

> \$482 6.43% \$85 6.42% \$5,296 6.37%

State and political subdivisions

5,099 6.17 15,827 6.24 4,212 7.88 1,726 7.50 26,864 6.56

Total

\$5,486 6.15 \$20,169 6.27 \$4,694 7.73 \$1,811 7.45 \$32,160 6.53

Percentage of total

Total

\$120,719 4.37 \$380,630 3.95 \$9,851 4.94 \$16,874 3.98 \$528,074 4.07

Percentage of total

22.86% 72.08% 1.87% 3.19% 100.00%



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Loans

The Company has historically generated significant loan growth from both internal originations and acquisitions. Total loans increased \$146 million, or 7.51%, in 2004, and \$132 million, or 7.29%, in 2003. In 2004, the loan growth was internal and was concentrated primarily in the various types of real estate loans. In 2003, loan growth from the acquisition of Lincoln and the Gold Bank branch acquisitions accounted for \$74.9 million of the overall loan growth.

Composition

The Company's loan portfolio is diversified among various types of commercial and individual borrowers. Commercial loans are comprised principally of loans to companies in light manufacturing, retail and service industries. Construction and development loans totaled \$152 million, or 7.28% of total loans at the end of 2004, down from \$154 million, or 7.90% of total loans at the end of 2003. Real estate loans are relatively evenly divided between residential mortgages and loans secured by commercial and other types of properties. Real estate mortgage loans represented 54.6% of total loans at December 31, 2004, compared to 50.9% of total loans at December 31, 2003. Consumer loans are comprised primarily of loans to individuals for the purchase of vehicles and student loans.

Loans secured by real estate have been a large portion of the Company's loan portfolio. In 2004, this percentage was 61.8% compared to 58.8% for 2003. The Company is subject to risk of future market fluctuations in property values relating to these loans. The Company attempts to manage this risk through rigorous loan underwriting standards, training of loan officers and close monitoring of the valuation of individual properties collateralizing the loan.

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LOANS BY CATEGORY

	December 31,									
	2004		2003		2002		2001		2000	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
(Dollars in thousands)										
Commercial, financial and other	\$ 525,306	25.10%	\$ 536,901	27.57%	\$ 525,592	28.96%	\$ 545,371	31.76%	\$ 534,743	32.09%
Real estate construction	152,402	7.28	153,755	7.90	136,539	7.52	84,445	4.92	84,637	5.08
Real estate mortgage	1,142,259	54.55	991,130	50.90	891,912	49.15	816,142	47.52	771,783	46.32
Consumer	273,548	13.07	265,437	13.63	260,819	14.37	271,475	15.80	275,175	16.51
Total	\$ 2,093,515	100.00%	\$ 1,947,223	100.00%	\$ 1,814,862	100.00%	\$ 1,717,433	100.00%	\$ 1,666,338	100.00%

The Maturity and Rate Sensitivity of Loans presents maturity and repricing information for commercial, financial and other loans, and real estate loans, excluding one to four family residential loans. Over 38% of the commercial real estate and other commercial loans have maturities of one year or less. However, many of these loans are renewed at existing or similar terms after scheduled principal reductions. Also, over half of the commercial real estate and other commercial loans had adjustable interest rates at year-end 2004. The short maturities and adjustable rates on these loans allow the Company to maintain the majority of its loan portfolio near market interest rates.

MATURITY AND RATE SENSITIVITY OF LOANS

December 31, 2004

	Maturing			
	Within One Year	After One But Within Five Years	After Five Years	Total
(Dollars in thousands)				
Commercial, financial and other	\$ 287,596	\$ 193,045	\$ 44,665	\$ 525,306
Real estate construction	113,890	32,801	5,711	152,402
Real estate - mortgage (excluding loans secured by 1 to 4 family residential properties)	105,597	219,383	315,219	640,199
Total	\$ 507,083	\$ 445,229	\$ 365,595	\$ 1,317,907
Loans with predetermined interest rates	\$ 200,456	\$ 219,812	\$ 92,134	\$ 512,402

Loans with adjustable interest rates	306,627	225,417	273,461	805,505
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 507,083	\$ 445,229	\$ 365,595	\$ 1,317,907
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Percentage of total	38.48%	33.78%	27.74%	100.00%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The information relating to the maturity and rate sensitivity of loans is based upon original loan terms and is not adjusted for rollovers. In the ordinary course of business, loans maturing within one year may be renewed, in whole or in part, at interest rates prevailing at the date of renewal.

Nonperforming and Restructured Loans

Nonperforming and restructured assets decreased \$5.70 million, or 27.9% in 2004, and increased \$3.68 million, or 22.0% in 2003.

Nonperforming loans have been relatively low in recent years. Nonperforming and restructured loans as a percentage of total loans was 0.58% at year-end 2004, compared to 0.85% at year-end 2003 and 0.77% at year-end 2002.

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 collectibility of interest and/or principal is in serious doubt. Interest income is recognized on certain of these loans on a cash basis if the full collection of the remaining principal balance is reasonably expected. Otherwise, interest income is not recognized until the principal balance is fully collected. Nonaccrual loans decreased \$4.69 million, or 35.1%, in 2004, compared to an increase of \$2.48 million, or 22.8%, in 2003. Total interest income which was not accrued on nonaccrual loans outstanding at year end was approximately \$439,000 in 2004 and \$505,000 in 2003. Only a small amount of this interest is ultimately collected.

The classification of a loan as nonperforming does not necessarily indicate that loan principal and interest will ultimately be uncollectible. The Company's experience is that a significant portion of the principal and some of the interest is eventually recovered. However, the above normal risk associated with nonperforming loans is considered in the determination of the allowance for loan losses. At year-end 2004, the allowance for loan losses as a percentage of nonperforming and restructured loans was 211.05%, compared to 158.76% at the end of 2003 and 175.16% at the end of 2002.

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Other real estate owned and repossessed assets decreased in 2004 to \$2.51 million from \$3.94 million at year-end 2003. Other real estate owned consist 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 market values based upon appraisals, less estimated costs to sell. Losses arising at the time of reclassification of such properties from loans to other real estate owned are charged directly to the allowance for loan losses. Any losses on premises identified to be sold are charged to operating expense at the time of transfer from premises to other real estate owned. Losses from declines in value of the properties subsequent to classification as other real estate owned are charged to operating expense.

The Company places a substantial amount of emphasis on disposing of other real estate owned and repossessed assets. To encourage local management to sell the other real estate as quickly as possible and to ensure that it is carried at a conservative value, the Company's policy is to write down other real estate annually by the greater of 10% of its remaining carrying value or the difference between its remaining carrying value and its estimated market value.

NONPERFORMING AND RESTRUCTURED ASSETS

	December 31,				
	2004	2003	2002	2001	2000
	(Dollars in thousands)				
Past due over 90 days and still accruing	\$ 3,149	\$ 2,674	\$ 2,515	\$ 1,742	\$ 2,790
Nonaccrual	8,688	13,381	10,899	10,225	8,852
Restructured	362	415	497	1,348	569
Total nonperforming and restructured loans	12,199	16,470	13,911	13,315	12,211
Other real estate owned and repossessed assets	2,513	3,939	2,819	2,699	2,130
Total nonperforming and restructured assets	\$ 14,712	\$ 20,409	\$ 16,730	\$ 16,014	\$ 14,341
Nonperforming and restructured loans to total loans	0.58%	0.85%	0.77%	0.78%	0.73%
Nonperforming and restructured assets to total assets	0.48%	0.70%	0.60%	0.58%	0.56%

Potential problem loans are performing loans to borrowers with a weakened financial condition, or which are experiencing unfavorable trends in their financial condition, which causes management to have concerns as to the ability of such borrowers to comply with the existing repayment terms. BancFirst had approximately \$27.1 million of these loans, which are not included in nonperforming and restructured assets, at December 31, 2004. In general, these loans are well collateralized and have no identifiable loss potential. Loans which are considered to have identifiable loss potential are placed on nonaccrual status, are allocated a specific allowance for loss or are directly charged-down, and are reported as nonperforming. The Company's nonaccrual loans are primarily commercial and real estate loans.

Allowance for Loan Losses

The allowance for loan losses reflects management's assessment of the risk of loss inherent in the Company's loan portfolio. The allowance and its adequacy is determined through consideration of many factors, including past loan loss experience, evaluations of known impaired loans, levels of adversely classified loans, general economic conditions and other environmental factors. The process of evaluating the adequacy of the allowance for loan losses necessarily involves the exercise of judgment and consideration of numerous subjective factors and, accordingly, there can be no assurance that the current level of the allowance will prove adequate in light of future developments and economic and environmental factors. As loan quality changes with economic and credit cycles, it would be reasonable to expect the Company's net charge-offs and loan loss provisions to return to more historically normal levels. The Company's loan portfolio continues to have improvements in credit quality which has resulted in a decline in nonperforming assets. These improvements, offset slightly by loan growth, caused a decline in the level of provisions as well as the allowance for loan losses.

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The Company's net charge-offs continue to remain relatively low. In 2004, the Company recognized \$3.1 million of net charge-offs, which was 0.16% of average loans, compared to \$3.21 million of net charge-offs, or 0.18% of average loans, for 2003, and \$5.44 million, or 0.31% of average loans, for 2002. The Company's allowance for loan losses to total loans continues to remain relatively low. In 2004, the Company's allowance for loan losses represented 1.23% of total loans, compared to 1.34% for 2003 and 2002.

ANALYSIS OF ALLOWANCE FOR LOAN LOSSES

	Year Ended December 31,				
	2004	2003	2002	2001	2000
	(Dollars in thousands)				
Balance at beginning of period	\$ 26,148	\$ 24,367	\$ 24,531	\$ 25,380	\$ 22,548
Charge-offs:					
Commercial	(1,729)	(1,687)	(3,129)	(854)	(1,062)
Real estate	(943)	(1,037)	(1,028)	(428)	(815)
Consumer	(1,422)	(1,578)	(2,391)	(2,274)	(2,481)
Other	(85)	(191)	(4)	(101)	(19)
Total charge-offs	(4,179)	(4,493)	(6,552)	(3,657)	(4,377)
Recoveries:					
Commercial	406	370	434	336	544
Real estate	196	496	118	287	353
Consumer	438	408	541	368	770
Other	38	14	19	37	19
Total recoveries	1,078	1,288	1,112	1,028	1,686
Net charge-offs	(3,101)	(3,205)	(5,440)	(2,629)	(2,691)
Provision charged to operations	2,699	3,722	5,276	1,780	4,045
Additions from acquisitions		1,264			1,478
Balance at end of period	\$ 25,746	\$ 26,148	\$ 24,367	\$ 24,531	\$ 25,380
Average loans	\$ 1,981,918	\$ 1,822,895	\$ 1,765,795	\$ 1,684,460	\$ 1,542,795
Total loans	\$ 2,093,515	\$ 1,947,223	\$ 1,814,862	\$ 1,717,433	\$ 1,666,338
Net charge-offs to average loans	0.16%	0.18%	0.31%	0.16%	0.17%
Allowance to total loans	1.23%	1.34%	1.34%	1.43%	1.52%
Allocation of the allowance by category of loans:					
Commercial, financial and other	\$ 6,541	\$ 7,654	\$ 7,602	\$ 7,500	\$ 8,161

Real estate - construction	1,735	1,898	1,594	1,106	1,178
Real estate - mortgage	14,139	13,036	11,317	10,673	10,262
Consumer	3,331	3,560	3,139	3,332	3,586
Unallocated			715	1,920	2,193
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 25,746	\$ 26,148	\$ 24,367	\$ 24,531	\$ 25,380
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Percentage of loans in each category to total loans:					
Commercial, financial and other	25.10%	27.57%	28.97%	31.76%	32.09%
Real estate - construction	7.28	7.90	7.52	4.92	5.08
Real estate - mortgage	54.55	50.90	49.14	47.52	46.32
Consumer	13.07	13.63	14.37	15.80	16.51
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	100.00%	100.00%	100.00%	100.00%	100.00%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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The Company's principal sources of liquidity and funding are its generation of profits and diverse 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, competitive service charges and other banking services offered, the Company can, to a limited extent, control its level of deposits. The level and maturity of deposits necessary to support the Company's lending and investment functions is determined through monitoring loan demand and through its asset/liability management process. Short-term borrowings, comprised primarily of federal funds purchased and repurchase agreements, provide additional funding sources, as well as long-term borrowings. The Company could also utilize the sale of loans, securities, and liquidation of other assets as sources of liquidity and funding.

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Total deposits increased \$71.7 million, or 2.77%, in 2004, and \$157 million, or 6.47%, in 2003. The increase in 2004 was from internal growth. The increase in 2003 was primarily due to the Gold Bank and Lincoln National Bancorporation acquisitions which added \$132 million in total deposits. Demand deposits as a percentage of total deposits have been increasing since 1994. The Company's core deposits provide it with a stable, low-cost funding source. Core deposits were 91.8% of total deposits in 2004, compared to 91.0% in 2003. Time deposits decreased in 2004 and 2003 due to lower interest rates offered on certificates of deposit.

