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PRESERVING OUR HERITAGE

2001 ANNUAL REPORT

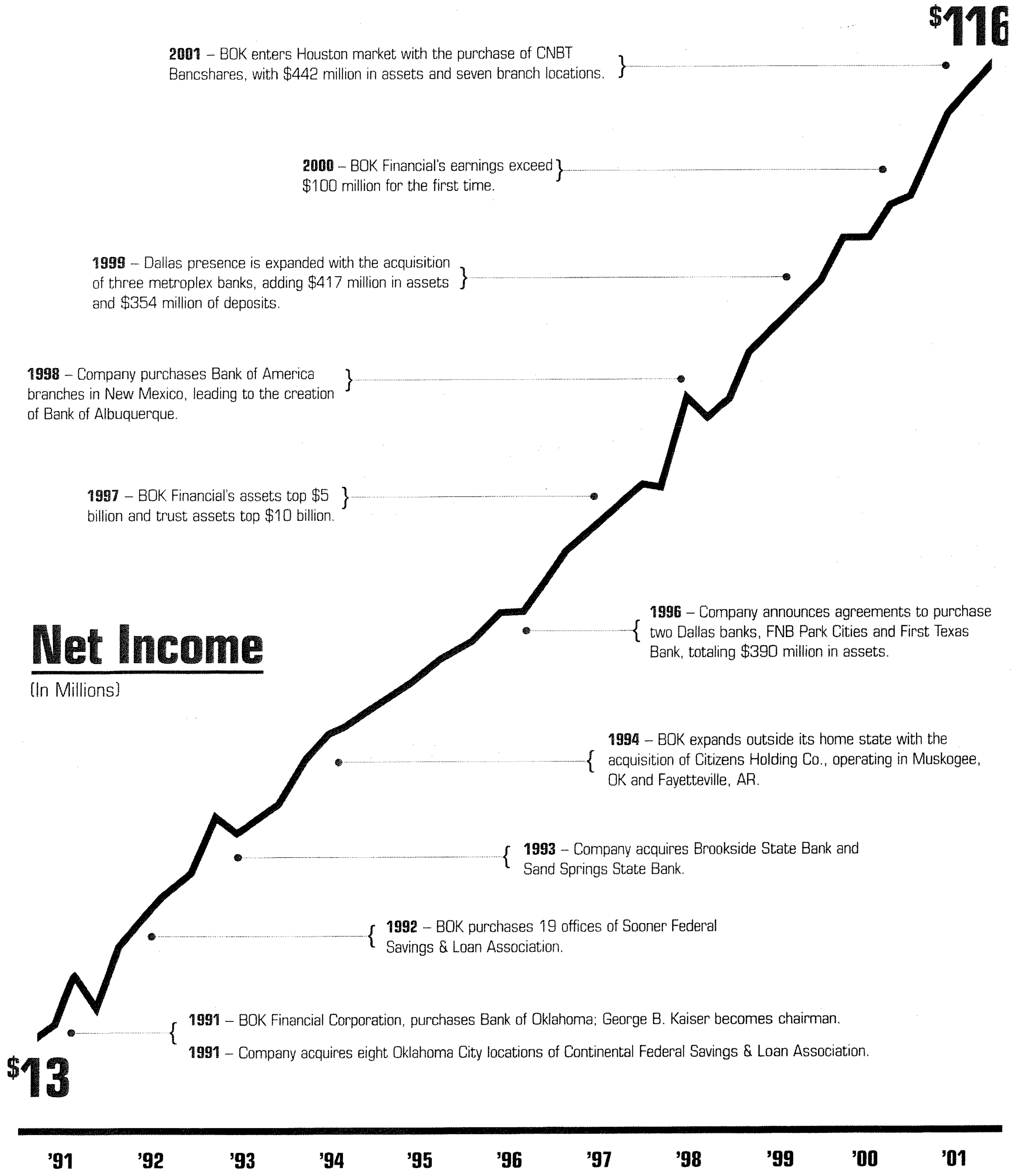
MAINTAINING OUR LEADERSHIP

BOK FINANCIAL CORPORATION

EXPANDING OUR REACH

Net Income

(In Millions)



TO BE THE BEST AT EVERYTHING WE DO

Financial Highlights

(Dollars In Thousands Except Per Share Data)

	2001	2000	1999
For the Years Ended December 31			
Net income	$ 116,302	$ 100,140	$ 89,226
Earnings per share:			
Basic	2.25	1.95	1.73
Diluted	2.01	1.75	1.55
Book value per share	$ 16.18	$ 13.88	$ 11.02
Return on average assets	1.14%	1.15%	1.17%
Return on average shareholders' equity	14.93	16.46	16.45
Tangible operating results[1]			
Tangible net income	$ 124,566	$ 105,487	$ 94,926
Tangible net income per diluted share	2.15	1.84	1.65
Tangible return on average assets	1.22%	1.21%	1.25%
Tangible return on average shareholders' equity	15.99	17.34	17.50
As of December 31			
Loans, net of reserves	$ 6,193,473	$ 5,435,207	$ 4,567,255
Assets	11,130,388	9,748,334	8,373,997
Deposits	6,905,744	6,046,005	5,263,184
Shareholders' equity	828,483	703,576	557,164
Nonperforming assets[2]	50,708	43,599	22,943
Tier 1 capital ratio	8.08%	8.06%	7.27%
Total capital ratio	11.56	11.23	10.72
Leverage ratio	6.38	6.51	5.92
Average shareholders' equity to average assets	7.62	7.00	7.12
Reserve for loan losses to nonperforming loans[2]	233.90	207.95	391.65
Reserve for loan losses to loans[3]	1.66	1.51	1.66
Net charge offs to average loans[3]	.35	.22	.04

1 Operating results excluding the after-tax effect of goodwill amortization that will be discontinued after 2001 (see Note 1 to Consolidated Financial Statement).

2 Includes nonaccrual loans, renegotiated loans and assets acquired in satisfaction of loans. Excludes loans past due 90 days or more and still accruing.

3 Excludes residential mortgage loans held for sale.

To Our Shareholders, Customers, Employees and Friends,

For BOK Financial Corporation, 2001 capped a decade of record earnings growth. Work begun 10 years ago to build on Bank of Oklahoma's traditional local strengths has since created a regional financial company doing business in six states. BOK Financial offers an array of products and services for consumers and businesses and has provided consistent asset and income growth for shareholders. With this annual report, we celebrate past successes, present efforts and future plans without forgetting our most valuable asset – employees who enabled the company to emerge as a leader.

In 2001, growth was sustained by record net income of $116.3 million, an increase of 16 percent over 2000. Earnings per diluted share* increased 15 percent, to $2.01. Income growth was driven by a 22 percent rise in net interest revenue. Fees and commissions grew 18 percent in 2001, and accounted for 40 percent of total revenue, still near the top of our peer group, though down from prior periods. Transaction card revenue was up 15 percent, driven primarily by merchant fees and debit card transactions that continue to become more popular with consumers. Mortgage banking revenue benefited in 2001 from declining interest rates and rose 35 percent. We diversified our brokerage and trading offerings and increased business 36 percent. Loans rose 14 percent to $6.3 billion at the end of the year, despite a slowdown in the second half. Deposits grew 14 percent as well, keeping pace with the growth in loans.

In addition to strengthening our leadership position in Oklahoma during 2001, we saw even faster growth outside the state. Our operations elsewhere accounted for 32 percent of the company's loans and 31 percent of deposits at year end. The growth in lending was led by a 35 percent increase in the Texas portfolio. Texas loans expanded by 17 percent, excluding the acquisition of CNBT Bancshares of Houston. In New Mexico, loans rose 14 percent.

Our growth from serving the needs of longstanding customers, attracting new business from rivals and making strategic acquisitions boosted total assets above $11 billion last year. That was more than five times the assets at the end of 1991 and more than double our size just five years ago.

In addition to an ongoing expansion in Texas and New Mexico, we opened a commercial loan office in Denver in January 2002. Throughout the company, newer technologies were implemented to enable us to better serve customers and maintain operating efficiencies.

Despite the challenges of a slowing economy last year, we were pleased with our performance and look forward to more success in the future. This annual report commemorates the 10th year for BOK Financial and outlines the progress we've made. As always, we will look to our strong local banking roots to maintain our customer service strengths as we pursue new opportunities to expand our products and presence and create new value for customers, employees and shareholders.

Sincerely,

Stanley A. Lybarger

Stanley A. Lybarger
President and
Chief Executive Officer

George B. Kaiser

George B. Kaiser
Chairman

* All per share figures are restated to reflect the 3 percent stock dividend paid in May 2001. Net income would have been $124.6 million, or $2.15 per diluted share, if a new accounting standard had been effective that permits some amortization of goodwill to be discontinued. The new standard becomes effective as of January 1, 2002.

NATIONALLY COMPETITIVE PRODUCTS DELIVERED WITH COMMUNITY BANK SERVICE

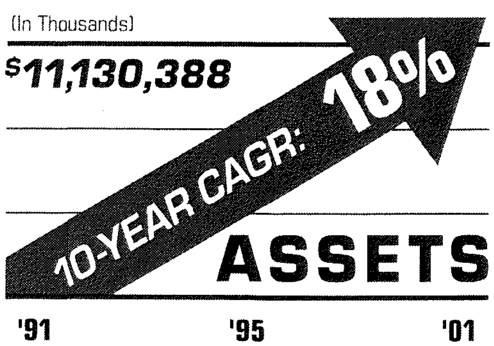
A DECADE OF CHANGE AND CHALLENGE

Preserving our heritage. Maintaining our leadership. Expanding our reach. That's the essence of our steadfast mission of the past decade and our vision for the future. For 10 years, BOK Financial Corporation has consistently built quality assets and achieved record earnings by delivering an array of sophisticated big bank offerings with community bank service. We have kept our edge by enhancing longstanding relationships, attracting new business from rivals and targeting acquisitions in growing markets where we fill key niches under-served during a wave of mega-bank mergers. Through growth and change, BOK Financial's goal remains the same -- satisfy customers who have helped make us a regional leader while we remain sensitive to the needs of shareholders and employees.

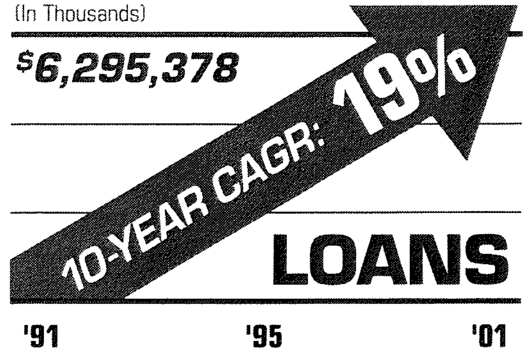
Much has changed since BOK Financial was formed in 1991 and acquired Bank of Oklahoma. Large banks acquired smaller ones in a wave of mergers. Bigger banks themselves were then bought up, leaving behind a swell of dissatisfied customers. Four of the five largest locally owned banks in Oklahoma disappeared. The only stand-alone survivor, Bank of Oklahoma, emerged as the largest full-service, home-owned bank in the state by maintaining local authority over service issues important to our customers. We have since carried this approach forward to banks in Arkansas, New Mexico and Texas, where local decision-making and responsiveness set us apart from the competition.

SERVICE STRATEGY

From our strong local ties, we have grown into a thriving, middle-market bank with more than 100 locations in six states. We balance our regional size and specific focus by recruiting strong local management and staff in each market we serve. Then, we centralize our support functions in order to maximize efficiencies and streamline work processes. The result is a mix of products and services giving the customer the best of both worlds.



(CAGR - Compound Annual Growth Rate)



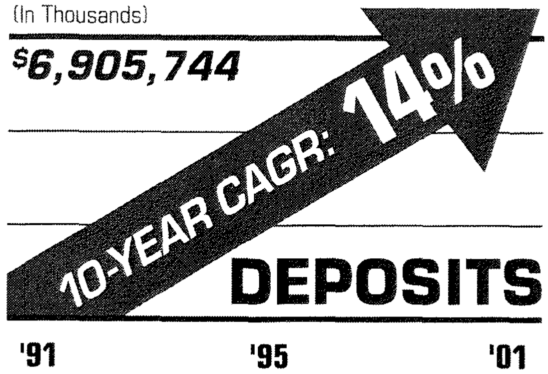
We enjoyed tremendous success in 2001 across our network, from our community banks in Oklahoma to our urban banks in large cities throughout the Southwest. Each of our franchises has unique characteristics. Some are retail oriented, and others specialize in commercial lending while various offices focus exclusively on mortgage or private banking. Across the board, however, our commitment to quality remains constant through the efforts of our exceptional employees.

SUCCESS ACROSS THE REGION

In our home state of Oklahoma, we are the leader in practically every market segment. Now at 12 percent, market share for **Bank of Oklahoma** continues to grow while that of our largest competitors declines. Last year, loans and deposits grew 9 percent and 7 percent, respectively, in the state. Oklahoma operations were responsible for $84.7 million of BOK Financial's net income, up 8 percent.

Our three-year-old **Bank of Albuquerque** franchise is thriving. Acquired as a branch network focused largely on retail banking, today the bank is No. 4 in the market with a full array of products and services. Last year we expanded our branch network from 16 to 18, adding our first two Albertsons supermarket branches and moving a branch to an upgraded location. We added key managers and completed the staffing of our private banking and trust groups and now have personal, corporate and employee benefit trust services. Loans in New Mexico grew 14 percent in 2001 and have almost tripled since we opened our doors in December 1998. Deposits last year grew 14 percent and fee-based revenue 15 percent. BOK Financial's net income attributable to New Mexico doubled to $8.2 million.

The company's **Bank of Texas** franchise continues to expand in the economically vibrant markets of Dallas and Houston, where native Texans with local roots manage our banks. Internal growth and acquisitions have boosted Texas



assets to $2.1 billion, or 19 percent of BOK Financial's total. The company's overall net income from Texas rose to $21 million, up 30 percent.

The acquisition of CNBT Bancshares of Houston highlighted our growth last year in the Lone Star State. Like Dallas, we entered the Houston market by acquiring a solid local mid-sized bank and arrived with a plan to compete on a broader scale. We have a great platform in Houston and a pool of top-notch local talent. We combined CNBT's expertise in consumer and small business banking with the strength of Bank of Texas' middle-market and private banking services. The Houston operation now has stronger fee-based services than most local competitors and a greater expertise and capacity in commercial lending. In Texas, loans and deposits grew 35 percent and 48 percent, respectively, over 2000 (or 17 percent and 11 percent excluding the impact of the CNBT acquisition). Fee revenue grew 40 percent in Texas, or 16 percent when excluding CNBT.

Our efforts in northwest Arkansas remain focused on commercial lending and related fee services at **Bank of Arkansas**. Loans grew almost 17 percent in 2001. Deposits grew 8 percent. BOK Financial's Arkansas operations accounted for $2.5 million of company net income, a 67 percent increase.

TRADITIONAL BANKING SERVICES – COMMERCIAL AND CONSUMER

Although we value strong ties to our past, we aren't afraid to break with tradition when a change enables us to better serve customers and expand our market share. Among our most successful endeavors during 2001 was the introduction of free checking. It led to significant growth in new accounts, checking balances and related fees.

We have 107 branches in four states. For the last decade, much of our focus has been on expanding our extended-hours services through supermarket branches, Internet banking, and 24-hour telephone banking. Now, we are focusing more on expanding our branch system.

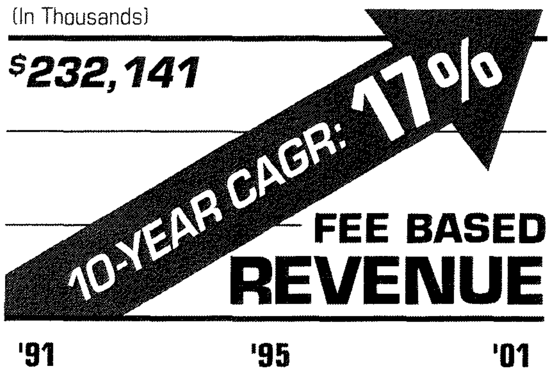
In the Dallas-Fort Worth Metroplex, we opened a new location in Grapevine and acquired land for a new location due to open this fall in Plano. Plans are also underway for construction of a new branch in the Houston suburb of Katy. A new branch has opened in Edmond, Okla., to better serve the needs of one of Oklahoma's fastest growing communities.

Last year we introduced a long-term sales and service initiative called "Perfect Banking." The vision is based on one overriding reality – that banking is still about people, and that quality service is a critical reason that people choose to do their banking with us. With a strong commitment to professional training, consumer bankers now profile clients to determine current and future financial needs with the goal of creating an exceptional experience with each and every contact.

We believe favorable interaction with a service representative is paramount, and we are dedicated to constantly improving each client's experience.

Commercial banking has been a major part of our organization since its inception. In fact, when the original bank first formed in 1910, its main purpose was to provide funding to Oklahoma's then-new oil and gas business. Today we still meet the needs of the region's growing companies. Overall, loan growth in 2001 was realized in every segment, with loan volumes up 14 percent.

Our Treasury Services group is closely aligned with commercial banking and continued to prosper in 2001, reflected in a 19 percent growth in revenue. We assist our customers with currency exchange, letters of credit and a full complement of sophisticated cash management products. Last year we completed the implementation of our new image-based retail remittance service. BOK Financial ranks 40th among all U.S. banks in ACH payments with a growth rate of 38 percent.



FEE BASED REVENUES

While our traditional consumer and commercial banking services continue expanding, our fee-based lines of business remain one of our greatest success stories of the past 10 years.

Fee-based revenue grew by 18 percent in 2001 and comprises 40 percent of total revenue. This compares with an average of 31 percent in our peer group. We emphasize fee-based revenue because the underlying businesses are less capital-intensive and provide stability through economic cycles. Our fee revenue is very diverse and continued growth remains a top priority.

Our trust assets grew last year to over $18 billion, continued evidence of this historical strength of BOK Financial. Assets under management reached $9.7 billion. The trust division manages a family of proprietary mutual funds, including one named the best in the nation. Lipper Inc. recognized the American Performance Short-Term Income Fund as the No. 1 performing short-term bond fund over the past five years. The fund returned 7.04 percent annually for the period ending December 31, 2001, compared with an industry average of 5.93 percent.

We also manage employee benefit plans for 110,000 participants. We offer a specialized self-directed 401(k) product that we have successfully marketed coast to coast to law firms, medical clinics and closely-held companies.

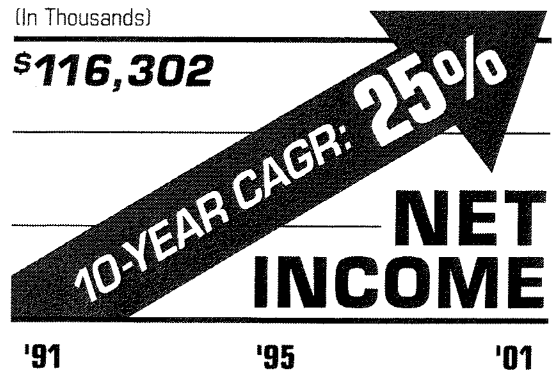
A few years ago, BOK Financial acquired the leading public finance firm in Oklahoma, Leo Oppenheim. Last year we also entered the corporate finance sector of the investment banking business, giving us the opportunity to leverage the bank's current market presence in the corporate sector through the Oppenheim division of BOSC Inc., our broker/dealer. This new diversification, in addition to favorable reception to our product mix in newer markets, helped boost our brokerage and trading revenue 36 percent, to $21.8 million.

Our mortgage banking operation is among the most successful in the country. We offer mortgage services in all our banking markets plus the greater Kansas City area. Benefiting from declining interest rates, mortgage banking revenue grew 35 percent in 2001. Originations totaled $1.1 billion and generated revenue of $17.8 million. This compares to $590 million and $4.8 million, respectively, in 2000.

Among the most successful of our fee-based businesses during the last decade was TransFund, our electronic funds transfer network. TransFund is the 13th largest network nationally and has experienced a compound annual growth rate in transactions exceeding 16 percent, to 95.3 million last year. The system had no non-Oklahoma clients in 1991. Today one third of the 324 financial institutions served are located outside of Oklahoma, with recent growth principally in Texas, Colorado and Kansas. The number of cardholders increased from 378,000 a decade ago to 1.47 million at the end of 2001.

IMPROVEMENTS IN TECHNOLOGY AND EFFICIENCY

With our ongoing commitment to efficiency and service, 2001 marked another important milestone in the history of BOK Financial – the completed occupancy of the new BOK Technology Center in Tulsa. With 184,000 square-feet in one state-of-the-art facility, we have simplified our workflow process and have given ourselves room to grow efficiently. In previous years, the processes were handled in five separate buildings.



Two new technologies have vastly improved our service quality. We completed installing a new imaging technology for the retail remittance business with 100 percent of existing customers opting for the service. We also converted all signature cards to images, enabling instant company-wide access for signature verification.

Last year we implemented a new fraud and kite detection system expected to minimize fraud losses. Our customers now have quicker access to even more up-to-date account information because of a new check-processing center we opened in Dallas.

Through all the progress, we will remain focused on preserving our community bank heritage and close-knit relationships with all our customers. We will continually update and expand our offerings to maintain our leadership in the financial services arena. We will expand our reach through greater market share in existing lines of business and through new ventures that help us achieve our consistent goal of being the best for customers-- for the next 10 years and beyond.

MAINTAIN OKLAHOMA LEADERSHIP WHILE PURSUING OPPORTUNITIES IN HIGH-GROWTH METROPOLITAN MARKETS

Table 1 Consolidated Selected Financial Data
(Dollars In Thousands Except Per Share Data)

	December 31,				
	2001	2000	1999	1998[2]	1997[2]
Selected Financial Data					
For the year:					
Interest revenue	**$ 654,633**	$ 638,730	$ 500,274	$ 402,832	$ 357,074
Interest expense	**327,859**	369,843	264,150	212,406	194,842
Net interest revenue	**326,774**	268,887	236,124	190,426	162,232
Provision for loan losses	**37,610**	17,204	10,365	14,591	9,256
Net income	**116,302**	100,140	89,226	79,611	68,155
Period-end:					
Loans, net of reserve	**6,193,473**	5,435,207	4,567,255	3,581,177	2,801,977
Assets	**11,130,388**	9,748,334	8,373,997	7,059,507	5,613,233
Deposits	**6,905,744**	6,046,005	5,263,184	4,607,727	3,924,405
Subordinated debentures	**186,302**	148,816	148,642	146,921	148,356
Shareholders' equity	**828,483**	703,576	557,164	524,793	451,880
Nonperforming assets[3]	**50,708**	43,599	22,943	18,762	25,249
Profitability Statistics					
Earnings per share (based on average equivalent shares):					
Basic	**$ 2.25**	$ 1.95	$ 1.73	$ 1.55	$ 1.32
Diluted	**2.01**	1.75	1.55	1.38	1.19
Percentages (based on daily averages):					
Return on average assets	**1.14%**	1.15%	1.17%	1.34%	1.29%
Return on average shareholders' equity	**14.93**	16.46	16.45	16.38	16.78
Average shareholders' equity to average assets	**7.62**	7.00	7.12	8.17	7.71
Common Stock Performance					
Per Share:					
Book Value	**$ 16.18**	$ 13.88	$ 11.02	$ 10.57	$ 9.08
Market price: December 31 close	**31.51**	21.25	20.19	23.38	19.40
Market range – High trade	**32.75**	21.25	25.94	25.63	22.00
– Low trade	**21.31**	15.31	18.94	19.50	13.88
Selected Balance Sheet Statistics					
Period-end:					
Tier 1 capital ratio	**8.08%**	8.06%	7.27%	7.93%	9.87%
Total capital ratio	**11.56**	11.23	10.72	12.02	14.95
Leverage ratio	**6.38**	6.51	5.92	6.60	7.06
Reserve for loan losses to nonperforming loans[3]	**233.90**	207.95	391.65	467.70	270.65
Reserve for loan losses to loans[1]	**1.66**	1.51	1.66	1.86	1.95
Miscellaneous (at December 31)					
Number of employees (FTE)	**3,392**	3,003	3,101	2,850	2,404
Number of banking locations	**114**	105	100	91	76
Number of TransFund locations	**1,325**	1,111	1,020	998	785
Mortgage loan servicing portfolio	**$ 6,645,868**	$6,874,995	$7,028,247	$6,375,239	$6,981,744

1 Excludes residential mortgage loans held for sale.
2 Restated for pooling of interest in 1999.
3 Includes nonaccrual loans, renegotiated loans and assets acquired in satisfaction of loans. Excludes loans past due 90 days or more and still accruing.

Management's Assessment of Operations and Financial Condition

BOK Financial Corporation ("BOK Financial") is a financial holding company that offers full service banking in Oklahoma, Northwest Arkansas, Dallas and Houston, Texas metropolitan areas and New Mexico. BOK Financial's principal subsidiaries are Bank of Oklahoma, N.A., ("BOk"), Bank of Texas, N.A., Bank of Albuquerque, N.A., and Bank of Arkansas, N.A. Other subsidiaries include BOSC, Inc., a broker/dealer that engages in retail and institutional securities sales and municipal underwriting.

