AMERISERV FINANCIAL, INC

November 2019

Dear Fellow Shareholder:

On October 15, 2019, AmeriServ Financial, Inc. reported third quarter earnings of $1,689,000 or $0.10 per share. This result matches the $0.10 per share reported previously for the second quarter of 2019. However, the third quarter of 2019 did constitute a decline from the $2,329,000, or $0.13 per share reported for the third quarter of 2018. We believe that AmeriServ remains strong in the key measures of capital and liquidity, but did experience a reduction in loan closings, which can be traced to the recent interest rate decisions of the Federal Reserve.

During 2018 and the first half of 2019, the Federal Reserve interest rate strategy was to increase interest rates. There was much debate on this strategy, especially when the global economy began to slow. A lagging global economy caused the Federal Reserve to begin to reduce interest rates in mid-year 2019 while also taking action to increase the money supply. Consequently, intelligent borrowers took a very logical course of action and began to time their borrowings to benefit from the expected interest rate reductions. AmeriServ continues to have a strong loan pipeline of expected borrowings, but the timing of the funding of the actual borrowings has been slowed noticeably by the three interest rate reductions since July 2019. AmeriServ's loan portfolio continues to be strong in quality. The level of non-performing assets has been less than $2 million in 11 of the last 12 months. We believe the cure during such a time of economic uncertainty is to maintain time-tested underwriting standards and to also maintain frequent contact with our borrowers.

We are encouraged by the progress of AmeriServ's strategic plan, adopted in 2016. Deposit totals on September 30, 2019 were at a record high of $970 million. This total represents the fifth consecutive quarter-end record high. We are pleased that so many of our friends and neighbors continue to entrust their funds to AmeriServ. We believe it is because many are aware that we will lend it with care to create a stronger regional economy.

As you may know, the decline in the equity markets in the latter days of 2018 and the beginning of 2019 reduced the level of assets under management in our wealth management area. However, with careful investment actions, as of the end of the third quarter, this multiple business line division has completely recovered from the decline and has surpassed the previous high point. This is a positive for our clients.

There is no question that the state of national and global economies is challenging. But, we are dedicating our energies to the protection of this franchise and to the return on your investment. In closing, as a result of stable earnings, the cash dividend increase in April 2019, and the ongoing stock repurchase program, the tangible book value of every share you own increased in value by 10% over the past 12 months to $5.28 at September 30, 2019. Additionally, this strategic focus on active capital management has resulted in 63% of net income being returned to our shareholders during the first nine months of 2019.

We appreciate your thoughts and ideas. Please send them along and we will respond accordingly.

Allan R. Dennison
Chairman

Jeffrey A. Stopko
President & CEO