ANALYSIS OF AVERAGE DEPOSITS

	Year Ended December 31,				
	2004	2003	2002	2001	2000
(Dollars in thousands)					
Average Balances					
Demand deposits	\$ 765,011	\$ 625,972	\$ 569,286	\$ 528,186	\$ 461,870
Interest-bearing transaction deposits	432,116	382,885	360,955	349,613	351,559
Savings deposits	746,864	709,332	559,210	451,156	406,909
Time deposits under \$100	497,773	544,899	636,150	707,707	657,535
Total core deposits	2,441,764	2,263,088	2,125,601	2,036,662	1,877,873
Time deposits of \$100 or more	219,517	222,698	264,019	299,085	233,409
Total deposits	\$ 2,661,281	\$ 2,485,786	\$ 2,389,620	\$ 2,335,747	\$ 2,111,282

Percentages of Total Average Deposits And Average Rates Paid

	% of		% of		% of		% of		% of	
	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate
Demand deposits	28.75%		25.18%		23.82%		22.61%		21.88%	
Interest-bearing transaction deposits	16.24	0.29%	15.40	0.41%	15.11	0.82%	14.97	1.65%	16.65	2.23%
Savings deposits	28.06	1.11	28.54	1.30	23.40	1.95	19.32	3.00	19.27	4.03
Time deposits under \$100	18.70	1.70	21.92	2.17	26.62	3.17	30.30	5.18	31.14	5.45
Total core deposits	91.75		91.04		88.95		87.20		88.94	
Time deposits of \$100 or more	8.25	2.06	8.96	2.36	11.05	3.37	12.80	5.37	11.06	5.94
Total deposits	100.00%		100.00%		100.00%		100.00%		100.00%	
Average rate paid on interest-bearing deposits		1.19%		1.50%		2.36%		3.98%		4.48%

The Company has not utilized brokered deposits. At December 31, 2004, 77.5% of its time deposits of \$100,000 or more mature in one year or less.

MATURITY OF CERTIFICATES OF DEPOSIT \$100,000 or More

	December 31, 2004
	(In thousands)
Three months or less	\$ 90,375
Over three months through six months	35,072
Over six months through twelve months	47,223
Over twelve months	50,148
Total	\$ 222,818

Short-term borrowings, consisting mainly 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 totaled \$27.7 million at December 31, 2004, compared to \$16.6 million at December 31, 2003.

In 1995, the Bank became a member of the Federal Home Loan Bank of Topeka, Kansas (the "FHLB") and began borrowing from the FHLB at favorable interest rates. These borrowings are principally used to match-fund longer-term, fixed-rate loans, and are collateralized by a pledge of residential first mortgages and certain securities. Long-term borrowings decreased to \$7.8 million in 2004 from \$11.1 million in 2003. In 2003, the Company executed the early payment of \$25.1 million in FHLB borrowings as part of an adjustment in the Company's interest sensitivity. As a result, a loss of \$2.43 million was recognized on this early extinguishment of debt in 2003.

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The Bank is highly liquid. This liquidity positions the Bank to respond to increased loan demand and other requirements for funds, or to decreases in funding sources. Cash flows from operations, investing activities and other funding sources have provided the funds for the increased loan activity.

The liquidity of BancFirst Corporation is dependent upon dividend payments from the Bank and its ability to obtain financing. Banking regulations limit bank dividends based upon net earnings retained by the bank and minimum capital requirements. Dividends in excess of these limits require regulatory approval. During 2004, the Bank declared four common stock dividends totaling \$10.1 million and two preferred stock dividends totaling \$1.93 million.

The Company has various contractual obligations that require future cash payments. The following table presents certain known payments for contractual obligations by payment due period as of December 31, 2004.

CONTRACTUAL OBLIGATIONS

December 31, 2004

	Payment Due by Period					Totals
	Less Than 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	Indeterminate Maturity	
	(Dollars in Thousands)					
Long-term debt ⁽¹⁾	\$ 3,908	\$ 4,205	\$ 239	\$	\$	\$ 8,352
Junior subordinated debentures ⁽¹⁾	4,285	8,569	8,569	139,133		160,556
Other liabilities ⁽²⁾					10,338	10,338
Operating lease payments	710	1,297	1,203	3,814		7,024
Certificates of deposit	524,555	117,774	45,508	28		687,865
Total	\$ 533,458	\$ 131,845	\$ 55,519	\$ 142,975	\$ 10,338	874,135

(1) Includes principal and interest.

(2) Represents insurance reserves.

Capital Resources

Stockholders' equity totaled \$277 million at year-end 2004, compared to \$255 million at year-end 2003 and \$252 million at year-end 2002. Stockholders' equity has continued to increase due to net earnings retained, stock option exercises, and unrealized gains on securities. The

Company's average equity capital ratio for 2004 was 8.85%, compared to 8.81% for 2003 and 8.53% for 2002. At December 31, 2004, the Company's leverage ratio was 9.75%, its Tier 1 capital ratio was 12.75%, and its total risk-based capital ratio was 13.88%, compared to minimum requirements of 3%, 4% and 8%, respectively. Banking institutions are generally expected to maintain capital well above the minimum levels.

On May 27, 2004, the Company amended its Amended and Restated Certificate of Incorporation to increase the number of shares of common stock that the Company has the authority to issue from 15,000,000 shares to 20,000,000 shares.

In January 2003, BancFirst Corporation repurchased 320,000 shares of its common stock for \$14.4 million. The shares were repurchased through a market-maker in the Company's stock and was not a part of the Company's ongoing Stock Repurchase Program.

In November 1999, the Company adopted a Stock Repurchase Program (the "SRP") authorizing management to repurchase up to 300,000 shares of the Company's common stock. The SRP was amended in May 2001 to increase the shares authorized to be purchased by 277,916 shares and was amended again in August 2002 to increase the number of shares authorized to be purchased by 182,265 shares. The SRP may be used as a means to increase earnings per share and return on equity, to purchase treasury stock for the exercise of stock options or for distributions under the Deferred Stock Compensation Plan, to provide liquidity for optionees to dispose of stock from exercises of their stock options, and to provide liquidity for shareholders wishing to sell their stock. The timing, price and amount of stock repurchases under the SRP may be determined by management and must be approved by the Company's Executive Committee. At December 31, 2004 there were 208,126 shares remaining that could be repurchased under the SRP.

In January 1997, BancFirst Corporation established BFC Capital Trust I (the "Trust"), a trust formed under the Delaware Business Trust Act. BancFirst Corporation owns all of the common securities of the Trust. In February 1997, the Trust issued \$25,000 of aggregate liquidation amount of 9.65% Capital Securities, Series A (the "Capital Securities") to other investors. The proceeds from the sale of the Capital Securities and the common

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securities of the Trust were invested in \$25,000 of 9.65% Junior Subordinated Deferrable Interest Debentures, Series A (the 9.65% Junior Subordinated Debentures) of BancFirst Corporation. The Series A Capital Securities and 9.65% Junior Subordinated Debentures were subsequently exchanged for Series B Capital Securities and Junior Subordinated Debentures, pursuant to a Registration Rights Agreement. The terms of the Series A and Series B securities are identical in all material respects. Interest payments on the 9.65% Junior Subordinated Debentures are payable January 15 and July 15 of each year. Such interest payments may be deferred for up to ten consecutive semi-annual periods. The stated maturity date of the 9.65% Junior Subordinated Debentures is January 15, 2027, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Capital Securities represent an undivided interest in the 9.65% Junior Subordinated Debentures, are guaranteed by BancFirst Corporation, and qualify as Tier 1 regulatory capital. During any deferral period or during any event of default, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

In January 2004, BancFirst Corporation established BFC Capital Trust II (BFC II), a trust formed under the Delaware Business Trust Act. BancFirst Corporation owns all of the common securities of BFC II. In February 2004, BFC II issued \$25,000 of aggregate liquidation amount of 7.20% Cumulative Trust Preferred Securities (the Trust Preferred Securities) to other investors. In March 2004, BFC II issued an additional \$1,000 in Trust Preferred Securities through the execution of an over-allotment option. The proceeds from the sale of the Trust Preferred Securities and the common securities of BFC II were invested in \$26,804 of 7.20% Junior Subordinated Debentures of BancFirst Corporation. Interest payments on the 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 7.20% Junior Subordinated Debentures is March 31, 2034, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Trust Preferred Securities represent an undivided interest in the 7.20% Junior Subordinated Debentures, are guaranteed by BancFirst Corporation, and qualify as Tier 1 regulatory capital. During any deferral period or during any event of default, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

Future dividend payments will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company and the Bank, their capital needs, applicable governmental policies and regulations and such other factors as the Board of Directors deems appropriate. While no assurance can be given as to the Company's ability to pay dividends, management believes that, based upon the anticipated performance of the Company, regular dividend payments will continue in 2005.

Market Risk

Market risk is defined as the risk of loss related to financial instruments from changes in interest rates, foreign currency exchange rates and commodity prices. The Company's market risk arises principally from its lending, investing, deposit and borrowing activities. The Company is not exposed to market risk from foreign exchange rates and commodity prices. Management monitors and controls interest rate risk through sensitivity analysis and its strategy of creating manageable negative interest sensitivity gaps, as described under Net Interest Income above. The Company does not use derivative financial instruments to manage its interest rate risk exposure.

The table below presents the Company's financial instruments that are sensitive to changes in interest rates, their expected maturities and their estimated fair values at December 31, 2004.

MARKET RISK

December 31, 2004

	Avg. Rate	Expected Maturity / Principal Repayments at December 31,						Balance	Fair Value
		2005	2006	2007	2008	2009	Thereafter		
(Dollars in thousands)									
Interest Sensitive Assets									
Loans	6.33%	\$ 842,427	\$ 333,244	\$ 246,930	\$ 157,581	\$ 103,220	\$ 410,113	\$ 2,093,515	\$ 2,052,752
Securities	4.21	126,205	136,774	80,388	174,714	8,922	33,231	560,234	561,242
Federal funds sold and interest bearing deposits	2.34	145,643						145,643	145,643
Interest Sensitive Liabilities									
Savings and transaction deposits	0.91	1,162,095						1,162,095	1,162,095
Time deposits	1.95	524,555	81,864	35,910	11,669	33,839	28	687,865	692,205
Short-term borrowings	1.21	27,707						27,707	27,707
Long-term borrowings	5.89	3,559	2,918	1,104	234			7,815	8,159
Junior subordinated debentures	8.39						51,804	51,804	52,938
Off Balance Sheet Items									
Loan commitments									901
Letters of credit									300

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The expected maturities and principal repayments are based upon the contractual terms of the instruments. Prepayments have been estimated for certain instruments with predictable prepayment rates. Savings and transaction deposits are assumed to mature all in the first year as they are not subject to withdrawal restrictions and any assumptions regarding decay rates would be very subjective. The actual maturities and principal repayments for the financial instruments could vary substantially from the contractual terms and assumptions used in the analysis.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in note (1) to the consolidated 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, which affect the amounts reported in the financial statements and the related disclosures. These estimates relate principally to the allowance for loan losses, income taxes, intangible assets and the fair value of financial instruments. Such estimates and assumptions may change over time and actual amounts realized may differ from those reported. The following is a summary of the accounting policies and estimates that management believes are the most critical.

Allowance for Loan Losses

The allowance for loan losses is management's estimate of the probable inherent losses in the Company's loan portfolio.

The allowance for loan losses is increased by provisions charged to operating expense and is reduced by net loan charge-offs. The amount of the allowance for loan losses is based on past loan loss experience, evaluations of known impaired loans, levels of adversely classified loans, general economic conditions and other environmental factors. A loan is considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The majority of the Company's impaired loans are collateral dependent. For collateral dependent loans, the amount of impairment is measured based upon the fair value of the underlying collateral and is included in the allowance for loan losses.

The amount of the allowance for loan losses is first determined by each business unit's management based on their evaluation of their unit's portfolio. This evaluation involves identifying impaired and adversely classified loans. Specific allowances for losses are determined for impaired loans based on either the loans' estimated discounted cash flows or the fair value of the collateral. Allowances for adversely classified loans are estimated using historical loss percentages for each type of loan. An allowance is also estimated for non-adversely classified loans using a historical loss percentage based on losses arising specifically from non-adversely classified loans, adjusted for various economic and environmental factors related to the underlying loans. Each month the Company's Senior Loan Committee reviews the adequacy of each business unit's allowance, and the aggregate allowance for the Company. The Senior Loan Committee also periodically evaluates and establishes the loss percentages used in the estimates of the allowance based on historical loss data, and giving consideration to their assessment of current economic and environmental conditions. To facilitate the Senior Loan Committee's evaluation, the Company's Asset Quality Department performs periodic reviews of each of the Company's business units and reports on the adequacy of management's identification of impaired and adversely classified loans, and their adherence to the Company's loan policies and procedures.

The process of evaluating the adequacy of the allowance for loan losses necessarily involves the exercise of judgment and consideration of numerous subjective factors and, accordingly, there can be no assurance that the current level of the allowance will prove adequate in light of future developments and economic conditions. Different assumptions and conditions could result in a materially different amount for the

allowance for loan losses.

Income Taxes

The Company files a consolidated income tax return. Deferred taxes are recognized under the liability method based upon the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, using the tax rates expected to apply to taxable income in the periods when the related temporary differences are expected to be realized.

