

NEWS RELEASE

 ARROW Financial Corporation

250 Glen Street
Glens Falls, NY 12801

NASDAQ® Symbol: „AROW“
Website:
www.arrowfinancial.com

Contact: Timothy C. Badger
Tel: (518) 745-1000 Ext 306
Fax: (518) 761-6741

TO: All Media

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Arrow Financial Corporation Recognized by KBW for Superior Performance

KBW (Keefe, Bruyette & Woods), a leading authority on the banking industry has named Arrow Financial Corporation (NasdaqGS® – AROW) as one of 40 banking institutions in the country to its 2010 Bank Honor Roll based on its ten year track record. The recognition comes after analysis of more than 400 publicly traded banks with at least \$500 million in total assets. KBW indicated, in order to be eligible for inclusion on this year's KBW Bank Honor Roll the following conditions must be satisfied:

1. No annual loss reported in net income per-share before extraordinary items over the past 10 years.
2. 2010 annual reported net income per-share before extraordinary items equal to or greater than peak net income per-share over the past 10 years.
3. Consecutive increases in net income per-share before extraordinary items since 2009.

Further, Banks named to KBW's Bank Honor Roll have better than industry performance ratios and growth rates when compared to the publicly traded bank universe with total assets over \$500 million which includes nearly 400 companies listed on NYSE and NASDAQ exchanges. For the five-year period between 2005 and 2010, the KBW Bank Honor Roll members significantly outperformed the banking industry and the market.

Thomas L. Hoy, Chairman, President and C.E.O. of Arrow Financial Corporation indicated, "We are extremely pleased to receive this recognition from this widely recognized and well regarded banking industry authority. This confirms our long-term business model which is built on the fundamentals of good asset quality, strong capital, knowledge of our market and providing quality customer service through our banks and their subsidiaries."

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., and Upstate Agency LLC, property and casualty insurance agencies.

Founded in 1962 KBW is widely recognized as a leading authority in the banking, insurance, brokerage, asset management, mortgage banking, real estate and specialty finance sectors. The firm has established industry-leading positions in the areas of research, corporate finance, mergers and acquisitions as well as sales and trading in equities of financial services companies.