



December 2023

**Dear Fellow Shareholder:**

AmeriServ Financial, Inc. reported third quarter 2023 net income of \$647,000 or \$0.04 earnings per diluted common share (EPS) which represents a \$1.5 million decrease from the third quarter of 2022 when net income totaled \$2.1 million or \$0.12 EPS. For the nine-month period ended September 30, 2023, the Company reported net income of \$2.0 million or \$0.12 EPS. This represents a 68% decrease in EPS from the nine-month period of 2022 when net income totaled \$6.5 million or \$0.38 EPS.

While our net income is down year-over-year due primarily to net interest margin pressure and activism defense related costs, we have continued to effectively operate our customer relationship focused community bank in a conservative manner amid a challenging period for the industry. Importantly, we have seen several encouraging new business results in key areas this year - across our lending, deposit and wealth management activities.

Let's first discuss our lending trends. For the first time in AmeriServ Financial's history, our total loans now exceed \$1 billion. We have grown our loan portfolio in 2023 because we remain an active business and consumer lender in the communities in which we operate. Our lenders know our customers and the local economies, which allows us to continue to prudently underwrite loans during more challenging periods. We believe that our ability to consistently stay involved in lending amid changing market conditions is recognized by our customers and has been an important factor contributing to the loan growth that we have experienced this year.

Regarding deposit activity, the loyalty of our deposit customers has shown excellent resilience this year, with an increase of \$21 million or 1.9% in total deposits since the end of 2022. Core deposits are often viewed as the lifeblood of a community bank. During the period of market turmoil that occurred earlier this year because of several larger regional bank failures, our deposit customers remained with us providing stable reliable balances that allowed us to fund our previously mentioned loan growth. We also believe that it is important to note that we do not use brokered deposits in any manner as all our deposits are from core customers in our market.

Our Wealth Management and Trust business administers \$2.4 billion of assets for customers in business lines which include retirement services, personal trust, investment management, the ERECT Fund, and diversified services. This outsized wealth management business provides important revenue diversification for our company which is particularly important during periods like 2023 when the bank is experiencing net interest margin challenges due to the inverted shape of the yield curve. Our wealth management revenues have now shown modest growth for the past three consecutive quarters during a difficult period for investors, particularly in fixed income bond investments. Our ongoing business development efforts allowed us to sign up a \$94 million retirement plan in 2023 representing our largest single new account sale in the Company's history and contributing to our positive revenue trend.

We are also pleased to provide an update on some important community initiatives that we are involved with. At AmeriServ, we believe that investing in our communities includes providing financial education. Studies have shown that high school graduates who received instruction in personal finance have lower loan-default rates and higher credit scores than those who attended schools without such classes. Therefore, we have partnered with companies that help us provide a financial literacy curriculum for schools throughout our branch footprint. Beyond the classroom, we also provide online financial literacy content on our website, available to the general public, free of charge. The content includes articles, coaching sessions, calculators, and even courses designed specifically for young people, teens and adults.

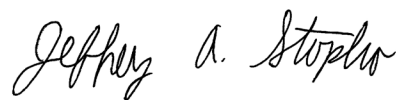
Additionally, in August of 2023 we launched our own podcast entitled Bank Chats, with the goal of providing insight into the financial world through casual conversations with experts on topics relating to banking and financial health. So far, we have had informative discussions about lending, home buying, wealth management and even cyber security. The podcast can be found on our website at [www.ameriserv.com](http://www.ameriserv.com) as well as on any of the common podcast platforms. We encourage you to listen to one.

As we move towards the end of 2023, it appears the Federal Reserve will continue to monitor economic data and remain in a wait and see mode regarding the future direction of interest rates. With this expected backdrop, we will continue to diligently focus on maintaining a safe bank with sound asset quality, strong capital and good liquidity. Our Board of Directors and Management Team believe this focus is critical to creating long-term value for all of our key stakeholders – including you, our shareholders, as well as customers, employees and the communities in which we operate.

We deeply appreciate your support and thank you for your investment in AmeriServ Financial!



**J. Michael Adams, Jr.**  
Chairman



**Jeffrey A. Stopko**  
President & CEO