

BANCFIRST CORP /OK/  
Form 8-K  
February 15, 2008

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

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 15, 2008

**BANCFIRST CORPORATION**

(Exact name of registrant as specified in its charter)

**OKLAHOMA**  
(State or other jurisdiction

of incorporation)

**0-14384**  
(Commission File Number)

**73-1221379**  
(I.R.S. Employer

Identification No.)

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101 North Broadway, Oklahoma City, Oklahoma  
(Address of principal executive offices)

73102  
(Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

**Item 7.01. Regulation FD Disclosure.**

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

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

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

|  | <b>December 31,</b> |              |
|--|---------------------|--------------|
|  | <b>2007</b>         | <b>2006</b>  |
| <b>ASSETS</b>  |                     |              |
| Cash and due from banks  | \$ 194,103          | \$ 148,487   |
| Interest-bearing deposits with banks   | 2,387               | 6,470        |
| Federal funds sold   | 399,000             | 335,000      |
| Securities (market value: \$467,921 and \$432,945, respectively)   | 467,719             | 432,910      |
| Loans:   |                     |              |
| Total loans (net of unearned interest)   | 2,487,099           | 2,325,548    |
| Allowance for loan losses  | (29,127)            | (27,700)     |
| Loans, net   | 2,457,972           | 2,297,848    |
| Premises and equipment, net  | 88,110              | 82,336       |
| Other real estate owned  | 1,300               | 1,379        |
| Intangible assets, net   | 8,099               | 7,294        |
| Goodwill   | 34,327              | 32,512       |
| Accrued interest receivable  | 26,093              | 25,680       |
| Other assets   | 63,896              | 48,658       |
| Total assets   | \$ 3,743,006        | \$ 3,418,574 |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |                     |              |
| Deposits:  |                     |              |
| Noninterest-bearing  | \$ 966,214          | \$ 866,787   |
| Interest-bearing   | 2,322,290           | 2,107,518    |
| Total deposits   | 3,288,504           | 2,974,305    |
| Short-term borrowings  | 30,400              | 23,252       |
| Accrued interest payable   | 7,831               | 7,988        |
| Other liabilities  | 16,899              | 11,531       |
| Long-term borrowings   | 606                 | 1,339        |
| Junior subordinated debentures   | 26,804              | 51,804       |
| Total liabilities  | 3,371,044           | 3,070,219    |
| Commitments and contingent liabilities   |                     |              |
| Stockholders' equity:  |                     |              |
| Senior preferred stock, \$1.00 par; 10,000,000 shares authorized; none issued  |                     |              |
| Cumulative preferred stock, \$5.00 par; 900,000 shares authorized; none issued   |                     |              |
| Common stock, \$1.00 par; 20,000,000 shares authorized; shares issued and outstanding: 15,217,233 and 15,764,310, respectively | 15,217              | 15,764       |
| Capital surplus  | 63,917              | 61,418       |

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|   |              |              |
|---|--------------|--------------|
| Retained earnings   | 285,879      | 271,073      |
| Accumulated other comprehensive income, net of income tax of \$(3,741) and \$(54), respectively | 6,949        | 100          |
| Total stockholders' equity  | 371,962      | 348,355      |
| Total liabilities and stockholders' equity  | \$ 3,743,006 | \$ 3,418,574 |

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

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

(Unaudited)

(Dollars in thousands, except per share data)

