

BANCFIRST CORP /OK/
Form 10-Q
November 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2015

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 (I.R.S. Employer
incorporation or organization) 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

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(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 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 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 (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

As of October 31, 2015 there were 15,597,280 shares of the registrant's Common Stock outstanding.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

BANCFIRST CORPORATION

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	September 30, 2015 (unaudited)	December 31, 2014 (see Note 1)
ASSETS		
Cash and due from banks	\$ 163,188	\$ 203,545
Interest-bearing deposits with banks	1,491,873	1,710,350
Securities (fair value: \$507,923 and \$524,861, respectively)	507,858	524,783
Loans held for sale	12,406	9,433
Loans (net of unearned interest)	3,959,669	3,851,398
Allowance for loan losses	(40,970)	(40,889)
Loans, net of allowance for loan losses	3,918,699	3,810,509
Premises and equipment, net	120,659	121,341
Other real estate owned	7,650	7,859
Intangible assets, net	9,203	10,635
Goodwill	44,594	44,962
Accrued interest receivable and other assets	129,966	131,555
Total assets	\$ 6,406,096	\$ 6,574,972
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	\$ 2,244,711	\$ 2,411,066
Interest-bearing	3,453,880	3,493,638
Total deposits	5,698,591	5,904,704
Short-term borrowings	3,777	3,982
Accrued interest payable and other liabilities	30,863	30,168
Junior subordinated debentures	26,804	26,804
Total liabilities	5,760,035	5,965,658
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	15,591	15,504

outstanding: 15,591,530 and 15,504,513, respectively		
Capital surplus	100,835	96,841
Retained earnings	527,038	492,776
Accumulated other comprehensive income, net of income tax of \$1,638		
and \$2,644, respectively	2,597	4,193
Total stockholders' equity	646,061	609,314
Total liabilities and stockholders' equity	\$6,406,096	\$6,574,972

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		Nine Months Ended	
	Ended September 30, 2015	2014	September 30, 2015	2014
INTEREST INCOME				
Loans, including fees	\$47,342	\$46,759	\$139,781	\$135,263
Securities:				
Taxable	1,291	1,536	4,148	4,343
Tax-exempt	249	262	730	815
Federal funds sold	—	—	—	1
Interest-bearing deposits with banks	1,009	1,112	3,137	3,302
Total interest income	49,891	49,669	147,796	143,724
INTEREST EXPENSE				
Deposits	2,522	2,658	7,602	8,180
Short-term borrowings	1	6	3	13
Long-term borrowings	—	—	—	25
Junior subordinated debentures	492	491	1,474	1,474
Total interest expense	3,015	3,155	9,079	9,692
Net interest income	46,876	46,514	138,717	134,032
Provision for loan losses	1,424	(3,115)	4,029	1,232
Net interest income after provision for loan losses	45,452	49,629	134,688	132,800
NONINTEREST INCOME				
Trust revenue	2,295	2,380	6,837	6,846
Service charges on deposits	14,910	14,226	42,574	42,044
Securities transactions (includes accumulated other comprehensive income reclassifications of \$0, \$0, \$3,912 and \$88, respectively)	—	284	7,121	819
Income from sales of loans	545	569	1,534	1,387
Insurance commissions	4,427	4,152	11,615	11,380
Cash management	1,906	1,770	5,611	5,058
Gain on sale of other assets	27	242	108	250
Other	1,214	1,315	3,935	4,327
Total noninterest income	25,324	24,938	79,335	72,111
NONINTEREST EXPENSE				
Salaries and employee benefits	28,746	28,153	84,145	81,569
Occupancy, net	3,051	2,920	8,586	8,493
Depreciation	2,488	2,432	7,401	7,156
Amortization of intangible assets	444	444	1,333	1,310
Data processing services	1,132	1,183	3,428	3,538
Net expense from other real estate owned	51	173	181	317
Marketing and business promotion	1,640	1,429	4,720	4,806
Deposit insurance	820	810	2,482	2,456

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Other	7,980	9,398	24,428	26,990
Total noninterest expense	46,352	46,942	136,704	136,635
Income before taxes	24,424	27,625	77,319	68,276
Income tax expense	8,794	8,832	26,877	20,138
Net income	\$15,630	\$18,793	\$50,442	\$48,138
NET INCOME PER COMMON SHARE				
Basic	\$1.01	\$1.22	\$3.25	\$3.12
Diluted	\$0.98	\$1.19	\$3.18	\$3.05
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on securities, net of tax of \$(91), \$210, \$(507) and \$(811), respectively	145	(332)	803	713
Reclassification adjustment for gains included in net income, net of tax of \$0, \$0, \$1,513 and \$34, respectively	—	—	(2,399)	(54)
Other comprehensive gain (loss), net of tax of \$(91), \$210, \$1,006 and \$(777), respectively	145	(332)	(1,596)	659
Comprehensive income	\$15,775	\$18,461	\$48,846	\$48,797

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
COMMON STOCK				
Issued at beginning of period	\$ 15,562	\$ 15,399	\$ 15,504	\$ 15,334
Shares issued	29	50	87	115
Issued at end of period	\$ 15,591	\$ 15,449	\$ 15,591	\$ 15,449
CAPITAL SURPLUS				
Balance at beginning of period	\$ 99,202	\$ 91,447	\$ 96,841	\$ 88,803
Common stock issued	749	1,554	2,065	3,174
Tax effect of stock options	395	417	686	665
Stock-based compensation arrangements	489	448	1,243	1,224
Balance at end of period	\$ 100,835	\$ 93,866	\$ 100,835	\$ 93,866
RETAINED EARNINGS				
Balance at beginning of period	\$ 517,028	\$ 468,761	\$ 492,776	\$ 448,953
Net income	15,630	18,793	50,442	48,138
Dividends on common stock (\$0.36, \$0.34, \$1.04 and \$0.96 per share, respectively)	(5,620)	(5,252)	(16,180)	(14,789)
Balance at end of period	\$ 527,038	\$ 482,302	\$ 527,038	\$ 482,302
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Unrealized gains on securities:				
Balance at beginning of period	\$ 2,452	\$ 4,898	\$ 4,193	\$ 3,907
Net change	145	(332)	(1,596)	659
Balance at end of period	\$ 2,597	\$ 4,566	\$ 2,597	\$ 4,566
Total stockholders' equity	\$ 646,061	\$ 596,183	\$ 646,061	\$ 596,183

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

(Dollars in thousands)

	Nine Months Ended September 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$50,442	\$48,138
Adjustments to reconcile to net cash provided by operating activities:		
Provision for loan losses	4,029	1,232
Depreciation and amortization	8,734	8,466
Net amortization of securities premiums and discounts	747	712
Realized securities gains	(7,121)	(819)
Gain on sales of loans	(1,534)	(1,387)
Cash receipts from the sale of loans originated for sale	132,957	114,388
Cash disbursements for loans originated for sale	(134,396)	(115,294)
Deferred income tax benefit	(1,029)	(3,107)
Gain on other assets	(76)	(714)
Decrease in interest receivable	8	381
Decrease in interest payable	(64)	(366)
Amortization of stock-based compensation arrangements	1,243	1,224
Other, net	4,797	6,957
Net cash provided by operating activities	\$58,737	\$59,811
INVESTING ACTIVITIES		
Net decrease in federal funds sold	—	4,319
Net cash and due from banks received from acquisitions	—	174,283
Purchases of held for investment securities	(1,085)	—
Purchases of available for sale securities	(41,424)	(204,979)
Proceeds from maturities, calls and paydowns of held for investment securities	1,344	3,882
Proceeds from maturities, calls and paydowns of available for sale securities	53,285	197,469
Proceeds from sales of available for sale securities	8,576	2,235
Net change in loans	(113,740)	(266,076)
Purchases of premises, equipment and computer software	(9,535)	(8,541)
Proceeds from the sale of other assets	4,324	4,741
Net cash used in investing activities	(98,255)	(92,667)
FINANCING ACTIVITIES		
Net change in deposits	(206,113)	19,116
Net (decrease)/increase in short-term borrowings	(205)	6,883
Paydown of long-term borrowings	—	(6,938)
Issuance of common stock, net	2,838	3,954
Cash dividends paid	(15,836)	(14,289)
Net cash (used in) provided by financing activities	(219,316)	8,726
Net decrease in cash, due from banks and interest-bearing deposits	(258,834)	(24,130)
Cash, due from banks and interest-bearing deposits at the beginning of the period	1,913,895	1,857,535

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Cash, due from banks and interest-bearing deposits at the end of the period	\$1,655,061	\$1,833,405
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	\$9,142	\$10,058
Cash paid during the period for income taxes	\$26,531	\$21,128
Noncash investing and financing activities:		
Unpaid common stock dividends declared	\$5,609	\$5,244

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 accounting principles generally accepted in the United State of America (U.S. GAAP) and general practice within the banking industry. A summary of significant accounting policies can be found in Note (1) to the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Basis of Presentation

The accompanying unaudited interim 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. and BancFirst Agency, Inc. 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 unaudited interim consolidated financial statements.

