

Uwharrie Capital Corp

*Making a Difference*

*New Day Dawning*

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2011 Summary Annual Report



*New Day Dawning* by Thomas Cureton

## table of contents

letter to shareholders	2
boards of directors	6
financial review	8
sustainability through diversification	13
reinventing community through economic development	15
adding community value	17
honoring our educators	20
our associates	26
investing in our communities	27
our locations	28
shareholder information & photo credits	29

# Uwharrie Capital Corp

providing an important difference to our communities

Uwharrie Capital Corp's commitment to the community is unwavering, as is our philosophy of putting the customer first. The combined strength of our companies 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. Our "people first" philosophy means you can count on us to provide quality financial services that help solve problems and meet the needs of families and businesses in a highly personalized manner.

Our commitment to serving our customers and our communities has proven to be a winning strategy that enhances our customer relationships and also provides long-term value to our shareholders. This approach to doing business has resulted in continued growth for all our companies and it continues to reinforce our community banking philosophy.

## Our Team Working for You

Uwharrie Capital Corp is the holding company for a family of financial service companies including Bank of Stanly, Anson Bank & Trust, Cabarrus Bank & Trust, BOS Insurance Agency, Strategic Investment Group\* and Strategic Investment Advisors, Inc.

Each of our organizations is a vital part of a larger whole. Individually they are able to offer certain specialties but working together they create a seamless financial menu tailor-made and unique to each customer.

### LENDING

- Personal loans
- Business loans
- Mortgage loans
- Home Equity loans
- Home Equity lines
- Credit cards

Bank of Stanly, Anson Bank & Trust  
and Cabarrus Bank & Trust

### INVESTMENTS\* & ADVICE

- Asset management
- Financial planning
- College plans
- Retirement plans

Strategic Investment Group\*  
Strategic Investment Advisors, Inc.

### e-zBanking

#### Consumer Products and Services

- Mobile Banking – Access your financial accounts anytime, anywhere, with your mobile phone.
- Online Banking with Bill Pay
- e-zMortgage – Take the guesswork out of financing your next home with a smooth, hassle-free application process.
- Direct Deposit – Have your paycheck directly deposited.
- Online Statements – Receive your monthly statement online.
- FinanceWorks™ – Manage your financial accounts all in one place.

#### Commercial Products and Services

- ACH Services – Pay your employees and vendors or receive payments by creating electronic transactions.
- Business Online Banking
- Remote Deposit Capture - It is like having a bank in your office. RDC enables you to deposit checks directly from your computer.
- Merchant Services - Enables your business to accept credit cards, debit cards, electronic checks, gift cards and other payment options.
- Online Statements - Receive your monthly statement online.

Bank of Stanly, Anson Bank & Trust  
and Cabarrus Bank & Trust

### DEPOSITS

- Checking accounts
- Savings accounts
- Certificates of deposit
- Health savings accounts
- Money markets

Bank of Stanly, Anson Bank & Trust  
and Cabarrus Bank & Trust

### PROTECTION

- Life insurance and annuities\*
- Income continuation
- Long-term care insurance
- Medicare supplement insurance

Strategic Investment Group\*

Strategic Investment Group offers securities and insurance products through Private Client Services, LLC, 2225 Lexington Rd, Louisville, KY 40206, ph: 502-451-0600, Member FINRA and SIPC. Private Client Services, LLC and Uwharrie Capital Corp along with its affiliates and/or subsidiaries are separate, distinct, and unaffiliated entities. Strategic Investment Advisors, Inc. Securities held in custody by Pershing Advisor Solutions, Charles Schwab Institutional or one of our affiliate banks. Strategic Investment Advisors, Inc. is a registered investment adviser with the SEC and a subsidiary of Uwharrie Capital Corp. It is important to note that the securities and insurance offered are:

[NOT BANK DEPOSITS] - [NOT INSURED BY THE FDIC OR ANY FEDERAL GOVERNMENT AGENCY] - [NOT OBLIGATIONS OF OR GUARANTEED BY ANY FINANCIAL INSTITUTION] - [SUBJECT TO RISK AND MAY LOSE VALUE]



## new day dawning

Dear Shareholders:

According to a recent definition by Congress, a community bank is one with less than \$10 billion in assets. But does that really define the value of what a “true” community bank brings to the local economy? As a community banking organization, we are embedded in the well being of our communities by creating local jobs, supporting local organizations, paying local taxes and building a local economy. Not since the early days of building our great nation have community banks, such as ours, been more important to our small and medium-sized businesses and to the rebuilding of our local and national economies. It is, therefore, imperative that your Company continues to work diligently to create capital and support these local businesses to foster a sustainable, local economy that will bring new prosperity for the people, business enterprises and communities we serve.

We continue to provide capital for the purchase of new homes, loans to grow businesses, expertise for management of retirement money ... all from local dollars deposited and invested with our Company and put to work here at home. These activities create wealth for our shareholders, customers and the community-at-large ... new wealth in the form of corporate profits, appreciating assets, new jobs and higher household incomes.

These are challenging times but your Company has maintained profitability and we are successfully accomplishing our strategy of providing the best value in financial services in the markets we serve. Our three banks continue to attract new relationships and increase market share in all three communities and our wealth management area continues to grow assets under management. Net income for the year was \$900 thousand, an increase of 26.2% from the prior year.

During 2011, the loan demand in our markets was down substantially, which was indicative of the general economy as consumers and businesses across the nation are borrowing less and holding more cash. As the entire economy slowed down and the industry deleveraged, our loans held for investment declined \$21.1 million to \$366.7 million which resulted in total assets decreasing \$8.5 million to \$526.9 million at December 31, 2011. With the slowing economy, the FDIC-insured deposits reported as of June



30, 2011, for our three markets had declined by a weighted 7.64 percent. Accordingly, we experienced a modest decrease in deposits of \$2.7 million to \$431.3 million. Net interest income increased 3.0% to \$19.1 million.

Throughout the region, serving the community continues to be our most important objective. A successful banking organization needs a successful community, so we work together to provide help where it is needed most. Our community trusts in us and depends on us to be their partner – in banking, in wealth management and in helping charitable organizations to succeed. We believe that localizing our economies by supporting and investing in the small and family-owned businesses in our communities could immunize us against the global economic currents that have taken wealth away from our communities and families. The more communities can care for themselves, manufacture their own goods and provide their own services, the less vulnerable we become to economic volatility.

For more than a century, our communities were dependent upon a few large companies and industries to provide the majority of the jobs. The loss of those companies, industries and subsequently, jobs has forced us to reassess our economic development efforts and thoughtfully determine the most effective ways to construct the future that we want supporting our friends, families and neighbors. Emerging is the opportunity to forge new partnerships with like-minded leaders working to create a more sustainable, resilient and prosperous future.

We have dedicated this report to the economic development efforts of each of the counties we serve. Each community is working diligently to not only focus on traditional activities, but to accelerate sustainable economic development efforts and to build the capacity to implement programs, policies and practices toward that end. To support and cultivate the strong economic development of our communities, we continue to work with business leaders and entrepreneurs who are striving to create jobs and improve the quality of life for their families and communities.

