BANCFIRST CORP /OK/
Form 10-Q
November 08, 2007

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the quarterly period ended September 30, 2007**

**OR**

**¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from to**

**Commission File Number 0-14384**

# BancFirst Corporation

**(Exact name of registrant as specified in charter)**

| **Oklahoma** | **73-1221379** |
|---|---|
| **(State or other Jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**101 N. Broadway, Oklahoma City, Oklahoma**

**73102-8401**

**(Address of principal executive offices)**

**(Zip Code)**

**(405) 270-1086**

**(Registrant s telephone number, including area code)**

**(Former name, former address and former fiscal**

**year, if changed since last report)**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨ Accelerated filer x Non-accelerated filer ¨

Indicated by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of October 31, 2007 there were 15,216,083 shares of the registrant s Common Stock outstanding.

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**PART I FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**BANCFIRST CORPORATION**

**CONSOLIDATED BALANCE SHEET**

**(Unaudited)**

**(Dollars in thousands, except per share data)**

| | September 30, 2007 | 2006 | December 31, 2006 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and due from banks | $ 134,275 | $ 125,601 | $ 148,487 |
| Interest-bearing deposits with banks | 3,056 | 15,076 | 6,470 |
| Federal funds sold | 350,000 | 352,850 | 335,000 |
| Securities (market value: $464,539, $422,681 and $432,945, respectively) | 464,534 | 422,650 | 432,910 |
| Loans: | | | |
| Total loans (net of unearned interest) | 2,399,982 | 2,332,838 | 2,325,548 |
| Allowance for loan losses | (28,828) | (28,988) | (27,700) |
| Loans, net | 2,371,154 | 2,303,850 | 2,297,848 |
| Premises and equipment, net | 87,546 | 80,236 | 82,336 |
| Other real estate owned | 1,103 | 2,155 | 1,379 |
| Intangible assets, net | 8,323 | 7,558 | 7,294 |
| Goodwill | 34,285 | 32,372 | 32,512 |
| Accrued interest receivable | 26,467 | 24,733 | 25,680 |
| Other assets | 65,595 | 57,414 | 48,658 |
| Total assets | $ 3,546,338 | $ 3,424,495 | $ 3,418,574 |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | | |
| Deposits: | | | |
| Noninterest-bearing | $ 895,586 | $ 871,475 | $ 866,787 |
| Interest-bearing | 2,224,189 | 2,095,581 | 2,107,518 |
| Total deposits | 3,119,775 | 2,967,056 | 2,974,305 |
| Short-term borrowings | 16,332 | 37,323 | 23,252 |
| Accrued interest payable | 7,600 | 6,697 | 7,988 |
| Other liabilities | 16,047 | 23,292 | 11,531 |
| Long-term borrowings | 909 | 1,965 | 1,339 |
| Junior subordinated debentures | 26,804 | 51,804 | 51,804 |
| Minority interest | | 1,210 | |
| Total liabilities | 3,187,467 | 3,089,347 | 3,070,219 |
| Commitments and contingent liabilities | | | |
| 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: 15,201,459, 15,742,171 and 15,764,310, respectively | 15,201 | 15,742 | 15,764 |
| Capital surplus | 63,079 | 60,269 | 61,418 |
| Retained earnings | 277,192 | 260,390 | 271,073 |
| Accumulated other comprehensive income (loss), net of income tax of $(1,831), $691 and $(54), respectively | 3,399 | (1,253) | 100 |
| Total stockholders equity | 358,871 | 335,148 | 348,355 |
| Total liabilities and stockholders equity | $ 3,546,338 | $ 3,424,495 | $ 3,418,574 |

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

**BANCFIRST CORPORATION**

**CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME**

**(Unaudited)**

**(Dollars in thousands, except per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **INTEREST INCOME** | | | | |
| Loans, including fees | $ 48,032 | $ 46,450 | $ 141,763 | $ 132,807 |
| Securities: | | | | |
| Taxable | 4,660 | 4,311 | 13,748 | 13,143 |
| Tax-exempt | 348 | 383 | 1,053 | 1,160 |
| Federal funds sold | 5,383 | 3,659 | 16,247 | 9,103 |
| Interest-bearing deposits with banks | 28 | 118 | 93 | 351 |
| Total interest income | 58,451 | 54,921 | 172,904 | 156,564 |
| **INTEREST EXPENSE** | | | | |
| Deposits | 20,592 | 16,972 | 59,089 | 45,067 |
| Short-term borrowings | 396 | 407 | 1,345 | 1,296 |
| Long-term borrowings | 3 | 35 | 42 | 134 |
| Junior subordinated debentures | 491 | 1,103 | 1,648 | 3,309 |
| Total interest expense | 21,482 | 18,517 | 62,124 | 49,806 |
| Net interest income | 36,969 | 36,404 | 110,780 | 106,758 |
| Provision for loan losses | 2,248 | 315 | 2,349 | 1,913 |
| Net interest income after provision for loan losses | 34,721 | 36,089 | 108,431 | 104,845 |
| **NONINTEREST INCOME** | | | | |
| Trust revenue | 1,778 | 1,424 | 4,649 | 4,363 |
| Service charges on deposits | 7,568 | 7,299 | 21,610 | 21,210 |
| Securities transactions | 7,723 | 246 | 8,289 | 385 |
| Income from sales of loans | 684 | 783 | 1,904 | 1,688 |
| Insurance commissions and premiums | 2,000 | 2,088 | 4,942 | 5,343 |
| Insurance recovery | 3,139 | | 3,139 | |
| Other | 3,898 | 3,661 | 11,374 | 10,653 |
| Total noninterest income | 26,790 | 15,501 | 55,907 | 43,642 |
| **NONINTEREST EXPENSE** | | | | |
| Salaries and employee benefits | 19,513 | 17,741 | 57,240 | 52,705 |
| Occupancy and fixed assets expense, net | 2,011 | 2,078 | 6,136 | 6,080 |
| Depreciation | 1,903 | 1,759 | 5,473 | 4,995 |
| Amortization of intangible assets | 237 | 253 | 744 | 717 |
| Data processing services | 730 | 697 | 2,049 | 1,933 |
| Net expense from other real estate owned | 28 | 75 | 43 | 64 |
| Marketing and business promotion | 2,700 | 1,411 | 5,859 | 4,624 |
| Early extinguishment of debt | | | 1,894 | |

| | | | | |
|---|---|---|---|---|
| Other | 8,045 | 7,595 | 20,768 | 21,609 |
| Total noninterest expense | 35,167 | 31,609 | 100,206 | 92,727 |
| Income before taxes | 26,344 | 19,981 | 64,132 | 55,760 |
| Income tax expense | (9,400) | (7,241) | (22,663) | (19,930) |
| Net income | 16,944 | 12,740 | 41,469 | 35,830 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized gains on securities | 2,832 | 3,908 | 1,380 | 1,965 |
| Reclassification adjustment for (gains) losses included in net income | 1,551 | (160) | 1,919 | (250) |
| Comprehensive income | $ 21,327 | $ 16,488 | $ 44,768 | $ 37,545 |
| **NET INCOME PER COMMON SHARE** | | | | |
| Basic | $ 1.08 | $ 0.81 | $ 2.68 | $ 2.28 |
| Diluted | $ 1.06 | $ 0.79 | $ 2.62 | $ 2.23 |

