

WE STAND TODAY

Changed for the Better

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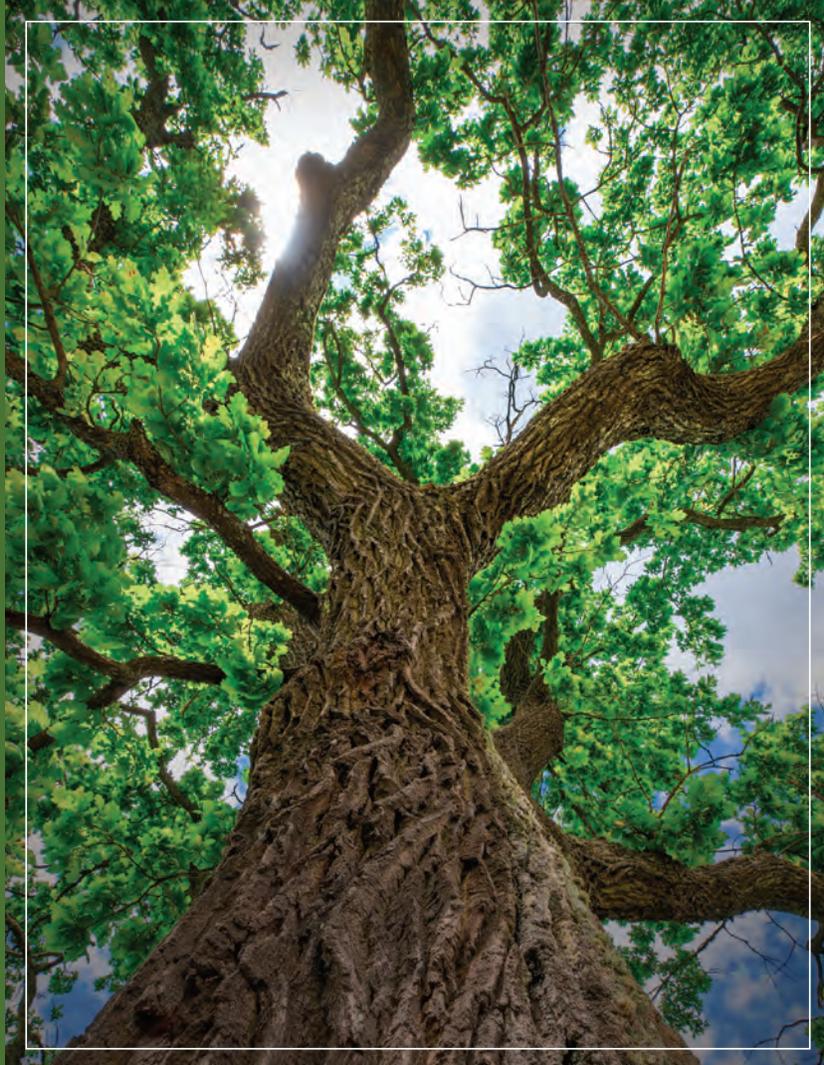


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Uwharrie
CAPITAL CORP
making a difference®

**AS WE HAVE ALL WORKED TO ADAPT TO
THE "NEW NORMAL,"**



**UWHARRIE HAS CHANGED FOR THE BETTER
AND IS MORE AGILE THAN EVER.**

UWHARRIE CAPITAL CORP

The formation of Uwharrie Capital Corp grew out of the recognition that **the well-being of a community is interlinked with the economic well-being of neighboring communities.** This strategy is designed to inspire durable economic growth, maintain quality of life and generate 21st-century prosperity. More than thirty-five years later, our focus remains our commitment to reinforce the building blocks of healthy, financially literate communities that control their own destiny and define the horizon line that far exceeds our lifetime.

A small group of people with a vision and faith came together to form an organization that would be community-focused, with an emphasis on local decision-making and strong community support. The purpose of Uwharrie Capital Corp was and is still today **to be a community-owned financial institution "For and By the People."**

It goes without saying that this year is not one we will soon forget. The challenges COVID-19 has presented to Uwharrie Capital Corp, our associates, customers and community have been difficult to navigate. However, **as we have all worked to adapt to the "new normal," Uwharrie has changed for the better and is more agile than ever.**

Uwharrie responded quickly to COVID-19 challenges, with the first priority being to ensure the safety and well-being of associates and customers. We have worked closely with relevant public health authorities to monitor the situation and will continue to follow their guidance to make informed decisions. Health and safety measures were implemented during the year, including glass shields and physical distancing in branches, and enhanced cleaning protocols.

