

STRENGTHENING

FINANCIAL LIVES



2025
ANNUAL
REVIEW



ARROW

Financial Corporation

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The information in this document may contain statements based on management's beliefs, assumptions, expectations, estimates and projections about the future. Such "forward-looking statements," as defined in Section 21E of the Securities Exchange Act of 1934, as amended, involve a degree of uncertainty and attendant risk. Actual outcomes and results may differ, explicitly or by implication. We are not obliged to revise or update these statements to reflect unanticipated events. This document should be read in conjunction with Arrow's Annual Report on Form 10-K for the year ended December 31, 2025 (the 2025 Form 10-K) and other filings with the Securities and Exchange Commission.



As we look ahead, 2026 holds special meaning as we celebrate our 175th anniversary. With the announcement of our agreement to acquire Adirondack Bank, pending regulatory approvals, we are building on our proud history and positioning our company for an even more promising future."

CEO Letter

As we look back on 2025, I am proud to share a year defined by meaningful transformation, exceptional performance and a renewed sense of shared purpose. This was our first full year operating as Arrow Bank, and together we delivered results that reflect both the strength of our strategy and the dedication of the people who bring it to life.

In July, we successfully completed the integration of our former subsidiary banks during "One Bank Weekend" and officially launched our unified brand. Years in the making, this effort brought our teams, systems and identities together under one name, one mission and one shared commitment to serving our customers and communities.

This unification strengthened our foundation, and the results speak for themselves. In 2025, Arrow delivered record operating performance, achieving net income of \$44.0 million, or \$2.65 per share, 50% growth in earnings per share, net interest margin expansion to 3.19%, tangible book value growth of more than 10% and a return of average assets of 1.00%. In the fourth quarter of 2025, return of average assets exceeded 1.20%, underscoring the momentum that carries us into 2026. These achievements reflect disciplined execution across the bank and the daily efforts of our extraordinary team.

Our commitment to the communities we serve also reached new heights. In 2025, we surpassed \$1 million in total giving for the first time, contributing \$1.05 million to 424 organizations, a 40% increase in corporate contributions. Our team also showed up in remarkable ways with 329 employees volunteering 13,622 hours, supporting 706 organizations throughout our footprint. These efforts reflect who we are at our core.

As we look ahead, 2026 holds special meaning as we celebrate our 175th anniversary. Few institutions reach this milestone, and even fewer do so with the same spirit of innovation, resilience and service that defines Arrow. **With the announcement of our agreement to acquire Adirondack Bank, pending regulatory approvals, we are building on our proud history and positioning our company for an even more promising future.**

To our employees, thank you for your dedication and commitment. To our customers and shareholders, thank you for your trust and support. With a unified brand, a strong financial position and a team committed to excellence, we are well-positioned to build on this year's momentum.

David S. DeMarco
President and CEO

2025 IN REVIEW

In 2025, we fully stepped into our future as Arrow Bank, unified, energized and focused on delivering exceptional results for our customers, communities and shareholders. From record financial performance to historic milestones and meaningful community impact, this year marked a defining chapter in our 175-year story.

SOLID RESULTS

This year was an exceptional financial year for Arrow. We delivered record operating results, including net income of **\$44 million and 50% growth in earnings per share**. Net interest margin expanded to a **record 3.19%**, tangible book value **grew by more than 10%** and **return on average assets was 1.00%**.

Arrow Bank received a **5-Star Superior rating** from BauerFinancial, Inc., the nation's premier bank rating firm. Arrow Bank has earned this designation for **75 consecutive quarters**, securing its prominent position as an "Exceptional Performance Bank." Additionally, we were **Voted No. 1 Best Bank** by *The Post-Star* readers in the *2025 Best of the Region*.



These results reflect disciplined execution and the successful completion of our bank system integration. With significant momentum entering 2026, we are well-positioned to continue building long-term value for our shareholders.

ONE BANK. ONE ARROW.

2025 marked our first full year operating as **Arrow Bank**, following the successful completion of One Bank Weekend in July, a milestone that unified our systems, teams and operations.

Unification strengthened our ability to serve customers seamlessly across our footprint while preserving the local relationships that define us. Throughout the year, we launched a comprehensive brand education campaign to ensure customers and communities understand who we are and what Arrow Bank represents: one name, one mission and one commitment to exceptional service.

While our brand has evolved, the people behind it remain the same trustworthy professionals dedicated to our customers and communities.





