

Dear Fellow Shareholder:

On Tuesday October 19, 2021, AmeriServ Financial, Inc. issued a press release announcing its financial performance during the third quarter of 2021. Net income was \$1,431,000 or \$0.08 per diluted common share.

It was noted that this represents a \$353,000 or 32.7% increase over the third quarter of 2020 when net income totaled \$1,078,000 or \$0.06 per diluted common share. Earnings per diluted common share totaled \$0.31 for the first nine months of 2021, which represents a 34.8% increase over \$0.23 earnings per diluted common share reported for the same period of 2020.

This third quarter of 2021 was a very active quarter for AmeriServ, and we believe that this positions the franchise well for the future. Without question, the most significant event of the quarter was the private placement of \$27 million in fixed to floating rate subordinated notes on August 26, 2021. We utilized \$20 million of the funds provided by this private placement to retire more expensive trust preferred securities and subordinated debt. This transaction alone will reduce the annual debt service requirement of AmeriServ by \$500,000 beginning in the fourth quarter of 2021. But also, this transaction permitted AmeriServ to strengthen the capital position of AmeriServ Financial Bank by \$5 million. The Bank hopes to leverage this additional capital to further increase lending which should position the Bank for increased future profitability. The entire transaction was initiated and completed within the third quarter of 2021 which enables AmeriServ to begin realizing the benefit in the fourth quarter of 2021.

The timing of the transaction could not have been better. Since December 31, 2020, loans outstanding have increased by about \$18 million. The economic recovery from the lockdown has been fitful but here at AmeriServ our loan pipeline has increased beyond its level prior to the pandemic lockdown. We believe that both borrowers and lenders have learned considerably during these times and these lessons learned will become a standard part of our loan underwriting process in this continuing recovery environment.

AmeriServ also continues at a record level of liquidity. Our deposit totals surpassed the billion-dollar mark during the second quarter of 2020 and ended the third quarter of 2021 well above a billion dollars for the sixth consecutive quarter since then. The combination of these events means enhanced capital, increasing loan demand, strong liquidity - a set of operating conditions that is very encouraging.

Previously, we have mentioned our prominence in the mortgage market and that, while not equal to 2020, it appears now that 2021 is probably going to be the second strongest year in the past five years. This is truly a significant element in our Banking for Life pledge.

Wealth Management continues to carve out its special position in the AmeriServ array of customer services. Through the summer months, there was much chatter among the self-appointed "smart money" about the expectations for a market correction. It appears that event arrived during September and was estimated by some to be a negative 5% market correction. But for clients of AmeriServ Wealth Management, it only represented a decline of just .7% or less than 1%. The recovery from that slight loss has already occurred. Therefore, if that is the end of the 2021 correction, AmeriServ's clients are well positioned for a continuing recovery. This array of AmeriServ Wealth Management businesses, as of September 30, 2021, have already surpassed their net contribution to AmeriServ Financial, Inc. for the entire record year of 2020. They have stepped to the fore at a fortuitous time.

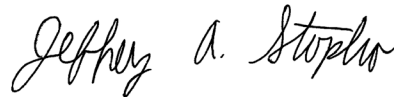
We do appreciate the job AmeriServ associates have done, and continue to do, in the pandemic environment we are all enduring. At present, more of our staff are in their traditional locations than at any time in the last year and a half. There are exceptions which are carefully monitored.

Still, it is with enthusiasm that we report to you the very positive events of the third quarter. It is the realizing of the potential opportunities that the recasting of the capital base of the company has created. It was just a year ago that we wondered as to what the new normalcy would be like. Now we know much more, for we constantly seek to track the numerous counter balancing forces which are at work. We ask you and the financial markets to see our progress in the marketplace and our building of an ever stronger franchise.

Thank you for your continuing involvement. It remains our primary goal to make this investment of yours financially rewarding. Comments and questions will always be considered and will receive a personal response.



Allan R. Dennison
Chairman



Jeffrey A. Stopko
President & CEO