

AMERISERV FINANCIAL INC /PA/

Form 8-K

January 24, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Act of 1934

Date of Report (Date of earliest event reported) January 24, 2012

AMERISERV FINANCIAL, Inc.

(exact name of registrant as specified in its charter)

Pennsylvania 0-11204 25-1424278

(State or other (commission (I.R.S. Employer

jurisdiction File Number) Identification No.)

of Incorporation)

Main and Franklin Streets, Johnstown, Pa. 15901

(address or principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 814-533-5300

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Form 8-K

Item 2.02 Results of operation and financial condition.

AMERISERV FINANCIAL Inc. (the "Registrant") announced fourth quarter and full year results through December 31, 2011. For a more detailed description of the announcement see the press release attached as Exhibit #99.1.

Exhibits

Exhibit 99.1

Press release dated January 24, 2012, announcing the fourth quarter and full year results through December 31, 2011.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERISERV FINANCIAL, Inc.

By /s/Jeffrey A. Stopko

Jeffrey A. Stopko

Executive Vice President
& CFO

Date: January 24, 2012

Exhibit 99.1

AMERISERV FINANCIAL REPORTS EARNINGS FOR THE FOURTH QUARTER AND FULL YEAR OF 2011

JOHNSTOWN, PA AmeriServ Financial, Inc. (NASDAQ: ASRV) continued its positive earnings momentum in the fourth quarter of 2011 by reporting net income of \$1,770,000 or \$0.07 per diluted common share. This represents an increase of \$656,000 or 58.9% from the fourth quarter 2010 net income of \$1,114,000 or \$0.04 per diluted common share. For the year ended December 31, 2011, the Company reported net income of \$6,537,000 or \$0.24 per diluted share, a \$5.3 million improvement over the net income of \$1,282,000 or \$0.01 per diluted share reported for the full year of 2010. The following table highlights the Company's financial performance for both the quarters and years ended December 31, 2011 and 2010:

| | Fourth Quarter 2011 | Fourth Quarter 2010 | Year Ended December 31, 2011 | Year Ended December 31, 2010 |
|----------------------------|------------------------|------------------------|---------------------------------|---------------------------------|
| Net income | \$1,770,000 | \$1,114,000 | \$6,537,000 | \$1,282,000 |
| Diluted earnings per share | \$ 0.07 | \$ 0.04 | \$ 0.24 | \$0.01 |

Glenn L. Wilson, President and Chief Executive Officer, commented on the 2011 financial results: I was pleased with the strong growth in earnings that AmeriServ Financial achieved in 2011. A significant and sustained improvement in asset quality was an important factor contributing to our financial success in 2011. Specifically, non-performing assets again declined as a result of our successful problem credit resolution efforts and now total \$5.2 million, or only 0.77% of total loans, while net charge-offs dropped to 0.24% of total loans for all of 2011. I was also pleased with the growth in revenue within our trust and wealth management business, and our overall non-interest expense control. AmeriServ Financial enters 2012 with good momentum and an updated strategic plan that focuses on growing revenue by leveraging our strong balance sheet and capital position.

The Company's net interest income performance has been relatively stable throughout 2011. It increased in the fourth quarter of 2011 by \$123,000, or 1.5%, from the prior year's fourth quarter and for the full year of 2011 it decreased by only \$59,000, or 0.2%, when compared to the entire year of 2010. The Company's 2011 fourth quarter net interest margin of 3.64 % was down four basis points from the most recent third quarter 2011 performance and for the full