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

**BANCFIRST CORPORATION**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY**

**(unaudited)**

**(Dollars in thousands, except per share data)**

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30 | | September 30 | |
| | 2007 | 2006 | 2007 | 2006 |
| **COMMON STOCK** | | | | |
| Issued at beginning of period | $ 15,725 | $ 15,718 | $ 15,764 | $ 15,637 |
| Shares issued | 16 | 24 | 30 | 105 |
| Shares acquired and canceled | (540) | | (593) | |
| Issued at end of period | $ 15,201 | $ 15,742 | $ 15,201 | $ 15,742 |
| **CAPITAL SURPLUS** | | | | |
| Balance at beginning of period | $ 62,291 | $ 59,227 | $ 61,418 | $ 57,264 |
| Common stock issued | 788 | 1,042 | 1,661 | 3,005 |
| Balance at end of period | $ 63,079 | $ 60,269 | $ 63,079 | $ 60,269 |
| **RETAINED EARNINGS** | | | | |
| Balance at beginning of period | $ 287,515 | $ 250,486 | $ 271,073 | $ 232,416 |
| Net income | 16,944 | 12,740 | 41,469 | 35,830 |
| Dividends on common stock | (3,138) | (2,836) | (8,808) | (7,856) |
| Common stock acquired and canceled | (24,129) | | (26,542) | |
| Balance at end of period | $ 277,192 | $ 260,390 | $ 277,192 | $ 260,390 |
| **ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)** | | | | |
| Unrealized gains/(losses) on securities: | | | | |
| Balance at beginning of period | $ (984) | $ (5,001) | $ 100 | $ (2,968) |
| Net change | 4,383 | 3,748 | 3,299 | 1,715 |
| Balance at end of period | $ 3,399 | $ (1,253) | $ 3,399 | $ (1,253) |
| Total stockholders equity | $ 358,871 | $ 335,148 | $ 358,871 | $ 335,148 |

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

**BANCFIRST CORPORATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**(Unaudited)**

**(Dollars in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2007** | **2006** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | $ 62,768 | $ 34,340 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net cash and due from banks used for acquisitions and dispositions | (3,991) | (5,074) |
| Purchases of securities: | | |
| Held for investment | (6,027) | (12,387) |
| Available for sale | (99,959) | (80,245) |
| Maturities of securities: | | |
| Held for investment | 5,237 | 14,553 |
| Available for sale | 62,013 | 117,488 |
| Proceeds from sales and calls of securities: | | |
| Held for investment | 722 | 2,523 |
| Available for sale | 1,184 | 426 |
| Net increase in federal funds sold | (15,000) | (261,700) |
| Purchase of life insurance | (15,000) | |
| Purchases of loans | (2,682) | (26,740) |
| Proceeds from sales of loans | 42,859 | 57,243 |
| Net other increase in loans | (121,027) | (8,786) |
| Purchases of premises and equipment | (10,266) | (14,829) |
| Proceeds from the sale of other real estate owned and repossessed assets | 2,674 | 6,099 |
| Net cash used by investing activities | (159,263) | (211,429) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net increase in demand, transaction and savings deposits | 112,424 | 49,002 |
| Net increase in certificates of deposits | 33,046 | 71,146 |
| Net (decrease) increase in short-term borrowings | (6,920) | 147 |
| Net decrease in long-term borrowings | (430) | (2,153) |
| Prepayment of Jr. Subordinated Debentures | (25,000) | |
| Issuance of common stock | 1,298 | 3,110 |
| Acquisition of common stock | (26,741) | |
| Cash dividends paid | (8,808) | (7,856) |
| Net cash provided by financing activities | 78,869 | 113,396 |
| Net decrease in cash and due from banks | (17,626) | (63,693) |
| Cash and due from banks at the beginning of the period | 154,957 | 204,370 |
| Cash and due from banks at the end of the period | $ 137,331 | $ 140,677 |
| **SUPPLEMENTAL DISCLOSURE** | | |
| Cash paid during the period for interest | $ 62,512 | $ 48,575 |
| Cash paid during the period for income taxes | $ 21,498 | $ 15,311 |

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

**BANCFIRST CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**(1) GENERAL**

The accompanying consolidated financial statements include the accounts of BancFirst Corporation, Century Life Assurance Company, Council Oak Partners, LLC, Wilcox Jones & McGrath, Inc., and BancFirst and its subsidiaries (the Company ). The operating subsidiaries of BancFirst are Council Oak Investment Corporation, BancFirst Agency, Inc., Lenders Collection Corporation, BancFirst Community Development Corporation, Council Oak Real Estate, Inc. and PremierSource LLC. PremierSource LLC was sold in August 2006 and Century Life Assurance Company was sold effective October 2006. 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, 2006, 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**

In June 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109 . This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. This interpretation is expected to increase the relevance and comparability in financial reporting of income taxes because all tax positions accounted for in accordance with Statement 109 will be evaluated for recognition, derecognition, and measurement using consistent criteria. Finally, the disclosure provisions of this interpretation will provide more information about the uncertainty in income tax assets and liabilities. This interpretation is effective for fiscal years beginning after December 15, 2006 and earlier adoption is encouraged. The Company adopted this new standard effective January 1, 2007. The Company has evaluated the effect of this pronouncement and determined that the adoption of this interpretation did not have a material effect on the Company s consolidated financial statements.

In September 2006, the FASB issued FAS No. 157 ( FAS 157 ), Fair Value Measurements. FAS 157 is effective for all financial statements issued for fiscal years beginning after November 15, 2007. FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Adoption of FAS 157 is not expected to have a material impact on the Company s results of operations or financial condition.

In February 2007, the FASB issued FAS No. 159 ( FAS 159 ), The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115. FAS 159 allows entities to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities that are not otherwise required to be measured at fair value, with changes in fair value recognized in earnings as they occur. FAS 159 also requires entities to report those financial assets and financial liabilities measure at fair value in a manner that separates those reported fair values from the carrying amounts of similar assets and liabilities measured using another measurement attribute on the face of the statement of financial position. Lastly, FAS 159 establishes presentation and disclosure requirements designed to improve comparability between entities that elect different

measurement attributes for similar assets and liabilities. FAS 159 is effective for fiscal years beginning after November 15, 2007, with early adoption permitted if an entity also early adopts the provisions of FAS 157. The Company has not yet determined if, or to what extent, the Company will elect to use the fair value option to value financial assets and liabilities or the impact that the implementation of FAS 159 will have on the Company s consolidated financial statements.

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

In August 2006, the Company completed the acquisition of First Bartlesville Bank ( First Bartlesville ), Bartlesville, Oklahoma for cash of approximately $5.6 million. First Bartlesville had total assets of approximately $46.6 million. As a result of the acquisition, First Bartlesville became a wholly-owned subsidiary of BancFirst Corporation and was merged into BancFirst in December 2006. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company s consolidated financial statements from the date of the acquisition forward. The acquisition did not have a material effect on the results of operations of the Company for 2006 or 2007.

On September 6, 2006, the Company entered into an agreement to sell its 75% ownership in Century Life Assurance Company ( Century Life ) to American Underwriters Life Insurance Company. The Company decided to sell this subsidiary as the product line was not strategic for the Company. The effective date of the sale was October 1, 2006. Century Life reported approximately $945,000 of revenues and $111,000 of net income for the third quarter of 2006, and the Company reported a pre-tax gain on the sale approximating $640,000 during the fourth quarter of 2006. The resulting gain on the sale and the loss of future earnings from operating Century Life did not have a significant impact on the results of the Company s operations for 2006 or 2007.

In November 2006, the Company announced its intent to exercise the optional prepayment terms of its 9.65% Junior Subordinated Debentures. The securities were redeemed effective January 15, 2007 for a redemption price equal to 104.825% of the aggregate $25,000,000 liquidation amount of the trust securities plus all accrued and unpaid interest to the redemption date. As a result of the prepayment, the Company incurred a loss of approximately $1.2 million after taxes at the time of the redemption. The loss reflects the premium paid and the acceleration of the unamortized issuance costs.

During the first quarter of 2007 the Company entered into an agreement to acquire Armor Assurance Company (Armor), an insurance agency in Muskogee, Oklahoma for cash of approximately $3.3 million and a $372,000 note payable in three equal annual installments. The transaction was consummated in April 2007. Armor had total assets of approximately $364,000. As a result of the acquisition, Armor was merged with the Company s existing property casualty agency, Wilcox & Jones, to form Wilcox, Jones & McGrath. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company s consolidated financial statements from the date of the acquisition forward. The acquisition did not have a material effect on the results of operations of the Company for 2007.

In June 2007, the Company entered into an agreement to sell one of its investments held by Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst, that resulted in a one-time gain of approximately $7.8 million. The transaction was consummated on August 1, 2007 and included in noninterest income securities transactions in the third quarter of 2007. The Company made a $1 million contribution to its charitable foundation with the funds from the gain. This one-time gain, net of related expenses, income taxes and the contribution had a net income effect of approximately $3.9 million.