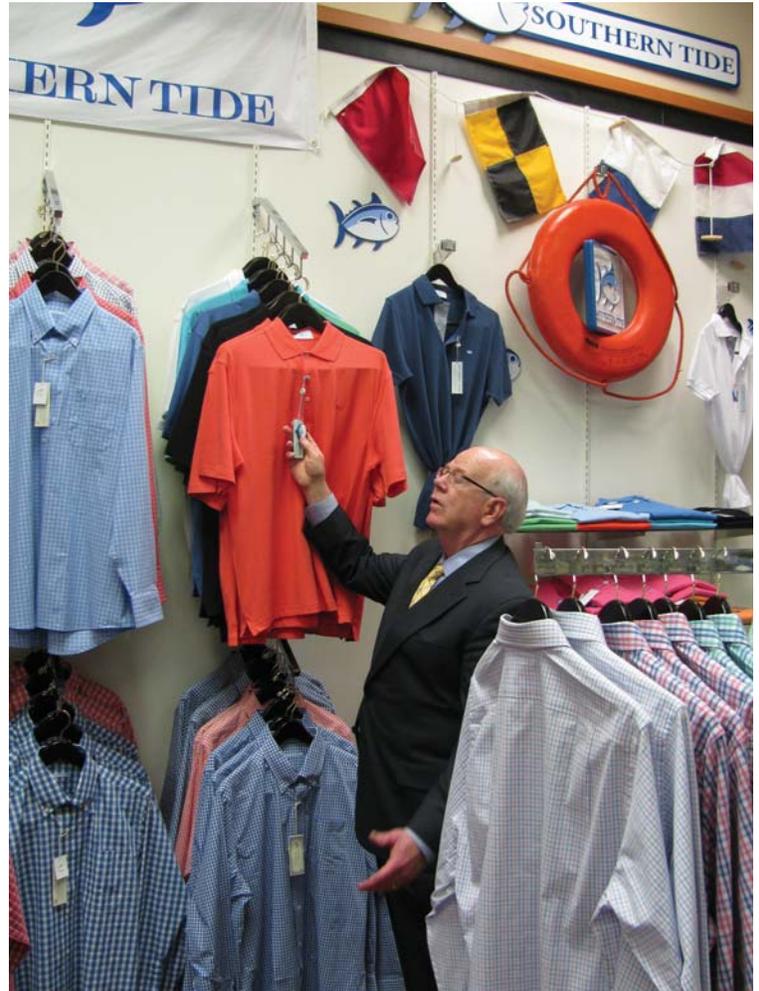
We are building more than just a good banking organization to serve our communities; we are building strong local economies and sustainable communities that can survive this new age. A new day is dawning and our best days are ahead. To all our shareholders, we thank you for your confidence and support and together, *we are making a difference.*

Sincerely,  
UWHARRIE CAPITAL CORP



Roger L. Dick  
President and Chief Executive Officer





# boards of directors



*Standing, left to right:* TIMOTHY J. PROPST, President, Propst Construction Co., Inc.; LEE ROY LOOKABILL, JR., President, Anson Real Estate and Insurance Co., Inc.; BILL C. BURNSIDE, D.D.S., Dentist / Sole Proprietor, Bill C. Burnside, DDS; DONALD P. SCARBOROUGH, President & Broker, Plank Road Realty, Inc.; CHARLES D. HORNE, President, Hornwood, Inc.; W. KENNETH HUNTLEY, President, Huntley Oil & Gas Co., Inc.; W. STEPHEN ALDRIDGE, III, Ph.D., President/Funeral Director, Stanly Funeral Home, Inc.; THOMAS M. HEARNE, JR., Retired - Geopavement Engineer, NC Dept. of Transportation; BARRY S. MOOSE, Division Engineer, NC Dept. of Transportation; S. TODD SWARINGEN, Partner, Beane Swaringen & Company, PLLC.

*Seated, left to right:* W. CHESTER LOWDER, Vice Chairman, Director of Livestock Program, North Carolina Farm Bureau Federation, Inc. - Public Policy Division; JOE S. BROOKS, Chairman, Owner/Manager, Brothers Precision Tool Co.; JOSEPH R. KLUTTZ, JR., Secretary and Treasurer, Albemarle Insurance Agency, Inc.; RONALD T. BURLERSON, Partner, Thurman BurlerSON & Sons Farm; EDWARD B. TYSON, Ed.D., Retired - Superintendent, Kannapolis City Schools.

*Not pictured:* CHARLES F. GESCHICKTER, III, President and Chief Executive Officer, ST Motorsports, Inc.; JTG Racing, Inc.; CYNTHIA L. MYNATT, President, Ben Mynatt Buick-GMC; SUSAN J. ROURKE, President, U.S. Land Management Co.

## Uwharrie Capital Corp



*Standing, left to right:* DARRELL E. ALMOND, Retired, Former Mayor of Norwood; DAVID L. VANDEVENTER, Golf Professional/Club Manager, Piney Point Golf Club; ROGER L. DICK, President & Chief Executive Officer, Uwharrie Capital Corp; GARRY M. LEWIS, Public Housing Director, City of Albemarle; JAMES F. LINK, D.V.M., Veterinarian/Owner, North Stanly Animal Clinic; RAYMOND R. CRANFORD, JR., Chairman, Owner/Partner and Vice President - Sales, Crook Motor Co., Inc.

*Seated, left to right:* TERRY L. SMITH, President, Terry L. Smith Construction Co., Inc.; PATSY G. STREET, Manager, West Stanly Christian Ministries; NADINE B. BOWERS, Vice Chairwoman, Retired - Senior Vice President, Strategic Investment Advisors, Inc. and Bank of Stanly; JOYCE H. LITTLE, Vice President, Wiley Little Drywall, Inc. and Former Mayor of Oakboro.

## Bank of Stanly

*Not pictured:* W. STEPHEN ALDRIDGE, III, Ph.D., President/Funeral Director, Stanly Funeral Home, Inc.; ERIC M. JOHNSEN, M.D., President, Stanly Family Care Clinic; ERIC J. MALLICO, M.D., General Surgeon, Stanly Regional Medical Center.



*Standing, left to right:* JARVIS T. WOODBURN, Manufacturing Engineering, Manager, Columbus McKinnon, Wadesboro, NC Operations; CHARLES D. HORNE, Vice Chairman, President, Hornwood, Inc.; JIM L. STRAYHORN, Retired - President and, Chief Executive Officer, Anson Bank & Trust; ROGER L. DICK, President & Chief Executive Officer, Uwharrie Capital Corp; EMMETT S. PATTERSON, Retired - General Manager & Executive Vice President, Pee Dee Electric Membership Corporation; DONALD P. SCARBOROUGH, President & Broker, Plank Road Realty, Inc.; M. TODD MOORE, Marketing Representative, Pee Dee Electric Membership Corporation; THOMAS W. HOUGH, President, Anson Pharmacy, Inc.

*Seated, left to right:* HARVEY H. LEAVITT, III, Owner/Operator, Leavitt Funeral Home; TARA G. EUDY, Chairwoman, President & Treasurer, Carolina Title Company, Inc.; EMILY M. THOMAS, Vice President, CMH Space Flooring Products, Inc.; MARY CARLISLE LITTLE, Vice President and General Manager, H. W. Little & Co., Inc.; CHRISTOPHER M. SANFORD, Vice President & General Manager, Wadesboro IGA Foodliner.

*Not pictured:* DANA A. MANESS, President, Anson Bank & Trust.

## Anson Bank & Trust



*Standing, left to right:* JAMES M. MONROE, JR., Retired - Executive Director, Carolinas Medical Center NorthEast Foundation; CHRISTOPHER L. BRAMLETT, Ph.D., Retired - President, Christopher's Jewelers Co., Inc.; ROGER L. DICK, President and Chief Executive Officer, Uwharrie Capital Corp; ANITA A. BROWN, Vice Chairwoman, Retired - Chancellor Emerita, Cabarrus College of Health Sciences / Carolinas Medical Center NorthEast; WILLIAM E. RINKER, President, Rinker Commercial Properties, LLC; SAMUEL M. LEDER, CPA/ Partner, Potter & Company, P.A.; WILLIAM F. ROGERS, JR., Attorney / President & Sole Practitioner, William F. Rogers, Jr., P.A.

*Seated, left to right:* EDWARD B. TYSON, Ed.D., Retired - Superintendent, Kannapolis City Schools; JAMES O. CAMPBELL, Channel & International Sales Manager, Viewpoint Construction Software; VERNON A. RUSSELL, Chairman, Attorney/Partner, Plummer, Russell & Plummer, PLLC; J. SCOTT PADGETT, Mayor - City of Concord; Retired - Public School Principal, City of Concord; DIANE R. HONEYCUTT, Realtor - Team Leader, Team Honeycutt - Allen Tate Realtors.

*Not pictured:* SUSAN J. SMITH, Retired - Career Counselor, Rowan-Cabarrus Community College.

