

Steuben Trust Corporation

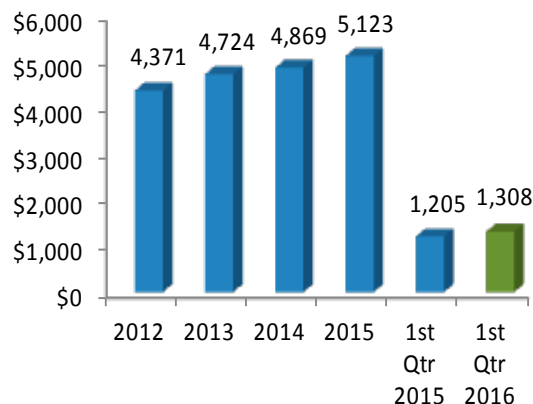


CONSOLIDATED FINANCIAL REPORT MARCH 31, 2016

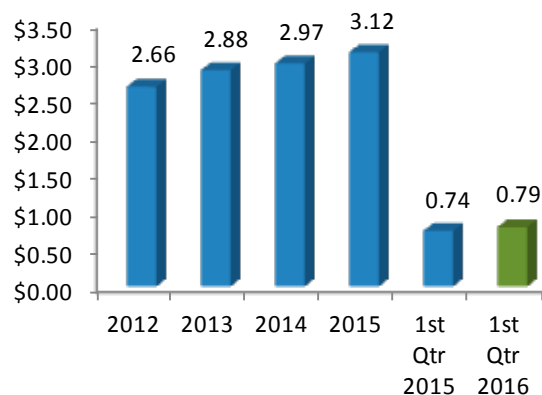
Steuben Trust Company

(subsidiary)

Net Income (000s)



Earnings per Share



Stock Information:

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

Market Makers:

- 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, 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 Attorneys
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	Alfred University Powell Campus Center
St. James Mercy Health Hospital ED Entrance	Wellsville Downtown 36 West Dyke Street

Dear Shareholder:

Strong overall financial results continued for the first quarter of 2016 for Steuben Trust Corporation. Net income of \$1.3 million was an increase of 8.5% over the first quarter of last year. This was attributed mainly to a growth in loans for the quarter of 2.3% to \$287.3 million, mainly commercial loans, and an increase in overall assets of 6.6% to \$521.8 million as of March 31, 2016.

Annualized return on average assets based on first quarter performance was 1.03%, and earnings per common share was \$0.79 compared to \$0.74 quarter over quarter.

The Company's annual shareholders' meeting was held on April 14. Management reviewed operating results for 2015 and first quarter 2016 as well as highlights from the business plan. Incumbent directors were elected to serve another one year term.

At the Board meeting that followed, the Board of Directors approved a dividend of \$0.29 per common share payable May 6, 2016 to shareholders of record April 27, 2016.

The most recent SEC filing for purposes of the dividend reinvestment plan was filed on March 22, 2016. Information is available at amstock.com and sec.gov.

If you have not registered online at amstock.com for shareholder account access, it is an easy and convenient way to obtain information about your Steuben Trust Corporation ownership. The ticker symbol is again "SBHO". Whether you plan to register or have previously, we suggest you consider adding your email address as additional contact information.

As many of our seasonal business and farm customers eagerly await warmer weather here in Upstate New York, despite a few days of record cold in early April, our lending teams anticipate continued robust activity and growth for the portfolio. We hope your year is off to a fine start and want to again thank you for your confidence, support and business.

Sincerely,



Brenda L. Copeland
President & Chief Executive Officer

CONSOLIDATED STATEMENTS OF CONDITION MARCH 31, 2016 and 2015 (Unaudited)

(Amounts in thousands)

ASSETS	2016	2015
Cash and due from banks	\$ 19,230	\$ 27,306
Loans	287,259	264,917
Allowance for loan losses	(3,355)	(3,110)
Securities available for sale	189,702	177,003
Securities held to maturity	6,762	9,111
Premises & equipment	6,631	6,836
Deposit premium/goodwill	79	86
Other assets	15,539	15,660
TOTAL ASSETS	\$ 521,847	\$ 497,809
LIABILITIES		
Deposits	\$ 437,140	\$ 409,576
Borrowings	26,500	34,000
Subordinated debentures	2,062	2,062
Accrued interest payable	100	89
Other liabilities	4,715	4,732
Total Liabilities	\$ 470,517	\$ 450,459
SHAREHOLDERS' EQUITY		
Common stock - \$1 par value	\$ 1,751	\$ 1,741
Additional paid-in capital	5,222	4,901
Undivided profits	45,470	42,094
Accumulated other comprehensive income	1,405	1,126
Treasury stock	(2,518)	(2,512)
Total Steuben Trust Corporation Shareholders' equity	51,330	47,350
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 521,847	\$ 497,809

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share amounts)

	Three months ending	
	3/31/2016	3/31/2015
Interest income	\$ 4,499	\$ 4,275
Interest expense	270	285
Net interest income	4,229	3,990
Provision for loan losses	48	51
Net interest income after provision for loan losses	4,181	3,939
Other operating income	993	1,093
Operating expenses	3,380	3,367
Income before income tax	1,794	1,665
Income tax	486	460
Net income available to common shareholders	\$ 1,308	\$ 1,205
Basic Earnings per Share	\$ 0.79	\$ 0.74
Average shares used in computation of earnings per share (in thousands)	1,649	1,639

TRUST & INVESTMENT SERVICES MARCH 31, 2016 AND 2015

(Market Value - Amounts In Thousands)

	2016	2015
Assets under management	\$ 144,801	\$ 159,021