

2010 Governor's Water Conference Economic and Market Update

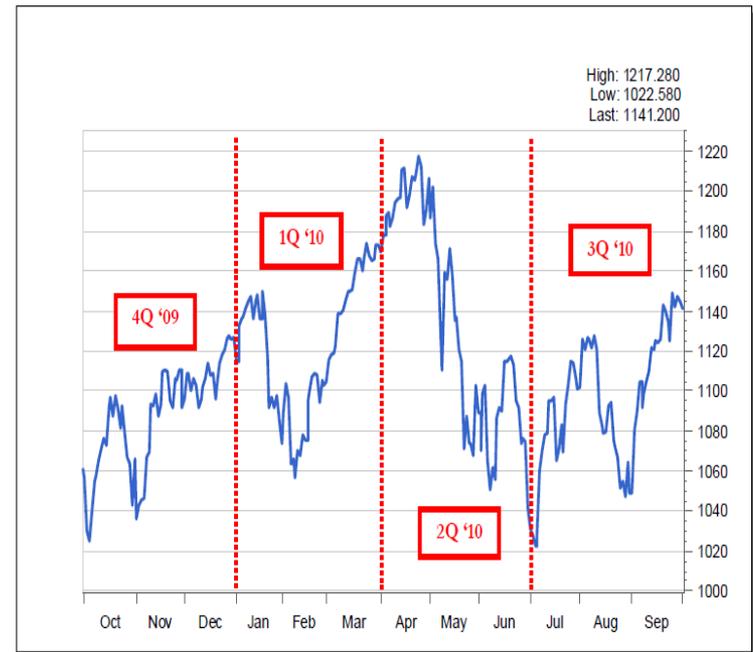
Wednesday, October 27, 2010

Chris Cochran, Managing Director Public Finance | BOSC, Inc.



S&P 500

- S&P 500 had a very strong third quarter.
- September especially good... the second best September in 80 years.
- Corporate profits up largely due to cost cutting



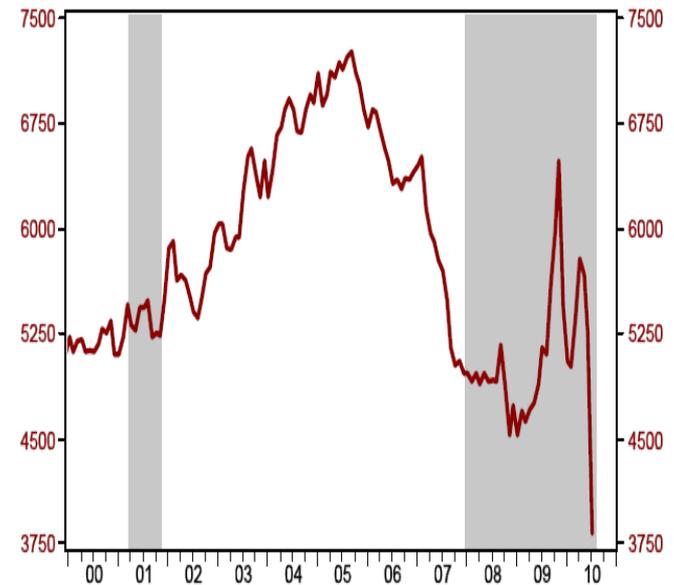
Source: Strategas Research Partners, LLC

Existing Home Sales still nearly 20% below last years figure and nearly 50% below highs

- While there are some parts of the economy that are recovering, the U.S. housing market is still not providing any impetus for growth.

NAR Total Existing Home Sales, United States

SAAR, Thous



Source: Strategas Research Partners, LLC

Initial Jobless Claims Stuck Above 450,000. Economy Not Growing Enough For Unemployment To Fall

- The economic data continue to be “mixed” and “ok” as we move through October, but there is no evidence of a significant acceleration in the data yet, which is notable since the FOMC appears to be “on the fence” in terms of providing additional Quantitative Easing.

Monthly Initial Claims for Unemployment Insurance, State Programs, Wkly Avg

SA, Thous



Source: Strategas Research Partners, LLC

U. S. Unemployment Rate

- The 9.6% unemployment rate indicates that forward economic momentum though positive, is not rapid enough to bring the unemployment rate down.

