BANCFIRST CORP /OK/
Form 10-Q
November 08, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

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	**73102-8405**
(Address of principal executive offices)	**(Zip Code)**

(405) 270-1086

(Registrant s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (sec. 232-405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate 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, 2012 there were 15,224,808 shares of the registrant s Common Stock outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

BANCFIRST CORPORATION

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)

	September 30, 2012 (unaudited)	December 31, 2011 (see Note 1)	September 30, 2011 (unaudited)
ASSETS			
Cash and due from banks	$ 139,004	$ 163,698	$ 146,904
Interest-bearing deposits with banks	1,773,610	1,544,035	1,463,388
Federal funds sold		400	
Securities (market value: $540,786, $615,458, and $607,626, respectively)	540,475	614,977	607,046
Loans:			
Total loans (net of unearned interest)	3,116,096	3,013,498	2,984,114
Allowance for loan losses	(37,258)	(37,656)	(37,456)
Loans, net	3,078,838	2,975,842	2,946,658
Premises and equipment, net	113,812	111,355	110,001
Other real estate owned	9,559	16,109	16,222
Intangible assets, net	12,630	14,219	14,883
Goodwill	44,545	44,545	44,593
Accrued interest receivable	16,666	18,662	17,657
Other assets	107,612	104,983	104,954
Total assets	$ 5,836,751	$ 5,608,825	$ 5,472,306
LIABILITIES AND STOCKHOLDERS EQUITY			
Deposits:			
Noninterest-bearing	$ 1,927,387	$ 1,704,996	$ 1,624,314
Interest-bearing	3,326,118	3,332,739	3,263,018
Total deposits	5,253,505	5,037,735	4,887,332
Short-term borrowings	5,665	8,274	12,279
Accrued interest payable	2,151	2,710	2,874
Long-term borrowings	11,255	18,476	28,049
Other liabilities	26,984	22,506	31,293
Junior subordinated debentures	26,804	36,083	36,083
Total liabilities	5,326,364	5,125,784	4,997,910
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: 15,200,468, 15,117,430 and 15,125,541, respectively	15,200	15,118	15,126
Capital surplus	80,750	77,462	74,966
Retained earnings	407,732	381,017	374,140
Accumulated other comprehensive income, net of income tax of $3,609, $5,084 and $5,484, respectively	6,705	9,444	10,164

Total stockholders equity	510,387	483,041	474,396
Total liabilities and stockholders equity	$ 5,836,751	$ 5,608,825	$ 5,472,306

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
INTEREST INCOME				
Loans, including fees	$ 42,026	$ 42,074	$ 125,843	$ 121,587
Securities:				
Taxable	1,681	2,754	6,175	9,391
Tax-exempt	366	502	1,201	1,734
Federal funds sold			1	41
Interest-bearing deposits with banks	1,071	930	3,105	2,591
Total interest income	45,144	46,260	136,325	135,344
INTEREST EXPENSE				
Deposits	3,729	5,159	11,861	17,390
Short-term borrowings	7	26	23	33
Long-term borrowings	84	332	280	833
Junior subordinated debentures	492	525	1,643	1,575
Total interest expense	4,312	6,042	13,807	19,831
Net interest income	40,832	40,218	122,518	115,513
Provision for loan losses	233	885	654	3,686
Net interest income after provision for loan losses	40,599	39,333	121,864	111,827
NONINTEREST INCOME				
Trust revenue	1,927	1,779	5,457	4,997
Service charges on deposits	11,896	11,386	33,534	31,587
Securities transactions	385	50	4,643	1,374
Income from sales of loans	737	529	2,075	1,401
Insurance commissions	3,661	2,910	9,457	7,803
Cash management	1,971	1,848	5,951	5,540
Gain on sale of other assets	26	3	369	7
Other	1,513	1,612	4,431	4,817
Total noninterest income	22,116	20,117	65,917	57,526
NONINTEREST EXPENSE				
Salaries and employee benefits	24,641	23,845	74,271	68,215
Occupancy and fixed assets expense, net	2,877	2,667	7,800	7,529
Depreciation	2,253	2,117	6,610	5,910
Amortization of intangible assets	457	458	1,371	1,211
Data processing services	1,208	1,302	3,649	3,720
Net expense from other real estate owned	200	965	1,369	834
Marketing and business promotion	1,998	1,550	5,332	4,741
Deposit insurance	745	786	2,188	2,976
Other	8,086	7,569	24,475	22,130

Total noninterest expense	42,465	41,259	127,065	117,266
Income before taxes	20,250	18,191	60,716	52,087
Income tax expense	6,390	5,638	21,122	18,064
Net income	13,860	12,553	39,594	34,023
NET INCOME PER COMMON SHARE				
Basic	$ 0.91	$ 0.82	$ 2.61	$ 2.22
Diluted	$ 0.90	$ 0.81	$ 2.57	$ 2.18
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on securities, net of tax of $44, $(273), $654 and $(1,232), respectively	$ (82)	$ 430	$ (1,214)	$ 2,214
Reclassification adjustment for gains (losses) included in net income, net of tax of $93, $6, $821 and $299, respectively	(172)	(11)	(1,525)	(555)
Other comprehensive income (loss), net of tax of $137, $(267), $1,475 and $(933), respectively	(254)	419	(2,739)	1,659
Comprehensive income	$ 13,606	$ 12,972	$ 36,855	$ 35,682

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 September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
COMMON STOCK				
Issued at beginning of period	$ 15,154	$ 15,273	$ 15,118	$ 15,369
Shares issued	46	16	89	37
Shares acquired and canceled		(163)	(7)	(280)
Issued at end of period	$ 15,200	$ 15,126	$ 15,200	$ 15,126
CAPITAL SURPLUS				
Balance at beginning of period	$ 79,181	$ 74,229	$ 77,462	$ 73,040
Common stock issued	748	248	1,470	722
Tax effect of stock options	430	118	629	187
Stock-based compensation arrangements	391	371	1,189	1,017
Balance at end of period	$ 80,750	$ 74,966	$ 80,750	$ 74,966
RETAINED EARNINGS				
Balance at beginning of period	$ 398,267	$ 371,150	$ 381,017	$ 361,680
Net income	13,860	12,553	39,594	34,023
Dividends on common stock	(4,395)	(4,097)	(12,630)	(11,791)
Common stock acquired and canceled		(5,466)	(249)	(9,772)
Balance at end of period	$ 407,732	$ 374,140	$ 407,732	$ 374,140
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on securities:				
Balance at beginning of period	$ 6,959	$ 9,745	$ 9,444	$ 8,505
Net change	(254)	419	(2,739)	1,659
Balance at end of period	$ 6,705	$ 10,164	$ 6,705	$ 10,164
Total stockholder s equity	$ 510,387	$ 474,396	$ 510,387	$ 474,396

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

BANCFIRST CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

(Dollars in thousands)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 39,594	$ 34,023
Adjustments to reconcile to net cash provided by operating activities:		
Provision for loan losses	654	3,686
Depreciation and amortization	7,981	7,121
Net amortization of securities premiums and discounts	1,093	3,339
Realized securities gains	(4,643)	(1,374)
Gain on sales of loans	(2,075)	(1,401)
Cash receipts from the sale of loans originated for sale	169,065	117,751
Cash disbursements for loans originated for sale	(170,446)	(117,667)
Deferred income tax provision (benefit)	426	(3,476)
Gains on other assets	(323)	(1,066)
Decrease in interest receivable	1,996	4,879
Increase in interest payable	(559)	(431)
Amortization of stock-based compensation arrangements	1,189	1,017
Other, net	3,936	6,205
Net cash provided by operating activities	47,888	52,606
INVESTING ACTIVITIES		
Net cash and due from banks provided by acquisitions		32,186
Net decrease in Federal funds sold	400	41,207
Purchases of securities:		
Held for investment	(2,525)	(6,400)
Available for sale	(58,240)	(166,140)
Maturities of securities:		
Held for investment	5,845	5,731
Available for sale	116,831	264,978
Proceeds from sales and calls of securities:		
Held for investment	2,417	2
Available for sale	9,469	79,770
Purchases of loans	(22,215)	(28,404)
Proceeds from sales of loans	32,569	9,298
Net other increase in loans	(112,844)	(44,259)
Purchases of premises, equipment and computer software	(9,290)	(12,439)
Proceeds from the sale of other assets	8,245	14,125
Net cash (used in) provided by investing activities	(29,338)	189,655
FINANCING ACTIVITIES		
Net increase in demand, transaction and savings deposits	274,556	250,170
Net decrease in time deposits	(58,786)	(43,780)
Net decrease in short-term borrowings	(2,609)	(5,857)
Paydown of long-term borrowings	(7,221)	(15,968)
Redemption of junior subordinated debentures	(9,279)	
Issuance of common stock	2,188	946

Common stock acquired	(256)	(10,052)
Cash dividends paid	(12,262)	(11,507)
Net cash provided by financing activities	186,331	163,952
Net increase in cash, due from banks and interest-bearing deposits	204,881	406,213
Cash, due from banks and interest-bearing deposits at the beginning of the period	1,707,733	1,204,079
Cash, due from banks and interest-bearing deposits at the end of the period	$ 1,912,614	$ 1,610,292
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 14,366	$ 20,192
Cash paid during the period for income taxes	$ 21,475	$ 21,802

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

BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of BancFirst Corporation and its subsidiaries (the Company) conform to generally accepted accounting principles and general practice within the banking industry. A summary of significant accounting policies can be found in Footnote (1) to the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of BancFirst Corporation, Council Oak Partners, LLC, BancFirst Insurance Services, Inc., and BancFirst and its subsidiaries. The principal operating subsidiaries of BancFirst are Council Oak Investment Corporation, Council Oak Real Estate, Inc., BancFirst Agency, Inc. 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 accompanying consolidated financial statements and notes are presented in accordance with the instructions for Form 10-Q. The information contained in the financial statements and footnotes included in BancFirst Corporation s Annual Report on Form 10-K for the year ended December 31, 2011, should be referred to in connection with these unaudited interim consolidated financial statements.

The unaudited interim consolidated 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, 2011, the date of the most recent annual report.

Use of Estimates in the Preparation of Financial Statements

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, the fair value of financial instruments and the valuation of intangibles. Such estimates and assumptions may change over time and actual amounts realized may differ from those reported.

Recent Accounting Pronouncements

In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2012-02, Intangibles (Topic 350) Goodwill and Other. ASU 2012-02 simplifies the impairment test for indefinite-lived intangible assets other than goodwill. The new guidance gives the option to first assess qualitative factors to determine if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative valuation test. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning on or after September 15, 2012. The Company opted to continue to perform quantitative tests for indefinite-lived intangible assets other than goodwill and not to perform qualitative tests for impairment under ASU 2012-02 as of September 15, 2012. Adoption of ASU 2012-02 did not have a significant effect on the Company s financial statements.

