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**Allegiance Bank of North America Reports Operating Results for the Three and
Nine Month Periods Ended September 30, 2007**

BALA CYNWYD, PENNSYLVANIA – November 6, 2007 – Allegiance Bank of North America (OTCBB: ABPA) (the “Bank”), reported operating results for the three and nine month periods ended September 30, 2007.

C. Andrew Cook, President and Chief Executive Officer of the Bank, noted the achievements of the Bank in 2007 to date:

- We achieved positive loan growth from commercial customers of approximately \$2.2 million or 1.9% for the quarter ended September 30, 2007 and \$18.1 million or 18.4% year to date.
- Total deposits increased by \$16.0 million or 18.0 % from \$88.6 million at September 30, 2006 to \$104.6 million at September 30, 2007. Although presently this growth has been primarily in time deposits we continue to offer attractive core deposit products at competitive rates and are focused on shifting the deposit mix in that direction.
- The balance sheet continues to grow with assets increasing by \$18.3 million or 14.2% to \$147.7 million as of September 30, 2007 from \$129.4 million as of September 30, 2006. Despite competitive pressures, asset growth was attributable to loan growth of 15.0%, which was primarily funded from deposits and short term borrowings.
- The Bank's net interest margin was 4.82% and 4.85% for the three and nine months ended September 30, 2007, respectively, which remains very strong in comparison to peer organizations.
- Earnings growth has been challenging during the quarter; however the trend is beginning to move in a favorable direction.
- Capital ratios remained strong with equity to assets of 15.32% at September 30, 2007.

The Bank had a net loss of \$168 thousand or \$0.04 per share during the three months ended September 30, 2007, compared to a net loss of \$238 thousand or \$0.05 per share for the three months ended September 30, 2006. The improvement in earnings was a result of the increase in net interest income of \$90 thousand, a reduction in the provision

for loan losses of \$224 thousand partially offset by the increase in non-interest expense of \$254 thousand as compared to the same period in 2006.

Net interest income for the three months ended September 30, 2007 of \$1.6 million was \$90 thousand or 5.80% higher than the three months ended September 30, 2006 reflecting a \$449 thousand increase in interest income, offset by a \$359 thousand increase in interest expense. The net interest margin for the three months ended September 30, 2007 decreased 42 basis points to 4.82% from 5.24% during the three months ended September 30, 2006. The decrease in the net interest margin was primarily due to higher funding costs in 2007 slightly offset by an increase in the yield on interest earning assets. Management is working constantly on improving the margin through growth in the loan portfolio to produce higher yields on interest earning assets, and changing the deposit mix to increase lower cost core deposits.

Interest income increased \$449 thousand, or 17.6%, from \$2.5 million during the three months ended September 30, 2006 to \$3.0 million for the three months ended September 30, 2007 due to the increase in our investment and loan portfolios. Offsetting the increase in interest income was a \$359 thousand, or 36.0%, increase in interest expense from \$996 thousand in the three months ended September 30, 2006 to \$1.4 million for the three months ended September 30, 2007. The increase in interest expense was due to the increase in branch deposits and borrowings along with the competitive interest rate environment.

Non-interest income increased by \$10 thousand, or 18.6%, for the three months ended September 30, 2007 to \$63 thousand compared to \$53 thousand for the three months ended September 30, 2006. The increase in non-interest income was primarily due to a 52.2%, or \$12 thousand, increase in mortgage banking activities in the three months ended September 30, 2007 as compared to the three months ended September 30, 2006. Non-interest expenses increased \$254 thousand, or 15.8%, from \$1.6 million for the three months ended September 30, 2006 to \$1.9 million in the three months ended September 30, 2007. This increase in non-interest expenses reflects the additional compensation and occupancy costs for 2007, primarily due to our branch expansion program.

The provision for loan losses for the three and nine month periods ended September 30, 2007 decreased to \$12 thousand and \$160 thousand, respectively, from \$236 thousand and \$584 thousand for the same periods in 2006. Management's determination of the appropriate amount to record as a provision for loan losses follows an evaluation of the adequacy of the Bank's allowance for loan losses, the nature and quality of the loan portfolio, information regarding specific borrower situations and estimated collateral values, economic conditions and other factors. The decrease was a result of

management's continuing evaluation of the loan portfolio and overall asset quality, and factors affecting the level of provision.

For the nine months ended September 30, 2007, the Bank had a net loss of \$572 thousand or \$0.12 per share compared to net income of \$289 thousand or \$0.06 per share during the nine months ended September 30, 2006. The decrease in earnings was primarily the result of a \$1.2 million increase in non-interest expense. The increase in non-interest expense was primarily attributable to the expenses associated with the Bank's new branch offices as well as staff restructuring expenses. The increase in non-interest income was primarily due to a \$26 thousand, or 16.3%, increase in mortgage banking activities and customer services fees in the nine months ended September 30, 2007 as compared to the nine months ended September 30, 2006.

Net interest income for the nine months ended September 30, 2007 remained flat at \$4.7 million compared to \$4.7 million for the nine months ended September 30, 2006 reflecting a \$952 thousand increase in interest income, offset by a \$966 thousand increase in interest expense. The net interest margin for the nine months ended September 30, 2007 decreased 53 basis points to 4.85% from 5.38% during the nine months ended September 30, 2006. The decrease in the net interest margin was primarily due to higher funding costs in 2007.