The accompanying unaudited interim 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, 2014, should be referred to in connection with these unaudited interim consolidated financial statements. Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period.

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, 2014, the date of the most recent annual report.

Reclassifications

Certain items in prior financial statements have been reclassified to conform to the current presentation. Such reclassifications had no effect on previously reported cash flows, stockholders’ equity or comprehensive income.

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 February 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-02, “Consolidation (Topic 810) – Amendments to the Consolidation Analysis.” ASU 2015-02 implements changes to both the variable interest consolidation model and the voting interest consolidation model. ASU 2015-02 (i) eliminates certain criteria that must be met when determining when fees paid to a decision maker or service provider do not represent a variable interest, (ii) amends the criteria for determining whether a limited partnership is a variable interest entity and (iii) eliminates the presumption that a general partner controls a limited partnership in the voting model. The amendments are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2015. Adoption of ASU 2015-02 is not expected to have a significant effect on the Company’s financial statements.

In August 2014, the FASB issued ASU No. 2014-15, “Presentation of Financial Statements – Going Concern (Topic 205-40).” ASU 2014-15 provides guidance on management’s responsibility in evaluating whether there is substantial doubt about the Company’s ability to continue as a going concern and related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern within one year from the date the financial statements are issued. The amendments are effective for annual periods, and

interim reporting periods within those annual periods, beginning after December 15, 2016. Early adoption is permitted. Adoption of ASU 2014-15 is not expected to have a significant effect on the Company's financial statements.

In January 2014, the FASB issued Accounting Standards Update ASU No. 2014-04, "Receivables: Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure (Topic 310-40)." ASU 2014-04 clarifies that an in-substance repossession or foreclosure occurs upon either the creditor obtaining legal title to the residential real estate property or the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The amendments were effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. Adoption of ASU 2014-04 did not have a significant effect on the Company's financial statements.

In January 2014, the FASB issued ASU No. 2014-01, "Accounting for Investments in Affordable Housing Projects (Topic 323)." ASU 2014-01 revises the necessary criteria that need to be met in order for an entity to account for investments in affordable housing projects net of the provision for income taxes. It also changes the method of recognition from an effective amortization approach to a proportional amortization approach. Additional disclosures were also set forth in this update. The amendments were effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. The amendments were required to be applied retrospectively to all periods presented. Early adoption was permitted and adoption of the standard was optional. Adoption of ASU 2014-01 did not have a material impact on the Company's financial statements.

(2) RECENT DEVELOPMENTS, INCLUDING MERGERS AND ACQUISITIONS

In January 2015, Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst, recognized a pretax gain of approximately \$1.7 million on one of its investments.

In June 2015, Council Oak Partners, LLC, a wholly-owned subsidiary of the Company, recognized a pretax gain of approximately \$5.3 million on one of its investments.

See Note 12 for developments subsequent to September 30, 2015.

(3) SECURITIES

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

	September 30,	December 31, 2014
	2015	
	(Dollars in thousands)	
Held for investment, at cost (fair value: \$8,398 and \$8,671, respectively)	\$8,333	\$8,593
Available for sale, at fair value	499,525	516,190
Total	\$507,858	\$524,783

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

	Gross Amortized	Gross Unrealized	Gross Unrealized	Estimated Fair
	Cost	Gains	Losses	Value
September 30, 2015 (Dollars in thousands)				
Mortgage backed securities (1)	\$382	\$ 30	\$ —	\$ 412
States and political subdivisions	7,951	35	—	7,986
Total	\$8,333	\$ 65	\$ —	\$ 8,398
December 31, 2014				
Mortgage backed securities (1)	\$471	\$ 34	\$ —	\$ 505
States and political subdivisions	8,122	44	—	8,166
Total	\$8,593	\$ 78	\$ —	\$ 8,671

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

	Gross		Gross	Estimated
	Amortized	Unrealized	Unrealized	Fair
	Cost	Gains	Losses	Value
September 30, 2015	(Dollars in thousands)			
U.S. treasuries	\$279,331	\$ 1,966	\$ —	\$281,297
U.S. federal agencies	133,670	870	(54)	134,486
Mortgage backed securities (1)	22,587	500	(557)	22,530
States and political subdivisions	49,815	1,552	(41)	51,326
Other securities (2)	9,887	197	(198)	9,886
Total	\$495,290	\$ 5,085	\$ (850)	\$499,525
December 31, 2014				
U.S. treasuries	\$248,767	\$ 404	\$ (178)	\$248,993
U.S. federal agencies	171,641	983	(175)	172,449
Mortgage backed securities (1)	26,441	602	(586)	26,457
States and political subdivisions	51,706	1,716	(49)	53,373
Other securities (2)	10,798	4,252	(132)	14,918
Total	\$509,353	\$ 7,957	\$ (1,120)	\$516,190

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

(2) Primarily consists of equity securities.

The unrealized gains decreased in 2015 primarily due to the reclassification of an unrealized gain on one investment of \$3.3 million from other comprehensive income to a realized gain by Council Oak Partners, LLC, a wholly-owned subsidiary of the Company. The realized gain is reported as securities transactions within the noninterest income section of the consolidated statement of comprehensive income.

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, 2015		December 31, 2014	
Estimated		Estimated	
Amortized Fair		Amortized Fair	
Cost	Value	Cost	Value
(Dollars in thousands)			

Held for Investment				
Contractual maturity of debt securities:				
Within one year	\$4,978	\$4,985	\$1,451	\$1,456
After one year but within five years	3,003	3,031	6,603	6,642
After five years but within ten years	316	343	380	396
After ten years	36	39	159	177
Total	\$8,333	\$8,398	\$8,593	\$8,671
Available for Sale				
Contractual maturity of debt securities:				
Within one year	\$132,557	\$132,794	\$41,772	\$41,870
After one year but within five years	266,217	269,077	350,975	352,044
After five years but within ten years	12,493	13,068	21,990	22,717
After ten years	77,590	78,155	87,252	88,132
Total debt securities	488,857	493,094	501,989	504,763
Equity securities	6,433	6,431	7,364	11,427
Total	\$495,290	\$499,525	\$509,353	\$516,190

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, 2015	December 31, 2014
	(Dollars in thousands)	
Book value of pledged securities	\$ 450,473	\$ 522,190

(4) LOANS AND ALLOWANCE FOR LOAN LOSSES

The following is a schedule of loans outstanding by category:

	September 30, 2015		December 31, 2014	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Commercial and financial:				
Commercial and industrial	\$759,935	19.19 %	\$745,106	19.35 %
Oil & gas production and equipment	68,943	1.74	104,940	2.72
Agriculture	112,675	2.84	132,830	3.45
State and political subdivisions:				
Taxable	17,674	0.45	20,431	0.53
Tax-exempt	28,855	0.73	20,952	0.54
Real estate:				
Construction	382,883	9.67	356,621	9.26
Farmland	163,989	4.14	149,507	3.88
One to four family residences	797,974	20.15	766,362	19.90
Multifamily residential properties	63,016	1.59	66,766	1.73
Commercial	1,250,673	31.59	1,191,477	30.94
Consumer	281,800	7.12	267,179	6.94
Other (not classified above)	31,252	0.79	29,227	0.76
Total loans	\$3,959,669	100.00 %	\$3,851,398	100.00 %

The Company's loans are mostly to customers within Oklahoma and over 65% 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 Note (1) to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Nonperforming and Restructured Assets

The following is a summary of nonperforming and restructured assets:

	September 30, 2015	December 31, 2014
	(Dollars in thousands)	
Past due 90 days or more and still accruing	\$2,061	\$ 1,135
Nonaccrual	30,321	16,410
Restructured	15,386	16,515
Total nonperforming and restructured loans	47,768	34,060
Other real estate owned and repossessed assets	7,863	8,079
Total nonperforming and restructured assets	\$55,631	\$ 42,139

Nonaccrual loans, accruing loans past due 90 days or more, and restructured loans are shown in the table above. Had nonaccrual loans performed in accordance with their original contractual terms, the Company would have recognized additional interest income of approximately \$1.5 million for the nine months ended September 30, 2015 and approximately \$839,000 for the nine months ended September 30, 2014.

