



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**September 15, 2008**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

NobleBank & Trust, National Association  
Charter Number 24606

1509 Quintard Avenue  
Anniston, AL 36201-0000

Office of the Comptroller of the Currency

BIRMINGHAM FIELD OFFICE  
100 Concourse Parkway Suite 240  
Birmingham, AL 35244-1870

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory**

The rating for NobleBank & Trust, National Association (NobleBank) is based on the following information:

- The loan-to-deposit ratio is more than reasonable for satisfactory performance and compares favorably to local peer banks.
- A substantial majority of the bank’s primary loan products are originated within the assessment area.
- Management’s lending to businesses of different sizes and borrowers of different incomes is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

**SCOPE OF EXAMINATION**

This CRA Performance Evaluation is the first assessment of NobleBank’s ability to meet the credit needs of its community. The bank opened in October 2005. Examiners conducted a full-scope review of the bank’s assessment area (AA), which included four contiguous counties that are not located in a Metropolitan Statistical Area. NobleBank was evaluated utilizing the Small Bank examination procedures focusing on the five lending performance standards. This evaluation covers the period of October 11, 2005 through September 15, 2008.

Commercial loans comprise the majority of the bank’s lending activities. The bank was required to begin reporting Home Mortgage Disclosure Act (HMDA) data in 2007. As such, two consecutive years of HMDA information was not available for review. Therefore, a random sample of the primary loan products was selected to evaluate the bank’s CRA lending performance. For this examination, the primary loan products used were business loans and home loans. At August 29, 2008, the loan portfolio composition was as follows:

<b>Loan Type</b>	<b>% by Dollars of Loans Originated/Purchased during evaluation period</b>	<b>% by Number of Loans Originated/Purchased during evaluation period</b>
<b>Business Loans</b>	<b>74%</b>	<b>40%</b>
<b>Home Loans</b>	<b>20%</b>	<b>31%</b>
Consumer Loans	5%	28%
Farm Loans	1%	1%
Total	100%	100%

## **DESCRIPTION OF INSTITUTION**

NobleBank is an independent, locally-owned community bank with no holding company, subsidiaries, or affiliates. NobleBank is headquartered in Anniston, Alabama, the county seat of Calhoun County. The bank operates a main office located in Anniston along with one full service branch in nearby Oxford, Alabama. NobleBank has an ATM at each facility although neither ATM accepts deposits.

Since opening in October 2005, assets have grown to \$124 million. NobleBank's primary business focuses on traditional loan and deposit products. Strategic plans involve additional branching activities in two neighboring cities within the AA. Local competition includes two-similar sized community banks, several branches of regional banks, and a local credit union.

There are no financial conditions, legal constraints, or other factors that hinder the bank's ability to help meet the credit needs of its AA.

## **DESCRIPTION OF ASSESSMENT AREA(S)**

The bank's assessment area (AA) includes all census tracts in Calhoun County, two census tracts in Talledega County, and two census tracts in Cleburne County, AL. This coincides with the boundaries of the Anniston-Oxford Metropolitan Statistical Area (MSA). Its core cities are Anniston, Oxford, and Jacksonville.

The Anniston-Oxford MSA is the second most populated metropolitan area in Northeast Alabama. As of 2000, the population was 112,249. In 2000, the area was significantly affected by the closing of Fort McClellan Army Base. The base was the area's largest employer. Anniston is rebuilding the area by redeveloping the fort into a research park with retail stores and new homes. The Department of Homeland Security also uses a portion of the decommissioned fort for training and fieldwork. Oxford is located on I-20 and is experiencing significant growth in retail, restaurant, and hospitality start-ups. Top employers are Anniston Army Depot, Northeast Alabama Regional Medical Center, Calhoun County School System, and Jacksonville State University. The other cities in the MSA are: Alexandria, Piedmont, Ohatchee, Hobson City, and Weaver.

The AA meets all legal requirements set forth by the CRA regulation and does not arbitrarily exclude any low- or moderate-income areas. Calhoun County consists of 28 census tracts. Of these, three are low-income tracts, six are moderate-income tracts, fourteen are middle-income tracts, and five are upper-income tracts. The bank's AA includes two contiguous, middle-income census tracts in Talladega County since Oxford is in both Calhoun and Talladega Counties. The AA also includes two contiguous, middle-income tracts in Cleburne County. Only these specific census tracts in Cleburne and Talladega counties were included in the AA. Including the entire counties as part of the AA would make it too large for the institution to reasonably serve. Our review included these census tracts as part of the MSA AA.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
Population	
Number of Families	31,431
Number of Households	45,380
Geographies	
Number of Census Tracts/BNA	32
% Low-Income Census Tracts/BNA	9%
% Moderate-Income Census Tracts/BNA	19%
% Middle-Income Census Tracts/BNA	56%
% Upper-Income Census Tracts/BNA	16%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$ 40,309
2008 HUD-Adjusted MFI	\$ 47,100
Economic Indicators	
Unemployment Rate	3.01%
2000 Median Housing Value	\$ 66,264
% of Households Below Poverty Level	16.95%