Assessment of Operations

Summary of Performance

BOK Financial recorded net income of $116.3 million or $2.01 per diluted share for 2001 compared to $100.1 million or $1.75 per diluted share for 2000. Prior years' earnings per share have been restated to reflect a 3% stock dividend in 2001. Returns on average assets and average equity were 1.14% and 14.93%, respectively, for 2001 compared to 1.15% and 16.46%, respectively, for 2000. Net income in 2000 included a $3.0 million reduction in income tax expense due to favorable resolution of an Internal Revenue Service examination. Diluted earnings per share were $1.69, return on equity was 16.05%, and return on average assets was 1.12% excluding this resolution.

Net interest revenue grew $57.9 million or 22% during 2001 due primarily to an increase in average earning assets of $1.4 billion. Fees and commissions revenue grew $35.7 million or 18%, which included increases in all major categories of fee income compared to 2000. Gain on sales of securities included gains on sales of securities used as an economic hedge of the mortgage-servicing portfolio. The net impact of these sales and the provision for impairment of the mortgage-servicing portfolio was a gain of $2.8 million. Excluding the securities gains on this hedge, net gains on sales of securities were $17.9 million. Operating expenses increased $32.5 million or 11% excluding $20.7 million from Citizens National Bank of Texas ("CNBT"), which was acquired in January 2001 and $15.6 million provision for impairment of mortgage servicing rights. The provision for loan loss increased $20.4 million to $37.6 million.

Net income for the fourth quarter of 2001 was $30.1 million or $0.52 per diluted common share, an increase of 18% over the same period of 2000. These increases included an increase of $17.8 million or 26% in net interest revenue and a $10.6 million or 20% increase in fees and commissions. These increases were partially offset by a $17.2 million or 23% increase in other operating expense, excluding provisions for impairment of mortgage servicing rights. This increase was due primarily to amortization of mortgage servicing rights.

Net income for 1999 was $89.2 million or $1.55 per diluted common share. Returns on average assets and equity were 1.17% and 16.45%, respectively.

Net Interest Revenue

Tax equivalent net interest revenue totaled $334.8 million for 2001 compared to $276.7 million for 2000. The increase in net interest revenue was primarily due to an increase in average earning assets. Average earning assets increased by $1.4 billion during 2001, most notably average loan growth of $1.1 billion. This growth in loans improved the mix of earning assets since loans generally have higher yields than other types of earning assets. Average loans now comprise 65% of average earning assets compared to 63% in 2000. The growth in average earning assets was funded by a $1.2 billion increase in interest-bearing liabilities, including an $845 million increase in interest-bearing deposits. Table 2 reflects the effect on net interest revenue of changes in average balances and interest rates for the various types of earning assets and interest-bearing liabilities.

Net interest margin, the ratio of net interest revenue to average earning assets, increased from 3.56% in 2000 to 3.64% in 2001. This increase reflects the effect of changes in interest rates on BOK Financial's earning assets and interest-bearing liabilities. BOK Financial's interest-bearing liabilities react more quickly to changes in interest rates than its earning assets, causing the net interest margin to increase during periods of declining interest rates. Management expects the favorable effect of declining interest rates to moderate as yields on earning assets decline and as overall market rates stabilize.

Table 2 Volume/Rate Analysis
(In Thousands)

	2001/2000			2000/1999		
		Change Due To[1]			Change Due To[1]	
	Change	Volume	Yield/Rate	Change	Volume	Yield/Rate
Tax-equivalent interest revenue:						
Securities	**$17,329**	**$ 26,009**	**$ (8,680)**	$ 20,384	$11,444	$ 8,940
Trading securities	**(250)**	**226**	**(476)**	(841)	(1,683)	842
Loans	**1,149**	**88,815**	**(87,666)**	117,643	77,933	39,710
Funds sold and resell agreements	**(2,133)**	**(1,516)**	**(617)**	743	164	579
Total	**16,095**	**113,534**	**(97,439)**	137,929	87,858	50,071
Interest expense:						
Transaction deposits	**(5,126)**	**9,642**	**(14,768)**	8,509	4,847	3,662
Savings deposits	**(422)**	**50**	**(472)**	(268)	(174)	(94)
Time deposits	**5,686**	**26,304**	**(20,618)**	49,387	28,452	20,935
Borrowed funds	**(42,608)**	**15,392**	**(58,000)**	46,962	22,154	24,808
Subordinated debenture	**486**	**2,059**	**(1,573)**	1,103	15	1,088
Total	**(41,984)**	**53,447**	**(95,431)**	105,693	55,294	50,399
Tax-equivalent net interest revenue	**58,079**	**$ 60,087**	**$ (2,008)**	32,236	$32,564	$ (328)
(Increase) decrease in tax-equivalent adjustment	**(192)**			527		
Net interest revenue	**$57,887**			$ 32,763		

	4th Qtr 2001/4th Qtr 2000		
		Change Due To[1]	
	Change	Volume	Yield/Rate
Tax-equivalent interest revenue:			
Securities	$ 1,534	$ 7,337	$ (5,803)
Trading securities	(160)	67	(227)
Loans	(26,211)	18,863	(45,074)
Funds sold and resell agreements	(703)	(360)	(343)
Total	(25,540)	25,907	(51,447)
Interest expense:			
Transaction deposits	(5,713)	3,202	(8,915)
Savings deposits	(184)	55	(239)
Time deposits	(12,493)	2,315	(14,808)
Borrowed funds	(24,807)	3,494	(28,301)
Subordinated debenture	97	619	(522)
Total	(43,100)	9,685	(52,785)
Tax-equivalent net interest revenue	17,560	$16,222	$ 1,338
Decrease in tax-equivalent adjustment	267		
Net interest revenue	$17,827		

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

Since inception in 1990, BOK Financial has followed a strategy of fully utilizing its capital resources by borrowing funds in the capital markets to supplement deposit growth and to invest in securities. The primary objective of this strategy is to reduce total interest rate risk. The interest rate on these borrowed funds, which generally reacts quickly to changes in market interest rates, tends to match the effect of changes in interest rates on the loan portfolio. Interest rates earned on the securities purchased with the proceeds of these borrowed funds are affected less quickly by changes in market interest rates. The timing of changes in interest rates earned on securities more closely matches the timing of changes in interest rates paid on deposit accounts. Although this strategy frequently results in a net interest margin that falls below those normally seen in the commercial banking industry, it provides net interest revenue as well as a reduction in interest rate risk. Management estimates that this strategy resulted in a 31 basis point decrease in net interest margin for 2001. However, this strategy contributed $38.8 million to net interest revenue. Net interest margin, excluding this strategy, was 3.95% for 2001. As more fully discussed in the subsequent Market Risk Section, management employs various techniques to control, within established parameters, the interest rate and liquidity risk inherent in this strategy. The effectiveness of these strategies are reflected in the overall changes in net interest revenue due to changes in interest rates as shown in Table 2.

Tax-equivalent net interest revenue for the fourth quarter of 2001 was $88.8 million compared to $71.3 million for the fourth quarter of 2000. This increase was due to the growth in average earning assets, which increased $1.4 billion or 17%. Net interest margin increased 22 basis points to 3.69% due to the effect of declining rates over the past year as discussed above.

Tax-equivalent net interest revenue totaled $276.7 million for 2000 compared to $244.5 million in 1999. The increase in net interest revenue during 2000 was primarily due to an increase in average earning assets. Average earning assets increased by $1.0 billion during 2000. Additionally, the mix of earning assets improved during 2000. Average loans, which generally have higher yields than other types of earning assets, increased to 63% of earning assets in 2000 compared to 60% in 1999. These volume factors contributed $87.9 million to the increase in net interest revenue.

The financial service environment in BOK Financial's primary markets is highly competitive due to a large number of commercial banks, thrifts, credit unions and brokerage firms. Additionally, many customers have access to national and regional financial institutions for many products and services. Management expects that BOK Financial will continue to be able to successfully compete with these financial institutions by delivering the loan and deposit products and other financial services traditionally associated with a large bank with the responsiveness of a smaller, community bank.

Other Operating Revenue

Other operating revenue increased $60.4 million or 30% compared to 2000, including a $24.5 million increase from gains on financial instruments. Fees and commissions continue to represent a significant portion of BOK Financial's total revenue at 40% during 2001. Included in 2001 were fees and commissions of $2.8 million from the CNBT acquisition, including service charges on deposit accounts of $2.3 million. All major categories of fees and commissions increased over the same period in 2000. Most notably, mortgage banking revenue increased $13.0 million or 35% due to improved conditions for sales of loans into the secondary market. Service charges and fees on deposit accounts grew $8.4 million or 19% over 2000 due to growth in nonsufficient fund charges and growth of treasury services revenue. When interest rates fall, more corporate customers pay for banking services through treasury services fees instead of maintaining compensating deposit balances. Brokerage and trading grew 36% to $21.8 million during 2001. This growth was driven by diversification into corporate bonds, favorable reception to the product mix in our newer markets and continued expansion in revenue from traditional brokerage products. Growth in transaction card revenue of $5.7 million or 15% was due to growth in merchant fees, which are directly related to the level of consumer spending and growth in debit card fees that continue to become more popular with consumers. Trust fees grew 3% despite declining stock market values on which many fees are based.

Securities and derivatives net gains totaled $26.6 million for 2001. These gains included $17.9 million from the general securities portfolio, gains of $12.8 million on a securities portfolio that management has designated as an economic hedge against the risk of loss on mortgage servicing rights, and losses of $4.1 million from fair value adjustments of derivative instruments. Additional discussion about the mortgage servicing rights and related hedge portfolio and BOK Financial's use of derivative instruments is located in the Market Risk section of this report.

Table 3 Other Operating Revenue
(In Thousands)

	Years ended December 31,				
	2001	2000	1999	1998	1997
Brokerage and trading revenue	**$ 21,822**	$ 16,074	$ 16,233	$ 15,301	$ 9,556
Transaction card revenue	**44,481**	38,753	32,648	24,426	19,339
Trust fees and commissions	**40,567**	39,316	35,127	29,956	24,072
Service charges and fees on deposit accounts	**51,284**	42,932	41,067	33,920	30,181
Mortgage banking revenue	**50,155**	37,179	36,986	41,733	32,235
Leasing revenue	**3,745**	4,244	3,725	7,111	5,861
Other revenue	**20,087**	17,965	17,589	11,688	10,330
Total fees and commissions	**232,141**	196,463	183,375	164,135	131,574
Gain on sale of student loans	**557**	529	600	1,548	1,311
Gain on loan securitization	**–**	–	270	–	–
Gain (loss) on sales of other assets	**–**	(148)	4,626	–	–
Gain (loss) on sales of securities, net	**30,640**	2,059	(419)	9,337	(1,329)
Loss on derivatives, net	**(4,062)**	–	–	–	–
Total other operating revenue	**$259,276**	$198,903	$188,452	$175,020	$131,556

Other operating revenue for the fourth quarter of 2001 totaled $55.3 million compared to $54.9 million for the fourth quarter of 2000. Included in the fourth quarter 2001 were $676 thousand of fees and commissions from the CNBT acquisition, including service charges on deposit accounts of $594 thousand. The fourth quarter of 2001 included securities losses of $3.8 million compared to gains of $3.3 million in the fourth quarter of 2000. Net securities losses from the portion of the available for sale portfolio, which serves as an economic hedge of mortgage servicing rights, totaled $11.1 million. Net securities gains on the remaining available for sale portfolio totaled $7.3 million. Changes in the components of other revenue during the fourth quarter were consistent with the year to date changes. Service charges and fees on deposit accounts increased $2.8 million. Mortgage banking revenue increased $4.8 million.

Other operating revenue in 2000 increased $10.5 million or 6% compared to 1999. Fees and commissions, which are included in other operating revenue, increased $13.1 million or 7% while gains on asset sales decreased $2.6 million. Revenue generated by card-based transactions, such as the TransFund ATM network, bankcards and related merchant discounts, increased by 19% to $38.8 million. These increases are generally due to a higher volume of transactions processed in 2000. Other revenue included $4.5 million of private placement and underwriting fees.

Management expects continued growth in other operating revenue. However, increased competition, market saturation and the level of economic activity could affect the future rate of increase. Additionally, BOK Financial's ability to generate fee revenue is affected by interest rates, values in the equity market and consumer spending, all of which can be volatile.

Lines of Business

BOK Financial operates four principal lines of business under its Bank of Oklahoma franchise: corporate banking, consumer banking, mortgage banking and trust services. BOK Financial also operates a fifth principal line of business, regional banks, which includes banking functions for Bank of Albuquerque, Bank of Arkansas and Bank of Texas. These five principal lines of business combined account for approximately 87% of total revenue. Other lines of business include: TransFund ATM network which contributed $7.8 million in 2001, $7.1 million in 2000 and $5.3 million in 1999 to net income; and BOSC, Inc. which contributed $1.4 million in 2001, $406 thousand in 2000 and $534 thousand in 1999 to net income.

Corporate Banking

The Corporate Banking Division provides loan and lease financing and treasury and cash management services to businesses throughout Oklahoma and seven surrounding states. In addition to serving the banking needs of small businesses, middle market and larger customers, the Corporate Banking Division has specialized groups that serve customers in the energy, agriculture, healthcare and banking/finance industries. The Corporate Banking Division contributed 39% of consolidated net income for 2001 compared to 43% of consolidated net income for 2000. The reduction in the percent of consolidated earnings contributed by the Corporate Banking Division reflects the growth in the Regional Banks Division, most notably Bank of Texas. Total revenue for this division increased 11% primarily due to a 13% increase in outstanding loans. This increase in revenue was partially offset by increases in internal funding rates charged to the Corporate Banking Division. Operating expense for this division increased 7%. The provision for loan loss represents net loans charged off or recovered for the Corporate Banking Division.

Table 4 Corporate Banking
(In Thousands)

	Years ended December 31,		
	2001	2000	1999
Revenue (interest expense) from external sources	**$ 229,277**	$ 264,623	$ 207.926
Revenue (interest expense)from internal sources	**(86,615)**	(136,367)	(92,844)
Operating expense	**57,322**	53,451	47,025
Provision for loan loss	**10,493**	3,658	(1,111)
Net income	**45,580**	43,471	42,262
Average assets	**$3,854,310**	$3,370,044	$2,933,619
Average equity	**442,870**	392,711	330,091
Return on assets	**1.18%**	1.29%	1.44%
Return on equity	**10.29**	11.07	12.80
Efficiency ratio	**40.18**	41.68	40.86

Consumer Banking

The Consumer Banking Division provides its customers throughout Oklahoma with a full line of deposit, loan and fee-based services through four major distribution channels: traditional branches, supermarket branches, the 24-hour ExpressBank call center and the Internet. Additionally, the division is a significant referral source for the Bank of Oklahoma Mortgage Division ("BOk Mortgage") and BOSC's retail brokerage division. The Consumer Banking Division contributed 14% of consolidated net income for 2001 and 17% of consolidated net income for 2000. Net expense from external sources decreased $16.1 million due primarily to lower rates paid on deposits. This decrease was partially offset by lower revenue from internal sources due to rates charged to other operating units. Operating expenses increased $4.2 million or 8% during 2001, including a $2.0 million increase in personnel costs.

Table 5 Consumer Banking
(In Thousands)

	Years ended December 31,		
	2001	2000	1999
Revenue (interest expense)from external sources	**$ (4,054)**	$ (20,154)	$ (1,065)
Revenue (interest expense)from internal sources	**94,393**	107,172	80,973
Operating expense	**59,099**	54,906	53,545
Net income	**16,539**	17,379	14,602
Average assets	**$2,192,698**	$2,140,383	$2,100,368
Average equity	**69,102**	60,813	58,824
Return on assets	**.75%**	.81%	.70%
Return on equity	**23.93**	28.58	24.82
Efficiency ratio	**65.42**	63.10	67.01

Mortgage Banking

BOK Financial engages in mortgage banking activities through the BOk Mortgage Division of Bank of Oklahoma. These activities include the origination, marketing and servicing of conventional and government-sponsored mortgage loans. BOk Mortgage contributed 7% of net income in 2001 compared to 3% in 2000.

Mortgage banking revenue, which is included in other operating revenue, totaled $50.2 million in 2001, an increase of $13.0 million compared to 2000. Declining interest rates throughout 2001 were favorable for mortgage lending. Mortgage loans originated totaled $1.1 billion during 2001, including $562 million for home purchases and $566 million of loans refinanced. Mortgage loans originated during 2000 totaled $590 million. The increase in volume of new loans combined with improved pricing resulted in an increase in revenue from loan production to $17.8 million in 2001 compared to $4.8 million in 2000. Revenue from loan production included $22.7 million in 2001 and $11.3 million in 2000 from capitalized originated mortgage loan servicing rights. Income before taxes from loan origination and marketing activities was $12.1 million in 2001 compared to a loss of $3.1 million in 2000. Approximately 71% of the mortgage loans originated during 2001 were in Oklahoma.

The declining interest rate environment had an unfavorable effect on BOk Mortgage's loan servicing portfolio, as both actual and anticipated prepayments increased significantly. Total servicing revenue was $32.3 million for 2001 compared to $32.9 million for 2000. Amortization of servicing rights, which is included in operating expense, increased by $8.3 million to $23.5 million due to the higher level of prepayments. Additionally, an impairment provision of $15.6 million was recognized in 2001 for actual run-off and anticipated prepayments. Net gains from the sales of securities that have been designated as an economic hedge of the loan servicing portfolio totaled $12.8 million in 2001 and $5.3 million in 2000. These factors combined to reduce pretax income on loan servicing activities to $378 thousand during 2001 compared to pretax income of $7.8 million for 2000. See the Market Risk section of this report for additional discussion of the prepayment risk of the mortgage servicing portfolio and related hedging strategies.

BOk Mortgage services approximately $6.6 billion of mortgage loans. Approximately 60% of these loans are in BOK Financial's primary market area and 21% are in the southeastern United Sates. Information regarding stratification of the servicing portfolio by primary risk characteristics is presented in Note 8 to the Consolidated Financial Statements.

Table 6 Mortgage Banking
(In Thousands)

	Years ended December 31,		
	2001	2000	1999
Revenue (interest expense)from external sources	**$ 62,664**	$ 44,907	$ 39,675
Capitalized mortgage servicing rights	**22,695**	11,267	11,483
Revenue (interest expense)from internal sources	**(20,867)**	(15,006)	(8,296)
Operating expense	**47,750**	37,762	39,422
Provision for impairment of mortgage servicing rights	**15,551**	2,900	–
Gain on sales of securities, net	**12,757**	5,257	–
Net income	**8,493**	3,486	2,051
Average assets	**$651,103**	$412,219	$355,887
Average equity	**50,891**	32,053	32,006
Return on assets	**1.30%**	.85%	.58%
Return on equity	**16.69**	10.88	6.41
Efficiency ratio	**74.04**	91.73	91.97

Trust Services

BOK Financial provides a wide range of trust services, including institutional, investment and retirement products and services to affluent individuals and businesses, not-for-profit organizations and governmental agencies. Trust services are primarily provided to clients in Oklahoma, Texas, Arkansas and New Mexico. Additionally, trust services include a nationally competitive, self-directed 401-k program with clients in Dallas, Chicago, New York and Los Angeles. At December 31, 2001 and 2000, trust assets with an aggregate market value of $18 billion were subject to various fiduciary arrangements. BOK Financial has sole or joint discretionary authority over $10 billion of trust assets at December 31, 2001 compared to $9 billion at the end of 2000. Trust services contributed 8% to consolidated net income for 2001 compared to 10% for 2000. Growth in trust fees was limited by the declining stock market values during 2001 on which many fees are based. Total revenue from trust services increased $2.2 million or 4% during 2001, while operating expenses increased $2.6 million or 7% due primarily to $921 thousand in personnel costs.

Table 7 Trust Services
(In Thousands)

	Years ended December 31,		
	2001	2000	1999
Revenue (interest expense)from external sources	**$ 41,064**	$ 43,433	$ 39,809
Revenue (interest expense)from internal sources	**13,589**	8,995	7,243
Operating expense	**38,534**	35,916	33,481
Net income	**9,771**	10,087	8,249
Average assets	**$475,715**	$355,150	$332,297
Average equity	**41,290**	37,895	33,473
Return on assets	**2.05%**	2.84%	2.48%
Return on equity	**23.66**	26.62	24.64
Efficiency ratio	**70.51**	68.51	71.16

Regional Banks

Regional banks include Bank of Texas, Bank of Arkansas and Bank of Albuquerque. Each of these banks provides a full range of corporate and consumer banking, treasury services and retail investments in its respective market. Small businesses and middle-market corporations are the regional banks' primary customer focus.

Regional banks contributed $31.7 million or 27% to consolidated net income in 2001 compared to $21.7 million or 22% in 2000. Total revenue for 2001 increased $40.5 million compared to 2000, while operating expenses increased $23.0 million. The increase in operating expenses included a $5.0 million increase in intangible amortization expense.

BOK Financial's operations in Texas, New Mexico and Arkansas contributed $21.0 million, $8.2 million, and $2.5 million, respectively, to consolidated net income for 2001. This compared to net income of $16.1 million, $4.1 million, and $1.5 million for 2000.

Table 8 Regional Banks
(In Thousands)

	Years ended December 31,		
	2001	2000	1999
Revenue (interest expense)from external sources	**$ 158,510**	$ 119,036	$ 83,512
Revenue (interest expense)from internal sources	**(11,690)**	(12,709)	(10,458)
Operating expense	**91,253**	68,224	60,662
Gains (losses) on sales of securities	**484**	(356)	(53)
Net income	**31,651**	21,705	7,856
Tangible net income	**46,848**	31,916	14,807
Average assets	**$3,352,155**	$2,467,530	$1,860,667
Average equity	**409,622**	282,223	214,226
Tangible return on assets	**1.40%**	1.29%	.80%
Tangible return on equity	**11.44**	11.31	6.91
Efficiency ratio	**62.15**	64.16	83.04

Average equity assigned to the regional banks included both an amount based on management's assessment of risk and an additional amount based upon BOK Financial's investment in these entities. Management excludes the amortization of all intangible assets when evaluating the performance of the regional banks on a tangible return basis.

Other Operating Expense

Other operating expense totaled $368.8 million for 2001 compared to $302.8 million in 2000. Excluding a $15.6 million provision for impairment of mortgage servicing rights in 2001 compared to $2.9 million in 2000 and $20.7 million of operating expenses from the CNBT acquisition in 2001, other operating expense increased $32.5 million or 11%. The following discussion excludes CNBT operating expenses (most notably personnel of $6.3 million, net occupancy and equipment of $1.7 million and amortization of intangible assets of $7.4 million) to improve comparability.

Personnel costs increased $11.4 million or 8%. Regular compensation (including overtime and temporary assistance) and benefits increased $9.3 million or 7%. Average staffing on a full time equivalent ("FTE") basis increased by 141 employees or 5% while average compensation expense per FTE increased by 3%. Incentive compensation increased by $2.0 million or 10% compared to 2000 due to growth in revenue over pre-determined targets.

Professional fees for 2001 increased $3.4 million or 36%, which included $1.5 million in consulting fees for public finance business at BOSC, Inc. and $320 thousand for the Perfect Banking sales and service program. Net occupancy and equipment expense for 2001 increased $5.6 million or 16% due primarily to a $3.2 million increase in depreciation expense. This increase reflects additional investments in facilities and technology improvements over the past two years. Data processing and communications increased $4.4 million or 13% primarily in transaction card servicing and external processing due to increased volumes. Mortgage banking costs increased $8.0 million or 36% due primarily to amortization of mortgage servicing rights, which is caused by an increase in loan prepayments. A provision for impairment of mortgage servicing rights of $15.6 million was taken during 2001 due primarily to the interest rate and prepayment environment.

Table 9 Other Operating Expense
(In Thousands)

	Years ended December 31,				
	2001	2000	1999	1998	1997
Personnel expense	**$163,835**	$146,215	$136,010	$109,437	$ 90,625
Business promotion	**10,658**	8,395	9,077	8,220	8,886
Contribution of stock to BOk Charitable Foundation	**–**	–	–	2,257	3,638
Professional fees and services	**13,391**	9,618	9,584	9,781	6,906
Net occupancy and equipment	**42,764**	35,447	30,789	21,811	18,720
Data processing and communications	**40,013**	34,962	32,038	23,764	19,444
FDIC and other insurance	**1,717**	1,569	1,356	1,368	1,380
Printing, postage and supplies	**12,329**	11,260	11,599	9,524	8,067
Net gains and operating expenses on repossessed assets	**1,401**	(1,283)	(3,473)	(474)	(3,831)
Amortization of intangible assets	**20,113**	15,478	15,823	9,515	8,968
Mortgage banking costs	**30,261**	22,274	23,932	25,949	19,968
Provision for impairment of mortgage servicing rights	**15,551**	2,900	–	(2,290)	4,100
Other expense	**16,729**	15,980	13,781	15,133	12,983
Total	**$368,762**	$302,815	$280,516	$233,995	$199,854

Other operating expenses for the fourth quarter of 2001 totaled $84.8 million compared to $79.3 million for the fourth quarter of 2000. The fourth quarter of 2001 included an $8.9 million reversal of previous provisions compared to a $2.9 million provision for impairment of mortgage servicing rights during 2000. Excluding the effects of this impairment charge, operating expenses for the fourth quarter of 2001 increased by 23% from 2000 due to reasons consistent with those discussed above.