## Cabarrus Bank & Trust

## financial review

Uwharrie Capital Corp reported net income of \$900 thousand for the twelve months ended December 31, 2011, as compared to \$713 thousand for the twelve months ended December 31, 2010, an increase of \$187 thousand, or 26.2%. Net income available to common shareholders was \$255 thousand or \$0.03 per common share at December 31, 2011, compared to \$68 thousand or \$0.01 per common share at December 31, 2010.

Provision for loan losses, while having a significant impact on earnings for 2011, decreased from \$4.9 million in 2010 to \$3.5 million in 2011, resulting in an allowance for loan losses of \$6.8 million at December 31, 2011 compared to \$9.1 million at the end of the prior year. During 2011 the level of net loan chargeoffs increased from \$1.1 million for 2010 to \$5.7 million in 2011. The Company had an increase in foreclosures and a subsequent increase of \$8.2 million in other real estate owned during the year. The increase in chargeoffs was directly related to the increase in other real estate owned. Management believes the current level of the allowance for loan losses is appropriate in light of the risk inherent in the loan portfolio.

Net interest income reflected an increase of \$549 thousand when comparing the two periods, reflecting \$19.1 million in the current year compared to \$18.5 million in the prior year. While the Company generates most of its revenue from net interest, diversification of our earnings base is significant to our long term success. Income from service charges, commissions and fees increased from \$5.1 million in 2010 to \$5.2 million in 2011.

Mortgage loan sales, which declined during 2011, still remained relatively strong with income of \$1.8 million in 2011 compared to \$3.2 million in the prior year. Gains realized on the sale of investments were \$933 thousand compared to \$1.5 million for the prior year.

Noninterest expense for the year ended December 31, 2011 was \$22.8 million compared to \$22.7 million for the same period of 2010, an increase of \$138 thousand. Salaries and employee benefits, the largest component of noninterest expense, increased \$473 thousand, from \$11.6 million for the period ending December 31, 2010, to \$12.1 million for the same period in 2011.

The Company's total assets decreased by \$8.5 million or 1.6% from \$535.4 million at December 31, 2010 compared to \$526.9 million at December 31, 2011. This decrease resulted primarily from a \$21.1 million decrease in loans held for investment and a \$7.7 million decrease in securities available for sale.

Customer deposits continued to be our principal funding source in 2011. At December 31, 2011, deposits from our customers totaled \$431.3 million, a decline of \$2.7 million, compared to \$434.0 million at December 31, 2010. During this period borrowed funds decreased significantly from \$54.5 million at the end of the prior year to \$46.0 million at the end of 2011.

The Company continues to maintain a strong capital position. At December 31, 2011, total shareholders' equity was \$45.6 million. Capital ratios are above those of a well capitalized bank as defined by our regulators.

### Uwharrie Capital Corp and Subsidiaries (in thousands except per share information)

	2011	2010	2009	2008	2007
<b>Summary of Operations</b>					
Interest income	\$ 23,822	\$ 24,487	\$ 25,062	\$ 25,564	\$ 26,909
Interest expense	4,737	5,951	7,697	9,828	11,876
Net interest income	19,085	18,536	17,365	15,736	15,033
Provision for loan losses	3,456	4,919	1,732	969	15
Noninterest income	8,256	9,898	5,824	6,597	6,590
Noninterest expense	22,789	22,651	20,930	18,531	17,362
Income taxes	196	151	(163)	804	1,287
Net income	<u>\$ 900</u>	<u>\$ 713</u>	<u>\$ 690</u>	<u>\$ 2,029</u>	<u>\$ 2,959</u>
<b>Per Common Share</b>					
Net income – basic (1)	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.27	\$ 0.39
Net income – diluted (1)	0.03	0.01	0.01	0.27	0.39
Book value (1)	4.65	4.38	4.47	4.11	4.14
<b>Selected Year-end Balances</b>					
Assets	\$ 526,902	\$ 535,426	\$ 477,846	\$ 452,468	\$ 411,944
Loans held for investment	366,675	387,769	353,729	340,830	321,987
Securities	88,661	96,395	76,317	68,835	51,005
Deposits	431,338	434,033	376,774	353,627	324,657
Borrowed funds	46,024	54,543	53,583	54,751	53,619
Shareholders' equity	45,603	43,493	44,024	41,233	31,574

- (1) Net income per share, book value per share, weighted average shares outstanding and shares outstanding at year-end 2007 and 2008 have been adjusted to reflect 3% stock dividends issued in 2008 and 2007. There was not a stock dividend in 2011, 2010 or 2009.

report of independent  
registered public accounting firm



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

*REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM*

To the Shareholders and Board of Directors  
Uwharrie Capital Corp  
Albemarle, North Carolina

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Uwharrie Capital Corp and Subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2011 (not presented herein); and in our report dated March 23, 2012, we expressed an unqualified opinion on those consolidated financial statements. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the information set forth in the condensed consolidated financial statements in relation to the consolidated financial statements from which it has been derived.

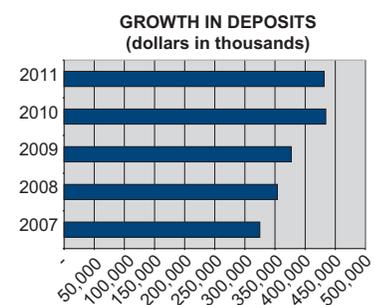
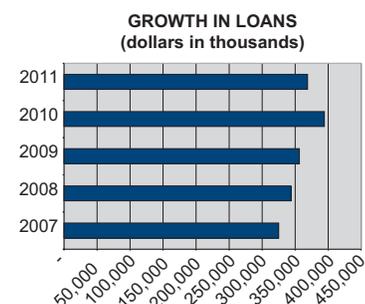
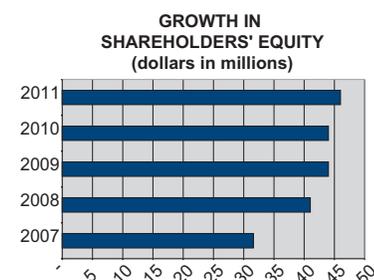
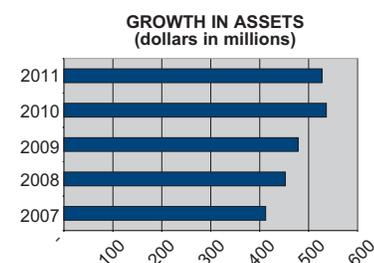
In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2011 and 2010, and the related condensed consolidated statements of income for each of the years in the three-year period ended December 31, 2011, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

*Dixon Hughes Goodman LLP*

Asheville, North Carolina  
March 23, 2012

## Uwharrie Capital Corp Consolidated Balance Sheets December 31, 2011 and 2010

	2011	2010
	(dollars in thousands)	
<b>ASSETS</b>		
Cash and due from banks	\$ 7,487	\$ 4,948
Interest-earning deposits with banks	21,200	8,676
Securities available for sale, at fair value	88,661	96,395
Loans held for sale	1,958	6,286
Loans:		
Loans held for investment	366,675	387,769
Less allowance for loan losses	(6,815)	(9,067)
Net loans held for investment	359,860	378,702
Premises and equipment, net	15,076	14,554
Interest receivable	2,084	2,408
Federal Home Loan Bank stock	2,486	3,252
Bank owned life insurance	6,171	5,975
Goodwill	987	987
Other real estate owned	10,258	2,022
Prepaid assets	1,347	2,088
Other assets	9,327	9,133
Total assets	\$ 526,902	\$ 535,426
<b>LIABILITIES</b>		
Deposits:		
Demand, noninterest-bearing	\$ 62,339	\$ 54,837
Interest checking and money market accounts	185,539	187,493
Savings deposits	39,273	37,624
Time, \$100,000 and over	58,274	59,431
Other time deposits	85,913	94,648
Total deposits	431,338	434,033
Short-term borrowed funds	20,791	20,482
Long-term debt	25,233	34,061
Interest payable	301	342
Other liabilities	3,636	3,015
Total liabilities	481,299	491,933
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, no par value: 10,000,000 shares authorized; 10,000 shares of series A issued and outstanding	10,000	10,000
500 shares of series B issued and outstanding	500	500
Discount on preferred stock	(200)	(300)
Common stock, \$1.25 par value: 20,000,000 shares authorized; 7,593,929 shares issued and outstanding	9,492	9,492
Additional paid-in capital	14,010	14,034
Unearned ESOP compensation	(772)	(692)
Undivided profits	10,379	10,124
Accumulated other comprehensive income	2,194	335
Total shareholders' equity	45,603	43,493
Total liabilities and shareholders' equity	\$ 526,902	\$ 535,426



