# BancFirst Corp. (BANF)

*Updated September 26th, 2025 by Felix Martinez*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $134 | **5 Year Annual Expected Total Return:** | 1.0% | **Market Cap:** | $4.5B |
| **Fair Value Price:** | $108 | **5 Year Growth Estimate:** | 4.0% | **Ex-Dividend Date:** | 09/30/25 |
| **% Fair Value:** | 125% | **5 Year Valuation Multiple Estimate:** | -4.3% | **Dividend Payment Date:** | 10/15/25 |
| **Dividend Yield:** | 1.5% | **5 Year Price Target** | $131 | **Years Of Dividend Growth:** | 32 |
| **Dividend Risk Score:** | B | **Sector:** Financials | | **Rating:** | Hold |

## Overview & Current Events

BancFirst Corp. (BANF) serves as the financial holding company for BancFirst, a state-chartered bank headquartered in Oklahoma City, Oklahoma. The company was founded in 1984, and the subsequent year merged with seven other bank holding companies based in Oklahoma. The company acquired other banks and bank holding companies for the next several years. BancFirst has 104 banking locations serving 59 communities throughout Oklahoma and has over 1,900 employees. BancFirst offers retail customers and small and mid-sized businesses various commercial banking services. This includes checking, savings, CDs, personal loans, and other services for retail customers. The bank offers business lending services for commercial customers, including agricultural and multi-family loans and various business banking services. The company has a $4.5 billion market capitalization.

On July 18th, 2025, BancFirst Corporation reported second-quarter results for Fiscal Year (FY)2025. BancFirst Corporation reported strong second-quarter earnings, with net income rising to $62.3 million, or $1.85 per diluted share, compared to $50.6 million, or $1.51 per share, a year earlier. Revenue increased nearly 10% year-over-year to $169.3 million, supported by higher loan volumes and growth in earning assets. Net interest income rose to $121.3 million from $109.9 million in Q2 2024, while the net interest margin held steady at 3.75%. The bank recorded a $1.2 million provision for credit losses, down from $3.4 million in the prior year, reflecting stable credit conditions.

Noninterest income advanced to $48.0 million from $43.9 million, driven by gains in trust revenue, treasury income, insurance commissions, and cash management fees, though partially offset by equity security losses. Noninterest expense increased modestly to $88.2 million, primarily due to higher salaries, occupancy costs, and real estate-related expenses. Despite these cost pressures, BancFirst delivered strong efficiency, with an efficiency ratio of 52.1% versus 55.5% last year, highlighting solid operating leverage.

Balance sheet growth remained healthy, with total assets reaching $14.0 billion, up $492 million from year-end 2024. Loans grew to $8.1 billion and deposits increased $338 million to $12.1 billion, supported by $5.3 billion in sweep accounts. Asset quality remained sound, with nonaccrual loans declining to 0.61% of total loans from 0.72% at year-end, and the allowance for credit losses at 1.19% of loans. CEO David Harlow noted that results were impacted by one-time items worth roughly $0.05 per share but still reflected strong underlying performance. Looking ahead, the bank expects to close its acquisition of American Bank of Oklahoma in Q3, expanding its footprint to additional communities while maintaining a conservative credit stance amid an uncertain macroeconomic environment.

## Growth on a Per-Share Basis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EPS | $2.09 | $2.22 | $2.79 | $3.76 | $4.05 | $3.00 | $5.03 | $5.77 | $6.34 | $6.44 | ***$7.17*** | ***$8.72*** |
| DPS | $0.70 | $0.74 | $0.80 | $1.02 | $1.24 | $1.32 | $1.40 | $1.52 | $1.66 | $1.78 | ***$1.87*** | ***$2.28*** |
| Shares[1] | 32.0 | 32.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.6 | ***33.8*** | ***34.0*** |

BancFirst has grown EPS, averaging 13.3% per year over the past ten years and 19.0% over the past five years. However, going back to a more extended 15-year period to account for the prior recession, the bank has only grown earnings by

[1] Share count is in millions.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

an average of 6.1% per year. With the current interest environment, we expect EPS to grow at around a rate of 4% for the next five years, which is in line with its long-term earnings growth.

## Valuation Analysis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 14.1 | 21.8 | 19.4 | 14.8 | 15.4 | 19.6 | 14.0 | 15.3 | 15.4 | 18.2 | ***18.7*** | ***15.00*** |
| **Avg. Yld.** | 2.4% | 1.6% | 1.6% | 2.0% | 2.0% | 2.3% | 2.0% | 1.7% | 1.7% | 1.5% | ***1.5%*** | ***1.7%*** |

BancFirst's P/E ratio has averaged 16.8x over the past ten years, with relatively little change from year to year. We feel that a multiple of 15.0x is fair for a company of this size with a low estimated growth rate and yield. Thus, the company looks overvalued based on the average PE with a current PE of 18.7x. The stock currently has a price-to-book (PB) ratio of 2.6, higher to its five-year average of 2.0.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