Restructured loans consisted primarily of one relationship restructured to defer principal payments. The relationship 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. The collateral value is 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.

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, 2015	December 31, 2014
	(Dollars in thousands)	
Real estate:		
Non-residential real estate owner occupied	\$ 183	\$ 296
Non-residential real estate other	4,878	5,126
Residential real estate permanent mortgage	517	681
Residential real estate all other	1,222	1,796
Commercial and financial:		
Non-consumer non-real estate	13,458	1,556
Consumer non-real estate	198	250
Other loans	5,761	1,659
Acquired loans	4,104	5,046
Total	\$30,321	\$ 16,410

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

Age Analysis of Past Due Loans							Accruing
						Loans 90	
						Days or	
						More	
						Past Due	
(Dollars in thousands)							
As of September 30, 2015							
Real estate:							
Non-residential real estate owner occupied	\$ 223	\$ 391	\$ 99	\$ 713	\$ 492,565	\$ 493,278	\$ 99
Non-residential real estate other	2,035	61	1,162	3,258	1,033,981	1,037,239	317

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Residential real estate permanent mortgage	1,108	328	1,028	2,464	322,673	325,137	788
Residential real estate all other	1,279	89	967	2,335	660,700	663,035	420
Commercial and financial:							
Non-consumer non-real estate	2,690	949	209	3,848	930,554	934,402	22
Consumer non-real estate	1,700	616	297	2,613	265,755	268,368	264
Other loans	562	174	5,211	5,947	155,379	161,326	65
Acquired loans	743	548	1,313	2,604	74,280	76,884	86
Total	\$10,340	\$3,156	\$10,286	\$23,782	\$3,935,887	\$3,959,669	\$2,061
As of December 31, 2014							
Real estate:							
Non-residential real estate owner occupied							
	\$635	\$—	\$269	\$904	\$482,731	\$483,635	\$70
Non-residential real estate other	377	317	825	1,519	952,484	954,003	—
Residential real estate permanent mortgage							
	2,010	758	544	3,312	304,267	307,579	172
Residential real estate all other	1,820	194	1,488	3,502	633,586	637,088	387
Commercial and financial:							
Non-consumer non-real estate	841	71	793	1,705	965,002	966,707	24
Consumer non-real estate	1,914	711	330	2,955	244,810	247,765	215
Other loans	1,858	916	741	3,515	149,469	152,984	—
Acquired loans	1,815	997	1,304	4,116	97,521	101,637	267
Total	\$11,270	\$3,964	\$6,294	\$21,528	\$3,829,870	\$3,851,398	\$1,135

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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 of allowance for loss, 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.

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			
	Recorded		Average	
	Unpaid	Investment	Related	Recorded
	Principal	with	Allowance	Investment
	Balance	Allowance	Allowance	Investment
	(Dollars in thousands)			
As of September 30, 2015				
Real estate:				
Non-residential real estate owner occupied	\$495	\$ 410	\$ 15	\$ 374
Non-residential real estate other	22,982	19,906	758	19,969
Residential real estate permanent mortgage	1,676	1,456	68	1,126
Residential real estate all other	2,047	1,806	177	1,892
Commercial and financial:				
Non-consumer non-real estate	15,940	13,481	2,555	16,393
Consumer non-real estate	657	636	122	596
Other loans	5,902	5,826	157	5,882
Acquired loans	7,373	4,890	—	5,085
Total	\$57,072	\$ 48,411	\$ 3,852	\$ 51,317
As of December 31, 2014				
Real estate:				
Non-residential real estate owner occupied	\$521	\$ 448	\$ 15	\$ 453
Non-residential real estate other	23,154	21,164	1,364	21,522
Residential real estate permanent mortgage	1,095	880	85	1,042
Residential real estate all other	2,480	2,270	299	2,273
Commercial and financial:				
Non-consumer non-real estate	1,895	1,580	431	1,646
Consumer non-real estate	664	648	138	602
Other loans	2,101	1,659	228	1,512
Acquired loans	10,933	7,708	—	8,082
Total	\$42,843	\$ 36,357	\$ 2,560	\$ 37,132

Credit Risk Monitoring and Loan Grading

The Company considers various factors to monitor the credit 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.

An internal risk grading system is used to indicate the credit risk of loans. 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 disclosed in Note (5) to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

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

	Internal Loan Grading					Total
	Grade 1	2	3	4	5	
(Dollars in thousands)						
As of September 30, 2015						
Real estate:						
Non-residential real estate owner occupied	\$408,259	\$78,173	\$6,663	\$183	\$—	\$493,278
Non-residential real estate other	872,939	129,399	30,023	4,878	—	1,037,239
Residential real estate permanent mortgage	288,436	29,520	6,393	788	—	325,137
Residential real estate all other	544,388	106,840	10,200	1,607	—	663,035
Commercial and financial:						
Non-consumer non-real estate	775,900	133,200	11,804	13,498	—	934,402
Consumer non-real estate	252,581	13,583	1,690	512	2	268,368
Other loans	153,197	4,696	1,027	2,406	—	161,326
Acquired loans	53,350	10,347	8,727	4,311	149	76,884
Total	\$3,349,050	\$505,758	\$76,527	\$28,183	\$151	\$3,959,669
As of December 31, 2014						
Real estate:						
Non-residential real estate owner occupied	\$402,706	\$75,555	\$5,008	\$366	\$—	\$483,635
Non-residential real estate other	795,209	133,542	20,126	5,126	—	954,003
Residential real estate permanent mortgage	272,411	27,855	6,369	944	—	307,579
Residential real estate all other	529,555	99,214	6,146	2,173	—	637,088
Commercial and financial:						
Non-consumer non-real estate	821,094	117,457	26,550	1,606	—	966,707
Consumer non-real estate	233,424	12,229	1,548	564	—	247,765
Other loans	147,758	4,261	601	173	191	152,984
Acquired loans	46,465	36,951	12,651	5,206	364	101,637
Total	\$3,248,622	\$507,064	\$78,999	\$16,158	\$555	\$3,851,398

Allowance for Loan Losses Methodology

The allowance for loan losses (“ALL”) methodology is disclosed in Note (5) to the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

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The following table details activity in the ALL 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.

	ALL Balance at beginning of period (Dollars in thousands)	Charge- offs	Recoveries	Net charge-offs	Provisions charged to operations	Balance at end of period
Three Months Ended September 30, 2015						
Real estate:						
Non-residential real estate owner occupied	\$4,503	\$—	\$ —	\$ —	\$ 36	\$4,539
Non-residential real estate other	9,880	(708)	1	(707)	814	9,987
Residential real estate permanent mortgage	3,110	(28)	15	(13)	(26)	3,071
Residential real estate all other	6,485	(48)	4	(44)	168	6,609
Commercial and financial:						
Non-consumer non-real estate	13,713	(2,180)	38	(2,142)	86	11,657
Consumer non-real estate	2,499	(152)	35	(117)	160	2,542
Other loans	2,431	(20)	6	(14)	134	2,551
Acquired loans	—	(38)	—	(38)	52	14
Total	\$42,621	\$(3,174)	\$ 99	\$(3,075)	\$ 1,424	\$40,970
Nine Months Ended September 30, 2015						
Real estate:						
Non-residential real estate owner occupied	\$4,406	\$(1)	\$ 1	\$ —	\$ 133	\$4,539
Non-residential real estate other	9,616	(708)	2	(706)	1,077	9,987
Residential real estate permanent mortgage	2,948	(124)	29	(95)	218	3,071
Residential real estate all other	6,269	(123)	13	(110)	450	6,609
Commercial and financial:						
Non-consumer non-real estate	12,771	(2,349)	76	(2,273)	1,159	11,657
Consumer non-real estate	2,404	(382)	90	(292)	430	2,542
Other loans	2,359	(283)	15	(268)	460	2,551
Acquired loans	116	(232)	28	(204)	102	14
Total	\$40,889	\$(4,202)	\$ 254	\$(3,948)	\$ 4,029	\$40,970

