

BOK BANCSHARES, INC. AND SUBSIDIARIES

Wichita, Kansas

CONSOLIDATED FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

December 31, 2010 and 2009

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
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For the Years Ended December 31, 2010 and 2009

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February 10, 2011

The Board of Directors and Stockholders
BBOK Bancshares, Inc. and Subsidiaries
Wichita, Kansas

Independent Auditors' Report

We have audited the accompanying consolidated statements of condition of BBOK Bancshares, Inc. (a Kansas corporation) and Subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 financial position of BBOK Bancshares, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Varney & Associates

Certified Public Accountants
Manhattan, Kansas

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATED STATEMENTS OF CONDITION
December 31,

	2010	2009
ASSETS		
Due from banks	\$ 8,247,480	\$ 3,578,535
Federal funds sold	7,560,000	20,295,000
Total Cash and Cash Equivalents	\$ 15,807,480	\$ 23,873,535
Interest bearing deposits in other banks	-	250,000
Investment securities - At market	1,987,815	2,333,860
Loans - Net	94,999,106	100,113,611
Bank furniture, equipment and buildings - Net	1,905,198	1,855,764
Accrued interest receivable	783,036	620,837
Federal Reserve Bank stock	126,850	126,850
Federal Home Loan Bank stock	271,000	240,800
Bankers' Banc Investment Services stock	893,051	743,589
Other real estate owned	533,190	722,844
Notes receivable	12,000	12,000
Other assets	5,077,939	4,510,444
TOTAL ASSETS	\$122,396,665	\$135,404,134
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits	\$101,907,257	\$118,177,926
Federal funds purchased	2,216,000	-
Dividends payable	106,700	213,420
Borrowings	216,000	-
Other liabilities	839,284	888,751
Total Liabilities	\$105,285,241	\$119,280,097
Stockholders' Equity		
Common stock - \$100 par value, 60,000 shares authorized; 22,963 shares issued, and 21,400 shares outstanding in 2010, and 22,683 shares issued, and 21,402 shares outstanding in 2009	\$ 2,296,300	\$ 2,268,300
Surplus	4,364,075	4,176,825
Treasury stock - 1,563 and 1,281 shares, at cost, in 2010 and 2009, respectively	(754,065)	(538,625)
Net accumulated other comprehensive income	21,039	24,971
Undivided profits	11,184,075	10,192,566
Total Stockholders' Equity	\$ 17,111,424	\$ 16,124,037
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$122,396,665	\$135,404,134

Financial Statements

BBOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31,

	2010	2009
INTEREST INCOME		
Interest on loans	\$ 5,415,466	\$ 5,489,135
Interest on federal funds sold	56,246	81,580
Interest on securities and time deposits	74,401	107,756
Total Interest Income	\$ 5,546,113	\$ 5,678,471
INTEREST EXPENSE		
Interest on line of credit	\$ 4,900	\$ -
Interest on federal funds purchased and time deposits	400,737	509,377
Total Interest Expense	\$ 405,637	\$ 509,377
Net Interest Income	\$ 5,140,476	\$ 5,169,094
Provisions for loan losses	1,675,000	1,115,000
Net Interest Income after Provision for Loan Losses	\$ 3,465,476	\$ 4,054,094
OTHER INCOME		
Share of income from Bankers' Banc Investment Services	\$ 207,920	\$ 217,737
Operations fee income	4,154,045	4,463,448
Credit card income	2,102,099	1,801,481
Leasing fee income	35,203	387,992
Other income	684,521	526,961
Total Other Income	\$ 7,183,788	\$ 7,397,619
OTHER EXPENSES		
Salaries, employee benefits and payroll taxes	\$ 3,598,161	\$ 3,579,377
Net occupancy expense including depreciation	376,073	412,570
Items processing	2,568,222	2,861,009
Credit cards	186,544	168,308
Universal cards	373,798	270,534
Rebilled postage	164,095	181,854
Enhancement fees	218,424	164,500
Directors' expense	164,266	166,259
FDIC insurance	301,807	290,319
Other real estate owned expense	209,424	46,981
Other operating expenses	895,471	870,435
Total Other Expenses	\$ 9,056,285	\$ 9,012,146
NET INCOME BEFORE TAX	\$ 1,592,979	\$ 2,439,567
Income tax	494,770	812,993
NET INCOME	\$ 1,098,209	\$ 1,626,574

Financial Statements

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31,

	Common Stock	Surplus	Treasury Stock	Accumulated Other Comprehensive Income	Undivided Profits	Total
Balance - December 31, 2008	\$ 2,256,800	\$ 4,104,825	\$ (354,425)	\$ 38,528	\$ 8,779,411	\$ 14,825,139
Dividends paid	-	-	-	-	(213,419)	(213,419)
Issue of 115 shares of common stock	11,500	72,000	-	-	-	83,500
Purchase of 351 shares of treasury stock	-	-	(184,200)	-	-	(184,200)
2009 net income	-	-	-	-	1,626,574	\$ 1,626,574
Change in unrealized gain on AFS securities - Net of tax	-	-	-	(13,557)	-	(13,557)
Total Comprehensive Income				(13,557)		\$ 1,613,017
Balance - December 31, 2009	\$ 2,268,300	\$ 4,176,825	\$ (538,625)	\$ 24,971	\$ 10,192,566	\$ 16,124,037
Dividends paid	-	-	-	-	(106,700)	(106,700)
Issue of 280 shares of common stock	28,000	187,250	-	-	-	215,250
Purchase of 282 shares of treasury stock	-	-	(215,440)	-	-	(215,440)
2010 net income	-	-	-	-	1,098,209	\$ 1,098,209
Change in unrealized gain on AFS securities - Net of tax	-	-	-	(3,932)	-	(3,932)
Total Comprehensive Income				(3,932)		\$ 1,094,277
Balance - December 31, 2010	\$ 2,296,300	\$ 4,384,075	\$ (754,065)	\$ 21,039	\$ 11,184,075	\$ 17,111,424

The accompanying notes are an integral part of these financial statements.
See Independent Auditors' Report.

