

2021 ANNUAL REPORT

our journey



WHAT A BANK DOES IS WHAT COUNTS,
NOT WHAT IT INTENDS TO DO.  SO WHAT WE DO IS

MAKE A DIFFERENCE

WE PUT COMMUNITY
AHEAD OF PROFITS

WE INSPIRE CHANGE.  
WE MAKE OUR WORLD BETTER.

TO US, BANKING IS LIVING BY OUR VALUES.
 DOING THE RIGHT THING.

IT'S NOT JUST OUR SLOGAN. WE BELIEVE IT. EVERY DAY,
WE'RE MAKING A DIFFERENCE.

"When I was looking to make a change from a larger bank, I wanted to put our resources with a bank that could offer a personal service touch and keep our wealth in this community.

I came across your graphic feature in the Cabarrus Chamber email. When I saw this, I wanted you to know these aren't just words to me. I believe it is the truth you guys live every day."

*Jessica Castrodale, Community Outreach Coordinator
Atrium Health Cabarrus*

MAKING A DIFFERENCE

All relationships begin with the Uwharrie promise of Making a Difference. We embrace and consistently fulfill this commitment to 4 pillars — customers, associates, communities and shareholders.



CUSTOMERS

Uwharrie Capital Corp's commitment to putting the customer first is unwavering. Our Companies' combined strength allows us to offer a wide array of products and services, and our community focus enables us to provide quick decisions, flexibility and enhanced personal attention in all the markets we serve.



COMMUNITIES

Being a community financial services organization means being a good corporate neighbor—partnering for purpose and progress. We partner with customers and associates in support of communities, providing support financially and with service hours, and contributing as active community leaders.



ASSOCIATES

We recruit and retain the best and brightest associates and they are one of our most valuable resources. Relationships are not just about the numbers and service is a way-of-life attitude our people bring into the office every day and take home with them each night.



SHAREHOLDERS

By exceeding the needs of customers through the efforts of talented associates and strengthened communities, shareholders are rewarded with the sustained financial results and profitability they expect from Uwharrie Capital Corp.

To achieve a vision of service excellence, Uwharrie works tirelessly to fulfill promises made to the pillars of your organization.

SUPPORTING OUR CUSTOMERS

The impact of affordable housing on people and communities is hard to overstate. Among many other benefits, affordable housing contributes to financial stability, access to jobs and population diversity. As part of our focus on community-building, Uwharrie Capital Corp seeks out opportunities to support affordable housing.



Making a Difference one key at a time!

Sharon Fraley (Realtor), Cory Sutton (Homeowner), and Martha Hughes (Mortgage Loan Officer)

Many customers find value in local loan servicing and we continued to have strong mortgage production in 2021. While the refinance market has been strong with low interest rates, the market is turning now toward a purchase environment.

BY THE NUMBERS

20,000
Households
served

496
New home
purchases

49
States and D.C. where
customers reside

776
Refinances to decrease
mortgage loan payments

Not since the early days of building our great nation have community banks been more important to our locally owned businesses and to the rebuilding of our local and national economies. With long-term relationships and specialized knowledge of local markets, businesses, and customers, organizations such as ours proved their ability to make Paycheck Protection Program funds available quickly and efficiently to businesses in need of credit.



"Uwharrie Bank has been amazing."

Jay and Miketa Davis, LuLu's Chicken & Seafood



"I love Uwharrie, they care about me and my business."

Shawn Oke, Albemarle Sweet Shop

Our Commercial and Consumer Lending teams' ability to support customers in both good and challenging times is a byproduct of our highly experienced and stable team and the bank's longtime focus on credit quality.



"Always friendly, convenient and helpful."

Jeremias Gasga, Los Primo Tires

BY THE NUMBERS

\$129 million

Amount of Paycheck Protection Program loans

18,000

Paychecks saved

SUPPORTING OUR CUSTOMERS

With technology trends across the financial industry constantly evolving, we are actively investing in the latest digital banking technology to ensure we're offering a seamless online experience. We're taking steps to simplify and digitize customers' experiences with us – saving them time, adding convenience and delivering meaningful advice and products that will foster stronger relationships.

