)%</td>
</tr>
<tr>
<td>Fiduciary Assets</td>
<td>$45.6</td>
<td>(2.1)%</td>
<td>(8.4)%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Assets Under Management or in Custody</td>
<td>$77.6</td>
<td>(1.6)%</td>
<td>(6.4)%</td>
<td>—%</td>
</tr>
</tbody>
</table>

- Strong loan growth across all major categories and most regional markets.
- Average deposits are relatively flat for the quarter with period end balances down in wealth management due to customer migration to off balance sheet alternatives.
- Strong liquidity position with average loan/deposit ratio of 83 percent.
- Assets under management down largely due to timing of inflows and seasonality of disbursements.
## Loan Portfolio

<table>
<thead>
<tr>
<th></th>
<th>Sep 30, 2018</th>
<th>Jun 30, 2018</th>
<th>Sep 30, 2017</th>
<th>Seq. Loan Growth</th>
<th>YOY Loan Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>$3,294.9</td>
<td>$3,147.2</td>
<td>$2,868.0</td>
<td>4.7%</td>
<td>14.9%</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>3,017.3</td>
<td>2,944.5</td>
<td>2,967.5</td>
<td>2.5%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>2,437.3</td>
<td>2,353.7</td>
<td>2,239.5</td>
<td>3.6%</td>
<td>8.8%</td>
</tr>
<tr>
<td><strong>Wholesale/retail</strong></td>
<td>1,650.7</td>
<td>1,699.6</td>
<td>1,658.1</td>
<td>(2.9)%</td>
<td>(0.4)%</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>660.6</td>
<td>647.8</td>
<td>519.4</td>
<td>2.0%</td>
<td>27.2%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>515.3</td>
<td>556.2</td>
<td>543.4</td>
<td>(7.4)%</td>
<td>(5.2)%</td>
</tr>
<tr>
<td><strong>Total C&amp;I</strong></td>
<td>$11,576.1</td>
<td>$11,349.0</td>
<td>$10,795.9</td>
<td>2.0%</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Commercial Real Estate</strong></td>
<td>3,804.7</td>
<td>3,712.2</td>
<td>3,518.1</td>
<td>2.5%</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Residential Mortgage</strong></td>
<td>1,971.7</td>
<td>1,942.3</td>
<td>1,945.8</td>
<td>1.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Personal</strong></td>
<td>996.9</td>
<td>1,000.2</td>
<td>947.0</td>
<td>(0.3)%</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td>$18,349.5</td>
<td>$18,003.7</td>
<td>$17,206.8</td>
<td>1.9%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

- Added to the loan portfolio coming off a record-breaking quarter, posting 6.2% year-over-year growth.

- Strong growth in energy, healthcare, manufacturing, and commercial real estate.
Net Interest Revenue and Margin

<table>
<thead>
<tr>
<th>($millions)</th>
<th>Q3 2018</th>
<th>Q2 2018</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest revenue</td>
<td>$240.9</td>
<td>$238.6</td>
<td>$219.7</td>
<td>$216.9</td>
<td>$218.5</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>3.21%</td>
<td>3.17%</td>
<td>2.99%</td>
<td>2.97%</td>
<td>3.01%</td>
</tr>
<tr>
<td>Loan Yield</td>
<td>4.80%</td>
<td>*4.68%</td>
<td>4.45%</td>
<td>4.29%</td>
<td>*4.21%</td>
</tr>
<tr>
<td>Cost of IB Deposits</td>
<td>0.77%</td>
<td>0.66%</td>
<td>0.57%</td>
<td>0.48%</td>
<td>0.45%</td>
</tr>
</tbody>
</table>

- Net interest revenue continues to climb due to strong loan growth.
  - Yield on available for sale securities was 2.37%, an increase of 7 basis points sequentially, and up 20 basis points year over year.
  - Loan yields reflect continued improvement throughout 2018.
  - Interest-bearing deposits increased 11 basis points sequentially.

- Net interest margin continues to expand but at a decreasing rate as deposit betas increase.