|   | Three Months Ended<br>December 31, |            | Year Ended<br>December 31, |             |
|---|------------------------------------|------------|----------------------------|-------------|
|   | 2007                               | 2006       | 2007                       | 2006        |
| <b>INTEREST INCOME</b>                                  |                                    |            |                            |             |
| Loans, including fees                                   | \$ 48,023                          | \$ 47,135  | \$ 189,786                 | \$ 179,942  |
| Securities:   |                                    |            |                            |             |
| Taxable   | 4,649                              | 4,202      | 18,397                     | 17,345      |
| Tax-exempt  | 345                                | 372        | 1,398                      | 1,533       |
| Federal funds sold                                      | 4,800                              | 4,849      | 21,047                     | 13,952      |
| Interest-bearing deposits with banks                    | 28                                 | 102        | 121                        | 453         |
| <br>Total interest income                               | <br>57,845                         | <br>56,660 | <br>230,749                | <br>213,225 |
| <b>INTEREST EXPENSE</b>                                 |                                    |            |                            |             |
| Deposits  | 19,517                             | 18,099     | 78,606                     | 63,167      |
| Short-term borrowings                                   | 322                                | 502        | 1,667                      | 1,798       |
| Long-term borrowings                                    | 8                                  | 26         | 50                         | 160         |
| Junior subordinated debentures                          | 492                                | 1,103      | 2,140                      | 4,412       |
| <br>Total interest expense                              | <br>20,339                         | <br>19,730 | <br>82,463                 | <br>69,537  |
| <br>Net interest income                                 | <br>37,506                         | <br>36,930 | <br>148,286                | <br>143,688 |
| Provision for loan losses                               | 980                                | (123)      | 3,329                      | 1,790       |
| <br>Net interest income after provision for loan losses | <br>36,526                         | <br>37,053 | <br>144,957                | <br>141,898 |
| <b>NONINTEREST INCOME</b>                               |                                    |            |                            |             |
| Trust revenue   | 1,428                              | 1,402      | 6,077                      | 5,765       |
| Service charges on deposits                             | 7,785                              | 6,990      | 29,395                     | 28,200      |
| Securities transactions                                 | 48                                 | 141        | 8,337                      | 526         |
| Income from sales of loans                              | 493                                | 572        | 2,397                      | 2,259       |
| Insurance commissions and premiums                      | 1,492                              | 1,114      | 6,434                      | 6,457       |
| Insurance recovery                                      |                                    |            | 3,139                      |             |
| Other   | 3,985                              | 4,563      | 15,359                     | 15,217      |
| <br>Total noninterest income                            | <br>15,231                         | <br>14,782 | <br>71,138                 | <br>58,424  |
| <b>NONINTEREST EXPENSE</b>                              |                                    |            |                            |             |
| Salaries and employee benefits                          | 19,574                             | 17,631     | 76,814                     | 70,336      |
| Occupancy and fixed assets expense, net                 | 2,221                              | 2,166      | 8,357                      | 8,245       |
| Depreciation  | 2,095                              | 1,856      | 7,568                      | 6,850       |
| Amortization of intangibles assets                      | 224                                | 253        | 968                        | 981         |
| Data processing services                                | 734                                | 804        | 2,783                      | 2,736       |
| Net expense (income) from other real estate owned       | 85                                 | (13)       | 128                        | 52          |
| Marketing and business promotions                       | 1,747                              | 1,920      | 7,606                      | 6,544       |
| Early extinguishment of debt                            |                                    |            | 1,894                      |             |
| Other   | 7,560                              | 7,213      | 28,328                     | 28,813      |

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|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Total noninterest expense                            | 34,240    | 31,830    | 134,446   | 124,557   |
| Income before taxes                                  | 17,517    | 20,005    | 81,649    | 75,765    |
| Income tax expense                                   | (5,893)   | (6,483)   | (28,556)  | (26,413)  |
| Net income   | 11,624    | 13,522    | 53,093    | 49,352    |
| Other comprehensive income, net of tax:              |           |           |           |           |
| Unrealized gains (losses) on securities              | 3,519     | 1,445     | 4,899     | 3,410     |
| Reclassification adjustment for losses in net income | 31        | (92)      | 1,950     | (342)     |
| Comprehensive income                                 | \$ 15,174 | \$ 14,875 | \$ 59,942 | \$ 52,420 |
| <b>NET INCOME PER COMMON SHARE</b>                   |           |           |           |           |
| Basic  | \$ 0.76   | \$ 0.86   | \$ 3.41   | \$ 3.14   |
| Diluted  | \$ 0.75   | \$ 0.84   | \$ 3.33   | \$ 3.07   |

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

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**BANCFIRST CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**(1) GENERAL**

The accompanying consolidated financial statements include the accounts of BancFirst Corporation, Century Life Assurance Company, Council Oak Partners, LLC, Wilcox Jones & McGrath, Inc., and BancFirst and its subsidiaries (the Company). The operating subsidiaries of BancFirst are Council Oak Investment Corporation, BancFirst Agency, Inc., Lenders Collection Corporation, BancFirst Community Development Corporation, Council Oak Real Estate, Inc. and PremierSource LLC. PremierSource LLC was sold in August 2006 and Century Life Assurance Company was sold effective October 2006. All significant intercompany accounts and transactions have been eliminated. Assets held in a fiduciary or agency capacity are not assets of the Company and, accordingly, are not included in the consolidated financial statements.