Other operating expense totaled $302.8 million for 2000 compared to $280.5 million in 1999, an increase of 8%. Personnel, net occupancy and equipment and data processing and communications comprised most of the increase.

In 2000, personnel costs increased $10.2 million or 8% compared to 1999. Regular compensation (including overtime and temporary assistance) and benefits increased $6.1 million or 6%. Average staffing on a full time equivalent ("FTE") basis increased by 77 employees or 3% while average compensation expense per FTE increased by 5%. Incentive compensation increased by $3.4 million or 20% compared to 1999 due to growth in revenue over pre-determined targets and growth in the number of business units covered by incentive plans.

Net occupancy and equipment expense for 2000 increased $4.7 million or 15% compared to 1999. Equipment expense increased by $3.1 million due primarily to depreciation of computer equipment purchased in 1998 and 1999. Data processing and communications increased $2.9 million or 9% due primarily to a $1.6 million increase in processing charges.

Income Taxes

Income tax expense was $63.6 million, $47.6 million and $44.5 million for 2001, 2000 and 1999, respectively, representing 35%, 32% and 33%, respectively, of book taxable income. Tax expense currently payable totaled $74.2 million in 2001 compared to $38.4 million in 2000 and $43.8 million in 1999.

The Internal Revenue Service is currently examining the carryback of $30.8 million of capital loss generated in 1999. Such loss was applied against capital gains generated in 1997 and 1998 resulting in a $9.8 million refund. Management expects no material adverse impact on the financial statements as a result of this examination.

The Internal Revenue Service closed its examination of 1996 during 2000. As a result of the outcome of this examination, BOK Financial reduced its tax accrual by $3.0 million. Income tax expense for 2000 was 34% of pre-tax book income excluding the reversal of this accrual. During 1999 the Internal Revenue Service examination for 1995 was closed with no significant adjustments.

Table 10 Selected Quarterly Financial Data
(In Thousands Except Per Share Data)

	Fourth	Third	Second	First
	2001			
Interest revenue	$148,222	$161,863	$168,270	$176,278
Interest expense	61,203	77,337	88,653	100,666
Net interest revenue	87,019	84,526	79,617	75,612
Provision for loan losses	10,517	11,023	8,497	7,573
Net interest revenue after provision for loan losses	76,502	73,503	71,120	68,039
Other operating revenue	62,330	57,450	58,496	54,422
Gain (loss) on sales of securities, net	(3,770)	19,746	2,030	12,634
Gain (loss) on derivatives, net	(3,300)	(1,105)	(303)	646
Other operating expense	84,801	103,591	86,584	93,786
Income before taxes	46,961	46,003	44,759	41,955
Income tax expense	16,829	16,216	15,778	14,789
Net income before cumulative effect of a change in accounting principle, net of tax	30,132	29,787	28,981	27,166
Transition adjustment of adoption of FAS 133	–	–	–	236
Net income	$ 30,132	$ 29,787	$ 28,981	$ 27,402
Earnings per share:				
Basic	$ .58	$ .58	$ .56	$ .53
Diluted	$ .52	$ .51	$ .50	$ .48
Average shares:				
Basic	51,138	51,015	50,906	50,828
Diluted	58,201	58,095	57,837	57,626

	2000			
Interest revenue	$173,495	$163,577	$156,314	$145,344
Interest expense	104,303	95,430	88,444	81,666
Net interest revenue	69,192	68,147	67,870	63,678
Provision for loan losses	6,000	5,031	3,534	2,639
Net interest revenue after provision for loan losses	63,192	63,116	64,336	61,039
Other operating revenue	51,628	50,378	48,030	46,808
Gain (loss) on sales of securities, net	3,296	(538)	(682)	(17)
Other operating expense	79,318	73,964	74,917	74,616
Income before taxes	38,798	38,992	36,767	33,214
Income tax expense	13,302	13,355	12,573	8,401
Net income	$ 25,496	$ 25,637	$ 24,194	$ 24,813
Earnings per share:				
Basic	$ .50	$ .50	$ .47	$ .48
Diluted	$ .44	$ .45	$ .42	$ .43
Average shares:				
Basic	50,705	50,625	50,718	50,712
Diluted	57,371	57,292	57,370	57,380

Assessment of Financial Condition

Securities Portfolio

Securities are identified as either investment or available for sale based upon asset/liability management strategies, liquidity and profitability objectives and regulatory requirements. Investment securities, which consist primarily of Oklahoma municipal bonds and other short-term instruments, are carried at cost, adjusted for amortization of premiums or accretion of discounts. Available for sale securities, which may be sold prior to maturity based upon asset/liability management decisions, are carried at fair value. Unrealized gains or losses on available for sale securities, less deferred taxes, are recorded as accumulated other comprehensive income in stockholders' equity.

During 2001, the amortized cost of available for sale securities increased by $682 million. Mortgage-backed securities increased by $779 million to $3.3 billion. Approximately $619 million of the increase in mortgage-backed securities reflected BOK Financial's strategy of fully utilizing available capital resources by borrowing funds in the capital markets as previously discussed in the Net Interest Revenue section of this report. Additionally, mortgage-backed securities designated as an economic hedge of the mortgage servicing rights increased $159 million to $362 million. At December 31, 2001, available for sale securities with an amortized cost of $1.3 billion were pledged as collateral for repurchase agreement borrowings.

BOK Financial realized net gains from securities sales of $30.6 million in 2001 and $2.1 million in 2000. These amounts included net gains from securities designated as hedges of the mortgage servicing portfolio of $12.8 million in 2001 and $5.3 million in 2000. The increase in net realized gains reflected the active management of the securities portfolio as interest rates declined in 2001. Net unrealized gains in the securities portfolio increased from $5.4 million at December 31, 2000 to $9.6 million at December 31, 2001. The expected duration of the mortgage-backed securities portfolio extended to approximately 3.0 years during 2001. Management currently intends to reduce the expected duration of the mortgage-backed securities portfolio to approximately 2.8 years. Additional information about the securities portfolio is presented in Note 3 to the Consolidated Financial Statements.

Table 11 Securities
(In Thousands)

	December 31, 2001		2000		1999	
	Amortized Cost	**Fair Value**	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Investment:						
U.S. Treasury	**$ 7,982**	**$ 7,981**	$ –	$ –	$ 196	$ 198
Municipal and other tax-exempt	**222,195**	**223,487**	207,177	207,641	186,177	184,748
Mortgage-backed U.S. agency securities	**7,381**	**7,620**	11,541	11,567	18,051	17,926
Other debt securities	**3,555**	**3,540**	14,653	14,659	8,756	8,752
Total	**$ 241,113**	**$ 242,628**	$ 233,371	$ 233,867	$ 213,180	$ 211,624
Available for sale:						
U.S. Treasury	**$ 34,538**	**$ 35,197**	$ 85,656	$ 85,564	$ 112,902	$ 111,860
Municipal and other tax-exempt	**4,262**	**4,299**	14,492	14,552	13,086	13,094
Mortgage-backed securities:						
U.S. agencies	**2,637,636**	**2,638,425**	2,050,100	2,046,318	2,174,916	2,106,094
Other	**669,057**	**673,737**	478,065	486,170	202,229	200,558
Total mortgage-backed securities	**3,306,693**	**3,312,162**	2,528,165	2,532,488	2,377,145	2,306,652
Other debt securities	**536**	**538**	242	245	353	353
Equity securities and mutual funds	**93,918**	**97,353**	129,823	130,971	156,476	156,745
Total	**$3,439,947**	**$3,449,549**	$2,758,378	$2,763,820	$2,659,962	$2,588,704

Loans

The aggregate loan portfolio at December 31, 2001 totaled $6.3 billion, an increase of $778 million since December 31, 2000. Growth in the loan portfolio included $184 million from the CNBT acquisition and $117 million of residential mortgage loans held for sale. Excluding these items, total loans increased 9% during 2001. Commercial loans increased $427 million during the year. This increase was primarily in the energy, services and wholesale/retail sectors of the loan portfolio. Additionally, the consumer loan portfolio increased $97 million since December 31, 2000.

Table 12 Loans
(In Thousands)

	December 31, 2001	2000	1999	1998	1997
Commercial:					
Energy	**$ 987,556**	$ 837,223	$ 606,561	$ 468,700	$ 333,988
Manufacturing	**467,260**	421,046	344,175	245,268	205,836
Wholesale/retail	**600,470**	499,017	407,785	279,265	264,029
Agriculture	**170,861**	185,407	173,653	160,241	155,868
Services	**1,084,480**	963,171	807,184	635,585	482,476
Other commercial and industrial	**364,123**	342,169	325,343	200,214	107,260
Commercial real estate:					
Construction and land development	**327,455**	311,700	249,160	174,059	104,322
Multifamily	**291,687**	271,459	257,187	181,525	103,218
Other real estate loans	**722,633**	687,335	588,195	404,985	284,220
Residential mortgage:					
Secured by 1-4 family residential properties	**703,080**	638,044	531,058	500,690	435,753
Residential mortgages held for sale	**166,093**	48,901	57,057	100,269	79,779
Consumer	**409,680**	312,390	296,131	296,298	299,272
Total	**$6,295,378**	$5,517,862	$4,643,489	$3,647,099	$2,856,021

Outstanding loans to energy customers totaled $988 million or 16% of total loans at December 31, 2001. This represents an increase of 18% over last year. Small- and medium-size customers in the Houston, Texas; Denver, Colorado and West Texas markets were the primary source of this loan growth. Approximately $768 million of the energy loan portfolio was to oil and gas producers. The amount of credit available to these customers generally depends on the value of their proven energy reserves based on current prices. The energy category also included loans to borrowers involved in the transportation and sale of oil and gas and loans to borrowers that manufacture equipment and provide other services to the energy industry. Outstanding loans to the services industry totaled $1.1 billion, an increase of 13%. Services included loans that totaled $162 million to nursing homes, $115 million to the healthcare industry and $69 million to the hotel industry. Loans to the wholesale/retail industry increased 20% to $600 million. Approximately $40 million of this increase resulted from increased efforts in New Mexico. Agriculture included $150 million of loans to the cattle industry. Other notable loan concentrations by the primary industry of the borrowers are presented in Table 12.

BOK Financial participates in shared national credits when appropriate to obtain or maintain business relationships with local customers. At December 31, 2001, the outstanding principal balance of these loans totaled $659 million, including $637 million to borrowers with local market relationships. BOK Financial is the agent lender in approximately 25% of these loans.

Commercial real estate loans totaled $1.3 billion or 21% of the loan portfolio at December 31, 2001. This represented a 6% increase from the previous year-end. Construction and land development loans included $265 million for single-family residential lots and premises. The major components of other commercial real estate loans were office buildings – $256 million and retail facilities – $220 million.

Residential mortgage loans included $296 million of home equity loans, $253 million of mortgage loans held for business relationship purposes, and $154 million of adjustable rate mortgage loans. Consumer loans included $177 million of indirect automobile loans at December 31, 2001, an increase of $62 million since the previous year-end. Substantially all of these loans were purchased from dealers in Oklahoma. Approximately 26% of the indirect automobile loan portfolio were considered sub-prime.

Table 13 Loan Maturity and Interest Rate Sensitivity at December 31, 2001
(In Thousands)

	Total	Remaining Maturities of Selected Loans: Within 1 Year	1-5 Years	After 5 Years
Loan maturity:				
Commercial	$3,674,750	$1,371,647	$1,775,114	$527,989
Commercial real estate	1,341,775	553,363	622,007	166,405
Total	$5,016,525	$1,925,010	$2,397,121	$694,394
Interest rate sensitivity for selected loans with:				
Predetermined interest rates	$1,174,615	$ 190,371	$ 687,061	$297,183
Floating or adjustable interest rates	3,841,910	1,734,639	1,710,060	397,211
Total	$5,016,525	$1,925,010	$2,397,121	$694,394

While BOK Financial continued to increase geographic diversification through expansion into Texas and New Mexico, geographic concentration subjects the loan portfolio to the general economic conditions in Oklahoma. Table 14 reflects the distribution of the major loan categories among BOK Financial's principal market areas.

Table 14 Loans by Principal Market Area
(In Thousands)

	December 31,				
	2001	2000	1999	1998	1997
Oklahoma:					
Commercial	**$2,606,977**	$2,480,825	$2,172,268	$1,785,961	$1,399,900
Commercial real estate	**739,419**	768,232	704,999	538,529	363,329
Residential mortgage	**642,116**	458,395	376,806	427,004	459,646
Consumer	**314,060**	250,298	236,565	266,453	272,197
Total Oklahoma	**$4,302,572**	$3,957,750	$3,490,638	$3,017,947	$2,495,072
Texas:					
Commercial	**$ 775,788**	$ 549,505	$ 383,460	$ 154,593	$ 120,672
Commercial real estate	**380,602**	299,357	227,748	105,208	69,950
Residential mortgage	**136,181**	122,082	102,888	58,185	50,639
Consumer	**85,347**	53,397	50,923	23,431	23,666
Total Texas	**$1,377,918**	$1,024,341	$ 765,019	$ 341,417	$ 264,927
Albuquerque:					
Commercial	**$ 219,257**	$ 167,023	$ 63,370	$ 13,480	$ 450
Commercial real estate	**136,425**	118,492	87,759	45,331	10,138
Residential mortgage	**85,309**	101,920	103,684	109,741	–
Consumer	**8,200**	6,107	5,410	3,038	–
Total Albuquerque	**$ 449,191**	$ 393,542	$ 260,223	$ 171,590	$ 10,588
Northwest Arkansas:					
Commercial	**$ 72,728**	$ 50,680	$ 45,603	$ 35,239	$ 28,435
Commercial real estate	**85,329**	84,413	74,036	71,501	48,343
Residential mortgage	**5,567**	4,548	4,737	6,029	5,247
Consumer	**2,073**	2,588	3,233	3,376	3,409
Total Northwest Arkansas	**$ 165,697**	$ 142,229	$ 127,609	$ 116,145	$ 85,434

Other Derivatives with Credit Risk

During 2001 BOK Financial developed a program that permits its energy-producing customers to hedge against price fluctuations through energy option and swap contracts. These contracts are executed between BOk and its customers. Offsetting contracts are executed between BOk and selected energy dealers to minimize the risk of changes in energy prices. The dealer contracts are identical to the customer contracts, except for a fixed pricing spread paid to BOk as compensation for administrative costs, credit risk and profit.

This program creates credit risk for potential amounts due to BOk from the customers and dealers. Customer credit risk is monitored through existing lending policies and procedures. The value of energy production is evaluated across a range of prices to determine a maximum exposure BOk is willing to have individually to any customer or collectively to all energy producers. Dealer credit risk is monitored through existing policies and procedures used to evaluate counterparty risk. This evaluation considers all relationships between BOK Financial and each counterparty. Individual limits are established by management and approved by the Risk Oversight Committee of the Board of Directors. Margin collateral is required if the exposure to a counterparty exceeds established limits. BOK Financial had no energy contracts with Enron Corp.

BOK Financial carries the energy contracts at fair value in other assets and other liabilities. Changes in fair value are recorded in income. Closing prices on the New York Mercantile Exchange are used to determine fair value. At December 31, 2001, other assets included $28 million and other liabilities included $29 million of energy contracts. The primary counterparties on asset contracts were Bank of Montreal, $10.6 million; Goldman Sachs, $5.7 million; Morgan Stanley, $5.6 million and J. P. Morgan Chase, $5.4 million. A deterioration in the credit standing of one or more of the counterparties 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.

Summary of Loan Loss Experience

The reserve for loan losses, which is available to absorb losses inherent in the loan portfolio, totaled $102 million at December 31, 2001 compared to $83 million at December 31, 2000. This represented 1.66% and 1.51% of total loans, excluding loans held for sale, at December 31, 2001 and 2000, respectively. Losses on loans held for sale, principally mortgage loans accumulated for placement in security pools, are charged to earnings through adjustments in the carrying value. The increase in loan charge-offs reflected the general trend toward a slower economy in 2001. Commercial loan charge-offs included $5.9 million from two shared national credits to manufacturers with ties to the local economy. Table 15 presents statistical information regarding the reserve for loan losses for the past five years.

Table 15 Summary of Loan Loss Experience
(Dollars In Thousands)

	Years ended December 31,				
	2001	2000	1999	1998	1997
Beginning balance	**$ 82,655**	$76,234	$65,922	$54,044	$45,907
Loans charged off:					
Commercial	**18,042**	7,747	2,136	3,219	3,350
Commercial real estate	**71**	1,176	35	175	698
Residential mortgage	**308**	285	617	202	440
Consumer	**6,827**	5,593	4,560	4,000	4,791
Total	**25,248**	14,801	7,348	7,596	9,279
Recoveries of loans previously charged off:					
Commercial	**1,151**	1,126	3,110	1,487	2,543
Commercial real estate	**653**	428	487	1,398	957
Residential mortgage	**57**	157	17	162	557
Consumer	**2,727**	2,307	2,156	1,836	1,578
Total	**4,588**	4,018	5,770	4,883	5,635
Net loans charged off	**20,660**	10,783	1,578	2,713	3,644
Provision for loan losses	**37,610**	17,204	10,365	14,591	9,256
Additions due to acquisitions	**2,300**	–	1,525	–	2,525
Ending balance	**$101,905**	$82,655	$76,234	$65,922	$54,044
Reserve for loan losses to loans outstanding at year-end[1]	**1.66%**	1.51%	1.66%	1.86%	1.95%
Net charge-offs to average loans[1]	**.35**	.22	.04	.09	.14
Provision for loan losses to average loans[1]	**.63**	.35	.26	.48	.35
Recoveries to gross charge-offs	**18.17**	27.15	78.52	64.28	60.73
Reserve as a multiple of net charge-offs	**4.93x**	7.67x	48.31x	24.30x	14.83x
Problem Loans					
Loans past due (90 days)	**$ 8,108**	$15,467	$11,336	$ 9,553	$10,710
Nonaccrual[2]	**43,540**	39,661	19,465	14,095	19,761
Renegotiated	**27**	87	–	–	207
Total	**$ 51,675**	$55,215	$30,801	$23,648	$30,678
Foregone interest on nonaccrual loans[2]	**$ 5,163**	$ 3,803	$ 2,321	$ 2,271	$ 2,981

1 Excludes residential mortgage loans held for sale.
2 Interest collected and recognized on nonaccrual loans was $3.3 million in 1998 and was not significant in 2001 and previous years disclosed.

The reserve for loan losses is assessed by management based upon an ongoing evaluation of the probable estimated losses inherent in the portfolio, including probable losses on both outstanding loans and unused commitments to provide financing. A consistent well-documented methodology has been developed that includes reserves assigned to specific criticized loans, general reserves that are based on a statistical migration analysis and nonspecific reserves that are based on analysis of current economic conditions, loan concentrations, portfolio growth and other relevant factors. An independent Credit Administration department is responsible for performing this evaluation for all of BOK Financial's subsidiaries to ensure that the methodology is applied consistently.

Table 16 Loan Loss Reserve Allocation
(Dollars in Thousands)

	December 31,									
	2001		2000		1999		1998		1997	
	Reserve[3]	% of Loans[1]	Reserve[3]	% of Loans[1]	Reserve[3]	% of Loans[1]	Reserve[3]	% of Loans[1]	Reserve[3]	% of Loans[1]
Loan category:										
Commercial[2]	**$ 61,164**	**59.95%**	$55,187	59.39%	$47,261	58.10%	$37,570	56.09%	$35,009	55.81%
Commercial real estate	**15,923**	**21.89**	12,393	23.23	11,216	23.86	7,949	21.44	3,236	17.71
Residential mortgage	**3,774**	**11.47**	2,019	11.67	2,137	11.58	1,807	14.12	1,783	15.70
Consumer	**6,890**	**6.69**	6,407	5.71	6,721	6.46	6,689	8.35	5,763	10.78
Nonspecific allowance	**14,154**	–	6,649	–	8,899	–	11,907	–	8,253	–
Total	**$101,905**	**100.00%**	$82,655	100.00%	$76,234	100.00%	$65,922	100.00%	$54,044	100.00%

1 Excludes residential mortgage loans held for sale.
2 Specific allocation for Year 2000 risks were $2.0 million in 1999, $3.6 million in 1998 and $4.8 million in 1997.
3 Specific allocation for the loan concentration risks are included in the appropriate category: Energy, Agriculture and Hotel/Motel.

All significant criticized loans are reviewed quarterly. Specific reserves for impairment are determined through evaluation of estimated future cash flow and collateral value in accordance with generally accepted accounting principles and regulatory standards. At December 31, 2001 specific impairment reserves totaled $2.5 million on total impaired loans of $40 million.

The general reserve for loan losses is determined primarily through an internally developed migration analysis model. The purpose of this model is to determine the probability that each loan in the portfolio has an inherent loss based on historic trends. Management uses an eight-quarter aggregate accumulation of net loan losses as the basis for this model. Greater emphasis is placed on loan losses in the more recent periods. This model is used to assign a general allowance for loan losses to all commercial loans and leases, excluding loans that have a specific impairment allowance, residential mortgage loans and consumer loans.

A nonspecific allowance for loan losses is maintained for risks beyond those factors specific to a particular loan or those identified by the migration analysis. These factors include trends in the general economic conditions in BOK Financial's primary lending areas, duration of the business cycle, specific conditions in industries where BOK Financial has a concentration of loans and overall growth in the loan portfolio. Additional factors considered are bank regulatory examination results, error potential in the migration analysis model or the underlying data, and other relevant factors. A range of potential losses is determined for each factor identified. At December 31, 2001 the range of potential losses for the more significant factors were:

General economic conditions – $3.2 million to $4.0 million
Concentration of large loans – $1.0 million to $1.9 million
Loan portfolio growth – $700 thousand to $1.4 million.

Allocation of the loan loss reserve to the major loan categories is presented in Table 16. The increase in the nonspecific allowance was due primarily to the effect of general economic conditions and overall growth in the loan portfolio.

A provision for loan losses is charged against earnings in amounts necessary to maintain an adequate loan loss reserve. These provisions totaled $37.6 million for 2001, $17.2 million for 2000 and $10.4 million for 1999. The increase reflected the growth in net loans charged-off for each of those years, growth in nonperforming and potential problem loans.

Evaluation of the loan loss reserve requires a significant level of assumptions by management including estimation of future cash flows, collateral values, relevance of historic loss trends to the loan portfolio and assessment of the effect of current economic conditions on borrowers' ability to repay. The required loan loss reserve could be materially affected by changes in these assumptions. The loan loss reserve is adequate to absorb losses inherent in the loan portfolio based upon current conditions and information available to management. However, actual losses may differ significantly due to changing conditions or information that is currently not available.

Nonperforming Assets

Information regarding nonperforming assets, which totaled $51 million at December 31, 2001 and $44 million at December 31, 2000 is presented in Table 17. Nonperforming assets included nonaccrual and renegotiated loans and excluded loans 90 days or more past due but still accruing interest. Nonaccrual loans increased by $3.9 million during 2001. Newly identified nonaccruing loans totaled $31.3 million during 2001. This amount included $11.4 million for one borrower whose acquisition strategy was adversely affected by market conditions. Total nonaccrual loans decreased by $12.4 million of cash payments received, $9.7 million of losses charged against the reserve for loan losses and $3.8 million of transfers to real estate and other repossessed assets.

Table 17 Nonperforming Assets
(Dollars in Thousands)

	December 31,				
	2001	2000	1999	1998	1997
Nonperforming loans					
Nonaccrual loans:					
Commercial	**$35,075**	$37,146	$12,686	$ 8,394	$12,745
Commercial real estate	**3,856**	161	2,046	1,950	3,276
Residential mortgage	**4,140**	1,855	3,383	2,583	2,985
Consumer	**469**	499	1,350	1,168	755
Total nonaccrual loans	**43,540**	39,661	19,465	14,095	19,761
Renegotiated loans	**27**	87	–	–	207
Total nonperforming loans	**43,567**	39,748	19,465	14,095	19,968
Other nonperforming assets	**7,141**	3,851	3,478	4,667	5,281
Total nonperforming assets	**$50,708**	$43,599	$22,943	$18,762	$25,249
Ratios:					
Reserve for loan losses to nonperforming loans	**233.90%**	207.95%	391.65%	467.70%	270.65%
Nonperforming loans to period-end loans[2]	**.71**	.73	.42	.40	.72
Loans past due (90 days)[1]	**$ 8,108**	$15,467	$11,336	$ 9,553	$10,710
[1] Includes residential mortgages guaranteed by agencies of the U.S. Government.	**$ 6,222**	$ 7,616	$ 8,538	$ 8,122	$ 7,072
Excludes residential mortgages guaranteed by agencies of the U.S. Government in foreclosure.	**4,396**	5,630	8,310	6,953	7,396

[2] Excludes residential mortgage loans held for sale.

The loan review process also identifies loans that possess more than the normal amount of risk due to deterioration in the financial condition of the borrower or the value of the collateral. Because the borrowers are still performing in accordance with the original terms of the loan agreements and no loss of principal or interest is anticipated, these loans are not included in Nonperforming Assets. However, known information causes management to have concerns as to the borrower's ability to comply with current repayment terms. Potential problem loans totaled $50 million at December 31, 2001 and $24 million at December 31, 2000. At December 31, 2001, the composition of potential problem loans by primary industry categories included manufacturing, $24 million; healthcare, $12 million; and telecommunications, $10 million.

