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BANC CORP  
Form 11-K  
June 29, 2005

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the fiscal year ended December 31, 2004 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-25033

A. Full title of the plan and the address of the plan, if  
different from that of the issuer named below:

The Banc Corporation 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and  
the address of its principal executive office:

The Banc Corporation  
17 North Twentieth Street  
Birmingham, Alabama 35203

The Banc Corporation 401(k) Plan  
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December 31, 2004 and 2003

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AS OF  
DECEMBER 31, 2004 AND FOR THE YEAR THEN ENDED

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AS OF

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Participants and Administrator of The Banc Corporation 401(k) Plan

We have audited the accompanying statement of net assets available for plan benefits of the Banc Corporation 401(k) plan as of December 31, 2004, and the related statement of changes in net assets available for plan benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan at December 31, 2004, and the changes in its net assets available for plan benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004, is presented for purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Carr, Riggs & Ingram LLC

Montgomery, Alabama

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June 22, 2005

## Report of Independent Registered Public Accounting Firm

Plan Administrator  
The Banc Corporation 401(k) Plan

We have audited the accompanying statement of net assets available for benefits of The Banc Corporation 401(k) Plan as of December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Birmingham, Alabama  
June 24, 2004

The Banc Corporation 401(k) Plan

### Statements of Net Assets Available for Plan Benefits

December 31,	2004	2003
	-----	-----
ASSETS		
Investments, at fair value	\$5,423,087	\$5,577,004
Employer contributions receivable	287,787	277,950
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$5,710,874	\$5,854,954
	=====	=====

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See accompanying notes to financial statements

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The Banc Corporation 401(k) Plan

Statement of Changes in Net Assets Available for Plan Benefits

Year ended December 31,	2004
	-----
ADDITIONS	
Company contributions	\$ 284,632
Participant contributions	842,818
Dividends	146,501
Interest	1,769
Transfer-in / rollovers	139,986
	-----
	1,415,706
DEDUCTIONS	
Benefits paid to participants	1,695,781
Administrative expenses	1,200
	-----
	1,696,981
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	137,195
	-----
NET (DECREASE) INCREASE	(144,080)
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT BEGINNING OF YEAR	5,854,954
	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT END OF YEAR	\$ 5,710,874
	=====

See accompanying notes to financial statements

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The Banc Corporation 401(k) Plan

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## Notes to Financial Statements

### NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PRESENTATION

The financial statements of The Banc Corporation 401(k) Plan (the Plan) have been prepared on the accrual basis of accounting.

#### INVESTMENT VALUATION AND INCOME RECOGNITION

The Banc Corporation's (the Company's) common stock is traded on the Nasdaq Stock Market under the trading symbol "TBNC" and investments in the Company's stock are valued using the closing price on the last business day of the plan year. Cash and cash equivalents are stated at fair value, which is approximated by cost. Investments in the mutual fund investments are stated at fair value based on participation units owned by the Plan. Fair values of the participation units owned by the Plan in the mutual fund investments are based on quoted redemption values on the last business day of the Plan year as determined by State Street Bank and Trust Company (the Custodian). Participant loans are valued at their outstanding balance, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### NOTE 2 -- DESCRIPTION OF PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### GENERAL

The Plan is a defined contribution plan, which covers employees of the Company who have attained age 21 and one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### CONTRIBUTIONS

Each year, participants may contribute up to 15% of pretax annual compensation, as defined in the Plan subject to Internal Revenue limits. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

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The Banc Corporation 401(k) Plan

Notes to Financial Statements

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The Company may, at its discretion, match participants' contributions each year up to a maximum of 6% of each participant's compensation. The Company contributed \$284,632 to the Plan in 2004.

### VESTING

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

### PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts can be used to reduce the Company's discretionary matching contributions in accordance with the Plan agreement. During 2004, no forfeitures were used to reduce the Company's discretionary matching contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### PARTICIPANT LOANS

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years unless the loan is for the purchase of a primary residence. In such case, the term of the loan shall be determined by the Company based on maturity dates for similar loans in the local area. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through monthly payroll deductions.

### PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

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The Banc Corporation 401(k) Plan  
Notes to Financial Statements

### PAYMENT OF BENEFITS

Upon termination of service, death, disability, or retirement, a participant may receive a lump-sum amount equal to the vested value of his or her account, or periodic equal installments for a period not to exceed the joint and last survivor life expectancy of the participant and the participant's beneficiary or an annuity.

### ADMINISTRATIVE EXPENSES

The Company pays all administrative expenses, other than custodial fees, on

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behalf of the Plan. Custodial fees are paid by the Plan.

### NOTE 3 -- PARTIES-IN-INTEREST TRANSACTIONS

State Street Bank and Trust Company is the custodian for the plan's investments. Certain plan investments are units of mutual fund investments managed by Federated Retirement Services (Federated), the recordkeeper. One of the investment vehicles in the Plan is The Banc Corporation common stock. The Company pays for all legal, accounting, and other services on behalf of the Plan.

### NOTE 4 -- INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed Federated by a letter dated November 19, 2001, that the prototype 401(k) plan used by the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code. The Plan Administrator and the Plan's Tax Counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

### NOTE 5 -- INVESTMENTS

During 2004, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

December 31,	2004
	-----
The Banc Corporation common stock	\$125,011
Mutual fund investments	12,184
	-----
	\$137,195
	=====

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The Banc Corporation 401(k) Plan  
Notes to Financial Statements

The fair value of individual investments that represent 5% or more of the Plan's net assets is as follows:

December 31,	2004	2003
	-----	-----
Federated Capital Preservation	\$1,433,105	\$1,408,798
Federated Capital Appreciation	418,771	558,407
Federated Total Return Bond	1,342,849	1,817,185
The Banc Corporation common stock	1,028,978	925,361

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## NOTE 6 -- RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 7 -- SUBSEQUENT EVENT

Effective January 1, 2005, the Plan became a safe harbor plan under the Internal Revenue Code regulations. Under the new plan description, the employer matching contribution is equal to 100% of the first 3% of employee contributions and 50% of the next 2% of employee contributions. There is immediate vesting of the employer matching contributions made after January 1, 2005.

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The Banc Corporation 401(K) Plan  
Schedule H, Line 4i-Schedule of Assets (Held at End of Year)  
Plan Sponsor EIN:63-1201350  
Plan Number 001

(A)	(B)	(C)
IDENTITY OF	ISSUE, BORROWER,	DESCRIPTION OF INVESTMENT
LESSOR, OR SIMILAR PARTY		
*	The Banc Corporation	The Banc Corporation Common Stock
*	Federated	Federated Conservative Fund
*	Federated	Federated Moderate Allocation Fund
*	Federated	Federated Capital Preservation
*	Federated	Federated GNMA Trust
*	Federated	Federated Total Return Bond
*	American Century	American Century Equity Income Advisor Class
*	Baron Funds	Baron Funds Growth Fund
*	Constellation Funds	Constellation Funds Small Cap Value
*	Federated	Federated Group Stock Trust
*	Federated	Federated Kaufmann Fund
*	Federated	Federated Capital Appreciation Fund
*	Federated	Federated Mid-Cap Index Fund





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Consent of Carr, Riggs & Ingram, LLC

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Consent of Ernst & Young LLP