The unaudited interim financial statements contained herein reflect all adjustments which are, in the opinion of management, necessary to provide a fair statement of the financial position and results of operations of the Company for the interim periods presented. All such adjustments are of a normal and recurring nature. There have been no significant changes in the accounting policies of the Company since December 31, 2006, the date of the most recent annual report.

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

**(2) RECENT ACCOUNTING PRONOUNCEMENTS**

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

On September 13, 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108 (SAB 108). SAB 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a potential current year misstatement. Prior to SAB 108, companies might evaluate the materiality of financial-statement misstatements using either the income statement or balance sheet approach, with the income statement approach focusing on misstatements added in the current year, and the balance sheet approach focusing on the cumulative amount of misstatements present in the Company's balance sheet. Misstatements that would be material under one approach could be viewed as immaterial under another approach, and not be corrected. SAB 108 now requires that companies view financial statement misstatements as material if they are material according to either the income statement or balance sheet approach. The Company has considered SAB 108 and determined that the adoption of SAB 108 did not have a material effect on the Company's consolidated financial statements.

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

In February 2007, the FASB issued FAS No. 159 ( FAS 159 ), The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115. FAS 159 allows entities to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities that are not otherwise required to be measured at fair value, with changes in fair value recognized in earnings as they occur. FAS 159 also requires entities to report those financial assets and financial liabilities measured at fair value in a manner that separates those reported fair values from the carrying amounts of similar assets and liabilities measured using another measurement attribute on the face of the statement of financial position. Lastly, FAS 159 establishes presentation and disclosure requirements designed to improve comparability between entities that elect different measurement attributes for similar assets and liabilities. FAS 159 is effective for fiscal years beginning after November 15, 2007, with early adoption permitted if an entity also early adopts the provisions of FAS 157. The Company has determined that it does not intend to elect to use the fair value option to value financial assets and liabilities in accordance with FAS 159.

In December 2007, the FASB issues FAS No. 141R, Business Combinations ( FAS 141R ), which establishes principles and requirements for the reporting entity in a business combination, including recognition and measurement in the financial statements of the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. This statement also establishes disclosure requirements to enable financial statement users to evaluate the nature and financial effects of the business combination. FAS 141R applies prospectively to business combinations for which the acquisition date is on or after fiscal years beginning after December 15, 2008. FAS 141R will become effective for our fiscal year beginning January 1, 2009. We are currently evaluating the effect that the adoption of FAS 141R will have on our consolidated financial statements.

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

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

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

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



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

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

In July 2007, the Company was awarded and received the \$3.1 million bond claim by their fidelity bond carrier for the \$3.3 million cash shortfall that was reported in the second quarter of 2005.

**(4) SECURITIES**

The table below summarizes securities held for investment and securities available for sale.

|   | <b>December 31,</b>           |                   |
|---|-------------------------------|-------------------|
|   | <b>2007</b>                   | <b>2006</b>       |
|   | <b>(dollars in thousands)</b> |                   |
| Held for investment at cost (market value: \$25,472 and \$26,087, respectively) | \$ 25,270                     | \$ 26,052         |
| Available for sale, at market value   | 442,449                       | 406,858           |
| <b>Total</b>  | <b>\$ 467,719</b>             | <b>\$ 432,910</b> |

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

The following is a schedule of loans outstanding by category:

|                                      | December 31,           |                |                     |                |
|--------------------------------------|------------------------|----------------|---------------------|----------------|
|                                      | 2007                   |                | 2006                |                |
|                                      | Amount                 | Percent        | Amount              | Percent        |
|                                      | (dollars in thousands) |                |                     |                |
| Commercial and industrial            | \$ 493,860             | 19.86%         | \$ 400,858          | 17.24%         |
| Oil & Gas Production & Equipment     | 92,759                 | 3.73           | 97,090              | 4.18           |
| Agriculture                          | 87,035                 | 3.50           | 80,743              | 3.47           |
| State and political subdivisions:    |                        |                |                     |                |
| Taxable                              | 5,972                  | 0.24           | 3,131               | 0.14           |
| Tax-exempt                           | 8,937                  | 0.36           | 12,328              | 0.53           |
| Real Estate:                         |                        |                |                     |                |
| Construction                         | 222,820                | 8.96           | 223,561             | 9.61           |
| Farmland                             | 95,137                 | 3.82           | 83,904              | 3.61           |
| One to four family residences        | 513,969                | 20.67          | 516,727             | 22.22          |
| Multifamily residential properties   | 20,248                 | 0.81           | 11,415              | 0.49           |
| Commercial                           | 653,066                | 26.26          | 610,133             | 26.24          |
| Consumer                             | 270,735                | 10.89          | 258,133             | 11.10          |
| Other                                | 22,561                 | 0.90           | 27,525              | 1.17           |
| <b>Total loans</b>                   | <b>\$ 2,487,099</b>    | <b>100.00%</b> | <b>\$ 2,325,548</b> | <b>100.00%</b> |
| Loans held for sale (included above) | \$ 8,320               |                | \$ 9,935            |                |

