REFINITIV

DELTA REPORT

10-Q

BOKF - BOK FINANCIAL CORP

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1233
CHANGES	543
DELETIONS	314
ADDITIONS	376

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024 June 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____________ to ______________

Commission File No. 001-37811

BOK FINANCIAL CORP

(Exact name of registrant as specified in its charter)

Oklahoma	73-1373454
(State or other jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
Bank of Oklahoma Tower Boston Avenue at Second Street Tulsa, Oklahoma	74192
(Address of Principal Executive Offices)	**(Zip Code)**

(918) 588-6000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.00006 per share	BOKF	Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer ¨
Non-accelerated filer ¨ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ý

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 64,515,035 64,127,824 shares of common stock ($.00006 par value) as of March 31, 2024 June 30, 2024.

BOK Financial Corporation
Form 10-Q
Quarter Ended March 31, 2024 June 30, 2024

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GLOSSARY OF DEFINED TERMS

The following items may be used throughout this report, including the consolidated financial statements and related notes.

Term	Definition
AFS	Available For Sale
AOCI	Accumulated Other Comprehensive Income
ASU	Accounting Standards Update
ATM	Automated Teller Machine
Board	Board of Directors of BOK Financial Corporation
BOK Financial	BOK Financial Corporation
BOKF	BOK Financial Corporation
BOKF Insurance	BOK Financial Insurance, Inc.
BOKFI	BOK Financial Insurance, Inc.
CECL	Current Expected Credit Losses
Company	BOK Financial Corporation
EFT	Electronic Funds Transfer
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
GAAP	Generally Accepted Accounting Principles in the United States of America
GDP	Gross Domestic Product
GNMA	Government National Mortgage Association
MSR	Mortgage Servicing Rights
Nasdaq	National Association of Securities Dealers Automated Quotations
NYMEX	New York Mercantile Exchange
PPNR	Pre-Provision Net Revenue
RMHFS	Residential Mortgages Held for Sale
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
SVaR	Stressed Value at Risk
TransFund	BOKF's electronic funds transfer network
USDC	United States District Court
VA	U.S. Department of Veterans Affairs
VaR	Value at Risk
WTI	West Texas Intermediate

Management's Discussion and Analysis of Financial Condition and Results of Operations

Performance Summary

BOK Financial reported net income of $163.7 million or $2.54 per diluted share for the second quarter of 2024 compared to $83.7 million or $1.29 per diluted share for the first quarter of 2024 compared to $82.6 million or $1.26 per diluted share for the fourth quarter of 2023. 2024. Excluding the loss from repositioning gain on conversion of the available for sale securities portfolio and Visa shares, the additional FDIC special assessment expense, and the contribution of Visa shares to the BOKF Foundation, net income would have been $123.2 million $131.1 million or $1.91 $2.02 per share for the first second quarter of 2024, both of which are non-GAAP measures. measures[1]. PPNR[1], also a non-GAAP measure, decreased $2.6 million increased $104.1 million to $114.9 million $219.0 million compared to the fourth first quarter of 2023. 2024.

Highlights of the first second quarter of 2024 compared to the fourth first quarter of 2023 2024 included:

- Net interest revenue income totaled $293.6 million $296.0 million, a decrease an increase of $3.1 million compared to $2.4 million over the prior quarter. Net interest margin was 2.61% 2.56% for the first second quarter of 2024 compared to 2.64% 2.61% for the prior quarter reflecting continued quarter. The pace of demand deposit migration and deposit repricing. repricing has slowed compared to the previous quarter and was offset by improving yields on the available for sale securities portfolio. For the first second quarter of 2024, our core net interest margin excluding trading activities[1], a non-GAAP measure, was 2.97% 2.94% compared to 3.03% 2.97% in the prior quarter.

- Fees and commissions revenue totaled $200.6 million $200.0 million, an increase of $3.8 million. consistent with the prior quarter. Higher mortgage banking and fiduciary and asset management revenue and transaction card revenue was partially offset by lower brokerage and trading and transaction card revenue.

- Other operating expense totaled $340.4 million $336.7 million, a decrease of $43.7 million $3.7 million. Personnel expense was relatively unchanged, while non-personnel decreased $11.6 million due to lower incentive compensation, including deferred compensation plans, regular compensation, and employee benefits. Non-personnel expense decreased $43.3 million resulting from increased $7.9 million, largely due to our contribution of converted Visa shares valued at $10.0 million to the recognition of the FDIC special assessment in the fourth quarter of 2023. BOKF Foundation.

- Other gains and losses, net decreased $36.2 million increased $53.1 million to $4.3 million $57.4 million. The prior quarter included a $31.0 million pre-tax gain, before related professional fees, on the sale of insurance brokerage and consulting business, BOKFI.

- Losses on available for sale securities were $45.2 million in the first second quarter of 2024 as we repositioned the available for sale securities portfolio by selling approximately $783 million of lower-yielding debt securities. We expect the included a $53.8 million pre-tax gain on the conversion of our Visa B shares under the recently announced exchange offer by Visa, Inc. (the "Exchange Offer")

  offset the realized The gain offsets losses of $45.2 million on the repositioning. The Exchange Offer opened on April 8, 2024 and is scheduled to expire at end repositioning of day on May 3, 2024. the available for sale securities portfolio realized in the first quarter of 2024.

- Period end outstanding loan balances totaled $24.2 billion $24.6 billion at March 31, 2024 June 30, 2024, growing $268 million $381 million over December 31, 2023 March 31, 2024, largely due to growth in commercial loans, partially offset by a reduction in commercial real estate loans. Average loan balances increased $243 million $437 million to $23.9 billion $24.4 billion.

- The provision for credit losses of $8.0 million in the first second quarter of 2024 reflects continued loan growth and a stable economic forecast. Net charge-offs were $5.5 million $6.9 million or 0.09% 0.11% of average loans on an annualized basis in the first second quarter. The resulting combined allowance for credit losses totaled $329 million $330 million or 1.36% 1.34% of outstanding loans at March 31, 2024 June 30, 2024. The combined allowance for credit losses was $326 million $329 million or 1.36% of outstanding loans at December 31, 2023 March 31, 2024.

- Nonperforming assets not guaranteed by U.S. government agencies were $113 million $86 million, a $25 million $27 million decrease compared to December 31, 2023 March 31, 2024. Potential problem loans increased by $40 million $6.0 million while other loans especially mentioned decreased increased by $28 million $123 million compared to December 31, 2023 March 31, 2024.

- Period end deposits were $35.4 billion $36.2 billion at March 31, 2024 June 30, 2024, a $1.4 billion an $858 million increase over December 31, 2023 March 31, 2024. Average deposits increased $1.3 billion $627 million, including a $2.1 billion an $872 million increase in average interest-bearing deposits, partially offset by a $747 million $244 million reduction in demand deposit balances. The loan to deposit ratio was 68% at March 31, 2024 June 30, 2024, compared to 70% at December 31, 2023. unchanged from the prior quarter.

- Assets under management or administration totaled $105.5 billion $107.5 billion at March 31, 2024 June 30, 2024, increasing $794 million $1.9 billion compared to December 31, 2023 March 31, 2024.

[1] See Explanation and Reconciliation of Non-GAAP Measures in "Non-GAAP Measures" section following.

- The Company's tangible common equity ratio[1], a non-GAAP measure, was 8.38% at June 30, 2024 and 8.21% at March 31, 2024 and 8.29% at December 31, 2023. The tangible common equity ratio is primarily based on total shareholders' equity, which includes unrealized gains and losses on available for sale securities. Adjusted for all securities portfolio losses, including the tax adjusted losses in the investment portfolio, the tangible common equity ratio[1] would be 8.06% at June 30, 2024 and 7.92% at March 31, 2024 and 8.02% at December 31, 2023.

- The common equity Tier 1 capital ratio at March 31, 2024 June 30, 2024 was 11.99% 12.10%. Other regulatory capital ratios include the Tier 1 capital ratio at 12.00% 12.11%, total capital ratio at 13.15% 13.25%, and leverage ratio at 9.42% 9.39%. At December 31, 2023 March 31, 2024, the common equity Tier 1 capital ratio was 12.06% 11.99%, the Tier 1 capital ratio was 12.07% 12.00%, total capital ratio was 13.16% 13.15%, and leverage ratio was 9.45% 9.42%.

- The Company repurchased 616,630 412,176 shares of common stock at an average price of $83.89 $90.38 per share in the first second quarter of 2024 and 700,237 616,630 shares at an average price of $70.99 $83.89 in the fourth first quarter of 2023. 2024. We view share buybacks opportunistically, but within the context of maintaining our strong capital position.

- The Company paid a regular cash dividend of $35.6 million $35.3 million or $0.55 per common share during the first second quarter of 2024. On April 30, 2024 July 30, 2024, the board of directors approved a quarterly cash dividend of $0.55 per common share payable on or about May 30, 2024 August 30, 2024 to shareholders of record as of May 15, 2024 August 15, 2024.

Highlights of the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 30, 2023 included:

- Tax-equivalent net Net interest revenue income totaled $295.7 million $589.6 million for the three six months ended March 31, 2024 June 30, 2024 and $354.6 million $674.6 million for the three six months ended March 31, 2023 June 30, 2023. Net interest revenue income decreased $51.4 million $71.6 million from changes in interest rates and decreased $7.5 million $13.6 million from changes in earning assets. Net interest margin was 2.61% 2.59% compared to 3.45% 3.22%. In response to rising inflation, the Federal Reserve increased the federal funds rate 525 basis points since the beginning of 2022. The resulting impact on market interest rates increased net interest margin at first as our earning assets, led by our significant percentage of variable-rate commercial loans, repriced at a higher rate and faster pace than our interest-bearing liabilities. Throughout 2023 and into the first second quarter of 2024, we have experienced margin compression reflecting deposit repricing activity and demand deposit migration into interest-bearing accounts. Loan yields increased 73 55 basis points while funding costs increased 165 125 basis points. Average earning assets increased $4.1 billion $3.7 billion to $44.8 billion $45.4 billion driven largely by higher average loan balances and trading securities balances. Total interest-bearing deposits increased $5.3 billion $5.6 billion, offset by a decrease of $3.8 billion $3.2 billion in demand deposit balances. Other borrowed funds increased $1.8 billion $930 million.

- Fees and commissions revenue totaled $200.6 million $400.6 million for the three six months ended March 31, 2024 June 30, 2024, a $14.6 million $14.1 million increase over the three six months ended March 31, 2023 June 30, 2023. Brokerage and trading revenue increased $6.8 million, primarily due to increased trading activity and favorable market opportunities. Fiduciary and asset management revenue increased $4.6 million $9.2 million led by growth in trust fees and Cavanal Hill fund fees and trust fees. Mortgage banking revenue increased $4.6 million $8.1 million, primarily due to higher production volume. Other Deposit service charges increased $5.2 million due to growth in commercial service charges. Brokerage and trading revenue decreased $4.0 million $5.2 million, largely due to lower decreased customer hedging revenue, on bank-owned life primarily attributed to our energy and interest rate derivative customers. The prior period included $6.2 million of insurance brokerage revenue recognized prior to the sale of BOKFI. This decrease was fully offset by an increase of $6.9 million in investment banking revenue driven by growth in underwriting fees and financial advisory fees. Other revenue decreased $4.3 million, primarily due to a reduction in fees earned on derivative counterparty margin.

- Total operating expense was $340.4 million $677.1 million for the three six months ended March 31, 2024 June 30, 2024, an increase of $34.6 million $52.6 million compared to the three six months ended March 31, 2023 June 30, 2023. Personnel expense increased $20.5 million $20.9 million. Regular compensation increased $8.8 million $11.7 million, largely related to annual merit increases, salary adjustments, and business expansion in 2023. Cash-based incentive Employee benefits expense increased $5.8 million related to higher employee healthcare costs and retirement plan costs. Incentive compensation grew $8.2 million expense was up $3.4 million, primarily due to higher sales activity. Share-based compensation expense decreased $2.0 million reflecting changes in assumptions of certain performance-based equity awards. Deferred loan and trading volumes and deferred compensation expense, which is largely offset by changes in fair value of deferred compensation investments, grew $2.7 million. Employee benefits expense increased $2.7 million related to higher retirement plan costs and employee healthcare costs. investments. Non-personnel expense increased $14.1 million $31.6 million to $137.7 million $283.3 million. Charitable contributions to the BOKF Foundation increased $12.5 million, largely due to increased the donation of Visa shares valued at $10.0 million. FDIC insurance costs including the grew due to recognition of $6.5 million $7.6 million in additional special assessment expense in the first quarter of during 2024. Other expense also increased $4.9 million $6.7 million due to higher operational losses.

- The provision for expected credit losses was $8.0 million $16.0 million for the three six months ended March 31, 2024 June 30, 2024, reflecting growth in loan balances and a stable economic forecast. A $16.0 million $33.0 million provision for expected credit losses was recorded for the three six months ended March 31, 2023 June 30, 2023.

1 See Explanation and Reconciliation of Non-GAAP Measures in "Non-GAAP Measures" section following.

Results of Operations

Net Interest Revenue Income and Net Interest Margin

Net interest revenue income is the interest earned on debt securities, loans and other interest-earning assets less interest paid for interest-bearing deposits and other borrowings. The net interest margin is calculated by dividing tax-equivalent net interest revenue income by average interest-earning assets. Net interest spread is the difference between the average rate earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest spread due to interest income revenue earned on assets funded by non-interest bearing liabilities such as demand deposits and equity.

Tax-equivalent net interest revenue income totaled $295.7 million $298.2 million for the first second quarter of 2024, compared to $298.8 million $295.7 million for the prior quarter. Compared to the fourth quarter of 2023, net Net interest revenue decreased $3.4 million income increased $2.5 million from changes in interest rates and increased $308 $49 thousand from changes in earning assets. Table 1 shows the effect on net interest revenue income from changes in average balances and interest rates for various types of earning assets and interest-bearing liabilities.

Average earning assets increased $520 million $1.2 billion compared to the fourth first quarter of 2023. 2024. Average loan balances increased $243 $437 million, largely due to growth in commercial loans, partially offset by a reduction in commercial real estate loans. The average balance of available for sale securities, which consists largely of residential and commercial mortgage-backed securities guaranteed by U.S. government agencies, increased $475 $218 million while the average balance of trading securities decreased $77 increased $552 million.

Total average deposits increased $1.3 billion $627 million over the fourth first quarter of 2023, 2024, including a $2.1 billion an $872 million increase in interest-bearing deposits, partially offset by a $747 million $244 million decrease in demand deposits. Funds purchased and repurchase agreements declined $1.2 billion grew $580 million while other borrowings decreased $276 increased $307 million.

Net interest margin was 2.61% 2.56% compared to 2.64% 2.61% in the fourth first quarter of 2023 driven by continued 2024. The pace of demand deposit migration and deposit repricing. repricing has slowed compared to the previous quarter and was offset by improving yields on the available for sale securities portfolio. For the first second quarter of 2024, our core net interest margin excluding trading activities[1], a non-GAAP measure, was 2.97% 2.94% compared to 3.03% 2.97% in the prior quarter. The tax-equivalent yield on earning assets was 5.73% 5.80%, an increase of 9 7 basis points. Loan yields grew 4 basis points to 7.40%. The available for sale securities portfolio yield increased 21 23 basis points to 3.48% 3.71%. Loan yields grew 1 basis point to 7.41%. The yield on trading securities grew 7 decreased 6 basis points to 5.12% 5.06% and the yield on interest-bearing cash and cash equivalents decreased 34 increased 90 basis points to 4.96% 5.86%.

Funding costs were 4.08% 4.15%, a 10 7 basis point increase over the prior quarter. The cost of interest-bearing deposits increased 26 7 basis points to 3.69% 3.76%. The cost of funds purchased and repurchase agreements decreased 74 increased 23 basis points to 4.05% 4.28% while the cost of other borrowings increased 1 2 basis point points to 5.56% 5.58%. This beneficial mix shift was enabled by the growth of interest-bearing deposits. The benefit to net interest margin from assets funded by non-interest liabilities was 96 91 basis points, a decrease of 2 5 basis points.

Our overall objective is to manage the Company's balance sheet for changes in interest rates as is further described in the Market Risk section of this report. Approximately 81% of our commercial and commercial real estate loan portfolios are either variable rate or fixed rate that will reprice within one year. These loans are funded primarily by deposit accounts that are either non-interest bearing, or that reprice more slowly than the loans. The result is a balance sheet that is asset sensitive, which means that assets generally reprice more quickly than the liabilities. One of the strategies that we use to manage toward a relative rate-neutral position is to purchase fixed-rate residential mortgage-backed securities issued primarily by U.S. government agencies and fund them with market rate-sensitive liabilities. The liability-sensitive nature of this strategy provides an offset to the asset-sensitive characteristics of our loan portfolio. We also may use derivative instruments to manage our interest rate risk.

The effectiveness of these strategies is reflected in the overall change in net interest revenue income due to changes in interest rates as shown in Table 1 and in the interest rate sensitivity projections as shown in the Market Risk section of this report.

[1] See Explanation and Reconciliation of Non-GAAP Measures in "Non-GAAP Measures" section following.

Table 1 – Volume/Rate Analysis
(In thousands)

		Three Months Ended Mar. 31, 2024 / Dec. 31, 2023			Three Months Ended Mar. 31, 2024 / 2023								
		Three Months Ended June 30, 2024 / Mar. 31, 2024			Six Months Ended June 30, 2024 / 2023								
		Change Due To[1]			Change Due To[1]			Change Due To[1]			Change Due To[1]		
	Change	Change	Volume	Yield/Rate	Change	Volume	Yield/Rate	Change	Volume	Yield/Rate	Change	Volume	Yield/Rate
Tax-equivalent interest revenue:	Tax-equivalent interest revenue:				Tax-equivalent interest revenue:								
Interest-bearing cash and cash equivalents													
Trading securities													
Investment securities													
Available for sale securities													
Fair value option securities													
Restricted equity securities													
Residential mortgage loans held for sale													
Loans													
Total tax-equivalent interest revenue													
Interest expense:													
Transaction deposits													

Transaction deposits
Transaction deposits
Savings deposits
Time deposits
Funds purchased and repurchase agreements
Other borrowings
Subordinated debentures
Total interest expense
Tax-equivalent net interest revenue
Tax-equivalent net interest income
Change in tax-equivalent adjustment
Net interest revenue
Net interest revenue
Net interest revenue
Net interest income
Net interest income
Net interest income

[1] Changes attributable to both volume and yield/rate are allocated to both volume and yield/rate on an equal basis.

Other Operating Revenue

Other operating revenue was $161.7 million $259.7 million for the second quarter of 2024, an increase of $98.0 million over the first quarter of 2024, a decrease of $43.2 million compared to the fourth 2024. The second quarter of 2023. 2024 included $53.8 million pre-tax gain on the conversion of our Visa B shares under the recently announced exchange offer by Visa, Inc. The first prior quarter of 2024 included $45.2 million of losses from repositioning the available for sale securities portfolio. The prior quarter included a $31.0 million pre-tax gain on the sale of BOKFI and $1.8 million of insurance brokerage revenue recognized prior to the sale. We also recognized a $27.6 million loss on the sale of available for sale securities in the fourth quarter of 2023.

Table 2 – Other Operating Revenue
(Dollars in thousands)

		Three Months Ended		Increase (Decrease)		% Increase (Decrease)		Six Months Ended		In (De
Brokerage and trading revenue										
Brokerage and trading revenue										
Brokerage and trading revenue	**$ 53,017**	$	$ 59,179	$	$ (6,162)	(10)	(10)%	**$ 112,196**	$	$ 117,402
Transaction card revenue	Transaction card revenue **27,246**	25,493	25,493	1,753	1,753	7	7 %	**52,739**	51,624	
Transaction card revenue										
Transaction card revenue										

Fiduciary and asset management revenue										
Fiduciary and asset management revenue										
Fiduciary and asset management revenue	Fiduciary and asset management revenue	**57,576**	55,305	55,305	2,271	2,271	4	4 %	**112,881**	103,654
Deposit service charges and fees	Deposit service charges and fees	**29,572**	28,685	28,685	887	887	3	3 %	**58,257**	53,068
Deposit service charges and fees										
Deposit service charges and fees										
Mortgage banking revenue										
Mortgage banking revenue										
Mortgage banking revenue	Mortgage banking revenue	**18,628**	18,967	18,967	(339)	(339)	(2)	(2)%	**37,595**	29,508
Other revenue	Other revenue	**13,988**	12,935	12,935	1,053	1,053	8	8 %	**26,923**	31,220
Other revenue										
Other revenue										
Total fees and commissions revenue										
Total fees and commissions revenue										
Total fees and commissions revenue	Total fees and commissions revenue	**200,027**	200,564	200,564	(537)	(537)	—	— %	**400,591**	386,476
Other gains, net	Other gains, net	**57,375**	4,269	4,269	53,106	53,106	N/A	N/A	**61,644**	14,869
Other gains, net										
Other gains, net										
Gain (loss) on derivatives, net										
Gain (loss) on derivatives, net										
Gain (loss) on derivatives, net										
Gain (loss) on fair value option securities, net										
Gain (loss) on fair value option securities, net										
Gain (loss) on fair value option securities, net										
Loss on derivatives, net		**(1,091)**		(8,633)		7,542	N/A		**(9,724)**	(9,503)

Loss on fair value option securities, net		**(94)**		(305)		211		N/A	**(399)**		(5,120)
Change in fair value of mortgage servicing rights	Change in fair value of mortgage servicing rights	**3,453**	10,977	10,977	(7,524)	(7,524)	N/A	N/A		**14,430**	3,202
Change in fair value of mortgage servicing rights											
Change in fair value of mortgage servicing rights											
Loss on available for sale securities, net											
Loss on available for sale securities, net											
Loss on available for sale securities, net											
Gain (loss) on available for sale securities, net		**34**		(45,171)		45,205		N/A	**(45,137)**		(3,010)
Total other operating revenue											
Total other operating revenue											
Total other operating revenue		**$ 259,704**	$	$ 161,701	$	$ 98,003	61	61 %	**$ 421,405**	$	$ 386,914

Certain percentage increases (decreases) in non-fees and commissions revenue are not meaningful for comparison purposes based on the nature of the item.

Fees and commissions revenue Commissions Revenue

Diversified sources of fees and commissions revenue are a significant part of our business strategy and represented 41% 40% of combined net interest revenue income before provision for credit losses and fees and commissions revenue for the first second quarter of 2024. We believe that a variety of fee revenue sources provides diversification to changes resulting from market or economic conditions such as interest rates, values in the equity markets, commodity prices and consumer spending, all of which can be volatile. Many of the economic factors, such as decreasing interest rates, that we expect will result in a decline in net interest revenue income or fiduciary and asset management revenue may also increase mortgage banking production volumes and related trading. The velocity of changes in market conditions and interest rates may result in timing differences between when offsetting impacts and benefits are realized. Generally, for operating revenues not as directly related to movement in interest rates, we expect growth to come through offering new products and services and by further development of our presence in other markets. However, current and future economic conditions, regulatory constraints, increased competition and saturation in our existing markets could affect the rate of future increases.

Brokerage and Trading Revenue

Brokerage and trading revenue, which includes revenues from trading, customer hedging, retail brokerage insurance brokerage and investment banking, decreased $1.7 million or 3% $6.2 million compared to the fourth first quarter of 2023. 2024.

Trading revenue includes net realized and unrealized gains and losses primarily related to residential mortgage-backed securities guaranteed by U.S. government agencies and related derivative instruments that enable our mortgage banking customers to manage their production risk. Trading revenue also includes net realized and unrealized gains and losses on municipal securities and other financial instruments that we sell to institutional customers, along with changes in the fair value of financial instruments we hold as economic hedges against market risk of our trading securities. Trading revenue was $37.5 million $27.7 million, a $1.9 million increase over $9.8 million decrease compared to the prior quarter, primarily related driven by margin compression due to increased trading activity largely market conditions in U.S. government agency residential mortgage-backed securities. the second quarter of 2024.

Customer hedging revenue is based primarily on realized and unrealized changes in the fair value of derivative contracts held for customer risk management programs. As more fully discussed under Customer Risk Management Programs in Note 3 of the Consolidated Financial Statements, we offer commodity, interest rate, foreign exchange and equity derivatives to our customers. Customer hedging revenue totaled $6.3 million, a decrease $6.8 million for the second quarter of $1.3 million, driven by less energy customer activity. 2024 and was relatively consistent with the prior quarter. Customer hedging revenue includes credit valuation adjustments of the fair value of derivatives to reflect the risk of counterparty default.

Investment banking, which includes fees earned upon completion of underwriting, financial advisory services and loan syndication fees, totaled $10.7 million for $13.7 million, an increase of $3.0 million over the first quarter of 2024, largely related to the timing and was relatively consistent with the prior quarter. volume of completed underwriting and loan syndication transactions.

Transaction Card Revenue

Transaction card revenue includes revenues from processing transactions on behalf of members of our TransFund electronic fund transfer network, merchant services fees paid by customers for account management and electronic processing of card transactions and interchange fees from our corporate card program. Transaction card revenue totaled $25.5 million $27.2 million for the first second quarter of 2024, a $3.4 million decrease, $1.8 million increase, primarily due to seasonally elevated fourth quarter activity and one less day growth in the volume of transactions processed during the quarter.

Fiduciary and Asset Management Revenue

Fiduciary and asset management revenue is earned through managing or holding of assets for customers and executing transactions or providing related services. Fiduciary and asset management revenue is largely based on the fair value of assets. Rates applied to asset values vary based on the nature of the relationship. Fiduciary relationships and managed asset relationships generally have higher fee rates than non-fiduciary and/or managed relationships. Fiduciary and asset management revenue was $55.3 million $57.6 million for the second quarter of 2024, a $2.3 million increase over the first quarter of 2024, a $3.9 million increase over the fourth quarter of 2023, largely related to movement in the equity markets. led by higher seasonal tax preparation fee income.

A distribution of assets under management or administration and related fiduciary and asset management revenue follows:

Table 3 – Assets Under Management or Administration
(Dollars in thousands)

										Three Months Ended									
			March 31, 2024								**December 31, 2023**								**March 31, 2023**
						Three Months Ended													
						Three Months Ended													
			June 30, 2024																
			Balance[1]			**Revenue[2]**		**Margin[3]**			**Balance[1]**		**Revenue[2]**			**Margin[3]**			**Balance[1]**
Managed fiduciary assets:																			
Managed fiduciary assets:																			
Managed fiduciary assets:																			
Personal	Personal	**$**	**11,288,591**	**$**	**$**	**27,938**	**0.99**	**0.99**	**%**	$	10,951,951	$	$ 26,238		0.96	0.96	%	$	10,609,920
Institutional	Institutional		**19,680,708**	**11,770**		**11,770**	**0.24**	**0.24**	**%**		19,310,826	8,138		8,138	0.17	0.17 %			18,68
Institutional																			
Institutional																			
Total managed fiduciary assets																			
Total managed fiduciary assets																			
Total managed fiduciary assets	Total managed fiduciary assets		**30,969,299**	**39,708**		**39,708**	**0.51**	**0.51**	**%**		30,262,777	34,376		34,376	0.45	0.45 %			29,29
Non-managed assets:																			
Non-managed assets:																			

Non-managed assets:												
Fiduciary	Fiduciary	**29,395,993**	**12,951**	**12,951**	**0.18**	**0.18 %**	29,535,915	14,386	14,386	0.19	0.19 %	28,16
Non-fiduciary	Non-fiduciary	**19,384,953**	**2,646**	**2,646**	**0.05**	**0.05 %**	19,670,248	2,646	2,646	0.05	0.05 %	19,83
Non-fiduciary												
Non-fiduciary												
Safekeeping and brokerage assets under administration	Safekeeping and brokerage assets under administration	**25,780,658**	**—**	**—**	**—**	**— %**	25,268,059	—	—	—	— %	25,02
Safekeeping and brokerage assets under administration												
Safekeeping and brokerage assets under administration												
Total non-managed assets												
Total non-managed assets												
Total non-managed assets	Total non-managed assets	**74,561,604**	**15,597**	**15,597**	**0.08**	**0.08 %**	74,474,222	17,032	17,032	0.09	0.09 %	73,01
Total assets under management or administration												
Total assets under management or administration												
Total assets under management or administration		**$ 105,530,903**	**$**	**$ 55,305**	**0.21**	**0.21 %**	$ 104,736,999	$	$ 51,408	0.20	0.20 %	$ 102,310,119

	Six Months Ended					
	June 30, 2024			June 30, 2023		
	Balance[1]	Revenue[2]	Margin[3]	Balance[1]	Revenue[2]	Margin[3]
Managed fiduciary assets:						
Personal	**$ 11,479,779**	**$ 58,036**	**1.01 %**	$ 10,687,370	$ 51,580	0.97 %
Institutional	**20,019,267**	**20,322**	**0.20 %**	18,705,828	18,326	0.20 %
Total managed fiduciary assets	**31,499,046**	**78,358**	**0.50 %**	29,393,198	69,906	0.48 %
Non-managed assets:						
Fiduciary	**30,418,648**	**28,759**	**0.19 %**	28,480,670	28,085	0.20 %
Non-fiduciary	**20,031,316**	**5,764**	**0.06 %**	20,910,245	5,663	0.05 %
Safekeeping and brokerage assets under administration	**25,528,020**	**—**	**— %**	24,834,827	—	— %
Total non-managed assets	**75,977,984**	**34,523**	**0.09 %**	74,225,742	33,748	0.09 %
Total assets under management or administration	**$ 107,477,030**	**$ 112,881**	**0.21 %**	$ 103,618,940	$ 103,654	0.20 %

[1] Assets under management or administration balance excludes certain assets under custody held by a sub-custodian where minimal revenue is recognized. $20 billion $21 billion, $19 billion $20 billion, and $18 billion $19 billion of such assets are excluded from assets under management or administration at March 31, 2024 June 30, 2024, December 31, 2023 March 31, 2024, and March 31, 2023 June 30, 2023, respectively.

[2] Fiduciary and asset management revenue includes asset-based and other fees associated with the assets.

[3] Annualized revenue divided by period end balance.

A summary of changes in assets under management or administration for the three and six months ended March 31, 2024 June 30, 2024 and 2023 follows:

Table 4 – Changes in Assets Under Management or Administration
(In thousands)

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,

	2024				
	2024				
		Three Months Ended June 30,	Six Months Ended June 30,		
	2024	2024	2023	2024	2023
Beginning balance					
Beginning balance					
Beginning balance					
Net outflows					
Net outflows					
Net outflows					
Net inflows (outflows)					
Net change in fair value					
Net change in fair value					
Net change in fair value					
Ending balance					
Ending balance					
Ending balance					

Assets under management as of March 31, 2024 June 30, 2024 consist of 42% fixed income, 34% 35% equities, 15% cash, and 9% 8% alternative investments.

Deposit Service Charges

Deposit service charges and fees increased $915 $887 thousand or 3% over the fourth first quarter of 2023, 2024, primarily due to growth in commercial service charges of $1.2 million, partially offset by a decrease in and check card fees due to seasonality. fees.

Mortgage Banking Revenue

Mortgage banking revenue increased $6.1 million to $19.0 million. was relatively consistent with the first quarter of 2024. Mortgage production volume increased $48 million $63 million to $172 million $235 million. Production revenue as a percentage of production volume, which includes unrealized gains and losses on our mortgage commitment pipeline and related hedges, increased 408 decreased 104 basis points to 2.05% 1.01%. Margins have also increased as the repooling of COVID-19 forbearance loans we previously repurchased continues to migrate to a lower level than experienced in recent quarters.

Table 5 – Mortgage Banking Revenue
(Dollars in thousands)

	Three Months Ended		Increase (Decrease)	% Increase (Decrease)	Six Months Ended		Increase (Decrease)
Mortgage production revenue							
Mortgage production revenue							
Mortgage production revenue	**$ 2,369**	$ $ 3,525	$ $ (1,156)	(33) (33)%	**$ 5,894**	$ $ (917)	$
Mortgage loans funded for sale							
Mortgage loans funded for sale							
Mortgage loans funded for sale							

Add: Current period end outstanding commitments											
Add: Current period end outstanding commitments											
Add: Current period end outstanding commitments											
Less: Prior period end outstanding commitments											
Less: Prior period end outstanding commitments											
Less: Prior period end outstanding commitments											
Total mortgage production volume											
Total mortgage production volume											
Total mortgage production volume	**$ 235,047**	$	$ 172,344	$	$ 62,703	36	36 %	**$ 407,391**	$	$ 362,948	$
Mortgage loan refinances to mortgage loans funded for sale											
Mortgage loan refinances to mortgage loans funded for sale											
Mortgage loan refinances to mortgage loans funded for sale											
Realized margin on funded mortgage loans											
Realized margin on funded mortgage loans											
Realized margin on funded mortgage loans											

Production revenue as a percentage of production volume

Production revenue as a percentage of production volume

Production revenue as a percentage of production volume

Primary mortgage interest rates:

Primary mortgage interest rates:

Primary mortgage interest rates:

Average

Average

Average

Period end

Period end

Period end

Mortgage servicing revenue

Mortgage servicing revenue

Mortgage servicing revenue	**$**	**16,259**	$	$	15,442	$	$	817	5	5 %	**$**	**31,701**	$	$	30,425	$
Average outstanding principal balance of mortgage loans serviced for others	Average outstanding principal balance of mortgage loans serviced for others	**$ 22,287,559**	$	$	21,088,898	$	$	1,198,661	6	6 %	**$**	**21,688,229**	$	$	20,964,181	

Average outstanding principal balance of mortgage loans serviced for others

Average outstanding principal balance of mortgage loans serviced for others

Average
mortgage
servicing
revenue rates

Average
mortgage
servicing
revenue rates

Average
mortgage
servicing
revenue rates

Primary rates disclosed in Table 5 above represent rates generally available to borrowers on 30 year conforming mortgage loans.

Other revenue decreased $2.1 million or 14% compared to the fourth quarter of 2023, largely due to a reduction in fees earned on derivative counterparty margin.

Net gains Gains on other assets, securities Other Assets, Securities and derivatives Derivatives

Other gains, net, were $4.3 million $57.4 million for the first second quarter of 2024 compared to $40.5 million in the fourth quarter of 2023. The prior quarter included a $31.0 million pre-tax gain, before related professional fees, on the sale of BOKFI.

Losses on available for sale securities were $45.2 million $4.3 million in the first quarter of 2024. The second quarter of 2024 as we repositioned the available for sale securities portfolio by selling approximately $783 million of lower-yielding debt securities. We expect the included a $53.8 million pre-tax gain on the conversion of our Visa B shares under the Exchange Offer will offset the realized recently announced exchange offer by Visa, Inc. The gain offsets losses of $45.2 million on the repositioning. The Exchange Offer opened on April 8, 2024 and is scheduled to expire at end repositioning of day on May 3, 2024. Losses on the available for sale securities were $27.6 million portfolio realized in the fourth first quarter of 2023 related to repositioning 2024. We donated 35,620 of the securities portfolio, offsetting converted Visa shares valued at $10.0 million to the gain from BOKF Foundation during the sale second quarter of BOKFI. 2024, allowing us to further invest in the communities we serve.

As discussed in the Market Risk section following, the fair value of our MSRs changes in response to changes in primary mortgage loan rates and other assumptions. We attempt to mitigate the earnings volatility caused by changes in the fair value of MSRs by designating certain financial instruments as an economic hedge. Changes in the fair value of these instruments are generally expected to partially offset changes in the fair value of MSRs.

Table 6 – Gain (Loss) on Mortgage Servicing Rights
(In thousands)

	Three Months Ended		
	Mar. 31, 2024	**Dec. 31, 2023**	**Mar. 31, 2023**
Gain (loss) on mortgage hedge derivative contracts, net	**$ (9,357)**	$ 8,275	$ (1,711)
Gain (loss) on fair value option securities, net	**(305)**	1,031	(2,962)
Gain (loss) on economic hedge of mortgage servicing rights, net	**(9,662)**	9,306	(4,673)
Gain (loss) on change in fair value of mortgage servicing rights	**10,977**	(14,356)	(6,059)
Gain (loss) on changes in fair value of mortgage servicing rights, net of economic hedges included in other operating revenue	**1,315**	(5,050)	(10,732)
Net interest revenue (expense) on fair value option securities[1]	**(155)**	(101)	187
Total economic cost of changes in the fair value of mortgage servicing rights, net of economic hedges	**$ 1,160**	$ (5,151)	$ (10,545)

	Three Months Ended	Six Months Ended

	June 30, 2024	Mar. 31, 2024	June 30, 2024	June 30, 2023
Loss on mortgage hedge derivative contracts, net	**$ (3,484)**	$ (9,357)	**$ (12,841)**	$ (9,810)
Loss on fair value option securities, net	**(94)**	(305)	**(399)**	(5,120)
Loss on economic hedge of mortgage servicing rights, net	**(3,578)**	(9,662)	**(13,240)**	(14,930)
Gain on change in fair value of mortgage servicing rights	**3,453**	10,977	**14,430**	3,202
Gain (loss) on changes in fair value of mortgage servicing rights, net of economic hedges included in other operating revenue	**(125)**	1,315	**1,190**	(11,728)
Net interest expense on fair value option securities[1]	**(96)**	(155)	**(251)**	(45)
Total economic benefit (cost) of changes in the fair value of mortgage servicing rights, net of economic hedges	**$ (221)**	$ 1,160	**$ 939**	$ (11,773)

[1] Actual interest earned on fair value option securities less internal transfer-priced cost of funds.

Other Operating Expense

Other operating expense for the first second quarter of 2024 totaled $340.4 million $336.7 million, a decrease of $43.7 million $3.7 million compared to the fourth quarter of 2023. Excluding the impact of the FDIC special assessment, other operating expense decreased $6.4 million. In the fourth quarter of 2023 we recognized $43.8 million of expense related to the FDIC special assessment. During the first quarter of 2024, we received notification from the FDIC that the previous assessed losses attributable to the protection of Silicon Valley Bank and Signature Bank uninsured depositors had increased, so an additional $6.5 million of estimated expense related to the special assessment was recognized.

2024. Our efficiency ratio[1] was 67.13% 59.83% for the first second quarter of 2024, compared to 71.62% 67.13% in the prior quarter.