In July 2007, the Company was awarded and received the $3.1 million bond claim by their fidelity bond carrier for the $3.3 million cash shortfall that was reported in the second quarter of 2005. See Note 14 Commitments and Contingent Liabilities for further details.

**(4) SECURITIES**

The table below summarizes securities held for investment and securities available for sale **(dollars in thousands)**.

| | September 30, | | December 31, |
|---|---|---|---|
| | **2007** | **2006** | **2006** |
| Held for investment at cost (market value; $25,734, $28,003 and $26,087, respectively) | $ 25,729 | $ 27,972 | $ 26,052 |
| Available for sale, at market value | 438,805 | 394,678 | 406,858 |
| Total | $ 464,534 | $ 422,650 | $ 432,910 |

The table below summarizes the maturity of securities **(dollars in thousands)**.

| | September 30, | | December 31, |
|---|---|---|---|
| | **2007** | **2006** | **2006** |
| Contractual maturity of debt securities: | | | |
| Within one year | $ 158,178 | $ 81,086 | $ 95,492 |
| After one year but within five years | 239,461 | 304,280 | 275,721 |
| After five years | 53,676 | 22,973 | 49,171 |
| Total debt securities | 451,315 | 408,339 | 420,384 |
| Equity securities | 13,219 | 14,311 | 12,526 |
| Total | $ 464,534 | $ 422,650 | $ 432,910 |

The Company held 174 and 150 debt securities available for sale that had unrealized gains as of September 30, 2007 and 2006, respectively. These securities had a market value totaling approximately $222.0 million and $88.2 million, respectively, and unrealized gains totaling approximately $4.1 million and $1.4 million, respectively. The Company also held 137 and 180 debt securities available for sale that had unrealized losses at September 30, 2007 and 2006, respectively. These securities had a market value totaling $205.1 million and $293.1 million and unrealized losses totaling $1.7 million and $5.3 million, respectively. These unrealized losses occurred due to increases in interest rates and spreads and not as a result of a decline in credit quality. The Company has both the intent and ability to hold these debt securities until the unrealized losses are recovered.

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

The following is a schedule of loans outstanding by category **(dollars in thousands)**:

| | September 30, 2007 | | September 30, 2006 | | December 31 2006 | |
|---|---|---|---|---|---|---|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Commercial and industrial | $ 479,403 | 19.98% | $ 416,292 | 17.85% | $ 400,858 | 17.24% |
| Oil & gas production & equipment | 76,877 | 3.20 | 94,368 | 4.05 | 97,090 | 4.18 |
| Agriculture | 75,918 | 3.16 | 71,484 | 3.06 | 80,743 | 3.47 |
| State and political subdivisions: | | | | | | |
| Taxable | 5,987 | 0.25 | 2,903 | 0.12 | 3,131 | 0.14 |
| Tax-exempt | 9,620 | 0.40 | 12,173 | 0.52 | 12,328 | 0.53 |
| Real Estate: | | | | | | |
| Construction | 210,103 | 8.76 | 223,202 | 9.57 | 223,561 | 9.61 |
| Farmland | 92,082 | 3.84 | 79,948 | 3.43 | 83,904 | 3.61 |
| One to four family residences | 509,561 | 21.23 | 526,275 | 22.56 | 516,727 | 22.22 |
| Multifamily residential properties | 18,772 | 0.78 | 11,331 | 0.49 | 11,415 | 0.49 |
| Commercial | 628,435 | 26.19 | 599,996 | 25.72 | 610,133 | 26.24 |
| Consumer | 270,589 | 11.28 | 267,426 | 11.46 | 258,133 | 11.10 |
| Other | 22,635 | 0.93 | 27,440 | 1.17 | 27,525 | 1.17 |
| Total loans | $ 2,399,982 | 100.00% | $ 2,332,838 | 100.00% | $ 2,325,548 | 100.00% |
| Loans held for sale (included above) | $ 6,860 | | $ 11,384 | | $ 9,935 | |

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 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. 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 **(dollars in thousands)**:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Balance at beginning of period | $ 27,568 | $ 28,227 | $ 27,700 | $ 27,517 |
| Charge-offs | (1,147) | (708) | (1,861) | (2,084) |
| Recoveries | 159 | 645 | 640 | 1,133 |
| Net charge-offs | (988) | (63) | (1,221) | (951) |
| Provisions charged to operations | 2,248 | 315 | 2,349 | 1,913 |
| Additions from acquisitions | | 509 | | 509 |
| Total additions | 2,248 | 824 | 2,349 | 2,422 |
| Balance at end of period | $ 28,828 | $ 28,988 | $ 28,828 | $ 28,988 |

The net charge-offs by category are summarized as follows **(dollars in thousands)**:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Commercial, financial and other | $ 302 | $ 71 | $ 252 | $ 294 |
| Real estate construction | 576 | 57 | 552 | 123 |
| Real estate mortgage | (4) | (345) | 5 | (52) |
| Consumer | 114 | 280 | 412 | 586 |
| Total | $ 988 | $ 63 | $ 1,221 | $ 951 |

**(6) NONPERFORMING AND RESTRUCTURED ASSETS**

Below is a summary of nonperforming and restructured assets **(dollars in thousands)**:

| | September 30, | | December 31, |
|---|---|---|---|
| | 2007 | 2006 | 2006 |
| Past due over 90 days and still accruing | $ 1,022 | $ 727 | $ 1,884 |
| Nonaccrual | 13,146 | 8,960 | 9,371 |
| Restructured | 989 | 782 | 715 |
| Total nonperforming and restructured loans | 15,157 | 10,469 | 11,970 |
| Other real estate owned and repossessed assets | 1,300 | 2,548 | 1,675 |
| Total nonperforming and restructured assets | $ 16,457 | $ 13,017 | $ 13,645 |
| Nonperforming and restructured loans to total loans | 0.63% | 0.45% | 0.51% |
| Nonperforming and restructured assets to total assets | 0.46% | 0.38% | 0.40% |

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**(7) INTANGIBLE ASSETS AND GOODWILL**

The following is a summary of intangible assets **(dollars in thousands)**:

| | September 30, 2007 | | September 30, 2006 | | December 31, 2006 | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Core deposit intangibles | $ 7,280 | $ (2,603) | $ 8,897 | $ (3,391) | $ 8,897 | $ (3,623) |
| Customer relationship intangibles | 4,081 | (434) | 2,308 | (256) | 2,308 | (288) |
| Total | $ 11,361 | $ (3,037) | $ 11,205 | $ (3,647) | $ 11,205 | $ (3,911) |

Amortization of intangible assets and estimated amortization of intangible assets are as follows **(dollars in thousands)**:

| | |
|---|---|
| **Amortization:** | |
| Three months ended September 30, 2007 | $ 237 |
| Three months ended September 30, 2006 | 253 |
| Nine months ended September 30, 2007 | 744 |
| Nine months ended September 30, 2006 | 717 |
| Year ended December 31, 2006 | 981 |
| | |
| **Estimated Amortization:** | |
| Year ended December 31, | |
| 2007 | $ 968 |
| 2008 | 898 |
| 2009 | 898 |
| 2010 | 898 |
| 2011 | 898 |

The following is a summary of goodwill by business segment:

| | Metropolitan Banks | Community Banks | Other Financial Services | Executive, Operations & Support | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| | | | (dollars in thousands) | | | |
| **Three Months Ended:** | | | | | | |
| **September 30, 2007** | | | | | | |
| Balance at beginning of period | $ 6,150 | $ 23,253 | $ 4,258 | $ 624 | | $ 34,285 |
| Acquisitions | | | | | | |
| Balance at end of period | $ 6,150 | $ 23,253 | $ 4,258 | $ 624 | | $ 34,285 |
| **September 30, 2006** | | | | | | |
| Balance at beginning of period | $ 6,150 | $ 22,416 | $ 2,485 | $ 624 | | $ 31,675 |
| Acquisitions | | 697 | | | | 697 |
| Balance at end of period | $ 6,150 | $ 23,113 | $ 2,485 | $ 624 | | $ 32,372 |
| **Nine Months Ended:** | | | | | | |
| **September 30, 2007** | | | | | | |
| Balance at beginning of period | $ 6,150 | $ 23,253 | $ 2,485 | $ 624 | | $ 32,512 |
| Acquisitions | | | 1,773 | | | 1,773 |
| Balance at end of period | $ 6,150 | $ 23,253 | $ 4,258 | $ 624 | | $ 34,285 |
| **September 30, 2006** | | | | | | |
| Balance at beginning of period | $ 6,150 | $ 22,201 | $ 2,485 | $ 624 | | $ 31,460 |
| Acquisitions | | 697 | | | | 697 |
| Adjustments | | 215 | | | | 215 |
| Balance at end of period | $ 6,150 | $ 23,113 | $ 2,485 | $ 624 | | $ 32,372 |