From early March, we moved associates to work-at-home arrangements, split teams and introduced greater distance between those folks performing essential functions in the office. By late April, more than 50% of our non-branch personnel had adapted to working from home.

While we could never have predicted the nature or extent of the crisis we faced in 2020, we were prepared for it and were well-positioned to provide much-needed support for our customers, associates, and community partners.

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



CUSTOMERS

We are proud of our tradition of making local decisions to help our customers with their personal, business and investment needs. Our steadfast commitment to regaining and keeping local control grows out of our purpose for being.

Community banking is all about customer relationships. People do business with people. We continually enhance our product line to attract new relationships and provide all our customers' conveniences. Still, **our primary focus is on building sustainable, self-reliant economies for our communities.**

We are large enough to offer a full range of competitive products and services – from personal banking to commercial lending, wealth and risk management – and small enough to provide exceptional personal service on an individual basis that meets or exceeds our customers' expectations.



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. 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.

We experienced an incredible influx of businesses applying for Paycheck Protection Program (PPP) loans, residential mortgage applications and inquiries from customers seeking loan deferrals. We called upon more than 50 associates to work across different departments so we could be as responsive as ever to these incredibly urgent requests and deliver the level of service our customers expect and deserve.

With communities in quarantine, we saw an incredible increase in Online and Mobile Banking use and an increase in calls to our e-Banking and call center.

12,000
paychecks saved

STRENGTH IN NUMBERS

\$83 Million

amount of Paycheck Protection Program loans

925

refinances to decrease mortgage loan payments

22%

increase in online banking

173%

increased ATM deposits

429

purchases of new homes

36%

increase in mobile deposits

THE NEED FOR PROVIDING AFFORDABLE HOUSING



J'Tanya Adams , *Program Director
Historic West End Partners*

J'Tanya Adams knows that having the capital and the desire to help people connect to that capital is enormous. She has worked tirelessly for years as a longtime community activist and Program Director of the nonprofit Historic West End Partners in Charlotte. Adams has seen not only the gentrifying and vastly changing corridors but a city that has catapulted to another market level that, for many, is no longer affordable or maintainable.

The restoration and upgrading of older neighborhoods by middle-class or affluent people often displaces lower-income families. With escalating property taxes and code enforcement situations, the challenge to retain and maintain property has become unattainable to most long-term residents.

Having access to capital for a possible home renovation to meet new code requirements or to be able to refinance and get a lower interest rate because taxes and other expenses are higher are needs Uwharrie Bank is working to address.

WE ARE HERE TO SERVE YOU UWHARRIE INVESTMENT ADVISORS

A fiduciary is an individual or organization bound by law to act in someone else's best interest. At Uwharrie Investment Advisors, we have always been, and always will be, a fiduciary to 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.

Uwharrie Investment Advisors provides an extensive set of wealth management services and objective financial advice to clients seeking exceptional service. We offer clients investment management and advisory services, financial planning and risk management services. Clients of Uwharrie Investment Advisors are served by an experienced, proactive team of professionals who take the time to listen to their unique needs and objectives and then help them define and achieve their long-term goals.

Whether working with private clients and their families, or institutional clients, our goal is to create a trusted relationship that helps clients feel confident and secure about meeting their financial goals. Over the past several years, Uwharrie Investment Advisors has delivered strong growth of our client base by expanding our presence in the markets we serve.