year 2011 averaged 3.72%, which was seven basis points lower than the 2010 net interest margin of 3.79%. Reduced loan balances were the primary factor causing the drop in both net interest income and net interest margin in 2011. Specifically, total loans averaged \$663 million for the full year 2011, a decrease of \$39 million or 5.5% from the 2010 year. The lower balances reflect the results of the Company's focus on reducing its commercial real estate exposure and problem loans, particularly during the first half of 2011. However, total loan balances appear to have bottomed in the first quarter of 2011. Loans have increased by \$26 million over the past three quarters reflecting the successful results of the Company's more intensive sales calling efforts for commercial loans and growth in home equity loans. The Company has strengthened its excellent liquidity position by reinvesting excess cash in high quality investment securities and short-term investments whose average balance increased by \$42 million in 2011. Careful management of funding costs allowed the Company to mitigate a significant portion of the drop in interest revenue during the past twelve months. Specifically, interest expense in the fourth quarter of 2011 declined by \$633,000 from the same prior year quarter and for the full year 2011 decreased by \$2.8 million both due to reduced deposit costs. This reduction in deposit costs has not negatively impacted deposit balances which have increased by \$15 million or 1.9% since December 31, 2010. The Company is particularly pleased with the growth achieved in non-interest bearing demand deposits in 2011 whose balances on average increased by \$12 million or 10.0%.

The improvements in asset quality evidenced by lower levels of non-performing assets and classified loans allowed the Company to reverse a portion of the allowance for loan losses into earnings in 2011 while still increasing the non-performing assets coverage ratio. During the full year of 2011, total non-performing assets decreased by \$9.2 million or 63.8% to \$5.2 million or 0.77% of total loans as a result of successful resolution efforts. Classified loans rated substandard or doubtful also dropped by \$21.1 million or 53.2% during this same period. As a result of this improvement, the Company recorded a negative provision for loan losses of \$1,250,000 in the fourth quarter of 2011 compared to no provision in the fourth quarter of 2010. For the full year 2011 the negative provision amounted to \$3,575,000 compared to a \$5,250,000 provision for all of 2010. Actual credit losses realized through net charge-offs also declined sharply for both the fourth quarter and full year 2011. Net charge-offs in the fourth quarter of 2011 totaled only \$196,000 or 0.12% of total loans compared to net charge-offs of \$988,000 or 0.57% of total loans in the fourth quarter of 2010. For the full year 2011, net charge-offs totaled \$1.6 million or 0.24% of total loans which represents a decrease from the entire year of 2010 when net charge-offs totaled \$5.2 million or 0.74% of total loans.

When determining the provision for loan losses, the Company considers a number of factors some of which include periodic credit reviews, non-performing asset, loan delinquency and charge-off trends, concentrations of credit, loan volume trends and broader local and national economic trends. In summary, the allowance for loan losses provided 288% coverage of non-performing loans and was 2.18% of total loans at December 31, 2011, compared to 145% of non-performing loans and 2.91% of total loans at December 31, 2010.

The Company's non-interest income in the fourth quarter of 2011 decreased by \$280,000 from the prior year's fourth quarter and for the full year 2011 decreased by \$398,000 or 2.8% when compared to the entire year of 2010. The largest factor contributing to the decline was reduced revenue from bank owned life insurance as the quarterly revenue dropped by \$231,000 and the annual revenue decreased by \$342,000. Note that the 2010 revenue was enhanced by the receipt of a death benefit. When compared to the prior year, gains realized on residential mortgage loan sales into the secondary market were down by \$181,000 for the fourth quarter and \$146,000 for the full year due to less refinance activity in 2011. Another item causing the full year 2011 decline in non-interest income was a \$358,000 loss realized on the sale of \$17 million of investment securities in the first quarter of 2011. The Company took advantage of a steeper yield curve to position the investment portfolio for better future earnings by selling some of the lower yielding, longer duration securities in the portfolio and replacing them with higher yielding securities with a shorter duration. The Company recognized \$157,000 of investment security gains in 2010. The largest positive item in 2011 was increased trust and investment advisory fees. Specifically, trust and investment advisory fees increased by \$41,000 for the fourth quarter and \$643,000 or 10.2% for the full year as our wealth management businesses

benefited from the implementation of new fee schedules in 2011.

