CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Alliance Financial Corporation
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RSSD (for Bank Holding Companies): 1140510
Holding Company Docket Number (for Thrift Holding Companies):N/A
FDIC Certificate Number (for depository institutions):7237

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$593,356	$605,398	Includes residential mortgages, consumer loans, indirect auto loans	
b. Average Commercial Loans	$312,983	$308,820	Includes commercial loans, owner occupied commercial mortgages, leases	**Alliance does not engage in any material commercial real estate development or construction lending or long term investor real estate financing.**
c. Total Loans (sum of lines a and b)	$906,339	$914,218		

2. General Market Commentary (optional)

The Central New York market has experienced an economic slow down over the last 2 quarters ending 3/31/09. It has not been to the degree that many other parts of the country have experienced. Residential mortgage origination has been very robust with refinacing and purchases accounting for the growth. Real estate values did not inflate nor has there been material defaltion in values over the last 5 years.