

BANCFIRST CORP /OK/  
Form 8-K  
February 25, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 25, 2011

**BANCFIRST CORPORATION**

(Exact name of registrant as specified in its charter)

Oklahoma  
(State or other jurisdiction

of incorporation)

0-14384  
(Commission

File Number)

73-1221379  
(I.R.S. Employer

Identification No.)

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**101 N Broadway, Oklahoma City, OK**

**(Address of principal executive offices)**

**Registrant's telephone number, including area code (405) 270-1086**

**73102**

**(Zip Code)**

**(Former name or former address, if changed since last report.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ..  Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ..  Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ..  Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ..  Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01. Regulation FD Disclosure.**

The following unaudited financial information is being provided as of the filing date of this Report, pursuant to Item 7.01 of Form 8-K,

Regulation FD Disclosure. Pursuant to general instruction B.2 to Form 8-K, the information furnished pursuant to Item 7.01 shall not be deemed to be filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section.

**BANCFIRST CORPORATION****CONSOLIDATED BALANCE SHEET****(Unaudited)****(Dollars in thousands, except per share data)**

|  | <b>December 31,</b> |              |
|--|---------------------|--------------|
|  | <b>2010</b>         | <b>2009</b>  |
| <b>ASSETS</b>  |                     |              |
| Cash and due from banks  | \$ 93,059           | \$ 106,856   |
| Interest-bearing deposits with banks   | 1,111,020           | 929,654      |
| Federal funds sold   | 41,207              | 5,000        |
| Securities (market value: \$746,972 and \$418,112, respectively)   | 746,343             | 417,172      |
| Loans:   |                     |              |
| Total loans (net of unearned interest)   | 2,811,964           | 2,738,654    |
| Allowance for loan losses  | (35,745)            | (36,383)     |
| Loans, net   | 2,776,219           | 2,702,271    |
| Premises and equipment, net  | 97,796              | 91,794       |
| Other real estate owned, net   | 22,956              | 9,505        |
| Intangible assets, net   | 11,610              | 7,144        |
| Goodwill   | 44,548              | 34,684       |
| Accrued interest receivable  | 21,914              | 21,670       |
| Other assets   | 93,577              | 90,365       |
| Total assets   | \$ 5,060,249        | \$ 4,416,115 |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |                     |              |
| Deposits:  |                     |              |
| Noninterest-bearing  | \$ 1,318,431        | \$ 1,157,688 |
| Interest-bearing   | 3,185,323           | 2,771,328    |
| Total deposits   | 4,503,754           | 3,929,016    |
| Short-term borrowings  | 7,250               | 100          |
| Accrued interest payable   | 3,235               | 3,886        |
| Long-term borrowings   | 34,265              |              |
| Other liabilities  | 24,285              | 25,559       |
| Junior subordinated debentures   | 28,866              | 26,804       |
| Total liabilities  | 4,601,655           | 3,985,365    |
| Stockholders equity:   |                     |              |
| Senior preferred stock, \$1.00 par; 10,000,000 shares authorized; none issued  |                     |              |
| Cumulative preferred stock, \$5.00 par; 900,000 shares authorized; none issued   |                     |              |
| Common stock, \$1.00 par; 20,000,000 shares authorized; shares issued and outstanding: 15,368,717 and 15,308,741, respectively | 15,369              | 15,309       |
| Capital surplus  | 73,040              | 69,725       |
| Retained earnings  | 361,680             | 334,693      |

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|  |              |              |
|--|--------------|--------------|
| Accumulated other comprehensive income, net of income tax of \$(5,611) and \$(5,915), respectively | 8,505        | 11,023       |
| Total stockholders' equity   | 458,594      | 430,750      |
| Total liabilities and stockholders' equity   | \$ 5,060,249 | \$ 4,416,115 |

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

**BANCFIRST CORPORATION**  
**CONSOLIDATED STATEMENT OF INCOME**

(Unaudited)

(Dollars in thousands, except per share data)

|   | Three Months Ended<br>December 31, |           | Year Ended<br>December 31, |            |
|---|------------------------------------|-----------|----------------------------|------------|
|   | 2010                               | 2009      | 2010                       | 2009       |
| <b>INTEREST INCOME</b>                              |                                    |           |                            |            |
| Loans, including fees                               | \$ 39,846                          | \$ 38,297 | \$ 154,822                 | \$ 152,731 |
| Securities:   |                                    |           |                            |            |
| Taxable   | 3,211                              | 3,079     | 12,378                     | 13,436     |
| Tax-exempt  | 348                                | 330       | 1,243                      | 1,398      |
| Federal funds sold                                  | 11                                 |           | 12                         | 1          |
| Interest-bearing deposits with banks                | 718                                | 642       | 2,462                      | 2,240      |
| Total interest income                               | 44,134                             | 42,348    | 170,917                    | 169,806    |
| <b>INTEREST EXPENSE</b>                             |                                    |           |                            |            |
| Deposits  | 6,378                              | 7,786     | 26,081                     | 36,508     |
| Short-term borrowings                               | 4                                  |           | 6                          | 11         |
| Long-term borrowings                                | 61                                 |           | 61                         |            |
| Junior subordinated debentures                      | 519                                | 492       | 1,993                      | 1,966      |
| Total interest expense                              | 6,962                              | 8,278     | 28,141                     | 38,485     |
| Net interest income                                 | 37,172                             | 34,070    | 142,776                    | 131,321    |
| Provision for loan losses                           | 718                                | 1,175     | 2,954                      | 10,389     |
| Net interest income after provision for loan losses | 36,454                             | 32,895    | 139,822                    | 120,932    |
| <b>NONINTEREST INCOME</b>                           |                                    |           |                            |            |
| Trust revenue                                       | 1,569                              | 1,472     | 6,288                      | 5,826      |
| Service charges on deposits                         | 10,343                             | 9,809     | 39,343                     | 37,096     |
| Securities transactions                             | 5                                  | 14        | 324                        | 336        |
| Income from sales of loans                          | 1,629                              | 622       | 2,942                      | 2,779      |
| Insurance commissions                               | 2,003                              | 1,556     | 8,543                      | 6,979      |
| Cash management                                     | 1,667                              | 1,611     | 6,536                      | 8,476      |
| (Loss)/gain on sale of other assets                 | (2)                                | 62        | 379                        | 213        |
| Other   | 1,573                              | 1,014     | 5,564                      | 5,159      |
| Total noninterest income                            | 18,787                             | 16,160    | 69,919                     | 66,864     |
| <b>NONINTEREST EXPENSE</b>                          |                                    |           |                            |            |
| Salaries and employee benefits                      | 22,009                             | 19,068    | 82,359                     | 79,019     |
| Occupancy and fixed assets expense, net             | 2,483                              | 2,135     | 9,050                      | 8,346      |
| Depreciation  | 1,898                              | 1,965     | 7,424                      | 7,520      |
| Amortization of intangibles assets                  | 330                                | 251       | 1,107                      | 920        |
| Data processing services                            | 1,152                              | 927       | 4,352                      | 3,636      |
| Net expense (income) from other real estate owned   | 572                                | (7)       | 948                        | 366        |
| Marketing and business promotions                   | 1,800                              | 1,685     | 5,887                      | 5,529      |
| Deposit insurance                                   | 1,349                              | 1,471     | 5,722                      | 7,833      |

