

Dear Shareholder:

There is an old saying that good news travels fast. In the event that you were otherwise occupied with summer activities, let us repeat the information released on July 17, 2018 about the AmeriServ second quarter performance. The Company reported its second consecutive quarter with earnings per share of \$0.10. This represents a 25.6% or \$355,000 improvement over the second quarter of 2017. When combined with the results in the first quarter, AmeriServ has now surpassed the first six months of 2017 by 28.3% or \$774,000, a gain of \$0.04 per share.

We are, of course, aware that there will be skeptics who will write these gains off solely to the impact of the new reduced tax rates. There is no question that tax rates are of great importance to our industry but there was much more happening at AmeriServ during the second quarter that you should know about.

For example, AmeriServ recorded the highest level of loan interest revenue since the fourth quarter of 2009. Concurrently, the Company reported the lowest level of troubled loans on record. While these positive trends were occurring, AmeriServ continued to lend over 90% of its deposit base to small and medium sized businesses and consumers in our markets. This percentage has consistently been 7 – 10 % above AmeriServ's peer banks. We believe it is our responsibility to help build prosperous communities.

Additionally, our wealth management subsidiary, AmeriServ Trust & Financial Services Company, is now responsible for managing and/or administrating over \$2 billion in client assets. A new wealth management office has been opened in busy downtown Greensburg, PA. This city, located in Westmoreland County, has recently experienced a growth spurt as the Pittsburgh market expands eastward. AmeriServ's wealth management company also remains the fiduciary of The Employee Real Estate Construction Trust Funds, which is very active in Pittsburgh repurposing older buildings to be occupied by the continuing growth in technology companies, such as robotics. The city of Pittsburgh has become a hub of new technology due to the expertise resident at Carnegie Mellon University.

One of the foremost goals in our strategic direction is to emphasize shareholder return. After reviewing this series of positive developments thus far in 2018, the Board unanimously approved another common stock repurchase plan. We have approval of the regulatory authorities to buy back up to 3% or 540,000 shares of AmeriServ common stock. This will reduce the number of outstanding shares below 18 million resulting in every remaining shareholder owning a larger share of AmeriServ.

You have probably seen the reports of lagging bank loan demand around the nation. Certainly, we experienced the usual cold and stormy winter and we also noted some confusion among commercial enterprises as to the details of the new tax law. But loans at AmeriServ have been growing every month since March 2018. Deposit totals have been fluctuating but continue to remain near \$1 billion as they have throughout 2017 and now 2018.

This series of positive results, and the announcement of another stock repurchase program, suggest a positive potential for AmeriServ shareholders. Rest assured there will be no "bet the bank" strategies. We will continue to seek to balance risk with return as we continue to share the rewards with our shareholders.

We regret to say that on April 25, 2018, after 38 years of service, Thomas C. Slater retired from the AmeriServ Board of Directors. There is no way to replace the knowledge and old-fashioned common sense that he brought to our Board. It was our good fortune to have him with us for so long. We will honor his departure by always striving harder to satisfy customers, to reward staff, and to meet or exceed our shareholder return goals.

If you have a thought or a comment that you would like to share, please send it along. We will consider it, see if it fits and let you know the result.

A handwritten signature in black ink, appearing to read "Craig G. Ford".

Craig G. Ford
Chairman

A handwritten signature in black ink, appearing to read "Jeffrey A. Stopko".

Jeffrey A. Stopko
President & CEO