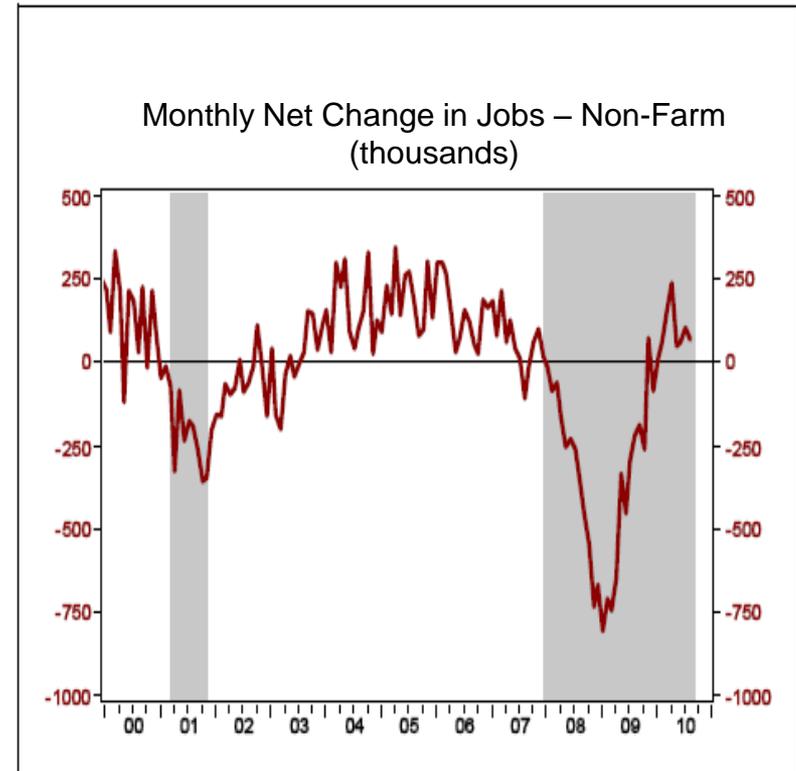
Seasonally Adjusted
Percent



Source: Strategas Research Partners, LLC

Job Creation Now Occurring, But Barely.

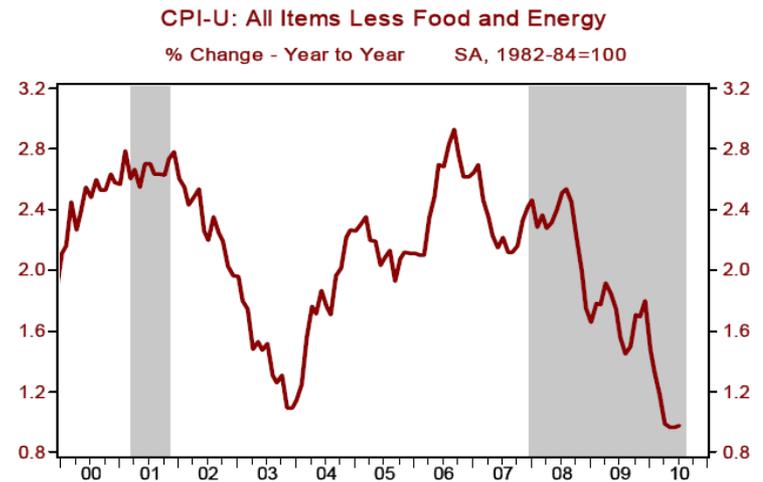
- Despite improvement from lowest point of the recession, job growth is very hard to come by.



Source: Strategas Research Partners, LLC

Retail Picture Continues Trend Of Tepid Growth... And Little Inflation – (Deflation)?

- But... the most important variable for spending remains whether consumers are employed, and with overall employment still sluggish, more of the same on the consumer front is likely.

