

Alliance Financial Corporation Declares Quarterly Dividend

Syracuse, NY, May 28, 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 \$0.24 per common share. The dividend is payable on July 8, 2008 to shareholders of record on June 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, and investment management services. Alliance Bank has 29 locations throughout Central New York.

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