Financial Statements

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2010	2009
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from operating activities	\$ 1,098,209	\$ 1,626,574
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation expense	\$ 233,258	\$ 276,796
Provision for loan losses	1,675,000	1,115,000
Premium amortization and discount accretion	(2,608)	(12,232)
Change in minority interest - Bankers Banc Investment Services	(149,462)	(171,167)
(Gain) loss on disposal of equipment	5,000	1,968
(Increase)/(decrease in accrued interest receivable	(162,199)	(52,484)
(Increase)/decrease in other assets	(377,841)	(904,372)
Increase/(decrease) in other liabilities	(153,673)	(279,371)
FHLB stock dividends	(30,200)	(1,600)
Total Adjustments	\$ 1,037,275	\$ (27,462)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,135,484	\$ 1,599,112
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (increase)/decrease in interest bearing deposits in other banks	\$ 250,000	\$ (250,000)
Purchase of AFS securities	(1,350,000)	(1,550,000)
Maturities, calls and paydowns of AFS securities	1,692,207	2,063,062
Net (increase)/decrease in loans	3,439,505	(7,537,965)
Sale of FHLB stock	-	3,800
Purchase of furniture, equipment and buildings	(287,692)	(458,406)
Net Cash Provided by (Used in) Investing Activities	\$ 3,744,020	\$ (7,729,509)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of common stock	\$ 215,250	\$ 83,500
Dividends paid	(106,700)	(213,419)
Purchase of treasury stock	(215,440)	(184,200)
Advance on line of credit	216,000	-
Net increase/(decrease) in deposits	(16,270,669)	48,722,918
Net increase/(decrease) in Federal funds purchased	2,216,000	(33,088,000)
Net Cash Provided by (Used in) Financing Activities	\$(13,945,559)	\$ 15,320,799
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (8,066,055)	\$ 9,190,402
BEGINNING CASH AND CASH EQUIVALENTS	23,873,535	14,683,133
ENDING CASH AND CASH EQUIVALENTS	\$ 15,807,480	\$ 23,873,535
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	\$ 896,655	\$ 826,207
Interest expense paid	\$ 415,061	\$ 512,971
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Foreclosure of other real estate owned	\$ -	\$ 722,844
Troubled debt restructuring	\$ 2,582,099	\$ -

Financial Statements

The accompanying notes are an integral part of these financial statements.
See Independent Auditors' Report.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies

The accounting policies of BOK Bancshares, Inc. and Subsidiaries (the Company) conform to generally accepted accounting principles applicable to the banking industry. Following is a summary of the more significant accounting policies to assist the reader in understanding the financial presentation.

Organization and Purpose

BOK Bancshares, Inc. was organized on May 17, 1988.

The Bankers' Bank (the Bank) is a wholly owned subsidiary of BOK Bancshares, Inc. The purpose of the Bank is to provide services to or for other depository institutions, their holding companies, and the officers, directors and employees of such institutions and companies located in the state of Kansas, and providing correspondent banking services at the request of other depository institutions or their holding companies.

BOK Financial Services, Inc. is a wholly-owned consolidated subsidiary of the Bank and was formed in 2003 to provide additional services to customers.

Principals of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of BOK Bancshares, Inc., its sole subsidiary Bankers' Bank of Kansas, N.A. and the Bank's wholly-owned subsidiary BOK Financial Services, Inc. which is accounted for under the equity method. Intercompany accounts and transactions have been eliminated where significant.

The Bank uses the accrual method of accounting. Preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the use of management's estimates. Certain prior period amounts have been reclassified to conform to current year presentation.

Cash Equivalents

For purposes of reporting cash flows, the Bank considers cash on hand, amounts due from banks, and federal funds sold to be cash and cash equivalents. Federal Reserve Board regulations require banks maintain non-interest bearing reserves against their transaction accounts. Required reserves are maintained in a non-interest bearing account at the Federal Reserve Bank (FRB). The Bank is in compliance with the FRB requirement.

Investment Securities

Investment securities are classified as held-to-maturity (HTM) or available-for-sale (AFS) in accordance with GAAP. HTM securities are stated at cost, adjusted for amortization of premium and accretion of discount. Such amortization and accretion is reflected in investment securities interest income on the straight-line method to maturity of each specific security.

AFS securities are considered part of the Bank's asset/liability management program and may be sold in response to changes in interest rates, prepayments, or capital or liquidity needs. AFS securities are stated at current market values. The differences between market values and traditional book values are considered either unrealized gains or unrealized losses. These unrealized gains or losses, net of taxes, are excluded from earnings and are reported as a separate component of stockholders' equity until realized.

The Company has chosen to consider all investment securities as AFS.

Realized gains and losses on sales are computed by the specific identification method at the time of sale and are shown separately as a component of non-interest income.

Premiums and discounts on investment and mortgage-backed securities are amortized to income over the term of the security using a method that approximates the interest method.

The Bank recognizes and presents other-than-temporary impairments in accordance with Accounting Standards Codification (ASC) 320-10. For AFS debt securities that management has no intent to sell and believes that it more likely than not will not be required to sell prior to recovery, only the credit loss component of the impairment is recognized in earnings, while the non-credit loss is recognized in accumulated other comprehensive income. The credit loss component recognized in earnings is identified as the amount of principal cash flows not expected to be received over the remaining term of the security as projected based on cash flow projections. The Company had no investments with other-than-temporary impairments at December 31, 2010 and 2009.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Stock in Federal Home Loan Bank (FHLB)

The Bank is a member of the FHLB system. As a member, the Bank is required to purchase and hold stock in the FHLB of Topeka in an amount equal to the great of (a) 1% of unpaid residential loans at the beginning of each year, (b) 5% of FHLB borrowings, or (c) 0.3% of total assets. The Bank's investment in such stock is recorded at cost.

Furniture, Equipment and Buildings

Depreciable assets are stated at cost. Expenditures for additions and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to income currently. Depreciation is computed on the straight-line method over the estimated useful life of each asset.

Loans

Loans are stated at unpaid principal balances less the allowance for loan losses. Loans are charged against the allowance for loan losses when management believes the collectibility of principal is unlikely. Loans are considered past due dependent on contractual terms.

Interest on loans is calculated using the simple-interest method and is recognized when earned. Interest accrual is discontinued when, in the opinion of management, the likelihood of collection becomes doubtful. Income is subsequently recognized when, in management's judgment, the borrower's ability to make periodic interest and principal payments returns to normal, and the loan is returned to accrual status. Interest income is not recognized on impaired loans as all impaired loans are on non-accrual status. Cash receipts for non-accrual loans are recorded as principal payments.

GAAP requires that impaired loans be measured based on the present value of expected future cash flows at the loan's effective interest rate or may be measured by reference to an observable market price, if one exists, or the fair value of the collateral; for a collateral-dependent loan. A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis.

