

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; font-weight: bold; text-align: center;">2024</p> <hr/> <p style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</p>
---	---	---

Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan a DFE (specify) _____

B This return/report is: the first return/report the final return/report

an amended return/report a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here.

D Check box if filing under: Form 5558 automatic extension the DFVC program

special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>ARROW FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ARROW FINANCIAL CORPORATION</u></p> <p><u>250 GLEN STREET</u> <u>GLENS FALLS, NY 12801</u></p>	<p>1c Effective date of plan <u>01/01/1970</u></p> <p>2b Employer Identification Number (EIN) <u>22-2448962</u></p> <p>2c Plan Sponsor's telephone number <u>518-745-1000</u></p> <p>2d Business code (see instructions) <u>522110</u></p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	05/12/2025	AMY C. MERCHANT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/12/2025	AMY C. MERCHANT
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	595
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	402
	6a(2)	441
	6b	0
	6c	165
	6d	606
	6e	3
	6f	609
	6g(1)	570
	6g(2)	607
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
20 3D 3H 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached _____
- (5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) **H** (Financial Information)
- (2) **I** (Financial Information – Small Plan)
- (3) **A** (Insurance Information) – Number Attached _____
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2024 or fiscal plan year beginning <u>01/01/2024</u> and ending <u>12/31/2024</u>	
A Name of plan <u>ARROW FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARROW FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>22-2448962</u>

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	1143337
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	507
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	75544
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property)	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans	1c(8)	
(9) Value of interest in common/collective trusts	1c(9)	
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	
(12) Value of interest in 103-12 investment entities	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	
(15) Other	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	22438251	26641819
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	27710255	27861207
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	633	633
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	633	633
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	27709622	27860574

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	1743337	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1743337
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	1103657	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	1081837	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3928831

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	3777879	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3777879
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses.....	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3777879

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		150952
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **WHITTEMORE DOWEN AND RICCIARDELLI**

(2) EIN: **82-0548504**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>ARROW FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARROW FINANCIAL CORPORATION</u>	D Employer Identification Number (EIN) <u>22-2448962</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>14-6121999</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q704081A.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Independent Auditor's Report

Financial Statements and
Supplemental Information

Years Ended December 31, 2024 and 2023

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Table of Contents

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Net Assets Available for Benefits	3-4
Statements of Changes in Net Assets Available for Benefits	5-6
Notes to Financial Statements	7-12
Supplemental Information	
Schedule H, Line 4i - Schedules of Assets (Held at End of Year) (Schedule 1)	13
Schedule H, Line 4j - Schedules of Reportable Transactions (Schedule 2)	14



**WHITTEMORE, DOWEN
& RICCIARDELLI, LLP**

333 Aviation Road, Bldg B
Queensbury, NY 12804
Ph: (518)792-0918
Fax: (518)743-0882
www.wdr CPA.com

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Arrow Financial Corporation Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of Arrow Financial Corporation Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Arrow Financial Corporation Employee Stock Ownership Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Arrow Financial Corporation Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Arrow Financial Corporation Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Arrow Financial Corporation Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arrow Financial Corporation Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year and reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

September 5, 2025

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available
for Benefits

December 31, 2024 and 2023

ASSETS	2024		
	Allocated	Unallocated	Total
Investments, at Current Value (Schedule 1):			
Cash and cash equivalents	\$ 75,544	\$ -	\$ 75,544
Arrow Financial Corporation common stock	26,641,818	-	26,641,818
Total Investments	26,717,362	-	26,717,362
Receivables:			
Employer contributions	1,143,337	-	1,143,337
Accrued interest and dividends	507	-	507
Total Receivables	1,143,844	-	1,143,844
Total Assets	27,861,206	-	27,861,206
LIABILITIES			
Liabilities:			
Participant benefits payable	633	-	633
Total Liabilities	633	-	633
Net Assets Available for Benefits	\$ 27,860,573	\$ -	\$ 27,860,573

See Independent Auditor's Report and Notes

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available
for Benefits

December 31, 2024 and 2023

ASSETS	2023		
	Allocated	Unallocated	Total
Investments, at Current Value (Schedule 1):			
Cash and cash equivalents	\$ 5,210,800	\$ -	\$ 5,210,800
Arrow Financial Corporation common stock	22,438,251	-	22,438,251
Total Investments	27,649,051	-	27,649,051
Receivables:			
Employer contributions	58,937	-	58,937
Accrued interest and dividends	2,267	-	2,267
Total Receivables	61,204	-	61,204
Total Assets	27,710,255	-	27,710,255
LIABILITIES			
Liabilities:			
Participant benefits payable	633	-	633
Total Liabilities	633	-	633
Net Assets Available for Benefits	\$ 27,709,622	\$ -	\$ 27,709,622