In December 2011, the FASB issued ASU No. 2011-12, Comprehensive Income (Topic 220) Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. ASU 2011-12 defers changes in ASU 2011-05 that relate to the presentation of reclassification adjustments to allow the FASB time to re-deliberate whether to require presentation of such adjustments on the face of the financial statements to show the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income. ASU 2011-12 allows entities to continue to report reclassifications out of accumulated other

6

comprehensive income consistent with the presentation requirements in effect before ASU 2011-05. All other requirements in ASU 2011-05 are not affected by ASU 2011-12. ASU 2011-12 was effective for annual and interim periods beginning after December 15, 2011. Adoption of ASU 2011-12 did not have a significant effect on the Company s financial statements.

In November 2011, the FASB issued ASU No. 2011-11, Balance Sheet (Topic 210) Disclosure about Offsetting Assets and Liabilities. ASU 2011-11 is an amendment to require an entity to disclose both net and gross information about offsetting assets and liabilities to enable users of its financial statements to understand the effect of those arrangements. Arrangements include derivatives, sale and repurchase agreements and transactions, securities borrowing and securities lending arrangements. ASU 2011-11 is effective for annual and interim periods beginning on January 1, 2013 and is not expected to have a significant effect on the Company s financial statements.

In September 2011, the FASB issued ASU No. 2011-08, Intangibles (Topic 350) Goodwill and Other. ASU 2011-08 is an update to simplify how entities test for goodwill impairment. The amendments in the update permit the Company to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If these factors determined that the fair value exceeds the carrying amount then the Company is not required to calculate the fair value of the reporting unit. The Company opted to continue to perform quantitative tests for goodwill impairment and not to perform qualitative tests for goodwill impairment under ASU 2011-08 as of September 30, 2011. Adoption of ASU 2011-08 did not have a significant effect on the Company s financial statements.

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220) Presentation of Comprehensive Income. ASU 2011-05 is an update to improve the comparability, consistency, and transparency of financial reporting, to increase the prominence of items reported in other comprehensive income, and to facilitate convergence of GAAP and IFRS. The Company adopted ASU 2011-05 as of September 30, 2011, and the standard was applied retrospectively. The adoption of ASU 2011-05 did not have a significant effect on the Company s financial statements.

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS). ASU 2011-04 is an update to explain how to measure fair value. This amendment does not require additional fair value measurements and is not intended to establish valuation standards or affect valuation practices outside of financial reporting. This amendment was put forth in order to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements consistent with IFRS. ASU 2011-04 was effective for the Company on January 1, 2012, and was applied prospectively. Adoption of ASU 2011-04 did not have a significant effect on the Company s financial statements.

In April 2011, the FASB issued ASU No. 2011-02, Receivables (Topic 310) A Creditor s Determination of Whether a Restructuring is a Troubled Debt Restructuring. ASU 2011-02 clarifies which loan modifications constitute troubled debt restructurings and is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a troubled debt restructuring, both for purposes of recording an impairment loss and for disclosure of troubled debt restructurings. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude, under the guidance clarified by ASU 2011-02, that both of the following exist: (a) the restructuring constitutes a concession; and (b) the debtor is experiencing financial difficulties. ASU 2011-02 was effective for the Company on July 1, 2011, and was applied retrospectively to restructurings occurring on or after January 1, 2011. Adoption of ASU 2011-02 did not have a significant effect on the Company s financial statements.

(2) RECENT DEVELOPMENTS, INCLUDING MERGERS AND ACQUISITIONS

On January 19, 2012, Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst, completed the sale of one of its investments that resulted in a pretax gain of approximately $4.5 million. After related expenses and income taxes, the increase in net income approximated $2.6 million or $0.17 per common share on a fully diluted basis. The gain was included in first quarter 2012 earnings.

On July 12, 2011, the Company completed the acquisition of FBC Financial Corporation and its subsidiary bank, 1st Bank Oklahoma with banking locations in Claremore, Verdigris, and Inola, Oklahoma. The Company paid a premium of $1.5 million above the equity capital of FBC Financial Corporation. At acquisition, 1st Bank

Oklahoma had approximately $217 million in total assets, $116 million in loans, $178 million in deposits and $18 million in equity capital. 1st Bank Oklahoma operated as a subsidiary of BancFirst Corporation until it was merged into BancFirst on February 17, 2012. The acquisition did not have a material effect on the Company s consolidated financial statements.

The Federal Reserve enacted a final rule on June 29, 2011 establishing the debit card interchange rate at $0.21 per transaction and five basis points multiplied by the value of the transaction that was effective on October 1, 2011 for banks exceeding $10 billion in assets. Although the rule does not apply directly to the Company, the possible competitive response may have an impact on the Company s pricing of these services.

(3) SECURITIES

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

	September 30, 2012 (Dollars in thousands)
Held for investment, at cost (market value: $17,080)	$ 16,769
Available for sale, at market value	523,706
Total	$ 540,475

The following table summarizes the amortized cost and estimated market values of securities held for investment:

	September 30, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(Dollars in thousands)			
U.S. treasury and other Federal agencies	$ 844	$ 65	$	$ 909
States and political subdivisions	15,925	254	(8)	16,171
Total	$ 16,769	$ 319	$ (8)	$ 17,080

The following table summarizes the amortized cost and estimated market values of securities available for sale:

	September 30, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(Dollars in thousands)			
U.S. Federal agencies (1)	$ 429,163	$ 4,126	$ (158)	$ 433,131
Mortgage backed securities	21,453	939	(2)	22,390
States and political subdivisions	54,631	3,219	(21)	57,829
Other securities (2)	8,145	2,233	(22)	10,356
Total	$ 513,392	$ 10,517	$ (203)	$ 523,706

(1) Primarily consists of FHLMC, FNMA, GNMA and mortgage backed securities through U.S. agencies.
(2) Primarily consists of equity securities.

The maturities of securities held for investment and available for sale are summarized in the following table using contractual maturities. Actual maturities may differ from contractual maturities due to obligations that are called or prepaid. For purposes of the maturity table, mortgage-backed securities, which are not due at a single maturity date, have been presented at their contractual maturity.

	September 30, 2012	
	Amortized Cost	Estimated Market Value
	(Dollars in thousands)	
Held for Investment		
Contractual maturity of debt securities:		
Within one year	$ 4,000	$ 4,069
After one year but within five years	9,355	9,484
After five years but within ten years	2,825	2,878
After ten years	589	649
Total	$ 16,769	$ 17,080
Available for Sale		
Contractual maturity of debt securities:		
Within one year	$ 117,905	$ 118,531
After one year but within five years	252,639	255,416
After five years but within ten years	41,284	43,218
After ten years	93,419	96,185
Total debt securities	505,247	513,350
Equity securities	8,145	10,356
Total	$ 513,392	$ 523,706

The following table is a summary of the Company s book value of securities that were pledged as collateral for public funds on deposit, repurchase agreements and for other purposes as required or permitted by law:

	September 30, 2012
	(Dollars in thousands)
Book value of pledged securities	$ 453,005

(4) LOANS AND ALLOWANCE FOR LOAN LOSSES

The following is a schedule of loans outstanding by category:

	September 30, 2012		December 31, 2011		September 30, 2011	
	Amount	Percent	Amount	Percent	Amount	Percent
			(Dollars in thousands)			
Commercial and industrial	$ 541,130	17.37%	$ 547,942	18.19%	$ 542,189	18.17%
Oil & gas production & equipment	131,642	4.22	115,786	3.84	109,272	3.66
Agriculture	83,146	2.67	86,297	2.86	73,021	2.45
State and political subdivisions:						
Taxable	7,786	0.25	6,939	0.23	7,079	0.24
Tax-exempt	13,749	0.44	17,070	0.57	12,192	0.41
Real estate:						
Construction	211,505	6.79	207,953	6.90	258,182	8.65
Farmland	114,043	3.66	103,923	3.45	97,041	3.25
One to four family residences	674,457	21.64	655,134	21.74	655,007	21.95
Multifamily residential properties	50,659	1.63	37,734	1.25	37,173	1.24
Commercial	1,026,097	32.93	960,074	31.86	908,207	30.43
Consumer	241,864	7.76	252,331	8.37	260,718	8.74
Other (not classified above)	20,018	0.64	22,315	0.74	24,033	0.81
Total loans	$ 3,116,096	100.00%	$ 3,013,498	100.00%	$ 2,984,114	100.00%
Loans held for sale (included above).	$ 15,479		$ 12,126		$ 13,066	

The Company s loans are mostly to customers within Oklahoma and over 60% 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, if any, 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.

Accounting policies related to appraisals, nonaccruals and charge-offs are disclosed in Footnote (5) to the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

Nonperforming and Restructured Assets

Nonaccrual loans, accruing loans past due 90 days or more, and restructured loans are shown in the table below. Had nonaccrual loans performed in accordance with their original contract terms, the Company would have recognized additional interest income of approximately $953,000 for the nine months ended September 30, 2012 and approximately $860,000 for the nine months ended September 30, 2011.

At September 30, 2012, troubled debt restructurings were primarily due to the principal deferral restructuring from one customer. This loan was evaluated by management and determined to be well collateralized. Additionally, none of the concessions granted involved a principal reduction or a change from the current market rate of interest. Collateral value will be monitored periodically to evaluate possible impairment. The Company charges interest on principal balances outstanding during deferral periods. As a result, the current and future financial effects of the recorded balance of loans considered to be restructured were not considered to be material.

The following is a summary of nonperforming and restructured assets:

	September 30, 2012	December 31, 2011	September 30, 2011
		(Dollars in thousands)	
Past due 90 days or more and still accruing	$ 731	$ 798	$ 1,413
Nonaccrual	22,101	21,187	24,088
Other acquired loans covered by escrow			4,951
Restructured	17,784	1,041	1,059
Total nonperforming and restructured loans	40,616	23,026	31,511
Other real estate owned and repossessed assets	9,796	16,640	16,723
Total nonperforming and restructured assets	$ 50,412	$ 39,666	$ 48,234
Nonperforming and restructured loans to total loans	1.30%	0.76%	1.06%
Nonperforming and restructured assets to total assets	0.86%	0.71%	0.88%

The other acquired loans covered by escrow listed above were a part of the loan portfolio of 1st Bank Oklahoma that were acquired in the third quarter of 2011 and were covered by an escrow agreement whereby a portion of the purchase price was set aside to reimburse the Company for potential future losses. These loans were recorded at fair value at the acquisition date and were classified as nonperforming loans at September 30, 2011. As of December 31, 2011, these loans were reclassified to performing status. The loan escrow was terminated effective June 30, 2012 pursuant to a negotiated settlement.

