



Oklahoma Bank and Commerce History Project

a program of the Oklahoma Historical Society

Interview with Dennis Brand

**Original interview for historical project under the direction of
David Rainbolt – *Loyal to Oklahoma: A History of the BancFirst Corp.*
Oklahoma City, OK, 2/11/2014**

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Audio taped and transcribed by MJH

MJH: It is Tuesday, February 11, 2014, and I am in the office of Dennis Brand at the BancFirst support center in downtown Oklahoma City. Thank you for letting me come in here, and thank you for participating in this project. I would like to get a little bit of background on how you came into the company, and maybe a little about your history in Shawnee. But what I really want to focus on is the pivotal period when you came over here to Oklahoma City, which I think was in about 1994.

DB: Well, probably, 1996. I joined this company in 1992, May of 1992. I was—and this is off the record a little bit—I started my banking career in February of 1972 for an institution by the name of the National Bank of Tulsa, which later became the Bank of Oklahoma. I had a 20 year stint with BOK, which was a large bank for Oklahoma at the time—highly centralized, and with a much different culture and structure than BancFirst, which is very decentralized. And I like that model much better than the BOK model, frankly. It pushes down responsibility and authority and accountability factors that you just don't get in a large bank. So it's a much different culture, and much more rewarding, I think. Not just for me, but for managers and supervisors out in the field that know their accounts.

MJH: How long were you with NBT, and then BOK?

DB: Twenty years. I left there—and this is the off the record part...

Off the record, DB discussed BOK, under chairmanship of Len Eaton, purchase of Fidelity National Bank of Oklahoma City. DB also worked for 6 months for Trammel Crow. Wanted to return to banking. He left BOK in November 1991, was introduced to Gene Rainbolt by Doug Fox, and joined BancFirst in May 1992.

MJH: I appreciate your giving me some background on that. So you were with National Bank of Tulsa, then BOK, for 20 years, had a brief stint, a couple of years maybe, with Trammel Crow...

DB: No, no, no. It was less than 6 months. Actually, Trammel Crow's office was in the ____ Tower. George Libby, who was the president of Trammel Crow, lived in Tulsa, and he officed in Tulsa. The corporate headquarters was in Dallas. George had been a long-time friend of mine. So I moved 5 floors up and worked for Trammel Crow for a period of time. I knew I wanted to get back into banking. So anyway, Doug Fox...I left BOK in November, and that was '91, and I joined BancFirst in May of '92.

MJH: Okay. Tell me about your first meetings with Gene Rainbolt. Did Doug Fox mediate that?

DB: I had met Doug, and let him know that I wanted to stay in banking. He was a customer of BOK at the time, and I knew Doug. Anyway, he and Gene were visiting one day, and he said, "Hey, there's a young man in Tulsa that you really should meet." So Gene made contact with me, and I met Gene in Shawnee, and met off site. It was a very productive meeting. We parted, and he called me and wanted to go to the next stage, and he wanted to meet my wife. My wife and I go back to Shawnee, and he interviewed both of us, and rightfully so. He wanted...It's important in a community that the bank president lives there, and the wife is very supportive of the move. Both of you have to be involved in the community. We both grew up in the small town of Perry, here in Oklahoma, so we knew small towns.

I was intrigued, and Gene and I had our third meeting, which happened to be here in downtown Oklahoma City at the Interurban restaurant, which is no longer in business. We came to terms there, and I started my career at BancFirst in May of 1992 as second in command of the Shawnee operation. By the end of the year, I was president of BancFirst in Shawnee.

MJH: Was that where the old Federal National [Bank] had been?

DB: It was originally Federal National [Bank]. It had changed its name to BancFirst in, I think, in 1989, before I got there. It was quite a contrast, you know, going from a much larger metropolitan bank to a branch of a super community bank. BancFirst, at the time I joined them, was probably \$600, \$700 million. And it was a much different structure, very decentralized, in contrast to BOK, which was very centralized and very standardized. It was a different structure, and a different culture, clearly, one that I could relate to and one that was very challenging, but also very rewarding. With a bank that size, you can actually see the impact of the decisions you make, and in the performance of the bank, and the economic impact the bank has on the growth of the community as well. Helping individuals and businesses grow and thrive, and see their dreams...So it was very rewarding. I have enjoyed my almost 22 years with BancFirst. But the few years I spent in Shawnee, among the 42 years I have been in banking, were the most challenging and rewarding of my career.