Source: CRA Wiz Report based on 2000 United States Census

### **Community Contact**

As part of this evaluation, we conducted a community contact with a local, business and labor organization on September 30, 2008. The contact revealed that small business credit and affordable single-family and rental housing are primary credit needs in the community.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

Overall, lending performance is satisfactory given the bank's size, financial condition, and ability to meet the credit needs of its assessment area.

#### **Loan-to-Deposit Ratio**

*Overall, the loan-to-deposit ratio is excellent.* NobleBank's quarterly loan-to-deposit ratio averaged 78 percent since December 2005, and ranged from 70 percent to 85 percent. The bank's ratio compares favorably to the 71 percent average ratio of two similarly situated banks. Quarterly peer bank averages ranged from a low of 67 percent to a high of 74 percent.

#### **Lending in Assessment Area (AA)**

*Lending in the AA is good with a substantial majority of loans originated in the AA.* Based on our sample, eighty-eight percent of the bank's home loans and 80 percent of business loans were made in the AA. Please refer to the table below for details on the lending dispersion.

<b>Table 1 - Lending in Calhoun County AA</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$	%	
Home Loans	22	88	3	12	25	1,843	71	768	29	2,611
Business Loans	20	80	5	20	25	16,406	79	4,337	21	20,743
Totals	42	84	8	16	50	18,249	78	5,105	22	23,354

Source: Data provided from bank records; sample of loans

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

*Lending to businesses of different sizes is excellent.* The percentage of small business loans by number made to businesses with revenues less than \$1 million exceeds the percentage of small businesses in the AA.

<b>Table 2 - Distribution of Loans to Businesses with Less than \$1million in Revenue</b>			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Total
% of AA Businesses	60%	5%	65%*
% of Bank Loans in AA by #	65%	35%	100%
% of Bank Loans in AA by \$	23%	77%	100%

Source: Loan sample; Dunn and Bradstreet data. \* 35% of AA businesses did not report revenue data.

*Lending to borrowers of different incomes and businesses of different sizes is reasonable.* The penetration of residential loans to low-income borrowers equals the percentage of low-income families in the AA. The percentage of moderate-income borrowers is low in comparison with the demographics. The AA’s high household poverty rate of 17 percent poses a contributing factor, which prevents some low- and moderate-income families from qualification for residential mortgages under traditional underwriting standards. The bank recognized and addressed this issue by participating in the Alabama Multi-family Loan Consortium, a non-profit organization. The primary objective is to preserve affordable multi-family housing for low and moderate income families. Under this program, the bank funded three different projects to bolster housing for lower income families.

<b>Table 2A - Borrower Distribution of Residential Real Estate Loans in AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home	5%	5%	14%	5%	59%	40%	23%	50%

Source: Loan Sample; US Census Data

**Geographic Distribution of Loans**

*The distribution of business loans reflects reasonable dispersion throughout the four census tract income levels. Geographic distribution in low-income census tracts is good. While performance in the moderate-income census tracts needs improvement; there were limited opportunities to make business loans in these census tracts. The current need is for affordable rental housing which is being addressed through four community development loans made to investors with properties located in moderate-income census tracts to benefit low-to-moderate income people.*

<b>Table 3 - Geographic Distribution of Loans to Businesses in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	4%	5%	26%	10%	48%	40%	22%	45%

Source: Loan Sample; Dunn and Bradstreet data

*The bank’s geographic distribution of residential loans reflects poor dispersion throughout census tracts of different income levels. The bank did not originate any residential loans in the three low-income census tracts. However, opportunities for lending are limited as one of these census tracts includes Jacksonville State University. The bank did originate two loans on apartment buildings in this low-income census tract in Jacksonville for student rentals. The other two low-income tracts are located in West Anniston and Hobson City, areas with little capacity to lend on residential real estate. Although the percentage of loans in the moderate-income census tracts is lower than the percentage of AA owner occupied housing in the census tract, the amount of loans originated in the moderate-income census tracts is reasonable.*

<b>Table 3A - Geographic Distribution of Residential Real Estate Loans in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	4%	0%	13%	5%	61%	70%	23%	25%

Source: Loan Sample; US Census Data

**Responses to Complaints**

NobleBank had no CRA-related complaints since opening in October 2005.

**Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.