Deposits

Average deposits for 2001 increased $968 million or 18% compared to 2000. Most notably, average transaction deposit accounts increased $377 million or 20%; time deposits of $100,000 or more increased $254 million or 19% and other time deposits increased $211 million or 18%. Average time deposits of $100,000 or more were $1.6 billion in 2001 compared to $1.3 billion in 2000. At December 31, 2001, the outstanding balance of time deposits of $100,000 or more decreased to $1.3 billion while the balance of other time deposits increased to $1.5 billion. This reflected a determination to reduce the level of large time deposits as a funding source.

Table 18 Average Deposits
(In Thousands)

	2001	2000
Core deposits	**$3,331,210**	$3,293,456
Public funds	**447,846**	400,467
Uninsured deposits	**2,706,038**	1,823,192
Total	**$6,485,094**	$5,517,115

Average core deposits as a percent of total deposits decreased to 51% in 2001 compared to 60% in 2000 and 65% in 1999. Concurrently, average uninsured deposits represented 42% of total deposits in 2001, 33% in 2000 and 27% in 1999. Uninsured deposits as used in this presentation are based on a simple analysis of account balances and do not reflect combined ownership and other account styling that would determine insurance based on FDIC regulations.

Table 19 Maturity of Domestic CDs and Public Funds in Amounts of $100,000 or More
(In Thousands)

	December 31,	
	2001	2000
Months to maturity:		
3 or less	**$ 625,686**	$ 534,960
Over 3 through 6	**311,743**	395,537
Over 6 through 12	**221,264**	303,260
Over 12	**449,263**	210,107
Total	**$1,607,956**	$1,443,864

The distribution of deposit accounts among BOK Financial's principal markets is shown in Table 20. Deposit growth in Texas included $366 million from the acquisition of CNBT. Excluding this acquisition, deposits in Texas grew by $108 million or 11%.

BOK Financial competes for deposits by offering a broad range of products and services to its customers. This includes offering competitive rates and fees, convenience and service to its customers. BOK Financial offered free checking accounts during 2001. This product helped to increase the number of new checking accounts opened during 2001 to over 46 thousand compared to approximately 17 thousand in 2000. Management believes that the growth in deposit balances and the value of additional customer contact opportunities more than offset any lost fee income.

Bank of Oklahoma offers banking convenience through 114 locations, including 33 supermarket locations. Bank of Texas has 14 locations in the Dallas metropolitan area and 7 in Houston. Bank of Albuquerque has 18 banking locations in Albuquerque, New Mexico and Bank of Arkansas has 3 locations in northwest Arkansas. A 24-hour ExpressBank call center is available to serve customers from all of BOK Financial's subsidiary banks.

Table 20 Deposits by Principal Market Area
(In Thousands)

	December 31, 2001	December 31, 2000
Oklahoma:		
Demand	**$ 992,663**	$ 937,163
Interest-bearing:		
Transaction	**1,650,269**	1,407,083
Savings	**101,433**	93,598
Time	**2,041,025**	2,036,274
Total interest-bearing	**3,792,727**	3,536,955
Total Oklahoma	**$4,785,390**	$4,474,118
Texas:		
Demand	**$ 305,745**	$ 250,347
Interest-bearing:		
Transaction	**670,728**	406,446
Savings	**28,918**	22,910
Time	**451,031**	303,203
Total interest-bearing	**1,150,677**	732,559
Total Texas	**$1,456,422**	$ 982,906
Albuquerque:		
Demand	**$ 57,648**	$ 45,803
Interest-bearing:		
Transaction	**224,265**	161,027
Savings	**26,848**	25,843
Time	**241,549**	250,876
Total interest-bearing	**492,662**	437,746
Total Albuquerque	**$ 550,310**	$ 483,549
Northwest Arkansas:		
Demand	**$ 10,634**	$ 10,453
Interest-bearing:		
Transaction	**14,452**	11,114
Savings	**1,035**	1,030
Time	**87,501**	82,835
Total interest-bearing	**102,988**	94,979
Total Northwest Arkansas	**$ 113,622**	$ 105,432

Borrowings and Capital

Parent Company

BOK Financial (parent company) negotiated a $122.5 million unsecured revolving credit agreement with certain banks during 2001. This credit agreement, which matures in October 2004, replaced a $125 million credit agreement that was scheduled to mature in November 2002. The outstanding principal balance of this credit agreement at December 31, 2001 was $95 million. Interest is based on either the London Interbank Offering Rate ("LIBOR") plus a defined margin that is determined by the principal balance outstanding and BOK Financial's credit rating or a base rate. The base rate is defined as the greater of the daily federal funds rate plus 0.5% or the prime rate. This credit agreement includes certain restrictive covenants that limit BOK Financial's ability to borrow additional funds and to pay cash dividends on common stock. These covenants also require BOK Financial and its subsidiaries to maintain minimum capital levels and to exceed minimum net worth ratios. BOK Financial met all of the restrictive covenants at December 31, 2001.

BOK Financial filed a shelf registration statement with the Securities and Exchange Commission for the issuance of up to $250 million of senior debt securities during the fourth quarter of 1998. These securities are direct, unsecured obligations and are not insured by the Federal Deposit Insurance Corporation or guaranteed by any governmental agency. None of this debt had been issued at December 31, 2001.

BOK Financial borrowed $30 million during 2001 from its principal shareholder, George B. Kaiser, by issuing a subordinated debenture. This debenture matures in March 2008. Interest is based on LIBOR plus 1.75%, payable quarterly. The proceeds of this borrowing were used to support asset growth, including the CNBT acquisition.

The primary sources of liquidity available to BOK Financial are earnings on deposits and investments and dividends from subsidiaries. Dividends from subsidiary banks are generally limited by various banking regulations to net profits, as defined, for the year plus retained net profits for the preceding two years. Dividends are further restricted by minimum capital regulations. Based on the most restrictive limitations, BOK Financial's subsidiary banks could declare up to $102 million of dividends without regulatory approval. Management has developed and the Board of Directors has approved an internal capital policy that is more restrictive than the regulatory capital standards. The subsidiary banks could declare up to $68 million under this policy.

Subsidiary Banks

BOK Financial's subsidiary banks use borrowings to supplement deposits as a source of funds for loan and securities growth. These sources include federal funds purchased, securities repurchase agreements, and advances from the Federal Home Loan Bank. Interest rates and maturity dates for the various sources of funds are matched with specific types of assets in the asset / liability management process. See Note 10 to the Consolidated Financial Statements for additional information about the interest rates and maturity dates of these borrowings.

In 1997, BOk issued $150 million of 7.125% fixed rate subordinated debentures that mature in 2007. Interest rate swaps were used as a fair value hedge to convert the fixed interest on these debentures to a LIBOR-based floating rate. This permitted BOk to adjust the carrying value of the subordinated debentures to fair value. In 2001, the interest rate swaps were terminated. The related market value adjustment of the subordinated debenture of $8 million will be recognized over the remaining life of the debt.

Equity capital for BOK Financial increased by $125 million to $828 million during 2001. Earnings provided $116 million of this increase. The remainder was primarily due to the effects of stock options exercised during the year. The present policy of BOK Financial is to retain earnings for capital and future growth. Management has no current plans to recommend payments of cash dividends on common stock. Management presently plans to recommend continued payment of an annual dividend in shares of common stock.

BOK Financial and its subsidiary banks are subject to various capital requirements administered by federal agencies. Failure to meet minimum capital requirements can result in certain mandatory and additional discretionary actions by regulators that could have a material effect 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. The capital ratios for BOK Financial and each of its subsidiary banks generally increased by a small amount during 2001 as retained capital was used to support asset growth. See Note 16 to the Consolidated Financial Statements for additional information regarding regulatory capital.

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. Additionally, the financial instruments subject to market risk can be classified either as held for trading or held for purposes other than trading.

BOK Financial is subject to market risk primarily through the effect of changes in interest rates on both its portfolio of assets held for purposes other than trading and trading assets. The effect of other changes, such as foreign exchange rates, commodity prices or equity prices do not pose significant market risk to BOK Financial. The responsibility for managing market risk rests with the Asset/Liability Committee that operates under policy guidelines established by the Board of Directors. The negative acceptable variation in net interest revenue and economic value of equity due to a 200 basis point increase or decrease in interest rates is generally limited by these guidelines to +/- 10%. These guidelines also establish maximum levels for short-term borrowings, short-term assets and public and brokered deposits and establish minimum levels for unpledged assets, among other things. Compliance with these guidelines is reviewed monthly.

Interest Rate Risk Management (Other than Trading)

BOK Financial performs a sensitivity analysis to identify more dynamic interest rate risk exposures, including embedded option positions on net interest revenue, net income and economic value of equity. A simulation model is used to estimate the effect of changes in interest rates over the next twelve months based on three interest rate scenarios. These are a "most likely" rate scenario and two "shock test" scenarios, the first assuming a sustained parallel 200 basis point increase and the second a sustained parallel 100 basis point decrease in interest rates. Management historically evaluated interest rate sensitivity for a sustained 200 basis point decrease in interest rates. However, the results of a 200 basis point decrease in interest rates in the current low-rate environment are not meaningful. An independent source is used to determine the most likely interest rates for the next year. The Federal Reserve Bank's discount rate affects short-term borrowings, the prime lending rate and the LIBOR. These rates in turn are the basis for much of the variable-rate loan pricing. Additionally, the 30-year mortgage rate directly affects the prepayment speeds for 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. Sensitivity of fee income to market interest rate levels, such as those related to cash management services and mortgage servicing are also included. The model incorporates assumptions regarding the level of interest rate or balance changes on indeterminable maturity deposits (demand deposits, interest-bearing transaction accounts and savings accounts) for a given level of market rate changes. The assumptions have been developed through a combination of historical analysis and future expected pricing behavior. Interest rate swaps on all products are included to the extent that they are effective in the 12-month simulation period. Changes in prepayment behavior of mortgage-backed securities and residential mortgage loans and mortgage servicing in each rate environment are captured using industry estimates of prepayment speeds for various coupon segments of the portfolio. The effect of changes in interest rates on the value of mortgage servicing rights is excluded from Table 21 due to the extreme volatility over such a large rate range. The effect of changes in interest rates on the value of mortgage servicing rights and hedge securities is shown in Table 22. The impact of planned growth and new business activities is factored into the simulation model. At December 31, 2001 and 2000, this modeling indicated interest rate sensitivity as follows:

Table 21 Interest Rate Sensitivity
(Dollars in Thousands)

	200 bp Increase		Decrease		Most Likely	
			100 bp	200 bp		
	2001	2000	**2001**	2000	**2001**	2000
Anticipated impact over the next twelve months:						
Net interest revenue	**$7,380**	$ (199)	**$ (10,403)**	$ 2,269	**$3,896**	$ 3,837
	2.0%	(0.1)%	**(2.8)%**	0.7%	**1.1%**	1.3%
Net income	**$4,612**	$ (124)	**$ (6,502)**	$ 1,418	**$2,435**	$ 2,398
	3.3%	(0.1)%	**(4.6)%**	1.3%	**1.7%**	2.1%
Economic value of equity	**$ 705**	$(32,142)	**$(109,487)**	$(10,113)	**$ (398)**	$33,255
	0.1%	(2.8)%	**(8.5)%**	(0.9)%	**–**	2.9%

The estimated changes in interest rates on net interest revenue, net income, and economic value of equity is within guidelines established by the Board of Directors for all interest rate scenarios.

BOK Financial also has risk associated with its portfolio of mortgage servicing rights. The primary risk is due to loan prepayments. Generally, the value of mortgage servicing rights declines when interest rates fall due to an increase in loan prepayments. The decrease in value of the servicing rights is recorded as an impairment allowance. Both the amortized cost and the fair value of the servicing rights are stratified by interest rate and loan type. An impairment provision is charged against earnings whenever the amortized cost exceeds the fair value of each stratum. Generally, the value of mortgage servicing rights increases when interest rates rise due to a decrease in loan prepayments. However, this increase in value can only be recognized up to the amortized cost. Any increase in fair value beyond amortized cost is not recognized.

There is no active market for trading servicing rights. Therefore, fair value is determined by using industry consensus prepayment speeds to project future cash flows. Additional assumptions are made regarding servicing costs, earnings on escrow deposits and ancillary income and discount rates. Management consistently uses independent sources to provide many of these assumptions. However, actual fair values may differ significantly from computed fair values due to assumption changes or modeling errors.

BOK Financial designates a portion of its securities portfolio as an economic hedge against the risk of loss on its mortgage servicing rights. Mortgage-backed and principal only securities are acquired and held as available for sale when the prepayment risk exceeds certain levels. The fair value of these securities is expected to vary inversely to the fair value of the mortgage servicing rights. Management may sell these securities and realize gains or losses when necessary to offset losses or gains on the mortgage servicing rights. However, this strategy presents certain risks. A well-developed market determines fair values for securities. As previously noted, there is no comparable market for mortgage servicing rights. Therefore, the computed change in value of the servicing rights for a specified change in interest rates may not correlate to the change in value of the securities.

The relationship between the fair value of mortgage servicing rights and mortgage-backed securities has become more volatile. Since September 30, 2001, industry projections of prepayment speeds have changed significantly due to factors other than interest rates, including duration of the low interest rate environment and borrower prepayment behavior. As a result, the hedge program was less effective during the fourth quarter of 2001. At December 31, 2001, securities with a fair value of $340 million and an aggregate unrealized loss of $22 million were held for the hedge program. This unrealized loss, net of income taxes, is included in shareholders' equity as part of other accumulated comprehensive income. The interest rate sensitivity of the mortgage servicing portfolio and securities held as a hedge is modeled over a range of + / - 50 basis points. At December 31, 2001, the pre-tax results on this modeling on reported earnings were:

Table 22 Interest Rate Sensitivity – Mortgage Servicing (Dollars in Thousands)

	2001	
	50 bp Increase	**50 bp Decrease**
Anticipated change in:		
Mortgage servicing rights	**$10,670**[1]	**$(18,001)**
Hedging instruments	**(12,135)**	–[2]
Net	**$ (1,465)**	**$(18,001)**

[1] Total anticipated increase in value is $12.3 million. However, only $10.7 million can be recognized due to risk strata limits.

[2] Anticipated increase in value of hedging instrument totals $12.6 million, which would reduce the existing unrealized loss. However, gains would not be available to be realized.

The simulations used to manage market risk are based on numerous assumptions regarding the effect 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, the model cannot precisely estimate net interest revenue, net income or economic value of equity or precisely predict the impact of higher or lower interest rates on net interest revenue, net income or economic value of equity. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors.

BOK Financial uses interest rate swaps, a form of off-balance sheet derivative product, in managing its interest rate sensitivity. These products are generally used to more closely match interest paid on certain fixed rate loans with funding sources and long-term certificates of deposit with earning assets. During 2001 and 2000, net interest income increased $6.1 million and $2.2 million. Credit risk from these swaps is closely monitored and counterparties to these contracts are selected on the basis of their credit worthiness, among other factors. Derivative products are not used for speculative purposes. See Note 4 to the Consolidated Financial Statements for additional information.

Trading Activities

BOK Financial enters into trading account activities both as an intermediary for customers and for its own account. As an intermediary, BOK Financial will take positions in securities, generally 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. BOK Financial will also take trading positions in U.S. Treasury securities mortgage-backed securities, municipal securities and financial futures for its own account through either BOk or BOSC, Inc. These positions are taken with the objective of generating trading profits. Both of these activities involve interest rate risk.

A variety of methods are used to manage the interest rate 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. Hedges in either the futures or cash markets may be used to reduce the risk associated with some trading programs. The Risk Management Department monitors trading activity daily and reports to senior management and the Risk Oversight and Audit Committee of the BOK Financial Board of Directors any exceptions to trading position limits and risk management policy exceptions.

BOK Financial uses a Value at Risk ("VAR") methodology to measure the market risk inherent in its trading activities. VAR is calculated based upon historical simulations over the past five years using a variance/co-variance matrix of interest rate changes. It represents an amount of market loss that is likely to be exceeded only one out of every 100 two-week periods. Trading positions are managed within guidelines approved by the Board of Directors. These guidelines limit the nominal aggregate trading positions to $100 million and the VAR to $6.5 million. At December 31, 2001, the nominal aggregate trading positions were $42 million and the VAR was $946 thousand. The greatest value at risk during 2001 was $1.7 million.

New Accounting Standards

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("FAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("FAS 142"). FAS 141 eliminated the pooling of interests method of accounting for business combinations and provided new definitions for intangible assets that must be recognized apart from goodwill. FAS 141 was adopted on July 1, 2001. FAS 142 established new rules of accounting for intangible assets. Under these new rules, intangible assets with indefinite lives such as goodwill will no longer be amortized but will be subject to impairment testing. Other intangible assets will continue to be amortized over their useful lives. Subsequent to the issuance of FAS 142, the Financial Accounting Standards Board issued an interpretation that the unidentifiable intangible asset that results from certain business combinations, such as branch acquisitions, must continue to be amortized over periods determined by the expected lives of the acquired assets and deposits. The Board is currently reconsidering this interpretation.

BOK Financial will adopt FAS 142 as of January 1, 2002. Net income and earnings per fully diluted share for 2001 and 2000 would have been $124.6 million or $2.15 and $105.5 million or $1.84 if FAS 142 had been effective for those years. During 2002, BOKF will perform the first of the required impairment tests of goodwill. The effect of these tests on earnings and financial position has not yet been determined.

Forward-Looking Statements

This Annual Report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about BOK Financial, the financial services industry and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the provision and reserve for loan losses involve judgments as to expected events and are inherently forward-looking statements. Assessments that BOK Financial's acquisitions and other growth endeavors will be profitable are necessary statements of belief as to the outcome of future events, based in part on information provided by others that BOK Financial has not independently verified. 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. Internal and external factors that might cause such a difference include, but are not limited to: (1) the ability to fully realize expected cost savings from mergers within the expected time frames, (2) the ability of other companies on which BOK Financial relies to provide goods and services in a timely and accurate manner, (3) changes in interest rates and interest rate relationships, (4) demand for products and services, (5) the degree of competition by traditional and nontraditional competitors, (6) changes in banking regulations, tax laws, prices, levies and assessments, (7) the impact of technological advances and (8) 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.

Report of Management on Financial Statements

Management is responsible for the consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. In management's opinion, the consolidated financial statements present fairly the financial conditions, results of operations and cash flows of BOK Financial and its subsidiaries at the dates and for the periods indicated.

BOK Financial and its subsidiaries maintain a system of internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States. This system includes written policies and procedures, a corporate code of conduct, an internal audit program and standards for the hiring and training of qualified personnel.

The Board of Directors of BOK Financial maintains a Risk Oversight and Audit Committee consisting of outside directors that meet periodically with management and BOK Financial's internal and independent auditors. The Committee considers the audit and nonaudit services to be performed by the independent auditors, makes arrangements for the internal and independent audits and recommends BOK Financial's selection of independent auditors. The Committee also reviews the results of the internal and independent audits, considers and approves certain of BOK Financial's accounting principles and practices, and reviews various shareholder reports and other reports and filings.

Ernst & Young LLP, certified public accountants, have been engaged to audit the consolidated financial statements of BOK Financial and its subsidiaries. Their audit is conducted in accordance with auditing standards generally accepted in the United States and their report on BOK Financial's consolidated financial statements is set forth below.

Report of Independent Auditors

We have audited the accompanying consolidated balance sheets of BOK Financial Corporation as of December 31, 2001 and 2000, and the related consolidated statements of earnings, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BOK Financial Corporation at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP
Tulsa, Oklahoma
January 23, 2002

Consolidated Statements of Earnings
(Dollars In Thousands Except Per Share Data)

	2001	2000	1999
Interest Revenue			
Loans	$455,332	$454,077	$336,630
Taxable securities	184,464	167,493	144,901
Tax-exempt securities	12,979	12,782	14,233
Total securities	197,443	180,275	159,134
Trading securities	1,029	1,416	2,291
Funds sold and resell agreements	829	2,962	2,219
Total interest revenue	654,633	638,730	500,274
Interest Expense			
Deposits	208,387	208,249	150,621
Borrowed funds	108,549	151,157	104,195
Subordinated debentures	10,923	10,437	9,334
Total interest expense	327,859	369,843	264,150
Net Interest Revenue	326,774	268,887	236,124
Provision for Loan Losses	37,610	17,204	10,365
Net Interest Revenue After Provision for Loan Losses	289,164	251,683	225,759
Other Operating Revenue			
Brokerage and trading revenue	21,822	16,074	16,233
Transaction card revenue	44,481	38,753	32,648
Trust fees and commissions	40,567	39,316	35,127
Service charges and fees on deposit accounts	51,284	42,932	41,067
Mortgage banking revenue	50,155	37,179	36,986
Leasing revenue	3,745	4,244	3,725
Other revenue	20,087	17,965	17,589
Total fees and commissions	232,141	196,463	183,375
Gain on sale of student loans	557	529	600
Gain on loan securitization	–	–	270
Gain (loss) on sales of other assets	–	(148)	4,626
Gain (loss) on sales of securities, net	30,640	2,059	(419)
Loss on derivatives, net	(4,062)	–	–
Total other operating revenue	259,276	198,903	188,452
Other Operating Expense			
Personnel expense	163,835	146,215	136,010
Business promotion	10,658	8,395	9,077
Professional fees and services	13,391	9,618	9,584
Net occupancy and equipment	42,764	35,447	30,789
Data processing and communications	40,013	34,962	32,038
FDIC and other insurance	1,717	1,569	1,356
Printing, postage and supplies	12,329	11,260	11,599
Net gains and operating expenses on repossessed assets	1,401	(1,283)	(3,473)
Amortization of intangible assets	20,113	15,478	15,823
Mortgage banking costs	30,261	22,274	23,932
Provision for impairment of mortgage servicing rights	15,551	2,900	–
Other expense	16,729	15,980	13,781
Total other operating expense	368,762	302,815	280,516
Income Before Taxes	179,678	147,771	133,695
Federal and state income tax	63,612	47,631	44,469
Income Before Cumulative Effect of a Change in Accounting Principle, Net of Tax	116,066	100,140	89,226
Transition adjustment of adoption of FAS 133	236	–	–
Net Income	$116,302	$100,140	$ 89,226
Earnings Per Share:			
Basic:			
Before cumulative effect of change in accounting principle	$ 2.25	$ 1.95	$ 1.73
Transition adjustment of adoption of FAS 133	–	–	–
Net Income	$ 2.25	$ 1.95	$ 1.73
Diluted:			
Before cumulative effect of change in accounting principle	$ 2.01	$ 1.75	$ 1.55
Transition adjustment of adoption of FAS 133	–	–	–
Net Income	$ 2.01	$ 1.75	$ 1.55
Average Shares Used in Computation:			
Basic	50,972,642	50,665,525	50,598,351
Diluted	57,937,534	57,328,915	57,599,259

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
(In Thousands Except Share Data)

	December 31, 2001	December 31, 2000
Assets		
Cash and due from banks	**$ 643,938**	$ 701,424
Funds sold and resell agreements	**3,400**	49,305
Trading securities	**10,327**	39,865
Securities:		
Available for sale	**2,815,070**	2,105,619
Available for sale securities pledged to creditors	**634,479**	658,201
Investment (fair value: 2001 – $242,628; 2000 – $233,867)	**241,113**	233,371
Total securities	**3,690,662**	2,997,191
Loans	**6,295,378**	5,517,862
Less reserve for loan losses	**(101,905)**	(82,655)
Net loans	**6,193,473**	5,435,207
Premises and equipment, net	**141,425**	132,066
Accrued revenue receivable	**68,728**	74,981
Intangible assets, net	**152,076**	109,045
Mortgage servicing rights, net	**98,796**	110,791
Real estate and other repossessed assets	**7,141**	3,851
Bankers' acceptances	**4,179**	6,925
Other assets	**116,243**	87,683
Total assets	**$11,130,388**	$9,748,334
Liabilities and Shareholders' Equity		
Noninterest-bearing demand deposits	**$ 1,366,690**	$1,243,766
Interest-bearing deposits:		
Transaction	**2,559,714**	1,985,670
Savings	**158,234**	143,381
Time	**2,821,106**	2,673,188
Total deposits	**6,905,744**	6,046,005
Funds purchased and repurchase agreements	**1,601,989**	1,853,073
Other borrowings	**1,220,948**	882,204
Subordinated debentures	**186,302**	148,816
Accrued interest, taxes and expense	**67,014**	77,860
Bankers' acceptances	**4,179**	6,925
Amount due on unsettled security transactions	**231,660**	–
Other liabilities	**84,069**	29,875
Total liabilities	**10,301,905**	9,044,758
Shareholders' equity:		
Preferred stock	**25**	25
Common stock ($.00006 par value; 2,500,000,000 shares authorized; issued: 2001 – 51,737,154; 2000 – 49,706,055)	**3**	3
Capital surplus	**323,860**	278,882
Retained earnings	**511,301**	431,390
Treasury stock (shares at cost: 2001 – 541,240; 2000 – 487,553)	**(12,498)**	(10,044)
Accumulated other comprehensive income	**5,792**	3,320
Total shareholders' equity	**828,483**	703,576
Total liabilities and shareholders' equity	**$11,130,388**	$9,748,334

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
(In Thousands)