Total non-interest expense in the fourth quarter of 2011 decreased modestly by \$14,000 from the prior year's fourth quarter and for the full year 2011 increased by \$340,000 or 0.9% when compared to all of 2010. The Company's 2011 fourth quarter performance was impacted by a \$240,000 prepayment penalty realized on the early retirement of \$5.7 million of FHLB term advances. The Company elected to utilize its strong liquidity to prepay all of its FHLB term advances with maturities greater than two years in order to reduce future interest expense. Salaries and employee benefits increased by \$88,000 for the fourth quarter and \$1.0 million or 4.7% for the full year 2011 due to higher medical insurance costs, increased pension expense, and greater incentive compensation expense. These negative items were partially offset by lower professional fees which dropped by \$112,000 in the fourth quarter and \$488,000, or 11.2%, for the full year 2011 due to reduced legal fees, recruitment fees, and lower consulting expenses in the Trust Company. FDIC deposit insurance expense also declined by \$319,000 in the fourth quarter and \$237,000 for the full year due to a change in the calculation methodology in 2011. Other expenses were up modestly in the fourth quarter of 2011 but decreased by \$404,000 for the full year due to a reduction in costs associated with the reserve for unfunded loan commitments and lower telephone expense resulting from the implementation of technology enhancements. Finally, the Company recorded an income tax expense of \$2.9 million for the full year 2011 compared to a modest income tax expense of \$80,000 for 2010 due to the sharply higher pre-tax earnings in 2011 and reduced tax free earnings from bank owned life insurance.

ASRV had total assets of \$979 million and shareholders' equity of \$112 million or a book value of \$4.37 per common share at December 31, 2011. During the fourth quarter of 2011, the Company repurchased 287,000 shares of its common stock at an average price of \$2.03 in conjunction with the terms of the Company's stock buyback program that was announced on November 9, 2011. The Company continued to maintain strong capital ratios that considerably exceed the regulatory defined well capitalized status with a risk based capital ratio of 17.60%, an asset leverage ratio of 11.66% and a tangible common equity to tangible assets ratio of 8.15% at December 31, 2011.

This news release may contain forward-looking statements that involve risks and uncertainties, as defined in the Private Securities Litigation Reform Act of 1995, including the risks detailed in the Company's Annual Report and Form 10-K to the Securities and Exchange Commission. Actual results may differ materially.

Nasdaq: ASRV

SUPPLEMENTAL FINANCIAL PERFORMANCE DATA

December 31, 2011

(In thousands, except per share and ratio data)

(Unaudited)

2011

| | 1QTR | 2QTR | 3QTR | 4QTR | YEAR TO DATE |
|---|---------|---------|---------|---------|-----------------|
| PERFORMANCE DATA FOR THE PERIOD: | | | | | |
| Net income | \$1,263 | \$1,938 | \$1,566 | \$1,770 | \$6,537 |
| Net income available to common shareholders | 973 | 1,648 | 1,027 | 1,505 | 5,153 |
| PERFORMANCE PERCENTAGES (annualized): | | | | | |
| Return on average assets | 0.54% | 0.81% | 0.64% | 0.72% | 0.68% |
| Return on average equity | 4.77 | 7.11 | 5.52 | 6.19 | 5.90 |
| Net interest margin | 3.70 | 3.71 | 3.68 | 3.64 | 3.72 |
| Net charge-offs (recoveries) as a percentage of average loans | 0.70 | (0.07) | 0.20 | 0.12 | 0.24 |
| Loan loss provision as a percentage of average loans | (0.37) | (0.72) | (0.33) | (0.73) | (0.54) |
| Efficiency ratio | 89.53 | 85.53 | 84.83 | 89.26 | 87.26 |
| PER COMMON SHARE: | | | | | |
| Net income: | | | | | |
| Basic | \$0.05 | \$0.08 | \$0.05 | \$0.07 | \$0.24 |
| Average number of common shares | | | | | |