	ALL				Balance	
	Balance				at	
	at				Provisions	
	beginning				at	
	of	Charge-	Recoveries	Net	charged to	end of
	period	offs	charge-offs	operations	period	
	(Dollars in thousands)					
Three Months Ended September 30, 2014						
Real estate:						
Non-residential real estate owner occupied	\$5,241	\$—	\$ 20	\$ 20	\$ (798)	\$4,463
Non-residential real estate other	11,238	(29)	45	16	(1,784)	9,470
Residential real estate permanent mortgage	3,310	(12)	18	6	(464)	2,852
Residential real estate all other	6,815	(23)	9	(14)	(649)	6,152
Commercial and financial:						
Non-consumer non-real estate	11,967	(391)	21	(370)	412	12,009
Consumer non-real estate	2,645	(177)	58	(119)	(132)	2,394
Other loans	1,993	(93)	8	(85)	219	2,127
Acquired loans	88	(201)	32	(169)	81	—
Total	\$43,297	\$(926)	\$ 211	\$ (715)	\$(3,115)	\$39,467
Nine Months Ended September 30, 2014						
Real estate:						
Non-residential real estate owner occupied	\$4,827	\$(22)	\$ 85	\$ 63	\$(427)	\$4,463
Non-residential real estate other	11,026	(29)	48	19	(1,575)	9,470
Residential real estate permanent mortgage	2,825	(174)	59	(115)	142	2,852
Residential real estate all other	6,708	(116)	23	(93)	(463)	6,152
Commercial and financial:						
Non-consumer non-real estate	8,977	(522)	51	(471)	3,503	12,009
Consumer non-real estate	2,556	(508)	166	(342)	180	2,394
Other loans	1,991	(344)	135	(209)	345	2,127
Acquired loans	124	(366)	715	349	(473)	—
Total	\$39,034	\$(2,081)	\$ 1,282	\$ (799)	\$ 1,232	\$39,467

The following table details the amount of ALL by class of loans for the period presented, detailed on the basis of the impairment methodology used by the Company.

ALL		ALL	
September 30, 2015		December 31, 2014	
Individually	Collectively	Individually	Collectively
evaluated	evaluated	evaluated	evaluated
for	for	for	for

	impairment	impairment	impairment	impairment
	(Dollars in thousands)		(Dollars in thousands)	
Real estate:				
Non-residential real estate owner occupied.	\$257	\$ 4,282	\$202	\$ 4,204
Non-residential real estate other	1,321	8,666	1,518	8,098
Residential real estate permanent mortgage	380	2,691	407	2,541
Residential real estate all other	865	5,744	743	5,526
Commercial and financial:				
Non-consumer non-real estate	3,712	7,945	4,671	8,100
Consumer non-real estate	352	2,190	372	2,032
Other loans	52	2,499	214	2,145
Acquired loans	—	14	—	116
Total	\$6,939	\$ 34,031	\$8,127	\$ 32,762

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The following table details the loans outstanding by class of loans for the period presented, on the basis of the impairment methodology used by the Company.

	Loans September 30, 2015			December 31, 2014		
	Individual evaluated for impairment (Dollars in thousands)	Collectively evaluated for impairment	Loans acquired with deteriorated credit quality	Individual evaluated for impairment	Collectively evaluated for impairment	Loans acquired with deteriorated credit quality
Real estate:						
Non-residential real estate owner occupied	\$6,846	\$486,432	\$ —	\$5,374	\$478,261	\$ —
Non-residential real estate other	34,900	1,002,339	—	25,251	928,752	—
Residential real estate permanent mortgage	7,181	317,956	—	7,313	300,266	—
Residential real estate all other	11,807	651,228	—	8,319	628,769	—
Commercial and financial:						
Non-consumer non-real estate	25,302	909,100	—	28,156	938,551	—
Consumer non-real estate	2,199	266,169	—	2,112	245,653	—
Other loans	166	161,160	—	233	152,751	—
Acquired loans	—	63,697	13,187	—	83,416	18,221
Total	\$88,401	\$3,858,081	\$ 13,187	\$76,758	\$3,756,419	\$ 18,221
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, 2015	2014
Other real estate owned	\$3,155	\$2,073
Repossessed assets	794	955
Total	\$3,949	\$3,028

(5) INTANGIBLE ASSETS

The following is a summary of intangible assets:

	Gross		Net
	Carrying	Accumulated	Carrying
	Amount	Amortization	Amount
	(Dollars in thousands)		
As of September 30, 2015			
Core deposit intangibles	\$13,198	\$ (7,074)	\$ 6,124
Customer relationship intangibles	5,699	(2,970)	2,729
Mortgage servicing intangibles	570	(220)	350
Total	\$19,467	\$ (10,264)	\$ 9,203
As of December 31, 2014			
Core deposit intangibles	\$13,198	\$ (6,013)	\$ 7,185
Customer relationship intangibles	5,699	(2,699)	3,000
Mortgage servicing intangibles	643	(193)	450
Total	\$19,540	\$ (8,905)	\$ 10,635

The following is a summary of goodwill by business segment:

	Metropolitan Banks	Community Banks	Other Financial Services	Executive, Operations & Support	Consolidated
	(Dollars in thousands)				
Balance at December 31, 2014	\$8,078	\$ 30,970	\$ 5,464	\$ 450	\$ 44,962
Impairment	—	(368)	—	—	(368)
Balance at September 30, 2015	\$8,078	\$ 30,602	\$ 5,464	\$ 450	\$ 44,594

In June 2015, the Company recorded an impairment loss of \$368,000 after adopting a plan in the second quarter to close a small branch and leave a full-service ATM to serve the community.

Additional information for intangible assets can be found in Note (7) to the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

(6) 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 3,000,000 shares in May 2013. At September 30, 2015, 29,485 shares were available for future grants. The BancFirst ISOP will terminate on December 31, 2019. 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, 2015 will become exercisable through the year 2022. 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 230,000 shares in May 2014. At September 30, 2015, 20,000 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, 2015 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.

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:

	Wgted. Avg.	Wgted. Avg. Remaining	Aggregate
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	Options	Exercise Price	Contractual Term	Intrinsic Value
(Dollars in thousands, except per share data)				
Nine Months Ended September 30, 2015				
Outstanding at December 31, 2014	1,029,657	\$ 36.55		
Options granted	108,000	59.84		
Options exercised	(86,482)	24.65		
Options canceled, forfeited, or expired	(22,500)	37.14		
Outstanding at September 30, 2015	1,028,675	39.98	8.82	\$ 23,782
Exercisable at September 30, 2015	474,500	32.17	5.28 Yr	\$ 14,677

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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		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Dollars in thousands)			
Weighted average grant-date fair value per share of options granted	\$ 11.89	\$ 12.75	\$ 11.55	\$ 12.57
Total intrinsic value of options exercised	1,129	1,560	3,258	3,606
Cash received from options exercised	779	1,605	2,132	3,247
Tax benefit realized from options exercised	437	604	1,260	1,395

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		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Dollars in thousands)			
Stock-based compensation expense	\$ 489	\$ 448	\$ 1,243	\$ 1,224
Tax benefit	189	173	481	473
Stock-based compensation expense, net of tax	\$ 300	\$ 275	\$ 762	\$ 751

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, 2015
	(Dollars in thousands)
Fair value of stock options	\$ 4,186

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

Nine Months Ended

	September 30,	
	2015	2014
Risk-free interest rate	1.83 to 2.26%	2.50 to 2.54%
Dividend yield	2.00%	2.00%
Stock price volatility	18.23 to 19.65%	18.62 to 18.98%
Expected term	10 Yrs	10 Yrs

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

(7) 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:

	Nine Months Ended	
	September 30,	
	2015	2014
Number of shares repurchased	—	—
Average price of shares repurchased	—	—
Shares remaining to be repurchased	194,723	194,723

The Company and BancFirst are subject to risk-based capital guidelines issued by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (“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 that as of September 30, 2015, the Company and BancFirst met all capital adequacy requirements to which they are subject. The actual and required capital amounts and ratios are shown in the following table:

	Actual		Required		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in thousands)					
As of September 30, 2015:						
Total Capital						
(to Risk Weighted Assets)-						
BancFirst Corporation	\$662,299	15.27%	\$346,902	8.00%	N/A	N/A
BancFirst	606,989	14.08%	344,890	8.00%	\$431,113	10.00%
Common Equity Tier 1 Capital						
(to Risk Weighted Assets)-						
BancFirst Corporation	\$595,329	13.73%	\$195,133	4.50%	N/A	N/A
BancFirst	546,019	12.67%	194,001	4.50%	\$280,223	6.50%
Tier 1 Capital						
(to Risk Weighted Assets)-						
BancFirst Corporation	\$621,329	14.33%	\$260,177	6.00%	N/A	N/A
BancFirst	566,019	13.13%	258,668	6.00%	\$344,890	8.00%
Tier 1 Capital						
(to Total Assets)-						
BancFirst Corporation	\$621,329	9.77%	\$256,245	4.00%	N/A	N/A
BancFirst	566,019	8.91%	255,669	4.00%	\$319,586	5.00%

As of September 30, 2015, the most recent notification from the Federal Reserve Bank of Kansas City and the FDIC categorized BancFirst as “well capitalized” under the regulatory framework from prompt corrective action. The Company’s trust preferred securities have continued to be included in Tier 1 capital as the Company’s total assets do

not exceed \$15 billion. There are no conditions or events since the most recent notifications of BancFirst's capital category that management believes would materially change its category under capital requirements existing as of the report date.