	2001	2000	1999
Cash Flows From Operating Activities:			
Net income	**$ 116,302**	$ 100,140	$ 89,226
Adjustments to reconcile net income to net cash provided by operating activities:			
Provisions for loan losses	**37,610**	17,204	10,365
Provisions for mortgage servicing rights	**15,551**	2,900	–
Transition adjustment of adoption of FAS 133	**(236)**	–	–
Unrealized losses from derivatives	**12,082**	–	–
Depreciation and amortization	**69,165**	54,444	41,088
Tax benefit on exercise of stock options	**3,408**	1,010	3,138
Tax accrual reversal	**–**	3,000	–
Net amortization of securities discounts and premiums	**(5,615)**	(4,975)	1,413
Net gain on sale of assets	**(47,954)**	(11,694)	(15,039)
Mortgage loans originated for resale	**(972,066)**	(494,675)	(686,082)
Proceeds from sale of mortgage loans held for resale	**1,008,073**	547,140	738,109
Change in trading securities	**29,538**	(25,132)	34,734
Change in accrued revenue receivable	**6,253**	(7,341)	21
Change in other assets	**2,881**	73,177	(65,824)
Change in accrued interest, taxes and expense	**(3,125)**	(18,393)	24,151
Change in other liabilities	**9,599**	(15,992)	29,806
Net cash provided by operating activities	**281,466**	220,813	205,106
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities	**–**	175	–
Proceeds from sales of available for sale securities	**9,142,248**	1,677,078	1,397,956
Proceeds from maturities of investment securities	**80,273**	41,764	59,684
Proceeds from maturities of available for sale securities	**930,494**	445,384	634,527
Purchases of investment securities	**(88,282)**	(62,334)	(45,330)
Purchases of available for sale securities	**(10,496,575)**	(2,227,911)	(2,223,829)
Loans originated or acquired net of principal collected	**(675,612)**	(974,220)	(1,047,291)
Proceeds from sales of assets	**68,088**	69,201	190,673
Purchases of assets	**(75,655)**	(98,822)	(93,755)
Cash and cash equivalents of subsidiaries and branches acquired and sold, net	**(72,990)**	(14)	25,584
Net cash used by investing activities	**(1,188,011)**	(1,129,699)	(1,101,781)
Cash Flows From Financing Activities:			
Net change in demand deposits, transaction deposits, and savings accounts	**346,034**	329,483	(20,535)
Net change in certificates of deposit	**146,075**	453,338	321,702
Net change in other borrowings	**141,660**	451,574	554,433
Amount due on unsettled security transaction	**231,660**	–	–
Paydown of other borrowings	**(95,000)**	–	–
Issuance of subordinated debenture	**30,000**	–	–
Issuance of preferred, common and treasury stock, net	**2,745**	999	823
Purchase of treasury stock	**–**	(2,633)	(1,574)
Dividends paid	**(20)**	(1)	(2,744)
Net cash provided by financing activities	**803,154**	1,232,760	852,105
Net increase (decrease) in cash and cash equivalents	**(103,391)**	323,874	(44,570)
Cash and cash equivalents at beginning of period	**750,729**	426,855	471,425
Cash and cash equivalents at end of period	**$ 647,338**	$ 750,729	$ 426,855
Cash paid for interest	**$ 334,103**	$ 361,645	$ 265,548
Cash paid for taxes	**70,699**	51,669	43,664
Net loans transferred to repossessed real estate	**7,228**	2,226	1,857
Payment of dividends in common stock	**36,371**	1,500	32,192

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity
(In Thousands)

	Preferred Stock		Common Stock	
	Shares	Amount	Shares	Amount
December 31, 1998[2]	250,000	$25	48,112	$3
Comprehensive income:				
Net income	–	–	–	–
Other comprehensive loss, net of tax:				
Unrealized gain on securities available for sale	–	–	–	–
Total comprehensive income				
Director retainer shares	–	–	9	–
Treasury stock purchase	–	–	–	–
Cancel treasury stock	–	–	(725)	–
Issuance of common stock to Thrift Plan	–	–	17	–
Exercise of stock options	–	–	480	–
Tax benefit on exercise of stock options	–	–	–	–
Common stock dividend	–	–	–	–
Dividends paid in shares of common stock:				
Preferred stock	–	–	57	–
Common stock	–	–	1,432	–
December 31, 1999	250,000	25	49,382	3
Comprehensive income:				
Net income	–	–	–	–
Other comprehensive loss, net of tax:				
Unrealized gain on securities available for sale	–	–	–	–
Total comprehensive income				
Director retainer shares	–	–	4	–
Treasury stock purchase	–	–	–	–
Exercise of stock options	–	–	294	–
Tax benefit on exercise of stock options	–	–	–	–
Preferred stock dividend	–	–	–	–
Dividends paid in shares of common stock:				
Preferred stock	–	–	26	–
December 31, 2000	250,000	25	49,706	3
Comprehensive income:				
Net income	–	–	–	–
Other comprehensive loss, net of tax:				
Unrealized gain on securities available for sale	–	–	–	–
Total comprehensive income				
Director retainer shares	–	–	**5**	–
Exercise of stock options	–	–	**598**	–
Tax benefit on exercise of stock options	–	–	–	–
Preferred stock dividend	–	–	–	–
Dividends paid in shares of common stock:				
Preferred stock	–	–	**51**	–
Common stock	–	–	**1,377**	–
December 31, 2001	**250,000**	**$25**	**51,737**	**$3**

	December 31,		
	2001	2000	1999
[1] Changes in net unrealized gains on securities:			
Unrealized gains (losses) on available for sale securities	**$34,800**	$78,759	$(90,852)
Tax (expense) benefit on unrealized gains (losses) on available for sale securities	**(12,412)**	(30,467)	34,697
Reclassification adjustment for (gains) losses realized and included in net income	**(30,640)**	(2,059)	419
Reclassification adjustment for tax expense (benefit) on realized (gains) losses	**10,724**	664	(138)
Net unrealized gains on securities	**$ 2,472**	$46,897	$(55,874)

[2] Restated for pooling of interest in 1999.

See accompanying notes to consolidated financial statements.

Accumulated Other Comprehensive Income (Loss)[1]	Capital Surplus	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Total
$12,297	$236,726	$278,365	749	$ (2,623)	$524,793
–	–	89,226	–	–	89,226
(55,874)	–	–	–	–	(55,874)
					33,352
–	294	–	–	–	294
–	–	–	74	(1,574)	(1,574)
–	(2,062)	–	(725)	2,062	–
–	406	–	(1)	36	442
–	4,286	–	215	(4,823)	(537)
–	3,138	–	–	–	3,138
–	–	(2,734)			(2,734)
–	1,500	(1,500)			–
–	30,692	(30,606)	4	(96)	(10)
(43,577)	274,980	332,751	316	(7,018)	557,164
–	–	100,140	–	–	100,140
46,897	–	–	–	–	46,897
					147,037
–	50	–	(13)	263	313
–	–	–	151	(2,633)	(2,633)
–	2,554	–	97	(1,868)	686
–	1,010	–	–	–	1,010
–		(1)	–	–	(1)
–	288	(1,500)	(63)	1,212	–
3,320	278,882	431,390	488	(10,044)	703,576
–	**–**	**116,302**	**–**	**–**	**116,302**
2,472	**–**	**–**	**–**	**–**	**2,472**
					118,774
–	**165**	**–**	**(7)**	**126**	**291**
–	**7,551**	**–**	**185**	**(5,097)**	**2,454**
–	**3,408**	**–**	**–**	**–**	**3,408**
–	**–**	**(1)**	**–**	**–**	**(1)**
–	**1,114**	**(1,500)**	**(21)**	**386**	**–**
–	**32,740**	**(34,890)**	**(104)**	**2,131**	**(19)**
$ 5,792	**$323,860**	**$511,301**	**541**	**$(12,498)**	**$828,483**

Notes to Consolidated Financial Statements

(1) Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements of BOK Financial Corporation ("BOK Financial") have been prepared in conformity with accounting principles generally accepted in the United States, including general practices of the banking industry. The consolidated financial statements include the accounts of BOK Financial and its subsidiaries, principally Bank of Oklahoma, N.A. and its subsidiaries ("BOk"), Bank of Texas, N.A., Bank of Arkansas, N.A., Bank of Albuquerque, N.A. and BOSC, Inc. Certain prior year amounts have been reclassified to conform to current year classifications.

Nature of Operations

BOK Financial, through its subsidiaries, provides a wide range of financial services to commercial and industrial customers, other financial institutions and consumers throughout Oklahoma, Northwest Arkansas, Dallas and Houston, Texas metropolitan areas and New Mexico. These services include depository and cash management; lending and lease financing; mortgage banking; securities brokerage, trading and underwriting; and personal and corporate trust.

Use of Estimates

Preparation of BOK Financial's consolidated financial statements requires management to make estimates of future economic activities, including interest rates, loan collectibility and prepayments and cash flows from customer accounts. These estimates are based upon current conditions and information available to management. Actual results may differ significantly from these estimates.

Acquisitions

Assets and liabilities acquired by purchase are recorded at fair values on the acquisition dates. Intangible assets are amortized using straight-line and accelerated methods over the estimated benefit periods. These periods range from 7 to 25 years for goodwill and other identifiable intangible assets and 7 to 10 years for core deposit intangibles. The net book values of intangible assets are evaluated for impairment when economic conditions indicate an impairment may exist. These conditions would include an ongoing performance history and a forecast of anticipated performance that is significantly below management's expectations for acquired entities. Impairment would be determined by a comparison of the fair value of assets and liabilities of the acquired entity plus an estimate of current market premiums paid for similar entities. The Consolidated Statements of Earnings include the results of purchases from the dates of acquisition. The financial statements of companies acquired in pooling-of-interests transactions are combined with the Consolidated Financial Statements of BOK Financial at historical cost as if the mergers occurred at the beginning of the earliest period presented.

Cash Equivalents

Due from banks, funds sold (generally federal funds sold for one-day periods) and resell agreements (which generally mature within one to 30 days) are considered cash equivalents.

Securities

Securities are identified as trading, investment (held to maturity) or available for sale at the time of purchase based upon the intent of management, liquidity and capital requirements, regulatory limitations and other relevant factors. Trading securities, which are acquired for profit through resale, are carried at market value with unrealized gains and losses included in current period earnings. Investment securities are carried at amortized cost. Amortization is computed by methods that approximate level yield and is adjusted for changes in prepayment estimates. Investment securities may be sold or transferred to trading or available for sale classification in certain limited circumstances specified in generally accepted accounting principles. Securities identified as available for sale are carried at fair value. Unrealized gains and losses are recorded, net of deferred income taxes, as accumulated other comprehensive income (loss) in shareholders' equity. Realized gains and losses on sales of securities are based upon the amortized cost of the specific security sold. Available for sale securities are separately identified as pledged to creditors if the creditor has the right to sell or repledge the collateral.

The purchase or sale of securities is recognized on a trade date basis. A net receivable or payable is recognized for subsequent transaction settlement. BOK Financial will periodically commit to purchase or sell to-be-announced ("TBA") mortgage-backed securities. These commitments are not reflected in BOK Financial's balance sheet until settlement date, in accordance with the accounting guidance of the Comptroller of the Currency. However, any losses from TBA securities sales are recognized as of the commitment date.

Derivative Instruments

BOK Financial adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133") on January 1, 2001.

Derivative instruments, primarily interest rate swaps and forward sales contracts, are used as part of an interest rate risk management strategy. Interest rate swaps modify the interest income and expense on certain long-term, fixed rate assets and liabilities. Amounts payable to or receivable from the counterparties are reported in interest income and expense using the accrual method. The fair value of the interest rate swaps is included in other assets or liabilities. Changes in the fair value of interest rate swaps are included in other operating revenue.

In certain circumstances, interest rate swaps may be designated as fair value hedges and may qualify for hedge accounting. Changes in the fair value of the hedged asset or liability that are attributable to the hedged risk are reported in other operating revenue. These changes may partially or completely offset the mark-to-market adjustments of the interest rate swaps. Fair value hedges are considered to be effective if the cumulative fair value adjustments of the interest rate swaps are within a range of 80% to 120% of the cumulative fair value adjustment of the hedged assets or liabilities.

Interest rate swaps may be designated as cash flow hedges of variable rate assets or liabilities or anticipated transactions. Changes in fair value of interest rate swaps are recorded in other comprehensive income to the extent they are effective. Amounts recorded as other comprehensive income are recognized in net income in the same periods as the cash flows from the hedged transactions.

In conjunction with its mortgage banking activities, BOK Financial enters into mortgage loan commitments that are considered derivative instruments under FAS 133. Forward sales contracts are used to hedge these mortgage loan commitments and mortgage loans held for sale. Changes in the fair value of the mortgage loan commitments and forward sales contracts are recognized in other operating revenue.

Energy swaps are used to assist certain customers in hedging their risk of adverse changes in natural gas and oil prices. BOK Financial serves as an intermediary between its energy customers and the commodities market by arranging fixed price / floating price swaps. Each swap between BOK Financial and its customer is offset by a swap between BOK Financial and dealers in the commodities market. The fair value of these swaps are carried in other assets and other liabilities. Compensation for credit risk and reimbursement of administrative costs are recognized over the life of the swaps.

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.

Interest is accrued at the applicable interest rate on the principal amount outstanding. Loans are placed on nonaccrual status when, in the opinion of management, full collection of principal or interest is uncertain, generally when the collection of principal or interest is 90 days or more past due. Interest previously accrued but not collected is charged against interest income when the loan is placed on nonaccrual status. Payments on nonaccrual loans are applied to principal or reported as interest income, according to management's judgment as to the collectibility of principal.

Loan origination and commitment fees and direct loan acquisition and origination costs, when significant, are deferred and amortized as an adjustment to yield over the life of the loan or over the commitment period, as applicable.

Mortgage loans held for sale are carried at the lower of aggregate cost or market value, including estimated losses on unfunded commitments and gains or losses on related forward sales contracts. Effective with the adoption of FAS 133, mortgage loans held for sale that are designated as hedged assets are carried at fair value based on sales commitments or market quotes. Changes in fair value after the date of designation of an effective hedge are recorded in other operating revenue.

Reserve for Loan Losses

The adequacy of the reserve for loan losses is assessed by management, based upon an ongoing quarterly evaluation of the probable estimated losses inherent in the portfolio, and includes probable losses on both outstanding loans and unused commitments to provide financing. A consistent methodology has been developed that includes reserves assigned to specific criticized loans, general reserves that are based upon a statistical migration analysis for each category of loans, and a nonspecific allowance that is based upon an analysis of current economic conditions, loan concentrations, portfolio growth and other relevant factors. The reserve for loan losses related to loans that are identified for evaluation in accordance with Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan" ("FAS 114"), is based on discounted cash flows using the loan's initial effective collateral dependent loans. Loans are considered to be impaired when it becomes probable that BOK Financial will be unable to collect all amounts due according to the contractual terms of the loan agreement. This is substantially the same criteria used to determine when a loan should be placed on nonaccrual status. This evaluation is inherently subjective as it requires material estimates including the amounts and timing of future cash flows expected to be received on impaired loans that may be susceptible to significant change.

In accordance with the provisions of FAS 114, management has excluded small balance, homogeneous loans from the impairment evaluation specified in FAS 114. Such loans include 1-4 family mortgage loans, consumer loans, and commercial loans with committed amounts less than $1 million. The adequacy of the reserve for loan losses applicable to these loans is evaluated in accordance with generally accepted accounting principles and standards established by the banking regulatory authorities and adopted as policy by BOK Financial.

A provision for loan losses is charged against earnings in amounts necessary to maintain an adequate reserve for loan losses. Loans are charged off when the loan balance or a portion of the loan balance is no longer covered by the paying capacity of the borrower based on an evaluation of available cash resources and collateral value. Loans are evaluated quarterly and charge-offs are taken in the quarter in which the loss is identified. Additionally, all unsecured or under-secured loans that are past due by 180 days or more are charged off within 30 days. Recoveries of loans previously charged off are added to the reserve.

Asset Securitization

BOK Financial periodically securitizes and sells pools of assets. These transactions are designed to comply with the requirements of generally accepted accounting principles for treatment as a sale. BOK Financial may retain the right to service the assets and a residual interest in excess cash flows generated by the assets. The fair value of these retained assets is determined by a discounting of expected future net cash to be received using assumed market interest rates for these instruments. Residual interests are carried at fair value. Changes in fair values are recorded in income. Servicing rights are carried at the lower of amortized cost or fair value. A valuation allowance is provided when amortized cost of servicing rights exceeds fair value.

Real Estate and Other Repossessed Assets

Real estate and other repossessed assets are assets acquired in partial or total forgiveness of debt. These assets are carried at the lower of cost, which is determined by fair value at date of foreclosure, or current fair value less estimated selling costs. Income generated by these assets is recognized as received, and operating expenses are recognized as incurred.

Premises and Equipment

Premises and equipment are carried at cost including capitalized interest, when appropriate, less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets or, for leasehold improvements, over the shorter of the estimated useful lives or remaining lease terms. Repair and maintenance costs are charged to expense as incurred.

Mortgage Servicing Rights

Capitalized mortgage servicing rights are carried at the lower of amortized cost, adjusted for the effect of hedging activities, or fair value. Amortization is determined in proportion to the projected cash flows over the estimated lives of the servicing portfolios. The actual cash flows are dependent upon the prepayment of the mortgage loans and may differ significantly from the estimates.

Fair value is determined by discounting the estimated cash flows of servicing revenue, less projected servicing costs, using risk-adjusted rates, which is the assumed market rate for these instruments. Prepayment assumptions are based on industry consensus provided by independent reporting sources. Changes in current interest rates may significantly affect these assumptions by changing loan refinancing activity. Amortized cost and fair value are stratified by interest rate and loan type. A valuation allowance is provided when the net amortized cost of any strata exceeds the calculated fair value.

Originated mortgage servicing rights are recognized when either mortgage loans are originated pursuant to an existing plan for sale or, if no such plan exists, when the mortgage loans are sold. Substantially all fixed rate mortgage loans originated by BOK Financial are sold under existing commitments. The right to service mortgage loans sold is generally retained. The fair value of the originated servicing rights is determined at closing based upon current market rates.

Hedging of Mortgage Servicing Rights

During 1998 through the first quarter of 2000, BOK Financial entered into futures contracts and call and put options on futures contracts to hedge against the risk of loss on mortgage servicing rights due to accelerated loan prepayments during periods of falling interest rates. Contracts on underlying securities that were expected to have a similar duration to the mortgage servicing portfolio, such as ten-year U.S. Treasury notes, were used for these hedges. The combination of contracts selected was expected to achieve a high degree of correlation between changes in the fair value of the mortgage servicing rights and changes in the market value of the contracts. These contracts were designated as hedges on the trade date. Both unrealized and realized gains and losses on futures contracts and option contracts were deferred as part of the capitalized mortgage servicing rights. These deferred gains and losses are amortized over the estimated life of the loan servicing portfolio. This derivatives-based hedging program was discontinued in 2000. BOK Financial currently acquires mortgage-backed and principal only securities when the prepayment risk exceeds certain levels to serve as an economic hedge against changes in value of its portfolio of mortgage servicing rights. The fair value of these securities is expected to vary inversely to the value of the mortgage servicing rights. These securities are classified as available for sale and carried at fair value. Changes in fair value are recorded, net of deferred income taxes, as other accumulated comprehensive income (loss) in shareholders' equity. Management may sell these securities and recognize gains when necessary to offset losses on the mortgage servicing rights.

Federal and State Income Taxes

BOK Financial utilizes the liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based upon the difference between the values of the assets and liabilities as reflected in the financial statement and their related tax basis using enacted tax rates in effect for the year in which the differences are expected to be recovered or settled. As changes in tax law or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

BOK Financial and its subsidiaries file consolidated tax returns. The subsidiaries provide for income taxes on a separate return basis, and remit to BOK Financial amounts determined to be currently payable.

Employee Benefit Plans

BOK Financial sponsors various plans, including a defined benefit pension plan ("Pension Plan"), qualified profit sharing plans ("Thrift Plans"), and employee healthcare plans. Employer contributions to the Thrift Plans, which match employee contributions subject to percentage and years of service limits, are expensed when incurred. Pension Plan costs, which are based upon actuarial computations of current costs, are expensed annually. Unrecognized prior service cost and net gains or losses are amortized on a straight-line basis over the estimated remaining lives of the participants. BOK Financial recognizes the expense of health care benefits on the accrual method. Employer contributions to the Pension Plan and various health care plans are in accordance with Federal income tax regulations.

Executive Benefit Plans

BOK Financial has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," ("APB 25") and related interpretations in accounting for its employee stock options. Under APB 25, because the exercise price of employee stock options equals the market price of the underlying stock options on the date of grant, no compensation expense is recorded. BOK Financial has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," ("FAS 123"), included in Note 13.

Fiduciary Services

Fees and commissions on approximately $18 billion of assets managed by BOK Financial under various fiduciary arrangements are recognized on the accrual method.

Effect of Pending Statements of Financial Accounting Standards

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("FAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("FAS 142"). FAS 141 eliminated the pooling of interests method of accounting for business combinations and provided new definitions for intangible assets that must be recognized apart from goodwill. FAS 141 was adopted on July 1, 2001. FAS 142 established new rules of accounting for intangible assets. Under these new rules, intangible assets with indefinite lives such as goodwill will no longer be amortized but will be subject to impairment testing. Other intangible assets will continue to be amortized over their useful lives. Subsequent to the issuance of FAS 142, the FASB issued an interpretation that the unidentifiable intangible asset that results from certain business combinations, such as branch acquisitions, must continue to be amortized over periods determined by the expected lives of the acquired assets and deposits. The FASB is currently reconsidering this interpretation.

BOK Financial will adopt FAS 142 as of January 1, 2002. Net income and earnings per fully diluted share for 2001 and 2000 would have been $124.6 million or $2.15 and $105.5 million or $1.84 if FAS 142 had been effective for those years. During 2002, BOK Financial will perform the first of the required impairment tests of goodwill. The effect of these tests on earnings and financial position has not yet been determined.

(2) Acquisitions

On January 11, 2001, BOK Financial paid $91 million to acquire all outstanding common shares of CNBT Bancshares, Inc. and its subsidiary Citizen National Bank of Texas in Houston (collectively "CNBT").

This transaction was accounted for by the purchase method of accounting. Aggregate allocation of the purchase price to the net assets acquired were as follows (in thousands):

	2001
Cash and cash equivalents	$ 17,973
Securities	226,922
Loans	184,461
Less reserve for loan losses	2,300
Loans, net	182,161
Premises and equipment	10,678
Core deposit premium	13,715
Other assets	4,447
Total assets acquired	455,896
Deposits:	
Noninterest bearing	78,482
Interest bearing	287,305
Total deposits	365,787
Borrowed funds	41,000
Other liabilities	7,575
Net assets acquired	41,534
Less purchase price	90,963
Goodwill	$ 49,429

The following unaudited condensed consolidated pro forma statement of earnings for BOK Financial presents the effects on income had the purchase acquisition described above occurred at the beginning of 2000:

Condensed Consolidated Pro Forma Statement of Earnings For the Year ended December 31, 2000.
(In Thousands Except Per Share Data)
(Unaudited)

Net interest revenue	$283,891
Provision for loan losses	18,752
Net interest revenue after provision for loan losses	265,139
Other operating revenue	202,118
Other operating expense	313,970
Income before taxes	153,287
Federal and state income tax	48,675
Net income	$104,612
Earnings per share:	
Basic net income	$2.04
Diluted net income	1.82
Average shares:	
Basic	50,666
Diluted	57,329

There is no material impact to BOK Financial's results of operations in 2001 due to timing of the 2001 acquisition.

(3) Securities

Investment Securities

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

	December 31,							
	2001				2000			
	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss
U.S. Treasury	$ 7,982	$ 7,981	$ –	$ (1)	$ –	$ –	$ –	$ –
Municipal and other tax-exempt	222,195	223,487	2,634	(1,342)	207,177	207,641	1,847	(1,383)
Mortgage-backed U.S. agency Securities	7,381	7,620	240	(1)	11,541	11,567	64	(38)
Other debt securities	3,555	3,540	–	(15)	14,653	14,659	6	–
Total	$241,113	$242,628	$2,874	$(1,359)	$233,371	$233,867	$1,917	$(1,421)

The amortized cost and fair values of investment securities at December 31, 2001, by contractual maturity, are as shown in the following table (dollars in thousands):

	Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years	Total	Weighted Average Maturity[4]
U.S. Treasuries:						
Amortized cost	$ 7,982	$ –	$ –	$ –	$ 7,982	0.10
Fair value	7,981	–	–	–	7,981	
Nominal yield	1.59%	–	–	–	1.59%	
Municipal and other tax-exempt:						
Amortized cost	$60,046	$125,197	$35,047	$1,905	$222,195	2.77
Fair value	60,146	126,364	35,119	1,858	223,487	
Nominal yield[1]	6.81%	7.05%	7.72%	9.38%	7.11%	
Other debt securities:						
Amortized cost	$ 346	$ 3,034	$ 125	$ 50	$ 3,555	2.86
Fair value	346	3,034	116	44	3,540	
Nominal yield	1.52%	5.42%	7.00%	7.00%	5.12%	
Total fixed maturity securities:						
Amortized cost	$68,374	$128,231	$35,172	$1,955	$233,732	2.68
Fair value	68,473	129,398	35,235	1,902	235,008	
Nominal yield	6.17%	7.01%	7.72%	9.32%	6.89%	
Mortgage-backed securities:						
Amortized cost					$ 7,381	–[2]
Fair value					7,620	
Nominal yield[3]					6.74%	
Total investment securities:						
Amortized cost					$241,113	
Fair value					242,628	
Nominal yield					6.89%	

1 Calculated on a taxable equivalent basis using a 39% effective tax rate.

2 The average expected lives of mortgage-backed securities were 0.54 years based upon current prepayment assumptions.

3 The nominal yield on mortgage-backed securities is based upon prepayment assumptions at the purchase date. Actual yields earned may differ significantly based upon actual prepayments.