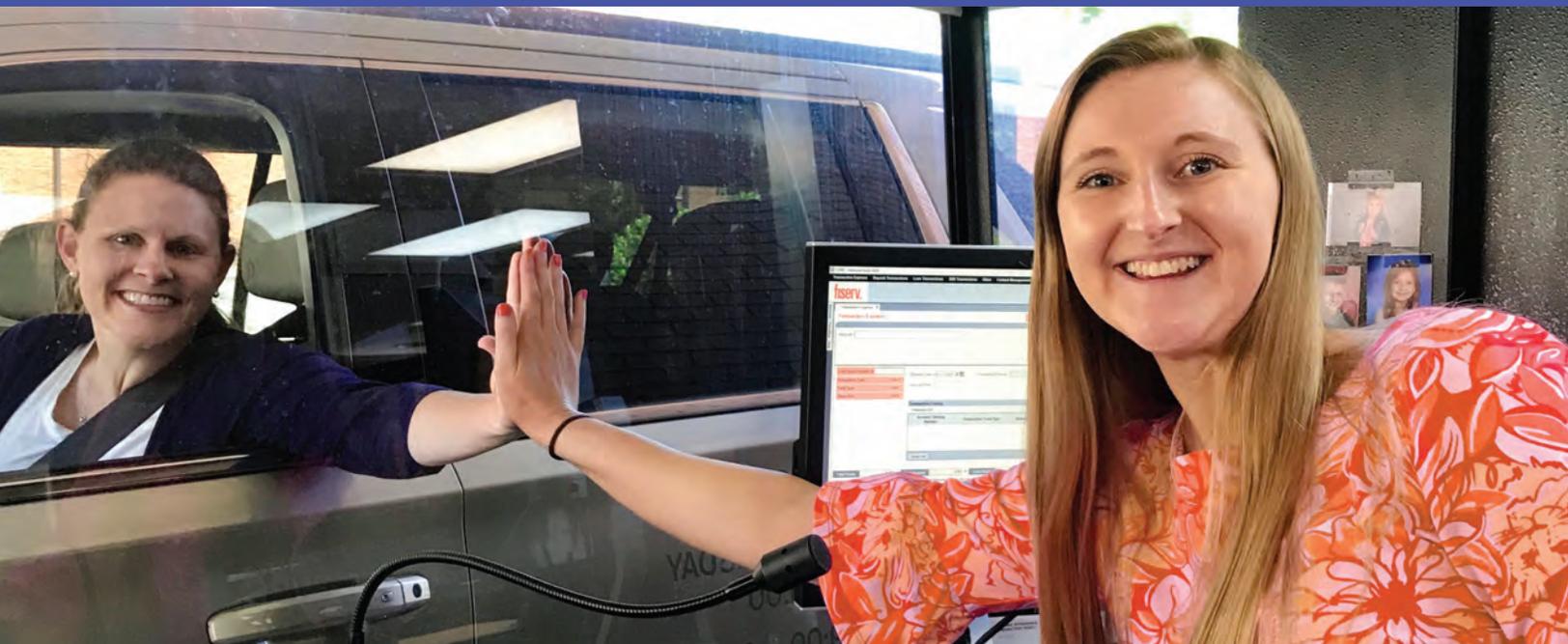
As of year-end 2020, Uwharrie Investment Advisors maintained approximately \$225 million in managed or advised client assets. We are here to serve you. We are here to help you weather the good times and the bad. That is our duty. That is our privilege. As always, we appreciate the opportunity to work with you.

STRENGTH IN NUMBERS

18,000
households
served

49
states where
customers
reside

\$225 Million
assets under advisement through
Uwharrie Investment Advisors



ASSOCIATES

As human beings, we're wired to connect and be part of a purpose in serving others or serving the greater good, something outside of us that allows us to feel more connected. We have an inherent desire to be part of something bigger than ourselves, and when you can see the impact that you have on another person, another community, on the world, it carries a lot of weight.

Uwharrie associates have demonstrated massive resilience over the past year. They have shown that, regardless of the circumstances, they will go over and above to support our customers, communities, and one another, while working to deliver for our shareholders. We moved quickly to provide tailored support to associates across our footprint to manage the pandemic. Our Technology and Operations teams worked tirelessly to ensure that

more than 50% of our non-branch associates could work from home while keeping our systems stable and secure. Our digital investments and progress over the past several years have helped us manage this crisis and positioned us to continue executing our strategy.

Our associates' health and well-being continue to be of the utmost importance to us, and we are proud to do what we can to support them, as they support our customers.

ZERO lost jobs
due to pandemic

STRENGTH IN NUMBERS

\$14 Million
annual payroll

190
associates committed to
improving and sustaining
their communities

Our associates are one of our most valuable resources because relationships are not just about the numbers. Service is a way-of-life attitude our people bring into the office every day and take home with them each night. We work here, but we also live here. We support many civic and charitable programs in the footprint in which we operate.

We support churches, libraries, museums and education programs, hospitals and disaster relief. Some programs provide much-needed relief, aid and comfort. Some just put smiles on children's faces, maybe our own or perhaps the kids down the street.



STRENGTH IN NUMBERS

50%

back office associates worked remotely during pandemic

53%

of employees participating in Wellness Program

32

families adopted by associates at Christmas

42%

increase in cleaning costs to make offices safe

3,000

training hours by associates

\$25,000

personal protective equipment for associates

COMMUNITY

We know the value of being relied upon in difficult economic times. As a community banking organization, we can provide leadership, guidance and help to our customers and communities. **For us, loans are not just about lending money but about turning deposits from the community into productive investments in that community.**

As a community banking organization, we are embedded in our communities' well-being 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 family-owned businesses and the rebuilding of our local and national economies. It is, therefore, imperative that our 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.