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

| | | | | | |
|---------------------------------|--------|--------|--------|--------|--------|
| outstanding | 21,208 | 21,208 | 21,208 | 21,114 | 21,184 |
| Diluted | 0.05 | 0.08 | 0.05 | 0.07 | 0.24 |
| Average number of common shares | | | | | |

| | | | | | |
|-------------|--------|--------|--------|--------|--------|
| outstanding | 21,230 | 21,236 | 21,227 | 21,128 | 21,205 |
|-------------|--------|--------|--------|--------|--------|

2010

| | 1QTR | 2QTR | 3QTR | 4QTR | YEAR TO DATE |
|--|----------|--------|--------|---------|-----------------|
| PERFORMANCE DATA FOR THE PERIOD: | | | | | |
| Net income | \$(918) | \$477 | \$609 | \$1,114 | \$1,282 |
| Net income (loss) available to common | | | | | |
| shareholders | (1,209) | 187 | 318 | 825 | 121 |
| PERFORMANCE PERCENTAGES (annualized): | | | | | |
| Return on average assets | (0.39)% | 0.20% | 0.25% | 0.46% | 0.13% |
| Return on average equity | (3.47) | 1.79 | 2.24 | 4.06 | 1.19 |
| Net interest margin | 3.78 | 3.83 | 3.70 | 3.70 | 3.79 |
| Net charge-offs as a percentage of | | | | | |
| average loans | 0.69 | 1.13 | 0.56 | 0.57 | 0.74 |
| Loan loss provision as a percentage of | | | | | |
| average loans | 1.72 | 0.68 | 0.57 | - | 0.75 |
| Efficiency ratio | 85.42 | 84.33 | 84.67 | 88.18 | 85.66 |
| PER COMMON SHARE: | | | | | |
| Net income (loss): | | | | | |
| Basic | \$(0.06) | \$0.01 | \$0.02 | \$0.04 | \$0.01 |
| Average number of common shares | | | | | |
| outstanding | 21,224 | 21,224 | 21,224 | 21,224 | 21,224 |
| Diluted | (0.06) | 0.01 | 0.02 | 0.04 | 0.01 |
| Average number of common shares | | | | | |
| outstanding | 21,224 | 21,245 | 21,225 | 21,224 | 21,226 |

AMERISERV FINANCIAL, INC.

(In thousands, except per share, statistical, and ratio data)

(Unaudited)

2011

| | 1QTR | 2QTR | 3QTR | 4QTR |
|------------------------------------|-------------|-------------|-------------|-------------|
| PERFORMANCE DATA AT PERIOD END | | | | |
| Assets | \$961,067 | \$954,893 | \$973,439 | \$979,076 |
| Short-term investments | 4,094 | 4,338 | 17,941 | 6,129 |
| Investment securities | 195,272 | 198,770 | 195,784 | 195,203 |
| Loans | 644,836 | 656,838 | 667,409 | 670,847 |
| Allowance for loan losses | 18,025 | 16,958 | 16,069 | 14,623 |
| Goodwill | 12,613 | 12,613 | 12,613 | 12,613 |
| Deposits | 816,528 | 810,082 | 827,358 | 816,420 |
| FHLB borrowings | 9,736 | 9,722 | 9,707 | 21,765 |
| Shareholders equity | 108,170 | 111,410 | 114,164 | 112,352 |
| Non-performing assets | 9,328 | 7,433 | 5,344 | 5,199 |
| Asset leverage ratio | 11.40% | 11.60% | 11.70% | 11.66% |
| Tangible common equity ratio | 7.89 | 8.29 | 8.38 | 8.15 |
| PER COMMON SHARE: | | | | |
| Book value (A) | \$4.12 | \$4.28 | \$4.39 | \$4.37 |
| Market value | 2.37 | 1.95 | 1.90 | 1.95 |
| Trust assets fair market value (B) | \$1,410,755 | \$1,390,534 | \$1,313,440 | \$1,382,745 |
| STATISTICAL DATA AT PERIOD END: | | | | |
| Full-time equivalent employees | 351 | 352 | 342 | 347 |
| Branch locations | 18 | 18 | 18 | 18 |
| Common shares outstanding | 21,207,670 | 21,208,421 | 21,208,421 | 20,921,021 |