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The amount of accrued current and deferred income taxes is based on estimates of taxes due or receivable from taxing authorities either currently or in the future. Changes in these accruals are reported as tax expense, and involve estimates of the various components included in determining taxable income, tax credits, other taxes and temporary differences. Changes periodically occur in the estimates due to changes in tax rates, tax laws and regulations, and implementation of new tax planning strategies. The process of determining the accruals for income taxes necessarily involves the exercise of considerable judgment and consideration of numerous subjective factors. Changes in the various factors considered in our estimates could produce material changes in the accruals for income taxes.

Intangible Assets

Core deposit intangibles are amortized on a straight-line basis over the estimated useful lives of the core deposits. Prior to 2002, the excess of cost over the fair value of assets acquired (goodwill) was amortized on a straight-line basis over fifteen to forty years, depending upon when the goodwill originated. Beginning with 2002, goodwill is no longer amortized. Customer relationship intangibles are amortized on a straight-line basis of eighteen years. All intangible assets are reviewed annually in the fourth quarter for possible impairment. Impairment losses are measured by comparing the fair values of the intangible assets with their recorded amounts. Any impairment losses are reported in the income statement.

The evaluation of core deposit intangibles for possible impairment involves reassessing the useful lives and the recoverability of the intangible assets. The evaluation of the useful lives is performed by reviewing the levels of core deposits of the respective branches acquired. The actual life of a core deposit base may be longer than originally estimated due to more successful retention of customers, or may be shorter due to more rapid runoff. Amortization of core deposit intangibles would be adjusted, if necessary, to amortize the remaining net book values over the remaining lives of the core deposits. The evaluation for recoverability is only performed if events or changes in circumstances indicate that the carrying amount of the intangibles may not be recoverable.

The evaluation of goodwill for possible impairment is performed by comparing the fair values of the related reporting units with their carrying amounts including goodwill. The fair values of the related business units are estimated using market data for prices of recent acquisitions of banks and branches.

The evaluation of intangible assets for the year ended December 31, 2004 resulted in no material impairments.

Fair Value of Financial Instruments

Securities that are being held for indefinite periods of time, or that may be sold as part of the Company's asset/liability management strategy, to provide liquidity or for other reasons, are classified as available for sale and are stated at estimated market value. Unrealized gains or losses on securities available for sale are reported as a component of stockholders' equity, net of income tax. Securities that are determined to be impaired, and for which such impairment is determined to be other than temporary, are adjusted to fair value and a corresponding loss is recognized.

The estimates of fair values of securities and other financial instruments are based on a variety of factors. In some cases, fair values represent quoted market prices for identical or comparable instruments. In other cases, fair values have been estimated based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of year end or that will be realized in the future.

Future Application of Accounting Standards

See note (1) of the Notes to Consolidated Financial Statements for a discussion of recently issued accounting pronouncements.

Segment Information

See note (20) of the Notes to Consolidated Financial Statements for disclosures regarding the Company's operating business segments.

Table of Contents**Index to Financial Statements****Forward-Looking Statements**

The Company may make forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) with respect to earnings, credit quality, corporate objectives, interest rates and other financial and business matters. 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. Actual results may differ materially from forward-looking statements.

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Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Management has assessed the effectiveness of the Company's internal control over financial reporting based on the criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on that assessment and criteria, management has determined that the Company has maintained effective internal control over financial reporting as of December 31, 2004.

Ernst & Young LLP, the independent registered public accounting firm that audited the consolidated financial statements of the Company included in this annual report, has issued an audit report on management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004. Their report, which expresses unqualified opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, is included in this annual report.

BancFirst Corporation

Oklahoma City, Oklahoma

April 18, 2005

/s/ David E. Rainbolt
David E. Rainbolt
President and Chief Executive Officer

/s/ Joe T. Shockley, Jr.
Joe T. Shockley, Jr.
Executive Vice President and
Chief Financial Officer

/s/ Randy Foraker
Randy Foraker
Executive Vice President and
Chief Risk Officer

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of BancFirst Corporation

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that BancFirst Corporation maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). BancFirst Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that BancFirst Corporation maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, BancFirst Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2004 consolidated financial statements of BancFirst Corporation and our report dated March 14, 2005 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

April 18, 2005

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

BancFirst Corporation

We have audited the accompanying consolidated balance sheets of BancFirst Corporation as of December 31, 2004 and 2003, and the related consolidated statements of income, stockholders' equity, and cash flow for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of BancFirst Corporation at December 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Oklahoma City, Oklahoma

March 14, 2005

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BANCFIRST CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	December 31,	
	2004	2003
ASSETS		
Cash and due from banks	\$ 100,564	\$ 155,367
Interest-bearing deposits with banks	15,643	3,761
Federal funds sold	130,000	105,809
Securities (market value: \$561,242 and \$566,461, respectively)	560,234	564,735
Loans:		
Total loans (net of unearned interest)	2,093,515	1,947,223
Allowance for loan losses	(25,746)	(26,148)
Loans, net	2,067,769	1,921,075
Premises and equipment, net	68,643	66,423
Other real estate owned	2,035	3,428
Intangible assets, net	6,203	4,726
Goodwill	30,046	27,611
Accrued interest receivable	18,723	19,006
Other assets	47,117	49,428
Total assets	\$ 3,046,977	\$ 2,921,369
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	\$ 807,474	\$ 720,366
Interest-bearing	1,849,960	1,865,324
Total deposits	2,657,434	2,585,690
Short-term borrowings	27,707	16,610
Accrued interest payable	3,884	3,741
Other liabilities	18,542	21,546
Long-term borrowings	7,815	11,063
Junior subordinated debentures	51,804	25,000
Minority interest	2,294	2,347
Total liabilities	2,769,480	2,665,997
Commitments and contingent liabilities		
Stockholders' equity:		
Senior preferred stock, \$1.00 par; 10,000,000 shares authorized; none issued		

Cumulative preferred stock, \$5.00 par; 900,000 shares authorized; none issued		
Common stock, \$1.00 par; 20,000,000 shares authorized; shares issued and outstanding: 7,840,796 and 7,822,637, respectively	7,841	7,823
Capital surplus	63,054	60,819
Retained earnings	203,450	176,893
Accumulated other comprehensive income, net of income tax of \$1,187 and \$5,128, respectively	3,152	9,837
	<u>277,497</u>	<u>255,372</u>
Total stockholders' equity		
	<u>\$ 3,046,977</u>	<u>\$ 2,921,369</u>

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

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BANCFIRST CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)

	Year Ended December 31,		
	2004	2003	2002
INTEREST INCOME			
Loans, including fees	\$ 119,294	\$ 115,050	\$ 125,135
Securities:			
Taxable	21,144	21,960	27,338
Tax-exempt	1,455	1,601	1,905
Federal funds sold	2,798	2,319	2,639
Interest-bearing deposits with banks	74	102	122
	<u>144,765</u>	<u>141,032</u>	<u>157,139</u>
Total interest income	144,765	141,032	157,139
INTEREST EXPENSE			
Deposits	22,528	27,900	42,879
Short-term borrowings	332	305	607
Long-term borrowings	548	1,263	1,876
Junior subordinated debentures	4,111	2,447	2,447
	<u>27,519</u>	<u>31,915</u>	<u>47,809</u>
Total interest expense	27,519	31,915	47,809
Net interest income	117,246	109,117	109,330
Provision for loan losses	2,699	3,722	5,276
	<u>114,547</u>	<u>105,395</u>	<u>104,054</u>
Net interest income after provision for loan losses	114,547	105,395	104,054
NONINTEREST INCOME			
Trust revenue	4,490	4,267	3,989
Service charges on deposits	27,063	25,771	25,001
Securities transactions	(236)	3,283	291
Income from sales of loans	1,753	2,303	1,370
Other	18,785	13,196	14,561
	<u>51,855</u>	<u>48,820</u>	<u>45,212</u>
Total noninterest income	51,855	48,820	45,212
NONINTEREST EXPENSE			
Salaries and employee benefits	63,216	57,326	56,119
Occupancy and fixed assets expense, net	6,488	6,187	5,429
Depreciation	6,128	5,455	5,423
Amortization of intangible assets	831	580	600
Data processing services	2,493	2,339	2,117

Net expense from other real estate owned	524	401	428
Loss on early extinguishment of debt		2,429	
Marketing and business promotion	3,382	2,906	3,018
Other	25,682	27,759	25,246
	<u> </u>	<u> </u>	<u> </u>
Total noninterest expense	108,744	105,382	98,380
	<u> </u>	<u> </u>	<u> </u>
Income before taxes	57,658	48,833	50,886
Income tax expense	(20,482)	(16,951)	(17,324)
	<u> </u>	<u> </u>	<u> </u>
Net income	37,176	31,882	33,562
Other comprehensive income, net of tax of \$(3,989), \$(1,597) and \$4,119, respectively			
Unrealized gains (losses) on securities	(6,839)	(3,928)	6,709
Reclassification adjustment for gains included in net income	154	(2,134)	
	<u> </u>	<u> </u>	<u> </u>
Comprehensive income	\$ 30,491	\$ 25,820	\$ 40,271
	<u> </u>	<u> </u>	<u> </u>
NET INCOME PER COMMON SHARE			
Basic	\$ 4.75	\$ 4.07	\$ 4.12
	<u> </u>	<u> </u>	<u> </u>
Diluted	\$ 4.65	\$ 4.00	\$ 4.06
	<u> </u>	<u> </u>	<u> </u>

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

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B ANCFIRST CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(Dollars in thousands, except per share data)

	Year Ended December 31,					
	2004		2003		2002	
	Shares	Amount	Shares	Amount	Shares	Amount
COMMON STOCK						
Issued at beginning of period	7,822,637	\$ 7,823	8,136,852	\$ 8,137	8,260,099	\$ 8,260
Shares issued	59,659	60	45,860	46	63,352	63
Shares acquired and canceled	(41,500)	(42)	(360,075)	(360)	(186,599)	(186)
Issued at end of period	<u>7,840,796</u>	<u>\$ 7,841</u>	<u>7,822,637</u>	<u>\$ 7,823</u>	<u>8,136,852</u>	<u>\$ 8,137</u>
CAPITAL SURPLUS						
Balance at beginning of period		\$ 60,819		\$ 59,232		\$ 57,412
Common stock issued		2,235		1,587		1,820
Balance at end of period		<u>\$ 63,054</u>		<u>\$ 60,819</u>		<u>\$ 59,232</u>
RETAINED EARNINGS						
Balance at beginning of period		\$ 176,893		\$ 168,240		\$ 148,306
Net income		37,176		31,882		33,562
Dividends on common stock (\$1.06, \$0.94 and \$0.80 per share, respectively)		(8,301)		(7,343)		(6,502)
Common stock acquired and canceled		(2,318)		(15,886)		(7,126)
Balance at end of period		<u>\$ 203,450</u>		<u>\$ 176,893</u>		<u>\$ 168,240</u>
ACCUMULATED OTHER						
COMPREHENSIVE INCOME						
Unrealized gains on securities:						
Balance at beginning of period		\$ 9,837		\$ 15,899		\$ 9,190
Net change		(6,685)		(6,062)		6,709
Balance at end of period		<u>\$ 3,152</u>		<u>\$ 9,837</u>		<u>\$ 15,899</u>
Total stockholders equity		<u>\$ 277,497</u>		<u>\$ 255,372</u>		<u>\$ 251,508</u>

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

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CONSOLIDATED STATEMENTS OF CASH FLOW**(Dollars in thousands)**

	December 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 37,176	\$ 31,882	\$ 33,562
Adjustments to reconcile to net cash provided by operating activities:			
Provision for loan losses	2,699	3,722	5,276
Depreciation and amortization	6,959	6,035	6,023
Net amortization of securities premiums and discounts	2,740	2,185	486
Realized securities losses (gains)	236	(3,283)	(291)
Gain on sales of loans	(1,753)	(2,125)	(1,370)
Gain on sale of minority stock	(2,874)		
Proceeds from sales of loans held for sale	91,242	137,308	100,383
Deferred income tax provision	1,245	867	1,071
Amortization of tax basis difference	1,301		
Provision for losses on other real estate owned	381	288	267
Decrease in interest receivable	283	3,427	486
Increase (decrease) in interest payable	143	(1,970)	(3,780)
Other, net	(5,222)	(9,315)	298
Net cash provided by operating activities	<u>134,556</u>	<u>169,021</u>	<u>142,411</u>
INVESTING ACTIVITIES			
Net cash and due from banks provided (used) for acquisitions	(3,960)	11,562	
Purchases of securities:			
Held for investment	(3,074)	(1,962)	(5,223)
Available for sale	(172,132)	(182,622)	(129,356)
Maturities of securities:			
Held for investment	8,356	16,394	21,009
Available for sale	143,103	100,878	99,339
Proceeds from sales and calls of securities:			
Held for investment	1,031	2,194	916
Available for sale	14,072	92,386	2,471
Net (increase) decrease in federal funds sold	(24,191)	28,191	74,000
Purchases of loans	(39,030)	(16,473)	(14,423)
Proceeds from sales of loans	63,520	60,910	39,332
Net other increase in loans	(268,281)	(245,762)	(232,624)
Purchases of premises and equipment	(9,085)	(7,597)	(9,099)
Proceeds from the sale of other real estate owned and repossessed assets	5,324	4,807	6,395
Other, net	9,787	406	2,814
Net cash used for investing activities	<u>(274,560)</u>	<u>(136,688)</u>	<u>(144,449)</u>