MJH: And those years were...

DB: 1992 through, really, probably, 1996-1997. At that point, Gene stepped aside. He was basically overseeing the community banks, and we formed a position called Director of Community Banking, and I assumed oversight of all the community banks.

We were becoming a much larger bank, so, along with the public ownership, it was becoming more structured and more formal. We still maintained the operating structure of a decentralized organization, but you know... The early years, when I was in Shawnee, I could do things. I could open the lobby on a Saturday. Ours was the first bank in the BancFirst system to open the lobby on Saturdays, from nine to noon. We opened on four of the federal holidays. So you can talk to David, and Mike Rogers, and Jay Hannah, and they say I was somewhat of a cowboy out there, kind of doing my own thing. And there's probably some truth to that. It was especially rewarding. I truly had authority—and along with that comes responsibility! It was an environment in which I thrived. Again, it was very rewarding, helping the school system pass their first bond issues in two or three decades, and that bond issue was larger than all the previous bond issues combined. So I put a mark on that. I was involved with St. Gregory's University, helping it to get on a sound financial footing. I recall helping businesses with financing and structuring, helping them grow and develop. It was very rewarding.

MJH: What was it like, going from being a branch president to being the guy who was in charge of all the branch presidents?

DB: From my perspective, the transition went fairly well. I was still fairly new with the organization relative to a lot of the other bank presidents, and I think I was somewhat of a... There was still a lot of unknown among some of the other presidents. I'm sure they scratched their heads, [wondering] if this was the right person. I think, in fairly short order, I was one of them. I'm a banker's banker. You have to live in the trenches, so you will fully understand what a community bank president can do for a community, and the amount of responsibility you have, not just to employees, but to customers in a community. So, I think I made the transition well, from my perspective. I think in time, I earned the respect of other bankers. I was sympathetic to their cause and knew what they were dealing with.

If you look at businesses, and even banks, their growth is not necessarily linear. It seems like you grow in a spiked pattern. We saw that within BancFirst, and it was really propelled by some of the acquisitions that they had made. I think of AmQuest. That brought in Lawton, Duncan, Ardmore, and two or three smaller communities. That quickly added to the asset base, and the communities they represented. There have been other acquisitions along the way. So, our growth has been a stair-step approach, as opposed to some linear progression, or growth.

Acquisitions created challenges in their own right, because you've got to inculcate those employees and those communities into your culture. It takes time. We're pretty objective about that, and realize that it will take two or three years for an acquired bank to understand our policies and procedures and our philosophy and our way of doing business, and buying into the concept. And frankly, validating the attitude we have about a decentralized

management structure. I am sure, even today, when we bring a bank in, we talk about a decentralized management structure. Here we are, a six-billion-dollar organization... You have to prove something. They have to prove to themselves that it truly is decentralized. And they've got the authority and responsibility that goes along with a community bank president.

MJH: Do you miss community banking, after calling the shots in Shawnee?

DB: Oh sure. I made this comment to somebody last week: The enjoyable part of banking, to me, is getting out, meeting customers, and meeting the prospects, and again, helping them achieve their goals, and helping communities grow. That's the fun part, and the very rewarding part.

So today, my customers, I suppose, are the bank presidents and the managers here in the support center.

I've made this comment many times: When you go on a customer call or a prospect call, without a doubt, you will learn something about that company, that industry, that community. It's a learning exercise. And there's the competitiveness. There's the taking business away from one of your competitors or helping one of your customers grow. That's very obvious. Again, it's gratifying.

MJH: Describe your relationship with Gene, and then with David, when you first got here. How did that evolve? What were some of your major challenges when you came in, and how did you and David split up your responsibilities?

DB: Early on, I had very little interaction with David. I reported to Gene on all issues, with the exception of the credit side of the bank. At that time, Les Greathouse was the chief credit officer. I'd say... I think I brought, maybe some new techniques, and a different management style, perhaps, that I think Gene recognized, for him to have in the community. I got real acquainted with the civic leaders and business owners there. Again, in banking, you realize that you have the platform that impacts the economic growth and viability of a community. I can't stress that enough. You can play a major role in the growth and development of your community.

