

FOR IMMEDIATE RELEASE

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Community National Bank of the Lakeway Area Announces Quarterly Profits, Increased Interest Margin, Opens Loan Production Office, Applies for Full Service Branch

Morristown, TN – July 23, 2007 – Community National Bank of the Lakeway Area (NASDAQ: CNLA) today reported results for the second quarter of 2007, ending June 30, 2007. Net income for the quarter was \$121 thousand, or \$0.07 per basic and diluted share, compared with a \$10 thousand, or \$0.01 per basic and diluted share for the same prior year period. Highlights for the second quarter of 2007 include:

- Community National Bank reported its fifth consecutive quarterly profit. Loan demand continues to be relatively strong, and the net interest margin continues to climb. Return on average assets increased from 0.04 % for the quarter ended June 30, 2006 to 0.46% for the quarter ended June 30, 2007.
- The net interest margin for the quarter ended June 30, 2007 was 3.67% compared to 2.98% for the same period in 2006. The steady growth in loans, as well as the repricing of adjustable rate mortgages, has continued to influence the margin in a positive manner.
- Gross loans grew 17.7% for the twelve month period from \$63.3 million at June 30, 2006 to \$74.5 million at June 30, 2007. The majority of the growth was in real estate secured loans, with commercial and consumer loans also having double digit growth.
- During the second quarter the Bank elected not to replace \$4.1 million in maturing brokered time deposits. As a result the Bank's funding sources (deposits plus retail repurchase agreements) decreased slightly, from \$81.5 million at June 30, 2006 to \$79.0 million at June 30, 2007.

During the second quarter of 2007, the Bank opened a loan production office in Dandridge, Tennessee. According to State of Tennessee statistics, Dandridge and the surrounding area is one of the fastest growing areas in the state. The new office offers all types of loans, but is expected to produce primarily residential real estate loans, as that area is exploding with lake front and lake view housing. While management looks for profitability from this office in the future, the fixed expenses and startup expenses had a negative impact on earnings during the second quarter.

The Bank has also filed a branch application with the Office of the Comptroller of the Currency to locate a full service branch in west Morristown, Tennessee. The plan is to open this branch in a temporary facility in the fourth quarter of 2007. The Bank intends to

eventually replace this temporary facility with a more permanent structure.

During the quarter ended June 30, 2007, the Bank added approximately \$170 thousand in foreclosed property attributable to the same loan customer relationship making up the remaining balance of approximately \$200 thousand in foreclosed assets. Management does not expect losses on the disposition of the foreclosed properties. The Bank had net charge-offs of 0.04% of average loans during the second quarter of 2007, compared to 0.12% of average loans in the first quarter of 2007. These charge offs are primarily related to small consumer loans. Although, non performing assets as a percentage of total loans was 0.59% at June 30, 2007 and .02% at June 30, 2006, management does not believe the increase in nonperforming loans indicates a downward trend in the overall quality of the loan portfolio, but rather an isolated situation driven primarily by one customer relationship referred to earlier.

Samuel F. Grigsby, Jr. CEO of Community National Bank of the Lakeway Area, commented, "The second quarter of 2007 was a good one for both loan growth and net interest margin. The Bank continues to build a solid base of profitable quarters, and we expect the bottom line to continue growing positively. It feels good to have established this trend, and feel like we have turned the corner. We just completed a thorough and very positive safety and soundness, consumer compliance, and CRA exams, and were very pleased with the results. The new Loan Production Office in Dandridge will help us when it gets established, and our soon to open full service branch in Morristown will provide needed liquidity to fund our loan growth. We believe both these locations will grow our base, and although they may temporarily slow the rate of increase in profitability, will be very beneficial in the long run to the Bank and our shareholders."

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This press release contains forward-looking statements concerning Community National Bank of the Lakeway Area's future activities. Such statements are subject to important factors that could cause Community National Bank of the Lakeway Area's actual results to differ materially from those anticipated by the forward-looking statements. These factors include the factors identified in Community National Bank of the Lakeway Area's Annual Report on Form 10-KSB for the year ended December 31, 2006 under the heading "Risk Factors" which are incorporated herein by reference.

Source: Community National Bank of the Lakeway Area
www.cnbla.com

**Community National Bank of the Lakeway Area
Financial Highlights
(Unaudited)**

	Three-Months Ended June 30,			Six-Months Ended June 30,		
	2007	2006	% Change	2007	2006	% Change
	<i>All dollars in thousands except per share data</i>			<i>All dollars in thousand except per share data</i>		
EARNINGS						
Net interest income	\$ 909	\$ 691	31.5%	\$ 1,791	\$ 1,333	34.4%
Provision for loan losses	26	44	(40.9%)	64	85	(24.7%)
Noninterest income	91	76	19.7%	181	133	36.1%
Noninterest expense	853	713	19.6%	1,660	1,411	17.6%
Income taxes	0	0	0%	0	0	0%
Net income	121	10	1110.0%	248	(30)	926.7%
PER SHARE INFORMATION						
Earnings per share, basic	\$ 0.07	\$ 0.01	568.3%	\$ 0.14	\$ (0.03)	0.00%
Dividends per share	0	0	0	0	0	0
Book value per share	7.96	5.39	47.6%	7.96	5.39	47.6%
OPERATING RATIOS (1)						
Net interest margin	3.67%	2.98%		3.63%	2.86%	
Return on average assets	0.46%	0.04%		0.48%	(0.06%)	
Return on average equity	3.30%	0.73%		3.42%	(1.06%)	
Efficiency ratio	85.3%	93.0%		84.2%	96.2%	
Net charge offs / average loans	0.04%	0.01%		0.16%	0.01%	
AVERAGE BALANCES						
Loans	\$ 74,189	\$ 58,917	25.9%	\$ 73,549	\$ 57,029	29.0%
Total earning assets	99,180	92,799	6.9%	98,791	93,275	5.9%
Total assets	104,168	97,086	7.3%	103,557	97,616	6.1%
Deposits	75,061	80,109	(6.3%)	74,926	80,524	(7.0%)
Borrowed funds	13,766	11,021	24.9%	13,462	10,971	22.7%
Shareholders' equity	14,673	5,498	166.9%	14,517	5,672	155.9%

	As of June 30,			As of December 31,		
	2007	2006	% Change	2006	2005	% Change
END OF PERIOD BALANCES						
Loans	\$ 74,473	\$ 63,277	17.7%	\$ 72,971	\$ 71,750	1.7%
Reserve for loan losses	681	624	9.1%	734	711	3.2%
Total earning assets	99,022	93,136	6.3%	98,922	93,275	6.1%
Total assets	104,184	97,411	7.0%	104,348	97,616	6.1%
Deposits	74,527	80,451	(7.4%)	75,823	81,750	(7.4%)
Borrowed funds	14,503	11,071	31.0%	13,631	10,971	23.3%
Shareholders' equity	14,597	5,464	167.1%	14,300	5,672	155.9%

ASSET QUALITY (END OF PERIOD)						
Loans 90 days past due and still accruing	\$ 88	\$ 0		\$ 17	\$ 0	
Nonaccrual loans	153	15		295	15	
Foreclosed assets	370	0		0	0	
Total nonperforming assets	611	15		312	15	
Nonperforming assets / total assets	0.59%	0.02%		0.30%	0.02%	
Allowance for loan losses / total loans	.91%	.99%		1.01%	1.01%	

(1) All ratios are annualized.