

COMMUNITY NATIONAL BANK
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FOR IMMEDIATE RELEASE

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**COMMUNITY NATIONAL BANK REPORTS FIRST QUARTER 2010 RESULTS
SHOWING A 31% INCREASE IN NET INTEREST INCOME WHEN COMPARED TO
PRIOR YEAR AND STRONG COMMERCIAL LOAN GROWTH**

Great Neck, N.Y. – May 12, 2010 – Community National Bank (OTC BB: CBNY.OB)

exhibited strong financial performance in the first quarter of 2010 generating its third straight profitable quarter. Highlights in the current period include:

- Net income of \$134 thousand for the first quarter of 2010 compared to a net loss of \$(293) thousand for the same period in 2009.
- An increase in net interest income of 31% over 2009 to \$3.6 million for the quarter. The net interest margin was 3.64% in the current quarter.
- Annualized commercial loan growth of 33% or \$12.7 million on a linked quarter basis.
- A 24% annualized growth rate for total deposits, linked quarter.
- A decrease in non-performing loans to total loans held-for-investment from 2.11% to 1.95% during the first quarter.
- The Bank's leverage ratio was 10.97% at March 31, 2010, significantly above the regulatory minimum for a well capitalized institution of 5.00% and an individual regulatory requirement of 10%.

Net Earnings

Net income for the quarter ended March 31, 2010 was \$134 thousand or \$0.03 earnings per share as compared to a \$(293) thousand net loss or loss per share of (\$0.06) for the comparable period in 2009.

For the quarter ended March 31, 2010, net interest income and net interest margin were \$3.6 million and 3.64%, respectively, compared to \$2.7 million and 3.18% for 2009. The Bank's increases in net interest income and margin were primarily due to the growth in commercial lending, increased commercial demand deposits and a significant decline in the cost of deposits. The Bank will continue its efforts to expand the number of small-to-medium sized business customers and utilize core deposits from these relationships to fund future loan growth.

Loans and Asset Quality

The Bank had \$6.7 million in loans held-for-sale at March 31, 2010. Approximately \$5.8 million of these loans represented Small Business Association ("SBA") loans which were sold during the first quarter of 2010. However, due to the adoption of a new accounting standard on January 1, 2010, the transfer of the guaranteed portion of the SBA loan does not meet the condition of "a sale" until a 90-day recourse provision expires. Until the expiration of this recourse period, the transfer of the guaranteed portion of the SBA loan must be accounted for as a \$5.8 million secured borrowing on the balance sheet at March 31, 2010. The 90-day recourse provision has resulted in the Bank recording deferred loan gains of approximately \$500,000 at March 31, 2010. The Bank expects to recognize these deferred gains in income during the second quarter of 2010.

Loans held-for-investment increased \$10.7 million for an annualized growth rate of 15% to \$295.0 million at March 31, 2010 compared to \$284.2 million at December 31, 2009. The commercial loan portfolio increased \$12.7 million on a linked quarter. The significant growth in commercial loans was offset by a \$2.0 million decline in the residential loan portfolio from December 31, 2009. "The Bank continues to execute its strategy of increasing its business relationships as demonstrated by the strong growth in the commercial loan portfolio during the first quarter" said Mr. Lubow. "We expect commercial loan growth to continue as we increase the depth and size of our lending department and through the maturity of our branch network" he added. "The decrease in the residential loan portfolio was the result of increased mortgage refinance activity in 2009. Community National Bank made a strategic decision not to compete with the extremely low fixed rate residential mortgage products offered by other financial institutions" said Lubow.

Non-Performing loans to total loans decreased to 1.95% at March 31, 2010 from 2.11% at December 31, 2009. The decrease was due to the repayment of one non-accrual loan during the quarter which resulted in a charge-off of \$60,000. The allowance for loan losses to total loans held for investment increased to 1.20% at March 31, 2010 from 1.15% at December 31, 2010 as the Bank continues to prudently increase its reserve levels during the fragile economic recovery.