See Independent Auditor's Report and Notes

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available
for Benefits

Years Ended December 31, 2024 and 2023

	2024		Total
	Allocated	Unallocated	
Investment Income:			
Dividends	\$ 944,679	\$ -	\$ 944,679
Interest	158,977	-	158,977
Net unrealized and realized gains (losses) on investments	<u>1,081,837</u>	<u>-</u>	<u>1,081,837</u>
Net Investment Income (Loss)	2,185,493	-	2,185,493
Employer contributions	<u>1,743,337</u>	<u>-</u>	<u>1,743,337</u>
Total Increases (Decreases)	<u>3,928,830</u>	<u>-</u>	<u>3,928,830</u>
Deductions:			
Benefits paid directly to participants	<u>3,777,879</u>	<u>-</u>	<u>3,777,879</u>
Return of Participant Benefits	-	-	-
Total Deductions	<u>3,777,879</u>	<u>-</u>	<u>3,777,879</u>
Net Increase (Decrease)	<u>150,951</u>	<u>-</u>	<u>150,951</u>
Net Assets Available for Benefits:			
Beginning of Year	<u>27,709,622</u>	<u>-</u>	<u>27,709,622</u>
End of Year	<u><u>\$ 27,860,573</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,860,573</u></u>

See Independent Auditor's Report and Notes

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available
for Benefits

Years Ended December 31, 2024 and 2023

	2023		
	Allocated	Unallocated	Total
Investment Income:			
Dividends	\$ 864,360	\$ -	\$ 864,360
Interest	168,005	-	168,005
Net unrealized and realized gains (losses) on investments	<u>(4,320,548)</u>	<u>-</u>	<u>(4,320,548)</u>
Net Investment Income (Loss)	(3,288,183)	-	(3,288,183)
Employer contributions	<u>1,558,937</u>	<u>-</u>	<u>1,558,937</u>
Total Increases (Decreases)	<u>(1,729,246)</u>	<u>-</u>	<u>(1,729,246)</u>
Deductions:			
Benefits paid directly to participants	<u>1,450,099</u>	<u>-</u>	<u>1,450,099</u>
Return of Participant Benefits	-	-	-
Total Deductions	<u>1,450,099</u>	<u>-</u>	<u>1,450,099</u>
Net Increase (Decrease)	<u>(3,179,345)</u>	<u>-</u>	<u>(3,179,345)</u>
Net Assets Available for Benefits:			
Beginning of Year	<u>30,888,967</u>	<u>-</u>	<u>30,888,967</u>
End of Year	<u><u>\$ 27,709,622</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,709,622</u></u>

See Independent Auditor's Report and Notes

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Description of the Plan

The following description of Arrow Financial Corporation (“Company”) Employee Stock Ownership Plan (“Plan”) provides only general information. Participants and other readers of these financial statements should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering substantially all employees of Arrow Financial Corporation (the Company) and its subsidiary, Arrow Bank National Association, formerly known as Glens Falls National Bank. Glens Falls National Bank and Trust Company combined with Saratoga National Bank and Trust Company (SNB) on 12/31/2024 and subsequently changed its name to Arrow Bank National Association at close of business on 12/31/2024. The Plan also covers all employees of Upstate Agency, LLC who is a subsidiary of Arrow Bank National Association. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan purchased Company common shares during 1998 through 2010 using the proceeds of subsidiary bank borrowings guaranteed by the Company and held the stock in a trust established under the Plan. The borrowings were to be repaid over a period of ten years by fully deductible Company contributions to the trust fund, with the final payment to be made in 2020. As the Plan made each payment of principal, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Code, “Principal Payment Only Method.” Allocated shares vest in accordance with the vesting schedule described in the Plan document.

The borrowings were collateralized by the unallocated shares of stock and were guaranteed by the Company. The lender had no rights against shares once they were allocated under the ESOP. Prior to 2020, the financial statements of the Plan presented separately the assets and liabilities and changes therein pertaining to:

- (1) the accounts of employees in allocated stock (allocated), and
- (2) stock not yet allocated to employees (unallocated).