The Company's loans are mostly to customers within Oklahoma and over half of the loans are secured by real estate. Credit risk on loans is managed through limits on amounts loaned to individual borrowers, underwriting standards and loan monitoring procedures. The amounts and types of collateral obtained to secure loans are based upon the Company's underwriting standards and management's credit evaluation. Collateral varies, but may include real estate, equipment, accounts receivable, inventory, livestock and securities. The Company's interest in collateral is secured through filing mortgages and liens, and in some cases, by possession of the collateral. The amount of estimated loss due to credit risk in the Company's loan portfolio is provided for in the allowance for loan losses. The amount of the allowance required to provide for all existing losses in the loan portfolio is an estimate based upon evaluations of loans, appraisals of collateral and other estimates which are subject to rapid change due to changing economic conditions and the economic prospects of borrowers. It is reasonably possible that a material change could occur in the estimated allowance for loan losses in the near term.

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

|                                  | Three Months Ended     |              | Year Ended   |              |
|----------------------------------|------------------------|--------------|--------------|--------------|
|                                  | December 31,           |              | December 31, |              |
|                                  | 2007                   | 2006         | 2007         | 2006         |
|                                  | (dollars in thousands) |              |              |              |
| Balance at beginning of period   | \$ 28,829              | \$ 28,990    | \$ 27,700    | \$ 27,517    |
| Charge-offs                      | (823)                  | (1,397)      | (2,683)      | (3,481)      |
| Recoveries                       | 141                    | 230          | 781          | 1,364        |
| Net charge-offs                  | (682)                  | (1,167)      | (1,902)      | (2,117)      |
| Provisions charged to operations | 980                    | (123)        | 3,329        | 1,790        |
| Additions from acquisitions      |                        |              |              | 510          |
| <b>Total additions</b>           | <b>980</b>             | <b>(123)</b> | <b>3,329</b> | <b>2,300</b> |

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Balance at end of period

\$ 29,127

\$ 27,700

\$ 29,127

\$ 27,700

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

|                                 | Three Months Ended<br>December 31, |                 | Year Ended<br>December 31, |                 |
|---------------------------------|------------------------------------|-----------------|----------------------------|-----------------|
|                                 | 2007                               | 2006            | 2007                       | 2006            |
|                                 | (dollars in thousands)             |                 |                            |                 |
| Commercial, financial and other | \$ (27)                            | \$ 846          | \$ 225                     | \$ 1,140        |
| Real estate construction        | 6                                  | (1)             | 558                        | 122             |
| Real estate mortgage            | 538                                | 22              | 543                        | (30)            |
| Consumer                        | 165                                | 299             | 576                        | 884             |
| <b>Total</b>                    | <b>\$ 682</b>                      | <b>\$ 1,166</b> | <b>\$ 1,902</b>            | <b>\$ 2,116</b> |

#### (6) NONPERFORMING AND RESTRUCTURED ASSETS

Below is a summary of nonperforming and restructured assets:

|  | December 31,           |                  |
|--|------------------------|------------------|
|  | 2007                   | 2006             |
|  | (dollars in thousands) |                  |
| Past due over 90 days and still accruing                     | \$ 823                 | \$ 1,884         |
| Nonaccrual   | 11,568                 | 9,371            |
| Restructured   | 1,121                  | 715              |
| <b>Total nonperforming and restructured loans</b>            | <b>13,512</b>          | <b>11,970</b>    |
| <b>Other real estate owned and repossessed assets</b>        | <b>1,568</b>           | <b>1,675</b>     |
| <b>Total nonperforming and restructured assets</b>           | <b>\$ 15,080</b>       | <b>\$ 13,645</b> |
| <b>Nonperforming and restructured loans to total loans</b>   | <b>0.54%</b>           | <b>0.51%</b>     |
| <b>Nonperforming and restructured assets to total assets</b> | <b>0.40%</b>           | <b>0.40%</b>     |