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|  |          |          |           |           |
|--|----------|----------|-----------|-----------|
| Other  | 7,707    | 6,394    | 27,246    | 25,948    |
| Total noninterest expense                                    | 39,300   | 33,889   | 144,095   | 139,117   |
| Income before taxes  | 15,941   | 15,166   | 65,646    | 48,679    |
| Income tax expense   | 5,764    | 5,332    | 23,337    | 16,070    |
| Net income   | 10,177   | 9,834    | 42,309    | 32,609    |
| Other comprehensive income, net of tax:                      |          |          |           |           |
| Unrealized losses on securities                              | (2,265)  | (1,700)  | (2,729)   | (3,872)   |
| Reclassification adjustment for gains included in net income | 3        | 9        | 211       | 218       |
| Comprehensive income   | \$ 7,915 | \$ 8,143 | \$ 39,791 | \$ 28,955 |
| NET INCOME PER COMMON SHARE                                  |          |          |           |           |
| Basic  | \$ 0.66  | \$ 0.64  | \$ 2.76   | \$ 2.13   |
| Diluted  | \$ 0.65  | \$ 0.63  | \$ 2.70   | \$ 2.09   |

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

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**BANCFIRST CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**(1) GENERAL**

The accompanying consolidated financial statements include the accounts of BancFirst Corporation, Council Oak Partners, LLC, BancFirst Insurance Services Inc., Exchange National Bank of Moore, The Okemah National Bank and BancFirst and its subsidiaries (the Bank). The operating subsidiaries of BancFirst are Council Oak Investment Corporation, Council Oak Real Estate Inc., BancFirst Agency, Inc., Lenders Collection Corporation and BancFirst Community Development Corporation. All significant intercompany accounts and transactions have been eliminated. Assets held in a fiduciary or agency capacity are not assets of the Company and, accordingly, are not included in the consolidated financial statements.

The unaudited interim financial statements contained herein reflect all adjustments which are, in the opinion of management, necessary to provide a fair statement of the financial position and results of operations of the Company for the interim periods presented. All such adjustments are of a normal and recurring nature. There have been no significant changes in the accounting policies of the Company since December 31, 2009, the date of the most recent annual report.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States inherently involves the use of estimates and assumptions that affect the amounts reported in the financial statements and the related disclosures. These estimates relate principally to the determination of the allowance for loan losses, income taxes and the fair values of financial instruments. Such estimates and assumptions may change over time and actual amounts realized may differ from those reported.

**(2) RECENT ACCOUNTING PRONOUNCEMENTS**

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) was effective for the Company's financial statements for periods ending after September 15, 2009. On July 1, 2009, the ASC became the single source of authoritative non-governmental U.S. generally accepted accounting principles (GAAP). Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative guidance for SEC registrants. All guidance contained in the Codification carries an equal level of authority. All non-grandfathered, non-SEC accounting literature not included in the Codification is superseded and deemed non-authoritative. Implementation of this pronouncement did not have a significant impact on the Company's financial statements.

In December 2010, the FASB issued Accounting Standards Update (ASU) 2010-29 Business Combinations (Topic 805) - Disclosures of Supplementary Pro Forma Information for Business Combinations. The amendments in this update affect any public entity as defined in Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in the update specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments in this update also expand the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments in this update are effective prospectively for business combinations for which the acquisition date is on or after December 15, 2010. The Company has not had any material business combinations for the periods presented. The adoption of this update did not have an effect on the Company's financial statements.

In December 2010, the FASB issued ASU 2010-28 Intangibles - Goodwill and Other (Topic 350) - When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts. The amendments in this update affect all entities that have recognized goodwill and have one or more reporting units whose carrying amount for purposes of performing Step 1 of the goodwill impairment test is zero or negative. For public entities, the amendments in this update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Company does not have and does not expect to have any reporting units with zero or negative carrying amounts, therefore the adoption of this update is not expected to have an effect on the Company's financial statements.