The borrowings were repaid in 2019, therefore, the Plan no longer has unallocated shares.

(b) Eligibility

Employees become eligible for entry into the Plan on the first day of each calendar quarter upon completing one year of continuous service. A year of service, as defined by the Plan, means the completion of 1,000 hours or more annually.

(c) Contributions

The Company's contribution is allocated to each eligible participant as defined by the Plan. The contributions are paid to the Trust and invested in accordance with the terms of the Plan. The amount is determined by the Company's Board of Directors. The participant's vested interest in the Plan is payable upon death, disability, retirement, or separation of service as defined by the Plan.

(d) Participant Accounts

Each participant's account is credited with the Company's contribution, plan earnings, and forfeitures of terminated participants' non-vested accounts. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Forfeited balances reallocated for 2024 and 2023 were \$50,434 and \$96,754, respectively.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Description of the Plan – Continued

- (e) Payment of Benefits
The participant's vested interest in the Plan is payable in a lump-sum cash distribution and/or a distribution of shares of Arrow Financial Corporation common stock upon death, disability, retirement, or separation of service as defined by the Plan. An election to receive shares of common stock results in a taxable distribution to the participant only to the extent of the cost basis in the stock. The expense for payment of benefits is recorded in the year payment is made.
- (f) Vesting
Vesting is earned on a graduated basis as defined by the Plan. Participant account balances become fully vested upon completion of six years of continuous service.

Summary of Significant Accounting Policies

The following is a summary of significant accounting policies, which are in conformity with generally accepted accounting principles and the Trust for the Plan:

- (a) Cash Equivalents
The Plan considers principal cash, income cash, and cash temporarily invested in money market accounts to be cash equivalents.
- (b) Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- (c) Investment Valuation
The common shares of the Company are traded on the NASDAQ stock market and are valued at the last reported sales price on the last business day of the year. Purchases and sales of securities are reflected on a trade-date basis.
- (d) Recognition of Income
Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned. Realized gain or loss on sales of securities is based on an adjusted average cost.

Book value adjustments resulting from terminated participants forfeiting employer stock or electing cash distributions instead of stock distributions are recorded in the Plan in lieu of actually trading Arrow Financial Corporation common stock over-the-counter. This procedure minimizes price fluctuations in the Company's stock.

- (e) Expenses
The companies covered under the Plan may pay all expenses incurred in the administration of the Plan, including expenses of the Trustee and certain professional fees, but shall not be obligated to do so. Any expenses and fees not paid by the companies shall be paid from the Plan. For the years ended December 31, 2024 and 2023, Arrow Financial Corporation and its subsidiaries paid audit fees, recordkeeping fees, and attorney fees in connection with the administration of the Plan.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Funding

The Plan is a defined contribution plan to which contributions are made exclusively by the employers. During 2024 and 2023, the subsidiary companies made contributions of \$1,743,337 and \$1,558,937, respectively.

Investments

During 2024 and 2023, the Plan's investments (including gains and losses on investments bought, sold, and distributed, as well as held during the year) appreciated (depreciated) in value, as follows:

	<u>2024</u>	<u>2023</u>
Sponsor company common stock - allocated	<u>\$ 1,081,837</u>	<u>\$ (4,320,548)</u>

The following investments exceed five percent (5%) or more of the Plan's net assets at December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Sponsor company common stock - allocated	<u>\$ 26,641,818</u>	<u>\$ 22,438,251</u>

At December 31, 2024 and 2023, Arrow stocks shares held by the plan for 2024 and 2023 were 927,963 and 803,087, respectively.

Fair Value Measurement

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents fair value measurement information for certain financial instruments. The carrying values of receivables, cash equivalents, and payables included in the accompanying statements of net assets available for benefits approximated fair value at December 31, 2024 and 2023, and are thus not included in the following table.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Fair Value Measurement – Continued

	Fair Value Measurement at Reporting Date Using:	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
December 31, 2024		
Sponsor company common stock	\$ 26,641,818	\$ 26,641,818
December 31, 2023		
Sponsor company common stock	\$ 22,438,251	\$ 22,438,251

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When applicable, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Tax Status

The United States Department of the Treasury advised on October 23, 1970, that the fund constitutes a qualified trust under Section 401(a) of the Internal Revenue Code and is exempt from Federal income taxes under 501(a) of the Code. The Plan was restated on January 1, 2013, to include all amendments to that date. A letter of favorable determination for continued tax-exempt status dated October 31, 2013, has been received from the United States Department of the Treasury for this restatement. There was one amendment adopted in 2019 since the Plan was restated. An application for favorable determination has been filed, but no response has been received as of the date of these statements. The Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2021.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA. Upon a complete or partial termination, each participant affected by such termination or partial termination shall become fully vested in their accounts.