*See Report of Independent Registered Public Accounting Firm*

## Uwharrie Capital Corp Consolidated Statements of Income

	2011	2010	2009
	(in thousands, except share and per share data)		
<b>Interest Income</b>			
Loans, including fees	\$ 21,609	\$ 21,616	\$ 21,246
Investment securities:			
US Treasury	742	612	12
US Government agencies and corporations	1,035	1,896	3,106
State and political subdivisions	371	319	632
Interest-earning deposits with banks and federal funds sold	65	44	66
Total interest income	23,822	24,487	25,062
<b>Interest Expense</b>			
Interest checking and money market accounts	785	971	838
Savings deposits	286	327	255
Time deposits \$100,000 and over	1,106	1,192	1,980
Other time deposits	1,138	1,684	2,836
Short-term borrowed funds	354	693	316
Long-term debt	1,068	1,084	1,472
Total interest expense	4,737	5,951	7,697
Net interest income	19,085	18,536	17,365
<b>Provision for loan losses</b>	3,456	4,919	1,732
Net interest income after provision for loan losses	15,629	13,617	15,633
<b>Noninterest Income</b>			
Service charges on deposit accounts	1,837	2,219	2,360
Other service fees and commissions	3,409	2,883	2,273
Gain (loss) on sale of securities	933	1,484	(711)
Loss on nonmarketable securities	-	-	(172)
Loss on securities with other-than-temporary impairment	-	-	(1,807)
Portion of loss recognized in other comprehensive income	-	-	-
Net impairment recognized in income	-	-	(1,807)
Income from mortgage loan sales	1,806	3,172	3,436
Other income	271	140	445
Total noninterest income	8,256	9,898	5,824
<b>Noninterest Expense</b>			
Salaries and employee benefits	12,121	11,648	11,527
Net occupancy expense	1,165	1,193	1,071
Equipment expense	758	769	702
Data processing costs	858	853	792
Office supplies and printing	337	384	335
Foreclosed real estate expense	489	387	219
Professional fees and services	1,488	1,230	968
Marketing and donations	769	1,291	746
Electronic banking expense	875	811	728
Software amortization and maintenance	573	542	470
FDIC insurance	750	795	958
Other noninterest expense	2,606	2,748	2,414
Total noninterest expense	22,789	22,651	20,930
Income before income taxes	1,096	864	527
Income taxes	196	151	(163)
<b>Net income</b>	<b>\$ 900</b>	<b>\$ 713</b>	<b>\$ 690</b>
<b>Net income</b>	<b>\$ 900</b>	<b>\$ 713</b>	<b>\$ 690</b>
<b>Dividends on preferred stock</b>	<b>(645)</b>	<b>(645)</b>	<b>(642)</b>
<b>Net Income available to common shareholder</b>	<b>\$ 255</b>	<b>\$ 68</b>	<b>\$ 48</b>
<b>Net income per common share</b>			
Basic	<b>\$ 0.03</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>
Diluted	<b>\$ 0.03</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>
<b>Weighted average common shares outstanding</b>			
Basic	7,467,396	7,485,373	7,474,140
Diluted	7,467,396	7,485,373	7,474,140

See Report of Independent Registered Public Accounting Firm



## sustainability through diversification

There are bright spots in the economic development and job creation efforts in Anson County as it continues to navigate its way through the 21st century dealing with the economic remnants left behind from the last century. Anson County leadership has a challenge with its closed manufacturing and slow-to-negative growth. They meet the challenge head-on with a pro-business attitude that has been receptive to incorporating new sustainable businesses while supporting the remaining traditional manufacturing interests that have been a mainstay of the community for generations.



One of the most optimistic developments in the County is the recent announcement that GrowGreen Power, Inc. has selected Anson County as the location for its \$250 million hydroponic greenhouse and biomass power plant center. With the prospect of this significant capital investment and the more than 300

permanent jobs, support for the project has been very positive. In the Autumn of 2011, Anson County Commissioners unanimously passed a resolution in support of the sustainable business venture. Still early in the planning process, Economic Development Director, Mary Beck is committed to working through the details to ensure that the project continues to progress. Having a background as a grant writer in County government, Beck provides a unique and valuable perspective in bringing this exciting endeavor to realization.

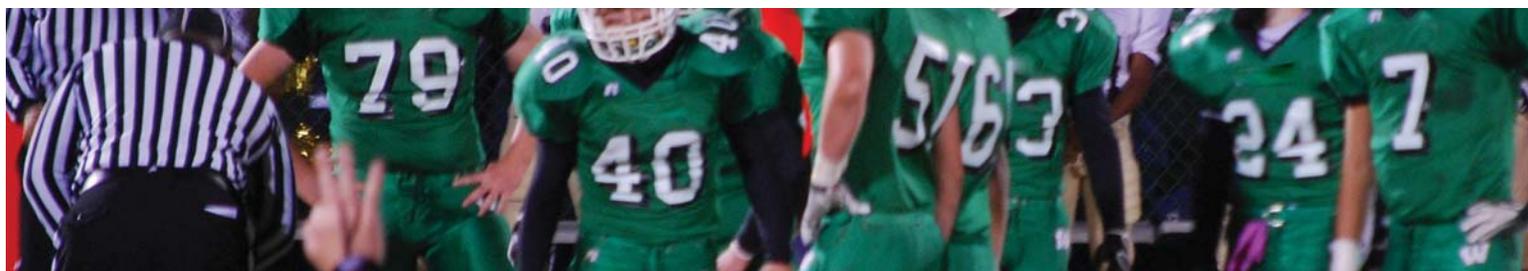
Firmly rooted in Anson County, Hornwood, Inc. remains a manufacturing power, albeit one that has been forced to specialize in higher-value products because it, like most textile and manufacturing companies, has faced the challenges of cheap labor and cheap products from overseas. The end of the 1985 model year in the automotive industry proved to be a pivotal point for brothers Chuck and Kenny Horne who were at the helm of Hornwood, Inc. when General Motors, their single largest customer, drastically cut orders as

part of implementation of cost-saving initiatives. With one third of its business suddenly affected, Hornwood underwent a transformation that would position it to not only survive in the last decades of the 20th century but look to the future by carving out niches through product and process diversification.

As market opportunities present themselves, the Hornes examine whether they can take a textile product, determine if it can be made as a knit, would it perform better and would it save someone money. If so, Hornwood is then willing to put the resources behind a potential new product line. Though the automotive sector continues to be an important market that Hornwood serves, it is the production of the material used in the reverse osmosis filtration process and the additions of team athletic apparel, banner and expo fabric, highly engineered footwear products used both in specialty retail and military use and other specialty materials that position the Lilesville-based company to remain one of the largest locally owned and operated employers in Anson County in the 21st century.



*Manufacturing team on-field athletic apparel adds to Hornwood, Inc.'s product diversification. Pictured, Chuck Horne (left) and Kenny Horne (right).*



## reinventing community through economic development

As a hub of economic development, Cabarrus County continues to re-invent itself and remain attractive both to entrepreneurs and to outside investors. Local leadership has been diligent in working to attract companies which significantly deviate from the traditional manufacturing base that dominated the textile mill community for more than a century. With its central location and proximity to the interstate system, the County has made significant accomplishments in diversifying the employment base.

Visitors and newcomers are usually aware that Cabarrus County is home to a number of NASCAR racing teams and internationally recognized motorsports facilities. However, there are several less well-known businesses that also make significant contributions to the economic stability of the County in the areas of Distribution and

Logistics, Food Sciences and Film Production. Efforts continue to not only diversify the employment base but to effectively repurpose existing structures and facilities like the Philip Morris complex, which film crews have recently discovered and are now incorporating into major Hollywood productions.