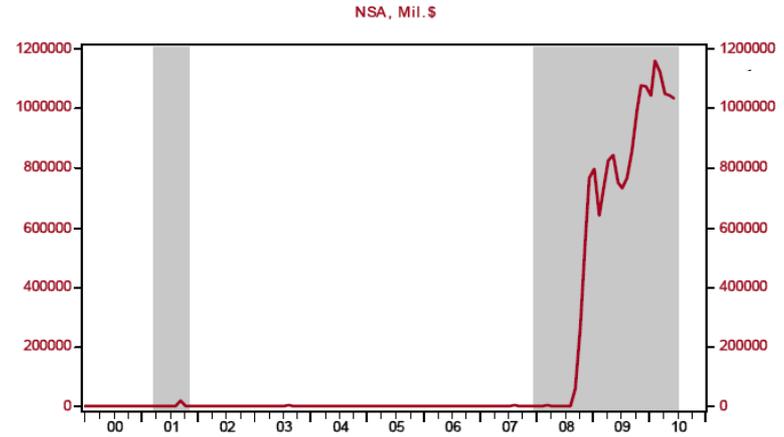


Source: Strategas Research Partners, LLC

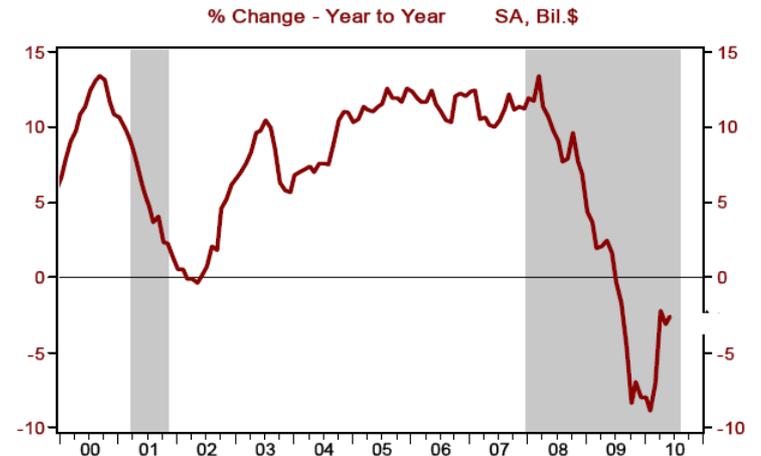
Bank Reserves & Lending

- There's plenty of fuel already in the system.
- But lending remains slow.

Adjusted Excess Reserves of Depository Institutions



Loans & Leases in Bank Credit: All Commercial Banks

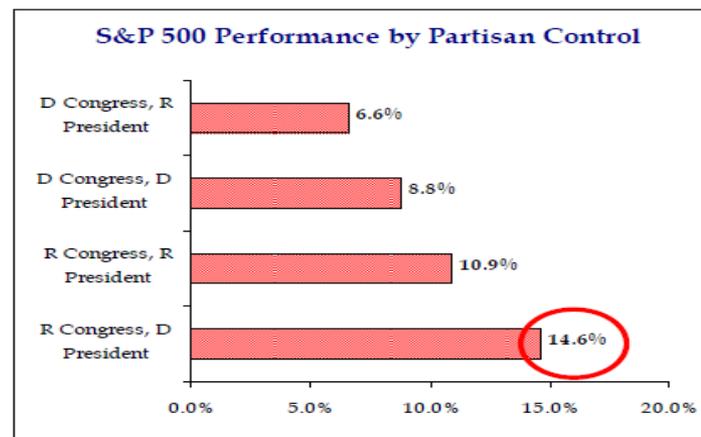
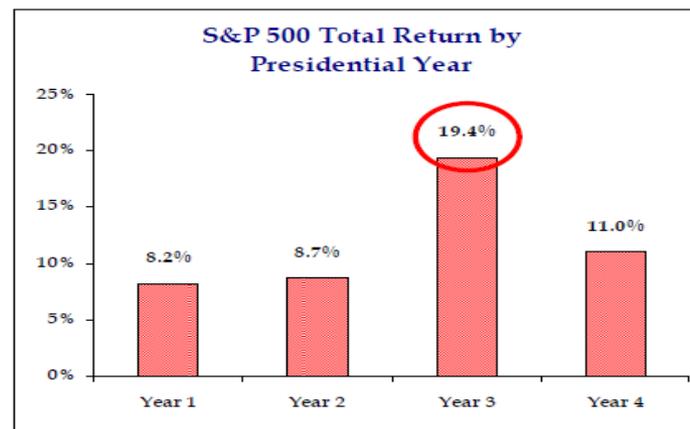


Source: Strategas Research Partners, LLC



Presidential Election Cycle, Make Up Of Congress

- Both third year of Presidential election cycle and divided government bode well for equity bulls.

