



February 2025

**Dear Fellow Shareholder:**

AmeriServ Financial, Inc. reported fourth quarter 2024 net income of \$889,000 or \$0.05 earnings per common share. This compares favorably to a fourth quarter 2023 net loss of \$5.3 million or (\$0.31) per share. For the year ended December 31, 2024, the Company reported net income of \$3.6 million or \$0.21 per share. This represents a significant improvement when compared to a net loss of \$3.3 million or (\$0.20) per share for the full-year 2023.

We concluded 2024 with positive momentum achieving our strongest quarterly loan and deposit growth during the fourth quarter. This drove total loans to grow by \$30 million or 2.9% and deposits to increase by \$43 million or 3.7% for the full year. It is important to note that we do not use brokered deposits in any manner as all our deposits are from core customers in our market. Another fourth quarter highlight was solid growth in net interest income as our net interest margin increased sequentially by 17 basis points. We believe that our balance sheet is well positioned for further quarterly net interest income growth and net interest margin improvement in 2025 which is critical to improving the earnings trajectory for our Company.

Our community banking business also continued to benefit from diversified revenue streams, with record revenue and profit contribution from our wealth management business. Total non-interest income represented 33% of total revenue for 2024. Our Wealth Management and Trust business administers \$2.6 billion of assets for customers in business lines including retirement services, personal trust, investment management, the ERECT Fund, and diversified services. As a result of effective management of client assets and improving market conditions - particularly for equity securities with major market indexes near record levels - our total wealth management revenue grew by \$1.1 million or 9.3% during 2024.

To further strengthen AmeriServ Financial Inc., we successfully completed the merger of our Trust Company into AmeriServ Financial Bank on October 1, 2024. This merger occurred because of the work of a dedicated team of employees who ensured that the merger was seamless to our customers while meeting all appropriate regulatory requirements. The key benefits of this merger include greater operational efficiencies, better capital utilization and cost savings opportunities. The value of the Trust Company capital infusion into the bank was evident in the fourth quarter of 2024 as the bank experienced strong commercial loan growth while increasing its regulatory capital ratios. With this merger complete, AmeriServ Financial is positioned for stronger earnings in 2025.

As you are most likely aware, AmeriServ Financial Bank is a union-represented bank with approximately 47% of our workforce being members of the United Steelworkers of America. One of the key objectives in our Strategic Plan is to further strengthen this labor partnership and generate increased revenue from our union relationships and union related businesses. We are optimistic that we will see positive results from these ongoing focused business development efforts in 2025.

We are also pleased to provide an update on some important community initiatives that we are involved in. In December, AmeriServ donated a total of \$22,000 to five domestic abuse shelters located within our service areas to help provide victims with services such as emergency shelter, legal assistance, and counseling. This marks the fifth year that the company has identified and donated to organizations as part of a concerted holiday giving initiative. These donations while helping to make a difference for service organizations and the people they serve, reinforce the company's commitment to acting upon the values outlined in our mission and core values statements.

Additionally, on January 16, 2025, the Board of Directors declared a \$0.03 per share quarterly common stock cash dividend. The cash dividend is payable February 18, 2025, to shareholders of record on February 3, 2025. This cash dividend represents a 4.4% annualized yield using a January 31<sup>st</sup> closing stock price of \$2.71 and a 57% payout ratio based upon 2024 full year earnings. The Board of Directors elected to continue the common dividend at its current level given the Company's strong capital position and earnings improvement in 2024.

As we have now entered 2025, it appears that the Federal Reserve is unlikely to make any near-term changes to short-term interest rates. The impact of Federal policy continues to be an unknown given many recent changes proposed by the new administration. As such, there are simply too many variables that may affect inflation, growth, and labor market data that guide Federal Reserve policy. With this expected environment, we will continue to diligently focus on maintaining a safe bank with sound asset quality, strong capital and good liquidity. Our Board of Directors and management team believe this focus is critical to creating long-term value for all of our key stakeholders – including you, our shareholders, as well as customers, employees and the communities in which we operate.

We deeply appreciate your support and thank you for your investment in AmeriServ Financial!



**J. Michael Adams, Jr.**  
Chairman



**Jeffrey A. Stopko**  
President & CEO