Allowance for Loan Losses

The allowance of loan losses is a valuation account which reflects an amount which will be adequate to absorb possible losses on existing loans that may be uncollectible. Loans are charged against the allowance when management believes the collectibility of the principal is unlikely. The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on changes in nature and volume of loan portfolio quality, past loan experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and current economic conditions. The Bank is subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities. As an integral part of those examinations, the various regulatory agencies periodically review the Bank's allowance for losses on loans. Such agencies may require the Bank to recognize changes to the allowance based on their judgments about information available to them at the time of their examination.

BBOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Allowance for Loan Losses (Continued)

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical charge-off experience. Other adjustments are made to allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss data.

Real Estate Owned

Real estate properties acquired through or in lieu of foreclosure, including in-substance foreclosures, are initially recorded at fair value less estimated costs to sell. Fair value is typically determined based upon appraised value. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses.

After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Impairment losses on property are measured as the amount by which the carrying amount of a property exceeds its fair value. Subsequent losses are recorded as a charge to earnings and reported on the income statement in other real estate owned expense. The portion of interest costs relating to development of real estate is capitalized. Costs relating to development and improvement of the property are capitalized, whereas costs relating to holding the property are expensed. Fair value is based upon appraised values. Real estate owned is expected to be disposed of in the normal course of business.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank - put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchanged the transferred assets and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Taxes

The income tax provision is based on income reported for financial statement purposes (on the accrual basis). Such provision includes deferred taxes arising from temporary differences between the period in which certain income and expenses are recognized for financial accounting purposes and the period in which they affect taxable income.

Fair Value Measurement

Financial Accounting Standards Board (FASB) ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a bank's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Off-Balance Sheet Financial Instruments

In the ordinary course of business, the Bank has entered into off balance sheet financial instruments consisting of commitments to extend credit and letters of credit. Such financial instruments are recorded in the financial statements when they become payable.

Regulatory Capital

The Bank is subject to the regulatory requirements of the Office of the Comptroller of the Currency. One requirement is to maintain sufficient capital. The Bank's capital exceeds the regulatory capital requirements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

It is at least reasonably possible that a change in significant estimates will occur in the near term. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on loans and impaired loans, the valuation of other real estate owned, unrealized gains and losses on investment securities, and the valuation of deferred taxes.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans and any foreclosed assets may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans and foreclosed real estate. Such agencies may require the Bank to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is possible that the estimated losses on loans could change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Recently Proposed and Issued Accounting Pronouncements

In June 2009, ASC 860 (formerly known as Statement of Financial Accounting Standards (SFAS) No. 166), *Accounting for Transfers of Financial Assets*, was amended. ASC 860 is effective for annual reporting periods that begin after November 15, 2009. ASC 860 modifies the financial components approach and limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset to an entity that is not consolidated with the transferor in the financial statements being presented and/or when the transferor has continuing involvement with the transferred financial asset. ASC 860 defines the term participating interest to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale. If the transfer does not meet those conditions, a transferor should account for the transfer as a sale only if it transfers an entire financial asset or a group of entire financial assets and surrenders control over the entire transferred asset(s) in accordance with the conditions of ASC 860. The adoption of ASC 860 did not impact the Bank's financial condition or results of operation.

Subsequent Events

Management has evaluated subsequent events through February 10, 2011 which is the date the financial statements were issued.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 2: Investment Securities

The amortized cost of securities as shown in the statements of condition of the Bank and their approximate fair values are as follows:

	2010			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
U.S. agency securities	\$ 1,871,035	\$ 41,568	\$ 9,884	\$ 1,902,719
Mortgage-backed securities	82,289	2,807	-	85,096
	<u>\$ 1,953,324</u>	<u>\$ 44,375</u>	<u>\$ 9,884</u>	<u>\$ 1,987,815</u>

	2009			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
U.S. agency securities	\$ 2,168,249	\$ 39,842	\$ 3,321	\$ 2,204,770
Mortgage-backed securities	124,673	4,417	-	129,090
	<u>\$ 2,292,922</u>	<u>\$ 44,259</u>	<u>\$ 3,321</u>	<u>\$ 2,333,860</u>

All securities are treated as available-for-sale and reflected in the financial statements at market value as shown in the statements.

The amortized cost and fair value of securities at December 31, 2010 and 2009, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

	2010		2009	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ -	\$ -	\$ -	\$ -
Due in one to five years	1,953,324	1,987,815	2,292,922	2,333,860
	<u>\$ 1,953,324</u>	<u>\$ 1,987,815</u>	<u>\$ 2,292,922</u>	<u>\$ 2,333,860</u>

BOK BANCSHARES, INC. AND SUBSIDIARIES
 Wichita, Kansas
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2010 and 2009

Note 2: Investment Securities (Continued)

The following table presents the current fair value and the associated unrealized losses on investments in securities with unrealized losses at December 31, 2010. The table also discloses whether these securities have had unrealized losses for less than twelve month or for twelve months longer.

	December 31, 2010			
	Less Than Twelve Months	Twelve Months or Longer		Total
	Fair Value	Fair Value	Unrealized Losses	Unrealized Losses
Investments Available-for-Sale				
U.S. agency securities	\$ 652,330	\$ -	\$ -	\$ 652,330
Mortgage-backed securities	-	-	-	-
	<u>\$ 652,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,330</u>

The following table presents the current fair value and the associated unrealized losses on investments in securities with unrealized losses at December 31, 2009. The table also discloses whether these securities have had unrealized losses for less than twelve month or for twelve months longer.

	December 31, 2009			
	Less Than Twelve Months	Twelve Months or Longer		Total
	Fair Value	Fair Value	Unrealized Losses	Unrealized Losses
Investments Available-for-Sale				
U.S. agency securities	\$ 507,258	\$ -	\$ -	\$ 507,258
Mortgage-backed securities	-	-	-	-
	<u>\$ 507,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,258</u>

Individual securities at an unrealized loss position and any other securities in which there is evidence of a potential decline in value are evaluated for other than temporary impairment. This evaluation includes the length of time and extent to which the fair value has been less than book value, credit quality information, current interest rates, intent and ability to hold securities until such time as all amounts due are collected, and an analysis of expected cash flow based on probability of default and prepayment assumptions. Based upon this evaluation, management believes the unrealized losses on securities in the above tables represents temporary impairments due to current interest rates and do not require adjustment in the carrying amount of any of the individual securities to reflect an other-than-temporary loss.