I'm sure there were a number of things. I hired a young man, Scott [Copeland?], who is with us today. You will probably meet him. Scott was our operations officer. Shawnee had had this Christmas parade for many, many years. Employees came to it. In November, Scott and I carried the BancFirst banner out in front of this BancFirst float. And we had no idea what a Christmas parade was like. So on Friday night, we drive downtown, and were going down Main Street to the staging area for the floats. As we got closer, there was this huge semi-tractor, with a huge flatbed trailer behind it, and it was a nutcracker Christmas decoration on this flatbed truck. It turned out it was American National Bank, our major competitor. In front of the American National Bank was our float. Employees were well intentioned, but one of the employees had a pick up, and probably a 6x8 trailer, and they

put a red feeder on it and strung two or three strands of Christmas lights on it, and we had a half dozen of the employees' children sitting around this Christmas tree.

Scott and I are out in front of this homemade float, followed by this magnificent float of American National Bank. Frankly, I was embarrassed, and I told Scott, next year, we're either not going to have an entry in the Christmas parade, or we're going to build a float to win!

DB pointed to photo of Christmas parade floats on his shelf...

Gene asked me one time if I had ever built a Christmas float before, and I said, "Heavens, no!" But we had about five... We wanted to go out to win! I mean, literally, every Labor Day, Scott [Copeland?] and another gentleman who worked for many, many years with Gene, [Don Grimes?], and I would show up in my garage on Labor Day weekend, and we would literally start the layout and design of these Christmas floats.

Ultimately, we got to the point where we had to bring in the employees. We had a customer who gave us one bay of a warehouse, and we'd show up on week nights, on a voluntary basis, and employees would work on these. It became a huge sense of pride among our employees. You're part of BancFirst. So, long story short, the next year, we built our first Christmas float, and in the Christmas parade, there were two awards: one, best use of lights; and the other one, the best float in the parade. That next year, we won both awards. So they changed the rules the next year, where you could only win one! Anyway, we won the Christmas float contest for, I guess, the years that I was there.

And that's just one example. Even today, customers in Shawnee that I encounter once in a while will still reminisce about the floats in the Christmas parade. They took great pride knowing that their bank had a significant float in the parade. Again, it's one example. It has nothing to do with banking, other than it says a lot about your commitment to that community. It says a lot about the teamwork of your employees putting something like this together. And it was a component of re-establishing the image of BancFirst, and the credibility of BancFirst, in that community.

MJH: While you were there, do you think you brought some new elements, new techniques, into management?

DB: Looking at things like, net account openings. The bank was losing accounts. There was a net outflow of accounts every month, which was troubling. We had to really put focus on that. So, we started tracking net account openings in Shawnee, which had never been done in the company before. We developed an automatic, \$300 overdraft limit, that we overlaid in Shawnee, and which later became the overdraft policy that we had in the bank for many years.

MJH: So that was tested in Shawnee, and then went company-wide?

DB: Yes. And that's where, when you talk to some of these people, they'll mention that I was a cowboy. We kind of did our own thing. We had a mortgage operation here in Oklahoma City that was not managed very well, so we created our own mortgage operation in Shawnee.

You couldn't do that today. I say you couldn't do it... There are things you can do out there today and still comply with our regulatory environment, much more deliberate today than it was back then. But we still have the autonomy today where you can go out and...

MJH: Do you think that sort of cowboy banking, or whatever you want to call it, do you think that's one reason why Gene decided to bring you over here to the support center? Did he see something...?

DB: Probably. I think Gene and David saw the results of their efforts in Shawnee. You need to have a competitive element to your personality, to be successful and to grow a bank. And it's not competitive to the point that you disregard sound banking, particularly on the credit side. You've got to out compete your next competitor.

MJH: Do you think they saw that competitive nature?

DB: That's a component of it. I'd like to think that my management style was... I'd categorize myself as a banker's banker. Having been in the president's seat in Shawnee for several years exposed me to what it's all about. There's no doubt that the philosophy within BancFirst worked within the community, for that location, as opposed to a centralized environment. We made better decisions, quicker decisions, than a large, centralized banking operation. The fact of the matter is, we've got to look, act, and feel like a community bank, because that's who we compete with, day in and day out.

MJH: So originally, you were reporting to Gene. But by then, he was phasing out of direct involvement. What sort of relationship did you have with David, and how did that evolve? He has described you as having taken a huge load off his shoulders, in taking on community banking responsibilities.