	_____	_____	_____
FINANCING ACTIVITIES			
Net increase in demand, transaction and savings deposits	129,678	135,251	162,807
Net decrease in certificates of deposits	(57,935)	(110,235)	(135,487)
Net increase (decrease) in short-term borrowings	11,097	(14,516)	(27,648)
Net increase (decrease) in long-term borrowings	(4,195)	(23,024)	9,997
Issuance of junior subordinated debentures	26,804		
Issuance of common stock	2,295	1,633	1,883
Acquisition of common stock	(2,360)	(16,246)	(7,312)
Cash dividends paid	(8,301)	(7,173)	(6,202)
	_____	_____	_____
Net cash provided (used) by financing activities	97,083	(34,310)	(1,962)
	_____	_____	_____
Net decrease in cash and due from banks	(42,921)	(1,977)	(4,000)
Cash and due from banks at the beginning of the period	159,128	161,105	165,105
	_____	_____	_____
Cash and due from banks at the end of the period	\$ 116,207	\$ 159,128	\$ 161,105
	_____	_____	_____
SUPPLEMENTAL DISCLOSURE			
Cash paid during the year for interest	\$ 27,376	\$ 33,785	\$ 51,589
	_____	_____	_____
Cash paid during the year for income taxes	\$ 16,976	\$ 15,026	\$ 15,326
	_____	_____	_____

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

Table of Contents**Index to Financial Statements****BANCFIRST CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****(Dollars in thousands, except share and per share amounts)****(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of BancFirst Corporation and its subsidiaries (the Company) conform to generally accepted accounting principles and general practice within the banking industry. A summary of the significant accounting policies follows.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of BancFirst Corporation, Century Life Assurance Company, Council Oak Partners, LLC, Wilcox & Jones, Inc., and BancFirst and its subsidiaries (the Company). The operating subsidiaries of BancFirst are Council Oak Investment Corporation, Citibanc Insurance Agency, Inc., BancFirst Agency, Inc., Lenders Collection Corporation and PremierSource, LLC. Three other operating subsidiaries of BancFirst, Mojave Asset Management Company, Desert Asset Management Company, and Delamar Asset Management Limited Partnership, were liquidated and dissolved in August 2004. One other operating subsidiary of BancFirst, Express Financial Corporation, was liquidated and dissolved in December 2004. All significant intercompany accounts and transactions have been eliminated. Assets held in a fiduciary or agency capacity are not assets of the Company and, accordingly, are not included in the consolidated financial statements. Certain amounts for 2003 and 2002 have been reclassified to conform to the 2004 presentation.

Use of Estimates

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

Securities

The Company does not engage in securities trading activities. Any sales of securities are for the purpose of executing the Company's asset/liability management strategy, eliminating a perceived credit risk in a specific security, or providing liquidity. Securities that are being held for indefinite periods of time, or that may be sold as part of the Company's asset/liability management strategy, to provide liquidity or for other reasons, are classified as available for sale and are stated at estimated market value. Securities with limited marketability, such as Federal Home Loan Bank stock, are carried at cost, which approximates fair value, and are classified as available for sale. Unrealized gains or losses on

securities available for sale are reported as a component of stockholders' equity, net of income tax. Gains or losses from sales of securities are based upon the book values of the specific securities sold. Securities for which the Company has the intent and ability to hold to maturity are classified as held for investment and are stated at cost, adjusted for amortization of premiums and accretion of discounts computed under the interest method. The Company reviews its portfolio of securities for impairment at least quarterly. Impairment is considered to be other-than-temporary if it is likely that all amounts contractually due will not be received for debt securities and when there is no positive evidence indicating that an investment's carrying amount is recoverable in the near term for equity securities. When impairment is considered other-than-temporary, the cost basis of the security is written down to fair value, with the impairment charge included in earnings. In evaluating whether the impairment is temporary or other-than-temporary, the Company considers, among other things, the time period the security has been in an unrealized loss position, and whether the Company has the intent and ability to hold a security for a period of time sufficient to allow for any anticipated recovery in fair value.

Table of Contents**Index to Financial Statements****BANCFIRST CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)****Loans**

Loans are stated at the principal amount outstanding. Interest income on certain installment loans is recorded by use of a method that produces a reasonable approximation of a constant yield on the outstanding principal. Interest on all other performing loans is recognized based upon the principal amount outstanding. A loan is placed on nonaccrual status when, in the opinion of management, the future collectibility of interest and/or principal is in serious doubt. Interest income is recognized on certain of these loans on a cash basis if the full collection of the remaining principal balance is reasonably expected. Otherwise, interest income is not recognized until the principal balance is fully collected.

Allowance for Loan Losses

The allowance for loan losses is maintained to provide for probable credit losses related to specifically identified loans and for losses inherent in the portfolio that have been incurred as of the balance sheet date. The allowance for loan losses is increased by provisions charged to operating expense and is reduced by net loan charge-offs. The amount of the allowance for loan losses is based on past loan loss experience, evaluations of known impaired loans, levels of adversely classified loans, general economic conditions and other environmental factors. A loan is considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The majority of the Company's impaired loans are collateral dependent. For collateral dependent loans, the amount of impairment is measured based upon the fair value of the underlying collateral and is included in the allowance for loan losses.

Premises and Equipment

Premises and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to operating expense and is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred while improvements are capitalized. Premises and equipment is tested for impairment if events or changes in circumstances occur that indicate that the carrying amount of any premises and equipment may not be recoverable. Impairment losses are measured by comparing the fair values of the premises and equipment with their recorded amounts. Premises that are identified to be sold are transferred to other real estate owned at the lower of their carrying amounts or their fair values less estimated costs to sell. Any losses on premises identified to be sold are charged to operating expense. When premises and equipment are transferred to other real estate owned, sold, or otherwise retired, the cost and applicable accumulated depreciation are removed from the respective accounts and any resulting gains or losses are reported in the income statement.

Other Real Estate Owned

Other real estate owned 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 market values based upon appraisals, less estimated costs to sell. Losses arising at the time of reclassification of such properties from loans to other real estate owned are charged directly to the allowance for loan losses. Any losses on premises identified to be sold are charged to operating expense at the time of transfer from premises to other real estate owned. Losses from declines in value of the properties subsequent to classification as other real estate owned are charged to operating expense.

Intangible Assets

Core deposit intangibles are amortized on a straight-line basis over the estimated useful lives of the core deposits. Prior to 2002, the excess of cost over the fair value of assets acquired (goodwill) was amortized on a straight-line basis over fifteen to forty years, depending upon when the goodwill originated. Beginning with 2002, goodwill is no longer amortized, but is evaluated annually for impairment. Customer relationship intangibles are amortized on a straight-line basis over eighteen years. All intangible assets are reviewed in the fourth quarter for possible impairment. Impairment losses are measured by comparing the fair values of the intangible assets with their recorded amounts. Any impairment losses are reported in the income statement.

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The Company uses the intrinsic value method, as described in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25) and related interpretations, for accounting for its stock-based compensation. Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (FAS 123), as amended by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of FASB Statement No. 123, which, if fully adopted by the Company, would change the method the Company applies in recognizing the cost of these plans to the fair value method. Adoption of the cost recognition provisions of FAS 123 is optional and the Company has not yet adopted such provisions. However, pro forma disclosures as if the Company adopted the cost recognition provisions of FAS 123 in 1995 are required and are presented below.

	Year Ended December 31,					
	2004		2003		2002	
	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
APB 25 charge	\$	\$	\$	\$	\$	\$
FAS 123 charge		601		706		643
Net income	37,176	36,575	31,882	31,176	33,562	32,919
Net income per share:						
Basic	\$ 4.75	\$ 4.67	\$ 4.07	\$ 3.98	\$ 4.12	\$ 4.05
Diluted	4.65	4.57	4.00	3.91	4.06	3.99

The effects of applying FAS 123 to the pro forma disclosure are not indicative of future results. FAS 123 does not apply to grants of options prior to 1995 and the Company anticipates making additional grants in the future.

Income Taxes

The Company files a consolidated income tax return. Deferred taxes are recognized under the liability method based upon the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, using the tax rates expected to apply to taxable income in the periods when the related temporary differences are expected to be realized.

Earnings Per Common Share

Basic earnings per common share is computed by dividing net income, less any preferred dividends requirement, by the weighted average of common shares outstanding. Diluted earnings per common share reflects the potential dilution that could occur if options, convertible securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company.

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers cash and due from banks, and interest-bearing deposits with banks as cash equivalents. Acquisitions accounted for as purchases or as book value purchases are presented net of any stock issued, assets acquired and liabilities assumed.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

Recent Accounting Pronouncements

The Financial Accounting Standards Board (the FASB) Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by Statements 137 and 138, was adopted by the Company on January 1, 2001. It was further amended by Statement 149 in 2003. This Statement established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those financial instruments at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and its resulting designation. The adoption of this standard did not have a material effect on the Company's consolidated financial statements.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*. This Statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. Statement 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The adoption of this standard did not have a material effect on the Company's consolidated financial statements.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This Statement is effective for fiscal years beginning after December 15, 2001, and replaces Statement of Financial Accounting Standards No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of* and also replaces the provisions of Accounting Principles Board Opinion No. 30, *Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business*, for disposals of segments of a business. Statement 144 requires that long-lived assets to be disposed of by sale be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Statement 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the ongoing operations of the entity. Since the provisions of this Statement are to be applied prospectively, the adoption of this new standard did not have a material effect on the Company's consolidated financial statements.

In October 2002, the FASB issued FAS No. 147, *Acquisitions of Certain Financial Institutions* an amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9. This Statement is effective October 1, 2002. FAS No. 72, *Accounting for Certain Acquisitions of Banking or Thrift Institutions*, and FASB Interpretation No. 9, *Applying APB Opinions No. 16 and 17 When a Savings and Loan Association or a Similar Institution is Acquired in a Business Combination Accounted for by the Purchase Method*, provide interpretive guidance on the application of the purchase method to acquisitions of financial institutions. This Statement removes acquisitions of financial institutions from the scope of both FAS No. 72 and Interpretation 9 and requires that those transactions be accounted for in accordance with FAS No. 141 and FAS No. 142. In addition, this Statement amends FAS 144 to include in its scope long-term customer relationship intangible assets of financial institutions such as depositor and borrower relationship intangible assets and credit cardholder intangible assets. The adoption of this new standard did not have a material effect on the Company's consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 (FIN 46) which provides guidance for determining when an entity should consolidate another entity that meets the definition of a variable interest entity. Special purpose entities and other types of entities are assessed for consolidation under this new guidance. FIN 46 requires a variable interest entity to be consolidated if the company will absorb a majority of the expected losses, will receive a majority of the expected residual returns, or both. FIN 46 is effective immediately for interests in variable interest entities acquired after January 31, 2003. It applied in the first interim period after June 15, 2003 to interests in variable interest entities acquired before February 1, 2003. As of October 9, 2003, the FASB deferred compliance with FIN 46 from July 1, 2003 to the first period ending after December 15, 2003 for variable interest entities created prior to February 1, 2003. However, the Company adopted FIN 46 on July 1, 2003, as originally issued, and de-consolidated BFC Capital Trust I. In December 2003, the FASB issued a revision of FIN 46 (Revised FIN 46) that codified the proposed modifications and other decisions previously issued through certain FASB Staff Positions, made other revisions, and superseded the original FIN 46. The effect of this de-consolidation was to remove the \$25,000 of 9.65% Capital Securities and the related interest expense from the Company's consolidated financial statements, and instead report the \$25,000 of Junior Subordinated Debentures issued by BancFirst Corporation to the Trust, and the related interest expense thereon. In March 2005, the Federal Reserve Board adopted a final rule that allows the continued limited inclusion of trust preferred securities in the Tier 1 capital of bank holding companies.

In May 2003, the FASB issued FAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. This statement is effective for all new and modified financial instruments beginning with the first interim period beginning after June 15, 2003. FAS No. 150 changes the accounting for certain financial instruments that, under previous guidance, could be accounted for as equity and requires that those instruments be classified as liabilities, or assets in certain circumstances. The adoption of this new standard did not have a material effect on the Company's consolidated financial statements.

In December 2003, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 03-3, Accounting for Certain Loans or Debt Securities Acquired in a Transfer. SOP 03-3 requires acquired loans, including debt securities, to be recorded at the amount of the purchaser's initial investment and prohibits carrying over valuation allowances from the seller for those individually-evaluated loans that have evidence of deterioration in credit quality since origination, and it is probable all contractual cash flows on the loan will be unable to be collected. SOP 03-3 also requires the excess of all undiscounted cash flows expected to be collected at acquisition over the purchaser's initial investment to be recognized as interest income on level-yield basis over the life of the loan. Subsequent increases in cash flows expected to be collected are recognized prospectively through an adjustment of the loan's yield over its remaining life, while subsequent decreases are recognized as impairment. Loans carried at fair value, mortgage loans held for sale, and loans to borrowers in good standing under revolving credit agreements are excluded from the scope of SOP 03-3. The guidance is effective for loans acquired in fiscal years beginning after December 15, 2004. The adoption of this standard is not expected to have a material effect on the Company's consolidated financial statements.