The mission of the Economic Development Corporation is to increase capital investment and

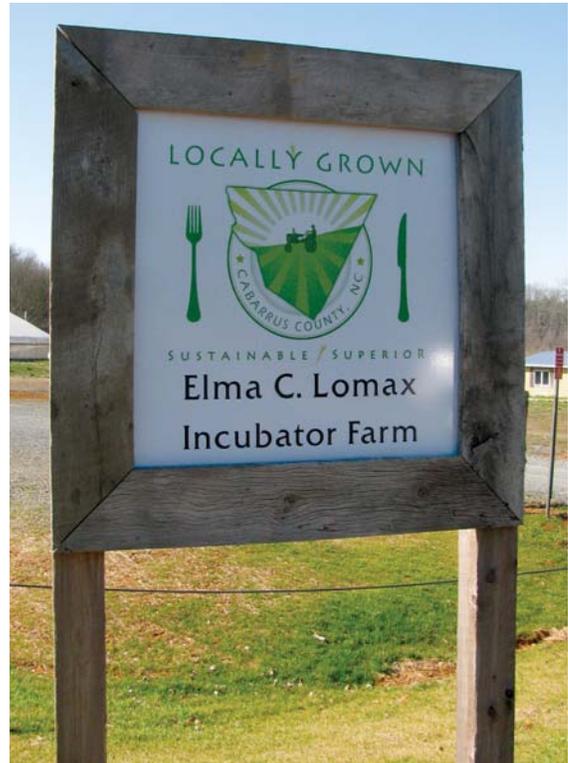
increase the number of jobs in Cabarrus County, according to John Cox, Director. One of the recent high points in this endeavor is the successful recruitment of Celguard, LLC, a company that manufactures specialty membranes in the lithium-ion battery industry. Product expansion plans include the production of battery membranes that will meet the growing demand of electric and hybrid vehicles in the auto industry. Located in the International Business Park, Celguard has plans to create as many as 550 jobs as a result of a



*Reinventing the space where Cannon Mills stood for more than a century, North Carolina Research Campus serves as a beacon in the Food Sciences field.*

capital investment of as much as \$230 million.

While much is being done in attracting companies to Cabarrus County that are supporting the County's green and sustainability objectives, there are also successful initiatives that are more home grown. Family farming has a long and rich history in Cabarrus County and is evident with the abundance of healthy food options available for sale at the many local Farmers Markets. In an effort to strengthen those roots and support local entrepreneurs, the Elma C. Lomax Incubator Farm Park was created. Through a collaborative effort between the County of Cabarrus and the North Carolina Extension Service, participants have the opportunity to make the leap to market farming with access to affordable land, shared equipment and resources and mentorship from more seasoned farmers. Generally, these entrepreneurial farmers have three years to launch their own agriculture businesses



in the incubator environment before spinning off to establish themselves and their own operation. Now, more than ever, with people paying attention to what they eat and trying to make healthy choices, the Lomax Farm and other local food solutions have the potential of contributing significantly to a healthy and prosperous Cabarrus County.



*Local participants have the opportunity to develop their business plan and hone their skills at the Lomax Incubator Farm.*

## adding community value

Stanly County is a community that is rich in its diverse mix of assets, both tangible and intangible. It continues to work toward building a thriving and vibrant community built upon our region's heritage, culture, natural resources and the entrepreneurial spirit and managerial skills of its people. Traditional economic development efforts and homegrown, sustainable solutions are coming together to improve the community and its economy and to add long-term value for everyone who calls Stanly County home.



Located in the quaint and charming town of Oakboro, Carolina Paper Company was started by good friends and business partners Don Russell and Foreman Rushing. Each having their own successful company, they joined forces to re-create manufacturing jobs that were steadily being lost in the community and the region. The company began in 1999 with two pieces of equipment initially manufacturing jumbo roll tissue, center pull towels and hard wound roll towels. The owners were able to

identify and bring in seasoned management who brought with them a wealth of knowledge and experience in the paper business on both the distribution and manufacturing sides.

The closing of Stanly Knitting Mills was a major blow to the employment base and to the town of Oakboro. Having served as one of the oldest and largest employers in the community, the old mill building represented a time of prosperity and optimism that would be sorely missed. In an effort to maintain that legacy, Carolina Paper Company relocated its operation

to the vacant mill buildings.

The company continues to grow and not only add machinery and equipment as demand grows, but they continue to invest in people and provide good jobs that make the community very proud.



*Stanly County's rich soil and mild climate add to the perfect recipe for the wide assortment of wines that are now produced in at least four vineyards in the County. Each boasts inviting and beautiful facilities for tastings, weddings and other special events.*

Stanly County continues to develop greater variety in the expansion of existing commercial enterprises and attracting new industries to the area. According to Paul Stratos, Director of the local Economic Development Commission, the County is working hard to proactively prepare sites to attract traditional manufacturing interests. Ideally, companies that are suppliers to or customers of current Stanly County businesses would be the best fit for these sites. By taking the time now to prepare the site and put in the necessary infrastructure, the relocation time improves significantly compared to a traditional build-to-suit proposition.

Increasing concerns about the environment and energy costs are causing municipalities and consumers to actively consider a building or home's carbon footprint, indoor air quality and energy efficiency. Realtors like Larry McGuire are adding value to the community by providing energy and environmental information to all types of clients. Through education and certification programs, real estate

professionals are assisting prospective and new property owners in identifying green and sustainable features that provide long-term value, not only to the consumer, but also to the community and the planet.



*EcoBroker training helps real estate professionals address the newest topics in real estate such as “green” certification programs. REALTOR®/Broker Larry McGuire examines an installation of energy efficient windows in a turn-of-the century farm house.*





Our Company believes education is the foundation for a brighter future. We think there should be a partnership between education and business. Educating our children is the responsibility of each of us. Being involved in our children's education makes a difference.

Your Company has made a commitment of allowing associates to participate in our schools through its education partnership program. This program allows associates 24 hours of paid leave from their job each year to volunteer in our schools. Our associates are involved in various aspects of the education process.

Service is a way of life and an attitude our associates bring into and outside the office every day. It's that spirit of community that reminds us that each person is our neighbor and that the power of people can work to enhance the quality of life we all share.

This year, we want to recognize special people who are 'making a difference' in the lives of our children every day ... teachers. Teachers have a special mission of helping to mold and encourage our children to be what they can be, to dream big dreams and to help make their dreams come true.



## anson county teacher of the year kevin adams

Anson County Early College (ACEC) is a lighthouse of hope for many students in this highly rural and close-knit community.

Designated as a Tier 1 County in North Carolina, Anson is one of the most distressed communities in the state economically.

Education is the primary driver that can change the quality of life of Ansonians, including the teenagers who attend Anson County Schools. Anson County Early College is a school of choice that calls out to students and family who often feel hopeless and convinces them that “ACEC” spells hope.

Because ACEC is a small school and fosters a sense of community, it is the perfect choice for students seeking strong relationships that offer the support they need to be more effective learners. It has also been the perfect choice for Anson County’s Teacher of the Year Kevin Adams.



*Kevin Adams utilizes advanced technologies in his classroom to make learning history fun and exciting.*

As the son of a preacher, Kevin saw first-hand the value of serving others and from an early age he wanted to pursue a career that would allow him to follow in the big footsteps set by his father. Having always had a love for history, Kevin received his Bachelors degree in History from Lee University in Cleveland, Tenn., and his Masters Degree from Grand Canyon University. In this, his twelfth year of teaching and his third at ACEC, Kevin has distinguished himself as an educator of excellence. He has expertly navigated his World History End of Course (EOC) scores by consistently reaching the 90th percentile and has established himself as the lead teacher in both classroom technology use and in professional development by implementing technology in the classroom. In fact, he has assisted his teaching colleagues in employing various technology uses in their own classrooms.

Mr. Adams is the proud father of Hailey, Hannah and Hillary with a fourth daughter on the way with his wife Marina. Teachers like Kevin Adams and the good work that is being done in Anson County Schools and Anson County Early College kindles the fire of hope for the children and families of Anson County.