DB: David probably overplays that some. Gene, I think, had a long banking career, and I think he was at a stage in his life and career that he wanted to do some things for the state of Oklahoma. That took more and more of his time, and he was spending less and less time managing the bank. In the meantime, we were growing, and the industry was changing. There were new products and services coming out. The regulatory environment started heating up. So obviously, the bank probably needed closer attention, and I was given the opportunity to do that.

David and I... I think our relationship evolved, and I have absolute respect for David Rainbolt. In many ways, he created the culture that exists here today. Gene had a community bank, decentralized culture. I think David formalized it more. Our relationship evolved, and I think as time went on, as David learned about my management style and my

decision making abilities, he turned over more and more of the day-to-day responsibilities over to me.

It's about at the point now where our duties fit very nicely. David oversees the checks and balances. The [line units?] are reporting to me. The back room functions report directly to David. So there's a good check-and-balance system that exists today.

MJH: So in the years since 1996 or 1997, what would you say are some of your biggest challenges, and maybe, some of the biggest opportunities?

DB: When you think about the challenges...I think it's a challenge every day to protect our culture. As we grow and add support staff, there's a natural tendency to think that functions need to be centralized. And when you start surrendering that, we become a Bank of Oklahoma or a Bank of America. The way we differentiate ourselves from most other banks is through our decentralized management structure. We make better credit decisions. We price our loans better. We price deposits better. We're responsive to personnel. We're responsive to our customers. We're just much more nimble. And there's value to that.

So I think the biggest challenge over the years, and will continue to be as we grow, is protecting our decentralized management structure. There could be a point in time out there where we become so big, and the industry becomes so regulated, that we're forced to centralize some functions. That will evolve, probably, over another decade or two. When you think about doubling the size of this company, perhaps being in two or three states, it will be a challenge.

MJH: What would you say—this might be part of this—about technology? David said that you were very receptive to cutting-edge technology when it really hammered the whole business in the mid-1990s.

DB: I don't think I'm particularly technologically savvy. I'm not intimidated by technology. I will say that. It's probably dangerous to think we're on the leading edge of technology. I think David explained it years ago: If you think about who we are, we let the big banks—the Bank of America, and the Bank of Oklahoma—develop technology. We don't need leading-edge technology, necessarily, in some of the communities. We can follow the lead of the big banks and preempt our community competition by two or three years. That will probably change somewhat as we get a larger concentration in the key metropolitan areas. We have to be right there with the Bank of Oklahoma and the Bank of America, in terms of technology. We can no longer, in the metropolitan markets, lag two or three years.

Again, I wouldn't take credit for leading-edge technology. Again, I'm not intimidated by it. The Jay Hannahs of the world, and the Scott [Copelands] of the world, and Dave [Westman], and others, keep an ear to the ground and make sure we have competitive products and services to compete with the larger banks. I think we're more progressive out of necessity than we would have been ten, maybe fifteen years ago.

I do a lot of research, primarily through the Internet, and I track the banking industry in Oklahoma, and national trends. I keep a pretty close view on our competitive bank assets. We look at what's going on, and know how we compare. There are occasions where you can spot opportunities, and we can [assess] our operating performance looking at peer group numbers.

MJH: A minute ago—and I want to make sure I understood it—back room operations that you were talking about include accounting, internal audits...

DB: ...internal audits, internal loan review, corporate finance—those functions report to David. I have, within the organizational chart, all the banking units report to me. Mike Rogers, in Human Resources, reports to me. Scott Copeland, who is out chief operations officer, if you will, and is involved in technology, reports directly to me. We have a subsidiary, in the holding company, insurance agency, that reports to me. Tim Daniel in the retail banking side...That's pretty much it.

MJH: And those kind of fall under the rubric of front line operations?

DB: Front line operations of the bank, yes.

MJH: Okay, and then, back room...

DB: Yes it's kind of the operations. It combines the checks and balances to the line functions of the bank. It would be, again, corporate finance, accounting, internal loan review, internal audit, internal loan compliance functions.

MJH: Do any episodes, since you came here, stand out in your mind as milestones or nearly averted disasters, or tremendous successes? You mentioned AmQuest, for example, as kind of a high point, and absorbing that.

DB: Really, given its size, absorbing AmQuest, was a huge acquisition. Folding that operation in was...took a fair amount of time, and a great deal of communication. You think back, in the Lawton operation, we had acquired Security Bank in Lawton. And then AmQuest had acquired—I think there were 3 banks within AmQuest that they had piled together. So we bring BancFirst, through Security Bank. Actually, BancFirst had acquired Security Bank not long before AmQuest. In the Lawton market, you've got a half dozen different bank cultures that you're trying to meld into one cohesive unit. We eventually got there. That was probably the most challenging individual market that we have dealt with.