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

During 2000, BOK Financial sold a mortgage-backed security with a remaining amortized cost of $175 thousand. The acquisition cost of this security was $4.9 million. Therefore, these sales were permitted under the sales deemed to be at maturity provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

Available for Sale Securities

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

	December 31, 2001				December 31, 2000			
	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss
U.S. Treasury	$ 34,538	$ 35,197	$ 659	$ –	$ 85,656	$ 85,564	$ 71	$ (163)
Municipal and other tax-exempt	4,262	4,299	55	(18)	14,492	14,552	90	(30)
Mortgage-backed securities:								
U. S. agencies	2,637,636	2,638,425	26,660	(25,871)	2,050,100	2,046,318	9,340	(13,122)
Other	669,057	673,737	6,270	(1,590)	478,065	486,170	8,183	(78)
Total mortgage-backed securities	3,306,693	3,312,162	32,930	(27,461)	2,528,165	2,532,488	17,523	(13,200)
Other debt securities	536	538	2	–	242	245	3	–
Equity securities and mutual funds	93,918	97,353	3,688	(253)	129,823	130,971	2,884	(1,736)
Total	$3,439,947	$3,449,549	$37,334	$(27,732)	$2,758,378	$2,763,820	$20,571	$(15,129)

The amortized cost and fair values of available for sale securities at December 31, 2001, by contractual maturity, are as shown in the following table (dollars in thousands):

	Less than One Year	One to Five Years	Five to Ten Years	Over Ten Years	Total	Weighted Average Maturity[5]
U.S. Treasuries:						
Amortized cost	$19,097	$15,441	$ –	$ –	$ 34,538	1.49
Fair value	19,339	15,858	–	–	35,197	
Nominal yield	5.12%	4.77%	–	–	4.96%	
Municipal and other tax-exempt:						
Amortized cost	$ 714	$ 2,097	$1,451	$ –	$ 4,262	3.59
Fair value	708	2,111	1,480	–	4,299	
Nominal yield[1]	6.57%	7.43%	8.84%	–	7.77%	
Other debt securities:						
Amortized cost	$ –	$ 28	$ 97	$411	$ 536	15.13
Fair value	–	26	98	414	538	
Nominal yield[1]	–	6.93%	6.30%	6.64%	6.59%	
Total fixed maturity securities:						
Amortized cost	$19,811	$17,566	$1,548	$411	$ 39,336	1.90
Fair value	20,047	17,995	1,578	414	40,034	
Nominal yield	5.17%	5.09%	8.68%	6.64%	5.29%	
Mortgage-backed securities:						
Amortized cost					$3,306,693	–[2]
Fair value					3,312,162	
Nominal yield[4]					5.96%	
Equity securities and mutual funds:						
Amortized cost					$ 93,918	–[3]
Fair value					97,353	
Nominal yield					5.29%	
Total available-for-sale securities:						
Amortized cost					$3,439,947	
Fair value					3,449,549	
Nominal yield					5.93%	

[1] Calculated on a taxable equivalent basis using a 39% effective tax rate.
[2] The average expected lives of mortgage-backed securities were 3.66 years based upon current prepayment assumptions.
[3] Primarily common stock and preferred stock of U.S. Government agencies with no stated maturity.
[4] The nominal yield on mortgage-backed securities is based upon prepayment assumptions at the purchase date. Actual yields earned may differ significantly based upon actual prepayments.
[5] Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

At December 31, 2001, there were outstanding commitments to buy $277 million securities that have not yet been issued.

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

	2001	2000	1999
Proceeds	**$9,142,248**	$1,677,078	$1,397,956
Gross realized gains	**55,418**	6,969	4,069
Gross realized losses	**24,778**	4,910	4,488
Related federal and state income tax expense (benefit)	**10,724**	664	(138)

In addition to securities that have been reclassified as pledged to creditors, securities with an amortized cost of $1.9 billion and $1.7 billion at December 31, 2001 and 2000 have been pledged as collateral for repurchase agreements, public and trust funds on deposit and for other purposes as required by law. The secured parties do not have the right to sell or repledge these securities.

(4) Derivatives

BOK Financial adopted FAS 133 on January 1, 2001. FAS 133 requires all derivative instruments to be carried on the balance sheet at fair value. Changes in fair value are generally reported in net income. The transition provisions of FAS 133 required an initial recording of all derivatives at fair value and a one-time adjustment of all hedged assets and liabilities to fair value. The accumulated transition adjustments, net of income taxes, are reported as a cumulative effect of a change in accounting principles.

FAS 133 provides more restrictive rules for determining when a derivative instrument qualifies as a hedge than previous generally accepted accounting principles. Interest rate swaps that converted BOk's $150 million fixed-rate subordinated debt to floating rate were the only derivative instruments to qualify for hedge accounting under these new rules. BOk continued to adjust this subordinated debt to fair value after the initial adoption of FAS 133. Changes in fair value of the subordinated debt were included in net income.

The interest rate swaps that hedged the BOk subordinated debt were terminated in May 2001. The cumulative fair value adjustment of the subordinated debt was $8.0 million at the termination date. This amount will be amortized as a reduction of the cost of this debt over its remaining life.

Interest Rate Swaps

Fair values of interest rate swaps at December 31, 2001 are reflected in the table below. Losses from fair value adjustments of interest rate swaps during 2001 totaled $3.8 million, excluding the FAS 133 transition adjustment. During 2001 and 2000, net interest revenue was increased by $6.1 million and $2.2 million, respectively, from the period settlement of amounts receivable or payable on interest rate swaps.

Interest Rate Swaps (in thousands):

	Notional Amount	Pay Rate	Receive Rate	Positive Fair Value	Negative Fair Value
Expiration:					
2002	$ 10,000	1.88[1]	6.88	$ 132	$ –
2004	147,210	1.87[1] – 4.22	1.87[1] – 7.36	5,022	–
2006	495,420	1.88[1] – 5.65	1.87[1] – 5.99	–	(7,835)
2007	10,000	7.48	1.88[1]	–	(229)
2009	5,656	1.87[1] – 4.75	1.87[1] – 4.75	–	(1,085)
2011	49,059	5.21 – 5.51	1.87[1]	$5,154	$(9,149)

[1] Rates are variable based on LIBOR and reset monthly, quarterly or semiannually.

Scheduled repricing periods for the swaps are as follows (notional value in thousands):

	31-90 Days	91-365 Days	Over 1 Year	Total
Pay floating	$(422,828)	$ –	$ –	$(422,828)
Receive fixed	–	–	422,828	422,828
Pay fixed	–	–	(294,518)	(294,518)
Receive floating	294,518	–	–	294,518
Total	$(128,310)	$ –	$128,310	$ –

Energy Derivatives

During 2001 BOK Financial developed a program that permits its energy-producing customers to hedge against price fluctuations through energy option and swap contracts. These contracts are executed between BOk and its customers. Offsetting contracts are executed between BOk and selected energy dealers. The dealer contracts are identical to the customer contracts, except for a fixed pricing spread paid to BOk as compensation for administrative costs, credit risk and profit.

This program creates credit risk for potential amounts due to BOk from the customers and dealers. Customer credit risk is monitored through existing lending policies and procedures. The value of energy production is evaluated across a range of prices to determine a maximum exposure BOk is willing to accept individually to any customer or collectively to all energy producers. Dealer credit risk is monitored through existing policies and procedures used to evaluate counterparty risk. This evaluation considers all relationships between BOK Financial and each counterparty. Individual limits are established by management and approved by the Risk Oversight Committee of the Board of Directors. Margin collateral is required if the exposure to a counterparty exceeds established limits. BOK Financial had no energy contracts with Enron Corp.

BOK Financial carries the energy contracts at fair value in other assets and other liabilities. At December 31, 2001, other assets included $28 million and other liabilities included $29 million of energy contracts. Changes in fair value are recorded in income. Closing prices on the New York Mercantile Exchange are used to determine fair value. At December 31, 2001 losses on derivatives included a $250 thousand loss from market value adjustments on energy derivatives.

(5) Loans

Significant components of the loan portfolio are as follows (in thousands):

	December 31,							
	2001				2000			
	Fixed Rate	**Variable Rate**	**Non-accrual**	**Total**	Fixed Rate	Variable Rate	Non-accrual	Total
Commercial	**$ 739,532**	**$2,900,143**	**$35,075**	**$3,674,750**	$ 510,427	$2,700,460	$37,146	$3,248,033
Commercial real estate	**411,453**	**926,466**	**3,856**	**1,341,775**	331,585	938,748	161	1,270,494
Residential mortgage	**575,536**	**123,404**	**4,140**	**703,080**	458,562	177,627	1,855	638,044
Residential mortgage - held for sale	**166,093**	**–**	**–**	**166,093**	48,901	–	–	48,901
Consumer	**294,099**	**115,112**	**469**	**409,680**	192,428	119,463	499	312,390
Total	**$2,186,713**	**$4,065,125**	**$43,540**	**$6,295,378**	$1,541,903	$3,936,298	$39,661	$5,517,862
Foregone interest on nonaccrual loans				**$ 5,163**				$ 3,803

The majority of the commercial and consumer loan portfolios and approximately 74% of the residential mortgage loan portfolio (excluding loans held for sale) are loans to businesses and individuals in Oklahoma. This geographic concentration subjects the loan portfolio to the general economic conditions within this area.

Within the commercial loan classification, loans to energy-related businesses total $988 million, or 16% of total loans. Other notable segments include wholesale/retail, $600 million; manufacturing, $467 million; agriculture, $171 million, which includes $150 million loans to the cattle industry; and services, $1.1 billion, which include nursing homes of $162 million, hotels of $69 million and healthcare of $115 million.

Approximately 44% of commercial real estate loans are secured by properties located in Oklahoma, primarily in the Tulsa or Oklahoma City metropolitan areas. An additional 29% of commercial real estate loans are secured by property located in Texas. The major components of these properties are multifamily residences, $292 million; construction and land development, $327 million; retail facilities, $220 million; and office buildings, $256 million.

Related Party

Included in loans at December 31 are loans to executive officers, directors or principal shareholders of BOK Financial, as defined in Regulation S-X of the Securities and Exchange Commission. Such loans have been made on substantially the same terms as those prevailing at the time for loans to other customers in comparable transactions. Information relating to loans to executive officers, directors or principal shareholders is summarized as follows (in thousands):

	2001	2000
Beginning balance	**$96,621**	$94,861
Advances	**12,436**	4,040
Payments	**(17,602)**	(1,395)
Adjustments	**(743)**	(885)
Ending balance	**$90,712**	$96,621

Adjustments are primarily due to certain individuals being included for the first time or no longer being included as an executive officer or director of BOK Financial.

Reserve for Loan Loss

The activity in the reserve for loan losses is summarized as follows (in thousands):

	2001	2000	1999
Beginning balance	**$ 82,655**	$76,234	$65,922
Provision for loan losses	**37,610**	17,204	10,365
Loans charged off	**(25,248)**	(14,801)	(7,348)
Recoveries	**4,588**	4,018	5,770
Addition due to acquisitions	**2,300**	–	1,525
Ending balance	**$101,905**	$82,655	$76,234

Impaired Loans

Investments in loans considered to be impaired under FAS 114 were as follows (in thousands):

	December 31,		
	2001	2000	1999
Investment in loans impaired under FAS 114 (all of which were on a nonaccrual basis)	**$39,848**	$37,822	$15,600
Loans with specific reserves for loss	**10,723**	19,789	9,084
Specific reserve balance	**2,509**	7,991	2,468
No specific related reserve for loss	**29,125**	18,033	6,516
Average recorded investment in impaired loans	**44,474**	27,750	15,300

Interest income recognized on impaired loans during 2001, 2000 and 1999 was not significant.

Loan Securitization

During 1999, BOK Financial sold approximately $100 million of automobile loans and retained the right to service the loans and a residual interest in certain excess cash flows generated by the loans. The proceeds of the sale were provided by the issuance of debt certificates that totaled $96 million by an independent special purpose entity. A spread account was maintained by a trustee to hold excess cash received. Funds were released from the spread account to BOK Financial as certain criteria were met. At December 31, 2000, the carrying values of the servicing rights asset and residual interest were $143 thousand and $5.2 million, respectively. The carrying value of the residual interest would have been reduced to $5.0 million assuming a 250 basis point increase in the discount rate and a 25% increase in the assumed default rate on the underlying loans. During 2001, BOK Financial repurchased the outstanding principal balance of these loans for $9.0 million. The debt certificates were redeemed and the servicing rights and residual interest were terminated.

Significant information and assumptions used to determine the value of these assets at December 31, 2000 were:

Current outstanding loan principal	$27,796
Average interest rate on loans sold	11.26%
Current outstanding debt certificates	$23,907
Interest rate on debt certificates	6.07%
Current spread account balance	$ 1,112
Estimated remaining life including prepayments	18 Months
Discount rates:	
Servicing rights	10.00%
Residual interest	12.15%
Delinquency rate	1.81%
Net charge-offs	$ 854
Cash distributed to BOK Financial:	
Servicing fees	$ 419
Return on residual interest	$ 5,741

(6) Premises and Equipment

Premises and equipment at December 31 are summarized as follows (in thousands):

	December 31,	
	2001	2000
Land	**$ 28,212**	$ 22,838
Buildings and improvements	**97,812**	82,646
Software	**15,457**	13,422
Furniture and equipment	**101,138**	92,566
Subtotal	**242,619**	211,472
Less accumulated depreciation	**101,194**	79,406
Total	**$141,425**	$132,066

Depreciation expense of premises was $21.0 million, $17.3 million and $13.3 million for the years ended December 31, 2001, 2000 and 1999, respectively.

(7) Intangible Assets

The following table presents the original cost and accumulated amortization of intangible assets (in thousands):

	December 31, 2001	2000
Core deposit premiums	**$ 71,950**	$ 58,235
Less accumulated amortization	**49,418**	40,572
Net core deposit premiums	**22,532**	17,663
Other identifiable intangible assets	**38,263**	38,263
Less accumulated amortization	**19,626**	16,624
Net other identifiable intangible assets	**18,637**	21,639
Goodwill	**142,746**	93,317
Less accumulated depreciation	**31,839**	23,574
Net goodwill	**110,907**	69,743
Total intangible assets, net	**$152,076**	$109,045

Expected amortization expense for intangible assets that will continue to be amortized under FAS 142 (in thousands):

	Core Deposit Premiums	Other Unidentified Intangible Assets	Total
2002	$ 7,020	$ 3,190	$10,210
2003	5,949	1,768	7,717
2004	4,039	1,484	5,523
2005	2,888	1,484	4,372
2006	1,521	1,484	3,005
Thereafter	1,115	9,227	10,342
	$22,532	$18,637	$41,169

The net amortized cost of intangible assets at December 31, 2001 is assigned to reporting units as follows (in thousands):

Core deposit premiums:	
Bank of Albuquerque	$ 4,945
Bank of Texas	17,587
	$ 22,532
Other identifiable intangible assets:	
Bank of Albuquerque	$ 15,273
Bank of Oklahoma	3,364
	$ 18,637
Goodwill:	
Bank of Oklahoma	$ 5,550
Bank of Texas	104,863
BOSC, Inc.	494
	$110,907

(8) Mortgage Banking Activities

BOK Financial engages in mortgage banking activities through the BOk Mortgage Division of BOk. Residential mortgage loans held for sale totaled $166 million and $49 million and outstanding mortgage loan commitments totaled $261 million and $123 million at December 31, 2001 and 2000. Mortgage loan commitments are generally outstanding for 60 to 90 days and 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 hedged through the use of mortgage-backed securities forward sales contracts. These contracts set the price for loans that will be delivered in the next 60 to 90 days. At December 31, 2001, the notional amount of forward sales contracts totaled $208 million, with a fair value of $2.6 million. Mortgage loans held for sale are carried at the lower of aggregate cost or market value, including estimated losses on unfunded commitments and gains or losses on forward sales contracts.

At December 31, 2001, BOk owned the rights to service 88,916 mortgage loans with outstanding principal balances of $6.6 billion, including $209 million serviced for BOk, and held related funds of $177 million for investors and borrowers. The weighted average interest rate and remaining term was 7.30% and 266 months, respectively. Mortgage loans sold with recourse totaled $2.4 million at December 31, 2001. At December 31, 2000, BOk owned the rights to service mortgage loans with outstanding principal balances of $6.9 billion and held related funds of $79 million for investors and borrowers.

The portfolio of mortgage servicing rights exposes BOk to interest rate risk. During periods of falling interest rates, mortgage loan prepayments increase, reducing the value of the mortgage servicing rights. During 1998 through the first quarter of 2000, BOk used a combination of futures contracts and options related to 10-year U.S. Treasury securities to hedge this risk. See Note 1 for specific accounting policies for mortgage servicing rights and the related hedges.

Activity in capitalized mortgage servicing rights and related valuation allowance during 2001, 2000 and 1999 are as follows (in thousands):

	Capitalized Mortgage Servicing Rights			Valuation	Hedging	
	Purchased	Originated	Total	Allowance	(Gain)/Loss	Net
Balance at December 31, 1998	$65,607	$26,101	$ 91,708	$ –	$(22,484)	$ 69,224
Additions	16,099	11,483	27,582	–	–	27,582
Amortization expense	(11,297)	(4,266)	(15,563)	–	734	(14,829)
Realized hedge losses	–	–	–	–	28,293	28,293
Unrealized hedge losses	–	–	–	–	3,864	3,864
Balance at December 31, 1999	70,409	33,318	103,727	–	10,407	114,134
Additions	2,449	11,267	13,716	–	–	13,716
Amortization expense	(9,497)	(4,260)	(13,757)	–	(1,445)	(15,202)
Provision for impairment	–	–	–	(2,900)	–	(2,900)
Realized hedge losses	–	–	–	–	4,389	4,389
Unrealized hedge gains	–	–	–	–	(3,346)	(3,346)
Balance at December 31, 2000	63,361	40,325	103,686	(2,900)	10,005	110,791
Additions	**4,400**	**22,695**	**27,095**	**–**	**–**	**27,095**
Amortization expense	**(12,705)**	**(9,409)**	**(22,114)**	**–**	**(1,425)**	**(23,539)**
Provision for impairment	**–**	**–**	**–**	**(15,551)**	**–**	**(15,551)**
Balance at December 31, 2001	**$55,056**	**$53,611**	**$108,667**	**$(18,451)**	**$ 8,580**	**$ 98,796**
Estimated fair value of mortgage servicing rights at:						
December 31, 1999[1]	$83,279	$37,547	$120,826			$120,826
December 31, 2000[1]	$74,400	$42,125	$116,525			$116,525
December 31, 2001[1]	**$53,174**	**$46,789**	**$ 99,963**			**$ 99,963**

[1] Excludes approximately, $9 million, $8 million and $5 million at December 31, 1999, 2000 and 2001, respectively, of loan servicing rights on mortgage loans originated prior to the adoption of FAS 122.

Fair value is determined by discounting the projected net cash flows. Significant assumptions are:

Discount rate – Risk adjusted rates by loan product, ranging from 9.00% to 20.00%.

Prepayment rate – Annual prepayment estimates ranging from 7.50% to 68.52% from an independent reporting source based upon loan interest rate, original term and loan type.

Loan servicing costs – $40 to $50 per loan based upon loan type.

Stratification of the mortgage loan servicing portfolio, outstanding principal of loans serviced, and related hedging information by interest rate at December 31, 2001 follows (in thousands):

	< 6.50%	6.50% - 7.49%	7.50% - 8.49%	=> 8.50%	Total
Cost less accumulated amortization	$ 17,370	$ 63,181	$ 25,882	$ 2,234	$108,667
Deferred hedge losses	–	7,583	997	–	8,580
Adjusted cost	$ 17,370	$ 70,764	$ 26,879	$ 2,234	$117,247
Fair value	$ 15,914	$ 62,097	$ 19,286	$ 2,666	$ 99,963
Impairment[2]	$ 2,009	$ 8,689	$ 7,593	$ 160	$ 18,451
Outstanding principal of loans serviced[1]	$884,228	$3,746,212	$1,453,738	$191,923	$6,276,101

[1] Excludes outstanding principal of $370 million for loans serviced by BOk for which there are no capitalized mortgage servicing rights.
[2] Impairment is determined by both an interest rate and loan type stratification.

(9) Deposits

Interest expense on deposits is summarized as follows (in thousands):

	2001	2000	1999
Transaction deposits	**$ 49,893**	$ 55,019	$ 46,510
Savings	**2,281**	2,703	2,971
Time:			
Certificates of deposits under $100,000	**61,626**	56,570	41,418
Certificates of deposits $100,000 and over	**81,524**	81,721	49,166
Other time deposits	**13,063**	12,236	10,556
Total time	**156,213**	150,527	101,140
Total	**$208,387**	$208,249	$150,621

The aggregate amounts of time deposits in denominations of $100,000 or more at December 31, 2001 and 2000 were $1.6 billion and $1.4 billion, respectively.

Time deposit maturities are as follows: 2002 – $1.8 billion, 2003 – $186 million, 2004 – $252 million, 2005 – $38 million, 2006 – $529 million, and $345 thousand thereafter.

Interest expense on time deposits during 2001 and 2000 was reduced by net income from interest rate swaps of $3.1 million and $876 thousand, respectively.

(10) Other Borrowings

Information relating to other borrowings is summarized as follows (dollars in thousands):

	December 31					
	2001			2000		
	Balance	Rate	Maximum Outstanding At Any Month End	Balance	Rate	Maximum Outstanding At Any Month End
Parent Company:						
Revolving, unsecured line	$ 95,000	2.77%	$ 95,000	$ 95,000	7.60%	$ 105,000
Subordinated debenture	30,000	3.86	30,000	–	–	–
Other	95	6.23	132	132	6.23	132
Total parent company	125,095	3.03		95,132	7.60	
Subsidiary Banks:						
Funds purchased and repurchase agreements	1,601,989	1.71	1,949,260	1,853,073	7.03	1,853,073
Federal Home Loan Bank advances	1,096,194	2.37	1,121,494	759,041	6.80	876,909
Subordinated debenture	156,302	6.15	158,890	148,816	7.02	148,816
Other	29,659	2.14	30,320	28,031	5.70	28,031
Total subsidiary bank	2,884,144	2.21		2,788,961	6.95	
Total other borrowings	$3,009,239	2.28		$2,884,093	6.53	

Aggregate annual repayments of long-term debt at December 31, 2001 are as follows (in thousands):

	Parent Company	Subsidiary Banks
2002	$ 95	$2,302,891
2003	–	402,723
2004	95,000	4,325
2005	–	1,247
2006	–	4,782
Thereafter	30,000	168,176
Total	$125,095	$2,884,144

Borrowings from the Federal Home Loan Bank are used for funding purposes. In accordance with policies of the Federal Home Loan Bank, BOK Financial has granted a blanket pledge of eligible assets (generally unencumbered U.S. Treasury and mortgage-backed securities, 1-4 family loans and multifamily loans) as collateral for these advances. The unused credit available to BOK Financial at December 31, 2001 pursuant to the Federal Home Loan Bank's collateral policies is $187 million.

BOK Financial has a revolving, unsecured credit agreement from certain banks at December 31, 2001 with available credit of $122.5 million. Interest is based on either the London Interbank Offering Rate ("LIBOR") plus a defined margin that is determined by the principal balance outstanding and BOK Financial's credit rating or a base rate. The base rate is defined as the greater of the daily federal funds rate plus 0.5% or the prime rate. Interest is paid quarterly. Facility fees are paid quarterly on the average daily undrawn commitment at a rate of 0.20% – 0.30% as determined by BOK Financial's current debt rating. This credit agreement includes certain restrictive covenants that limit BOK Financial's ability to borrow additional funds and to pay cash dividends on common stock. These covenants also require BOK Financial and its subsidiaries to maintain minimum capital levels and to exceed minimum net worth ratios. BOK Financial met all of the restrictive covenants at December 31, 2001.

In 1997, BOk issued $150 million of 7.125% fixed rate subordinated debentures that mature in 2007. Interest rate swaps were used as a fair value hedge to convert the fixed interest on these debentures to a LIBOR-based floating rate. This permitted BOk to adjust the carrying value of the subordinated debentures to fair value. In 2001, the interest rate swaps were terminated. The related market value adjustment of the subordinated debenture of $8 million will be recognized over the remaining life of the debt.

BOK Financial issued a $30 million, seven year subordinated debenture, bearing interest at LIBOR plus 1.75%, on March 23, 2001 to its principal shareholder George B. Kaiser ("Kaiser").

