



**For Immediate Release**

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**ALLIANCE BANK, N.A. KICKS OFF NEW YEAR  
WITH PLANS TO BUILD NEW BRANCH IN CAMILLUS**

**SYRACUSE, January 5, 2005** – Alliance Bank, N.A., a wholly owned subsidiary of Alliance Financial Corporation (**NASDAQ:ALNC**) which last year opened three new branches in Onondaga County as part of a strategic design to build increased presence in the Greater Syracuse market, announced it has signed a lease for property in Camillus on which it plans to build a new full-service bank branch. The property is located on the westbound side of West Genesee Street, near to the intersection with Richlee Drive and across from the Camillus Mall site.

“We’re very excited about this new location,” said Jack H. Webb, President and Chief Executive Officer of Alliance Bank. “The demographics are ideal, the traffic flow is good and the local origins of our bank match well with the personal and business banking needs of the Camillus community.”

Construction of the new 2,600-square-foot branch will begin in the spring with a scheduled opening this summer. The branch will feature a drive-thru window and full service drive-up ATM.

“The emphasis will be on customer convenience,” said Webb. “We’re dealing with a mobile population that stops at the bank between work, shopping and youth sports events. While the branch will include a spacious lobby and private offices, the focus will be on easy access and speed of service.”

The new Camillus location will replace Alliance Bank’s current location at Fairmount Fair. Customers from that branch will be relocated to the new branch and will be notified as the project gets underway.

“This is the first of the new Onondaga County branches planned for 2005, but by no means the last,” said Webb. “I anticipate we will announce another new site later in the first quarter and there are still others we are currently evaluating.”

Alliance Bank is a nearly \$900-million commercial bank, headquartered in Syracuse with 20 branches throughout Cortland, Madison, Oneida and Onondaga Counties. Last year, Alliance Bank opened new branches in Cicero, Manlius and Syracuse.

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