In March 2004, the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) released Issue 03-01, Meaning of Other Than Temporary Impairment, which addressed other-than-temporary impairment for certain debt and equity investments. The recognition and measurement requirements of Issue 03-01, and other disclosure requirements not already implemented, were effective for periods beginning after June 15, 2004. In September 2004, the FASB staff issued FASB Staff Position (FSP) EITF 03-1-1, which delayed the effective date for certain measurement and recognition guidance contained in Issue 03-1. The FSP requires the application of pre-existing other-than-temporary guidance during the period of delay until a final consensus is reached. The adoption of this standard is not expected to have a material effect on the Company's consolidated financial statements.

In December 2004, the FASB revised SFAS 123, Accounting for Stock-Based Compensation (SFAS 123R). SFAS 123R establishes accounting requirements for share-based compensation to employees and carries forward prior guidance on accounting for awards to nonemployees. The provisions of this statement will become effective for interim periods beginning July 1, 2005 for all equity awards granted after the effective date. SFAS 123R requires an entity to recognize compensation expense based on an estimate of the number of awards expected to actually vest, exclusive of awards expected to be forfeited. Currently, the Company recognizes forfeitures as they occur. The adoption of this standard is not expected to have a material effect on the Company's consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(2) MERGERS & ACQUISITIONS AND RECENT TRANSACTIONS

In January 2003, BancFirst Corporation repurchased 320,000 shares of its common stock for \$14,400. The shares were repurchased through a market - maker in the Company's stock and was not a part of the Company's ongoing Stock Repurchase Program.

In October 2003, BancFirst Corporation completed the acquisition of Lincoln National Bancorporation (Lincoln) of Oklahoma City, Oklahoma for cash of \$16,949. Lincoln had consolidated total assets of approximately \$107,673. As a result of the acquisition, Lincoln was merged into the Company, and Lincoln's wholly-owned bank subsidiary, Lincoln National Bank, became a subsidiary of the Company and was merged into BancFirst in February 2004. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company's consolidated financial statements from the date of the acquisition forward.

In November 2003, BancFirst completed the acquisition of the Hobart and Lone Wolf, Oklahoma branches of Gold Bank. As a result of the acquisition, BancFirst purchased approximately \$16,256 of loans and other assets, and assumed approximately \$40,465 of deposits, for a premium of approximately \$2,731. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition are included in the Company's consolidated financial statements from the date of the acquisition forward.

In January 2004, BancFirst Corporation established BFC Capital Trust II (BFC II), a trust formed under the Delaware Business Trust Act. BancFirst Corporation owns all of the common securities of BFC II. In February 2004, BFC II issued \$25,000 of aggregate liquidation amount of 7.20% Cumulative Trust Preferred Securities (the Trust Preferred Securities) to other investors. In March 2004, BFC II issued an additional \$1,000 in Trust Preferred Securities through the execution of an over-allotment option. The proceeds from the sale of the Trust Preferred Securities and the common securities of BFC II were invested in \$26,804 of 7.20% Junior Subordinated Debentures of BancFirst Corporation. Interest payments on the 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 7.20% Junior Subordinated Debentures is March 31, 2034, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Trust Preferred Securities represent an undivided interest in the 7.20% Junior Subordinated Debentures, are guaranteed by BancFirst Corporation, and qualify as Tier 1 regulatory capital. During any deferral period or during any event of default, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

In October 2004, the Company completed the acquisition of Wilcox & Jones, Inc., an independent insurance agency headquartered in Tulsa, Oklahoma for \$4.8 million. The purchase price included \$4.0 million in cash and \$800 in notes payable. As a result of the acquisition, Wilcox & Jones was merged into the Company and became a wholly-owned subsidiary of BancFirst Corporation. The acquisition was accounted for as a purchase. Accordingly, the effects of the acquisition have been included in the Company's consolidated financial statements from the date of the acquisition forward.

In 2004, the Company sold minority interests it owned in two community banks and recognized pre-tax gains totaling \$2.87 million.

(3) DUE FROM BANKS AND FEDERAL FUNDS SOLD

The Company maintains accounts with various other financial institutions and the Federal Reserve Bank, primarily for the purpose of clearing cash items. It also sells federal funds to certain of these institutions on an overnight basis. As a result, the Company had concentrations of credit risk in four institutions totaling \$130,000 at December 31, 2004 and in one institution totaling \$28,239 at December 31, 2003. These institutions are selected based on the strength of their financial condition and their creditworthiness. No collateral is required on such balances.

The Company is required, as a matter of law, to maintain a reserve balance in the form of vault cash or on deposit with the Federal Reserve Bank. The average amount of reserves maintained for each of the years ended December 31, 2004 and 2003 was approximately \$21,027 and \$20,000, respectively.

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

	December 31,	
	2004	2003
Held for investment at cost (market value: \$33,168, and \$40,191, respectively)	\$ 32,160	\$ 38,465
Available for sale, at market value	528,074	526,270
Total	\$ 560,234	\$ 564,735

The table below summarizes the amortized cost and estimated market values of securities held for investment:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
December 31, 2004				
U.S. Treasuries	\$	\$	\$	\$
Mortgage backed securities	5,296	187	(3)	5,480
States and political subdivisions	26,864	863	(39)	27,688
Total	\$ 32,160	\$ 1,050	\$ (42)	\$ 33,168
December 31, 2003				
U.S. Treasuries	\$ 788	\$	\$	\$ 788
Mortgage backed securities	7,493	326	(1)	7,818
States and political subdivisions	30,184	1,408	(7)	31,585
Total	\$ 38,465	\$ 1,734	\$ (8)	\$ 40,191

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The table below summarizes the amortized cost and estimated market values of securities available for sale:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Market Value</u>
December 31, 2004				
U.S. Treasuries	\$ 1,655	\$ 21	\$ (12)	\$ 1,664
U.S. federal agencies ⁽¹⁾	479,255	4,805	(1,672)	482,388
Mortgage backed securities	17,464	238	(10)	17,692
States and political subdivisions	10,579	148	(12)	10,715
Other securities ⁽²⁾	14,430	1,185		15,615
Total	<u>\$ 523,383</u>	<u>\$ 6,397</u>	<u>\$ (1,706)</u>	<u>\$ 528,074</u>
December 31, 2003				
U.S. Treasuries	\$ 2,156	\$ 33	\$	\$ 2,189
U.S. federal agencies ⁽¹⁾	455,476	14,163	(110)	469,529
Mortgage backed securities	27,583	354	(8)	27,929
States and political subdivisions	11,907	189	(13)	12,083
Other securities ⁽²⁾	14,217	323		14,540
Total	<u>\$ 511,339</u>	<u>\$ 15,062</u>	<u>\$ (131)</u>	<u>\$ 526,270</u>

(1) Primarily consists of FHLMC, FNMA, GNMA and mortgage backed securities.

(2) Primarily consists of FHLB stock and equity securities.

The maturities of securities held for investment and available for sale are summarized below. 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 allocated over maturity groupings based on the weighted-average estimated maturities of the underlying collateral.

December 31,

2004	2003
------	------

	Estimated		Estimated	
	Amortized	Market	Amortized	Market
	Cost	Value	Cost	Value
Held for Investment				
Contractual maturity of debt securities:				
Within one year	\$ 5,486	\$ 5,529	\$ 7,860	\$ 7,943
After one year but within five years	20,169	20,759	21,233	22,240
After five years but within ten years	4,694	4,982	7,100	7,589
After ten years	1,811	1,898	2,272	2,419
Total	\$ 32,160	\$ 33,168	\$ 38,465	\$ 40,191
Available for Sale				
Contractual maturity of debt securities:				
Within one year	\$ 119,923	\$ 120,719	\$ 143,009	\$ 144,059
After one year but within five years	378,098	380,630	328,778	342,067
After five years but within ten years	9,722	9,851	15,227	15,402
After ten years	1,385	1,438	10,281	10,389
Total debt securities	509,128	512,638	497,295	511,917
Equity securities	14,255	15,436	14,044	14,353
Total	\$ 523,383	\$ 528,074	\$ 511,339	\$ 526,270

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The following is a detail of realized securities gains, losses and impairments:

	Year Ended December 31,		
	2004	2003	2002
Proceeds	\$ 316	\$ 89,921	\$ 2,181
Gross gains realized	27	3,308	291
Gross losses realized			
Impairments	263	25	

Securities having book values of \$475,972, \$439,105 and \$432,578 at December 31, 2004, 2003 and 2002, respectively, were pledged as collateral for public funds on deposit, repurchase agreements and for other purposes as required or permitted by law.

A total of 71 securities had unrealized losses at December 31, 2004. These securities, with unrealized losses segregated by length of impairment, were as follows:

	Less than 12 Months		More than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Held to Maturity						
U.S. federal agencies	\$	\$	\$ 657	\$ 3	\$ 657	\$ 3
States, political subdivisions, and other	110		2,971	39	3,081	39
Total	\$ 110	\$	\$ 3,628	\$ 42	\$ 3,738	\$ 42
Available for Sale						
U.S. federal agencies	\$ 29,865	\$ 211	\$ 143,224	\$ 1,483	\$ 173,089	\$ 1,694
States, political subdivisions, and other	275	1	2,647	11	2,922	12
Total	\$ 30,140	\$ 212	\$ 145,871	\$ 1,494	\$ 176,011	\$ 1,706

Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers, among other things, (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near-term prospects of the issuer, and (iii) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Management has the ability and intent to hold the securities classified as held-to-maturity until they mature, at which time the Company will receive full value for the securities. Furthermore, as of December 31, 2004, management also had the ability and intent to hold the securities classified as available for sale for a period of time sufficient for a recovery of cost. The unrealized losses are largely due to increases in market interest rates over the yields available at the time the underlying debt securities were purchased. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of December 31, 2004, management believes the impairments detailed in the table above are temporary and no material impairment loss has been realized in the Company's consolidated income statement.

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The following is a schedule of loans outstanding by category:

	December 31,			
	2004		2003	
	Amount	Percent	Amount	Percent
Commercial and industrial	\$ 382,438	18.27%	\$ 409,910	21.05%
Agriculture	93,691	4.48	85,094	4.37
State and political subdivisions:				
Taxable	3,093	0.15	221	0.01
Tax-exempt	15,822	0.76	20,560	1.06
Real Estate:				
Construction	152,402	7.28	153,755	7.90
Farmland	83,887	4.01	83,843	4.31
One to four family residences	502,015	23.98	441,010	22.65
Multifamily residential properties	11,987	0.57	10,316	0.53
Commercial	544,370	26.00	455,961	23.41
Consumer	273,548	13.07	265,437	13.63
Other	30,262	1.43	21,116	1.08
Total loans	\$ 2,093,515	100.00%	\$ 1,947,223	100.00%
Loans held for sale (included above)	\$ 9,066		\$ 4,115	

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

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BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

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

	Year Ended December 31,		
	2004	2003	2002
Balance at beginning of period	\$ 26,148	\$ 24,367	\$ 24,531
Charge-offs	(4,179)	(4,493)	(6,552)
Recoveries	1,078	1,288	1,112
Net charge-offs	(3,101)	(3,205)	(5,440)
Provisions charged to operations	2,699	3,722	5,276
Additions from acquisitions		1,264	
Total additions	2,699	4,986	5,276
Balance at end of period	\$ 25,746	\$ 26,148	\$ 24,367

Below is a summary of impaired loans and the amounts included in the allowance for loan losses for impaired loans. No material amounts of interest income were collected on impaired loans for 2004 or 2003.

	Year Ended December 31,	
	2004	2003
Allowance for loss on impaired loans	\$ 1,908	\$ 2,126
Recorded balance of impaired loans	7,597	4,194

BancFirst has made loans in the ordinary course of business to the executive officers and directors of the Company and to certain affiliates of these executive officers and directors. Management believes that all such loans were made on substantially the same terms as those prevailing at the time for comparable transactions with other persons and do not represent more than a normal risk of collectibility or present other unfavorable features. A summary of these loans is as follows:

Year Ended	Balance Beginning of		Collections/ Terminations	Balance End of
December 31,	the Period	Additions		the Period
2002	\$ 7,491	\$ 4,292	\$ (4,591)	\$ 7,192
2003	\$ 7,192	\$ 38,528	\$ (23,078)	\$ 22,642
2004	\$ 22,642	\$ 9,121	\$ (22,893)	\$ 8,870

Transfers from loans to other real estate owned and repossessed assets are non-cash transactions, and are not included in the statement of cash flows. Such transfers totaled \$4,909 and \$5,443 for the years ended December 31, 2004 and 2003, respectively.

(6) PREMISES AND EQUIPMENT, NET

The following is a summary of premises and equipment by classification:

	December 31,	
	2004	2003
Land	\$ 14,759	\$ 13,419
Buildings	69,152	67,351
Furniture, fixtures and equipment	43,558	40,928
Accumulated depreciation	(58,826)	(55,275)
Total	\$ 68,643	\$ 66,423

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(7) INTANGIBLE ASSETS AND GOODWILL

The Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets effective January 1, 2002. All intangible assets and goodwill were reassessed and reviewed for impairment as of that date. No changes were made to the estimated useful lives of intangible assets and no impairment charges were recognized from the adoption of this statement.