Table 7 – Other Operating Expense
(Dollars in thousands)

	Three Months Ended		Increase (Decrease)	% Increase (Decrease)	Six Months Ended		Increase (Decrease)	% Increase (Decrease)
	June 30, 2024	Mar. 31, 2024			June 30, 2024	June 30, 2023		
Regular compensation	**$ 112,056**	$ 113,913	$ (1,857)	(2)%	**$ 225,969**	$ 214,315	$ 11,654	5 %
Incentive compensation:								
Cash-based	**42,861**	49,956	(7,095)	(14)%	**92,817**	90,066	2,751	3 %
Share-based	**4,989**	3,305	1,684	51 %	**8,294**	9,823	(1,529)	(16)%
Deferred compensation	**2,171**	4,450	(2,279)	N/A	**6,621**	4,395	2,226	N/A
Total incentive compensation	**50,021**	57,711	(7,690)	(13)%	**107,732**	104,284	3,448	3 %
Employee benefits	**29,013**	31,029	(2,016)	(7)%	**60,042**	54,198	5,844	11 %
Total personnel expense	**191,090**	202,653	(11,563)	(6)%	**393,743**	372,797	20,946	6 %
Business promotion	**8,250**	7,978	272	3 %	**16,228**	16,209	19	— %
Charitable contributions to BOKF Foundation	**13,610**	—	13,610	N/A	**13,610**	1,142	12,468	N/A
Professional fees and services	**13,331**	12,010	1,321	11 %	**25,341**	25,825	(484)	(2)%
Net occupancy and equipment	**30,245**	30,293	(48)	— %	**60,538**	58,564	1,974	3 %
FDIC and other insurance	**7,317**	8,740	(1,423)	(16)%	**16,057**	14,289	1,768	12 %
FDIC special assessment	**1,190**	6,454	(5,264)	(82)%	**7,644**	—	7,644	N/A
Data processing and communications	**46,131**	45,564	567	1 %	**91,695**	90,109	1,586	2 %
Printing, postage and supplies	**3,789**	3,997	(208)	(5)%	**7,786**	7,621	165	2 %
Amortization of intangible assets	**2,898**	3,003	(105)	(4)%	**5,901**	6,865	(964)	(14)%
Mortgage banking costs	**8,532**	6,355	2,177	34 %	**14,887**	14,082	805	6 %
Other expense	**10,307**	13,337	(3,030)	(23)%	**23,644**	16,982	6,662	39 %

Total other operating expense	**$ 336,690**	$ 340,384	$ (3,694)	(1)%	**$ 677,074**	$ 624,485	$ 52,589	8 %
Average number of employees (full-time equivalent)	4,967	4,936	31	1 %	**4,952**	4,820	132	3 %

Certain percentage increases (decreases) are not meaningful for comparison purposes.

Personnel Expense

Personnel expense decreased $11.6 million compared to the first quarter of 2024. Cash-based incentive compensation decreased $7.1 million due to a shift in the timing of expense recognition as commercial incentive compensation plans move to being primarily share-based rather than cash-based awards. Deferred compensation, which is offset by changes in the fair value of deferred compensation investments, decreased $2.3 million, directly related to market movements. Employee benefits expense decreased $2.0 million due to a seasonal decrease in payroll taxes, partially offset by higher healthcare costs. Regular compensation decreased $1.9 million. A greater amount of compensation expense was capitalized during the second quarter due to an annual update of standards costs for loan originations coupled with an increase in mortgage loan production volume. Share-based compensation was up $1.7 million reflecting changes in assumptions of certain performance-based equity awards.

1 See Explanation and Reconciliation of Non-GAAP Measures in "Non-GAAP Measures" section following.

Table 7 – Other Non-personnel Operating Expense

(Dollars in thousands)

	Three Months Ended		Increase	% Increase	Three Months Ended	Increase	% Increase
	Mar. 31, 2024	Dec. 31, 2023	(Decrease)	(Decrease)	Mar. 31, 2023	(Decrease)	(Decrease)
Regular compensation	**$ 113,913**	$ 114,435	$ (522)	— %	$ 105,118	$ 8,795	8 %
Incentive compensation:							
Cash-based	**49,956**	55,163	(5,207)	(9)%	41,735	8,221	20 %
Share-based	**3,305**	2,046	1,259	62 %	5,257	(1,952)	37 %
Deferred compensation	**4,450**	5,363	(913)	N/A	1,710	2,740	N/A
Total incentive compensation	**57,711**	62,572	(4,861)	(8)%	48,702	9,009	19 %
Employee benefits	**31,029**	26,015	5,014	19 %	28,325	2,704	10 %
Total personnel expense	**202,653**	203,022	(369)	— %	182,145	20,508	11 %
Business promotion	**7,978**	8,629	(651)	(8)%	8,569	(591)	(7)%
Charitable contributions to BOKF Foundation	**—**	1,542	(1,542)	N/A	—	—	N/A
Professional fees and services	**12,010**	16,288	(4,278)	(26)%	13,048	(1,038)	(8)%
Net occupancy and equipment	**30,293**	30,355	(62)	— %	28,459	1,834	6 %
FDIC and other insurance	**8,740**	8,495	245	3 %	7,315	1,425	19 %
FDIC special assessment	**6,454**	43,773	(37,319)	(85)%	—	6,454	N/A
Data processing and communications	**45,564**	45,584	(20)	— %	44,802	762	2 %
Printing, postage and supplies	**3,997**	3,844	153	4 %	3,893	104	3 %
Amortization of intangible assets	**3,003**	3,543	(540)	(15)%	3,391	(388)	(11)%
Mortgage banking costs	**6,355**	8,085	(1,730)	(21)%	5,782	573	10 %
Other expense	**13,337**	10,923	2,414	22 %	8,408	4,929	59 %
Total other operating expense	**$ 340,384**	$ 384,083	$ (43,699)	(11)%	$ 305,812	$ 34,572	11 %
Average number of employees (full-time equivalent)	4,936	4,938	(2)	— %	4,796	140	3 %

Certain percentage increases (decreases) are not meaningful for comparison purposes.

Personnel expense

Personnel Non-personnel expense was largely unchanged compared $145.6 million, an increase of $7.9 million. In addition to the fourth quarter of 2023. Cash-based incentive compensation decreased $5.2 million, driven by seasonally elevated incentive compensation in the fourth quarter. Share-based compensation was up $1.3 million reflecting changes in assumptions of certain performance-based equity awards. Regular compensation and deferred compensation, which is offset by changes in the fair value of deferred compensation investments, both remained relatively unchanged compared to the prior quarter. Employee benefits expense increased $5.0 million, primarily due to seasonally higher payroll taxes.

Non-personnel operating expense

Excluding the FDIC special assessment, non-personnel expense was $131.3 million, a decrease of $6.0 million. Professional fees and services expense decreased $4.3 million. The previous quarter included $2.2 million in expenses related to the sale of BOKFI. Mortgage banking costs decreased $1.7 million, primarily due to accruals related to default servicing and loss mitigation costs on loans serviced for others. We $10.0 million share donation previously mentioned, we also made a $1.5 million $3.6 million contribution to the BOKF Foundation in the fourth second quarter which did not reoccur of 2024. Mortgage banking costs increased $2.2 million due to higher seasonal prepayments, and a rise in professional fees and services expense of $1.3 million was primarily due to project related expense. In the second quarter of 2024, we recognized $1.2 million of expense related to the FDIC special assessment compared to $6.5 million of expense in the first prior quarter. Other expense increased $2.4 million, primarily decreased $3.0 million due to increased lower operational losses.

Income Taxes

The effective tax rate was 22.41% for the second quarter of 2024, 21.70% for the first quarter of 2024 25.97% and 22.49% for the fourth second quarter of 2023 and 22.03% for the first quarter of 2023. The fourth quarter of 2023 included an acceleration of $3.1 million of tax expense as a result of exiting three low income housing tax credit investments. When compared to the first quarter of 2023, 2024, the effective tax rate also decreased increased due to lower higher forecasted and actual pre-tax income. The effective rate for the six months ended June 30, 2024 and June 30, 2023 was 22.17% and 22.25%, respectively.

Lines of Business

We operate three principal lines of business: Commercial Banking, Consumer Banking and Wealth Management. Commercial Banking includes lending, treasury and cash management services and customer risk management products for small businesses, middle market and larger commercial customers. Commercial Banking also includes the TransFund EFT network. Consumer Banking includes retail lending and deposit services, lending and deposit services to small business customers served through our consumer branch network and all mortgage banking activities. Wealth Management provides fiduciary services, private banking services insurance and investment advisory services in all markets. Wealth Management also underwrites state and municipal securities and engages in brokerage and trading activities.

In addition to our lines of business, we have a Funds Management unit. The primary purpose of this unit is to manage our overall liquidity needs and interest rate risk. Each line of business borrows funds from and provides funds to the Funds Management unit as needed to support their operations. Operating results for Funds Management and other include the effect of interest rate risk positions and risk management activities, securities gains and losses including impairment charges, the provision for credit losses in excess of net loans charged off, tax planning strategies and certain executive compensation costs that are not attributed to the lines of business. The Funds Management unit also initially recognizes accruals for loss contingencies when losses become probable. Actual losses are recognized by the lines of business if the accruals are settled.

We allocate resources and evaluate the performance of our lines of business using the net direct contribution, which includes the allocation of funds and capital costs. Credit costs are attributed to the lines of business based on net loans charged off or recovered. The difference between credit costs attributed to the lines of business and the consolidated provision for credit losses is attributed to Funds Management. In addition, we measure the performance of our business lines after allocations of certain indirect expenses and taxes based on statutory rates.

Net interest income in our lines of business reflects our internal funds transfer pricing methodology. The funds transfer pricing methodology is the process by which the Company allocates interest income and expense to the lines of business and transfers the primary interest rate risk and liquidity risk to the Funds Management unit. The funds transfer pricing methodology considers the interest rate and liquidity risk characteristics of assets and liabilities. Periodically, the methodology and assumptions utilized in transfer pricing are adjusted to reflect economic conditions and other factors, which may impact the allocation of net interest income to the lines of business.

Economic capital is assigned to the business units by a capital allocation model that reflects management's assessment of risk. This model assigns capital based upon credit, operating, interest rate and other market risk inherent in our business lines and recognizes the diversification benefits among the units. The level of assigned economic capital is a combination of the risk taken by each business line based on its actual exposures and calibrated to its own loss history where possible. Average invested capital includes economic capital and amounts we have invested in the lines of business.

As shown in Table 8, net income attributable to our lines of business decreased $46.2 million or 9% compared to was consistent with the fourth first quarter of 2023. 2024. Net interest revenue decreased $36.5 million income increased $1.9 million largely as a result of deposit repricing activity. Net loans charged off increased $1.4 million to $7.4 million. Operating revenue decreased $37.4 million as was relatively unchanged compared to the prior quarter included a and operating expense decreased $1.4 million. The increase in net income attributed to Funds Management and other is largely due to the $53.8 million pre-tax gain of $31.0 million, before related professional fees, recognized on the conversion of our Visa B shares. The prior quarter included losses of $45.2 million on the repositioning of the available for sale of BOKFI. Operating expense decreased $10.2 million compared to the fourth quarter of 2023 with a $7.9 million decrease in personnel expense and a $2.2 million decrease in non-personnel expense. securities portfolio.

Table 8 – Net Income by Line of Business
(Dollars in thousands)

			Three Months Ended				Increase (Decrease)		% Increase (Decrease)		Six Months Ended		
Commercial Banking													
Commercial Banking													
Commercial Banking		$ 119,563	$	$ 121,797	$	$ (2,234)	(2)		(2) %	$ 241,360	$	$	287,4
Consumer Banking	Consumer Banking	24,117	24,731	24,731	(614)	(614)	(2)		(2)%	48,848		44,114	
Consumer Banking													
Consumer Banking													
Wealth Management													
Wealth Management													
Wealth Management	Wealth Management	27,497	25,228	25,228	2,269	2,269	9		9 %	52,725		83,886	
Subtotal	Subtotal	171,177	171,756	171,756	(579)	(579)	—		— %	342,933		415,448	
Subtotal													
Subtotal													
Funds Management and other													
Funds Management and other													
Funds Management and other	Funds Management and other	(7,464)	(88,053)	(88,053)	80,589	80,589	N/A		N/A	(95,517)		(101,7	
Total	Total	$ 163,713	$	$ 83,703	$	$ 80,010	96		96 %	$ 247,416	$		
Total													
Total													

Certain percentage increases (decreases) in non-fees and commissions revenue are not meaningful for comparison purposes based on the nature of the item.

Commercial Banking

Commercial Banking contributed $153.3 million $119.6 million to consolidated net income in the first second quarter of 2024, a decrease of $17.8 million $2.2 million or 10% 2% compared to the fourth first quarter of 2023. 2024.

Table 9 – Commercial Banking

(Dollars in thousands)

	Three Months Ended			Increase (Decrease)		% Increase (Decrease)		Six Mont
Net interest revenue from external sources								
Net interest revenue from external sources								
Net interest revenue from external sources								
Net interest income from external sources								
Net interest income from external sources								
Net interest income from external sources	**$ 283,328**		$ 282,756		$ 572		— %	**$566,084**
Net interest expense from internal sources	Net interest expense from internal sources	**(79,593)**	(78,761)	(78,761)	(832)	(832)	(1)	(1)%
Net interest expense from internal sources								
Net interest expense from internal sources								
Total net interest revenue								
Total net interest revenue								
Total net interest revenue								
Total net interest income	**203,735**		203,995		(260)		— %	**407,730**
Net loans charged off	Net loans charged off	**6,134**	4,160	4,160	1,974	1,974	47	47 %
Net loans charged off								
Net loans charged off								

Net interest revenue after net loans charged off									
Net interest revenue after net loans charged off									
Net interest revenue after net loans charged off									
Net interest income after net loans charged off		**197,601**	199,835		(2,234)		(1)%		**397,436**
Fees and commissions revenue									
Fees and commissions revenue									
Fees and commissions revenue		**53,720**	50,630	50,630	3,090	3,090	6	6 %	
Other gains (losses), net	Other gains (losses), net	**816**	(624)	(624)	1,440	1,440	231	231 %	
Other gains (losses), net									
Other gains (losses), net									
Other operating revenue									
Other operating revenue									
Other operating revenue	Other operating revenue	**54,536**	50,006	50,006	4,530	4,530	9	9 %	
Personnel expense									
Personnel expense									
Personnel expense		**45,964**	45,319	45,319	645	645	1	1 %	
Non-personnel expense	Non-personnel expense	**30,150**	24,776	24,776	5,374	5,374	22	22 %	
Non-personnel expense									
Non-personnel expense									
Other operating expense									
Other operating expense									

Other operating expense	Other operating expense	**76,114**	70,095	70,095	6,019	6,019	9	9 %	
Net direct contribution									
Net direct contribution									
Net direct contribution		**176,023**	179,746	179,746	(3,723)	(3,723)	(2)	(2) %	
Gain (loss) on financial instruments, net									
Gain (loss) on financial instruments, net									
Gain (loss) on financial instruments, net									
Gain (loss) on repossessed assets, net									
Gain (loss) on repossessed assets, net									
Gain (loss) on repossessed assets, net									
Corporate expense allocations									
Corporate expense allocations									
Gain on financial instruments, net		**168**	167		1		1 %		**335**
Gain on repossessed assets, net		**—**	—		—		N/A		**—**
Corporate expense allocations	Corporate expense allocations	**17,381**	18,397	18,397	(1,016)	(1,016)	(6)	(6)%	
Income before taxes	Income before taxes	**158,810**	161,516	161,516	(2,706)	(2,706)	(2)	(2)%	
Income before taxes									
Income before taxes									
Federal and state income tax	Federal and state income tax	**39,247**	39,719	39,719	(472)	(472)	(1)	(1)%	
Federal and state income tax									
Federal and state income tax									
Net income									

Net income									
Net income	Net income	$ 119,563	$	$ 121,797	$	$ (2,234)	(2)	(2) %	
Average assets									
Average assets									
Average assets		$ 30,305,613	$	$ 29,806,817	$	$ 498,796	2	2 %	$ 30,056,21
Average loans	Average loans	20,403,837	20,067,170	20,067,170	336,667	336,667	2	2 %	
Average loans									
Average loans									
Average deposits									
Average deposits									
Average deposits	Average deposits	16,189,003	15,730,241	15,730,241	458,762	458,762	3	3 %	
Average invested capital	Average invested capital	2,154,515	2,176,950	2,176,950	(22,435)	(22,435)	(1)	(1)%	
Average invested capital									
Average invested capital									

Certain percentage increases (decreases) in non-fees and commissions revenue are not meaningful for comparison purposes based on the nature of the item.

Net interest revenue decreased $22.8 million or 8% income was consistent compared to the fourth first quarter of 2023, primarily due to a shift in deposit balances from demand to interest-bearing accounts along with decreased spreads from a change in market conditions. 2024. Net loans charged-off were $6.1 million in the second quarter of 2024 compared to $4.2 million in the first quarter of 2024 compared to $3.0 million in the fourth quarter of 2023. 2024.

Fees and commissions revenue decreased $10.3 million increased $3.1 million or 17% 6%. Customer hedging revenue decreased $2.8 million due to a reduction in customer energy hedging, and transaction Transaction card revenue decreased $3.4 million following elevated fourth quarter increased $1.9 million driven by an increase in transaction activity. volume processed during the quarter. Other revenue decreased $3.7 million gains (losses), largely due net increased $1.4 million related to a reduction in fees earned gains on derivative counterparty margin. alternative investments. Operating expense decreased $11.8 million increased $6.0 million or 14% 9% compared to the fourth first quarter of 2023. 2024, primarily due to an increase in other expense. Personnel expense decreased $7.7 million or 15%, largely driven by lower incentive compensation costs. Non-personnel expense decreased $4.1 million or 14% due to a decline in other expense and professional fees. was consistent with the prior quarter.

Average outstanding balance of loans attributed to Commercial Banking increased $139 million $337 million or 1% 2% over the fourth first quarter of 2023 2024 to $20.1 billion $20.4 billion. See the Loans section of Management's Discussion and Analysis of Financial Condition following for additional discussion of changes in commercial and commercial real estate loans, which are primarily attributed to the Commercial Banking segment.

Average deposits attributed to Commercial Banking increased $237 million $459 million or 2% 3% over the fourth first quarter of 2023 2024 to $15.7 billion $16.2 billion. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital for further discussion of changes.

Consumer Banking

Consumer Banking provides retail banking services through four primary distribution channels: traditional branches, the 24-hour ExpressBank call center, internet banking and mobile banking. Consumer Banking also conducts mortgage banking activities through offices located outside of our Consumer Banking markets.

Consumer Banking contributed $53.8 million $24.1 million to consolidated net income for the first second quarter of 2024, consistent with the prior quarter.

Table 10 – Consumer Banking
(Dollars in thousands)

		Three Months Ended		Increase (Decrease)		% Increase (Decrease)		Six Months Ende
Net interest revenue from external sources								
Net interest revenue from external sources								
Net interest revenue from external sources								
Net interest revenue from internal sources								
Net interest revenue from internal sources								
Net interest revenue from internal sources								
Total net interest revenue								
Total net interest revenue								
Total net interest revenue								
Net interest income from external sources								
Net interest income from external sources								
Net interest income from external sources		**$ 6,192**	$ 7,350	$ (1,158)		(16)%		**$ 13,542**
Net interest income from internal sources		**58,972**	56,785	2,187		4 %		**115,757**
Total net interest income		**65,164**	64,135	1,029		2 %		**129,299**
Net loans charged off	Net loans charged off	**1,247**	1,808	1,808	(561)	(561)	(31)	(31)%
Net loans charged off								
Net loans charged off								

Net interest revenue after net loans charged off									
Net interest revenue after net loans charged off									
Net interest revenue after net loans charged off									
Net interest income after net loans charged off	**63,917**	62,327	1,590	3 %	**126,244**				
Fees and commissions revenue									
Fees and commissions revenue									
Fees and commissions revenue	**36,252**	36,207	36,207	45	45	—	— %	**72,4**	
Other gains, net									
Other gains, net									
Other gains, net									
Other operating revenue									
Other operating revenue									
Other losses, net	—	—	—	N/A	—				
Other operating revenue	Other operating revenue	**36,252**	36,207	36,207	45	45	—	— %	
Personnel expense									
Personnel expense									
Personnel expense	**24,016**	25,236	25,236	(1,220)	(1,220)	(5)	(5) %	**49,2**	
Non-personnel expense	Non-personnel expense	**31,112**	28,211	28,211	2,901	2,901	10	10 %	
Non-personnel expense									
Non-personnel expense									

Total other operating expense									
Total other operating expense									
Total other operating expense	**55,128**	53,447	53,447	1,681	1,681	3	3 %		
Net direct contribution									
Net direct contribution									
Net direct contribution	**45,041**	45,087	45,087	(46)	(46)	—	— %		**90,1**
Gain (loss) on financial instruments, net									
Gain (loss) on financial instruments, net									
Gain (loss) on financial instruments, net									
Change in fair value of mortgage servicing rights									
Change in fair value of mortgage servicing rights									
Loss on financial instruments, net	**(3,577)**		(9,663)		6,086		63 %	**(13,240)**	
Change in fair value of mortgage servicing rights	**3,453**	10,977	10,977	(7,524)	(7,524)	(69)	(69)%		
Gain on repossessed assets, net	**9**	107	107	(98)	(98)	(92)	(92)%		
Gain on repossessed assets, net									
Gain on repossessed assets, net									
Corporate expense allocations									

Corporate expense allocations									
Corporate expense allocations	Corporate expense allocations	**13,392**	14,172	14,172	(780)	(780)	(6)	(6)%	
Income before taxes	Income before taxes	**31,534**	32,336	32,336	(802)	(802)	(2)	(2)%	
Income before taxes									
Income before taxes									
Federal and state income tax	Federal and state income tax	**7,417**	7,605	7,605	(188)	(188)	(2)	(2)%	
Federal and state income tax									
Federal and state income tax									
Net income									
Net income									
Net income	Net income	**$ 24,117**	$	$ 24,731	$	$ (614)	(2)	(2) %	**$ 48,8**
Average assets									
Average assets									
Average assets		**$ 9,630,470**	$	$ 9,391,981	$	$ 238,489	3	3 %	**$ 9,511,225**
Average loans	Average loans	**1,975,106**	1,913,586	1,913,586	61,520	61,520	3	3 %	
Average loans									
Average loans									
Average deposits									
Average deposits									
Average deposits	Average deposits	**8,073,782**	7,901,167	7,901,167	172,615	172,615	2	2 %	
Average invested capital	Average invested capital	**307,077**	295,202	295,202	11,875	11,875	4	4 %	
Average invested capital									
Average invested capital									

Certain percentage increases (decreases) in non-fees and commissions revenue are not meaningful for comparison purposes based on the nature of the item.

Net interest revenue income from Consumer Banking activities decreased increased by $12.2 million $1.0 million or 11% 2%. Operating revenue was relatively unchanged from the prior quarter. Operating expense increased $1.7 million or 3%, largely primarily due to increased customer demand for time deposits and a reduction in deposit spreads from a change in market conditions.

Operating revenue increased $6.1 million or 20% driven by growth an increase in mortgage banking revenue. Mortgage production volume increased $48 million to $172 million. Operating expense decreased $1.6 million or 3%, which was largely offset by an increase in corporate expense allocations. costs resulting from higher seasonal prepayments.

The net benefit cost of the changes in the fair value of mortgage servicing rights and related economic hedges was $1.2 million $221 thousand compared to a net cost benefit of $5.2 $1.2 million for the fourth first quarter of 2023. 2024.

Average loans increased $36 million $62 million or 2% 3% to $1.9 billion $2.0 billion over the previous quarter. Average deposits attributed to the Consumer Banking segment were mostly unchanged from the previous quarter. increased $173 million to 2% to $8.1 billion. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital for further discussion of the changes.

Wealth Management

Wealth Management contributed $34.2 million $27.5 million to consolidated net income in the second quarter of 2024, an increase of $2.3 million or 9% compared to the first quarter of 2024, a decrease of $28.5 million or 46% compared to the fourth quarter of 2023. The prior quarter included a pre-tax gain of $31.0 million, before related professional fees, on the sale of BOKFI. 2024.

Table 11 – Wealth Management
(Dollars in thousands)

	Three Months Ended	Increase (Decrease)	% Increase (Decrease)	Six Months En
Net interest revenue from external sources				
Net interest revenue from external sources				
Net interest revenue from external sources				
Net interest revenue from internal sources				
Net interest revenue from internal sources				
Net interest revenue from internal sources				
Total net interest revenue				
Total net interest revenue				
Total net interest revenue				
Net loans charged off (recovered)				

Net loans charged off (recovered)					
Net loans charged off (recovered)					
Net interest revenue after net loans charged off (recovered)					
Net interest revenue after net loans charged off (recovered)					
Net interest revenue after net loans charged off (recovered)					
Net interest income from external sources					
Net interest income from external sources					
Net interest income from external sources	**$ 2,612**	$ 6,999	$ (4,387)	(63)%	**$ 9,611**
Net interest income from internal sources	**26,889**	21,399	5,490	26 %	**48,288**
Total net interest income	**29,501**	28,398	1,103	4 %	**57,899**
Net loans recovered	**—**	(15)	15	100 %	**(15)**
Net interest income after net loans recovered	**29,501**	28,413	1,088	4 %	**57,914**
Fees and commissions revenue					
Fees and commissions revenue					
Fees and commissions revenue	**113,208** 118,704	118,704	(5,496) (5,496)	(5) (5) %	**231,**
Other gains, net					
Other gains, net					

Other gains, net									
Other operating revenue									
Other operating revenue									
Other gains (losses), net		**—**		—		—		N/A	**—**
Other operating revenue	Other operating revenue	**113,208**	118,704	118,704	(5,496)	(5,496)	(5)	(5)%	
Personnel expense									
Personnel expense									
Personnel expense		**63,669**	63,549	63,549	120	120	—	— %	**127,**
Non-personnel expense	Non-personnel expense	**26,545**	35,739	35,739	(9,194)	(9,194)	(26)	(26)%	
Non-personnel expense									
Non-personnel expense									
Other operating expense									
Other operating expense									
Other operating expense	Other operating expense	**90,214**	99,288	99,288	(9,074)	(9,074)	(9)	(9)%	
Net direct contribution									
Net direct contribution									
Net direct contribution		**52,495**	47,829	47,829	4,666	4,666	10	10 %	**100,**
Corporate expense allocations									
Corporate expense allocations									
Corporate expense allocations		**16,484**	14,779	14,779	1,705	1,705	12	12 %	**31,**
Income before taxes	Income before taxes	**36,011**	33,050	33,050	2,961	2,961	9	9 %	
Income before taxes									

Income before taxes									
Federal and state income tax	Federal and state income tax	8,514	7,822	7,822	692	692	9	9 %	
Federal and state income tax									
Federal and state income tax									
Net income									
Net income									
Net income	Net income	$ 27,497	$	$ 25,228	$	$ 2,269	9	9 %	$ 52,
Average assets									
Average assets									
Average assets		$ 16,452,098	$	$ 15,759,328	$	$ 692,770	4	4 %	$ 16,105,713
Average loans	Average loans	2,199,747	2,198,803	2,198,803	944	944	—	— %	
Average loans									
Average loans									
Average deposits									
Average deposits									
Average deposits	Average deposits	9,551,307	9,237,965	9,237,965	313,342	313,342	3	3 %	
Average invested capital	Average invested capital	319,376	323,172	323,172	(3,796)	(3,796)	(1)	(1)%	
Average invested capital									
Average invested capital									

Certain percentage increases (decreases) in non-fees and commissions revenue are not meaningful for comparison purposes based on the nature of the item.

Combined net interest revenue income and fee revenue decreased $2.7 million $4.4 million or 2% 3% compared to the fourth first quarter of 2023, largely due to declining spreads on deposits. 2024. Total revenue from institutional trading activities increased $1.4 million decreased $7.9 million, primarily in U.S. government residential mortgage-backed securities trading activity. largely due to compressed margins driven by market conditions during the second quarter. Other revenue decreased $8.2 million $2.0 million. Investment banking revenue increased $2.7 million, primarily due to a reduction in customer hedging margin increased underwriting fees. Operating expense increased $3.3 million or 3% compared to the prior quarter. Personnel Fiduciary and asset management revenue grew $2.3 million driven by seasonal tax preparation fee income. Non-personnel expense decreased $2.4 million $9.2 million as the prior quarter included transaction related employee costs on the sale of BOKFI. Non-personnel expense increased $5.6 million, primarily due to an increased level of operational losses, partially offset by a $2.7 million decrease in professional fees. Corporate losses. Personnel expense allocations were was consistent with the previous prior quarter.

Average outstanding loans attributed to the Wealth Management segment increased $44 million or 2% to $2.2 billion. were mostly unchanged from the previous quarter. Average Wealth Management deposits increased $1.2 billion $313 million or 14% 3% to $9.2 billion $9.6 billion. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital for further discussion of the changes.

Financial Condition

Securities

We maintain a securities portfolio to enhance profitability, manage interest rate risk, provide liquidity and comply with regulatory requirements. Securities are classified as trading, held for investment, or available for sale. See Note 2 to the Consolidated Financial Statements for the composition of the securities portfolio as of March 31, 2024 June 30, 2024 and December 31, 2023.

We hold an inventory of trading securities in support of sales to a variety of customers, including banks, corporations, insurance companies, money managers and others. Trading securities increased $248 million decreased $228 million to $5.4 billion $5.2 billion during the first second quarter of 2024. As discussed in the Market Risk section of this report, trading activities involve risk of loss from adverse price movement. We mitigate this risk within board-approved limits through the use of derivative contracts, short-sales and other techniques.

At March 31, 2024 June 30, 2024, the carrying value of investment (held-to-maturity) securities was $2.2 billion $2.1 billion, including a $299 $287 thousand allowance for expected credit losses, compared to $2.2 billion at December 31, 2023 March 31, 2024 with a $336 $299 thousand allowance for expected credit losses. The fair value of investment securities was $2.0 billion $1.9 billion at March 31, 2024 June 30, 2024, a $73 million $76 million decrease compared to the prior quarter. Investment securities consist primarily of residential mortgage-backed securities issued by U.S. government agencies, intermediate and long-term, fixed-rate Oklahoma and Texas municipal bonds, and taxable Texas school construction bonds.

Available for sale securities, which may be sold prior to maturity, are carried at fair value. Unrealized gains or losses, net of deferred taxes, are recorded as accumulated other comprehensive income in shareholders' equity. The amortized cost of available for sale securities totaled $13.3 billion $13.4 billion at March 31, 2024 June 30, 2024, a $393 million $147 million increase compared to December 31, 2023 March 31, 2024. At March 31, 2024 June 30, 2024, the available for sale securities portfolio consisted primarily of U.S. government agency residential mortgage-backed securities and U.S. government agency commercial mortgage-backed securities. Both residential and commercial mortgage-backed securities have credit risk from delinquency or default of the underlying loans. We mitigate this risk by primarily investing in securities issued by U.S. government agencies. Principal and interest payments on the underlying loans are fully guaranteed. Commercial mortgage-backed securities have prepayment penalties similar to commercial loans.

A primary risk of holding residential mortgage-backed securities comes from extension during periods of rising interest rates or contraction in the form of more rapid prepayments during periods of falling interest rates. We evaluate this risk through extensive modeling of risk both before making an investment and throughout the life of the security. Our best estimate of the duration of the combined residential mortgage-backed securities portfolio held in investment and available for sale securities was 3.4 years as of March 31, 2024 June 30, 2024, consistent with the measure as of December 31, 2023 March 31, 2024. Management estimates the duration extends to 4.0 years assuming an immediate 200 basis point upward shock. The estimated duration contracts to 2.4 2.5 years assuming a 200 basis point decline in the current rate environment. The duration of the total investment portfolio is 3.2 3.1 years, extends to 3.6 3.5 years in an upward shock of 200 basis points, and contracts to 2.6 years in a down 200 basis point shock scenario. Management also regularly monitors the impact of interest rate risk on the available for sale securities portfolio on our tangible equity ratio under various shock scenarios.

At March 31, 2024, we hold 252,233 non-transferable Class B-1 (formerly Class B) shares of Visa, Inc. in connection with a restructuring and public offering by Visa U.S.A. As a member of Visa U.S.A., we received the Class B shares based on our interest in Visa U.S.A. On January 23, 2024, Visa, Inc. stockholders approved the Exchange Offer an exchange offer which provides provided holders of Class B-1 shares an option to convert up to 50% of its Class B-1 shares to Visa Class C shares and subsequently to freely transferable Visa Class A common shares subject to certain restrictions and holding period requirements. requirements (the "Exchange Offer"). The Exchange Offer opened on April 8, 2024 and is scheduled to expire at the end of the day expired on May 3, 2024. The Company tendered all of its 252,233 Class B-1 Visa shares under the Exchange Offer and expects to monetize up to 50% received the equivalent of 200,212 shares of Visa common stock and 126,116 Visa B-2 shares in return. Following the receipt of the Class Visa common stock, the Company donated 35,620 shares valued at $10.0 million to the BOKF Foundation. This contribution is reported as Charitable contributions to BOKF Foundation in the Consolidated Statement of Earnings with a corresponding gain of $10.0 million in Other gains, net. The Company also sold 31,120 Visa shares realizing a pre-tax gain of $8.7 million. At June 30, 2024, the Company held the equivalent of 133,472 Visa common shares for which the Company recorded an unrealized gain of $34.9 million. These shares are subject to hold restrictions under the Exchange Offer which expire during the third quarter 2024. The Company also recognized income of $174 thousand for dividends received. The B-2 shares carry over the restrictions associated with the former B-1 shares. The per share closing price of a Visa Class A common share was $279.08 at March 31, 2024. In light of uncertainties associated with certain ongoing litigation matters involving Visa and See Note 6 to the timing and outcome of the aforementioned proposal, the ultimate impact of this gain contingency is unknown. Consolidated Financial Statements.

Bank-Owned Life Insurance

We have approximately $410 million $412 million of bank-owned life insurance at March 31, 2024 June 30, 2024. This investment is expected to provide a long-term source of earnings to support existing employee benefit programs. Approximately $316 million $317 million is held in separate accounts and $95 million represents the cash surrender value of policies held in general accounts and other amounts due from various insurance companies. Our separate account holdings are invested in diversified portfolios of investment-grade fixed income securities and cash equivalents, including U.S. Treasury and agency securities, residential mortgage-backed securities, corporate debt, asset-backed and commercial mortgage-backed securities. The portfolios are managed by unaffiliated professional managers within parameters established in the portfolio's investment guidelines. The cash surrender value of certain life insurance policies is further supported by a stable value wrap, which protects against changes in the fair value of the investments. As of March 31, 2024 June 30, 2024, the fair value of investments held in separate accounts covered by the stable value wrap was approximately $287 million $286 million. Since the underlying fair value of the investments held in separate accounts at March 31, 2024 June 30, 2024 was below the net book value of the investments, $27 million $29 million of cash surrender value was supported by the stable value wrap. The remaining $2 million of fair value held in separate accounts is not supported by the stable value wrap. The stable value wrap is provided by an investment grade financial institution.

Loans

The aggregate loan portfolio before allowance for loan losses totaled $24.2 billion $24.6 billion at March 31, 2024 June 30, 2024, growing $268 million $381 million over December 31, 2023 March 31, 2024, largely due to growth in commercial loans, partially offset by a reduction in commercial real estate loans.

Table 12 – Loans

(In thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023
	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023
Commercial:					
Healthcare					
Healthcare					
Healthcare					
Services					
Energy					
General business					
Total commercial					
Commercial real estate:					
Commercial real estate:					
Commercial real estate:					
Multifamily					
Multifamily					
Multifamily					
Industrial					
Office					
Retail					
Residential construction and land development					
Other commercial real estate					
Total commercial real estate					
Loans to individuals:					
Loans to individuals:					
Loans to individuals:					
Residential mortgage					
Residential mortgage					
Residential mortgage					
Residential mortgage guaranteed by U.S. government agencies					
Personal					
Total loans to individuals					
Total					
Total					
Total					

Commercial

Commercial loans represent loans for working capital, facilities acquisition or expansion, purchases of equipment and other needs of commercial customers primarily located within our geographical footprint. These loans are underwritten individually and represent ongoing relationships based on a thorough knowledge of the customer, the customer's industry and market. While commercial loans are generally secured by the customer's assets including real property, inventory, accounts receivable, operating equipment, interests in mineral rights and other property and may also include personal guarantees of the owners and related parties, the primary source of repayment of the loans is the ongoing cash flow from operations of the customer's business. In addition, revolving lines of credit are generally governed by a borrowing base. Inherent lending risks are centrally monitored on a continuous basis from underwriting throughout the life of the loan for compliance with commercial lending policies.

Commercial loans totaled $15.1 billion $15.6 billion or 63% 64% of the loan portfolio at March 31, 2024 June 30, 2024, a $329 million $491 million increase over December 31, 2023 March 31, 2024, primarily due to growth in general business and healthcare services loans.

Approximately 70% of loans in this segment are located within our geographic footprint based on collateral location. Loans for which the collateral location is less relevant, such as unsecured loans and reserve-based energy loans, are categorized by the borrower's primary operating location. The largest concentration of loans in this segment outside of our footprint is California, totaling 5% of the segment.

Supporting the energy industry with loans to producers and other energy-related entities has been a hallmark of the Company since its founding and represents a large portion of our commercial loan portfolio. In addition, energy production and related industries have a significant impact on the economy in our primary markets. Loans collateralized by oil and gas properties are subject to a semi-annual engineering review by our internal staff of petroleum engineers. This review is used as the basis for developing the expected cash flows supporting the loan amount. The projected cash flows are discounted according to risk characteristics of the underlying oil and gas properties. Loans are evaluated to demonstrate with reasonable certainty that crude oil, natural gas and natural gas liquids can be recovered from known oil and gas reservoirs under existing economic and operating conditions at current pricing levels and with existing conventional equipment and operating methods and costs. As part of our evaluation of credit quality, we analyze rigorous stress tests over a range of commodity prices and take proactive steps to mitigate risk when appropriate.

