



FOR IMMEDIATE RELEASE

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Allegiance Bank of North America Announces Agreement with Federal Deposit Insurance Corporation

Bala Cynwyd, Pa – November 13, 2009 - Allegiance Bank of North America (OTCBB: APBA) (the Bank) today announced that it has voluntarily entered into a consent agreement (the Agreement) with the Federal Deposit Insurance Corporation (FDIC) resulting from the receipt of a cease and desist order. Largely reflecting initiatives already implemented by the Board of Directors and Management, the Agreement is based on items identified in a periodic regulatory exam completed as of June 30, 2009.

Gregg J. Wagner, President and CEO of Allegiance Bank, commented, “The Board of Directors and management have worked in close cooperation with regulators from the FDIC to reach an Agreement that complements our existing plan to both strengthen our capital base and improve financial performance. Through a number of strategic actions completed this year, we are encouraged by the progress we have already achieved on our plan.”

The Agreement establishes a number of objectives, many of which had already been identified by management as the Bank’s key strategic initiatives. Consequently, since the Agreement is based on items identified in a periodic regulatory exam completed as of June 30, 2009, Allegiance has already implemented actions to achieve the objectives in the Agreement, including the following:

Capital Plan

- Divested loans and implemented other actions which directly reduced the size of the balance sheet, resulting in an immediate improvement in the Bank’s regulatory capital ratios
- Retained an investment banker to assist with the Bank’s Capital Plan, including a specific directive to investigate opportunities to raise additional capital to help achieve the 8% Tier 1 leverage capital ratio and 12% total risk-based capital ratio targets by June 30, 2010 as specified in the Agreement

Classified Assets

- Reduced classified assets by 11%, consistent with the Bank's actions to both aggressively address the level of classified assets and to achieve the 40% reduction in classified assets benchmark by June 30, 2010 as specified in the Agreement
- Charged off all loans classified as "loss"
- Sold the Bank's Paramount Mortgage and Capital, LLC loan portfolio, which had experienced significant classified loans and loan losses over the past few quarters

Improving Operations and Financial Performance

- Improved productivity through a 31% reduction in workforce since 2008

The Agreement contains a number of other stipulations including the reduction of the concentration of commercial real estate as a proportion of the loan portfolio; adopting new, stronger loan policies and monitoring procedures; improving liquidity and asset/liability management; and enhancing the budgeting and strategic planning processes.

This Agreement is not intended to interfere with the Bank's current, basic day-to-day operations. Consequently, the Agreement will not affect Bank customers. Accounts at Allegiance Bank continue to be insured up to \$250,000 per depositor by the FDIC. IRA accounts continue to be separately insured by the FDIC up to \$250,000 per depositor. The Bank is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through June 30, 2010, all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules. For more information on this program, go to the FDIC coverage page on the Bank's web site.

About Allegiance Bank: Allegiance Bank is headquartered in Bala Cynwyd, with offices in Berwyn, King of Prussia, Old City and Worcester. Allegiance Bank offers a package of services beyond traditional bank offerings, such as Allegiance University's free educational classes for customers and community members. Visit Allegiance Bank online at www.allegbank.com, or call (610) 949-9500. The common stock of Allegiance 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 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.