The following is a summary of intangible assets:

	December 31,			
	2004		2003	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Core deposit intangibles	\$ 6,297	\$ (2,370)	\$ 7,981	\$ (3,255)
Customer relationship intangibles	2,308	(32)		()
Total	\$ 8,605	\$ (2,402)	\$ 7,981	\$ (3,255)

Amortization of intangible assets and estimated amortization of intangible assets are as follows:

Amortization	
Year ended December 31:	
2004	\$ 831
2003	580
2002	600
Estimated Amortization	
Year ending December 31:	
2005	\$ 804
2006	767
2007	606
2008	512

The following is a summary of goodwill by business segment:

	<u>Metropolitan Banks</u>	<u>Community Banks</u>	<u>Other Financial Services</u>	<u>Executive, Operations & Support</u>	<u>Eliminations</u>	<u>Consolidated</u>
Year Ended:						
December 31, 2004						
Balance at beginning of period	\$ 12,993	\$ 14,088	\$	\$ 1,713	\$ (1,183)	\$ 27,611
Acquisitions	211	124	2,485			2,820
Adjustments	(385)					(385)
Balance at end of period	<u>\$ 12,819</u>	<u>\$ 14,212</u>	<u>\$ 2,485</u>	<u>\$ 1,713</u>	<u>\$ (1,183)</u>	<u>\$ 30,046</u>
Year Ended:						
December 31, 2003						
Balance at beginning of period	\$ 7,144	\$ 12,561	\$	\$ 1,713	\$ (1,183)	\$ 20,235
Acquisitions	5,849	1,612				7,461
Branch Closing		(85)				(85)
Balance at end of period	<u>\$ 12,993</u>	<u>\$ 14,088</u>	<u>\$</u>	<u>\$ 1,713</u>	<u>\$ (1,183)</u>	<u>\$ 27,611</u>

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BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(8) TIME DEPOSITS

Certificates of deposit in denominations of \$100 or more totaled \$222,818 and \$250,891 at December 31, 2004 and 2003, respectively. At December 31, 2004, the scheduled maturities of all certificates of deposit are as follows:

2005	\$ 524,555
2006	81,864
2007	35,910
2008	11,669
2009	33,839
Thereafter	28
	<hr/>
Total	\$ 687,865
	<hr/>

(9) SHORT-TERM BORROWINGS

The following is a summary of short-term borrowings:

	December 31,	
	2004	2003
	<hr/>	<hr/>
Federal funds purchased	\$ 20,592	\$ 5,698
Repurchase agreements	7,115	6,912
Notes payable		4,000
	<hr/>	<hr/>
Total	\$ 27,707	\$ 16,610
	<hr/>	<hr/>
Weighted average interest rate	1.21%	1.11%
	<hr/>	<hr/>

Federal funds purchased represents borrowings of overnight funds from other financial institutions.

The Company enters into sales of securities to certain of its customers with simultaneous agreements to repurchase. These agreements represent an overnight borrowing of funds.

The notes payable represented short-term advances on a \$12,000 revolving line of credit with another bank. Advances under the line of credit bore interest at one of three specified rates, at the option of the Company. Interest was due quarterly and at maturity, or at the end of various interest periods which was selected by the Company. Any outstanding principal was due at the maturity of the note. The note was not renewed after maturity in April 2004.

(10) LONG-TERM BORROWINGS

The Company borrows under a line of credit from the Federal Home Loan Bank of Topeka, Kansas in order to match-fund certain long-term fixed rate loans. Such advances are at rates of from 5.09% to 7.86% and mature from 2005 through 2008. Interest payments on the advances are due monthly. Required principal payments on the advances for 2005 total \$3,292. The Company's assets, including residential first mortgages, are pledged as collateral for the borrowings under the line of credit.

In October 2004, the Company issued two promissory notes related to the acquisition of Wilcox & Jones, Inc., an independent insurance agency, totaling \$800. The notes are payable to the prior principals who remain in management with the agency. The notes mature in three equal annual installments with the first installment of \$267 due in October 2005. The notes have a six month adjustable interest rate equal to the 180 day Treasury Bill. At December 31, 2004, the effective interest rate was 1.95%.

In June 2003, the Company retired \$25,100 of Federal Home Loan Bank advances under its line of credit, and recognized a loss on early extinguishment of debt of \$2,429. This early retirement of the advances was part of a plan to adjust the Company's interest rate sensitivity. These retired advances had fixed rates from 3.47% to 7.87% and maturities from 2008 to 2017.

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Maturities of long-term debt as of December 31, 2004 are as follows:

2005	\$ 3,559
2006	2,918
2007	1,104
2008	234
2009 and after	
Total	<u>\$ 7,815</u>

(11) JUNIOR SUBORDINATED DEBENTURES

In January 1997, BancFirst Corporation established BFC Capital Trust I (the Trust), a trust formed under the Delaware Business Trust Act. BancFirst Corporation owns all of the common securities of the Trust. In February 1997, the Trust issued \$25,000 of aggregate liquidation amount of 9.65% Capital Securities, Series A (the Capital Securities) to other investors. The proceeds from the sale of the Capital Securities and the common securities of the Trust were invested in \$25,000 of 9.65% Junior Subordinated Deferrable Interest Debentures, Series A (the 9.65% Junior Subordinated Debentures) of BancFirst Corporation. The Series A Capital Securities and 9.65% Junior Subordinated Debentures were subsequently exchanged for Series B Capital Securities and Junior Subordinated Debentures, pursuant to a Registration Rights Agreement. The terms of the Series A and Series B securities are identical in all material respects. Interest payments on the 9.65% Junior Subordinated Debentures are payable January 15 and July 15 of each year. Such interest payments may be deferred for up to ten consecutive semi-annual periods. The stated maturity date of the 9.65% Junior Subordinated Debentures is January 15, 2027, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Capital Securities represent an undivided interest in the 9.65% Junior Subordinated Debentures, are guaranteed by BancFirst Corporation. In March 2005, the Federal Reserve Board adopted a final rule that allows the continued limited inclusion of trust preferred securities in the Tier 1 capital of bank holding companies. During any deferral period or during any event of default, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

In January 2004, BancFirst Corporation established BFC Capital Trust II (BFC II), a trust formed under the Delaware Business Trust Act. BancFirst Corporation owns all of the common securities of BFC II. In February 2004, BFC II issued \$25,000 of aggregate liquidation amount of 7.20% Cumulative Trust Preferred Securities (the Trust Preferred Securities) to other investors. In March 2004, BFC II issued an additional \$1,000 in Trust Preferred Securities through the execution of an over-allotment option. The proceeds from the sale of the Trust Preferred Securities and the common securities of BFC II were invested in \$26,804 of 7.20% Junior Subordinated Debentures of BancFirst Corporation. Interest payments on the 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 7.20% Junior Subordinated Debentures is March 31, 2034, but they are subject to mandatory redemption pursuant to optional prepayment terms. The Trust Preferred Securities represent an undivided interest in the 7.20% Junior Subordinated Debentures, are guaranteed by BancFirst Corporation. In March 2005, the Federal Reserve Board adopted a final rule that allows the continued limited inclusion of trust preferred securities in the Tier 1 capital of bank holding companies. During any deferral period or during any event of default, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

(12) INCOME TAXES

The components of the Company's income tax expense are as follows:

	Year Ended December 31,		
	2004	2003	2002
Current taxes: Federal	\$ (17,902)	\$ (15,108)	\$ (15,377)
State	(1,335)	(976)	(876)
Deferred taxes	(1,245)	(867)	(1,071)
Total income taxes	\$ (20,482)	\$ (16,951)	\$ (17,324)

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Income tax expense (benefit) applicable to securities transactions approximated \$(51) and \$1,149 for the years ended December 31, 2004 and 2003, respectively.

A reconciliation of tax expense at the federal statutory tax rate applied to income before taxes follows:

	Year Ended December 31,		
	2004	2003	2002
Tax expense at the federal statutory tax rate (Increase) decrease in tax expense from:	\$ (20,180)	\$ (17,091)	\$ (17,810)
Tax-exempt income, net	846	938	1,087
Excess cost amortization			(124)
State tax expense including amortization of basis difference, net of federal tax benefit	(1,301)	(582)	(518)
Federal tax credits	809		
Other, net	(656)	(216)	41
Total tax expense	\$ (20,482)	\$ (16,951)	\$ (17,324)

The net deferred tax asset (liability) consisted of the following:

	December 31,	
	2004	2003
Allowance for loan losses	\$ 8,894	\$ 9,003
Basis difference related to tax credits	1,502	
Discount on securities of banks acquired	117	98
Write-downs of other real estate owned	167	241
Deferred compensation	636	662
Other	70	145
Gross deferred tax assets	11,386	10,149
Unrealized net gains on securities available for sale	(1,582)	(5,128)
Depreciation	(2,961)	(2,278)

Leveraged lease	(3,335)	(2,867)
Other	(1,059)	(1,890)
	<u> </u>	<u> </u>
Gross deferred tax liabilities	(8,937)	(12,163)
	<u> </u>	<u> </u>
Net deferred tax asset (liability)	\$ 2,449	\$ (2,014)
	<u> </u>	<u> </u>

During 2004, the Company made an investment in an entity that qualified for Federal New Markets Tax Credits and Oklahoma Small Business Capital Formation Credits. A deferred tax asset and other deferred asset were recorded for the difference between the basis in the investment for financial reporting and tax purposes. The deferred tax asset is being realized in relation to the utilization of the federal tax credits. The other deferred asset is being amortized to income tax expense in relation to the utilization of the federal and Oklahoma tax credits. Although not anticipated, the federal tax credits may be subject to recapture in future years upon the occurrence of certain events. The net effect of the tax credits utilized, the realization of the deferred tax asset and the amortization of the other deferred asset decreased total income tax expense for 2004 by \$381.

(13) EMPLOYEE BENEFITS

In May 1986, the Company adopted the BancFirst Corporation Employee Stock Ownership and Thrift Plan (the ESOP) effective January 1, 1985. The ESOP covers all eligible employees, as defined in the ESOP, of the Company and its subsidiaries. The ESOP allows employees to defer up to the maximum legal limit of their compensation, of which the Company may match 50%, but not to exceed 3% of their compensation. In addition, the Company may make discretionary contributions to the ESOP, as determined by the Company's Board of Directors. The aggregate amounts of contributions by the Company to the ESOP for the years ended December 31, 2004, 2003 and 2002, were approximately \$3,149, \$2,170 and \$2,266, respectively.

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BancFirst Corporation also adopted a nonqualified incentive stock option plan (the BancFirst ISOP) in May 1986. In 2004, the Company amended the BancFirst ISOP to increase the number of shares to be issued under the plan to 1,200,000. The BancFirst ISOP will terminate December 31, 2011. The options are exercisable beginning four years from the date of grant at the rate of 25% per year for four years. Options granted prior to 1996 expire at the end of eleven years from the date of grant. Options granted after January 1, 1996 expire at the end of fifteen years from the date of grant. Options outstanding as of December 31, 2004 will become exercisable through the year 2011. The option price must be no less than 100% of the fair market value of the stock relating to such option at the date of grant.

In June 1999, the Company adopted the BancFirst Corporation Non-Employee Directors Stock Option Plan (the BancFirst Directors Stock Option Plan). A total of 75,000 shares may be issued under the plan. Each non-employee director is granted an option for 5,000 shares. The options are exercisable beginning one year from the date of grant at the rate of 25% per year for four years, and expire at the end of fifteen years from the date of grant. Options outstanding as of December 31, 2004 will become exercisable through the year 2007. The option price must be no less than 100% of the fair value of the stock relating to such option at the date of grant.

A summary of the options granted under both the BancFirst ISOP and the BancFirst Directors Stock Option Plan is as follows:

	Year Ended December 31,					
	2004		2003		2002	
	Options	Avg. Price	Options	Avg. Price	Options	Avg. Price
Outstanding at beginning of year	597,436	\$ 34.79	565,000	\$ 31.81	558,875	\$ 29.40
Options granted	62,550	59.95	80,228	51.10	88,500	39.86
Options exercised	(58,123)	25.43	(41,292)	26.21	(55,500)	20.81
Options canceled	(31,375)	49.56	(6,500)	31.82	(26,875)	30.87
Outstanding at end of year	570,488	37.69	597,436	34.79	565,000	31.80
Exercisable at end of year	218,274	29.45	214,960	27.36	172,627	25.19
Weighted average fair value of options granted	\$ 14.78		\$ 14.93		\$ 12.75	

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: a dividend yield of from 1.5% to 2.0%; risk-free interest rates are different for each grant and range from 3.74% to 7.74%;

the expected lives of the options are from five to ten years; and volatility of the Company's stock price is from 16.23% to 90.52% for all grants.

