



Stock Information:

Registrar & Transfer Agent
 American Stock Transfer & Trust Company, LLC
 (amstock.com)

Market Analysts:

- FIG Partners, LLC
 - Monroe Financial Partners, Inc.
 - Sandler O'Neill & Partners, LP

OFFICERS

Brenda L. Copeland - *President & CEO*
James P. Nicoloff - *EVP & Treasurer*
Mary E. Hilfiger - *Corporate Secretary*

DIRECTORS

David A. Shults - *Chairman of the Board - Partner, Shults & Shults*
Robert U. Blades Jr. - *President, Blades Holding Company, Inc.*
Brenda L. Copeland - *President & CEO, Steuben Trust Co. & Corp.*
Michael E. Davidson - *President, A. Davidson & Bros. Inc.*
Dr. Charles M. Edmondson - *Retired President, Alfred University*
Stoner E. Horey, MD - *Physician*
L. Victor Myers - *Retired SVP, Steuben Trust Company*
Charles D. Oliver - *Partner, Charles F. Oliver & Son, LLC*
Amanda S. Parker - *Partner, Parker & Lubanski CPAs, LLP*
Eric Shults - *Partner, Shults & Shults*
Sherry C. Walton - *Community Volunteer*
Brian L. Wilkins - *President, Wilkins RV, Inc.*

Directors of Steuben Trust Corporation are also Directors of Steuben Trust Company

OFFICES & ATMs

Main Office (ATM) 607-324-5010
 Toll-Free 866-783-8236
 Alfred Office (ATM) 607-587-9122
 Andover Office 607-478-8437
 Arkport Office (ATM) 607-295-7455
 Bath Office (ATM) 607-664-3200
 Belmont Office (ATM) 585-268-7631
 Bolivar Office (ATM) 585-928-1773
 Canaseraga Office (ATM) 607-545-6516
 Canisteo Office 607-698-2742
 Elma Representative Office 716-650-4230
 Geneseo Office (ATM) 585-243-0380
 Henrietta Office 585-359-0247
 Warsaw Office (ATM) 585-786-0261
 Wellsville Office (ATM) 585-593-0100
 Whitesville Office 607-356-3344

OFF-SITE ATMs

Alfred State College
 Central Dining Hall
St. James Mercy Health
 Hospital ED Entrance
Alfred University
 Powell Campus Center
Wellsville Downtown
 36 West Dyke Street

THIRD QUARTER REPORT

Steuben Trust Corporation



CONSOLIDATED
 FINANCIAL REPORT
 SEPTEMBER 30, 2016

Steuben Trust Company
 (subsidiary)

steubentrust.com

Member FDIC

Dear Shareholder:

We are pleased to report year to date 9/30/16 net earnings of over \$4 million, an increase of 7.9% over the first nine months of 2015. Earnings per common share of \$2.44 are up \$0.17 per share year over year and annualized return on average equity was 10.34%. The strong earnings performance is attributed primarily to an 11.8% increase in the loan portfolio. Total loans as of 9/30/16 reached a new milestone of over \$300 million and overall assets increased 6.4%, both contributing to an increase of close to \$700,000 in net interest income year to date over the first three quarters of 2015.

During the quarter, the conversion of our electronic banking platform was completed, and our website was enhanced including a new section on investor relations. Also, our periodic FDIC examination was completed successfully. In addition, Steuben Financial Services, the bank's new insurance subsidiary was launched.

In the past few weeks, our Board of Directors has undertaken an initiative to update the bylaws. On October 13, 2016, a majority of the Board of Directors voted to amend the bylaws of Steuben Trust Corporation as provided for in Section 8.1 of the Bylaws of the Corporation. Shareholders may request a copy of the amended Bylaws of Steuben Trust Corporation free of charge from the Corporate Secretary at mary.hilfiger@steubentrust.com.

As part of our ongoing succession planning, in August, our Board of Directors initiated a search process to identify an individual to assume the position of President based on my goal to retire by 12/31/17 to travel and spend more time with family. In the interim, the plan is for me to remain as CEO through a transition period to ensure a seamless exchange of responsibilities.

Currently, we are in the process of completing an update of our five-year business plan and expect to finalize it in the fourth quarter. We welcome any input that our owners may have.

On October 13, 2016, the Company's Board of Directors approved a cash dividend of \$0.295 per common share payable on November 7, 2016, to shareholders of record on October 27, 2016.

Thank you for your confidence and support. On behalf of our board and staff, warmest wishes to you and your family for the upcoming holiday season.

Sincerely,



Brenda L. Copeland
President & Chief Executive Officer

CONSOLIDATED STATEMENTS OF CONDITION

September 30, 2016 and 2015
(Unaudited)

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and due from banks	\$ 21,505	\$ 21,737
Loans	301,532	269,599
Allowance for loan losses	(3,530)	(3,150)
Securities available for sale	178,571	180,790
Securities held to maturity	7,169	4,538
Premises & equipment	6,388	6,774
Deposit premium/goodwill	75	83
Other assets	15,829	15,433
TOTAL ASSETS	\$ 527,539	\$ 495,804
LIABILITIES		
Deposits	\$ 436,090	\$ 418,615
Borrowings	30,500	21,000
Subordinated debentures	2,062	2,062
Accrued interest payable	105	89
Other liabilities	5,358	5,367
Total Liabilities	\$ 474,115	\$ 447,133
SHAREHOLDERS' EQUITY		
Common stock - \$1 par value	\$ 1,756	\$ 1,746
Additional paid-in capital	5,389	5,061
Undivided profits	47,223	43,709
Accumulated other comprehensive income	1,666	682
Treasury stock	(2,610)	(2,527)
Total Shareholders' equity	\$ 53,424	\$ 48,671
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 527,539	\$ 495,804

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	Nine months ending	
	9/30/2016	9/30/2015
Interest income	\$ 13,652	\$ 12,957
Interest expense	826	793
Net interest income	12,826	12,164
Provision for loan losses	203	129
Net interest income after provision for loan losses	12,623	12,035
Other operating income	3,218	3,397
Operating expenses	10,252	10,317
Income before income tax	5,589	5,115
Income tax	1,563	1,384
Net income available to common shareholders	\$ 4,026	\$ 3,731
Basic Earnings per Share	\$ 2.44	\$ 2.27
Average shares used in computation of earnings per share (in thousands)	1,651	1,642

TRUST & INVESTMENT SERVICES

September 30, 2016 and 2015

(Market Value - Amounts in thousands)

	2016	2015
Assets under management	\$ 145,080	\$ 142,673