Our newly renovated Queensbury branch.



\$44
MILLION

net income in 2025 and
50% growth in earnings
per share

3.19%
net interest margin
expansion

10%
tangible book
value growth

1.00%
return on average assets

INVESTING IN OUR BRANCH NETWORK

Our branches remain central to the Arrow experience. In 2025, we completed a **full renovation of our Queensbury branch**, creating a modern, welcoming environment designed to enhance customer experience.

We will continue to invest thoughtfully in our locations to ensure our branches reflect the strength of our brand and provide the best possible environment for personalized service.

ADVANCING TECHNOLOGY

Behind the scenes, 2025 was a transformational year for technology. **One Bank Weekend** unified our bank systems, enabling greater efficiency, consistency and scalability across the organization.



We also launched **Digital Wallet**, available on Apple Pay®, Google Pay™ or Samsung Wallet®, giving customers enhanced convenience and flexibility in how they manage and access their accounts.

Our digital presence continues to grow. In 2025, we achieved **2.25 million website sessions**, a 23% increase year over year.

We also expanded our social media presence with the launch of our **Instagram, Facebook and YouTube channels consolidated for Arrow Bank**, strengthening how we connect, educate and engage with customers and communities.



Arrow Volunteer Day in Lake George, New York.

SAFER BANKING, STRONGER COMMUNITIES

Protecting our customers remains a top priority. In 2025, our unified **arrowbank.com** launched with an expanded fraud education center, offering accessible tools and resources to help customers stay informed.

Fraud prevention is also a key pillar of our social media strategy, where we regularly share **timely alerts, tips** and **educational content**. Through proactive monitoring, enhanced security measures and ongoing customer outreach, we remain committed to safer banking, together.

EXPANDING WEALTH AND INSURANCE SOLUTIONS

Growing our Wealth Management and Insurance businesses remains a key strategic priority, and 2025 marked meaningful progress in both areas.

Following the July 2024 acquisitions of assets from A&B Agency, Inc., our Upstate Agency team successfully integrated the new book of business while **maintaining 100% client retention**. This achievement reflects the strength of our relationships, the professionalism of our advisors and the seamless service our clients expect.

At the same time, our Wealth Management team continued to expand its reach, providing personalized financial planning, investment management and retirement services to individuals, families and businesses across our footprint. As part of our unified Arrow Bank strategy, we are enhancing collaboration across business lines to better identify opportunities, deepen relationships and deliver comprehensive financial solutions.

By strengthening these service areas, we are building long-term value for clients while diversifying revenue and supporting sustainable growth.

ARROWBANK
From Point A to Anywhere

Where do you want to go today?

Build My Assets

START HERE!

Wealth management services are not FDIC insured. no bank guarantee, may lose value.



Inaugural 2025 Arrow Internship Program.

BUILDING THE NEXT GENERATION

In 2025, we launched the **Arrow Internship Program**, welcoming a group of emerging professionals into our organization. The program provides hands-on experience, mentorship and meaningful exposure to the banking industry, while strengthening our long-term talent pipeline and commitment to workforce development.

GREAT TEAM, GREAT IMPACT

Our results are powered by our people. In 2025, **330 employees**, or 57% of our team, volunteered **13,705 hours**, supporting **706 organizations** across our footprint.

We surpassed \$1 million in total giving for the first time in our history, contributing **\$1,054,048 to 424 organizations**, a **40% increase in corporate giving**. Nearly half of our contributions supported CRA-eligible initiatives focused on financial empowerment, housing, workforce development and essential needs.

In the fourth quarter, our Thankful Campaign supported youth mentoring programs, and we quickly mobilized **\$38,000 in emergency SNAP-related food relief donations** through our branches to assist local food pantries.

These efforts reflect our deep commitment to strengthening the communities we serve.



HONORING LEGACY

After 24 years of service, we celebrated the retirement of **Dave Kaiser**, Senior Executive Vice President, Chief Credit Officer, whose leadership and dedication have left a lasting mark on our organization. We thank Dave for his years of service and meaningful contributions to Arrow's continued success.

We also recognized the retirement of **Gary Dake** from the Arrow Financial Corporation Board of Directors at our 2025 Annual Meeting, following more than two decades of dedicated service to Arrow and our former subsidiary banks. We thank Gary for his many contributions and lasting impact on our organization, and to show our appreciation he was named Director Emeritus.