Again, we're realists in acquisitions and conversions, Michael. It takes 2 or 3 years to fully integrate these banks into our [company].

MJH: How about the post-2008 world? Has that been, in some ways, a source of opportunity, because there are a lot of banks that ran into trouble? How would characterize that, and what was your response?

DB: I think we managed through the 2008 recession quite well. If you look at our operating performance, asset quality, liquidity—all the banking fundamentals were very, very solid. So we are positioned to take advantage of acquisitions or failed banks, if and when they occur. My guess is that the failed bank cycle is pretty much behind us in Oklahoma. We are positioned well, financially and managerially, to take advantage of the opportunities due to the continued growth of compliance and regulations.

Still, we have been fortunate. Since 2008-2009, with the oil and gas business in Oklahoma we just [have avoided] the economic downturn we have seen in other parts of the country. You probably know we have about the lowest unemployment rate in the nation. Thank goodness we've got Continental and Devon and Chesapeake and Sandridge here, and American Airlines and Tinker and some of the oil companies on the other side of the state. We have survived quite well.

MJH: Okay. And you attribute that survival and growth to community banking flexibility...?

DB: I'd like to think those of us who went through the eighties and survived the eighties have that indelibly imprinted on our minds. I don't think any of us would ever want to go back to that. So I think that's part of it. The banking industry in the Southwest went through the eighties, and it was tragic. None of us want to see that. There's no doubt that the banks in Oklahoma and the Southwest are far more disciplined today than they were in the eighties.

MJH: At this point in your career, do you have any comments that would kind of sum up your experiences, particularly at this bank, and with the Rainbolts?

DB: I would say I am...Who knows where I would be if I were not in the BancFirst organization. I think it's safe to say that I am a better banker today because I have spent a number of years in my banking career within the BancFirst organization, and I have worked alongside David and Gene and a whole host of other bankers. I think we have one of the finest group of bankers in the country. And I think we all know our charge and our responsibilities. We get things accomplished as a team, and we don't worry about who takes credit and who gets credit. It's a very unselfish group of people.

MJH: That's a great statement. Any projections on where the company is going?

DB: You hear people say once in a while, I think our better days are still ahead of us. I think this company has the reputation as a consistent, high performing bank, and because of that, I think we can attract young bankers and provide very challenging and rewarding careers for them. As I said, Oklahoma continues to grow, and there's still a lot of opportunity out there.

MJH: That's good news. I'm glad to hear that. I will...

Started to end interview, turned off recorder, then turned it back on...

DB: Historically...It was probably early on in my banking career that the industry was really based on margin. You buy money at one rate, and sell it at a higher price, and you have maintained a margin. If you go back and look at high performing banks—banks that were able to sustain high performance—non-interest income is an essential component of that. So I think one of the contributions, one of the focuses that I have brought to the company is the importance and significance of non-interest income. It's a necessary component if we are to maintain our high performance among our peers. We add to that treasury management services, merchant services, our insurance agency, our mortgage operation, our trust [department]—any number of non-interest income contributors. Those sources of revenue, along with our—what I call the margin business—lending business, put us on a good, solid footing where we can sustain above average performance, regardless of economic factors.

MJH: I am sure some of those components were here, but did you really spearhead that when you got here?

DB: Well, I think I saw that service menu at a viable time. Some of it, maybe I crafted. It was certainly, putting a priority and emphasis on it is something...I think I set the stage for emphasizing non-interest income, in many ways. The fact is, as you know, there are any number of people in our organization who have contributed mightily to this. This organization isn't successful because of one or two or a handful of people. It's because we're got 1,700 employees out in the field, and we should never lose sight of the fact that those people out in the communities, interfacing with our customers, and being accountable to their communities, are the ones who deserve the credit for our success.

I'm overhead. I recognize that. It's those people out in the field who make the money, provide good service, taking care of our customers, and are good stewards of our communities. So I am proud of the people here. Again, it's a very fine group of bankers, very talented, high integrity. They're just good people, in addition to being fine bankers. They're good people.

MJH: That's a good note to end on.

I will let you get back to what you do.

End