

**Alliance Financial Corporation Declares Quarterly Dividend and  
Stock Repurchase Program**

Syracuse, NY, November 27, 2007 - Alliance Financial Corporation (the "Company") (NASDAQ: ALNC), the holding company for Alliance Bank, N.A., announced that its Board of Directors has declared a quarterly dividend of \$0.24 per common share. This represents an increase of \$0.02 per share or 9.1% from the previous quarter. The dividend is payable on January 8, 2008 to shareholders of record on December 26, 2007.

In addition, the Company announced that its Board of Directors authorized the repurchase of up to three percent of the Company's outstanding common stock, or approximately 144,000 shares. Management will use its discretion in determining the timing of the repurchases and the prices at which buybacks will be made. The extent to which shares are repurchased will depend on a number of factors including market trends and prices, economic conditions, internal and regulatory trading quiet periods and alternative uses for capital. This repurchase program is authorized for up to one year, and there can be no assurance that the Company will repurchase any or all of the shares authorized for repurchase.

With approximately \$1.3 billion in assets, Alliance Financial Corporation is an independent financial holding company whose primary subsidiary, Alliance Bank, N.A., provides banking, commercial leasing, trust and investment services. Alliance Bank has 29 locations throughout Central New York.

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