UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2014

OR

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

For the transition period from __________ to __________

Commission File Number 0-14384

BancFirst Corporation

(Exact name of registrant as specified in charter)

Oklahoma **(State or other Jurisdiction of incorporation or organization)**	**73-1221379** **(I.R.S. Employer Identification No.)**
101 N. Broadway, Oklahoma City, Oklahoma **(Address of principal executive offices)**	**73102-8405** **(Zip Code)**

(405) 270-1086

(Registrant s telephone number, including area code)

N/A

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (sec. 232-405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨.

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

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

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

As of October 31, 2014 there were 15,486,546 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, 2014 (unaudited)	December 31, 2013 (see Note 1)	September 30, 2013 (unaudited)
ASSETS			
Cash and due from banks	$ 180,466	$ 196,547	$ 204,317
Interest-bearing deposits with banks	1,652,939	1,660,988	1,622,619
Federal funds sold	300		
Securities (fair value: $535,665, $527,735, and $474,755, respectively)	535,586	527,627	474,640
Loans:			
Total loans (net of unearned interest)	3,762,343	3,387,146	3,358,938
Allowance for loan losses	(39,467)	(39,034)	(38,859)
Loans, net	3,722,876	3,348,112	3,320,079
Premises and equipment, net	121,686	117,862	118,176
Other real estate owned	6,826	8,149	8,121
Intangible assets, net	11,106	10,273	10,633
Goodwill	44,962	44,545	44,545
Accrued interest receivable and other assets	129,828	124,871	123,600
Total assets	$ 6,406,575	$ 6,038,974	$ 5,926,730
LIABILITIES AND STOCKHOLDERS EQUITY			
Deposits:			
Noninterest-bearing	$ 2,270,071	$ 2,085,753	$ 2,022,388
Interest-bearing	3,470,378	3,333,766	3,287,076
Total deposits	5,740,449	5,419,519	5,309,464
Short-term borrowings	11,473	4,590	5,074
Long-term borrowings		6,938	8,938
Accrued interest payable and other liabilities	31,666	24,126	30,477
Junior subordinated debentures	26,804	26,804	26,804
Total liabilities	5,810,392	5,481,977	5,380,757
Commitments and contingent liabilities			
Stockholders equity:			

Senior preferred stock, $1.00 par; 10,000,000 shares authorized; none issued			
Cumulative preferred stock, $5.00 par; 900,000 shares authorized; none issued			
Common stock, $1.00 par, 20,000,000 shares authorized; shares issued and outstanding: 15,449,546, 15,333,622 and 15,298,308, respectively	15,449	15,334	15,298
Capital surplus	93,866	88,803	86,967
Retained earnings	482,302	448,953	439,840
Accumulated other comprehensive income, net of income tax of $2,880, $2,103 and $2,083, respectively	4,566	3,907	3,868
Total stockholders equity	596,183	556,997	545,973
Total liabilities and stockholders equity	$ 6,406,575	$ 6,038,974	$ 5,926,730

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
INTEREST INCOME				
Loans, including fees	$ 46,759	$ 41,694	$ 135,263	$ 124,361
Securities:				
Taxable	1,536	1,097	4,343	3,745
Tax-exempt	262	284	815	944
Federal funds sold			1	2
Interest-bearing deposits with banks	1,112	1,031	3,302	2,978
Total interest income	49,669	44,106	143,724	132,030
INTEREST EXPENSE				
Deposits	2,658	2,849	8,180	8,778
Short-term borrowings	6	1	13	4
Long-term borrowings		52	25	176
Junior subordinated debentures	491	492	1,474	1,474
Total interest expense	3,155	3,394	9,692	10,432
Net interest income	46,514	40,712	134,032	121,598
Provision for loan losses	(3,115)	(12)	1,232	804
Net interest income after provision for loan losses	49,629	40,724	132,800	120,794
NONINTEREST INCOME				
Trust revenue	2,380	2,122	6,846	6,043
Service charges on deposits	14,226	13,575	42,044	38,835
Securities transactions	284	90	819	341
Income from sales of loans	569	560	1,387	1,939
Insurance commissions	4,152	3,892	11,380	10,982
Cash management	1,770	1,620	5,058	4,669
Gain on sale of other assets	242	49	250	300
Other	1,315	1,744	4,327	4,811
Total noninterest income	24,938	23,652	72,111	67,920
NONINTEREST EXPENSE				