**(8) STOCKHOLDER S EQUITY**

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 consolidated financial statements. The required minimums and the Company s respective ratios are shown below. The reduction in the ratios from December 31, 2006 was related to the early redemption of the trust preferred securities.

| | Minimum Required | September 30, 2007 | September 30, 2006 | December 31, 2006 |
|---|---|---|---|---|
| | | (dollars in thousands) | | |
| Tier 1 capital | | $ 338,841 | $ 348,659 | $ 359,430 |
| Total capital | | $ 368,680 | $ 378,381 | $ 388,581 |
| Risk-adjusted assets | | $ 2,719,618 | $ 2,626,607 | $ 2,620,376 |

| | | | | |
|---|---|---|---|---|
| Leverage ratio | 3.00% | 9.67% | 10.30% | 10.64% |
| Tier 1 capital ratio | 4.00% | 12.46% | 13.27% | 13.72% |
| Total capital ratio | 8.00% | 13.56% | 14.41% | 14.83% |

As of September 30, 2007 and 2006, and December 31, 2006, BancFirst 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.

In September 2007, the Company completed a modified Dutch Auction self-tender offer and purchased 539,453 shares of its common stock for the maximum offer price of $45.00 per share. Cash on hand was used to pay for the purchase of the stock.

**(9) STOCK REPURCHASE PLAN**

In November 1999, the Company adopted a new Stock Repurchase Program (the SRP ) authorizing management to repurchase up to 600,000 shares of the Company s common stock. The SRP was amended in May 2001, August of 2002, and September of 2007 to increase the shares authorized to be purchased by 555,832 shares, 364,530 shares and 366,948 shares, respectively. 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 September 30, 2007 there were 600,000 shares remaining that could be repurchased under the SRP. Below is a summary of the shares repurchased under the program.

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, | | September 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| Number of shares repurchased | | | 53,000 | |
| Average price of shares repurchased | | | $ 46.47 | |

**(10) SHARE-BASED COMPENSATION**

BancFirst Corporation adopted a nonqualified incentive stock option plan (the BancFirst ISOP ) in May 1986. In May 2006, the Company amended the BancFirst ISOP to increase the number of shares to be issued under the plan to 2,500,000. At September 30, 2007, 92,160 shares were available for future grants. The BancFirst ISOP will terminate December 31, 2011. The options are exercisable beginning four years from the date of grant at the rate of 25% per year for four years. Options granted prior to 1996 expire at the end of eleven years from the date of the grant. Options granted after January 1, 1996 expire at the end of fifteen years from the date of grant. Options outstanding as of September 30, 2007 will become exercisable through the year 2014. The option price must be no less than 100% of the fair market value of the stock relating to such option at the date of grant.

In June 1999, the Company adopted the BancFirst Corporation Non-Employee Directors Stock Option Plan (the BancFirst Directors Stock Option Plan ). Each non-employee director is granted an option for 10,000 shares. In May 2006, the Company amended the BancFirst Directors Stock Option Plan to increase the number of shares to be issued under the plan to 180,000 shares. At September 30, 2007, 35,000 shares were available for future grants. The options are exercisable beginning one year from the date of grant at the rate of 25% per year for four years, and expire at the end of fifteen years from the date of grant. Options outstanding as of September 30, 2007 will become exercisable through the year 2011. The option price must be no less than 100% of the fair value of the stock relating to such option at the date of grant.

Below is a summary of the activity under both the BancFirst ISOP and the BancFirst Directors Stock Option Plan **(dollars in thousands, except per share data):**

| | Nine Months Ended September 30, 2007 | | | |
|---|---|---|---|---|
| | Options | Wgtd. Avg. Exercise Price | Wgtd. Avg. Remaining Contractual Term | Aggregate Intrinsic Value |
| Outstanding at January 1, 2007 | 1,138,017 | $ 24.43 | | |
| Options granted | 119,500 | 45.80 | | |
| Options exercised | (27,876) | 17.49 | | |
| Options canceled | (18,800) | 44.65 | | |
| Outstanding at September 30, 2007 | 1,210,841 | 26.39 | 9.80 | $ 22,378 |
| Exercisable at September 30, 2007 | 561,649 | 17.64 | 7.96 | $ 15,260 |

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Below is additional information regarding options granted and options exercised under both the BancFirst ISOP and the BancFirst Directors Stock Option Plan (**dollars in thousands, except per share data**):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Weighted average grant-date fair value per share of options granted | $ 16.20 | $ 15.00 | $ 17.34 | $ 12.91 |
| Total intrinsic value of options exercised | 428 | 833 | 816 | 3,045 |
| Cash received from options exercised | 328 | 386 | 488 | 1,480 |
| Tax benefit realized from options exercised | 166 | 322 | 316 | 1,178 |

Effective January 1, 2006 the Company adopted, on a modified prospective basis, the fair value provisions of FAS 123R. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model and is based on certain assumptions including risk-free rate of return, dividend yield, stock price volatility, and the expected term. The fair value of each option is expensed over its vesting period.

For the three months ended September 30, 2007 and 2006, the Company recorded share-based employee compensation expense of approximately $184,000 and $150,000, respectively, net of tax and approximately $557,000 and $442,000 for the nine months ended September 30, 2007 and 2006, respectively.

The Company will continue to amortize the remaining fair value of these stock options of approximately $3.2 million, net of tax, over the remaining vesting period of approximately seven years. Share-based employee compensation expense under the fair value method was measured using the following assumptions for the options granted:

| | Three Months Ended September 30, | |
|---|---|---|
| | 2007 | 2006 |
| Risk-free interest rate | 4.90% | 4.95% |
| Dividend yield | 1.50% | 2.00% |
| Stock price volatility | 28.52% | 25.38% |
| Expected term | 10 Yrs | 10 Yrs |

The risk-free interest rate is determined by reference to the spot zero-coupon rate for the U.S. Treasury security with a maturity similar to the expected term of the options. The dividend yield is the expected yield for the expected term. The stock price volatility is estimated from the recent historical volatility of the Company s stock. The expected term is estimated from the historical option exercise experience.

**(11) 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. Below is a summary of the tax effects of this unrealized gain or loss.

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, | | September 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| | (dollars in thousands) | | | |
| Unrealized gain during the period: | | | | |
| Before-tax amount | $ 4,358 | $ 6,006 | $ 2,124 | $ 3,009 |
| Tax expense | (1,526) | (2,098) | (744) | (1,044) |
| Net-of-tax amount | $ 2,832 | $ 3,908 | $ 1,380 | $ 1,965 |

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The amount of unrealized gain or loss, net of tax, included in accumulated other comprehensive income is summarized below.