Uwharrie Bank continued serving as a resource for customers through pandemic uncertainty and welcomed them back into our branches. Technology and efficiency were top of mind as we rolled out new contactless cards and updates to mobile

banking. About 20,000 customers entrust us with more than 45,000 accounts.

Ratings & Reviews [See All](#)

4.9
out of 5 765 Ratings

Tap to Rate: ★★★★★

Awesome app and bank
★★★★★

Can't say enough good stuff. The app is so good. Great functions. And if you have a problem there is always someone so helpful to talk to and your problems are worked out quickly!



BY THE NUMBERS

58%
Increase in debit and credit cards issued

23%
Increase in commercial banking adoption

22%
Increase in consumer bill pay users

Enterprise-wide
5,000
documents executed electronically

UWHARRIE INVESTMENT ADVISORS

We know that all of our clients bring to us unique life stories and equally unique and personal dreams and goals. Like any successful long-term relationship, our aim is to become familiar with those stories, those goals and those dreams. It is in that knowledge that we can begin helping our clients develop tried and true financial objectives and strategies. We consider it a great honor to help our clients pull together a very real picture of their total financial resources. We then will seek to position those resources where they are performing at a high level of efficiency.

Uwharrie Investment Advisors is a team of financial professionals with well over 100 years of combined investment management experience solidified through the ups and downs of many market cycles. Our advisors hold some of the most widely recognized designations in the fields of financial planning, insurance underwriting and investment portfolio management. Several hold advanced degrees in business management or mathematics.

As a fiduciary, we are bound by law to act in the best interest of those we serve. For more than thirty years, we have worked to act in our clients' best interest, be transparent without conflict in our approach, and operate within a higher standard of care for all of our stakeholders.

We are here to serve you. We are here to help you weather the good times and the bad. That is our duty. That is our privilege.



*"They gave us options."
Brian Burchfield, Burchfield Insurance Group*

BY THE NUMBERS

\$272 million
assets under care through
Uwharrie Investment Advisors



Anson County Day of Sharing – Associates:
(left) Sarah Fryer (right) Amanda McFayden



Our Rea Road office participated in a book drive at Montclair Elementary School in Charlotte supporting non-profit, Promising Pages.

SUPPORTING OUR ASSOCIATES

As the past two years have shown, our team of associates lives our Mission and Purpose every day in delivering for our customers and communities. We remain focused on ensuring associates feel supported, trusted and engaged, while creating opportunities to learn and innovate. As we adapt to an ever-changing world of work and a competitive talent landscape, we'll continue to enable an inclusive culture as we attract, inspire and grow talent to continue our promise of *Making a Difference* in the communities we serve.



Associate Tina Townsend (center) assists with Christmas Giving at the E. E. Waddell Center in Stanly County where we were able to donate bicycles for at-risk youth.

191
Associates

\$25 million
Compensation plus benefits

4,000
Training hours

JACKIE JERNIGAN CONFERENCE ROOM



In 2021, we celebrated associate Jackie Jernigan and her retirement by re-naming our Operation Division conference room to the *Jackie Jernigan Conference Room*.

Jackie has been vital to the success of Uwharrie Capital Corp and this is a well-deserved honor for her commitment and leadership over the last 38 years.



Associate Heather Almond assists as our Stanly County offices were drop-off locations for the United Way school tools drive.



Uwharrie Associates support local businesses and events. It's a tradition for Cabarrus Brewing Company and Uwharrie Bank to co-host the Chamber's annual Brew N Cue networking event.



During the pandemic, care packages and snacks were delivered to numerous healthcare facilities for staff and personnel.



Associate Kodi Smith delivering locally made pies to students at Pfeiffer University Health Sciences in support of Physician Assistant Appreciation Week.

SUPPORTING OUR COMMUNITIES

We, at Uwharrie Capital, believe in the value of purpose and are driven by purpose. As a purposeful organization, we are different in that we seek to generate both a financial return as well as make a positive contribution to moving our communities forward.