Outstanding energy loan balances were largely unchanged compared to the prior quarter at $3.4 billion totaled $3.5 billion or 14% of total loans at June 30, 2024, a $7.8 million increase compared to March 31, 2024. Approximately $2.6 billion $2.7 billion of energy loans were to oil and gas producers, a $32 million decrease compared to December 31, 2023 $24 million increase over March 31, 2024. The majority of this portfolio is first lien, senior secured, reserve-based lending, which we believe is the lowest risk form of energy lending. Approximately 70% of committed production loans are secured by properties primarily producing oil, and 30% of the committed production loans are secured by properties primarily producing natural gas.

Loans to midstream oil and gas companies totaled $604 million $538 million at March 31, 2024 June 30, 2024, a $54 million increase $67 million decrease compared to December 31, 2023 March 31, 2024. Loans to borrowers that provide services to the energy industry totaled $178 million $220 million at March 31, 2024 June 30, 2024, largely unchanged an increase of $42 million compared to the prior quarter. Loans to other energy borrowers, including those engaged in wholesale or retail energy sales, totaled $35 million $43 million, a $12 million decrease $7.5 million increase compared to December 31, 2023 March 31, 2024.

Unfunded energy loan commitments were $4.3 billion $4.4 billion at March 31, 2024 June 30, 2024, a $147 million decrease $20 million increase compared to December 31, 2023 March 31, 2024.

The healthcare sector of the loan portfolio totaled $4.2 billion or 18% 17% of total loans. Healthcare loans increased $103 million over December 31, 2023, primarily due decreased $15 million compared to growth in loans to senior housing facilities. March 31, 2024. Healthcare sector loans consist primarily of loans for the development and operation of senior housing and care facilities including independent living, assisted living and skilled nursing. Generally we loan to borrowers with a portfolio of multiple facilities that serves to help diversify risks specific to a single facility.
The services sector of the loan portfolio totaled $3.5 billion $3.6 billion or 15% of total loans, a $47 million decrease $48 million increase compared to the prior quarter. Service sector loans consist of a large number of loans to a variety of businesses including Native American tribal and state and local municipal government entities, Native American tribal casino operations, foundations and not-for-profit organizations, educational services and specialty trade contractors. Approximately $1.5 billion $1.6 billion of the services category is made up of loans with individual balances of less than $10 million. Services sector loans are generally secured by the assets of the borrower with repayment coming from the cash flows of ongoing operations of the customer's business.

General business loans totaled $3.9 billion $4.4 billion or 16% 18% of total loans, an increase of $267 million $450 million compared to the prior quarter. General business loans consist of $2.4 billion $2.7 billion of wholesale/retail loans and $1.5 billion $1.6 billion of loans from other commercial industries.

We participate in shared national credits when appropriate to obtain or maintain business relationships with local customers. Shared national credits are defined by banking regulators as credits of $100 million or more and with three or more non-affiliated banks as participants. At March 31, 2024 June 30, 2024, the outstanding principal balance of these loans totaled $5.8 billion $6.0 billion, including $2.4 billion of energy loans. Substantially all of these loans are to borrowers with local market relationships. We serve as the agent lender in approximately 21% of our shared national credits, based on dollars committed. We hold shared national credits to the same standard of analysis and perform the same level of review as internally originated credits. Our lending policies generally avoid loans in which we do not have the opportunity to maintain or achieve other business relationships with the customer. In addition to management's quarterly assessment of credit risk, banking regulators annually review a sample of shared national credits for proper risk grading.

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Commercial Real Estate

Commercial real estate represents loans for the construction of buildings or other improvements to real estate and property held by borrowers for investment purposes generally within our geographical footprint. We require collateral values in excess of the loan amounts, demonstrated cash flows in excess of expected debt service requirements, equity investment in the project and a portion of the project already sold, leased or permanent financing already secured. The expected cash flows from all significant new or renewed income producing property commitments are stress tested to reflect the risks in varying interest rates, vacancy rates and rental rates. As with commercial loans, inherent lending risks are centrally monitored on a continuous basis from underwriting throughout the life of the loan for compliance with applicable lending policies.

Outstanding commercial real estate loan balances totaled $5.2 billion $5.1 billion or 22% 21% of total loans at March 31, 2024 June 30, 2024, a decrease of $101 million $153 million compared to December 31, 2023 March 31, 2024. Loans secured by industrial facilities decreased by $131 million $129 million to $1.3 billion $1.2 billion. Other commercial real estate loans decreased by $45 million to $358 million and loans secured by retail properties office facilities decreased by $49 million $24 million to $544 million at March 31, 2024 $877 million. The decline in these portfolios was partially offset by an $88 million a $36 million increase in loans secured by multifamily properties.

Approximately 66% of loans in this segment are in our geographic footprint based on collateral location. The largest concentration of loans in this segment outside our footprint is Utah, totaling 9% 10% of the segment. All other states represent less than 5% individually.

Unfunded commercial real estate loan commitments were $1.7 billion $1.6 billion at March 31, 2024 June 30, 2024, a decrease of $147 million $88 million compared to December 31, 2023 March 31, 2024. We take a disciplined approach to managing our concentration of commercial real estate loan commitments as a percentage of capital.

Loans to Individuals

Loans to individuals include residential mortgage and personal loans. Residential mortgage loans provide funds for our customers to purchase or refinance their primary residence or to borrow against the equity in their home. These loans are secured by a first or second mortgage on the customer's primary residence. Personal loans consist primarily of loans to Wealth Management clients secured by the cash surrender value of insurance policies and marketable securities. Personal loans also include direct loans secured by and for the purchase of automobiles, recreational and marine equipment as well as unsecured loans. These loans are made in accordance with underwriting policies we believe to be conservative and are fully documented. Loans may be individually underwritten or credit scored based on size and other criteria. Credit scoring is assessed based on significant credit characteristics including credit history, residential and employment stability.

In general, we sell the majority of our conforming fixed-rate mortgage loan originations in the secondary market and retain the majority of our non-conforming and adjustable-rate mortgage loans. Our mortgage loan portfolio does not include payment option adjustable-rate mortgage loans or adjustable-rate mortgage loans with initial rates that are below market. Home equity loans are primarily first-lien and fully amortizing.

Residential mortgage loans guaranteed by U.S. government agencies have limited credit exposure because of the agency guarantee. This amount includes residential mortgage loans previously sold into GNMA mortgage pools that the Company may repurchase when certain defined delinquency criteria are met. Because of this repurchase right, the Company is deemed to have regained effective control over these loans and must include them on the Consolidated Balance Sheet.

Loans to individuals totaled $3.8 billion or 16% of the loan portfolio, an increase of $39 million $44 million compared to December 31, 2023 March 31, 2024. Approximately 91% of the loans in this segment are secured by collateral located within our geographical footprint. Loans for which the collateral location is less relevant, such as unsecured loans, are categorized by the borrower's primary location.

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The Company secondarily evaluates loan portfolio performance based on the primary geographical market managing the loan. Loans attributed to a geographical market may not represent the location of the borrower or the collateral. All permanent mortgage loans serviced by our mortgage banking unit and held for investment by the Company are centrally managed by the Oklahoma market.

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Table 13 – Loans Managed by Primary Geographical Market
(In thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023
	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023
Texas:					
Commercial					
Commercial					
Commercial					
Commercial real estate					
Loans to individuals					
Loans to individuals					
Loans to individuals					
Total Texas					
Oklahoma:					
Oklahoma:					
Oklahoma:					
Commercial					
Commercial					
Commercial					
Commercial real estate					
Loans to individuals					
Loans to individuals					
Loans to individuals					
Total Oklahoma					
Colorado:					
Colorado:					
Colorado:					
Commercial					
Commercial					
Commercial					
Commercial real estate					
Loans to individuals					
Loans to individuals					
Loans to individuals					
Total Colorado					
Arizona:					
Arizona:					
Arizona:					
Commercial					
Commercial					
Commercial					
Commercial real estate					
Loans to individuals					
Loans to individuals					
Loans to individuals					
Total Arizona					
Kansas/Missouri:					
Kansas/Missouri:					
Kansas/Missouri:					

Commercial
Commercial
Commercial
Commercial real estate
Loans to individuals
Loans to individuals
Loans to individuals
Total Kansas/Missouri
New Mexico:
New Mexico:
New Mexico:
Commercial
Commercial
Commercial
Commercial real estate
Loans to individuals
Loans to individuals
Loans to individuals
Total New Mexico
Arkansas:
Arkansas:
Arkansas:
Commercial
Commercial
Commercial
Commercial real estate
Loans to individuals
Loans to individuals
Loans to individuals
Total Arkansas
Total BOK Financial loans
Total BOK Financial loans
Total BOK Financial loans

Off-Balance Sheet Commitments

We enter into certain off-balance sheet arrangements in the normal course of business as shown in Table 14. Loan commitments may be unconditional obligations to provide financing or conditional obligations that depend on the borrower's financial condition, collateral value or other factors. Standby letters of credit are unconditional commitments to guarantee the performance of our customer to a third party. Since some of these commitments are expected to expire before being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

We have off-balance sheet commitments related to certain residential mortgage loans sold into mortgage-backed securities as part of our mortgage banking activities. We retain off-balance sheet credit risk related to losses in excess of amounts guaranteed by the VA.

We also have off-balance sheet credit risk related to certain residential mortgage loans primarily originated under community development loan programs that were sold to a U.S. government agency with full recourse prior to 2007. We are obligated to repurchase these loans for the life of these loans in the event of foreclosure for the unpaid principal and interest at the time of foreclosure. The majority of our conforming fixed-rate loan originations are sold in the secondary market, and we only retain repurchase obligations under standard underwriting representations and warranties.

Table 14 – Off-Balance Sheet Credit Commitments
(In thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023
Loan commitments										
Standby letters of credit										
Unpaid principal balance of residential mortgage loans sold with recourse										
Unpaid principal balance of residential mortgage loans transferred into mortgage-backed securities guaranteed by U.S. Dept. of Veterans Affairs										

Customer Hedging Programs

We offer programs that permit our customers to hedge various risks, including fluctuations in energy, cattle interest rates, foreign exchange rates and other agricultural product prices, interest rates and foreign exchange rates. commodities with derivative contracts. Each of these programs work essentially the same way. Derivative contracts are executed between the customers and the Company. Offsetting contracts are executed between the Company and selected counterparties to minimize market risk due to changes in commodity prices, interest rates or foreign exchange rates. The counterparty contracts are identical to the customer contracts except for a fixed pricing spread or a fee paid to us as compensation for administrative costs, credit risk and profit.

The customer hedging programs create credit risk for potential amounts due to the Company from our customers and from the counterparties. Customer credit risk is monitored through existing credit policies and procedures. The effects of changes in commodity prices, interest rates or foreign exchange rates are evaluated across a range of possible scenarios to determine the maximum exposure we are willing to have individually to any customer. Customers may also be required to provide cash margin or other collateral in conjunction with our credit agreements to further limit our credit risk.

Counterparty credit risk is evaluated through existing policies and procedures. This evaluation considers the total relationship between BOK Financial and each of the counterparties. Individual limits are established by management, approved by Credit Administration and reviewed by the Asset/Liability Committee. Margin collateral is required if the exposure between the Company and any counterparty exceeds established limits. Based on declines in the counterparties' credit ratings, these limits may be reduced and additional margin collateral may be required.

A deterioration of the credit standing of one or more of the customers or counterparties to these contracts may result in BOK Financial recognizing a loss as the fair value of the affected contracts may no longer move in tandem with the offsetting contracts. This occurs if the credit standing of the customer or counterparty deteriorates such that either the fair value of underlying collateral no longer supports the contract or the customer or the counterparty's ability to provide margin collateral becomes impaired. Credit losses on customer derivatives reduce brokerage and trading revenue in the Consolidated Statements of Earnings.

Derivative contracts are carried at fair value. At March 31, 2024 June 30, 2024, the net fair value of derivative contracts, before consideration of cash margin, reported as assets under these programs totaled $463 million $339 million compared to $593 million $463 million at December 31, 2023 March 31, 2024. At March 31, 2024 June 30, 2024, the net fair value of our derivative contracts included $293 million $196 million for energy contracts, $114 million $107 million for interest rate swaps and $56 million $35 million for foreign exchange contracts. The aggregate net fair value of derivative contracts, before consideration of cash margin, held under these programs reported as liabilities totaled $327 million at June 30, 2024 and $460 million at March 31, 2024 and $587 million at December 31, 2023.

At March 31, 2024 June 30, 2024, total derivative assets were reduced by $230 million $143 million of cash collateral received from counterparties and total derivative liabilities were reduced by $29 million $54 million of cash collateral paid to counterparties related to instruments executed with the same counterparty under a master netting agreement. Derivative contracts executed with customers may be secured by non-cash collateral in conjunction with a credit agreement with that customer, such as proven producing oil and gas properties. Access to this collateral in an event of default is reasonably assured.

A table showing the notional and fair value of derivative assets and liabilities on both a gross and net basis is presented in Note 3 to the Consolidated Financial Statements.

The fair value of derivative contracts reported as assets under these programs, net of cash margin held by the Company, by category of debtor at March 31, 2024 June 30, 2024 follows in Table 15.

Table 15 – Fair Value of Derivative Contracts
(In thousands)

Customers	$ 143,971 114,636
Banks and other financial institutions	34,791 22,496
Exchanges and clearing organizations	54,953 58,942
Fair value of customer risk management program asset derivative contracts, net	$ 233,715 196,074

At March 31, 2024 June 30, 2024, our largest derivative exposure was to an exchange for $61 million of net derivative positions, net of cash margin.

Our customer hedging program also introduces liquidity and capital risk. We are required to provide cash margin to certain counterparties when the net negative fair value of the contracts exceeds established limits which may incur additional funding costs. Also, changes in commodity prices affect risk-weighted assets and total assets which in turn impacts regulatory capital ratios. These risks are modeled as part of the management of these programs. Based on current prices, a decrease in market prices to an equivalent of $65.64 $64.01 per barrel of oil would decrease the fair value of derivative assets by $104 million $84 million, with lending customers comprising the bulk of the assets. An increase in prices to an equivalent of $100.70 $99.07 per barrel of oil would increase the fair value of derivative assets by $635 million $752 million as asset values rise faster than margin paid. Liquidity requirements of this program may also be affected by our credit rating. At March 31, 2024 June 30, 2024, a decrease in our credit rating to below investment grade would increase our obligation to post cash margin on existing contracts by approximately $10 million.

The fair value of our to-be-announced residential mortgage-backed securities and interest rate swap derivative contracts is affected by changes in interest rates. Based on our assessment as of March 31, 2024 June 30, 2024, changes in interest rates would not materially impact regulatory capital or liquidity needed to support this portion of our customer derivative program.

Summary of Credit Loss Experience

Table 16 – Summary of Credit Loss Experience
(Dollars in thousands)

	Three Months Ended				
	Mar. 31, 2024	**Dec. 31, 2023**	**Sep. 30, 2023**	**June 30, 2023**	**Mar. 31, 2023**
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**June 30, 2023**
Allowance for loan losses:	**Allowance for loan losses:**			**Allowance for loan losses:**	
Beginning balance					
Loans charged off					
Recoveries of loans previously charged off					
Net loans charged off					
Provision for credit losses					
Ending balance					
Accrual for off-balance sheet credit risk from unfunded loan commitments:					
Accrual for off-balance sheet credit risk from unfunded loan commitments:					
Accrual for off-balance sheet credit risk from unfunded loan commitments:					
Beginning balance					
Beginning balance					
Beginning balance					
Provision for credit losses					

Ending balance

Accrual for off-balance sheet credit risk associated with mortgage banking activities:

Accrual for off-balance sheet credit risk associated with mortgage banking activities:

Accrual for off-balance sheet credit risk associated with mortgage banking activities:

Beginning balance

Beginning balance

Beginning balance

Loans charged off

Net loans charged off

Provision for credit losses

Ending balance

Allowance for credit losses related to held-to-maturity (investment) securities:

Allowance for credit losses related to held-to-maturity (investment) securities:

Allowance for credit losses related to held-to-maturity (investment) securities:

Beginning balance

Beginning balance

Beginning balance

Provision for credit losses

Ending balance

Total provision for credit losses

Total provision for credit losses

Total provision for credit losses

Average loans by portfolio segment :

Average loans by portfolio segment :

Average loans by portfolio segment :

Commercial

Commercial

Commercial

Commercial real estate

Loans to individuals

Loans to individuals

Loans to individuals

Net charge-offs (annualized) to average loans	Net charge-offs (annualized) to average loans	**0.09 %**	0.07 %	0.11 %	0.12 %	0.01 %	Net charge-offs (annualized) to average loans	**0.11 %**	0.09 %	0.07 %	0.11 %	0.12 %

Net charge-offs (annualized) to average loans by portfolio segment:

Commercial

Commercial												
Commercial		**0.09 %**	0.08 %	0.18 %	0.06 %	(0.06)%		**0.15 %**	0.09 %	0.08 %	0.18 %	0.06 %
Commercial real estate	Commercial real estate	**0.10 %**	— %	(0.07)%	0.32 %	0.17 %	Commercial real estate	**0.01 %**	0.10 %	— %	(0.07)%	0.32 %
Loans to individuals												
Loans to individuals												
Loans to individuals		**0.10 %**	0.11 %	0.10 %	0.08 %	0.07 %		**0.08 %**	0.10 %	0.11 %	0.10 %	0.08 %
Recoveries to gross charge-offs	Recoveries to gross charge-offs	**22.66 %**	18.19 %	38.35 %	16.72 %	79.03 %	Recoveries to gross charge-offs	**12.53 %**	22.66 %	18.19 %	38.35 %	16.72 %
Provision for loan losses (annualized) to average loans	Provision for loan losses (annualized) to average loans	**0.17 %**	0.15 %	0.27 %	0.35 %	0.26 %	Provision for loan losses (annualized) to average loans	**0.22 %**	0.17 %	0.15 %	0.27 %	0.35 %
Allowance for loan losses to loans outstanding at period end	Allowance for loan losses to loans outstanding at period end	**1.17 %**	1.16 %	1.15 %	1.13 %	1.10 %	Allowance for loan losses to loans outstanding at period end	**1.17 %**	1.17 %	1.16 %	1.15 %	1.13 %
Accrual for unfunded loan commitments to loan commitments	Accrual for unfunded loan commitments to loan commitments	**0.33 %**	0.33 %	0.37 %	0.40 %	0.42 %	Accrual for unfunded loan commitments to loan commitments	**0.30 %**	0.33 %	0.33 %	0.37 %	0.40 %
Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to loans outstanding at period end	Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to loans outstanding at period end	**1.36 %**	1.36 %	1.37 %	1.39 %	1.37 %	Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to loans outstanding at period end	**1.34 %**	1.36 %	1.36 %	1.37 %	1.39 %

Allowance for Loan Losses and Accrual for Off-Balance Sheet Credit Risk from Unfunded Loan Commitments

Expected credit losses on assets carried at amortized cost are recognized over their expected lives based on models that measure the probability of default and loss given default over a 12-month reasonable and supportable forecast period. Models incorporate base case, downside and upside macroeconomic variables such as real GDP growth, civilian unemployment rate, commercial real estate vacancy rates and WTI oil prices on a probability weighted basis. See Note 4 to the Consolidated Financial Statements for additional discussion of methodology of allowance for loan losses.

Non-pass grade loans, including loans especially mentioned, accruing substandard and nonaccruing loans, decreased $14 million compared to December 31, 2023 increased $100 million over March 31, 2024. Non-pass grade commercial real estate loans increased $41 million and non-pass grade healthcare loans increased $30 million. Non-pass grade energy loans increased $15 million and non-pass grade general business loans decreased $23 million, partially offset by a $12 million increase in non-pass grade commercial real estate loans. increased $13 million. A summary of outstanding loan balances by risk grade is included in Note 4 to the Consolidated Financial Statements.

The provision for credit losses of $8.0 million in the first second quarter of 2024 reflects continued loan growth and a stable economic forecast. The allowance for loan losses totaled $282 million $288 million or 1.17% of outstanding loans at March 31, 2024 June 30, 2024. Excluding residential mortgage loans guaranteed by U.S. government agencies, the allowance for loan losses was 255% 342% of nonaccruing loans. The combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments was $329 million $330 million or 1.36% 1.34% of outstanding loans and 298% 393% of nonaccruing loans at March 31, 2024 June 30, 2024.

The probability weighting of all scenarios in our reasonable and supportable forecast remained unchanged compared to the prior quarter. The sensitivity to management's economic scenario weighting may be quantified by comparing the results of weighting each economic scenario at 100%. For example, compared to a 100% base case scenario, a 100% downside case would result in an additional $210 million $177 million in quantitative reserve, while a 100% upside case would result in $6.9 million $17 million less quantitative reserve at March 31, 2024 June 30, 2024. Such sensitivity calculations do not necessarily reflect the nature and extent of future changes in the related allowance.

The Company recorded a $6.0 million an $8.0 million provision for credit losses in the fourth first quarter of 2023. 2024. The allowance for loan losses was $277 million $282 million or 1.16% 1.17% of outstanding loans at December 31, 2023 March 31, 2024. Excluding residential mortgage loans guaranteed by U.S. government agencies, the allowance for loan losses was 204% 255% of nonaccruing loans. The combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments was $326 million $329 million or 1.36% of outstanding loans and 240% 298% of nonaccruing loans.

A summary of macroeconomic variables considered in developing our estimate of expected credit losses at March 31, 2024 June 30, 2024 follows:

	Base		**Base**	**Downside**	**Upside**			**Base**	**Downside**
Scenario probability weighting	Scenario probability weighting	50%	35%	15%	Scenario probability weighting	50%	35%	15%	

Economic outlook						
Economic outlook						
Economic outlook	Geopolitical conflicts remain isolated. Beginning in the third quarter of 2024, there is one rate cut per quarter, bringing the federal funds target range of 4.50% to 4.75% by the end of the first quarter of 2025. Core inflation continues to improve from the previous peaks and reaches 2.5% by the first quarter of 2025. Job openings revert to more normalized levels and overall hiring levels decline, causing the national unemployment rate to modestly increase over the next four quarters. Inflation pressures ease and help stabilize real household income. A restrictive credit environment slows economic activity and results in below-trend GDP growth.	Geopolitical conflicts remain isolated. The Federal Reserve is forced to adopt an accommodative monetary policy compared to the base case scenario and cut the federal funds rate significantly to encourage economic activity and job creation. In total, there are ten rate cuts over the next four quarters bringing the target range to 2.75% to 3.00% by the first quarter of 2025. Tight monetary conditions result in declines in consumer spending while a restrictive credit environment decreases private sector investment. This pushes the United States into a recession, with a contraction in economic activity and a sharp increase in the unemployment rate.	Geopolitical conflicts remain isolated. There are four federal funds rate cuts in 2024 and one rate cut in the first quarter of 2025, bringing the target range to 4.00% to 4.25%. Core inflation continues to improve from the previous peaks and reaches 2.2% by the first quarter of 2025. Labor force participants continue to re-enter the job market to help fill the elevated level of job openings. The increase in employment helps maintain household income above its pre-pandemic trend. This supports consumer spending and produces GDP growth consistent with pre-pandemic levels.	Geopolitical conflicts remain isolated. There are two rate cuts over the next four quarters, bringing the federal funds target range to 4.75% to 5.00% by the end of the second quarter of 2025. Core inflation continues to improve from the previous peaks and reaches 2.8% by the second quarter of 2025. Job openings continue to normalize and overall hiring levels decline, causing the national unemployment rate to modestly increase over the next four quarters. Inflation pressures ease and help stabilize real household income. A restrictive credit environment slows economic activity and results in below-trend GDP growth.	Geopolitical conflicts remain isolated. The Federal Reserve is forced to adopt an accommodative monetary policy compared to the base case scenario and cut the federal funds rate significantly to encourage economic activity and job creation. In total, there are ten rate cuts over the next four quarters bringing the target range to 2.75% to 3.00% by the end of the second quarter of 2025. Tight monetary conditions result in declines in consumer spending while a restrictive credit environment decreases private sector investment. This pushes the United States into a recession, with a contraction in economic activity and a sharp increase in the unemployment rate.	Geopolitical conflicts remain isolated. There are four rate cuts over the next four quarters, bringing the target range to 4.25% to 4.50% by the end of the second quarter of 2025. Core inflation continues to improve from the previous peaks and reaches 2.5% by the second quarter of 2025. Labor force participants continue to re-enter the job market to help fill the elevated level of job openings. The increase in employment helps maintain household income above its pre-pandemic trend. This supports consumer spending and produces GDP growth consistent with pre-pandemic levels.
Macro-economic factors						
Macro-economic factors						

Macro-economic factors	– GDP is forecasted to grow by 1.6% over the next 12 months. – Civilian unemployment rate of 3.9% in the second quarter of 2024 increases to 4.2% by the first quarter of 2025. – WTI oil prices are projected to generally follow the NYMEX forward curve that existed at the end of March 2024 and are expected to average $75.40 per barrel over the next 12 months.	– GDP is forecasted to contract 1.8% over the next twelve months. – Civilian unemployment rate of 4.6% in the second quarter of 2024 increases to 6.2% in the first quarter of 2025. – WTI oil prices are projected to average $53.30 over the next 12 months, with a peak of $61.94 in the second quarter of 2024 and falling 22% over the following three quarters.	– GDP is forecasted to grow by 2.1% over the next 12 months. – Civilian unemployment rate of 3.8% in the second quarter of 2024 increases to 4.0% by the first quarter of 2025. – WTI oil prices are projected to average $74.75 per barrel over the next 12 months.	– GDP is forecasted to grow by 1.7% over the next 12 months. – Civilian unemployment rate of 4.0% in the third quarter of 2024 increases to 4.1% by the second quarter of 2025. – WTI oil prices are projected to generally follow the NYMEX forward curve that existed at the end of June 2024 and are expected to average $72.97 per barrel over the next 12 months.	– GDP is forecasted to contract 1.8% over the next twelve months. – Civilian unemployment rate of 4.6% in the third quarter of 2024 increases to 6.3% in the second quarter of 2025. – WTI oil prices are projected to average $50.80 over the next 12 months, with a peak of $57.16 in the third quarter of 2024 and falling 19% over the following three quarters.	– GDP is forecasted to grow by 2.2% over the next 12 months. – Civilian unemployment rate of 3.9% in the third quarter of 2024 increases to 4.0% by the second quarter of 2025. – WTI oil prices are projected to average $72.63 per barrel over the next 12 months.

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Net Loans Charged Off

Net loans charged off totaled $5.5 million $6.9 million or 0.09% 0.11% of average loans in the first second quarter. Net charge-offs were primarily composed of a $3.2 million general business loan and a $1.3 million office single healthcare loan. Net charge-offs of loans to individuals include deposit account overdraft losses. Net charge-offs were $5.5 million or 0.09% of average loans on an annualized basis in the first quarter of 2024.

Accrual for Off-Balance Sheet Credit Risk Associated with Mortgage Banking Activities

The accrual for off-balance sheet credit risk associated with mortgage banking activities includes consideration of credit risk related to certain residential mortgage loans sold into mortgage-backed securities in excess of amounts guaranteed by the VA and mortgage loans originated under community development loan programs that were sold to a U.S. government agency with full recourse.

We use publicly available long-term national data to estimate total loss given default for our off-balance sheet credit risk related to losses in excess of amounts guaranteed by the VA. This result is combined with probability of default output from our mortgage servicing rights model to estimate total expected loss. Then, we estimate the VA's guarantee percentage to determine our portion of the credit risk. Qualitative adjustment may be used, if necessary.

Allowance for Credit Losses Related to Held-to-Maturity (Investment) Securities

The expected credit losses principles apply to all financial assets measured at cost, including our held-to-maturity (investment) debt securities portfolio. Our investment portfolio includes municipal and other tax-exempt securities and other debt securities. Expected credit losses for these assets are based on the probability of default and loss given default assumptions that align with similarly graded loans. Qualitative adjustment may be used, if necessary.

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Nonperforming Assets

As more fully described in Note 4 to the Consolidated Financial Statements, loans are generally classified as nonaccruing when it becomes probable that we will not collect the full contractual principal and interest. Real estate and other repossessed assets are assets acquired in partial or total forgiveness of loans. The assets are carried at the lower of cost as determined by fair value at the date of foreclosure or current fair value, less estimated selling costs. A summary of nonperforming assets follows in Table 17: 17.

Table 17 – Nonperforming Assets

(Dollars in thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023	
	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	
Nonaccruing loans: Nonaccruing loans:						Nonaccruing loans:
Commercial: Commercial:						Commercial:
Healthcare						
Energy						
Services						
General business						
Total commercial						
Commercial real estate						
Commercial real estate						
Commercial real estate						
Loans to individuals:						
Loans to individuals:						
Loans to individuals:						
Residential mortgage						
Residential mortgage guaranteed by U.S. government agencies						
Personal						
Total loans to individuals						
Total nonaccruing loans						
Real estate and other repossessed assets						
Real estate and other repossessed assets						
Real estate and other repossessed assets						
Total nonperforming assets						

Total nonperforming assets excluding those guaranteed by U.S. government agencies									
Allowance for loan losses to nonaccruing loans[1]									
Allowance for loan losses to nonaccruing loans[1]									
Allowance for loan losses to nonaccruing loans[1]		**255.33 %**	204.13 %	249.31 %	217.52 %	235.36 %		**342.38 %**	255.33 % 204.13
Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to nonaccruing loans[1]	Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to nonaccruing loans[1]	**298.23 %**	240.20 %	297.50 %	267.15 %	294.74 %	Combined allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments to nonaccruing loans[1]	**392.74 %**	298.23 %
Nonperforming assets to outstanding loans and repossessed assets	Nonperforming assets to outstanding loans and repossessed assets	**0.51 %**	0.62 %	0.52 %	0.59 %	0.58 %	Nonperforming assets to outstanding loans and repossessed assets	**0.38 %**	0.51 %
Nonperforming assets to outstanding loans and repossessed assets[1]	Nonperforming assets to outstanding loans and repossessed assets[1]	**0.47 %**	0.58 %	0.48 %	0.54 %	0.53 %	Nonperforming assets to outstanding loans and repossessed assets[1]	**0.35 %**	0.47 %
Nonaccruing loans to outstanding loans	Nonaccruing loans to outstanding loans	**0.49 %**	0.61 %	0.50 %	0.57 %	0.53 %	Nonaccruing loans to outstanding loans	**0.37 %**	0.49 %
Nonaccruing commercial loans to outstanding commercial loans	Nonaccruing commercial loans to outstanding commercial loans	**0.49 %**	0.74 %	0.48 %	0.50 %	0.38 %	Nonaccruing commercial loans to outstanding commercial loans	**0.37 %**	0.49 %
Nonaccruing commercial real estate loans to outstanding commercial real estate loans	Nonaccruing commercial real estate loans to outstanding commercial real estate loans	**0.42 %**	0.14 %	0.14 %	0.35 %	0.45 %	Nonaccruing commercial real estate loans to outstanding commercial real estate loans	**0.25 %**	0.42 %
Nonaccruing loans to individuals to outstanding loans to individuals[1]	Nonaccruing loans to individuals to outstanding loans to individuals[1]	**0.37 %**	0.51 %	0.86 %	0.85 %	0.86 %	Nonaccruing loans to individuals to outstanding loans to individuals[1]	**0.34 %**	0.37 %

[1] Excludes residential mortgages guaranteed by U.S. government agencies.

Nonaccruing loans decreased $26 million $29 million compared to December 31, 2023 March 31, 2024. New nonaccruing loans identified in the first second quarter totaled $24 million, offset by $34 million of loans that returned to accruing status, $8.6 million $42 million in payments received and $7.1 million $7.9 million of charge-offs. Nonaccruing healthcare loans decreased $32 million $28 million and nonaccruing commercial real estate loans decreased $9.2 million, partially offset by a $15 million $14 million increase in nonaccruing commercial real estate loans driven primarily by a single office loan. energy loans. The Company generally retains nonperforming assets to maximize potential recovery, which may cause future nonperforming assets to decrease more slowly.

A rollforward of nonperforming assets for the three and six months ended March 31, 2024 June 30, 2024 follows in Table 18.

Table 18 – Rollforward of Nonperforming Assets
(In thousands)

	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024					
	Nonaccruing Loans	Nonaccruing Loans	Real Estate and Other Repossessed Assets	Total Nonperforming Assets	Nonaccruing Loans	Real Estate and Other Repossessed Assets	Total Nonperforming Assets
Balance, December 31, 2023							
Balance, December 31, 2023							
Balance, December 31, 2023							
Balance, March 31, 2024							
Balance, March 31, 2024							
Balance, March 31, 2024							
Additions							
Additions							
Additions							
Payments							
Payments							
Payments							
Charge-offs							
Net gains (losses) and write-downs							
Foreclosure of loans guaranteed by U.S. government agencies							
Foreclosure of loans guaranteed by U.S. government agencies							
Foreclosure of loans guaranteed by U.S. government agencies							
Proceeds from sales							
Net transfers to nonaccruing loans							
Net transfers to nonaccruing loans							
Net transfers to nonaccruing loans							
Return to accrual status							
Balance, June 30, 2024							
Balance, June 30, 2024							
Balance, June 30, 2024							
Six Months Ended							

Six Months Ended				
Six Months Ended				
		June 30, 2024		
		Nonaccruing Loans	Real Estate and Other Repossessed Assets	Total Nonperforming Assets
	Commercial			
Balance, Dec. 31, 2023				
Balance, Dec. 31, 2023				
Balance, Dec. 31, 2023				
Additions				
Additions				
Additions				
Payments				
Payments				
Payments				
Charge-offs				
Net gains (losses) and write-downs				
Foreclosure of nonperforming loans				
Foreclosure of loans guaranteed by U.S. government agencies				
Proceeds from sales				
Net transfers to nonaccruing loans				
Net transfers to nonaccruing loans				
Net transfers to nonaccruing loans				
Return to accrual status				
Balance, March 31, 2024				
Balance, March 31, 2024				
Balance, March 31, 2024				
Balance, June 30, 2024				
Balance, June 30, 2024				
Balance, June 30, 2024				

We foreclose on loans guaranteed by U.S. government agencies in accordance with agency guidelines. Generally, these loans are not eligible for modification programs or have failed to comply with modified loan terms. Principal is guaranteed by agencies of the U.S. government, subject to limitations, and credit risk is limited. At foreclosure, these amounts are transferred to claims receivable accounts. These properties will be conveyed to the agencies once applicable criteria have been met.

Real Estate and Other Repossessed Assets

Real estate and other repossessed assets totaled $2.9 million $2.3 million at March 31, 2024 June 30, 2024, largely unchanged compared to December 31, 2023 March 31, 2024. Real estate and other repossessed assets were composed primarily of $2.1 million of land for commercial real estate development.

Liquidity and Capital

Our funding sources, which primarily include deposits and borrowings from the Federal Home Loan Banks and other banks, provide adequate liquidity to meet our operating needs. Based on the average balances for the first second quarter of 2024, approximately 70% of our funding was provided by deposit accounts, 16% 18% from borrowed funds, 10% from equity and less than 1% from long-term subordinated debt.

Subsidiary Bank

Deposits and borrowed funds are the primary sources of liquidity for BOKF, NA, the wholly owned subsidiary bank of BOK Financial. We compete for retail and commercial deposits by offering a broad range of products and services and focusing on customer convenience. Retail deposit growth is supported through personal and small business checking, online bill paying services, mobile banking services, an extensive network of branch locations and ATMs and our ExpressBank call center. Commercial deposit growth is supported by offering treasury management and lockbox services. We also acquire brokered deposits when the cost of funds is advantageous to other funding sources.

Average deposits for the first second quarter of 2024 totaled $35.0 billion $35.7 billion, a $1.3 billion $627 million increase compared to the fourth first quarter of 2023. Demand deposits decreased $747 million while interest-bearing 2024. Interest-bearing transaction account balances increased $1.8 billion. grew by $742 million, partially offset by a $244 million decrease in demand deposit balances. Time deposit balances increased $285 million $140 million.

Table 19 – Average Deposits by Line of Business
(In thousands)

	Three Months Ended									
	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023
Commercial Banking										
Consumer Banking										
Wealth Management										
Subtotal										
Funds Management and other										
Total										

Average Commercial Banking deposit balances increased $237 million $459 million compared to the fourth first quarter of 2023. 2024. Interest-bearing transaction account balances increased $784 million $640 million while demand deposit balances decreased $549 million $200 million. Our Commercial deposit portfolio is highly diversified across industries and customers. The highest concentration by industry within our commercial deposit portfolio is our energy customers representing 8% of our total deposits.

Average Consumer Banking deposit balances increased $11 million $173 million over the prior quarter. A $256 million $244 million increase in time deposit balances was partially offset by a $175 million $60 million decrease in interest-bearing transaction deposit balances and a $65 million decrease in demand deposit balances.

Average Wealth Management deposits increased $1.2 billion compared to $313 million over the fourth first quarter of 2023. 2024. Interest-bearing transaction account balances increased $1.2 billion. Time $246 million and time deposit balances increased $33 million while demand $114 million. Demand deposit balances decreased $94 million $47 million.

Average brokered deposits were 4% 5% of total deposits during the first second quarter of 2024. Average interest-bearing transaction accounts for Excluding the first quarter included $479 million of reciprocal component, brokered deposits a $167 million increase over the fourth quarter represented 1% of 2023. Average time deposits for total deposits. Beginning in the first quarter of 2024, included $620 million of brokered deposits, a $9.5 million decrease compared to the fourth quarter of 2023. Period end brokered interest-bearing transaction accounts increased $489 million to $819 million at March 31, 2024 and brokered time deposits decreased $80 million to $492 million at March 31, 2024. During the first quarter, reciprocal deposit balances exceeded the $5 billion general cap threshold as defined by the FDIC. Reciprocal deposit balances in excess of the $5 billion general cap threshold are included as brokered deposits for regulatory reporting purposes. The portion Growth in brokered deposits during the quarter was entirely related to reciprocal deposit balances. Average interest-bearing transaction accounts for the second quarter included $1.3 billion of brokered deposits, excluding a $771 million increase over the reciprocal component was 2% first quarter of total deposits. 2024. Average time deposits for the second quarter of 2024 included $384 million of brokered deposits, a $236 million decrease compared to the first quarter of 2024. Period end brokered interest-bearing transaction accounts increased $737 million to $1.6 billion at June 30, 2024 and brokered time deposits decreased $250 million to $242 million at June 30, 2024.