Loans are segregated into classes based upon the nature of the collateral and the borrower. These classes are used to estimate the credit risk component in the allowance for loan losses.

The following table is a summary of amounts included in nonaccrual loans, segregated by class of loans. Residential real estate refers to one-to-four family real estate.

	September 30, 2012 (Dollars in thousands)
Non-residential real estate	$ 9,324
Residential real estate	4,179
Non-consumer non-real estate	2,527
Consumer non-real estate	138
Other loans	2,221
Acquired loans	3,712
Total	$ 22,101

The following table presents an age analysis of past due loans, segregated by class of loans:

	Age Analysis of Past Due Receivables					
	30-89 Days Past Due	90 Days and Greater	Total Past Due Loans	Current Loans	Total Loans	Accruing Loans 90 Days or More Past Due
	(Dollars in thousands)					
As of September 30, 2012						
Non-residential real estate	$ 1,561	$ 2,425	$ 3,986	$ 1,145,584	$ 1,149,570	$ 349
Residential real estate	3,693	1,170	4,863	732,935	737,798	98
Non-consumer non-real estate	4,233	135	4,368	729,538	733,906	7
Consumer non-real estate	2,050	230	2,280	205,463	207,743	170
Other loans	1,706	1,447	3,153	147,329	150,482	43
Acquired loans	1,219	1,061	2,280	134,317	136,597	64
Total	$ 14,462	$ 6,468	$ 20,930	$ 3,095,166	$ 3,116,096	$ 731
As of September 30, 2011						
Non-residential real estate	$ 2,269	$ 542	$ 2,811	$ 1,026,738	$ 1,029,549	$ 1
Residential real estate	4,462	1,723	6,185	689,731	695,916	225
Non-consumer non-real estate	2,077	374	2,451	690,059	692,510	149
Consumer non-real estate	2,594	354	2,948	198,684	201,632	310
Other loans	2,749	3,492	6,241	152,302	158,543	108
Acquired loans	1,108	1,913	3,021	202,943	205,964	620
Total	$ 15,259	$ 8,398	$ 23,657	$ 2,960,457	$ 2,984,114	$ 1,413

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable the Company will be unable to collect the full amount of scheduled principal and interest payments in accordance with the original contractual terms of the loan agreement. If a loan is impaired, a specific valuation allowance may be allocated if necessary so that the loan is reported net at the present value of future cash flows using the loan s existing rate or the fair value of collateral if repayment is expected solely from the collateral. When it is not deemed necessary to allocate a specific valuation allowance to an impaired loan, the loan nevertheless will have an allowance based on a historically adequate percentage determined for the class of loans.

The following table presents impaired loans, segregated by class of loans. No material amount of interest income was recognized on impaired loans subsequent to their classification as impaired.

	Impaired Loans			
	Unpaid Principal Balance	Recorded Investment with Allowance	Related Allowance	Average Recorded Investment
	(Dollars in thousands)			
As of September 30, 2012				
Non-residential real estate	$ 27,593	$ 26,434	$ 1,813	$ 26,733
Residential real estate	5,664	5,136	1,374	5,333
Non-consumer non-real estate	3,144	2,539	677	1,745
Consumer non-real estate	447	424	77	364
Other loans	2,420	2,265	264	1,975
Acquired loans	12,872	10,684	71	11,451
Total	$ 52,140	$ 47,482	$ 4,276	$ 47,601
As of September 30, 2011				
Non-residential real estate	$ 9,285	$ 8 ,671	$ 978	$ 9,835
Residential real estate	6,520	5,871	1,520	6,351
Non-consumer non-real estate	1,584	1,286	358	1,676
Consumer non-real estate	215	180	47	204
Other loans	3,888	3,794	342	4,296
Acquired loans	5,609	4,286	100	2,229
Total	$ 27,101	$ 24,088	$ 3,345	$ 24,591

Credit Risk Monitoring and Loan Grading

The Company employs several means to monitor the risk in the loan portfolio including volume and severity of loan delinquencies, nonaccrual loans, internal grading of loans, historical loan loss experience, and economic conditions.

Loans are subject to an internal risk grading system which indicates the risk and acceptability of that loan. The loan grades used by the Company are for internal risk identification purposes and do not directly correlate to regulatory classification categories or any financial reporting definitions.

The general characteristics of the risk grades are as follows:

Grade 1 Acceptable Loans graded 1 represent reasonable and satisfactory credit risk which requires normal attention and supervision. Capacity to repay through primary and/or secondary sources is not questioned.

Grade 2 Acceptable Increased Attention This category consists of loans that have credit characteristics deserving management s close attention. These potential weaknesses could result in deterioration of the repayment prospects for the loan or the Bank s credit position at some future date. Such credit characteristics include loans to highly leveraged borrowers in cyclical industries, adverse financial trends which could potentially weaken repayment capacity, loans that have fundamental structure deficiencies, loans lacking secondary sources of repayment where prudent, and loans with deficiencies in essential documentation, including financial information.

Grade 3 Loans with Problem Potential This category consists of performing loans which are considered to exhibit problem potential. Loans in this category would generally include, but not be limited to, borrowers with a weakened financial condition or poor performance history, past dues, loans restructured to reduce payments to an amount that is below market standards and/or loans with severe documentation problems. In general, these loans have no identifiable loss potential in the near future, however; the possibility of a loss developing is heightened.

Grade 4 Problem Loans/Assets Nonperforming This category consists of nonperforming loans/assets which are considered to be problems. Nonperforming loans are described as being 90 days and over past due and still accruing, and loans that are nonaccrual. The government guaranteed portion of SBA loans is excluded.

Grade 5 Loss Potential This category consists of loans/assets which are considered to possess loss potential. While the loss may not occur in the current year, management expects that loans/assets in this category will ultimately result in a loss, unless substantial improvement occurs.

Grade 6 Charge Off This category consists of loans that are considered uncollectible and other assets with little or no value.

The following table presents internal loan grading by class of loans:

	Internal Loan Grading Grade					
	1	2	3	4	5	Total
	(Dollars in thousands)					
As of September 30, 2012						
Non-residential real estate	$ 984,606	$ 127,768	$ 27,523	$ 9,673	$	$ 1,149,570
Residential real estate	636,564	81,970	14,667	4,597		737,798
Non-consumer non-real estate	644,066	80,863	6,500	2,477		733,906
Consumer non-real estate	195,242	10,185	1,965	349	2	207,743
Other loans	146,037	2,726	887	832		150,482
Acquired loans	103,411	24,243	5,006	3,898	39	136,597
Total	$ 2,709,926	$ 327,755	$ 56,548	$ 21,826	$ 41	$ 3,116,096
As of September 30, 2011						
Non-residential real estate	$ 881,622	$ 107,228	$ 32,223	$ 8,476	$	$ 1,029,549
Residential real estate	602,621	72,095	14,805	6,395		695,916
Non-consumer non-real estate	620,123	63,375	7,881	1,131		692,510
Consumer non-real estate	189,895	8,950	2,380	407		201,632
Other loans	151,336	2,608	1,874	2,725		158,543
Acquired loans	151,103	35,609	8,264	10,891	97	205,964
Total	$ 2,596,700	$ 289,865	$ 67,427	$ 30,025	$ 97	$ 2,984,114

Allowance for Loan Losses Methodology

The allowance for loan losses (ALLL) is determined by a calculation based on segmenting the loans into the following categories: (1) adversely graded loans [Grades 3, 4, and 5] that have a specific reserve allocation; (2) loans without a specific reserve segmented by loans secured by real estate other than 1-4 family residential property, loans secured by 1-4 family residential property, commercial, industrial, and agricultural loans not secured by real estate, consumer purpose loans not secured by real estate, and loans over 60 days past due that are not otherwise Grade 3, 4, or 5; (3) Grade 2 loans; (4) Grade 1 loans; and (5) loans held for sale which are excluded.

The ALLL is calculated as the sum of the following: (1) the total dollar amount of specific reserve allocations; (2) the dollar amount derived by multiplying each segment of adversely graded loans without a specific reserve allocation times its respective reserve factor; (3) the dollar amount derived by multiplying Grade 2 loans and Grade 1 loans (less exclusions) times the respective reserve factor; and (4) other adjustments as deemed appropriate and documented by the Senior Loan Committee or Board of Directors.

The amount of the ALLL is an estimate based upon factors 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 ALLL in the near term.

The following table details activity in the ALLL by class of loans for the period presented. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

	ALLL						
	Non-Residential Real Estate	Residential Real Estate	Non-Consumer Non-Real Estate	Consumer Non-Real Estate	Other Loans	Acquired Loans	Total
	(Dollars in thousands)						
Three Months Ended September 30, 2012							
Allowance for credit losses:							
Balance at June 30, 2012	$ 14,349	$ 10,006	$ 8,558	$ 2,282	$ 1,854	$ 387	$ 37,436
Charge-offs	(30)	(157)	(119)	(117)	(24)	(53)	(500)
Recoveries	17	9	19	42	2		89
Net charge-offs	(13)	(148)	(100)	(75)	(22)	(53)	(411)
Provisions charged to operations	(453)	(137)	712	162	6	(57)	233
Balance at September 30, 2012	$ 13,883	$ 9,721	$ 9,170	$ 2,369	$ 1,838	$ 277	$ 37,258
Nine Months Ended September 30, 2012							
Allowance for credit losses:							
Balance at December 31, 2011	$ 13,948	$ 9,764	$ 9,156	$ 2,315	$ 1,886	$ 587	$ 37,656
Charge-offs	(158)	(288)	(449)	(308)	(231)	(129)	(1,563)
Recoveries	48	118	144	157	33	11	511
Net charge-offs	(110)	(170)	(305)	(151)	(198)	(118)	(1,052)
Provisions charged to operations	45	127	319	205	150	(192)	654
Balance at September 30, 2012	$ 13,883	$ 9,721	$ 9,170	$ 2,369	$ 1,838	$ 277	$ 37,258
Allowance for credit losses-ending balances:							
Individually evaluated for impairment	$ 2,396	$ 2,305	$ 1,692	$ 315	$ 220	$	$ 6,928
Collectively evaluated for impairment	11,487	7,416	7,478	2,054	1,618	277	30,330
Balance at September 30, 2012	$ 13,883	$ 9,721	$ 9,170	$ 2,369	$ 1,838	$ 277	$ 37,258
Loans-ending balances:							
Individually evaluated for impairment	$ 37,195	$ 19,264	$ 8,976	$ 2,316	$ 264	$	$ 68,015
Collectively evaluated for impairment	1,112,375	718,534	724,930	205,427	150,218	127,654	3,039,138
Loans acquired with deteriorated credit quality						8,943	8,943
Balance at September 30, 2012	$ 1,149,570	$ 737,798	$ 733,906	$ 207,743	$ 150,482	$ 136,597	$ 3,116,096