Giving back to the community has been a part of Uwharrie Capital Corp's DNA since the beginning. Our incorporators understood that, as a community-focused organization, we have a unique opportunity to partner with establishments to support and strengthen the communities in which we operate.



Uwharrie Bank supports organizations like Brave Step that provides services to adults who have been impacted by trauma.

BY THE NUMBERS

500

Healthcare workers served meals and snacks



Education is at the forefront of a flourishing community. Uwharrie Bank values education in all its forms – including professional training courses. As part of our financial literacy program, Uwharrie provides business and financial training opportunities to all members of our community. HOLLA! is doing tremendous work with on-going enrichment programs, including leadership training and exposure to the arts in Anson County.



Uwharrie Bank is proud to support The Salvation Army Center of Hope shelter which will serve both Cabarrus and Stanly counties. Providing a place of hope, healing, restoration and growth for people experiencing homelessness.

Mayor Bill Dusch, Captain Josh Keaton, Pat Horton and Captain Amanda Keaton

BY THE NUMBERS

230
Civic and nonprofits supported

\$65,500
Denim Difference Donations from Associates since inception in 2014

\$55,000
Contributed to 2021 United Way campaign

SUPPORTING OUR COMMUNITIES

In 2021, Uwharrie committed marketing dollars to highlight local non-profits through our partnership with WCNC and Charlotte Today.



Roger Dick, Uwharrie Capital Corp President & CEO and Three Rivers Executive Director Travis Morehead discuss the importance of conserving natural landscapes and rural spaces with Charlotte Today host Eugene Robinson.



Anson County Partnership for Children Director Caroline Goins (left) and Uwharrie Investment Advisor associate Kyle Eudy bring awareness to child care and family services needs in rural communities with Charlotte Today host Beth Troutman.



Associate Pat Horton and Volunteer Advocate Doug Stafford chat with Charlotte Today host Eugene Robinson about the good work being done at Cabarrus Dream Center

BY THE NUMBERS

\$1 million

Contributed to help people
and communities

ADHERING TO OUR VALUES

From our founding, we have operated Uwharrie consistently with the high ideals of serving and educating our community, providing for its financial service needs and doing so with an understanding of our responsibilities to our shareholders and the regulatory agencies. As the F.A.C.E.S. of our community, the associates and shareholders of Uwharrie Capital Corp pledge to serve as passionate advocates for our Vision and Mission.

FISCAL RESPONSIBILITY

We will always strive to achieve a balanced approach to meeting the needs of our stakeholders. We will be responsible stewards of our shareholders' money.

ACCOUNTABLE TO THE PEOPLE

We will strive to fulfill our unique mission as a financial services provider. We will maintain a broad shareholder base and be guided by a Board of Directors which represents the various interests and financial needs for the communities we serve.

CUSTOMER SERVICE

We will provide our customers exceptional service, competitive rates, money management, professional assistance and technology to help meet their diverse financial needs.

ECONOMIC EDUCATION

We will contribute to the financial literacy and/or economic benefit of our community.

SOCIAL AWARENESS

We will incorporate social responsibility and community altruism in our investment decisions.

Uwharrie Capital Corp remains strong and focused on improving economic opportunities for our customers and our communities. We hold a special mission that does not define ourselves as just a bank, but as an economic engine providing both capital and intellect for facing and building a sustainable economic future for the communities we serve.



SUPPORTING OUR SHAREHOLDERS

Throughout our 38 year history, we have taken care of business on behalf of our customers, associates, shareholders and our communities, even when it wasn't business as usual. Being two years in a pandemic, 2021 brought new disruptions and changes in our society and the economy as well as in the banking industry - creating both challenges and opportunities for Uwharrie Capital Corp and its subsidiaries. By almost every measure, your Company had an outstanding year.

The year 2021 reaffirmed the success of our financial services model, which is focused on local management and decision-making where we do business, and a commitment to be a helpful partner to our customers, associates, communities and our shareholders.

“While it is impossible to predict events like a global pandemic, geopolitical instability, or intense market volatility, the steps we took over the past several years – independent of any crisis – to build a stronger and more resilient banking organization, enabled us to weather the uncertainties of 2021, operationally and financially.”