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, | | September 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| | (dollars in thousands) | | | |
| Unrealized gain (loss) on securities: | | | | |
| Beginning balance | $ (984) | $ (5,001) | $ 100 | $ (2,968) |
| Current period change | 2,832 | 3,908 | 1,380 | 1,965 |
| Reclassification adjustment for (gains) losses included in net income | 1,551 | (160) | 1,919 | (250) |
| Ending balance | $ 3,399 | $ (1,253) | $ 3,399 | $ (1,253) |

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

Basic and diluted net income per common share are calculated as follows **(dollars in thousands, except per share data)**:

| | Income (Numerator) | Shares (Denominator) | Per Share Amount |
|---|---|---|---|
| **Three Months Ended September 30, 2007** | | | |
| **Basic** | | | |
| Income available to common stockholders | $ 16,944 | 15,620,336 | $ 1.08 |
| Effect of stock options | | 330,732 | |
| **Diluted** | | | |
| Income available to common stockholders plus assumed exercises of stock options | $ 16,944 | 15,951,068 | $ 1.06 |
| **Three Months Ended September 30, 2006** | | | |
| **Basic** | | | |
| Income available to common stockholders | $ 12,740 | 15,732,307 | $ 0.81 |
| Effect of stock options | | 380,502 | |
| **Diluted** | | | |
| Income available to common stockholders plus assumed exercises of stock options | $ 12,740 | 16,112,809 | $ 0.79 |
| **Nine Months Ended September 30, 2007** | | | |
| **Basic** | | | |
| Income available to common stockholders | $ 41,469 | 15,471,124 | $ 2.68 |
| Effect of stock options | | 342,598 | |
| **Diluted** | | | |
| Income available to common stockholders plus assumed exercises of stock options | $ 41,469 | 15,813,722 | $ 2.62 |

| | | | | |
|---|---|---|---|---|
| **Nine Months Ended September 30, 2006** | | | | |
| **Basic** | | | | |
| Income available to common stockholders | | 35,830 | 15,700,588 | $ 2.28 |
| Effect of stock options | | | 377,853 | |
| **Diluted** | | | | |
| Income available to common stockholders Plus assumed exercises of stock options | $ | 35,830 | 16,078,441 | $ 2.23 |

Below is 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 Exercise Price |
|---|---|---|
| Three Months Ended September 30, 2007 | 241,109 | $ 45.72 |
| Three Months Ended September 30, 2006 | 5,837 | $ 47.79 |
| Nine Months Ended September 30, 2007 | 218,535 | $ 46.01 |
| Nine Months Ended September 30, 2006 | 1,967 | $ 47.79 |

**(13) SEGMENT INFORMATION**

The Company evaluates its performance with an internal profitability measurement system that measures the profitability of its business units on a pre-tax basis. The four principal business units are metropolitan banks, community banks, other financial services, and executive, operations and support. Metropolitan and community banks offer traditional banking products such as commercial and retail lending, and a full line of deposit accounts. Metropolitan banks consist of banking locations in the metropolitan Oklahoma City and Tulsa areas. Community banks consist of banking locations in communities throughout Oklahoma. Other financial services are specialty product business units including guaranteed small business lending, guaranteed student lending, residential mortgage lending, trust services, securities brokerage, electronic banking and insurance. The executive, operations and support groups represent executive management, operational support and corporate functions that are not allocated to the other business units.

The results of operations and selected financial information for the four business units are as follows **(dollars in thousands)**:

| | Metropolitan Banks | Community Banks | Other Financial Services | Executive, Operations & Support | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| **Three Months Ended:** | | | | | | |
| **September 30, 2007** | | | | | | |
| Net interest income (expense) | $ 11,600 | $ 24,372 | $ 1,591 | $ (580) | $ (14) | $ 36,969 |
| Noninterest income | 2,079 | 7,853 | 13,054 | 26,299 | (22,495) | 26,790 |
| Income before taxes | 6,876 | 14,225 | 10,143 | 17,488 | (22,388) | 26,344 |
| **September 30, 2006** | | | | | | |
| Net interest income (expense) | $ 11,524 | $ 24,936 | $ 1,776 | $ (1,818) | $ (14) | $ 36,404 |
| Noninterest income | 1,930 | 7,571 | 5,561 | 13,911 | (13,472) | 15,501 |
| Income before taxes | 7,539 | 16,604 | 2,406 | 6,855 | (13,423) | 19,981 |
| **Nine Months Ended:** | | | | | | |
| **September 30, 2007** | | | | | | |
| Net interest income (expense) | $ 34,331 | $ 72,075 | $ 5,593 | $ (1,176) | $ (43) | $ 110,780 |
| Noninterest income | 6,085 | 22,410 | 22,197 | 54,977 | (49,762) | 55,907 |
| Income before taxes | 21,403 | 44,027 | 15,752 | 32,602 | (49,652) | 64,132 |
| **September 30, 2006** | | | | | | |
| Net interest income (expense) | $ 33,354 | $ 73,142 | $ 5,880 | $ (5,575) | $ (43) | $ 106,758 |
| Noninterest income | 5,926 | 21,581 | 14,539 | 39,758 | (38,162) | 43,642 |
| Income before taxes | 21,190 | 46,788 | 7,081 | 18,770 | (38,069) | 55,760 |
| **Total Assets:** | | | | | | |
| September 30, 2007 | $ 1,075,536 | $ 2,297,990 | $ 155,553 | $ 460,949 | $ (443,690) | $ 3,546,338 |
| September 30, 2006 | $ 1,188,993 | $ 2,248,826 | $ 177,416 | $ 223,389 | $ (414,129) | $ 3,424,495 |
| December 31, 2006 | $ 1,208,016 | $ 2,277,419 | $ 160,543 | $ 211,325 | $ (438,729) | $ 3,418,574 |

The financial information for each business unit is presented on the basis used internally by management to evaluate performance and allocate resources. The Company utilizes a transfer pricing system to allocate the benefit or cost of funds provided or used by the various business units. Certain revenues related to other financial services are allocated to the banks whose customers receive the services and, therefor, are not reflected in the income for other financial services. Certain services provided by the support group to other business units, such as item processing, are allocated at rates approximating the cost of providing the services. Eliminations are adjustments to consolidate the business units and companies.

**(14) COMMITMENTS AND CONTINGENT LIABILITIES**

In the second quarter of 2005, the Company reported a $3.3 million cash shortfall at one of its branches. The Company notified its fidelity bond carrier of the pending claim and that a thorough investigation would ensue. Based on the facts available at the time and outside consultation, the Company recorded as an expense its deductible on the coverage of $250 thousand and a receivable for the bond claim of approximately $3 million during the second quarter.

During the third quarter of 2005, it became apparent that the Company s investigation was going to take much longer than management and the Company s consultant originally expected. Specifically, the time frame for ongoing criminal investigation of the matter and the possibility of litigation amongst the parties had created uncertainty as to the timing of any recovery under the fidelity bond. While management still expected a significant recovery under its fidelity bond coverage, the amount and timing of the recovery was no longer reasonably estimable. As a result, the Company believed it was prudent to write off, and recognize as an expense, the $3 million bond claim receivable.

In July 2007, the fidelity bond carrier awarded the Company the $3.1 million bond claim. The recovery was included in other non-interest income during the third quarter of 2007.

**Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations.**

**BANCFIRST CORPORATION**

**MANAGEMENT S DISCUSSION AND ANALYSIS OF**

**FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**SUMMARY**

Net income for the third quarter of 2007 was $16.9 million, compared to $12.7 million for the third quarter of 2006. Diluted net income per share was $1.06, compared to $0.79 for the third quarter of 2006. For the first nine months of 2007, net income was $41.5 million, compared to $35.8 million for the first nine months of 2006. Diluted net income per share for the first nine months of 2007 was $2.62 compared to $2.23 for the first nine months of 2006.

Total assets at September 30, 2007 increased to $3.5 billion, up $128 million from December 31, 2006 and up $122 million from September 30, 2006. Total loans at September 30, 2007 increased to $2.40 billion, up $74.4 million from December 31, 2006 and up $67.1 million from September 30, 2006. Total deposits at September 30, 2007 were $3.12 billion, up $145.5 million from December 31, 2006 and up $152.7 million from September 30, 2006. Stockholders equity was $359 million at September 30, 2007, up $11 million from December 31, 2006 and up $24 million compared to September 30, 2006.

In September 2007, the Company completed a modified Dutch Auction self-tender offer and purchased 539,453 shares of its common stock for the maximum offer price of $45.00 per share. Cash on hand was used to pay for the purchase of the stock.

In July 2007, the Company was awarded and received the $3.1 million bond claim by their bond carrier for the $3.3 million cash shortfall that was reported in the second quarter of 2005. See Note 14 Commitments and Contingent Liabilities for further details.

In June 2007, the Company entered into an agreement to sell one of its investments held by Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst, that resulted in a one-time gain of approximately $7.8 million. The transaction was consummated on August 1, 2007 and included in noninterest income securities transactions in the third quarter of 2007. The Company made a $1 million contribution to its charitable foundation with the funds from the gain. This one-time gain, net of related expenses, income taxes and the contribution had a net income effect of approximately $3.9 million.