Diversification Rights/Transfers Out of Plan

The Pension Protection Act of 2006 (“PPA”) established new diversification rights for participants that would have required significant changes be made to the current ESOP diversification process. In consultation with our Plan administrator and legal counsel, the decision was made to eliminate diversification fund options within the ESOP and spin-off and transfer out the Plan balances that were either in the ESOP that were put in the Plan by participants “Pre-1993 Optional Deferrals” or balances that participants had previously diversified into Funds A, B, and D.

The Plan provides that each year qualified participants (a participant who has completed ten years of service and has attained age 55) may elect to diversify a defined portion of their company stock account into a directed investment account outside the ESOP. This direct investment account may be established by rolling the amount into an individual retirement account or another qualified plan including Arrow’s Profit Sharing 401(k) Plan. The qualified participant may also elect a distribution in cash. During 2024 and 2023, diversification elections amounting to \$227,185 and \$145,977, respectively, were distributed to qualified participants and included in benefits paid directly to participants in the statements of changes in net assets available for benefits.

Risk and Uncertainties

The Plan investments consist primarily of the sponsor company’s common stock, which is exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with the investment in the common stock and uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

Plan Amendments

During August 2019, the plan was amended and restated to include all amendments and changes in applicable law. This amendment and restatement was effective August 27, 2019. An application letter for favorable determination for continued tax exempt status was sent to the United States Department of the Treasury for this amended and restated plan during August 2019. The United States Department of the Treasury has acknowledged receipt of this application and that it is currently going through the approval process.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Plan Amendments – Continued

During 2019, there was one amendment to the Arrow Financial Corporation Employee Stock Ownership Plan (ESOP) as follows:

Effective August 27, 2019, ESOP section 4.6 (titled “Directed Investment Account”) was amended to clarify that, when a qualified participant directs the Trustee in writing to distribute in cash and/or Company stock of 25 percent of the total number of shares of Company stock that have ever been allocated to said qualified participant’s Company stock account, such an amount is reduced by the number of shares of Company stock previously distributed in cash and/or Company stock pursuant to a prior diversification election (whereas before the section simply read “prior election”). The amendment also removed a sentence regarding a stipulation that, should a participant elect to distribute their stock account, such direction would take effect within 180 days after the close of the Plan year in question. Further, a presumed typo in the second paragraph was removed that made said paragraph self-nullifying. Lastly, the amendment provided a clearer definition of the term “Annual Election Period.”

Related-Party and Party-in-Interest Transactions

The Plan invests in Company common stock. This is a related-party and party-in-interest transaction. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

Subsequent Events

The Company has evaluated all events through September 5, 2025, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Schedule H, Line 4i - Schedules of Assets (Held at End of Year)
(Schedule 1)
EIN/PN: 22-2448962/002

December 31, 2024

(a) Parties in Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
		<u>Cash and Cash Equivalents</u>		
	Fidelity Investments	Treasury Fund	<u>\$ 75,544</u>	<u>\$ 75,544</u>
		<u>Employer Stock</u>		
*	Arrow Financial Corporation	Common Stock - Allocated	<u>\$ 20,127,824</u>	<u>\$ 26,641,818</u>

* indicates party-in-interest to the Plan

December 31, 2023

(a) Parties in Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
		<u>Cash and Cash Equivalents</u>		
	Blackrock Fund	Treasury Fund	<u>\$ 5,210,800</u>	<u>\$ 5,210,800</u>
		<u>Employer Stock</u>		
*	Arrow Financial Corporation	Common Stock - Allocated	<u>\$ 15,979,474</u>	<u>\$ 22,438,251</u>

* indicates party-in-interest to the Plan

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Schedule H, Line 4j - Schedules of Reportable Transactions
(Schedule 2)
EIN\PN: 22-2448962\002

Year Ended December 31, 2024

Identity of Party Involved	Description of Assets	Description of Transactions	Number of Transactions	Current Value on Transaction Date	Net Gain (Loss)
Blackrock Treasury Investment Fund	Money Market Fund	Purchases	16	\$ 1,601,523	\$ -
Blackrock Treasury Investment Fund	Money Market Fund	Sales	74	\$ 6,812,323	\$ -

The above transactions are required to be reported under ERISA in that they involve amounts in excess of five percent (5%) of the value of Plan assets at the beginning of the year.