2010

| | 1QTR | 2QTR | 3QTR | 4QTR |
|--------------------------------|------|------|------|------|
| PERFORMANCE DATA AT PERIOD END | | | | |

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

| | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Assets | \$960,817 | \$962,282 | \$963,169 | \$948,974 |
| Short-term investments | 3,816 | 5,929 | 5,326 | 5,177 |
| Investment securities | 150,073 | 157,057 | 165,291 | 172,635 |
| Loans | 712,929 | 693,988 | 699,394 | 678,181 |
| Allowance for loan losses | 21,516 | 20,737 | 20,753 | 19,765 |
| Goodwill and core deposit intangibles | 12,950 | 12,950 | 12,950 | 12,950 |
| Deposits | 802,201 | 809,177 | 818,150 | 801,216 |
| FHLB borrowings | 25,296 | 17,777 | 13,119 | 14,300 |
| Shareholders equity | 106,393 | 108,023 | 108,391 | 107,058 |
| Non-performing assets | 20,322 | 19,815 | 25,267 | 14,364 |
| Asset leverage ratio | 11.01% | 11.08% | 11.07% | 11.20% |
| Tangible common equity ratio | 7.70 | 7.83 | 7.86 | 7.85 |
| PER COMMON SHARE: | | | | |
| Book value (A) | \$4.04 | \$4.11 | \$4.13 | \$4.07 |
| Market value | 1.67 | 1.61 | 1.81 | 1.58 |
| Trust assets fair market value (B) | \$1,398,215 | \$1,329,495 | \$1,341,699 | \$1,366,929 |

STATISTICAL DATA AT PERIOD END:

| | | | | |
|--------------------------------|------------|------------|------------|------------|
| Full-time equivalent employees | 353 | 355 | 355 | 348 |
| Branch locations | 18 | 18 | 19 | 18 |
| Common shares outstanding | 21,223,942 | 21,223,942 | 21,223,942 | 21,207,670 |

NOTES:

(A)

Preferred stock of \$21 million received through the Small Business Lending Fund is excluded from the book value per common share calculation.

(B) Not recognized on the balance sheet.

AMERISERV FINANCIAL, INC.

CONSOLIDATED STATEMENT OF INCOME

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

(In thousands)

(Unaudited)

2011

| | 1QTR | 2QTR | 3QTR | 4QTR | YEAR TO DATE |
|---|---------|---------|---------|---------|-----------------|
| INTEREST INCOME | | | | | |
| Interest and fees on loans | \$9,083 | \$8,804 | \$8,888 | \$8,924 | \$35,699 |
| Total investment portfolio | 1,513 | 1,726 | 1,604 | 1,422 | 6,265 |
| Total Interest Income | 10,596 | 10,530 | 10,492 | 10,346 | 41,964 |
| INTEREST EXPENSE | | | | | |
| Deposits | 2,294 | 2,106 | 2,038 | 1,897 | 8,335 |
| All borrowings | 336 | 338 | 336 | 336 | 1,346 |
| Total Interest Expense | 2,630 | 2,444 | 2,374 | 2,233 | 9,681 |
| NET INTEREST INCOME | | | | | |
| Provision (credit) for loan losses | (600) | (1,175) | (550) | (1,250) | (3,575) |
| NET INTEREST INCOME AFTER PROVISION (CREDIT) FOR LOAN LOSSES | | | | | |
| | 8,566 | 9,261 | 8,668 | 9,363 | 35,858 |
| NON-INTEREST INCOME | | | | | |
| Trust fees | 1,556 | 1,617 | 1,570 | 1,430 | 6,173 |
| Investment advisory fees | 198 | 198 | 172 | 186 | 754 |
| Net realized gains (losses) on investment securities | (358) | - | - | - | (358) |
| Net realized gains on loans held for sale | 262 | 155 | 186 | 209 | 812 |
| Service charges on deposit accounts | 472 | 549 | 640 | 580 | 2,241 |
| Bank owned life insurance | 216 | 218 | 227 | 224 | 885 |
| Other income | 759 | 717 | 729 | 857 | 3,062 |
| Total Non-interest Income | 3,105 | 3,454 | 3,524 | 3,486 | 13,569 |
| NON-INTEREST EXPENSE | | | | | |
| Salaries and employee benefits | 5,500 | 5,574 | 5,702 | 5,840 | 22,616 |
| Net occupancy expense | 757 | 742 | 680 | 721 | 2,900 |