## cabarrus county teacher of the year janelle patterson

All you have to do is to look at the signature line of her email to see what Janelle Patterson's passion is. It reads as follows: Janelle Patterson, Kindergarten Teacher. Simply stated but speaking volumes. Growing up in



*Having her mother as an example (below, age 3), Janelle Patterson determined in kindergarten that she wanted to grow up to teach kindergarten.*

Salisbury, NC, Janelle had a wonderful example in the person she calls her first teacher....her mother. Janelle's mother spent a year as a school teacher so as a small child, Janelle learned how to "play" school. She loved learning and loved teaching her first student, the family dog. Being raised in such a loving environment, Janelle quickly realized that not all children had the good fortune of such a positive influence in their lives, where learning was fostered and encouraged. It was from those early childhood experiences, Janelle became determined to teach young children so that they too might gain the same love for learning.

When you speak with Mrs. Patterson, you can't help but note the word "love" is a well-used piece of her vocabulary. Not only in speaking of her love of learning and teaching, she often reminds you of her love for the children in her classroom. That feeling is very evident in the surroundings of the classroom she has created for her students. She sits among the children

instructing from their own eye level and greets them with hugs of true affection. To encourage that mutual fondness and respect, in addition to calling each one by name, she warmly refers to them as "friend."

Mrs. Patterson attended the University of North Carolina at Charlotte where she received a Bachelor of Arts degree in Child and Family Development.

She has been teaching for seven years and has been a kindergarten teacher at Royal Oaks Elementary School in Kannapolis for the last five years. Janelle and her husband, Brian, also a teacher at Royal Oaks, live in Concord.



## stanly county teacher of the year ellen blue

You don't have to be in the presence of Albemarle native and Stanly County Teacher of the Year Ellen Blue long before you hear her exclaim, "Math is fun!" And thus the stage is set for the classroom experience you will find in 5th grade math at East Albemarle Elementary School. Ellen always knew she wanted to be a teacher and loves the challenge of finding what works for each child to have that awakening moment when their light is turned on to math. Though she has taught other grades, she enjoys being part of the significant transition that students experience during fifth grade as they prepare to leave elementary school behind for middle school.

Ellen views education as a gift that can not be taken away. A lifelong learner herself, she loves finding new ways to teach children about the world around them and seeing

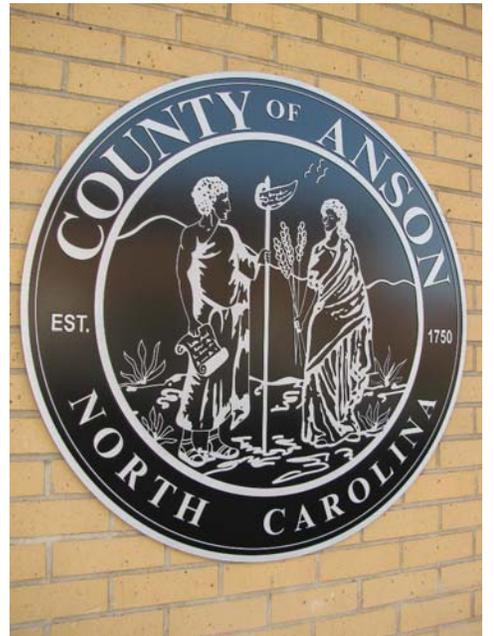
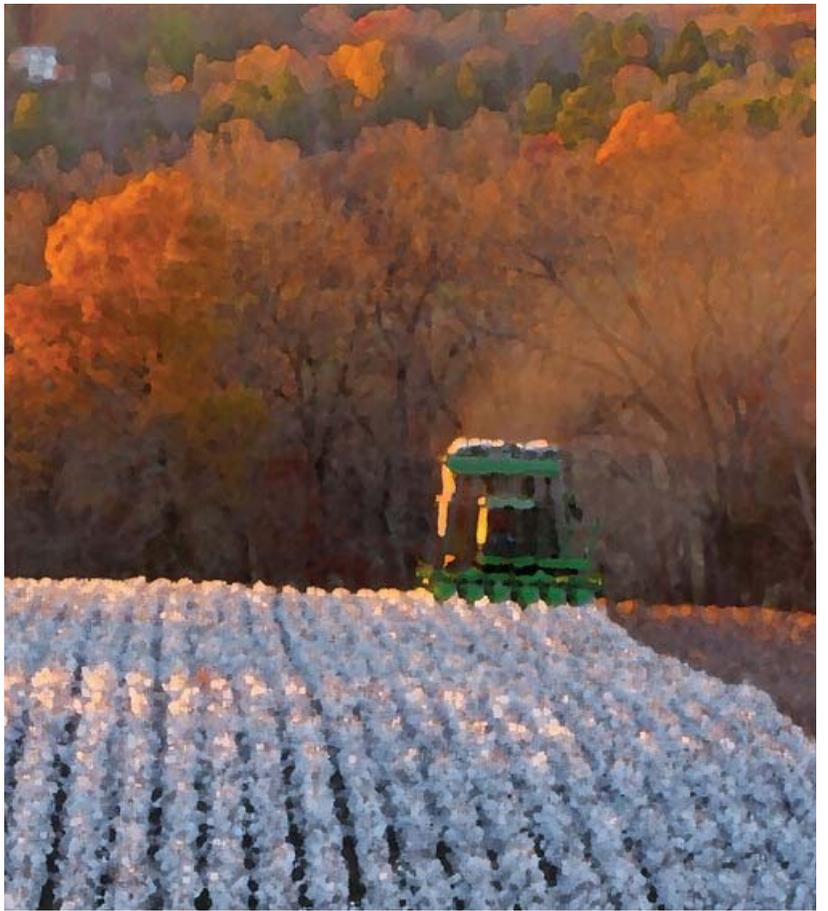
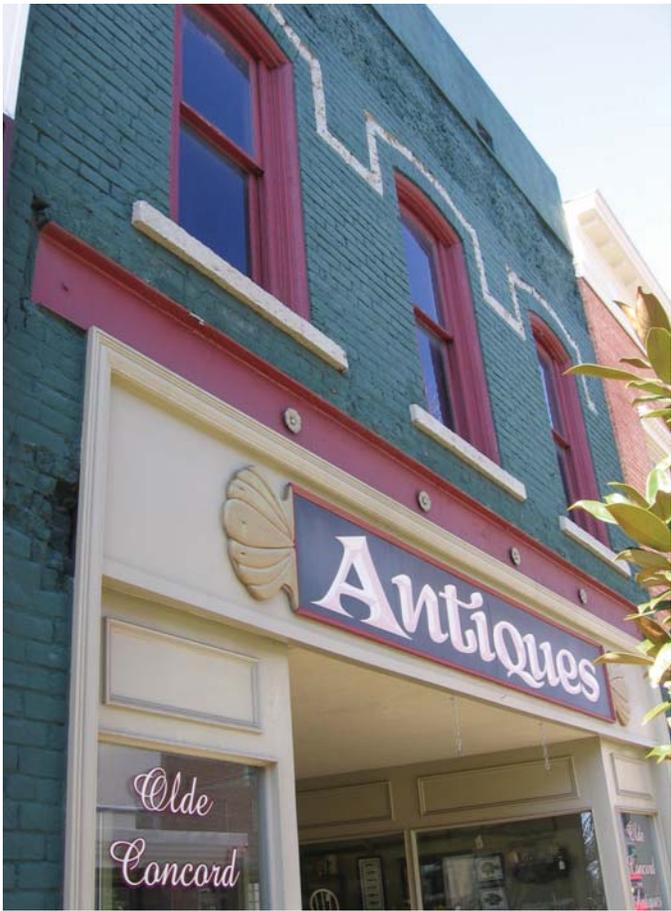
a child get excited about learning. As her first year teaching mentor, Barbara Overcash remembers Blue bringing innovative strategies and interesting teaching approaches to her classroom. She encourages her students to think of math as an action word because it's always doing something – adding, subtracting, multiplying or dividing. For every problem, she challenges them to make a math movie in their heads. This way, it makes them think about it. The genuine rapport she develops with her students allows her to develop plans and activities based on the individual. She enjoys the challenge of finding different strategies to help students solve the same type of problem and as she sees it, learning to solve problems in math gives students the skills to solve problems in life.