Financial Statements

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 3: Loans

The components of loans are:

	<u>2010</u>	<u>2009</u>
Commercial loans	\$ 10,990,270	\$ 12,919,842
Real estate loans	30,604,064	32,853,290
Agricultural loans	2,430,603	2,714,909
Tax exempt loans	1,500,000	1,500,000
Commercial leases	2,126,437	3,040,651
Consumer loans	71,292	40,431
Bank stock loans	33,508,869	35,130,407
Credit card loans	16,787,795	14,043,521
	<u>\$ 98,019,330</u>	<u>\$ 102,243,051</u>
Less: Allowance for loan losses	<u>(3,020,224)</u>	<u>(2,129,440)</u>
Total	<u><u>\$ 94,999,106</u></u>	<u><u>\$ 100,113,611</u></u>

The Bank has a concentration of credit in loans secured by bank stock in the state of Kansas. As of December 31, 2010 and 2009, loans secured or partially secured by bank stock were \$33,508,869 and \$35,130,407, respectively. Classified loan balances secured by bank stock at December 31, 2010 and 2009 totaled \$11,351,178 and \$11,084,678, respectively. Classified loans include watch, special mention, substandard, and doubtful loans. The ultimate collectibility of a substantial portion of the Bank's loan portfolio is susceptible to changes in economic conditions affecting financial institutions.

The above amounts are net of participations sold totaling \$229,991,963 and \$273,149,238 at December 31, 2010 and 2009, respectively. Although the Bank has a diversified loan portfolio, its debtors' ability to honor their contracts is dependent upon the Kansas economy which has an agri-business emphasis.

Non-accrual loan balances were \$4,901,335 and \$2,299,203 at December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009, there were no loans past due 90 days or more still accruing interest. Loans are considered past due dependent on contractual terms.

The Bank evaluates each customer's creditworthiness on a case-by-case basis and performs ongoing credit evaluations of its customers' financial condition. Loan-to-collateral value ratios are monitored on an ongoing basis.

The following is a summary of information pertaining to impaired loans:

	<u>2010</u>	<u>2009</u>
Impaired loans without a specific valuation allowance	\$ -	\$ -
Impaired loans with a specific valuation allowance	1,811,761	1,622,598
Total Impaired Loans	<u><u>\$ 1,811,761</u></u>	<u><u>\$ 1,622,598</u></u>
Average investment in impaired loans	<u>\$ 1,811,761</u>	<u>\$ 811,299</u>
Specific valuation allowance related to impaired loans	<u>\$ 489,000</u>	<u>\$ 168,785</u>
Interest income recognized on impaired loans	<u>\$ -</u>	<u>\$ -</u>

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 4: Allowance for Loan Losses

Transactions in the valuation reserve for loan losses were:

	2010	2009
Beginning balance	\$ 2,129,440	\$ 1,808,569
Current year's provision	1,675,000	1,115,000
Loan charge-offs	(934,332)	(826,094)
Recoveries	150,116	31,965
Total	\$ 3,020,224	\$ 2,129,440

For financial statement presentation purposes, the reserve is deducted from loans outstanding. Management believes the reserve is adequate to absorb future loan losses in the existing loan portfolio.

Note 5: Bank Furniture, Equipment and Buildings

Components of furniture, equipment and buildings included in the statements of condition are:

	2010	2009
Automobiles	\$ 221,738	\$ 214,513
Equipment	675,567	552,757
Furniture and fixtures	422,519	422,519
Computer software	528,316	463,547
Artwork	27,474	25,135
Building	1,737,738	1,733,850
Land	111,870	111,870
Cost	\$ 3,725,222	\$ 3,524,191
Less: Accumulated depreciation	(1,820,024)	(1,668,427)
TOTAL	\$ 1,905,198	\$ 1,855,764

Depreciation expense was \$233,258 and \$276,796 for the years ended December 31, 2010 and 2009, respectively.

Note 6: Borrowings

The Bank has a line of credit at the FHLB Bank of Topeka. The collateral for these borrowings are bank loans secured by real estate, to which the FHLB assigns a collateral value. The Bank completes a collateral report quarterly and at December 31, 2010, the list allowed a line of \$6,619,597. There were no borrowings outstanding on this line of credit as of December 31, 2010 or 2009.

BOK Bancshares, Inc. has a line of credit at Bankers Bank of Oklahoma expiring January 15, 2012. The collateral for these borrowings is bank stock. The total line of credit as of December 31, 2010 was \$3,000,000. The total outstanding borrowings on this line of credit as of December 31, 2010 was \$216,000. The interest rate on the line of credit is variable and tied to the Wall Street Journal prime with a floor of 5.0%.

The Bank has a line of credit at the FRB of Kansas City through the discount borrowings window. Borrowings are secured by the Bank's credit card loans. As of December 31, 2010, the Bank's line of credit was \$9,166,363. There were no borrowings outstanding on this line of credit as of December 31, 2010 or 2009.

The Bank also has unsecured federal fund lines of credit with the following banks as of December 31, 2010:

The Bankers' Bank of Kentucky (No expiration date)	\$ 2,114,000
Pacific Coast Bankers' Bank (Expiration date - June 30, 2011)	1,000,000
Bankers' Bank of Oklahoma (No expiration date)	7,500,000
Bankers' Bank of the West (Expiration date - May 31, 2011)	7,790,000
Bankers' Bank of Wisconsin (No expiration date)	5,000,000
Total	\$ 23,404,000

Federal funds purchased at December 31, 2010 were \$2,216,000. There were no outstanding borrowings or federal funds purchased at December 31, 2009.

BOK BANCSHARES, INC. AND SUBSIDIARIES
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December 31, 2010 and 2009

Note 7: Deposits

Time deposits maturing in years ending December 31 were as follows:

	2010	2009
2010	\$ -	\$ 4,002,896
2011	2,042,735	2,042,735
2012	4,107,268	4,107,268
2013	3,191,083	3,191,083
	<u>\$ 9,341,086</u>	<u>\$ 13,343,982</u>

There were no time deposits greater than \$250,000 at December 31, 2010 and 2009.

Note 8: Safekeeping

The Bank provides a security safekeeping service to its customer banks. The total face amount of securities held in safekeeping is \$4,381,965,954 at December 31, 2010 and \$3,609,782,771 at December 31, 2009.

Note 9: Related Party Transactions

The purpose of the Bank is to provide services to other banks. Some of these banks are stockholders of the Bank's parent company; therefore, a portion of the demand deposits, federal funds, loans, and income are transactions with related parties.

