

Dear Fellow Shareholder:

On July 20, 2021, AmeriServ Financial, Inc. issued a press release regarding its financial performance during the second quarter of 2021. Net income was \$1,708,000 or \$0.10 per diluted common share. These results represented an increase of \$290K or 20% over the second quarter of 2020. While the second quarter of 2021 trailed the first quarter of 2021 by \$373K, it was stronger than any other quarter as far back as the second quarter of 2019 before the pandemic. It is our view that the 2021 second quarter represents another important step in the recovery from the pandemic based on the lockdown in 2020.

Net Interest Income was at the highest level in more than two years with a record level of loans. Over \$60 million of these loans were a part of the Small Business Administration Payroll Protection Program which sought to stimulate the economic recovery process. Traditional loan products continued the increases that began late in 2020 and increased by \$25 million or 2.8% during the second quarter of 2021. AmeriServ also continued to support borrowers who are disadvantaged by the slow economic recovery. The Federal Reserve continues to encourage community banks such as AmeriServ to aid these victims of forces well beyond their control.

Perhaps the most positive news for the second quarter is the continued growth of deposits. For the year 2020, deposits increased by over \$94 million. But in just two quarters of 2021, the increase has totaled another \$114 million. Admittedly about \$43 million of the total came from the acquisition of two branch banks in Somerset County. For the first time in the history of the franchise deposits have exceeded \$1 billion for five consecutive quarters. Thrifty western Pennsylvanians are building their reserve fund. In a tribute to its safety and soundness, AmeriServ continues to be their rainy day fund depository.

AmeriServ has been at the forefront of residential mortgage loans. As families strive to protect their need for housing, AmeriServ is following up a record year in 2020, as 2021 will probably be the second strongest year ever. To add to our Banking for Life pledge, the AmeriServ Wealth Management group is laying the foundation for another record year. One of our most used services is Retirement Planning which includes our unique Pathroad investment products that many of our friends and neighbors utilize to enjoy a worry free retirement.

This Board and this management team understand that these are unusual times throughout the nation. Many of our employees are continuing to work on a remote basis. The process of returning to normalcy is well underway within the limitations and restrictions governmental authorities set forth. It is these same employees who managed a seamless integration of two Somerset County branch banks into AmeriServ. This acquisition strengthens our brand in Somerset County and along the Maryland border.

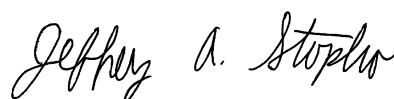
We believe the recovery at AmeriServ is well demonstrated by our record so far in 2021. Earnings per share in the first two quarters of 2021 surpass the same two quarters in 2020 by 30%. Both loans and deposits are at historic record levels. Residential mortgage activity remains strong. The Wealth Management group is already more than 40% above its net contributions to the Corporation during the first six months of 2020, the strongest previous year on record.

Challenges? Of course, challenges exist - the age old challenge of balancing risk against reward, which is the very nature of the finance and commerce business. The ground rules of the pandemic continue to be a challenge. However, our goals remain unchanged. It is to provide our markets with the very best in banking and wealth management services based on a safe and sound financial institution. We approach these challenges as just another test. We are also pleased that AmeriServ has maintained its quarterly common stock dividend and met all debt service requirements on our Trust Preferred shares and our subordinated debt issue.

The second quarter of 2021 has been a certification that here at AmeriServ recovery is real, measurable and continuing. It represents nothing less than our duty to you. We do hope that you and the financial markets accept these quarterly results as our promise of continued progress at AmeriServ. Your comments are always welcome.



Allan R. Dennison
Chairman



Jeffrey A. Stopko
President & CEO