In 2025, we began preparing to celebrate an extraordinary milestone, our 175th anniversary in 2026. This moment reflects the strength of our history, the dedication of our people and the trust of the communities we serve. As we honor our legacy, we look ahead with confidence to the future we continue to build together.

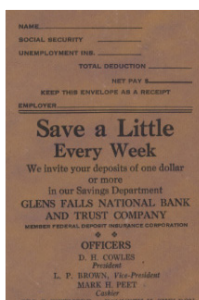
OUR HISTORY

OUR *founding + first 100 years in Glens Falls*



1851

Glens Falls Bank opened for business in a newly constructed building on Ridge Street.



1932

Changed name to Glens Falls National Bank and Trust Company.

1949

Broke ground at 250 Glen Street – our current headquarters.

EXPANSION, MODERNIZATION

and growing the family



1981

Glens Falls National Bank went public on NASDAQ as **GFAL**.

1983

Formed Arrow Bank Corporation and trading began on NASDAQ as **AROW**.

1988

Formed **Saratoga National Bank and Trust Company** and expanded footprint.

1999

Surpassed **\$1 billion** in assets.

2004

Bought first insurance agency.

2012

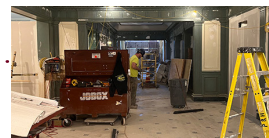
Reached **\$2 billion** in assets.

2018

Consolidated our insurance business into the **Upstate Agency** brand.

2021

Topped **\$4 billion** in assets.



2024

Unified banking subsidiaries to form **Arrow Bank National Association**.

ARROWBANK



The year-long celebration will reflect the company's enduring commitment to community partnership, customer service and continued growth.

2025 FINANCIAL HIGHLIGHTS

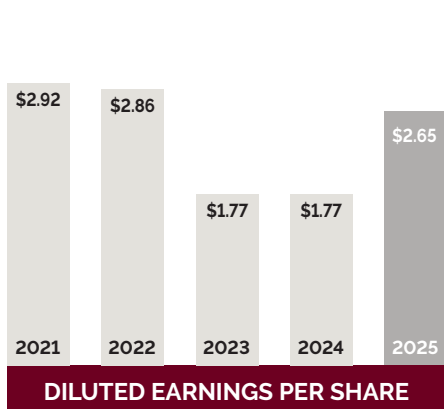
Arrow delivered steady financial performance by growing loans, expanding our net interest margin and actively managing our balance sheet.

Net Income:	\$44.0 million
Total Loans:	\$3.5 billion, up 1.7%
Total Deposits:	\$3.9 billion, up 2.9%
Total Assets:	\$4.4 billion, up 3.2%
Total Shareholders' Equity:	\$431.9 million, up 7.7%
Return on Average Equity:	10.66%
Return on Average Assets:	1.00%
Current Quarterly Cash Dividend:	\$0.30
Book Value Per Share:	\$26.26
Diluted Earnings per Share:	\$2.65

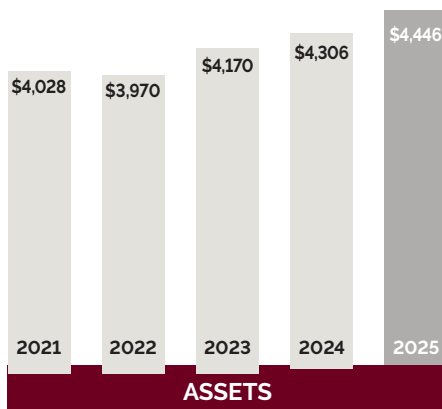
For a full view of our 2025 financial performance, visit arrowfinancial.com

For detailed financial results, please refer to our Form 10K for the year ended December 31, 2025, as well as our earnings releases and investor presentations for 2025 at arrowfinancial.com. Comparisons are to the December 31, 2024 balances.