The distribution of our period end deposit account balances among principal markets follows in Table 20.

Table 20 – Period End Deposits by Principal Market Area
(In thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023

	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	
Oklahoma:	Oklahoma:					Oklahoma:
Demand						
Interest-bearing:						
Transaction						
Transaction						
Transaction						
Savings						
Time						
Total interest-bearing						
Total Oklahoma						
Texas:						
Texas:						
Texas:						
Demand						
Demand						
Demand						
Interest-bearing:						
Transaction						
Transaction						
Transaction						
Savings						
Time						
Total interest-bearing						
Total Texas						
Colorado:						
Colorado:						
Colorado:						
Demand						
Demand						
Demand						
Interest-bearing:						
Transaction						
Transaction						
Transaction						
Savings						
Time						
Total interest-bearing						
Total Colorado						
New Mexico:						
New Mexico:						
New Mexico:						
Demand						
Demand						
Demand						
Interest-bearing:						
Transaction						
Transaction						
Transaction						
Savings						
Time						

Total interest-bearing
Total New Mexico
Arizona:
Arizona:
Arizona:
Demand
Demand
Demand
Interest-bearing:
Transaction
Transaction
Transaction
Savings
Time
Total interest-bearing
Total Arizona

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023
Kansas/Missouri:					
Kansas/Missouri:					
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**June 30, 2023**
Kansas/Missouri:					
Demand					
Demand					
Demand					
Interest-bearing:					
Transaction					
Transaction					
Transaction					
Savings					
Time					
Total interest-bearing					
Total Kansas/Missouri					
Arkansas:					
Arkansas:					
Arkansas:					
Demand					
Demand					
Demand					
Interest-bearing:					
Transaction					
Transaction					
Transaction					
Savings					
Time					
Total interest-bearing					
Total Arkansas					

Total BOK Financial deposits

Estimated uninsured deposits totaled $18.2 billion $18.3 billion or 51% 50% of our total deposits at March 31, 2024 June 30, 2024. In addition to insured deposits, we also hold $4.5 billion of collateralized deposits. Municipalities, Native American tribal governments and certain trust-related deposits are all required to be collateralized. Excluding the impact of collateralized deposits and deposits related to consolidated subsidiaries, our uninsured and uncollateralized deposit level is $13.2 $13.0 billion or 37% 36% of total deposits at March 31, 2024 June 30, 2024.

In addition to deposits, liquidity is provided primarily by federal funds purchased, securities repurchase agreements and Federal Home Loan Banks borrowings. Federal funds purchased consist primarily of unsecured, overnight funds acquired from other financial institutions. Funds are primarily purchased from bankers' banks and Federal Home Loan Banks from across the country. The largest single source of wholesale federal funds purchased totaled $250 million at March 31, 2024 June 30, 2024. Securities repurchase agreements generally mature within 90 days and are secured by certain available for sale and trading securities. Federal Home Loan Banks borrowings are generally short-term and are secured by a blanket pledge of eligible collateral (generally unencumbered U.S. Treasury and agency mortgage-backed securities, 1-4 family residential mortgage loans, multifamily and other qualifying commercial real estate loans). Amounts borrowed from the Federal Home Loan Bank of Topeka averaged $6.8 billion $7.1 billion during the quarter, compared to $7.1 billion $6.8 billion in the fourth first quarter of 2023. 2024.

At March 31, 2024 June 30, 2024, management estimates a total potential secured borrowing capacity of approximately $23.7 $24.5 billion. This includes current available secured capacity of $20.0 $20.4 billion from the use of programs available to U.S. banks from the Federal Home Loan Banks and Federal Reserve Banks and an estimated $3.7 $4.1 billion of other sources that could be converted into additional secured capacity.

A summary of other borrowings for BOK Financial on a consolidated basis follows in Table 21.

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Table 21 – Borrowed Funds
(Dollars in thousands)

		Three Months Ended March 31, 2024				Three Months Ended Dec. 31, 2023			Three Months Ended June 30, 2024	Three Months Ended Mar. 31, 2023
	Mar. 31, 2024	Average Balance During the Quarter	Rate	Maximum Outstanding At Any Month End During the Quarter	Dec. 31, 2023	Average Balance During the Quarter	Rate	Maximum Outstanding At Any Month End During the Quarter		
	June 30, 2024	Average Balance During the Quarter	Rate	Maximum Outstanding At Any Month End During the Quarter	Mar. 31, 2024	Average Balance During the Quarter	Rate	Maximum Outstanding At Any Month End During the Quarter		
Funds purchased										
Funds purchased										
Funds purchased										
Repurchase agreements										
Other borrowings:										
Federal Home Loan Banks advances										
Federal Home Loan Banks advances										
Federal Home Loan Banks advances										
GNMA repurchase liability										
Other										
Other										
Other										
Total other borrowings										
Subordinated debentures[1]										
Subordinated debentures[1]										

Subordinated debentures[1]
Total other borrowed funds and subordinated debentures
Total other borrowed funds and subordinated debentures
Total other borrowed funds and subordinated debentures

1 Parent Company only.

BOKF, NA also has a liability related to the repurchase of certain delinquent residential mortgage loans previously sold into GNMA mortgage pools. Interest is payable monthly at rates contractually due to investors if delinquent loans are not repurchased from the GNMA mortgage pools.

Parent Company

At March 31, 2024 June 30, 2024, cash and interest-bearing cash and cash equivalents held by the parent company totaled $183 million. $200 million. The primary sources of liquidity for BOK Financial are cash on hand and dividends from BOKF, NA. Dividends from the bank are limited by various banking regulations to net profits, as defined, for the year plus retained profits for the two preceding years. Dividends are further restricted by minimum capital requirements. At March 31, 2024 June 30, 2024, based upon the most restrictive limitations as well as management's internal capital policy, BOKF, NA could declare up to $354 million $383 million of dividends. Dividend constraints may be alleviated through increases in retained earnings, capital issuances or changes in risk weighted assets. Future losses or increases in required regulatory capital at the bank could affect its ability to pay dividends to the parent company.

Our equity capital at March 31, 2024 June 30, 2024 was $5.1 billion $5.2 billion, a $14 million decrease $100 million increase compared to December 31, 2023 March 31, 2024. Net income less cash dividends paid increased equity $48 million $128 million during the first second quarter of 2024. Changes in interest rates resulted in an $11 million decrease a $4.6 million improvement in the accumulated other comprehensive income loss compared to December 31, 2023 March 31, 2024. We also repurchased $52 million $37 million of common stock, excluding a 1% excise tax on corporate stock repurchases, during the first second quarter of 2024. Capital is managed to maximize long-term value to the shareholders. Factors considered in managing capital include projections of future earnings including expected benefits from lower federal income tax rates, asset growth and acquisition strategies, and regulatory and debt covenant requirements. Capital management may include subordinated debt or perpetual preferred stock issuance, share repurchase and stock and cash dividends.

On November 1, 2022, the board of directors authorized the Company to purchase up to five million common shares, subject to market conditions, securities law and other regulatory compliance limitations. As of March 31, 2024 June 30, 2024, the Company had repurchased 3,044,844 3,457,020 shares under this authorization. The Company repurchased 616,630 412,176 shares of common stock at an average price of $83.89 $90.38 per share in the first second quarter of 2024. We view share buybacks opportunistically, but within the context of maintaining our strong capital position.

BOK Financial and BOKF, NA are subject to various capital requirements administered by federal agencies. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that could have a material impact on operations. These capital requirements include quantitative measures of assets, liabilities and off-balance sheet items. The capital standards are also subject to qualitative judgments by the regulators.

A summary of minimum capital requirements, including a capital conservation buffer follows in Table 22. A bank which falls below these levels, including the capital conservation buffer, would be subject to regulatory restrictions on capital distributions (including, but not limited to, dividends and share repurchases) and executive bonus payments.

In March 2020, in response to the impact on the financial markets by the COVID-19 pandemic, the banking agencies issued an interim final rule permitting banking organizations that implement the CECL model the option to delay for two years an estimate of the CECL methodology's effect on regulatory capital, followed by a three-year transition period. The estimate includes the implementation date adjustment as of January 1, 2020 plus an estimate of the impact of the change for a two year period following implementation of CECL. We elected to delay the regulatory capital impact of the transition in accordance with the interim final rule. Deferral of the impact of CECL added 3 basis points to the Company's Common common equity Tier 1 capital at March 31, 2024 June 30, 2024.

Capital and other performance ratios for BOK Financial on a consolidated basis are presented in Table 22.

Table 22 – Capital and Performance Ratios

	Minimum Capital Requirement	Minimum Capital Requirement	Capital Conservation Buffer	Minimum Capital Requirement Including Capital Conservation Buffer	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023	Minimum Capital Requirement	Capital Conservat Buffer
Capital:									

Common equity Tier 1	**4.50 %**	**2.50 %**	**7.00 %**	**11.99 %**	12.06 %	12.19 %		**4.50 %**	**2.50 %**	**7.00**
Tier 1 capital	**6.00 %**	**2.50 %**	**8.50 %**	**12.00 %**	12.07 %	12.20 %		**6.00 %**	**2.50 %**	**8**
Total capital	**8.00 %**	**2.50 %**	**10.50 %**	**13.15 %**	13.16 %	13.21 %		**8.00 %**	**2.50 %**	**10**
Tier 1 Leverage	**4.00 %**	**N/A**	**4.00 %**	**9.42 %**	9.45 %	9.94 %		**4.00 %**	**N/A**	**4**
Average total equity to average assets					**10.30 %**	9.93 %	10.53 %			
Tangible common equity ratio[1]					**8.21 %**	8.29 %	8.46 %			
Adjusted common tangible equity ratio[1]					**7.92 %**	8.02 %	8.22 %			
Performance Ratios:										
Return on average equity					**6.53 %**	6.64 %	13.61 %			
Return on average tangible common equity[1]					**8.31 %**	8.56 %	17.71 %			

[1] See Explanation and Reconciliation of Non-GAAP Measures following.

Off-Balance Sheet Arrangements

See Note 4 to the Consolidated Financial Statements for a discussion of the Company's significant off-balance sheet commitments.

Explanation and Reconciliation of Non-GAAP Measures

Table 23 provides a reconciliation of the non-GAAP measures with financial measures defined by GAAP.

Table 23 – Non-GAAP Measures
(Dollars in thousands)

	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023					
	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023					
Reconciliation of tangible common equity ratio and adjusted tangible common equity ratio:										
Total shareholders' equity										
Less: Goodwill and intangible assets, net										
Tangible common equity										
Add: Unrealized loss on investment securities, net										
Add: Tax effect on unrealized loss on investment securities, net										
Adjusted tangible common equity										
Total assets										
Total assets										
Total assets										
Less: Goodwill and intangible assets, net										
Tangible assets										
Tangible common equity ratio										
Tangible common equity ratio										
Tangible common equity ratio	**8.21 %**	8.29 %	7.74 %	7.79 %	8.46 %	**8.38 %**	8.21 %	8.29 %	7.74 %	7.79 %
Adjusted tangible common equity ratio / Adjusted tangible common equity ratio	**7.92 %**	8.02 %	7.35 %	7.49 %	8.22 %	Adjusted tangible common equity ratio **8.06 %**	7.92 %	8.02 %	7.35 %	7.49 %
Reconciliation of return on average tangible common equity:										
Reconciliation of return on average tangible common equity:										
Reconciliation of return on average tangible common equity:										
Total average shareholders' equity										
Less: Average goodwill and intangible assets, net										
Average tangible common equity										
Net Income										
Net Income										
Net Income										
Return on average tangible common equity										
Return on average tangible common equity										
Return on average tangible common equity	**8.31 %**	8.56 %	14.08 %	15.86 %	17.71 %	**16.27 %**	8.31 %	8.56 %	14.08 %	15.86 %
Reconciliation of pre-provision net revenue:										
Reconciliation of pre-provision net revenue:										
Reconciliation of pre-provision net revenue:										
Net income before taxes										
Net income before taxes										
Net income before taxes										

Add: Provision for expected credit losses
Less: Net income (loss) attributable to non-controlling interests
Pre-provision net revenue
Reconciliation of adjusted net income and earnings per share:
Reconciliation of adjusted net income and earnings per share:
Reconciliation of adjusted net income and earnings per share:
Net income
Add: FDIC special assessment, net of tax
Less: Gain on converted Visa shares, net of tax
Add: Related contribution of Visa shares to BOKF Foundation, net of tax
Less: Loss on repositioning of available for sale securities, net of tax
Less: Gain on sale of BOKF Insurance, net of tax
Adjusted net income
Earnings per share
Earnings per share
Earnings per share
Add: FDIC special assessment, net of tax
Less: Gain on converted Visa shares, net of tax
Add: Related contribution of Visa shares to BOKF Foundation, net of tax
Less: Loss on repositioning of available for sale securities, net of tax
Less: Gain on sale of BOKF Insurance, net of tax
Adjusted earnings per share

	Mar. 31, 2024	**Dec. 31, 2023**	**Sep. 30, 2023**	**June 30, 2023**	**Mar. 31, 2023**
	June 30, 2024	**Mar. 31, 2024**	**Dec. 31, 2023**	**Sep. 30, 2023**	**June 30, 2023**
Calculation of efficiency ratio and efficiency ratio excluding adjustments:					
Total other operating expense					

Less: Amortization of intangible assets																				
Numerator for efficiency ratio																				
Less: FDIC special assessment																				
Less: Expenses related to sale of BOKF Insurance																				
Less: Related contribution of converted Visa shares to BOKF Foundation																				
Adjusted numerator for efficiency ratio																				
Net interest revenue																				
Net interest revenue																				
Net interest revenue																				
Net interest income																				
Net interest income																				
Net interest income																				
Tax-equivalent adjustment																				
Tax-equivalent net interest revenue																				
Tax-equivalent net interest income																				
Total other operating revenue																				
Less: Loss on available for sale securities, net																				
Less: Gain (loss) on available for sale securities, net																				
Denominator for efficiency ratio																				
Less: Gain on sale of BOKF Insurance																				
Less: Gain on converted Visa shares																				
Adjusted denominator for efficiency ratio																				
Efficiency ratio																				
Efficiency ratio																				
Efficiency ratio		**67.13**	**%**	71.62	%	64.01	%	58.75	%	56.79	%		**59.83**	**%**	67.13	%	71.62	%	64.01	% 58.75 %
Efficiency ratio excluding adjustments	Efficiency ratio excluding adjustments	**65.85**	**%**	66.63	%	64.01	%	58.75	%	56.79	%	Efficiency ratio excluding adjustments	**64.00**	**%**	65.85	%	66.63	%	64.01	% 58.75 %

Information on net interest revenue and net interest margin excluding trading activities:

Information on net interest revenue and net interest margin excluding trading activities:

Information on net interest revenue and net interest margin excluding trading activities:

Net interest revenue

Less: Trading activities net interest revenue

Net interest revenue excluding trading activities

Information on net interest income and net interest margin excluding trading activities:

Information on net interest income and net interest margin excluding trading activities:

Information on net interest income and net interest margin excluding trading activities:

Net interest income

Less: Trading activities net interest income

Net interest income excluding trading activities

Tax-equivalent adjustment

Tax-equivalent net interest revenue excluding trading activities

Tax-equivalent net interest income excluding trading activities

Average interest-earning assets

Average interest-earning assets

Average interest-earning assets

Less: Average trading activities interest-earning assets

Average interest-earning assets excluding trading activities

Net interest margin on average interest-earning assets

Net interest margin on average interest-earning assets

Net interest margin on average interest-earning assets	**2.61 %**	2.64 %	2.69 %	3.00 %	3.45 %	**2.56 %**	2.61 %	2.64 %	2.69 %	3.00 %

Net interest margin on average trading activities interest-earning assets	Net interest margin on average trading activities interest-earning assets	**(0.07)%**	(0.20)%	(0.49)%	(0.34)%	— %	Net interest margin on average trading activities interest-earning assets	**(0.05)%**	(0.07)%	(0.20)%	(0.49)%	(0.34)%
Net interest margin on average interest-earning assets excluding trading activities	Net interest margin on average interest-earning assets excluding trading activities	**2.97 %**	3.03 %	3.14 %	3.36 %	3.72 %	Net interest margin on average interest-earning assets excluding trading activities	**2.94 %**	2.97 %	3.03 %	3.14 %	3.36 %

Explanation of Non-GAAP Measures

The tangible common equity ratio and return on average tangible common equity are primarily based on total shareholders' equity, which includes unrealized gains and losses on available for sale securities, less intangible assets and equity that do not benefit common shareholders. The adjusted tangible common equity ratio also includes unrealized gains and losses on the investment portfolio. These measures are valuable indicators of a financial institution's capital strength since they eliminate intangible assets from shareholders' equity and retain the effect of unrealized losses on securities and other components of accumulated other comprehensive income in shareholders' equity.

Pre-provision net revenue is a measure of revenue less expenses and is calculated before provision for credit losses and income tax expense. This financial measure is frequently used by investors and analysts and enables them to assess a company's ability to generate earnings to cover credit losses through a credit cycle. It also provides an additional basis for comparing the results

of operations between periods by isolating the impact of the provision for credit losses, which can vary significantly between periods.

We believe adjusting net income and earnings per share for notable non-core items enhances comparability of results with prior periods, demonstrates the impact of significant items and provides a useful measure for determining the Company's expenses that are core to our business operations and are expected to recur over time.

The efficiency ratio measures the Company's ability to use its assets and manage its liabilities effectively in the current period. Prior to the second quarter of 2023, the efficiency ratio did not exclude amortization of intangible assets and only included tax-equivalent net interest revenue and fees and commissions as part of total revenue. All prior periods were adjusted to conform with the current methodology.

Net interest revenue income and net interest margin excluding trading activities remove the effect of trading activities on these metrics allowing management and investors to assess the performance of the Company's core lending and deposit activities without the associated volatility from trading activities.

Market Risk

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices or equity prices. Financial instruments that are subject to market risk can be classified either as held for trading or held for purposes other than trading. Market risk excludes changes in fair value due to the credit of the individual issuers of financial instruments.

BOK Financial is subject to market risk primarily through the effect of changes in interest rates on both its assets held for purposes other than trading and trading assets. The effects of other changes, such as foreign exchange rates, commodity prices or equity prices do not pose significant market risk to BOK Financial. BOK Financial has no material investments in assets that are affected by changes in foreign exchange rates or equity prices. Energy and agricultural product derivative contracts, which are affected by changes in commodity prices, are matched against offsetting contracts as previously discussed.

The Asset/Liability Committee is responsible for managing market risk in accordance with policy limits established by the Board of Directors. The Committee monitors projected variation in net interest revenue, income, net income and economic value of equity due to specified changes in interest rates. These limits also set maximum levels for short-term borrowings, short-term assets, public funds and brokered deposits and establish minimum levels for unpledged assets, among other things. Further, the Board has approved market risk limits for fixed income trading, mortgage pipeline and mortgage servicing assets inclusive of economic hedge benefits. Exposure is measured daily and compliance is reviewed monthly. Deviations from the Board approved limits, which periodically occur throughout the reporting period, may require management to develop and execute plans to reduce exposure. These plans are subject to escalation to and approval by the Board.

The simulations used to manage market risk are based on numerous assumptions regarding the effects of changes in interest rates on the timing and extent of repricing characteristics, future cash flows and customer behavior. These assumptions are inherently uncertain and, as a result, models cannot precisely estimate or precisely predict the impact of higher or lower interest rates. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes, market conditions and management strategies, among other factors.

Interest Rate Risk – Other than Trading

As previously noted in the Net Interest Revenue Income section of this report, management has implemented strategies to manage the Company's balance sheet exposure to changes in interest rates over a twelve-month period within established policy limits. The effectiveness of these strategies in managing the overall interest rate risk is evaluated through the use of an asset/liability model. BOK Financial performs a sensitivity analysis to identify more dynamic interest rate risk exposures, including embedded option positions, on net interest revenue. income. A simulation model is used to estimate the effect of changes in interest rates on our performance across multiple interest rate scenarios. Our current internal policy limit for net interest revenue income variation due to a 200 basis point parallel change in market interest rates over twelve months is a maximum decline of 6.5%. Management also reviews alternative rate changes and time periods.

The Company's primary interest rate exposures include the Federal Funds rate, which affects short-term borrowings, and the prime lending rate, SOFR, which is the basis for much of the variable rate loan pricing. Additionally, residential mortgage rates directly affect the prepayment speeds for residential mortgage-backed securities and mortgage servicing rights. Derivative financial instruments and other financial instruments used for purposes other than trading are included in this simulation. In addition, the impact on the level and composition of demand deposit accounts and other core deposit balances resulting from a significant increase in short-term market interest rates and the overall interest rate environment is likely to be material. The simulation incorporates assumptions regarding the effects of such changes based on a combination of historical analysis and expected behavior. The impact of planned growth and new business activities is factored into the simulation model.

The interest rate sensitivity in Table 24 indicates management's estimation of the impact of rate changes on net interest revenue. income. Should deposit costs be 10% more sensitive to changes in rates, the variation in net interest revenue income over the next twelve months would be 0.42% 0.94% or $11.6 million for the 100 basis point decrease scenario. Alternatively, should deposit funding costs be 10% less sensitive to changes in rates, the variation in net interest revenue income over the next twelve months would be (0.80) (0.27)%, or ($10.4 3.3 million) for the 100 basis point decrease scenario. Additionally, in a flattening yield curve scenario where long-term rates increase by 100 basis points and short-term rates increase by 200 basis points, net interest revenue income would decrease approximately 4.78% 5.99%, or $62 million $73.7 million.

Table 24 – Interest Rate Sensitivity
(Dollars in thousands)

	Mar. 31, 2024				**Dec. 31, 2023**			
	200 bp Increase	**100 bp Increase**	**100 bp Decrease**	**200 bp Decrease**	**200 bp Increase**	**100 bp Increase**	**100 bp Decrease**	**200 bp Decrease**
Anticipated impact over the next twelve months on net interest revenue	**$ (29,900)**	**$ (4,600)**	**$ (2,500)**	**$ 900**	$ (36,100)	$ (8,900)	$ (7,900)	$ (2,900)
	(2.31)%	**(0.35)%**	**(0.20)%**	**0.07 %**	(3.03)%	(0.75)%	(0.66)%	(0.24)%
Anticipated impact over months twelve through twenty-four	**$ (3,400)**	**$ 20,800**	**$ (38,600)**	**$ (62,500)**	$ (9,600)	$ 15,300	$ (53,700)	$ (84,900)
	(0.24)%	**1.46 %**	**(2.70)%**	**(4.37)%**	(0.74)%	1.18 %	(4.16)%	(6.57)%

	June 30, 2024				**Mar. 31, 2024**			
	200 bp Increase	**100 bp Increase**	**100 bp Decrease**	**200 bp Decrease**	**200 bp Increase**	**100 bp Increase**	**100 bp Decrease**	**200 bp Decrease**
Anticipated impact over the next twelve months on net interest income	**$ (39,800)**	**$ (9,500)**	**$ 3,000**	**$ 12,300**	$ (29,900)	$ (4,600)	$ (2,500)	$ 900
	(3.21)%	**(0.76)%**	**0.24 %**	**0.99 %**	(2.31)%	(0.35)%	(0.20)%	0.07 %
Anticipated impact over months twelve through twenty-four	**$ (23,000)**	**$ 11,100**	**$ (26,400)**	**$ (39,900)**	$ (3,400)	$ 20,800	$ (38,600)	$ (62,500)

	(1.70)%	**0.82 %**	**(1.95)%**	**(2.95)%**	(0.24)%	1.46 %	(2.70)%	(4.37)%

BOK Financial is also subjected to market risk through changes in the fair value of mortgage servicing rights. Changes in the fair value of mortgage servicing rights are highly dependent on changes in primary mortgage rates offered to borrowers, intermediate-term interest rates that affect the value of custodial funds, and assumptions about servicing revenues, servicing costs and discount rates. As primary mortgage rates increase, prepayment speeds slow and the value of our mortgage servicing rights increases. As primary mortgage rates fall, prepayment speeds increase and the value of our mortgage servicing rights decreases.

We maintain a portfolio of financial instruments which may include debt securities issued by the U.S. government or its agencies and interest rate derivative contracts, held as an economic hedge of the changes in the fair value of our mortgage servicing rights. Composition of this portfolio will change based on our assessment of market risk. Changes in the fair value of residential mortgage-backed securities are highly dependent on changes in secondary mortgage rates required by investors, and interest rate derivative contracts are highly dependent on changes in other market interest rates. While primary and secondary mortgage rates generally move in the same direction, the spread between them may widen and narrow due to market conditions and government intervention. Changes in the forward-looking spread between the primary and secondary rates can cause significant earnings volatility.

Management performs a stress test to measure market risk due to changes in interest rates inherent in its MSR portfolio and hedges. The stress test shocks applicable interest rates up and down 50 basis points and calculates an estimated change in fair value, net of economic hedging activity, that may result. The Board has approved a $20 million market risk limit for mortgage servicing rights, net of economic hedges.

Table 25 – MSR Asset and Hedge Sensitivity Analysis
(In thousands)

		Mar. 31, 2024	**Dec. 31, 2023**		**June 30, 2024**		**Mar. 31, 2024**		
	Up 50 bp	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**
MSR Asset									
MSR Hedge									
Net Exposure									

Trading Activities

The Company bears market risk by originating RMHFS. RMHFS are generally outstanding for 60 to 90 days, which represents the typical period from commitment to originate a loan to sale of the closed loan to an investor. Primary mortgage interest rate changes during this period affect the value of RMHFS commitments and loans. We use forward sale contracts to mitigate market risk on all closed mortgage loans held for sale and on an estimate of mortgage loan commitments that are expected to result in closed loans.

A variety of methods are used to monitor market risk of mortgage origination activities. These methods include daily marking of all positions to market value, independent verification of inventory pricing, and revenue sensitivity limits.

Management performs a stress test to measure market risk due to changes in interest rates inherent in the mortgage production pipeline. The stress test shocks applicable interest rates up and down 50 basis points and calculates an estimated change in fair value, net of economic hedging activity that may result. The Board has approved a $7 million market risk limit for the mortgage production pipeline, net of forward sale contracts.

Table 26 – Mortgage Pipeline Sensitivity Analysis
(In thousands)

	Three Months Ended								
	Three Months Ended								
	Three Months Ended				**Six Months Ended June 30,**				
		June 30, 2024	**Mar. 31, 2024**		**2024**	**2023**			
	Up 50 bp								
	Up 50 bp								
	Up 50 bp	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**	**Up 50 bp**	**Down 50 bp**
Average[1]									
Average[1]									
Average[1]									

Low[2]
Low[2]
Low[2]
High[3]
High[3]
High[3]
Period End
Period End
Period End

[1] Average represents the simple average of each daily value observed during the reporting period.

[2] Low represents least risk of loss in fair value measured as the smallest negative value or the largest positive value observed daily during the reporting period.

[3] High represents the greatest risk of loss in fair value measured as the largest negative value or the smallest positive value observed daily during the reporting period.

BOK Financial enters into trading activities both as an intermediary for customers and for its own account. As an intermediary, we take positions in securities, generally residential mortgage-backed securities, government agency securities and municipal bonds. These securities are purchased for resale to customers, which include individuals, corporations, foundations and financial institutions. On a limited basis, we may also take trading positions in U.S. Treasury securities, residential mortgage-backed securities and municipal bonds to enhance returns on securities portfolios. Both of these activities involve interest rate risk, liquidity risk and price risk.

A variety of methods are used to monitor and manage the market risk of trading activities. These methods include daily marking of all positions to market value, independent verification of inventory pricing, and position limits for each trading activity. Risk management tools include VaR, stress testing and sensitivity analysis. Economic hedges in either the futures or cash markets may be used to reduce the risk associated with some trading programs. Basis risk can result when trading asset values and the instruments used to hedge them move at different rates.

VaR measures the potential loss of a given position or portfolio of positions at a specified confidence level and time horizon. BOK Financial utilizes a historical VaR methodology to measure and aggregate risks across its covered trading positions. For Market Risk Rule purposes, the Company calculates VaR using a historical simulation approach and measures the potential trading losses using a 10-day holding period and a 99% confidence level.

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Due to inherent limitations of the VaR methodology, including its reliance on past market behavior, which might not be indicative of future market performance, VaR is only one of several tools used to measure and manage market risk. Other tools used to actively manage market risk include stress testing (SVaR) and sensitivity analysis.

SVaR is calculated using the same internal models as used for the VaR-based measure. SVaR is calculated over a ten-day holding period at a one-tail, 99% confidence level and employs a historical simulation approach based on a continuous twelve-month historical window selected to reflect a period of significant financial stress for the Company's trading portfolio.

The trading portfolio's VaR and SVaR profiles are influenced by a variety of factors, including the size and composition of the portfolio, market volatility, and the correlation between different positions. A portfolio of trading positions is typically less risky than the sum of the risk from each of the individual sub-portfolios because, under normal market conditions, risk within each category partially offsets the exposure to other risk categories. Table 27 below summarizes certain VaR and SVaR based measures for the three months ended June 30, 2024, March 31, 2024, December 31, 2023, June 30, 2023 and March 31, 2023.

Table 27 – VaR and SVaR Measures
(In thousands)

	Three Months Ended									
	Three Months Ended									
	Three Months Ended									
		June 30, 2024		Mar. 31, 2024		June 30, 2023	Mar. 31, 2023			
	10 day 99% VaR									
	10 day 99% VaR									
	10 day 99% VaR	10 day 99% VaR	10 day 99% SVaR	10 day 99% VaR	10 day 99% SVaR	10 day 99% VaR	10 day 99% SVaR	10 day 99% VaR	10 day 99% SVaR	
Average[1]										

Average1
Average1
Low
Low
Low
High
High
High
Period End
Period End
Period End

1 Average represents the simple average of each daily value observed during the reporting period.

The Company monitors the accuracy of internal VaR models and modeling processes by back-testing model performance. The Company updates historical data used by the VaR model on a regular basis, and model validators independent of business lines perform regular validations to access model input, processing and reporting components. These models are required to be independently validated and approved prior to implementation.

Limit Structure

Beyond VaR and SVaR described above, Management also performs a sensitivity analysis to measure market risk from changes in interest rates on its trading portfolio. Applicable interest rates are shocked up and down 50 basis points, calculating an estimated change in fair value, net of economic hedging activity that may result. The Board has approved an $11 million market risk limit for the trading portfolio, net of economic hedges.

Table 28 – Trading Sensitivity Analysis

(In thousands)

	Three Months Ended								
	Three Months Ended								
	Three Months Ended				Six Months Ended June 30,				
		June 30, 2024		Mar. 31, 2024		2024		2023	
	Up 50 bp								
	Up 50 bp								
	Up 50 bp	Up 50 bp	Down 50 bp	Up 50 bp	Down 50 bp	Up 50 bp	Down 50 bp	Up 50 bp	Down 50 bp
Average1									
Average1									
Average1									
Low2									
Low2									
Low2									
High3									
High3									
High3									
Period End									
Period End									
Period End									

1 Average represents the simple average of each daily value observed during the reporting period.

2 Low represents least risk of loss in fair value measured as the smallest negative value or the largest positive value observed daily during the reporting period.

3 High represents the greatest risk of loss in fair value measured as the largest negative value or the smallest positive value observed daily during the reporting period.

Model Risk Management

BOK Financial has an internal independent Model Risk Management staff that validates models to verify they are conceptually sound, computationally accurate, are performing as expected and are in line with their intended use. Model Risk Management staff also enforces the Company's model risk governance program that defines roles and responsibilities, including the authority to levy findings requiring remediation and to restrict model usage.

Model Validation

Model validation staff maintain independence from both the developers and users of the models. Models are validated through an evaluation process that assesses the data, theory, implementation, outcomes and governance of each scenario. Each model receives a model risk score, which determines the frequency and scope of validation activities. Validations comprise an assessment of model performance as well as a model's potential limitations given its particular assumptions or weaknesses. Based on the results of the review, the team determines whether the use case for the model is appropriate. The ultimate validation results may require remediation actions from the business line. Model validation results are communicated with one of the following three outcomes: "Approved for use," "Approved with findings," findings" or "Unapproved."

Controls and Procedures

As required by Rule 13a-15(b), BOK Financial's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation as of the end of the period covered by their reports, of the effectiveness of the Company's disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report. As required by Rule 13a-15(d), BOK Financial's management, including the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal controls over financial reporting to determine whether any changes occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. Based on that evaluation, there has been no such change during the quarter covered by this report.

Forward-Looking Statements

This report contains forward-looking 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 and the related responses of the government, consumers, and others, on our business, financial condition and results of operations. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "outlook," "projects," "will," "intends," 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, allowance for uncertain tax positions, accruals for loss contingencies and valuation of mortgage servicing rights involve judgments as to expected events and are inherently forward-looking statements. Assessments that acquisitions and 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 BOK Financial has not independently verified. These various forward-looking 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 expected, 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 government, consumer or business responses to changes in commodity prices, interest rates and interest rate relationships, inflation, demand for products and services, the degree of competition by traditional and nontraditional 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. BOK Financial 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.

In this report we may sometimes use non-GAAP financial measures. Please note that although non-GAAP financial measures provide useful insight to analysts, investors and regulators, they should not be considered in isolation or relied upon as a substitute for analysis using GAAP measures. If applicable, we provide GAAP reconciliations for non-GAAP financial measures.