	ALLL						
	Non-Residential Real Estate	Residential Real Estate	Non-Consumer Non-Real Estate	Consumer Non-Real Estate	Other Loans	Acquired Loans	Total
	(Dollars in thousands)						
Three Months Ended September 30, 2011							
Allowance for credit losses:							
Balance at June 30, 2011	$ 13,651	$ 9,380	$ 9,334	$ 2,237	$ 1,712	$ 778	$ 37,092
Charge-offs	(67)	(21)	(210)	(72)	(121)	(138)	(629)
Recoveries	7	20	46	24	2	9	108
Net charge-offs	(60)	(1)	(164)	(48)	(119)	(129)	(521)
Provisions charged to operations	290	472	(460)	136	156	291	885
Balance at September 30, 2011	$ 13,881	$ 9,851	$ 8,710	$ 2,325	$ 1,749	$ 940	$ 37,456
Nine Months Ended September 30, 2011							
Allowance for credit losses:							
Balance at December 31, 2010	$ 13,142	$ 8,957	$ 9,587	$ 2,301	$ 1,758	$	$ 35,745
Charge-offs	(336)	(522)	(394)	(400)	(243)	(469)	(2,364)
Recoveries	23	115	130	92	9	20	389
Net charge-offs	(313)	(407)	(264)	(308)	(234)	(449)	(1,975)
Provisions charged to operations	1,052	1,301	(613)	332	225	1,389	3,686
Balance at September 30, 2011	$ 13,881	$ 9,851	$ 8,710	$ 2,325	$ 1,749	$ 940	$ 37,456
Allowance for credit losses-ending balances:							
Individually evaluated for impairment	$ 3,351	$ 2,681	$ 1,528	$ 318	$ 232	$	$ 8,110
Collectively evaluated for impairment	10,530	7,170	7,182	2,007	1,517	940	29,346
Balance at September 30, 2011	$ 13,881	$ 9,851	$ 8,710	$ 2,325	$ 1,749	$ 940	$ 37,456
Loans-ending balances:							
Individually evaluated for impairment	$ 40,700	$ 21,200	$ 9,012	$ 2,787	$ 257	$	$ 73,956
Collectively evaluated for impairment	988,849	674,716	683,498	198,845	158,286	186,712	2,890,906
Loans acquired with deteriorated credit quality						19,252	19,252
Balance at September 30, 2011	$ 1,029,549	$ 695,916	$ 692,510	$ 201,632	$ 158,543	$ 205,964	$ 2,984,114

Transfers from Loans

Transfers from loans to other real estate owned and repossessed assets are non-cash transactions, and are not included in the statements of cash flow.

Transfers from loans to other real estate owned and repossessed assets during the periods presented are summarized as follows:

	Nine Months Ended September 30, 2012	2011
	(Dollars in thousands)	
Other real estate owned	$ 1,633	$ 3,831
Repossessed assets	664	1,096
Total	$ 2,297	$ 4,927

(5) INTANGIBLE ASSETS

The following is a summary of intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(Dollars in thousands)	
As of September 30, 2012			
Core deposit intangibles	$ 14,800	$ (6,772)	$ 8,028
Customer relationship intangibles	5,657	(1,899)	3,758
Mortgage servicing intangibles	931	(87)	844
Total	$ 21,388	$ (8,758)	$ 12,630

(6) JUNIOR SUBORDINATED DEBENTURES

The following is a summary of the Junior Subordinated Debentures:

Issue	September 30, 2012 Amount	December 31, 2011 Amount	Rate	Maturity
		(Dollars in thousands)		
BFC II	$ 26,804	$ 26,804	7.20%	03/31/2034
UNST I		2,062	3 month LIBOR + 1.65%	03/15/2036
FBCST I		7,217	3 month LIBOR + 2.85%	12/17/2033
Total	$ 26,804	$ 36,083		

Refer to Note (11) in BancFirst Corporation s Annual Report on Form 10-K for the year ended December 31, 2011, for further disclosures related to Junior Subordinated Debentures.

On June 15, 2012, BancFirst Corporation redeemed the Union National Statutory Trust I (UNST I) Junior Subordinated Debentures at par value.

On June 18, 2012, BancFirst Corporation redeemed the FBC Financial Corp. Statutory Trust I (FBCST I) Junior Subordinated Debentures at par value.

(7) STOCK-BASED COMPENSATION

The Company adopted a nonqualified incentive stock option plan (the BancFirst ISOP) in May 1986. The Company amended the BancFirst ISOP to increase the number of shares to be issued under the plan to 2,800,000 shares in May 2011. At September 30, 2012, 64,860 shares were available for future grants. The BancFirst ISOP will terminate on December 31, 2014. The options are exercisable beginning four years from the date of grant at the rate of 25% per year for four years. Options expire at the end of fifteen years from the date of grant. Options outstanding as of September 30, 2012 will become exercisable through the year 2018. 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.

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. The Company amended the BancFirst Directors Stock Option Plan to increase the number of shares to be issued under the plan to 205,000 shares in May 2009. At September 30, 2012, 30,000 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, 2012 will become exercisable through the year 2015. 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.

The Company currently uses newly issued stock to satisfy stock-based exercises, but reserves the right to use treasury stock purchased under the Company s Stock Repurchase Program (the SRP) in the future.

The following table is a summary of the activity under both the BancFirst ISOP and the BancFirst Directors Stock Option Plan:

	Options	Wgtd. Avg. Exercise Price	Wgtd. Avg. Remaining Contractual Term	Aggregate Intrinsic Value
	(Dollars in thousands, except per share data)			
Nine Months Ended September 30, 2012				
Outstanding at December 31, 2011	1,298,431	$ 30.14		
Options granted				
Options exercised	(88,610)	17.11		
Options canceled, forfeited or expired				
Outstanding at September 30, 2012	1,209,821	31.10	8.40Yrs	$ 14,354
Exercisable at September 30, 2012	655,871	25.03	5.27Yrs	$ 11,764

The following table is a summary of the Company s non-vested options as of September 30, 2012, and any changes during the nine months ended September 30, 2012:

	Options
Non-vested at December 31, 2011	591,700
Options granted	
Options vested	(37,750)
Options forfeited	
Non-vested at September 30, 2012	553,950

The following table has additional information regarding options granted and options exercised under both the BancFirst ISOP and the BancFirst Directors Stock Option Plan:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Dollars in thousands, except per share data)			
Weighted average grant-date fair value per share of options granted	$	$ 12.11	$	$ 12.46
Total intrinsic value of options exercised	1,947	264	3,696	669
Cash received from options exercised	794	263	1,516	701
Tax benefit realized from options exercised	753	102	1,430	259

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.

The following table is a summary of the Company s recorded stock-based compensation expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Dollars in thousands)			
Stock-based compensation expense	$ 391	$ 371	$ 1,189	$ 1,017
Tax	(151)	(144)	(460)	(394)
Stock-based compensation expense, net of tax	$ 240	$ 227	$ 729	$ 623

The Company will continue to amortize the remaining fair value of stock options, over the remaining vesting period of approximately seven years. The following table shows the remaining fair value of stock options:

	September 30, 2012
	(Dollars in thousands)
Fair value of stock options	$ 5,340

The following table shows the assumptions used for computing stock-based compensation expense under the fair value method:

	Nine Months Ended September 30,	
	2012	2011
Risk-free interest rate	1.74%	3.32%
Dividend yield	2.00%	2.00%
Stock price volatility	32.88%	28.86%
Expected term	10Yrs	10Yrs

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.

(8) STOCKHOLDERS EQUITY

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 stockholders wishing to sell their stock. All shares repurchased under the SRP have been retired and not held as treasury stock. The timing, price and amount of stock repurchases under the SRP may be determined by management and approved by the Company s Executive Committee.

The following table is a summary of the shares under the program:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Number of shares repurchased		162,890	6,787	280,066
Average price of shares repurchased		$ 34.56	$ 37.70	$ 35.89
Shares remaining to be repurchased		263,834	234,964	263,834

The Company and BancFirst are subject to risk-based capital guidelines issued by the Board of Governors of the Federal Reserve System and FDIC. These guidelines are used to evaluate capital adequacy and involve both quantitative and qualitative evaluations of the Company s and BancFirst 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. Management believes, as of September 30, 2012, that the Company and BancFirst met all capital adequacy requirements to which they are subject. The required capital amounts and the Company s and BancFirst s respective ratios are shown in the following table:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
As of September 30, 2012:						
Total Capital						
(to Risk Weighted Assets)-						
BancFirst Corporation	$ 510,604	14.74%	$ 277,168	8.00%	N/A	N/A
BancFirst	485,030	14.04%	276,288	8.00%	$ 345,360	10.00%
Tier 1 Capital						
(to Risk Weighted Assets)-						
BancFirst Corporation	$ 473,346	13.66%	$ 138,584	4.00%	N/A	N/A
BancFirst	447,772	12.97%	138,144	4.00%	$ 207,216	6.00%
Tier 1 Capital						
(to Total Assets)-						
BancFirst Corporation	$ 473,346	8.19%	$ 175,150	3.00%	N/A	N/A
BancFirst	447,772	7.76%	174,503	3.00%	$ 290,839	5.00%

As of September 30, 2012, BancFirst was considered to be well capitalized and there are no conditions or events since the most recent notification of BancFirst s capital category that management believes would materially change its category under capital requirements existing as of the report date. 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%. The Company s trust preferred securities have continued to be included in Tier 1 capital as the Company s total assets do not exceed $10 billion.

(9) NET INCOME PER COMMON SHARE

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

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(Dollars in thousands, except per share data)		
Three Months Ended September 30, 2012			
Basic			
Income available to common stockholders	$ 13,860	15,174,755	$ 0.91
Effect of stock options		272,639	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	$ 13,860	15,447,394	$ 0.90
Three Months Ended September 30, 2011			
Basic			
Income available to common stockholders	$ 12,553	15,210,090	$ 0.82
Effect of stock options		261,569	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	$ 12,553	15,471,659	$ 0.81
Nine Months Ended September 30, 2012			
Basic			
Income available to common stockholders	$ 39,594	15,155,035	$ 2.61
Effect of stock options		276,063	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	$ 39,594	15,431,098	$ 2.57
Nine Months Ended September 30, 2011			
Basic			
Income available to common stockholders	$ 34,023	15,316,218	$ 2.22
Effect of stock options		286,905	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	$ 34,023	15,603,123	$ 2.18

The following table shows the number and average exercise price of options that were excluded from the computation of diluted net income per common 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, 2012	479,000	$ 39.21
Three Months Ended September 30, 2011	649,347	$ 38.61
Nine Months Ended September 30, 2012	597,200	$ 38.66
Nine Months Ended September 30, 2011	535,781	$ 38.86

(10) FAIR VALUE MEASUREMENTS

Accounting standards define fair value as the price that would be received to sell an asset or the price paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants on the measurement date.