Funds purchased generally mature within one to ninety days from the transaction date. At December 31, 2001, securities sold under agreements to repurchase totaled $1.0 billion with related accrued interest payable of $1.3 million. Additional information relating to repurchase agreements at December 31, 2001 is as follows (dollars in thousands):

Security Sold/Maturity	Carrying Value	Market Value	Repurchase Liability[1]	Average Rate
U.S. Agency Securities:				
Overnight	$ 590,007	$ 595,594	$ 349,762	1.36%
Term of up to 30 days	45,589	45,842	41,028	1.84
Term of 30 to 90 days	631,234	634,479	625,373	2.01
Total Agency Securities	$1,266,830	$1,275,915	$1,016,163	1.78%

[1] BOK Financial maintains control over the securities underlying overnight repurchase agreements and generally transfers control over securities underlying longer-term dealer repurchase agreements to the respective counterparty.

(11) Federal and State Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax assets and liabilities are as follows (in thousands):

	December 31, 2001	2000
Deferred tax liabilities:		
Available for sale securities mark-to-market	**$ 3,600**	$ 4,000
Pension contributions in excess of book expense	**5,200**	4,500
Valuation adjustments	**17,200**	9,300
Mortgage servicing	**23,800**	20,400
Other	**8,100**	5,300
Total deferred tax liabilities	**57,900**	43,500
Deferred tax assets:		
Available for sale securities mark-to-market	**–**	1,800
Loan loss reserve	**38,900**	31,600
Valuation adjustments	**15,700**	9,700
Book expense in excess of tax	**5,200**	3,600
Deferred book income	**14,500**	6,500
Other	**6,500**	8,400
Total deferred tax assets	**80,800**	61,600
Deferred tax assets in excess of deferred tax liabilities	**$22,900**	$18,100

The Internal Revenue Service closed its examination of 1995 during 1999 with no material impact on the financial statements. In addition, the Internal Revenue Service closed its examination of 1996 during the first quarter of 2000. As a result of the outcome of this examination, BOK Financial reduced its federal income tax expense by $3.0 million. The Internal Revenue Service is currently examining the carryback of $30.8 million of capital loss generated in 1999. Such loss was applied against capital gains generated in 1997 and 1998, resulting in a $9.8 million refund. Management expects no material adverse impact on the financial statements as a result of this examination.

At December 31, 2001, BOK Financial has a capital loss carryforward of $5.6 million for income tax purposes that expires in years 2004 through 2006. The carryforward results primarily from the hedging losses incurred related to the mortgage-servicing portfolio. A valuation allowance has not been established since it is more likely than not that this benefit will be realized.

The significant components of the provision for income taxes attributable to continuing operations for BOK Financial are shown below (in thousands):

	Years ended December 31, 2001	2000	1999
Current:			
Federal	**$69,971**	$37,258	$40,860
State	**4,240**	1,112	2,948
Total current	**74,211**	38,370	43,808
Deferred:			
Federal	**(8,964)**	7,833	559
State	**(1,635)**	1,428	102
Total deferred	**(10,599)**	9,261	661
Total income tax	**$63,612**	$47,631	$44,469

The reconciliations of income attributable to continuing operations computed at the U.S. federal statutory tax rates to income tax expense are as follows (in thousands):

	Years ended December 31, 2001	2000	1999
Amount:			
Federal statutory tax	**$62,887**	$51,720	$46,793
Tax exempt revenue	**(3,600)**	(3,250)	(3,715)
Effect of state income taxes, net of federal benefit	**2,605**	2,540	3,050
Goodwill amortization	**3,965**	3,144	2,987
Utilization of tax credits	**(800)**	(600)	(786)
Reduction of tax accrual	**–**	(3,000)	–
Income taxed at shareholder level	**–**	–	(1,026)
Other, net	**(1,445)**	(2,923)	(2,834)
Total	**$63,612**	$47,631	$44,469

	Years ended December 31, 2001	2000	1999
Percent of pretax income:			
Federal statutory rate	**35%**	35%	35%
Tax-exempt revenue	**(2)**	(2)	(3)
Effect of state income taxes, net of federal benefit	**2**	2	3
Goodwill amortization	**2**	2	2
Utilization of tax credits	**(1)**	(1)	(1)
Reduction of tax accrual	**–**	(2)	–
Income taxed at shareholder level	**–**	–	(1)
Other, net	**(1)**	(2)	(2)
Total	**35%**	32%	33%

(12) Employee Benefits

BOK Financial sponsors a defined benefit Pension Plan for all employees who satisfy certain age and service requirements. The following table presents information regarding this plan (dollars in thousands):

	December 31, 2001	December 31, 2000
Change in projected benefit obligation:		
Projected benefit obligation, at beginning of year	**$ 19,837**	$ 16,892
Service cost	**3,320**	3,245
Interest cost	**1,527**	1,291
Actuarial loss	**964**	326
Benefits paid	**(1,507)**	(1,917)
Projected benefit obligation at end of year	**$ 24,141**	$ 19,837
Change in plan assets:		
Plan assets at fair value, at beginning of year	**$ 26,084**	$ 25,403
Actual return on plan assets	**(867)**	(1,063)
Company contributions	**3,597**	3,661
Benefits paid	**(1,507)**	(1,917)
Plan assets at fair value at end of year	**$ 27,307**	$ 26,084
Reconciliation of prepaid (accrued) and total amount recognized:		
Benefit obligation	**$(24,141)**	$(19,837)
Fair value of assets	**27,307**	26,084
Funded status of the plan	**3,166**	6,247
Unrecognized net loss	**9,149**	4,412
Unrecognized prior service cost	**622**	681
Prepaid pension costs	**$ 12,937**	$ 11,340
Components of net periodic benefit costs:		
Service cost	**$ 3,320**	$ 3,245
Interest cost	**1,527**	1,291
Expected return on plan assets	**(2,906)**	(2,559)
Amortization of unrecognized amounts:		
Prior service cost	**60**	60
Net periodic pension cost	**$ 2,001**	$ 2,037
Weighted-average assumptions as of December 31, 2001:		
Discount rate	**7.50%**	8.00%
Expected return on plan assets	**10.00%**	10.00%
Rate of compensation increase	**5.25%**	5.25%

Assets of the Pension Plan consist primarily of shares in cash management funds, common stock and bond funds, and guaranteed investment contract funds. Benefits are based on the employee's age and length of service.

Employee contributions to the Thrift Plans are matched by BOK Financial up to 5% of base compensation, based upon years of service. Participants may direct the investments of their accounts in a variety of options, including BOK Financial Common Stock. Employer contributions vest over five years. Expenses incurred by BOK Financial for the Thrift Plans totaled $2.8 million, $2.3 million and $2.4 million for 2001, 2000 and 1999, respectively.

BOK Financial also sponsors a defined benefit post-retirement employee medical plan which pays 50 percent of annual medical insurance premiums for retirees who meet certain age and service requirements. Assets of the retiree medical plan consist primarily of shares in a cash management fund. Eligibility for the post-retirement plan is limited to current retirees and certain employees currently age 60 or older at the time the plan was frozen in 1993.

Under various performance incentive plans, participating employees may be granted awards based on defined formulas or other criteria. Earnings were charged $27.2 million in 2001, $22.2 million in 2000 and $19.3 million in 1999, for such awards.

(13) Executive Benefit Plans

The Board of Directors of BOK Financial has approved various stock option plans. The number of options awarded and the employees to receive the options are determined by the Chairman of the Board and the President, subject to approval of the Board of Directors or a committee thereof. None of these plans have been or are required to be approved by BOK Financial's shareholders.

Options awarded under these plans are subject to vesting requirements. Generally, one-seventh of the options awarded vest annually and expire three years after vesting.

The following table presents options outstanding during 1999, 2000 and 2001 under these plans:

	Number	Weighted-Average Exercise Price
Options outstanding at December 31, 1998	3,062,623	$13.47
Options awarded	552,569	19.92
Options exercised	(447,911)	9.10
Options forfeited	(118,706)	14.76
Options expired	(603)	9.00
Options outstanding at December 31, 1999	3,047,972	15.23
Options awarded	601,855	19.00
Options exercised	(229,394)	8.90
Options forfeited	(168,644)	16.23
Options expired	(847)	7.82
Options outstanding at December 31, 2000	3,250,942	16.32
Options awarded	**680,666**	**30.43**
Options exercised	**(603,482)**	**12.50**
Options forfeited	**(45,687)**	**17.04**
Options expired	**(996)**	**17.72**
Options outstanding at December 31, 2001	**3,281,443**	**$19.88**
Options vested at December 31, 2001	**992,697**	**$15.17**

The following table summarizes information concerning currently outstanding and vested options:

Options Outstanding				Options Vested	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Vested	Weighted Average Exercise Price
$5.92	24,204	0.92	$ 5.92	24,204	$ 5.92
8.80 – 10.59	556,654	2.40	9.63	390,969	9.45
17.66	412,841	3.34	17.66	167,860	17.66
18.98 – 20.79	1,625,407	4.16	19.86	409,664	20.16
30.26 – 31.23	662,337	6.01	30.43	–	–

Under APB 25 no compensation expense is recognized at the date of grant since the exercise price of BOK Financial's employee stock option equals the market price of the underlying stock on the date of grant.

FASB Statement No. 123, "Accounting for Stock-Based Compensation," requires disclosure of pro forma information regarding net income and earnings per share as if BOK Financial accounted for employee stock options granted subsequent to December 31, 1994 under the fair value method of the Statement.

The fair value of these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	2001	2000	1999
Average risk-free interest rate	**6.04%**	5.99%	6.12%
Dividend yield	**None**	None	None
Volatility factors	**.195**	.194	.192
Weighted-average expected life	**7 years**	7 years	7 years

The weighted-average fair value of options granted during 2001, 2000 and 1999 was $6.40, $5.98 and $6.16, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because BOK Financial's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The following table represents the required pro forma disclosures for options granted subsequent to December 31, 1994 (in thousands, except per share data):

	2001[1]	2000[1]	1999[1]
Pro forma net income	**$114,439**	$98,665	$87,536
Pro forma earnings per share:			
Basic	**$ 2.22**	$ 1.92	$ 1.70
Diluted	**1.98**	1.72	1.52

[1] Because Statement 123 is applicable only to options granted subsequent to December 31, 1994, its pro forma effect will not be fully reflected until 2003.

(14) Commitments and Contingent Liabilities

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 be material in the aggregate.

BOk is obligated under a long-term lease for its bank premises located in downtown Tulsa. The lease term, which began November 1, 1976, is for fifty-seven years with options to terminate in 2013 and 2023. Annual base rent is $3.3 million. BOk subleases portions of its space for annual rents of $406 thousand in years 2002 through 2003, $388 thousand for 2004, $384 thousand in 2005 and $213 thousand in 2006. Net rent expense on this lease was $2.9 million in 2001, $3.1 million in 2000, and $2.8 million in 1999. Total rent expense for BOK Financial was $11.8 million in 2001, $10.5 million in 2000, and $10.2 million in 1999.

At December 31, 2001, the future minimum lease payments for equipment and premises under operating leases were as follows: $9.7 million in 2002, $8.9 million in 2003, $8.4 million in 2004, $7.7 million in 2005, $7.0 million in 2006 and a total of $105.5 million thereafter.

BOk and Williams Companies, Inc. guaranteed 30 percent and 70 percent, respectively, of the $13 million debt, which matures May 15, 2007, and operating deficit of two parking facilities operated by the Tulsa Parking Authority. Total expenditures related to this guarantee were $441 thousand in 2001, $319 thousand in 2000, and $273 thousand in 1999.

The Federal Reserve Bank requires member banks to maintain certain minimum average cash balances. These balances were approximately $262 million for 2001 and $231 million for 2000.

(15) Financial Instruments with Off-Balance Sheet Risk

BOK Financial is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to manage interest rate risk. Those financial instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in BOK Financial's Consolidated Balance Sheets. Exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the notional amount of those instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. At December 31, 2001, outstanding commitments totaled $2.5 billion. Since some of the 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 on 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. Since 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. At December 31, 2001, outstanding standby letters of credit totaled $249 million.

Commercial letters of credit are used to facilitate customer trade transactions with the drafts being drawn when the underlying transaction is consummated. At December 31, 2001, outstanding commercial letters of credit totaled $8 million.

(16) Shareholders' Equity

Preferred Stock

One billion shares of preferred stock with a par value of $0.00005 per share are authorized. A single series of 250,000,000 shares designated as Series A Preferred Stock ("Series A Preferred Stock") is currently issued and outstanding. The Series A Preferred Stock has no voting rights except as otherwise provided by Oklahoma corporate law and may be converted into one share of Common Stock for each 39 shares of Series A Preferred Stock at the option of the holder. Dividends are cumulative at an annual rate of ten percent of the $0.06 per share liquidation preference value when declared and are payable in cash. Aggregate liquidation preference is $15 million. During 2001, 2000 and 1999, 72,141 shares, 88,628 shares and 57,340 shares, respectively, of BOK Financial common stock were issued in payment of dividends on the Series A Preferred Stock in lieu of cash by mutual agreement of BOK Financial and the holders of the Series A Preferred Stock. These shares were valued at $1.5 million in 2001, 2000 and 1999, based on average market price, as defined, for a 65 business day period preceding declaration. Kaiser owns substantially all Series A Preferred Stock.

Various officers own 125 nonvoting units in an entity owned by BOk. These units are eligible for an annual, cumulative distribution of $8 per unit and have a preferred value upon liquidation of $100 per unit.

Common Stock

Common stock consists of 2.5 billion authorized shares with a $0.00006 par value. Holders of common shares are entitled to one vote per share at the election of the Board of Directors and on any question arising at any shareholders' meeting and to receive dividends when and as declared. No common stock dividends can be paid unless all accrued dividends on the Series A Preferred Stock have been paid. The present policy of BOK Financial is to retain earnings for capital and future growth, and management has no current plans to recommend payment of cash dividends on common stock. Additionally, regulations restrict the ability of national banks and bank holding companies to pay dividends, and BOK Financial's credit agreement restricts the payment of dividends by the holding company.

During 2001 and 1999, 3% dividends payable in shares of BOK Financial common stock were declared and paid. The shares issued were valued at $35 million and $31 million, respectively, based on the average closing bid/ask prices on the day preceding declaration. No common stock dividends were paid in 2000. Per share data has been restated to reflect these stock dividends. Presently, management plans to recommend continued payment of an annual dividend in shares of common stock.

All share and per share amounts for years previous to 1999 have been retroactively adjusted for a two-for-one stock split effected in the form of a stock dividend declared January 26, 1999 for stockholders of record on February 8, 1999.

Subsidiary Banks

The amounts of dividends that BOK Financial's subsidiary banks can declare and the amounts of loans the subsidiary banks can extend to affiliates are limited by various federal and state banking regulations. Generally, dividends declared during a calendar year are limited to net profits, as defined, for the year plus retained profits for the preceding two years. The amounts of dividends are further restricted by minimum capital requirements. Pursuant to the most restrictive of the regulations at December 31, 2001, BOK Financial's subsidiary banks could declare dividends up to $102 million without prior regulatory approval. The subsidiary banks declared and paid dividends of $92 million in 2001, $8 million in 2000, and $63 million in 1999.

Loans to a single affiliate may not exceed 10.0% and loans to all affiliates may not exceed 20.0% of unimpaired capital and surplus, as defined. Additionally, loans to affiliates must be fully secured. As of December 31, 2001 and 2000, these loans totaled $16 million and $27 million, respectively. The entire balance of affiliate loans in 2001 was to consolidated entities. Total loan commitments to affiliates at December 31, 2001 were $82 million.

Regulatory Capital

BOK Financial and its banking subsidiaries are subject to various capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and additional discretionary actions by regulators that could have a material effect on BOK Financial's operations. These capital requirements include quantitative measures of assets, liabilities and certain off-balance sheet items. The capital standards are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

For a banking institution to qualify as well capitalized, its Tier I, Total and Leverage capital ratios must be at least 6%, 10% and 5%, respectively. Tier I capital consists primarily of common stockholders' equity, excluding unrealized gains or losses on available for sale securities, less goodwill, core deposit premiums, and certain other intangible assets. Total capital consists primarily of Tier I capital plus preferred stock, subordinated debt and reserves for loan losses, subject to certain limitations. All of BOK Financial's banking subsidiaries exceeded the regulatory definition of well capitalized.

	December 31,			
	2001		2000	
(Dollars in thousands)	**Amount**	**Ratio**	Amount	Ratio
Total Capital (to Risk Weighted Assets):				
Consolidated	**$959,703**	**11.56%**	$823,063	11.23%
BOk	**769,031**	**11.39**	700,380	11.43
Bank of Texas	**156,380**	**12.27**	105,188	11.66
Bank of Albuquerque	**70,969**	**15.42**	60,182	13.23
Bank of Arkansas	**12,824**	**17.29**	12,442	15.76
Tier I Capital (to Risk Weighted Assets):				
Consolidated	**$670,600**	**8.08%**	$591,185	8.06%
BOk	**536,267**	**7.94**	485,492	7.93
Bank of Texas	**140,421**	**11.02**	93,899	10.41
Bank of Albuquerque	**66,465**	**14.44**	57,560	12.66
Bank of Arkansas	**11,886**	**16.03**	11,454	14.51
Tier I Capital (to Average Assets):				
Consolidated	**$670,600**	**6.38%**	$591,185	6.51%
BOk	**536,267**	**6.23**	485,492	6.59
Bank of Texas	**140,421**	**8.28**	93,899	8.58
Bank of Albuquerque	**66,465**	**6.35**	57,560	6.32
Bank of Arkansas	**11,886**	**8.99**	11,454	8.05

(17) Earnings Per Share

The following table presents the computation of basic and diluted earnings per share (dollars in thousands except per share data):

	Years ended December 31,		
	2001	2000	1999
Numerator:			
Net income	$ **116,302**	$100,140	$89,226
Preferred stock dividends	**(1,500)**	(1,500)	(1,500)
Numerator for basic earnings per share – income available to common stockholders	**114,802**	98,640	87,726
Effect of dilutive securities:			
Preferred stock dividends	**1,500**	1,500	1,500
Numerator for diluted earnings per share – income available to common stockholders after assumed conversion	$ **116,302**	$100,140	$89,226
Denominator:			
Denominator for basic earnings per share –weighted average shares	**50,972,642**	50,665,525	50,598,351
Effect of dilutive securities:			
Employee stock options[1]	**631,046**	329,544	667,062
Convertible preferred stock	**6,333,846**	6,333,846	6,333,846
Dilutive potential common shares	**6,964,892**	6,663,390	7,000,908
Denominator for diluted earnings per share – adjusted weighted average shares and assumed conversions	**57,937,534**	57,328,915	57,599,259
Basic earnings per share	**$2.25**	$1.95	$1.73
Diluted earnings per share	**$2.01**	$1.75	$1.55
[1] Excludes employee stock options with exercise price greater than current market price	**580,320**	1,660,657	611,974

(18) Reportable Segments

BOK Financial operates four principal lines of business under its Bank of Oklahoma franchise: corporate banking, consumer banking, mortgage banking and trust services. It also operates a fifth principal line of business, regional banks, which includes all banking functions for Bank of Albuquerque, Bank of Arkansas and Bank of Texas. These five principal lines of business combined account for approximately 87% of total revenue. Other lines of business include the TransFund ATM network and BOSC, Inc. The Corporate Banking segment consists of eight operating units that provide credit and lease financing, deposit and cash management and international collection services to commercial and industrial customers and to other financial institutions in Oklahoma and surrounding states. The Consumer Banking segment consists of two operating units that provide direct and indirect consumer loans and deposit services to individuals primarily within Oklahoma. The Mortgage Banking segment consists of two operating units that originate a full range of mortgage products from federally sponsored programs to "jumbo loans" on higher priced homes in BOK Financial's primary market areas. The Mortgage Banking segment also services mortgage loans acquired from throughout the United States. The Trust Services segment consists of one operating unit that provides financial services to both individual and corporate clients. Individual financial services include personal trust management, administration of estates and management of investment and custodial accounts. Individual financial services also include lending and investment services to select individuals. Corporate financial services include administration of employee benefit plans, transfer and paying agent services and investment advisory services. Regional Banks include Bank of Arkansas, Bank of Albuquerque and Bank of Texas.

BOK Financial identifies reportable segments by type of service provided for the Mortgage Banking and the Trust Services segments and by type of customer for the Corporate Banking and Consumer Banking segments. Regional Banks are identified by legal entity. Operating results are adjusted for intercompany loan participations and allocated service costs and management fees.

BOK Financial evaluates performance and allocates resources based upon a measurement of performance after the allocation of certain indirect expenses, taxes and capital cost. Capital is assigned to the lines of business based on an internal allocation method that reflects management's assessment of risk. An additional amount of capital is assigned to the regional banks based upon BOK Financial's investment in these entities. The accounting policies of the reportable segments generally follow those described in the summary of significant account policies except interest income is reported on a fully tax-equivalent basis, loan losses are based on actual net amounts charged off and the amortization of intangible assets is generally excluded. The cost of funds provided from one segment to another is transfer-priced at rates that approximate market for funds with similar duration. Assessment of performance is based on net interest revenue after internal funds transfer pricing.

Nonreportable business segments include TransFund ATM networks and BOSC, Inc. The sources of revenue in these segments include interest, commissions earned on securities transactions, securities trading gains or losses and fees earned on various banking activities, including merchant discounts and interchange fees.

Substantially all revenue is from domestic customers. No single external customer accounts for more than 10% of total revenue.

(In Thousands)	Corporate Banking	Consumer Banking	Mortgage Banking	Trust Services	Regional Banks	All Other/ Eliminations	Total
Year ended December 31, 2001							
Net interest revenue/(expense) from external sources	$ 199,771	$ (34,049)	$ 32,545	$ 209	$ 138,846	$ (10,548)	$ 326,774
Net interest revenue/(expense) from internal sources	(86,615)	94,393	(20,867)	13,589	(11,690)	11,190	–
Total net interest revenue	113,156	60,344	11,678	13,798	127,156	642	326,774
Provision for loan losses	10,493	4,171	47	128	5,970	16,801	37,610
Operating revenue	29,506	29,995	52,814	40,855	19,664	59,864	232,698
Financial instruments gains/(losses)	(250)	–	12,757	–	484	13,587	26,578
Operating expense	57,322	59,099	47,750	38,534	91,253	59,253	353,211
Provision for impairment of mortgage servicing rights	–	–	15,551	–	–	–	15,551
Income taxes	29,017	10,530	5,408	6,220	18,430	(5,993)	63,612
Transition adjustment of adoption of FAS 133	–	–	–	–	–	236	236
Net income	$ 45,580	$ 16,539	$ 8,493	$ 9,771	$ 31,651	$ 4,268	$ 116,302
Average assets	$3,854,310	$2,192,698	$651,103	$475,715	$3,352,155	$(308,947)	$10,217,034
Average equity	442,870	69,102	50,891	41,290	409,622	(234,931)	778,844
Performance measurements:							
Return on assets	1.18%	0.75%	1.30%	2.05%	0.94%	–	1.14%
Return on equity	10.29	23.93	16.69	23.66	7.73	–	14.93
Efficiency ratio	40.18	65.42	74.04	70.51	62.15	–	63.13

Reconciliation to Consolidated Financial Statements

	Net Interest Revenue	Other Operating Revenue[1]	Other Operating Expense	Average Assets
Total reportable segments	$326,132	$172,834	$309,509	$10,525,981
Total nonreportable segments	586	59,829	45,355	30,630
Unallocated items:				
Tax-equivalent adjustment	8,045	–	–	–
Funds management	15,177	(408)	7,946	323,113
All others (including eliminations), net	(23,166)	443	5,952	(662,690)
BOK Financial consolidated	$326,774	$232,698	$368,762	$10,217,034

[1]Excluding financial instrument gains/(losses)

(In Thousands)	Corporate Banking	Consumer Banking	Mortgage Banking	Trust Services	Regional Banks	All Other/ Eliminations	Total
Year ended December 31, 2000							
Net interest revenue/(expense) from external sources	$ 238,610	$ (46,916)	$ 16,434	$ 3,429	$ 105,849	$ (48,519)	$ 268,887
Net interest revenue/(expense) from internal sources	(136,367)	107,172	(15,006)	8,995	(12,709)	47,915	–
Total net interest revenue	102,243	60,256	1,428	12,424	93,140	(604)	268,887
Provision for loan losses	3,658	3,669	57	3	3,532	6,285	17,204
Operating revenue	26,013	26,762	39,740	40,004	13,187	51,138	196,844
Securities gains/(losses)	–	–	5,257	–	(356)	(2,842)	2,059
Operating expense	53,451	54,906	37,762	35,916	68,224	49,656	299,915
Provision for impairment of mortgage servicing rights	–	–	2,900	–	–	–	2,900
Income taxes	27,676	11,064	2,220	6,422	12,510	(12,261)	47,631
Net income	$ 43,471	$ 17,379	$ 3,486	$ 10,087	$ 21,705	$ 4,012	$ 100,140
Average assets	$3,370,044	$2,140,383	$412,219	$355,150	$2,467,530	$(53,822)	$8,691,504
Average equity	392,711	60,813	32,053	37,895	282,223	(197,453)	608,242
Performance measurements:							
Return on assets	1.29%	0.81%	0.85%	2.84%	0.88%	–	1.15%
Return on equity	11.07	28.58	10.88	26.62	7.69	–	16.46
Efficiency ratio	41.68	63.10	91.73	68.51	64.16	–	64.40