Consolidated Statements of Earnings (Unaudited)

Consolidated Statements of Earnings (Unaudited)

Consolidated Statements of Earnings (Unaudited)

(In thousands, except share and per share data)

(In thousands, except share and per share data)

(In thousands, except share and per share data)		Three Months Ended		Six Months Ended	
			June 30,		
Interest revenue					
Interest revenue					
Interest revenue	**Interest revenue**	**2024**	**2023**	**2024**	**2023**
Loans					

Loans	
Loans	
Residential mortgage loans held for sale	
Residential mortgage loans held for sale	
Residential mortgage loans held for sale	
Trading securities	
Trading securities	
Trading securities	
Investment securities	
Investment securities	
Investment securities	
Available for sale securities	
Available for sale securities	
Available for sale securities	
Fair value option securities	
Fair value option securities	
Fair value option securities	
Restricted equity securities	
Restricted equity securities	
Restricted equity securities	
Interest-bearing cash and cash equivalents	
Interest-bearing cash and cash equivalents	
Interest-bearing cash and cash equivalents	
Total interest revenue	
Total interest revenue	
Total interest revenue	
Interest expense	
Interest expense	
Interest expense	**Interest expense**
Deposits	
Deposits	
Deposits	
Borrowed funds	
Borrowed funds	
Borrowed funds	
Subordinated debentures	
Subordinated debentures	
Subordinated debentures	
Total interest expense	
Total interest expense	
Total interest expense	
Net interest revenue	
Net interest revenue	
Net interest revenue	
Net interest income	
Provision for credit losses	
Provision for credit losses	
Provision for credit losses	
Net interest revenue after provision for credit losses	
Net interest revenue after provision for credit losses	
Net interest revenue after provision for credit losses	
Other operating revenue	

Other operating revenue	
Net interest income after provision for credit losses	
Other operating revenue	**Other operating revenue**
Brokerage and trading revenue	
Brokerage and trading revenue	
Brokerage and trading revenue	
Transaction card revenue	
Transaction card revenue	
Transaction card revenue	
Fiduciary and asset management revenue	
Fiduciary and asset management revenue	
Fiduciary and asset management revenue	
Deposit service charges and fees	
Deposit service charges and fees	
Deposit service charges and fees	
Mortgage banking revenue	
Mortgage banking revenue	
Mortgage banking revenue	
Other revenue	
Other revenue	
Other revenue	
Total fees and commissions	
Total fees and commissions	
Total fees and commissions	
Other gains, net	
Other gains, net	
Other gains, net	
Loss on derivatives, net	
Loss on derivatives, net	
Loss on derivatives, net	
Loss on fair value option securities, net	
Loss on fair value option securities, net	
Loss on fair value option securities, net	
Change in fair value of mortgage servicing rights	
Change in fair value of mortgage servicing rights	
Change in fair value of mortgage servicing rights	
Loss on available for sale securities, net	
Loss on available for sale securities, net	
Loss on available for sale securities, net	
Gain (loss) on available for sale securities, net	
Total other operating revenue	
Total other operating revenue	
Total other operating revenue	
Other operating expense	**Other operating expense**
Other operating expense	
Other operating expense	
Personnel	
Personnel	
Personnel	
Business promotion	
Business promotion	

Business promotion	
Professional fees and services	
Professional fees and services	
Charitable contributions to BOKF Foundation	
Professional fees and services	
Net occupancy and equipment	
Net occupancy and equipment	
Net occupancy and equipment	
FDIC and other insurance	
FDIC and other insurance	
FDIC and other insurance	
FDIC special assessment	
FDIC special assessment	
FDIC special assessment	
Data processing and communications	
Data processing and communications	
Data processing and communications	
Printing, postage and supplies	
Printing, postage and supplies	
Printing, postage and supplies	
Amortization of intangible assets	
Amortization of intangible assets	
Amortization of intangible assets	
Mortgage banking costs	
Mortgage banking costs	
Mortgage banking costs	
Other expense	
Other expense	
Other expense	
Total other operating expense	
Total other operating expense	
Total other operating expense	
Net income before taxes	
Net income before taxes	
Net income before taxes	
Federal and state income taxes	
Federal and state income taxes	
Federal and state income taxes	
Net income	
Net income	
Net income	
Net income (loss) attributable to non-controlling interests	
Net income (loss) attributable to non-controlling interests	
Net income (loss) attributable to non-controlling interests	
Net income attributable to BOK Financial Corporation shareholders	
Net income attributable to BOK Financial Corporation shareholders	
Net income attributable to non-controlling interests	
Net income attributable to BOK Financial Corporation shareholders	
Earnings per share:	**Earnings per share:**
Earnings per share:	

Earnings per share:	
Basic	
Basic	
Basic	
Diluted	
Diluted	
Diluted	
Average shares used in computation:	
Average shares used in computation:	
Average shares used in computation:	
Basic	
Basic	
Basic	
Diluted	
Diluted	
Diluted	
Dividends declared per share	
Dividends declared per share	
Dividends declared per share	

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (Unaudited)

Consolidated Statements of Comprehensive Income (Unaudited)

Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands)

(In thousands)

(In thousands)

		Three Months Ended		**Six Months Ended**	
		March 31,			
		March 31,			
		March 31,			
		June 30,		**June 30,**	
		2024	**2023**	**2024**	**2023**
Net income					
Net income					
Net income					
Other comprehensive income (loss) before income taxes:					
Other comprehensive income (loss) before income taxes:					
Other comprehensive income (loss) before income taxes:	Other comprehensive income (loss) before income taxes:				
Net change in unrealized gain (loss)					
Net change in unrealized gain (loss)					
Net change in unrealized gain (loss)					
Reclassification adjustments included in earnings:					
Reclassification adjustments included in earnings:					
Reclassification adjustments included in earnings:					
Interest revenue, Investment securities					
Interest revenue, Investment securities					

Interest revenue, Investment securities
Loss on available for sale securities, net
Loss (gain) on available for sale securities, net
Loss (gain) on available for sale securities, net
Loss on available for sale securities, net
Loss on available for sale securities, net
Other comprehensive income (loss) before income taxes
Other comprehensive income (loss) before income taxes
Loss (gain) on available for sale securities, net
Other comprehensive income (loss) before income taxes
Federal and state income taxes
Federal and state income taxes
Federal and state income taxes
Other comprehensive income (loss), net of income taxes
Other comprehensive income (loss), net of income taxes
Other comprehensive income (loss), net of income taxes
Comprehensive income
Comprehensive income
Comprehensive income
Comprehensive income (loss) attributable to non-controlling interests
Comprehensive income (loss) attributable to non-controlling interests
Comprehensive income (loss) attributable to non-controlling interests
Comprehensive income attributable to non-controlling interests
Comprehensive income attributable to BOK Financial Corporation shareholders
Comprehensive income attributable to BOK Financial Corporation shareholders
Comprehensive income attributable to BOK Financial Corporation shareholders

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
(In thousands, except share data)

Assets
Assets
Assets
Cash and due from banks
Cash and due from banks
Cash and due from banks
Interest-bearing cash and cash equivalents
Interest-bearing cash and cash equivalents
Interest-bearing cash and cash equivalents
Trading securities
Trading securities
Trading securities
Investment securities, net of allowance (fair value**: March 31, 2024 – $2,000,065**; December 31, 2023 – $2,072,586)
Investment securities, net of allowance (fair value**: March 31, 2024 – $2,000,065**; December 31, 2023 – $2,072,586)
Investment securities, net of allowance (fair value**: March 31, 2024 – $2,000,065**; December 31, 2023 – $2,072,586)
Investment securities, net of allowance (fair value**: June 30, 2024 – $1,924,532**; December 31, 2023 – $2,072,586)

Investment securities, net of allowance (fair value**: June 30, 2024 – $1,924,532**; December 31, 2023 – $2,072,586)
Investment securities, net of allowance (fair value**: June 30, 2024 – $1,924,532**; December 31, 2023 – $2,072,586)
Available for sale securities
Available for sale securities
Available for sale securities
Fair value option securities
Fair value option securities
Fair value option securities
Restricted equity securities
Restricted equity securities
Restricted equity securities
Residential mortgage loans held for sale
Residential mortgage loans held for sale
Residential mortgage loans held for sale
Loans
Loans
Loans
Allowance for loan losses
Allowance for loan losses
Allowance for loan losses
Loans, net of allowance
Loans, net of allowance
Loans, net of allowance
Premises and equipment, net
Premises and equipment, net
Premises and equipment, net
Receivables
Receivables
Receivables
Goodwill
Goodwill
Goodwill
Intangible assets, net
Intangible assets, net
Intangible assets, net
Mortgage servicing rights
Mortgage servicing rights
Mortgage servicing rights
Real estate and other repossessed assets, net of allowance (**March 31, 2024 – $5,355**; December 31, 2023 – $5,355)
Real estate and other repossessed assets, net of allowance (**March 31, 2024 – $5,355**; December 31, 2023 – $5,355)
Real estate and other repossessed assets, net of allowance (**March 31, 2024 – $5,355**; December 31, 2023 – $5,355)
Real estate and other repossessed assets, net of allowance (**June 30, 2024 – $5,355**; December 31, 2023 – $5,355)
Real estate and other repossessed assets, net of allowance (**June 30, 2024 – $5,355**; December 31, 2023 – $5,355)
Real estate and other repossessed assets, net of allowance (**June 30, 2024 – $5,355**; December 31, 2023 – $5,355)
Derivative contracts, net
Derivative contracts, net
Derivative contracts, net
Cash surrender value of bank-owned life insurance
Cash surrender value of bank-owned life insurance
Cash surrender value of bank-owned life insurance
Receivable on unsettled securities sales

Receivable on unsettled securities sales
Receivable on unsettled securities sales
Other assets
Other assets
Other assets
Total assets
Total assets
Total assets
Liabilities and Equity
Liabilities and Equity
Liabilities and Equity
Liabilities:
Liabilities:
Liabilities:
Non-interest bearing demand deposits
Non-interest bearing demand deposits
Non-interest bearing demand deposits
Interest-bearing deposits:
Interest-bearing deposits:
Interest-bearing deposits:
Transaction
Transaction
Transaction
Savings
Savings
Savings
Time
Time
Time
Total deposits
Total deposits
Total deposits
Funds purchased and repurchase agreements
Funds purchased and repurchase agreements
Funds purchased and repurchase agreements
Other borrowings
Other borrowings
Other borrowings
Subordinated debentures
Subordinated debentures
Subordinated debentures
Accrued interest, taxes and expense
Accrued interest, taxes and expense
Accrued interest, taxes and expense
Derivative contracts, net
Derivative contracts, net
Derivative contracts, net
Due on unsettled securities purchases
Due on unsettled securities purchases
Due on unsettled securities purchases
Other liabilities
Other liabilities

Other liabilities
Total liabilities
Total liabilities
Total liabilities
Shareholders' equity:
Shareholders' equity:
Shareholders' equity:
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **March 31, 2024 – 76,793,000**; December 31, 2023 – 76,593,292)
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **March 31, 2024 – 76,793,000**; December 31, 2023 – 76,593,292)
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **March 31, 2024 – 76,793,000**; December 31, 2023 – 76,593,292)
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **June 30, 2024 – 76,822,776**; December 31, 2023 – 76,593,292)
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **June 30, 2024 – 76,822,776**; December 31, 2023 – 76,593,292)
Common stock (0.00006 par value; 2,500,000,000 shares authorized; shares issued and outstanding: **June 30, 2024 – 76,822,776**; December 31, 2023 – 76,593,292)
Capital surplus
Capital surplus
Capital surplus
Retained earnings
Retained earnings
Retained earnings
Treasury stock (shares at cost: **March 31, 2024 – 12,277,965**; December 31, 2023 – 11,626,115)
Treasury stock (shares at cost: **March 31, 2024 – 12,277,965**; December 31, 2023 – 11,626,115)
Treasury stock (shares at cost: **March 31, 2024 – 12,277,965**; December 31, 2023 – 11,626,115)
Treasury stock (shares at cost: **June 30, 2024 – 12,694,952**; December 31, 2023 – 11,626,115)
Treasury stock (shares at cost: **June 30, 2024 – 12,694,952**; December 31, 2023 – 11,626,115)
Treasury stock (shares at cost: **June 30, 2024 – 12,694,952**; December 31, 2023 – 11,626,115)
Accumulated other comprehensive income (loss)
Accumulated other comprehensive income (loss)
Accumulated other comprehensive income (loss)
Total shareholders' equity
Total shareholders' equity
Total shareholders' equity
Non-controlling interests
Non-controlling interests
Non-controlling interests
Total equity
Total equity
Total equity
Total liabilities and equity
Total liabilities and equity
Total liabilities and equity

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity (Unaudited)

(In thousands)

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other	Total Shareholders' Equity	Non-Controlling Interests	Total Equity

	Shares	Amount			Shares	Amount	Comprehensive Income (Loss)			
Balance, March 31, 2024	**76,793**	**$ 5**	**$ 1,411,293**	**$ 5,259,646**	**12,278**	**$ (932,065)**	**$ (610,128)**	**$ 5,128,751**	**$ 2,884**	**$ 5,131,635**
Net income	—	—	—	**163,713**	—	—	—	**163,713**	**19**	**163,732**
Other comprehensive income	—	—	—	—	—	—	**4,626**	**4,626**	—	**4,626**
Repurchase of common stock	—	—	—	—	**412**	**(37,626)**	—	**(37,626)**	—	**(37,626)**
Share-based compensation plans:										
Non-vested shares awarded, net	**30**	—	—	—	—	—	—	—	—	—
Vesting of non-vested shares	—	—	—	—	**5**	**(438)**	—	**(438)**	—	**(438)**
Share-based compensation	—	—	**5,514**	—	—	—	—	**5,514**	—	**5,514**
Cash dividends on common stock	—	—	—	**(35,410)**	—	—	—	**(35,410)**	—	**(35,410)**
Capital calls and distributions, net	—	—	—	—	—	—	—	—	**(63)**	**(63)**
Balance, June 30, 2024	**76,823**	**$ 5**	**$ 1,416,807**	**$ 5,387,949**	**12,695**	**$ (970,129)**	**$ (605,502)**	**$ 5,229,130**	**$ 2,840**	**$ 5,231,970**
Balance, December 31, 2023	**76,593**	**$ 5**	**$ 1,406,745**	**$ 5,211,512**	**11,626**	**$ (876,720)**	**$ (599,100)**	**$ 5,142,442**	**$ 2,977**	**$ 5,145,419**
Net income	—	—	—	**247,416**	—	—	—	**247,416**	**10**	**247,426**
Other comprehensive loss	—	—	—	—	—	—	**(6,402)**	**(6,402)**	—	**(6,402)**
Repurchase of common stock	—	—	—	—	**1,029**	**(89,779)**	—	**(89,779)**	—	**(89,779)**
Share-based compensation plans:										
Non-vested shares awarded, net	**230**	—	—	—	—	—	—	—	—	—
Vesting of non-vested shares	—	—	—	—	**40**	**(3,630)**	—	**(3,630)**	—	**(3,630)**
Share-based compensation	—	—	**10,062**	—	—	—	—	**10,062**	—	**10,062**
Cash dividends on common stock	—	—	—	**(70,979)**	—	—	—	**(70,979)**	—	**(70,979)**
Capital calls and distributions, net	—	—	—	—	—	—	—	—	**(147)**	**(147)**
Balance, June 30, 2024	**76,823**	**$ 5**	**$ 1,416,807**	**$ 5,387,949**	**12,695**	**$ (970,129)**	**$ (605,502)**	**$ 5,229,130**	**$ 2,840**	**$ 5,231,970**

	Common Stock				Treasury Stock		Accumulated Other	Total	Non-	
			Capital	Retained			Comprehensive	Shareholders'	Controlling	
	Shares	Amount	Surplus	Earnings	Shares	Amount	Income (Loss)	Equity	Interests	Total Equity
Balance, December 31, 2023	**76,593**	**$ 5**	**$ 1,406,745**	**$ 5,211,512**	**11,626**	**$ (876,720)**	**$ (599,100)**	**$ 5,142,442**	**$ 2,977**	**$ 5,145,419**
Net income (loss)	—	—	—	**83,703**	—	—	—	**83,703**	**(9)**	**83,694**
Other comprehensive loss	—	—	—	—	—	—	**(11,028)**	**(11,028)**	—	**(11,028)**
Repurchase of common stock	—	—	—	—	**617**	**(52,153)**	—	**(52,153)**	—	**(52,153)**
Share-based compensation plans:										
Non-vested shares awarded, net	**200**	—	—	—	—	—	—	—	—	—
Vesting of non-vested shares	—	—	—	—	**35**	**(3,192)**	—	**(3,192)**	—	**(3,192)**
Share-based compensation	—	—	**4,548**	—	—	—	—	**4,548**	—	**4,548**
Cash dividends on common stock	—	—	—	**(35,569)**	—	—	—	**(35,569)**	—	**(35,569)**
Capital calls and distributions, net	—	—	—	—	—	—	—	—	**(84)**	**(84)**
Balance, March 31, 2024	**76,793**	**$ 5**	**$ 1,411,293**	**$ 5,259,646**	**12,278**	**$ (932,065)**	**$ (610,128)**	**$ 5,128,751**	**$ 2,884**	**$ 5,131,635**

	Common Stock				Treasury Stock		Accumulated Other	Total	Non-	
			Capital	Retained			Comprehensive	Shareholders'	Controlling	
	Shares	Amount	Surplus	Earnings	Shares	Amount	Income (Loss)	Equity	Interests	Total Equity
Balance, March 31, 2023	76,556	$ 5	$ 1,397,096	$ 4,950,176	9,955	$ (743,937)	$ (728,554)	$ 4,874,786	$ 3,241	$ 4,878,027
Net income	—	—	—	151,308	—	—	—	151,308	328	151,636
Other comprehensive loss	—	—	—	—	—	—	(108,118)	(108,118)	—	(108,118)
Repurchase of common stock	—	—	—	—	266	(22,590)	—	(22,590)	—	(22,590)
Share-based compensation plans:										
Non-vested shares awarded, net	36	—	—	—	—	—	—	—	—	—

Vesting of non-vested shares										
Balance, December 31, 2022	76,423	$ 5	$ 1,390,395	$ 4,824,164	9,465	$ (694,960)	$ (836,955)	$ 4,682,649	$ 4,709	$ 4,687,358
Net income (loss) / Share-based compensation	—	—	4,413	162,368	—	—	—	162,368 / 4,413	128	162,496 / 4,413
Other comprehensive income / Cash dividends on common stock	—	—	—	—	—	—	108,401	108,401	—	108,401
Repurchase of common stock	—	—	—	(35,751)	447	(44,476)	—	(35,751) / (44,476)	—	(35,751) / (44,476)
Capital calls and distributions, net / Share-based compensation plans:	—	—	—	—	—	—	—	—	(26)	(26)
Balance, June 30, 2023 / Non-vested shares awarded, net	76,592 / 133	$ 5	$ 1,401,509	$ 5,065,733	10,223	$ (766,721)	$ (836,672)	$ 4,863,854	$ 3,543	$ 4,867,397

Balance, December 31, 2022	76,423	$ 5	$ 1,390,395	$ 4,824,164	9,465	$ (694,960)	$ (836,955)	$ 4,682,649	$ 4,709	$ 4,687,358
Vesting of non-vested shares	—	—	—	—	43	(4,501)	—	(4,501)	—	(4,501)
Net income	—	—	—	313,676	—	—	—	313,676	456	314,132
Share-based compensation	—	—	6,701	—	—	—	—	6,701	—	6,701
Other comprehensive income	—	—	—	—	—	—	283	283	—	283
Repurchase of common stock	—	—	—	—	713	(67,066)	—	(67,066)	—	(67,066)
Cash dividends on common stock	—	—	—	(36,356)	—	—	—	(36,356)	—	(36,356)
Share-based compensation plans:										
Capital calls and distributions, net	—	—	—	—	—	—	—	—	(1,596)	(1,596)
Non-vested shares awarded, net	169	—	—	—	—	—	—	—	—	—
Balance, March 31, 2023	76,556	$ 5	$ 1,397,096	$ 4,950,176	9,955	$ (743,937)	$ (728,554)	$ 4,874,786	$ 3,241	$ 4,878,027
Vesting of non-vested shares	—	—	—	—	45	(4,695)	—	(4,695)	—	(4,695)
Share-based compensation	—	—	11,114	—	—	—	—	11,114	—	11,114
Cash dividends on common stock	—	—	—	(72,107)	—	—	—	(72,107)	—	(72,107)
Capital calls and distributions, net	—	—	—	—	—	—	—	—	(1,622)	(1,622)
Balance, June 30, 2023	76,592	$ 5	$ 1,401,509	$ 5,065,733	10,223	$ (766,721)	$ (836,672)	$ 4,863,854	$ 3,543	$ 4,867,397

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Unaudited)

(In thousands)

	Three Months Ended		Six Months Ended	
	March 31,		June 30,	
	2024	2023	2024	2023
Cash Flows From Operating Activities:				
Net income				
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Provision for credit losses				
Provision for credit losses				
Provision for credit losses				
Change in fair value of mortgage servicing rights due to market assumption changes				
Change in the fair value of mortgage servicing rights due to principal payments				
Net unrealized (gains) losses from derivative contracts				
Share-based compensation				
Depreciation and amortization				
Net amortization of discounts and premiums				
Net losses (gains) on financial instruments and other losses (gains), net				
Net loss (gain) on mortgage loans held for sale				
Mortgage loans originated for sale				
Proceeds from sale of mortgage loans held for sale				

Capitalized mortgage servicing rights		
Change in trading and fair value option securities		
Change in trading and fair value option securities		
Charitable contributions to BOKF Foundation		
Change in trading and fair value option securities		
Change in receivables		
Change in other assets		
Change in other liabilities		
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities:	**Cash Flows From Investing Activities:**	**Cash Flows From Investing Activities:**
Proceeds from maturities or redemptions of investment securities		
Proceeds from maturities or redemptions of available for sale securities		
Purchases of available for sale securities		
Purchases of available for sale securities		
Purchases of investment securities		
Purchases of available for sale securities		
Proceeds from sales of available for sale securities		
Change in amount receivable on unsettled available for sale securities transactions		
Loans originated, net of principal collected		
Net proceeds from (payments on) derivative asset contracts		
Net proceeds from derivative asset contracts		
Net change in restricted equity securities		
Net change in restricted equity securities		
Net change in restricted equity securities		
Proceeds from disposition of assets		
Purchases of assets		
Net cash provided by (used in) investing activities		
Cash Flows From Financing Activities:	**Cash Flows From Financing Activities:**	**Cash Flows From Financing Activities:**
Net change in demand deposits, transaction deposits and savings accounts		
Net change in time deposits		
Net change in other borrowed funds		
Net payments on derivative liability contracts		
Net payments on derivative liability contracts		
Net payments on derivative liability contracts		
Net change in derivative margin accounts		
Change in amount due on unsettled available for sale securities transactions		
Issuance of common and treasury stock, net		
Repurchase of common stock		
Repurchase of common stock		
Repurchase of common stock		
Dividends paid		
Net cash provided by (used in) financing activities		
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		
Supplemental Cash Flow Information:		
Supplemental Cash Flow Information:		
Supplemental Cash Flow Information:		
Cash paid for interest		
Cash paid for interest		
Cash paid for interest		
Cash paid for taxes		

Net loans and bank premises transferred to repossessed real estate and other assets

Residential mortgage loans guaranteed by U.S. government agencies that became eligible for repurchase during the period

Residential mortgage loans guaranteed by U.S. government agencies that became eligible for repurchase during the period

Residential mortgage loans guaranteed by U.S. government agencies that became eligible for repurchase during the period

Conveyance of other real estate owned guaranteed by U.S. government agencies

Right-of-use assets obtained in exchange for operating lease liabilities

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements (Unaudited)

(1) Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements of BOK Financial have been prepared in accordance with accounting principles for interim financial information generally accepted in the United States and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The unaudited consolidated financial statements include accounts of BOK Financial and its subsidiaries, principally BOKF, NA, BOK Financial Securities, Inc., and BOK Financial Private Wealth, Inc. Operating divisions of the Bank BOKF, NA include Bank of Albuquerque, Bank of Oklahoma, Bank of Texas, BOK Financial in Arizona, Arkansas, Colorado and Kansas/Missouri, BOK Financial Mortgage and the TransFund electronic funds network.

Certain reclassifications have been made to conform to the current period presentation.

The financial information should be read in conjunction with BOK Financial's 2023 Form 10-K filed with the Securities and Exchange Commission, which contains audited financial statements. Amounts presented as of December 31, 2023 have been derived from the audited financial statements included in BOK Financial's 2023 Form 10-K but do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Operating results for the three-month period three and six-month periods ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

Newly Adopted and Pending Accounting Policies

Financial Accounting Standards Board

FASB ASU 2023-01, *Leases (Topic 842): Common Control Arrangements*

On March 27, 2023, the FASB issued ASU 2023-01 which, in part, amends the accounting for leasehold improvement in common-control arrangements. Under previous guidance, a lessee is generally required to amortize leasehold improvements that it owns over the shorter of the useful life of those improvements or the lease term. However, due to the nature of leasehold improvements made under leases between entities under common control, ASU 2023-01 requires a lessee in a common-control arrangement to amortize such leasehold improvements that it owns over the improvements' useful life to the common control group, regardless of the lease term. ASU 2023-01 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Adoption of ASU 2023-01 did not have a material impact on the Company's financial statements.

FASB ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*

The FASB issued ASU 2023-07 on November 27, 2023 which is intended to improve reportable segment disclosure requirements. Under previous guidance, while entities were required to disclose segment revenue and measure of profit or loss, there has been limited disclosure around the reporting of segment expenses. In addition to enhanced disclosures about significant segment expenses, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's overall performance and assess potential future cash flows. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is evaluating the requirements of the expanded segment disclosures but does not expect the additional disclosures to have a material impact on the reported segment information.

FASB ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*

The FASB issued ASU 2023-09 on December 14, 2023 which amends income tax disclosures to provide information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The new guidance requires the entity to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company is currently assessing the impact ASU 2023-09 will have on its income tax disclosures.

FASB ASU 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*

The FASB issued ASU 2024-01 on March 21, 2024 which provides illustrative guidance to help entities determine whether profits interest and similar awards should be accounted for as share-based payment arrangements within the scope of Topic 718, *Compensation—Stock Compensation*. The ASU is effective for annual periods beginning after December 15, 2024, including interim periods within those periods. Adoption of ASU 2024-01 is not expected to have a material impact on the Company's financial statements.

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(2) Securities

Trading Securities

The fair value and net unrealized gain (loss) included in trading securities are as follows (in thousands):

	March 31, 2024		December 31, 2023		June 30, 2024	December 31, 2023		
	Fair Value	Net Unrealized Gain (Loss)	Fair Value	Net Unrealized Gain (Loss)	Fair Value	Net Unrealized Gain (Loss)	Fair Value	Net Unrealized Gain (Loss)
U.S. government securities								
Residential agency mortgage-backed securities								
Municipal securities								
Other trading securities								
Other trading securities								
Other trading securities								
Total trading securities								

Investment Securities

The amortized cost and fair values of investment securities are as follows (in thousands):

	March 31, 2024					June 30, 2024				
	Amortized Cost	Carrying Value[1]	Fair Value	Gross Unrealized Gain	Loss	Amortized Cost	Carrying Value[1]	Fair Value	Gross Unrealized Gain	Loss
Municipal securities										
Mortgage-backed securities:										
Residential agency										
Residential agency										
Residential agency										
Commercial agency										
Other debt securities										
Total investment securities										
Allowance for credit losses										
Investment securities, net of allowance										

1 Carrying value includes $152 million $140 million of net unrealized loss which remains in AOCI in the Consolidated Balance Sheets related to certain securities transferred during the second quarter of 2022 from the Available for Sale securities portfolio to the Investment securities portfolio.

	December 31, 2023				
	Amortized Cost	Carrying Value[1]	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss
Municipal securities	$ 120,705	$ 120,705	$ 125,525	$ 5,014	$ (194)
Mortgage-backed securities:					
Residential agency	2,255,340	2,092,083	1,917,810	125	(174,398)
Commercial agency	17,258	15,914	15,067	—	(847)
Other debt securities	15,787	15,787	14,184	—	(1,603)
Total investment securities	2,409,090	2,244,489	2,072,586	5,139	(177,042)
Allowance for credit losses	(336)	(336)	—	—	—
Investment securities, net of allowance	$ 2,408,754	$ 2,244,153	$ 2,072,586	$ 5,139	$ (177,042)

1 Carrying value includes $165 million of net unrealized loss which remains in AOCI in the Consolidated Balance Sheets related to certain securities transferred during the second quarter of 2022 from the Available for Sale securities portfolio to the Investment securities portfolio.

The amortized cost and fair values of investment securities at March 31, 2024 June 30, 2024, by contractual maturity, are as shown in the following table (dollars in thousands):

		Less than One Year		Less than One Year		One to Five Years		Six to Ten Years		Over Ten Years		Total	Weighted Average Maturity[1]		Less than One Year
Fixed maturity debt securities:															
Carrying value															
Carrying value															
Carrying value															
Fair value	Fair value	19,468	98,033	98,033	24,524	24,524	13	13	142,038	142,038			Fair value	18,397	102,988 102
Residential mortgage-backed securities:	Residential mortgage-backed securities:								Residential mortgage-backed securities:						
Carrying value	Carrying value						$ 2,044,972	2	2			Carrying value			
Fair value	Fair value						1,858,027					Fair value			
Total investment securities:	Total investment securities:									Total investment securities:					
Carrying value	Carrying value						$ 2,186,043					Carrying value			
Fair value	Fair value						2,000,065					Fair value			

1 Expected maturities may differ from contractual maturities, because borrowers may have the right to call or prepay obligations with or without penalty.

2 The average expected lives of residential mortgage-backed securities were 4.9 years based upon current prepayment assumptions.

Temporarily Impaired Investment Securities
(dollars in thousands):

March 31, 2024	June 30, 2024

	Number of Securities	Fair Value	Less Than 12 Months Fair Value	Unrealized Loss	12 Months or Longer Fair Value	Unrealized Loss	Total Fair Value	Number of Securities	Less Than 12 Months Unrealized Loss	12 Months or Longer Fair Value	Unrealized Loss	Total Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Investment:	Investment:						Investment:								
Municipal securities															
Mortgage-backed securities:															
Residential agency															
Residential agency															
Residential agency															
Commercial agency															
Other debt securities															
Total investment securities															

	December 31, 2023						
		Less Than 12 Months		12 Months or Longer		Total	
	Number of Securities	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Investment:							
Municipal securities	13	$ 1,931	$ 5	$ 6,600	$ 189	$ 8,531	$ 194
Mortgage-backed securities:							
Residential agency	116	—	—	1,916,732	174,398	1,916,732	174,398
Commercial agency	2	—	—	15,067	847	15,067	847
Other debt securities	3	—	—	8,672	1,603	8,672	1,603
Total investment securities	134	$ 1,931	$ 5	$ 1,947,071	$ 177,037	$ 1,949,002	$ 177,042

Available for Sale Securities

The amortized cost and fair value of available for sale securities are as follows (in thousands):

U.S. Treasury
U.S. Treasury
U.S. Treasury
Municipal securities
Municipal securities
Municipal securities
Mortgage-backed securities:
Mortgage-backed securities:
Mortgage-backed securities:

Residential agency
Residential agency
Residential agency
Residential non-agency
Residential non-agency
Residential non-agency
Commercial agency
Commercial agency
Commercial agency
Other debt securities
Other debt securities
Other debt securities
Total available for sale securities
Total available for sale securities
Total available for sale securities

	December 31, 2023			
	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss
U.S. Treasury	$ 1,000	$ 925	$ —	$ (75)
Municipal securities	544,707	502,833	1	(41,875)
Mortgage-backed securities:				
Residential agency	7,066,645	6,834,720	36,983	(268,908)
Residential non-agency	833,535	799,877	12,865	(46,523)
Commercial agency	4,456,918	4,147,853	2,972	(312,037)
Other debt securities	500	473	—	(27)
Total available for sale securities	$ 12,903,305	$ 12,286,681	$ 52,821	$ (669,445)

The amortized cost and fair values of available for sale securities at March 31, 2024 June 30, 2024, by contractual maturity, are as shown in the following table (dollars in thousands):

	Less than One Year	Less than One Year	One to Five Years	Six to Ten Years	Over Ten Years	Total	Weighted Average Maturity1	Less than One Year	One to Five Years	Six to Ten Years	Over Ten Years	Total	Weighted Average Maturity1
Fixed maturity debt securities:													
Amortized cost													
Amortized cost													
Amortized cost													
Fair value													
Residential mortgage-backed securities:													
Residential mortgage-backed securities:													
Residential mortgage-backed securities:													
Amortized cost													
Amortized cost													
Amortized cost						$8,980,411	2	2				$9,271,637	2 2
Fair value													
Total available for sale securities:													
Total available for sale securities:													
Total available for sale securities:													
Amortized cost													

Amortized cost
Amortized cost
Fair value
Fair value
Fair value

1 Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

2 The average expected lives of residential mortgage-backed securities were 4.2 4.3 years based upon current prepayment assumptions.

Sales of available for sale securities resulted in gains and losses as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023
Proceeds				
Proceeds				
Proceeds				
Gross realized gains				
Gross realized gains				
Gross realized gains				
Gross realized losses				
Gross realized losses				
Gross realized losses				
Related federal and state income tax benefit				
Related federal and state income tax benefit				
Related federal and state income tax benefit				
Related federal and state income tax expense (benefit)				

The fair value of debt securities pledged as collateral for repurchase agreements, public trust funds on deposit and for other purposes, as required by law was $18.9 billion $12.6 billion at March 31, 2024 June 30, 2024 and $13.9 billion at December 31, 2023. The secured parties do not have the right to sell or repledge these securities.

Temporarily Impaired Available for Sale Securities
(Dollars in thousands)

		March 31, 2024					June 30, 2024						
		Less Than 12 Months		12 Months or Longer		Total		Less Than 12 Months	12 Months or Longer		Total		
	Number of Securities / Fair Value	Fair Value	Unrealized Loss	Fair Value		Unrealized Loss	Fair Value	Number of Securities	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Available for sale:	Available for sale:				Available for sale:								
U.S. Treasury													
Municipal securities													
Mortgage-backed securities:													
Residential agency													
Residential agency													
Residential agency													

Residential non-agency
Commercial agency
Other debt securities
Total available for sale securities

	December 31, 2023						
		Less Than 12 Months		12 Months or Longer		Total	
	Number of Securities	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Available for sale:							
U.S. Treasury	1	$ —	$ —	$ 925	$ 75	$ 925	$ 75
Municipal securities	190	6,799	410	494,955	41,465	501,754	41,875
Mortgage-backed securities:							
Residential agency	630	690,118	3,689	3,717,975	265,219	4,408,093	268,908
Residential non-agency	32	116,077	1,244	451,370	45,279	567,447	46,523
Commercial agency	269	392,828	2,626	3,421,757	309,411	3,814,585	312,037
Other debt securities	1	—	—	473	27	473	27
Total available for sale securities	1,123	$ 1,205,822	$ 7,969	$ 8,087,455	$ 661,476	$ 9,293,277	$ 669,445

Based on evaluations of impaired securities as of March 31, 2024 June 30, 2024, the Company does not intend to sell any impaired available for sale debt securities before fair value recovers to the current amortized cost, and it is more-likely-than-not that the Company will not be required to sell impaired securities before fair value recovers, which may be maturity.

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Fair Value Option Securities

Fair value option securities represent securities which the Company has elected to carry at fair value and are separately identified on the Consolidated Balance Sheets. Changes in the fair value are recognized in earnings as they occur. Certain securities are held as an economic hedge of the mortgage servicing rights.

The fair value and net unrealized gain (loss) included in fair value option securities is as follows (in thousands):

	March 31, 2024		December 31, 2023	
	Fair Value	Net Unrealized Gain (Loss)	Fair Value	Net Unrealized Gain (Loss)
Residential agency mortgage-backed securities	**$ 19,805**	**$ (1,711)**	$ 20,671	$ (1,406)

	June 30, 2024		December 31, 2023	
	Fair Value	Net Unrealized Gain (Loss)	Fair Value	Net Unrealized Gain (Loss)
Residential agency mortgage-backed securities	**$ 19,050**	**$ (1,805)**	$ 20,671	$ (1,406)

(3) Derivatives

Derivative instruments may be used by the Company as part of its internal risk management programs or may be offered to customers. All derivative instruments are carried at fair value, and changes in fair value are reported in earnings as they occur. Credit risk is also considered in determining fair value. Deterioration in the credit rating of customer or other counterparties reduce the fair value of asset contracts. Deterioration of our credit rating could decrease the fair value of our derivative liabilities.

When bilateral netting agreements or similar arrangements exist between the Company and its counterparties that create a single legal claim or obligation to pay or receive the net amount in settlement of the individual derivative contracts, the Company reports derivative assets and liabilities on a net by derivative contract type by counterparty basis.

Derivative contracts may require the Company to provide or receive cash margin as collateral for derivative assets and liabilities. Derivative assets and liabilities are reported net of cash margin when certain conditions are met. In addition, derivative contracts executed with customers under Customer Risk Management Programs may be secured by non-cash collateral in conjunction with a credit agreement with that customer. Access to collateral in the event of default is reasonably assured.

None of these derivative contracts have been designated as hedging instruments for accounting purposes.

Customer Risk Management Programs

BOK Financial offers programs to permit its customers to manage various risks, including fluctuations in energy, cattle interest rates, foreign exchange rates and other agricultural products, interest rates and foreign exchange rates commodities with derivative contracts. Customers may also manage interest rate risk through interest rate swaps used by borrowers to modify interest rate terms of their loans. Derivative contracts are executed between the customers and BOK Financial. Offsetting contracts are executed between BOK Financial and other selected counterparties to minimize the risk of changes in commodity prices, interest rates or foreign exchange rates. The counterparty contracts are identical to customer contracts, except for a fixed pricing spread or fee paid to BOK Financial as profit and compensation for administrative costs and credit risk which is recognized over the life of the contracts and included in Other operating revenue – Brokerage and trading revenue in the Consolidated Statements of Earnings.

Trading

BOK Financial may offer derivative instruments such as to-be-announced securities to mortgage banking customers to enable them to manage their market risk or to mitigate the Company's market risk of holding trading securities. Changes in the fair value of derivative instruments for trading purposes or used to mitigate the market risk of holding trading securities are included in Other operating revenue – Brokerage and trading revenue in the Consolidated Statements of Earnings.

Internal Risk Management Programs

BOK Financial may use derivative contracts in managing its interest rate sensitivity, as part of its economic hedge of the change in the fair value of mortgage servicing rights. Changes in the fair value of derivative instruments used in managing interest rate sensitivity and as part of the economic hedge of changes in the fair value of mortgage servicing rights are included in Other operating revenue – Gain (loss) on derivatives, net in the Consolidated Statements of Earnings.

As discussed in Note 5, certain derivative contracts not designated as hedging instruments related to mortgage loan commitments and forward sales contracts are included in Residential mortgage loans held for sale on the Consolidated Balance Sheets. See Note 5 for additional discussion of notional, fair value and impact on earnings of these contracts.

The following table summarizes the fair values of derivative contracts recorded as "derivative contracts" assets and liabilities in the balance sheet at March 31, 2024 June 30, 2024 (in thousands):

	Assets											
	Notional[1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral	Notional[1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral
Customer risk management programs:												
Interest rate contracts												
Interest rate contracts												
Interest rate contracts												
Energy contracts												
Foreign exchange contracts												
Foreign exchange contracts												
Foreign exchange contracts												
Equity option contracts												

Total customer risk management programs
Trading
Internal risk management programs
Total derivative contracts

Liabilities

Liabilities

Liabilities

	Notional[1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral	Notional[1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral
Customer risk management programs:												
Interest rate contracts												
Interest rate contracts												
Interest rate contracts												
Energy contracts												
Foreign exchange contracts												
Foreign exchange contracts												
Foreign exchange contracts												
Equity option contracts												
Total customer risk management programs												
Trading												
Internal risk management programs												
Total derivative contracts												

1 Notional amounts for commodity contracts are converted into dollar-equivalent amounts based on dollar prices at the inception of the contract.

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The following table summarizes the fair values of derivative contracts recorded as "derivative contracts" assets and liabilities in the balance sheet at December 31, 2023 (in thousands):

	Assets					
	Notional [1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral
Customer risk management programs:						
Interest rate contracts	$ 2,754,476	$ 108,450	$ (6,810)	$ 101,640	$ (94,608)	$ 7,032
Energy contracts	7,846,190	836,425	(399,148)	437,277	(169,141)	268,136
Foreign exchange contracts	54,999	53,863	—	53,863	(872)	52,991
Equity option contracts	3,316	54	—	54	(44)	10
Total customer risk management programs	10,658,981	998,792	(405,958)	592,834	(264,665)	328,169
Trading	16,264,818	118,545	(37,111)	81,434	(6,996)	74,438
Internal risk management programs	425,014	7,697	—	7,697	—	7,697
Total derivative contracts	$ 27,348,813	$ 1,125,034	$ (443,069)	$ 681,965	$ (271,661)	$ 410,304

	Liabilities					
	Notional [1]	Gross Fair Value	Netting Adjustments	Net Fair Value Before Cash Collateral	Cash Collateral	Fair Value Net of Cash Collateral
Customer risk management programs:						
Interest rate contracts	$ 2,754,476	$ 108,402	$ (6,810)	$ 101,592	$ —	$ 101,592
Energy contracts	8,254,004	831,467	(399,148)	432,319	(6,441)	425,878
Foreign exchange contracts	54,405	53,065	—	53,065	—	53,065
Equity option contracts	3,316	54	—	54	—	54
Total customer risk management programs	11,066,201	992,988	(405,958)	587,030	(6,441)	580,589
Trading	20,644,156	224,648	(37,111)	187,537	(181,917)	5,620
Internal risk management programs	2,244	1,264	—	1,264	—	1,264
Total derivative contracts	$ 31,712,601	$ 1,218,900	$ (443,069)	$ 775,831	$ (188,358)	$ 587,473

1 Notional amounts for commodity contracts are converted into dollar-equivalent amounts based on dollar prices at the inception of the contract.

The following summarizes the pre-tax net gains (losses) on derivative instruments and where they are recorded in the income statement (in thousands):

		Three Months Ended				Three Months Ended			
		March 31, 2024		March 31, 2023					
		June 30, 2024		June 30, 2023					
		Brokerage and Trading Revenue	Gain (Loss) on Derivatives, Net	Brokerage and Trading Revenue		Gain (Loss) on Derivatives, Net	Brokerage and Trading Revenue	Gain (Loss) on Derivatives, Net	Brokerage and Trading Revenue	Gain (Loss) on Derivatives, Net
Customer risk management programs:	Customer risk management programs:				Customer risk management programs:					
Interest rate contracts										
Energy contracts										
Foreign exchange contracts										
Foreign exchange contracts										
Foreign exchange contracts										
Equity option contracts										
Total customer risk management programs										
Trading[1]										
Internal risk management programs										
Total derivative contracts										

1 Represents changes in fair value of to-be-announced securities and other derivative instruments held to mitigate market risk of trading securities portfolio, which is offset by changes in fair value of trading securities also included in Brokerage and Trading Revenue in the Consolidated Statements of Earnings.