A summary of options outstanding under the BancFirst ISOP and the BancFirst Directors' Stock Option Plan as of December 31, 2004 is as follows:

Options Outstanding				Options Exercisable	
Range of Exercise Prices	Number Outstanding	Wgted. Avg. Remaining Contractual		Number Exercisable	Wgted. Avg. Exercise Price
		Life in Years	Wgted. Avg. Exercise Price		
\$15.13 to \$18.63	20,000	1.73	\$ 16.88	20,000	\$ 16.88
\$20.75 to \$29.50	61,325	6.76	24.07	59,450	23.90
\$30.50 to \$39.81	292,585	9.59	34.13	137,524	33.58
\$40.00 to \$65.78	196,578	9.44	49.33	1,300	40.00
	<u>570,488</u>	<u>8.96</u>	<u>37.68</u>	<u>218,274</u>	<u>29.45</u>

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Table of Contents**Index to Financial Statements****BANCFIRST CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**

AmQuest Financial Corp. (AmQuest), which merged with the Company in 1998, had four stock option plans. These plans were assumed by the Company, but no new options will be issued under the plans. Pro forma disclosures, as if the cost recognition provision of FAS 123 had been applied, have not been presented for these plans since such disclosures would not result in material differences from the intrinsic value method. Three of the plans are qualified incentive stock option plans for employees (the AmQuest Employees Stock Option Plans). A total of 178,135 shares were authorized to be issued under the plans. These options became fully vested at the time of the merger and will expire at various dates through November 2006. A summary of the options granted under the AmQuest Employees Stock Option Plans is as follows:

	Year Ended December 31,					
	2004		2003		2002	
	Options	Avg. Price	Options	Avg. Price	Options	Avg. Price
Outstanding at beginning of year	2,456	\$ 15.82	4,674	\$ 15.05	11,525	\$ 15.67
Options exercised			(2,218)	14.20	(6,851)	16.09
Options canceled						
Outstanding at end of year	2,456	\$ 15.82	2,456	15.82	4,674	15.05

A summary of options outstanding under the AmQuest Employees Stock Option Plans as of December 31, 2004 is as follows:

Options Outstanding and Exercisable			
Range of Exercise Prices	Number Outstanding	Wgt. Avg. Remaining Contractual Life	Wgt. Avg. Exercise Price
\$13.58 to \$17.05	2,456	1.36	\$ 15.82

AmQuest's other stock option plan was for non-employee directors (the AmQuest Directors Stock Option Plan). The AmQuest Directors Stock Option Plan was authorized to issue up to 118,755 shares and the options were fully exercisable when granted. These options will expire at various dates through May 2007. A summary of the options granted under the AmQuest Directors Stock Option Plan is as follows:

	Year Ended December 31,					
	2004		2003		2002	
	Options	Avg. Price	Options	Avg. Price	Options	Avg. Price
Outstanding at beginning of year	2,775	\$ 18.62	4,913	\$ 17.39	5,785	\$ 17.26
Options exercised	(871)	18.86	(2,138)	15.80	(872)	16.51
Outstanding at end of year	1,904	18.51	2,775	18.62	4,913	17.39

A summary of options outstanding under the AmQuest Directors Stock Option Plan as of December 31, 2004 is as follows:

Options Outstanding and Exercisable			
Range of Exercise Prices	Number Outstanding	Wgt. Avg. Remaining Contractual Life	Wgt. Avg. Exercise Price
\$13.58 to \$20.84	1,904	1.85	\$ 18.51

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BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

In May 1999, the Company adopted the BancFirst Corporation Directors' Deferred Stock Compensation Plan (the "Deferred Stock Compensation Plan"). 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. A total of 20,000 shares are authorized to be issued under the plan. A summary of the accumulated stock units is as follows:

	December 31,	
	2004	2003
Accumulated stock units	13,636	11,796
Average price	\$ 42.54	\$ 39.17

(14) STOCKHOLDERS' EQUITY

The following is a description of the capital stock of the Company:

(a) Senior Preferred Stock: \$1.00 par value; 10,000,000 shares authorized; no shares issued or outstanding. Shares may be issued with such voting, dividend, redemption, sinking fund, conversion, exchange, liquidation and other rights as shall be determined by the Company's Board of Directors, without approval of the stockholders. The Senior Preferred Stock would have a preference over common stock as to payment of dividends, as to the right to distribution of assets upon redemption of such shares or upon liquidation of the Company.

(b) 10% Cumulative Preferred Stock: \$5.00 par value, redeemable at the Company's option at \$5.00 per share plus accumulated dividends; non-voting; cumulative dividends at the rate of 10% payable semi-annually on January 15 and July 15; 900,000 shares authorized; no shares issued or outstanding.

(c) Common stock: \$1.00 par value; 20,000,000 shares authorized. At December 31, 2004 and 2003, there were 7,840,796 shares and 7,822,637 shares issued and outstanding, respectively.

On May 27, 2004, the Company amended its Amended and Restated Certificate of Incorporation to increase the number of shares of common stock that the Company has the authority to issue from 15,000,000 shares to 20,000,000 shares.

In January 2003, BancFirst Corporation repurchased 320,000 shares of its common stock for \$14,400. The shares were repurchased through a market-maker in the Company's stock and the repurchase was not a part of the Company's ongoing Stock Repurchase Program.

In November 1999, the Company adopted a Stock Repurchase Program (the "SRP") authorizing management to repurchase up to 300,000 shares of the Company's common stock. The SRP was amended in May 2001 to increase the shares authorized to be purchased by 277,916 shares and was amended again in August 2002 to increase the number of shares authorized to be purchased by 182,265 shares. The SRP may be used as a means to increase earnings per share and return on equity, to purchase treasury stock for the exercise of stock options or for distributions under the Deferred Stock Compensation Plan, to provide liquidity for optionees to dispose of stock from exercises of their stock options, and to provide liquidity for shareholders wishing to sell their stock. The timing, price and amount of stock repurchases under the SRP may be determined by management and must be approved by the Company's Executive Committee. At December 31, 2004 there were 208,126 shares remaining that could be repurchased under the SRP. Below is a summary of the shares repurchased under the program.

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	Year Ended	
	December 31,	
	2004	2003
Number of shares repurchased	41,500	40,075
Average price of shares repurchased	\$ 56.85	\$ 45.80

BancFirst Corporation's ability to pay dividends is dependent upon dividend payments received from BancFirst. Banking regulations limit bank dividends based upon net earnings retained and minimum capital requirements. Dividends in excess of these requirements require regulatory approval. At December 31, 2004, approximately \$47,052 of the equity of BancFirst was available for dividend payments to BancFirst Corporation.

During any deferral period or any event of default on the Junior Subordinated Debentures, BancFirst Corporation may not declare or pay any dividends on any of its capital stock.

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

	To Be Well					
	Actual		For Capital Adequacy Purposes		Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in thousands)						
As of December 31, 2004:						
Total Capital (to Risk Weighted Assets)-						
BancFirst Corporation	\$ 319,791	13.88%	\$ 184,000	8.00%	N/A	N/A
BancFirst	260,454	11.43%	182,400	8.00%	\$ 228,000	10.00%

Tier I Capital (to Risk Weighted Assets)-						
BancFirst Corporation	293,650	12.75%	92,200	4.00%	N/A	N/A
BancFirst	234,313	10.28%	91,200	4.00%	136,700	6.00%

Tier I Capital (to Total Assets)-						
BancFirst Corporation	293,650	9.75%	90,500	3.00%	N/A	N/A
BancFirst	234,313	7.90%	89,000	3.00%	148,500	5.00%

As of December 31, 2003:						
Total Capital (to Risk Weighted Assets)-						
BancFirst Corporation	\$ 266,765	12.48%	\$ 171,000	8.00%	N/A	N/A
BancFirst	233,653	11.42%	163,700	8.00%	\$ 204,600	10.00%
Lincoln National Bank	9,816	14.81%	5,300	8.00%	6,628	10.00%

Tier I Capital (to Risk Weighted Assets)-						
BancFirst Corporation	240,532	11.26%	85,500	4.00%	N/A	N/A
BancFirst	208,507	10.19%	81,800	4.00%	122,700	6.00%
Lincoln National Bank	8,984	13.55%	2,650	4.00%	3,975	6.00%

Tier I Capital (to Total Assets)-						
BancFirst Corporation	240,532	8.33%	86,800	3.00%	N/A	N/A
BancFirst	208,507	7.57%	82,500	3.00%	137,600	5.00%
Lincoln National Bank	8,984	8.83%	3,050	3.00%	5,080	5.00%

To be well capitalized under federal bank regulatory agency definitions, a depository institution must have a Tier 1 Ratio of at least 6%, a combined Tier 1 and Tier 2 Ratio of at least 10%, and a Leverage Ratio of at least 5%. As of December 31, 2004 and 2003, BancFirst was considered to be well capitalized. There are no conditions or events since the most recent notification of BancFirst's capital category that management believes would change its category.

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

	Income	Shares	Per Share
	(Numerator)	(Denominator)	Amount
Year Ended December 31, 2004			
Basic			
Income available to common stockholders	\$ 37,176	7,830,513	\$ 4.75
Effect of stock options		165,023	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	\$ 37,176	7,995,536	\$ 4.65
Year Ended December 31, 2003			
Basic			
Income available to common stockholders	\$ 31,882	7,835,589	\$ 4.07
Effect of stock options		137,286	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	\$ 31,882	7,972,875	\$ 4.00
Year Ended December 31, 2002			
Basic			
Income available to common stockholders	\$ 33,562	8,136,762	\$ 4.12
Effect of stock options		123,401	
Diluted			
Income available to common stockholders plus assumed exercises of stock options	\$ 33,562	8,260,163	\$ 4.06

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

	Average	
	Exercise	
	Shares	Price
	<u> </u>	<u> </u>
December 31, 2004	5,186	\$ 64.53
December 31, 2003	9,918	\$ 52.59
December 31, 2002	7,500	\$ 44.80

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BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(16) CONDENSED PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEETS

	December 31,	
	2004	2003
ASSETS		
Cash	\$ 41,713	\$ 7,313
Securities	2,202	2,177
Loans		300
Investments in subsidiaries	284,261	274,604
Intangible assets	1,713	1,713
Dividends receivable	3,502	965
Other assets	2,076	1,244
Total assets	<u>\$ 335,467</u>	<u>\$ 288,316</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Other liabilities	\$ 5,366	\$ 3,944
Notes payable	800	4,000
Junior subordinated debentures	51,804	25,000
Stockholders' equity	277,497	255,372
Total liabilities and stockholders' equity	<u>\$ 335,467</u>	<u>\$ 288,316</u>

STATEMENTS OF INCOME

	Year Ended December 31,		
	2004	2003	2002
OPERATING INCOME			
Dividends from subsidiaries	\$ 12,738	\$ 22,338	\$ 23,521
Interest:			

Loans	1	226	219
Securities	328	328	318
Interest-bearing deposits	398	31	81
Other	2,874		25
	<u> </u>	<u> </u>	<u> </u>
Total operating income	16,339	22,923	24,164
	<u> </u>	<u> </u>	<u> </u>
OPERATING EXPENSE			
Interest	4,105	2,494	2,469
Amortization		1	1
Other	124	95	178
	<u> </u>	<u> </u>	<u> </u>
Total operating expense	4,229	2,590	2,648
	<u> </u>	<u> </u>	<u> </u>
Income before income taxes and equity in undistributed earnings of subsidiaries	12,110	20,333	21,516
Allocated income tax benefit	129	645	661
	<u> </u>	<u> </u>	<u> </u>
Income before equity in undistributed earnings of subsidiaries	12,239	20,978	22,177
Equity in undistributed earnings of subsidiaries	24,937	10,904	11,385
	<u> </u>	<u> </u>	<u> </u>
Net income	\$ 37,176	\$ 31,882	\$ 33,562
	<u> </u>	<u> </u>	<u> </u>

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	Year Ended December 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 37,176	\$ 31,882	\$ 33,562
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization		1	1
Gain on sale of assets	(2,874)		
Equity in undistributed earnings of subsidiaries	(24,937)	(10,904)	(11,385)
(Increase) decrease in dividends receivable	(2,537)	6,203	(4,850)
Other, net	551	646	435
Net cash provided by operating activities	7,379	27,828	17,763
INVESTING ACTIVITIES			
Net cash used for acquisitions	(3,960)	(17,294)	
Proceeds from sale of assets	18,877		
Purchases of securities	(26)	(15)	(12)
Net (increase) decrease in loans	300	3,900	(1,100)
Other, net	(2,608)		15
Net cash provided (used) by investing activities	12,583	(13,409)	(1,097)
FINANCING ACTIVITIES			
Proceeds from issuance of notes payable		4,000	
Principal payments on notes payable	(4,000)		
Issuance of junior subordinated debentures	26,804		
Issuance of common stock	2,295	1,633	1,883
Acquisition of common stock	(2,360)	(16,246)	(7,312)
Cash dividends paid	(8,301)	(7,173)	(6,202)
Net cash provided (used) by financing activities	14,438	(17,786)	(11,631)
Net increase (decrease) in cash	34,400	(3,367)	5,035
Cash at the beginning of the period	7,313	10,680	5,645
Cash at the end of the period	\$ 41,713	\$ 7,313	\$ 10,680

SUPPLEMENTAL DISCLOSURE

Cash paid during the period for interest	3,710	\$ 2,470	\$ 2,469
	<u> </u>	<u> </u>	<u> </u>
Cash received during the period for income taxes, net	\$ (1,938)	\$ (1,524)	\$ (1,568)
	<u> </u>	<u> </u>	<u> </u>

(17) RELATED PARTY TRANSACTIONS

In January 2004, the Company purchased land for one of its branches from a director of the Company for \$540, pursuant to a purchase option in the lease agreement for the property.

In October 2004, the Company issued two promissory notes related to the acquisition of Wilcox & Jones, Inc., an independent insurance agency, totaling \$800. The notes are payable to the prior principals who remain in management with the agency. The notes mature in three equal installments with the first installment of \$267 due in October 2005. The notes have a six month adjustable interest rate equal to the 180 day Treasury Bill. At December 31, 2004, the effective interest rate was 1.95%.