Reconciliation to Consolidated Financial Statements

	Net Interest Revenue	Other Operating Revenue[1]	Other Operating Expense	Average Assets
Total reportable segments	$269,491	$145,706	$253,159	$8,745,326
Total nonreportable segments	723	49,660	37,460	28,978
Unallocated items:				
Tax-equivalent adjustment	7,853	–	–	–
Funds management	12,083	914	8,560	199,231
All others (including eliminations), net	(21,263)	564	3,636	(282,031)
BOK Financial consolidated	$268,887	$196,844	$302,815	$8,691,504

[1]Excluding financial instrument gains/(losses)

(In Thousands)	Corporate Banking	Consumer Banking	Mortgage Banking	Trust Services	Regional Banks	All Other/ Eliminations	Total
Year ended December 31, 1999							
Net interest revenue/(expense) from external sources	$ 180,353	$ (27,891)	$ 11,626	$ 3,622	$ 72,050	$ (3,636)	$ 236,124
Net interest revenue/(expense) from internal sources	(92,844)	80,973	(8,296)	7,243	(10,458)	23,382	–
Total net interest revenue	87,509	53,082	3,330	10,865	61,592	19,746	236,124
Provision for loan losses	(1,111)	2,463	82	70	36	8,825	10,365
Operating revenue	27,573	26,826	39,532	36,187	11,462	47,291	188,871
Securities losses	–	–	–	–	(53)	(366)	(419)
Operating expense	47,025	53,545	39,422	33,481	60,662	46,381	280,516
Income taxes	26,906	9,298	1,307	5,252	4,447	(2,741)	44,469
Net income	$ 42,262	$ 14,602	$ 2,051	$ 8,249	$ 7,856	$ 14,206	$ 89,226
Average assets	$2,933,619	$2,100,368	$355,887	$332,297	$1,860,667	$ 30,212	$7,613,050
Average equity	330,091	58,824	32,006	33,473	214,226	(126,228)	542,392
Performance measurements:							
Return on assets	1.44%	0.70%	0.58%	2.48%	0.42%	–	1.17%
Return on equity	12.80	24.82	6.41	24.64	3.67	–	16.45
Efficiency ratio	40.86	67.01	91.97	71.16	83.04	–	66.00

Reconciliation to Consolidated Financial Statements

	Net Interest Revenue	Other Operating Revenue[1]	Other Operating Expense	Average Assets
Total reportable segments	$216,378	$141,580	$234,135	$7,582,838
Total nonreportable segments	1,210	44,537	35,746	59,505
Unallocated items:				
Tax-equivalent adjustment	8,380	–	–	–
Funds management	29,141	1,057	8,399	148,259
All others (including eliminations), net	(18,985)	1,697	2,236	(177,552)
BOK Financial consolidated	$236,124	$188,871	$280,516	$7,613,050

[1]Excluding financial instruments gains/(losses)

(19) Fair Value of Financial Instruments

The following table presents the carrying values and estimated fair values of financial instruments as of December 31, 2001 and 2000 (dollars in thousands):

	Carrying Value	Range of Contractual Yields	Average Repricing (in years)	Discount Rate	Estimated Fair Value
2001:					
Cash and cash equivalents	**$ 647,338**				**$ 647,338**
Securities	**3,700,989**				**3,702,504**
Loans:					
Commercial	**3,674,750**	**2.04 – 17.70%**	**0.42**	**1.96 – 4.90%**	**3,693,209**
Commercial real estate	**1,341,775**	**2.25 – 13.90**	**1.39**	**4.64 – 4.83**	**1,402,885**
Residential mortgage	**703,080**	**3.81 – 13.00**	**2.04**	**4.05 – 7.62**	**701,349**
Residential mortgage – held for sale	**166,093**	**–**	**–**	**–**	**166,093**
Consumer	**409,680**	**2.03 – 21.00**	**2.73**	**4.26 – 6.98**	**438,625**
Total loans	**6,295,378**				**6,402,161**
Reserve for loan losses	**(101,905)**				**–**
Net loans	**6,193,473**				**6,402,161**
Derivative instruments with positive fair value	**34,131**				**34,131**
Deposits with no stated maturity	**4,084,638**	**–**	**–**		**4,084,638**
Time deposits	**2,821,106**	**1.25 – 7.65**	**0.64**	**1.50 – 2.80**	**2,861,413**
Other borrowings	**2,822,937**	**4.17 – 8.51**	**0.06**	**1.37 – 3.70**	**2,824,409**
Subordinated debt	**186,302**	**6.03**	**6.27**	**5.87**	**189,775**
Derivative instruments with negative fair value	**38,517**				**38,517**
2000:					
Cash and cash equivalents	$ 750,729				$ 750,729
Securities	3,037,056				3,037,552
Loans:					
Commercial	3,248,033	4.50 – 17.63%	0.43	6.20 – 9.15%	3,321,380
Commercial real estate	1,270,494	7.00 – 14.00	1.26	8.89 – 9.08	1,262,690
Residential mortgage	638,044	3.81 – 13.40	1.61	7.41 – 7.58	612,616
Residential mortgage – held for sale	48,901	–	–	–	48,901
Consumer	312,390	4.00 – 21.00	2.35	8.10 – 14.00	302,230
Total loans	5,517,862				5,547,817
Reserve for loan losses	(82,655)				–
Net loans	5,435,207				5,547,817
Deposits with no stated maturity	3,372,817	–	–	–	3,372,817
Time deposits	2,673,188	2.00 – 7.40	0.54	3.55 – 6.49	2,685,773
Other borrowings	2,735,277	5.94 – 9.89	0.14	5.62 – 7.35	2,722,214
Subordinated debt	148,816	7.03	6.27	5.94	165,946

The preceding table presents the estimated fair values of financial instruments. The fair values of certain of these instruments were calculated by discounting expected cash flows, which involved significant judgments by management. Fair value is the estimated amount at which financial assets or liabilities could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, BOK Financial does not know whether the fair values shown above represent values at which the respective financial instruments could be sold individually or in the aggregate.

The following methods and assumptions were used in estimating the fair value of these financial instruments:

Cash and Cash Equivalents

The book value reported in the consolidated balance sheet for cash and short-term instruments approximates those assets' fair values.

Securities

The fair values of securities are based on quoted market prices or dealer quotes, when available. If quotes are not available, fair values are based on quoted prices of comparable instruments.

Derivatives

Fair value is calculated by a third party based on discounted cash flows using a yield curve and current applicable market rates.

Loans

The fair value of loans, excluding loans held for sale, are based on discounted cash flow analyses using interest rates currently being offered for loans with similar remaining terms to maturity and credit risk, adjusted for the impact of interest rate floors and ceilings. The fair values of classified loans were estimated to approximate their carrying values less loan loss reserves allocated to these loans of $29 million and $26 million at December 31, 2001 and 2000, respectively.

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 hedging transactions.

Deposits

The fair values of time deposits are based on discounted cash flow analyses using interest rates currently being offered on similar transactions. Statement of Financial Accounting Standard No. 107, "Disclosures about Fair Value of Financial Instruments," ("FAS 107") defines the estimated fair value of deposits with no stated maturity, which includes demand deposits, transaction deposits, money market deposits and savings accounts, to equal the amount payable on demand. Although market premiums paid reflect an additional value for these low cost deposits, FAS 107 prohibits adjusting fair value for the expected benefit of these deposits. Accordingly, the positive effect of such deposits is not included in this table.

Other Borrowings and Subordinated Debenture

The fair values of these instruments are based upon discounted cash flow analyses using interest rates currently being offered on similar instruments.

Off-Balance-Sheet Instruments

The fair values of commercial loan commitments and letters of credit are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements. The fair values of these off-balance-sheet instruments were not significant at December 31, 2001 and 2000.

(20) Parent Company Only Financial Statements

Summarized financial information for BOK Financial – Parent Company Only follows:

Balance Sheets

(In Thousands)

	December 31, 2001	December 31, 2000
Assets		
Cash and cash equivalents	**$ 12,971**	$ 9,755
Securities – available for sale	**14,355**	12,016
Investment in subsidiaries	**926,623**	777,054
Other assets	**2,029**	1,972
Total assets	**$955,978**	$800,797
Liabilities and Shareholders' Equity		
Other borrowings	**$125,095**	$ 95,132
Other liabilities	**2,400**	2,089
Total liabilities	**127,495**	97,221
Preferred stock	**25**	25
Common stock	**3**	3
Capital surplus	**323,860**	278,882
Retained earnings	**511,301**	431,390
Treasury stock	**(12,498)**	(10,044)
Accumulated other comprehensive income	**5,792**	3,320
Total shareholders' equity	**828,483**	703,576
Total liabilities and shareholders' equity	**$955,978**	$800,797

Statements of Earnings

(In Thousands)

	2001	2000	1999
Dividends, interest and fees received from subsidiaries	**$ 91,960**	$ 8,082	$63,556
Other operating revenue	**425**	637	2,327
Total revenue	**92,385**	8,719	65,883
Interest expense	**6,458**	7,551	6,225
Personnel expense	**2**	–	9
Professional fees and services	**471**	728	600
Other operating expense	**265**	45	80
Total expense	**7,196**	8,324	6,914
Income before taxes and equity in undistributed income of subsidiaries	**85,189**	395	58,969
Federal and state income tax credit	**(3,092)**	(3,520)	(3,243)
Income before equity in undistributed income of subsidiaries	**88,281**	3,915	62,212
Equity in undistributed income of subsidiaries	**28,021**	96,225	27,014
Net income	**$116,302**	$100,140	$89,226

Statements of Cash Flows

(In Thousands)

	2001	2000	1999
Cash flows from operating activities:			
Net income	**$116,302**	$100,140	$89,226
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed loss of subsidiaries	**(28,021)**	(96,225)	(27,014)
Tax benefit on exercise of stock options	**3,408**	1,010	3,138
Decrease in other assets	**(57)**	1,239	1,036
Decrease in other liabilities	**166**	(44)	(1,980)
Net cash provided by operating activities	**91,798**	6,120	64,406
Cash flows from investing activities:			
Proceeds from maturities of available for sale securities	**–**	–	9,881
Purchases of available for sale securities	**(1,961)**	(1,019)	–
Investment in subsidiaries	**(119,309)**	3,800	(72,293)
Net cash provided (used) by investing activities	**(121,270)**	2,781	(62,412)
Cash flows from financing activities:			
Increase in other borrowings	**124,963**	(10,000)	13,228
Paydown of other borrowings	**(95,000)**	–	–
Issuance of preferred, common and treasury stock, net	**2,745**	999	823
Purchase treasury stock	**–**	(2,633)	(1,574)
Cash dividends	**(20)**	(1)	(2,744)
Net cash provided (used) by financing activities	**32,688**	(11,635)	9,733
Net increase (decrease) in cash and cash equivalents	**3,216**	(2,734)	11,727
Cash and cash equivalents at beginning of period	**9,755**	12,489	762
Cash and cash equivalents at end of period	**$ 12,971**	$ 9,755	$12,489
Payment of dividends in common stock	**$ 36,371**	$ 1,500	$32,192
Cash paid for interest	**$ 6,726**	$ 7,741	$ 5,933

Annual Financial Summary – Unaudited

Consolidated Daily Average Balances, Average Yields and Rates

(Dollars in Thousands Except Per Share Data)

	2001		
	Average Balance	Revenue/ Expense[1]	Yield/ Rate
Assets			
Taxable securities	$2,989,967	$184,464	6.17%
Tax-exempt securities	277,309	19,935	7.19
Total securities	3,267,276	204,399	6.26
Trading securities	18,504	1,200	6.49
Funds sold and resell agreements	18,419	829	4.50
Loans[2]	5,989,224	456,250	7.62
Less reserve for loan losses	92,392	–	
Loans, net of reserve	5,896,832	456,250	7.74
Total earning assets	9,201,031	662,678	7.20
Cash and other assets	1,016,003		
Total assets	$10,217,034		
Liabilities and Shareholders' Equity			
Transaction deposits	$ 2,267,032	49,893	2.20%
Savings deposits	154,934	2,281	1.47
Time deposits	2,960,170	156,213	5.28
Total interest-bearing deposits	5,382,136	208,387	3.87
Federal funds purchased and repurchase agreements	1,652,467	64,358	3.89
Other borrowed funds	974,907	44,191	4.53
Subordinated debenture	180,211	10,923	6.06
Total interest-bearing liabilities	8,189,721	327,859	4.00
Demand deposits	1,102,958		
Other liabilities	145,511		
Shareholders' equity	778,844		
Total liabilities and shareholders' equity	$10,217,034		
Tax-equivalent Net Interest Revenue		334,819	3.20%
Tax-equivalent Net Interest Revenue to Earning Assets			3.64
Less tax-equivalent adjustment		8,045	
Net Interest Revenue		326,774	
Provision for loan losses		37,610	
Other operating revenue		259,640	
Other operating expense		368,762	
Income before taxes		180,042	
Federal and state income tax		63,740	
Net Income		$116,302	

[1] Tax equivalent at the statutory federal and state rates of 38.9% for the periods presented. The taxable equivalent adjustments shown are for comparative purposes.

[2] The loan averages included loans on which the accrual of interest has been discontinued and are stated net of unearned income. See Note 1 of Notes to the Consolidated Financial Statements for a description of income recognition policy.

2000			1999		
Average Balance	Revenue/ Expense[1]	Yield/ Rate	Average Balance	Revenue/ Expense[1]	Yield/ Rate
$2,587,183	$167,493	6.47%	$2,383,198	$144,901	6.08%
269,731	19,577	7.26	288,094	21,785	7.56
2,856,914	187,070	6.55	2,671,292	166,686	6.24
15,633	1,450	9.28	37,508	2,291	6.11
46,219	2,962	6.41	43,373	2,219	5.12
4,934,462	455,101	9.22	4,046,920	337,458	8.34
80,447			72,306		
4,854,015	455,101	9.38	3,974,614	337,458	8.49
7,772,781	646,583	8.32	6,726,787	508,654	7.56
918,723			886,263		
$8,691,504			$7,613,050		
$1,889,806	55,019	2.91%	$1,717,314	46,510	2.71%
151,870	2,703	1.78	161,484	2,971	1.84
2,495,038	150,527	6.03	1,983,829	101,140	5.10
4,536,714	208,249	4.59	3,862,627	150,621	3.90
1,444,830	91,456	6.33	1,146,917	58,665	5.12
889,919	59,701	6.71	812,098	45,530	5.61
148,728	10,437	7.02	148,509	9,334	6.29
7,020,191	369,843	5.27	5,970,151	264,150	4.42
980,401			999,311		
82,670			101,196		
608,242			542,392		
$8,691,504			$7,613,050		
	276,740	3.05%		244,504	3.14%
		3.56			3.63
	7,853			8,380	
	268,887			236,124	
	17,204			10,365	
	198,903			188,452	
	302,815			280,516	
	147,771			133,695	
	47,631			44,469	
	$100,140			$ 89,226	

Quarterly Financial Summary – Unaudited

Consolidated Daily Average Balances, Average Yields and Rates

(Dollars in Thousands Except Per Share Data)

	Three Months Ended					
	December 31, 2001			September 30, 2001		
	Average Balance	Revenue/ Expense[1]	Yield/ Rate	Average Balance	Revenue/ Expense[1]	Yield/ Rate
Assets						
Taxable securities	**$3,177,731**	**$45,777**	**5.72%**	$2,869,680	$44,705	6.18%
Tax-exempt securities	**238,634**	**4,274**	**7.11**	265,608	4,554	6.80
Total securities	**3,416,365**	**50,051**	**5.81**	3,135,288	49,259	6.23
Trading securities	**22,508**	**245**	**4.32**	16,498	223	5.36
Funds sold	**14,362**	**85**	**2.35**	14,229	130	3.62
Loans[2]	**6,203,512**	**99,643**	**6.37**	6,065,512	114,165	7.47
Less reserve for loan losses	**99,541**	**–**	**–**	93,884	–	–
Loans, net of reserve	**6,103,971**	**99,643**	**6.48**	5,971,628	114,165	7.58
Total earning assets	**9,557,206**	**150,024**	**6.23**	9,137,643	163,777	7.11
Cash and other assets	**1,008,111**			1,007,684		
Total assets	**$10,565,317**			$10,145,327		
Liabilities and Shareholders' Equity						
Transaction deposits	**$ 2,429,978**	**9,933**	**1.62%**	$ 2,278,393	11,917	2.08%
Savings deposits	**158,040**	**489**	**1.23**	155,908	575	1.46
Other time deposits	**2,839,770**	**30,744**	**4.30**	3,030,759	38,287	5.01
Total interest-bearing deposits	**5,427,788**	**41,166**	**3.01**	5,465,060	50,779	3.69
Federal funds purchased and repurchase agreements	**1,701,655**	**8,813**	**2.05**	1,440,556	12,976	3.57
Other borrowed funds	**1,088,792**	**8,460**	**3.08**	1,019,123	10,711	4.17
Subordinated debenture	**186,409**	**2,764**	**5.88**	186,631	2,871	6.10
Total interest-bearing liabilities	**8,404,644**	**61,203**	**2.89**	8,111,370	77,337	3.78
Demand deposits	**1,150,498**			1,093,442		
Other liabilities	**174,891**			143,298		
Shareholders' equity	**835,284**			797,217		
Total liabilities and shareholders' equity	**$10,565,317**			$10,145,327		
Tax-equivalent Net Interest Revenue		**88,821**	**3.34%**		86,440	3.33%
Tax-equivalent Net Interest Revenue to Earning Assets			**3.69**			3.75
Less tax-equivalent adjustment		**1,802**			1,914	
Net Interest Revenue		**87,019**			84,526	
Provision for loan losses		**10,517**			11,023	
Other operating revenue		**55,260**			76,091	
Other operating expense		**84,801**			103,591	
Income before taxes		**46,961**			46,003	
Federal and state income tax		**16,829**			16,216	
Net Income		**$ 30,132**			$ 29,787	
Earnings Per Average Common Share Equivalent:						
Net income:						
Basic		**$0.58**			$0.58	
Diluted		**$0.52**			$0.51	

[1] Tax equivalent at the statutory federal and state rates of 38.9% for the periods presented. The taxable equivalent adjustments shown are for comparative purposes.

[2] The loan averages included loans on which the accrual of interest has been discounted and are stated net of unearned income. See Note 1 of Notes to the Consolidated Financial Statements for a description of income recognition policy.

Three Months Ended								
June 30, 2001			March 31, 2001			December 31, 2000		
Average Balance	Revenue/ Expense[1]	Yield/ Rate	Average Balance	Revenue/ Expense[1]	Yield/ Rate	Average Balance	Revenue/ Expense[1]	Yield/ Rate
$3,012,148	$47,080	6.27%	$2,910,580	$ 46,902	6.54%	$2,654,996	$ 43,345	6.49%
310,517	5,841	7.54	282,656	5,266	7.56	276,478	5,172	7.44
3,322,665	52,921	6.39	3,193,236	52,168	6.63	2,931,474	48,517	6.58
16,566	332	8.04	18,421	400	8.81	18,458	405	8.73
17,221	191	4.45	28,063	423	6.11	45,310	788	6.92
5,944,358	117,080	7.90	5,737,543	125,362	8.86	5,265,300	125,854	9.51
89,824			86,156			83,246		
5,854,534	117,080	8.02	5,651,387	125,362	9.00	5,182,054	125,854	9.66
9,210,986	170,524	7.43	8,891,107	178,353	8.14	8,177,296	175,564	8.54
1,010,404			999,606			955,024		
$10,221,390			$9,890,713			$9,132,320		
$ 2,222,838	12,821	2.31%	$2,133,537	15,222	2.89%	$1,910,167	15,646	3.26%
154,312	569	1.48	151,392	648	1.74	143,969	673	1.86
3,009,880	42,161	5.62	2,960,828	45,021	6.17	2,671,285	43,237	6.44
5,387,030	55,551	4.14	5,245,757	60,891	4.71	4,725,421	59,556	5.01
1,767,086	19,181	4.35	1,702,913	23,388	5.57	1,625,497	26,823	6.56%
885,922	11,127	5.04	903,264	13,893	6.24	878,209	15,257	6.91
187,299	2,794	5.98	160,144	2,494	6.32	148,794	2,667	7.13
8,227,337	88,653	4.32	8,012,078	100,666	5.10	7,377,921	104,303	5.62
1,119,597			1,047,267			1,002,969		
116,200			108,514			86,403		
758,256			722,854			665,027		
$10,221,390			$9,890,713			$9,132,320		
	81,871	3.11%		77,687	3.04%		71,261	2.92%
		3.57			3.54			3.47
	2,254			2,075			2,069	
	79,617			75,612			69,192	
	8,497			7,573			6,000	
	60,223			68,066			54,924	
	86,584			93,786			79,318	
	44,759			42,319			38,798	
	15,778			14,917			13,302	
	$28,981			$27,402			$25,496	
	$0.56			$0.53			$0.50	
	$0.50			$0.48			$0.44	

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(505) 837-4122

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Houston
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(918) 748-7257

6036 S. Yale
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201 S. Main
(918) 787-2700

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(918) 426-1100

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Tulsa
One Williams Center, 10th Floor
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Southwest Trust Company

Oklahoma City
9520 N. May, 2nd Floor
(405) 936-3970

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Mortgage Services

Arkansas

Bentonville
1706 S.E. Walton Blvd.,
Suite C
(479) 271-6800

Fayetteville
3500 N. College
(479) 973-2600

Kansas

Lenexa
15230 W. 87th St. Parkway
(913) 307-1600

Missouri

Lee's Summit
987 N.E. Rice Rd.
(816) 246-7000

New Mexico

Albuquerque
2500 Louisiana Blvd., NE,
Suite 220
(505) 837-4111

Oklahoma

Edmond
1515 S. Broadway
(405) 272-2307

Enid
2308 N. Van Buren
(580) 548-8528

Lawton
2602 W. Gore Blvd.
(580) 250-0070

Muskogee
215 S. State
(918) 686-5959

Norman
3550 W. Main
(405) 366-3618

Oklahoma City
5015 N. Pennsylvania
(405) 879-8700

7701 S. Western
(405) 879-8700

Owasso
413 E. 2nd Ave.
(918) 588-8650

Tulsa
Copper Oaks
7060 S. Yale, Suite 100
(918) 488-7140

Pine & Lewis
1604 N. Lewis
(918) 588-8608

Texas

Bellaire
5320 Bellaire Blvd.
(713) 578-3438

Dallas
6209 Hillcrest Ave.
(214) 525-5052

Houston
8546 Highway 6 North
(281) 656-3800

Operating Subsidiaries

Bank of Albuquerque, N.A.

Albuquerque
201 Third St., NW, Suite 1400
(505) 222-8469

Bank of Arkansas, N.A.

Fayetteville
3500 N. College
(479) 973-2660

Bank of Oklahoma, N.A.

Oklahoma City
Bank of Oklahoma Plaza
201 Robert S. Kerr
(405) 272-2000

Tulsa
Bank of Oklahoma Tower
One Williams Center
(918) 588-6000

Bank of Texas, N.A.

Dallas
5956 Sherry Lane,
Suite 1100
(214) 987-8880

Houston
5320 Bellaire Blvd.
Bellaire, Texas
(713) 578-3400

Leasing Services

BOKF Equipment Finance, Inc.

Dallas
5956 Sherry Lane, Suite 1100
(214) 987-8864

Shareholder Information

Corporate Headquarters
Bank of Oklahoma Tower
P.O. Box 2300
Tulsa, Oklahoma 74192
(918) 588-6000

Independent Auditors
Ernst & Young LLP
3900 One Williams Center
Tulsa, Oklahoma 74172
(918) 560-3600

Legal Counsel
Frederic Dorwart Lawyers
Old City Hall
124 E. Fourth St.
Tulsa, Oklahoma 74103-5010
(918) 583-9922

Common Shares:
Traded NASDAQ National Market
NASDAQ Symbol: BOKF
Number of common shareholders of
record at December 31, 2001: 1,077

Market Makers:
CIBC World Markets Corp.
Herzog, Heine, Geduld, Inc.
Howe Barnes Investments
Keefe Bruyette & Woods
Knight Securities LP
Salomon Smith Barney
Schwab Capital Markets
Sherwood Securities
Southwest Securities, Inc.
Spear, Leeds & Kellogg
Stephens, Inc.

Transfer Agent and Registrar
The Bank of New York
(800) 524-4458

Address Shareholder Inquiries to:
Shareholder Relations Department-11E
P.O. Box 11258
Church Street Station
New York, NY 10286
E-Mail Address:
Shareowner-svcs@email.bony.com

Send Certificates for Transfer
and Address Changes to:
Receive and Deliver Department - 11W
P.O. Box 11002
Church Street Station
New York, NY 10286

Copies of BOK Financial Corporation's Annual Report to Shareholders, Quarterly Reports and Form 10-K to the Securities and Exchange Commission are available without charge upon written request. Analysts, shareholders and other investors seeking financial information about BOK Financial Corporation are invited to contact **James F. Ulrich**, Senior Vice President, Investor Relations, (918) 588-6752.

Information about BOK Financial is also readily available at our website: www.bokf.com

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