#### (7) CAPITAL

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

|                      | Minimum<br>Required | December 31,           |              |
|----------------------|---------------------|------------------------|--------------|
|                      |                     | 2007                   | 2006         |
|                      |                     | (dollars in thousands) |              |
| Tier 1 capital       |                     | \$ 348,564             | \$ 359,430   |
| Total capital        |                     | \$ 378,755             | \$ 388,581   |
| Risk-adjusted assets |                     | \$ 2,826,072           | \$ 2,620,376 |
| Leverage ratio       | 3.00%               | 9.42%                  | 10.64%       |
| Tier 1 capital ratio | 4.00%               | 12.33%                 | 13.72%       |

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Total capital ratio

8.00%

13.40%

14.83%

To be well capitalized under federal bank regulatory agency definitions, a depository institution must have a Tier 1 Ratio of at least 6%, a combined Tier 1 and Tier 2 Ratio of at least 10%, and a Leverage Ratio of at least 5%. As of December 31, 2006 and 2007, the Company was considered to be well capitalized. There are no conditions or events since the most recent notification of the Company's capital category that management believes would change its category.

**(8) STOCK REPURCHASE PLAN**

In November 1999, the Company adopted a new Stock Repurchase Program (the SRP) authorizing management to repurchase up to 600,000 shares of the Company's common stock. The SRP was amended in May 2001, August of 2002, and September of 2007 to increase the shares authorized to be purchased by 555,832 shares, 364,530 shares and 366,948 shares, respectively. The SRP may be used as a means to increase earnings per share and return on equity, to purchase treasury stock for the exercise of stock options or for distributions under the Deferred Stock Compensation Plan, to provide liquidity for optionees to dispose of stock from exercises of their stock options, and to provide liquidity for shareholders wishing to sell their stock. The timing, price and amount of stock repurchases under the SRP may be determined by management and must be approved by the Company's Executive Committee. At December 31, 2007 there were 600,000 shares remaining that could be repurchased under the SRP. Below is a summary of the shares repurchased under the program.

|                                     | Three Months Ended<br>December 31, |      | Year Ended<br>December 31, |      |
|-------------------------------------|------------------------------------|------|----------------------------|------|
|                                     | 2007                               | 2006 | 2007                       | 2006 |
| Number of shares repurchased        |                                    |      | 53,000                     |      |
| Average price of shares repurchased | \$                                 | \$   | \$ 46.47                   | \$   |

**(9) COMPREHENSIVE INCOME**

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

|  | Three Months Ended<br>December 31, |          | Year Ended<br>December 31, |          |
|--|------------------------------------|----------|----------------------------|----------|
|  | 2007                               | 2006     | 2007                       | 2006     |
|  | (dollars in thousands)             |          |                            |          |
| Unrealized gains (losses) during the period: |                                    |          |                            |          |
| Before-tax amount                            | \$ 5,412                           | \$ 2,239 | \$ 7,536                   | \$ 5,248 |
| Tax (expense) benefit                        | (1,893)                            | (794)    | (2,637)                    | (1,838)  |
| Net-of-tax amount                            | \$ 3,519                           | \$ 1,445 | \$ 4,899                   | \$ 3,410 |

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

|   | Three Months<br>Ended<br>December 31, |            | Year Ended<br>December 31, |            |
|---|---------------------------------------|------------|----------------------------|------------|
|   | 2007                                  | 2006       | 2007                       | 2006       |
|   | (dollars in thousands)                |            |                            |            |
| Unrealized gain (loss) on securities:                                 |                                       |            |                            |            |
| Beginning balance   | \$ 3,399                              | \$ (1,253) | \$ 100                     | \$ (2,968) |
| Current period change   | 3,519                                 | 1,445      | 4,899                      | 3,410      |
| Reclassification adjustment for (gains) losses included in net income | 31                                    | (92)       | 1,950                      | (342)      |
| Ending balance  | \$ 6,949                              | \$ 100     | \$ 6,949                   | \$ 100     |

