



Second Quarter Report June 30, 2025



August 22, 2025

Dear Shareholder:

At the midpoint of 2025, we find ourselves in an economic environment that continues to present challenges. This quarter brought meaningful opportunities to advance our priorities and further strengthen Uwharrie Capital Corp.

We are proud to share that the American Bankers Association reported that Uwharrie Capital Corp ranked #14 nationally in the top 20 publicly traded banks under \$2 billion in assets during 2024.

Our financial performance through the first six months of 2025 continues to excel.

- Total assets increased to \$1.17B, up \$46.5B, or 4.1%, from June 30, 2024.
- Total loans reached \$687M, rising from \$640M at June 30, 2024, a 7.2% increase.
- Deposits increased by \$38.3M, or 3.7%, from Q2 2024.
- Net income rose \$271K, or 10.6%, from Q1 2025 and \$781K, or 17%, year-over-year.
- Net interest margin stood at 3.56%, compared to 3.42% in Q2 2024.
- Maintained a healthy total annualized return on equity of 17.3%.

In April, our team embraced Community Banking Month with purpose. Over 130 employees participated in nearly 20 community projects across our footprint. While we engage in local initiatives throughout the year, this concentrated effort reaffirmed our deep commitment to service and civic engagement.

As we look ahead to the second half of the year, we remain grounded in our mission and guided by our core values. We are growing with purpose, listening closely, and leading with service — ever mindful of the people and communities who make this journey meaningful.

(continued on back cover)

Uwharrie Capital Corp and Subsidiaries Consolidated Balance Sheets (Unaudited)