Giving back to our communities is an essential aspect of our mission, and this commitment was all the more apparent in the midst of the COVID-19 crisis.

In response to the COVID-19 pandemic, we deliberately focused our philanthropic investments on community-based donations that supported those most impacted. Uwharrie contributed more than \$600,000 to help people and communities most at risk during the pandemic, including direct contributions for COVID-19 relief, as well as the support of hospitals and healthcare professionals. We have been proud to be there for our communities when they needed us most.

\$600,000
donated to civic and charitable efforts

STRENGTH IN NUMBERS

500

healthcare workers served meals and snacks

\$63,000

donated through our Denim Difference jeans days since inception in 2014

\$54,000

contributed to 2020 United Way campaign

200

civic and nonprofits supported

PARTICIPATING IN A MAIN STREET RENAISSANCE

In a globalized world, there has been a trend toward more scale and corporate consolidation. As a result, we have witnessed the loss of control of local and regional economies as they became increasingly dominated by large multinational companies. Losing local political and economic power to large corporations headquartered outside of our community causes us concern.

While large organizations have their place, we would like to help create a world where there is balance. **Our Main Street businesses are still the backbone of America and provide for most of the new job creation across our nation. They make up the mosaic of enterprises that create one of the most resilient and adaptive economies on the planet.**

Main Street and locally-owned businesses are the essential components to a healthy and sustainable local economy. Money spent in local businesses is more likely to stay in the community, pay local workers, support local charities and create community wealth.

In the American spirit of being self-sufficient, we desire to help foster an economy where locally based businesses provide most of the jobs and services for our communities, as well as exporting goods and services to enhance our community well-being. Such an economy would offer stability and safety to our community in a world that has become more uncertain and volatile.

Localization brings businesses and jobs to where people live. It reduces the amount of money leaving our communities and makes more capital available to reinvest in other local ventures. In contrast, globalization has concentrated economic decision-making in global corporations that are often very powerful and have no accountability to the communities in which they operate.

A strong, self-reliant local economy will return a quality of life, where neighbors care for each other and our children and our children's children can feel financially secure and enjoy the blessings and contentment that allow them to maintain quality of life and dignity.

FIND YOUR HOME AT THE ALBEMARLE HOTEL

Liveatthealbemarlehotel.com

THE RESIDENCES AT THE ALBEMARLE HOTEL

Modern Living with Historic charm

Scan to learn more

As vibrant Main Streets have diminished, historic structures have been left behind. Fortunately, Albemarle Hotel was destined to be preserved. Uwharrie Capital Corp and its subsidiaries partner with visionary community leaders to revitalize our downtown neighborhoods.

COMMUNITY -continued

UWHARRIE BANK AWARDED 2020 COMMUNITY IMPACT AWARD

Uwharrie Bank was the recipient of the 2020 Cabarrus County Chamber of Commerce Community Impact Award. Chris Bowe, Vice President and Chief Operating Officer of the Central Division for Atrium Health made these comments as part of the presentation:

“We are proud to be a sponsor for the Community Impact Award. The nominees share Atrium Health’s commitment to being socially responsible in the community.

Because the entire team gives of their time and talents, our winner is able to impact the community in the following ways: sponsor community events, help children’s teams get new uniforms, support food needs for the homeless, provide funding for



free mammograms for women who cannot afford them, help with summer camp financial assistance for children, sponsor drug awareness programs in local schools, provide mentors for at-risk youth and partner with local Chambers, such as ours, to help foster an environment for business opportunities.

We think this year’s winner has impacted our community in amazing ways and we’re proud to present Uwharrie Bank with this award!”



DIRECTORS

As in our beginning, we are guided by a Board of Directors representing a broad base of local shareholders who understands community needs and strives every day to make our communities the very best they can be. We believe that a deep understanding and a close relationship with the communities we serve can be achieved only when interwoven in the fabric of the markets we serve. **Local civic and business leaders, serving as directors, provide the insight to local needs that we deliver on the promise of *making a difference*.** The Board of Directors' primary responsibility is to foster the long-term success of

the Company, consistent with the fiduciary duty to the shareholders. All this, as we hold firm to our purpose for being and the core values that remind us each day what we are all about as a Company.

