

Dear Fellow Shareholder:

On July 16, 2019, AmeriServ announced its earnings for the second quarter of the year. Net Income was \$1,792,000, an increase of \$48,000 over the second quarter of 2018 or 2.8%. On an earnings per share basis, it matches the \$0.10 earned in the second quarter of 2018. For the six months ended June 30, 2019, earnings per share were \$0.21 or \$0.02 higher than the six months ended June 30, 2018. These results were driven by loan growth of 3.1% and deposit growth of 2.0%. Strong asset quality also contributed to the earnings as no provision was made in the second quarter compared to a \$50,000 provision in the second quarter of 2018.

The relatively strong economy gives this board and management reason to be optimistic about sustaining this earnings trend through the balance of the year. The loan pipeline remains at almost historic high levels which should drive increased levels of net interest income. Additionally, the Federal Reserve appears to be in a mode to consider reductions in interest rates. This should in turn encourage additional business expansion as well as possibly reinvigorating residential mortgage activity.

Previously, we have advised you of AmeriServ’s most recent stock buyback program of up to 3%, or 526,000 shares of common stock, and the recent increase to \$0.025 per share in the common stock dividend. These actions, combined with earnings performance, provide the basis of AmeriServ’s total shareholder return. The chart below shows AmeriServ’s total shareholder return compared to industry results provided by Institutional Shareholder Services (ISS) and Glass Lewis for the 2018 year as presented at our annual shareholder meeting on April 24, 2019. As you can see, AmeriServ compares favorably to the industry results in most of the reporting time periods.

## Total Shareholder Return

Glass Lewis	TOTAL SHAREHOLDER RETURN		
	1 Year	3 Year Average	5 Year Average
ASRV	-1.2%	9.7%	7.4%
S&P 500	-4.4%	9.3%	8.5%
Peer	-16.6%	8.0%	7.7%

ISS	TOTAL SHAREHOLDER RETURN		
	1 Year	3 Year Average	5 Year Average
ASRV	-1.18%	9.72%	7.41%
GICS 4010	-14.59%	9.64%	8.75%
Russell 3000	-5.24%	8.97%	7.91%

For the first six months of 2019, our common stock price has only increased modestly despite the strong equity market performance. We continue to remain focused on our key strategic objectives because we believe that earnings per share growth and disciplined capital management are important contributors to shareholder value.

Retail Banking recognizes the need to satisfy and deliver our “Banking for Life” mission at AmeriServ by extending its reach beyond the traditional branch network. In May, 2019, we launched online account opening via our website to serve as another delivery channel for our customers to open consumer accounts. Our new line-up of personal checking accounts, Soar Savings, and a 2-year Certificate of Deposit are all available to open online. Since its inception, online account opening has shown promising activity and we expect continued customer growth through this channel.

As always, we appreciate the thoughts and feedback from you, our shareholders, regarding the progress of your company. Do not hesitate to contact us with any questions or comments.



Allan R. Dennison  
Chairman



Jeffrey A. Stopko  
President & CEO