

**Dear Fellow Shareholder:**

On April 21, 2020 AmeriServ issued a press release setting forth the financial results for the first quarter of 2020. Net Income was \$1,409,000 or \$0.08 per diluted common share. This represents a decline from the first quarter of 2019 when net income was \$1,878,000 or \$0.11 per diluted common share. More importantly, these 2020 results represent a strong recovery from the fourth quarter of 2019. You may recall, the fourth quarter experienced two negative events which reduced net income to \$669,000 or \$0.04 per diluted share. Therefore, the 2020 net income of \$1,409,000 and \$0.08 per diluted common share represented double the result of the fourth quarter of 2019. This supports the Company's position that the loss on the CRA investment, and the events surrounding the unexpected death of a large borrower, did not indicate any weakening of asset quality.

Any review of the first quarter of 2020 would not be complete without reference to the international pandemic. For the most part, January and February were normal. In the northern part of the U.S. the winter season always experiences a reduction in economic activity. However, in 2020 the events of COVID-19 began to appear in late January and intensify in February, to the degree that in mid-March the Federal and state governments declared a virtual shut down of normal activities everywhere. While some business enterprises such as banks were deemed to be essential, their normal activities were subject to substantial change due to governmental restrictions. All banking office lobbies have been closed to walk-in traffic except by appointment. On any given day one third or more of the AmeriServ employee work force have been working remotely from home using computers to maintain customer access on a virtual basis. Increasingly, transactions are being routed through electronic means using ATMs, online banking and email communications. Fortunately, AmeriServ has been using these technologies for years with the support of FIS (Fidelity Information Services) the largest provider of technology to the entire banking industry.

This is not nearly the entire story. As encouraged by Federal regulatory authorities, AmeriServ has been actively participating in the numerous programs offered by the Administration, by Congress and by the Federal Reserve System. For example, AmeriServ has assisted approximately 250 customers to submit and receive funding of over \$43 million under the Paycheck Protection Program. Recognizing the economic impact of COVID-19 on the small and medium sized businesses that AmeriServ services, there have been interim modifications made to more than 20% of existing business loans so that these businesses can survive and fill their role as one of the regional job creators in the local economy.

This effort has only been possible because of the tremendous dedication of the AmeriServ workforce. They have far exceeded our expectations and we have expressed our appreciation to them again and again.

It is also interesting to note that in spite of these events, our loan totals have remained stable with the fourth quarter of 2019, our deposit totals have remained around \$980 million, exactly where they have been since the second quarter of 2019. The action of the Federal Reserve System to reduce interest rates has reduced interest revenue but interest expense has also declined and should decline further. There are expenses to be provided for because of COVID-19 but so far expenses are only 3% above the totals for the same quarter in 2019.

Wealth Management revenues were 6.6% above 2019 even with the increased volatility of financial markets. Since 2019 was a record year for Wealth Management, it will be a challenge for them to maintain that pace especially with the recent decline in equity markets. However, there are nine months remaining in 2020 in which to search for positive investment opportunities for our clients and ourselves.

The major source of concern is the very low interest rates and the impact on our net interest margin. But the AmeriServ balance sheet is conservative and strong. AmeriServ's liquidity is strong and increasing, and AmeriServ's asset quality in both loans and securities is above that of our peers in this industry.

Once again, the issue before us remains COVID-19. We hope you understand how we have supported our customers. We hope to return to the agenda that prevailed prior to COVID-19 soon. For now, we will focus on safe and sound banking and intelligent involvement in the programs our government is promoting and funding.

In these times we especially appreciate your support. There is no manual that explains how to respond to a pandemic event, so we believe we will stay with what has always been best for a community bank. We must support our customers. We must reward our shareholders. We will work as a team with our employees, and we will invest our funds in actions that support the economic well-being of our communities. We appreciate your thoughts and ideas. Please send them along and we will respond accordingly.

A handwritten signature in blue ink that reads "Allan R. Dennison".

**Allan R. Dennison**  
Chairman

A handwritten signature in black ink that reads "Jeffrey A. Stopko".

**Jeffrey A. Stopko**  
President & CEO