Year Ended December 31, 2023

Identity of Party Involved	Description of Assets	Description of Transactions	Number of Transactions	Current Value on Transaction Date	Net Gain (Loss)
Blackrock Treasury Investment Fund	Money Market Fund	Purchases	19	\$ 2,512,301	\$ -

The above transactions are required to be reported under ERISA in that they involve amounts in excess of five percent (5%) of the value of Plan assets at the beginning of the year.

See Independent Auditor's Report and Notes

Form 5500
 Department of the Treasury
 Internal Revenue Service

Department of Labor
 Employee Benefits Security
 Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

► **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0111
 1210-0088

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

B This return/report is: a single-employer plan a DFE (specify) _____
 the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here

D Check box if filing under: Form 5558 automatic extension the DFVC program
 special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here

Part II Basic Plan Information --- enter all requested information

1a Name of plan Arrow Financial Corporation Employee Stock Ownership Plan	1b Three-digit plan number (PN) ► 002
	1c Effective date of plan 01/01/1970
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) Arrow Financial Corporation 250 Glen Street US Glens Falls NY 12801	2b Employer Identification Number (EIN) 22-2448962
	2c Plan Sponsor's telephone number (518) 745-1000
	2d Business code (see instructions) 522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<i>Amy C. Merchant</i>	<u>5/13/25</u>	Amy C. Merchant
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<i>Amy C. Merchant</i>	<u>5/13/25</u>	Amy C. Merchant
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN and the plan name and the plan number from the last return/report: a Sponsor's name c Plan name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 595
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 402
a(2) Total number of active participants at the end of the plan year	6a(2) 441
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits	6c 165
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 606
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e 3
f Total. Add lines 6d and 6e	6f 609
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1) 570
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2) 607
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 13
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2O 3D 3H 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) - Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information - Small Plan) (3) <input type="checkbox"/> A (Insurance Information) - Number Attached _____ (4) <input type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
--	--

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
-----------------	---

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) . . Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Schedule H, Line 4j - Schedules of Reportable Transactions
(Schedule 2)
EIN/PN: 22-2448962\002

Year Ended December 31, 2024

Identity of Party Involved	Description of Assets	Description of Transactions	Number of Transactions	Current Value on Transaction Date	Net Gain (Loss)
Blackrock Treasury Investment Fund	Money Market Fund	Purchases	16	\$ 1,601,523	\$ -
Blackrock Treasury Investment Fund	Money Market Fund	Sales	74	\$ 6,812,323	\$ -

The above transactions are required to be reported under ERISA in that they involve amounts in excess of five percent (5%) of the value of Plan assets at the beginning of the year.

Year Ended December 31, 2023

Identity of Party Involved	Description of Assets	Description of Transactions	Number of Transactions	Current Value on Transaction Date	Net Gain (Loss)
Blackrock Treasury Investment Fund	Money Market Fund	Purchases	19	\$ 2,512,301	\$ -

The above transactions are required to be reported under ERISA in that they involve amounts in excess of five percent (5%) of the value of Plan assets at the beginning of the year.

See Independent Auditor's Report and Notes

ARROW FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Schedule H, Line 4i - Schedules of Assets (Held at End of Year)
(Schedule 1)
EIN/PN: 22-2448962/002

December 31, 2024

(a) Parties in Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
		<u>Cash and Cash Equivalents</u>		
	Fidelity Investments	Treasury Fund	<u>\$ 75,544</u>	<u>\$ 75,544</u>
		<u>Employer Stock</u>		
*	Arrow Financial Corporation	Common Stock - Allocated	<u>\$ 20,127,824</u>	<u>\$ 26,641,818</u>

* indicates party-in-interest to the Plan

December 31, 2023

(a) Parties in Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
		<u>Cash and Cash Equivalents</u>		
	Blackrock Fund	Treasury Fund	<u>\$ 5,210,800</u>	<u>\$ 5,210,800</u>
		<u>Employer Stock</u>		
*	Arrow Financial Corporation	Common Stock - Allocated	<u>\$ 15,979,474</u>	<u>\$ 22,438,251</u>

* indicates party-in-interest to the Plan