	Six Months Ended	
	June 30, 2024	June 30, 2023

	Brokerage and Trading Revenue	Gain (Loss) on Derivatives, Net	Brokerage and Trading Revenue	Gain (Loss) on Derivatives, Net
Customer risk management programs:				
Interest rate contracts	**3,007**	**—**	4,109	—
Energy contracts	**9,977**	**—**	17,803	—
Foreign exchange contracts	**106**	**—**	84	—
Equity option contracts	**—**	**—**	—	—
Total customer risk management programs	**13,090**	**—**	21,996	—
Trading[1]	**116,282**	**—**	1,079	—
Internal risk management programs	**—**	**(9,724)**	—	(9,503)
Total derivative contracts	**$ 129,372**	**$ (9,724)**	$ 23,075	$ (9,503)

1 Represents changes in fair value of to-be-announced securities and other derivative instruments held to mitigate market risk of trading securities portfolio, which is offset by changes in fair value of trading securities also included in Brokerage and Trading Revenue in the Consolidated Statements of Earnings.

(4) Loans and Allowances for Credit Losses

Loans

Loans are either secured or unsecured based on the type of loan and the financial condition of the borrower. Repayment is generally expected from cash flow or proceeds from the sale of selected assets of the borrower. BOK Financial is exposed to risk of loss on loans due to the borrower's difficulties, which may arise from any number of factors, including problems within the respective industry or local economic conditions. Access to collateral, in the event of borrower default, is reasonably assured through adherence to applicable lending laws and through sound lending standards and credit review procedures. Accounting policies for all loans, excluding residential mortgage loans guaranteed by U.S. government agencies, are as follows.

Interest is accrued at the applicable interest rate on the principal amount outstanding. Loans are placed on nonaccruing status when, in the opinion of management, full collection of principal or interest is uncertain. Internally risk graded loans are individually evaluated for nonaccruing status quarterly. Non-risk graded loans are generally placed on nonaccruing status when more than 90 days past due or within 60 days of being notified of the borrower's bankruptcy filing. Interest previously accrued but not collected is charged against interest income when the loan is placed on nonaccruing status. Accrued but not paid interest receivable is included in Receivables in the Consolidated Balance Sheets. Payments on nonaccruing loans are applied to principal or recognized as interest income, according to management's judgment as to the collectability of principal. Loans may be returned to accruing status when, in the opinion of management, full collection of principal and interest, including principal previously charged off, is probable based on improvements in the borrower's financial condition or a sustained period of performance.

For loans acquired with no evidence of credit deterioration, discounts are accreted on either an individual basis for loans with unique characteristics or on a pool basis for groups of homogeneous loans. Accretion is discontinued when a loan with an individually attributed discount is placed on nonaccruing status.

Modifications of loans to existing borrowers generally consist of interest rate reductions, extension of payment terms, or a combination of these. Modifications may arise either voluntarily through negotiations with the borrower or involuntarily through court order. Payment deferrals up to six months are generally considered to be short-term modifications. Generally, principal and accrued but unpaid interest are not voluntarily forgiven. A change to the allowance for credit losses is generally not recorded upon modification because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance methodology.

Performing loans may be renewed under the current collateral value, debt service ratio and other underwriting standards. Nonaccruing loans may be renewed and will remain classified as nonaccruing.

Occasionally, loans, other than residential mortgage loans, may be held for sale in order to manage credit concentration. These loans are carried at the lower of cost or fair value with gains or losses recognized in Other gains (losses), net in the Consolidated Statements of Earnings.

All loans are charged off when the loan balance or a portion of the loan balance is no longer supported by the paying capacity of the borrower or when the required cash flow is reduced in a modification. The charge-off amount is determined through a quarterly evaluation of available cash resources and collateral values. Internally risk graded loans are evaluated quarterly, and charge-offs are taken in the quarter in which the loss is identified. Non-risk graded loans that are past due between 60 days and 180 days, based on the loan product type, are charged off. Loans to borrowers whose personal obligation has been discharged through Chapter 7 bankruptcy proceedings are charged off within 60 days of notice of the bankruptcy filing, regardless of payment status.

Loan origination and commitment fees and direct loan acquisition and origination costs are deferred and amortized as an adjustment to yield over the life of the loan or over the commitment period, as applicable. Amortization does not anticipate loan prepayments. Net unamortized fees are recognized in full at time of payoff.

Qualifying residential mortgage loans guaranteed by U.S. government agencies have been sold into GNMA pools. Under certain performance conditions specified in government programs, the Company may have the right, but not the obligation to repurchase loans from GNMA pools. These loans no longer qualify for sale accounting and are recognized in the Consolidated Balance Sheets. We do not expect to receive all principal and interest based on the loan's contractual terms. A portion of the principal balance continues to be guaranteed; however, interest accrues at a curtailed rate as specified in the programs. The carrying value of these loans is reduced based on an estimate of the expected cash flows discounted at the original note rate plus a liquidity spread. Guaranteed loans may be modified in accordance with U.S. government agency guidelines. Interest continues to accrue based on the modified rate. Guaranteed loans may either be resold into GNMA pools after a performance period specified by the programs or foreclosed and conveyed to the guarantors.

Loans are disaggregated into portfolio segments and further disaggregated into classes. The portfolio segment is the level at which the Company develops and documents a systematic method for determining its allowance for credit losses. Classes are a further disaggregation of portfolio segments based on the risk characteristics of the loans and the Company's method for monitoring and assessing credit risk.

Portfolio segments of the loan portfolio are as follows (in thousands):

		March 31, 2024			December 31, 2023				June 30, 2024				December 31, 2023			
	Fixed Rate	Fixed Rate	Variable Rate	Non-accrual	Total	Fixed Rate	Variable Rate	Non-accrual	Total	Fixed Rate	Variable Rate	Non-accrual	Total	Fixed Rate	Variable Rate	Non-accrual	Total
Commercial																	
Commercial real estate																	
Loans to individuals																	
Total																	

Credit Commitments

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. At March 31, 2024 June 30, 2024, outstanding commitments totaled $14.4 billion $14.1 billion. Because some commitments are expected to expire before being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. BOK Financial uses the same credit policies in making commitments as it does loans.

The amount of collateral obtained, if deemed necessary, is based upon management's credit evaluation of the borrower.

Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Because the credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan commitments, BOK Financial uses the same credit policies in evaluating the creditworthiness of the customer. Additionally, BOK Financial uses the same evaluation process in obtaining collateral on standby letters of credit as it does for loan commitments. The term of these standby letters of credit is defined in each commitment and typically corresponds with the underlying loan commitment. At March 31, 2024 June 30, 2024, outstanding standby letters of credit totaled $734 million $737 million.

Allowances for Credit Losses and Accrual for Off-balance Sheet Credit Risk from Unfunded Loans Commitments

The allowance for loan losses and accrual for off-balance sheet credit risk from unfunded loan commitments represent the portion of the amortized cost basis of loans that we do not expect to collect over the asset's contractual life, considering past events, current conditions, and reasonable and supportable forecasts of future economic conditions. The appropriateness of the allowance for credit losses, including industry and product adjustments, is assessed quarterly by a senior management Allowance Committee. This review is based on an ongoing evaluation of the estimated expected credit losses in the portfolio and on unused commitments to provide financing. A well-documented methodology has been developed and is applied by an independent Credit Administration department to assure consistency across the Company.

The allowance for loan losses consists of specific allowances attributed to certain individual loans, generally nonaccruing loans, with dissimilar risk characteristics that have not yet been charged down to amounts we expect to recover and general allowances for estimated credit losses on pools of loans that share similar risk characteristics.

When full collection of principal or interest is uncertain, the loan's risk characteristics have changed, and we exclude the loan from the general allowance pool, typically designating it as nonaccruing. For these loans, a specific allowance reflects the expected credit loss.

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We measure specific allowances for loans excluded from the general allowance pool by an evaluation of estimated future cash flows discounted at the loan's initial effective interest rate or the fair value of collateral for certain collateral dependent loans. For a non-collateral dependent loan, the specific allowance is the amount by which the loan's amortized cost basis exceeds its net realizable value. We measure the specific allowance for collateral dependent loans as the amount by which the loan's amortized cost basis exceeds its fair value. When repayment is expected to be provided substantially through the sale of collateral, we deduct estimated selling costs from the collateral's fair value. Generally, for real property held as collateral for loans, third-party appraisals that conform to Uniform Standards of Professional Appraisal Practice serve as the basis for the fair value of real property held as collateral. These appraised values are on an "as-is" basis and generally are not adjusted by the Company. We obtain updated appraisals at least annually or more frequently if market conditions indicate collateral values may have declined. For energy loans, our internal staff of engineers generally determines collateral value of mineral rights based on projected cash flows from proven oil and gas reserves under existing economic and operating conditions. For real property held as collateral for other loans, third-party appraisals that conform to Uniform Standards of Professional Appraisal Practice generally serve as the basis for the fair value. These appraised values are on an "as-is" basis and generally are not adjusted by the Company. We obtain updated appraisals at least annually or more frequently if market conditions indicate collateral values may have declined. Our special assets staff generally determines the value of other collateral based on projected liquidation cash flows under current market conditions. We evaluate collateral values and available cash resources quarterly. Historical statistics may be used to estimate specific allowances in limited situations, such as when a collateral dependent loan is removed from the general allowance pool near the end of a reporting period until an appraisal of collateral value is received or a full assessment of future cash flows is completed.

General allowances estimate expected credit losses on pools of loans sharing similar risk characteristics that are expected to occur over the loan's estimated remaining life. The loan's estimated remaining life represents the contractual term adjusted for amortization, estimates of prepayments and borrower-owned extension options. Approximately 90% of the committed dollars in the loan portfolio is risk graded loans with general allowance model inputs that include probability of default, loss given default and exposure at default. Probability of default is based on the migration of loans from performing to nonperforming using historical life of loan analysis periods. Loss given default is based on the aggregate losses incurred, net of estimated recoveries. Exposure at default represents an estimate of the outstanding amount of credit exposure at the time a default may occur.

Charge-off migration is used to calculate the general allowance for the majority of non-risk graded loans to individuals. The expected credit loss on less than 10% of the committed dollars in the portfolio is calculated using charge-off migration.

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The expected credit loss on approximately 1% of the committed dollars in the portfolio is calculated using a non-modeled approach. Specifically, the calculation applies a long-term net charge-off rate to the loan balances, adjusted for the weighted average remaining maturity of each portfolio.

In estimating the expected credit losses for general allowances on performing risk-graded loans, each portfolio class is assigned relevant economic loss drivers which best explain variations in portfolio net loss rates. The probability of default estimates for each portfolio class are adjusted for current and forecasted economic conditions. The result is applied to the exposure at default and loss given default to calculate the lifetime expected credit loss estimate. Selection of relevant economic loss drivers is re-evaluated periodically and involves statistical analysis as well as management judgment. The unemployment rate factors significantly in the allowance for loan losses calculation, affecting commercial and loans to individuals segments. Other primary factors impacting the commercial portfolio include BBB corporate spreads, real gross domestic product growth rate, and energy commodity prices. The primary commercial real estate variables are vacancy rate and BBB corporate spreads. In addition to the unemployment rate, the forecast for loans to individuals is tied to a home price index. The forecasts may include regional economic factors when localized conditions diverge from national conditions.

An Economic Forecast Committee, consisting of senior management with members largely independent of the allowance process, develops a twelve-month forward-looking forecast for the relevant economic loss drivers. Management develops these forecasts based on external data as well as a view of future economic conditions which may include adjustments for regional conditions. The forecast includes three economic scenarios and probability weights for each scenario. The base forecast represents management's view of the most likely outcome, while the downside forecast reflects reasonably possible worsening economic conditions, and the upside forecast projects reasonably possible improving conditions.

At the end of the one-year reasonable and supportable forecast period, we transition from shorter-term expected losses to long-term loss averages for the loan's estimated remaining life. The difference between short-term loss forecasts and long-term loss averages is run-off over the reversion horizon, up to three years, depending on the forecasted economic scenarios.

General allowances also consider the estimated impact of factors that are not captured in the modeled results or historical experience. These factors may increase or decrease modeled results by amounts determined by the Allowance Committee.

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Factors not captured in modeled results or historical experience may include for example, new lines of business, market conditions that have not been previously encountered, observed changes in credit risk that are not yet reflected in macro-economic factors, or economic conditions that impact loss given default assumptions.

The accrual for off-balance sheet credit risk is maintained at a level that is appropriate to cover estimated losses associated with credit instruments that are not currently recognized as assets such as loan commitments, standby letters of credit or guarantees that are not unconditionally cancelable by the bank. This accrual is included in other liabilities in the Consolidated Balance Sheets. The appropriateness of the accrual is determined in the same manner as the allowance for loan losses, with the added consideration of commitment usage over the remaining life for those loans that the bank can not unconditionally cancel.

A provision for credit losses is charged against or credited to earnings in amounts necessary to maintain an appropriate Allowance for Credit Losses. Recoveries of loans previously charged off are added to the allowance when received.

The activity in the allowance for loan losses and the allowance for off-balance sheet credit losses related to loan commitments and standby letters of credit is summarized as follows (in thousands):

Three Months Ended

Three Months Ended

Three Months Ended

		March 31, 2024					June 30, 2024			
		Commercial	Commercial Real Estate	Loans to Individuals		Total	Commercial	Commercial Real Estate	Loans to Individuals	Total
Allowance for loan losses:	**Allowance for loan losses:**				**Allowance for loan losses:**					
Beginning balance										
Provision for loan losses										
Provision for loan losses										
Provision for loan losses										
Loans charged off										
Recoveries of loans previously charged off										
Ending balance										
Allowance for off-balance sheet credit risk from unfunded loan commitments:										
Allowance for off-balance sheet credit risk from unfunded loan commitments:										
Allowance for off-balance sheet credit risk from unfunded loan commitments:										
Beginning balance										
Beginning balance										
Beginning balance										
Provision for off-balance sheet credit risk										
Provision for off-balance sheet credit risk										
Provision for off-balance sheet credit risk										
Ending balance										

	Six Months Ended June 30, 2024			
	Commercial	Commercial Real Estate	Loans to Individuals	Total
Allowance for loan losses:				
Beginning balance	$ 141,232	$ 94,718	$ 41,173	$ 277,123

	Commercial	Commercial Real Estate	Loans to Individuals	Total
Provision for loan losses	**18,752**	**2,953**	**1,403**	**23,108**
Loans charged off	**(10,631)**	**(1,455)**	**(2,914)**	**(15,000)**
Recoveries of loans previously charged off	**1,384**	**40**	**1,171**	**2,595**
Ending balance	**$ 150,737**	**$ 96,256**	**$ 40,833**	**$ 287,826**
Allowance for off-balance sheet credit risk from unfunded loan commitments:				
Beginning balance	**$ 19,762**	**$ 27,439**	**$ 1,776**	**$ 48,977**
Provision for off-balance sheet credit risk	**(2,446)**	**(4,125)**	**(70)**	**(6,641)**
Ending balance	**$ 17,316**	**$ 23,314**	**$ 1,706**	**$ 42,336**

Three Months Ended March 31, 2023

	Commercial	Commercial Real Estate	Loans to Individuals	Total
Allowance for loan losses:				
Beginning balance	$ 131,586	$ 57,648	$ 46,470	$ 235,704
Provision for loan losses	6,330	10,426	(2,231)	14,525
Loans charged off	(12)	(2,208)	(1,447)	(3,667)
Recoveries of loans previously charged off	1,994	137	767	2,898
Ending balance	$ 139,898	$ 66,003	$ 43,559	$ 249,460
Allowance for off-balance sheet credit risk from unfunded loan commitments:				
Beginning balance	$ 18,246	$ 40,490	$ 2,183	$ 60,919
Provision for off-balance sheet credit risk	2,362	(279)	(59)	2,024
Ending balance	$ 20,608	$ 40,211	$ 2,124	$ 62,943

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Three Months Ended June 30, 2023

	Commercial	Commercial Real Estate	Loans to Individuals	Total
Allowance for loan losses:				
Beginning balance	$ 139,898	$ 66,003	$ 43,559	$ 249,460
Provision for loan losses	5,420	14,300	237	19,957
Loans charged off	(2,797)	(4,000)	(1,252)	(8,049)
Recoveries of loans previously charged off	748	44	554	1,346
Ending balance	$ 143,269	$ 76,347	$ 43,098	$ 262,714
Allowance for off-balance sheet credit risk from unfunded loan commitments:				
Beginning balance	$ 20,608	$ 40,211	$ 2,124	$ 62,943
Provision for off-balance sheet credit risk	(314)	(2,530)	(159)	(3,003)
Ending balance	$ 20,294	$ 37,681	$ 1,965	$ 59,940

Six Months Ended June 30, 2023

	Commercial	Commercial Real Estate	Loans to Individuals	Total
Allowance for loan losses:				
Beginning balance	$ 131,586	$ 57,648	$ 46,470	$ 235,704
Provision for loan losses	11,750	24,726	(1,994)	34,482
Loans charged off	(2,809)	(6,208)	(2,699)	(11,716)
Recoveries of loans previously charged off	2,742	181	1,321	4,244
Ending balance	$ 143,269	$ 76,347	$ 43,098	$ 262,714
Allowance for off-balance sheet credit risk from unfunded loan commitments:				
Beginning balance	$ 18,246	$ 40,490	$ 2,183	$ 60,919
Provision for off-balance sheet credit risk	2,048	(2,809)	(218)	(979)
Ending balance	$ 20,294	$ 37,681	$ 1,965	$ 59,940

An $8.0 million provision for credit losses was necessary for the first second quarter of 2024, reflecting continued loan growth and a stable economic outlook.

The allowance for loan losses and recorded investment of the related loans by portfolio segment for each measurement method at March 31, 2024 June 30, 2024 is as follows (in thousands):

	Collectively Measured for General Allowances		Individually Measured for Specific Allowances		Total	Collectively Measured for General Allowances		Individually Measured for Specific Allowances		Total		
	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance
Commercial												
Commercial real estate												
Loans to individuals												
Loans to individuals												
Loans to individuals												
Total												

The allowance for loan losses and recorded investment of the related loans by portfolio segment for each measurement method at December 31, 2023 is as follows (in thousands):

	Collectively Measured for General Allowances		Individually Measured for Specific Allowances		Total	
	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance
Commercial	$ 14,693,638	$ 138,540	$ 110,131	$ 2,692	$ 14,803,769	$ 141,232
Commercial real estate	5,330,327	94,718	7,320	—	5,337,647	94,718
Loans to individuals	3,735,534	41,173	28,018	—	3,763,552	41,173
Total	$ 23,759,499	$ 274,431	$ 145,469	$ 2,692	$ 23,904,968	$ 277,123

Credit Quality Indicators

The Company utilizes risk grading as primary credit quality indicators as it influences the probability of default which is a key attribute in the expected credit losses calculation. Substantially all commercial as well as commercial real estate loans and certain loans to individuals are risk graded based on a quarterly evaluation of the borrowers' ability to repay the loans. Certain commercial loans and most loans to individuals are small, homogeneous pools that are not risk-graded. The credit quality of these loans is based on past due days in accordance with regulatory guidelines.

We have included in the credit quality indicator "pass" loans that are in compliance with the original terms of the agreement and currently exhibit no factors that cause management to have doubts about the borrowers' ability to remain in compliance with the original terms of the agreement, which is consistent with the regulatory guideline of "pass". "pass." This also includes past due residential mortgages that are guaranteed by agencies of the U.S. government that continue to accrue interest based on criteria of the guarantors' programs.

Other loans especially mentioned ("Special Mention") are currently performing in compliance with the original terms of the agreement but may have a potential weakness that deserves management's close attention, consistent with regulatory guidelines. Non-graded loans 30 to 59 days past due are categorized as Special Mention.

The risk grading process identifies certain loans that have a well-defined weakness (for example, inadequate debt service coverage or liquidity or marginal capitalization; repayment may depend on collateral or other risk mitigation) that may jeopardize liquidation of the debt and represent a greater risk due to deterioration in the financial condition of the borrower. This is consistent with the regulatory guideline for "substandard". "substandard." Because the borrowers are still performing in accordance with the original terms of the loan agreements, these loans remain on accruing status. Non-graded loans 60 to 89 days past due are categorized as Accruing Substandard.

Nonaccruing loans represent loans for which full collection of principal and interest is uncertain. This includes certain loans considered "substandard" and all loans considered "doubtful" by regulatory guidelines. Non-graded loans 90 or more days past due are categorized as Nonaccrual.

Probability The probability of default is lowest for pass graded loans and increases for each credit quality indicator, Special Mention and Accruing Substandard.

Vintage represents the year of origination, except for revolving loans which are considered in aggregate. Loans that were once revolving but have converted to term loans without additional underwriting appear in a separate vintage column.

The following table summarizes the Company’s loan portfolio at March 31, 2024 June 30, 2024 by the risk grade categories and vintage (in thousands):

	Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Commercial:									
Healthcare									
Pass	$ 165,523	$ 638,346	$ 924,230	$ 573,778	$ 382,923	$ 1,095,684	$ 288,056	$ 14	$ 4,068,554
Special Mention	—	15,000	—	1,254	—	20,027	855	—	37,136
Accruing Substandard	—	1,492	429	18,397	58,753	10,896	975	—	90,942
Nonaccrual	—	—	—	—	—	49,307	—	—	49,307
Total healthcare	165,523	654,838	924,659	593,429	441,676	1,175,914	289,886	14	4,245,939
Loans charged off, year-to-date	—	—	—	—	—	502	—	—	502
Services									
Pass	183,565	786,684	514,841	380,227	219,684	725,856	677,588	534	3,488,979
Special Mention	—	—	1,042	1,305	1,321	9,243	31	—	12,942
Accruing Substandard	—	—	13,380	155	341	7,204	2,351	750	24,181
Nonaccrual	—	—	—	1,487	349	—	1,483	—	3,319
Total services	183,565	786,684	529,263	383,174	221,695	742,303	681,453	1,284	3,529,421
Loans charged off, year-to-date	—	—	—	—	—	—	—	—	—
Energy									
Pass	58,061	141,197	90,222	13,033	7,447	20,635	3,067,570	—	3,398,165
Special Mention	—	—	—	—	—	—	13,950	—	13,950
Accruing Substandard	—	—	—	—	—	—	16,613	—	16,613
Nonaccrual	—	—	—	—	—	89	14,902	—	14,991
Total energy	58,061	141,197	90,222	13,033	7,447	20,724	3,113,035	—	3,443,719
Loans charged off, year-to-date	—	—	—	—	—	—	—	—	—
General business									
Pass	285,096	845,326	383,429	215,106	134,121	378,163	1,569,156	1,945	3,812,342
Special Mention	—	6,110	8,244	8,594	—	1,602	10,611	6	35,167
Accruing Substandard	—	3,375	37,682	1,280	1,235	6,701	9,003	—	59,276
Nonaccrual	—	994	101	—	—	42	5,862	4	7,003
Total general business	285,096	855,805	429,456	224,980	135,356	386,508	1,594,632	1,955	3,913,788
Loans charged off, year-to-date	—	27	1,399	—	—	158	2,154	—	3,738
Total commercial	692,245	2,438,524	1,973,600	1,214,616	806,174	2,325,449	5,679,006	3,253	15,132,867
Commercial real estate:									
Pass	18,763	418,504	2,059,848	1,061,396	386,041	1,127,922	119,823	—	5,192,297
Special Mention	—	440	—	—	—	16,527	—	—	16,967
Accruing Substandard	—	—	—	—	—	5,326	—	—	5,326
Nonaccrual	—	2,992	—	—	—	19,095	—	—	22,087
Total commercial real estate	18,763	421,936	2,059,848	1,061,396	386,041	1,168,870	119,823	—	5,236,677
Loans charged off, year-to-date	—	—	—	—	—	1,250	—	—	1,250

	Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Loans to individuals:									
Residential mortgage									
Pass	96,002	405,724	319,050	336,878	343,246	284,962	367,761	21,386	2,175,009
Special Mention	—	225	167	3	—	161	3,290	—	3,846
Accruing Substandard	—	—	—	—	—	—	279	1	280
Nonaccrual	—	120	414	351	522	8,994	2,441	607	13,449
Total residential mortgage	96,002	406,069	319,631	337,232	343,768	294,117	373,771	21,994	2,192,584
Loans charged off, year-to-date	—	—	—	—	—	2	5	—	7
Residential mortgage guaranteed by U.S. government agencies									
Pass	—	361	3,012	2,204	3,806	120,856	—	—	130,239
Nonaccrual	—	—	—	—	280	8,937	—	—	9,217
Total residential mortgage guaranteed by U.S. government agencies	—	361	3,012	2,204	4,086	129,793	—	—	139,456
Personal:									
Pass	91,355	215,282	210,876	145,542	124,996	186,791	493,653	100	1,468,595
Special Mention	—	28	13	51	13	3	—	—	108
Accruing Substandard	—	—	24	—	1	144	1,962	—	2,131
Nonaccrual	—	31	29	12	9	12	32	17	142
Total personal	91,355	215,341	210,942	145,605	125,019	186,950	495,647	117	1,470,976
Loans charged off, year-to-date[1]	1,461	40	45	12	—	—	—	5	1,563
Total loans to individuals	187,357	621,771	533,585	485,041	472,873	610,860	869,418	22,111	3,803,016
Total loans	$ 898,365	$ 3,482,231	$ 4,567,033	$ 2,761,053	$ 1,665,088	$ 4,105,179	$ 6,668,247	$ 25,364	$ 24,172,560

[1] Includes charge-offs on deposit overdrafts, which are generally charged off at 60 days past due.

The following table summarizes the Company's loan portfolio at December 31, 2023 by the risk grade categories and vintage (in thousands):

	Origination Year								
	2023								
	2023								
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2024								
	2024								
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Commercial:									

Healthcare
Healthcare
Healthcare
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual
Total healthcare
Loans charged off, year-to-date
Loans charged off, year-to-date
Loans charged off, year-to-date
Services
Loans charged off, year-to-date
Services
Services
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual
Total services
Loans charged off, year-to-date
Loans charged off, year-to-date
Loans charged off, year-to-date
Energy
Loans charged off, year-to-date
Energy
Energy
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual
Total energy
Loans charged off, year-to-date
Loans charged off, year-to-date
Loans charged off, year-to-date
General business
Loans charged off, year-to-date
General business
General business
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual

Total general business
Loans charged off, year-to-date
Loans charged off, year-to-date
Total commercial
Loans charged off, year-to-date
Total commercial
Loans charged off, year-to-date
Total commercial
Commercial real estate:
Commercial real estate:
Commercial real estate:
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual
Total commercial real estate
Loans charged off, year-to-date
Loans charged off, year-to-date
Loans charged off, year-to-date

	Origination Year								
	2023								
	2023								
	2023	**2022**	**2021**	**2020**	**2019**	**Prior**	**Revolving Loans**	**Revolving Loans Converted to Term Loans**	**Total**
	2024								
	2024								
	2024	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving Loans**	**Revolving Loans Converted to Term Loans**	**Total**
Loans to individuals:									
Residential mortgage									
Residential mortgage									
Residential mortgage									
Pass									
Pass									
Pass									
Special Mention									
Accruing Substandard									
Nonaccrual									
Total residential mortgage									
Loans charged off, year-to-date									
Loans charged off, year-to-date									
Loans charged off, year-to-date									
Residential mortgage guaranteed by U.S. government agencies									
Loans charged off, year-to-date									

Residential mortgage guaranteed by U.S. government agencies
Residential mortgage guaranteed by U.S. government agencies
Pass
Pass
Pass
Nonaccrual
Nonaccrual
Nonaccrual
Total residential mortgage guaranteed by U.S. government agencies
Personal:
Personal
Personal:
Personal
Personal:
Personal
Pass
Pass
Pass
Special Mention
Accruing Substandard
Nonaccrual
Total personal
Loans charged off, year-to-date[1]
Loans charged off, year-to-date[1]
Loans charged off, year-to-date[1]
Total loans to individuals
Loans charged off, year-to-date[1]
Total loans to individuals
Total loans to individuals
Total loans

[1] Includes charge-offs on deposit overdrafts, which are generally charged off at 60 days past due.

The following table summarizes the Company's loan portfolio at December 31, 2023 by the risk grade categories and vintage (in thousands):

	Origination Year								
	2023	**2022**	**2021**	**2020**	**2019**	**Prior**	**Revolving Loans**	**Revolving Loans Converted to Term Loans**	**Total**
Commercial:									
Healthcare									
Pass	650,768	895,602	590,736	409,001	331,897	809,858	281,378	15	3,969,255
Special Mention	—	—	—	21,791	—	31,235	5	—	53,031
Accruing Substandard	—	2,128	18,508	6,911	—	10,896	975	—	39,418
Nonaccrual	—	—	—	30,290	23,129	28,110	—	—	81,529
Total healthcare	650,768	897,730	609,244	467,993	355,026	880,099	282,358	15	4,143,233
Loans charged off, year-to-date	—	—	—	—	2,500	—	—	—	2,500

Services									
Pass	900,090	526,776	401,872	228,818	106,112	643,477	730,729	595	3,538,469
Special Mention	—	1,085	1,520	1,341	534	4,522	81	—	9,083
Accruing Substandard	—	13,712	178	326	3,972	3,746	3,108	13	25,055
Nonaccrual	—	—	1,635	338	—	—	1,643	—	3,616
Total services	900,090	541,573	405,205	230,823	110,618	651,745	735,561	608	3,576,223
Loans charged off, year-to-date	—	—	3,060	—	—	—	2,642	—	5,702
Energy									
Pass	$ 190,122	$ 100,006	$ 43,769	$ 7,876	$ 9,562	$ 11,583	$ 3,025,590	$ —	$ 3,388,508
Special Mention	—	—	—	—	—	—	13,950	—	13,950
Accruing Substandard	—	—	—	—	—	—	16,800	—	16,800
Nonaccrual	—	—	—	—	—	99	17,744	—	17,843
Total energy	190,122	100,006	43,769	7,876	9,562	11,682	3,074,084	—	3,437,101
General business									
Pass	942,468	436,832	224,735	138,951	101,100	287,744	1,389,128	2,164	3,523,122
Special Mention	10,264	16,167	8,420	1,253	321	8,295	897	—	45,617
Accruing Substandard	4,401	33,194	1,716	27	—	—	31,992	—	71,330
Nonaccrual	—	1,134	—	—	—	48	5,956	5	7,143
Total general business	957,133	487,327	234,871	140,231	101,421	296,087	1,427,973	2,169	3,647,212
Loans charged off, year-to-date	—	—	4,598	2	—	48	10	38	4,696
Total commercial	2,698,113	2,026,636	1,293,089	846,923	576,627	1,839,613	5,519,976	2,792	14,803,769
Commercial real estate:									
Pass	396,891	1,941,913	1,194,759	416,647	513,555	705,092	136,095	—	5,304,952
Special Mention	—	476	—	—	—	19,171	—	—	19,647
Accruing Substandard	2,992	—	3	—	—	2,733	—	—	5,728
Nonaccrual	—	—	—	—	7,170	150	—	—	7,320
Total commercial real estate	399,883	1,942,389	1,194,762	416,647	520,725	727,146	136,095	—	5,337,647
Loans charged off, year-to-date	—	—	—	—	—	8,446	—	—	8,446

	Origination Year								
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Loans to individuals:									
Residential mortgage									
Pass	426,089	320,733	342,927	349,742	54,801	243,356	375,739	23,895	2,137,282
Special Mention	157	140	131	1,361	18	134	2,982	93	5,016
Accruing Substandard	—	150	—	—	37	49	50	—	286
Nonaccrual	79	1,419	237	544	344	12,381	2,387	665	18,056
Total residential mortgage	426,325	322,442	343,295	351,647	55,200	255,920	381,158	24,653	2,160,640
Loans charged off, year-to-date	—	—	51	4	—	17	—	1	73
Residential mortgage guaranteed by U.S. government agencies									
Pass	633	1,788	2,220	4,297	6,441	124,719	—	—	140,098

Nonaccrual	—	—	—	280	375	9,054	—	—	9,709
Total residential mortgage guaranteed by U.S. government agencies	633	1,788	2,220	4,577	6,816	133,773	—	—	149,807
Personal									
Pass	218,401	229,580	149,291	136,215	75,348	137,629	503,841	145	1,450,450
Special Mention	66	39	106	30	8	—	1,918	3	2,170
Accruing Substandard	—	64	12	9	144	—	3	—	232
Nonaccrual	4	51	9	16	3	12	158	—	253
Total personal	218,471	229,734	149,418	136,270	75,503	137,641	505,920	148	1,453,105
Loans charged off, year-to-date[1]	5,636	82	96	43	—	10	6	26	5,899
Total loans to individuals	645,429	553,964	494,933	492,494	137,519	527,334	887,078	24,801	3,763,552
Total loans	$ 3,743,425	$ 4,522,989	$ 2,982,784	$ 1,756,064	$ 1,234,871	$ 3,094,093	$ 6,543,149	$ 27,593	$ 23,904,968

[1] Includes charge-offs on deposit overdrafts, which are generally charged off at 60 days past due.

Nonaccruing Loans

A summary of nonaccruing loans at March 31, 2024 June 30, 2024 follows (in thousands):

	As of March 31, 2024				As of June 30, 2024			
	Total	With No Allowance	With Allowance	Related Allowance	Total	With No Allowance	With Allowance	Related Allowance
Commercial:	Commercial:				Commercial:			
Healthcare								
Services								
Energy								
General business								
Total commercial								
Commercial real estate								
Commercial real estate								
Commercial real estate								
Loans to individuals:								
Loans to individuals:								
Loans to individuals:								
Residential mortgage								
Residential mortgage guaranteed by U.S. government agencies								
Personal								
Total loans to individuals								
Total								
Total								
Total								

A summary of nonaccruing loans at December 31, 2023 follows (in thousands):

	As of December 31, 2023			
	Total	With No Allowance	With Allowance	Related Allowance
Commercial:				

Healthcare	$ 81,529	$ 40,372	$ 41,157	$ 1,478
Services	3,616	1,684	1,932	1,214
Energy	17,843	17,843	—	—
General business	7,143	7,143	—	—
Total commercial	110,131	67,042	43,089	2,692
Commercial real estate	7,320	7,320	—	—
Loans to individuals:				
Residential mortgage	18,056	18,056	—	—
Residential mortgage guaranteed by U.S. government agencies	9,709	9,709	—	—
Personal	253	253	—	—
Total loans to individuals	28,018	28,018	—	—
Total	$ 145,469	$ 102,380	$ 43,089	$ 2,692

Loan Modifications to Borrowers Experiencing Financial Difficulty

At March 31, 2024 For the six months ended June 30, 2024, the Company had $52 million $114 million of loan modifications to borrowers experiencing financial difficulty, including $47 million $90 million of healthcare loans and $14 million of energy loans. Modifications generally consist of interest rate reductions, an other than insignificant payment delay, term extension or a combination. Approximately $51 million $110 million of the modifications are term extensions of healthcare, services and general business commercial loans, and $1.8 million $4.1 million are combination modifications to residential mortgage loans to individuals. guaranteed by U.S. government agencies. During the three six months ended March 31, 2024 June 30, 2024, $4.2 million $1.1 million of residential mortgage loans guaranteed by U.S. government agencies that were modified in the previous twelve months defaulted. A payment default is defined as being 30 or more days past due after modification.

At March 31, 2023 For the six months ended June 30, 2023, the Company had $35 million $58 million of loan modifications to borrowers experiencing financial difficulty, including $26 million $37 million of healthcare loans, and $8.4 million $11 million of residential mortgage loans guaranteed by U.S. government agencies with and $10 million of general business loans. Approximately $26 million and $11 million of the entirety of these modifications being are combination modifications. During the three months ended March 31, 2023, $511 thousand of modifications to healthcare loans and residential mortgage loans guaranteed by U.S. government agencies, respectively. Approximately $20 million of the modifications are term extensions of healthcare and general business loans. During the six months ended June 30, 2023, $4.4 million of residential mortgage loans were modified and subsequently defaulted. defaulted with $4.3 million of these defaulted loans being guaranteed by U.S. government agencies.

Past Due Loans

Past due status for all loan classes is based on the actual number of days since the last payment was due according to the contractual terms of the loans, as modified for short-term payment deferral forbearance.

A summary of loans currently performing and past due as of March 31, 2024 June 30, 2024 is as follows (in thousands):

	Past Due	Past Due 90 Days or More and Accruing	Past Due	Past Due 90 Days or More and Accruing
Commercial:				
Commercial:				
Commercial:				
Healthcare				
Healthcare				
Healthcare				
Services				
Energy				
General business				
Total commercial				
Commercial real estate				
Commercial real estate				

Commercial real estate	
Loans to individuals:	
Loans to individuals:	
Loans to individuals:	
Residential mortgage	
Residential mortgage	
Residential mortgage	
Residential mortgage guaranteed by U.S. government agencies	
Personal	
Total loans to individuals	
Total	
Total	
Total	

A summary of loans currently performing and past due as of December 31, 2023 is as follows (in thousands):

		Past Due				Past Due 90
	Current	30 to 59 Days	60 to 89 Days	90 Days or More	Total	Days or More and Accruing
Commercial:						
Healthcare	$ 4,071,336	$ 18,019	$ 30,290	$ 23,588	$ 4,143,233	$ —
Services	3,575,787	2	—	434	3,576,223	—
Energy	3,437,101	—	—	—	3,437,101	—
General business	3,639,775	412	1,157	5,868	3,647,212	—
Total commercial	14,723,999	18,433	31,447	29,890	14,803,769	—
Commercial real estate	5,327,481	2,992	—	7,174	5,337,647	3
Loans to individuals:						
Residential mortgage	2,149,927	6,340	1,494	2,879	2,160,640	36
Residential mortgage guaranteed by U.S. government agencies	54,122	25,085	17,053	53,547	149,807	48,201
Personal	1,450,302	2,561	88	154	1,453,105	131
Total loans to individuals	3,654,351	33,986	18,635	56,580	3,763,552	48,368
Total	$ 23,705,831	$ 55,411	$ 50,082	$ 93,644	$ 23,904,968	$ 48,371

(5) Mortgage Banking Activities

Residential Mortgage Loan Production

The Company originates, markets and services conventional and government-sponsored residential mortgage loans. Generally, conforming fixed-rate residential mortgage loans are held for sale in the secondary market, and non-conforming and adjustable-rate residential mortgage loans are retained for investment. Residential mortgage loans originated for sale by the Company are carried at fair value based on sales commitments and market quotes. Changes in the fair value of mortgage loans held for sale are included in Other operating revenue – Mortgage banking revenue. Residential mortgage loans held for sale also includes the fair value of residential mortgage loan commitments and forward sales commitments, which are considered derivative contracts that have not been designated as hedging instruments for accounting purposes. The volume of mortgage loans originated for sale and secondary market prices are the primary drivers of originating and marketing revenue.