Interest income increased \$952 thousand, or 12.7%, from \$7.5 million during the nine months ended September 30, 2006 to \$8.4 million for the nine months ended September 30, 2007 due to the higher interest rate environment and the increase in our investment and loan portfolios. Offsetting the increase in interest income was a \$966 thousand, or 35.1%, increase in interest expense from \$2.8 million for the nine months ended September 30, 2006 to \$3.7 million for the nine months ended September 30, 2007. The increase in interest expense was due to the increase in deposits and borrowings along with the higher interest rate environment.

Non-interest income for the nine months ended September 30, 2007 was \$186 thousand, an increase of \$26 thousand, or 16.3%, from \$160 thousand for the nine months ended September 30, 2006, mainly driven by customer service fees and mortgage banking revenues for the nine months ended September 30, 2007 as compared to the nine months ended September 30, 2006. Non-interest expense totaled \$5.3 million for the nine months ended September 30, 2007, a \$1.1 million, or 28.8%, increase from the \$4.1 million reported for the nine months ended September 30, 2006. This increase in non-interest expenses reflects the additional compensation and occupancy costs for 2007.

As reported, total assets increased \$18.3 million, or 14.2%, to \$147.7 million at September 30, 2007 from \$129.4 million at September 30, 2006. Investments increased \$2.6 million, or 10.9%, from \$23.9 million at September 30, 2006 to \$26.5 million at

September 30, 2007 while gross loans increased \$15.2 million, or 15.0%, to \$116.4 million at September 30, 2007 from \$101.2 million at September 30, 2006. Total deposits increased \$16.0 million, or 18.0%, to \$104.6 million at September 30, 2007 from \$88.6 million at September 30, 2006. Short-term borrowings increased \$2.7 million, or 17.2%, to \$18.8 million at September 30, 2007 from \$16.0 million at September 30, 2006 in order to fund continued growth of the loan portfolio

Non-performing assets (including non-accrual loans, other real estate owned (OREO) and loans 90 days or more past due still accruing) were \$4.9 million or 3.3% of total assets at September 30, 2007, compared to \$3.9 million or 2.8% of total assets at June 30, 2007.

The increase in non-performing assets at September 30, 2007, in relation to June 30, 2007 of \$1.0 million was mainly due to other real estate owned of \$525 thousand and \$270 thousand of residential mortgage loans and commercial loans becoming non-accrual.

At September 30, 2007, the Bank's allowance for loan losses equaled \$2.1 million, or 1.82%, of total loans compared to \$1.8 million, or 1.82%, of total loans at September 30, 2006. Included in the \$4.9 million of nonperforming assets were \$3.5 million in non-performing loans at September 30, 2007 compared to \$3.2 million in non-performing loans at June 30, 2007. Management has reviewed these loans on an individual basis and determined that they are well secured by real estate collateral and the Bank anticipates little to no loss on these credits. The adequacy of the Bank's allowance for loan losses is reviewed quarterly by the Bank's management with consideration given to loan concentrations, charge-off history, delinquent loan percentages, and general economic conditions. Management believes the allowance for loan losses is adequate for any potential losses from existing loans.

Shareholders' equity decreased by \$468 thousand, or 2.0%, to \$22.6 million at September 30, 2007 compared to \$23.1 million at September 30, 2006. Stockholders' equity equaled 15.3% of total assets at September 30, 2007. Regulatory capital ratios are all well in excess of the "well-capitalized" threshold.

C. Andrew Cook, the Bank's President and Chief Executive Officer, " I am pleased to report to that in the face of continued economic uncertainty and in the midst of financial markets that seemingly bring us more bad news, we have learned that building value for our shareholders on a long-term basis requires remaining true to our fundamentals, executing our business plan and avoiding distraction from uncontrollable conditions which bring disappointing results, and therefore our bank will work to continue to improve earnings performance, remain focused in growing our core banking business,

improving our efficiency and safeguarding our asset quality while actively pursuing its strategic growth agenda.”

Please refer to the attached financial data for further details.

Alliance Bank of North America is a Pennsylvania state-chartered full-service commercial bank formed in 1999, headquartered in Bala Cynwyd, Pennsylvania. The Bank offers a sophisticated package of services beyond traditional bank services, such as escrow account management, specialty real estate lending programs, internet banking and non-bank services including title insurance, real estate settlement services, financial planning, life and health insurance and retirement programs through its three subsidiaries, Alliance Financial Services, Inc., AllSearch Abstract, LLC, and Paramount Mortgage and Capital, LLC. The common stock of the Bank is traded on the OTC Bulletin Board under the symbol “ABPA.”

Statements contained in this news release, which are not historical facts, are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Amounts herein could vary as a result of market and other factors. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors. Such forward-looking statements may be identified by the use of such words as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimated,” and “potential.” Examples of forward-looking statements include, but are not limited to, estimates with respect to the financial condition, expected or anticipated revenue, results of operations and business of the Bank that are subject to various factors which could cause actual results to differ materially from these estimates. These factors include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, loan demand, real estate values, and competition; changes in accounting principals, policies, or guidelines; changes in legislation or regulation; and other economic, competitive, governmental, regulatory, and technological factors affecting the Bank’s operations, pricing, products and services.