BancFirst sells credit life, credit accident and health, and ordinary life insurance policies for Century Life, which BancFirst Corporation acquired 75% of in 2001, and which is included in the Company's consolidated financial statements beginning in 2001. BancFirst retains 40% of the commissions for such sales, which is the maximum amount permitted by law. The net income of Century Life for the years ended December 31, 2004, 2003, and 2002 was \$386, \$455, and \$400, respectively.

Refer to note (5) for information regarding loan transactions with related parties.

Table of Contents**Index to Financial Statements****BANCFIRST CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)****(18) COMMITMENTS AND CONTINGENT LIABILITIES**

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include loan commitments and standby letters of credit which involve elements of credit and interest rate risk to varying degrees. The Company's exposure to credit loss in the event of nonperformance by the other party to the instrument is represented by the instrument's contractual amount. To control this credit risk, the Company uses the same underwriting standards as it uses for loans recorded on the balance sheet. The amounts of financial instruments with off-balance-sheet risk are as follows:

	December 31,		
	2004	2003	2002
Loan commitments	\$ 515,034	\$ 432,722	\$ 396,200
Letters of credit	39,936	31,326	28,964

Loan commitments are agreements to lend to a customer, as long as there is no violation of any condition established in the contract. Letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. These instruments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the instruments are expected to expire without being drawn upon, the total amounts do not necessarily represent commitments that will be funded in the future.

The Company leases office space in thirteen buildings, three parcels of land on which it owns buildings, and sixteen ATM locations. These leases expire at various dates through 2064.

The future minimum rental payments under these leases are as follows:

Year Ending December 31:	
2005	\$ 710
2006	655
2007	642
2008	625
2009	578
Later years	3,814
Total	\$ 7,024

Rental expense on all property and equipment rented, including those rented on a monthly or temporary basis, totaled \$1,026, \$929 and \$993 during 2004, 2003 and 2002, respectively.

In 2004 the Company submitted a claim to its Fidelity Bond carrier for a loss it incurred and expensed in 2003. The amount of the claim approximated \$2 million. As of the date of this report, the insurance carrier is still reviewing information regarding this claim and has not made a determination as to the extent of coverage, if any. Any recovery under the Fidelity Bond would be reported as income in the period it is received.

The Company is a defendant in legal actions arising from normal business activities. Management believes that all legal actions against the Company are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Company's financial position, results of operations or cash flows.

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BANCFIRST CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(19) FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values reported below for financial instruments are based on a variety of factors. In some cases, fair values represent quoted market prices for identical or comparable instruments. In other cases, fair values have been estimated based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of year end or that will be realized in the future.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and Due From Banks; Federal Funds Sold and Interest-Bearing Deposits

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

Securities

For securities, fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Loans

For certain homogeneous categories of loans, such as some residential mortgages, fair value is estimated using the quoted market prices for securities backed by similar loans, adjusted for differences in loan characteristics. For residential mortgage loans held for sale and guaranteed student loans, the carrying amount is a reasonable estimate of fair value. The fair value of other types of loans is 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 value of transaction and savings accounts is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

Short-term Borrowings

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

Long-term Borrowings

The fair value of fixed-rate long-term borrowings is estimated using the rates that would be charged for borrowings of similar remaining maturities.

Junior Subordinated Debentures

The fair value of fixed-rate junior subordinated debentures is estimated using the rates that would be charged for junior subordinated debentures of similar remaining maturities.

Loan Commitments and Letters of Credit

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the terms of the agreements. The fair value of letters of credit is based on fees currently charged for similar agreements.

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The estimated fair values of the Company's financial instruments are as follows:

	December 31,			
	2004		2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Cash and due from banks	\$ 100,564	\$ 100,564	\$ 155,367	\$ 155,367
Federal funds sold and interest-bearing deposits	145,643	145,643	109,570	109,570
Securities	560,234	561,242	564,735	566,461
Loans:				
Loans (net of unearned interest)	2,093,515		1,947,223	
Allowance for loan losses	(25,746)		(26,148)	
Loans, net	2,067,769	2,052,752	1,921,075	1,925,164
FINANCIAL LIABILITIES				
Deposits	2,657,434	2,661,774	2,585,690	2,592,154
Short-term borrowings	27,707	27,707	16,610	16,610
Long-term borrowings	7,815	8,159	11,063	11,686
Junior subordinated debentures	51,804	52,938	25,000	27,278
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS				
Loan commitments		901		757
Letters of credit		300		235

Table of Contents**Index to Financial Statements****BANCFIRST CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)****(20) SEGMENT INFORMATION**

The Company evaluates its performance with an internal profitability measurement system that measures the profitability of its business units on a pre-tax basis. The four principal business units were metropolitan banks, community banks, other financial services, and executive, operations and support. Metropolitan and community banks offer traditional banking products such as commercial and retail lending, and a full line of deposit accounts. Metropolitan banks consist of banking locations in the metropolitan Oklahoma City and Tulsa areas. Community banks consist of banking locations in communities throughout Oklahoma. Other financial services are specialty product business units including guaranteed small business lending, guaranteed student 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 four business units are as follows:

	<u>Metropolitan Banks</u>	<u>Community Banks</u>	<u>Other Financial Services</u>	<u>Executive, Operations & Support</u>	<u>Eliminations</u>	<u>Consolidated</u>
December 31, 2004						
Net interest income (expense)	\$ 39,023	\$ 76,281	\$ 6,254	\$ (4,264)	\$ (48)	\$ 117,246
Provision for loan losses	974	1,647	97	(19)		2,699
Noninterest income	10,299	23,215	13,161	46,866	(41,686)	51,855
Depreciation and amortization	2,146	3,614	210	1,885	(896)	6,959
Other expenses	26,033	48,422	13,935	12,396	1,000	101,785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income before taxes	\$ 20,169	\$ 45,812	\$ 5,172	\$ 28,341	(41,836)	\$ 57,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 1,215,532	\$ 1,901,720	\$ 175,784	\$ 99,017	(345,075)	\$ 3,046,977
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital expenditures	\$ 2,245	\$ 4,071	\$ 38	\$ 2,730		\$ 9,085
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
December 31, 2003						
Net interest income (expense)	\$ 31,346	\$ 75,917	\$ 6,753	\$ (4,899)		\$ 109,117
Provision for loan losses	633	3,181	(88)	(4)		3,722
Noninterest income	8,776	22,659	12,364	58,241	(53,220)	48,820
Depreciation and amortization	1,794	3,228	227	1,688	(902)	6,035
Other expenses	22,091	46,479	13,200	16,557	1,020	99,347
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income before taxes	\$ 15,604	\$ 45,688	\$ 5,778	\$ 35,101	(53,338)	\$ 48,833
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 1,066,711	\$ 1,842,729	\$ 176,286	\$ 268,355	(432,712)	\$ 2,921,369
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital expenditures	\$ 1,045	\$ 3,263	\$ 177	\$ 3,112		\$ 7,597
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

December 31, 2002

Net interest income (expense)	\$ 29,540	\$ 75,477	\$ 6,857	\$ (2,544)	\$	\$ 109,330
Provision for loan losses	2,357	2,762	416	(259)		5,276
Noninterest income	8,103	22,189	12,957	62,483	(60,520)	45,212
Depreciation and amortization	1,681	3,202	259	1,575	(694)	6,023
Other expenses	21,176	45,697	14,400	10,280	804	92,357
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Income before taxes	\$ 12,429	\$ 46,005	\$ 4,739	\$ 48,343	(60,630)	\$ 50,886
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total Assets	\$ 930,226	\$ 1,812,821	\$ 144,892	\$ 556,430	(647,507)	\$ 2,796,862
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Capital expenditures	\$ 3,280	\$ 3,688	\$ 65	\$ 2,066		\$ 9,099
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>

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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 rates approximating the cost of providing the services. Eliminations are adjustments to consolidate the business units and companies. Capital expenditures are generally charged to the business unit using the asset.

(21) SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of the unaudited quarterly results of operations for the years ended December 31, 2004 and 2003 is as follows:

	Quarter			
	Fourth	Third	Second	First
2004				
Net interest income	\$ 31,155	\$ 29,840	\$ 28,331	\$ 27,920
Provision for loan losses	899	879	201	720
Noninterest income	14,958	12,453	12,742	11,702
Noninterest expense	27,762	27,234	27,557	26,192
Net income	11,034	9,313	8,638	8,191
Net income per common share:				
Basic	1.41	1.19	1.10	1.05
Diluted	1.38	1.17	1.08	1.03
2003				
Net interest income	\$ 28,334	\$ 27,006	\$ 27,037	\$ 26,740
Provision for loan losses	1,354	524	1,062	783
Noninterest income	11,601	11,464	13,976	11,779
Noninterest expense	26,401	27,028	27,363	24,588
Net income	7,821	7,391	8,072	8,598
Net income per common share:				
Basic	1.00	0.95	1.04	1.09
Diluted	0.98	0.93	1.02	1.07

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INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit</u>
3.1	Second Amended and Restated Certificate of Incorporation of BancFirst Corporation (filed as Exhibit 1 to the Company's 8-A/A filed July 23, 1998 and incorporated herein by reference).
3.2	Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of BancFirst Corporation (filed as Exhibit 3.5 to the Company's Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2004 and incorporated herein by reference).
3.3	Certificate of Designations of Preferred Stock (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 and incorporated herein by reference).
3.4	Amended By-Laws (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 and incorporated herein by reference).
4.1	Instruments defining the rights of securities holders (see Exhibits 3.1, 3.2, 3.3 and 3.4 above).
4.2	Amended and Restated Declaration of Trust of BFC Capital Trust I dated as of February 4, 1997 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 4, 1997 and incorporated herein by reference).
4.3	Form of 9.65% Series B Cumulative Trust Preferred Security Certificate for BFC Capital Trust I (included as Exhibit D to Exhibit 4.2).
4.4	Indenture dated as of February 4, 1997, relating to the 9.65% Junior Subordinated Deferrable Interest Debentures of BancFirst Corporation issued to BFC Capital Trust I (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated February 4, 1997 and incorporated herein by reference).
4.5	Form of Certificate of 9.65% Series B Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (included as Exhibit A to Exhibit 4.4).
4.6	Form of Series B Guarantee of BancFirst Corporation relating to the 9.65% Series B Cumulative Trust Preferred Securities of BFC Capital Trust I (filed as Exhibit 4.7 to the Company's registration statement on Form S-4, File No. 333-25599, and incorporated herein by reference).
4.7	Rights Agreement, dated as of February 25, 1999, between BancFirst Corporation and BancFirst, as Rights Agent, including as Exhibit A the form of Certificate of Designations of the Company setting forth the terms of the Preferred Stock, as Exhibit B the form of Right Certificate and as Exhibit C the form of Summary of Rights Agreement (filed as Exhibit 1 to the Company's 8-K dated February 25, 1999 and incorporated herein by reference).
4.8	Form of Amended and Restated Trust Agreement relating to the 7.20% Cumulative Trust Preferred Securities of BFC Capital Trust II (filed as Exhibit 4.5 to the Company's registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference).
4.9	Form of 7.20% Cumulative Trust Preferred Security Certificate for BFC Capital Trust II (included as Exhibit D to Exhibit 4.8).
4.10	Form of Indenture relating to the 7.20% Junior Subordinated Deferrable Interest Debentures of BancFirst Corporation issued to BFC Capital Trust II (filed as Exhibit 4.1 to the Company's registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference).

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- 4.11 Form of Certificate of 7.20% Junior Subordinated Deferrable Interest Debenture of BancFirst Corporation (included as Section 2.2 and Section 2.3 of Exhibit 4.10).
- 4.12 Form of Guarantee of BancFirst Corporation relating to the 7.20% Cumulative Trust Preferred Securities of BFC Capital Trust II (filed as Exhibit 4.7 to the Company's registration statement on Form S-3, File No. 333-112488, and incorporated herein by reference).
- 10.1 Sixth Amended and Restated BancFirst Corporation Stock Option Plan (filed as Exhibit 4.1 to the Company's Form S-8 Registration Statements filed October 8, 2004 and incorporated herein by reference).
- 10.2 Amended and Restated BancFirst Corporation Employee Stock Ownership and Thrift Plan, as amended by amendments dated September 19, 1992, November 21, 2002 and December 18, 2003 (filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and incorporated herein by reference).
- 10.3 1988 Incentive Stock Option Plan of Security Corporation as assumed by BancFirst Corporation (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference).
- 10.4 1993 Incentive Stock Option Plan of Security Corporation as assumed by BancFirst Corporation (filed as Exhibit 4.2 to the Company's Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference).
- 10.5 1995 Non-Employee Director Stock Plan of AmQuest Financial Corp. as assumed by BancFirst Corporation (filed as Exhibit 4.3 to the Company's Registration Statement on Form S-8, File No. 333-65129 and incorporated herein by reference).
- 10.6 BancFirst Corporation Non-Employee Directors' Stock Option Plan (filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and incorporated herein by reference).
- 10.7 BancFirst Corporation Directors' Deferred Stock Compensation Plan (filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and incorporated herein by reference).
- 21.1 Subsidiaries of Registrant (filed as Exhibit 21.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and incorporated herein by reference).
- 23.1* Consent of Ernst & Young LLP.
- 31.1* Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2* Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1* CEO's Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2* CFO's Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.3 Stock Repurchase Program (filed as Exhibit 99.1 to the Company's Form 8-K dated November 18, 1999 and incorporated herein by reference).

* Filed herewith.