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

| | | | | | |
|--|-------|---------|---------|---------|---------|
| Equipment expense | 429 | 411 | 435 | 411 | 1,686 |
| Professional fees | 980 | 911 | 983 | 1,001 | 3,875 |
| FDIC deposit insurance expense | 462 | 460 | 262 | 154 | 1,338 |
| FHLB prepayment penalty | - | - | - | 240 | 240 |
| Other expenses | 1,791 | 1,779 | 1,820 | 1,992 | 7,382 |
| Total Non-interest Expense | 9,919 | 9,877 | 9,882 | 10,359 | 40,037 |
| | | | | | |
| PRETAX INCOME | 1,752 | 2,838 | 2,310 | 2,490 | 9,390 |
| Income tax expense | 489 | 900 | 744 | 720 | 2,853 |
| NET INCOME | 1,263 | 1,938 | 1,566 | 1,770 | 6,537 |
| Preferred stock dividends and accretion of | | | | | |
| preferred stock | 290 | 290 | 539 | 265 | 1,384 |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | | | | | |
| | \$973 | \$1,648 | \$1,027 | \$1,505 | \$5,153 |

2010

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

| | 1QTR | 2QTR | 3QTR | 4QTR | YEAR TO DATE |
|--|--------------|------------|------------|--------------|-----------------|
| INTEREST INCOME | | | | | |
| Interest and fees on loans | \$10,020 | \$9,984 | \$9,592 | \$9,500 | \$39,096 |
| Total investment portfolio | 1,445 | 1,466 | 1,468 | 1,356 | 5,735 |
| Total Interest Income | 11,465 | 11,450 | 11,060 | 10,856 | 44,831 |
| INTEREST EXPENSE | | | | | |
| Deposits | 2,927 | 2,833 | 2,668 | 2,517 | 10,945 |
| All borrowings | 417 | 409 | 369 | 349 | 1,544 |
| Total Interest Expense | 3,344 | 3,242 | 3,037 | 2,866 | 12,489 |
| NET INTEREST INCOME | | | | | |
| Provision for loan losses | 3,050 | 1,200 | 1,000 | - | 5,250 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | | | | | |
| | 5,071 | 7,008 | 7,023 | 7,990 | 27,092 |
| NON-INTEREST INCOME | | | | | |
| Trust fees | 1,454 | 1,373 | 1,357 | 1,387 | 5,571 |
| Investment advisory fees | 187 | 167 | 171 | 188 | 713 |
| Net realized gains on investment securities | 65 | 42 | 50 | - | 157 |
| Net realized gains on loans held for sale | 131 | 159 | 278 | 390 | 958 |
| Service charges on deposit accounts | 572 | 611 | 565 | 536 | 2,284 |
| Bank owned life insurance | 254 | 258 | 260 | 455 | 1,227 |
| Other income | 637 | 778 | 832 | 810 | 3,057 |
| Total Non-interest Income | 3,300 | 3,388 | 3,513 | 3,766 | 13,967 |
| NON-INTEREST EXPENSE | | | | | |
| Salaries and employee benefits | 5,199 | 5,236 | 5,415 | 5,752 | 21,602 |
| Net occupancy expense | 736 | 639 | 620 | 696 | 2,691 |
| Equipment expense | 418 | 427 | 401 | 434 | 1,680 |
| Professional fees | 1,102 | 1,114 | 1,034 | 1,113 | 4,363 |
| FDIC deposit insurance expense | 331 | 341 | 430 | 473 | 1,575 |
| Other expenses | 1,978 | 2,029 | 1,874 | 1,905 | 7,786 |
| Total Non-interest Expense | 9,764 | 9,786 | 9,774 | 10,373 | 39,697 |
| PRETAX INCOME (LOSS) | | | | | |
| Income tax expense (benefit) | (1,393) | 610 | 762 | 1,383 | 1,362 |
| NET INCOME (LOSS) | (918) | 477 | 609 | 1,114 | 1,282 |