During the first quarter of 2007 the Company entered into an agreement to acquire Armor Assurance Company (Armor), an insurance agency in Muskogee, Oklahoma for cash of approximately $3.3 million and a $372,000 note payable in three equal annual installments. The transaction was consummated in April 2007. Armor had total assets of approximately $364,000. As a result of the acquisition, Armor was merged with the Company s existing property casualty agency, Wilcox & Jones, to form Wilcox, Jones & McGrath. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company s consolidated financial statements from the date of the acquisition forward. The acquisition did not have a material effect on the results of operations of the Company for 2007.

In November 2006, the Company announced its intent to exercise the optional prepayment terms of its 9.65% Junior Subordinated Debentures. The securities were redeemed effective January 15, 2007 for a redemption price equal to 104.825% of the aggregate $25,000,000 liquidation amount of the trust securities plus all accrued and unpaid interest to the redemption date. As a result of the prepayment, the Company incurred a loss of approximately $1.2 million after taxes at the time of the redemption. The loss reflects the premium paid and the acceleration of the unamortized issuance costs.

On September 6, 2006, the Company entered into an agreement to sell its 75% ownership in Century Life Assurance Company ( Century Life ) to American Underwriters Life Insurance Company. The Company decided to sell this subsidiary as the product line was not strategic for the Company. The effective date of the sale was October 1, 2006. Century Life reported approximately $945,000 of revenues and $111,000 of net income for the third quarter of

2006, and the Company reported a pre-tax gain on the sale approximating $640,000 during the fourth quarter of 2006. The resulting gain on the sale and the loss of future earnings from operating Century Life did not have a significant impact on the results of the Company s operations for 2006 or 2007.

In August 2006, the Company completed the acquisition of First Bartlesville Bank ( First Bartlesville ), Bartlesville, Oklahoma for cash of approximately $5.6 million. First Bartlesville had total assets of approximately $46.6 million. As a result of the acquisition, First Bartlesville became a wholly-owned subsidiary of BancFirst Corporation and was merged into BancFirst in December 2006. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company s consolidated financial statements from the date of the acquisition forward. The acquisition did not have a material effect on the results of operations of the Company for 2006 or 2007.

**RESULTS OF OPERATIONS**

**Third Quarter**

Net interest income for the third quarter of 2007 was $37.0 million, up $565,000 from the third quarter of 2006. The net interest spread for the second quarter decreased 28 basis points to 3.48%, while the net interest margin decreased 22 basis points to 4.55% due to higher rates on deposits relative to rates on earning assets. Competitive pressure for deposits has not allowed the Company to reprice deposit products to the full effect of interest rate declines. The Company s average earning assets reached $3.2 billion during the third quarter, an increase of $24.4 million over September 30 a year ago. Most of the growth in earning assets was in Federal Funds Sold, up $138.9 million, while loans grew $34.5 million from the third quarter of 2006. The growth in loans and earning assets was supported by deposit growth of $192 million from customer relationships. The loan loss provision was $2.2 million, up $1.9 million from the same period a year ago as a result of growth in loans combined with identified weaknesses in certain credits. Net loan charge-offs were $988,000 for the third quarter of 2007, compared to $63,000 for the third quarter of 2006. While total nonperforming and restructured loans increased to $15.2 million from $10.5 million a year ago, nonperforming loans, 0.46% of assets, and net charge-offs, 0.17% of loans, remained at relatively low levels.

Noninterest income totaled $26.8 million was up $11.3 million over the same period a year ago. Included in this quarter s noninterest income was a one-time gain of $7.8 million on the sale of an investment and a $3.1 million recovery on an insurance claim that was fully expensed in 2005. Noninterest expenses were $35.2 million, an increase of $3.6 million or 11.26%. Noninterest expense included a one-time $1 million donation to the Company s charitable foundation and approximately $800,000 of expenses related to the investment gain. Recurring noninterest expenses were up due to the Company s branch expansion program. Income tax expense increased $2.2 million compared to the third quarter of 2006. The effective tax rate on income before taxes was 35.7%, compared to 36.2% for the third quarter of 2006.

**Year-To-Date**

Net interest income for the first nine months of 2007 was $110.8 million, up $4.0 million over the first nine months of 2006. While the net interest spread for the nine months of 2007 decreased 26 basis points to 3.60%, the net interest margin only decreased 13 basis points to 4.65% due to the higher interest rate environment. While average earning assets increased by $193.5 million between the first nine months of 2007 and the first nine months of 2006, average loans increased by $27.4 million in the same period while Federal Funds Sold increase an average of $159.3 million. The increase in average earning assets was substantially funded by an increase in total average deposits of approximately $174.2 million between the first nine months of 2007 and the first nine months of 2006. The increase in earning assets in lower yielding Federal Funds Sold combined with higher costs of funds compressed our net interest spread while the rising rate environment during this time helped support our net interest margin with only a slight decrease.

The Company provided $2.3 million for loan losses in the first nine months of 2007, compared to $1.9 million for the same period of 2006. The increase in the provision for loan losses is a result of loan growth partially offset by the company s high credit quality. Net charge-offs were $1.2 million for the first nine months of 2007 compared to $951,000 for the same period a year ago. The net charge-offs represent an annualized rate of 0.07% of average total loans for the first nine months of 2007 versus 0.05% for the first nine months of 2006.

Noninterest income of $55.9 million for the first nine months of 2007 increased $12.3 million compared to the same period in 2006. Included in this quarter s noninterest income was a one-time gain of $7.8 million on the sale of an investment and a $3.1 million recovery on an insurance claim that was fully expensed in 2005. Noninterest expense increased $7.5 million to $100.2 million compared to the first nine months of 2006. Noninterest expense included a one-time $1 million donation to the Company s charitable foundation and approximately $800,000 of expenses related to the investment gain. Recurring noninterest expenses were up approximately $600,000 due to the Company s branch expansion program. Income tax expense increased $2.7 million compared to the first nine months of 2006. The effective tax rate on income before taxes remained consistent at 35.3% compared to 35.7% for the first nine months of 2006.

**FINANCIAL POSITION**

The aggregate of cash and due from banks, interest-bearing deposits with banks, and federal funds sold increased $196.9 million from December 31, 2006, and decreased $6.2 million from September 30, 2006. The increase from December 31, 2006 to September 30, 2007 resulted from a growth in federal funds sold of approximately $264.0 million. The decrease from June 30, 2007 to June 30, 2006 resulted from the decrease in interest-bearing deposits of approximately $12.0 million as a result of the modified Dutch Auction self-tender offer.

Total securities increased $31.6 million compared to December 31, 2006 and $41.9 million compared to September 30, 2006. The size of the Company s securities portfolio is a function of liquidity management and excess funds available for investment. The Company has maintained a short maturity on its securities portfolio to manage rate exposure and to provide funds for loan growth. The net unrealized gain on securities available for sale, before taxes, was $5.2 million at the end of the third quarter of 2007, compared to an unrealized gain of $154,000 at December 31, 2006 and an unrealized loss of $1.9 million at September 30, 2006. The average taxable equivalent yield on the securities portfolio for the third quarter of 2007 increased to 4.47% from 4.53% for the same quarter of 2006.

Total loans increased $74.4 million from December 31, 2006, and increased $67.1 million from September 30, 2006. The allowance for loan losses increased $1.1 million from year-end 2006 and decreased $160,000 from the third quarter of 2006. The allowance as a percentage of total loans was 1.20%, 1.19% and 1.24% at September 30, 2007, December 31, 2006 and September 30, 2006, respectively. The allowance to nonperforming and restructured loans at the same dates was 190.20%, 231.41% and 276.91%, respectively.

Nonperforming and restructured loans totaled $15.2 million at September 30, 2007, compared to $12.0 million at December 31, 2006 and $10.5 million at September 30, 2006. The ratio of nonperforming and restructured loans to total loans for the same periods was 0.63%, 0.51% and 0.45%, respectively. The level of nonperforming loans and loan losses may rise over time as a result of economic and credit cycles.

