



August 2022

**Dear Fellow Shareholder:**

AmeriServ Financial, Inc. reported second quarter 2022 net income of \$1,981,000, or \$0.12 per diluted common share. This earnings performance was a \$273,000, or 16.0%, increase from the second quarter of 2021 when net income totaled \$1,708,000, or \$0.10 per diluted common share. For the six-month period ended June 30, 2022, the Company reported net income of \$4,399,000, or \$0.26 per diluted common share. This represents an 18.2% increase in earnings per share from the six-month period of 2021 when net income totaled \$3,789,000, or \$0.22 per diluted common share. The improved earnings performance in 2022 reflects the full benefit of several important strategic actions that our company executed in 2021 along with the successful management of our asset quality throughout the pandemic.

It is common knowledge that the first six months of 2022 has been a period of extreme economic volatility. But in this very demanding six months AmeriServ has been remarkably stable. Loan demand has trailed expectations, but deposit totals have been quite stable, so liquidity has been a very real positive. The loan portfolio itself has continued to be strong even while it has been declining. This continued strength has permitted management to reduce the Allowance for Loan losses. Thus, the balance sheet remained strong with increasing regulatory capital levels. In this unusually volatile time, the strengthening of the balance sheet is indeed very timely.

The Wealth Management group has also been especially active in their clients' best interests. Pathroad Account client assets have already been moved to cash to limit losses from the bear market. Meanwhile, our team is actively rebalancing the investment strategy program to be ready to quickly take advantage of the eventual turnaround in the markets. We believe in the long-term viability of the market and the Wealth Management Pathroad Account investment strategy. Our goal is to provide our clients with the opportunity for gains as soon as the turnaround begins. Patience is the watchword for the moment.

The residual effects of the pandemic period continue to be with us. To protect our staff members, we've enacted a hybrid work from home policy for those job functions that can be performed remotely. But all controls and safeguards are in place to be certain that AmeriServ remains a totally safe and sound financial institution for our customers.

We are quite pleased that our attention to the rapidly changing economic conditions enabled us to increase our cash dividend to shareholders this year. It was a tangible way for this Board and this Management to reassure you that no matter what the latest challenges faced, AmeriServ holds the well-being of our investors in the highest regard. As we work together, we believe that AmeriServ is well positioned to have a positive future as both a leading regional financial institution and as a rewarding investment.

Your support is invaluable. Your comments are welcome at any time.

**Allan R. Dennison**  
Chairman

**Jeffrey A. Stopko**  
President & CEO