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**Allegiance Bank of North America Reports Operating Results for the Year Ended and
Quarter Ended December 31, 2007**

BALA CYNWYD, PENNSYLVANIA – April 8, 2008 – Allegiance Bank of North America (OTCBB: ABPA) (the “Bank”), reported operating results for the year ended and quarter ended December 31, 2007.

We continued to make positive progress in the growth of our core banking operations during 2007, but we were not immune to the deterioration of the real estate market during the year. We experienced a 24.6% increase in loans and a 9.6% increase in deposits and we continued to expand our products and services to reach new customers and enhance the banking experience for our current customers.

The Bank’s subsidiary, Paramount Mortgage and Capital, LLP (Paramount), was negatively impacted by the adverse real estate market experienced in 2007. An increase in non-performing real estate loans at Paramount reduced net income by \$1.6 million, due to both a \$1.4 million loan loss provision and a \$246,000 reduction in interest income.

Paramount was organized to lend to non-traditional bank customers. As the general economic conditions of the housing market began to decline during 2007, management tightened Paramount’s underwriting standards to be more aligned with traditional banking standards. As a result of the poor performance of Paramount, the Bank shut it down as of February 29, 2008. The Bank continues to closely monitor and diligently manage this loan portfolio.

For the year ended December 31, 2007, the Bank had a net loss of \$2.6 million or \$0.54 per share compared to net income of \$157 thousand or \$0.03 per share during the same period ended December 31, 2006. The Bank experienced a net loss of \$1.9 million or \$0.35 per share during the three months ended December 31, 2007 compared to a net loss of \$134 thousand or \$0.03 per share for the three months ended December 31, 2006. The decrease in earnings was primarily the result of the reduction in income related to the performance of Paramount during 2007 and the continued impact of the cost of carrying our new branches until they reach their full potential.

Gregg Wagner, President and Chief Executive Officer, noted the achievements of the organization in 2007:

- We achieved positive loan growth of approximately \$6.0 million or 5.0% for the quarter ended December 31, 2007, and \$23.7 million or 24.6% year to date.
- Total deposits increased by \$9.2 million or 9.6 % from \$96.8 million at December 31, 2006 to \$106.1 million at December 31, 2007.
- The balance sheet continues to grow with assets increasing by \$20.3 million or 15.6% to \$150.6 million as of December 31, 2007 from \$130.3 million as of December 31, 2006. Despite competitive pressures, asset growth as noted above was attributable to loan growth of 24.6%, which was primarily funded from deposits and short and long term borrowings from the Federal Home Loan Bank of Pittsburgh.
- The Bank's net interest margin was 3.08% and 3.82% for the three and twelve months ended December 31, 2007, respectively. The lower net interest margin earned during the fourth quarter is the result of the increase in non-accrual loans, primarily related to Paramount.
- Capital ratios remained strong with equity to assets of 13.7% at December 31, 2007.
- In November the Bank introduced Star Overdraft Courtesy (SOC), which is our overdraft privilege product offered to our customers.
- In December of 2007 the Bank introduced Star Deposit which is our remote deposit capture product.

Net Interest Income

Net interest income for the three months ended December 31, 2007 of \$1.4 million was \$74 thousand or 4.9% lower than the three months ended December 31, 2006 reflecting a \$460 thousand increase in interest income, offset by a \$534 thousand increase in interest expense. Interest income was reduced by \$160 thousand as a result of non-accrual loans related to Paramount during the fourth quarter of 2007.

Net interest income for the year ended December 31, 2007 decreased to \$6.0 million compared to \$6.2 million for the year ended December 31, 2006 reflecting a \$1.2 million increase in interest income, offset by a \$1.3 million increase in interest expense. Interest income was reduced by \$246 thousand as a result of non-accrual loans related to Paramount during 2007. The increase in interest expense was due to the increase in deposits and borrowings along with the higher interest rate environment. The net interest margin for the year ended December 31, 2007 decreased 87 basis points to 3.82% from 4.69% during the year ended December 31, 2006. The decrease in the net interest margin was primarily due to increase in interest expense as a result of higher funding costs on deposits and borrowings in the higher interest rate environment and the increase in non-accrual loans in 2007.

Non-Interest Income

Non-interest income decreased by \$20 thousand, or 48.8%, for the three months ended December 31, 2007 to \$21 thousand compared to \$41 thousand for the three months ended December 31, 2006. The decrease in non-interest income was primarily due to a 100%, or \$25 thousand, decrease in mortgage banking activities in the three months ended December 31, 2007 compared to the three months ended December 31, 2006.

Non-interest income for year ended December 31, 2007 was \$217 thousand, an increase of \$13 thousand, or 6.4%, from \$204 thousand for the year ended December 31, 2006, mainly driven by mortgage banking revenues for the year ended December 31, 2006 as compared to the year ended December 31, 2007.