Total deposits increased by $145 million compared to December 31, 2006, and by $153 million compared to September 30, 2006. The Company s deposit base continues to be comprised substantially of core deposits, with large denomination certificates of deposit being only 9.18% of total deposits at September 30, 2007, compared to 8.70% at December 31, 2006 and 8.97% at September 30, 2006.

Short-term borrowings decreased $6.9 million from December 31, 2006, and $21.0 million from September 30, 2006. Fluctuations in short-term borrowings are a function of federal funds purchased from correspondent banks, customer demand for repurchase agreements and liquidity needs of the bank.

Long-term borrowings decreased $430,000 from year-end 2006 and $1.1 million from the third quarter of 2006. The Company uses these borrowings primarily to match-fund, long-term fixed rate loans.

Stockholders equity increased $11 million from year-end 2006 and $24 million from the third quarter of 2006, due to accumulated earnings offset by dividends and the modified Dutch Auction self-tender offer. Average stockholders equity to average assets for the third quarter of 2007 was 10.21%, compared to 9.54% for the third quarter of 2006. The Company s leverage ratio and total risk-based capital ratio were 9.67% and 13.56%, respectively, at September 30, 2007, well in excess of the regulatory minimums.

In September 2007, the Company completed a modified Dutch Auction self-tender offer and purchased 539,453 shares of its common stock for the maximum offer price of $45.00 per share. Cash on hand was used to pay for the purchase of the stock.

**FUTURE APPLICATION OF ACCOUNTING STANDARDS**

See note (2) of the Notes to Consolidated Financial Statements for a discussion of recently issued and newly adopted accounting pronouncements.

**SEGMENT INFORMATION**

See note (13) of the Notes to Consolidated Financial Statements for disclosures regarding business segments.

**FORWARD LOOKING STATEMENTS**

The Company may make forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 with respect to earnings, credit quality, corporate objectives, interest rates and other financial and business matters. Forward-looking statements include estimates and give management s current expectations or forecasts of future events. The Company cautions readers that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, including economic conditions, the performance of financial markets and interest rates; legislative and regulatory actions and reforms; competition; as well as other factors, all of which change over time. Actual results may differ materially from forward-looking statements.

**BANCFIRST CORPORATION**

**SELECTED CONSOLIDATED FINANCIAL DATA**

**(Unaudited)**

**(Dollars in thousands, except per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **Per Common Share Data** | | | | |
| Net income basic | $ 1.08 | $ 0.81 | $ 2.68 | $ 2.28 |
| Net income diluted | 1.06 | 0.79 | 2.62 | 2.23 |
| Cash dividends | 0.20 | 0.18 | 0.56 | 0.50 |
| **Performance Data** | | | | |
| Return on average assets | 1.88% | 1.50% | 1.57% | 1.43% |
| Return on average stockholders equity | 18.14 | 15.44 | 15.37 | 15.00 |
| Cash dividend payout ratio | 18.52 | 22.22 | 20.90 | 21.93 |
| Net interest spread | 3.48 | 3.76 | 3.60 | 3.86 |
| Net interest margin | 4.55 | 4.77 | 4.65 | 4.78 |
| Efficiency ratio | 55.16 | 60.90 | 60.12 | 61.65 |
| Net charge-offs to average total loans | 0.17 | 0.01 | 0.07 | 0.05 |

| | September 30, | | December 31, |
|---|---|---|---|
| | 2007 | 2006 | 2006 |
| **Balance Sheet Data** | | | |
| Book value per share | $ 23.61 | $ 21.29 | $ 22.10 |
| Tangible book value per share | 20.80 | 18.75 | 19.57 |
| Average loans to deposits (year-to-date) | 75.98% | 79.59% | 79.19% |
| Average earning assets to total assets (year-to-date) | 90.80 | 90.03 | 90.20 |
| Average stockholders equity to average assets (year-to-date) | 10.21 | 9.54 | 9.68 |
| **Asset Quality Ratios** | | | |
| Nonperforming and restructured loans to total loans | 0.63% | 0.45% | 0.51% |
| Nonperforming and restructured assets to total assets | 0.46 | 0.38 | 0.40 |
| Allowance for loan losses to total loans | 1.20 | 1.24 | 1.19 |
| Allowance for loan losses to nonperforming and restructured loans | 190.20 | 276.91 | 231.41 |

**BANCFIRST CORPORATION**

**CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSES**

**(Unaudited)**

**Taxable Equivalent Basis (Dollars in thousands)**

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2007 | | | 2006 | | |
| | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
| **ASSETS** | | | | | | |
| Earning assets: | | | | | | |
| Loans (1) | $ 2,361,844 | $ 48,123 | 8.08% | $ 2,327,339 | $ 46,567 | 7.94% |
| Securities - taxable | 425,087 | 4,660 | 4.35 | 390,196 | 4,311 | 4.38 |
| Securities - tax exempt | 35,743 | 536 | 5.95 | 38,936 | 589 | 6.00 |
| Federal funds sold | 433,114 | 5,411 | 4.96 | 294,195 | 3,777 | 5.09 |
| Total earning assets | 3,255,788 | 58,730 | 7.16 | 3,050,666 | 55,244 | 7.18 |
| Nonearning assets: | | | | | | |
| Cash and due from banks | 136,631 | | | 157,572 | | |
| Interest receivable and other assets | 217,360 | | | 196,614 | | |
| Allowance for loan losses | (27,606) | | | (28,644) | | |
| Total nonearning assets | 326,385 | | | 325,542 | | |
| Total assets | $ 3,582,173 | | | $ 3,376,208 | | |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Transaction deposits | $ 387,214 | $ 724 | 0.74% | $ 417,193 | $ 896 | 0.85% |
| Savings deposits | 1,076,400 | 10,681 | 3.94 | 896,269 | 8,245 | 3.65 |
| Time deposits | 790,873 | 9,186 | 4.61 | 747,694 | 7,831 | 4.16 |
| Short-term borrowings | 30,829 | 396 | 5.10 | 30,832 | 407 | 5.24 |
| Long-term borrowings | 951 | 3 | 1.25 | 2,281 | 35 | 6.09 |
| Junior subordinated debentures | 26,805 | 492 | 7.28 | 51,804 | 1,103 | 8.45 |
| Total interest-bearing liabilities | 2,313,072 | 21,482 | 3.68 | 2,146,073 | 18,517 | 3.42 |
| Interest-free funds: | | | | | | |
| Noninterest-bearing deposits | 873,531 | | | 874,766 | | |
| Interest payable and other liabilities | 24,980 | | | 27,993 | | |
| Stockholders equity | 370,590 | | | 327,376 | | |
| Total interest free funds | 1,269,101 | | | 1,230,135 | | |
| Total liabilities and stockholders equity | $ 3,582,173 | | | $ 3,376,208 | | |
| Net interest income | | $ 37,248 | | | $ 36,727 | |
| Net interest spread | | | 3.48% | | | 3.76% |