Leadership always matters, but it is during times of crisis when it becomes the defining difference for an organization and its stakeholders.

Thanks to our highly engaged and supportive Board of Directors. Our leadership team has appreciated their experience and wise counsel during this difficult time.



The members of our Board of Directors work to foster the long-term success of the Company and its subsidiaries. Our directors were quick to embrace the technology and shift to virtual meetings due to COVID-19.

Uwharrie Capital Corp Board of Directors: Merlin Amirtharaj, Dean M. Bowers, Joe S. Brooks, James O. Campbell, Tara G. Eudy, Deidre B. Foster, Allen K. Furr, Thomas M. Hearne, Jr., Matthew R. Hudson, Harvey H. Leavitt, III, W. Chester Lowder, Wesley A. Morgan, Cynthia L. Mynatt, James E. Nance, Chris M. Poplin (not pictured), Frank A. Rankin, III, Randy T. Russell, Vernon A. Russell, Matthew A. Shaver, MD (not pictured), S. Todd Swaringen **Advisory Directors:** D. Anthony Plath, Ph.D., Roger L. Dick

SHAREHOLDERS

“For the people, by the people, a great nation was started; so too would be a great bank,” was the founding creed in the organizational days of our Company. This new institution would be formed on the premise that all people could participate in an effort to take care of the financial needs of our community. In keeping with the spirit of democracy, upon which our country was founded, the ownership of our Company was broadly distributed among our shareholders. We, therefore, consciously limited individual ownership to 1% of our stock. This would assure that there was a broad base of community ownership and that our Company would be governed by the people. We

purposely chose to have the shares of our stock owned by citizens and people with local ties who were committed to the success of our community.

While a number of things have changed since the early days in our Company’s history, those that matter have remained the same. Our original shareholder group has increased from approximately 1,200 to over 3,000. This is due, in no small part, to the appeal of our guiding principle to put the needs of the community and our marketplace first. While demonstrating that this can be done successfully, we are creating wealth for shareholders and doing good in the communities we serve.



Kenny and Vanessa Chambers

Original incorporating shareholders

“We were introduced to Bank of Stanly when it was first being organized because they wanted to make sure all parts of the community were included and represented with the new bank. We were made to feel good about being a partner with the startup and after all these years, we are treated as family members and are called by name when we go to the Bank. Like many others, we had some challenges with identity fraud and suspicious activity on our accounts, but the folks at the Bank were always so helpful in getting these things straightened out and worked hard to protect us. We refer our friends and neighbors to the Bank because we know they are going to look after and give back to our community.”



Scott Clements

New shareholder in 2020

“Uwharrie Bank is the best partnership I’ve ever had with a bank from a loan, to investing, to ownership. I’ve had four different loans with Uwharrie Bank: my primary home, second home, second mortgage and HELOC... all simple and easy to get processed and serviced. The front line and back office staff throughout this organization go over and above to help their clients. And with how well I’ve been treated with my investment portfolio and by my investment advisor, I jumped on the opportunity to be a shareholder in one of the best banks I’ve encountered in a long time. I could not imagine being a client and a shareholder anywhere else.”

COMMITTED TO YOU

Our commitment to serving our customers and our communities has proven to be a winning strategy and 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 long-running annual investments in technology came to powerful fruition in 2020. The years spent building robust infrastructure, developing mobile capabilities, refining our platform and implementing continuity procedures across corporate locations all came together to allow us to pivot at a critical moment.

We believe great companies have a moral core. We care deeply about our communities, and we demonstrate this commitment every day by responding where there is a need. We work hard to foster economic, social, and quality of life issues within the scope of our business reach. Whenever possible, our actions promote financial prosperity to our customers and our Company, foster socio-cultural equity and protect natural resources to preserve and improve our quality of life for the

welfare of present and future generations. We have an enduring business model built for sustainable growth and a foundation in our Mission, our Purpose for Being, that reminds us each what we are all about as a Company.

Since our beginning, it has been our honor to help generations of families to own homes, attend college, open and maintain businesses, retire worry-free and leave a lasting legacy..all while providing a fair return to our shareholders.