| | | | | | |
|--|-----------|-------|-------|-------|-------|
| Preferred stock dividends and accretion of preferred stock | 291 | 290 | 291 | 289 | 1,161 |
| NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS | \$(1,209) | \$187 | \$318 | \$825 | \$121 |

AMERISERV FINANCIAL, INC.

Nasdaq: ASRV

Average Balance Sheet Data (In thousands)

(Unaudited)

2011

2010

| | 4QTR | TWELVE MONTHS | 4QTR | TWELVE MONTHS |
|--|---------------|------------------|---------------|------------------|
| Interest earning assets: | | | | |
| Loans and loans held for sale, net of unearned | | | | |
| income | \$675,657 | \$662,746 | \$689,041 | \$701,502 |
| Deposits with banks | 9,961 | 6,853 | 1,790 | 1,795 |
| Short-term investment in money market funds | 2,355 | 2,224 | 4,631 | 4,375 |
| Federal funds sold | - | 5,838 | 4,073 | 3,834 |
| Total investment securities | 195,925 | 197,916 | 171,379 | 161,265 |
| Total interest earning assets | 883,898 | 875,577 | 870,914 | 872,771 |
| Non-interest earning assets: | | | | |
| Cash and due from banks | 16,779 | 15,893 | 16,331 | 15,297 |
| Premises and equipment | 10,539 | 10,513 | 10,813 | 10,212 |
| Other assets | 79,201 | 79,293 | 80,402 | 80,206 |
| Allowance for loan losses | (16,155) | (17,771) | (20,828) | (21,218) |
| Total assets | \$974,262 | \$963,505 | \$957,632 | \$957,268 |
| Interest bearing liabilities: | | | | |
| Interest bearing deposits: | | | | |
| Interest bearing demand | \$59,707 | \$57,784 | \$57,732 | \$58,118 |
| Savings | 82,238 | 81,490 | 76,419 | 77,381 |
| Money market | 202,220 | 193,536 | 187,550 | 186,560 |
| Other time | 337,730 | 348,915 | 362,396 | 358,472 |
| Total interest bearing deposits | 681,895 | 681,725 | 684,097 | 680,531 |
| Borrowings: | | | | |
| Federal funds purchased, securities sold under | | | | |
| agreements to repurchase, and other short- | | | | |
| term borrowings | 3,343 | 1,216 | 3,586 | 3,119 |
| Advanced from Federal Home Loan Bank | 9,888 | 9,769 | 10,521 | 18,694 |
| Guaranteed junior subordinated deferrable interest | | | | |

Edgar Filing: AMERISERV FINANCIAL INC /PA/ - Form 8-K

| | | | | |
|---|-----------|-----------|-----------|-----------|
| debentures | 13,085 | 13,085 | 13,085 | 13,085 |
| Total interest bearing liabilities | 708,211 | 705,795 | 711,289 | 715,429 |
| Non-interest bearing liabilities: | | | | |
| Demand deposits | 140,797 | 135,298 | 126,718 | 122,963 |
| Other liabilities | 11,721 | 11,699 | 10,882 | 11,188 |
| Shareholders equity | 113,533 | 110,713 | 108,743 | 107,688 |
| Total liabilities and shareholders equity | \$974,262 | \$963,505 | \$957,632 | \$957,268 |