Ellen was educated in the Stanly County Schools and earned both her Bachelor of Science and Masters degrees in Elementary Education from Pfeiffer University. She and her husband Terry live in Albemarle and have a teenage daughter, Samantha.



*Mentor Barbara Overcash (right) visits Stanly County Teacher of the Year Ellen Blue in her classroom.*





## uwharrie capital corp associates

Nancy H. Allen	Roger L. Dick	Richard E. James	Cheryl P. Rinehardt
Cecil I. Almond	Brendan P. Duffey	Jacqueline S. Jernigan	Teresa T. Ritchie
Heather H. Almond	Donald R. Edwards	Amy B. Johnson	David M. Rudisill
Kathy H. Almond	Chasity L. Efird	Sonya H. Johnson	Cynthia C. Sasser
Jason R. Andrew	Debra M. Erk	Carol H. Jones	Brandon J. Schaeffer
Annie S. Austin	Bradley W. Eudy	Mark O. Jones	Brooke L. Senter
P. Craig Austin	Brandon J. "BJ" Eudy	Donna J. Kenney	Neil B. Senter
Amy Y. Barbee	Leslie T. Eudy	Austin O. King	Roger S. Seymour
Ronald D. Barnes	Reva P. Evans	Suzette D. Kluttz	Debbie B. Sheppard
Jill A. Barrier	Derek U. Ezzell	Mitchell C. Knighten	Tamara M. Singletary
Anitra C. Barringer	Duane S. Fagg	W.D. Lawhon, Jr.	Brandi M. Smith
R. David Beaver, III	Monty L. Fast	Daria W. Ledbetter	Helen A. Smith
Dayle C. Beaver	Anne R. Flynn	Holly F. Lee	Katrina H. Smith
Sarah G. Bivins	Tammie D. Fraley	Joy M. Lee	Kelly B. Smith
Jennifer L. Blake	Deborah G. Frick	Charlie W. Lentz	Sabrina D. Smith
Megan E. Blalock	Allen K. Furr	Mark A. Lisk	William H. Sowards
Shanna M. Blalock	Elizabeth G. Galyan	Kimberly C. Long	Patricia B. Speight
Ronnie D. Blanton	E. Nicole Gardin	Kimberly E. Love	Christy D. Stoner
Rebecca B. Bost	David C. Gaskin	Audrey F. Lowder	Ryan V. Story
Tiffany M. Bowman	Susan B. Gibson	G. Marty Lowder	Megan S. Stroud
Robert B. Brannan, III	Shannon M. Goff	Patricia L. Lowder	A. Donald Swaringen
Robert O. Bratton	Julie A. Graham	Sheila M. Lowder	Crystal B. Swaringen
Misty C. Broadway	M. Casey Greene	Teresa G. Lowder	Gayle B. Talbert
W. Gaynelle Brooks	Matthew W. Greene	Tonya M. Lowder	Jeffrey M. Talley
Courtney R. Brown	Caris H. Hahn	Traci R. Lowder	M. Chad Tarlton
Barry C. Brummitt	Linda D. Harkey	Rodrigo M. Luevano	Angela S. Teems
Debbie S. Burkett	Alisa E. Hartsell	Sandra P. Mabry	Jessica N. Thompson
JoAnne B. Burleson	E. Thomas Hartsell	Sandra S. Maiden	Misti D. Thompson
Brenda D. Burris	Mary A. Hartsell	Dana A. Maness	Misty W. Thornburg
Cathy M. Burris	Michael G. Harwood	J. Michael Massey	Crystal M. Troutman
Judith A. Camp	Ginger Y. Hatley	Elsa E. Mata	Marci A. Tucker
Anita F. Carpenter	Jane S. Hatley	John P. McIntyre	Michelle P. Tucker
Michelle B. Carver	Patricia C. "Diane" Hatley	Dawn L. Melton	Susan T. Tucker
Brandis T. Chewning	Kayla P. Heafner	Lorelei V. Misenheimer	Kristin M. Umberger
Ashleigh L. Cline	Tammy R. Helms	Lorrie M. Nantz	Tina L. Ussery
D. Starr Cloninger	Charles M. Hester	Robin E. Nicolaisen	Kathy R. Valentine
Victoria H. Coggins	Anita C. Hill	Johnda S. Noble	Vinita K. Vanhoy
Mary A. Collins	Deborah T. Hinson	Misty M. Nordan	Eddie F. Wall
Gayle F. Comer	Jan L. Hobbs	Martha W. O'Brien	Robbie H. Walters
Tracy L. Conley	Carolyn F. Hopkins	H. Clifford Parsons	Angela T. Webb
Julie C. Conner	Patricia D. Horton	Janna H. Pressley	Kimberly A. Weemhoff
Shelia B. Cook	Martha E. Hughes	Jennifer K. Purser	Donna N. Whitley
Anngenell Y. Cooke	Kristi W. Humphrey	Trena B. Purvis	M. Starr Whitley
Donald M. Davis	Brian A. Ingold	Christopher P. Rash	Barbara S. Williams
Cheryl J. Dearmon	Jessica S. Ingram	Brandi A. Ray	Tonda M. Witmore
Stephen A. Denning	Williesenia A. Ingram	Cindy L. Riley	Kenneth E. Yelton

# community investment

- Albemarle Downtown Development Corporation
- Alzheimer's Association
- American Cancer Society
- American Legion Post #520
- American Red Cross
- Anson County 4-H
- Anson County Chamber of Commerce
- Anson County Ducks Unlimited
- Anson County Historic Society
- Anson County Partnership for Children
- Anson Woman's League
- Ben Mynatt Children's Foundation
- Better Badin, Inc.
- Boys & Girls Club of Cabarrus
- Cabarrus Arts Council
- Care Fund
- Carolina Thread Trail Fund
- Central NC Council Boy Scouts
- CMC NorthEast Medical Foundation
- Community Athletics, Benefits, Concerts, Events, Youth
- Community Churches & Christian Ministries
- Crisis Pregnancy Center
- Cannon Memorial Foundation
- Cystic Fibrosis Foundation
- Fire Departments
- Flight of Honor
- Foundation of Anson Community Hospital
- GHA, Inc.
- Girl Scouts
- Gray Stone Educational Foundation, Inc
- Greater Piedmont Teen Challenge
- Habitat For Humanity
- Helping Hands
- Stanly Academy's Holla Dollas
- Hospice
- John P. Murray Community Care Clinic
- Juvenile Diabetes Research Foundation - Piedmont Triad Chapter
- Kerrie D. Efird Memorial Scholarship
- Lighthouse of Stanly
- Lions Club
- Mineral Springs Brotherhood
- Monarch
- Municipalities
- Muscular Dystrophy Association
- NC Bankers Association
- Pat Burris Memorial Fund
- Patrick Henry Academy
- Police Departments
- Relay for Life
- Rescue Unit of Stanly County
- Rotary Clubs
- Schools - Project Graduation, Academic Programs, Athletics
- Sole Mission
- South Piedmont Community College Foundation
- Stanly Co. Arts Guild
- Stanly Co. DVA
- Stanly Community College Foundation
- Stanly County Chamber of Commerce
- Stanly County Community Inn
- Stanly Regional Medical Foundation
- The Esther House
- The Lee Institute
- United Way Campaigns
- Wadesboro Kiwanis Club
- YMCA's
- Wadesboro Civitan



## our locations



While technology is vital to our future growth, our brick and mortar presence will continue to be an important way for us to serve our customers. Our companies are community focused, with an emphasis on local decision making and strong community support. We remain committed to the well-being of our communities by delivering products and services with the best interest of our customers in mind. We continually work to enhance our product line and promote all of the convenience our customers expect. We reinvest in our business, our products and our technology, but just as important, we reinvest in our communities.