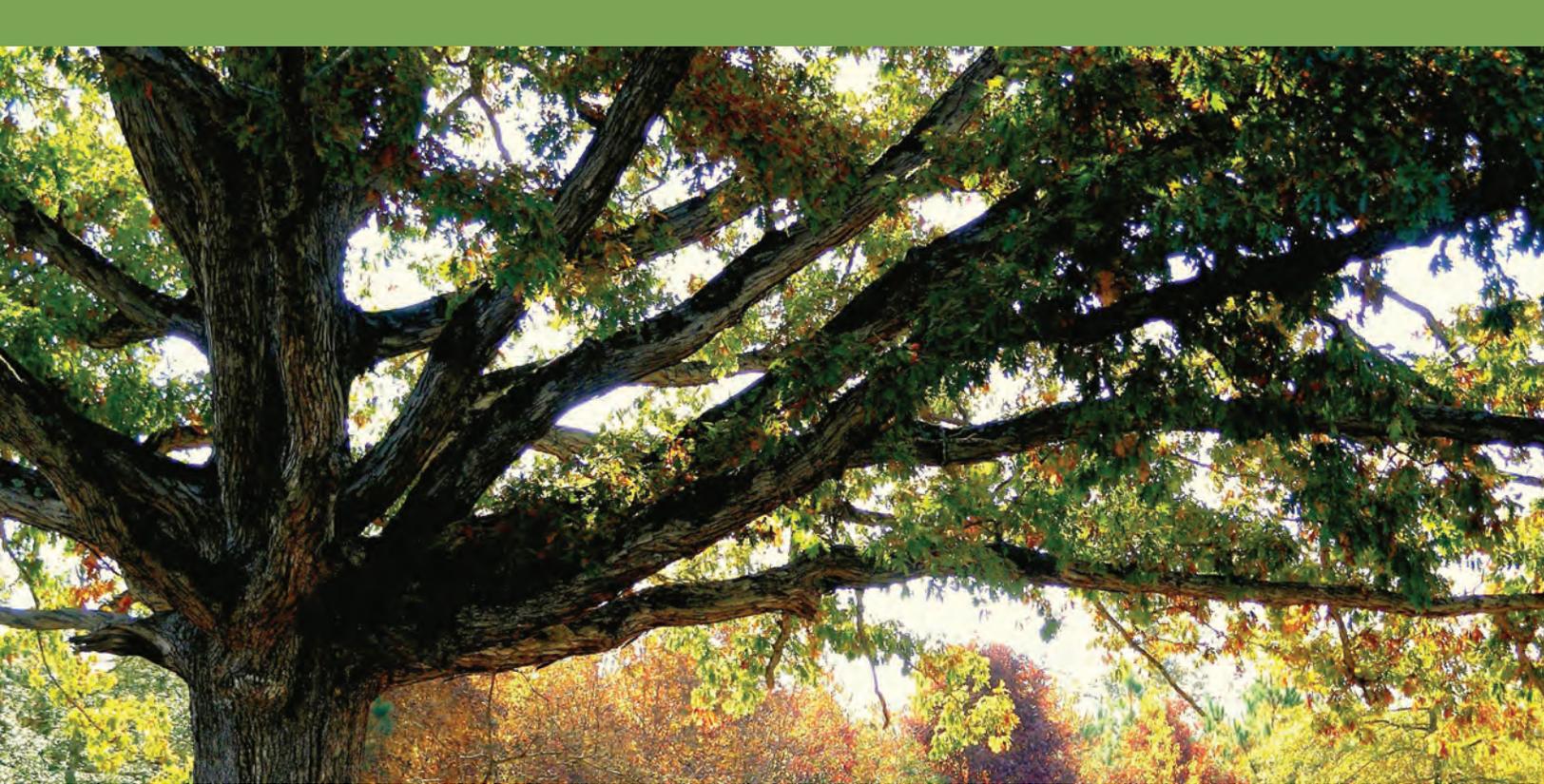
Certainly, we measure ourselves by revenues and profits and all the other benchmarks that financial services companies live by. **Still, you - our customers, shareholders and the communities we serve - continue to be the foundation of our Company and our reason for being.**



STRENGTH IN NUMBERS

2020 FINANCIAL HIGHLIGHTS





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

“The founding mission of Uwharrie Capital Corp still holds true:
Create robust local economies that help our neighbors obtain a quality of life
that promotes traditional values, values that inspire us to care for one another,
and create opportunities where our children and grandchildren
can achieve financial security. To us, it’s about more than a bottom line,
it’s about *Making a Difference*[®].”

Roger Dick, CEO

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 2021 Annual Meeting of Shareholders. A copy of the Company’s 2020 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

Securities, with the exception of bank products, are not FDIC insured, are not guaranteed by a 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



132 N. First Street | Albemarle, North Carolina

uwharrie.com

"For and By the People"

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. An 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