Salaries and employee benefits	28,153	26,094	81,569	76,388
Occupancy and fixed assets expense, net	2,920	2,768	8,493	7,849
Depreciation	2,432	2,307	7,156	6,973
Amortization of intangible assets	444	424	1,310	1,291
Data processing services	1,183	1,173	3,538	3,587
Net expense from other real estate owned	173	105	317	870
Marketing and business promotion	1,429	1,668	4,806	4,631
Deposit insurance	810	750	2,456	2,235
Other	9,398	8,032	26,990	23,896
Total noninterest expense	46,942	43,321	136,635	127,720
Income before taxes	27,625	21,055	68,276	60,994
Income tax expense	8,832	6,564	20,138	20,538
Net income	$ 18,793	$ 14,491	$ 48,138	$ 40,456
NET INCOME PER COMMON SHARE				
Basic	$ 1.22	$ 0.94	$ 3.12	$ 2.65
Diluted	$ 1.19	$ 0.93	$ 3.05	$ 2.61
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on securities, net of tax of $210, $186, $(811) and $1,269, respectively	$ (332)	$ (346)	$ 713	$ (2,360)
Reclassification adjustment for gains included in net income, net of tax of $, $6, $34 and $48, respectively		(11)	(54)	(89)
Other comprehensive income (loss), net of tax of $210, $192, $(777) and $1,317, respectively	(332)	(357)	659	(2,449)
Comprehensive income	$ 18,461	$ 14,134	$ 48,797	$ 38,007

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,	
	2014	**2013**	**2014**	**2013**
COMMON STOCK				
Issued at beginning of period	$ 15,399	$ 15,256	$ 15,334	$ 15,242
Shares issued	50	63	115	122
Shares acquired and canceled		(21)		(66)
Issued at end of period	$ 15,449	$ 15,298	$ 15,449	$ 15,298
CAPITAL SURPLUS				
Balance at beginning of period	$ 91,447	$ 84,360	$ 88,803	$ 82,401
Common stock issued	1,554	1,717	3,174	2,745
Tax effect of stock options	417	491	665	727
Stock-based compensation arrangements	448	399	1,224	1,094
Balance at end of period	$ 93,866	$ 86,967	$ 93,866	$ 86,967
RETAINED EARNINGS				
Balance at beginning of period	$ 468,761	$ 431,120	$ 448,953	$ 415,607
Net income	18,793	14,491	48,138	40,456
Dividends on common stock	(5,252)	(4,746)	(14,789)	(13,579)
Common stock acquired and canceled		(1,025)		(2,644)
Balance at end of period	$ 482,302	$ 439,840	$ 482,302	$ 439,840
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on securities:				
Balance at beginning of period	$ 4,898	$ 4,225	$ 3,907	$ 6,317
Net change	(332)	(357)	659	(2,449)
Balance at end of period	$ 4,566	$ 3,868	$ 4,566	$ 3,868
Total stockholders equity	$ 596,183	$ 545,973	$ 596,183	$ 545,973

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, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 48,138	$ 40,456
Adjustments to reconcile to net cash provided by operating activities:		
Provision for loan losses	1,232	804
Depreciation and amortization	8,466	8,264
Net amortization of securities premiums and discounts	712	1,278
Realized securities gains	(819)	(341)
Gain on sales of loans	(1,387)	(1,939)
Cash receipts from the sale of loans originated for sale	114,388	165,988
Cash disbursements for loans originated for sale	(115,294)	(157,149)
Deferred income tax (benefit) provision	(3,107)	1,789
Gain on other assets	(714)	(236)
Decrease in interest receivable	381	1,175
Decrease in interest payable	(366)	(324)
Amortization of stock-based compensation arrangements	1,224	1,094
Other, net	6,957	9,641
Net cash provided by operating activities	59,811	70,500
INVESTING ACTIVITIES		
Net decrease in federal funds sold	4,319	700
Net cash and due from banks received from acquisitions	174,283	
Purchases of held for investment securities		(902)
Purchases of available for sale securities	(204,979)	(78,042)
Proceeds from maturities, calls and paydowns of held for investment securities	3,882	5,590
Proceeds from maturities, calls and paydowns of available for sale securities	197,469	156,212
Proceeds from sales of available for sale securities	2,235	341
Purchases of loans	(63,937)	(40,847)
Proceeds from sales of loans	21,050	87,764
Net other increase in loans	(223,189)	(173,231)
Purchases of premises, equipment and computer software	(8,541)	(10,753)
Proceeds from the sale of other assets	4,741	3,515
Net cash used in investing activities	(92,667)	(49,653)
FINANCING ACTIVITIES		
Net increase (decrease) in demand, transaction and savings deposits	128,947	(70,008)

Net decrease in time deposits	(109,831)	(61,358)
Net increase in short-term borrowings	6,883	503
Pay down of long-term borrowings	(6,938)	(240)
Issuance of common stock	3,954	3,594
Common stock acquired		(2,710)
Cash dividends paid	(14,289)	(8,840)
Net cash provided by (used in) financing activities	8,726	(139,059)
Net decrease in cash, due from banks and interest-bearing deposits	(24,130)	(118,212)
Cash, due from banks and interest-bearing deposits at the beginning of the period	1,857,535	1,945,148
Cash, due from banks and interest-bearing deposits at the end of the period	$ 1,833,405	$ 1,826,936
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 10,058	$ 10,756
Cash paid during the period for income taxes	$ 21,128	$ 18,646
Noncash investing and financing activities:		
Unpaid common stock dividends declared	$ 5,244	$ 4,739

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, 2013.

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., BancFirst Agency, Inc. and BancFirst Community Development Corporation. BancFirst Community Development Corporation was dissolved in September 2014. 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, 2013, 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, 2013, the date of the most recent annual report.

Use of Estimates in the Preparation of Financial Statements

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

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. The amendments may be adopted using either a modified retrospective transition method or a prospective transition method. Early adoption is permitted. Adoption of ASU 2014-04 is not expected to 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 are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. The amendments are required to be applied retrospectively to all periods presented. Early adoption is permitted and adoption of the standard is optional. Adoption of ASU 2014-01 may affect income statement presentation, but otherwise is not expected to have a material impact on the Company s financial statements.

(2) RECENT DEVELOPMENTS, INCLUDING MERGERS AND ACQUISITIONS

On January 24, 2014, BancFirst, a wholly-owned subsidiary of BancFirst Corporation, assumed all of the deposits and purchased certain assets of The Bank of Union, El Reno, Oklahoma (The Bank of Union). The Bank of Union was closed on that day by the Oklahoma State Banking Department.

At the time of the closing, The Bank of Union had total deposits of approximately $302 million that were assumed by BancFirst. BancFirst initially purchased approximately $121 million of loans, the majority of which were classified as performing, $4.8 million of securities, and $10,000 of other real estate. Its bid included a discount for the loans purchased. BancFirst had bid on, but was generally not awarded, loans that were classified as nonperforming. As a result of the acquisition, the Company recorded core deposit intangibles of approximately $2.2 million and goodwill of $417,000. The acquisition did not have a material effect on the Company s consolidated financial statements.

At September 30, 2014, the balance of acquired loans from the former Bank of Union was approximately $79.9 million, the majority of which are classified as performing, and deposits in acquired branches were approximately $208.3 million.

(3) SECURITIES

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

	September 30, 2014 (Dollars in thousands)	
Held for investment, at cost (fair value: $8,845)	$	8,766
Available for sale, at fair value		526,820
Total	$	535,586

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

	September 30, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)			
Mortgage backed securities (1)	$ 499	$ 37	$	$ 536
States and political subdivisions	8,267	42		8,309
Total	$ 8,766	$ 79	$	$ 8,845

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

	September 30, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)			
U.S. treasury and other federal agencies	$ 426,901	$ 1,577	$ (149)	$ 428,329
Mortgage backed securities (1)	27,535	624	(576)	27,583
States and political subdivisions	52,553	1,911	(43)	54,421
Other securities (2)	12,385	4,280	(178)	16,487
Total	$ 519,374	$ 8,392	$ (946)	$ 526,820

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

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

	September 30, 2014	
	Amortized Cost	Estimated Fair Value
	(Dollars in thousands)	
Held for Investment		
Contractual maturity of debt securities:		
Within one year	$ 1,402	$ 1,409
After one year but within five years	6,693	6,726
After five years but within ten years	504	524
After ten years	167	186
Total	$ 8,766	$ 8,845
Available for Sale		
Contractual maturity of debt securities:		
Within one year	$ 65,407	$ 65,570
After one year but within five years	332,820	334,299
After five years but within ten years	23,306	24,098
After ten years	88,883	89,861
Total debt securities	510,416	513,828
Equity securities	8,958	12,992

Total	$ 519,374	$ 526,820

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, 2014 (Dollars in thousands)
Book value of pledged securities	$ 426,786

(4) LOANS AND ALLOWANCE FOR LOAN LOSSES

The following is a schedule of loans outstanding by category:

	September 30, 2014		December 31, 2013		September 30, 2013	
	Amount	Percent	Amount	Percent	Amount	Percent
			(Dollars in thousands)			
Commercial and industrial	$ 690,945	18.36%	$ 605,672	17.88%	$ 566,670	16.87%
Oil & gas production & equipment	106,296	2.82	96,907	2.86	139,605	4.16
Agriculture	104,037	2.77	111,323	3.29	89,258	2.66
State and political subdivisions:						
Taxable	17,412	0.46	10,217	0.30	10,248	0.31
Tax-exempt	17,196	0.46	11,073	0.33	12,232	0.36
Real estate:						
Construction	353,828	9.40	284,808	8.41	283,468	8.44
Farmland	149,035	3.96	132,512	3.91	133,397	3.97
One to four family residences	770,100	20.47	703,903	20.78	696,651	20.74
Multifamily residential properties	65,279	1.74	60,080	1.77	57,825	1.72
Commercial	1,190,240	31.64	1,097,484	32.40	1,100,544	32.76
Consumer	265,526	7.06	250,588	7.40	248,025	7.38
Other (not classified above)	32,449	0.86	22,579	0.67	21,015	0.63
Total loans	$ 3,762,343	100.00%	$ 3,387,146	100.00%	$ 3,358,938	100.00%
Loans held for sale (included above)	$ 8,760		$ 6,469		$ 4,934	

The Company s loans are mostly to customers within Oklahoma and over 60% of the loans are secured by real estate. Credit risk on loans is managed through limits on amounts loaned to individual borrowers, underwriting standards and loan monitoring procedures. The amounts and types of collateral obtained, if any, to secure loans are based upon the Company s underwriting standards and management s credit evaluation. Collateral varies, but may include real estate, equipment, accounts receivable, inventory, livestock and securities. The Company s interest in collateral is secured through filing mortgages and liens, and in some cases, by possession of the collateral.

Accounting policies related to appraisals, nonaccruals and charge-offs are disclosed in Note (1) to the Company s Annual Report on Form 10-K for the year ended December 31, 2013.

Nonperforming and Restructured Assets

The following is a summary of nonperforming and restructured assets:

	September 30, 2014	December 31, 2013	September 30, 2013
		(Dollars in thousands)	
Past due 90 days or more and still accruing	$ 2,004	$ 1,179	$ 1,266
Nonaccrual	17,052	14,390	15,094
Restructured	17,125	17,624	18,028

Total nonperforming and restructured loans	36,181	33,193	34,388
Other real estate owned and repossessed assets	7,016	8,386	8,428
Total nonperforming and restructured assets	$ 43,197	$ 41,579	$ 42,816
Nonperforming and restructured loans to total loans	0.96%	0.98%	1.02%
Nonperforming and restructured assets to total assets	0.67%	0.69%	0.72%

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 $839,000 for the nine months ended September 30, 2014 and approximately $1.3 million for the nine months ended September 30, 2013.

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, 2014	September 30, 2013
	(Dollars in thousands)	
Non-residential real estate owner occupied	$ 309	$ 551
Non-residential real estate other	5,272	6,784
Residential real estate permanent mortgage	780	714
Residential real estate all other	1,589	1,865
Non-consumer non-real estate	1,430	1,280
Consumer non-real estate	237	124
Other loans	1,555	1,446
Acquired loans	5,880	2,330
Total	$ 17,052	$ 15,094

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

Age Analysis of Past Due Loans

	30-89 Days Past Due	90 Days and Greater	Total Past Due Loans	Current Loans	Total Loans	Accruing Loans 90 Days or More Past Due
			(Dollars in thousands)			
As of September 30, 2014						
Non-residential real estate owner occupied	$ 651	$ 258	$ 909	$ 488,289	$ 489,198	$ 60
Non-residential real estate other	4,198	825	5,023	941,181	946,204	
Residential real estate permanent mortgage	1,903	737	2,640	298,024	300,664	414
Residential real estate all other	1,977	1,271	3,248	622,733	625,981	503
Non-consumer non-real estate	1,306	826	2,132	878,177	880,309	78

Consumer non-real estate	1,973	344	2,317	246,192	248,509	212
Other loans	1,684	674	2,358	152,187	154,545	
Acquired loans	2,455	3,615	6,070	110,863	116,933	737
Total	$ 16,147	$ 8,550	$ 24,697	$ 3,737,646	$ 3,762,343	$ 2,004
As of September 30, 2013						
Non-residential real estate owner occupied	$ 779	$ 326	$ 1,105	$ 458,241	$ 459,346	$ 308
Non-residential real estate other	6,046	1,925	7,971	869,531	877,502	51
Residential real estate permanent mortgage	2,017	492	2,509	253,708	256,217	217
Residential real estate all other	1,900	1,401	3,301	547,849	551,150	32
Non-consumer non-real estate	889	1,013	1,902	776,576	778,478	138
Consumer non-real estate	2,179	194	2,373	222,122	224,495	187
Other loans	1,531	1,275	2,806	136,060	138,866	236
Acquired loans	1,194	473	1,667	71,217	72,884	97
Total	$ 16,535	$ 7,099	$ 23,634	$ 3,335,304	$ 3,358,938	$ 1,266

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			
	Unpaid Principal Balance	Recorded Investment with Allowance	Related Allowance	Average Recorded Investment
	(Dollars in thousands)			
As of September 30, 2014				
Non-residential real estate owner occupied	$ 525	$ 456	$ 15	$ 543
Non-residential real estate other	23,730	21,861	1,334	22,016
Residential real estate permanent mortgage	1,432	1,223	83	1,089
Residential real estate all other	2,381	2,181	301	1,874
Non-consumer non-real estate	2,004	1,693	414	2,371
Consumer non-real estate	610	596	137	562
Other loans	1,819	1,555	170	1,626
Acquired loans	16,004	10,688		10,825
Total	$ 48,505	$ 40,253	$ 2,454	$ 40,906
As of September 30, 2013				
Non-residential real estate owner occupied	$ 993	$ 924	$ 34	$ 700
Non-residential real estate other	25,724	24,216	2,240	25,871
Residential real estate permanent mortgage	1,263	1,068	57	1,298
Residential real estate all other	2,423	2,020	381	3,668
Non-consumer non-real estate	1,931	1,599	396	1,508
Consumer non-real estate	413	394	67	444
Other loans	1,905	1,782	300	1,911
Acquired loans	9,879	7,853	95	8,109
Total	$ 44,531	$ 39,856	$ 3,570	$ 43,509

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, 2013.

