

Alliance Bank
Audit Committee Charter
November 2008

The Board of Directors of Alliance Bank (the Company) has approved this Audit Committee Charter (Charter). The Audit Committee (the Committee) shall review and reassess this charter annually and recommend any proposed changes to the Board of Directors for approval.

Purpose

The Audit Committee is the principal agent of the Board of Directors in overseeing (1) the quality and integrity of the Company's financial statements, (2) the assessment of financial risk and risk management programs, (3) the independence, qualifications, engagement and performance of the Company's independent accountants, (4) the performance of the Company's internal auditors, (5) the integrity and adequacy of internal controls and (6) the quality and adequacy of disclosures to the stockholders. The Audit Committee shall regularly review the scope and the results of audits performed by the Company's independent accountants and Internal Audit Consultants. The Committee shall meet with each of these organizations upon the completion of fieldwork to review all findings with them. The Audit Committee shall also prepare the Report of the Audit Committee as required by the rules of the SEC and such regulators who from time to time may apply to be included in the Company's annual proxy statement.

The Committee's responsibility is oversight and it recognizes that the Company's management is responsible for preparing the Corporation's financial statements. Additionally, the Committee recognizes that the financial management (including the Internal Audit consultants), as well as the independent accountants, have more knowledge and more detailed information about the Company than do the members of the Committee; consequently, in carrying out its oversight responsibilities the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent accountant's work.

Committee Composition

The membership of the Committee shall consist of at least four members of the Board of Directors, one of whom shall serve as Chair of the Committee. The Committee shall be comprised solely of independent directors who are "independent" Directors, as defined by the Corporate Governance Committee. In accordance with NASDAQ and SEC rules, all members shall be "financially literate" and at least one member shall be a "financial expert" with "accounting or related financial management expertise."

An Audit Committee member cannot directly or indirectly accept any consulting, advisory or other compensatory fee from Alliance, except as a director or member of the Audit Committee and cannot be an affiliated person of Alliance except as a director or member of any committee or any related Alliance affiliate.

An Audit Committee member may receive fees in the form of cash, stock, stock units, stock options or other consideration ordinarily available to directors, as well as benefits that other directors receive.

Primary Committee Responsibilities

Financial Reporting Disclosures

1. Review and discuss the annual financial statements and quarterly financial statements, including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, to be included in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q, respectively, with management and the independent accountants.
2. Confirm that the independent accountants and management believe that the financial statements and periodic reports fairly represent the financial position and the results of operations of the Company, including (1) appropriate reserves and estimates, (2) proper selection and application of appropriate accounting policies and any judgments made, (3) disclosure of financial information that is informative and reasonably reflects the underlying transactions and events, and (4) the inclusion of any additional disclosure necessary to provide investors with a materially accurate and complete picture of the Company's financial condition, results of operations and cash flows..
3. Review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, prior to their release.
4. Review significant new accounting pronouncements or reporting practices as well as off-balance sheet structures and understand their impact on the financial statements.

Independent Accountants

5. Select the Company's independent accountants, evaluate their performance, set their compensation and, where appropriate, replace the independent accountants.
6. Discuss with the independent accountants any matters required to be communicated by the accountants to the Committee under U.S. Generally Accepted Accounting Principles or other such auditing standards that may in time modify, supplement or replace them.
7. Pre-approve all auditing and non-auditing services provided to the Company by its independent accountants and Internal Audit consultants.
8. Review annually the services performed by the independent accountants to ensure that they are not performing the following non-audit services for the Company:

(1) Bookkeeping or other service related to the accounting records or financial statements; (2) financial information systems design and implementation ; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management advisory services; (7) broker or dealer, investment advisor, or investment banking services; and (8) legal services and expert services unrelated to an audit.