Residential mortgage loan commitments are generally outstanding for 60 to 90 days, which represents the typical period from commitment to originate a residential mortgage loan to when the closed loan is sold to an investor. Residential mortgage loan commitments are subject to both credit and interest rate risk. Credit risk is managed through underwriting policies and procedures, including collateral requirements, which are generally accepted by the secondary loan markets. Exposure to interest rate fluctuations is partially managed through forward sales of residential mortgage-backed securities and forward sales contracts. These latter contracts set the price for loans that will be delivered in the next 60 to 90 days.

The unpaid principal balance of residential mortgage loans held for sale, notional amounts of derivative contracts related to residential mortgage loan commitments and forward contract sales and their related fair values included in Mortgage loans held for sale on the Consolidated Balance Sheets were (in thousands):

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Unpaid Principal Balance/ Notional	Fair Value	Unpaid Principal Balance/ Notional	Fair Value	Unpaid Principal Balance/ Notional	Fair Value	Unpaid Principal Balance/ Notional	Fair Value
Residential mortgage loans held for sale								
Residential mortgage loan commitments								
Forward sales contracts								

No residential mortgage loans held for sale were 90 days or more past due or considered impaired as of March 31, 2024 June 30, 2024 or December 31, 2023. No credit losses were recognized on residential mortgage loans held for sale for the three six month period ended March 31, 2024 June 30, 2024 and 2023.

Mortgage banking revenue was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Production revenue:				
Production revenue:				
Production revenue:				
Net realized gains (losses) on sale of mortgage loans				
Net realized gains (losses) on sale of mortgage loans				
Net realized gains (losses) on sale of mortgage loans				
Net change in unrealized gain (loss) on mortgage loans held for sale				
Net change in unrealized gain (loss) on mortgage loans held for sale				
Net change in unrealized gain (loss) on mortgage loans held for sale				
Net change in the fair value of mortgage loan commitments				
Net change in the fair value of mortgage loan commitments				
Net change in the fair value of mortgage loan commitments				
Net change in the fair value of forward sales contracts				
Net change in the fair value of forward sales contracts				
Net change in the fair value of forward sales contracts				
Total production revenue (loss)				
Total production revenue (loss)				
Total production revenue (loss)				
Servicing revenue				
Servicing revenue				
Servicing revenue				
Total mortgage banking revenue				
Total mortgage banking revenue				
Total mortgage banking revenue				

Production revenue includes gain (loss) on residential mortgage loans held for sale and changes in the fair value of derivative contracts not designated as hedging instruments for accounting purposes related to residential mortgage loan commitments and forward sales contracts. Servicing revenue includes servicing fee income and late charges on loans serviced for others.

Residential Mortgage Servicing

Mortgage servicing rights may be originated or purchased. Both originated and purchased mortgage servicing rights are initially recognized at fair value. The Company has elected to carry all mortgage servicing rights at fair value. Changes in the fair value are recognized in earnings as they occur. The unpaid principal balance of loans serviced for others is the primary driver of servicing revenue.

The following represents a summary of mortgage servicing rights (dollars in thousands):

		March 31, 2024	December 31, 2023		June 30, 2024	December 31, 2023
Number of residential mortgage loans serviced for others						
Outstanding principal balance of residential mortgage loans serviced for others						
Weighted average interest rate	Weighted average interest rate	**3.66 %**	3.64 %	Weighted average interest rate	**3.68 %**	3.64 %
Remaining term (in months)	Remaining term (in months)	**278**	280	Remaining term (in months)	**278**	280

The following represents activity in capitalized mortgage servicing rights (in thousands):

	Three Months Ended March 31, **Three Months Ended March 31,** **Three Months Ended March 31,**	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2024 **2024** **2024**	**2024**	**2023**	**2024**	**2023**
Beginning Balance					
Beginning Balance					
Beginning Balance					
Additions					
Additions					
Additions					
Acquisitions					
Acquisitions					
Acquisitions					
Change in fair value due to principal payments					
Change in fair value due to principal payments					
Change in fair value due to principal payments					
Change in fair value due to market assumption changes					
Change in fair value due to market assumption changes					
Change in fair value due to market assumption changes					
Ending Balance					
Ending Balance					
Ending Balance					

Changes in the fair value of mortgage servicing rights due to market assumption changes are included in Other operating revenue in the Consolidated Statements of Earnings. Changes in fair value due to principal payments are included in Mortgage banking costs.

Mortgage servicing rights are not traded in active markets. Fair value is determined by discounting the projected net cash flows. Significant market assumptions used to determine fair value based on significant unobservable inputs were as follows:

		March 31, 2024	December 31, 2023		June 30, 2024	December 31, 2023
Discount rate – risk-free rate plus a market premium	Discount rate – risk-free rate plus a market premium	**9.82%**	9.72%	Discount rate – risk-free rate plus a market premium	**9.91%**	9.72%
Prepayment rate - based upon loan interest rate, original term and loan type		**6.83%**	7.34%			
Prepayment rate – based upon loan interest rate, original term and loan type		**6.75%**	7.34%			
Loan servicing costs – annually per loan based upon loan type:						
Performing loans						
Performing loans						
Performing loans		**$73 - $94**	$69 - $94		**$73 - $94**	$69 - $94
Delinquent loans	Delinquent loans	**$150 - $500**	$150 - $500	Delinquent loans	**$150 - $500**	$150 - $500
Loans in foreclosure	Loans in foreclosure	**$875 - $8,000**	$875 - $8,000	Loans in foreclosure	**$875 - $8,000**	$875 - $8,000
Escrow earnings rate – indexed to rates paid on deposit accounts with comparable average life	Escrow earnings rate – indexed to rates paid on deposit accounts with comparable average life	**4.27%**	3.90%	Escrow earnings rate – indexed to rates paid on deposit accounts with comparable average life	**4.38%**	3.90%
Primary/secondary mortgage rate spread	Primary/secondary mortgage rate spread	**115 bps**	105 bps	Primary/secondary mortgage rate spread	**115 bps**	105 bps
Delinquency rate	Delinquency rate	**2.06%**	2.06%	Delinquency rate	**2.48%**	2.06%

Changes in primary residential mortgage interest rates directly affect the prepayment speeds used in valuing our mortgage servicing rights. A separate third-party model is used to estimate prepayment speeds based on interest rates, housing turnover rates, estimated loan curtailment, anticipated defaults and other relevant factors. The prepayment model is updated periodically for changes in market conditions and adjusted to better correlate with actual performance of BOK Financial's servicing portfolio.

(6) Commitments and Contingent Liabilities

Litigation Contingencies

As a member of Visa, BOK Financial is obligated for a proportionate share of certain covered litigation losses incurred by Visa under a retrospective responsibility plan. A contingent liability was recognized for the Company's share of Visa's covered litigation liabilities. Visa funded an escrow account to cover litigation claims, including covered litigation losses under the retrospective responsibility plan, with proceeds from its initial public offering in 2008 and from available cash.

BOK Financial currently owns 252,233 Visa Class B-1 shares (formerly Class B). On January 23, 2024, Visa, Inc. stockholders approved an exchange offer which provided holders of Class B-1 shares an option to convert up to 50% of our its Class B-1 shares to Visa Class C shares and subsequently to freely transferable Visa Class A common shares subject to certain restrictions and holding period requirements (the "Exchange Offer") subject to holding periods and certain other conditions contained in the Exchange Offer. . The Exchange Offer opened on April 8, 2024, and is scheduled to expire at the end of the day expired on May 3, 2024. The Company tendered all of its 252,233 Class B-1 Visa shares under the Exchange Offer and expects to monetize up to 50% received the equivalent of 200,212 shares of Visa common shares and 126,116 Visa B-2 shares in return. Conversion of the Class B-1 shares. Conversion of Class B-1 shares would did not reduce our proportionate share of the covered litigation losses which may dilute our remaining Class B B-2 shares if the escrow fund is not adequate to cover final litigation costs.

BOKF, NA is subject to litigation related to its role as Indenture Trustee for multiple municipal bonds to which Christopher Brogdon acted as borrower. The principal amount of the bonds remaining unpaid at this time is $33 million. Mr. Brogdon is obligated to pay the bonds in full by virtue of a Judgment in the USDC of New Jersey which allows the Securities and Exchange Commission SEC to pursue collection to satisfy the Judgment, which the SEC continues to pursue. The remaining cases are (i) Robert Elliot & Marvin Loeb on behalf of a class of persons purchasing bonds in multiple municipal bond issuances v. BOKF, NA, USDC District of New Jersey, Case No. 2:16-cv-05218-KM-JBC (commenced 11/20/2015); and (ii) Burn Rose, LLC et al v. BOKF, NA d/b/a BOK, Tulsa County District Court Case, No. CJ-2016-03325 (commenced 9/22/2016). In the New Jersey Class Action and the Tulsa County Burn Rose action, the claimants allege that BOKF, NA was complicit in the fraud committed by Mr. Brogdon. BOKF, NA has multiple defenses to the claims, including the defense that it is exculpated by the terms of the various bond indentures. No action has been taken in the class action by the plaintiffs to establish the class and the amount of the damages, if any, cannot be reasonably estimated. Approximately $3 million is claimed as damages in the Burn Rose action. Management is advised that a loss on the claims in both the Class Action and the Burn Rose action is not probable.

In the ordinary course of business, BOK Financial and its subsidiaries are subject to legal actions and complaints. Management believes, based upon the opinion of counsel, that the actions and liability or loss, if any, resulting from the final outcomes of the proceedings, will not have a material effect on the Company's financial condition, results of operations or cash flows.

Alternative Investment Commitments

The Company invests in several tax credit entities and other funds as permitted by banking regulations. Consolidation of these investments is based on the variable interest model.

At March 31, 2024 June 30, 2024, the Company has $405 million $412 million in interests in various alternative investments generally consisting of unconsolidated limited partnership interests in entities for which investment return is in the form of low income housing tax credits or other investments in merchant banking activities. These investments are recognized in Other assets on the Consolidated Balance Sheets. This investment balance also includes $99 million $107 million of unfunded commitments included in Other liabilities on the Consolidated Balance Sheets.

(7) Shareholders' Equity

On April 30, 2024 July 30, 2024, the Company declared a quarterly cash dividend of $0.55 per common share payable on or about May 30, 2024 August 30, 2024 to shareholders of record as of May 15, 2024 August 15, 2024.

Dividends declared were $0.55 and $1.10 per share during the three and six months ended March 31, 2024 June 30, 2024 and $0.54 and $1.08 per share during the three and six months ended March 31, 2023 June 30, 2023.

Accumulated Other Comprehensive Income (Loss)

AOCI includes unrealized gains and losses on AFS securities. AOCI also includes unrealized losses on AFS securities that were transferred from AFS to investment securities in the second quarter of 2022. Such amounts are being amortized over the estimated remaining life of the security as an adjustment to yield, offsetting the related amortization of premium on the transferred securities. Gains and losses in AOCI are net of deferred income taxes.

A rollforward of the components of accumulated other comprehensive income (loss) is included as follows (in thousands):

	Unrealized Gain (Loss) on Unrealized Gain (Loss) on Unrealized Gain (Loss) on				
	Available for Sale Securities Available for Sale Securities Available for Sale Securities	Investment Securities Transferred from AFS	Total	Investment Securities Transferred from AFS	Total
Balance, Dec. 31, 2022					
Net change in unrealized gain (loss)					
Reclassification adjustments included in earnings:					
Reclassification adjustments included in earnings:					
Reclassification adjustments included in earnings:					
Interest revenue, Investment securities					
Interest revenue, Investment securities					
Interest revenue, Investment securities					
Other comprehensive income, before income taxes					
Other comprehensive income, before income taxes					
Other comprehensive income, before income taxes					
Loss on available for sale securities, net					
Loss on available for sale securities, net					
Loss on available for sale securities, net					
Other comprehensive income (loss), before income taxes					
Federal and state income taxes					
Other comprehensive income, net of income taxes					
Balance, March 31, 2023					

Other comprehensive income (loss), net of income taxes
Balance, June 30, 2023
Balance, Dec. 31, 2023
Balance, Dec. 31, 2023
Balance, Dec. 31, 2023
Net change in unrealized gain (loss)
Reclassification adjustments included in earnings:
Reclassification adjustments included in earnings:
Reclassification adjustments included in earnings:
Interest revenue, Investment securities
Interest revenue, Investment securities
Interest revenue, Investment securities
Loss on available for sale securities, net
Loss on available for sale securities, net
Loss on available for sale securities, net
Other comprehensive income (loss), before income taxes
Federal and state income taxes
Other comprehensive income (loss), net of income taxes
Balance, March 31, 2024
Balance, June 30, 2024

(8) Earnings Per Share

(In thousands, except share and per share amounts)	(In thousands, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except share and per share amounts)					
(In thousands, except share and per share amounts)					
		2024	2023	2024	2023
Numerator:	Numerator:				
Numerator:					
Numerator:					
Net income attributable to BOK Financial Corp. shareholders					
Net income attributable to BOK Financial Corp. shareholders					
Net income attributable to BOK Financial Corp. shareholders					
Less: Earnings allocated to participating securities					
Less: Earnings allocated to participating securities					
Less: Earnings allocated to participating securities					
Numerator for basic earnings per share – income available to common shareholders					
Numerator for basic earnings per share – income available to common shareholders					
Numerator for basic earnings per share – income available to common shareholders					
Effect of reallocating undistributed earnings of participating securities					
Effect of reallocating undistributed earnings of participating securities					
Effect of reallocating undistributed earnings of participating securities					

Numerator for diluted earnings per share – income available to common shareholders
Numerator for diluted earnings per share – income available to common shareholders
Numerator for diluted earnings per share – income available to common shareholders
Denominator:
Denominator:
Denominator:
Weighted average shares outstanding
Weighted average shares outstanding
Weighted average shares outstanding
Less: Participating securities included in weighted average shares outstanding
Less: Participating securities included in weighted average shares outstanding
Less: Participating securities included in weighted average shares outstanding
Denominator for basic earnings per common share
Denominator for basic earnings per common share
Denominator for basic earnings per common share
Dilutive effect of employee stock compensation plans
Dilutive effect of employee stock compensation plans
Dilutive effect of employee stock compensation plans
Denominator for diluted earnings per common share
Denominator for diluted earnings per common share
Denominator for diluted earnings per common share
Basic earnings per share
Basic earnings per share
Basic earnings per share
Diluted earnings per share
Diluted earnings per share
Diluted earnings per share

(9) Reportable Segments

Reportable segments reconciliation to the Consolidated Financial Statements for the three months ended March 31, 2024 June 30, 2024 is as follows (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated
Net interest revenue from external sources										
Net interest revenue (expense) from internal sources										
Net interest revenue										
Net interest income from external sources										
Net interest income (expense) from internal sources										
Net interest income										
Net loans charged off and provision for credit losses										
Net interest revenue after provision for credit losses										
Net interest income after provision for credit losses										
Other operating revenue										
Other operating expense										
Net direct contribution										
Gain (loss) on financial instruments, net										

Change in fair value of mortgage servicing rights
Gain (loss) on repossessed assets, net
Gain on repossessed assets, net
Corporate expense allocations
Net income before taxes
Federal and state income taxes
Net income
Net income attributable to non-controlling interests
Net income attributable to BOK Financial Corp. shareholders
Average assets
Average assets
Average assets

Reportable segments reconciliation to the Consolidated Financial Statements for the six months ended June 30, 2024 is as follows (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated
Net interest income from external sources	$ 566,084	$ 13,542	$ 9,611	$ 356	$ 589,593
Net interest income (expense) from internal sources	(158,354)	115,757	48,288	(5,691)	—
Net interest income	407,730	129,299	57,899	(5,335)	589,593
Net loans charged off and provision for credit losses	10,294	3,055	(15)	2,666	16,000
Net interest income after provision for credit losses	397,436	126,244	57,914	(8,001)	573,593
Other operating revenue	104,542	72,459	231,912	12,492	421,405
Other operating expense	146,209	108,575	189,502	232,788	677,074
Net direct contribution	355,769	90,128	100,324	(228,297)	317,924
Gain (loss) on financial instruments, net	335	(13,240)	—	12,905	—
Change in fair value of mortgage servicing rights	—	14,430	—	(14,430)	—
Gain on repossessed assets, net	—	116	—	(116)	—
Corporate expense allocations	35,778	27,564	31,263	(94,605)	—
Net income (loss) before taxes	320,326	63,870	69,061	(135,333)	317,924
Federal and state income taxes	78,966	15,022	16,336	(39,826)	70,498
Net income (loss)	241,360	48,848	52,725	(95,507)	247,426
Net income attributable to non-controlling interests	—	—	—	10	10
Net income attributable to BOK Financial Corp. shareholders	$ 241,360	$ 48,848	$ 52,725	$ (95,517)	$ 247,416
Average assets	$ 30,056,215	$ 9,511,225	$ 16,105,713	$ (5,061,768)	$ 50,611,385

Reportable segments reconciliation to the Consolidated Financial Statements for the three months ended March 31, 2023 June 30, 2023 is as follows (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated
Net interest revenue from external sources										
Net interest revenue (expense) from internal sources										
Net interest revenue										
Net interest income from external sources										
Net interest income (expense) from internal sources										

Net interest income
Net loans charged off and provision for credit losses
Net interest revenue after provision for credit losses
Net interest income after provision for credit losses
Other operating revenue
Other operating expense
Net direct contribution
Gain (loss) on financial instruments, net
Change in fair value of mortgage servicing rights
Gain (loss) on repossessed assets, net
Gain on repossessed assets, net
Corporate expense allocations
Net income before taxes
Federal and state income taxes
Net income
Net loss attributable to non-controlling interests
Net income attributable to non-controlling interests
Net income attributable to BOK Financial Corp. shareholders
Average assets
Average assets
Average assets

Reportable segments reconciliation to the Consolidated Financial Statements for the six months ended June 30, 2023 is as follows (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management and Other	BOK Financial Consolidated
Net interest income from external sources	$ 587,970	$ 38,974	$ 25,355	$ 22,310	$ 674,609
Net interest income (expense) from internal sources	(139,134)	96,324	44,087	(1,277)	—
Net interest income	448,836	135,298	69,442	21,033	674,609
Net loans charged off and provision for credit losses	6,076	2,313	(69)	24,680	33,000
Net interest income after provision for credit losses	442,760	132,985	69,511	(3,647)	641,609
Other operating revenue	125,673	62,887	231,954	(33,600)	386,914
Other operating expense	150,693	102,538	166,342	204,912	624,485
Net direct contribution	417,740	93,334	135,123	(242,159)	404,038
Gain (loss) on financial instruments, net	173	(14,930)	—	14,757	—
Change in fair value of mortgage servicing rights	—	3,202	—	(3,202)	—
Gain on repossessed assets, net	1,267	14	—	(1,281)	—
Corporate expense allocations	39,122	23,940	25,310	(88,372)	—
Net income before taxes	380,058	57,680	109,813	(143,513)	404,038
Federal and state income taxes	92,610	13,566	25,927	(42,197)	89,906
Net income	287,448	44,114	83,886	(101,316)	314,132
Net income attributable to non-controlling interests	—	—	—	456	456
Net income attributable to BOK Financial Corp. shareholders	$ 287,448	$ 44,114	$ 83,886	$ (101,772)	$ 313,676
Average assets	$ 28,166,923	$ 9,765,186	$ 12,309,730	$ (3,291,232)	$ 46,950,607

(10) Fees and Commissions Revenue

Fees and commissions revenue is generated through the sales of products, consisting primarily of financial instruments, and the performance of services for customers under contractual obligations. Revenue from providing services for customers is recognized at the time services are provided in an amount that reflects the consideration we expect to be entitled to for those services. Revenue is recognized based on the application of five steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the Company satisfies a performance obligation

For contracts with multiple performance obligations, individual performance obligations are accounted for separately if the customer can benefit from the good or service on its own or with other resources readily available to the customer, and the promise to transfer goods and services to the customer is separately identifiable in the contract. The transaction price is allocated to the performance obligations based on relative standalone selling prices.

Revenue is recognized on a gross basis whenever we have primary responsibility and risk in providing the services or products to our customers and have discretion in establishing the price for the services or products. Revenue is recognized on a net basis whenever we act as an agent for products or services of others.

Brokerage and trading revenue includes revenues from trading, customer hedging, retail brokerage and investment banking. Trading revenue includes net realized and unrealized gains primarily related to sales of securities to institutional customers and related derivative contracts. Customer hedging revenue includes realized and unrealized changes in the fair value of derivative contracts held for customer risk management programs including credit valuation adjustments, as necessary. We offer commodity, interest rate, foreign exchange and equity derivatives to our customers. These customer contracts are offset with contracts with selected counterparties and exchanges to minimize changes in market risk from changes in commodity prices, interest rates or foreign exchange rates. Retail brokerage revenue represents fees and commissions earned on sales of fixed income securities, annuities, mutual funds and other financial instruments to retail customers. Investment banking revenue includes fees earned upon completion of underwriting and financial advisory services. Investment banking revenue also includes fees earned in conjunction with loan syndications. Insurance brokerage revenues represents fees and commissions earned on placement of insurance products with carriers for property and casualty and health coverage.

Transaction card revenue includes merchant discount fees and electronic funds transfer network fees, net of interchange fees paid to card issuers and assessments paid to card networks. Merchant discount fees represent fees paid by customers for account management and electronic processing of card transactions. Merchant discount fees are recognized at the time the customer's transactions are processed or other services are performed. The Company also maintains the TransFund electronic funds transfer network for the benefit of its members, which includes BOKF, NA. Electronic funds transfer fees are recognized as electronic transactions processed on behalf of its members.

Fiduciary and asset management revenue includes fees from asset management, custody, recordkeeping, investment advisory and administration services. Revenue is recognized on an accrual basis at the time the services are performed and may be based on either the fair value of the account or the service provided.

Deposit service charges and fees include commercial account service charges, overdraft fees, check card fee revenue and automated service charge and other deposit service fees. Fees are recognized at least quarterly in accordance with published deposit account agreements and disclosure statements for retail accounts or contractual agreements for commercial accounts. Item charges for overdraft or non-sufficient funds items are recognized as items are presented for payment. Account balance charges and activity fees are accrued monthly and collected in arrears. Commercial account activity fees may be offset by an earnings credit based on account balances. Check card fees represent interchange fees paid by a merchant bank for transactions processed from cards issued by the Company. Check card fees are recognized when transactions are processed.

Mortgage banking revenue includes revenues recognized in conjunction with the origination, marketing and servicing of conventional and government-sponsored residential mortgage loans. Mortgage production revenue includes net realized gains (losses) on sales of residential mortgage loans in the secondary market and the net change in unrealized gains (losses) on residential mortgage loans held for sale. Mortgage production revenue also includes changes in the fair value of derivative contracts not designated as hedging instruments related to residential mortgage loan commitments and forward sales contracts. Mortgage servicing revenue includes servicing fee income and late charges on loans serviced for others.

Fees and commissions revenue by reportable segment and primary service line is as follows for the three months ended March 31, 2024 June 30, 2024 (in thousands):

	Commercial	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]
Trading revenue															
Customer hedging revenue															
Retail brokerage revenue															
Investment banking revenue															
Investment banking revenue															
Investment banking revenue															

Brokerage and trading revenue
TransFund EFT network revenue
Merchant services revenue
Corporate card revenue
Transaction card revenue
Personal trust revenue
Corporate trust revenue
Institutional trust & retirement plan services revenue
Investment management services and other revenue
Fiduciary and asset management revenue
Commercial account service charge revenue
Overdraft fee revenue
Check card revenue
Automated service charge and other deposit fee revenue
Deposit service charges and fees
Mortgage production revenue
Mortgage servicing revenue
Mortgage banking revenue
Other revenue
Total fees and commissions revenue

1 Out of scope revenue generally relates to financial instruments or contractual rights and obligations within the scope of other applicable accounting guidance.

2 In scope revenue represents revenue subject to FASB ASC Topic 606, *Revenue from Contracts with Customers.*

Fees and commissions revenue by reportable segment and primary service line is as follows for the six months ended June 30, 2024 (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]
Trading revenue	$ —	$ —	$ 65,152	$ —	$ 65,152	$ 65,152	$ —
Customer hedging revenue	7,151	—	5,067	872	13,090	13,090	—
Retail brokerage revenue	—	—	9,531	—	9,531	—	9,531
Investment banking revenue	7,925	—	16,498	—	24,423	7,036	17,387
Brokerage and trading revenue	15,076	—	96,248	872	112,196	85,278	26,918
TransFund EFT network revenue	42,349	1,602	(37)	—	43,914	—	43,914
Merchant services revenue	4,682	17	—	—	4,699	—	4,699
Corporate card revenue	3,606	—	340	180	4,126	—	4,126
Transaction card revenue	50,637	1,619	303	180	52,739	—	52,739
Personal trust revenue	—	—	51,115	—	51,115	—	51,115
Corporate trust revenue	—	—	17,906	—	17,906	—	17,906
Institutional trust & retirement plan services revenue	—	—	32,667	—	32,667	—	32,667

Investment management services and other revenue	—	—	11,193	—	11,193	—	11,193
Fiduciary and asset management revenue	—	—	112,881	—	112,881	—	112,881
Commercial account service charge revenue	30,295	1,083	1,149	—	32,527	—	32,527
Overdraft fee revenue	63	10,768	62	—	10,893	—	10,893
Check card revenue	—	11,719	—	—	11,719	—	11,719
Automated service charge and other deposit fee revenue	528	2,425	165	—	3,118	—	3,118
Deposit service charges and fees	30,886	25,995	1,376	—	58,257	—	58,257
Mortgage production revenue	—	5,894	—	—	5,894	5,894	—
Mortgage servicing revenue	—	33,079	—	(1,378)	31,701	31,701	—
Mortgage banking revenue	—	38,973	—	(1,378)	37,595	37,595	—
Other revenue	7,751	5,872	21,104	(7,804)	26,923	16,312	10,611
Total fees and commissions revenue	$ 104,350	$ 72,459	$ 231,912	$ (8,130)	$ 400,591	$ 139,185	$ 261,406

1 Out of scope revenue generally relates to financial instruments or contractual rights and obligations within the scope of other applicable accounting guidance.

2 In scope revenue represents revenue subject to FASB ASC Topic 606, *Revenue from Contracts with Customers.*

Fees and commissions revenue by reportable segment and primary service line is as follows for the three months ended March 31, 2023 June 30, 2023 (in thousands):

	Commercial	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]
Trading revenue															
Customer hedging revenue															
Retail brokerage revenue															
Insurance brokerage revenue															
Investment banking revenue															
Brokerage and trading revenue															
TransFund EFT network revenue															
Merchant services revenue															
Corporate card revenue															
Transaction card revenue															
Personal trust revenue															
Corporate trust revenue															
Institutional trust & retirement plan services revenue															
Investment management services and other revenue															
Fiduciary and asset management revenue															
Commercial account service charge revenue															
Overdraft fee revenue															
Check card revenue															
Automated service charge and other deposit fee revenue															
Deposit service charges and fees															

Mortgage production revenue
Mortgage servicing revenue
Mortgage banking revenue
Other revenue
Total fees and commissions revenue

1 Out of scope revenue generally relates to financial instruments or contractual rights and obligations within the scope of other applicable accounting guidance.

2 In scope revenue represents revenue subject to FASB ASC Topic 606, *Revenue from Contracts with Customers.*

Fees and commissions revenue by reportable segment and primary service line is as follows for the six months ended June 30, 2023 (in thousands):

	Commercial	Consumer	Wealth Management	Funds Management & Other	Consolidated	Out of Scope[1]	In Scope[2]
Trading revenue	$ —	$ —	$ 64,519	$ —	$ 64,519	$ 64,519	$ —
Customer hedging revenue	19,326	—	(59)	2,729	21,996	21,996	—
Retail brokerage revenue	—	—	7,165	—	7,165	—	7,165
Insurance brokerage revenue	—	—	6,163	—	6,163	—	6,163
Investment banking revenue	7,212	—	10,347	—	17,559	7,050	10,509
Brokerage and trading revenue	26,538	—	88,135	2,729	117,402	93,565	23,837
TransFund EFT network revenue	40,982	1,815	(34)	4	42,767	—	42,767
Merchant services revenue	4,644	18	—	—	4,662	—	4,662
Corporate card revenue	3,619	—	361	215	4,195	—	4,195
Transaction card revenue	49,245	1,833	327	219	51,624	—	51,624
Personal trust revenue	—	—	48,842	—	48,842	—	48,842
Corporate trust revenue	—	—	14,861	—	14,861	—	14,861
Institutional trust & retirement plan services revenue	—	—	26,960	—	26,960	—	26,960
Investment management services and other revenue	—	—	13,013	(22)	12,991	—	12,991
Fiduciary and asset management revenue	—	—	103,676	(22)	103,654	—	103,654
Commercial account service charge revenue	26,235	1,029	965	(2)	28,227	—	28,227
Overdraft fee revenue	57	9,894	62	1	10,014	—	10,014
Check card revenue	—	11,614	—	—	11,614	—	11,614
Automated service charge and other deposit fee revenue	504	2,546	162	1	3,213	—	3,213
Deposit service charges and fees	26,796	25,083	1,189	—	53,068	—	53,068
Mortgage production revenue	—	(917)	—	—	(917)	(917)	—
Mortgage servicing revenue	—	31,551	—	(1,126)	30,425	30,425	—
Mortgage banking revenue	—	30,634	—	(1,126)	29,508	29,508	—
Other revenue	12,960	5,392	38,634	(25,766)	31,220	16,727	14,493
Total fees and commissions revenue	$ 115,539	$ 62,942	$ 231,961	$ (23,966)	$ 386,476	$ 139,800	$ 246,676

1 Out of scope revenue generally relates to financial instruments or contractual rights and obligations within the scope of other applicable accounting guidance.

2 In scope revenue represents revenue subject to FASB ASC Topic 606, *Revenue from Contracts with Customers.*

(11) Fair Value Measurements

Fair value is defined by applicable accounting guidance as the price to sell an asset or transfer a liability in an orderly transaction between market participants in the principal market for the given asset or liability at the measurement date based on market conditions at that date. An orderly transaction assumes exposure to the market for a customary period for marketing activities prior to the measurement date and not a forced liquidation or distressed sale. Certain assets and liabilities are recorded in the Company's financial statements at fair value. Some are recorded on a recurring basis and some on a non-recurring basis.

For some assets and liabilities, observable market transactions and market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. A hierarchy for fair value has been established which categorizes into three levels the inputs to valuation techniques used to measure fair value. The three levels are as follows:

Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1) - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Significant Other Observable Inputs (Level 2) - Fair value is based on significant other observable inputs which are generally determined based on a single price for each financial instrument provided to us by an applicable third-party pricing service and is based on one or more of the following:

- Quoted prices for similar, but not identical, assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable, such as interest rate and yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates;
- Other inputs derived from or corroborated by observable market inputs.

Significant Unobservable Inputs (Level 3) - Fair value is based upon model-based valuation techniques for which at least one significant assumption is not observable in the market.

Transfers between levels are recognized as of the end of the reporting period. There were no transfers in or out of quoted prices in active markets for identical instruments to significant other observable inputs or significant unobservable inputs during the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively. Transfers between significant other observable inputs and significant unobservable inputs during the three and six months ended March 31, 2024 June 30, 2024 and 2023 were immaterial.

The underlying methods used by the third-party pricing services are considered in determining the primary inputs used to determine fair values. Management has evaluated the methodologies employed by the third-party pricing services by comparing the price provided by the pricing service with other sources, including brokers' quotes, sales or purchases of similar instruments and discounted cash flows to establish a basis for reliance on the pricing service values. Significant differences between the pricing service provided value and other sources are discussed with the pricing service to understand the basis for their values. Based on all observable inputs, management may adjust prices obtained from third-party pricing services to more appropriately reflect the prices that would be received to sell assets or paid to transfer liabilities in orderly transactions in the current market. No significant adjustments were made to prices provided by third-party pricing services at March 31, 2024 June 30, 2024 or December 31, 2023.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair value of financial assets and liabilities measured on a recurring basis was as follows as of March 31, 2024 June 30, 2024 (in thousands):

		Total	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:	Assets:				Assets:					
Trading securities:										
U.S. government securities										
U.S. government securities										
U.S. government securities										
Residential agency mortgage-backed securities										
Municipal securities										
Other trading securities										
Other trading securities										

Other trading securities				
Total trading securities				
Available for sale securities:	Available for sale securities:		Available for sale securities:	
U.S. Treasury				
Municipal securities				
Residential agency mortgage-backed securities				
Residential non-agency mortgage-backed securities				
Commercial agency mortgage-backed securities				
Other debt securities				
Total available for sale securities				
Fair value option securities — Residential agency mortgage-backed securities				
Fair value option securities — Residential agency mortgage-backed securities				
Fair value option securities — Residential agency mortgage-backed securities				
Residential mortgage loans held for sale[1]				
Residential mortgage loans held for sale[1]				
Residential mortgage loans held for sale[1]				
Mortgage servicing rights[2]				
Derivative contracts, net of cash collateral[3]				
Liabilities:				
Derivative contracts, net of cash collateral[3]				
Derivative contracts, net of cash collateral[3]				
Derivative contracts, net of cash collateral[3]				

1 Residential mortgage loans held for sale measured at fair value on a recurring basis using significant unobservable inputs (Level 3) consist of residential mortgage loans intended for sale to U.S. government agencies that fail to meet conforming standards and are valued at 77.97% 79.41% of the unpaid principal balance.

2 A reconciliation of the beginning and ending fair value of mortgage servicing rights and disclosures of significant assumptions used to determine fair value are presented in Note 5, Mortgage Banking Activities.

3 See Note 3 for detail of fair value of derivative contracts by contract type. Derivative contracts in asset and liability positions that were valued based on quoted prices in active markets for identical instruments (Level 1) are primarily exchange-traded interest rate derivative contracts held for trading purposes.

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The fair value of financial assets and liabilities measured on a recurring basis was as follows as of December 31, 2023 (in thousands):

	Total	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading securities:				
U.S. government securities	$ 10,959	$ 9,017	$ 1,942	$ —
Residential agency mortgage-backed securities	5,105,137	—	5,105,137	—
Municipal securities	37,413	—	37,413	—
Other trading securities	39,996	—	39,996	—
Total trading securities	5,193,505	9,017	5,184,488	—
Available for sale securities:				
U.S. Treasury	925	925	—	—
Municipal securities	502,833	—	502,833	—
Residential agency mortgage-backed securities	6,834,720	—	6,834,720	—
Residential non-agency mortgage-backed securities	799,877	—	799,877	—
Commercial agency mortgage-backed securities	4,147,853	—	4,147,853	—
Other debt securities	473	—	—	473
Total available for sale securities	12,286,681	925	12,285,283	473
Fair value option securities — Residential agency mortgage-backed securities	20,671	—	20,671	—
Residential mortgage loans held for sale[1]	56,935	—	49,749	7,186
Mortgage servicing rights[2]	293,884	—	—	293,884
Derivative contracts, net of cash collateral[3]	410,304	—	410,304	—
Liabilities:				
Derivative contracts, net of cash collateral[3]	587,473	2,607	584,866	—

1 Residential mortgage loans held for sale measured at fair value on a recurring basis using significant unobservable inputs (Level 3) consist of residential mortgage loans intended for sale to U.S. government agencies that fail to meet conforming standards and are valued at 77.74% of the unpaid principal balance.

2 A reconciliation of the beginning and ending fair value of mortgage servicing rights and disclosures of significant assumptions used to determine fair value are presented in Note 5, Mortgage Banking Activities.

3 See Note 3 for detail of fair value of derivative contracts by contract type. Derivative contracts in asset and liability positions that were valued based on quoted prices in active markets for identical instruments (Level 1) are primarily exchange-traded interest rate derivative contracts held for trading purposes.

Following is a description of the Company's valuation methodologies used for assets and liabilities measured on a recurring basis:

Securities

The fair values of trading, available for sale and fair value option securities are based on quoted prices for identical instruments in active markets, when available. If quoted prices for identical instruments are not available, fair values are based on significant other observable inputs such as quoted prices of comparable instruments or interest rates and credit spreads, yield curves, volatilities, prepayment speeds and loss severities. The Company has elected to carry all residential mortgage-backed securities guaranteed by U.S. government agencies held as economic hedges against changes in the fair value of mortgage servicing rights at fair value with changes in the fair value recognized in earnings.

The fair value of certain available for sale municipal and other debt securities may be based on significant unobservable inputs. These significant unobservable inputs include limited observed trades, projected cash flows, current credit rating of the issuers and, when applicable, the insurers of the debt and observed trades of similar debt. Discount rates are primarily based on references to interest rate spreads on comparable securities of similar duration and credit rating as determined by the nationally-recognized rating agencies adjusted for a lack of trading volume. Significant unobservable inputs are developed by investment securities professionals involved in the active trading of similar securities. A summary of significant inputs used to value these securities follows. A management committee composed of senior members from the Company's Corporate Treasury, Risk Management and Finance departments assesses the appropriateness of these inputs quarterly.

Derivatives

All derivative instruments are carried on the balance sheet at fair value. Fair values for exchange-traded contracts are based on quoted prices. Fair values for over-the-counter interest rate, commodity and foreign exchange contracts are based on valuations provided either by third-party dealers in the contracts, quotes provided by independent pricing services or a third-party provided pricing model that uses significant other observable market inputs.

Credit risk is considered in determining the fair value of derivative instruments. Management determines fair value adjustments based on various risk factors including, but not limited to, current fair value, probability of default and loss given default.

