



February 2022

**Dear Fellow Shareholder:**

On January 25, 2022 AmeriServ Financial, Inc. issued a press release announcing its financial performance for the fourth quarter and the full year of 2021. The results included fourth quarter net income of \$1,852,000 or \$0.11 per diluted common share. This was an increase of \$1,160,000 from the fourth quarter of 2020 when net income totaled \$692,000 or \$0.04 per diluted share. The full year of 2021 resulted in net income of \$7,072,000 or \$0.41 per diluted common share. This performance represents a 51.9% increase in earnings per share from the full year of 2020 when net income totaled \$4,598,000 or \$0.27 per diluted common share.

The continuing struggle of our nation and the world with the global pandemic has brought countless changes to the conduct of the banking business. However, we continue to provide premier banking and wealth management services to our customers in every market we serve. We also believe that we have substantially improved the performance of AmeriServ as a strong regional financial institution. We have zealously guarded our reputation for safety and soundness resulting in our friends and neighbors entrusting us with an additional \$85 million of their funds in 2021, adding to the \$94 million of absolute deposit growth in 2020. We have done much more than provide safety for these funds. As of December 31, 2021, we have lent 86% of our deposits to small and mid-size regional businesses and consumers. It is our special purpose to be a positive economic contributor to the entire region. As we have learned over the years, our valued borrowers are quality. They are largely responsible for the fact that well over 99% of our loans outstanding are performing exactly as planned. This is a metric we are especially proud to mention.

Our predecessors on this Board were very wise thirty some years ago to establish a wealth management business within AmeriServ Financial, Inc. Wealth Management had a record year in 2021. By pursuing excellent investment strategies, it closed 2021 with \$2.7 billion of total assets, an increase of over 9% from just one year ago. This is good news for AmeriServ and for our clients.

It is a fact that both the business of banking and the wealth management activity performed well despite the pandemic. There is a need for flexibility in almost everything we do. We also attended to the well-being of this Corporation. Early in 2021, we negotiated the purchase of two branch banks in Somerset County where we already have three successful branches. This brought \$42 million of low-cost retail deposit accounts to our balance sheet allowing us to replace more expensive wholesale deposits. Somerset County is in our core market and this branch acquisition was a natural fit. We continue to be on the alert for similar opportunities to strengthen our competitive position at a reasonable purchase price.

As we mentioned in our third quarter letter to you, in 2021 we completed the issuance of \$27 million of 10-year subordinated debentures. This action reduced the annual cost of capital debt service by a half million dollars annually and allowed us to strengthen our bank's capital position. Economic conditions were excellent, and the Federal Reserve low interest rate scenario worked to both our short-term and our long-term advantage.

We must mention the relationship our staff fostered with our customers and clients during the pandemic. Even when employees worked remotely because of local Covid issues, our loans and deposits grew in record levels. However, none of this would be possible without the solid citizens who are our customers and clients. Many of our staff have literally worked personally with small business customers so they could qualify for various government programs. This close communication with our customers will continue long after the pandemic is over.

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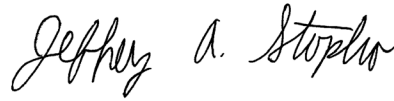
It is with considerable pride that we can say that our people have confronted the unique challenges of these times. AmeriServ has also satisfied every dollar of required debt service while maintaining its shareholder cash dividend and protecting the livelihood of our 324 staff members.

We have no crystal ball. The pandemic may be with us for some time yet, but we pledge the same careful attention to our responsibilities in the days ahead, whatever the challenges may be.

Thank you for your investment and for your support. We welcome your comments and questions at any time.



**Allan R. Dennison**  
Chairman



**Jeffrey A. Stopko**  
President & CEO