In July 2010, the FASB issued ASU 2010-20 Receivables (Topic 310) - Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses, which expands the disclosure requirements





concerning the credit quality of an entity's financing receivables and its allowance for loan losses. Disclosures must be disaggregated by portfolio segment, the level at which an entity develops and documents a systematic method for determining its allowance for credit losses, and class of financing receivable, which is generally a desegregation of portfolio segment. The required disclosures include, among other things, a rollforward of the allowance for credit losses as well as information about modified, impaired, non-accrual and past due loans and credit quality indicators. The new disclosures that relate to information as of the end of the reporting period are effective as of December 31, 2010, whereas the disclosures related to activity that occurred during the reporting periods are effective January 1, 2011. ASU 2011-01, Receivables (Topic 350) Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20, temporarily deferred the effective date for disclosures related to troubled debt restructuring to coincide with the effective date of a proposed accounting standards update related to troubled debt restructurings, which is currently expected to be effective for periods ending after June 15, 2011. The adoption of this disclosure-only guidance is not expected to have an effect on the Company's financial statements.

In January 2010 the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. ASU 2010-06 amends Codification Subtopic 820-10 to now require entities to make new disclosures about the different classes of assets and liabilities measured at fair value. The new requirements are as follows: (1) a reporting entity should disclose separately the amounts of significant transfers between Level 1 and Level 2 fair-value measurements and the reasons for the transfers, and (2) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information on purchases, sales, issuances and settlements on a gross basis. The FASB also clarified existing fair-value measurement disclosure guidance about the level of disaggregation of assets and liabilities, and information about the valuation techniques and inputs used in estimating Level 2 and Level 3 fair-value measurements. Except for certain detailed Level 3 disclosures, which are effective for fiscal years beginning after December 15, 2010 and interim periods within those fiscal years, the new guidance is effective for the Company's financial statements for the periods ending after December 15, 2009. The adoption of this disclosure-only guidance did not have an effect on the Company's financial statements.

In April 2009 the FASB issued ASC Topic 320, Investments Debt and Equity Securities, Recognition and Presentation of Other-Than-Temporary Impairments which amends the other-than-temporary impairment guidance under GAAP for debt securities to make the guidance more operational and improve the presentation and disclosure in the financial statements. The ASU specifies that if a company does not have the intent to sell a debt security prior to recovery and it is more likely than not that it will not have to sell the debt security prior to recovery; the security would not be considered other-than-temporarily impaired unless there is a credit loss. The credit loss component of other-than-temporarily impaired debt security must be determined based on the company's best estimate of cash flows expected to be collected. This guidance became effective for the interim and annual periods ending after June 15, 2009. Implementation of this pronouncement did not have a significant impact on the Company's financial statements.

In March 2008, the FASB issued FASB ASC Topic 815, Derivatives and Hedging. New accounting guidance expanded the disclosure requirements for derivative and hedging activities to provide greater transparency about (i) how and why an entity uses derivative instruments, (ii) how derivative instruments and related hedge items are accounted for, and (iii) how derivative instruments and related hedged items affect an entity's financial position, results of operations and cash flows. The guidance requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. The guidance became effective for the Company on January 1, 2009. Implementation of this pronouncement did not have a significant impact on the Company's financial statements.

Effective January 1, 2008, the Company adopted the provisions of FASB ASC Topic 820, Fair Value Measurements and Disclosures, for financial assets and financial liabilities. The Company adopted the provisions of FASB ASC Topic 820 for non-financial assets and non-financial liabilities on January 1, 2009. FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. In April 2009 additional new accounting guidance under ASC Topic 820 expanded certain disclosure requirements. Determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly, provides additional guidance for estimating fair value in accordance with ASC Topic 820, when the volume and level of activity for the asset and liability have significantly decreased and for identifying circumstances that indicate a transaction is not orderly. ASC Topic 820 does not prescribe a methodology for making significant adjustments to transactions or quoted prices when estimating fair value in these situations but states that a change in valuation technique or the use of multiple valuation techniques may be appropriate. Interim disclosures about fair value of financial instruments requires companies to provide the same fair value of financial instruments disclosures presently required on an annual basis on a quarterly interim basis. This guidance became effective for the interim and annual periods ending after June 15, 2009. Implementation of this ASC Topic did not have a significant impact on the Company's financial statements.

Effective January 1, 2009, the Company adopted the provisions of FASB ASC Topic 805, Business Combinations, which established principles and requirements for the reporting entity in a business combination, including recognition and measurement in the financial statements of the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. This statement also established disclosure requirements to enable financial statement users to evaluate the nature and financial effects of the business combination. The provision applies prospectively to business combinations for which the acquisition date is on or after fiscal years beginning after December 15, 2008. Implementation of this pronouncement did not have a material effect on the Company's financial statements.

### **(3) RECENT DEVELOPMENTS; MERGERS, ACQUISITIONS AND DISPOSALS**

On December 15, 2010, the Company completed the acquisition of OK Bancorporation, Inc., and its subsidiary bank, The Okemah National Bank. As of November 30, 2010, The Okemah National Bank had approximately \$74 million in total assets, \$32 million in loans, \$59 million in deposits, and \$13 million in equity capital. The bank will operate as The Okemah National Bank until it is merged into BancFirst, which is expected to be during the fourth quarter of 2011. The acquisition did not have a material effect on the results of operations for the Company.

On December 10, 2010, the Company completed the acquisition of Exchange Bancshares of Moore, Inc., and its subsidiary bank, Exchange National Bank of Moore. As of November 30, 2010, Exchange National Bank of Moore had approximately \$146 million in total assets, \$57 million in loans, \$109 million in deposits, and \$13 million in equity capital. The bank will operate as Exchange National Bank of Moore until it is merged into BancFirst, which is expected to be during the second quarter of 2011. The acquisition did not have a material effect on the results of operations for the Company.