Roger Dick, President & CEO

BY THE NUMBERS

\$940 million
Total Assets

\$10.1 million
Net Income

1.2%
Return on Assets

16.7%
Return on Equity

7.5%
Annual return to Shareholders
since inception

Board of Directors

NAME	PRINCIPAL OCCUPATION
Merlin Amirtharaj	Retired; previously, Associate Vice President of the School of Business and Technology, Stanly Community College, Albemarle, NC
Joe S. Brooks	Owner and Manager, Brothers Precision Tool Co., Albemarle, NC
Dean M. Bowers	Regional Sales Manager/Co-Owner, Quality Equipment, LLC, Albemarle, NC
James O. Campbell	Vice President of Construction Sales, AvidXchange, Inc., Charlotte, NC
Tara G. Eudy	President and Treasurer, Carolina Title Company, Inc., Wadesboro, NC
Deidre B. Foster	Community Volunteer and Non-Profit Board Member, Charlotte, NC
Allen K. Furr	Secretary/Treasurer, PEJA, DBA East Albemarle Xpress Lube, Albemarle, NC
Thomas M. Hearne, Jr.	Retired; Previously Geopavemnet Engineer, North Carolina Department of Transportation, Harrisburg, NC
Matthew R. Hudson	General Manager and Vice President, Hudson Pool Distributors, Inc., New London, NC
Harvey H. Leavitt, III	Owner/Operator, Leavitt Funeral Home, Wadesboro, NC
W. Chester Lowder	Retired; previously, Director of Livestock Program, Public Policy Division, NC Farm Bureau Federation, Incorporated, Raleigh, NC
Wesley A. Morgan	General Manager, Rolling Hills Gin, LLC, New London, NC Chief Financial Officer and Chief Operating Officer, Faison
Cynthia L. Mynatt	President, Ben Mynatt Buick-GMG, Inc. Concord, NC
James E. Nance	Founder and Managing Member, North State Acquisitions, LLC, Albemarle NC
Chris M. Poplin	Chief Financial Officer and Chief Operating Officer, Faison Enterprises, Inc., Charlotte, NC
Frank A. Ranklin, III	Special Projects Manager, Concord Engineering & Surveying, Inc., Concord, NC
Randy T. Russell	President, Sports Med Properties, LLC, Charlotte, NC
Vernon A. Russell	Attorney and Owner, Vernon A. Russell, Attorney at Law, PLLC, Concord, NC
Matthew A. Shaver, MD	General Surgeon, Atrium Health Stanly, and Medical Director of Albemarle Surgical Associates, Albemarle, NC
S. Todd Swaringen	Partner, Beane Swaringen & Company, PLLC, Albemarle, NC
ADVISORY DIRECTORS	PRINCIPAL OCCUPATION
Roger L. Dick	President & Chief Executive Officer, Uwharrie Capital Corp, Albemarle, NC
D. Anthony Plath, Ph. D.	Retired; previously Clinical Professor of Finance at University of North Carolina at Charlotte, Charlotte, NC

2021 ANNUAL REPORT *our journey*

At Uwharrie, our reason for existence is simple: we aim to provide customers and businesses with superior financial products and services so they can accomplish their goals and reach financial success. But our vision goes much deeper. It is our ultimate objective to not only support those who entrust us with their finances, but also to extend financial support to the many organizations that work every day – in countless ways – to enhance the communities we serve. By providing financial resources to these organizations, Uwharrie Capital Corp is able to directly impact the areas where our customers live and work – helping to create vibrant, thriving communities we can all be proud to call home.

Our journey began as a response to the loss of control of local economies and communities to a world that was increasingly being dominated by large multinational corporations. Thousands of jobs were being lost, and vibrant local communities started to decline. People who had a concern for community came together to build something together that would help them preserve their control over their lives.