FASB ASC Topic 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1	Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category includes certain impaired loans, foreclosed assets, other real estate, goodwill and other intangible assets.

Financial Assets and Financial Liabilities Measured at Fair Value on a Recurring Basis

A description of the valuation methodologies and key inputs used to measure financial assets and financial liabilities at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to the following categories of the Company s financial assets and financial liabilities.

Securities Available for Sale

Securities classified as available for sale are reported at fair value. U.S. Treasuries are valued using Level 1 inputs. Other securities available for sale including U.S. Federal agencies, mortgage backed securities, and states and political subdivisions are valued using prices from an independent pricing service utilizing Level 2 data. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bond s terms and conditions, among other things. The Company also invests in equity securities classified as available for sale for which observable information is not readily available. These securities are reported at fair value utilizing Level 3 inputs. For these securities, management determines the fair value based on replacement cost, the income approach or information provided by outside consultants or lead investors.

The Company reviews the prices for Level 1 and Level 2 securities supplied by the independent pricing service for reasonableness and to ensure such prices are aligned with traditional pricing matrices. In general, the Company does not purchase investment portfolio securities that are esoteric or that have complicated structures. The Company s entire portfolio consists of traditional investments including U.S. Treasury obligations, Federal agency mortgage pass-through securities, general obligation municipal bonds and a small amount of municipal revenue bonds. Pricing for such instruments is fairly generic and is easily obtained. For in-state bond issues that have relatively low issue sizes and liquidity, the Company utilizes the same parameters adjusted for the specific issue. From time to time, the Company will validate, on a sample basis, prices supplied by the independent pricing service by comparison to prices obtained from third party sources.

Derivatives

Derivatives are reported at fair value utilizing Level 2 inputs. The Company obtains dealer and market quotations to value its oil and gas swaps and options. The Company utilizes dealer quotes and observable market data inputs to substantiate internal valuation models.

Loans Held For Sale

The Company originates mortgage loans to be sold. At the time of origination, the acquiring bank has already been determined and the terms of the loan, including interest rate, have already been set by the acquiring bank, allowing the Company to originate the loan at fair value. Mortgage loans are generally sold within 30 days of origination. Loans held for sale are valued using Level 2 inputs. Gains or losses recognized upon the sale of the loans are determined on a specific identification basis.

Mortgage Servicing Intangibles

The Company acquired these Mortgage Servicing Intangibles with the acquisition of 1st Bank Oklahoma on July 12, 2011. The Company estimates the fair value of the Mortgage Servicing Intangibles with its carrying amount, based on the present value of future cash flows over several interest rate scenarios, which are then discounted at risk-adjusted rates. The Company considers portfolio characteristics, contractually specified servicing fees, prepayment assumptions, delinquency rates, late charges, other ancillary revenue, costs to service and other economic factors. When available, fair value estimates and assumptions are compared to observable market data and the recent market activity and actual portfolio experience.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of September 30, 2012 and 2011, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
		(Dollars in thousands)		
September 30, 2012				
Securities available for sale	$	$ 513,350	$ 10,356	$ 523,706
Derivative assets		4,175		4,175
Derivative liabilities		1,868		1,868
Loans held for sale		15,479		15,479
Mortgage servicing intangibles			844	844
September 30, 2011				
Securities available for sale	$ 30,036	$ 541,662	$ 12,671	$ 584,369
Derivative assets		7,590		7,590
Derivative liabilities		6,017		6,017
Loans held for sale		13,066		13,066
Mortgage servicing intangibles			1,270	1,270

The changes in Level 3 assets measured at estimated fair value on a recurring basis during the nine months ended September 30, 2012 and 2011 were as follows:

	Nine Months Ended September 30, 2012	2011
	(Dollars in thousands)	
Balance at the beginning of the year	$ 13,225	$ 10,837
Purchases, issuances and settlements	1,982	1,494
Sales	(611)	(223)
Losses included in earnings	(667)	(3)
Total unrealized (losses) gains	(2,729)	1,836
Balance at the end of the period	$ 11,200	$ 13,941

The Company s policy is to recognize transfers in and transfers out of Levels 1, 2 and 3 as of the end of the reporting period. During the nine months ended September 30, 2012 and 2011, the Company did not transfer any securities between levels in the fair value hierarchy.

Financial Assets and Financial Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). These financial assets and financial liabilities are reported at fair value utilizing Level 3 inputs.

Impaired loans are reported at the fair value of the underlying collateral if repayment is dependent on liquidation of the collateral. The impaired loans are adjusted to fair value through a specific allocation of the allowance for loan losses.

Foreclosed assets, upon initial recognition, are measured and adjusted to fair value through a charge-off to the allowance for possible loan losses based upon the fair value of the foreclosed asset.

Other real estate owned is revalued at fair value subsequent to initial recognition, with any losses recognized in net expense from other real estate owned.

The following table summarizes assets measured at fair value on a nonrecurring basis and the related gains or losses recognized during the period:

	Level 1	Level 2	Level 3	Total Fair Value	Gains (Losses)
			(Dollars in thousands)		
Nine Months Ended September 30, 2012					
Impaired loans			$ 43,206	$ 43,206	$
Foreclosed assets			$ 237	$ 237	$ (84)
Other real estate owned			$ 9,559	$ 9,559	$ (1,226)
Nine Months Ended September 30, 2011					
Impaired loans			$ 25,694	$ 25,694	$
Foreclosed assets			$ 501	$ 501	$
Other real estate owned			$ 16,222	$ 16,222	$ (562)

Estimated Fair Value of Financial Instruments

The Company is required under current authoritative accounting guidance to disclose the estimated fair value of their financial instruments that are not recorded at fair value. For the Company, as for most financial institutions, substantially all of its assets and liabilities are considered financial instruments. A financial instrument is defined as cash, evidence of an ownership interest in an entity or a contract that creates a contractual obligation or right to deliver or receive cash or another financial instrument from a second entity. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents Include: Cash and Due from Banks, Federal Funds Sold and Interest-Bearing

Deposits

The carrying amount of these short-term instruments is a reasonable estimate of fair value.

Securities Held for Investment

For securities held for investment, which are generally traded in secondary markets, fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities making adjustments for credit or liquidity if applicable.

Loans

For certain homogeneous categories of loans, such as some residential mortgages, fair values are estimated using the quoted market prices for securities backed by similar loans, adjusted for differences in loan characteristics. The fair values of other types of loans are estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposits

The fair values of transaction and savings accounts are the amounts payable on demand at the reporting date. The fair values of fixed-maturity certificates of deposit are estimated using the rates currently offered for deposits of similar remaining maturities.

Short-term Borrowings

The amounts payable on these short-term instruments are reasonable estimates of fair value.

Long-term Borrowings

The fair values of fixed-rate long-term borrowings are estimated using the rates that would be charged for borrowings of similar remaining maturities.

Junior Subordinated Debentures

The fair values of junior subordinated debentures are estimated using the rates that would be charged for junior subordinated debentures of similar remaining maturities.

Loan Commitments and Letters of Credit

The fair values of commitments are estimated using the fees currently charged to enter into similar agreements, taking into account the terms of the agreements. The fair values of letters of credit are based on fees currently charged for similar agreements.

The estimated fair values of the Company s financial instruments are as follows:

	September 30,			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Dollars in thousands)			
FINANCIAL ASSETS				
Cash and cash equivalents	$ 1,912,614	$ 1,912,614	$ 1,610,292	$ 1,610,292
Securities held for investment	16,769	17,080	22,677	23,257
Loans:				
Loans (net of unearned interest)	3,116,096		2,984,114	
Allowance for loan losses	(37,258)		(37,456)	
Loans, net	3,078,838	3,143,799	2,946,658	2,979,289
FINANCIAL LIABILITIES				
Deposits	5,253,505	5,275,969	4,887,332	4,898,752
Short-term borrowings	5,665	5,665	12,279	12,279
Long-term borrowings	11,255	11,333	28,049	28,236
Junior subordinated debentures	26,804	28,777	36,083	37,691
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS				
Loan commitments		1,300		1,119
Letters of credit		458		439

Non-financial Assets and Non-financial Liabilities Measured at Fair Value

The Company has no non-financial assets or non-financial liabilities measured at fair value on a recurring basis. Certain non-financial assets and non-financial liabilities measured at fair value on a nonrecurring basis include intangible assets (excluding mortgage service rights which are valued quarterly) and other non-financial long-lived assets measured at fair value and adjusted for impairment. These items are evaluated at least annually for impairment. The overall levels of non-financial assets and non-financial liabilities were not considered to be significant to the Company at September 30, 2012 or 2011.

(11) DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into oil and gas swaps and options contracts to accommodate the business needs of its customers. Upon the origination of an oil or gas swap or option contract with a customer, the Company simultaneously enters into an offsetting contract with a counterparty to mitigate the exposure to fluctuations in oil and gas prices. These derivatives are not designated as hedged instruments and are recorded on the Company s consolidated balance sheet at fair value.

The Company utilizes dealer quotations and observable market data inputs to substantiate internal valuation models. The notional amounts and estimated fair values of oil and gas derivative positions outstanding are presented in the following table:

	September 30, 2012		
Oil and Natural Gas Swaps and Options	**Notional Units**	**Notional Amount**	**Estimated Fair Value**
	(Notional amounts and dollars in thousands)		
<u>Oil</u>			
Derivative assets	Barrels	724	$ 3,464
Derivative liabilities	Barrels	(724)	(1,948)
<u>Natural Gas</u>			
Derivative assets	MMBTUs	4,227	1,424
Derivative liabilities	MMBTUs	(4,227)	(633)
<u>Total Fair Value</u>	**Included in**		
Derivative assets	Other assets		4,175
Derivative liabilities	Other liabilities		(1,868)

The following table is a summary of the Company s recognized income related to the activity, which was included in other noninterest income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
	(Dollars in thousands)			
Derivative income	$ 205	$ 128	$ 555	$ 326

The Company s credit exposure on oil and gas swaps and options varies based on the current market prices of oil and natural gas. Other than credit risk, changes in the fair value of customer positions will be offset by equal and opposite changes in the counterparty positions. The net positive fair value of the contracts is the profit derived from the activity and is unaffected by market price movements.

Customer credit exposure is managed by strict position limits and is primarily offset by first liens on production while the remainder is offset by cash. Counterparty credit exposure is managed by selecting highly rated counterparties (rated A- or better by Standard and Poor s) and monitoring market information.