Direct loans to parent companies and directors of these related party banks total \$242,359 and \$4,992,721 at December 31, 2010 and 2009, respectively. Additionally, the Bank participates in loans originated by related party banks totaling \$26,550,540 and \$37,261,306 at December 31, 2010 and 2009, respectively.

Note 10: Federal Funds Agency Pools

The Bank acts as an agent and manages Federal Funds Agency Pools for customer banks. The balance of the pools varies daily. The Federal Funds Agency Pools consisted of funds totaling \$138,080,000 and \$174,292,000 at December 31, 2010 and 2009, respectively. The Bank is also an approved agent for the Federal Reserve's Excess Balance Account (EBA) program, implemented in July of 2009. Balances held in this account for customers at December 31, 2010 and 2009 totaled \$386,248,000 and \$297,145,000, respectively.

Note 11: Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Bank has outstanding commitments and contingent liabilities, such as commitments to extend credit at both fixed and variable rates and standby letters of credit, which are not included in the accompanying consolidated financial statements. The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of those instruments. The Bank uses the same credit policies in making such commitments as it does for instruments that are included in the consolidated balance sheet.

Financial instruments whose contract amount represents credit risk were as follows as of December 31.:

	2010		2009	
	Face Amount	Fair Value	Face Amount	Fair Value
Commitments to extend credit	\$ 6,416,381	\$ 6,416,381	\$ 13,189,352	\$ 13,189,352
Standby letters of credit	114,000	114,000	574,695	574,695
Unused credit card lines	72,781,135	72,781,135	70,423,252	70,423,252

BBOK BANCSHARES, INC. AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 11: Financial Instruments with Off-Balance Sheet Risk (Continued)

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. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income producing commercial properties.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third-party. Standby letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit.

The fair value of financial instruments with off-balance sheet risk is estimated to be equivalent to the face values of the commitments.

Note 12: Income Taxes

BBOK Bancshares, Inc. and the Bank file a consolidated federal tax return. In accordance with Kansas law, the Bank files a privilege tax return which is the income of the Bank only and is also prepared on an accrual basis.

The consolidated provision for income taxes for the year ending December 31 consists of the following:

	2010	2009
Income tax expense		
Current tax expense		
Federal	\$ 703,340	\$ 910,576
State	89,113	105,162
Deferred tax (benefit)		
Federal	(262,377)	(178,698)
State	(35,306)	(24,047)
Total	\$ 494,770	\$ 812,993

The provision for federal income taxes differs from that computed by applying federal statutory rates to income before federal income tax expense, as indicated in the following analysis:

	2010	2009
Federal statutory income tax at 34%	\$ 541,613	\$ 829,453
Tax exempt interest	(27,793)	(27,792)
State income taxes	73,269	110,307
Other	(92,319)	(98,975)
Total	\$ 494,770	\$ 812,993

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 12: Income Taxes (Continued)

The components of the net deferred income tax asset (liability) are as follows:

	<u>2010</u>	<u>2009</u>
Deferred tax asset (liability)		
Federal	\$ 509,037	\$ 362,759
State	59,887	42,677
Deferred tax on AFS securities		
Federal	(12,035)	(14,284)
State	(1,416)	(1,681)
Total	<u>\$ 555,473</u>	<u>\$ 389,471</u>

The tax effects of each type of income and expense item that gives rise to deferred taxes are:

	<u>2010</u>	<u>2009</u>
Deferred tax on AFS securities	\$ (13,451)	\$ (15,965)
Depreciation and amortization	(276,581)	(242,507)
Deferred gain	12,450	12,300
Bad debt expense	958,216	631,165
Deferred compensation	222,515	185,126
Other	(347,676)	(180,648)
Total	<u>\$ 555,473</u>	<u>\$ 389,471</u>

Accrued income taxes include the following components as of December 31,:

	<u>2010</u>		<u>2009</u>	
	<u>Bank Only</u>	<u>Consolidated</u>	<u>Bank Only</u>	<u>Consolidated</u>
Federal				
Currently due to (from) Bank	\$ -	\$ -	\$ -	\$ -
Deferred tax due to (from) Bank	-	-	-	-
Currently due to (from) IRS	(84,189)	(84,189)	(24,252)	(24,252)
Deferred taxes receivable from IRS	(823,940)	(823,940)	(596,645)	(596,645)
Total	<u>\$ (908,129)</u>	<u>\$ (908,129)</u>	<u>\$ (620,897)</u>	<u>\$ (620,897)</u>
Kansas				
Currently due to (from) Kansas	(16,887)	(16,887)	(1,938)	(1,938)
Deferred taxes payable	(96,934)	(96,934)	(70,194)	(70,194)
Unrealized gain on AFS securities: Deferred taxes payable (receivable)	13,451	13,451	15,965	15,965
Total	<u>\$ (1,008,499)</u>	<u>\$ (1,008,499)</u>	<u>\$ (677,064)</u>	<u>\$ (677,064)</u>

The Bank files income tax returns in the U.S. federal jurisdiction and state jurisdictions. The Bank is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before December 31, 2007.

The Bank follows the provisions of uncertain tax positions as addressed in ASC 740-10-65-1. The Bank recognized no increase in the liability for unrecognized tax benefits. The Bank has no tax position at December 31, 2010 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Bank recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Bank had no accruals for interest and penalties at December 31, 2010.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 13: Bankers' Banc Investment Services, LLC

Bankers' Banc Investment Services, LLC was formed in 2006 to provide additional services to customers. BOK Bancshares, Inc. holds a 7.5% interest and the carrying value is reflected using the equity method of accounting. Its carrying value is \$893,051 and \$743,589 as of December 31, 2010 and 2009, respectively.

Note 14: Employee Benefit Plan

The Bank maintains a 401(k) profit sharing plan. This plan permits, after six months of employment, participants to make contributions by salary reduction, with matching by the Bank of 33% up to 6%. Contributions to the profit sharing plan made by the Bank are discretionary. The Bank made matching contributions of \$44,232 and \$41,270 to the 401(k) plan and contributions of \$67,000 and \$84,000 to the profit sharing plan for the years ended December 31, 2010 and 2009, respectively.

Note 15: Deferred Compensation

The Bank has deferred compensation agreements with certain officers whereby stipulated amounts will be paid to them over a period of 15 years upon their retirement or termination. Amounts accrued under these agreements aggregate \$585,566 and \$487,173 as of December 31, 2010 and 2009, respectively, and are accrued over the period of active employment and have been funded by life insurance contracts.

Note 16: Regulatory Capital Requirements

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings and other factors.