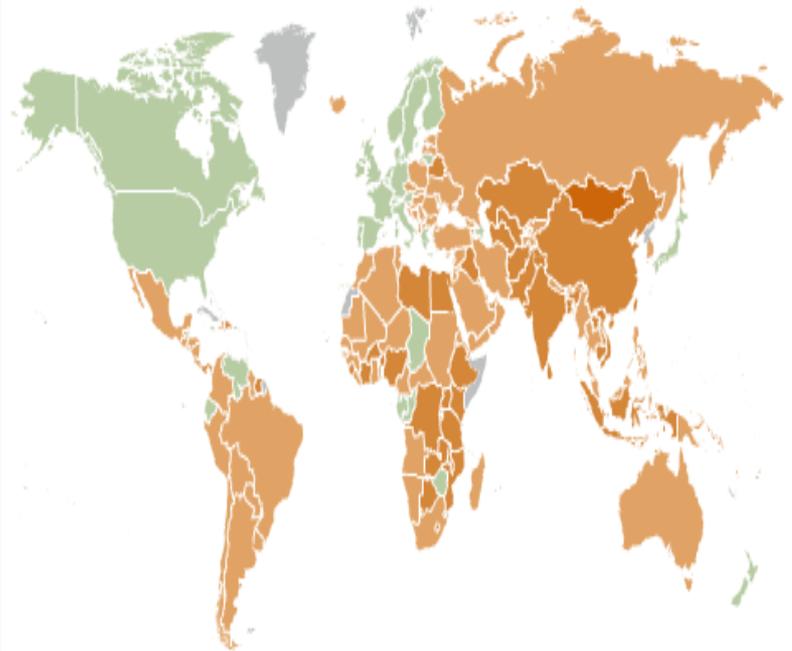


Source: Strategas Research Partners, LLC

World Economic Outlook (April 2010) – Real GDP Growth

- Gross domestic product is the most commonly used single measure of a country's overall economic activity. It represents the total value at constant prices of final goods and services produced within a country during a specified time period, such as one year.

Annual percent change



Source: IMF Data Mapper

Economic Outlook

- | | 4 th Quarter
2010 | 2011 |
|--|---------------------------------|---------|
| ■ Real GDP estimates: | 1% - 2% est. | 2% est. |
| ■ 2010 - 2011 will see positive, but flat economic growth. | | |
| ■ If not housing, what will be the engine driving our economy? | | |

What Does this Economic Outlook Imply for Markets?

More of the Same

- Short term interest rates to remain near all time lows.
- Equity market to be a bumpy ride.
- Corporate earnings have been good, based in part on significant cost cutting.
- Since top line growth will be hard to come by, expect cost cutting/containment to continue.

Legal Information

Disclaimers – Part I

The information in the report was prepared by Jim Huntzinger.

BOK Financial Corporation, a multi-bank financial holding company (NASDAQ:BOKF), offers trust and investment management services through its subsidiaries, **Bank of Oklahoma**, N.A., **Bank of Texas**, N.A., **Bank of Albuquerque**, N.A., **Bank of Arkansas**, N.A., **Bank of Arizona**, N.A., **Colorado State Bank and Trust**, N.A., **Bank of Kansas City**, N.A., and Southwest Trust Company, N.A. and investment advisory services through Cavanal Hill Investment Management, Inc., a subsidiary of Bank of Oklahoma (each an “Investment Subsidiary”). BOK Financial is also the parent company of BOSC, Inc., a registered investment adviser, registered broker/dealer, Member FINRA/SIPC. Distribution of this report is intended for informational purposes. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the author at this date and are subject to change without notice and are not a complete analysis of any sector, industry or security.

The information provided in this presentation is not a solicitation for the investment management services of any Investment Subsidiary. This document does not constitute the recommendation of any Investment Subsidiary to meet the investment needs of any individual client. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. This report is not to be considered investment advice or a recommendation of any particular security, strategy or investment product, nor is it intended to provide personal investment advice. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed in this report and should understand that statements regarding future prospects may not be realized.

The information provided in this presentation is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Investors should note that income from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. Investments are not insured by the FDIC and are not deposits or obligations of, or guaranteed by, any bank or bank affiliate. Investments are subject to risks, including the possible loss of the principal amount invested.

Legal Information

Disclaimers – Part II

This document contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, the securities and credit markets and the economy in general. Words including, but not limited to, "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events and are inherently forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what is expressed, implied, or forecasted in such forward-looking statements. The potential realization of these forward-looking statements is subject to a number of limitations and risks. BOKF, and each Investment Subsidiary, does not undertake any obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

This report may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF. Any unauthorized use or disclosure is prohibited. Receipt and review of this research report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report.