It all started with Gratitude. Giving thanks for our gifts and abilities to use our minds and creativity in responding to a life challenge. It was Gratitude that lifted our hearts and elevated our spirits to act without fear. It was a simple prayer that gave us courage. We thanked God for all the people who had assembled at that first organizational meeting...in a spirit of doing something good... something that would allow us to use our gifts, energy and intellect in the service of others. It was not just about making money...it was about more.

“For the people by the people, a great nation was started...so would be a great community financial institution.” Those people who were gathered that evening on April 26, 1983 made the commitment to always put people first... people before profits.

Our Purpose was about much more than money and financial gain. Having all the money in the world does not make one happy...and its singular pursuit, we are taught biblically, will lead to our individual and societal destruction. Money is not much to be about.

A purposeful struggle, born out of a community in crisis, had people working together with a shared vision of pursuing a common good. That common good being to help people secure and meet their needs in pursuit of a decent and happy life. The basic needs of life like food, clothing and shelter are acquired in a modern economy with money.

Who controls wealth, is basic to our individual freedoms. A community bank, by taking deposits and making loans, is a creator of wealth for a community. A dollar of local deposits retained in the local community bank can create, by a multiple of 10 or more, new wealth and prosperity. Local people involved in operating the Community Bank acquire the financial literacy and ability to deploy the community's wealth intelligently in the creation of new businesses and jobs, homes for families that improves the quality of their lives, stability and self-sufficiency of the community. Schools, health care, capital, economic literacy...all foundation pieces for the building of self-reliant and resilient communities. Profits are the report card for how well we are accomplishing our purpose. Our purpose is about helping people.

Organizational Prayer – April 26, 1983

Our Father, God, your gifts to us are good, very good, and we pause to thank You for them. You enrich our lives by giving us challenges, adventures, opportunities to use our creativity, our minds. But, You also call us to be good managers of those gifts, to responsibly use them in the service of others. So we pray your blessings on those here assembled that what they accomplish will be pleasing in your sight.

In His Name, Amen

We start with Gratitude which leads us to have and become all of the elements of Grace...as people...as a family of people working together for the greater good. Grace is what makes us human...the better self that we can all become, that shines a light and shows the way for others. It is Grace that gives us the gift of goodwill that predisposes us to want to help others.

This joy of helping others that comes from acquiring Grace all started with having

Gratitude...simply being Grateful. It is Gratitude that helps us stay aligned with our values. It is our hearts that matter most...our having gratitude to keep us humble. To have a company of people that can sincerely feel and express gratitude to others, while remaining humble themselves, is the most powerful way to change minds, win hearts and move our organization forward.

This is how we go about **Making a Difference**.

GRACE*

We start with Gratitude that leads us to have Grace. Grace has many meanings... it is Grace that moves us forward, elevating us to always take the high road.

GratITUDE, is the attitude that lifts our hearts and spirits.

Resilience makes the impossible possible...giving us the strength to make the journey.

Aspiration, where we know we can make the world different and better than today.

Courage, where we know fear, but have no fear, allowing us to move forward and beyond it.

Empathy, where we come to the recognition that we are all in this together...we connect, understand each other and have compassion for others.

*Source: Gary Burnison, "The 5 Graces" (Hoboken, NJ, Korn Ferry, 2022)



Michelle Carver, Associate

LOCATIONS

ALBEMARLE MAIN

167 North 2nd Street
Albemarle, NC 28001

ALBEMARLE EAST

800 NC 24-27 Hwy
Albemarle, NC 28001

VILLAGE OFFICE

710 North 1st Street
Albemarle, NC 28001

UWHARRIE INVESTMENT ADVISORS

INVESTOR RELATIONS

HUMAN RESOURCES

132 North 1st Street
Albemarle, NC 28001

UWHARRIE INVESTMENT ADVISORS

Triad Regional Office
222 Sunset Avenue
Suite 107
Asheboro, NC 27203

UWHARRIE BANK MORTGAGE

141 Providence Road
Charlotte, NC 28207

REA ROAD AT STONECREST

5231 Piper Station Drive
Suite 100
Charlotte, NC 28277

CONCORD OFFICE

25 Palaside Dr, NE
Concord, NC 28025

CHURCH STREET OFFICE

700 Church St. North
Concord, NC 28025

WEST STANLY OFFICE

416 West Main Street
Locust, NC 28097

MT. PLEASANT OFFICE

1490 South Main Street
Mt. Pleasant, NC 28124

NORWOOD OFFICE

107 South Main Street
Norwood, NC 28128

OAKBORO OFFICE

224 N. Main Street,
Oakboro, NC 28129

WADESBORO OFFICE

211 South Greene St.
Wadesboro, NC 28170

SUMMARY ANNUAL REPORT:

