

COMMUNITY NATIONAL BANK
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FOR IMMEDIATE RELEASE

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**COMMUNITY NATIONAL BANK REPORTS FIRST QUARTER 2011 RESULTS
SHOWING AN INCREASE IN NET INCOME, COMMERCIAL LOANS AND DEMAND
DEPOSITS COMPARED TO PRIOR YEAR**

Great Neck, N.Y. – April 15, 2011 – Community National Bank (OTC BB: CBNY.OB)

today announced first quarter results for 2011. Highlights for the quarter include:

- Net income of \$623 thousand for the first quarter of 2011 compared to net income of \$134 thousand for the same period in 2010.
- Net interest income grew 7% over 2010 to \$3.9 million for the quarter. The net interest margin was 3.39%.
- Commercial loans increased 22% or \$37.3 million to \$205.2 million compared to March 31, 2010.
- Deposits increased 12% or \$12.8 million to \$369 million compared to the prior year quarter.
- \$1.3 million in gains on the sale of Small Business Administration Loans (SBAö) during the quarter.
- The Bank received approval from the OCC to open its 9th branch location in Melville, New York. The branch is expected to open during the second half of 2011.

Chairman, President and CEO, Stuart Lubow commented "Community National Bank continues to execute its business strategy by staying focused on our core business of commercial and residential lending in our marketplace. This is evident by the 18% annualized growth rate in our loan portfolio on a linked quarter basis as well as a 15% increase from the prior year quarter." We expect this loan growth to continue as the loan pipeline remains robust and we open our 8th branch location in Bayside in May 2011 and our 9th location in Melville by the end of 2011.

Net Earnings and Net Interest Income

Net income for the quarter ended March 31, 2011 was \$623 thousand or \$0.09 earnings per share as compared to net income of \$134 thousand or \$0.03 earnings per share for the comparable period in 2010.

For the quarter ended March 31, 2011, net interest income and net interest margin were \$3.9 million and 3.39%, respectively, compared to \$3.6 million and 3.64% for the prior 2010 quarter. The Bank's increase in net interest income was primarily due to the growth in commercial loan portfolio. The growth in the commercial loan portfolio was funded by a \$16 million reduction in lower yielding money market investments and a \$20.6 million increase in business demand deposits. The net interest margin decreased 25 basis points from the prior year quarter due to a significant decline in interest rates during the period which resulted in higher prepayments and payoffs in the investment securities and residential loan portfolio. The proceeds from these prepayments and payoffs were reinvested at lower yields.

Non-Interest Income

Non-Interest income increased \$1.5 million to \$1.7 million at March 31, 2011 compared to \$143 thousand for the prior quarter. The increase is mostly due to \$1.3 million in gains on the sale of SBA loans. The increase in gains on the sale of SBA loans was the result of the SBA expanding the requirements of their program to encourage lending to small businesses. Mr. Lubow commented "As a preferred SBA lender and 2010 Gold medal recipient for originating over \$20 million in SBA loans in 2010, we are proud that we have been able to help local small business owners in our marketplace obtain access to credit." The SBA ended the expanded program towards the end of 2010 and we expect that the SBA loan origination pipeline and gains will decrease in the second half of 2011. The Bank recorded BOLI income of \$135 thousand during the first quarter of 2011. The Bank purchased approximately \$15 million in BOLI since the prior year period. These purchased were primarily funded through longer term FHLB Advances.

Loans and Asset Quality

Loans held-for-investment increased \$14.3 million for an annualized growth rate of 18% to \$338.8 million at March 31, 2011 compared to \$324.5 million at December 31, 2010. The commercial loan portfolio increased \$43.9 million or 15% when compared to the prior year quarter. "As the Bank expands its branching network it will continue to focus on increasing core earnings through business and personal banking relationships" commented Mr. Lubow.

Non-Performing loans increased to \$4.9 million or 1.45% of total loans at March 31, 2011 from \$4.2 million or 1.30% at December 31, 2010. The Bank had six non-accrual loans at March 31, 2011. The Bank's provision for loan losses was \$760 thousand during the first quarter of 2011 compared to \$300 thousand for quarter ended December 31, 2010. The increase was due to one loan that became non-accrual during the quarter and increased general valuation reserves due to normal loan growth.

The allowance for loan losses to total loans held for investment increased to 1.38% at March 31, 2011 from 1.22% at December 31, 2010. The Bank charged off \$37 thousand in SBA loans during the quarter.