Basel III Capital Rules

The Basel III Capital Rules were effective for the Company and BancFirst on January 1, 2015 (subject to a 4-year phase-in period).

The Basel III Capital Rules, among other things, (i) introduce a new capital measure called "Common Equity Tier 1" ("CET1"), (ii) specify that Tier 1 capital consist of CET1 and "Additional Tier 1 capital" instruments meeting specified requirements, (iii) define CET1 narrowly by requiring that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expand the scope of the deductions/adjustments as compared to existing regulations.

Implementation of the deductions and other adjustments to CET1 began on January 1, 2015 and will be phased-in over a 4-year period (beginning at 40% on January 1, 2015 and an additional 20% per year thereafter). Under the new rule, in order to avoid limitations on capital distributions, including dividend payments and certain discretionary bonus payments to executive officers, a banking organization must hold a capital conservation buffer composed of CET1 capital above its minimum risk-based capital

requirements. The implementation of the capital conservation buffer will begin on January 1, 2016 at the 0.625% level and be phased in over a four-year period (increasing by that amount on each subsequent January 1, until it reaches 2.5% on January 1, 2019).

Management believes that, as of September 30, 2015, the Company and BancFirst would meet all capital adequacy requirements under the Basel III Capital Rules on a fully phased-in basis as if such requirements were currently in effect.

(8) NET INCOME PER COMMON SHARE

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

	Income	Shares	Per Share
	(Numerator/Denominator)		Amount
	(Dollars in thousands, except per share data)		
Three Months Ended September 30, 2015			
Basic			
Income available to common stockholders	\$ 15,630	15,581,593	\$ 1.01
Effect of stock options	—	324,531	
Diluted			
Income available to common stockholders plus assumed			
exercises of stock options	\$ 15,630	15,906,124	\$ 0.98
Three Months Ended September 30, 2014			
Basic			
Income available to common stockholders	\$ 18,793	15,425,920	\$ 1.22
Effect of stock options	—	369,923	
Diluted			
Income available to common stockholders plus assumed			
exercises of stock options	\$ 18,793	15,795,843	\$ 1.19
Nine Months Ended September 30, 2015			
Basic			
Income available to common stockholders	\$ 50,442	15,542,027	\$ 3.25
Effect of stock options	—	329,964	
Diluted			
Income available to common stockholders plus assumed			
exercises of stock options	\$ 50,442	15,871,991	\$ 3.18
Nine Months Ended September 30, 2014			
Basic			
Income available to common stockholders	\$ 48,138	15,412,611	\$ 3.12
Effect of stock options	—	361,686	

Diluted

Income available to common stockholders plus assumed

exercises of stock options \$48,138 15,774,297 \$ 3.05

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:

	Average	
	Shares	Exercise Price
Three Months Ended September 30, 2015	145,261	\$ 60.51
Three Months Ended September 30, 2014	76,413	56.23
Nine Months Ended September 30, 2015	165,927	\$ 58.33
Nine Months Ended September 30, 2014	63,645	55.35

(9) 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, registered mortgage backed securities and state 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 private label mortgage backed securities and 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 for pricing mentioned in the preceding paragraph 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 mortgage servicing intangibles with the acquisition of 1st Bank Oklahoma on July 12, 2011. Mortgage Servicing Intangibles are amortized based on current prepayment assumptions and are adjusted to fair value semi-annually, if impaired. Fair value is estimated 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 the periods presented, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Level 1 Inputs (Dollars in thousands)	Level 2 Inputs	Level 3 Inputs	Total Fair Value
September 30, 2015				
Securities available for sale:				
U.S. Treasury	\$281,297	\$—	\$—	\$ 281,297
U.S. federal agencies	—	134,486	—	134,486
Mortgage-backed securities	—	7,073	15,457	22,530
States and political subdivisions	—	51,326	—	51,326
Other securities	—	3,455	6,431	9,886
Derivative assets	—	2,357	—	2,357
Derivative liabilities	—	1,335	—	1,335
Loans held for sale	—	12,406	—	12,406
Mortgage servicing intangibles	—	—	350	350
December 31, 2014				
Securities available for sale:				
U.S. Treasury	\$248,993	\$—	\$—	\$ 248,993
U.S. federal agencies	—	172,449	—	172,449
Mortgage-backed securities	—	9,425	17,032	26,457
States and political subdivisions	—	53,373	—	53,373
Other securities	—	3,491	11,427	14,918
Derivative assets	—	6,124	—	6,124
Derivative liabilities	—	4,756	—	4,756
Loans held for sale	—	9,433	—	9,433
Mortgage servicing intangibles	—	—	450	450

The changes in Level 3 assets measured at estimated fair value on a recurring basis during the periods presented were as follows:

Nine Months
Ended

September 30

	2015	2014
	(Dollars in thousands)	
Balance at the beginning of the year	\$28,909	\$32,002
Purchases, issuances and settlements	(1,070)	(1,518)
Sales	(8,593)	(813)
Gains included in earnings	7,021	673
Total unrealized (losses) gains	(4,029)	156
Balance at the end of the period	\$22,238	\$30,500

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, 2015 and 2014, 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. In no case does the fair value of an impaired loan exceed the fair value of the underlying collateral. The impaired loans are adjusted to fair value through a specific allocation of the allowance for loan losses or a direct charge-down of the loan.

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 losses recognized during the period:

	Total Fair Value 3 (Dollars in thousands)	Level Losses
As of and for the Year-to-date Period Ended September 30, 2015		
Impaired loans (less specific allowance)	\$ 44,559	\$ —
Foreclosed assets	213	—
Other real estate owned	7,650	30
As of and for the Year-to-date Period Ended December 31, 2014		
Impaired loans (less specific allowance)	\$ 33,797	\$ —
Foreclosed assets	220	—
Other real estate owned	7,859	730

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 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.

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 that are reported at amortized cost in the Company's consolidated balance sheets, segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value, are as follows:

	September 30, 2015 Carrying		December 31, 2014 Carrying	
	Amount	Fair Value	Amount	Fair Value
	(Dollars in thousands)			
FINANCIAL ASSETS				
Level 2 inputs:				
Cash and cash equivalents	\$1,655,061	\$1,655,061	\$1,913,895	\$1,913,895
Securities held for investment	8,333	8,398	8,593	8,671
Level 3 inputs:				
Loans, net of allowance for loan losses	3,918,699	3,965,439	3,810,509	3,847,791
FINANCIAL LIABILITIES				
Level 2 inputs:				
Deposits	5,698,591	5,750,163	5,904,704	5,945,502
Short-term borrowings	3,777	3,777	3,982	3,982
Junior subordinated debentures	26,804	28,123	26,804	31,200
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS				
Loan commitments		1,708		1,640
Letters of credit		475		478

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 semi-annually) 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 measured at fair value on a nonrecurring basis were not considered to be significant to the Company at September 30, 2015 or December 31, 2014.

(10) 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.

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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:

Oil and Natural Gas Swaps and Options	Notional Units	September 30, 2015		December 31, 2014	
		Notional Amount	Estimated Fair Value	Notional Amount	Estimated Fair Value
(Notional amounts and dollars in thousands)					
Oil					
Derivative assets	Barrels	55	\$ 1,197	312	\$ 4,629
Derivative liabilities	Barrels	(55)	(971)	(312)	(4,271)
Natural Gas					
Derivative assets	MMBTUs	3,790	1,160	2,010	1,495
Derivative liabilities	MMBTUs	(3,790)	(364)	(2,010)	(485)
Total Fair Value					
Derivative assets	Other assets	2,357		6,124	
Derivative liabilities	Other liabilities	(1,335)		(4,756)	

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, 2015	Nine Months Ended September 30, 2014
Derivative income	\$78	\$72
	\$270	\$370

(Dollars in thousands)

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. The Company's share of total profit is approximately 35%.