9. Review periodically the experience and qualifications of the senior members of the independent accountant's team and the quality control procedures of the independent accountants to ensure their independence and quality. This review should include, at least annually, among other things (1) consideration of the experience of the lead (or coordinating) audit partner of the independent accountants to ensure that such lead partner has not performed audit services for the Company in each of the five previous fiscal years, and (2) a review of the formal written statement from the independent accountants required under applicable standards and regulations delineating all relationships between such firm and the Company, including all non-audit services performed by the independent accountants.
10. At least annually, obtain and review a report by the Company's independent accountants describing (1) the firm's internal quality-control procedures, (2) any material issues raised by the most recent internal quality-control review (or peer review) of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding three years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and (3) all relationships between the independent accountants and the Company.
11. Review and discuss all reports from the independent accountants on (1) all critical accounting policies and practices to be used by the Company, (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatment, and the treatment preferred by the independent accountants, (3) other material written communications between the independent accountants and management, such as any management letter or schedule of unadjusted differences.
12. Resolve disagreements between management and the independent accountants regarding the Company's financial reporting, if necessary.
13. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
14. Establish and maintain a policy regarding the Company's hiring of individuals employed or formerly employed by the Company's independent accountants.

Internal Auditors

15. Review the scope of audit coverage by both the independent accountants and Internal Audit consultants, and the inter-relationship between the two, including the audit approach, staffing and internal audit budget.

Internal Controls and Risk Assessment

16. Review with the independent accountants, the internal audit consultants, and members of senior management as appropriate, results, opinions, problems, difficulties and significant recommendations of audits, and management responses to the recommendations.
17. Review and discuss the overall internal control framework of the Company to assure the adequacy of internal controls and that the Company's financial accounting and reporting control processes generally conform to internationally accepted standards for internal control, including the security and controls surrounding assets and computerized information systems, and any special audit steps adopted in light of any material control deficiencies.
18. Review the status of internal control recommendations made by the independent accountants and Internal Audit consultants and review any audit problems or issues.
19. Review and discuss with the Company's Chief Executive and Chief Financial Officers (CEO and CFO) the procedures followed by them regarding the Senior Management certifications made in connection with the Company's periodic reports.
20. Review and discuss with management any issues relating to the design and implementation of the company's disclosure controls and procedures, including its internal controls, and confirm with the CEO and CFO whether there are any known deficiencies in the internal controls or alleged fraud (whether material or not) involving management or other employees with significant roles in internal control.
21. Review with management the status of any legal and regulatory matters that may result in a material financial impact on the Company's financial statements, including the Company's compliance issues, threatened, pending, or ongoing litigation and outstanding matters with regulatory agencies.

Whistleblowers Policy

22. Establish procedures for processing and addressing complaints regarding accounting, internal controls, or auditing matters, and the confidential submission by Company employees of concerns regarding questionable accounting and auditing matters.

Reporting Responsibilities

23. Report at the next meeting of the Board of Directors all significant items discussed at any Audit Committee meeting.
24. Review and approve the Committee report and any other audit committee disclosure required by the SEC to be included in the Company's annual proxy statement
25. Review examination report comments, audit report comments, and work with management to draft appropriate responses.

Other Responsibilities

26. Perform such other oversight functions that from time to time may be assigned to it by the Board of Directors.
27. Conduct or authorize investigations into any matters within its scope of responsibilities and retain independent counsel, accountants, or other professionals as necessary to assist in the conduct of any investigations.
28. Engage, set the compensation of and, where appropriate, replace independent counsel and other advisors, as it deems necessary to carry out its duties. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to its independent accountants for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
29. Review and reassess the adequacy of the Audit Committee charter annually.
30. Annually evaluate the performance of the Committee.

Related-Party Transactions

Under the NASDAQ listing standards, all related-party transactions must be approved by the Audit Committee for potential conflict-of-interest situations.

Committee Meetings

The Audit Committee shall hold meetings at least four times each year and at any additional time as the Committee Chair or the Company's Chief Financial Officer deems necessary. The meetings will generally be held in February, May, August and November. The Committee may request that members of management and/or representatives of independent accountants and Internal Audit consultants be present as needed in order to execute the Committee's primary responsibilities. The Committee should work with the Company to review procedures that are developed to comply with SOX Section 404 both on an implementation basis but also on a continuing basis. This may result in at least two additional meetings per year.