Quantitative measures, established by regulation to ensure capital adequacy, require the Bank to maintain minimum amounts and ratios of total risk-based capital and Tier I capital to risk-weighted assets (as defined in the regulations), and Tier I capital to adjusted total assets (as defined). Management believes that, as of December 31, 2010 and 2009, the Bank meets all the capital adequacy requirements to which it is subject.

The Bank can only declare dividends if it is in compliance with a capital plan approved by regulatory authorities, is in compliance with 12 U.S.C. sections 56 and 60, and has received prior written approval from regulatory authorities.

As of the most recent notification from the OCC, the Bank was categorized as well capitalized under the regulatory framework for prompt corrective action. To remain categorized as well capitalized, the Bank will have to maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as disclosed in the table below. There are no conditions or events since the most recent notification that management believes have changed the Bank's prompt corrective action category.

The Bank's actual and required capital amounts and ratios are as follows (dollars in thousands):

	Actual		For Capital Adequacy Purposes				To be Well Capitalized under the Prompt Corrective Action Provisions			
	Amount	Ratio	Amount	Ratio	Amount	Ratio				
As of December 31, 2010										
Total capital (to risk-weighted assets)	\$ 17,696	16.31%	>	\$ 13,022	>	12.00%	>	\$ 10,851	>	10.00%
Tier I capital (to risk-weighted assets)	16,319	15.04%	>	9,777	>	9.00%	>	6,511	>	6.00%
Tier I capital (to average assets)	16,319	12.75%	>	11,523	>	9.00%	>	6,402	>	5.00%
As of December 31, 2009										
Total capital (to risk-weighted assets)	\$ 16,883	14.53%	>	\$ 9,294	>	8.00%	>	\$ 11,618	>	10.00%
Tier I capital (to risk-weighted assets)	15,422	13.27%	>	4,647	>	4.00%	>	6,971	>	6.00%
Tier I capital (to average assets)	15,422	11.12%	>	5,549	>	4.00%	>	6,936	>	5.00%

Notes to Financial Statements

BBOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 17: Fair Value Measurement

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value:

Cash and cash equivalents - The carrying amount of cash and cash equivalents is considered to approximate fair value and are classified as Level 1.

Available-for-sale (AFS) securities - The fair value of available-for-sale securities is determined using three methods: 1) obtaining quoted prices on a nationally recognized securities exchange (Level 1) or 2) matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2), or 3) unobservable inputs to the extent observable inputs are not available (Level 3). AFS securities includes US agencies and mortgage backed securities, municipal securities, and corporate securities. The Bank had no Level 3 securities at December 31, 2010 and 2009.

Interest bearing deposits in other banks - The carrying amount of interest bearing deposits in other banks is considered to approximate fair value and are classified as Level 1.

Collateral-dependent impaired loans - The Bank does not record loans at fair value on a recurring basis. However, from time to time, fair value adjustments are recorded on these loans to reflect (1) partial write-downs, through charge-offs or specific reserve allowances, that are based on the current appraised or market-quoted value of the underlying collateral or (2) the full charge-off of the loan carrying value. Fair value estimates for collateral-dependent impaired loans are obtained from appraisal values, less estimated selling costs (Level 2).

Other real estate owned - Other real estate owned is recorded at fair value less estimated cost to sell at time of foreclosure. From time to time, fair value adjustments are recorded to reflect write-downs in fair value. Fair values are determined based upon appraised values (Level 2).

The following table provides the hierarchy and fair value for each major category of assets and liabilities measured at fair value at December 31, 2010:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	\$ 15,807,480	\$ -	\$ -	\$ 15,807,480
Securities available-for-sale	-	1,987,815	-	1,987,815
Interest bearing deposits in other banks	-	-	-	-
Assets measured at fair value on a non-recurring basis				
Collateral-dependent impaired loans - Net of specific reserves	\$ -	\$ 1,322,761	\$ -	\$ 1,322,761
Other real estate owned	-	533,190	-	533,190

Collateral-dependent impaired loans, which are measured for impairment using the fair value of the collateral, had a carrying value of \$1,811,761, with a specific reserve of \$489,000.

BBOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 17: Fair Value Measurement (Continued)

The following table provides the hierarchy and fair value for each major category of assets and liabilities measured at fair value at December 31, 2009:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	\$23,873,535	\$ -	\$ -	\$23,873,535
Securities available-for-sale	-	2,333,860	-	2,333,860
Interest bearing deposits in other banks	250,000	-	-	250,000
Assets measured at fair value on a non-recurring basis				
Collateral-dependent impaired loans - Net of specific reserves	\$ -	\$ 1,453,813	\$ -	\$ 1,453,813
Other real estate owned	-	722,844	-	722,844

Collateral-dependent impaired loans, which are measured for impairment using the fair value of the collateral, had a carrying value of \$1,622,598, with a specific reserve of \$168,785.

Note 18: Fair Value of Financial Instruments

GAAP specifies the disclosure of the estimated fair value of financial instruments. The Bank's estimated fair value amounts have been determined by the Bank using available market information and appropriate valuation methodologies. However, considerable judgment is required to develop the estimates of fair value. Accordingly, the estimates are not necessarily indicative of the amounts the Bank could have realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The following methods and assumptions were used by the Bank in estimating fair values of financial instruments:

Cash and cash equivalents - The carrying values reported in the balance sheets approximate fair values due to the short-term nature of the assets.

Interest bearing deposits in other banks - See preceding Fair Value Measurement footnote disclosure.

Investment securities - See preceding Fair Value Measurement footnote disclosure.

Loans - Fair value is estimated by management to be equivalent to the carrying value after the appropriate loan loss reserve provision has been applied.

FHLB and FRB stock - The carrying amount approximates fair value, as the stock may be sold back to the FHLB and FRB at carrying value, and no other market exists for the sale of this stock.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2010 and 2009

Note 18: Fair Value of Financial Instruments (Continued)

Accrued interest receivable and payable - The carrying amounts approximate fair value due to the short-term nature of these items.

Deposits - The fair value of deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

Federal funds purchased - The carrying amount approximates fair value due to the short-term nature of these items.

Limitations - Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Bank's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Bank's financial instruments, fair value estimates are based on judgments regarding future loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Fair value estimates are based on existing balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments.

