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May 7, 2013

Office of the Comptroller of the Currency
250 E Street, S.W., Mail Stop 2-3
Washington, DC 20219

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
Attention: Robert deV. Frierson, Secretary

Re: Comments on proposed DFAST reporting templates for \$10-\$50 billion banks

Ladies and Gentlemen:

BOK Financial is a \$27 billion full-service commercial banking organization with branches serving Oklahoma, Texas, New Mexico, Arizona, Colorado, Kansas, and Arkansas. We appreciate the opportunity to provide comments on the proposed reporting templates for Dodd-Frank act stress testing requirements for \$10-\$50 billion financial institutions. We have a few comments that we hope will support an effective stress testing process.

Timing

We appreciate the regulatory agencies publishing the NPR for the templates on an accelerated timeline and we hope the regulatory agencies can provide their final templates fairly quickly. We are concerned about the turnaround time of building new functionality into our models to supply the particular details required by the templates.

Consistency

We greatly appreciate the high degree of consistency between reporting templates from the different regulatory agencies and hope this consistency remains in the final versions.

Level of detail required and the tradeoff between detail and functionality

We believe the role of stress testing to be an important one in risk management. Our experience has been that constructing models to be as simple as possible while still appropriately capturing the relevant risk dynamics makes for the best outcomes. Unnecessary complexity makes models more error-prone, slower to run and more difficult to keep tabs on all the moving parts. These models are complex enough as it is without adding unnecessary components. Since models often are run with many permutations, adding variables or components make the volume of information processed

increase rapidly. Excessive detail and complexity can actually detract from the value of a risk modeling process and we hope our comments will be taken within the context of maximizing the effectiveness of the DFAST.

The level of detail requested in the templates in certain categories requires more detail than we were expecting and a level which in some cases will require mid-sized banks to forecast several relatively low-value components.

We are sympathetic to the needs of regulatory agencies to have sufficient information to evaluate stress testing results, and we are capable of building whatever is ultimately required, but would like to express where we see the trade-offs favoring less information in the templates.

Loan categories: We understand the supervisory value of the loan categories as defined, however \$10-\$50 billion banks will not universally have data history which will accommodate the construction of loss models for each of the categories as defined and will not universally have significant volumes of loans in each of the categories as defined. Please allow mid-sized banks to have the flexibility to bridge the gap in the best way possible given the unique circumstances we each face, so that we can deliver high quality results and fulfill the regulatory template categories at the same time.

The proposed templates have separated 1-4 family construction loans from all other construction loans. We would prefer these categories to be combined into a single construction loan category, and observe that this is a level of detail which is greater than that asked of the CCAR banks. Mid Sized banks do not generally have data granularity greater than that of the CCAR banks. It will take years to accumulate the necessary experiential data to adequately specify economic-scenario-sensitive loss models for new categories.

Retail and Wholesale funding: We strongly prefer that these two items be collapsed into a single funding line item, or at least change the two categories to be a) total deposits and b) all other funding. Separating out the projected balances and rates paid in the manner defined in the NPR would involve a disproportionate amount of work and affect other models thereby adding unnecessary complexity to those models as well. We rely on existing established models to forecast the balance sheet component of the stress test, and changing those models would introduce unnecessary complexity into other modeling processes.

Memoranda relating to Average Rates for Retail and Wholesale Funding: Providing average rates on funding items would be considerably easier if the retail funding and wholesale funding categories were combined into one funding category, or at least re-defined as simply a) deposits and b) other funding.

Troubled Debt Restructuring: We would prefer that this be eliminated from the data template as it is not a necessary step in forecasting losses.

Loans secured by 1-4 family in foreclosure: We would prefer that this be eliminated from the data template as it is also not a universally necessary step in forecasting losses. Depending on business model and footprint this could be an important element in loss forecasting, and for those banks that need it I expect they will incorporate it or be encouraged to do so. This does not seem to be a high value item to mandate.

Gains and Losses on OREO: We would prefer this to be eliminated from the template as we believe this is reasonable for banks to forecast this element combined with other OREO expenses.

Common Stock, Retained Earnings, Surplus, and Other Equity Capital

Components: We strongly prefer that these items (41 through 44 of the OCC template) be collapsed together into a single item. The first three are all elements of Tier 1 Common and have no value in being tracked separately for purposes of understanding regulatory capital or tangible common equity. The last item is not homogenous in its incorporation into Tier 1 Capital. The reporting requirements for regulatory capital (items 53 through 71) will provide a solid understanding of capital adequacy without items 41-44 adding unnecessary complication.

Lastly, it might be worth evaluating if RCONK223 needs to be subtracted from row 35 of the OCC template since it is added to row 36, and may already be included in the line item RCON2200.

We believe the goal is to have a strong stress testing process which is insightful and adds to the strength of the financial system, and we hope that our comments will be useful in achieving that goal. Please let us know if we can clarify any of the above views.

Sincerely,



Martin Grunst, CFA
EVP and Treasurer