Provision for Loan Losses

The provision for loan losses for the three and twelve month periods ended December 31, 2007 increased \$1.4 million and \$1.1 million, respectively, from \$108 thousand and \$584 thousand for the same periods in 2006. The provision for loan losses increased to \$1.6 million during the fourth quarter as a result of the Bank's subsidiary Paramount, having to adjust for decreased collateral values as a result of the decline in the housing market.

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 increase in the provision for loan losses was a result of management's continuing evaluation of the loan portfolio and overall asset quality, and factors affecting the level of the allowance.

Non-Interest Expense

Non-interest expense increased \$335 thousand, or 21.3%, from \$1.6 million for the three months ended December 31, 2006 to \$1.9 million in the three months ended December 31, 2007.

Non-interest expense totaled \$7.2 million for the year ended December 31, 2007, a \$1.5 million, or 26.5%, increase from the \$5.7 million reported for the year ended December 31, 2006. This increase in non-interest expenses reflects the additional compensation and occupancy costs for 2007, primarily due to our branch expansion program.

Balance Sheet

As reported, total assets increased \$20.3 million, or 15.6%, to \$150.6 million at December 31, 2007 from \$130.3 million at December 31, 2006. Investments decreased \$5.5 million, or 20.0%, from \$27.4 million at December 31, 2006 to \$21.9 million at December 31, 2007 while gross loans increased \$25.3 million, or 25.8%, to \$123.6 million at December 31, 2007 from \$98.3 million at December 31, 2006. Total deposits increased \$9.2 million, or 9.6%, to \$106.1 million at December 31, 2007 from \$96.8 million at December 31, 2006.

Demand and savings deposits decreased \$637 thousand from \$40.4 million for the year ended December 31, 2006 to \$39.7 million for the year ended December 31, 2007, a 1.6% decrease in the core deposit during 2007.

FHLB advances increased \$14.0 million, \$2.0 million in the short-term borrowings and 12.0 million in the longer term, or 151.2%, to \$23.2 million at December 31, 2007 from \$9.3 million at December 31, 2006 in order to fund continued growth of the loan portfolio during 2007.

Shareholders' equity decreased by \$2.6 million, or 11.1%, to \$20.6 million at December 31, 2007 compared to \$23.2 million at December 31, 2006. Stockholders' equity equaled 13.7% of total assets at December 31, 2007. Regulatory capital ratios are all in excess of the "well-capitalized" threshold.

Asset Quality

Non-performing assets (including non-accrual loans, other real estate owned (OREO) and loans 90 days or more past due still accruing) were \$5.6 million or 3.9% of total assets, of which \$3.6 million related to the Paramount portfolio and \$2.4 million were associated with the Bank's portfolio, at December 31, 2007, compared to \$3.1 million or 2.4% of total assets of which \$740,000 related to the Paramount portfolio and \$2.3 million were associated with the Bank's portfolio, at December 31, 2006. The increase in non-performing assets at December 31, 2007, compared to December 31, 2006, of \$2.9 million was mainly due to other real estate owned of \$679 thousand and \$2.0 million of commercial loans associated with the Paramount.

At December 31, 2007, the Bank's allowance for loan losses equaled \$3.6 million, or 2.9% of total loans, compared to \$1.9 million, or 1.9% of total loans, at December 31, 2006. Management has reviewed this entire loan portfolio on an individual basis and a specific allowance is used to allocate an allowance when it is probable that interest and principal will not be collected according to the contractual term of the loan agreement. Management analyzes each non-performing loan and may allocate a specific allowance to the loan based on the borrower's overall financial condition, resources and payment record, support available from financial guarantors and the sufficiency of collateral. The Bank presently anticipates little to no future losses 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.

Gregg J. Wagner, the Bank's President and Chief Executive Officer, "I would like to thank our Board of Directors for giving me this opportunity to work with a seasoned team of bankers to continue to deliver the high level of service our customers have become accustomed to and to build shareholder value. A strong foundation has been laid to provide us with a great opportunity to build a strong and vibrant bank within the markets we serve."

Allegiance Bank of North America is a Pennsylvania state chartered commercial bank, formed in 1999, with its headquarters in Bala Cynwyd, Pennsylvania. Allegiance Bank is a full service

commercial Bank that offers a cutting edge package of services that encompass technology and the innovative products that stand out in the industry. Allegiance Bank has five convenient locations in Bala Cynwyd, Berwyn, Bridgeport/King of Prussia, Old City and Worcester. www.allegbank.com. The common stock of the Company is traded on 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, adequacy of the allowance for loan losses, results of operations and business of the Company 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 principles, policies, or guidelines; changes in legislation or regulation; and other economic, competitive, governmental, regulatory, and technological factors affecting the Company’s operations, pricing, products and services.