The estimated fair values of the Bank's financial instruments are as follows at year end:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Interest bearing deposits in other banks	\$ -	\$ -	\$ 250,000	\$ 250,000
Cash and cash equivalents	15,807,480	15,807,480	23,873,535	23,873,535
Loans - Net of allowance	94,999,106	94,999,106	100,113,611	100,113,611
Investment securities	1,987,815	1,987,815	2,333,860	2,333,860
FHLB stock	271,000	271,000	240,800	240,800
FRB stock	126,850	126,850	126,850	126,850
Accrued interest receivable	783,036	783,036	620,837	620,837
Financial Liabilities				
Deposits	\$ 101,907,257	\$ 101,907,257	\$ 118,177,926	\$ 118,177,926
Federal funds purchased	2,216,000	2,216,000	-	-
Accrued interest payable	55,086	55,086	64,510	64,510

Note 19: Advertising

The Bank uses advertising to promote their business. The costs of advertising are expensed as incurred. The advertising cost totaled \$115,235 and \$126,589 for the years ended December 31, 2010 and 2009, respectively.

SUPPLEMENTAL INFORMATION

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas

CONSOLIDATING SCHEDULE - STATEMENT OF CONDITION
December 31, 2010

ASSETS	Bankers' Bank of Kansas, N.A.	BOK Bancshares, Inc.	BOK Financial Services, Inc.	Elimination	Consolidation
Due from banks	\$ 8,247,480	\$ 189,484	\$ 313,061	\$ (502,545)	\$ 8,247,480
Federal funds sold	7,560,000	-	-	-	7,560,000
Total Cash and Cash Equivalents	\$ 15,807,480	\$ 189,484	\$ 313,061	\$ (502,545)	\$ 15,807,480
Interest bearing deposits in other banks	-	-	-	-	-
Investment securities - At market	1,987,815	-	-	-	1,987,815
Loans - Net	94,999,108	-	-	-	94,999,108
Bank furniture, equipment and buildings - Net	1,905,198	-	-	-	1,905,198
Accrued interest receivable	783,036	-	-	-	783,036
Federal Reserve Bank stock	126,850	-	-	-	126,850
Federal Home Loan Bank stock	271,000	-	-	-	271,000
Bankers' Banc Investment Services stock	-	893,051	-	-	893,051
Other real estate owned	533,190	-	-	-	533,190
Investment in subsidiary	328,916	16,339,589	-	(16,668,505)	-
Notes receivable	-	12,000	-	-	12,000
Other assets	5,062,084	-	15,855	-	5,077,939
TOTAL ASSETS	\$ 121,804,675	\$ 17,434,124	\$ 328,916	\$ (17,171,050)	\$ 122,396,665
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities					
Deposits	\$ 102,408,802	\$ -	\$ -	\$ (502,545)	\$ 101,907,257
Federal funds purchased	2,216,000	-	-	-	2,216,000
Dividends payable	-	106,700	-	-	106,700
Borrowings	-	216,000	-	-	216,000
Other liabilities	839,284	-	-	-	839,284
Total Liabilities	\$ 105,465,086	\$ 322,700	\$ -	\$ (502,545)	\$ 105,285,241
Stockholders' Equity					
Common stock - \$100 par value	\$ 750,000	\$ 2,296,300	\$ 80,000	\$ (830,000)	\$ 2,296,300
Surplus	3,478,000	4,364,075	-	(3,478,000)	4,364,075
Less: Treasury stock	-	(754,065)	-	-	(754,065)
Net accumulated other comprehensive income	21,039	21,039	-	(21,039)	21,039
Undivided profits	12,090,550	11,184,075	248,916	(12,339,466)	11,184,075
Total Stockholders' Equity	\$ 16,339,589	\$ 17,111,424	\$ 328,916	\$ (16,668,505)	\$ 17,111,424
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 121,804,675	\$ 17,434,124	\$ 328,916	\$ (17,171,050)	\$ 122,396,665

The accompanying notes are an integral part of these financial statements.

Financial Statements

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATING SCHEDULE - STATEMENT OF CONDITION
December 31, 2009

	Bankers' Bank of Kansas, N.A.	BOK Bancshares, Inc.	BOK Financial Services, Inc.	Elimination	Consolidation
ASSETS					
Due from banks	\$ 3,578,535	\$ 134,527	\$ 294,079	\$ (428,606)	\$ 3,578,535
Federal funds sold	20,295,000	-	-	-	20,295,000
Total Cash and Cash Equivalents	\$ 23,873,535	\$ 134,527	\$ 294,079	\$ (428,606)	\$ 23,873,535
Interest bearing deposits in other banks	250,000	-	-	-	250,000
Investment securities - At market	2,333,860	-	-	-	2,333,860
Loans - Net	100,113,611	-	-	-	100,113,611
Bank furniture, equipment and buildings - Net	1,855,764	-	-	-	1,855,764
Accrued interest receivable	620,837	-	-	-	620,837
Federal Reserve Bank stock	126,850	-	-	-	126,850
Federal Home Loan Bank stock	240,800	-	-	-	240,800
Bankers' Banc Investment Services stock	-	743,589	-	-	743,589
Other real estate owned	722,844	-	-	-	722,844
Investment in subsidiary	294,079	15,447,341	-	(15,741,420)	-
Notes receivable	-	12,000	-	-	12,000
Other assets	4,510,444	-	-	-	4,510,444
TOTAL ASSETS	\$ 134,942,624	\$ 16,337,457	\$ 294,079	\$ (16,170,026)	\$ 135,404,134
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities					
Deposits	\$ 118,608,532	\$ -	\$ -	\$ (428,606)	\$ 118,177,926
Federal funds purchased	-	-	-	-	-
Dividends payable	-	213,420	-	-	213,420
Borrowings	-	-	-	-	-
Other liabilities	888,751	-	-	-	888,751
Total Liabilities	\$ 119,495,283	\$ 213,420	\$ -	\$ (428,606)	\$ 119,280,097
Stockholders' Equity					
Common stock - \$100 par value	\$ 750,000	\$ 2,268,300	\$ 80,000	\$ (630,000)	\$ 2,268,300
Surplus	3,478,000	4,176,825	-	(3,478,000)	4,176,825
Less: Treasury stock	-	(538,625)	-	-	(538,625)
Net accumulated other comprehensive income	24,971	24,971	-	(24,971)	24,971
Undivided profits	11,194,370	10,192,566	214,079	(11,408,449)	10,192,566
Total Stockholders' Equity	\$ 15,447,341	\$ 16,124,037	\$ 294,079	\$ (15,741,420)	\$ 16,124,037
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 134,942,624	\$ 16,337,457	\$ 294,079	\$ (16,170,026)	\$ 135,404,134

The accompanying notes are an integral part of these financial statements.