The following table is a summary of the Company s net credit exposure relating to oil and gas swaps and options with bank counterparties:

	September 30, 2012
	(Dollars in thousands)
Credit exposure	$ 3,619

The Company entered into a $30 million five year guaranty with a counterparty on June 4, 2008 for the timely payment of the obligations of its subsidiary Bank related to the settlement of oil and gas positions.

(12) 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, 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:

	Metropolitan Banks	Community Banks	Other Financial Services	Executive, Operations & Support	Elimin-ations	Consol-idated
			(Dollars in thousands)			
Three Months Ended September 30, 2012						
Net interest income (expense)	$ 13,267	$ 26,302	$ 1,777	$ (514)	$	$ 40,832
Noninterest income	2,840	11,153	7,404	14,881	(14,162)	22,116
Income before taxes	8,302	15,234	3,266	7,463	(14,015)	20,250
Three Months Ended September 30, 2011						
Net interest income (expense)	$ 13,167	$ 26,518	$ 1,620	$ (1,087)	$	$ 40,218
Noninterest income	2,979	10,607	5,845	13,897	(13,211)	20,117
Income before taxes	7,612	14,867	2,217	6,557	(13,062)	18,191
Nine Months Ended September 30, 2012						
Net interest income (expense)	$ 39,784	$ 79,317	$ 5,211	$ (1,794)	$	$ 122,518
Noninterest income	8,193	32,009	23,482	43,507	(41,274)	65,917
Income before taxes	24,954	45,433	11,664	19,682	(41,017)	60,716
Nine Months Ended September 30, 2011						
Net interest income (expense)	$ 37,650	$ 75,576	$ 5,349	$ (3,062)	$	$ 115,513
Noninterest income	8,491	29,292	17,448	38,139	(35,844)	57,526
Income before taxes	22,492	41,703	7,849	15,647	(35,604)	52,087
Total Assets:						
September 30, 2012	$ 1,892,444	$ 3,745,727	$ 126,704	$ 636,853	$ (564,977)	$ 5,836,751
December 31, 2011	$ 1,738,426	$ 3,660,239	$ 153,872	$ 602,577	$ (546,289)	$ 5,608,825
September 30, 2011	$ 1,660,756	$ 3,615,387	$ 134,984	$ 612,535	$ (551,356)	$ 5,472,306

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 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. Capital expenditures are generally charged to the business unit using the asset.

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

The following discussion and analysis presents factors that the Company believes are relevant to an assessment and understanding of the Company s consolidated financial position and results of operations. This discussion and analysis should be read in conjunction with the Company s December 31, 2011 consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2011 and the Company s consolidated financial statements and the related Notes included in Item 1.

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.

SUMMARY

BancFirst Corporation s net income for the third quarter of 2012 was $13.9 million compared to $12.6 million for the third quarter of 2011. Diluted net income per common share was $0.90 and $0.81 for the third quarter of 2012 and 2011, respectively. For the first nine months of 2012, net income was $39.6 million compared to $34.0 million for the first nine months of 2011. Diluted net income per share for the first nine months of 2012 was $2.57 compared to $2.18 for the first nine months of 2011.

Net interest income for the third quarter of 2012 was $40.8 million, up slightly from the same period in 2011. The Company s average earning assets grew $280 million from a year ago to $5.3 billion. The Company s net interest margin for the third quarter of 2012 was 3.06% versus 3.20% a year ago as interest rates remain at historically low levels. The Company s loan loss provision for the quarter was $233,000, down from $885,000 for the third quarter of 2011. At September 30, 2012, nonperforming assets were 0.86% of total assets compared to 0.88% at September 30, 2011. For the third quarter of 2012, net charge-offs were 0.05% compared to 0.07% for the same period a year ago. Noninterest income for the quarter totaled $22.1 million, a $2.0 million increase over the same period in 2011. The increases in revenues resulted primarily from growth in trust services, commercial deposit revenues, insurance commissions, treasury management services and income on mortgage loan sales. Noninterest expense for the third quarter was $42.5 million compared to $41.3 million a year ago, up 2.9%. In light of the additional tax credits realized in the quarter, the Company made a one-time contribution of $500,000 to its foundation which will help defray future contributions to community organizations. The Company s effective tax rate was 31.6% for the third quarter of 2012 due largely to nonrecurring tax benefits realized from tax credit investments made in 2011 and 2012.

At September 30, 2012, the Company s total assets were $5.8 billion, up $227.9 million or 4.1% over December 31, 2011. Total loans outstanding were $3.1 billion, up $102.6 million over December 31, 2011. Total deposits were $5.3 billion, up $215.8 million from December 31, 2011. Stockholders equity was $510.4 million, an increase of $27.3 million or 5.7% over December 31, 2011.

On January 19, 2012, Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst, completed the sale of one of its investments that resulted in a pretax gain of approximately $4.5 million.

On July 12, 2011, the Company completed the acquisition of FBC Financial Corporation and its subsidiary bank, 1st Bank Oklahoma with banking locations in Claremore, Verdigris and Inola, Oklahoma. The Company paid a premium of $1.5 million above the equity capital of FBC Financial Corporation. At acquisition, 1st Bank Oklahoma had approximately $217 million in total assets, $116 million in loans, $178 million in deposits and $18 million in equity capital. 1st Bank Oklahoma operated as a subsidiary of BancFirst Corporation until it was merged into BancFirst on February 17, 2012. The acquisition did not have a material effect on the Company s consolidated financial statements.

The Federal Reserve enacted a final rule on June 29, 2011 establishing the debit card interchange rate at $0.21 per transaction and five basis points multiplied by the value of the transaction that was effective on October 1, 2011 for banks exceeding $10 billion in assets. Although the rule does not apply directly to the Company, the possible competitive response may have an impact on the Company s pricing of these services.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

See Note (1) of the Notes to Consolidated Financial Statements for a discussion of recently issued accounting pronouncements.

SEGMENT INFORMATION

See Note (12) of the Notes to Consolidated Financial Statements for disclosures regarding business segments.

RESULTS OF OPERATIONS

Selected income statement data and other selected data for the comparable periods were as follows:

BANCFIRST CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA

(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Income Statement Data				
Net interest income	$ 40,832	$ 40,218	$ 122,518	$ 115,513
Provision for loan losses	233	885	654	3,686
Securities transactions	385	50	4,643	1,374
Total noninterest income	22,116	20,117	65,917	57,526
Salaries and employee benefits	24,641	23,845	74,271	68,215
Total noninterest expense	42,465	41,259	127,065	117,266
Net income	13,860	12,553	39,594	34,023
Per Common Share Data				
Net income basic	0.91	0.82	2.61	2.22
Net income diluted	0.90	0.81	2.57	2.18
Cash dividends	0.29	0.27	0.83	0.77
Performance Data				
Return on average assets	0.96%	0.91%	0.93%	0.86%
Return on average stockholders equity	10.86	10.50	10.59	9.66
Cash dividend payout ratio	31.87	32.93	31.80	34.68
Net interest spread	2.87	2.99	2.94	2.94
Net interest margin	3.06	3.20	3.13	3.18
Efficiency ratio	67.46	68.38	67.43	67.77
Net charge-offs to average loans	0.05	0.07	0.05	0.09

Net Interest Income

For the three months ended September 30, 2012, net interest income, which is the Company s principal source of operating revenue, increased slightly by 1.5% compared to the three months ended September 30, 2011. Interest expense decreased due to interest rates remaining at historically low levels. Net interest margin is the ratio of taxable-equivalent net interest income to average earning assets for the period. The Company s net interest margin decreased for the three months ended September 30, 2012 compared to the three months ended September 30, 2011, as shown in the preceding table, which was due to continued low interest rates, the rolloff of higher yielding earning assets and an increase in earning assets at relatively low rates. If interest rates and/or loan volume do not increase, management expects continued compression of its net interest margin for the remainder of 2012 as higher yielding loans and securities mature and are replaced at current market rates.

Net interest income for the nine months ended September 30, 2012 increased $7.0 million, or 6.1% compared to the nine months ended September 30, 2011. The increase was largely due to the increase in the Company s average loans and approximately $3.3 million related to the ongoing operations of the Company s July 2011 acquisition. The net interest margin for the nine months ended September 30, 2012 decreased compared to the nine months ended September 30, 2011 as shown in the preceding table due to the factors stated in the preceding paragraph.

Provision for Loan Losses

For the three months ended September 30, 2012, the Company s provision for loan losses was $233,000, a decrease of $652,000 compared to the same period a year ago. The decrease in the provision for loan losses during the third quarter of 2012 compared to the same quarter in 2011 is reflective of the decreasing trend in classified loans and a decrease in net charge-offs. Management believes the recorded amount of the allowance for loan losses is appropriate based upon management s best estimate of probable losses that have been incurred within the existing loan portfolio. Should any of the factors considered by management in evaluating the appropriate level of the allowance for loan losses change, the Company s estimate of probable loan losses could also change, which could affect the level of future provisions for loan losses. Net loan charge-offs were $411,000 for the third quarter of 2012, compared to $521,000 for the third quarter of 2011. The rate of net charge-offs to average total loans is presented in the preceding table.

For the nine months ended September 30, 2012, the Company s provision for loan losses was $654,000, a decrease of $3.0 million compared to the same period of 2011. Net loan charge-offs were $1.1 million for the nine months ended September 30, 2012, compared to $2.0 million for the nine months ended September 30, 2011.

Noninterest Income

Noninterest income increased $2.0 million or 9.9% for the three months ended September 30, 2012 compared to the same period in 2011. The increase in noninterest income revenues resulted primarily from growth in trust services, commercial deposit revenues, insurance commissions, treasury management services and income on mortgage loan sales.

Noninterest income for the nine months ended September 30, 2012, increased $8.4 million or 14.6% compared to the same period in 2011. The increases in revenues were primarily from a $4.5 million pretax securities gain from the sale of an investment by Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst. In addition, the ongoing operations of the Company s July 2011 acquisition added approximately $1.4 million, along with increased revenues from trust services, commercial deposit revenues, insurance commissions and treasury management services.

The Company had income from debit card usage totaling $12.3 million and $11.3 million during the nine months ended September 30, 2012 and 2011, respectively. The Dodd-Frank Act has given the Federal Reserve the authority to establish rules regarding debit card interchange fees charged for electronic debit transactions by payment card issuers. Because of the uncertainty as to any future rulemaking by the Federal Reserve and the inability to forecast competitive responses, the Company cannot provide any assurance as to the ultimate impact of the Dodd-Frank Act on the amount of income from debit card usage reported in future periods.

Noninterest Expense

For the three months ended September 30, 2012, noninterest expense increased $1.2 million or 2.9%, compared to the three months ended September 30, 2011. The increase in noninterest expense was related to an increase in salaries and benefits of approximately $795,000, and a one-time contribution of $500,000 the Company made to its foundation, which will help defray future contributions to community organizations.