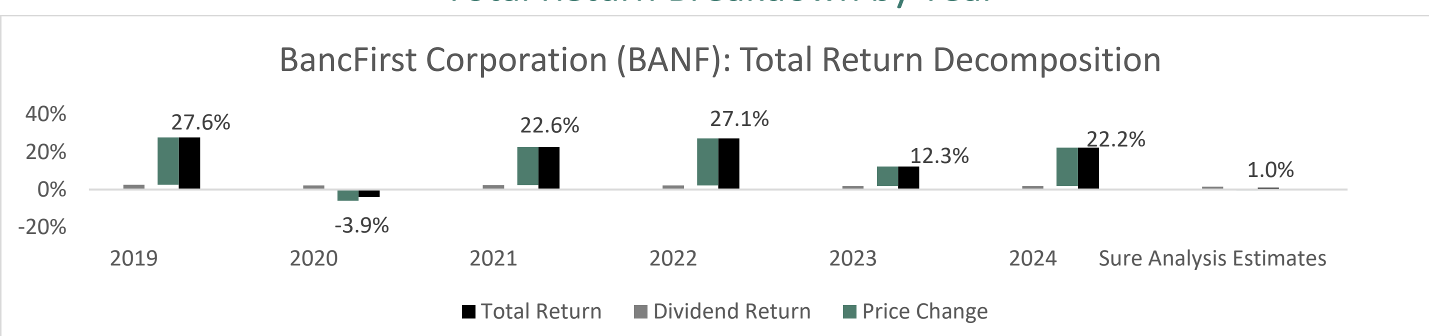
| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 33% | 33% | 29% | 27% | 31% | 44% | 28% | 26% | 26% | 28% | ***26%*** | ***26%*** |

BancFirst is a well-managed bank that has raised its dividend for 30 consecutive years and emerged from the global financial crisis relatively unscathed. Although earnings fell approximately 35% from their peak in 2007 to their bottom in 2009 and then took five years to surpass the 2007 peak, this was very healthy compared to many other banks in the country. At no point did earnings fall enough to put the dividend payout ratio above 50%. Today, the bank has a highly diversified asset base with commercial loans, real estate loans, and debt securities, maintaining compliance with banking regulations and capital reserve ratios. Oklahoma's banking industry is diversified, and the company does not have a significant competitive advantage over regional or national banks. However, well-run banks generally enjoy high switching costs, as depositors are unlikely to go through the hassle of switching banks in most scenarios. BancFirst has considerably outperformed the S&P 500 and all of the "Big Four" national banks over the past 25 years in total shareholder returns, indicating an above-average company culture and management team. David Rainbolt was the CEO for virtually all of this extended outperformance, but two years ago moved on to become the executive chairman. At the same time, David Harlow, former BancFirst president, is now the CEO.

## Final Thoughts & Recommendation

BancFirst is a small bank with a long stretch of consistent dividend growth, significant resilience through recessions, and history of considerably outperforming the broader banking industry and the stock market more generally. Interest rates and other factors outside their control may be a negative headwind as we advance. We expect a five-year annual rate of return of 1.0%. Thus, we rate BancFirst a hold at the current price because of the expected total return.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 295 | 311 | 345 | 386 | 419 | 444 | 486 | 557 | 610 | 631 |
| D&A Exp. | 12 | 12 | 12 | 14 | 16 | 18 | 20 | | | 22 |
| Net Profit | 66 | 71 | 86 | 126 | 135 | 100 | 168 | 193 | 212 | 216 |
| Net Margin | 22.5% | 22.7% | 25.0% | 32.6% | 32.2% | 22.4% | 34.5% | 34.6% | 34.8% | 34.2% |
| Income Tax | 35 | 37 | 50 | 34 | 35 | 24 | 41 | 44 | 57 | 59 |

## Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 6,693 | 7,019 | 7,253 | 7,574 | 8,566 | 9,212 | 9406 | 12388 | 12370 | 13550 |
| Cash & Equivalents | 1,598 | 1,850 | 1,758 | 1,424 | 1,868 | 1,617 | 2050 | | | 3554 |
| Accounts Receivable | 133 | 139 | 150 | 168 | 203 | 221 | 234 | | | |
| Total Liabilities | 70 | 67 | 65 | 96 | 171 | 169 | 167 | | 10940 | 11930 |
| Accounts Payable | 6,037 | 6,308 | 6,478 | 6,671 | 7,561 | 8,144 | 8234 | 11137 | | |
| Long-Term Debt | 32 | | 30 | 37 | 49 | 52 | 56 | | | 86 |
| Shareholder's Equity | 32 | 32 | 32 | 27 | 27 | 27 | 86 | | 1434 | 1621 |
| LTD/E Ratio | 656 | 711 | 776 | 903 | 1,005 | 1,068 | 1172 | 1251 | 0 | 0.05 |

## Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 1.0% | 1.0% | 1.2% | 1.7% | 1.7% | 1.1% | 1.8% | 1.8% | 1.7% | 1.7% |
| Return on Equity | 10.5% | 10.3% | 11.6% | 15.0% | 14.1% | 9.6% | 15.0% | 15.9% | 15.8% | 14.2% |
| ROIC | 10.0% | 9.9% | 11.1% | 14.5% | 13.8% | 9.4% | 14.3% | 15.4% | 15.3% | 13.4% |
| Shares Out. | 32 | 32 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 34 |
| Revenue/Share | 9.27 | 9.77 | 10.60 | 11.54 | 12.58 | 13.37 | 14.58 | 16.67 | 18.21 | 18.78 |
| FCF/Share | 2.11 | 2.50 | 2.82 | 2.64 | 3.96 | 2.65 | 4.88 | | | 6.68 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*