

**FOR IMMEDIATE RELEASE**

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**Community National Bank of the Lakeway Area Continues Consistent Profitability and Receives Approval for a Full Service Branch**

Morristown, TN – October 16, 2007 – Community National Bank of the Lakeway Area (NASDAQ: CNLA) today reported results for the third quarter of 2007, ending September 30, 2007. Net income for the quarter was \$121 thousand, or \$0.07 per basic and diluted share, compared with a \$70 thousand, or \$0.04 per basic and diluted share for the same prior year period. Highlights for the third quarter of 2007 include:

- Community National Bank reported its sixth consecutive quarterly profit. Loan demand continues to be relatively strong, and the net interest margin increased from the quarter ended September 30, 2006. Return on average assets increased from 0.28% for the quarter ended September 30, 2006 to 0.46% for the quarter ended September 30, 2007.
- The net interest margin for the quarter ended September 30, 2007 was 3.57% compared to 3.27% for the same period in 2006. Loan growth continued to be relatively strong during the quarter with the Bank's loan to average deposit ratio increasing to 100% as compared to 89% for the same period in 2006.
- Gross loans grew 19.3% for the twelve-month period from \$64.7 million at September 30, 2006 to \$77.2 million at September 30, 2007. The majority of the loan growth was in commercial and industrial loans and real estate loans which both experienced double digit growth rates.
- Deposits grew 6.8% from \$70.8 million at September 30, 2006 to \$75.6 million at September 30, 2007. The addition of a third strategically placed banking facility in the marketplace should help the Bank sustain or increase its deposit growth rate.

The Bank received approval from the Office of the Comptroller of the Currency to open a full service branch in west Morristown. The Bank intends to open a temporary facility and break ground on a permanent location during the fourth quarter of 2007. The added convenience provided by this branch in a high traffic location should spur future deposit growth.

During the quarter ended September 30, 2007, the Bank added approximately \$135 thousand in foreclosed property bringing the total to \$505 thousand at quarter end. Nonperforming assets totaled 0.51% at September 30, 2007 as compared to 0.41% at September 30, 2006. Although our Bank does not participate in sub-prime lending, the effect has been a slowing of home sales in our area. The Morristown Metropolitan Statistical Area continues to grow, with new industries relocating here as well as an influx of retirees, both boosting the local economy. Unemployment numbers for the area remain low as well.

Samuel F. Grigsby, Jr. CEO of Community National Bank of the Lakeway Area, commented, “The third quarter of 2007 was a good one for both loan growth and net interest margin. The net interest margin was up significantly from the third quarter of 2006, but was down slightly from the second quarter of 2007 due to a yield adjustment on purchased loans. 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 we feel like the Bank has turned the corner. The new Loan Production Office in Dandridge is beginning to establish itself, 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](http://www.cnbla.com)

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

	Three-Months Ended September 30,			Nine-Months Ended September 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>		
<b>EARNINGS</b>						
Net interest income	\$ 897	\$ 773	16.0%	\$ 2,688	\$ 2,106	27.6%
Provision for loan losses	24	64	(62.5%)	88	149	(40.9%)
Noninterest income	93	93	0.0%	274	226	21.2%
Noninterest expense	845	732	15.4%	2,505	2,143	16.9%
Income taxes	0	0	0%	0	0	0%
Net income	121	70	72.9%	369	40	822.5%
<b>PER SHARE INFORMATION</b>						
Earnings per share, basic	\$ 0.07	\$ 0.04	69.6%	\$ 0.20	\$ 0.02	917.7%
Dividends per share	0	0	0	0	0	0
Book value per share	8.14	7.76	4.9%	8.14	7.76	4.9%
<b>OPERATING RATIOS (1)</b>						
Net interest margin	3.57%	3.27%		3.61%	3.00%	
Return on average assets	0.46%	0.28%		0.47%	0.05%	
Return on average equity	3.41%	2.86%		3.35%	0.76%	
Efficiency ratio	85.4%	84.5%		84.6%	91.9%	
Net charge offs / average loans	0.01%	0.01%		0.17%	0.03%	
<b>AVERAGE BALANCES</b>						
Loans	\$ 75,590	\$ 64,018	18.1%	\$ 74,237	\$ 59,385	25.0%
Total earning assets	100,454	94,532	6.3%	99,352	93,699	6.0%
Total assets	105,503	99,062	6.5%	104,213	98,103	6.2%
Deposits	75,981	76,312	(0.4%)	75,282	79,105	(4.8%)
Borrowed funds	14,166	12,421	14.0%	13,699	11,460	19.5%
Shareholders' equity	14,182	9,800	44.7%	14,693	7,063	108.0%
<b>END OF PERIOD BALANCES</b>						
	<b>As of September 30,</b>			<b>As of</b>		
	<b>2007</b>	<b>2006</b>	<b>% Change</b>	<b>December 31,</b>		
				<b>2006</b>	<b>% Change</b>	
Loans	\$ 77,216	\$ 64,738	19.3%	\$ 72,971	5.8%	
Reserve for loan losses	696	682	2.1%	734	(5.2%)	
Total earning assets	99,487	92,842	7.2%	98,922	0.6%	
Total assets	104,631	97,317	7.5%	104,348	0.3%	
Deposits	75,549	70,768	6.8%	75,823	(0.4%)	
Borrowed funds	13,585	11,949	13.7%	13,631	(0.3%)	
Shareholders' equity	15,048	14,075	6.9%	14,300	5.2%	
<b>ASSET QUALITY (END OF PERIOD)</b>						
Loans 90 days past due and still accruing	\$ 0	\$ 0		\$ 17		
Nonaccrual loans	24	397		295		
Foreclosed assets	505	0		0		
Total nonperforming assets	529	397		312		
Nonperforming assets / total assets	0.51%	0.41%		0.30%		
Allowance for loan losses / total loans	.90%	1.05%		1.01%		
(1) All ratios are annualized.						