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

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

|   | Income<br>(Numerator)<br>(dollars in thousands, except per share data) | Shares<br>(Denominator) | Per Share<br>Amount |
|---|--|-------------------------|---------------------|
| <b><u>Three Months Ended December 31, 2007</u></b>                              |  |                         |                     |
| <b>Basic</b>  |  |                         |                     |
| Income available to common stockholders   | \$ 11,624  | 15,209,373              | \$ 0.76             |
| Effect of stock options   |  | 366,257                 |                     |
| <b>Diluted</b>  |  |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 11,624  | 15,575,630              | \$ 0.75             |
| <b><u>Three Months Ended December 31, 2006</u></b>                              |  |                         |                     |
| <b>Basic</b>  |  |                         |                     |
| Income available to common stockholders   | \$ 13,522  | 15,751,044              | \$ 0.86             |
| Effect of stock options   |  | 398,019                 |                     |
| <b>Diluted</b>  |  |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 13,522  | 16,149,063              | \$ 0.84             |
| <b><u>Year Ended December 31, 2007</u></b>                                      |  |                         |                     |
| <b>Basic</b>  |  |                         |                     |
| Income available to common stockholders   | \$ 53,093  | 15,574,521              | \$ 3.41             |
| Effect of stock options   |  | 370,101                 |                     |
| <b>Diluted</b>  |  |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 53,093  | 15,944,622              | \$ 3.33             |
| <b><u>Year Ended December 31, 2006</u></b>                                      |  |                         |                     |
| <b>Basic</b>  |  |                         |                     |
| Income available to common stockholders   | \$ 49,352  | 15,713,306              | \$ 3.14             |
| Effect of stock options   |  | 381,538                 |                     |
| <b>Diluted</b>  |  |                         |                     |
| Income available to common stockholders plus assumed exercises of stock options | \$ 49,352  | 16,094,844              | \$ 3.07             |

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

|                                      | Shares  | Average<br>Exercise<br>Price |
|--------------------------------------|---------|------------------------------|
| Three Months Ended December 31, 2007 | 258,609 | \$ 45.23                     |
| Three Months Ended December 31, 2006 | 6,467   | \$ 50.92                     |
| Year Ended December 31, 2007         | 229,923 | \$ 45.51                     |
| Year Ended December 31, 2006         | 10,789  | \$ 45.82                     |





## BANCFIRST CORPORATION

## SELECTED CONSOLIDATED FINANCIAL DATA

(Unaudited)

(Dollars in thousands, except per share data)

|   | Three Months Ended<br>December 31, |         | Year Ended<br>December 31, |             |
|---|------------------------------------|---------|----------------------------|-------------|
|   | 2007                               | 2006    | 2007                       | 2006        |
| <b>Per Common Share Data</b>                                      |                                    |         |                            |             |
| Net income basic  | \$ 0.76                            | \$ 0.86 | \$ 3.41                    | \$ 3.14     |
| Net income diluted  | 0.75                               | 0.84    | 3.33                       | 3.07        |
| Cash dividends  | 0.20                               | 0.18    | 0.76                       | 0.68        |
| <b>Performance Data</b>   |                                    |         |                            |             |
| Return on average assets  | 1.27%                              | 1.55%   | 1.49%                      | 1.46%       |
| Return on average stockholders equity                             | 12.60                              | 15.38   | 14.66                      | 15.10       |
| Cash dividend payout ratio  | 26.32                              | 20.93   | 22.29                      | 21.73       |
| Net interest spread   | 3.53                               | 3.66    | 3.59                       | 3.80        |
| Net interest margin   | 4.54                               | 4.71    | 4.63                       | 4.75        |
| Efficiency ratio  | 64.93                              | 61.55   | 61.27                      | 61.63       |
| Net charge-offs total loans                                       | 0.11                               | 0.20    | 0.08                       | 0.09        |
|   |                                    |         |                            |             |
|   |                                    |         | <b>December 31,</b>        |             |
|   |                                    |         | <b>2007</b>                | <b>2006</b> |
| <b>Balance Sheet Data</b>   |                                    |         |                            |             |
| Book value per share  |                                    |         | \$ 24.44                   | \$ 22.10    |
| Tangible book value per share                                     |                                    |         | 21.66                      | 19.57       |
| Average loans to deposits (year-to-date)                          |                                    |         | 76.04%                     | 79.19%      |
| Average earning assets to total assets (year-to-date)             |                                    |         | 90.86                      | 90.20       |
| Average stockholders equity to average assets (year-to-date)      |                                    |         | 10.18                      | 9.68        |
| <b>Asset Quality Ratios</b>                                       |                                    |         |                            |             |
| Nonperforming and restructured loans to total loans               |                                    |         | 0.54%                      | 0.51%       |
| Nonperforming and restructured assets to total assets             |                                    |         | 0.40                       | 0.40        |
| Allowance for loan losses to total loans                          |                                    |         | 1.17                       | 1.19        |
| Allowance for loan losses to nonperforming and restructured loans |                                    |         | 215.57                     | 231.41      |

