



First Quarter Report

March 31, 2025



uwharrie.com

May 22, 2025

Dear Shareholder:

As we reflect on the first quarter of 2025, we remain deeply grounded in our mission to serve people first and steward the financial well-being of our communities. The broader banking sector continues to navigate a complex landscape shaped by evolving interest rate dynamics, regulatory scrutiny, and shifting customer expectations. Through it all, your Company remains focused on long-term resilience, responsible growth, and values-driven service.

Community banks like ours continue to prove their relevance and strength. While some financial institutions have faced growing regulatory pressure and margin compression, our local presence and relationship-first model have positioned us to respond with agility and care. We remain committed to local decision-making and tailored financial solutions that reflect the needs and aspirations of the communities we serve.

Financial Performance

During the first quarter, your Company achieved the following key milestones:

- Total assets reached \$1.16B, representing a 3% increase from December 31, 2024.
- Deposit growth totaled \$29M, reflecting continued relationship development across our core markets.
- Net income for the quarter was \$2.6M, compared to \$2.4M in Q1 2024.
- Pre-Tax, Pre-Provision Income* for Q1 2025 was \$3.6M, compared to \$3.0M in Q1 2024, a 19% increase.
- Credit quality remained sound, with 0.06% of total loans as past-due 30+ days or non-accrual compared to FFIEC peer** of 1.12%.

These results speak to the trust you have placed in us and the dedication of our team, who continue to deliver high-touch service in an increasingly digital world.

Positioned for What's Ahead

We enter the rest of the year with clarity and purpose. Our balance sheet is strong, our capital levels are healthy, and our team is energized by the opportunity to make a difference—one relationship at a time. While economic headwinds may persist, we believe our conservative posture and community-centered strategy will allow us to remain a source of stability and opportunity.

(continued on back cover)

Uwharrie Capital Corp and Subsidiaries

Consolidated Balance Sheets (Unaudited)

| (Amounts in thousands except share and per share data) | March 31, 2025 | March 31, 2024 |
|--|---------------------|---------------------|
| Assets | | |
| Cash and due from banks | \$ 10,124 | \$ 11,446 |
| Interest-earning deposits with banks | 67,076 | 51,203 |
| Securities available for sale | 343,866 | 338,447 |
| Securities held to maturity (fair value \$24,226 and \$25,583, respectively) | 26,784 | 28,430 |
| Less: allowance for credit losses on securities held to maturity | (68) | (66) |
| Net securities held to maturity | 26,716 | 28,364 |
| Equity securities, at fair value | 311 | 343 |
| Loans held for sale | 4,546 | 5,299 |
| Loans held for investment | 664,902 | 613,808 |
| Less: allowance for credit losses on loans | (6,065) | (5,523) |
| Net loans held for investment | 658,837 | 608,285 |
| Premises and equipment, net | 14,208 | 14,894 |
| Interest receivable | 4,697 | 4,765 |
| Restricted stock | 1,748 | 1,709 |
| Bank-owned life insurance | 7,972 | 7,828 |
| Deferred income tax benefit | 8,282 | 9,034 |
| Loan servicing assets | 3,834 | 4,180 |
| Other assets | 11,192 | 10,869 |
| Total assets | <u>\$ 1,163,409</u> | <u>\$ 1,096,666</u> |
| Liabilities | | |
| Deposits: | | |
| Demand, noninterest-bearing | \$ 282,049 | \$ 284,856 |
| Interest checking and money market accounts | 405,730 | 407,211 |
| Savings accounts | 95,810 | 100,093 |
| Time deposits, \$250,000 and over | 134,444 | 86,047 |
| Other time deposits | 141,258 | 121,616 |
| Total deposits | 1,059,291 | 999,823 |
| Short-term borrowed funds | 1,467 | 6,290 |
| Long-term debt | 29,180 | 29,123 |
| Other liabilities | 11,125 | 11,027 |
| Total liabilities | <u>1,101,063</u> | <u>1,046,263</u> |
| Shareholders' Equity | | |
| Common stock, \$1.25 par value: 20,000,000 shares authorized; issued and outstanding or in process of issuance 7,061,777 and 7,103,003 shares, respectively. | | |
| Book value per share \$7.32 in 2025 and \$5.49 in 2024 ⁽¹⁾ | 8,827 | 8,879 |
| Additional paid-in capital | 12,427 | 12,735 |
| Undivided profits | 52,765 | 44,347 |
| Accumulated other comprehensive loss | (22,328) | (26,213) |
| Total Uwharrie Capital Corp shareholders' equity | 51,691 | 39,748 |
| Noncontrolling interest | 10,655 | 10,655 |
| Total shareholders' equity | 62,346 | 50,403 |
| Total liabilities and shareholders' equity | <u>\$ 1,163,409</u> | <u>\$ 1,096,666</u> |

