

# Financial Position Summary

## A Word Regarding Our Third Quarter Results for 2009

**As of October 28, 2009**

BOK Financial is pleased to report another quarter of solid operations and modest growth, with earnings over \$50 million and we added one new branch each in Dallas, Kansas City and Tulsa for a total of three. Earnings for the third quarter were based on continued net interest revenue growth, solid fee revenue and controlled operating expenses.

Although we are hopeful the nation as a whole has seen the worst of this recession, the banking industry will continue to see challenges. BOK Financial maintains a strong liquidity position and exceeds requirements to be considered "well capitalized." Although loan demand is soft for the entire industry, BOK Financial operates a variety of business lines which diversify our revenue and provide added stability as we navigate through this cycle.

The following is only a summary of information contained in BOK Financial's third quarter press release and 10-Q filing with the Securities and Exchange Commission. All the information found in this statement should be considered in conjunction with information in the third quarter press release and the 10-Q which may be found at [www.BOKF.com](http://www.BOKF.com), when available.

### Third Quarter Earnings

- BOK Financial Corporation reported net income for the third quarter of 2009 of \$50.7 million or \$0.75 per diluted share. Net income for the previous quarter totaled \$52.1 million or \$0.77 per diluted share.
- Net interest revenue totaled \$180.5 million, and increased by \$4.9 million compared to the second quarter of 2009. Net interest margin was 3.63% for the third quarter of 2009, a slight increase of .08% over the second quarter of 2009 largely due to higher yields earned on loans and lower costs to fund loans.
- Fees and commission revenue totaled \$120.0 million, down \$3.1 million from the previous quarter. Mortgage banking revenue decreased \$6.7 million due to lower volume of loans originated during the quarter. Brokerage and trading revenue, however, increased over the previous quarter by \$3.1 million.
- Operating expenses totaled \$178.7 million, up \$3.0 million over the second quarter of 2009. Net losses and operating expenses of repossessed assets and personnel expenses increased over the previous quarter by \$2.5 million.

### Strong Capital

- BOK Financial was the largest commercial bank in the United States that elected to not participate in the Treasury's Capital Purchase Program, an element of the Troubled Asset Relief Program (TARP).
- Tier 1 capital ratios were 10.56% at September 30, 2009 and 9.86% at June 30, 2009, exceeding the 6% required to be considered "well capitalized" for regulatory purposes.
- Tangible common equity ratio and tier 1 common equity ratio increased to 7.78% and 10.45%, respectively, at September 30, 2009 from 7.55% and 9.77%, respectively, at June 30, 2009.

### **Our Investment Portfolio**

- We actively manage our portfolio by continuously reviewing the performance, diversity and quality of our securities.
- Available for sale securities totaled \$8.4 billion at September 30, 2009, up \$1.1 billion since June 30, 2009. The increase consisted of \$1.0 billion of net securities purchased during the quarter and a \$159 million net increase in the fair value of securities held in the portfolio. Purchased securities consisted primarily of mortgage-backed securities issued by U.S. government agencies.
- Our investment portfolio does not contain any sub-prime mortgages, CLOs (collateralized loan obligations), CDOs (collateralized debt obligations), corporate debt, or preferred or common equity exposure to Fannie Mae or Freddie Mac.

### **Ample Liquidity**

- BOK Financial's diverse sources of liquidity include deposits, federal funds purchased from other banks and borrowings from the Federal Home Loan Banks.

### **Loans and Deposits**

- Outstanding loan balances were \$11.6 billion at September 30, 2009, down \$458 million since June 30, 2009. All major loan categories decreased during the third quarter largely due to reduced customer demand, normal repayment trends and management decisions to exit certain loan types.
- Average deposit balances totaled \$15.1 billion for the third quarter of 2009, down \$202 million compared with average deposits for the second quarter of 2009. Total period-end deposits grew \$440 million in the third quarter of 2009 to \$15.1 billion. Growth in demand and interest-bearing transaction deposits was partially offset by decreases in higher-costing time deposits.

### **Credit Quality**

- As stated, we have no concentration in sub-prime residential mortgage loans, CDOs or CLOs.
- Combined reserve for credit losses totaled \$293 million or 2.52% of outstanding loans at September 30, 2009, up from \$274 million or 2.27% of outstanding loans at June 30, 2009. Net loans charged off and provision for credit losses were \$36.0 million and \$55.1 million, respectively, for the third quarter of 2009.
- Non-performing assets totaled \$490 million or 4.19% of outstanding loans and repossessed assets at September 30, 2009, compared to \$446 million or 3.67% of outstanding loans and repossessed assets at June 30, 2009.