## BANCFIRST CORPORATION

## CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSES

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

|  | Three Months Ended December 31, |                                |                           |                    |                                |                           |
|--|---------------------------------|--------------------------------|---------------------------|--------------------|--------------------------------|---------------------------|
|  | 2007                            |                                |                           | 2006               |                                |                           |
|  | Average<br>Balance              | Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate | Average<br>Balance | Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate |
| <b>ASSETS</b>                              |                                 |                                |                           |                    |                                |                           |
| Earning assets:                            |                                 |                                |                           |                    |                                |                           |
| Loans (1)                                  | \$ 2,423,589                    | \$ 48,118                      | 7.88%                     | \$ 2,333,774       | \$ 47,252                      | 8.03 %                    |
| Securities taxable                         | 429,814                         | 4,649                          | 4.29                      | 391,909            | 4,202                          | 4.25                      |
| Securities tax exempt                      | 35,286                          | 531                            | 5.97                      | 38,474             | 574                            | 5.92                      |
| Federal funds sold                         | 412,927                         | 4,828                          | 4.64                      | 375,513            | 4,951                          | 5.23                      |
| Total earning assets                       | 3,301,616                       | 58,126                         | 6.98                      | 3,139,670          | 56,979                         | 7.20                      |
| Nonearning assets:                         |                                 |                                |                           |                    |                                |                           |
| Cash and due from banks                    | 136,972                         |                                |                           | 146,404            |                                |                           |
| Interest receivable and other assets       | 217,118                         |                                |                           | 204,331            |                                |                           |
| Allowance for loan losses                  | (28,745)                        |                                |                           | (29,147)           |                                |                           |
| Total nonearning assets                    | 325,345                         |                                |                           | 321,588            |                                |                           |
| Total assets                               | \$ 3,626,961                    |                                |                           | \$ 3,461,258       |                                |                           |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b> |                                 |                                |                           |                    |                                |                           |
| Interest-bearing liabilities:              |                                 |                                |                           |                    |                                |                           |
| Transaction deposits                       | \$ 390,911                      | \$ 685                         | 0.70%                     | \$ 420,473         | \$ 919                         | 0.87%                     |
| Savings deposits                           | 1,093,677                       | 9,767                          | 3.54                      | 928,347            | 8,801                          | 3.76                      |
| Time deposits                              | 796,254                         | 9,066                          | 4.52                      | 770,941            | 8,380                          | 4.31                      |
| Short-term borrowings                      | 27,878                          | 322                            | 4.58                      | 38,683             | 501                            | 5.14                      |
| Long-term borrowings                       | 625                             | 8                              | 5.08                      | 1,490              | 26                             | 6.92                      |
| Junior subordinated debentures             | 26,805                          | 491                            | 7.27                      | 51,804             | 1,103                          | 8.45                      |
| Total interest-bearing liabilities         | 2,336,150                       | 20,339                         | 3.45                      | 2,211,738          | 19,730                         | 3.54                      |
| Interest-free funds:                       |                                 |                                |                           |                    |                                |                           |
| Noninterest-bearing deposits               | 899,246                         |                                |                           | 871,060            |                                |                           |
| Interest payable and other liabilities     | 25,432                          |                                |                           | 29,718             |                                |                           |
| Stockholders equity                        | 366,133                         |                                |                           | 348,742            |                                |                           |
| Total interest-free funds                  | 1,290,811                       |                                |                           | 1,249,520          |                                |                           |
| Total liabilities and stockholders equity  | \$ 3,626,961                    |                                |                           | \$ 3,461,258       |                                |                           |
| Net interest income                        |                                 | \$ 37,787                      |                           |                    | \$ 37,249                      |                           |
| Net interest spread                        |                                 |                                | 3.53%                     |                    |                                | 3.66%                     |

|                     |       |       |
|---------------------|-------|-------|
| Net interest margin | 4.54% | 4.71% |
|---------------------|-------|-------|

