

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2007

OR

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

For the transition period from _____ to _____

Commission File Number 0-14384

BancFirst Corporation

(Exact name of registrant as specified in charter)

Oklahoma
(State or other Jurisdiction of
incorporation or organization)

101 N. Broadway, Oklahoma City, Oklahoma

73102-8401

(Address of principal executive offices)

(Zip Code)

73-1221379
(I.R.S. Employer

Identification No.)

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(405) 270-1086

(Registrant's telephone number, including area code)

(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 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 Non-accelerated filer

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

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

PART I FINANCIAL INFORMATION**Item 1. Financial Statements.**

BANCFIRST CORPORATION
CONSOLIDATED BALANCE SHEET

(Unaudited)

(Dollars in thousands, except per share data)

| | September 30, 2007 | September 30, 2006 | December 31, 2006 |
|--|-----------------------|-----------------------|----------------------|
| ASSETS | | | |
| Cash and due from banks | \$ 134,275 | \$ 125,601 | \$ 148,487 |
| Interest-bearing deposits with banks | 3,056 | 15,076 | 6,470 |
| Federal funds sold | 350,000 | 352,850 | 335,000 |
| Securities (market value: \$464,539, \$422,681 and \$432,945, respectively) | 464,534 | 422,650 | 432,910 |
| Loans: | | | |
| Total loans (net of unearned interest) | 2,399,982 | 2,332,838 | 2,325,548 |
| Allowance for loan losses | (28,828) | (28,988) | (27,700) |
| Loans, net | 2,371,154 | 2,303,850 | 2,297,848 |
| Premises and equipment, net | 87,546 | 80,236 | 82,336 |
| Other real estate owned | 1,103 | 2,155 | 1,379 |
| Intangible assets, net | 8,323 | 7,558 | 7,294 |
| Goodwill | 34,285 | 32,372 | 32,512 |
| Accrued interest receivable | 26,467 | 24,733 | 25,680 |
| Other assets | 65,595 | 57,414 | 48,658 |
| Total assets | \$ 3,546,338 | \$ 3,424,495 | \$ 3,418,574 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | |
| Deposits: | | | |
| Noninterest-bearing | \$ 895,586 | \$ 871,475 | \$ 866,787 |
| Interest-bearing | 2,224,189 | 2,095,581 | 2,107,518 |
| Total deposits | 3,119,775 | 2,967,056 | 2,974,305 |
| Short-term borrowings | 16,332 | 37,323 | 23,252 |
| Accrued interest payable | 7,600 | 6,697 | 7,988 |
| Other liabilities | 16,047 | 23,292 | 11,531 |
| Long-term borrowings | 909 | 1,965 | 1,339 |
| Junior subordinated debentures | 26,804 | 51,804 | 51,804 |
| Minority interest | | 1,210 | |
| Total liabilities | 3,187,467 | 3,089,347 | 3,070,219 |
| Commitments and contingent liabilities | | | |
| Stockholders' equity: | | | |
| Senior preferred stock, \$1.00 par; 10,000,000 shares authorized; none issued | | | |
| Cumulative preferred stock, \$5.00 par; 900,000 shares authorized; none issued | | | |

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| | | | |
|---|----------------|----------------|----------------|
| Common stock, \$1.00 par, 20,000,000 shares authorized; shares issued and outstanding: 15,201,459, 15,742,171 and 15,764,310, respectively | 15,201 | 15,742 | 15,764 |
| Capital surplus | 63,079 | 60,269 | 61,418 |
| Retained earnings | 277,192 | 260,390 | 271,073 |
| Accumulated other comprehensive income (loss), net of income tax of \$(1,831), \$691 and \$(54), respectively | 3,399 | (1,253) | 100 |
| Total stockholders' equity | 358,871 | 335,148 | 348,355 |
| Total liabilities and stockholders' equity | \$ 3,546,338 | \$ 3,424,495 | \$ 3,418,574 |

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except per share data)

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

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