

PRESS RELEASE

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Contact: Peter J. Meier
Phone: (610) 359-6903
Fax: (610) 359-6906

ALLIANCE BANK REPORTS SECOND QUARTER RESULTS.

Broomall, Pennsylvania. July 14, 2003 – Alliance Bank (NASDAQ Small Cap -- ALLB) today announced results for the quarter ended June 30, 2003.

The Bank reported net income of \$527,000 or \$.15 per diluted share for the quarter ended June 30, 2003 as compared to \$456,000 or \$.13 per diluted share for the quarter ended June 30, 2002. Although net interest income decreased \$112,000 or 4.0% to \$2.7 million, other income increased \$186,000 or 73.2% to \$440,000 for the quarter ended June 30, 2003 as compared to the same period in 2002. The increase in other income primarily resulted from the gain on sale of real estate owned. Other expenses decreased \$23,000 or 0.9% to \$2.5 million, which was offset by a higher provision for income taxes for the quarter ended June 30, 2003 as compared to the same period in 2002.

For the six months ended June 30, 2003, net income amounted to \$1.1 million or \$.32 per diluted share as compared to \$1.1 million or \$.31 per diluted share for the six months ended June 30, 2002. Net interest income increased \$99,000 or 1.8% to \$5.5 million and other income increased \$158,000 or 29.0% to \$702,000. These increases were partially offset by a \$263,000 increase in other expenses for the six months ended June 30, 2003 as compared to the same period in 2002. The increase in other expenses was primarily due to the opening of a new full-service office in March 2002 and professional fees related to certain nonperforming assets.

The Bank's total assets increased \$16.1 million or 4.4% and amounted to \$384.6 million at June 30, 2003 as compared to \$368.4 million at December 31, 2002. Cash and cash equivalents increased \$8.3 million or 17.8% to \$55.0 million while net loans receivable increased \$2.8 million or 1.5% to \$189.8 million and investment and mortgage-backed securities increased \$5.5 million or 4.8% to \$120.9 million at June 30, 2003. Customer deposits grew \$16.0 million or 6.0% to \$284.9 million at June 30, 2003 from \$268.9 million at December 31, 2002. Total stockholders' equity amounted to \$35.0 million or 9.1% of total assets at June 30, 2003. Nonperforming assets amounted to \$10.9 million at June 30, 2003 as compared to \$10.6 million at December 31, 2002. The nonperforming assets at June 30, 2003 included \$10.1 million in nonperforming loans and \$829,000 in other real estate owned. The allowance for loan losses was \$3.6 million or 35.5% of nonperforming loans at June 30, 2003 as compared to \$3.4 million or 36.4% at December 31, 2002.

Alliance Bank is a Pennsylvania chartered stock savings bank, headquartered in Broomall, Pennsylvania and conducts business through eight full-service offices, all located in Delaware County, Pennsylvania.

ALLIANCE BANK

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest income	\$4,910	\$5,712	\$9,928	\$11,488
Interest expense	2,215	2,905	4,390	6,049
Net interest income	2,695	2,807	5,538	5,439
Provision for loan losses	120	120	240	240
Other income	440	254	702	544
Other expenses	2,462	2,485	4,810	4,547
Income before income taxes	553	456	1,190	1,196
Income tax expense	26	--	83	116
Net income	<u>\$ 527</u>	<u>\$ 456</u>	<u>\$1,107</u>	<u>\$1,080</u>
Basic earnings per share	<u>\$0.15</u>	<u>\$0.13</u>	<u>\$0.32</u>	<u>\$0.32</u>
Diluted earnings per share	<u>\$0.15</u>	<u>\$0.13</u>	<u>\$0.32</u>	<u>\$0.31</u>

SELECTED FINANCIAL DATA
(In thousands)

	June 30,	Dec. 31,
	2003	2002
Total assets	\$384,559	\$368,432
Cash and cash equivalents	55,012	46,698
Investment and mortgage-backed securities	120,892	115,383
Loans receivable - net	189,806	187,016
Deposits	284,907	268,904
Total borrowings	61,461	62,106
Total stockholders' equity	35,026	34,906