On October 8, 2010, the Company completed the acquisition of Union National Bancshares, Inc., and its subsidiary bank, Union Bank of Chandler with offices in Chandler and Tulsa, Oklahoma. As of September 30, 2010, Union Bank of Chandler had approximately \$132 million in total assets, \$90 million in loans, \$116 million in deposits, and \$15 million in equity capital. Union Bank of Chandler operated as a subsidiary of BancFirst Corporation until it was merged into BancFirst on November 12, 2010. The acquisition did not have a material effect on the results of operations for the Company.

The Company recorded \$13.6 million of goodwill and deposit intangibles as a result of the above combined acquisitions. The acquisitions added approximately \$337 million in total assets, \$167 million in loans and \$307 million in deposits. The effects of these acquisitions are included in the consolidated financial statements of the Company from the date of acquisition forward. The Company does not believe these acquisitions, individually or in aggregate are material to the Company's consolidated financial statements.

Effective as of July 1, 2010, the Company ceased participation in the Transaction Account Guarantee Program (TAGP) for extended coverage of noninterest-bearing transaction deposit accounts. Accordingly, the standard insurance amount was in effect for the Company's deposit accounts through December 31, 2010. In November 2010, the FDIC issued a final rule to implement provisions of the Dodd-Frank Act that provide for temporary unlimited coverage for non-interest-bearing transaction accounts. The separate coverage for non-interest-bearing transaction accounts became effective on December 31, 2010 and terminates on December 31, 2012.

On April 1, 2010, the Company's insurance agency BancFirst Insurance Services, Inc., formerly known as Wilcox, Jones & McGrath, Inc., completed its acquisition of RBC Agency, Inc., which has offices in Shawnee and Stillwater. BancFirst Insurance Services, Inc. has offices in Oklahoma City, Tulsa, Lawton and Muskogee. The acquisition did not have a material effect on the results of operations for the Company.

On March 21, 2010, Congress passed student loan reform centralizing student lending in a governmental agency, which as of June 30, 2010 resulted in an end to the student loan programs provided by the Company. As of December 31, 2010, the Company had approximately \$56 million of student loans remaining in the loan portfolio.

On December 8, 2009, the Company completed the acquisition of First Jones Bancorporation. On November 30, 2009, First State Bank, Jones, the subsidiary bank, had approximately \$36 million in assets, \$31 million in deposits, and \$4.5 million in equity capital. First State Bank, Jones operated as a subsidiary of BancFirst Corporation until it was merged into the BancFirst system in early March 2010. The acquisition enhanced the presence of BancFirst in eastern Oklahoma County. The acquisition did not have a material effect on the results of operations of the Company for 2009.

In November 2009, the Federal Deposit Insurance Corporation ( FDIC ) issued a rule that required insured depository institutions to prepay their estimated quarterly risk-based assessments for the fourth quarter of 2009 and for all of 2010, 2011 and 2012. In December 2009, the Company paid \$20.2 million in prepaid risk-based assessments, which included \$1.2 million related to the fourth quarter of 2009 that would have otherwise been payable in the first quarter of 2010. This amount is included in deposit insurance expense for 2009. Prepaid deposit insurance of approximately \$15.0 million and \$19.0 million was included in other assets in the accompanying consolidated balance sheets as of December 31, 2010 and 2009, respectively.

In May 2009 the FDIC imposed a Special Assessment on member financial institutions that was based on June 30, 2009 assets less tier one capital. The amount of \$1.9 million was expensed on June 30, 2009.

#### (4) SECURITIES

The following table summarizes securities held for investment and securities available for sale:

|   | December 31,           |                   |
|---|------------------------|-------------------|
|   | 2010                   | 2009              |
|   | (dollars in thousands) |                   |
| Held for investment at cost (market value: \$22,640 and \$30,736, respectively) | \$ 22,011              | \$ 29,796         |
| Available for sale, at market value   | 724,332                | 387,376           |
| <b>Total</b>  | <b>\$ 746,343</b>      | <b>\$ 417,172</b> |

#### (5) LOANS AND ALLOWANCE FOR LOAN LOSSES

The following is a schedule of loans outstanding by category:

|                                      | December 31,           |                |                     |                |
|--------------------------------------|------------------------|----------------|---------------------|----------------|
|                                      | 2010                   |                | 2009                |                |
|                                      | Amount                 | Percent        | Amount              | Percent        |
|                                      | (dollars in thousands) |                |                     |                |
| Commercial and industrial            | \$ 549,050             | 19.53%         | \$ 515,762          | 18.83%         |
| Oil & gas production & equipment     | 94,535                 | 3.36           | 84,199              | 3.07           |
| Agriculture                          | 87,879                 | 3.13           | 83,519              | 3.05           |
| State and political subdivisions:    |                        |                |                     |                |
| Taxable                              | 9,627                  | 0.34           | 12,066              | 0.44           |
| Tax-exempt                           | 10,301                 | 0.37           | 8,840               | 0.32           |
| Real Estate:                         |                        |                |                     |                |
| Construction                         | 230,367                | 8.19           | 201,704             | 7.37           |
| Farmland                             | 93,137                 | 3.31           | 85,620              | 3.13           |
| One to four family residences        | 608,786                | 21.65          | 569,592             | 20.80          |
| Multifamily residential properties   | 31,257                 | 1.11           | 29,964              | 1.09           |
| Commercial                           | 797,564                | 28.37          | 765,911             | 27.97          |
| Consumer                             | 273,277                | 9.72           | 352,477             | 12.88          |
| Other                                | 26,184                 | 0.92           | 29,000              | 1.05           |
| <b>Total loans</b>                   | <b>\$ 2,811,964</b>    | <b>100.00%</b> | <b>\$ 2,738,654</b> | <b>100.00%</b> |
| Loans held for sale (included above) | \$ 11,776              |                | \$ 94,140           |                |

