

March 18, 2026

Dear Shareholder:

Western Capital Corporation (WCC) is pleased to present its financial results for the twelve-month period ended December 31, 2025. Our annual performance reflects sustained growth momentum driven by the strength and resilience of our balance sheet, disciplined credit risk administration, and diversified revenue streams.

Throughout the year, we remained committed to prudent risk oversight and disciplined asset expansion, maintaining strong pricing diligence and sound risk selection through prudent loan structuring. Despite a conservative approach to liquidity and capital management, we continued to deliver industry-leading returns on equity while navigating an increasingly complex and evolving economic landscape.

In December 2025, Western Capital Corporation strengthened its capital position through two significant achievements. