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DELTA REPORT

10-Q

BANF - BANCFIRST CORP /OK/

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	826
CHANGES	618
DELETIONS	99
ADDITIONS	109

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 June September 30, 2024

OR

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

For the transition period from to

Commission File Number 0-14384

BancFirst Corporation

(Exact name of registrant as specified in charter)

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

(405) 270-1086

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 Par Value Per Share	BANF	NASDAQ Global Select Market System

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 every Interactive Data File required to be submitted 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 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	☐	Smaller reporting company	☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 July 31, 2024 October 31, 2024 there were 33,022,124 33,128,923 shares of the registrant's Common Stock outstanding.

BancFirst Corporation

Quarterly Report on Form 10-Q

June September 30, 2024

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

BANCFIRST CORPORATION

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	June 30, 2024 (unaudited)	December 31, 2023 (see Note 1)	September 30, 2024 (unaudited)	December 31, 2023 (see Note 1)
ASSETS				
Cash and due from banks	$ 194,273	$ 225,462	$ 248,495	$ 225,462
Interest-bearing deposits with banks	2,299,019	2,172,001	2,743,578	2,172,001
Federal funds sold	1,102	1,316	—	1,316
Debt securities held for investment (fair value: $838 and $1,190, respectively)	838	1,190	838	1,190
Debt securities available for sale at fair value	1,440,527	1,553,905	1,376,075	1,553,905
Loans held for sale	7,408	3,489	7,841	3,489
Loans held for investment (net of unearned interest)	8,047,448	7,656,645	8,180,361	7,656,645
Allowance for credit losses	(99,626)	(96,800)	(101,882)	(96,800)
Loans, net of allowance for credit losses	7,947,822	7,559,845	8,078,479	7,559,845
Premises and equipment, net	285,131	278,594	285,553	278,594
Other real estate owned	37,823	33,718	38,946	33,718
Intangible assets, net	14,931	16,704	14,045	16,704
Goodwill	182,263	182,263	182,263	182,263
Accrued interest receivable and other assets	326,181	343,555	337,369	343,555
Total assets	$ 12,737,318	$ 12,372,042	$ 13,313,482	$ 12,372,042
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits:				
Noninterest-bearing	$ 3,815,818	$ 3,982,226	$ 3,858,670	$ 3,982,226
Interest-bearing	7,199,784	6,717,896	7,615,682	6,717,896
Total deposits	11,015,602	10,700,122	11,474,352	10,700,122
Short-term borrowings	4,264	3,351	4,429	3,351
Accrued interest payable and other liabilities	118,831	148,577	163,983	148,577
Subordinated debt	86,129	86,101	86,143	86,101
Total liabilities	11,224,826	10,938,151	11,728,907	10,938,151
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, 40,000,000 shares authorized; shares issued and outstanding: 33,022,124 and 32,933,018, respectively	33,022	32,933		
Common stock, $1.00 par, 40,000,000 shares authorized; shares issued and outstanding: 33,122,689 and 32,933,018, respectively	33,123	32,933		
Capital surplus	178,806	174,695	183,277	174,695
Retained earnings	1,348,905	1,276,305	1,392,572	1,276,305
Accumulated other comprehensive loss, net of tax benefit of $14,938 and $15,473, respectively	(48,241)	(50,042)		
Accumulated other comprehensive loss, net of tax benefit of $7,551 and $15,473, respectively	(24,397)	(50,042)		
Total stockholders' equity	1,512,492	1,433,891	1,584,575	1,433,891

Total liabilities and stockholders' equity	$ 12,737,318	$ 12,372,042	$ 13,313,482	$ 12,372,042

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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
INTEREST INCOME								
Loans, including fees	$ 137,710	$ 114,612	$ 269,836	$ 219,008	$ 144,024	$ 121,891	$ 413,860	$ 340,899
Securities:								
Taxable	8,932	9,408	18,113	18,399	8,341	9,260	26,454	27,659
Tax-exempt	18	23	38	30	18	22	56	52
Federal funds sold	5	81	24	113	1	63	25	176
Interest-bearing deposits with banks	31,800	26,694	62,097	58,714	35,266	28,989	97,363	87,703
Total interest income	178,465	150,818	350,108	296,264	187,650	160,225	537,758	456,489
INTEREST EXPENSE								
Deposits	67,479	43,732	131,892	78,909	71,615	54,838	203,507	133,747
Short-term borrowings	59	129	155	212	48	49	203	261
Subordinated debt	1,031	1,031	2,061	2,061	1,030	1,030	3,091	3,091
Total interest expense	68,569	44,892	134,108	81,182	72,693	55,917	206,801	137,099
Net interest income	109,896	105,926	216,000	215,082	114,957	104,308	330,957	319,390
Provision for credit losses	3,358	2,824	7,373	5,146	3,031	2,312	10,404	7,458
Net interest income after provision for credit losses	106,538	103,102	208,627	209,936	111,926	101,996	320,553	311,932
NONINTEREST INCOME								
Trust revenue	5,490	4,590	10,578	8,812	5,672	4,866	16,250	13,678
Service charges on deposits	17,280	22,268	33,708	43,499	17,723	17,027	51,431	60,526
Securities transactions	317	110	50	(103)	(308)	(361)	(258)	(464)
Sales of loans	733	757	1,224	1,361	721	734	1,945	2,095
Insurance commissions	6,668	6,225	16,123	14,966	9,391	8,429	25,514	23,395
Cash management	9,149	7,927	17,800	14,661	9,189	8,177	26,989	22,838
Gain/(loss) on sale of other assets	55	315	(4)	794				
(Loss)/gain on sale of other assets	(63)	464	(67)	1,258				
Other	4,252	5,782	9,365	11,812	6,387	5,113	15,752	16,925
Total noninterest income	43,944	47,974	88,844	95,802	48,712	44,449	137,556	140,251
NONINTEREST EXPENSE								
Salaries and employee benefits	51,928	49,803	103,456	99,055	54,215	50,200	157,671	149,255
Occupancy, net	5,233	5,118	10,439	10,101	5,776	5,487	16,215	15,588
Depreciation	4,504	4,769	9,060	9,412	4,482	4,685	13,542	14,097
Amortization of intangible assets	887	880	1,773	1,760	886	885	2,659	2,645
Data processing services	2,696	2,217	5,312	4,324	2,720	1,820	8,032	6,144
Net expense from other real estate owned	1,656	2,889	3,858	5,348	2,751	2,720	6,609	8,068
Marketing and business promotion	2,246	1,900	4,502	4,427	2,168	2,034	6,670	6,461

Deposit insurance	1,614	1,463	3,052	3,076	1,645	1,419	4,697	4,495
Other	14,552	12,071	26,643	23,924	12,091	11,965	38,734	35,889
Total noninterest expense	85,316	81,110	168,095	161,427	86,734	81,215	254,829	242,642
Income before taxes	65,166	69,966	129,376	144,311	73,904	65,230	203,280	209,541
Income tax expense	14,525	14,956	28,401	31,768	15,001	14,242	43,402	46,010
Net income	$ 50,641	$ 55,010	$ 100,975	$ 112,543	$ 58,903	$ 50,988	$ 159,878	$ 163,531
NET INCOME PER COMMON SHARE								
Basic	$ 1.53	$ 1.67	$ 3.06	$ 3.42	$ 1.78	$ 1.55	$ 4.84	$ 4.97
Diluted	$ 1.51	$ 1.64	$ 3.01	$ 3.36	$ 1.75	$ 1.52	$ 4.76	$ 4.88
OTHER COMPREHENSIVE GAIN/(LOSS)								
Unrealized income/(loss) on debt securities, net of tax (expense)/benefit of $(1,263), $4,350, $(535) and $(154), respectively	4,105	(14,091)	1,801	558				
Other comprehensive income/(loss), net of tax (expense)/benefit of $(1,263), $4,350, $(535) and $(154), respectively	4,105	(14,091)	1,801	558				
Unrealized income/(loss) on debt securities, net of tax (expense)/benefit of $(7,387), $1,919, $(7,922) and $1,765, respectively	23,844	(6,172)	25,645	(5,614)				
Other comprehensive income/(loss), net of tax (expense)/benefit of $(7,387), $1,919, $(7,922) and $1,765, respectively	23,844	(6,172)	25,645	(5,614)				
Comprehensive income	$ 54,746	$ 40,919	$ 102,776	$ 113,101	$ 82,747	$ 44,816	$ 185,523	$ 157,917

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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
COMMON STOCK								
Issued at beginning of period	$ 32,967	$ 32,900	$ 32,933	$ 32,876	$ 33,022	$ 32,939	$ 32,933	$ 32,876
Shares issued for stock options	55	39	89	63	101	3	190	66
Shares acquired and canceled	—	(21)	—	(21)				
Issued at end of period	$ 33,022	$ 32,939	$ 33,022	$ 32,939	$ 33,123	$ 32,921	$ 33,123	$ 32,921
CAPITAL SURPLUS								
Balance at beginning of period	$ 176,227	$ 170,231	$ 174,695	$ 169,231	$ 178,806	$ 172,358	$ 174,695	$ 169,231
Common stock issued for stock options	1,659	1,296	2,476	1,914	3,526	86	6,002	2,000
Stock-based compensation arrangements	920	831	1,635	1,213	945	864	2,580	2,077
Balance at end of period	$ 178,806	$ 172,358	$ 178,806	$ 172,358	$ 183,277	$ 173,308	$ 183,277	$ 173,308
RETAINED EARNINGS								
Balance at beginning of period	$ 1,312,464	$ 1,164,665	$ 1,276,305	$ 1,120,292	$ 1,348,905	$ 1,206,499	$ 1,276,305	$ 1,120,292
Net income	50,641	55,010	100,975	112,543	58,903	50,988	159,878	163,531
Dividends on common stock ($0.43, $0.40, $0.86 and $0.80 per share, respectively)	(14,200)	(13,176)	(28,375)	(26,336)				
Dividends on common stock ($0.46, $0.43, $1.32 and $1.23 per share, respectively)	(15,236)	(14,156)	(43,611)	(40,492)				

Common stock acquired and canceled	—	(1,799)	—	(1,799)				
Balance at end of period	$ 1,348,905	$ 1,206,499	$ 1,348,905	$ 1,206,499	$ 1,392,572	$ 1,241,532	$ 1,392,572	$ 1,241,532
ACCUMULATED OTHER COMPREHENSIVE LOSS								
Unrealized (losses)/gains on securities:								
Balance at beginning of period	$ (52,346)	$ (56,914)	$ (50,042)	$ (71,563)	$ (48,241)	$ (71,005)	$ (50,042)	$ (71,563)
Net change	4,105	(14,091)	1,801	558	23,844	(6,172)	25,645	(5,614)
Balance at end of period	$ (48,241)	$ (71,005)	$ (48,241)	$ (71,005)	$ (24,397)	$ (77,177)	$ (24,397)	$ (77,177)
Total stockholders' equity	$ 1,512,492	$ 1,340,791	$ 1,512,492	$ 1,340,791	$ 1,584,575	$ 1,370,584	$ 1,584,575	$ 1,370,584

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

BANCFIRST CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited)

(Dollars in thousands)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$ 100,975	$ 112,543	$ 159,878	$ 163,531
Adjustments to reconcile to net cash provided by operating activities:				
Provision for credit losses	7,373	5,146	10,404	7,458
Depreciation and amortization	10,833	11,172	16,201	16,742
Net amortization of securities premiums and discounts	(627)	(577)	(850)	(883)
Realized securities (gains)/losses	(50)	103		
Realized securities losses	258	464		
Gain on sales of loans	(1,224)	(1,361)	(1,945)	(2,095)
Cash receipts from the sale of loans originated for sale	110,096	77,758	152,279	118,786
Cash disbursements for loans originated for sale	(72,791)	(78,948)	(115,407)	(114,312)
Deferred income tax benefit	(1,764)	(1,489)	(2,812)	(2,038)
Gain on sale of other assets	(1,319)	(1,061)	(1,259)	(1,635)
Increase in interest receivable	(3,074)	(3,387)	(3,219)	(8,519)
Increase in interest payable	5,314	3,005	6,491	5,235
Amortization of stock-based compensation arrangements	1,635	1,213	2,580	2,077
Excess tax benefit from stock-based compensation arrangements	(750)	(734)	(2,188)	(775)
Other, net	11,848	5,797	23,657	6,245
Net cash provided by operating activities	166,475	129,180	244,068	190,281
INVESTING ACTIVITIES				
Net cash received from acquisitions, net of cash paid	—	8,045		
Net decrease/(increase) in federal funds sold	214	(1,631)	1,316	(4,025)
Purchases of available for sale debt securities	(270)	(94,112)	(522)	(154,104)
Proceeds from maturities, calls and paydowns of held for investment debt securities	352	1,349	353	1,350
Proceeds from maturities, calls and paydowns of available for sale debt securities	116,611	64,036	212,768	161,414
Purchase of equity securities	(404)	(294)	(409)	(310)
Proceeds from paydowns and sales of equity securities	206	531	353	531

Net change in loans	(445,920)	(357,140)	(580,760)	(532,471)
Net (payments)/receipts on derivative asset contracts	(22,293)	11,628		
Net payments on derivative asset contracts	(4,295)	(16,817)		
Purchases of premises, equipment and computer software	(16,273)	(13,016)	(21,508)	(17,695)
Purchase of tax credits	(2,469)	(3,813)	(5,874)	(6,670)
Other, net	8,978	23,302	10,156	24,756
Net cash used in investing activities	(361,268)	(369,160)	(388,422)	(535,996)
FINANCING ACTIVITIES				
Net change in deposits	315,480	(499,048)	774,230	(450,870)
Net change in short-term borrowings	913	3,593	1,078	3,676
Issuance of common stock in connection with stock options, net	2,565	1,977	6,192	2,066
Common stock acquired	—	(1,820)		
Cash dividends paid	(28,336)	(26,310)	(42,536)	(39,486)
Net cash provided by (used in) financing activities	290,622	(519,788)	738,964	(486,434)
Net increase/(decrease) in cash, due from banks and interest-bearing deposits	95,829	(759,768)	594,610	(832,149)
Cash, due from banks and interest-bearing deposits at the beginning of the period	2,397,463	3,168,910	2,397,463	3,168,910
Cash, due from banks and interest-bearing deposits at the end of the period	$ 2,493,292	$ 2,409,142	$ 2,992,073	$ 2,336,761
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid during the period for interest	$ 128,794	$ 78,176	$ 200,309	$ 131,864
Cash paid during the period for income taxes	$ 22,349	$ 31,180	$ 36,356	$ 42,680
Noncash investing and financing activities:				
Cash received for acquisitions	$ —	$ (7,833)		
Fair value of assets acquired in acquisitions	$ —	$ 2,981		
Liabilities assumed in acquisitions	$ —	$ 10,814		
Unpaid common stock dividends declared	$ 14,200	$ 13,176	$ 15,236	$ 14,156

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 States 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, 2023.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements include the accounts of BancFirst Corporation, Council Oak Partners, LLC, BancFirst Insurance Services, Inc., BFC-PNC LLC, Pegasus Bank ("Pegasus"), Worthington Bank ("Worthington") and BancFirst and its subsidiaries ("BancFirst"). The principal operating subsidiaries of BancFirst are BFTower, LLC, BFC-PNC LLC 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 U.S. GAAP for interim financial information and the instructions for Form 10-Q adopted by the Securities and Exchange Commission (“SEC”). The information contained in the consolidated financial statements and footnotes included in BancFirst Corporation's Annual Report on Form 10-K for the year ended December 31, 2023, 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.

Reclassifications

Certain items in prior consolidated 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 credit losses, income taxes, the fair value of financial instruments and the valuation of assets and liabilities acquired in a business combination, including identifiable intangible assets. Such estimates and assumptions may change over time and actual amounts realized may differ from those reported.

Recent Accounting Pronouncements

Standards Not Yet Adopted:

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes - Improvements to Income Tax Disclosures" requiring enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. The Company does not expect adoption of the standard to have a material impact on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improvements to Reportable Segment Disclosures" requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 on a retrospective basis. The amendments are to be applied retrospectively to all periods presented and segment expense categories are required to be based on the categories identified at adoption. The Company is currently evaluating the provisions of this ASU and expects to adopt them for the year ending December 31, 2024. The Company does not expect the adoption to have a significant impact on the Company's consolidated financial statements.

(2) SECURITIES

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 2024		(Dollars in thousands)						
September 30, 2024		(Dollars in thousands)						
Mortgage backed securities (1)	$ 3	$ —	$ —	$ 3	$ 3	$ —	$ —	$ 3
States and political subdivisions	335	—	—	335	335	—	—	335
Other securities	500	—	—	500	500	—	—	500
Total	$ 838	$ —	$ —	$ 838	$ 838	$ —	$ —	$ 838
December 31, 2023								
Mortgage backed securities (1)	$ 5	$ —	$ —	$ 5	$ 5	$ —	$ —	$ 5
States and political subdivisions	685	—	—	685	685	—	—	685

Other securities	500	—	—	500	500	—	—	500
Total	$ 1,190	$ —	$ —	$ 1,190	$ 1,190	$ —	$ —	$ 1,190

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 2024	(Dollars in thousands)							
September 30, 2024	(Dollars in thousands)							
U.S. treasuries	$ 1,450,915	$ —	$ (60,133)	$ 1,390,782	$ 1,361,149	$ 1,537	$ (31,363)	$ 1,331,323
U.S. federal agencies	9,565	121	(3)	9,683	8,803	109	(4)	8,908
Mortgage backed securities (1)	15,647	7	(1,746)	13,908	15,211	21	(1,230)	14,002
States and political subdivisions	10,078	8	(135)	9,951	6,579	13	(97)	6,495
Asset backed securities	9,338	43	—	9,381	8,118	22	—	8,140
Other securities	8,163	—	(1,341)	6,822	8,163	—	(956)	7,207
Total	$ 1,503,706	$ 179	$ (63,358)	$ 1,440,527	$ 1,408,023	$ 1,702	$ (33,650)	$ 1,376,075
December 31, 2023								
U.S. treasuries	$ 1,560,265	$ 415	$ (62,635)	$ 1,498,045	$ 1,560,265	$ 415	$ (62,635)	$ 1,498,045
U.S. federal agencies	11,631	142	(3)	11,770	11,631	142	(3)	11,770
Mortgage backed securities (1)	16,459	13	(1,677)	14,795	16,459	13	(1,677)	14,795
States and political subdivisions	10,108	16	(114)	10,010	10,108	16	(114)	10,010
Asset backed securities	12,794	—	(282)	12,512	12,794	—	(282)	12,512
Other securities	8,163	—	(1,390)	6,773	8,163	—	(1,390)	6,773
Total	$ 1,619,420	$ 586	$ (66,101)	$ 1,553,905	$ 1,619,420	$ 586	$ (66,101)	$ 1,553,905

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

The maturities of debt 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.

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(Dollars in thousands)				(Dollars in thousands)			
Held for Investment								
Contractual maturity of debt securities:								
Within one year	$ 275	$ 275	$ 350	$ 350	$ 275	$ 275	$ 350	$ 350
After one year but within five years	563	563	840	840	563	563	840	840
After five years but within ten years	—	—	—	—	—	—	—	—
After ten years	—	—	—	—	—	—	—	—

Total	$ 838	$ 838	$ 1,190	$ 1,190	$ 838	$ 838	$ 1,190	$ 1,190
Available for Sale								
Contractual maturity of debt securities:								
Within one year	$ 364,890	$ 358,962	$ 348,318	$ 341,645	$ 364,051	$ 359,967	$ 348,318	$ 341,645
After one year but within five years	1,097,339	1,043,120	1,223,529	1,167,973	1,004,948	979,225	1,223,529	1,167,973
After five years but within ten years	11,071	9,657	10,331	8,851	11,141	10,143	10,331	8,851
After ten years	30,406	28,788	37,242	35,436	27,883	26,740	37,242	35,436
Total debt securities	$ 1,503,706	$ 1,440,527	$ 1,619,420	$ 1,553,905	$ 1,408,023	$ 1,376,075	$ 1,619,420	$ 1,553,905

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:

	June 30, 2024	December 31, 2023
	(Dollars in thousands)	
Book value of pledged securities	$ 910,357	$ 591,324

	September 30, 2024	December 31, 2023
	(Dollars in thousands)	
Book value of pledged securities	$ 1,038,637	$ 591,324

There were no sales of debt securities and therefore no proceeds from sales or realized securities gains or losses on available for sale debt securities for the six nine months ended June 30, 2024 September 30, 2024 or June 30, 2023 September 30, 2023.

Realized gains/losses on debt and equity securities are reported as securities transactions within the noninterest income section of the consolidated statement of comprehensive income.

The following table summarizes debt securities with unrealized losses, segregated by the duration of the unrealized loss, at June 30, 2024 September 30, 2024 and December 31, 2023 respectively:

		Less than 12 Months		More than 12 Months		Total			Less than 12 Months		More than 12 Months		Total	
	Number of investments	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Number of investments	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrea Los
				(Dollars in thousands)							(Dollars in thousands)			
June 30, 2024														
September 30, 2024														
Available for Sale														
U.S. treasuries	62	$ 90,084	$ 926	$ 1,300,697	$ 59,207	$ 1,390,781	$ 60,133	54	$ —	$ —	$ 1,238,833	$ 31,363	$ 1,238,833	$ 31
U.S. federal agencies	2	205	2	688	1	893	3	3	699	3	653	1	1,352	

Mortgage backed securities	69	1,188	9	12,455	1,737	13,643	1,746	53	—	—	12,407	1,230	12,407	1
States and political subdivisions	8	867	3	1,871	132	2,738	135	2	—	—	796	97	796	
Other securities	3	—	—	6,822	1,341	6,822	1,341	3	—	—	7,207	956	7,207	
Total	144	$ 92,344	$ 940	$ 1,322,533	$ 62,418	$ 1,414,877	$ 63,358	115	$ 699	$ 3	$ 1,259,896	$ 33,647	$ 1,260,595	$ 33
December 31, 2023														
Available for Sale														
U.S. treasuries	68	$ 4,838	$ 90	$ 1,401,669	$ 62,545	$ 1,406,507	$ 62,635	68	$ 4,838	$ 90	$ 1,401,669	$ 62,545	$ 1,406,507	$ 62
U.S. federal agencies	3	1,100	3	—	—	1,100	3	3	1,100	3	—	—	1,100	
Mortgage backed securities	74	80	—	13,261	1,677	13,341	1,677	74	80	—	13,261	1,677	13,341	1
States and political subdivisions	6	306	4	1,847	110	2,153	114	6	306	4	1,847	110	2,153	
Asset backed securities	1	—	—	12,512	282	12,512	282	1	—	—	12,512	282	12,512	
Other securities	3	—	—	6,773	1,390	6,773	1,390	3	—	—	6,773	1,390	6,773	1
Total	155	$ 6,324	$ 97	$ 1,436,062	$ 66,004	$ 1,442,386	$ 66,101	155	$ 6,324	$ 97	$ 1,436,062	$ 66,004	$ 1,442,386	$ 66

The Company has the ability and intent to hold the debt securities classified as held for investment until they mature, at which time the Company will receive full value for the debt securities. Furthermore, as of June 30, 2024 September 30, 2024 and December 31, 2023, the Company also had the ability and intent to hold the debt securities classified as available for sale for a period of time sufficient for a recovery of cost. The unrealized losses are due to increases in market interest rates over the yields available at the time the underlying debt securities were purchased. The fair value of those debt securities having unrealized losses is expected to recover as the securities approach their maturity date or repricing date, or if market yields for such investments decline. The Company has no intent or requirement to sell before the recovery of the unrealized loss; therefore, no impairment loss was realized in the Company's consolidated statement of comprehensive income.

(3) LOANS HELD FOR INVESTMENT AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans held for investment are summarized by portfolio segment as follows:

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Dollars in thousands)		(Dollars in thousands)	
Real estate:				
Commercial real estate owner occupied	954,942	960,944	939,520	960,944
Commercial real estate non-owner occupied	1,604,132	1,486,420	1,632,472	1,486,420

Construction and development < 60 months	680,807	642,643	713,138	642,643
Construction residential real estate < 60 months	288,900	283,486	262,101	283,486
Residential real estate first lien	1,335,124	1,258,744	1,395,163	1,258,744
Residential real estate all other	260,036	244,696	271,598	244,696
Agriculture	432,360	427,139	428,012	427,139
Commercial non-real estate	1,436,349	1,289,452	1,482,474	1,289,452
Consumer non-real estate	469,084	476,467	476,475	476,467
Oil and gas	585,714	586,654	579,408	586,654
Total (1)	$ 8,047,448	$ 7,656,645	$ 8,180,361	$ 7,656,645

(1) Excludes accrued interest receivable of $42.8 million at June 30, 2024 and $39.4 million at December 31, 2023, that is recorded in accrued interest receivable and other assets.

(1) Excludes accrued interest receivable of $42.2 million at September 30, 2024 and $39.4 million at December 31, 2023, that is recorded in accrued interest receivable and other assets.

The Company's loans are currently 84% held by BancFirst and 16% held by Pegasus and Worthington. In addition, approximately 69% of the Company's loans are secured by real estate. Credit risk on loans is managed through limits on amounts loaned to individual and related 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/or securities. The Company's interest in collateral is secured through filing mortgages and liens, or by possession of the collateral.

The Company's portfolio segment descriptions and the weighted average remaining life of portfolio segments are disclosed in Note (5) to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Other Real Estate Owned and Repossessed Assets and Loan Modifications

The following is a summary of other real estate owned and repossessed assets:

	June 30, 2024	December 31, 2023
	(Dollars in thousands)	
Other real estate owned and repossessed assets	$ 38,497	$ 34,200

	September 30, 2024	December 31, 2023
	(Dollars in thousands)	
Other real estate owned and repossessed assets	$ 39,519	$ 34,200

As of both June 30, 2024 September 30, 2024 and December 31, 2023, other real estate owned included a commercial real estate property recorded at approximately $30.7 31.1 million and $29.4 million, respectively. The increase in OREO and this commercial real estate property was primarily due to tenant improvements associated with new and renewing leases during the six nine months ended June 30, 2024 September 30, 2024. Rental income for this property is included in other noninterest income on the consolidated statements of comprehensive income. Operating expense for this property is included in net expense from other real estate owned in noninterest expense on the consolidated statements of comprehensive income.

This property had the following rental income and operating expenses for the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands)				(Dollars in thousands)			
Rental income	$ 3,085	$ 2,778	$ 6,026	$ 5,468	$ 3,043	$ 2,911	$ 9,069	$ 8,379
Operating expense	2,673	2,967	4,923	5,348	2,601	2,690	7,524	8,038

During the six nine months ended June 30, 2024 September 30, 2024, the Company sold property held in other real estate owned for a total gain of $1.3 million, compared to a total gain of $266,000 378,000 in the six nine months ended June 30, 2023 September 30, 2023.

The Company charges interest on principal balances outstanding on modified loans during deferral periods. The current and future financial effects of the recorded balance of loans considered to be modified during the period were not considered to be material. The recorded balance of loans modified during the six nine months ended June 30, 2024 September 30, 2024 was approximately $5.9 8.4 million compared to $5.3 million during the year ended December 31, 2023.

Nonaccrual loans

The Company did not recognize any interest income on nonaccrual loans for either the six nine months ended June 30, 2024 September 30, 2024 or 2023. In addition, all loans identified as nonaccrual loans have related allowances for credit losses at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. Had nonaccrual loans performed in accordance with their original contractual terms, the Company would have recognized additional interest income of approximately $1.8 2.6 million for the six nine months ended June 30, 2024 September 30, 2024 and approximately $718,000 1.1 million for the six nine months ended June 30, 2023 September 30, 2023.

Nonaccrual loans guaranteed by government agencies totaled approximately $8.5 7.5 million at June 30, 2024 September 30, 2024 and approximately $6.7 million at December 31, 2023.

The following table is a summary of amounts included in nonaccrual loans, segregated by portfolio segment.

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Dollars in thousands)		(Dollars in thousands)	
Real estate:				
Commercial real estate owner occupied	$ 5,543	$ 1,686	$ 5,959	$ 1,686
Commercial real estate non-owner occupied	3,280	874	2,779	874
Construction and development < 60 months	20,142	800	20,349	800
Construction residential real estate < 60 months	745	638	561	638
Residential real estate first lien	3,425	3,336	4,269	3,336
Residential real estate all other	628	899	889	899
Agriculture	2,092	3,662	2,051	3,662
Commercial non-real estate	5,605	10,101	5,911	10,101
Consumer non-real estate	685	449	917	449
Oil and gas	1,876	2,128	1,796	2,128
Total	$ 44,021	$ 24,573	$ 45,481	$ 24,573

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. The following table presents an age analysis of the Company's loans held for investment:

Age Analysis of Past Due Loans	Age Analysis of Past Due Loans

	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater	Total Past Due Loans	Current Loans	Total Loans	Accruing Loans 90 Days or More Past Due	30-59 Days Past Due	60-89 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)							(Dollars in thousands)						
As of June 30, 2024														
As of September 30, 2024														
Real estate:														
Commercial real estate owner occupied	$ 3,020	$ 38	$ 5,379	$ 8,437	$ 946,505	$ 954,942	$ 532	$ 2,856	$ 9,208	$ 5,803	$ 17,867	$ 921,653	$ 939,520	$ 171
Commercial real estate non-owner occupied	—	141	1,544	1,685	1,602,447	1,604,132	803	68	1,686	952	2,706	1,629,766	1,632,472	524
Construction and development < 60 months	405	1,738	831	2,974	677,833	680,807	31	304	107	20,442	20,853	692,285	713,138	282
Construction residential real estate < 60 months	229	117	407	753	288,147	288,900	—	635	—	827	1,462	260,639	262,101	548
Residential real estate first lien	4,929	2,144	2,213	9,286	1,325,838	1,335,124	961	5,482	1,967	2,990	10,439	1,384,724	1,395,163	916
Residential real estate all other	866	152	835	1,853	258,183	260,036	250	1,299	356	901	2,556	269,042	271,598	238
Agriculture	1,805	937	1,447	4,189	428,171	432,360	916	1,796	331	1,657	3,784	424,228	428,012	1,191
Commercial non-real estate	1,857	831	5,256	7,944	1,428,405	1,436,349	587	2,011	2,297	5,496	9,804	1,472,670	1,482,474	329
Consumer non-real estate	3,166	555	495	4,216	464,868	469,084	200	3,303	817	810	4,930	471,545	476,475	429
Oil and gas	588	416	—	1,004	584,710	585,714	—	—	232	—	232	579,176	579,408	—
Total	$ 16,865	$ 7,069	$ 18,407	$ 42,341	$ 8,005,107	$ 8,047,448	$ 4,280	$ 17,754	$ 17,001	$ 39,878	$ 74,633	$ 8,105,728	$ 8,180,361	$ 4,628
As of December 31, 2023														
Real estate:														
Commercial real estate owner occupied	$ 1,386	$ 26	$ 5,598	$ 7,010	$ 953,934	$ 960,944	$ 4,377	$ 1,386	$ 26	$ 5,598	$ 7,010	$ 953,934	$ 960,944	$ 4,377
Commercial real estate non-owner occupied	2,224	7,371	1,786	11,381	1,475,039	1,486,420	913	2,224	7,371	1,786	11,381	1,475,039	1,486,420	913
Construction and development < 60 months	198	158	800	1,156	641,487	642,643	—	198	158	800	1,156	641,487	642,643	—
Construction residential real estate < 60 months	1,542	206	405	2,153	281,333	283,486	332	1,542	206	405	2,153	281,333	283,486	332

Residential real estate first lien	3,879	1,204	1,849	6,932	1,251,812	1,258,744	731	3,879	1,204	1,849	6,932	1,251,812	1,258,744	731
Residential real estate all other	757	190	613	1,560	243,136	244,696	549	757	190	613	1,560	243,136	244,696	549
Agriculture	1,694	724	1,227	3,645	423,494	427,139	579	1,694	724	1,227	3,645	423,494	427,139	579
Commercial non-real estate	1,501	436	10,028	11,965	1,277,487	1,289,452	1,714	1,501	436	10,028	11,965	1,277,487	1,289,452	1,714
Consumer non-real estate	3,248	1,090	594	4,932	471,535	476,467	347	3,248	1,090	594	4,932	471,535	476,467	347
Oil and gas	—	—	92	92	586,562	586,654	—	—	—	92	92	586,562	586,654	—
Total	$ 16,429	$ 11,405	$ 22,992	$ 50,826	$ 7,605,819	$ 7,656,645	$ 9,542	$ 16,429	$ 11,405	$ 22,992	$ 50,826	$ 7,605,819	$ 7,656,645	$ 9,542

Credit Quality Indicators

The Company considers credit quality indicators to monitor the credit risk in the loan portfolio including volume and severity of loan delinquencies, nonaccrual loans, internal grading of loans, historical credit loss experience and economic conditions. These indicators are reviewed and updated regularly throughout the year. 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 categories or any financial reporting definitions. The general characteristics of the risk grades and the table summarizing the Company's gross loans held for investment by year of origination and internally assigned credit grades as of December 31, 2023, are disclosed in Note (5) to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The Company's revolving loans that are converted to term loans are not material and therefore have not been presented.

The following table summarizes the Company's gross loans held for investment by year of origination and internally assigned credit grades:

	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized	
(Dollars in thousands)	2024	2023	2022	2021	2020	Prior	Cost Basis	Total
As of June 30, 2024 September 30, 2024								
Commercial real estate owner occupied								
Grade 1	39,257 57,48 $ 4	104,695 100, $ 209	151,859 14 $ 8,898	111,308 10 $ 2,563	78,999 77, $ 151	186,219 17 $ 5,433	25,667 18,79 $ 2	698,004 680,5 $ 30
Grade 2	23,094 25,81 4	34,818 37,44 6	49,139 48, 964	44,044 47, 874	21,710 21, 235	34,604 35, 911	24,187 4,971	231,596 222,2 15
Grade 3	128 12,960	7,339 7,293	3,574 3,68 7	4,489 4,59 6	939 915	4,121 2,60 9	2,100 160	22,690 32,220
Grade 4	— 1,650	372 377	21 20	170 49	352	1,615 1,98 5	122	2,652 4,555
Total commercial real estate owner occupied	62,479 97,90 8	147,224 145, 325	204,593 20 1,569	160,011 15 5,082	102,000 99 ,653	226,559 21 5,938	52,076 24,04 5	954,942 939,5 20
Commercial real estate non-owner occupied								
Grade 1	64,168 74,87 $ 0	258,439 271, $ 096	283,026 28 $ 0,887	187,391 18 $ 7,555	120,052 11 $ 9,241	126,177 12 $ 2,367	41,093 40,69 $ 5	1,080,346 1,09 $ 6,711

Grade 2	61,660 91,056	104,871 105,735	126,693 129,516	89,290 81,139	38,105 29,760	71,591 64,675	3,122 4,002	495,332 505,883	
Grade 3	8,934	141	13,635	1,690 11,030	—	245 13,616	1,686	33	24,645 26,608 243—8
Grade 4	185	2,043 141	643 —	316 304	98	524 2,542	—	3,809 3,270	
Total commercial real estate non-owner occupied	134,947 177,141	365,494 376,972	423,997 424,019	278,687 270,684	158,255 149,132	198,537 189,827	44,215 44,697	1,604,132 1,632,472	
Construction and development < 60 months									
Grade 1	$ 49,830 74,367	$ 76,166 79,181	$ 146,196 171,801	$ 33,350 30,183	$ 9,848 9,039	$ 7,591 7,416	$ 51,139 29,490	$ 374,120 401,477	
Grade 2	64,768 79,077	118,553 116,406	62,487 60,905	8,296 1,202	1,590 1,567	14,969 14,489	10,703 11,913	281,366 285,559	
Grade 3	2,641 4,736	1,829 88	—	354 663	71 69	68 66	19,287	24,250	
Grade 4	—	— 5,622							
Grade 4	51	18	831	100	140 138	—	— 19,342	1,071 20,480	
Total construction and development < 60 months	117,239 158,231	196,548 195,693	209,514 233,537	42,100 32,148	11,649 10,813	22,628 21,971	81,129 60,745	680,807 713,138	
Construction residential real estate < 60 months									
Grade 1	$ 78,419 104,772	$ 48,981 35,253	$ 15,922 3,954	$ 8,162 91	$ 98 1,284	$ 546 532	$ 30,001 10,942	$ 182,129 156,828	
Grade 2	54,233 66,604	33,153 15,903	2,447 2,471	15 9	12	—	11,630 14,451	101,490 99,450	
Grade 3	3,503	408 4,916	—	—	—	—	396 —	4,307 —	4,916
Grade 4	568 511	200 190	206	—	—	—	—	974 907	
Total construction residential real estate < 60 months	136,723 176,803	82,742 51,346	18,575 6,631	8,177 100	110 1,296	546 532	42,027 25,393	288,900 262,101	
Residential real estate first lien									
Grade 1	$ 134,305 213,294	$ 211,033 220,298	$ 205,048 208,733	$ 162,128 157,011	$ 130,865 101,934	$ 192,862 181,950	$ 5,031 986	$ 1,041,272 1,084,206	
Grade 2	43,810 55,742	65,488 70,183	50,368 49,081	37,025 35,708	25,620 24,668	48,645 46,015	519 969	271,475 282,366	
Grade 3	1,453 4,640	2,576 3,918	3,098 3,005	2,835 2,897	1,821 2,157	5,562 5,635	—	17,345 22,252	
Grade 4	907 1,224	646 700	312 448	795 1,780	539 453	1,756 1,734	—	4,955 6,339	
Grade 5	—	77	—	—	—	—	—	77 —	—

Total residential real estate first lien	180,475 274,900	279,820 295,099	258,826 261,267	202,783 197,396	158,845 129,212	248,825 235,334	5,550 1,955	1,335,124 1,395,163
Residential real estate all other								
Grade 1	$ 18,801 31,285	$ 34,325 31,220	$ 21,028 20,562	$ 6,512 5,993	$ 7,196 6,922	$ 12,957 11,298	$ 54,939 55,518	$ 155,758 162,798
Grade 2	3,804 5,421	5,198 4,896	4,467 4,417	1,341 1,342	1,462 1,331	3,918 3,762	79,266 82,285	99,456 103,454
Grade 3	756 571	344 401	106	176	295	437	1,507	3,621
Grade 4	— 226	174	67 197	594	1,629	3,792		
Grade 4	262	169	50	—	— 142	26 24	934 907	1,201 1,554
Total residential real estate all other	23,361 37,539	40,041 36,686	25,668 25,255	8,029 7,509	8,953 8,592	17,338 15,678	136,646 140,339	260,036 271,598
Agriculture								
Grade 1	$ 26,725 36,702	$ 36,340 45,768	$ 44,928 41,775	$ 31,695 29,706	$ 22,757 21,769	$ 46,282 43,550	$ 46,588 42,446	$ 255,315 261,716
Grade 2	23,833 25,454	21,355 19,370	20,788 19,784	16,052 14,665	9,606 9,183	19,830 18,189	39,081 35,079	150,545 141,724
Grade 3	5,833 2,497	8,951 8,160	1,119 1,503	1,076 1,481	2,589 2,548	3,072 3,085	1,686 2,744	24,326 22,018
Grade 4	354 646	886 491	612 824	51 170	5 74	262 252	4 97	2,174 2,554
Total Agriculture	56,745 65,299	67,532 73,789	67,447 63,886	48,874 46,022	34,957 33,574	69,446 65,076	87,359 80,366	432,360 428,012
Commercial non-real estate								
Grade 1	$ 98,481 124,981	$ 135,724 127,161	$ 155,712 142,229	$ 132,447 122,786	$ 28,731 24,896	$ 58,159 52,512	$ 421,728 426,523	$ 1,030,982 1,021,088
Grade 2	57,646 96,479	94,429 84,077	30,313 32,323	20,608 20,523	5,593 4,708	6,885 6,396	176,353 202,912	391,827 447,418
Grade 3	1,471 1,647	2,160 3,005	2,183 2,292	1,035 599	235 126	250 282	2,637 2,438	9,971 10,389
Grade 4	787 891	364 482	793 647	255 245	508 432	116 89	563 545	3,386 3,331
Grade 5	—	—	— 71	6	— 1	177 170	—	183 248
Total commercial non-real estate	158,385 223,998	232,677 214,725	189,001 177,562	154,351 144,159	35,067 30,163	65,587 59,449	601,281 632,418	1,436,349 1,482,474
Consumer non-real estate								
Grade 1	$ 105,282 154,137	$ 153,775 130,104	$ 77,329 65,270	$ 40,937 34,106	$ 11,724 9,199	$ 6,655 4,752	$ 12,793 11,574	$ 408,495 409,142
Grade 2	9,876 15,183	17,288 16,368	10,906 10,112	5,582 4,926	1,542 1,227	1,219 1,002	6,427 10,128	52,840 58,946
Grade 3	1,059 1,460	1,839 2,134	1,641 1,529	1,119 917	274 275	276 241	15	6,223 6,571
Grade 4	198 231	556 720	314 418	282 270	104 95	68 58	4 2	1,526 1,794
Grade 5	—	22	—	—	—	—	—	22
Total consumer non-real estate	116,415 171,011	173,458 149,348	90,190 77,329	47,920 40,219	13,644 10,796	8,218 6,053	19,239 21,719	469,084 476,475
Oil and gas								
Grade 1	$ 76,512 77,698	$ 63,488 15,998	$ 5,807 5,293	$ 26,153 23,811	$ 5,951 4,967	$ 3,116 2,427	$ 269,441 232,703	$ 450,468 362,897
Grade 2	60,737 110,739	9,097 7,652	5,045 4,652	677 584	374 366	267 244	58,161 90,353	134,358 214,590
Grade 3	29 288	109 453	—	183 173	—	—	— 475	321 1,389
Grade 4	—	—	—	127 110	—	440 422	—	567 532

Total oil and gas	137,278 188,725	72,694 24,103	10,852 9,945	27,140 24,678	6,325 5,333	3,823 3,093	327,602 323,531	585,714 579,408
Total loans held for investment	1,124,047 1, $ 571,555	1,658,230 1, $ 563,086	1,498,663 $ 1,481,000	978,072 91 $ 7,997	529,805 47 $ 8,564	861,507 81 $ 2,951	1,397,124 1, $ 355,208	8,047,448 8,18 $ 0,361

The following tables summarize the Company's gross charge-offs by year of origination for the periods indicated:

		Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis			Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	
		2024	2023	2022	2021	2020	Prior		Total		2024	2023	2022	2021	2020	Prior		Total
		(Dollars in thousands)									(Dollars in thousands)							
Three months ended June 30, 2024																		
Three months ended September 30, 2024																		
Commercial real estate owner occupied	Commercial real estate owner occupied									Commercial real estate owner occupied								
Current-period gross charge-offs		$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —		$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate non-owner occupied	Commercial real estate non-owner occupied									Commercial real estate non-owner occupied								
Current-period gross charge-offs		—	—	—	1	—	—	—	1		—	—	189	—	—	—	—	189
Construction and development < 60 months	Construction and development < 60 months									Construction and development < 60 months								
Current-period gross charge-offs		—	—	—	—	—	—	—	—		—	—	—	—	—	—	—	—
Construction residential real estate < 60 months	Construction residential real estate < 60 months									Construction residential real estate < 60 months								
Current-period gross charge-offs		—	—	—	—	—	—	—	—		—	—	—	—	—	—	—	—
Residential real estate first lien	Residential real estate first lien									Residential real estate first lien								
Current-period gross charge-offs		2	23	—	2	4	36	—	67		—	24	61	—	—	—	—	85
Residential real estate all other	Residential real estate all other									Residential real estate all other								
Current-period gross charge-offs		—	—	—	—	—	—	—	—		20	—	25	—	—	5	—	50

	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Agriculture	Agriculture								Agriculture							
Current-period gross charge-offs	—	—	6	13	—	—	—	19	—	25	8	—	—	—	—	33
Commercial non-real estate	Commercial non-real estate								Commercial non-real estate							
Current-period gross charge-offs	6	155	43	8	—	190	378	780	50	91	56	9	84	8	—	298
Consumer non-real estate	Consumer non-real estate								Consumer non-real estate							
Current-period gross charge-offs	21	256	150	28	21	30	4	510	166	124	91	38	10	2	—	431
Oil and gas	Oil and gas								Oil and gas							
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total current-period gross charge-offs	$ 29	$ 434	$ 199	$ 52	$ 25	$ 256	$ 382	$ 1,377	$ 236	$ 264	$ 430	$ 47	$ 94	$ 15	$ —	$ 1,086

	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans		Term Loans Amortized Cost Basis by Origination Year						Revolving Loans	
	2023	2022	2021	2020	2019	Prior	Amortized Cost Basis	Total	2023	2022	2021	2020	2019	Prior	Amortized Cost Basis	Total
	(Dollars in thousands)								(Dollars in thousands)							
Three months ended June 30, 2023																
Three months ended September 30, 2023																
Commercial real estate owner occupied	Commercial real estate owner occupied								Commercial real estate owner occupied							
Current-period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 174	$ 189	$ 25	$ 112	$ 147	$ 158	$ —	$ 805
Commercial real estate non-owner occupied	Commercial real estate non-owner occupied								Commercial real estate non-owner occupied							
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Construction and development < 60 months	Construction and development < 60 months								Construction and development < 60 months							
Current-period gross charge-offs	—	—	—	2	—	—	—	2	—	—	—	—	—	—	—	—
Construction residential real estate < 60 months	Construction residential real estate < 60 months								Construction residential real estate < 60 months							
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential real estate first lien	Residential real estate first lien								Residential real estate first lien							
Current-period gross charge-offs	—	—	19	21	—	2	—	42	—	—	71	11	—	18	—	100
Residential real estate all other	Residential real estate all other								Residential real estate all other							

		2024	2023	2022	2021	2020	Prior	Revolving	Total		2024	2023	2022	2021	2020	Prior	Revolving	Total
Current-period gross charge-offs		—	2	—	—	—	—	—	2		—	—	—	—	—	—	—	—
Agriculture	Agriculture									Agriculture								
Current-period gross charge-offs		—	—	—	301	1	—	—	302		—	150	9	—	—	—	—	159
Commercial non-real estate	Commercial non-real estate									Commercial non-real estate								
Current-period gross charge-offs		42	34	1	20	—	5	—	102		19	15	46	—	51	108	—	239
Consumer non-real estate	Consumer non-real estate									Consumer non-real estate								
Current-period gross charge-offs		29	186	115	14	28	11	15	398		192	146	56	12	1	18	2	427
Oil and gas	Oil and gas									Oil and gas								
Current-period gross charge-offs		—	2	—	—	—	—	—	2		—	—	—	—	—	—	—	—
Total current-period gross charge-offs		$ 71	$ 224	$ 135	$ 358	$ 29	$ 18	$ 15	$ 850		$ 385	$ 500	$ 207	$ 135	$ 199	$ 302	$ 2	$ 1,730

	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis		Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	
	2024	2023	2022	2021	2020	Prior		Total	2024	2023	2022	2021	2020	Prior		Total
	(Dollars in thousands)								(Dollars in thousands)							
Six months ended June 30, 2024																
Nine months ended September 30, 2024																
Commercial real estate owner occupied																
Current-period gross charge-offs	$ —	$ —	$ —	$ 15	$ —	$ —	$ —	$ 15	$ —	$ —	$ —	$ 15	$ —	$ —	$ —	$ 15
Commercial real estate non-owner occupied																
Current-period gross charge-offs	—	12	—	1	1	—	—	14	—	12	189	1	1	—	—	203
Construction and development < 60 months																
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Construction residential real estate < 60 months																
Current-period gross charge-offs	—	3	—	—	—	—	—	3	—	3	—	—	—	—	—	3
Residential real estate first lien																

	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Current-period gross charge-offs	3	23	—	3	4	57	—	90	3	47	61	3	4	57	—	175
Residential real estate all other																
Current-period gross charge-offs	—	—	—	—	—	2	27	29	20	—	25	—	—	7	27	79
Agriculture																
Current-period gross charge-offs	—	—	37	13	—	—	—	50	—	25	45	13	—	—	—	83
Commercial non-real estate																
Current-period gross charge-offs	6	1,156	318	140	12	316	1,886	3,834	56	1,247	374	149	96	324	1,886	4,132
Consumer non-real estate																
Current-period gross charge-offs	21	500	247	79	34	45	15	941	187	624	338	117	44	47	15	1,372
Oil and gas																
Current-period gross charge-offs	—	9	83	—	—	—	—	92	—	9	83	—	—	—	—	92
Total current-period gross charge-offs	$ 30	$ 1,703	$ 685	$ 251	$ 51	$ 420	$ 1,928	$ 5,068	$ 266	$ 1,967	$ 1,115	$ 298	$ 145	$ 435	$ 1,928	$ 6,154

	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis		Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	
	2023	2022	2021	2020	2019	Prior	Basis	Total	2023	2022	2021	2020	2019	Prior	Basis	Total
	(Dollars in thousands)								(Dollars in thousands)							
Six months ended June 30, 2023																
Nine months ended September 30, 2023																
Commercial real estate owner occupied																
Current-period gross charge-offs	$ —	$ 7	$ 1	$ 22	$ 18	$ —	$ —	$ 48	$ 174	$ 196	$ 26	$ 134	$ 165	$ 158	$ —	$ 853
Commercial real estate non-owner occupied																
Current-period gross charge-offs	—	—	—	—	—	3	—	3	—	—	—	—	—	3	—	3
Construction and development < 60 months																
Current-period gross charge-offs	—	2	—	2	—	—	—	4	—	2	—	2	—	—	—	4
Construction residential real estate < 60 months																
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential real estate first lien																
Current-period gross charge-offs	—	—	19	21	—	4	—	44	—	—	90	32	—	22	—	144
Residential real estate all other																
Current-period gross charge-offs	—	4	19	—	1	4	—	28	—	4	19	—	1	4	—	28
Agriculture																
Current-period gross charge-offs	—	4	—	317	14	2	—	337	—	154	9	317	14	2	—	496
Commercial non-real estate																
Current-period gross charge-offs	42	101	63	20	—	52	—	278	61	116	109	20	51	160	—	517
Consumer non-real estate																
Current-period gross charge-offs	29	262	147	29	37	17	17	538	221	408	203	41	38	35	19	965
Oil and gas																

Current-period gross charge-offs	—	2	—	—	—	—	—	2	—	2	—	—	—	—	—	2
Total current-period gross charge-offs	$ 71	$ 382	$ 249	$ 411	$ 70	$ 82	$ 17	$ 1,282	$ 456	$ 882	$ 456	$ 546	$ 269	$ 384	$ 19	$ 3,012

Allowance for Credit Losses Methodology

The Company determines its provision for credit losses and allowance for credit losses using the current expected credit loss methodology that is referred to as the current expected credit loss ("CECL") model. The allowance for current expected credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The allowance for credit losses methodology is disclosed in Note (5) to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The following tables detail activity in the allowance for credit losses on 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.

	Allowance for Credit Losses						Allowance for Credit Losses					
	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
	(Dollars in thousands)						(Dollars in thousands)					
Three Months Ended June 30, 2024												
Three Months Ended September 30, 2024												
Real estate:												
Commercial real estate owner occupied	$ 7,468	$ —	$ 11	$ 11	$ (109)	$ 7,370	$ 7,370	$ —	$ 46	$ 46	$ (8)	$ 7,408
Commercial real estate non-owner occupied	33,180	(1)	—	(1)	688	33,867	33,867	(189)	94	(95)	(26)	33,746
Construction and development < 60 months	6,596	—	—	—	184	6,780	6,780	—	—	—	1,575	8,355
Construction residential real estate < 60 months	3,464	—	—	—	55	3,519	3,519	—	—	—	(178)	3,341
Residential real estate first lien	4,923	(67)	21	(46)	695	5,572	5,572	(85)	—	(85)	159	5,646
Residential real estate all other	1,652	—	3	3	74	1,729	1,729	(50)	3	(47)	55	1,737
Agriculture	6,137	(19)	5	(14)	(206)	5,917	5,917	(33)	18	(15)	15	5,917
Commercial non-real estate	20,482	(780)	280	(500)	1,493	21,475	21,475	(298)	100	(198)	983	22,260
Consumer non-real estate	4,335	(510)	58	(452)	500	4,383	4,383	(431)	50	(381)	378	4,380
Oil and gas	9,030	—	—	—	(16)	9,014	9,014	—	—	—	78	9,092
Total	$ 97,267	$ (1,377)	$ 378	$ (999)	$ 3,358	$ 99,626	$ 99,626	$ (1,086)	$ 311	$ (775)	$ 3,031	$ 101,882

	Allowance for Credit Losses	Allowance for Credit Losses

	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
	(Dollars in thousands)						(Dollars in thousands)					
Three Months Ended June 30, 2023												
Three Months Ended September 30, 2023												
Real estate:												
Commercial real estate owner occupied	$ 6,547	$ —	$ 3	$ 3	$ 258	$ 6,808	$ 6,808	$ (805)	$ 3	$ (802)	$ 809	$ 6,815
Commercial real estate non-owner occupied	32,120	—	—	—	1,312	33,432	33,432	—	—	—	1,182	34,614
Construction and development < 60 months	3,608	(2)	3	1	(169)	3,440	3,440	—	3	3	467	3,910
Construction residential real estate < 60 months	3,226	—	—	—	327	3,553	3,553	—	—	—	(9)	3,544
Residential real estate first lien	4,454	(42)	10	(32)	333	4,755	4,755	(100)	—	(100)	109	4,764
Residential real estate all other	1,444	(2)	1	(1)	218	1,661	1,661	—	1	1	3	1,665
Agriculture	6,268	(302)	7	(295)	453	6,426	6,426	(159)	—	(159)	166	6,433
Commercial non-real estate	25,079	(102)	127	25	23	25,127	25,127	(239)	243	4	(886)	24,245
Consumer non-real estate	4,232	(398)	35	(363)	475	4,344	4,344	(427)	24	(403)	448	4,389
Oil and gas	7,782	(2)	—	(2)	(406)	7,374	7,374	—	—	—	23	7,397
Total	$ 94,760	$ (850)	$ 186	$ (664)	$ 2,824	$ 96,920	$ 96,920	$ (1,730)	$ 274	$ (1,456)	$ 2,312	$ 97,776

	Allowance for Credit Losses					
	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
	(Dollars in thousands)					
Six Months Ended June 30, 2024						
Real estate:						
Commercial real estate owner occupied	$ 7,483	$ (15)	$ 31	$ 16	$ (129)	$ 7,370
Commercial real estate non-owner occupied	33,080	(14)	—	(14)	801	33,867
Construction and development < 60 months	3,950	—	—	—	2,830	6,780
Construction residential real estate < 60 months	3,414	(3)	—	(3)	108	3,519
Residential real estate first lien	4,914	(90)	25	(65)	723	5,572
Residential real estate all other	1,646	(29)	8	(21)	104	1,729
Agriculture	6,137	(50)	17	(33)	(187)	5,917
Commercial non-real estate	22,745	(3,834)	313	(3,521)	2,251	21,475

	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
Consumer non-real estate	4,401	(941)	127	(814)	796	4,383
Oil and gas	9,030	(92)	—	(92)	76	9,014
Total	$ 96,800	$ (5,068)	$ 521	$ (4,547)	$ 7,373	$ 99,626

	Allowance for Credit Losses					
	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
	(Dollars in thousands)					
Nine Months Ended September 30, 2024						
Real estate:						
Commercial real estate owner occupied	$ 7,483	$ (15)	$ 77	$ 62	$ (137)	$ 7,408
Commercial real estate non-owner occupied	33,080	(203)	94	(109)	775	33,746
Construction and development < 60 months	3,950	—	—	—	4,405	8,355
Construction residential real estate < 60 months	3,414	(3)	—	(3)	(70)	3,341
Residential real estate first lien	4,914	(175)	25	(150)	882	5,646
Residential real estate all other	1,646	(79)	11	(68)	159	1,737
Agriculture	6,137	(83)	35	(48)	(172)	5,917
Commercial non-real estate	22,745	(4,132)	413	(3,719)	3,234	22,260
Consumer non-real estate	4,401	(1,372)	177	(1,195)	1,174	4,380
Oil and gas	9,030	(92)	—	(92)	154	9,092
Total	$ 96,800	$ (6,154)	$ 832	$ (5,322)	$ 10,404	$ 101,882

	Allowance for Credit Losses						Allowance for Credit Losses					
	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period	Balance at beginning of period	Charge-offs	Recoveries	Net charge-offs	Provision for/(benefit from) credit losses on loans	Balance at end of period
	(Dollars in thousands)						(Dollars in thousands)					
Six Months Ended June 30, 2023												
Nine Months Ended September 30, 2023												
Real estate:												
Commercial real estate owner occupied	$ 6,416	$ (48)	$ 52	$ 4	$ 388	$ 6,808	$ 6,416	$ (853)	$ 55	$ (798)	$ 1,197	$ 6,815
Commercial real estate non-owner occupied	30,190	(3)	—	(3)	3,245	33,432	30,190	(3)	—	(3)	4,427	34,614
Construction and development < 60 months	3,778	(4)	6	2	(340)	3,440	3,778	(4)	9	5	127	3,910
Construction residential real estate < 60 months	3,275	—	—	—	278	3,553	3,275	—	—	—	269	3,544
Residential real estate first lien	4,092	(44)	13	(31)	694	4,755	4,092	(144)	13	(131)	803	4,764
Residential real estate all other	1,418	(28)	3	(25)	268	1,661	1,418	(28)	4	(24)	271	1,665
Agriculture	6,217	(337)	13	(324)	533	6,426	6,217	(496)	13	(483)	699	6,433
Commercial non-real estate	25,106	(278)	149	(129)	150	25,127	25,106	(517)	392	(125)	(736)	24,245
Consumer non-real estate	4,132	(538)	92	(446)	658	4,344	4,132	(965)	116	(849)	1,106	4,389
Oil and gas	8,104	(2)	—	(2)	(728)	7,374	8,104	(2)	—	(2)	(705)	7,397

Total	$ 92,728	$ (1,282)	$ 328	$ (954)	$ 5,146	$ 96,920	$ 92,728	$ (3,012)	$ 602	$ (2,410)	$ 7,458	$ 97,776

Purchased Credit Deteriorated Loans

The Company has previously purchased loans, for which there was, at acquisition, evidence of more than insignificant deterioration of credit quality since origination. The Company did not purchase credit-deteriorated loans during the six nine months ended June 30, 2024 September 30, 2024 and 2023.

Collateral Dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. During the six nine months ended June 30, 2024 September 30, 2024 and 2023, no material amount of interest income was recognized on collateral-dependent loans subsequent to their classification as collateral-dependent.

The following tables summarize collateral-dependent gross loans held for investment by collateral type and the related specific allocation as follows:

	Collateral Type					Collateral Type				
	Real Estate	Business Assets	Other Assets	Total	Specific Allocation	Real Estate	Business Assets	Other Assets	Total	Specific Allocation
	(Dollars in thousands)					(Dollars in thousands)				
As of June 30, 2024										
As of September 30, 2024										
Real estate:										
Commercial real estate owner occupied	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate non-owner occupied	643	—	—	643	250	2,018	—	—	2,018	24
Construction and development < 60 months	20,142	—	—	20,142	2,825	20,141	—	—	20,141	3,755
Construction residential real estate < 60 months	618	—	—	618	134	279	—	—	279	89
Residential real estate first lien	195	—	—	195	66	90	—	—	90	39
Residential real estate all other	79	—	—	79	81	136	—	—	136	69
Agriculture	1,833	401	14	2,248	1,193	1,778	192	14	1,984	983
Commercial non-real estate	—	4,140	87	4,227	1,342	—	3,747	186	3,933	1,327
Consumer non-real estate	—	—	236	236	133	—	—	326	326	261
Oil and gas	—	—	—	—	—	—	—	—	—	—
Total collateral-dependent loans held for investment	$ 23,510	$ 4,541	$ 337	$ 28,388	$ 6,024	$ 24,442	$ 3,939	$ 526	$ 28,907	$ 6,547

	Collateral Type					Collateral Type				
	Real Estate	Business Assets	Other Assets	Total	Specific Allocation	Real Estate	Business Assets	Other Assets	Total	Specific Allocation
	(Dollars in thousands)					(Dollars in thousands)				
As of December 31, 2023										
Real estate:										
Commercial real estate owner occupied	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate non-owner occupied	632	—	—	632	250	632	—	—	632	250
Construction and development < 60 months	800	—	—	800	225	800	—	—	800	225
Construction residential real estate < 60 months	638	—	—	638	134	638	—	—	638	134

Residential real estate first lien	189	—	—	189	62	189	—	—	189	62
Residential real estate all other	140	—	—	140	140	140	—	—	140	140
Agriculture	1,841	593	15	2,449	1,386	1,841	593	15	2,449	1,386
Commercial non-real estate	—	6,090	241	6,331	1,867	—	6,090	241	6,331	1,867
Consumer non-real estate	—	—	147	147	88	—	—	147	147	88
Oil and gas	—	—	—	—	—	—	—	—	—	—
Total collateral-dependent loans held for investment	$ 4,240	$ 6,683	$ 403	$ 11,326	$ 4,152	$ 4,240	$ 6,683	$ 403	$ 11,326	$ 4,152

Non-Cash Transfers from Loans and Premises and Equipment

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

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

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(Dollars in thousands)		(Dollars in thousands)	
Other real estate owned	$ 8,995	$ 667	$ 10,111	$ 2,236
Repossessed assets	1,575	946	2,332	1,448
Total	$ 10,570	$ 1,613	$ 12,443	$ 3,684

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(4) INTANGIBLE ASSETS AND GOODWILL

The following is a summary of intangible assets as of the date listed:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(Dollars in thousands)			(Dollars in thousands)	
June 30, 2024						
September 30, 2024						
Core deposit intangibles	$ 33,550	$ (18,741)	$ 14,809	$ 33,550	$ (19,597)	$ 13,953
Customer relationship intangibles	3,350	(3,228)	122	3,350	(3,258)	92
Total	$ 36,900	$ (21,969)	$ 14,931	$ 36,900	$ (22,855)	$ 14,045
December 31, 2023						
Core deposit intangibles	$ 33,550	$ (17,027)	$ 16,523	$ 33,550	$ (17,027)	$ 16,523
Customer relationship intangibles	3,350	(3,169)	181	3,350	(3,169)	181
Total	$ 36,900	$ (20,196)	$ 16,704	$ 36,900	$ (20,196)	$ 16,704

The following is a summary of goodwill by business segment:

	BancFirst Metropolitan Banks	BancFirst Community Banks	Pegasus	Worthington	Other Financial Services	Executive, Operations & Support	Consolidated	BancFirst Metropolitan Banks	BancFirst Community Banks	Pegasus	Worthington	Other Financial Services	Executive, Operations & Support
	(Dollars in thousands)							(Dollars in thousands)					
Six months ended June 30, 2024													
Nine months ended September 30, 2024													
Balance at beginning and end of period	$ 13,767	$ 61,420	$ 68,855	$ 32,133	$ 5,464	$ 624	$ 182,263	$ 13,767	$ 61,420	$ 68,855	$ 32,133	$ 5,464	$ 624

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, 2023.

(5) SUBORDINATED DEBT

In January 2004, the Company established BFC Capital Trust II ("BFC II"), a trust formed under the Delaware Business Trust Act. The Company owns all of the common securities of BFC II. In February 2004, BFC II issued $25 million of aggregate liquidation amount of 7.20% Cumulative Trust Preferred Securities (the "Cumulative Trust Preferred Securities") to other investors. In March 2004, BFC II issued an additional $1 million in Cumulative Trust Preferred Securities through the execution of an over-allotment option. The Cumulative Trust Preferred Securities qualify as Tier 1 capital under regulatory guidelines. The proceeds from the sale of the Cumulative Trust Preferred Securities and the common securities of BFC II were invested in $26.8 million of 7.20% Junior Subordinated Debentures of the Company. Interest payments on the $26.8 million of 7.20% Junior Subordinated Debentures are payable January 15, April 15, July 15 and October 15 of each year. Such interest payments may be deferred for up to twenty consecutive quarters. The stated maturity date of the $26.8 million of 7.20% Junior Subordinated Debentures is March 31, 2034, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Cumulative Trust Preferred Securities represent an undivided interest in the $26.8 million of 7.20% Junior Subordinated Debentures and are guaranteed by the Company. During any deferral period or during any event of default, the Company may not declare or pay any dividends on any of its capital stock. The Cumulative Trust Preferred Securities have been callable at par, in whole or in part, since March 31, 2009.

On June 17, 2021, the Company completed a private placement, under Regulation D of the Securities Act of 1933, of $60 million aggregate principal amount of 3.50% Fixed-to-Floating Rate Subordinated Notes due 2036 (the "Subordinated Notes") to various institutional accredited investors. The sale of the Subordinated Notes was pursuant to a Subordinated Note Purchase Agreement entered into with each of the investors. The Subordinated Notes qualify as Tier 2 capital under regulatory guidelines. The net proceeds to the Company from the sale of the Subordinated Notes were approximately $59.15 million net of commissions and offering expenses. The Company used the proceeds from the sale of the Subordinated Notes for general corporate purposes. The Subordinated Notes initially bear interest at a fixed rate of 3.50% per annum, from and including June 17, 2021 to but excluding June 30, 2031, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2021. Then, from and including June 30, 2031, to but excluding the maturity date, the Subordinated Notes will bear interest at a floating rate equal to the benchmark (initially,

three-month term SOFR), reset quarterly, plus a spread of 229 basis points, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The Subordinated Notes mature on June 30, 2036.

The Company may, at its option, beginning with the interest payment date of June 30, 2031, and on any scheduled interest payment date thereafter, redeem the Subordinated Notes, in whole or in part. In addition, the Company may redeem all, but not less than all, of the Subordinated Notes at any time upon the occurrence of a "Tier 2 Capital Event," a "Tax Event" or an "Investment Company Event" (each as defined in the Subordinated Notes). Any such redemption is subject to obtaining the prior approval of the Board of Governors of the Federal Reserve System (or its designee). The redemption price with respect to any such redemption will be equal to 100% of the principal amount of the Subordinated Note, or portion thereof, to be redeemed, plus accrued but unpaid interest, if any, thereon to, but excluding, the redemption date.

(6) STOCK-BASED COMPENSATION

On May 25, 2023, the shareholders of the Company adopted the BancFirst Corporation 2023 Restricted Stock Unit Plan (the "RSU Plan"). The RSU Plan was effective as of June 1, 2023 and for a period of ten years thereafter. The RSU Plan will continue in effect after such ten-year period until all matters relating to the payment of awards and administration of the RSU Plan have been settled. At June 30, 2024 September 30, 2024 there were 462,175 458,675 shares available for future grants. The restricted stock units ("RSU's") vest beginning two years from the date of grant at the rate of 20% per year for five years. The RSUs RSU's are settled and distributed as of each vesting date. The fair value of each RSU granted is equal to the market price of the Company's stock at the date of grant.

The following table is a summary of the activity under the Company's RSU plan.

	Restricted Stock Units	Wgtd. Avg. Grant Date Fair Value	Restricted Stock Units	Wgtd. Avg. Grant Date Fair Value
Six Months Ended June 30, 2024				
Nine Months Ended September 30, 2024				
Nonvested at December 31, 2023	32,075	$ 87.23	32,075	$ 87.23
Granted	7,250	88.57	10,750	93.85
Forfeited	(1,500)	83.61	(1,500)	83.61
Nonvested at June 30, 2024	37,825	87.63		
Nonvested at September 30, 2024	41,325	89.08		

The Company has had the BancFirst Corporation Directors' Deferred Stock Compensation Plan (the "Deferred Stock Compensation Plan") since May 1999. As of June 30, 2024 September 30, 2024, there are 39,525 37,399 shares available for future issuance under the Deferred Stock Compensation Plan. The Deferred Stock Compensation Plan will terminate on December 31, 2030, if not extended. Under the plan, directors and members of the community advisory boards of the Company and its subsidiaries may defer up to 100% of their board fees. They are credited for each deferral with a number of stock units based on the current market price of the Company's stock, which accumulate in an account until such time as the director or community board member terminates serving as a board member. Shares of common stock of the Company are then distributed to the terminating director or community board member based upon the number of stock units accumulated in his or her account. There were 5,022 and 17,797 18,136 shares of common stock distributed from the Deferred Stock Compensation Plan during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

A summary of the accumulated stock units under the Deferred Stock Compensation Plan is as follows:

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Accumulated stock units	119,115	119,575	121,241	119,575
Average price	$ 42.43	$ 40.03	$ 43.43	$ 40.03

The Company terminated the BancFirst Corporation Stock Option Plan (the "Employee Plan") on June 1, 2023. The remaining options will continue to vest and are exercisable beginning four years from the date of grant at the rate of 25% per year for four years, and expire no later than the end of fifteen years from the date of grant.

The Company terminated the BancFirst Corporation Non-Employee Directors' Stock Option Plan (the "Non-Employee Directors' Plan") on June 1, 2023. The remaining options will continue to vest and are exercisable beginning one year from the date of grant at the rate of 25% per year for four years, and expire no later than the end of fifteen years from the date of grant.

The following table is a summary of the activity under both the Employee Plan and the Non-Employee Directors' Plan:

	Options	Wgtd. Avg. Exercise Price	Wgtd. Avg. Remaining Contractual Term	Aggregate Intrinsic Value
		(Dollars in thousands, except option data)		
Six Months Ended June 30, 2024				

	Options		Wgtd. Avg. Exercise Price	Wgtd. Avg. Remaining Contractual Term		Aggregate Intrinsic Value
Outstanding at December 31, 2023	1,241,391	$	53.12			
Options exercised	(84,084)		28.80			
Options canceled, forfeited, or expired	(12,000)		91.64			
Outstanding at June 30, 2024	1,145,307		54.50	9.57 Yrs.	$	38,022
Exercisable at June 30, 2024	502,932		37.51	6.64 Yrs.	$	25,243

	Options		Wgtd. Avg. Exercise Price	Wgtd. Avg. Remaining Contractual Term		Aggregate Intrinsic Value
			(Dollars in thousands, except option data)			
Nine Months Ended September 30, 2024						
Outstanding at December 31, 2023	1,241,391	$	53.12			
Options exercised	(184,649)		32.83			
Options canceled, forfeited or expired	(14,500)		91.45			
Outstanding at September 30, 2024	1,042,242		56.18	9.54 Yrs.	$	51,141
Exercisable at September 30, 2024	421,117		38.99	6.63 Yrs.	$	27,901

The following table has additional information regarding options exercised under both the Employee Plan and the Non-Employee Directors' Plan:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands)				(Dollars in thousands)			
Total intrinsic value of options exercised	$ 3,254	$ 1,979	$ 5,085	$ 2,331	$ 6,846	$ 176	$ 11,931	$ 2,507
Cash received from options exercised	1,714	1,318	2,422	1,539	3,639	75	6,061	1,614
Tax benefit realized from options exercised	782	475	1,222	560	1,646	43	2,868	603

The Company currently uses newly issued shares for stock option exercises, but reserves the right to use shares purchased under the Company's Stock Repurchase Program (the "SRP") in the future.

Although not required or expected, the Company may settle some options or restricted stock units in cash on a limited basis at the discretion of the Company. The Company had no cash settlements during the six nine months ended June 30, 2024 September 30, 2024 or 2023.

Stock-based compensation expense is charged to salaries and benefits expense on the Consolidated Statements of Comprehensive Income.

The components of stock-based compensation expense for all share-based compensation plans and related tax benefits are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands)				(Dollars in thousands)			
Stock-based compensation expense	$ 920	$ 831	$ 1,635	$ 1,213	$ 945	$ 864	$ 2,580	$ 2,077
Tax benefit	221	200	393	292	227	208	620	500
Stock-based compensation expense, net of tax	$ 699	$ 631	$ 1,242	$ 921	$ 718	$ 656	$ 1,960	$ 1,577

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The Company will continue to amortize amortizes the unearned stock-based compensation expense over the remaining weighted average vesting period of approximately five years for unvested stock options and six years for unvested RSUs. RSU's. The following table shows the unearned stock-based compensation expense for unvested stock options and unvested RSUs: RSU's:

	June 30, 2024	September 30, 2024
	(Dollars in thousands)	(Dollars in thousands)
Unearned stock-based compensation expense for unvested stock options	$ 8,769	$ 8,106
Unearned stock-based compensation expense for unvested RSU's	2,940	3,161

(7) STOCKHOLDERS' EQUITY

The Company has adopted a Stock Repurchase Program (the "SRP"). The SRP may be used as a means to increase earnings per share and return on equity. In addition, the SRP may be used 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 is determined by management and approved by the Company's Executive Committee.

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

	June September 30, 2024
Shares remaining to be repurchased	479,784

BancFirst Corporation, BancFirst, Pegasus and Worthington 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 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 consolidated financial statements. The Company believes that as of June 30, 2024 September 30, 2024, BancFirst Corporation, BancFirst, Pegasus and Worthington each 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		With Capital Conservation Buffer		To Be Well Capitalized Under Prompt Corrective Action Provisions		Actual		Required For Capital Adequacy Purposes		With Capital Conservation Buffer		To Be W Capitalized Prompt Co Action Pro
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount
	(Dollars in thousands)								(Dollars in thousands)						
As of June 30, 2024:															
As of September 30, 2024:															
Total Capital (to Risk Weighted Assets)-															
BancFirst Corporation	$ 1,548,490	17.22%	$ 719,342	8.00%	$ 944,136	10.50%	N/A	N/A	$ 1,599,885	17.53%	$ 729,952	8.00%	$ 958,062	10.50%	N/A
BancFirst	1,224,212	16.09%	608,791	8.00%	799,039	10.50%	$ 760,989	10.00%	1,232,839	16.12%	611,761	8.00%	802,936	10.50%	$ 764,701
Pegasus	143,683	15.85%	72,538	8.00%	95,206	10.50%	90,672	10.00%	149,997	15.77%	76,071	8.00%	99,843	10.50%	95,089

Worthington	53,063	11.85%	35,810	8.00%	47,001	10.50%	44,763	10.00%	54,111	12.27%	35,284	8.00%	46,310	10.50%	44,105
Common Equity Tier 1 Capital (to Risk Weighted Assets)-															
BancFirst Corporation	$ 1,363,539	15.16%	$ 404,630	4.50%	$ 629,424	7.00%	N/A	N/A	$ 1,412,664	15.48%	$ 410,598	4.50%	$ 638,708	7.00%	N/A
BancFirst	1,119,672	14.71%	342,445	4.50%	532,693	7.00%	$ 494,643	6.50%	1,127,513	14.74%	344,115	4.50%	535,291	7.00%	$ 497,056
Pegasus	134,727	14.86%	40,802	4.50%	63,470	7.00%	58,937	6.50%	140,511	14.78%	42,790	4.50%	66,562	7.00%	61,808
Worthington	48,955	10.94%	20,143	4.50%	31,334	7.00%	29,096	6.50%	50,016	11.34%	19,847	4.50%	30,873	7.00%	28,668
Tier 1 Capital (to Risk Weighted Assets)-															
BancFirst Corporation	$ 1,389,539	15.45%	$ 539,507	6.00%	$ 764,301	8.50%	N/A	N/A	$ 1,438,664	15.77%	$ 547,464	6.00%	$ 775,574	8.50%	N/A
BancFirst	1,139,672	14.98%	456,594	6.00%	646,841	8.50%	$ 608,791	8.00%	1,147,513	15.01%	458,821	6.00%	649,996	8.50%	$ 611,761
Pegasus	134,727	14.86%	54,403	6.00%	77,071	8.50%	72,538	8.00%	140,511	14.78%	57,053	6.00%	80,826	8.50%	76,071
Worthington	48,955	10.94%	26,858	6.00%	38,048	8.50%	35,810	8.00%	50,016	11.34%	26,463	6.00%	37,489	8.50%	35,284
Tier 1 Capital (to Quarterly Average Assets)-															
BancFirst Corporation	$ 1,389,539	11.10%	$ 500,747	4.00%	N/A	N/A	N/A	N/A	$ 1,438,664	11.19%	$ 514,059	4.00%	N/A	N/A	N/A
BancFirst	1,139,672	10.69%	426,413	4.00%	N/A	N/A	$ 533,017	5.00%	1,147,513	10.52%	436,513	4.00%	N/A	N/A	$ 545,642
Pegasus	134,727	10.59%	50,900	4.00%	N/A	N/A	63,624	5.00%	140,511	10.55%	53,263	4.00%	N/A	N/A	66,579
Worthington	48,955	8.44%	23,207	4.00%	N/A	N/A	29,008	5.00%	50,016	8.59%	23,294	4.00%	N/A	N/A	29,117

As of June 30, 2024 September 30, 2024, BancFirst, Pegasus and Worthington were classified by the Federal Reserve as "well capitalized" under the prompt corrective action provisions. The Common Equity Tier 1 Capital of BancFirst Corporation, BancFirst, Pegasus and Worthington includes common stock and related paid-in capital and retained earnings. In connection with the adoption of the Basel III Capital Rules, the election was made to opt-out of the requirement to include most components of accumulated other comprehensive income in Common Equity Tier 1 Capital. Common Equity Tier 1 Capital for BancFirst Corporation, BancFirst, Pegasus and Worthington is reduced by goodwill and other intangible assets, net of associated deferred tax liabilities. The Company's trust preferred securities qualify as Tier 1 capital and its Subordinated Notes qualify as Tier 2 capital. The Company's Subordinated Notes have been structured to qualify as Tier 2 capital under bank regulatory guidelines. BancFirst, Pegasus and Worthington have had no events or conditions that management believes would materially change their category under capital requirements existing as of the report dates.

(8) NET INCOME PER COMMON SHARE

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

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands, except per share data)				(Dollars in thousands, except per share data)			

(Numerator)								
Income available to common stockholders	$ 50,641	$ 55,010	$ 100,975	$ 112,543	$ 58,903	$ 50,988	$ 159,878	$ 163,531
(Denominator)								
Weighted average shares outstanding for basic earnings per common share	33,001,180	32,920,497	32,974,582	32,906,753	33,097,164	32,937,149	33,015,741	32,916,996
Dilutive effect of stock compensation	523,881	546,757	545,665	559,178	549,385	602,240	551,376	576,019
Weighted-average shares outstanding for diluted earnings per common share	33,525,061	33,467,254	33,520,247	33,465,931	33,646,549	33,539,389	33,567,117	33,493,015
Basic earnings per share	$ 1.53	$ 1.67	$ 3.06	$ 3.42	$ 1.78	$ 1.55	$ 4.84	$ 4.97
Diluted earnings per share	$ 1.51	$ 1.64	$ 3.01	$ 3.36	$ 1.75	$ 1.52	$ 4.76	$ 4.88

The following table shows the number of options and RSU's that were excluded from the computation of diluted net income per common share for each period because they were anti-dilutive for the period:

	Shares
Three Months Ended June 30, 2024 September 30, 2024	260,548 204,005
Three Months Ended June 30, 2023 September 30, 2023	305,407 263,176
Six Nine Months Ended June 30, 2024 September 30, 2024	262,251 250,142
Six Nine Months Ended June 30, 2023 September 30, 2023	307,608 278,828

(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 Accounting Standards Codification (“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 l 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 lia include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instrume which the determination of fair value requires significant judgment or estimation. This category includes certain collaterally dependent loans, repossessed assets, oth estate owned, 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.

Debt Securities Available for Sale

Debt securities classified as available for sale are reported at fair value. U.S. Treasuries are valued using Level 1 inputs. Other debt securities available for sale including U.S. federal agencies, registered mortgage backed debt 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 a bond’s terms and conditions, among other things. The Company also invests in private label mortgage backed debt securities for which observable information is not readily available. These debt securities are reported at fair value utilizing Level 3 inputs. For these debt securities, management determines the fair value based on replacement cost, the income approach or information provided by outside consultants or lead investors. Discount rates are primarily based on reference to interest rate spreads on comparable debt securities of similar duration and credit rating as determined by the nationally recognized rating agencies adjusted for a lack of trading volume. Significant unobservable inputs are developed by investment securities professionals involved in the active trading of similar debt securities.

The Company reviews the prices for Level 1 and Level 2 debt 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 debt securities that are esoteric or that have complicated structures. The Company's portfolio primarily consists of traditional investments including U.S. Treasury obligations, federal agency mortgage pass-through debt securities, general obligation municipal bonds and municipal revenue bonds. Pricing for such instruments 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. Periodically, the Company will validate 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.

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	Level 2 Inputs	Level 3 Inputs	Total Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(Dollars in thousands)				(Dollars in thousands)			
June 30, 2024								
September 30, 2024								
Debt securities available for sale:								
U.S. Treasury	$ 1,390,782	$ —	$ —	$ 1,390,782	$ 1,331,323	$ —	$ —	$ 1,331,323
U.S. federal agencies	—	9,683	—	9,683	—	8,908	—	8,908
Mortgage-backed securities	—	13,908	—	13,908	—	14,002	—	14,002
States and political subdivisions	—	9,801	150	9,951	—	6,345	150	6,495
Asset backed securities	—	9,381	—	9,381	—	8,140	—	8,140
Other debt securities	—	6,822	—	6,822	—	7,207	—	7,207
Derivative assets	—	15,239	—	15,239	—	26,376	—	26,376
Derivative liabilities	—	13,420	—	13,420	—	24,717	—	24,717
December 31, 2023								
Debt securities available for sale:								
U.S. Treasury	$ 1,498,045	$ —	$ —	$ 1,498,045	$ 1,498,045	$ —	$ —	$ 1,498,045
U.S. federal agencies	—	11,770	—	11,770	—	11,770	—	11,770
Mortgage-backed securities	—	14,795	—	14,795	—	14,795	—	14,795
States and political subdivisions	—	9,830	180	10,010	—	9,830	180	10,010
Asset backed securities	—	12,512	—	12,512	—	12,512	—	12,512
Other debt securities		6,773		6,773		6,773		6,773
Derivative assets	—	41,099	—	41,099	—	41,099	—	41,099
Derivative liabilities	—	39,176	—	39,176	—	39,176	—	39,176

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

	Six Months Ended June 30,		Twelve Months Ended December 31,		Nine Months Ended September 30,		Twelve Months Ended December 31,	
	2024		2023		2024		2023	
	(Dollars in thousands)				(Dollars in thousands)			
Balance at the beginning of the year	$	180	$	454	$	180	$	454
Transfers to level 2		—		(244)		—		(244)
Settlements		(30)		(30)		(30)		(30)
Balance at the end of the period	$	150	$	180	$	150	$	180

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 six nine months ended June 30, 2024 September 30, 2024, the Company did not transfer any debt securities. During the year ended December 31, 2023, the Company transferred debt securities from Level 3 to Level 2 due to a review of the pricing models that determined some state and political subdivision securities to be Level 2.

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; 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.

The Company invests in equity securities without readily determinable fair values and utilizes Level 3 inputs. These equity securities are reported at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The realized and unrealized gains and losses are reported as securities transactions in the noninterest income section of the consolidated statements of comprehensive income.

Collateral dependent loans are reported at the fair value of the underlying collateral if repayment is dependent on liquidation of the collateral. When the Company determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. In no case does the fair value of a collateral dependent loan exceed the fair value of the underlying collateral. The collateral dependent loans are adjusted to fair value through a specific allocation of the allowance for credit losses or a direct charge-down of the loan.

Repossessed assets, upon initial recognition, are measured and adjusted to fair value through a charge-off to the allowance for possible credit losses based upon the fair value of the repossessed 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 during the period presented. These nonrecurring fair values do not represent all assets, only those assets that have been adjusted during the reporting period:

	Total Fair Value Level 3		Total Fair Value Level 3	
	(Dollars in thousands)		(Dollars in thousands)	
As of and for the Year-to-date Period Ended June 30, 2024				
As of and for the Year-to-date Period Ended September 30, 2024				
Equity securities	$	13,331	$	12,768
Collateral dependent loans		230		525
Repossessed assets		657		571
Other real estate owned		6,838		8,007
As of and for the Year-to-date Period Ended December 31, 2023				
Equity securities	$	13,144	$	13,144
Collateral dependent loans		1,894		1,894
Repossessed assets		474		474
Other real estate owned		31,773		31,773

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 are 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 with Banks

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

Federal Funds Sold

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

Debt Securities Held for Investment

For debt 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 debt securities making adjustments for credit or liquidity if applicable.

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.

Loans Held For Investment

To determine the fair value of loans held for investment, the Company uses an exit price calculation, which takes into account factors such as liquidity, credit and the nonperformance risk of 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.

Subordinated Debt

The fair values of subordinated debt are estimated using the rates that would be charged for subordinated debt 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:

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Dollars in thousands)				(Dollars in thousands)			
FINANCIAL ASSETS								
Level 2 inputs:								
Cash and cash equivalents	$ 2,493,292	$ 2,493,292	$ 2,397,463	$ 2,397,463	$ 2,992,073	$ 2,992,073	$ 2,397,463	$ 2,397,463
Federal funds sold	1,102	1,102	$ 1,316	1,316	—	—	$ 1,316	1,316
Debt securities held for investment	3	3	5	5	3	3	5	5
Loans held for sale	7,408	7,408	3,489	3,489	7,841	7,841	3,489	3,489
Level 3 inputs:								
Debt securities held for investment	835	835	1,185	1,185	835	835	1,185	1,185
Loans, net of allowance for credit losses	7,947,822	8,692,589	7,559,845	7,356,768	8,078,479	9,007,747	7,559,845	7,356,768
FINANCIAL LIABILITIES								
Level 2 inputs:								
Deposits	11,015,602	10,511,836	10,700,122	10,413,348	11,474,352	11,244,035	10,700,122	10,413,348
Short-term borrowings	4,264	4,264	3,351	3,351	4,429	4,429	3,351	3,351
Subordinated debt	86,129	77,459	86,101	79,271	86,143	80,227	86,101	79,271
OFF-BALANCE-SHEET FINANCIAL INSTRUMENTS								
Loan commitments		4,510		4,875		4,597		4,875
Letters of credit		671		637		701		637

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. In addition, the Company has no non-financial liabilities measured at fair value on a nonrecurring basis. Non-financial assets measured at fair value on a nonrecurring basis include intangible assets. The intangible assets are evaluated at least annually for impairment. The overall levels of non-financial assets measured at fair value on a nonrecurring basis were not considered to be significant to the Company at June 30, 2024 September 30, 2024 or December 31, 2023.

(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, to mitigate the exposure to fluctuations in oil and gas prices, the Company simultaneously enters into an offsetting contract with a counterparty. These derivatives are not designated as hedged instruments and are recorded on the Company's consolidated balance sheet at fair value and are included in other assets. The Company's derivative financial instruments require a daily margin to be posted, which fluctuates with oil and gas prices. At June 30, 2024, the Company had a margin asset included in other assets in the amount of $7.2 million. At December 31, 2023, the The Company had a margin liability in other liabilities in the amount of $10.7 million at September 30, 2024 and $15.5 million. million at December 31, 2023.

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:

		June 30, 2024		December 31, 2023			September 30, 2024		December 31, 2023	
Oil and Natural Gas Swaps and Options	Notional Units	Notional Amount	Estimated Fair Value	Notional Amount	Estimated Fair Value	Notional Units	Notional Amount	Estimated Fair Value	Notional Amount	Estimated Fair Value

	(Notional amounts and dollars in thousands)						(Notional amounts and dollars in thousands)				
Oil											
Derivative assets	Barrels	3,866	$ 4,033	3,896	$ 20,567	Barrels	3,409	$ 16,429	3,896	$ 20,567
Derivative liabilities	Barrels	(3,866)	(3,097)	(3,896)	(19,512)	Barrels	(3,409)	(15,558)	(3,896)	(19,512)
Gas/Natural Gas Liquids										
Derivative assets	MMBTUs/Gallons	39,502	11,206	46,140	20,532	MMBTUs/Gallons	32,060	9,947	46,140	20,532
Derivative liabilities	MMBTUs/Gallons	(39,502)	(10,323)	(46,140)	(19,664)	MMBTUs/Gallons	(32,060)	(9,159)	(46,140)	(19,664)
Total Fair Value	**Included in**					**Included in**				
Derivative assets	Other assets		15,239		41,099	Other assets		26,376		41,099
Derivative liabilities	Other liabilities		(13,420)		(39,176)	Other liabilities		(24,717)		(39,176)

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in thousands)		(Dollars in thousands)	
Derivative income	$ 94	$ 260	$ 197	$ 349

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(Dollars in thousands)		(Dollars in thousands)	
Derivative income	$ 82	$ 115	$ 279	$ 464

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 represents the profit derived from the activity and is unaffected by the 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:

	June 30, 2024	December 31, 2023
	(Dollars in thousands)	
Credit exposure	$ 7,134	$ 39,527

	September 30, 2024	December 31, 2023
	(Dollars in thousands)	
Credit exposure	$ 25,806	$ 39,527

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 six principal business units are BancFirst metropolitan banks, BancFirst community banks, Pegasus, Worthington, other financial services and executive, operations and support. BancFirst metropolitan banks, BancFirst community banks, Pegasus and Worthington offer traditional banking products such as commercial and retail lending and a full line of deposit accounts. BancFirst metropolitan banks consist of banking locations in the metropolitan Oklahoma City and Tulsa areas. BancFirst community banks consist of banking locations in communities in Oklahoma outside the Oklahoma City and Tulsa metropolitan areas. Pegasus consists of banking locations in the Dallas metropolitan area. Worthington consists of banking locations in the Arlington, Fort Worth and Denton Texas. Other financial services are specialty product business units including guaranteed small business lending, residential mortgage lending, trust services, securities brokerage, electronic banking and insurance. The executive, operations and support groups represent executive management, operational support and corporate functions that are not allocated to the other business units.

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

	BancFirst Metropolitan Banks	BancFirst Community Banks	Pegasus	Worthington	Other Financial Services	Executive, Operations & Support	Eliminations	Consolidated	BancFirst Metropolitan Banks	BancFirst Community Banks	Pegasus	Worthington	Other Financial Services
	(Dollars in thousands)								(Dollars in thousands)				
Three Months Ended June 30, 2024													
Three Months Ended September 30, 2024													
Net interest income	$ 29,139	$ 61,710	$ 11,363	$ 4,462	$ 1,103	$ 2,119	$ —	$ 109,896	$ 30,214	$ 63,699	$ 12,849	$ 4,675	$ 1,364
Noninterest income	5,562	16,886	339	250	13,513	58,064	(50,670)	43,944	5,692	17,787	394	238	16,241
Income before taxes	21,209	42,267	6,112	744	4,139	41,225	(50,530)	65,166	23,426	43,494	7,188	1,273	6,787
Three Months Ended June 30, 2023													
Three Months Ended September 30, 2023													
Net interest income	$ 29,269	$ 57,617	$ 13,509	$ 4,123	$ 1,058	$ 350	$ —	$ 105,926	$ 30,258	$ 56,644	$ 11,334	$ 4,160	$ 1,063
Noninterest income	7,090	19,986	467	255	12,350	63,688	(55,862)	47,974	5,533	15,986	561	301	14,542
Income before taxes	21,588	43,184	9,857	791	4,298	45,925	(55,677)	69,966	22,043	38,985	6,559	693	5,541
Six Months Ended June 30, 2024													
Nine Months Ended September 30, 2024													
Net interest income	$ 57,332	$ 121,721	$ 22,230	$ 8,851	$ 2,122	$ 3,744	$ —	$ 216,000	$ 87,546	$ 185,420	$ 35,079	$ 13,526	$ 3,486
Noninterest income	10,731	32,804	659	471	28,676	116,492	(100,989)	88,844	16,423	50,591	1,053	709	44,917

Income before taxes	43,540	81,059	9,257	1,413	10,474	84,296	(100,663)	129,376	66,966	124,553	16,445	2,686	17,261	
Six Months Ended June 30, 2023														
Nine Months Ended September 30, 2023														
Net interest income	$ 60,008	$ 115,302	$ 28,660	$ 8,747	$ 2,000	$ 365	$ —	$ 215,082	$ 90,266	$ 171,946	$ 39,994	$ 12,907	$ 3,063	$
Noninterest income	13,177	39,518	681	534	26,522	129,831	(114,461)	95,802	18,710	55,504	1,242	835	41,064	
Income before taxes	44,898	86,783	19,501	2,421	10,462	94,342	(114,096)	144,311	66,941	125,768	26,060	3,114	16,003	
Total Assets:														
June 30, 2024	$ 3,365,250	$ 7,489,606	$ 1,360,612	$ 622,902	$ 121,308	$ 1,392,169	$ (1,614,529)	$ 12,737,318						
September 30, 2024	$ 3,484,436	$ 7,672,481	$ 1,506,885	$ 627,105	$ 93,819	$ 1,567,000	$ (1,638,244)	$ 13,313,482						
December 31, 2023	3,598,888	7,012,905	1,280,618	600,364	121,601	1,307,714	(1,550,048)	12,372,042	3,598,888	7,012,905	1,280,618	600,364	121,601	

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.

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

The following discussion and analysis of our financial condition as of June 30, 2024September 30, 2024 and December 31, 2023 and results of operations for the three and sixnine months ended June 30, 2024September 30, 2024 should be read in conjunction with our consolidated financial statements and notes to the consolidated financial statements for the year ended December 31, 2023, and the other information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Certain risks, uncertainties and other factors, including those set forth under "Risk Factors" in Part I, Item 1A of the 2023 Form 10-K, and "Item 1A, Risk Factors" in this Quarterly Report on Form 10-Q, may cause actual results to differ materially from the results discussed in the forward-looking statements appearing in this discussion and analysis.

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:

- Potential impacts of the adverse developments in the banking industry driven by high-profile bank failures, including impacts on customer confidence, demand deposit outflows and the regulatory response thereto.
- Deterioration in the market for commercial office property could have an adverse effect on the value of the Company's other real estate owned as well as commercia collateral for the Company's commercial real estate loans.
- Political pressures could further limit our ability to charge NSF and overdraft fees.
- A continuing shift in deposit mix could negatively impact net interest margin.
- Changes in interest rates.
- The increased time, effort and noninterest expense related to ongoing and increased regulations from the Federal Reserve, the Consumer Financial Protection Bure the Securities and Exchange Commission, including requirements related to environmental, social and governance issues and climate disclosures.
- Local, regional, national and international economic conditions and the impact they may have on the Company and its customers.
- Changes in the mix of loan geographies, sectors and types or the level of non-performing assets and charge-offs.
- Inflation, including wage inflation, energy prices, securities markets and monetary fluctuations.
- 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, including the impact of rising higher interest rates.
- Technological changes.
- Cyber threats.
- 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 Boa 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

The Company's net income for the second third quarter of 2024 was $50.6 million, $58.9 million compared to $55.0 million $51.0 million for the second third quarter of 2023. Diluted net income per common share was $1.51 $1.75 and $1.64 $1.52 for the second third quarter of 2024 and 2023, respectively.

The Company's net interest income for the second third quarter of 2024 increased to $109.9 million $115.0 million from $105.9 million $104.3 million for the second third quarter of 2023. Higher loan Loan volume was the primary driver of the change in net interest income, which but was partially offset by the impact of the shifting mix between interest-bearing and noninterest-bearing deposits. Net interest margin for the second third quarter of 2024 was 3.76% 3.78% compared to 3.87% 3.73% for the second third quarter of 2023. For the second third quarter of 2024, the Company recorded a provision for credit losses of $3.4 million $3.0 million compared to $2.8 million $2.3 million for the second third quarter of 2023.

Noninterest income for the second third quarter of 2024 totaled $43.9 million $48.7 million compared to $48.0 million $44.4 million for the second third quarter of 2023. The decrease in noninterest income was primarily due to an approximate $5.7 million reduction of interchange fees related to the impact of the Durbin Amendment. Trust revenue, treasury income, sweep fees and insurance commissions each increased when compared to second third quarter last year.

Noninterest expense for the second third quarter of 2024 increased to $85.3 million $86.7 million compared to $81.1 million $81.2 million for the second third quarter of 2023. The increase in noninterest expense was primarily related to growth in salaries and employee benefits of $2.1 million $4.0 million.

The Company's effective tax rate was 22.3% for the second quarter of 2024 compared to 21.4% for the second quarter of 2023.

At June 30, 2024 September 30, 2024, the Company's total assets were $12.7 billion $13.3 billion, an increase of $365.3 million $941.4 million from December 31, 2023. Loans grew $394.7 million $528.1 million from December 31, 2023, totaling $8.1 billion $8.2 billion at June 30, 2024 September 30, 2024. Deposits totaled $11.0 billion $11.5 billion, an increase of $315.5 million $774.2 million from December 31, 2023. Off-balance-sheet sweep accounts totaled $4.5 billion $4.3 billion at June 30, 2024 September 30, 2024, up

$153.9 million down $60.6 million from December 31, 2023. The Company's total stockholders' equity at June 30, 2024 September 30, 2024 was $1.5 billion $1.6 billion, an increase of $78.6 million $150.7 million over December 31, 2023.

The Company's nonaccrual loans totaled $44.0 million, representing 0.55% of total loans at June 30, 2024 compared to 0.32% at year-end 2023. The allowance for credit losses to total loans was 1.24% at June 30, 2024, compared to 1.26% at the end of 2023. Net charge-offs were $1.0 million for the second quarter of 2024 compared to $664,000 for the second quarter of 2023.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

See Note (1) of the Notes to the Consolidated Financial Statements for disclosures regarding recently issued accounting pronouncements since December 31, 2023, the date of its most recent annual report to stockholders.

SEGMENT INFORMATION

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

RESULTS OF OPERATIONS

Average Balances, Income, Expenses and Rates

The following table presents certain information related to the Company's consolidated average balance sheet, average yields on assets and average costs of liabilities. Such yields are derived by dividing income or expense by the average balance of the corresponding assets or liabilities. For these computations: (i) average balances are derived from daily averages, (ii) information is shown on a taxable-equivalent basis assuming a 21% tax rate, and (iii) nonaccrual loans are included in the average loan balances and any interest on such nonaccrual loans is recognized on a cash basis. Loan fees included in interest income were $5.5 million $5.0 million for the three months ended June 30, 2024 September 30, 2024 compared to $5.7 million $6.0 million for the three months ended June 30, 2023 September 30, 2023. Loan fees included in interest income were $10.9 million $15.9 million for the six nine months ended June 30, 2024 September 30, 2024 compared to $11.3 million $17.3 million for the six nine months ended June 30, 2023 September 30, 2023.