The Company's loans are mostly to customers within Oklahoma and over half of the loans are secured by real estate. Credit risk on loans is managed through limits on amounts loaned to individual borrowers, underwriting standards and loan monitoring procedures. The amounts and

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types of collateral obtained to secure loans are based upon the Company's underwriting standards and management's credit evaluation. Collateral varies, but may include real estate, equipment, accounts receivable, inventory, livestock and securities. The Company's interest in collateral is secured through filing mortgages and liens, and in some cases, by possession of the collateral.

Loans held for sale include \$82.4 million of guaranteed student loans as of December 31, 2009. There are no student loans held for sale as of December 31, 2010. Student loans are classified as consumer loans in the preceding table and valued at the lower of cost or market. On March 21, 2010, Congress passed student loan reform centralizing student lending in a governmental agency, which as of June 30, 2010 resulted in an end to the student loan programs provided by the Company.

The amount of estimated loss due to credit risk in the Company's loan portfolio is provided for in the allowance for loan losses. The amount of the allowance required to provide for all existing losses in the loan portfolio is an estimate based upon evaluations of loans, appraisals of collateral and other estimates which are subject to rapid change due to changing economic conditions and the economic prospects of borrowers. It is reasonably possible that a material change could occur in the estimated allowance for loan losses in the near term.

Changes in the allowance for loan losses are summarized as follows:

|                                  | Three Months Ended     |           | Year Ended           |           |
|----------------------------------|------------------------|-----------|----------------------|-----------|
|                                  | December 31,<br>2010   | 2009      | December 31,<br>2010 | 2009      |
|                                  | (dollars in thousands) |           |                      |           |
| Balance at beginning of period   | \$ 35,681              | \$ 36,016 | \$ 36,383            | \$ 34,290 |
| Charge-offs                      | (830)                  | (1,018)   | (4,180)              | (8,953)   |
| Recoveries                       | 176                    | 210       | 588                  | 657       |
| Net charge-offs                  | (654)                  | (808)     | (3,592)              | (8,296)   |
| Provisions charged to operations | 718                    | 1,175     | 2,954                | 10,389    |
| Balance at end of period         | \$ 35,745              | \$ 36,383 | \$ 35,745            | \$ 36,383 |

The net charge-offs by category are summarized as follows:

|                                 | Three Months Ended     |        | Year Ended           |          |
|---------------------------------|------------------------|--------|----------------------|----------|
|                                 | December 31,<br>2010   | 2009   | December 31,<br>2010 | 2009     |
|                                 | (dollars in thousands) |        |                      |          |
| Commercial, financial and other | \$ 142                 | \$ 75  | \$ 378               | \$ 5,495 |
| Real estate construction        | 53                     | 344    | 66                   | 569      |
| Real estate mortgage            | 355                    | 161    | 2,644                | 1,476    |
| Consumer                        | 104                    | 228    | 504                  | 756      |
| Total                           | \$ 654                 | \$ 808 | \$ 3,592             | \$ 8,296 |

**(6) NONPERFORMING AND RESTRUCTURED ASSETS**

The following is a summary of nonperforming and restructured assets:

|  | December 31,           |        |
|--|------------------------|--------|
|  | 2010                   | 2009   |
|  | (dollars in thousands) |        |
| Past due over 90 days and still accruing | \$ 1,096               | \$ 853 |
| Nonaccrual                               | 26,701                 | 37,133 |
| Restructured                             | 294                    | 1,970  |

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|   |           |           |
|---|-----------|-----------|
| Total nonperforming and restructured loans            | 28,091    | 39,956    |
| Other real estate owned and repossessed assets        | 23,179    | 9,881     |
| Total nonperforming and restructured assets           | \$ 51,270 | \$ 49,837 |
| Nonperforming and restructured loans to total loans   | 1.00%     | 1.46%     |
| Nonperforming and restructured assets to total assets | 1.01%     | 1.13%     |

**(7) CAPITAL**

The Company is subject to risk-based capital guidelines issued by the Board of Governors of the Federal Reserve System. These guidelines are used to evaluate capital adequacy and involve both quantitative and qualitative evaluations of the Company's assets, liabilities, and certain off-balance-sheet items calculated under regulatory practices. Failure to meet the minimum capital requirements can initiate certain mandatory or discretionary actions by the regulatory agencies that could have a direct material effect on the Company's financial statements. The required minimums and the Company's respective ratios are shown in the following table.

|                      | Minimum<br>Required | December 31,<br>(dollars in thousands) |              |
|----------------------|---------------------|--|--------------|
|                      |                     | 2010                                   | 2009         |
| Tier 1 capital       |                     | \$ 419,923                             | \$ 403,875   |
| Total capital        |                     | \$ 455,668                             | \$ 440,258   |
| Risk-adjusted assets |                     | \$ 3,104,737                           | \$ 2,942,152 |
| Leverage ratio       | 3.00%               | 8.39%                                  | 9.23%        |
| Tier 1 capital ratio | 4.00%               | 13.53%                                 | 13.73%       |
| Total capital ratio  | 8.00%               | 14.68%                                 | 14.96%       |

To be well capitalized under federal bank regulatory agency definitions, a depository institution must have a Tier 1 Ratio of at least 6%, a combined Tier 1 and Tier 2 Ratio of at least 10%, and a Leverage Ratio of at least 5%. As of December 31, 2010 and 2009, the Company was considered to be well capitalized. There are no conditions or events since the most recent notification of the Company's capital category that management believes would change its category.

**(8) STOCK REPURCHASE PLAN**

In November 1999, the Company adopted a Stock Repurchase Program (the SRP). The SRP may be used as a means to increase earnings per share and return on equity, to purchase treasury stock for the exercise of stock options or for distributions under the Deferred Stock Compensation Plan, to provide liquidity for optionees to dispose of stock from exercises of their stock options, and to provide liquidity for shareholders wishing to sell their stock. The timing, price and amount of stock repurchases under the SRP may be determined by management and must be approved by the Company's Executive Committee. At December 31, 2010 there were 543,900 shares remaining that could be repurchased under the SRP.

The following table is a summary of the shares repurchased under the program.

|                                     | Three Months Ended<br>December 31, |      | Year Ended<br>December 31, |      |
|-------------------------------------|------------------------------------|------|----------------------------|------|
|                                     | 2010                               | 2009 | 2010                       | 2009 |
| Number of shares repurchased        |                                    |      | 16,500                     |      |
| Average price of shares repurchased | \$                                 | \$   | \$ 36.69                   | \$   |

**(9) COMPREHENSIVE INCOME**

The only component of comprehensive income reported by the Company is the unrealized gain or loss on securities available for sale. The amount of this unrealized gain or loss, net of tax, has been presented in the statement of income for each period as a component of other comprehensive income. The following table is a summary of the tax effects of this unrealized gain or loss.

|                                      | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|--------------------------------------|------------------------------------|------------|----------------------------|------------|
|                                      | 2010                               | 2009       | 2010                       | 2009       |
|                                      | (dollars in thousands)             |            |                            |            |
| Unrealized losses during the period: |                                    |            |                            |            |
| Before-tax amount                    | \$ (2,453)                         | \$ (2,636) | \$ (3,146)                 | \$ (5,978) |
| Tax benefit                          | 188                                | 936        | 417                        | 2,106      |

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|                   |            |            |            |            |
|-------------------|------------|------------|------------|------------|
| Net-of-tax amount | \$ (2,265) | \$ (1,700) | \$ (2,729) | \$ (3,872) |
|-------------------|------------|------------|------------|------------|



The amount of unrealized gain or loss included in accumulated other comprehensive income is summarized in the following table.

|  | Three Months Ended<br>December 31, |                  | Year Ended<br>December 31, |                  |
|--|------------------------------------|------------------|----------------------------|------------------|
|  | 2010                               | 2009             | 2010                       | 2009             |
|  | (dollars in thousands)             |                  |                            |                  |
| <b>Unrealized gain on securities:</b>                        |                                    |                  |                            |                  |
| Beginning balance  | \$ 10,767                          | \$ 12,714        | \$ 11,023                  | \$ 14,677        |
| Current period change  | (2,265)                            | (1,700)          | (2,729)                    | (3,872)          |
| Reclassification adjustment for gains included in net income | 3                                  | 9                | 211                        | 218              |
| <b>Ending balance</b>  | <b>\$ 8,505</b>                    | <b>\$ 11,023</b> | <b>\$ 8,505</b>            | <b>\$ 11,023</b> |

**(10) NET INCOME PER COMMON SHARE**

Basic and diluted net income per common share are calculated as follows:

|   | Income<br>(Numerator) | Shares<br>(Denominator) | Per Share<br>Amount |
|---|-----------------------|-------------------------|---------------------|
| (dollars in thousands, except per share data)                                   |                       |                         |                     |
| <b><u>Three Months Ended December 31, 2010</u></b>                              |                       |                         |                     |
| Basic   |                       |                         |                     |
| Income available to common stockholders   | \$ 10,177             | 15,362,388              | \$ 0.66             |
| Effect of stock options   |                       | 302,809                 |                     |
| Diluted   |                       |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 10,177             | 15,665,197              | \$ 0.65             |
| <b><u>Three Months Ended December 31, 2009</u></b>                              |                       |                         |                     |
| Basic   |                       |                         |                     |
| Income available to common stockholders   | \$ 9,834              | 15,307,019              | \$ 0.64             |
| Effect of stock options   |                       | 293,945                 |                     |
| Diluted   |                       |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 9,834              | 15,600,964              | \$ 0.63             |
| <b><u>Year Ended December 31, 2010</u></b>                                      |                       |                         |                     |
| Basic   |                       |                         |                     |
| Income available to common stockholders   | \$ 42,309             | 15,348,102              | \$ 2.76             |
| Effect of stock options   |                       | 303,210                 |                     |
| Diluted   |                       |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 42,309             | 15,651,312              | \$ 2.70             |
| <b><u>Year Ended December 31, 2009</u></b>                                      |                       |                         |                     |
| Basic   |                       |                         |                     |
| Income available to common stockholders   | \$ 32,609             | 15,299,781              | \$ 2.13             |
| Effect of stock options   |                       | 294,008                 |                     |
| Diluted   |                       |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 32,609             | 15,593,789              | \$ 2.09             |

The following table shows the number and average exercise prices of options that were excluded from the computation of diluted net income per share for each period because the options' exercise prices were greater than the average market price of the common shares.

|                                      | Shares  | Average<br>Exercise<br>Price |
|--------------------------------------|---------|------------------------------|
| Three Months Ended December 31, 2010 | 417,309 | \$ 32.08                     |

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|                                      |         |          |
|--------------------------------------|---------|----------|
| Three Months Ended December 31, 2009 | 361,352 | \$ 39.19 |
| Year Ended December 31, 2010         | 420,679 | \$ 38.31 |
| Year Ended December 31, 2009         | 304,292 | \$ 43.01 |

