



#### 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** - *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

SECOND QUARTER REPORT

# Steuben Trust Corporation



CONSOLIDATED  
FINANCIAL REPORT  
JUNE 30, 2016

**Steuben Trust Company**  
(subsidiary)

steubentrust.com

Member FDIC

Dear Shareholder:

Record earnings again marked the first half of 2016 with net income up 5.7% over the first half of last year to over \$2.6 million. Earnings per common share of \$1.59 compares favorably with \$1.52 for the first six months of 2015 on a similar number of shares and annualized return on average equity was 10.27%. Asset growth for the half year of 7.7% to \$527.4 million was primarily responsible for strong earnings particularly due to an increase in loans of 4.6% reflective of growth of small business loans. Loan quality metrics remained very favorable with net losses of (.01%) and nonperforming loans 0.25% of the portfolio.

As we executed our business plan, initiatives and performance indicators are meeting or exceeding expectations. One of these initiatives was implementation in June of our new electronic banking platform that adds enhanced functionality including mobile deposit capabilities. Also, our VRU telephone banking service was upgraded. The Company's technology, operations and customer service teams enabled these changes to go smoothly. Support staff is pleased to assist customers toll free at 1-866-STEUBEN.

The Bank expects to begin offering life insurance services to our customers this quarter through our subsidiary, Steuben Financial Services Inc.

On July 14, 2016, Steuben Trust Corporation's Board of Directors approved an increase in the regular quarterly cash dividend to \$0.295 per common share payable on August 8, 2016 to shareholders of record on July 27, 2016. This further extends the Company's forty-five year history of progressive dividend payments.

This is possible due to the efforts of our dedicated employees who help generate these positive results year over year and to the strong support of our shareholders and customers who not only do business with us but often refer others to Steuben Trust for financial services. Thank you so much.

Sincerely,



Brenda L. Copeland  
President & Chief Executive Officer

## CONSOLIDATED STATEMENTS OF CONDITION

June 30, 2016 and 2015  
(Unaudited)

(Amounts in thousands)

	2016	2015
<b>ASSETS</b>		
Cash and due from banks	\$ 20,237	\$ 17,331
Loans	293,618	267,832
Allowance for loan losses	(3,450)	(3,130)
Securities available for sale	187,848	184,038
Securities held to maturity	6,714	3,946
Premises & equipment	6,478	6,779
Deposit premium/goodwill	77	84
Other assets	15,886	15,962
<b>TOTAL ASSETS</b>	<b>\$ 527,408</b>	<b>\$ 492,842</b>
<b>LIABILITIES</b>		
Deposits	\$ 431,217	\$ 417,624
Borrowings	36,000	21,000
Subordinated debentures	2,062	2,062
Accrued interest payable	80	90
Other liabilities	5,055	4,971
Total Liabilities	\$ 474,414	\$ 445,747
<b>SHAREHOLDERS' EQUITY</b>		
Common stock - \$1 par value	\$ 1,754	\$ 1,743
Additional paid-in capital	5,304	4,979
Undivided profits	46,313	42,926
Accumulated other comprehensive income	2,189	(41)
Treasury stock	(2,566)	(2,512)
Total Shareholders' equity	\$ 52,994	\$ 47,095
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 527,408</b>	<b>\$ 492,842</b>

## CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	Six months ending	
	6/30/2016	6/30/2015
Interest income	\$ 9,059	\$ 8,599
Interest expense	532	546
<b>Net interest income</b>	<b>8,527</b>	<b>8,053</b>
Provision for loan losses	143	69
<b>Net interest income after provision for loan losses</b>	<b>8,384</b>	<b>7,984</b>
Other operating income	2,092	2,258
Operating expenses	6,837	6,813
<b>Income before income tax</b>	<b>3,639</b>	<b>3,429</b>
Income tax	1,010	941
<b>Net income available to common shareholders</b>	<b>\$ 2,629</b>	<b>\$ 2,488</b>
<b>Basic Earnings per Share</b>	<b>\$ 1.59</b>	<b>\$ 1.52</b>
Average shares used in computation of earnings per share (in thousands)	1,650	1,640

## TRUST & INVESTMENT SERVICES

June 30, 2016 and 2015

(Market Value - Amounts in thousands)

	2016	2015
Assets under management	\$ 145,524	\$ 154,640