Noninterest expense included deposit insurance expense which totaled $745,000 for the three months ended September 30, 2012, compared to $786,000 for the three months ended September 30, 2011. The decrease in deposit insurance expense during the third quarter of 2012 compared to the same quarter of 2011 was primarily related to the change in the deposit insurance assessment base and a change in the method by which the assessment rate is determined, which became effective in 2011 and is more fully discussed in the Company s 2011 Form 10-K.

For the nine months ended September 30, 2012, noninterest expense increased $9.8 million or 8.4% compared to the nine months ended September 30, 2011. Included in the 2012 noninterest expense was $1.6 million in merger related costs and approximately $500,000 of expenses related to the sale of the previously mentioned contribution. Additionally, the nine months ended September 30, 2012 included approximately $4.2 million of ongoing operating expenses related to the July 2011 bank acquisition, net expense on other real estate of $1.2 million, an increase in salaries and benefits and the contribution mentioned above.

Noninterest expense included deposit insurance expense which totaled $2.2 million for the nine months ended September 30, 2012, compared to $3.0 million for the nine months ended September 30, 2011. The decrease in deposit insurance expense during the third quarter of 2012 compared to the same quarter of 2011 was primarily related to the change in the deposit insurance assessment base and a change in the method by which the assessment rate is determined, which became effective in 2011.

Income Taxes

The Company s effective tax rate on income before taxes was 31.6% for the third quarter of 2012, compared to 31.0% for the third quarter of 2011.

The Company s effective tax rate on income before taxes was 34.8% for the first nine months of 2012, compared to 34.7% for the first nine months of 2011.

FINANCIAL POSITION

BANCFIRST CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA

(Unaudited)

(Dollars in thousands, except per share data)

	September 30, 2012 (unaudited)	December 31, 2011	September 30, 2011 (unaudited)
Balance Sheet Data			
Total assets	$ 5,836,751	$ 5,608,825	$ 5,472,306
Total loans	3,116,096	3,013,498	2,984,114
Allowance for loan losses	37,258	37,656	37,456
Securities	540,475	614,977	607,046
Deposits	5,253,505	5,037,735	4,887,332
Stockholders equity	510,387	483,041	474,396
Book value per share	33.58	31.95	31.36
Tangible book value per share	29.82	28.07	27.52
Average loans to deposits (year-to-date)	60.11%	60.64%	60.52%
Average earning assets to total assets (year-to-date)	92.66	92.49	92.40
Average stockholders equity to average assets (year-to-date)	8.78	8.85	8.89
Asset Quality Ratios			
Nonperforming and restructured loans to total loans	1.30%	0.76%	1.06%
Nonperforming and restructured assets to total assets	0.86	0.71	0.88
Allowance for loan losses to total loans	1.20	1.25	1.26
Allowance for loan losses to nonperforming and restructured loan	91.73	163.54	118.87

Cash, Federal Funds Sold and Interest-Bearing Deposits with Banks

The aggregate of cash and due from banks, interest-bearing deposits with banks, and Federal funds sold as of September 30, 2012 increased $204.5 million from December 31, 2011 and increased $302.3 million from September 30, 2011. The increase was primarily due to increased deposits. Federal funds sold consist of overnight investments of excess funds with other financial institutions. Due to the high degree of counterparty instability in the Federal funds market and near zero overnight Federal funds rates, the Company has continued to maintain the majority of its excess funds with the Federal Reserve Bank. The Federal Reserve Bank pays interest on these funds based upon the lowest target rate for the maintenance period.

Securities

At September 30, 2012, total securities decreased $74.5 million compared to December 31, 2011 and decreased $66.6 million compared to September 30, 2011. 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 very liquid securities portfolio to provide funds for loan growth. The net unrealized gain on securities available for sale, before taxes, was $10.3 million at September 30, 2012, compared to an unrealized gain of $14.6 million at December 31, 2011, and an unrealized gain of $15.6 million at September 30, 2011. These unrealized gains are included in the Company s stockholders equity as accumulated other comprehensive income, net of income tax, in the amounts of $6.7 million, $9.4 million and $10.2 million respectively. With interest rates remaining at historically low levels, the Company has purchased more floating rate securities, which now comprise approximately 67% of the securities portfolio.

Loans (Including Acquired Loans)

At September 30, 2012, total loans were up $102.6 million or 3.4% from December 31, 2011 and $132.0 million or 4.4% from September 30, 2011 due primarily to the acquisition made in July 2011 and internal growth.

Allowance for Loan Losses/Fair Value Adjustments on Acquired Loans

At September 30, 2012, the allowance for loan losses decreased $398,000 or 1.1% from December 31, 2011, and $198,000 or 0.5% from September 30, 2011. The allowance for loan losses as a percentage of total loans and the allowance to nonperforming and restructured loans are shown in the preceding table.

The fair value adjustment on acquired loans contains a market component to adjust the rates on the loans to fair value and a credit component to absorb potential and identified credit exposures in the acquired loans. The credit component was $3.1 million at September 30, 2012, $3.7 million at December 31, 2011, and $3.7 million at September 30, 2011 while the acquired loans outstanding were $136.6 million, $193.4 million and $206.0 million, respectively. The decrease in the credit component as of September 30, 2012, was due to improved asset quality, lower loan volumes and the early settlement of the loan escrow agreement.

Nonperforming Loans, Restructured Loans and Other Real Estate Owned

Nonperforming and restructured loans totaled $40.6 million at September 30, 2012, compared to $23.0 million at December 31, 2011 and $31.5 million at September 30, 2011. The increase in restructured loans in 2012 was due primarily to the principal deferral of one real estate credit valued at approximately $18.0 million. This loan was evaluated by management and determined to be well collateralized. Additionally, none of the concessions granted involved a principal reduction or a change from the current market rate of interest. Collateral value will be monitored periodically to evaluate possible impairment. The Company charges interest on principal balances outstanding during deferral periods. As a result, the current and future financial effects of the recorded balance of loans considered to be troubled debt restructurings whose terms were modified during the period were not considered to be material. The level of nonperforming loans and loan losses may rise over time as a result of economic conditions. Nonperforming and restructured assets, as a percentage of total loans, is shown in the preceding table.

Other real estate owned and repossessed assets totaled $9.8 million at September 30, 2012, compared to $16.6 million at December 31, 2011 and $16.7 million at September 30, 2011. The decrease was due to the sale of a commercial real estate property in the first quarter of 2012.

Potential problem loans are performing loans to borrowers with a weakened financial condition, or which are experiencing unfavorable trends in their financial condition, which causes management to have concerns as to the ability of such borrowers to comply with the existing repayment terms. The Company had approximately $5.2 million of these loans at September 30, 2012 compared to $26.3 million at December 31, 2011 and $6.4 million at September 30, 2011. These loans are not included in nonperforming and restructured loans. In general, these loans are adequately collateralized and have no specific identifiable probable loss. Loans which are considered to have identifiable probable loss potential are placed on nonaccrual status, are allocated a specific allowance for loss or are directly charged-down, and are reported as nonperforming. The Company s nonaccrual loans are primarily commercial and real estate loans.

Liquidity and Funding

Deposits

At September 30, 2012, total deposits increased $215.8 million compared to December 31, 2011 and $366.2 million compared to September 30, 2011. The increase was due to internal deposit growth due in part to FDIC coverage on noninterest-bearing accounts and low yields on alternative investments. The Company s core deposits provide it with a stable, low-cost funding source. The Company s deposit base continues to be comprised substantially of core deposits, with certificates of deposit exceeding $100,000 being only 7.4% of total deposits at September 30, 2012, compared to 8.2% at December 31, 2011 and 10.0% at September 30, 2011. Noninterest-bearing deposits to total deposits were 36.7% at September 30, 2012, compared to 33.8% at December 31, 2011 and 33.2% at September 30, 2011.

The Company has recognized that it received depository funds due to the low interest rate environment and extended FDIC deposit insurance coverage provided by the U.S. Treasury under the Transaction Account Guaranty Program (TAGP). If interest rates increase or if the TAGP fails to be extended after December 31, 2012, the Company could lose deposits of an estimated $600 to $800 million over a short period of time. The Company maintains excess liquidity to absorb the potential loss of funds.

Short-Term Borrowings

Short-term borrowings, consisting primarily of Federal funds purchased and repurchase agreements are another source of funds for the Company. The level of these borrowings is determined by various factors, including customer demand and the Company s ability to earn a favorable spread on the funds obtained. As of September 30, 2012, short-term borrowings were $5.7 million, a decrease of $2.6 million from December 31, 2011, and a decrease of $6.6 million from September 30, 2011.

Long-Term Borrowings

The Company has a line of credit from the Federal Home Loan Bank (FHLB) of Topeka, Kansas to use for liquidity or to match-fund certain long-term fixed rate loans. The Company s assets, including residential first mortgages of $525.0 million, are pledged as collateral for the borrowings under the line of credit. As of September 30, 2012 the Company had approximately $11.3 million in advances outstanding due to acquisitions. The advances mature at varying dates through 2014.

In December 2010, the Company borrowed $14.5 million from a commercial bank to fund a portion of the Company s acquisitions. The Company made a payment of $6.0 million in July 2011 and paid the remaining balance of $8.5 million in October 2011.

There have not been material changes from the liquidity and funding discussion included in Management s Discussion and Analysis in the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

Capital Resources

At September 30, 2012, stockholders equity increased $27.3 million from December 31, 2011 and $36.0 million from September 30, 2011. In addition to net income of $39.6 million, other changes in stockholders equity during the nine months ended September 30, 2012 included $2.2 million related to stock option exercises, $1.2 million related to stock-based compensation partially offset by $12.6 million in dividends and a $2.7 million decrease in other comprehensive income. Stockholders equity has continued to increase due to net earnings retained, stock option exercises and unrealized gains on securities, partially offset by common stock repurchases, dividends and unrealized losses on securities. The ratios of average stockholders equity to average assets are in the preceding table. The Company redeemed $9.3 million of trust preferred securities and related debentures in June 2012. The Company s leverage ratio and total risk-based capital ratio were 8.19% and 14.74%, respectively, at September 30, 2012, well in excess of the regulatory minimums.

See Note (8) of the Notes to Consolidated Financial Statements for a discussion of capital ratio requirements.

CONTRACTUAL OBLIGATIONS

There have not been any material changes in the resources required for scheduled repayments of contractual obligations from the table of Contractual Cash Obligations included in Management s Discussion and Analysis, which was included in the Company s Annual Report on Form 10-K for the year ended December 31, 2011, other than the redemption of $9.3 million of trust preferred securities and related debentures in June 2012.

