



**For Immediate Release**

**Contact: Tina Malvasi  
475-0741**

**ALLIANCE BANK, N. A. CONSUMMATES PURCHASE  
OF PORTION OF HSBC TRUST BUSINESS**

**SYRACUSE, NY, FEBRUARY 22, 2005-** Alliance Bank, N.A., a wholly owned subsidiary of Alliance Financial Corporation (**NASDAQ: ALNC**), headquartered in Syracuse, NY, has completed the previously announced acquisition of a portion of the personal trust business of HSBC, USA, N.A., based in Delaware. The transaction brings to over \$800 million Alliance Bank's assets under management and is expected to be immediately accretive to the bank's earnings.

"We're very pleased with this transaction," said Jack H. Webb, Alliance Financial Corporation Chairman, President and Chief Executive Officer. "It diversifies our earnings by adding to our non-interest income, a stated goal of Alliance Bank. It also demonstrates our ability to undertake accretive transactions as we execute our aggressive growth plan."

To service the acquired trust accounts, Alliance Bank has hired 13 Buffalo-based employees of HSBC's Trust Administration Center, which previously serviced the accounts, and has opened its own center in that city. "Having a seasoned and highly professional team in place will make the transition a smooth process," said Webb. "It ensures continuity of service for our customers as we move forward."

The Trust Administration Center, while locally managed, will be under the direction of the bank's Syracuse-based Trust and Investment Department.

Sandler O'Neil & Partners, L.P. represented Alliance Bank and Berkshire Capital Corporation represented HSBC in the transaction.

Alliance Bank is a nearly \$900 million Central New York commercial bank with 20 branch offices in Cortland, Madison, Oneida and Onondaga Counties. It is headquartered in Syracuse.

###