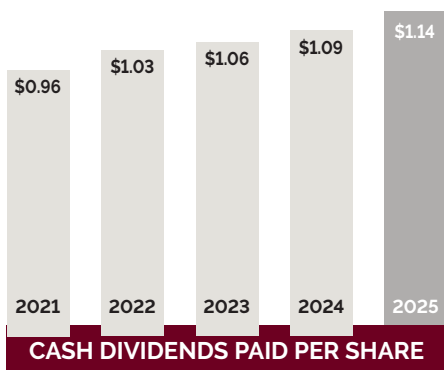
PERFORMANCE COMPARISONS



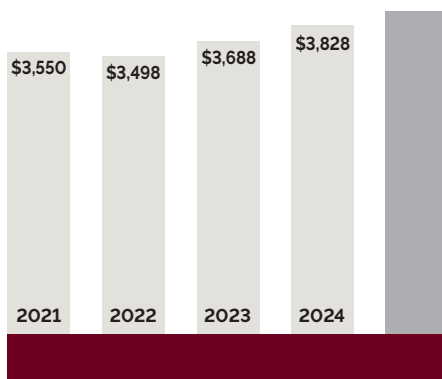
For the 12 Months Ended December 31*



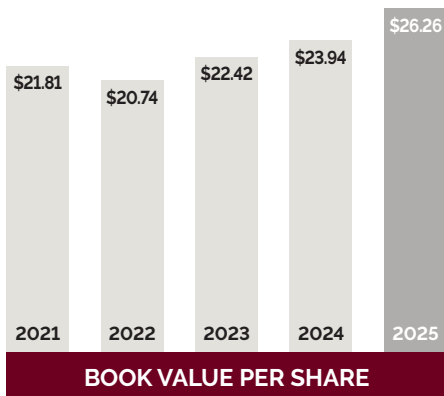
As of December 31
(\$ in Millions)



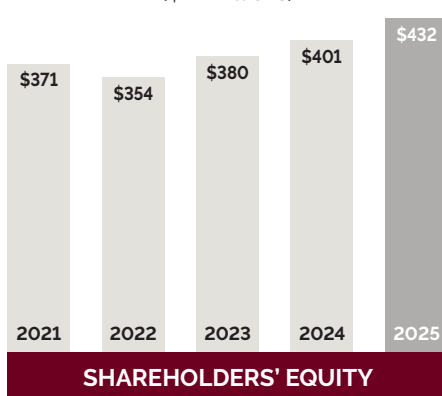
For the 12 Months Ended December 31*



As of December 31
(\$ in Millions)



As of December 31*



As of December 31
(\$ in Millions)

*Per share amounts have been restated for stock dividends distributed.

OUR GIVING IN ACTION

We're so proud to serve you and our communities.

330 EMPLOYEE VOLUNTEERS

706 NON-PROFITS SUPPORTED

MORE THAN **\$4.3** MILLION
DONATED IN THE
LAST SEVEN YEARS

\$1,054,048 INCLUDING **\$122,688**
DONATED TO OUR COMMUNITIES FROM EMPLOYEE CONTRIBUTIONS



13,705 HOURS : **UP 13%**
LOGGED : FROM 2024

Learn more: arrowbank.com/caring



OUR EMPLOYEES IN THE COMMUNITY

From Casual for a Cause days to donation drives and team volunteer events, we show our dedication throughout the year.



OUR LEADERSHIP

Executive Team



David S. DeMarco
President and CEO



Penko K. Ivanov
Senior Executive Vice President,
Chief Financial Officer, Treasurer
and Chief Accounting Officer



Michael Jacobs
Executive Vice President
and Chief Information Officer



Brooke M. Pancoe
Executive Vice President and
Chief Human Resources Officer



Andrew J. Wise
Senior Executive Vice President
and Chief Risk Officer



Marc J. Yrsha
Senior Executive Vice President
and Chief Banking Officer

OUR MISSION

To strengthen financial lives within our communities through the power of care, capability, commitment and collaboration.

OUR VISION

To build meaningful and long-lasting relationships with our customers, employees and shareholders.

Board of Directors



Tenée R. Casaccio, AIA
(Chair)
Managing Principal
JMZ Architects and Planners, PC



Mark L. Behan
Chairman and Founder
Behan Communications, Inc.



Gregory J. Champion
Chief Legal Officer
Syncromune, Inc.



James M. Dawsey
President
MLB Construction Services, LLC



David S. DeMarco
President and CEO
Arrow Financial Corporation



Dr. Kris Duffy
Retired President
SUNY Adirondack



Darrin Jahnel
CEO and Co-Founder
Jahnel Group



David G. Kruczynski
Retired President and CEO
Glens Falls Hospital



Elizabeth A. Miller
President and CEO
Miller Mechanical Services, Inc.