⁽¹⁾ Net income per share, book value per share and weighted average shares outstanding have been adjusted to reflect the 2.0% stock dividend in 2024.

Uwharrie Capital Corp and Subsidiaries

Consolidated Statements of Income (Unaudited)

| (Amounts in thousands except share and per share data) | Three Months Ended March 31, | |
|---|---------------------------------|-----------------|
| | 2025 | 2024 |
| Interest Income | | |
| Interest and fees on loans | \$ 10,225 | \$ 8,794 |
| Interest on investment securities | 3,087 | 3,238 |
| Interest-earning deposits with banks and federal funds sold | 490 | 626 |
| Total interest income | <u>13,802</u> | <u>12,658</u> |
| Interest Expense | | |
| Interest paid on deposits | 4,355 | 3,729 |
| Interest paid on borrowed funds | 343 | 391 |
| Total interest expense | <u>4,698</u> | <u>4,120</u> |
| Net Interest Income | 9,104 | 8,538 |
| Provision for (recovery of) credit losses | 281 | (30) |
| Net interest income after provision for (recovery of) credit losses | <u>8,823</u> | <u>8,568</u> |
| Noninterest Income | | |
| Service charges on deposit accounts | 259 | 268 |
| Interchange and card transaction fees | 249 | 288 |
| Other service fees and commissions | 981 | 931 |
| Loss on sale/call of securities | - | (148) |
| Realized/unrealized gain (loss) on equity securities | (23) | 41 |
| Income from mortgage banking | 1,051 | 834 |
| Other income (loss) | (136) | 115 |
| Total noninterest income | <u>2,381</u> | <u>2,329</u> |
| Noninterest Expense | | |
| Salaries and employee benefits | 5,420 | 5,214 |
| Occupancy expense | 464 | 425 |
| Equipment expense | 204 | 207 |
| Data processing | 213 | 230 |
| Loan costs | 89 | 33 |
| Professional fees and services | 270 | 264 |
| Marketing and donations | 359 | 366 |
| Software amortization and maintenance | 364 | 330 |
| Other operating expenses | 545 | 813 |
| Total noninterest expense | <u>7,928</u> | <u>7,882</u> |
| Income before income taxes | 3,276 | 3,015 |
| Provision for income taxes | 723 | 632 |
| Net Income | <u>\$ 2,553</u> | <u>\$ 2,383</u> |
| Consolidated net income | \$ 2,553 | \$ 2,383 |
| Less: net income attributable to noncontrolling interest | (139) | (141) |
| Net income attributable to Uwharrie Capital Corp and common shareholders | <u>\$ 2,414</u> | <u>\$ 2,242</u> |
| Net Income Per Common Share ⁽¹⁾ | | |
| Basic | \$ 0.34 | \$ 0.31 |
| Assuming dilution | \$ 0.34 | \$ 0.31 |
| Weighted Average Common Shares Outstanding ⁽¹⁾ | | |
| Basic | 7,075,865 | 7,264,925 |
| Assuming dilution | 7,075,865 | 7,264,925 |



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making a difference®
uwharrie.com



First Quarter Report, March 31, 2025



(continued from front cover)

We thank you—our shareholders, customers, associates, and communities—for your continued support. You are the reason we do what we do, and together, we are building a more vibrant and inclusive financial future.

With gratitude,
UWHARRIE CAPITAL CORP

A handwritten signature in black ink, appearing to read "Roger L. Dick".

Roger L. Dick
President and Chief Executive Officer

*Pre-Tax, Pre-Provision Income is a non-GAAP measure. This metric is used by management to measure income from recurring operations.
**Federal Financial Institutions Examination Council report of Uniform Bank Performance Report from Call Report data as of March 31, 2025.

This 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).