



**FOR IMMEDIATE RELEASE**

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**ALLIANCE FINANCIAL CORPORATION  
DECLARES QUARTERLY DIVIDEND**

**SYRACUSE, NY, September 19, 2005** – Alliance Financial Corporation (NASDAQ:ALNC) announced that its Board of Directors has declared a quarterly cash dividend of \$0.21 per common share. The dividend is payable on October 7, 2005 to shareholders of record as of September 26, 2005.

With total assets in excess of \$950 million, Alliance Financial Corporation is an independent bank holding company, whose primary subsidiary, Alliance Bank, N.A., provides banking, commercial leasing, trust and investment services. Alliance Bank has 20 locations throughout Central New York.

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