Philip Morris
CEO
Proctors Collaborative



Raymond F. O'Connor
Chairman and Retired
President and CEO
Saratoga National Bank



Colin L. Read, PhD
Professor of
Economics/Finance
SUNY Plattsburgh



Daniel J. White
Retired Managing Partner
KPMG LLP Albany

Directors Emeriti

Herbert O. Carpenter
John J. Carusone, Jr.
Michael B. Clarke
Gary C. Dake

Mary-Elizabeth T. FitzGerald
Elizabeth O'Connor Little
David L. Moynihan

John J. Murphy
Doris E. Ornstein
William L. Owens

OUR FAMILY OF COMPANIES

Arrow Financial Corporation is a holding company headquartered in Glens Falls, New York, serving the financial needs of northeastern New York. The Company is the parent of Arrow Bank National Association, a full-service commercial bank, and Upstate Agency, LLC, a comprehensive insurance agency.



View of Arrow campus in downtown Glens Falls, New York.



Part of the Arrow Family of Companies, **Arrow Bank National Association** is a commercial bank headquartered in Glens Falls, New York, serving eight counties in northeastern New York. Arrow Bank operates 38 banking offices and provides a wide range of financial products and services to individuals and businesses, including banking, wealth management and insurance.

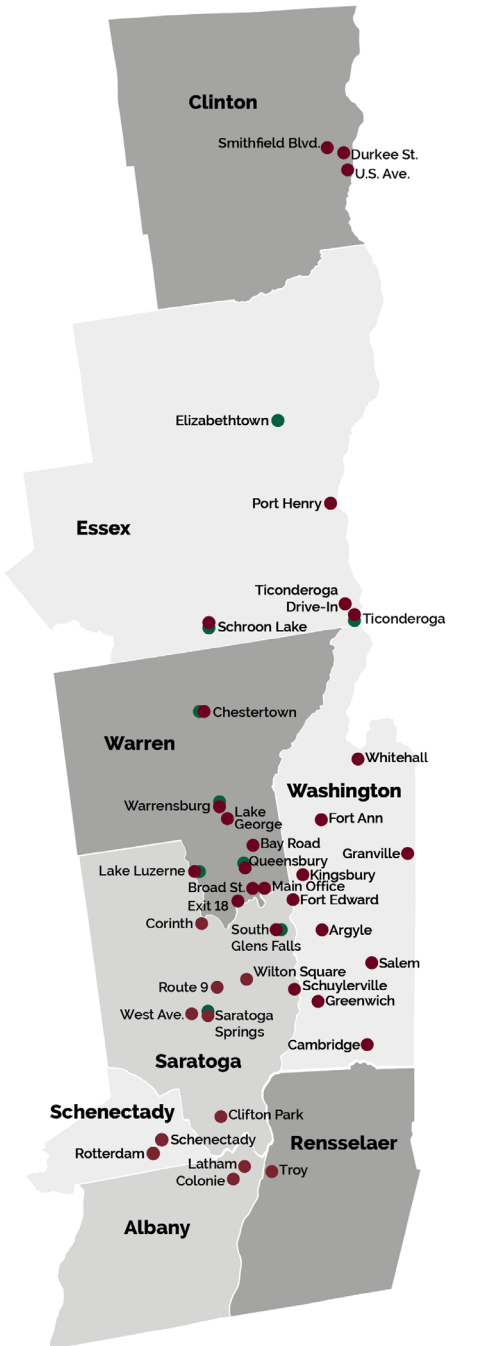
Other Arrow Financial Corporation subsidiaries include:



Upstate Agency, LLC, an insurance agency that specializes in personal and business insurance, as well as group health and employee benefits.

Our Footprint

- Arrow Bank
- Upstate Agency, LLC



Arrow Financial Corporation is a holding company headquartered in Glens Falls, New York, providing banking, insurance and wealth management services from 38 branches and nine insurance offices in eight counties from Plattsburgh to Albany.

With a footprint of more than 160 miles along the eastern border of New York state, our companies reach a broad customer base including rural, urban and suburban areas from the Canadian border to the Hudson Valley. As of the 2020 Census, this service area includes a population of more than 1.1 million individuals, families and businesses.

Our Arrow team of more than 580 staff members, strive to deliver an exceptional customer experience across all lines of business. They make our achievements and financial results possible!



ARROW

Financial Corporation

Our Family of Companies

 **ARROWBANK**

 **UPSTATE
AGENCY**
INSURANCE

arrowfinancial.com