Financial Statements

BBOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATING SCHEDULE - STATEMENT OF INCOME
For the Year Ended December 31, 2010

	Bankers' Bank of Kansas, N.A.	BBOK Bancshares, Inc.	BBOK Financial Services, Inc.	Elimination	Consolidation
INTEREST INCOME					
Interest on loans	\$ 5,415,466	\$ -	\$ -	\$ -	\$ 5,415,466
Interest on federal funds sold	56,246	-	-	-	56,246
Interest on securities and time deposits	74,401	-	-	-	74,401
Total Interest Income	\$ 5,546,113	\$ -	\$ -	\$ -	\$ 5,546,113
INTEREST EXPENSE					
Interest on line of credit	\$ -	\$ 4,900	\$ -	\$ -	\$ 4,900
Interest on federal funds purchased and time deposits	400,737	-	-	-	400,737
Total Interest Expense	\$ 400,737	\$ 4,900	\$ -	\$ -	\$ 405,637
Net Interest Income	\$ 5,145,376	\$ (4,900)	\$ -	\$ -	\$ 5,145,376
Provisions for loan losses	1,675,000	-	-	-	1,675,000
Net Interest Income after Provision for Loan Losses	\$ 3,470,376	\$ (4,900)	\$ -	\$ -	\$ 3,465,476
OTHER INCOME					
Net income of Bankers' Bank of Kansas	\$ -	\$ 896,180	\$ -	\$ (896,180)	\$ -
Share of income from Bankers' Banc Investment Services	-	207,920	-	-	207,920
Operations fee income	4,154,045	-	-	-	4,154,045
Credit card fee income	2,102,099	-	-	-	2,102,099
Leasing fee income	35,203	-	-	-	35,203
Other income	545,382	-	173,976	(34,837)	684,521
Total Other Income	\$ 6,836,729	\$ 1,104,100	\$ 173,976	\$ (931,017)	\$ 7,183,788
OTHER EXPENSES					
Salaries, employee benefits and payroll taxes	\$ 3,463,648	\$ -	\$ 134,513	\$ -	\$ 3,598,161
Net occupancy expense including depreciation	376,073	-	-	-	376,073
Items processing	2,568,222	-	-	-	2,568,222
Credit cards	186,544	-	-	-	186,544
Universal card	373,798	-	-	-	373,798
Rebilled postage	164,095	-	-	-	164,095
Enhancement fees	218,424	-	-	-	218,424
Directors' expenses	164,266	-	-	-	164,266
FDIC insurance	301,807	-	-	-	301,807
Other real estate owned expense	209,424	-	4,628	-	209,424
Other operating expenses	899,854	981	-	-	895,471
Total Other Expenses	\$ 8,916,155	\$ 981	\$ 139,139	\$ -	\$ 9,056,285
NET INCOME BEFORE TAX	\$ 1,390,950	\$ 1,098,209	\$ 34,837	\$ (931,017)	\$ 1,592,979
Income tax	494,770	-	-	-	494,770
NET INCOME	\$ 896,180	\$ 1,098,209	\$ 34,837	\$ (931,017)	\$ 1,098,209

The accompanying notes are an integral part of these financial statements.

BOK BANCSHARES, INC. AND SUBSIDIARIES
Wichita, Kansas
CONSOLIDATING SCHEDULE - STATEMENT OF INCOME
For the Year Ended December 31, 2009

	Bankers' Bank of Kansas, N.A.	BOK Bancshares, Inc.	BOK Financial Services, Inc.	Elimination	Consolidation
INTEREST INCOME					
Interest on loans	\$ 5,489,135	\$ -	\$ -	\$ -	\$ 5,489,135
Interest on federal funds sold	81,580	-	-	-	81,580
Interest on securities and time deposits	107,756	-	-	-	107,756
Total Interest Income	<u>\$ 5,678,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,678,471</u>
INTEREST EXPENSE					
Interest on line of credit	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on federal funds purchased and time deposits	509,377	-	-	-	509,377
Total Interest Expense	<u>\$ 509,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,377</u>
Net Interest Income	\$ 5,169,094	\$ -	\$ -	\$ -	\$ 5,169,094
Provisions for loan losses	1,115,000	-	-	-	1,115,000
Net Interest Income after Provision for Loan Losses	<u>\$ 4,054,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,054,094</u>
OTHER INCOME					
Net income of Bankers' Bank of Kansas	\$ -	\$ 1,410,921	\$ -	\$ (1,410,921)	\$ -
Share of income from Bankers' Banc Investment Services	-	217,737	-	-	217,737
Operations fee income	4,463,448	-	-	-	4,463,448
Credit card fee income	1,801,481	-	-	-	1,801,481
Leasing fee income	387,992	-	-	-	387,992
Other income	389,668	-	179,972	(42,679)	526,961
Total Other Income	<u>\$ 7,042,589</u>	<u>\$ 1,628,658</u>	<u>\$ 179,972</u>	<u>\$ (1,453,600)</u>	<u>\$ 7,397,619</u>
OTHER EXPENSES					
Salaries, employee benefits and payroll taxes	\$ 3,448,432	\$ -	\$ 130,945	\$ -	\$ 3,579,377
Net occupancy expense including depreciation	412,570	-	-	-	412,570
Items processing	2,861,009	-	-	-	2,861,009
Credit cards	168,308	-	-	-	168,308
Universal card	270,534	-	-	-	270,534
Rebilled postage	181,854	-	-	-	181,854
Enhancement fees	164,500	-	-	-	164,500
Directors' expenses	166,259	-	-	-	166,259
FDIC insurance	290,319	-	-	-	290,319
Other real estate owned expense	46,981	-	-	-	46,981
Other operating expenses	862,003	2,084	6,348	-	870,435
Total Other Expenses	<u>\$ 8,872,769</u>	<u>\$ 2,084</u>	<u>\$ 137,293</u>	<u>\$ -</u>	<u>\$ 9,012,146</u>
NET INCOME BEFORE TAX	\$ 2,223,914	\$ 1,628,574	\$ 42,679	\$ (1,453,600)	\$ 2,439,567
Income tax	812,993	-	-	-	812,993
NET INCOME	<u>\$ 1,410,921</u>	<u>\$ 1,628,574</u>	<u>\$ 42,679</u>	<u>\$ (1,453,600)</u>	<u>\$ 1,628,574</u>

The accompanying notes are an integral part of these financial statements.

Financial Statements