

NEWS RELEASE

 ARROW Financial Corporation

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Date: October 26, 2011

Arrow Financial Corporation Declares Cash Dividend

The Board of Directors of Arrow Financial Corporation (NasdaqGS® – AROW) on October 26, 2011 declared a quarterly cash dividend of \$.25 per share payable December 15, 2011 to shareholders of record December 2, 2011. This represents an increase of 3% over the cash dividend paid in the fourth quarter of 2010, as a result of the September 29, 2011 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. The Company 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., three property and casualty insurance agencies: Loomis & LaPann, Inc.; McPhillips Insurance Agency which is a division of Glens Falls National Insurance Agencies, LLC; Upstate Agency, LLC, and Capital Financial Group, Inc. an insurance agency specializing in the sale and servicing of group health plans.