

NEWS RELEASE

 **ARROW** Financial Corporation

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NASDAQ® Symbol: „AROW“
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Arrow Financial Corporation Declares Cash Dividend

The Board of Directors of Arrow Financial Corporation (NasdaqGS® – AROW) on January 26, 2011 declared a quarterly cash dividend of \$.25 per share payable March 15, 2011 to shareholders of record March 3, 2011. This represents an increase of 3% over the cash dividend paid in the first quarter of 2010, as a result of the September 29, 2010 3% stock dividend.

Arrow Financial Corporation is a multi-bank holding company headquartered in Glens Falls, NY serving the financial needs of northeastern New York. Arrow is the parent of Glens Falls National Bank and Trust Company and Saratoga National Bank and Trust Company. Other subsidiaries include North Country Investment Advisers, Inc. and Capital Financial Group, Inc., an insurance agency specializing in the sale and servicing of group health plans and Loomis & LaPann, Inc., a property and casualty insurance agency.