We also consider our own credit risk in determining the fair value of derivative contracts. Changes in our credit rating would affect the fair value of our derivative liabilities. In the event of a credit downgrade, the fair value of our derivative liabilities would increase.

Residential Mortgage Loans Held for Sale

Residential mortgage loans held for sale are carried on the balance sheet at fair value. The Company has elected to carry all residential mortgage loans originated for sale at fair value. Changes in the fair value of these financial instruments are recognized in earnings. The fair values of residential mortgage loans held for sale are based upon quoted market prices of such loans sold in securitization transactions, including related unfunded loan commitments and forward sales contracts. The fair value of mortgage loans that were unable to be sold to U.S. government agencies were determined using quoted prices of loans that are sold in securitization transactions with a liquidity discount applied.

Fair Value of Assets and Liabilities Measured on a Non-Recurring Basis

Assets measured at fair value on a non-recurring basis include collateral for certain nonaccruing loans and real property and other assets acquired to satisfy loans, which are based primarily on comparisons to completed sales of similar assets.

The following represents the carrying value of assets measured at fair value on a non-recurring basis (and related losses) during the period. The carrying value represents only those assets with a balance at March 31, 2024 June 30, 2024 for which the fair value was adjusted during the three six months ended March 31, 2024 June 30, 2024 (in thousands):

			Fair Value Adjustments for the Fair Value Adjustments for the Fair Value Adjustments for the				Fair Value Adjustments for the
	Carrying Value at June 30, 2024			Three Months Ended June 30, 2024 Recognized in:		Six Months Ended June 30, 2024 Recognized in:	
	Quoted Prices in Active Markets for Identical Instruments	Significant Other Observable Inputs	Significant Unobservable Inputs	Gross charge-offs against allowance for loan losses	Other gains (losses), net	Gross charge-offs against allowance for loan losses	Other gains (losses), net
Nonaccruing loans							
Nonaccruing loans							
Nonaccruing loans							

The following represents the carrying value of assets measured at fair value on a non-recurring basis (and related losses) during the period. The carrying value represents only those assets with a balance at March 31, 2023 June 30, 2023 for which the fair value was adjusted during the three six months ended March 31, 2023 June 30, 2023 (in thousands):

				Fair Value Adjustments for the				
				Fair Value Adjustments for the				
				Fair Value Adjustments for the				Fair Value Adjustments for the
	Carrying Value at June 30, 2023			Three Months Ended June 30, 2023 Recognized in:		Six Months Ended June 30, 2023 Recognized in:		
	Quoted Prices in Active Markets for Identical Instruments	Significant Other Observable Inputs	Significant Unobservable Inputs	Gross charge-offs against allowance for loan losses	Other gains (losses), net	Gross charge-offs against allowance for loan losses	Other gains (losses), net	
Nonaccruing loans								
Nonaccruing loans								
Nonaccruing loans								
Real estate and other repossessed assets								
Real estate and other repossessed assets								
Real estate and other repossessed assets								

The fair value of collateral-dependent nonaccruing loans secured by real estate and real estate and other repossessed assets and the related fair value adjustments are generally based on unadjusted third-party appraisals. Our appraisal review policies require appraised values to be supported by observed inputs derived principally from or corroborated by observable market data. Appraisals that are not based on observable inputs or that require significant adjustments or fair value measurements that are not based on third-party appraisals are considered to be based on significant unobservable inputs. Non-recurring fair value measurements of collateral-dependent nonaccruing loans and real estate and other repossessed assets based on significant unobservable inputs are generally due to estimates of current fair values between appraisal dates. Significant unobservable inputs include listing prices for the same or comparable assets, uncorroborated expert opinions or management's knowledge of the collateral or industry. Non-recurring fair value measurements of collateral dependent loans secured by mineral rights are generally determined by our internal staff of engineers on projected cash flows under current market conditions and are based on significant unobservable inputs. Projected cash flows are discounted according to risk characteristics of the underlying oil and gas properties. Assets are evaluated to demonstrate with reasonable certainty that crude oil, natural gas and natural gas liquids can be recovered from known oil and gas reservoirs under existing economic and operating conditions at current prices with existing conventional equipment, operating methods and costs. Significant unobservable inputs are developed by asset management and workout professionals and approved by senior Credit Administration executives.

A summary of quantitative information about Non-recurring Fair Value Measurements based on Significant Unobservable Inputs (Level 3) as of March 31, 2024 June 30, 2024 follows (dollars in thousands):

	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)
Nonaccruing loans	**$ 23,741 10,065**	Discounted cash flows	Management knowledge of industry and non-real estate collateral	**17% 4% - 96% (83% 90% (45%)**[1]

[1] Represents fair value as a percentage of the unpaid principal balance.

A summary of quantitative information about Non-recurring Fair Value Measurements based on Significant Unobservable Inputs (Level 3) as of March 31, 2023 June 30, 2023 follows (dollars in thousands):

	Fair Value	Valuation Technique(s)	Unobservable Input	Range (Weighted Average)
Nonaccruing loans	$ 14,040 12,048	Discounted cash flows	Management knowledge of industry and non-real estate collateral including, but not limited to, recoverable oil and gas reserves, forward-looking commodity prices, estimated operating costs	88% 44% - 88% (88% 62% (58%)[1]

[1] Represents fair value as a percentage of the unpaid principal balance.

Fair Value of Financial Instruments

The following table presents the carrying values and estimated fair values of all financial instruments, including those financial assets and liabilities that are not measured and reported at fair value on a recurring basis or are measured at fair value on a non-recurring basis as of March 31, 2024 June 30, 2024 (in thousands):

	Carrying Value	Carrying Value	Estimated Fair Value	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value	Estimated Fair Value	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and due from banks											
Interest-bearing cash and cash equivalents											
Trading securities:											
U.S. government securities											
U.S. government securities											
U.S. government securities											
Residential agency mortgage-backed securities											
Municipal securities											
Other trading securities											
Other trading securities											
Other trading securities											
Total trading securities											
Investment securities:											
Municipal securities											
Municipal securities											
Municipal securities											
Residential agency mortgage-backed securities											
Commercial agency mortgage-backed securities											
Other debt securities											
Total investment securities											
Allowance for credit losses											
Investment securities, net of allowance											
Available for sale securities:											
U.S. Treasury											
U.S. Treasury											
U.S. Treasury											
Municipal securities											
Residential agency mortgage-backed securities											

Residential non-agency mortgage-backed securities
Commercial agency mortgage-backed securities
Other debt securities
Total available for sale securities
Fair value option securities — Residential agency mortgage-backed securities
Fair value option securities — Residential agency mortgage-backed securities
Fair value option securities — Residential agency mortgage-backed securities
Residential mortgage loans held for sale
Residential mortgage loans held for sale
Residential mortgage loans held for sale
Loans:
Commercial
Commercial
Commercial
Commercial real estate
Loans to individuals
Loans to individuals
Loans to individuals
Total loans
Allowance for loan losses
Loans, net of allowance
Mortgage servicing rights
Derivative instruments with positive fair value, net of cash collateral
Deposits with no stated maturity
Time deposits
Other borrowed funds
Subordinated debentures
Derivative instruments with negative fair value, net of cash collateral

The following table presents the carrying values and estimated fair values of all financial instruments, including those financial assets and liabilities that are not measured and reported at fair value on a recurring basis or are measured at fair value on a non-recurring basis as of December 31, 2023 (in thousands):

	Carrying Value	Estimated Fair Value	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and due from banks	$ 947,613	$ 947,613	$ 947,613	$ —	$ —

Interest-bearing cash and cash equivalents	400,652	400,652	400,652	—	—
Trading securities:					
U.S. government securities	10,959	10,959	9,017	1,942	—
Residential agency mortgage-backed securities	5,105,137	5,105,137	—	5,105,137	—
Municipal securities	37,413	37,413	—	37,413	—
Other trading securities	39,996	39,996	—	39,996	—
Total trading securities	5,193,505	5,193,505	9,017	5,184,488	—
Investment securities:					
Municipal securities	120,705	125,525	—	12,305	113,220
Residential agency mortgage-backed securities	2,092,083	1,917,810	—	1,917,810	—
Commercial agency mortgage-backed securities	15,914	15,067	—	15,067	—
Other debt securities	15,787	14,184	—	14,184	—
Total investment securities	2,244,489	2,072,586	—	1,959,366	113,220
Allowance for credit losses	(336)	—	—	—	—
Investment securities, net of allowance	2,244,153	2,072,586	—	1,959,366	113,220
Available for sale securities:					
U.S. Treasury	925	925	925	—	—
Municipal securities	502,833	502,833	—	502,833	—
Residential agency mortgage-backed securities	6,834,720	6,834,720	—	6,834,720	—
Residential non-agency mortgage-backed securities	799,877	799,877	—	799,877	—
Commercial agency mortgage-backed securities	4,147,853	4,147,853	—	4,147,853	—
Other debt securities	473	473	—	—	473
Total available for sale securities	12,286,681	12,286,681	925	12,285,283	473
Fair value option securities — Residential agency mortgage-backed securities	20,671	20,671	—	20,671	—
Residential mortgage loans held for sale	56,935	56,935	—	49,749	7,186
Loans:					
Commercial	14,803,769	14,862,873	—	—	14,862,873
Commercial real estate	5,337,647	5,270,657	—	—	5,270,657
Loans to individuals	3,763,552	3,634,855	—	—	3,634,855
Total loans	23,904,968	23,768,385	—	—	23,768,385
Allowance for loan losses	(277,123)	—	—	—	—
Loans, net of allowance	23,627,845	23,768,385	—	—	23,768,385
Mortgage servicing rights	293,884	293,884	—	—	293,884
Derivative instruments with positive fair value, net of cash collateral	410,304	410,304	—	410,304	—
Deposits with no stated maturity	31,007,679	31,007,679	—	—	31,007,679
Time deposits	3,012,022	2,993,685	—	—	2,993,685
Other borrowed funds	8,824,300	8,824,299	—	—	8,824,299
Subordinated debentures	131,150	115,798	—	115,798	—
Derivative instruments with negative fair value, net of cash collateral	587,473	587,473	2,607	584,866	—

Because no market exists for certain of these financial instruments and management does not intend to sell these financial instruments, the fair values shown in the tables above may not represent values at which the respective financial instruments could be sold individually or in the aggregate at the given reporting date.

(12) Subsequent Events

See Footnote 6, Commitments and Contingent Liabilities, regarding the Exchange Offer.

The Company evaluated events from the date of the consolidated financial statements on March 31, 2024 June 30, 2024 through the issuance of those consolidated financial statements included in this Quarterly Report on Form 10-Q. Except as noted above, no other No events were identified requiring recognition in and/or disclosure in the consolidated financial statements.

Quarterly Six-Month Financial Summary – Unaudited

Consolidated Daily Average Balances, Average Yields and Rates

(In thousands, except per share data)	(In thousands, except per share data)	Three Months Ended					(In thousands, except per share data)			
		March 31, 2024					December 31, 2023			
		Average Balance		Average Balance	Revenue/ Expense	Yield/ Rate		Average Balance		Revenue/ Expense
Assets	**Assets**							**Assets**		
Interest-bearing cash and cash equivalents	Interest-bearing cash and cash equivalents	$ 567,680	$	$ 7,005	4.96	4.96 %	$ 605,839	$	$ 8,096	5.30 5
Trading securities	Trading securities	5,371,209	68,300	68,300	5.12	5.12 %	5,448,403	69,013	69,013	5.05
Investment securities, net of allowance		2,210,040		7,854		1.42 %	2,264,194		8,058	1.42
Investment securities		2,180,560		15,443		1.42 %	2,440,778		17,676	1.45
Available for sale securities	Available for sale securities	12,537,981	113,593	113,593	3.48	3.48 %	12,063,398	105,556	105,556	3.27
Fair value option securities	Fair value option securities	20,080	195	195	3.59	3.59 %	20,086	199	199	3.57
Restricted equity securities	Restricted equity securities	412,376	8,858	8,858	8.59	8.59 %	432,780	8,670	8,670	8.01
Residential mortgage loans held for sale	Residential mortgage loans held for sale	57,402	923	923	6.25	6.25 %	61,146	1,036	1,036	6.59
Loans	Loans	23,948,567	440,584	440,584	7.40	7.40 %	23,705,108	439,808	439,808	7.36
Allowance for loan losses										
Loans, net of allowance										
Loans, net of allowance										
Loans, net of allowance		23,670,118	440,584	440,584	7.48	7.48 %	23,431,391	439,808	439,808	7.45
Total earning assets	Total earning assets	44,846,886	647,312	647,312	5.73	5.73 %	44,327,237	640,436	640,436	5.64
Receivable on unsettled securities sales										
Cash and other assets										
Cash and other assets										
Cash and other assets										

Total assets

Total assets

Total assets

Liabilities and equity

Liabilities and equity

Liabilities and equity

Interest-bearing deposits:	Interest-bearing deposits:							Interest-bearing deposits:			
Transaction	Transaction	**$22,264,259**	**$**	**$ 203,781**	**3.68**	**3.68 %**	$ 20,449,370	$	$ 177,475	3.44	3
Savings	Savings	**843,037**	**1,204**	**1,204**	**0.57**	**0.57 %**	845,705	1,132	1,132	0.53	
Time	Time	**3,287,179**	**37,139**	**37,139**	**4.54**	**4.54 %**	3,002,252	31,242	31,242	4.13	
Total interest-bearing deposits	Total interest-bearing deposits	**26,394,475**	**242,124**	**242,124**	**3.69**	**3.69 %**	24,297,327	209,849	209,849	3.43	
Funds purchased and repurchase agreements	Funds purchased and repurchase agreements	**1,258,044**	**12,664**	**12,664**	**4.05**	**4.05 %**	2,476,973	29,915	29,915	4.79	
Other borrowings	Other borrowings	**6,844,633**	**94,540**	**94,540**	**5.56**	**5.56 %**	7,120,963	99,542	99,542	5.55	
Subordinated debentures	Subordinated debentures	**131,154**	**2,312**	**2,312**	**7.09**	**7.09 %**	131,151	2,343	2,343	7.09	
Total interest-bearing liabilities	Total interest-bearing liabilities	**34,628,306**	**351,640**	**351,640**	**4.08**	**4.08 %**	34,026,414	341,649	341,649	3.98	

Non-interest bearing demand deposits

Due on unsettled securities purchases

Due on unsettled securities purchases

Due on unsettled securities purchases

Other liabilities

Other liabilities

Other liabilities

Total equity

Total equity

Total equity

Total liabilities and equity

Total liabilities and equity

Total liabilities and equity

Tax-equivalent Net Interest Revenue

Tax-equivalent Net Interest Revenue

Tax-equivalent Net Interest Revenue	**$295,672**	**1.65 %**	$ 298,787
Tax-equivalent Net Interest Revenue to Earning Assets		**2.61 %**	

Tax-equivalent net interest income			
Tax-equivalent net interest income			
Tax-equivalent net interest income	$593,889	1.65 %	$ 679,094
Tax-equivalent net interest income to earning assets		2.59 %	
Less tax-equivalent adjustment			
Net Interest Revenue			
Net Interest Revenue			
Net Interest Revenue			
Net interest income			
Net interest income			
Net interest income			
Provision for credit losses			
Provision for credit losses			
Provision for credit losses			
Other operating revenue			
Other operating revenue			
Other operating revenue			
Other operating expense			
Other operating expense			
Other operating expense			
Income before taxes			
Income before taxes			
Income before taxes			
Federal and state income taxes			
Federal and state income taxes			
Federal and state income taxes			
Net income			
Net income			
Net income			
Net income (loss) attributable to non-controlling interests			
Net income (loss) attributable to non-controlling interests			
Net income (loss) attributable to non-controlling interests			
Net income attributable to BOK Financial Corp. shareholders			
Net income attributable to BOK Financial Corp. shareholders			
Net income attributable to BOK Financial Corp. shareholders			
Net income attributable to non-controlling interests			
Net income attributable to non-controlling interests			
Net income attributable to non-controlling interests			
Net income attributable to BOK Financial Corporation shareholders			
Net income attributable to BOK Financial Corporation shareholders			
Net income attributable to BOK Financial Corporation shareholders			
Earnings Per Average Common Share Equivalent:			

Earnings Per Average Common Share Equivalent:

Earnings Per Average Common Share Equivalent:

Net income:			
Basic	Basic	$ 1.29	$ 1.26
Diluted	Diluted	$ 1.29	$ 1.26

Yield calculations are shown on a tax equivalent at the statutory federal and state rates for the periods presented. The yield calculations exclude security trades that have been recorded on trade date with no corresponding interest income and the unrealized gains and losses. The yield calculation also includes average loan balances for which the accrual of interest has been discontinued and are net of unearned income. Yield / rate calculations are generally based on the conventions that determine how interest income and expense is accrued.

(In thousands, except per share data)	Three Months Ended					
	September 30, 2023			June 30, 2023		
	Average Balance	Revenue /Expense	Yield / Rate	Average Balance	Revenue / Expense	Yield / Rate
Assets						
Interest-bearing cash and cash equivalents	$ 598,734	$ 8,199	5.43 %	$ 708,475	$ 9,552	5.41 %
Trading securities	5,444,587	65,301	4.76 %	4,274,803	47,882	4.50 %
Investment securities, net of allowance	2,331,595	8,309	1.43 %	2,408,122	8,659	1.44 %
Available for sale securities	11,925,800	99,238	3.11 %	12,033,597	94,849	3.00 %
Fair value option securities	41,741	552	4.61 %	245,469	3,116	5.07 %
Restricted equity securities	445,532	8,776	7.88 %	351,944	6,429	7.31 %
Residential mortgage loans held for sale	77,208	1,234	6.27 %	72,959	1,092	5.85 %
Loans	23,414,308	427,649	7.25 %	22,889,054	400,988	7.03 %
Allowance for loan losses	(267,205)			(252,890)		
Loans, net of allowance	23,147,103	427,649	7.33 %	22,636,164	400,988	7.10 %
Total earning assets	44,012,300	619,258	5.49 %	42,731,533	572,567	5.29 %
Receivable on unsettled securities sales	268,344			163,903		
Cash and other assets	5,038,908			5,012,671		
Total assets	$ 49,319,552			$ 47,908,107		
Liabilities and equity						
Interest-bearing deposits:						
Transaction	$ 19,415,599	$ 155,385	3.18 %	$ 18,368,592	$ 119,272	2.60 %
Savings	874,530	1,043	0.47 %	926,882	490	0.21 %
Time	2,839,947	28,380	3.96 %	2,076,037	16,904	3.27 %
Total interest-bearing deposits	23,130,076	184,808	3.17 %	21,371,511	136,666	2.56 %
Funds purchased and repurchase agreements	2,699,027	32,748	4.81 %	3,670,994	41,905	4.58 %
Other borrowings	6,968,309	96,271	5.48 %	5,275,291	67,316	5.12 %
Subordinated debentures	131,151	2,321	7.02 %	131,153	2,219	6.79 %
Total interest-bearing liabilities	32,928,563	316,148	3.81 %	30,448,949	248,106	3.27 %
Non-interest bearing demand deposits	10,157,821			10,998,201		
Due on unsettled securities purchases	435,927			436,353		
Other liabilities	891,675			1,079,692		
Total equity	4,905,566			4,944,912		
Total liabilities and equity	$ 49,319,552			$ 47,908,107		
Tax-equivalent Net Interest Revenue		$ 303,110	1.68 %		$ 324,461	2.02 %
Tax-equivalent Net Interest Revenue to Earning Assets			2.69 %			3.00 %
Less tax-equivalent adjustment		2,214			2,200	
Net Interest Revenue		300,896			322,261	
Provision for credit losses		7,000			17,000	
Other operating revenue		198,152			209,049	
Other operating expense		324,313			318,673	
Income before taxes		167,735			195,637	
Federal and state income taxes		33,256			44,001	
Net income		134,479			151,636	
Net income (loss) attributable to non-controlling interests		(16)			328	
Net income attributable to BOK Financial Corp. shareholders		$ 134,495			$ 151,308	
Earnings Per Average Common Share Equivalent:						
Basic		$ 2.04			$ 2.27	
Diluted		$ 2.04			$ 2.27	

Quarterly Financial Summary – Unaudited

Consolidated Daily Average Balances, Average Yields and Rates

(In thousands, except per share data)	Three Months Ended					
	June 30, 2024			March 31, 2024		
	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate
Assets						
Interest-bearing cash and cash equivalents	**$ 533,760**	**$ 7,776**	**5.86 %**	$ 567,680	$ 7,005	4.96 %
Trading securities	**5,922,891**	**74,856**	**5.06 %**	5,371,209	68,300	5.12 %
Investment securities, net of allowance	**2,151,079**	**7,589**	**1.41 %**	2,210,040	7,854	1.42 %
Available for sale securities	**12,755,865**	**123,916**	**3.71 %**	12,537,981	113,593	3.48 %
Fair value option securities	**19,170**	**194**	**3.68 %**	20,080	195	3.59 %
Restricted equity securities	**453,303**	**9,192**	**8.11 %**	412,376	8,858	8.59 %
Residential mortgage loans held for sale	**81,371**	**1,348**	**6.50 %**	57,402	923	6.25 %
Loans	**24,385,153**	**449,142**	**7.41 %**	23,948,567	440,584	7.40 %
Allowance for loan losses	**(283,246)**			(278,449)		
Loans, net of allowance	**24,101,907**	**449,142**	**7.49 %**	23,670,118	440,584	7.48 %
Total earning assets	**46,019,346**	**674,013**	**5.80 %**	44,846,886	647,312	5.73 %
Receivable on unsettled securities sales	**171,344**			307,389		
Cash and other assets	**5,004,509**			4,873,297		
Total assets	**$ 51,195,199**			$ 50,027,572		
Liabilities and equity						
Interest-bearing deposits:						
Transaction	**$ 23,006,204**	**$ 215,122**	**3.76 %**	$ 22,264,259	$ 203,781	3.68 %
Savings	**832,704**	**1,196**	**0.58 %**	843,037	1,204	0.57 %
Time	**3,427,336**	**38,435**	**4.51 %**	3,287,179	37,139	4.54 %
Total interest-bearing deposits	**27,266,244**	**254,753**	**3.76 %**	26,394,475	242,124	3.69 %
Funds purchased and repurchase agreements	**1,838,323**	**19,544**	**4.28 %**	1,258,044	12,664	4.05 %
Other borrowings	**7,151,228**	**99,193**	**5.58 %**	6,844,633	94,540	5.56 %
Subordinated debentures	**131,156**	**2,306**	**7.07 %**	131,154	2,312	7.09 %
Total interest-bearing liabilities	**36,386,951**	**375,796**	**4.15 %**	34,628,306	351,640	4.08 %
Non-interest bearing demand deposits	**8,386,979**			8,631,416		
Due on unsettled securities purchases	**351,199**			499,936		
Other liabilities	**920,427**			1,112,947		
Total equity	**5,149,643**			5,154,967		
Total liabilities and equity	**$ 51,195,199**			$ 50,027,572		
Tax-equivalent net interest income		**$ 298,217**	**1.65 %**		$ 295,672	1.65 %
Tax-equivalent net interest income to earning assets			**2.56 %**			2.61 %
Less tax-equivalent adjustment		**2,196**			2,100	
Net interest income		**296,021**			293,572	
Provision for credit losses		**8,000**			8,000	
Other operating revenue		**259,704**			161,701	
Other operating expense		**336,690**			340,384	
Income before taxes		**211,035**			106,889	
Federal and state income taxes		**47,303**			23,195	
Net income		**163,732**			83,694	
Net income (loss) attributable to non-controlling interests		**19**			(9)	
Net income attributable to BOK Financial Corporation shareholders		**$ 163,713**			$ 83,703	
Earnings Per Average Common Share Equivalent:						
Basic		**$ 2.54**			$ 1.29	
Diluted		**$ 2.54**			$ 1.29	

Yield calculations are shown on a tax equivalent at the statutory federal and state rates for the periods presented. The yield calculations exclude security trades that have been recorded on trade date with no corresponding interest income and the unrealized gains and losses. The yield calculation also includes average loan balances for which the accrual of interest has been discontinued and are net of unearned income. Yield / rate calculations are generally based on the conventions that determine how interest income and expense is accrued.

(In thousands, except per share data)	(In thousands, except per share data)	Three Months Ended					(In thousands, except per share data)	Three Months Ended			
		March 31, 2023 / December 31, 2023						September 30, 2023			
		Average Balance	Average Balance	Revenue / Expense		Yield / Rate				Average Balance	
Assets											
Interest-bearing cash and cash equivalents											
Interest-bearing cash and cash equivalents											
Interest-bearing cash and cash equivalents		$ 616,596	$	$ 6,506	4.28	4.28 %		$ 605,839	$	$ 8,096	5
Trading securities	Trading securities	3,031,969	34,073	34,073	4.52	4.52 %	Trading securities	5,448,403	69,013		69,(
Investment securities, net of allowance	Investment securities, net of allowance	2,473,796	9,017	9,017	1.46	1.46 %	Investment securities, net of allowance	2,264,194	8,058		8,(
Available for sale securities	Available for sale securities	11,738,693	89,112	89,112	2.87	2.87 %	Available for sale securities	12,063,398	105,556		105,5
Fair value option securities	Fair value option securities	300,372	3,893	3,893	5.17	5.17 %	Fair value option securities	20,086	199		1
Restricted equity securities	Restricted equity securities	316,724	5,808	5,808	7.34	7.34 %	Restricted equity securities	432,780	8,670		8,6
Residential mortgage loans held for sale	Residential mortgage loans held for sale	65,769	979	979	5.79	5.79 %	Residential mortgage loans held for sale	61,146	1,036		1,(
Loans	Loans	22,476,247	369,626	369,626	6.67	6.67 %	Loans	23,705,108	439,808		439,8
Allowance for loan losses											
Loans, net of allowance											
Loans, net of allowance											
Loans, net of allowance		22,237,338	369,626	369,626	6.74	6.74 %		23,431,391	439,808		439,808
Total earning assets	Total earning assets	40,781,257	519,014	519,014	5.06	5.06 %	Total earning assets	44,327,237	640,436		640,4
Receivable on unsettled securities sales											
Cash and other assets											
Cash and other assets											

Cash and other assets

Total assets

Total assets

Total assets

Liabilities and equity

Liabilities and equity

Liabilities and equity

Interest-bearing deposits:

Interest-bearing deposits:

Interest-bearing deposits:

Transaction

Transaction

Transaction		$ 18,639,900	$	$ 87,936	1.91	1.91 %		$ 20,449,370	$	$ 177,475	3
Savings	Savings	958,443	248	248	0.10	0.10 %	Savings	845,705	1,132	1,1
Time	Time	1,477,720	7,090	7,090	1.95	1.95 %	Time	3,002,252	31,242	31,2
Total interest-bearing deposits	Total interest-bearing deposits	21,076,063	95,274	95,274	1.83	1.83 %	Total interest-bearing deposits	24,297,327	209,849	209,8
Funds purchased and repurchase agreements	Funds purchased and repurchase agreements	1,759,237	14,450	14,450	3.33	3.33 %	Funds purchased and repurchase agreements	2,476,973	29,915	29,9
Other borrowings	Other borrowings	4,512,280	52,588	52,588	4.73	4.73 %	Other borrowings	7,120,963	99,542	99,5
Subordinated debentures	Subordinated debentures	131,166	2,069	2,069	6.40	6.40 %	Subordinated debentures	131,151	2,343	2,3
Total interest-bearing liabilities	Total interest-bearing liabilities	27,478,746	164,381	164,381	2.43	2.43 %	Total interest-bearing liabilities	34,026,414	341,649	341,6

Non-interest bearing demand deposits

Due on unsettled securities purchases

Due on unsettled securities purchases

Due on unsettled securities purchases

Other liabilities

Other liabilities

Other liabilities

Total equity

Total equity

Total equity

Total liabilities and equity

Total liabilities and equity

Total liabilities and equity

Tax-equivalent Net Interest Revenue

Tax-equivalent Net Interest Revenue

Tax-equivalent Net Interest Revenue	$	354,633	2.63	%		
Tax-equivalent Net Interest Revenue to Earning Assets					3.45 %	
Tax-equivalent net interest income						
Tax-equivalent net interest income						
Tax-equivalent net interest income	$	298,787	1.66	%		$
Tax-equivalent net interest income to earning assets					2.64 %	
Less tax-equivalent adjustment						
Net Interest Revenue						
Net Interest Revenue						
Net Interest Revenue						
Net interest income						
Net interest income						
Net interest income						
Provision for credit losses						
Provision for credit losses						
Provision for credit losses						
Other operating revenue						
Other operating revenue						
Other operating revenue						
Other operating expense						
Other operating expense						
Other operating expense						
Income before taxes						
Income before taxes						
Income before taxes						
Federal and state income taxes						
Federal and state income taxes						
Federal and state income taxes						
Net income						
Net income						
Net income						
Net income attributable to non-controlling interests						
Net income attributable to non-controlling interests						
Net income attributable to non-controlling interests						
Net income attributable to BOK Financial Corp. shareholders						
Net income attributable to BOK Financial Corp. shareholders						
Net income attributable to BOK Financial Corp. shareholders						
Net income (loss) attributable to non-controlling interests						
Net income (loss) attributable to non-controlling interests						

Net income (loss) attributable to non-controlling interests				
Net income attributable to BOK Financial Corporation shareholders				
Net income attributable to BOK Financial Corporation shareholders				
Net income attributable to BOK Financial Corporation shareholders				
Earnings Per Average Common Share Equivalent:				
Earnings Per Average Common Share Equivalent:				
Earnings Per Average Common Share Equivalent:				
Basic				
Basic				
Basic		$ 1.26		$ 2.04
Diluted	Diluted	$1.26		$ 2.04
Diluted				
Diluted				

Yield calculations are shown on a tax equivalent at the statutory federal and state rates for the periods presented. The yield calculations exclude security trades that have been recorded on trade date with no corresponding interest income and the unrealized gains and losses. The yield calculation also includes average loan balances for which the accrual of interest has been discontinued and are net of unearned income. Yield / rate calculations are generally based on the conventions that determine how interest income and expense is accrued.

(In thousands, except per share data)	Three Months Ended		
	June 30, 2023		
	Average Balance	Revenue / Expense	Yield / Rate
Assets			
Interest-bearing cash and cash equivalents	$ 708,475	$ 9,552	5.41 %
Trading securities	4,274,803	47,882	4.50 %
Investment securities, net of allowance	2,408,122	8,659	1.44 %
Available for sale securities	12,033,597	94,849	3.00 %
Fair value option securities	245,469	3,116	5.07 %
Restricted equity securities	351,944	6,429	7.31 %
Residential mortgage loans held for sale	72,959	1,092	5.85 %
Loans	22,889,054	400,988	7.03 %
Allowance for loan losses	(252,890)		
Loans, net of allowance	22,636,164	400,988	7.10 %
Total earning assets	42,731,533	572,567	5.29 %
Receivable on unsettled securities sales	163,903		
Cash and other assets	5,012,671		
Total assets	$ 47,908,107		
Liabilities and equity			
Interest-bearing deposits:			
Transaction	$ 18,368,592	$ 119,272	2.60 %
Savings	926,882	490	0.21 %
Time	2,076,037	16,904	3.27 %
Total interest-bearing deposits	21,371,511	136,666	2.56 %

Funds purchased and repurchase agreements	3,670,994	41,905	4.58 %
Other borrowings	5,275,291	67,316	5.12 %
Subordinated debentures	131,153	2,219	6.79 %
Total interest-bearing liabilities	30,448,949	248,106	3.27 %
Non-interest bearing demand deposits	10,998,201		
Due on unsettled securities purchases	436,353		
Other liabilities	1,079,692		
Total equity	4,944,912		
Total liabilities and equity	$ 47,908,107		
Tax-equivalent net interest income		$ 324,461	2.02 %
Tax-equivalent net interest income to earning assets			3.00 %
Less tax-equivalent adjustment		2,200	
Net interest income		322,261	
Provision for credit losses		17,000	
Other operating revenue		209,049	
Other operating expense		318,673	
Income before taxes		195,637	
Federal and state income taxes		44,001	
Net income		151,636	
Net income attributable to non-controlling interests		328	
Net income attributable to BOK Financial Corporation shareholders		$ 151,308	
Earnings Per Average Common Share Equivalent:			
Basic		$ 2.27	
Diluted		$ 2.27	

Yield calculations are shown on a tax equivalent at the statutory federal and state rates for the periods presented. The yield calculations exclude security trades that have been recorded on trade date with no corresponding interest income and the unrealized gains and losses. The yield calculation also includes average loan balances for which the accrual of interest has been discontinued and are net of unearned income. Yield / rate calculations are generally based on the conventions that determine how interest income and expense is accrued.

Quarterly Earnings Trends – Unaudited

(In thousands, except share and per share data)

		Three Months Ended				Three Months Ended				
	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023	Mar. 31, 2023	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	June 30, 2023
Interest revenue										
Interest expense										
Net interest revenue										
Net interest income										
Provision for credit losses										
Net interest revenue after provision for credit losses										
Net interest income after provision for credit losses										
Other operating revenue	**Other operating revenue**				**Other operating revenue**					
Brokerage and trading revenue										
Transaction card revenue										
Fiduciary and asset management revenue										
Deposit service charges and fees										
Mortgage banking revenue										
Other revenue										

Total fees and commissions												
Other gains, net												
Gain (loss) on derivatives, net												
Gain (loss) on fair value option securities, net												
Change in fair value of mortgage servicing rights												
Loss on available for sale securities, net												
Gain (loss) on available for sale securities, net												
Total other operating revenue												
Total other operating revenue												
Total other operating revenue												
Other operating expense	**Other operating expense**						**Other operating expense**					
Personnel												
Business promotion												
Charitable contributions to BOKF Foundation												
Professional fees and services												
Net occupancy and equipment												
FDIC and other insurance												
FDIC special assessment												
Data processing and communications												
Printing, postage and supplies												
Amortization of intangible assets												
Mortgage banking costs												
Other expense												
Total other operating expense												
Net income before taxes												
Federal and state income taxes												
Net income												
Net income (loss) attributable to non-controlling interests												
Net income attributable to BOK Financial Corporation shareholders												
Earnings per share:												
Earnings per share:												
Earnings per share:												
Basic	Basic	**$1.29**	$1.26	$2.04	$2.27	$2.43	Basic	**$2.54**	$1.29	$1.26	$2.04	$2.27
Diluted	Diluted	**$1.29**	$1.26	$2.04	$2.27	$2.43	Diluted	**$2.54**	$1.29	$1.26	$2.04	$2.27
Average shares used in computation:												
Basic												
Basic												
Basic												
Diluted												

PART II. Other Information

Item 1. Legal Proceedings

See discussion of legal proceedings at Note 6 to the Consolidated Financial Statements.

Item 1A. Risk Factors

There are no material changes from the risk factors set forth under Part I, Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information with respect to purchases made by or on behalf of the Company or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934), of the Company's common stock during the three months ended March 31, 2024 June 30, 2024.

Period	Total Number of Shares Purchased[2]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1]	Maximum Number of Shares that May Yet Be Purchased Under the Plans
January 1 to January 31, 2024	79,534	$ 88.22	44,630	2,527,156
February 1 to February 29, 2024	425,000	$ 82.73	425,000	2,102,156
March 1 to March 31, 2024	147,316	$ 86.50	147,000	1,955,156
Total	651,850		616,630	

Period	Total Number of Shares Purchased[2]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1]	Maximum Number of Shares that May Yet Be Purchased Under the Plans
April 1 to April 30, 2024	55,000	$ 90.47	55,000	1,900,156
May 1 to May 31, 2024	206,176	$ 91.74	206,176	1,693,980
June 1 to June 30, 2024	155,774	$ 88.60	151,000	1,542,980
Total	416,950		412,176	

1 On November 1, 2022, the Company's board of directors authorized the Company to repurchase up to five million shares of the Company's common stock. As of March 31, 2024 June 30, 2024, the Company had repurchased 3,044,844 3,457,020 shares under this plan. Future repurchases of the Company's common stock will vary based on market conditions, regulatory limitations and other factors.

2 The Company may repurchase mature shares from employees to cover the exercise price and taxes in connection with employee equity compensation.

Item 5. Other Information

Trading Plans

No Company director or officer (as defined in Exchange Act Rule 16a-1(f)) has adopted, modified or terminated any trading arrangements during the first second quarter of 2024.

Certain of our officers or directors have made elections to participate in, and are participating in, our dividend reinvestment plan and 401(k) plan, and have made, and may from time to time make, elections to have shares withheld to cover withholding taxes on issuances of shares to such officers or directors, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Changes in Equity, (iv) the Consolidated Statement of Cash Flows and (v) the Notes to Consolidated Financial Statements. The XBRL instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)

Items 3 and 4 are not applicable and have been omitted.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOK FINANCIAL CORPORATION
(Registrant)

Date: May 1, 2024 July 31, 2024

/s/ Martin E. Grunst
Martin E. Grunst
Executive Vice President and
Chief Financial Officer

/s/ Michael J. Rogers
Michael J. Rogers
Senior Vice President and
Chief Accounting Officer

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Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
FOR THE CHIEF EXECUTIVE OFFICER

I, Stacy C. Kymes, President and Chief Executive Officer of BOK Financial Corporation (“BOK Financial”), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BOK Financial;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2024 July 31, 2024

/s/ Stacy C. Kymes

Stacy C. Kymes
President
Chief Executive Officer
BOK Financial Corporation

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
FOR THE CHIEF FINANCIAL OFFICER

I, Martin E. Grunst, Chief Financial Officer of BOK Financial Corporation (“BOK Financial”), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BOK Financial;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2024 July 31, 2024

/s/ Martin E. Grunst
Martin E. Grunst
Executive Vice President
Chief Financial Officer
BOK Financial Corporation

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BOK Financial Corporation (“BOK Financial”) on Form 10-Q for the fiscal period ending March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Stacy C. Kymes and Martin E. Grunst, Chief Executive Officer and Chief Financial Officer, respectively, of BOK Financial, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BOK Financial as of, and for, the periods presented.

May 1, July 31, 2024

/s/ Stacy C. Kymes

Stacy C. Kymes
President
Chief Executive Officer
BOK Financial Corporation

/s/ Martin E. Grunst

Martin E. Grunst
Executive Vice President
Chief Financial Officer
BOK Financial Corporation

DISCLAIMER