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

	Internal Loan Grading Grade					
	1	2	3	4	5	Total
	(Dollars in thousands)					
As of September 30, 2014						
Non-residential real estate owner occupied	$ 410,316	$ 72,555	$ 5,958	$ 369	$	$ 489,198
Non-residential real estate other	791,859	129,504	19,569	5,272		946,204
Residential real estate permanent mortgage	267,753	25,888	5,746	1,277		300,664
Residential real estate all other	523,365	94,332	6,196	2,088		625,981
Non-consumer non-real estate	736,664	111,958	30,035	1,652		880,309
Consumer non-real estate	234,102	12,258	1,600	547	2	248,509
Other loans	151,448	2,094	624	189	190	154,545
Acquired loans	55,356	40,631	13,754	6,723	469	116,933
Total	$ 3,170,863	$ 489,220	$ 83,482	$ 18,117	$ 661	$ 3,762,343
As of September 30, 2013						
Non-residential real estate owner occupied	$ 388,923	$ 64,418	$ 5,189	$ 816	$	$ 459,346
Non-residential real estate other	714,670	134,760	21,237	6,835		877,502
Residential real estate permanent mortgage	224,518	25,091	5,574	1,034		256,217
Residential real estate all other	457,649	82,827	8,721	1,953		551,150
Non-consumer non-real estate	681,695	91,108	4,254	1,421		778,478
Consumer non-real estate	210,285	11,760	2,047	403		224,495
Other loans	135,169	2,646	738	313		138,866
Acquired loans	53,364	12,707	4,207	2,606		72,884
Total	$ 2,866,273	$ 425,317	$ 51,967	$ 15,381	$	$ 3,358,938

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, 2013.

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	Charge-offs	Recoveries	Net charge-offs	Provisions charged to operations	Balance at end of period
	(Dollars in thousands)					
Three Months Ended September 30, 2014						
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
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						
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
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

	ALL					
	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provisions charged to operations	Balance at end of period
	(Dollars in thousands)					
Three Months Ended September 30, 2013						
Allowance for loan losses:						
Non-residential real estate owner occupied	$ 4,714	$ (1)	$	$ (1)	$ 144	$ 4,857
Non-residential real estate other	10,866		2	2	404	11,272
Residential real estate permanent mortgage	2,733	(30)	12	(18)	7	2,722
Residential real estate all other	7,349	(23)	3	(20)	(722)	6,607
Non-consumer non-real estate	8,751	(34)	110	76	36	8,863
Consumer non-real estate	2,389	(163)	65	(98)	207	2,498
Other loans	1,961	(76)	24	(52)	36	1,945
Acquired loans	219	(3)	3		(124)	95
Total	$ 38,982	$ (330)	$ 219	$ (111)	$ (12)	$ 38,859
Nine Months Ended September 30, 2013						
Non-residential real estate owner occupied	$ 5,104	$ (3)	$ 16	$ 13	$ (260)	$ 4,857
Non-residential real estate other	9,865	(19)	12	(7)	1,414	11,272
Residential real estate permanent mortgage	2,781	(126)	27	(99)	40	2,722
Residential real estate all other	7,034	(177)	30	(147)	(280)	6,607
Non-consumer non-real estate	9,385	(139)	159	20	(542)	8,863
Consumer non-real estate	2,451	(458)	202	(256)	303	2,498
Other loans	1,885	(235)	55	(180)	240	1,945
Acquired loans	220	(53)	39	(14)	(111)	95
Total	$ 38,725	$ (1,210)	$ 540	$ (670)	$ 804	$ 38,859

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			
	September 30, 2014		September 30, 2013	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
	(Dollars in thousands)			
Non-residential real estate owner occupied	$ 237	$ 4,226	$ 228	$ 4,629
Non-residential real estate other	1,452	8,018	2,529	8,743
Residential real estate permanent mortgage	374	2,478	226	2,496
Residential real estate all other	739	5,413	1,058	5,549
Non-consumer non-real estate	4,671	7,338	1,052	7,811
Consumer non-real estate	365	2,029	314	2,184
Other loans	161	1,966	246	1,699
Acquired loans				95

