

## **PRESS RELEASE**

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### **ALLIANCE BANK REPORTS FIRST QUARTER RESULTS.**

Broomall, Pennsylvania. April 17, 2002 – Peter J. Meier, Senior Vice President and Chief Financial Officer of Alliance Bank (NASDAQ Small Cap -- ALLB) today announced results for the quarter ended March 31, 2002.

The Bank reported net income of \$624,000 or \$.18 per share for the quarter ended March 31, 2002 as compared to \$712,000 or \$.21 per share for the quarter ended March 31, 2001. Net interest income decreased \$136,000 or 4.9% to \$2.6 million while other income increased \$38,000 or 15.1% to \$290,000 for the quarter ended March 31, 2002 as compared to the same period in 2001. Other expenses increased \$122,000 or 6.3% to \$2.1 million, which was more than offset by a lower provision for income taxes for the quarter ended March 31, 2002 as compared to the same period in 2001.

The Bank's total assets decreased \$1.9 million or 0.5% and amounted to \$375.2 million at March 31, 2002 as compared to \$377.1 million at December 31, 2001. Cash and cash equivalents increased \$11.4 million or 30.1% while net loans receivable decreased \$10.3 million or 5.1% to \$191.6 million at March 31, 2002 as compared to \$201.9 million at December 31, 2001. Customer deposits declined \$1.5 million or 0.5% to \$276.7 million at March 31, 2002 from \$278.2 million at December 31, 2001. Total stockholders' equity amounted to \$34.2 million or 9.1% of total assets at March 31, 2002. Nonperforming loans amounted to \$11.7 million at March 31, 2002 as compared to \$7.1 million at December 31, 2001. The allowance for loan losses was \$3.0 million or 25.7% of nonperforming loans at March 31, 2002 as compared to \$2.9 million or 41.4% at December 31, 2001.

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. In March 2002, the Bank opened its newest full-service office located in Concordville. The Bank again received the Bauer Financial Group's highest rating of Five Stars for financial stability, including earnings, capital and quality of loan portfolios.

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# ALLIANCE BANK

## UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(In thousands except per share data)

	Three Months Ended March 31,	
	2002	2001
Interest income	\$5,776	\$6,408
Interest expense	3,144	3,640
Net interest income	2,632	2,768
Provision for loan losses	120	120
Other income	290	252
Other expenses	2,062	1,940
Income before income taxes	740	960
Income tax expense	116	248
Net income	\$ 624	\$ 712
Basic earnings per share (1)	\$0.18	\$0.21
Diluted earnings per share (1)	\$0.18	\$0.21

(1) In April 2001, a 5% stock dividend was declared, and accordingly the per share data

for the prior period has been restated.

### SELECTED FINANCIAL DATA

(In thousands)

	March 31,	Dec. 31,
	2002	2001
Total assets	\$375,232	\$377,145
Cash and cash equivalents	49,125	37,757
Investments and mortgage-backed securities	117,932	120,141
Loans receivable - net	191,577	201,890
Deposits	276,711	278,186
Total borrowings	62,210	62,358
Total stockholders' equity	34,240	34,647