Further information about the financial condition and performance of Community National Bank is available from its Call Reports filed by the Bank with the FDIC and available on the FDIC website at: http://www2.fdic.gov/idasp/main_bankfind.asp

ABOUT COMMUNITY NATIONAL BANK

Community National Bank is a Long Island based independent commercial bank and operates seven locations in Nassau and Suffolk counties. We offer a full range of modern financial services, backed by state-of-the-art technology. In addition to commercial loans, commercial mortgages, small business loans and lines of credit, residential mortgages, CNB also provides a complete selection of traditional personal and commercial deposit products such as no fee individual and business checking accounts, IRA accounts and statement savings.

Cautionary Statement about Forward-Looking Statements

This release contains certain "forward looking statements" about CNB which, to the extent applicable, are intended to be covered by the safe harbor for forward looking statements provided under the Federal securities laws and, regardless of such coverage, you are cautioned about. Examples of forward-looking statements include but are not limited to, CNB's financial condition and capital ratios, results of operations and the CNB's outlook and business. Forward-looking statements are not historical facts. Such statements may be identified by the use of such words as "may," "believe," "expect," "anticipate," "plan," "continue," or similar terminology. These statements relate to future events or our future financial performance and involve risks and uncertainties that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we caution you not to place undue reliance on these forward-looking statements. Factors which may cause our forward looking statements to be materially inaccurate include, but are not limited to, an unexpected deterioration in our loan portfolio, unexpected increases in our expenses, greater than anticipated growth, unanticipated regulatory action, unexpected changes in interest rates, a loss of key personnel, an unanticipated loss of existing customers, competition from other institutions causing us unanticipated changes in our deposit or loan rates, increases in FDIC insurance costs and unanticipated adverse changes in our customers' economic conditions or economic conditions in our local area generally.

Forward-looking statements speak only as of the date of this press release. We do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

COMMUNITY NATIONAL BANK
STATEMENTS OF INCOME
(Unaudited)

	For The Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Interest Income:			
Commercial Loans	\$2,929,441	\$2,910,143	\$2,422,389
Residential and Consumer Loans	1,563,982	1,583,430	1,714,931
Securities	686,028	680,427	863,457
Money Market Investments	2,790	5,916	5,189
Total Interest Income	5,182,241	5,179,916	5,005,966
Interest Expense:			
NOW, Savings & Money Market	143,731	152,376	218,971
Certificates of Deposit	968,088	1,046,475	1,057,763
Borrowed Funds	218,446	226,753	139,223
Total Interest Expense	1,330,265	1,425,604	1,415,957
Net Interest Income	3,851,976	3,754,312	3,590,009
Provision For Loan Losses	760,000	300,000	307,000
Net Interest Income After Provision for Loan Losses	3,091,976	3,454,312	3,283,009
Non-Interest Income:			
Service Charges	115,047	120,992	71,783
Loan Fees & Servicing Income	69,877	61,917	65,142
Gain on Sale of Investments	9,784	215,228	2,068
Gain on Sale of Loans	1,339,465	159,106	4,712
BOLI Income	135,245	108,306	-
Total Non-Interest Income	1,669,418	665,549	143,705
Non-Interest Expense:			
Compensation and Benefits	1,854,442	1,559,078	1,403,236
Occupancy and Equipment	934,496	911,585	927,010
Advertising	61,706	60,199	13,794
Other Expenses	924,524	702,532	859,228
Total Non-Interest Expense	3,775,168	3,233,394	3,203,268
Income Before Income Taxes	986,226	886,467	223,446
Provision For Income Taxes	363,500	274,007	89,362
Net Income	\$622,726	\$612,460	\$134,084
Earnings Per Share:			
Basic	\$0.09	\$0.09	\$0.03
Diluted	\$0.09	\$0.09	\$0.03
Weighted Average Shares Outstanding ó Basic	6,673,181	6,673,181	4,871,041
Weighted Average Shares Outstanding ó Diluted	6,684,195	6,681,994	4,878,013

COMMUNITY NATIONAL BANK
BALANCE SHEETS
(Unaudited)