Total	$ 7,999	$ 31,468	$ 5,653	$ 33,206

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, 2014			September 30, 2013		
	Individually evaluated for impairment	Collectively evaluated for impairment	Loans acquired with deteriorated credit quality	Individually evaluated for impairment	Collectively evaluated for impairment	Loans acquired with deteriorated credit quality
	(Dollars in thousands)					
Non-residential real estate owner occupied	$ 6,326	$ 482,871	$	$ 6,005	$ 453,341	$
Non-residential real estate other	26,822	919,382		28,072	849,430	
Residential real estate permanent mortgage	7,023	293,641		6,609	249,609	
Residential real estate all other	8,284	617,697		10,674	540,476	
Non-consumer non-real estate	32,977	847,332		5,675	772,803	
Consumer non-real estate	2,150	246,360		2,448	222,045	
Other loans	259	154,286		292	138,575	
Acquired loans		95,987	20,946		66,071	6,813
Total	$ 83,841	$ 3,657,556	$ 20,946	$ 59,775	$ 3,292,350	$ 6,813

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,	
	2014	2013
	(Dollars in thousands)	
Other real estate owned	$ 2,073	$ 1,287
Repossessed assets	955	946
Total	$ 3,028	$ 2,233

(5) INTANGIBLE ASSETS

The following is a summary of intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(Dollars in thousands)	
As of September 30, 2014			
Core deposit intangibles	$ 13,198	$ (5,659)	$ 7,539
Customer relationship intangibles	5,699	(2,608)	3,091
Mortgage servicing intangibles	659	(183)	476
Total	$ 19,556	$ (8,450)	$ 11,106

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, 2013	$ 8,078	$ 30,553	$ 5,464	$ 450	$ 44,545
Acquisitions		417			417
Balance at September 30, 2014	$ 8,078	$ 30,970	$ 5,464	$ 450	$ 44,962

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, 2013.

(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, 2014, 124,985 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, 2014 will become exercisable through the year 2021. 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, 2014, 30,000 shares were available for future grants. The options are exercisable beginning one year from the date of grant at the rate of 25% per year for four years, and expire at the end of fifteen years from the date of grant. Options outstanding as of September 30, 2014 will become exercisable through the year 2017. The option price must be no less than 100% of the fair value of the stock relating to such option at the date of grant.

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

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

	Options	Wgtd. Avg. Exercise Price	Wgtd. Avg. Remaining Contractual Term	Aggregate Intrinsic Value
	(Dollars in thousands, except per share data)			

Nine Months Ended September 30, 2014					
Outstanding at December 31, 2013	1,158,317	$	34.45		
Options granted	24,000		60.59		
Options exercised	(114,568)		28.34		
Options canceled, forfeited, or expired	(3,125)		36.73		
Outstanding at September 30, 2014	1,064,624		35.68	8.59 Yr	$ 28,616
Exercisable at September 30, 2014	493,149		28.95	4.96 Yr	$ 16,573

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(Dollars in thousands, except per share data)			
Weighted average grant-date fair value per share of options granted	$ 12.75	$ 10.63	$ 12.57	$ 9.05
Total intrinsic value of options exercised	1,560	1,424	3,606	2,653
Cash received from options exercised	1,605	1,775	3,247	2,976
Tax benefit realized from options exercised	604	551	1,395	1,026

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model and is based on certain assumptions including risk-free rate of return, dividend yield, stock price volatility and the expected term. The fair value of each option is expensed over its vesting period.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(Dollars in thousands)			
Stock-based compensation expense	$ 448	$ 399	$ 1,224	$ 1,094
Tax benefit	(173)	(154)	(473)	(423)
Stock-based compensation expense, net of tax	$ 275	$ 245	$ 751	$ 671

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, 2014
	(Dollars in thousands)
Fair value of stock options	$ 4,341

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

	Nine Months Ended September 30,	
	2014	2013
Risk-free interest rate	2.50 to 2.54%	2.53 to 2.70%
Dividend yield	2.00%	2.00%

Stock price volatility	18.62 to 18.98%	18.35 to 18.36%
Expected term	10Yrs	10Yrs

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

(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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
Number of shares repurchased				40,241
Average price of shares repurchased	$	$	$	$ 40.88
Shares remaining to be repurchased	194,723	194,723	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 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, 2014, 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 For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(Dollars in thousands)			
As of September 30, 2014:						
Total Capital (to Risk Weighted Assets)-						
BancFirst Corporation	$ 601,492	14.60%				