### Bank of Stanly

[www.BankofStanly.com](http://www.BankofStanly.com)

#### ALBEMARLE

Post Office Box 338  
Albemarle, NC 28002-0338

MAIN OFFICE  
AND INVESTMENT  
SERVICES CENTER  
704-983-6181  
167 North Second Street (28001)

VILLAGE OFFICE\*  
704-983-6181  
710 North First Street (28001)

EAST ALBEMARLE OFFICE\*  
704-983-6181  
800 NC 24-27 Highway (28001)

ATM Location  
Stanly Regional Medical Center

#### NORWOOD\*

704-474-3103  
107 South Main Street  
Post Office Box 657  
Norwood, NC 28128-0657

#### OAKBORO\*

704-485-3435  
624 North Main Street  
Post Office Box 539  
Oakboro, NC 28129-0539

#### WEST STANLY\*

704-888-8897  
416 West Main Street  
Post Office Box 715  
Locust, NC 28097

\*ATM Locations

### Cabarrus Bank & Trust

[www.CabarrusBankandTrust.com](http://www.CabarrusBankandTrust.com)

#### CONCORD

Post Office Box 1970  
Concord, NC 28026-1970

PALASIDE DRIVE OFFICE\*  
704-262-3855  
25 Palaside Drive, NE (28025)

CHURCH STREET OFFICE  
704-262-3855  
700 Church Street North (28025)

#### MT. PLEASANT\*

704-436-2300  
1490 South Main Street  
Post Office Box 1081  
Mt. Pleasant, NC 28124-1081

\*ATM Locations

### Anson Bank & Trust

[www.AnsonBankandTrust.com](http://www.AnsonBankandTrust.com)

#### WADESBORO

704-694-2122  
211 South Greene Street  
Post Office Box 249  
Wadesboro, NC 28170-0249

ATM Location  
426 East Caswell Street

### STRATEGIC

INVESTMENT ADVISORS, INC.

[www.StrategicInvestmentAdvisors.com](http://www.StrategicInvestmentAdvisors.com)

#### ALBEMARLE

704-983-5959  
132 North First Street (28001)  
Post Office Box 1517  
Albemarle, NC 28002-1517

#### CONCORD

CHURCH STREET OFFICE  
704-262-3855  
700 Church Street North (28025)  
Post Office Box 1970  
Concord, NC 28026-1970

#### WEST STANLY

704-888-8897  
416 West Main Street  
Post Office Box 715  
Locust, NC 28097

### Uwharrie Capital Corp

[www.UwharrieCapitalCorp.com](http://www.UwharrieCapitalCorp.com)

#### ALBEMARLE

704-982-4415  
132 North First Street (28001)  
Post Office Box 338  
Albemarle, NC 28002-0338



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 of principal.

Uwharrie Capital Corp is committed to the beneficial use of local and natural resources. Through collaborations with local customers and community partners, Uwharrie Capital Corp's 2011 Summary Annual Report was produced with resources within Stanly, Anson and Cabarrus counties. Additionally, this report was printed on an environmentally friendly paper.



Ed Lipe: Page 4, Page 12, Page 24, Page 25



Raymond Marsden: Page 20, Page 24



God's Country Outfitters: Page 5, Page 19

Printed on recycled paper from sources that have been independently certified for sustainable and well managed forestry practices.



Stony Mountain Vineyards  
Page 17



Thomas Cureton  
Page 24



John Williams  
Page 25

## shareholder information

It is the philosophy of Uwharrie Capital Corp to promote a strong, local shareholder base. While bid and asked prices for the Company's common stock are quoted on the Over the Counter Bulletin Board 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/Investor Relations at Uwharrie Capital Corp, 132 North First Street, Post Office Box 338, Albemarle, NC 28002-0338.

Telephone (704) 982-4415

Email address: [tsingletary@uwharrie.com](mailto:tsingletary@uwharrie.com)

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 of principal.

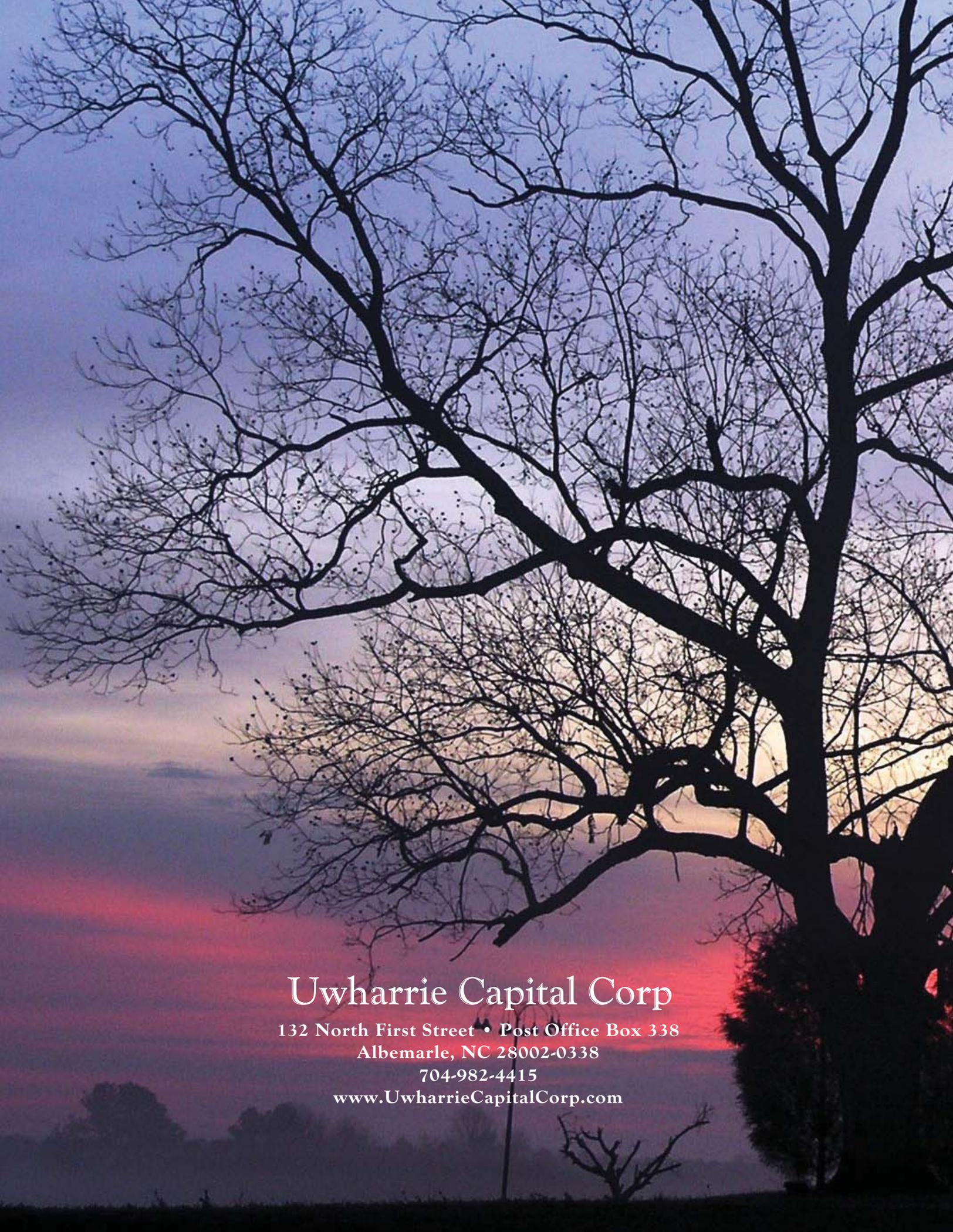
The financial information appearing in this Summary Annual Report has been condensed from the consolidated financial statements which accompany the Proxy Statement distributed in connection with Uwharrie Capital Corp's 2012 Annual Meeting of Shareholders. A copy of the Company's 2011 Annual Report on 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](http://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](mailto:tsingletary@uwharrie.com))

Management has simplified the financial presentation in this Summary 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 the Summary Annual Report and is responsible for its accuracy and consistency.

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 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).



# Uwharrie Capital Corp

132 North First Street • Post Office Box 338

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