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

## BANCFIRST CORPORATION

## CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSES

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

|  | Year Ended December 31, |  |                           |                    |  |                           |
|--|-------------------------|--|---------------------------|--------------------|--|---------------------------|
|  | Average<br>Balance      | 2007<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate | Average<br>Balance | 2006<br>Interest<br>Income/<br>Expense | Average<br>Yield/<br>Rate |
| <b>ASSETS</b>                              |                         |  |                           |                    |  |                           |
| Earning assets:                            |                         |  |                           |                    |  |                           |
| Loans (1)                                  | \$ 2,364,618            | \$ 190,173                             | 8.04%                     | \$ 2,321,459       | \$ 180,401                             | 7.77%                     |
| Securities taxable                         | 411,443                 | 18,397                                 | 4.47                      | 394,140            | 17,345                                 | 4.40                      |
| Securities tax exempt                      | 35,657                  | 2,151                                  | 6.03                      | 39,121             | 2,359                                  | 6.03                      |
| Federal funds sold                         | 419,675                 | 21,167                                 | 5.04                      | 291,129            | 14,404                                 | 4.95                      |
| Total earning assets                       | 3,231,393               | 231,888                                | 7.18                      | 3,045,849          | 214,509                                | 7.04                      |
| Nonearning assets:                         |                         |  |                           |                    |  |                           |
| Cash and due from banks                    | 139,919                 |  |                           | 161,576            |  |                           |
| Interest receivable and other assets       | 213,081                 |  |                           | 197,559            |  |                           |
| Allowance for loan losses                  | (27,890)                |  |                           | (28,310)           |  |                           |
| Total nonearning assets                    | 325,110                 |  |                           | 330,825            |  |                           |
| Total assets                               | \$ 3,556,503            |  |                           | \$ 3,376,674       |  |                           |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b> |                         |  |                           |                    |  |                           |
| Interest-bearing liabilities:              |                         |  |                           |                    |  |                           |
| Transaction deposits                       | \$ 398,786              | \$ 2,989                               | 0.75%                     | \$ 428,620         | \$ 3,455                               | 0.81%                     |
| Savings deposits                           | 1,048,935               | 39,944                                 | 3.81                      | 884,714            | 30,374                                 | 3.43                      |
| Time deposits                              | 784,405                 | 35,673                                 | 4.55                      | 744,252            | 29,339                                 | 3.94                      |
| Short-term borrowings                      | 33,584                  | 1,667                                  | 4.96                      | 37,149             | 1,798                                  | 4.84                      |
| Long-term borrowings                       | 931                     | 50                                     | 5.37                      | 2,582              | 160                                    | 6.20                      |
| Junior subordinated debentures             | 27,832                  | 2,140                                  | 7.69                      | 51,804             | 4,412                                  | 8.52                      |
| Total interest-bearing liabilities         | 2,294,473               | 82,463                                 | 3.59                      | 2,149,121          | 69,538                                 | 3.24                      |
| Interest-free funds:                       |                         |  |                           |                    |  |                           |
| Noninterest bearing deposits               | 877,474                 |  |                           | 874,013            |  |                           |
| Interest payable and other liabilities     | 22,426                  |  |                           | 26,709             |  |                           |
| Stockholders equity                        | 362,130                 |  |                           | 326,831            |  |                           |
| Total interest-free funds                  | 1,262,030               |  |                           | 1,227,553          |  |                           |
| Total liabilities and stockholders equity  | \$ 3,556,503            |  |                           | \$ 3,376,674       |  |                           |
| Net interest income                        |                         | \$ 149,425                             |                           |                    | \$ 144,971                             |                           |

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|                     |       |       |
|---------------------|-------|-------|
| Net interest spread | 3.59% | 3.80% |
| Net interest margin | 4.63% | 4.75% |

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

**SIGNATURES**

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

**BANCFIRST CORPORATION**

(Registrant)

Date February 15, 2008

/s/ Joe T. Shockley, Jr.

(Signature)

Joe T. Shockley, Jr.

Executive Vice President and Chief Financial Officer;  
(Principal Financial Officer)