

Alliance Financial Corporation Announces Quarterly Dividend

Syracuse, NY, December 1, 2008 - 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 \$0.26 per common share. The dividend is payable on January 8, 2009 to shareholders of record on December 26, 2008.

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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