

FOR IMMEDIATE RELEASE

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**IMPROVED NET INTEREST MARGIN AND EARNINGS HIGHLIGHT
2007 FOR COMMUNITY NATIONAL BANK OF THE LAKEWAY AREA**

Morristown, TN – February 6, 2008 – Community National Bank of the Lakeway Area (NASDAQ: CNLA) today reported results for the fourth quarter and year ended December 31, 2007. Net income for the quarter was \$708 thousand, or \$0.38 per basic and diluted share, compared with a \$120 thousand, or \$0.07 per basic and diluted share for the same prior year period. Year-to-date net income was \$1.1 million or \$0.59 per basic and diluted share as compared to \$161 thousand or \$0.09 per basic and diluted share for the prior year period. Highlights for the year of 2007 include:

- Community National Bank completed its second profitable year in 2007 with a return on average assets of 1.03% compared to 0.16% for the year ended December 31, 2006. The return on average equity for the year ended December 31, 2007 was 7.23% compared to 1.82% for 2006.
- The strong earnings increase in the fourth quarter of 2007 was due to the recognition of a portion of the deferred tax benefit created primarily by net operating loss carry forwards in previous years. The Bank recognized approximately 53% of the benefit or \$655 thousand during 2007. A valuation allowance for the balance of the deferred tax benefit will be maintained until management determines it is more likely than not that future earnings will be sufficient to use the tax benefit in the required time frame.
- Net interest income for the quarter and year ended December 31, 2007 was \$934 thousand and \$3.6 million respectively, compared to \$820 thousand and \$3.0 million for the quarter and year ended December 31, 2006, respectively. The net interest margin for the quarter and year ended December 31, 2007 was 3.74% and 3.64%, respectively, as compared to 3.39% and 3.14% for the same periods in 2006.
- Gross loans grew 5.6% for the twelve-month period from \$73.0 million at December 31, 2006 to \$77.1 million at December 31, 2007. The majority of the loan growth was in construction and land development loans which increased 30.2% and residential real estate loans which increased 6.6%.
- Deposits for the year ended December 31, 2007 declined 3.6% to 73.1 million from \$75.8 million at December 31, 2006. This decline is attributable primarily to the banks conservative pricing strategies as well as the lack of convenient branch locations for the Hamblen County market.

On January 28, 2008, the Bank opened a branch office located in a high traffic area in west Morristown. The added convenience provided by this branch, along with the experienced local staff, should spur future deposit growth.

Samuel F. Grigsby, Jr. CEO of Community National Bank of the Lakeway Area, commented, "The fourth quarter of 2007 and the entire year was very positive for our Bank. Now that we have established steady, consistent earnings, we should be able to execute our business plan and place branches in strategic locations, thus enabling us to grow, become more efficient, and increase earnings. Our net interest margin continues to improve, and that can only be a positive for future earnings. While 2008 may not be the greatest of years for the banking industry as a whole, I believe we are positioned well for the next rise in the economic cycle. Our markets remain strong, and we have not been affected as negatively as other parts of the country. It feels good to have established this earnings trend, and I think brighter days are ahead for our Bank."

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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 December 31,

Year Ended December 31,

2007

2006

% Change

2007

2006

% Change

All dollars in thousands except per share data

EARNINGS

Net interest income	\$	934	\$	820	13.9%	\$	3,622	\$	2,965	22.2%
Provision for loan losses		7		60	-88.3%		96		209	-54.1%
Noninterest income		104		129	-19.4%		403		317	27.1%
Noninterest expense		978		769	27.2%		3,507		2,912	20.4%
Income tax benefit		655		-	100.0%		655		-	100.0%
Net income		708		120	490.0%		1,077		161	569.2%

PER SHARE INFORMATION

Earnings per share, basic	\$	0.38	\$	0.07	468.5%	\$	0.59	\$	0.09	558.9%
Dividends per share		-		-	-		-		-	-
Book value per share		8.63		7.89	9.4%		8.63		7.89	9.4%

OPERATING RATIOS (1)

Net interest margin	3.74%	3.39%	3.64%	3.14%
Return on average assets	2.69%	0.47%	1.03%	0.16%
Return on average equity	18.10%	3.38%	7.24%	1.82%
Efficiency ratio	94.2%	81.0%	87.1%	88.7%
Net charge offs / average loans	0.00%	0.01%	0.17%	0.04%

AVERAGE BALANCES

Loans	\$	76,951	\$	67,555	13.9%	\$	74,921	\$	61,444	21.9%
Total earning assets		99,885		96,813	3.2%		99,488		94,484	5.3%
Total assets		105,154		102,356	2.7%		104,450		98,896	5.6%
Deposits		73,805		73,883	-0.1%		74,910		77,789	-3.7%
Borrowed funds		15,178		13,658	11.1%		14,072		11,735	19.9%
Stockholders' equity		15,647		14,206	10.1%		14,886		8,864	67.9%

END OF PERIOD BALANCES

	As of December 31,		%
	2007	2006	Change
Loans	\$ 77,051	\$ 72,971	5.6%
Reserve for loan losses	702	734	-4.4%
Total earning assets	100,695	98,922	1.8%
Total assets	106,519	104,348	2.1%
Deposits	73,125	75,823	-3.6%
Borrowed funds	16,471	13,631	20.8%
Stockholders' equity	16,327	14,300	14.2%

ASSET QUALITY (END OF PERIOD)

Loans 90 days past due and still accruing	\$	-	\$	17
Nonaccrual loans		20		295
Foreclosed assets		505		-
Total nonperforming assets	\$	525	\$	312
Nonperforming assets / total assets		0.49%		0.30%
Allowance for loan losses / total loans		0.91%		1.01%

(1) Net income has been annualized for the quarterly calculations and assumes the same net income result for each quarter.