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, 2015	December 31, 2014

(Dollars in thousands)

Credit exposure	\$ 1,493	\$ 4,028
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Balance Sheet Offsetting

Derivatives may be eligible for offset in the consolidated balance sheet and/or subject to master netting arrangements. The Company's derivative transactions with upstream financial institution counterparties and bank customers are generally executed under International Swaps and Derivative Association ("ISDA") master agreements which include "right of set-off" provisions. In such cases there is generally a legally enforceable right to offset recognized amounts and there may be an intention to settle such amounts on a net basis. Nonetheless, the Company does not generally offset such financial instruments for financial reporting purposes.

(11) 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.

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The results of operations and selected financial information for the four business units are as follows:

	Metropolitan Community Banks		Financial Services	Other & Support	Executive, Operations Eliminations	Consolidated
	(Dollars in thousands)					
Three Months Ended September 30, 2015						
Net interest income (expense)	\$ 15,221	\$ 30,429	\$ 1,638	\$ (412)	\$ —	\$ 46,876
Noninterest income	3,755	13,427	7,507	17,250	(16,615)	25,324
Income before taxes	9,463	18,693	3,098	9,616	(16,446)	24,424
Three Months Ended September 30, 2014						
Net interest income (expense)	\$ 15,267	\$ 30,076	\$ 1,594	\$ (423)	\$ —	\$ 46,514
Noninterest income	3,417	13,163	7,722	20,105	(19,469)	24,938
Income before taxes	10,640	21,377	3,002	11,893	(19,287)	27,625
Nine Months Ended September 30, 2015						
Net interest income (expense)	\$ 45,946	\$ 88,928	\$ 5,156	\$ (1,313)	\$ —	\$ 138,717
Noninterest income	10,745	38,743	27,621	55,868	(53,642)	79,335
Income before taxes	29,152	52,500	15,015	34,024	(53,372)	77,319
Nine Months Ended September 30, 2014						
Net interest income (expense)	\$ 44,426	\$ 86,272	\$ 4,538	\$ (1,204)	\$ —	\$ 134,032
Noninterest income	10,293	38,402	21,107	51,979	(49,670)	72,111
Income before taxes	25,914	54,146	8,360	29,252	(49,396)	68,276
Total Assets:						
September 30, 2015	\$ 2,220,378	\$ 4,081,832	\$ 124,713	\$ 685,359	\$ (706,186)	\$ 6,406,096
December 31, 2014	2,298,828	4,113,783	145,814	679,194	(662,647)	6,574,972

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.

(12) SUBSEQUENT EVENT

On October 8, 2015, the Company completed its acquisition of CSB Bancshares Inc. and its subsidiary bank, Bank of Commerce, with locations in Yukon, Mustang, and El Reno, Oklahoma. Bank of Commerce has approximately \$196 million in total assets, \$148 million in loans, \$170 million in deposits, and \$22 million in equity capital. The acquisition was accounted for under the acquisition method and the Company acquired 100% of the voting interest. The bank will operate under its present name until it is merged into BancFirst, which is expected to be during the fourth quarter of 2015. The acquisition will not have a material effect on the Company's consolidated financial statements. The acquisition of CSB Bancshares Inc. and its subsidiary bank, Bank of Commerce will complement our community banking strategy by adding two communities to our banking network throughout Oklahoma.

Subsequent to September 30, 2015, the Company recorded a gain on sale of securities of \$2.1 million, related to warrants associated with a loan transaction, which will be included in fourth quarter earnings.

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, 2014 consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 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. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as "believes", "anticipates", "expects", "intends", "targeted", "continue", "remain", "will", "should", "may" and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- Local, regional, national and international economic conditions and the impact they may have on the Company and its customers and the Company's assessment of that impact.
- Changes in the mix of loan geographies, sectors and types or the level of non-performing assets and charge-offs.
- Changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements.
- Inflation, interest rate, crude oil price, securities market and monetary fluctuations.
- The effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which the Company must comply.
- Impairment of the Company's goodwill or other intangible assets.
- Changes in consumer spending, borrowing and savings habits.
- Changes in the financial performance and/or condition of the Company's borrowers.
- Technological changes.
- Acquisitions and integration of acquired businesses.
- The effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters.
- The Company's success at managing the risks involved in the foregoing items.

Actual results may differ materially from forward-looking statements.

SUMMARY

BancFirst Corporation's net income was \$15.6 million, or \$0.98 diluted earnings per share, for the third quarter of 2015, compared to net income of \$18.8 million, or \$1.19 diluted earnings per share, for the third quarter of 2014. Net income was \$50.4 million, or \$3.18 diluted earnings per share for the nine months ended September 30, 2015, compared to \$48.1 million, or \$3.05 diluted earnings per share, for the nine months ended September 30, 2014.

The Company's net interest income for the third quarter of 2015 increased to \$46.9 million, compared to \$46.5 million for the third quarter of 2014. The net interest margin for the quarter was 3.12%, compared to 3.13% a year ago. The Company's provision for loan losses for the third quarter of 2015 was \$1.4 million, compared to negative \$3.1 million a year ago. The negative provision in 2014 was due to a release of \$5.31 million of loan loss reserves, partially offset by a \$1.36 million increase in the specific loss reserves for existing adversely classified loans. Net charge-offs for the quarter were 0.08% of average loans, compared to net charge-offs of 0.02% for the third quarter of 2014. Noninterest income for the quarter totaled \$25.3 million, compared to \$24.9 million last year. Noninterest expense for the quarter totaled \$46.4 million, compared to \$46.9 million last year. The Company's effective tax rate increased to 36.0% compared to 32.0% for the third quarter of 2014, due primarily to tax credits that lowered the effective tax rate in 2014.

At September 30, 2015, the Company's total assets were \$6.4 billion, down \$168.9 million or 2.6% from December 31, 2014. Securities decreased \$16.9 million to a total of \$507.9 million. Loans totaled \$4.0 billion, up \$111.2 million or 2.9% from December 31, 2014. Deposits totaled \$5.7 billion, down \$206.1 million or 3.5% from December 31, 2014. The Company's total stockholders' equity was \$646.1 million, an increase of \$36.7 million, or 6.0%, over December 31, 2014.

Asset quality remained strong during the third quarter of 2015. Nonperforming and restructured assets were 0.87% of total assets at September 30, 2015 compared to 0.64% at December 31, 2014. During the second quarter the Company's nonaccrual loans increased due to the downgrade of a single commercial loan. The allowance to total loans was 1.03%, compared to 1.06% at year-end 2014.

Subsequent to September 30, 2015, the Company recorded a gain on sale of securities of \$2.1 million, related to a previously restructured loan, which will be included in fourth quarter earnings.

On October 8, 2015, the Company completed the acquisition of CSB Bancshares, Inc. and its subsidiary bank, Bank of Commerce, with locations in Yukon, Mustang, and El Reno, Oklahoma. Bank of Commerce has approximately \$196 million in total assets, \$148 million in loans, \$170 million in deposits, and \$22 million in equity capital. The bank will operate under its present name until it is merged into BancFirst, which is expected to be during the fourth quarter of 2015.

Oil prices continued to be low during the third quarter of 2015, which had an impact on loan demand. Any continued impact from low oil prices on Oklahoma's economy will become more apparent in future periods.

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 (11) of the Notes to Consolidated Financial Statements for disclosures regarding business segments.

