



FOR IMMEDIATE RELEASE

CONTACT:

**JOE RUSSO
(315) 475-6710**

**ALLIANCE FINANCIAL CORPORATION
DECLARES QUARTERLY DIVIDEND**

SYRACUSE, NY, December 15, 2005 – Alliance Financial Corporation (NASDAQ:ALNC) announced that its Board of Directors has declared a quarterly cash dividend of \$0.21 per common share. The dividend is payable on January 10, 2006 to shareholders of record as of December 27, 2005.

With nearly \$1 billion in assets, Alliance Financial Corporation is an independent bank holding company, whose primary subsidiary, Alliance Bank, N.A., provides banking, commercial leasing, trust and investment services. Alliance Bank has 21 locations throughout Central New York.

###