BANCFIRST CORPORATION CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS (Unaudited) Taxable Equivalent Basis (Dollars in thousands)

	BANCFIRST CORPORATION CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS (Unaudited) Taxable Equivalent Basis (Dollars in thousands)						BANCFIRST CORPORATION CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS (Unaudited) Taxable Equivalent Basis (Dollars in thousands)					
	Three Months Ended June 30,						Three Months Ended September 30,					
	2024			2023			2024			2023		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Averag Yield/ Rate
ASSETS												
Earning assets:												
Loans (1)	$ 7,912,469	$ 137,846	6.99 %	$ 7,247,283	$ 114,708	6.35 %	$ 8,103,297	$ 144,179	7.06 %	$ 7,379,572	$ 122,005	6.5

Securities – taxable	1,488,850	8,932	2.41	1,604,422	9,408	2.35	1,406,344	8,341	2.35	1,552,590	9,260	2.3
Securities – tax exempt	2,408	23	3.79	3,251	29	3.59	2,374	23	3.87	2,990	27	3.6
Federal funds sold and interest-bearing deposits with banks	2,322,951	31,805	5.49	2,131,325	26,775	5.04	2,574,083	35,267	5.44	2,162,655	29,052	5.3
Total earning assets	11,726,678	178,606	6.11	10,986,281	150,920	5.51	12,086,098	187,810	6.17	11,097,807	160,344	5.7
Nonearning assets:												
Cash and due from banks	203,664			200,165			195,636			197,702		
Interest receivable and other assets	808,283			820,731			810,781			813,824		
Allowance for credit losses	(97,935)			(95,887)			(99,967)			(97,591)		
Total nonearning assets	914,012			925,009			906,450			913,935		
Total assets	$ 12,640,690			$ 11,911,290			$ 12,992,548			$ 12,011,742		
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**						**LIABILITIES AND STOCKHOLDERS' EQUITY**					
Interest-bearing liabilities:												
Money market and interest-bearing checking deposits	$ 4,920,793	$ 45,296	3.69 %	$ 4,207,288	$ 32,673	3.11 %	$ 5,064,491	$ 47,386	3.71 %	$ 4,381,614	$ 39,658	3.5
Savings deposits	1,076,338	9,222	3.44	1,092,840	6,631	2.43	1,078,383	9,277	3.41	1,069,106	8,636	3.2
Time deposits	1,134,460	12,961	4.58	747,101	4,428	2.38	1,275,206	14,952	4.65	816,779	6,544	3.1
Short-term borrowings	4,593	59	5.14	10,211	129	5.04	4,423	48	4.30	4,937	49	3.9
Subordinated debt	86,120	1,031	4.80	86,063	1,031	4.81	86,134	1,030	4.74	86,077	1,030	4.7
Total interest-bearing liabilities	7,222,304	68,569	3.81	6,143,503	44,892	2.93	7,508,637	72,693	3.84	6,358,513	55,917	3.4
Interest-free funds:												
Noninterest-bearing deposits	3,819,196			4,328,005			3,793,962			4,183,422		
Interest payable and other liabilities	119,175			109,732			146,868			114,867		
Stockholders' equity	1,480,015			1,330,050			1,543,081			1,354,940		
Total interest free funds	5,418,386			5,767,787			5,483,911			5,653,229		

Total liabilities and stockholders' equity	$ 12,640,690			$ 11,911,290			$ 12,992,548			$ 12,011,742		
Net interest income		$ 110,037			$ 106,028			$ 115,117			$ 104,427	
Net interest spread			2.30 %			2.58 %			2.33 %			2.2
Effect of interest free funds			1.46 %			1.29 %			1.45 %			1.4
Net interest margin			3.76 %			3.87 %			3.78 %			3.7

BANCFIRST CORPORATION CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS (Unaudited) Taxable Equivalent Basis (Dollars in thousands)

BANCFIRST CORPORATION

CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS

(Unaudited)

Taxable Equivalent Basis

(Dollars in thousands)

BANCFIRST CORPORATION

CONSOLIDATED AVERAGE BALANCE SHEETS AND INTEREST MARGIN ANALYSIS

(Unaudited)

Taxable Equivalent Basis

(Dollars in thousands)

	Six Months Ended June 30,						Nine Months Ended September 30,					
	2024			2023			2024			2023		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Averag Yield/ Rate
ASSETS												
Earning assets:												
Loans (1)	$ 7,821,611	$ 270,095	6.93 %	$ 7,127,174	$ 219,189	6.20 %	$ 7,916,192	$ 414,274	6.97 %	$ 7,212,231	$ 341,194	6.3
Debt securities – taxable	1,523,328	18,113	2.38	1,588,439	18,399	2.34	1,484,049	26,454	2.37	1,576,358	27,659	2.3
Debt securities – tax exempt	2,525	48	3.77	3,366	38	2.29	2,474	71	3.80	3,239	65	2.7
Federal funds sold and interest-bearing deposits with banks	2,267,869	62,121	5.49	2,463,587	58,827	4.82	2,370,685	97,388	5.47	2,362,174	87,879	4.9
Total earning assets	11,615,333	350,377	6.05	11,182,566	296,453	5.35	11,773,400	538,187	6.09	11,154,002	456,797	5.4

Nonearning assets:												
Cash and due from banks	202,982			209,115			200,515			205,269		
Interest receivable and other assets	806,429			808,094			807,891			810,025		
Allowance for credit losses	(97,498)			(94,609)			(98,327)			(95,614)		
Total nonearning assets	911,913			922,600			910,079			919,680		
Total assets	$ 12,527,246			$ 12,105,166			$ 12,683,479			$ 12,073,682		
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**						**LIABILITIES AND STOCKHOLDERS' EQUITY**					
Interest-bearing liabilities:												
Money market and interest-bearing checking deposits	$ 4,867,783	$ 89,513	3.69 %	$ 4,211,766	$ 59,540	2.85 %	$ 4,933,831	$ 136,899	3.70 %	$ 4,270,554	$ 99,197	3.1
Savings deposits	1,066,532	18,225	3.43	1,113,821	11,887	2.15	1,070,512	27,502	3.42	1,098,752	20,524	2.5
Time deposits	1,080,750	24,154	4.48	726,558	7,482	2.08	1,146,042	39,106	4.55	756,962	14,026	2.4
Short-term borrowings	6,306	155	4.92	8,537	212	5.00	5,673	203	4.76	7,324	261	4.7
Subordinated debt	86,113	2,061	4.80	86,056	2,061	4.83	86,120	3,091	4.78	86,063	3,091	4.8
Total interest-bearing liabilities	7,107,484	134,108	3.78	6,146,738	81,182	2.66	7,242,178	206,801	3.80	6,219,655	137,099	2.9
Interest-free funds:												
Noninterest-bearing deposits	3,831,283			4,561,214			3,818,752			4,432,349		
Interest payable and other liabilities	125,536			94,817			132,698			101,574		
Stockholders' equity	1,462,943			1,302,397			1,489,851			1,320,104		
Total interest free funds	5,419,762			5,958,428			5,441,301			5,854,027		
Total liabilities and stockholders' equity	$ 12,527,246			$ 12,105,166			$ 12,683,479			$ 12,073,682		
Net interest income		$ 216,269			$ 215,271			$ 331,386			$ 319,698	
Net interest spread			2.27 %			2.69 %			2.29 %			2.5
Effect of interest free funds			1.46 %			1.19 %			1.46 %			1.3
Net interest margin			3.73 %			3.88 %			3.75 %			3.8

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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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Income Statement Data								
Net interest income	$ 109,896	$ 105,926	$ 216,000	$ 215,082	$ 114,957	$ 104,308	$ 330,957	$ 319,390
Provision for credit losses	3,358	2,824	7,373	5,146	3,031	2,312	10,404	7,458
Securities transactions	317	110	50	(103)	(308)	(361)	(258)	(464)
Total noninterest income	43,944	47,974	88,844	95,802	48,712	44,449	137,556	140,251
Salaries and employee benefits	51,928	49,803	103,456	99,055	54,215	50,200	157,671	149,255
Total noninterest expense	85,316	81,110	168,095	161,427	86,734	81,215	254,829	242,642
Net income	50,641	55,010	100,975	112,543	58,903	50,988	159,878	163,531
Per Common Share Data								
Net income – basic	$ 1.53	$ 1.67	$ 3.06	$ 3.42	$ 1.78	$ 1.55	$ 4.84	$ 4.97
Net income – diluted	1.51	1.64	3.01	3.36	1.75	1.52	4.76	4.88
Cash dividends	0.43	0.40	0.86	0.80	0.46	0.43	1.32	1.23
Performance Data								
Return on average assets	1.61 %	1.85 %	1.62 %	1.87 %	1.80 %	1.68 %	1.68 %	1.81 %
Return on average stockholders' equity	13.72	16.59	13.84	17.43	15.14	14.93	14.30	16.56
Cash dividend payout ratio	28.10	23.95	28.10	23.39	25.84	27.74	27.27	24.75
Net interest spread	2.30	2.58	2.27	2.69	2.33	2.24	2.29	2.53
Net interest margin	3.76	3.87	3.73	3.88	3.78	3.73	3.75	3.83
Efficiency ratio	55.46	52.70	55.14	51.93	52.99	54.60	54.39	52.79
Net charge-offs to average loans	0.01	0.01	0.06	0.01	0.01	0.02	0.07	0.03

Net Interest Income

For the three months ended June 30, 2024 September 30, 2024, net interest income, which is the Company's principal source of operating revenue, increased $4.0 million $10.6 million or 3.7% 10.2% compared to the three months ended June 30, 2023 September 30, 2023. Higher loan volume was the The primary driver of the change increase in net interest income which was higher loan volume. Rate increases also attributed to the increase in net interest income. Higher loan volume and increasing rates were partially offset by the impact of expense associated with the shifting mix between interest-bearing interest and noninterest-bearing deposits. 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 second third quarter of 2024 decreased increased compared to the second third quarter of 2023.

Net interest income for the six nine months ended June 30, 2024 September 30, 2024 increased $918,000 $11.6 million or 0.4% 3.6% compared to the six nine months ended June 30, 2023 September 30, 2023. The primary driver of the increase in net interest income was higher loan volume. Rate increases also attributed to the increase in net interest income. Higher loan volume was and increasing rates were partially offset by the primary driver to expense associated with the increase. shifting mix between interest and noninterest-bearing deposits. The Company's net interest margin for the six nine months ended June 30, 2024 September 30, 2024 decreased compared to the six nine months ended June 30, 2023 September 30, 2023.

Changes in the volume of earning assets and interest-bearing liabilities and changes in interest rates, determine the changes in net interest income. The following volume/rate analysis summarizes the relative contribution of each of these components to the changes in net interest income.

VOLUME/RATE ANALYSIS
Taxable Equivalent Basis

The following table presents the change in net interest income for the three months ended June 30, 2024 September 30, 2024 compared to the three months ended June 30, 2023 September 30, 2023.

	Total	Due to Volume(1)	Due to Rate	Total	Due to Volume(1)	Due to Rate
		(Dollars in thousands)			(Dollars in thousands)	
INCREASE (DECREASE)						
Interest Income:						
Loans	$ 23,138	$ 10,679	$ 12,459	$ 22,174	$ 12,142	$ 10,032
Securities—taxable	(476)	(646)	170	(919)	(820)	(99)
Securities—tax exempt	(6)	(7)	1	(4)	(5)	1
Federal funds sold and interest-bearing deposits with banks	5,030	2,935	2,095	6,215	6,107	108
Total interest income	27,686	12,961	14,725	27,466	17,424	10,042
Interest Expense:						
Money market and interest-bearing checking deposits	12,623	6,439	6,184	7,728	6,981	747
Savings deposits	2,591	(102)	2,693	641	76	565
Time deposits	8,533	3,055	5,478	8,408	4,531	3,877
Short-term borrowings	(70)	(81)	11	(1)	7	(8)
Subordinated debt	—	1	(1)	—	1	(1)
Total interest expense	23,677	9,312	14,365	16,776	11,596	5,180
Net interest income	$ 4,009	$ 3,649	$ 360	$ 10,690	$ 5,828	$ 4,862

(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.

(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.

(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.

The following table presents the change in net interest income for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023.

	Total	Due to Volume(1)	Due to Rate	Total	Due to Volume(1)	Due to Rate
		(Dollars in thousands)			(Dollars in thousands)	
INCREASE (DECREASE)						
Interest Income:						
Loans	$ 50,906	$ 22,966	$ 27,940	$ 73,080	$ 35,853	$ 37,227
Securities—taxable	(286)	(611)	325	(1,205)	(1,283)	78
Securities—tax exempt	10	(9)	19	6	(15)	21
Federal funds sold and interest-bearing deposits with banks	3,294	(3,946)	7,240	9,509	1,762	7,747
Total interest income	53,924	18,400	35,524	81,390	36,317	45,073

Interest Expense:						
Money market and interest-bearing checking deposits	29,973	11,895	18,078	37,702	19,212	18,490
Savings deposits	6,338	(441)	6,779	6,978	(417)	7,395
Time deposits	16,672	4,535	12,137	25,080	9,023	16,057
Short-term borrowings	(57)	(73)	16	(58)	(63)	5
Subordinated debt	—	12	(12)	—	18	(18)
Total interest expense	52,926	15,928	36,998	69,702	27,773	41,929
Net interest income	$ 998	$ 2,472	$ (1,474)	$ 11,688	$ 8,544	$ 3,144
(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.	(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.			(1) The effects of changes in the mix of earning assets and interest-bearing liabilities have been combined with the changes due to volume.		

Provision for Credit Losses

The Company establishes an allowance as an estimate of the expected credit losses in the loan portfolio at the balance sheet date. Management believes the allowance for credit losses is appropriate based upon management's best estimate of expected losses within the existing loan portfolio. Should any of the factors considered by management in evaluating the appropriate level of the allowance for credit losses change, the Company's estimate of expected credit losses could also change which could affect the amount of future provisions for credit losses.

The increased provision for credit losses for the three months ended June 30, 2024 September 30, 2024 compared to the three months ended June 30, 2023 September 30, 2023 was primarily due to loan growth. Net loan charge-offs were $1.0 million $775,000 for the second third quarter of 2024 compared to net loan charge-offs of $664,000 $1.5 million for the second third quarter of 2023.

The increased provision for credit losses for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023 was primarily due to loan growth. Net loan charge-offs were $4.5 million $5.3 million for the six nine months ended June 30, 2024 September 30, 2024, compared to $954,000 $2.4 million for the same period of the prior year.

Noninterest Income

Noninterest income decreased increased by $4.0 million $4.3 million for the second third quarter of 2024 compared to the second third quarter of 2023. The decrease in noninterest income was primarily due to an approximate $5.7 million reduction of interchange fees related to the impact of the Durbin Amendment. Trust revenue, treasury income, sweep fees and insurance commissions each increased when compared to last year.

Noninterest income included non-sufficient funds ("NSF") and overdraft fees totaling $7.3 million $8.2 million and $6.6 million $7.4 million for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively. This represents 16.6% 16.9% and 13.8% 16.7% of the Company's noninterest income for the respective periods. In addition, the Company had debit card usage and interchange fees totaling $6.8 million $6.7 million and $12.4 million $6.6 million during the three months ended June 30, 2024 September 30, 2024 and 2023, respectively. This represents 15.4% 13.7% and 25.9% 14.9% of the Company's noninterest income for the respective periods.

Noninterest income decreased by $7.0 million $2.7 million for the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 September 30, 2023. The decrease in noninterest income was primarily due to an approximate $10.9 million reduction of interchange fees related to the impact of the Durbin Amendment. Trust Amendment, which was offset by increases in trust revenue, treasury income, sweep fees and insurance commissions each increased when compared to last year. commissions.

Noninterest income included NSF and overdraft fees totaling $14.4 million $22.7 million and $13.1 million $20.5 million during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. This represents 16.2% 16.5% and 13.7% 14.6% of the Company's noninterest income for the respective periods. In addition, the Company had debit card usage and interchange fees totaling $13.3 million $20.0 million and $24.4 million $31.0 million during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. This represents 15.0% 14.5% and 25.5% 22.1% of the Company's noninterest income for the respective periods.

The Company is subject to political pressures that could limit our ability to charge for NSF and overdraft fees. Over the last few years fees and could adversely impact our noninterest income. On April 1, 2022, the Company lowered the rates charged on NSF and overdraft fees. Also, the The Company also became subject to the reduced interchange fees under the Durbin Amendment, effective July 1, 2023. Consequently, the Company's interchange fee revenue was reduced by approximately $10.9 million in the first half of 2024, as shown above, and reduced by $11.2 million in the last half of 2023 and $10.9 million in 2023. The reduced interchange fees under the first half of 2024. Durbin Amendment have now been fully implemented.

Noninterest Expense

Noninterest expense increased by $4.2 million $5.5 million for second third quarter of 2024 compared to the second third quarter of 2023. The increase in noninterest expenses was primarily related to growth in salaries and employee benefits of $2.1 million $4.0 million.

For the six nine months ended June 30, 2024 September 30, 2024, noninterest expense increased by $6.7 million $12.2 million compared to the six nine months ended June 30, 2023 September 30, 2023. Higher noninterest expenses in 2024 was primarily related to growth in salaries and employee benefits of $4.4 million $8.4 million.

Income Taxes

The Company's effective tax rate was 22.3% 20.3% for the second third quarter of 2024, compared to 21.4% 21.8% for the second third quarter of 2023.

The Company's effective tax rate was 22.0% 21.4% for the first six nine months of 2024, and compared to 22.0% or the first nine months of 2023.

The primary reasons for the difference between the Company's effective tax rate and the federal statutory rate were tax-exempt income, nondeductible expenses, federal and state tax credits and state tax expense.