| (Amounts in thousands except share and per share data) | June 30, 2025 | June 30, 2024 |
|---|---------------------|---------------------|
| Assets | | |
| Cash and due from banks | \$ 10,676 | \$ 11,195 |
| Interest-earning deposits with banks | 62,598 | 46,276 |
| Securities available for sale | 340,985 | 350,764 |
| Securities held to maturity (fair value \$21,047 and \$24,656, respectively) | 23,753 | 27,252 |
| Less: allowance for credit losses on securities held to maturity | (54) | (66) |
| Net securities held to maturity | 23,699 | 27,186 |
| Equity securities, at fair value | 325 | 324 |
| Loans held for sale | 9,147 | 3,611 |
| Loans held for investment | 677,556 | 636,738 |
| Less: allowance for credit losses on loans | (6,231) | (5,908) |
| Net loans held for investment | 671,325 | 630,830 |
| Premises and equipment, net | 14,054 | 14,552 |
| Interest receivable | 4,300 | 4,688 |
| Restricted stock | 1,749 | 1,709 |
| Bank-owned life insurance | 8,008 | 7,864 |
| Deferred income tax benefit | 8,036 | 9,056 |
| Loan servicing assets | 3,828 | 4,089 |
| Other assets | 11,024 | 11,116 |
| Total assets | <u>\$ 1,169,754</u> | <u>\$ 1,123,260</u> |
| Liabilities | | |
| Deposits: | | |
| Demand, noninterest-bearing | \$ 291,431 | \$ 286,517 |
| Interest checking and money market accounts | 394,855 | 391,245 |
| Savings accounts | 102,666 | 95,208 |
| Time deposits, \$250,000 and over | 127,984 | 128,162 |
| Other time deposits | 145,428 | 122,943 |
| Total deposits | 1,062,364 | 1,024,075 |
| Short-term borrowed funds | 1,132 | 6,400 |
| Long-term debt | 29,200 | 29,123 |
| Other liabilities | 11,654 | 11,530 |
| Total liabilities | <u>1,104,350</u> | <u>1,071,128</u> |
| Shareholders' Equity | | |
| Common stock, \$1.25 par value: 20,000,000 shares authorized; issued and outstanding or in process of issuance 7,013,052 and 7,068,577, respectively. | | |
| Book value per share \$7.81 in 2025 and \$5.75 in 2024 ⁽¹⁾ | 8,766 | 8,836 |
| Additional paid-in capital | 12,038 | 12,510 |
| Undivided profits | 55,448 | 46,419 |
| Accumulated other comprehensive loss | (21,503) | (26,288) |
| Total Uwharrie Capital Corp shareholders' equity | 54,749 | 41,477 |
| Noncontrolling interest | 10,655 | 10,655 |
| Total shareholders' equity | 65,404 | 52,132 |
| Total liabilities and shareholders' equity | <u>\$ 1,169,754</u> | <u>\$ 1,123,260</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)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| (Amounts in thousands except share and per share data) | 2025 | 2024 | 2025 | 2024 |
| Interest Income | | | | |
| Interest and fees on loans | \$ 10,479 | \$ 9,285 | \$ 20,704 | \$ 18,079 |
| Interest on investment securities | 3,195 | 3,326 | 6,282 | 6,564 |
| Interest-earning deposits with banks and federal funds sold | 662 | 710 | 1,152 | 1,336 |
| Total interest income | <u>14,336</u> | <u>13,321</u> | <u>28,138</u> | <u>25,979</u> |
| Interest Expense | | | | |
| Interest paid on deposits | 4,270 | 4,097 | 8,625 | 7,826 |
| Interest paid on borrowed funds | 335 | 408 | 678 | 799 |
| Total interest expense | <u>4,605</u> | <u>4,505</u> | <u>9,303</u> | <u>8,625</u> |
| Net Interest Income | <u>9,731</u> | <u>8,816</u> | <u>18,835</u> | <u>17,354</u> |
| Provision for credit losses | 254 | 431 | 535 | 401 |
| Net interest income after provision for credit losses | <u>9,477</u> | <u>8,385</u> | <u>18,300</u> | <u>16,953</u> |
| Noninterest Income | | | | |
| Service charges on deposit accounts | 263 | 267 | 522 | 535 |
| Interchange and card transaction fees | 308 | 322 | 557 | 610 |
| Other service fees and commissions | 989 | 897 | 1,970 | 1,828 |
| Loss on sale/call of securities | - | - | - | (148) |
| Realized/unrealized gain (loss) on equity securities | 14 | (19) | (9) | 22 |
| Income from mortgage banking | 1,027 | 606 | 2,078 | 1,440 |
| Other income | 483 | 153 | 347 | 268 |
| Total noninterest income | <u>3,084</u> | <u>2,226</u> | <u>5,465</u> | <u>4,555</u> |
| Noninterest Expense | | | | |
| Salaries and employee benefits | 5,711 | 5,145 | 11,131 | 10,359 |
| Occupancy expense | 433 | 429 | 897 | 854 |
| Equipment expense | 207 | 218 | 411 | 425 |
| Data processing | 228 | 203 | 441 | 433 |
| Loan costs | 69 | 51 | 158 | 84 |
| Professional fees and services | 267 | 262 | 537 | 526 |
| Marketing and donations | 359 | 339 | 718 | 705 |
| Software amortization and maintenance | 356 | 329 | 720 | 659 |
| Other operating expenses | 1,350 | 856 | 1,895 | 1,669 |
| Total noninterest expense | <u>8,980</u> | <u>7,832</u> | <u>16,908</u> | <u>15,714</u> |
| Income before income taxes | <u>3,581</u> | <u>2,779</u> | <u>6,857</u> | <u>5,794</u> |
| Provision for income taxes | 757 | 566 | 1,480 | 1,198 |
| Net Income | <u>\$ 2,824</u> | <u>\$ 2,213</u> | <u>\$ 5,377</u> | <u>\$ 4,596</u> |
| Consolidated net income | <u>\$ 2,824</u> | <u>\$ 2,213</u> | <u>\$ 5,377</u> | <u>\$ 4,596</u> |
| Less: net income attributable to noncontrolling interest | (141) | (141) | (280) | (282) |
| Net income attributable to Uwharrie Capital Corp and common shareholders | <u>\$ 2,683</u> | <u>\$ 2,072</u> | <u>\$ 5,097</u> | <u>\$ 4,314</u> |
| Net Income Per Common Share ⁽¹⁾ | | | | |
| Basic | \$ 0.38 | \$ 0.29 | \$ 0.72 | \$ 0.60 |
| Assuming dilution | \$ 0.38 | \$ 0.29 | \$ 0.72 | \$ 0.60 |
| Weighted Average Common Shares Outstanding ⁽¹⁾ | | | | |
| Basic | 7,047,162 | 7,235,539 | 7,061,434 | 7,250,231 |
| Assuming dilution | 7,047,162 | 7,235,539 | 7,061,434 | 7,250,231 |



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making a difference®
uwharrie.com



Second Quarter Report, June 30, 2025



(continued from front cover)

Thank you for your support. Your investment is helping shape a stronger future for our Company and for the communities we all call home.

Sincerely,
UWHARRIE CAPITAL CORP

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

Roger L. Dick
President and Chief Executive Officer

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).