* Note: Q2 2018 and Q3 2017 Loan Yields reflect adjustments for the impact of interest recoveries.
## Fees and Commissions

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Quarterly, Sequential</th>
<th>Quarterly, Year over Year</th>
<th>Trailing 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage and Trading</td>
<td>$23.1</td>
<td>(12.8)%</td>
<td>(30.4)%</td>
<td>(10.9)%</td>
</tr>
<tr>
<td>Transaction Card</td>
<td>21.4</td>
<td>2.0%</td>
<td>(6.7)%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Fiduciary and Asset Management</td>
<td>57.5</td>
<td>37.9%</td>
<td>41.4%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Deposit Service Charges and Fees</td>
<td>27.8</td>
<td>(0.2)%</td>
<td>(1.5)%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Mortgage Banking</td>
<td>23.5</td>
<td>(10.7)%</td>
<td>(5.4)%</td>
<td>(7.8)%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>14.2</td>
<td>(2.1)%</td>
<td>4.0%</td>
<td>(0.5)%</td>
</tr>
<tr>
<td><strong>Total Fees and Commissions</strong></td>
<td><strong>$167.5</strong></td>
<td><strong>6.1%</strong></td>
<td><strong>(3.4)%</strong></td>
<td><strong>1.5%</strong></td>
</tr>
</tbody>
</table>

- **Brokerage and Trading**: Down largely due to mortgage production environment – lower mortgage backed trading activity.

- **Transaction Card**: Continued growth on a quarterly basis, but year over year comparison impacted by heavy contract buyout revenue in 3Q17.

- **Fiduciary and Asset Management**: A large $15 million fee earned on the sale of client assets.

- **Mortgage Banking**: The rising rate environment has impacted origination volume and margins.
## Expenses

<table>
<thead>
<tr>
<th>($mil)</th>
<th>Q3 2018</th>
<th>Q2 2018</th>
<th>Q3 2017</th>
<th>%Incr. Seq.</th>
<th>%Incr. YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expense</td>
<td>$143.5</td>
<td>$138.9</td>
<td>$147.9</td>
<td>3.3%</td>
<td>(3.0)%</td>
</tr>
<tr>
<td>Other operating expense</td>
<td>$109.1</td>
<td>$107.5</td>
<td>$118.0</td>
<td>1.4%</td>
<td>(7.6)%</td>
</tr>
<tr>
<td>Total operating expense</td>
<td>$252.6</td>
<td>$246.5</td>
<td>$265.9</td>
<td>2.5%</td>
<td>(5.0)%</td>
</tr>
<tr>
<td>Efficiency Ratio</td>
<td>61.41%</td>
<td>61.68%</td>
<td>65.92%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Personnel expense up in Q3 from equity compensation expense.
- Non personnel expense up slightly due to an impairment of a software license coupled with an OREO writedown on a healthcare property.
- $1 million of merger-related expenses in both Q3 and Q2.
- Mortgage-related cost actions in Q3 – approximately $1.6 million in expense saves.
Key Credit Quality Metrics

- No material signs of stress in any loan portfolio.
- Nonaccrual loans down 7.6 percent sequentially.
- Appropriately reserved with a combined allowance of 1.16 percent.
  - Q3 Provision of $4.0 million
  - YTD Provision of $(1.0) million
- Net charge-offs were 0.18 percent of average loans over the last four quarters.
Forecast and Assumptions

- Continued loan growth as we integrate CoBiz portfolios into our lines of business.
- Slowing growth in net interest margin with continued Fed rate increases.
- Revenue from fee-generating businesses down due to continued mortgage headwinds.
- Controlled expense growth excluding CoBiz integration costs.
- Provision levels moving forward will be influenced by loan growth. Loan loss reserve levels could drop below 1 percent after CoBiz consolidation.
- Blended federal and state effective tax rate 22-23% going forward.
- CoBiz integration and closing charges expected to be $45 million going forward with approximately 75 percent in the fourth quarter of 2018 and 25 percent in the first quarter of 2019.
- We are still comfortable with the 6 percent accretion in 2019 as previously quoted with an expected conversion late in the first quarter of 2019.
- Hold on specific 2019 guidance until the budget process is completed.