FINANCIAL POSITION

BANCFIRST CORPORATION SELECTED CONSOLIDATED FINANCIAL DATA (Dollars in thousands, except per share data)	BANCFIRST CORPORATION SELECTED CONSOLIDATED FINANCIAL DATA (Dollars in thousands, except per share data)		BANCFIRST CORPORATION SELECTED CONSOLIDATED FINANCIAL DATA (Dollars in thousands, except per share data)	
	June 30, 2024 (unaudited)	December 31, 2023	September 30, 2024 (unaudited)	December 31, 2023
Balance Sheet Data				
Total assets	$ 12,737,318	$ 12,372,042	$ 13,313,482	$ 12,372,042
Total loans (net of unearned interest)	8,054,856	7,660,134	8,188,202	7,660,134
Allowance for credit losses	99,626	96,800	101,882	96,800
Debt securities	1,441,365	1,555,095	1,376,913	1,555,095
Deposits	11,015,602	10,700,122	11,474,352	10,700,122
Stockholders' equity	1,512,492	1,433,891	1,584,575	1,433,891
Book value per share	45.80	43.54	47.84	43.54
Tangible book value per share (non-GAAP)(1)	39.83	37.50	41.91	37.50
Reconciliation of Tangible Book Value per Common Share (non-GAAP)(2)	**Reconciliation of Tangible Book Value per Common Share (non-GAAP)(2)**		**Reconciliation of Tangible Book Value per Common Share (non-GAAP)(2)**	
Stockholders' equity	$ 1,512,492	$ 1,433,891	$ 1,584,575	$ 1,433,891
Less goodwill	182,263	182,263	182,263	182,263

Less intangible assets, net	14,931	16,704	14,045	16,704
Tangible stockholders' equity (non-GAAP)	$ 1,315,298	$ 1,234,924	$ 1,388,267	$ 1,234,924
Common shares outstanding	33,022,124	32,933,018	33,122,689	32,933,018
Tangible book value per share (non-GAAP)	$ 39.83	$ 37.50	$ 41.91	$ 37.50
Selected Financial Ratios				
Balance Sheet Ratios:				
Average loans to deposits (year-to-date)	72.11 %	68.87 %	72.17 %	68.87 %
Average earning assets to total assets (year-to-date)	92.72	92.39	92.82	92.39
Average stockholders’ equity to average assets (year-to-date)	11.68	11.03	11.75	11.03
Asset Quality Data				
Loans past due 90 days and still accruing	$ 4,280	$ 9,542	$ 4,628	$ 9,542
Nonaccrual loans (3)	44,021	24,573	45,481	24,573
Other real estate owned and repossessed assets	38,497	34,200	39,519	34,200
Asset Quality Ratios:				
Nonaccrual loans to total loans	0.55 %	0.32 %	0.56 %	0.32 %
Allowance for credit losses to total loans	1.24	1.26	1.24	1.26
Allowance for credit losses to nonaccrual loans	226.32	393.92	224.01	393.92

(1) Refer to the “Reconciliation of Tangible Book Value per Common Share (non-GAAP)” Table.

(2) Tangible book value per common share is stockholders’ equity less goodwill and intangible assets, net, divided by common shares outstanding. This amount is a non-GAAP financial measure but has been included as it is considered to be a critical metric with which to analyze and evaluate the financial condition and capital strength of the Company. This measure should not be considered a substitute for operating results determined in accordance with GAAP.

(1) Refer to the “Reconciliation of Tangible Book Value per Common Share (non-GAAP)” Table.

(2) Tangible book value per common share is stockholders’ equity less goodwill and intangible assets, net, divided by common shares outstanding. This amount is a non-GAAP financial measure but has been included as it is considered to be a critical metric with which to analyze and evaluate the financial condition and capital strength of the Company. This measure should not be considered a substitute for operating results determined in accordance with GAAP.

(1) Refer to the “Reconciliation of Tangible Book Value per Common Share (non-GAAP)” Table.

(2) Tangible book value per common share is stockholders’ equity less goodwill and intangible assets, net, divided by common shares outstanding. This amount is a non-GAAP financial measure but has been included as it is considered to be a critical metric with which to analyze and evaluate the financial condition and capital strength of the Company. This measure should not be considered a substitute for operating results determined in accordance with GAAP.

(3) Government agencies guaranteed approximately $8.5 million of nonaccrual loans at June 30, 2024.

(3) Government agencies guaranteed approximately $7.5 million of nonaccrual loans at September 30, 2024.

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

The aggregate of cash and due from banks, federal funds sold and interest-bearing deposits with banks increased by $95.6 million $593.3 million or 4.0% 24.7%, to $2.5 billion $3.0 billion from December 31, 2023 to June 30, 2024 September 30, 2024. The increase was related to an increase of interest-bearing deposits. deposits partially driven by maturing securities.

Securities

At June 30, 2024 September 30, 2024, total debt securities decreased $113.7 million $178.2 million, or 7.3% 11.5% compared to December 31, 2023. The size of the Company’s securities portfolio is determined by the Company’s liquidity and asset/liability management. The net unrealized loss on debt securities available for sale, before taxes, was $63.2 million $31.9 million at June 30, 2024 September 30, 2024, compared to a net unrealized loss of $65.5 million at December 31, 2023. These unrealized losses, net of income tax, are included in the Company’s stockholders’ equity as

accumulated other comprehensive loss in the amounts of $48.2 million $24.4 million at June 30, 2024 September 30, 2024 and $50.0 million at December 31, 2023. During the six nine months ended June 30, 2024 September 30, 2024, the Company purchased $270,000 $522,000 of debt securities and did not sell any debt securities.

See Note (2) of the Notes to Consolidated Financial Statements for disclosures regarding the Company's securities.

Loans

At June 30, 2024 September 30, 2024, total loans increased $394.7 million $528.1 million or 5.2% 6.9% compared to December 31, 2023 as a result of internal loan growth. The preponderance of internal loan growth was primarily from the Company's Oklahoma subsidiary BancFirst, with loans essentially flat for BancFirst. BancFirst's strong liquidity was the Company's Texas subsidiaries, Pegasus and Worthington. driving force behind the loan growth.

See Note (3) of the Notes to Consolidated Financial Statements for disclosures regarding the Company's loan portfolio segments.

Allowance for Credit Losses

The allowance for credit losses to total loans was 1.24% at June 30, 2024 compared to 1.26% at December 31, 2023. The overall credit quality of the Company's loan portfolio has remained strong. If unforeseen adverse changes occur in the national or local economy, or in the credit markets, it would be reasonable to expect that the allowance for credit losses would increase in future periods.

Nonaccrual Loans

Nonaccrual The Company's nonaccrual and past due loans totaled $44.0 million at June 30, 2024 compared to $24.6 million at December 31, 2023. The have increased, however, the level of the Company's nonaccrual these loans remains low. The Company's nonaccrual loans are primarily comprised of construction and development real estate loans, commercial real estate loans and commercial non-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 both interest and principal is in serious doubt. Interest income is not recognized until the principal balance is fully collected. However, if the full collection of the remaining principal balance is not in doubt, interest income is recognized on certain of these loans on a cash basis. Had nonaccrual loans performed in accordance with their original contractual terms, the Company would have recognized additional interest income of approximately $1.8 million $2.6 million for the six nine months ended June 30, 2024 September 30, 2024 and $718,000 $1.1 million for the six nine months ended June 30, 2023 September 30, 2023. Only a small amount of this interest is expected to be ultimately collected. Approximately $8.5 million $7.5 million of nonaccrual loans were guaranteed by government agencies at June 30, 2024 September 30, 2024.

The classification of a loan as nonaccrual does not necessarily indicate that loan principal and interest will ultimately be uncollectible; although, in an economic downturn, the Company's experience has been that the risk of loss is heightened. The above normal risk associated with nonaccrual loans has been considered in the determination of the allowance for credit losses. The level of nonaccrual loans and credit losses could rise over time as a result of adverse economic conditions. The allowance for credit losses as a percentage of nonaccrual loans is shown in the table above.

Modified Loans

As of January 1, 2023, the Company adopted Accounting Standards Update ("ASU") No. 2022-02, which eliminated the Troubled Debt Restructurings ("TDR") recognition and measurement guidance and, instead, requires that the Company evaluate, based on the accounting for loan modifications, whether the modification represents a new loan or a continuation of an existing loan when a borrower is experiencing financial difficulty. The current and future financial effects of the recorded balance of loans considered to be modified during the period were not considered to be material. The recorded balance of loans modified during the period ended June 30, 2024 September 30, 2024 was approximately $5.9 million $8.4 million compared to $5.3 million during the year ended December 31, 2023.

Other Real Estate Owned and Repossessed Assets

Other real estate owned (OREO) and repossessed assets totaled $38.5 million at June 30, 2024 compared to $34.2 million at December 31, 2023. OREO consists of properties acquired through foreclosure proceedings or acceptance of a deed in lieu of foreclosure and premises held for sale. These properties are carried at the lower of the book values of the related loans or fair values based upon appraisals of the properties, less estimated costs to sell. Write-downs arising at the time of reclassification of such properties from loans to OREO are charged directly to the allowance for credit losses. Any losses on bank premises designated to be sold are charged to operating expense at the time of transfer from premises to OREO. Decreases in values of properties subsequent to their classification as OREO are charged to operating expense.

OREO included a larger commercial real estate property recorded at $30.7 million $31.1 million at June 30, 2024 September 30, 2024 and $29.4 million at December 31, 2023. During the period ended June 30, 2024 September 30, 2024, the Company made $1.3 million $1.7 million of tenant improvements to this property, which contributed to the increase of total OREO. Rental income for this property is included in other noninterest income on the consolidated statements of comprehensive income. Operating expense for this property is included in net expense from OREO in other noninterest expense on the consolidated statements of comprehensive income.

This property had the following rental income and operating expenses for the periods presented:

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	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands)				(Dollars in thousands)			
Rental income	$ 3,085	$ 2,778	$ 6,026	$ 5,468	$ 3,043	$ 2,911	$ 9,069	$ 8,379
Operating expense	2,673	2,967	4,923	5,348	2,601	2,690	7,524	8,038

The Company's total rental income and operating expenses from OREO are presented in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Dollars in thousands)				(Dollars in thousands)			
Rental income	$ 3,083	$ 2,895	$ 6,085	$ 5,716	$ 3,067	$ 3,030	$ 9,152	$ 8,746
Operating expense	2,802	3,058	5,131	5,614	2,734	2,831	7,865	8,445

Intangible Assets, Goodwill and Other Assets

Identifiable intangible assets and goodwill totaled $197.2 million $196.3 million and $199.0 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

Other assets includes the cash surrender value of key-man life insurance policies totaling $84.1 million $83.9 million and $84.4 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

Derivative financial instruments consisting of oil and gas swaps and option contracts are included in other assets and totaled $15.2 million $26.4 million at June 30, 2024 September 30, 2024 and $41.1 million at December 31, 2023. They require a daily margin to be posted, which fluctuates with oil and gas prices and customer activity. At June 30, 2024, the Company had a margin asset included in other assets in the amount of $7.2 million. At December 31, 2023, the The Company had a margin liability included in other liabilities in the amount of $10.7 million at September 30, 2024 and $15.5 million at December 31, 2023. See Note (10) of the Notes to Consolidated Financial Statements for a complete discussion of the Company's derivative financial instruments.

Equity securities are reported in other assets on the Company's consolidated balance sheet. The Company invests in equity securities without readily determinable fair values. The realized and unrealized gains and losses are reported as securities transactions in the noninterest income section of the consolidated statements of comprehensive income. The balance of equity securities was $13.3 million $12.8 million at June 30, 2024 September 30, 2024 and $13.1 million at December 31, 2023. The Company reviews its portfolio of equity securities for impairment at least quarterly.

Low-Income Housing and New Market Tax Credit Investments

During 2024, there have not been any material changes in the Company's low-income housing tax credit ("LIHTC") investments and New Markets Tax Credits ("NMTC") investments, which are included in other assets on the Company's consolidated balance sheet. sheet, increased $10.2 million.

See Note (6) of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for disclosures regarding these investments.

Liquidity and Funding

The Company's principal source of liquidity and funding is its broad deposit base generated from customer relationships. The availability of deposits is affected by economic conditions, competition with other financial institutions and alternative investments available to customers. Through interest rates paid, service charge levels and services offered, the Company can affect its level of deposits to a limited extent. The level and maturity of funding necessary to support the Company's lending and investment functions is determined through the Company's asset/liability management process. The Company currently does not rely heavily on long-term borrowings and does not utilize brokered or reciprocal deposits. The Company maintains lines of credit from the Federal Home Loan Bank (“FHLB”), federal funds lines of credit with other banks and could also utilize the sale of loans, securities and liquidation of other assets as sources of liquidity and funding. The Company is highly liquid with a total of cash and due from banks and interest-bearing deposits with banks and federal funds sold to total assets of 19.6% 22.5%.

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, 2023.

Deposits

At June 30, 2024 September 30, 2024, deposits totaled $11.0 billion $11.5 billion, an increase of $315.5 million $774.2 million from December 31, 2023. 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 96.8% 95.8% at June 30, 2024 September 30, 2024 and 97.4% at December 31, 2023. Noninterest-bearing deposits to total deposits were 34.6% 33.6% at June 30, 2024 September 30, 2024 compared to 37.2% at December 31, 2023. Quantitative tightening by the Federal Reserve and competition for deposits has increased, and available yields have similarly increased, causing noninterest-bearing deposits to move to interest-bearing deposits and off-balance-sheet sweep account products.

Off-balance-sheet sweep accounts totaled $4.5 billion $4.3 billion at June 30, 2024 compared to $4.3 billion at both September 30, 2024 and December 31, 2023. The movement of customers' funds into the Company's off-balance-sheet sweep accounts affected the balances of both cash and deposits.

Subordinated Debt

See Note (5) of the Notes to Consolidated Financial Statements for a complete discussion of the Company’s subordinated debt.

Short-Term Borrowings and Lines of Credit

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 $4.3 million $4.4 million at June 30, 2024 September 30, 2024 compared to $3.4 million at December 31, 2023.

The Company has several lines of credit available. At June 30, 2024 September 30, 2024, BancFirst had $850.1 million $877.1 million available on its line of credit from the FHLB of Topeka, Kansas and a $25.0 million line of credit with another financial institution that is an overnight federal funds facility. Kansas. At June 30, 2024 September 30, 2024, BancFirst had no advances outstanding under either this line of credit. Pegasus had a Federal Reserve discount window capacity of $125.6 million. At September 30, 2024, Pegasus had no advances outstanding under this line of credit. Worthington has had $10.5 million in lines of credit with other financial institutions that serve as overnight federal funds facilities, a Federal Reserve discount window capacity of $28.8 million $29.4 million and a $77.7 million $81.8 million line of credit from the FHLB of Dallas, Texas to use for liquidity or to match-fund certain long-term rate loans. Worthington has had no advances outstanding at June 30, 2024 September 30, 2024 under any of these lines of credit.

Capital Resources

Stockholders’ equity totaled $1.5 billion $1.6 billion at June 30, 2024 September 30, 2024, an increase of $78.6 million $150.7 million from December 31, 2023. In addition to net income of $101.0 million $159.9 million, other increases in stockholders’ equity during the six nine months ended June 30, 2024 September 30, 2024 included $2.6 million $6.2 million related to common stock issuances for stock option exercises, $1.4 million $2.6 million related to stock-based compensation and $1.8 million $25.6 million in accumulated other comprehensive income, that were partially offset by $28.4 million $43.6 million in dividends. The Company’s leverage ratio and other risk-based capital ratios at June 30, 2024 September 30, 2024 were well in excess of the regulatory requirements.

See Note (7) of the Notes to Consolidated Financial Statements for a discussion of capital ratios and requirements.

Liquidity Risk and Off-Balance-Sheet Arrangements

There have not been any material changes in the Company’s liquidity risk and off-balance-sheet arrangements 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, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes in the Company's disclosures regarding market risk since December 31, 2023, the date of its most recent annual report to stockholders.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Pursuant to Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act"), the Company's Chief Executive Officer, Chief Financial Officer and its Disclosure Committee, which includes the Company's Executive Chairman, Chief Risk Officer, Chief Internal Auditor, Chief Asset Quality Officer, Controller, General Counsel and Director of Financial Reporting, have evaluated, as of the last day of the period covered by this report, the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). 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.

Changes in Internal Control Over Financial Reporting. During the period to which this report relates, there have not been any changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, such controls.

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 June 30, 2024 September 30, 2024, 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, 2023.

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.None.

Item 6. Exhibits.

Exhibit Number	Exhibit
3.1	Amended and Restated By-Laws of BancFirst Corporation (filed as Exhibit 3.1 to the Company's Quarterly Report on form 10Q for the Quarter Ended March 31, 2023 and incorporated herein by reference).
3.2	Restated Certificate of Incorporation of BancFirst Corporation dated August 5, 2021. (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2021).
10.1	Amended and Restated BancFirst Corporation Directors' Deferred Stock Compensation Plan. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 23, 2024 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**	CEO's & 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	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.
104	Cover page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

* Filed herewith.

** This exhibit is furnished herewith and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

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: August 6, November 5, 2024

/s/ David Harlow
David Harlow
President
Chief Executive Officer
(Principal Executive Officer)

Date: August 6, November 5, 2024

/s/ Hannah Andrus

Hannah Andrus

Executive Vice President

Chief Financial Officer

(Principal Financial Officer)

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Exhibit 31.1

CEO'S CERTIFICATION PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)

I, David Harlow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BancFirst Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements m light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15 (15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and th committee of the registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 6, 2024 November 5, 2024

/s/ David Harlow

David Harlow

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CFO’S CERTIFICATION PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)

I, Hannah Andrus, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BancFirst Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements m light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15 (15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   d) Disclosed in this quarterly report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and th committee of the registrant’s board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: August 6, 2024 November 5, 2024

/s/ Hannah Andrus

Hannah Andrus
Executive Vice President
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION OF PERIODIC REPORT

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David Harlow, Chief Executive Officer and Hannah Andrus, Chief Financial Officer of BancFirst Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 September 30, 2024 (the "Form 10-Q") fully complies with the requirements of sectio or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2024 November 5, 2024

/s/ David Harlow

David Harlow
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Hannah Andrus

Hannah Andrus
Executive Vice President
and Chief Financial Officer
(Principal Financial Officer)

DISCLAIMER

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