The financial information appearing in this Annual Report has been condensed from the consolidated financial statements which are included with the Proxy Statement distributed in connection with Uwharrie Capital Corp's 2022 Annual Meeting of Shareholders. A copy of the Company's 2021 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission (SEC), may be obtained at no charge by searching the "EDGAR" archives at the SEC's internet site at www.sec.gov or by notifying Tamara M. Singletary, Executive Vice President and Corporate Secretary, Uwharrie Capital Corp, 132 North First Street, Post Office Box 338, Albemarle, NC 28002-0338. (Email: tsingletary@uwharrie.com)

Management has simplified the financial presentation in this Annual Report because it believes such simplification enhances the shareholder communication process. Management's objective is to provide shareholders with relevant financial information in an easily understood and readable format.

The accompanying condensed consolidated financial statements and their integrity and objectivity are the responsibility of the Company's management. The financial statements include amounts based on management's best estimates and judgments. Management also prepared

other information in this Annual Report and is responsible for its accuracy and consistency.

It is the philosophy of Uwharrie Capital Corp to promote a strong, local shareholder base. While bid and ask prices for the Company's common stock are quoted on the OTCQX, under the symbol UWHR, trading is sporadic with most trades taking place in privately negotiated transactions. Management makes every reasonable effort to match willing buyers with willing sellers as they become known for the purpose of private negotiations for the purchase and sale of the Company's common stock.

Shareholders needing information about purchasing or selling stock should contact Tamara M. Singletary, Executive Vice President and Corporate Secretary, Uwharrie Capital Corp, 132 North First Street, Post Office Box 338, Albemarle, NC 28002-0338. Telephone: 704.982.4415
Email address: tsingletary@uwharrie.com

Our securities, with the exception of bank products, are not FDIC insured, are not guaranteed by any financial institution and may involve investment risk and/or loss or principal.

FORWARD-LOOKING STATEMENTS:

This Annual Report may contain, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, (i) statements regarding certain of the Company's goals and expectations with respect to earnings, income per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, and (ii) statements preceded by, followed by or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "projects," "outlook," or similar expressions. These statements are based upon and the current belief and expectations of the Company's management and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).

At Uwharrie, we are creating:
Opportunity | Security | Relationships | Strength | Generosity | Growth
We welcome you to join our community, and look forward to meeting you.

Uwharrie Capital Corp¹

Uwharrie Investment Advisors^{1,2}

Uwharrie Bank Mortgage³

Uwharrie Bank¹



making a difference[®]

132 N. First Street | Albemarle, North Carolina

uwharrie.com

¹ Securities are not FDIC insured, are not guaranteed by any financial institution and may involve investment risk and/or loss of principal. Risks will vary depending on investments made by the client. A Uwharrie Investment Advisor, Inc. representative will review these risks with the client prior to investing. Past performance is not a guarantee of future results. Retail brokerage and insurance products are offered through Private Client Services, LLC., 2225 Lexington Rd, Louisville, KY 40206, phone: 502-451-0600, Member FINRA and SIPC under the marketing name of Uwharrie Investment Group. Private Client Services, LLC, and Uwharrie Capital Corp, along with its affiliates and/or subsidiaries, are separate, distinct and unaffiliated entities.

² Uwharrie Investment Advisors, Inc. is an investment advisor. Uwharrie Investment Advisors, Inc. is a subsidiary of Uwharrie Capital Corp and an affiliate of Uwharrie Bank.

³ MEMBER FDIC | EQUAL HOUSING LENDER