BANCFIRST CORPORATION

CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

	Three Months Ended September 30,					
	2012			2011		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
ASSETS						
Earning assets:						
Loans (1)	$ 3,093,928	$ 42,112	5.40%	$ 2,957,867	$ 42,167	5.66%
Securities taxable	516,187	1,681	1.29	563,791	2,754	1.94
Securities tax exempt	47,649	563	4.69	68,179	773	4.50
Interest-bearing deposits w/ banks & FFS	1,667,921	1,071	0.25	1,455,577	930	0.25
Total earning assets	5,325,685	45,427	3.38	5,045,414	46,624	3.67
Nonearning assets:						
Cash and due from banks	141,353			152,892		
Interest receivable and other assets	306,079			310,065		
Allowance for loan losses	(37,533)			(37,189)		
Total nonearning assets	409,899			425,768		
Total assets	$ 5,735,584			$ 5,471,182		
LIABILITIES AND STOCKHOLDERS EQUITY						
Interest-bearing liabilities:						
Transaction deposits	$ 693,616	$ 224	0.13%	$ 731,347	$ 342	0.19%
Savings deposits	1,783,662	1,412	0.31	1,759,400	1,902	0.43
Time deposits	854,967	2,093	0.97	946,326	2,915	1.22
Short-term borrowings	6,521	7	0.43	13,188	26	0.78
Long-term borrowings	11,282	84	2.95	32,933	332	4.00
Junior subordinated debentures	26,804	492	7.28	35,219	525	5.91
Total interest-bearing liabilities	3,376,852	4,312	0.51	3,518,413	6,042	0.68
Interest-free funds:						
Noninterest-bearing deposits	1,825,053			1,445,458		
Interest payable and other liabilities	27,404			32,934		
Stockholders equity	506,275			474,377		
Total interest free funds	2,358,732			1,952,769		
Total liabilities and stockholders equity	$ 5,735,584			$ 5,471,182		
Net interest income		$ 41,115			$ 40,582	
Net interest spread			2.87%			2.99%

Net interest margin	3.06%	3.20%

(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 ANALYSIS

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

	Nine Months Ended September 30,					
	2012			2011		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
ASSETS						
Earning assets:						
Loans (1)	$ 3,064,584	$ 126,126	5.48%	$ 2,858,171	$ 121,861	5.70%
Securities taxable	523,953	6,174	1.57	575,604	9,391	2.18
Securities tax exempt	50,874	1,847	4.84	74,787	2,668	4.77
Interest-bearing deposits w/ banks & FFS	1,620,688	3,105	0.26	1,384,558	2,632	0.25
Total earning assets	5,260,099	137,252	3.48	4,893,120	136,552	3.73
Nonearning assets:						
Cash and due from banks	144,471			143,891		
Interest receivable and other assets	309,874			295,282		
Allowance for loan losses	(37,610)			(36,439)		
Total nonearning assets	416,735			402,734		
Total assets	$ 5,676,834			$ 5,295,854		
LIABILITIES AND STOCKHOLDERS EQUITY						
Interest-bearing liabilities:						
Transaction deposits	$ 718,997	$ 758	0.14%	$ 722,354	$ 1,144	0.21%
Savings deposits	1,737,242	4,356	0.33	1,657,603	7,470	0.60
Time deposits	871,749	6,747	1.03	922,857	8,776	1.27
Short-term borrowings	7,255	23	0.42	8,816	33	0.50
Long-term borrowings	12,832	280	2.91	34,153	833	3.26
Junior subordinated debentures	32,504	1,643	6.73	31,007	1,575	6.79
Total interest-bearing liabilities	3,380,579	13,807	0.54	3,376,790	19,831	0.79
Interest-free funds:						
Noninterest-bearing deposits	1,770,283			1,419,904		
Interest payable and other liabilities	27,749			28,494		
Stockholders equity	498,223			470,666		
Total interest free funds	2,296,255			1,919,064		
Total liabilities and stockholders equity	$ 5,676,834			$ 5,295,854		
Net interest income		$ 123,445			$ 116,721	
Net interest spread			2.94%			2.94%

Net interest margin	3.13%	3.18%

(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, 2011, the date of its most recent 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 Officer, Chief Internal Auditor, Senior Vice President of Corporate Finance and Treasurer, 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.

No changes were made to the Company s internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

The Company has been named as a defendant in various legal actions arising from the conduct of its normal business activities. Although the amount of any liability that could arise with respect to these actions cannot be accurately predicted, in the opinion of the Company, any such liability will not have a material adverse effect on the consolidated financial statements of the Company.

Item 1A. Risk Factors.

Except as set forth below, as of September 30, 2012, there have been no material changes from the risk factors previously disclosed in Part I, Item 1A, of the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

Regulatory reforms under consideration could have a significant impact on our business, financial condition and results of operations.

Recently proposed changes in the laws and regulations affecting financial institutions could cause us to report capital under new methodologies or incur increased costs as we evaluate the implications of new rules and respond to new requirements. Compliance with the proposed rules under Basel III and some of the provisions of the Dodd-Frank Act related to the capital treatment of junior subordinated debentures may increase our operating costs, require us to hold higher levels of regulatory capital or liquidity or both or otherwise adversely affect our business or financial results in the future. Our management is actively reviewing the provisions of Basel III and certain provisions of the Dodd-Frank Act and assessing its probable impact on our business, financial condition, and results of operations. However, because many aspects of Basel III and the Dodd-Frank Act are in the comment phase or subject to future rulemaking, it is difficult to precisely anticipate its overall financial impact on us at this time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit
3.1	Second Amended and Restated Certificate of Incorporation of BancFirst Corporation (filed as Exhibit 1 to the Company s 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 dated June 15, 2004 (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 Designation of Preferred Stock (filed as Exhibit 3.2 to the Company s Annual Report on Form 10-K for the 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 Year Ended December 31, 1992 and incorporated herein by reference).
3.5	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).
3.6	Resolution of the Board of Directors amending Article XVI, Section 1 and Article XVII, Section 1 of the Company s By-Laws (filed as Exhibit 3.1 to the Company s Current Report on Form 8-K dated February 28, 2008 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	Rights Agreement, dated as of February 25, 1999, between BancFirst Corporation and BancFirst, as Rights Agent, including as 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 4.1 to the Company s 8-K dated January 28, 2009 and incorporated herein by reference).
4.3	Amendment No. 1 to Rights Agreement, dated as of February 25, 1999, between BancFirst Corporation and BancFirst, as Rights Agent (filed as Exhibit 4.2 to the Company s 8-K dated January 28, 2009 and incorporated herein by reference).
4.4	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/A, File No. 333-112488 dated February 23, 2004, and incorporated herein by reference).
4.5	Form of 7.20% Cumulative Trust Preferred Security Certificate for BFC Capital Trust II (filed as Exhibit D to Exhibit 4.5 to the Company s registration statement on Form S-3/A, File No. 333-112488 dated February 23, 2004, and incorporated herein by reference).
4.6	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 on Form S-3 to the Company s registration statement, File No. 333-112488 dated February 4, 2004, and incorporated herein by reference).
4.7	Form of Certificate of 7.20% Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (filed as Exhibit 4.2 on Form S-3 to the Company s registration statement, File No. 333-112488 dated February 4, 2004, and incorporated herein by reference).

Exhibit Number	Exhibit
4.8	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/A, File No. 333-112488 dated February 23, 2004, and incorporated herein by reference).
4.9	Form of Indenture relating to the Union National Bancshares, Inc. (BancFirst Corp. as successor) Fixed/Floating Rate Junior Subordinated Deferrable Interest Debentures, Form of Fixed/Floating Rate Junior Subordinated Deferrable Interest Debenture, and Form of Certificate to Trustee (filed as Exhibit 4.9 to the Company s Annual Report on Form 10-K for the Year Ended December 31, 2010 and incorporated herein by reference).
4.10	Form of Indenture relating to the FBC Financial Corporation (BancFirst Corp. as successor) Floating Rate Junior Subordinated Deferrable Interest Debentures, Form of Floating Rate Junior Subordinated Deferrable Interest Debenture, and Form of Certificate to Trustee (filed as Exhibit 4.10 to the Company s Quarterly Report on Form 10-Q for the Quarter ended September 30, 2011 and incorporated herein by reference).
10.1	Tenth Amended and Restated BancFirst Corporation Stock Option Plan (filed as Exhibit 4.1 to the Company s registration statement on Form S-8, File No. 333-175914 dated July 29, 2011, and incorporated herein by reference).
10.2	BancFirst Corporation Employee Stock Ownership and Trust Agreement adopted December 21, 2006 effective January 1, 2007 (filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the Quarter ended March 31, 2008 and incorporated herein by reference).
10.3	Second Amended and Restated BancFirst Corporation Non-Employee Directors Stock Option Plan (filed as Exhibit 10.7 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2009 and incorporated herein by reference).
10.4	Third Amended and Restated BancFirst Corporation Directors Deferred Stock Compensation Plan (filed as Exhibit 10.8 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2009 and incorporated herein by reference).
10.5	Amended and Restated BancFirst Corporation Thrift Plan adopted March 25, 2010 effective January 1, 2010 (filed as Exhibit 10.6 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2010 and incorporated herein by reference).
10.6	Amendment (Code Section 415 Compliance) to the BancFirst Corporation Employee Stock Ownership Plan and Trust Agreement, adopted July 23, 2009. (filed as Exhibit 10.7 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2010 and incorporated herein by reference).
10.7	Amendment (Pension Protection Act, Heart Act and the Worker, Retiree, and Employer Recovery Act) to the BancFirst Corporation Employee Stock Ownership Plan and Trust Agreement, adopted December 17, 2009 (filed as Exhibit 10.8 to the Company s Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2010 and incorporated herein by reference).
10.8	Amendment to the Amended and Restated BancFirst Corporation Thrift Plan adopted December 16, 2010 effective January 1, 2011 (filed as Exhibit 10.9 to the Company s Annual Report on Form 10-K for the Year Ended December 31, 2010 and incorporated herein by reference).
10.9	Amendment to the Amended and Restated BancFirst Corporation Thrift Plan adopted October 27, 2011 effective October 1, 2011 (filed as Exhibit 10.9 to the Company s Annual Report on Form 10-K for the Year Ended December 31, 2011 and incorporated herein by reference).
10.10	Amendment to the Amended and Restated BancFirst Corporation Employee Ownership Plan adopted October 27, 2011 effective October 1, 2011 (filed as Exhibit 10.10 to the Company s Annual Report on Form 10-K for the Year Ended December 31, 2011 and incorporated herein by reference).
31.1*	Chief Executive Officer s Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31.2*	Chief Financial Officer 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.

Exhibit Number	Exhibit
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.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.
** Furnished 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, 2012

/s/ Joe T. Shockley, Jr.
Joe T. Shockley, Jr.
Executive Vice President
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)