## BANCFIRST CORPORATION

## SELECTED CONSOLIDATED FINANCIAL DATA

(Unaudited)

(Dollars in thousands, except per share data)

|                                       | Three Months Ended |         | Year Ended   |         |
|---------------------------------------|--------------------|---------|--------------|---------|
|                                       | December 31,       |         | December 31, |         |
|                                       | 2010               | 2009    | 2010         | 2009    |
| <b>Per Common Share Data</b>          |                    |         |              |         |
| Net income basic                      | \$ 0.66            | \$ 0.64 | \$ 2.76      | \$ 2.13 |
| Net income diluted                    | 0.65               | 0.63    | 2.70         | 2.09    |
| Cash dividends                        | 0.25               | 0.23    | 0.96         | 0.90    |
| <b>Performance Data</b>               |                    |         |              |         |
| Return on average assets              | 0.83%              | 0.89%   | 0.92%        | 0.78%   |
| Return on average stockholders equity | 8.79               | 9.06    | 9.45         | 7.70    |
| Cash dividend payout ratio            | 37.88              | 35.94   | 34.78        | 42.25   |
| Net interest spread                   | 3.01               | 2.98    | 3.06         | 2.97    |
| Net interest margin                   | 3.29               | 3.35    | 3.37         | 3.42    |
| Efficiency ratio                      | 70.23              | 67.47   | 67.75        | 70.20   |
| Net charge-offs to average loans      | 0.09               | 0.12    | 0.13         | 0.30    |

|   | December 31, |          |
|---|--------------|----------|
|   | 2010         | 2009     |
| <b>Balance Sheet Data</b>   |              |          |
| Book value per share  | \$ 29.84     | \$ 28.14 |
| Tangible book value per share                                     | 26.19        | 25.41    |
| Average loans to deposits (year-to-date)                          | 67.58%       | 74.57%   |
| Average earning assets to total assets (year-to-date)             | 92.74        | 92.56    |
| Average stockholders equity to average assets (year-to-date)      | 9.74         | 10.15    |
| <b>Asset Quality Ratios</b>                                       |              |          |
| Nonperforming and restructured loans to total loans               | 1.00%        | 1.46%    |
| Nonperforming and restructured assets to total assets             | 1.01         | 1.13     |
| Allowance for loan losses to total loans                          | 1.27         | 1.33     |
| Allowance for loan losses to nonperforming and restructured loans | 127.25       | 91.06    |

## BANCFIRST CORPORATION

## CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSES

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

|  | Three Months Ended December 31, |  |                           |                     |  |                           |
|--|---------------------------------|--|---------------------------|---------------------|--|---------------------------|
|  | Average<br>Balance              | 2010<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate | Average<br>Balance  | 2009<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate |
| <b>ASSETS</b>                                    |                                 |  |                           |                     |  |                           |
| Earning assets:                                  |                                 |  |                           |                     |  |                           |
| Loans (1)  | \$ 2,737,054                    | \$ 39,926                              | 5.79%                     | \$ 2,701,707        | \$ 38,381                              | 5.64%                     |
| Securities taxable                               | 585,938                         | 3,211                                  | 2.17                      | 355,631             | 3,079                                  | 3.43                      |
| Securities tax exempt                            | 45,555                          | 537                                    | 4.68                      | 35,861              | 507                                    | 5.61                      |
| Federal funds sold                               | 1,146,634                       | 728                                    | 0.25                      | 967,586             | 643                                    | 0.26                      |
| <b>Total earning assets</b>                      | <b>4,515,181</b>                | <b>44,402</b>                          | <b>3.90</b>               | <b>4,060,785</b>    | <b>42,610</b>                          | <b>4.16</b>               |
| Nonearning assets:                               |                                 |  |                           |                     |  |                           |
| Cash and due from banks                          | 112,375                         |  |                           | 108,219             |  |                           |
| Interest receivable and other assets             | 276,309                         |  |                           | 232,811             |  |                           |
| Allowance for loan losses                        | (35,807)                        |  |                           | (36,081)            |  |                           |
| <b>Total nonearning assets</b>                   | <b>352,877</b>                  |  |                           | <b>304,949</b>      |  |                           |
| <b>Total assets</b>                              | <b>\$ 4,868,058</b>             |  |                           | <b>\$ 4,365,734</b> |  |                           |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>       |                                 |  |                           |                     |  |                           |
| Interest-bearing liabilities:                    |                                 |  |                           |                     |  |                           |
| Transaction deposits                             | \$ 629,872                      | \$ 344                                 | 0.22%                     | \$ 528,816          | \$ 325                                 | 0.24%                     |
| Savings deposits                                 | 1,579,835                       | 3,069                                  | 0.77                      | 1,351,087           | 3,359                                  | 0.99                      |
| Time deposits                                    | 849,500                         | 2,931                                  | 1.37                      | 877,225             | 4,101                                  | 1.85                      |
| Short-term borrowings                            | 11,959                          | 4                                      | 0.13                      | 1,103               |  |                           |
| Long-term borrowings                             | 7,134                           | 95                                     | 5.28                      |                     |  |                           |
| Junior subordinated debentures                   | 26,804                          | 519                                    | 7.68                      | 26,804              | 493                                    | 7.30                      |
| <b>Total interest-bearing liabilities</b>        | <b>3,105,104</b>                | <b>6,962</b>                           | <b>0.89</b>               | <b>2,785,035</b>    | <b>8,278</b>                           | <b>1.18</b>               |
| Interest-free funds:                             |                                 |  |                           |                     |  |                           |
| Noninterest-bearing deposits                     | 1,275,893                       |  |                           | 1,122,045           |  |                           |
| Interest payable and other liabilities           | 27,729                          |  |                           | 28,155              |  |                           |
| Stockholders equity                              | 459,332                         |  |                           | 430,499             |  |                           |
| <b>Total interest-free funds</b>                 | <b>1,762,954</b>                |  |                           | <b>1,580,699</b>    |  |                           |
| <b>Total liabilities and stockholders equity</b> | <b>\$ 4,868,058</b>             |  |                           | <b>\$ 4,365,734</b> |  |                           |
| <b>Net interest income</b>                       |                                 | <b>\$ 37,440</b>                       |                           |                     | <b>\$ 34,332</b>                       |                           |
| <b>Net interest spread</b>                       |                                 |  | <b>3.01%</b>              |                     |  | <b>2.98%</b>              |