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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		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Income Statement Data				
Net interest income	\$46,876	\$46,514	\$138,717	\$134,032
Provision for loan losses	1,424	(3,115)	4,029	1,232
Securities transactions	—	284	7,121	819
Total noninterest income	25,324	24,938	79,335	72,111
Salaries and employee benefits	28,746	28,153	84,145	81,569
Total noninterest expense	46,352	46,942	136,704	136,635
Net income	15,630	18,793	50,442	48,138
Per Common Share Data				
Net income – basic	\$1.01	\$1.22	\$3.25	\$3.12
Net income – diluted	0.98	1.19	3.18	3.05
Cash dividends	0.36	0.34	1.04	0.96
Performance Data				
Return on average assets	0.97 %	1.17 %	1.04 %	1.02 %
Return on average stockholders' equity	9.64	12.63	10.68	11.14
Cash dividend payout ratio	35.53	27.91	32.04	30.74
Net interest spread	2.98	2.99	2.95	2.93
Net interest margin	3.12	3.13	3.09	3.07
Efficiency ratio	64.20	65.70	62.69	66.28
Net charge-offs to average loans	0.08	0.02	0.10	0.02

Net Interest Income

For the three months ended September 30, 2015, net interest income, which is the Company's principal source of operating revenue, increased to \$46.9 million compared to \$46.5 million for the three months ended September 30, 2014, due to higher volume of earning assets. 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 for the quarter was 3.12% compared to 3.13% a year ago. If interest rates and/or loan volume do not increase, management would expect its net interest margin to continue to compress in 2015 as higher yielding loans and securities mature and are replaced at current market rates.

Net interest income for the nine months ended September 30, 2015 was \$138.7 million compared to \$134.0 million for the nine months ended September 30, 2014. The net interest margin for the year-to-date increased slightly compared

to the same period of the previous year, as shown in the preceding table.

Provision for Loan Losses

The Company's provision for loan loss for the third quarter of 2015 increased to \$1.4 million compared to negative \$3.1 million a year ago. The negative provision in 2014 was due to a release of \$5.31 million of loan loss reserves, partially offset by a \$1.36 million increase in the specific loss reserves for existing adversely classified loans. The Company establishes an allowance as an estimate of the probable inherent losses in the loan portfolio at the balance sheet date. Management believes 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 amount of future provisions for loan losses. Net loan charge-offs were \$3.1 million for the third quarter of 2015, compared to net charge-offs of \$715,000 for the third quarter of 2014. Net charge-offs increased in 2015 due to a \$2.1 million charge off on a portion of a nonaccrual loan. The rate of net charge-offs to average total loans, as presented in the preceding table, continues to be at a very low level.

For the nine months ended September 30, 2015, the Company's provision for loan losses was \$4.0 million, compared to \$1.2 million for the nine months ended September 30, 2014. Net loan charge-offs were \$3.9 million, compared to \$799,000 for the same period of the prior year.

Noninterest Income

Noninterest income totaled \$25.3 million for the third quarter of 2015 compared to \$24.9 million for the third quarter of 2014. The Company had fees from debit card usage totaling \$5.7 million and \$5.8 million during the three month periods ended September 30, 2015 and 2014, respectively.

Noninterest income for the nine months ended September 30, 2015 totaled \$79.3 million compared to \$72.1 million for the nine months ended September 30, 2014. Noninterest income increased due to the Company recording a gain from the sale of an investment by the Company's wholly-owned subsidiary Council Oak Partners, LLC, of approximately \$5.3 million and a \$1.7 million gain on the sale of an investment by Council Oak Investment Corporation, a wholly-owned subsidiary of BancFirst. Fees from debit card usage totaled \$17.0 million and \$16.9 million during the nine months ended September 30, 2015 and 2014, respectively.

Noninterest Expense

For the three months ended September 30, 2015, noninterest expense totaled \$46.4 million, compared to \$46.9 million for the three months ended September 30, 2014.

For the nine months ended September 30, 2015, noninterest expense totaled \$136.7 million compared to \$136.6 million for the nine months ended September 30, 2014. Annual salary increases in 2015 were offset by a reduction of the amortization on historic tax credits realized in 2014. In addition, the Company recorded an impairment loss of \$368,000, which is included in noninterest expense, after adopting a plan in the second quarter of 2015 to close a small branch and leave a full service ATM to serve the community.

Income Taxes

The Company's effective tax rate on income before taxes increased to 36.0% for the third quarter of 2015, compared to 32.0% for the third quarter of 2014, due primarily to tax credits that lowered the effective tax rate in 2014.

The Company's effective tax rate on income before taxes was 34.8% for the first nine months of 2015, compared to 29.5% for the first nine months of 2014 due primarily to tax credits that lowered the effective tax rate in 2014 and the recognition of state deferred tax benefits in 2014.

FINANCIAL POSITION

BANCFIRST CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA

(Dollars in thousands, except per share data)

	September 30, 2015		December 31, 2014	
				(unaudited)
Balance Sheet Data				
Total assets	\$6,406,096		\$6,574,972	
Total loans	3,959,669		3,851,398	
Allowance for loan losses	40,970		40,889	
Securities	507,858		524,783	
Deposits	5,698,591		5,904,704	
Stockholders' equity	646,061		609,314	
Book value per share	41.44		39.30	
Tangible book value per share	37.99		35.71	
Average loans to deposits (year-to-date)	66.56	%	63.64	%
Average earning assets to total assets (year-to-date)	93.08		92.71	
Average stockholders' equity to average assets				
(year-to-date)	9.73		9.19	
Asset Quality Ratios				
Nonperforming and restructured loans to total loans	1.20	%	0.88	%
Nonperforming and restructured assets to total assets	0.87		0.64	
Allowance for loan losses to total loans	1.03		1.06	
Allowance for loan losses to nonperforming and				
restructured loans	85.77		120.05	

Cash and Interest-Bearing Deposits with Banks

The aggregate of cash and due from banks and interest-bearing deposits with banks as of September 30, 2015 totaled \$1.7 billion, compared to \$1.9 billion at December 31, 2014.

Securities

At September 30, 2015, total securities decreased \$16.9 million compared to December 31, 2014. The size of the Company's securities portfolio is determined by the Company's liquidity and asset/liability management. The net unrealized gain on securities available for sale, before taxes, was \$4.2 million at September 30, 2015, compared to an unrealized gain of \$6.8 million at December 31, 2014. These unrealized gains are included in the Company's stockholders' equity as accumulated other comprehensive income, net of income tax, in the amounts of \$2.6 million

and \$4.2 million, respectively. The unrealized gains decreased in 2015 primarily due to the reclassification of an unrealized gain on one investment of \$3.3 million from other comprehensive income to realized gain by Council Oak Partners, LLC, a wholly-owned subsidiary of the Company. The realized gain is reported as securities transactions within the noninterest income section of the consolidated statement of comprehensive income.

Loans (Including Acquired Loans)

At September 30, 2015, loans totaled \$4.0 billion, up \$111.2 million or 2.9% from December 31, 2014. The growth in loans was largely driven by commercial real estate, which was up \$59.2 million or 5% from December 31, 2014.

Allowance for Loan Losses/Fair Value Adjustments on Acquired Loans

At September 30, 2015, the allowance for loan losses to total loans represented 1.03% of total loans, compared to 1.06% at December 31, 2014. The decrease in the allowance for loan losses to total loans primarily resulted from an increase in charge offs during the period and loan growth.

The fair value adjustment on acquired loans consists of an interest rate component to adjust the effective rates on the loans to market rates and a credit component to adjust for estimated credit exposures in the acquired loans. The credit component of the adjustment was \$3.1 million at September 30, 2015 and \$4.3 million at December 31, 2014 while the acquired loans outstanding were \$76.9 million and \$101.7 million, respectively. The decrease in the credit component in 2015 was due to loan payoffs and accretion.

Nonperforming and Restructured Assets

Nonperforming and restructured assets totaled \$55.6 million at September 30, 2015, compared to \$42.1 million at December 31, 2014. The Company's level of nonperforming and restructured assets has continued to be relatively low.

Nonaccrual loans totaled \$30.3 million at September 30, 2015, compared to \$16.4 million at the end of 2014. The Company's nonaccrual loans are primarily commercial and real estate loans. Nonaccrual loans negatively impact the Company's net interest margin. A loan is placed on nonaccrual status when, in the opinion of management, the future collectability of interest or principal or both is in serious doubt. Interest income is recognized on certain of these loans on a cash basis if the full collection of the remaining principal balance is reasonably expected. Otherwise, interest income is not recognized until the principal balance is fully collected. Total interest income which was not accrued on nonaccrual loans outstanding, was approximately \$1.5 million for the nine months ended September 30, 2015 and \$839,000 for the nine months ended September 30, 2014. Only a small amount of this interest is expected to be ultimately collected. During the second quarter of 2015 the Company's nonaccrual loans increased due to the downgrade of a single commercial loan.

Other real estate owned and repossessed assets totaled \$7.9 million at September 30, 2015, compared to \$8.1 million at December 31, 2014. Other real estate owned and repossessed assets decreased due to the sale of two properties during the first quarter of 2015, partially offset by an addition in the second quarter.