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, estimates with respect to our 2010 earnings, 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, a 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)

	Three Months Ended		
	March 31, 2010	December 31, 2009	March 31, 2009
<i>(in thousands, except per share amounts)</i>			
Total Interest Income	\$5,006	\$5,224	\$4,695
Total Interest Expense	1,416	1,517	1,947
Net Interest Income	3,590	3,707	2,748
Provision for Loan Losses	307	860	490
Net Interest Income after Provision for Loan Losses	3,283	2,847	2,258
Total Non-Interest Income	143	752	257
Non-Interest Expense:			
Employee Compensation & Benefits	1,403	1,306	1,264
Occupancy & Equipment, net	927	908	864
Other Operating Expenses	873	873	680
Total Non-Interest Expense	3,203	3,087	2,808
Income Before Income Taxes	223	512	(293)
Provision for Income Taxes	89	(1,834)	-
Net Income	\$134	\$2,346	(\$293)
Earnings Per Share:			
Basic	\$0.03	\$0.48	(\$0.06)
Diluted	\$0.03	\$0.48	(\$0.06)

Community National Bank
Statements of Condition
(Unaudited)

<i>(in thousands)</i>	March 31, 2010	December 31, 2009	March 31, 2009
Assets:			
Cash & Due from Banks	\$5,283	\$4,335	\$7,339
Money Market Investments	19,221	9,052	8,702
Securities:			
Available-for-Sale	91,942	91,863	51,408
Restricted Stock	2,871	2,711	1,653
Total Securities	<u>94,813</u>	<u>94,574</u>	<u>53,061</u>
Loans:			
Loans Held-for-Sale	6,724	-	-
Commercial Loans	167,863	155,145	153,057
Residential & Consumer Loans	127,041	129,076	136,130
Less: Allowance for Loan Losses	3,528	3,282	2,451
Net Loans Held-for-Investment	<u>291,376</u>	<u>280,939</u>	<u>286,736</u>
Other Assets	15,574	15,191	10,752
Total Assets	<u>\$432,991</u>	<u>\$404,091</u>	<u>\$366,590</u>
Liabilities and Stockholders' Equity:			
Total Deposits	357,213	337,093	322,091
Federal Funds Purchased & Collateralized Borrowings	21,368	19,843	-
Other Secured Borrowings	5,854	-	-
Accrued Expenses & Other Liabilities	2,439	1,520	1,289
Total Liabilities	<u>\$386,874</u>	<u>\$358,456</u>	<u>\$323,380</u>
Total Stockholders' Equity	46,117	45,635	43,210
Total Liabilities and Stockholders' Equity	<u>\$432,991</u>	<u>\$404,091</u>	<u>\$366,590</u>

Community National Bank
Selected Financial Data and Balance Sheet Components
(Unaudited)

SELECTED FINANCIAL DATA:	March 31, 2010	December 31, 2009	March 31, 2009
<i>(in thousands, except ratios and per share amounts)</i>			
Per Share:			
Net Income ó Basic	\$0.03	\$0.48	(\$0.06)
Net Income ó Diluted	\$0.03	\$0.48	(\$0.06)
Average Shares Outstanding ó Basic	4,871,041	4,871,041	4,871,041
Average Shares Outstanding ó Diluted	4,878,013	4,873,002	4,871,041
Book Value	\$9.47	\$9.37	\$8.87
Selected Financial Data:			
Return on Average Total Assets	0.13%	2.28%	(0.33%)
Return on Average Equity	1.17%	21.15%	(2.70%)
Efficiency Ratio	85.79%	51.66%	93.47%
Yield on Interest Earning Assets	5.07%	5.26%	5.43%
Cost of Funds	1.78%	1.91%	2.75%
Net Interest Margin	3.64%	3.73%	3.18%
Risk Based Capital:			
Tier 1	16.31%	17.33%	11.99%
Total	17.56%	18.59%	18.71%
Leverage Ratio	10.97%	10.94%	17.71%
Asset Quality:			
Allowance for Loan Losses to Non-Performing Loans Held-for-Investment	61%	55%	13,617%
Allowance for Loan Losses to Total Loans Held-for-Investment	1.20%	1.15%	0.85%
Non-Performing Loans to Total Loans Held-for-Investment	1.95%	2.11%	0.01%
Non-Performing Assets to Total Assets	1.33%	1.48%	0.00%
Quarterly Net Charge-offs to Average Loans Held-for-Investment	0.08%	0.60%	0.00%
Quarterly Average Balance Sheet:			
Total Assets	\$411,800	\$411,220	\$359,328
Securities	93,316	95,287	48,903
Loans Held-for-Sale	1,345	-	-
Loans Held-for-Investment	288,407	283,817	282,600
Deposits	340,190	344,665	312,004
Borrowings	24,068	19,422	2,725
Stockholders' Equity	45,891	44,373	43,453