Assets:	March 31, 2011	December 31, 2010	March 31, 2010
Cash and Due From Banks	\$4,733,264	\$3,690,489	\$5,283,123
Money Market Investments	3,036,235	2,215,083	19,220,548
Securities - Available-for-Sale	99,466,280	110,857,926	91,941,813
Restricted Stock	4,245,250	4,472,200	2,871,350
Total Securities	<u>103,711,530</u>	<u>115,330,126</u>	<u>94,813,163</u>
Loans Held-For-Sale	-	7,518,629	6,723,547
Commercial Loans	205,180,420	194,518,041	167,863,863
Residential & Consumer	133,616,246	130,020,381	127,040,465
Gross Loans Held-For-Investment	<u>338,796,666</u>	<u>324,538,422</u>	<u>294,904,328</u>
Less: Allowance For Loans Losses	(4,681,642)	(3,956,864)	(3,528,142)
Net Loans Held-For-Investment	<u>334,115,024</u>	<u>320,581,558</u>	<u>291,376,186</u>
Premises and Equipment, net	7,704,607	7,620,331	8,159,687
Bank Owned Life Insurance (öBOLIö)	15,336,213	10,260,005	-
Other Assets	7,248,198	9,628,576	7,414,816
Total Assets	<u>\$475,885,071</u>	<u>\$476,844,797</u>	<u>\$432,991,070</u>
Liabilities and Stockholders' Equity:			
Deposits:			
Demand	\$70,448,381	\$66,609,198	\$49,845,751
NOW, Savings & Money Market	107,193,520	106,383,448	107,497,425
Certificates of Deposit	192,355,205	186,611,547	199,869,688
Total Deposits	<u>369,997,106</u>	<u>359,604,193</u>	<u>357,212,864</u>
FHLB Borrowings	37,445,600	42,930,582	21,368,782
Secured Borrowings - SBA Loans	-	6,570,004	5,853,547
Accrued Expenses and Other Liabilities	2,875,920	2,978,842	2,438,977
Total Liabilities	<u>410,318,626</u>	<u>412,083,621</u>	<u>386,874,170</u>
Stockholders' Equity:			
Common Stock, par value \$5.00; authorized 10,000,000 shares; issued 6,673,181 shares at March 31, 2011 & December 31, 2010 & 4,871,041 shares at March 31, 2010	33,365,905	33,365,905	24,355,205
Additional Paid in Capital	33,732,805	33,693,112	24,666,653
Retained Deficit	(1,089,183)	(1,711,910)	(3,050,816)
Unrealized (Loss)/Gain on Securities	(443,082)	(585,931)	145,858
Total Stockholders' Equity	<u>65,566,445</u>	<u>64,761,176</u>	<u>46,116,900</u>
Total Liabilities and Stockholders' Equity	<u>\$475,885,071</u>	<u>\$476,844,797</u>	<u>\$432,991,070</u>

COMMUNITY NATIONAL BANK
SELECTED FINANCIAL DATA AND BALANCE SHEET COMPONENTS
(Unaudited)

SELECTED FINANCIAL DATA:

	For The Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Per Share:			
Net Income - Basic	\$0.09	\$0.09	\$0.03
Average Shares Outstanding - Basic	6,673,181	6,673,181	4,871,041
Net Income - Diluted	\$0.09	\$0.09	\$0.03
Average Shares Outstanding - Diluted	6,684,195	6,681,994	4,878,013
Book Value	\$9.83	\$9.70	\$9.47
Performance:			
Return on Average Total Assets	0.52%	0.52%	0.13%
Return on Average Equity	3.86%	3.76%	1.17%
Efficiency Ratio	68.37%	73.16%	85.79%
Yield on Average Earning Assets	4.56%	4.63%	5.07%
Cost on Average Interest Bearing Liabilities	1.54%	1.69%	1.78%
Cost of Deposits	1.23%	1.31%	1.50%
Net Interest Spread	3.02%	2.94%	3.29%
Net Interest Margin	3.39%	3.36%	3.64%
	March 31, 2011	December 31, 2010	March 31, 2010
Leverage Ratio	13.32%	13.45%	10.97%
Tier 1	19.75%	20.54%	16.31%
Total	21.00%	21.79%	17.56%
Asset Quality:			
Allowance for Loan Losses to Total Loans	1.38%	1.22%	1.20%
Allowance for Loan Losses to Non-Performing Loans	95%	94%	61%
Non-performing Loans to Total Loans	1.45%	1.30%	1.95%
Non-performing Assets to Total Assets	1.03%	0.88%	1.33%
Annualized Quarterly Net Charge-offs to Average Loans	0.04%	0.01%	0.08%