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 \$5.4 million of these loans at September 30, 2015, compared to \$27.5 million at December 31, 2014. Potential problem 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. Potential problem loans decreased due to the downgrade of a single commercial loan that was moved to nonaccrual during the second quarter.

Liquidity and Funding

Deposits

At September 30, 2015, deposits totaled \$5.7 billion, a decrease of \$206.1 million or 3.5% compared to December 31, 2014. Deposits decreased due to a temporary influx of deposits at year end 2014. The Company's core deposits provide it with a stable, low-cost funding source. The Company's core deposits as a percentage of total deposits were 94.2% at September 30, 2015 compared to 94.1% at December 31, 2014. Noninterest-bearing deposits to total deposits were 39.4% at September 30, 2015, compared to 40.8% at December 31, 2014.

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. Short-term borrowings were \$3.8 million

at September 30, 2015, compared to \$4.0 million at December 31, 2014.

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 \$649.3 million, are pledged as collateral for the borrowings under the line of credit. As of September 30, 2015 and December 31, 2014, the Company had no advances outstanding.

The Company has a revolving line of credit with a bank of up to \$10.0 million. There were no borrowings against the line at September 30, 2015. The line is reviewed annually and is due on demand. Under terms of the line of credit, the Company is required to maintain compliance with specified financial covenants.

There have not been any other 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, 2014.

Capital Resources

Stockholders' equity totaled \$646.1 million at September 30, 2015, compared to \$609.3 million at December 31, 2014. In addition to net income of \$50.4 million, other changes in stockholders' equity during the nine months ended September 30, 2015 included \$2.8 million related to stock option exercises and \$1.2 million related to stock-based compensation that were partially offset by a \$1.6 million decrease in other comprehensive income and \$16.2 million in dividends. The Company's leverage ratio and total risk-based capital ratios at September 30, 2015, were well in excess of the regulatory requirements.

See Note (7) 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, 2014.

BANCFIRST CORPORATION

CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS

(Unaudited)

Taxable Equivalent Basis (Dollars in thousands)

	Three Months Ended September 30,					
	2015			2014		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
ASSETS						
Earning assets:						
Loans (1)	\$3,885,579	\$47,455	4.85 %	\$3,681,534	\$46,838	5.05 %
Securities – taxable	485,862	1,291	1.05	512,325	1,536	1.19
Securities – tax exempt	43,118	382	3.51	41,334	404	3.88
Interest-bearing deposits w/ banks & FFS	1,570,367	1,009	0.25	1,694,709	1,112	0.26
Total earning assets	5,984,926	50,137	3.32	5,929,902	49,890	3.34
Nonearning assets:						
Cash and due from banks	168,607			182,129		
Interest receivable and other assets	313,686			316,314		
Allowance for loan losses	(42,061)			(43,332)		
Total nonearning assets	440,232			455,111		
Total assets	\$6,425,158			\$6,385,013		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing liabilities:						
Transaction deposits	\$701,405	\$181	0.10 %	\$729,948	\$175	0.09 %
Savings deposits	2,019,956	1,155	0.23	2,012,597	1,146	0.23
Time deposits	718,963	1,186	0.65	771,103	1,337	0.69
Short-term borrowings	3,014	1	0.15	12,636	6	0.18
Junior subordinated debentures	26,804	492	7.29	26,804	491	7.27
Total interest-bearing liabilities	3,470,142	3,015	0.34	3,553,088	3,155	0.35
Interest-free funds:						
Noninterest-bearing deposits	2,284,207			2,214,894		
Interest payable and other liabilities	27,243			26,584		
Stockholders' equity	643,566			590,447		
Total interest free funds	2,955,016			2,831,925		
Total liabilities and stockholders' equity	\$6,425,158			\$6,385,013		
Net interest income		\$47,122			\$46,735	
Net interest spread			2.98 %			2.99 %
Effect of interest free funds			0.14 %			0.14 %
Net interest margin			3.12 %			3.13 %

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

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	Nine Months Ended September 30, 2015			2014		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
ASSETS						
Earning assets:						
Loans (1)	\$3,860,299	\$140,107	4.85 %	\$3,589,402	\$135,481	5.05 %
Securities – taxable	493,702	4,148	1.12	509,336	4,343	1.14
Securities – tax exempt	39,912	1,123	3.76	41,137	1,253	4.07
Interest-bearing deposits w/ banks & FFS	1,644,708	3,137	0.25	1,727,436	3,303	0.26
Total earning assets	6,038,621	148,515	3.29	5,867,311	144,380	3.29
Nonearning assets:						
Cash and due from banks	175,714			189,030		
Interest receivable and other assets	315,074			315,901		
Allowance for loan losses	(41,633)			(41,067)		
Total nonearning assets	449,155			463,864		
Total assets	\$6,487,776			\$6,331,175		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing liabilities:						
Transaction deposits	\$720,175	\$532	0.10 %	\$766,895	\$580	0.10 %
Savings deposits	2,047,022	3,463	0.23	1,981,904	3,363	0.23
Time deposits	730,717	3,607	0.66	792,202	4,237	0.72
Short-term borrowings	2,671	3	0.15	9,491	13	0.18
Long-term borrowings	—	—	—	2,186	25	1.53
Junior subordinated debentures	26,804	1,474	7.35	26,804	1,474	7.35
Total interest-bearing liabilities	3,527,389	9,079	0.34	3,579,482	9,692	0.36
Interest-free funds:						
Noninterest-bearing deposits	2,302,164			2,154,395		
Interest payable and other liabilities	26,839			19,325		
Stockholders' equity	631,384			577,973		
Total interest free funds	2,960,387			2,751,693		
Total liabilities and stockholders' equity	\$6,487,776			\$6,331,175		
Net interest income		\$139,436			\$134,688	
Net interest spread			2.95 %			2.93 %
Effect of interest free funds			0.14 %			0.14 %
Net interest margin			3.09 %			3.07 %

(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, 2014, 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 its Disclosure Committee, which includes the Company's Chief Risk Officer, Chief Asset Quality Officer, Chief Internal Auditor, 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 materially affected, or are 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.

As of September 30, 2015, 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, 2014.

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.

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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 Amended and Restated By-Laws of BancFirst Corporation (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 30, 2015 and incorporated herein by reference).
- 3.4 Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of BancFirst Corporation dated May 23, 2013 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 29, 2013 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 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).
- 4.3 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).
- 4.4 Form of Indenture relating to the 7.20% Junior Subordinated Deferrable Interest Debentures of BancFirst Corporation issued to BFC Capital Trust II (filed as Exhibit 4.1 to the Company's registration statement on Form S-3, File No. 333-112488 dated February 4, 2004, and incorporated herein by reference).
- 4.5 Form of Certificate of 7.20% Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (filed as Exhibit 4.2 to the Company's registration statement on Form S-3, File No. 333-112488 dated February 4, 2004, and incorporated herein by reference).
- 4.6 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).
- 4.7* Form of Guarantee Agreement by and between CSB Bancshares, Inc. and Wilmington Trust Company.
- 4.8* Form of Indenture relating to the Floating Rate Junior Subordinated Deferrable Interest Debentures of CSB Bancshares, Inc., issued to Wilmington Trust Company.
- 4.9* Form of First Supplemental Indenture relating to the Floating Rate Junior Subordinated Deferrable Interest Debentures by and between Wilmington Trust Company and BancFirst Corporation.

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BancFirst Corporation Employee Stock Ownership and Trust Agreement adopted effective January 1, 2015 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2015 and incorporated herein by reference).

- 10.2 Fourth Amended and Restated BancFirst Corporation Directors' Stock Option Plan (filed as Exhibit 10.1 to the Company's Form 8-K dated October 28, 2014 and incorporated herein by reference).
- 10.3 Fourth Amended and Restated BancFirst Corporation Directors' Deferred Stock Compensation Plan (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2014 and incorporated herein by reference).
- 10.4 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).
- 10.5 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).

Exhibit Number	Exhibit
10.6	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).
10.7	Thirteenth Amended and Restated BancFirst Corporation Stock Option Plan (filed as Exhibit 10.1 to the Company's Form 8-K dated October 28, 2014 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.
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.

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 6, 2015 /s/ David E. Rainbolt
David E. Rainbolt
President
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2015 /s/ Kevin Lawrence
Kevin Lawrence
Executive Vice President
Chief Financial Officer
(Principal Financial Officer)