| | | |
|---|---|---|
| Net interest margin | 4.55% | 4.77% |

(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)**

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2007 | | | 2006 | | |
| | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
| **ASSETS** | | | | | | |
| Earning assets: | | | | | | |
| Loans (1) | $ 2,344,745 | $ 142,055 | 8.10% | $ 2,317,309 | $ 133,149 | 7.68% |
| Securities - taxable | 405,252 | 13,748 | 4.54 | 394,892 | 13,143 | 4.45 |
| Securities - tax exempt | 35,782 | 1,621 | 6.06 | 39,339 | 1,785 | 6.07 |
| Federal funds sold | 421,949 | 16,339 | 5.18 | 262,692 | 9,454 | 4.81 |
| Total earning assets | 3,207,728 | 173,763 | 7.24 | 3,014,232 | 157,531 | 6.99 |
| Nonearning assets: | | | | | | |
| Cash and due from banks | 140,912 | | | 166,689 | | |
| Interest receivable and other assets | 211,721 | | | 195,277 | | |
| Allowance for loan losses | (27,602) | | | (28,028) | | |
| Total nonearning assets | 325,031 | | | 333,938 | | |
| Total assets | $ 3,532,759 | | | $ 3,348,170 | | |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Transaction deposits | $ 401,440 | $ 2,304 | 0.77% | $ 431,366 | $ 2,536 | 0.79% |
| Savings deposits | 1,033,857 | 30,177 | 3.90 | 870,010 | 21,573 | 3.32 |
| Time deposits | 780,412 | 26,608 | 4.56 | 735,258 | 20,958 | 3.81 |
| Short-term borrowings | 35,507 | 1,345 | 5.06 | 36,632 | 1,296 | 4.73 |
| Long-term borrowings | 1,034 | 42 | 5.43 | 2,950 | 134 | 6.07 |
| Junior subordinated debentures | 28,178 | 1,648 | 7.82 | 51,804 | 3,309 | 8.54 |
| Total interest-bearing liabilities | 2,280,428 | 62,124 | 3.64 | 2,128,020 | 49,806 | 3.13 |
| Interest-free funds: | | | | | | |
| Noninterest-bearing deposits | 870,137 | | | 875,008 | | |
| Interest payable and other liabilities | 21,413 | | | 25,695 | | |
| Stockholders equity | 360,781 | | | 319,447 | | |
| Total interest free funds | 1,252,331 | | | 1,220,150 | | |
| Total liabilities and stockholders equity | $ 3,532,759 | | | $ 3,348,170 | | |
| Net interest income | | $ 111,639 | | | $ 107,725 | |
| Net interest spread | | | 3.60% | | | 3.86% |

| | | |
|---|---|---|
| Net interest margin | 4.65% | 4.78% |

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

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

There have been no significant changes in the Registrant s disclosures regarding market risk since December 31, 2006, the date of its annual report to stockholders.

**Item 4. Controls and Procedures.**

The Company s Chief Executive Officer, Chief Financial Officer and Disclosure Committee, which includes the Company s Chief Risk Officer, Chief Asset Quality Control Officer, Chief Internal Auditor, Senior Vice President of Corporate Finance, Holding Company Controller, Bank Controller and General Counsel, have evaluated, as of the last day of the period covered by this report, the Company s disclosure controls and procedures. Based on their evaluation they concluded that the disclosure controls and procedures of the Company are effective to ensure that information required to be disclosed by the Company in the reports filed or submitted by it under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms. There have been no changes in the Company s internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

**PART II OTHER INFORMATION**

**Item 6. Exhibits.**

(a) Exhibits

| Exhibit Number | Exhibit |
|---|---|
| 3.1 | Second Amended and Restated Certificate of Incorporation (filed as Exhibit 1 to the Company s Form 8-A/A filed July 23, 1998 and incorporated herein by reference). |
| 3.2 | Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of BancFirst Corporation (filed as Exhibit 3.5 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2004 and incorporated herein by reference). |
| 3.3 | Certificate of Designations of Preferred Stock (filed as Exhbit 3.2 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1998 and incorporated herein by reference). |
| 3.4 | Amended By-Laws (filed as Exhibit 3.2 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1992 and incorporated herein by reference). |
| 3.5 | Amendment to the Second Amended and Restated Certificate of Incorporation (filed as Exhibit 3.5 to the Company s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005 and incorporated herein by reference). |
| 3.6 | Resolution of the Board of Directors amending Section XXVII of the Company s By-Laws (filed as Exhibit 3.1 to the Company s Current Report on Form 8-K dated February 26, 2004 and incorporated herein by reference). |
| 4.1 | Instruments defining the rights of securities holders (see Exhibits 3.1, 3.2, 3.3 and 3.4 above). |
| 4.2 | Amended and Restated Declaration of Trust of BFC Capital Trust I dated as of February 4, 1997 (filed as Exhibit 4.1 to the Company s Current Report on Form 8-K dated February 4, 1997 and incorporated herein by reference). |
| 4.3 | Form of 9.65% Series B Cumulative Trust Preferred Security Certificates for BFC Capital Trust I (included as Exhibit D to Exhibit 4.2). |
| 4.4 | Indenture dated as of February 4, 1997, relating to the 9.65% Junior Subordinated Deferrable Interest Debentures of BancFirst Corporation issued to BFC Capital Trust I (filed as Exhibit 4.2 to the Company s Current Report on Form 8-K dated February 4, 1997 and incorporated herein by reference). |
| 4.5 | Form of Certificate of 9.65% Series B Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (included as Exhibit A to Exhibit 4.4). |
| 4.6 | Form of Series B Guarantee of BancFirst Corporation relating to the 9.65% Series B Cumulative Trust Preferred Securities of BFC Capital Trust I (filed as Exhibit 4.7 to the Company s registration statement on Form S-4, File No. 333-25599, and incorporated herein by reference). |

| Exhibit Number | Exhibit |
|---|---|
| 4.7 | Rights Agreement, dated as of February 25, 1999, between BancFirst Corporation and BancFirst, as Rights Agent, including Exhibit A the form of Certificate of Designations of the Company setting forth the terms of the Preferred Stock, as Exhibit B the form of Right Certificate and as Exhibit C the form of Summary of Rights Agreement (filed as Exhibit 1 to the Company s 8-K dated February 29, 1999 and incorporated herein by reference). |
| 4.8 | Form of Amended and Restated Trust Agreement relating to the 7.20% Cumulative Trust Preferred Securities of BFC Capital Trust II (filed as Exhibit 4.5 to the Company s registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference). |
| 4.9 | Form of 7.20% Cumulative Trust Preferred Security Certificate for BFC Capital Trust II (included as Exhibit D to Exhibit 4.8). |
| 4.10 | Form of Indenture relating to the 7.20% Junior Subordinated Deferrable Interest Debentures of BancFirst Corporation issued to BFC Capital Trust II (filed as Exhibit 4.1 to the Company s registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference). |
| 4.11 | Form of Certificate of 7.20% Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (included in Section 2.2 and Section 2.3 of Exhibit 4.10). |
| 4.12 | Form of Guarantee of BancFirst Corporation relating to the 7.20% Cumulative Trust Preferred Securities of BFC Capital Trust II (filed as Exhibit 4.7 to the Company s registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference). |
| 10.1 | Eighth Amended and Restated BancFirst Corporation Stock Option Plan (filed as Exhibit 10.1 to the Company s Quarter Report on Form 10-Q for the Quarter Ended September 30, 2006 and incorporated herein by reference). |
| 10.2 | Amended and Restated BancFirst Corporation Employee Stock Ownership and Thrift Plan, as amended by amendments dated September 19, 1992, November 21, 2002 and December 18, 2003 (filed as Exhibit 10.2 to the Company s Annual Return on Form 10-K for the fiscal year ended December 31, 2004 and incorporated herein by reference). |
| 10.3 | 1988 Incentive Stock Option Plan of Security Corporation as assumed by BancFirst Corporation (filed as Exhibit 4.1 to the Company s Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference). |
| 10.4 | 1993 Incentive Stock Option Plan of Security Corporation as assumed by BancFirst Corporation (filed as Exhibit 4.2 to the Company s Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference). |
| 10.5 | 1995 Non-Employee Director Stock Plan of AmQuest Financial Corp. as assumed by BancFirst Corporation (filed as Exhibit 4.3 to the Company s Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference). |
| 10.6 | Amended and Restated BancFirst Corporation Non-Employee Directors Stock Option Plan (filed as exhibit 10.6 to the Company s Quarter Report on Form 10-Q for the Quarter Ended June 30, 2006 and incorporated herein by reference). |

| Exhibit Number | Exhibit |
|---|---|
| 10.7 | Amended and Restated BancFirst Corporation Directors Deferred Stock Compensation Plan (filed as exhibit 10.7 to the Company s Quarter Report on Form 10-Q for the Quarter Ended June 30, 2006 and incorporated herein by reference). |
| 31.1* | CEO s Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a). |
| 31.2* | CFO s Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a). |
| 32.1* | CEO s Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | CFO s Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.1* | Amended Stock Repurchase Program. |

* Filed herewith.

**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 thereunto duly authorized.

**BANCFIRST CORPORATION**
(Registrant)

Date: November 8, 2007

/s/ Joe T. Shockley, Jr.
(Signature)
Joe T. Shockley, Jr.
Executive Vice President
Chief Financial Officer