

Dear Shareholder:

On January 22, 2019, AmeriServ Financial, Inc. was pleased to provide its financial performance results for the fourth quarter of 2018 and consequently for the full year of 2018. Net Income for the quarter was \$1,928,000 or \$0.11 per common share. This result far exceeded the fourth quarter of 2017 which was impacted by the corporate tax reform issues pertaining to deferred tax assets.

Perhaps it is more meaningful to an AmeriServ shareholder to recognize that the full year of 2018 was 139% better than 2017 with earnings per share of \$0.43, compared to \$0.18 in 2017. These are record results for AmeriServ. It is also a fact that the Tax Reform Act was an important element in these results. However, you might be surprised to learn that even if there had been no Tax Reform Act, 2018 would still have been the highest level of net income for AmeriServ in any year since 2000. What were the factors that contributed to this performance level?

In our October 2018 shareholder letter, we enthusiastically informed you about the two AmeriServ Financial Banking Centers which were bringing one-stop banking to State College, PA and to Richland Township on the hill overlooking Johnstown. In the fourth quarter of 2018, AmeriServ opened its third Financial Banking Center just over the state line in Hagerstown, Maryland. There has been an AmeriServ Loan Production Office in Hagerstown for five years. Now, with the expanded Financial Banking Center, the new office can offer residential mortgages, consumer lending, wealth management, small business banking and, of course, the latest in consumer banking to this busy metropolis. This expansion is making the AmeriServ sign a familiar sight in a new geographic area.

Wherever that sign hangs, AmeriServ also takes its active lending programs. In 2018, AmeriServ again maintained its fifth consecutive year of lending 90% of our deposits to small and medium sized businesses and consumers throughout the region. We know that our job is to safeguard deposits, but it is also our job to lend these deposits to further expand the regional economy.

An important part of our progress in 2018 was positive activity in AmeriServ's Wealth Management Company. We are pleased that the new wealth management office in Greensburg has been so well received. Particularly during times like these when the markets are so volatile, it is important that we are close to our clients. That is what "Banking for Life" promises and delivers.

We have a solid strategic plan that is being carefully executed. AmeriServ is an active lender to small and medium sized businesses and consumers. This strengthens the economy throughout the region and supports the daily lives of countless families. We also work with those same families to plan for their retirement years. We like to say AmeriServ is not a passive partner to our friends and neighbors, but an active partner in building the regional economy. Again, it's the "Banking for Life" philosophy.

In these letters we often comment on economic affairs both local and national. We notice the signs along the roads offering jobs. It has been sometime since we have seen so many of these signs. This is not to say that we do not watch for signs of economic weakness, however our loan portfolio is strong, and we have just concluded our best year in nearly twenty years. We believe our common stock price does not fully reflect either the strength of the AmeriServ balance sheet, nor the vigor of our growing revenue stream.

You may ask "So what is your plan?" The answer is quite straight forward. Our plan is to maintain a conservative balance sheet, for that is the only reliable antidote to economic surprises. Our plan is also to maintain careful loan underwriting standards. Lending is a risk business and AmeriServ does not seek to bet the bank, rather AmeriServ seeks to provide funds for trustworthy and reliable borrowers of good character.

This then causes the steady improvement in the AmeriServ bottom line that permits a growth in shareholder return. It is encouraging to note that during 2018 the Return on Shareholder Equity improved from 3.42% to 8.08%. This kind of improvement is the central thrust of our strategic plan. We believe the future is more than just promising, we believe it can also be rewarding.

We look forward to your comments and questions.



Craig G. Ford
Vice Chairman



Jeffrey A. Stopko
President & CEO