|                     |       |       |
|---------------------|-------|-------|
| Net interest margin | 3.29% | 3.35% |
|---------------------|-------|-------|

- (1) Nonaccrual loans are included in the average loan balances and any interest on such nonaccrual loans is recognized on a cash basis.

## BANCFIRST CORPORATION

## CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSES

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

|  | Year Ended December 31, |  |                           |                     |  |                           |
|--|-------------------------|--|---------------------------|---------------------|--|---------------------------|
|  | Average<br>Balance      | 2010<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate | Average<br>Balance  | 2009<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate |
| <b>ASSETS</b>                                    |                         |  |                           |                     |  |                           |
| Earning assets:                                  |                         |  |                           |                     |  |                           |
| Loans (1)  | \$ 2,761,986            | \$ 155,131                             | 5.62%                     | \$ 2,749,544        | \$ 153,059                             | 5.57%                     |
| Securities taxable                               | 481,783                 | 12,378                                 | 2.57                      | 379,702             | 13,436                                 | 3.54                      |
| Securities tax exempt                            | 36,228                  | 1,913                                  | 5.28                      | 38,081              | 2,151                                  | 5.65                      |
| Federal funds sold                               | 982,059                 | 2,473                                  | 0.25                      | 695,167             | 2,241                                  | 0.32                      |
| <b>Total earning assets</b>                      | <b>4,262,056</b>        | <b>171,895</b>                         | <b>4.03</b>               | <b>3,862,494</b>    | <b>170,887</b>                         | <b>4.42</b>               |
| Nonearning assets:                               |                         |  |                           |                     |  |                           |
| Cash and due from banks                          | 108,440                 |  |                           | 113,207             |  |                           |
| Interest receivable and other assets             | 261,521                 |  |                           | 233,885             |  |                           |
| Allowance for loan losses                        | (36,466)                |  |                           | (36,607)            |  |                           |
| <b>Total nonearning assets</b>                   | <b>333,495</b>          |  |                           | <b>310,485</b>      |  |                           |
| <b>Total assets</b>                              | <b>\$ 4,595,551</b>     |  |                           | <b>\$ 4,172,979</b> |  |                           |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>       |                         |  |                           |                     |  |                           |
| Interest-bearing liabilities:                    |                         |  |                           |                     |  |                           |
| Transaction deposits                             | \$ 612,442              | \$ 1,404                               | 0.23%                     | \$ 518,914          | \$ 1,218                               | 0.23%                     |
| Savings deposits                                 | 1,424,252               | 12,180                                 | 0.86                      | 1,228,697           | 15,513                                 | 1.26                      |
| Time deposits                                    | 838,589                 | 12,463                                 | 1.49                      | 885,403             | 19,777                                 | 2.23                      |
| Short-term borrowings                            | 4,279                   | 6                                      | 0.14                      | 2,883               | 11                                     | 0.38                      |
| Long-term borrowings                             | 2,434                   | 95                                     | 3.90                      |                     |  |                           |
| Junior subordinated debentures                   | 26,804                  | 1,993                                  | 7.44                      | 26,804              | 1,966                                  | 7.33                      |
| <b>Total interest-bearing liabilities</b>        | <b>2,908,800</b>        | <b>28,141</b>                          | <b>0.97</b>               | <b>2,662,701</b>    | <b>38,485</b>                          | <b>1.45</b>               |
| Interest-free funds:                             |                         |  |                           |                     |  |                           |
| Noninterest bearing deposits                     | 1,211,712               |  |                           | 1,054,291           |  |                           |
| Interest payable and other liabilities           | 27,482                  |  |                           | 32,239              |  |                           |
| Stockholders equity                              | 447,557                 |  |                           | 423,748             |  |                           |
| <b>Total interest-free funds</b>                 | <b>1,686,751</b>        |  |                           | <b>1,510,278</b>    |  |                           |
| <b>Total liabilities and stockholders equity</b> | <b>\$ 4,595,551</b>     |  |                           | <b>\$ 4,172,979</b> |  |                           |
| <b>Net interest income</b>                       |                         | <b>\$ 143,754</b>                      |                           |                     | <b>\$ 132,402</b>                      |                           |
| <b>Net interest spread</b>                       |                         |  | <b>3.06%</b>              |                     |  | <b>2.97%</b>              |

|                     |       |       |
|---------------------|-------|-------|
| Net interest margin | 3.37% | 3.42% |
|---------------------|-------|-------|

- (1) Nonaccrual loans are included in the average loan balances and any interest on such nonaccrual loans is recognized on a cash basis.



**SIGNATURES**

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

**BancFirst Corporation**  
(Registrant)

**/s/ Joe T. Shockley, Jr.**  
Joe T. Shockley, Jr.  
Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

February 25, 2011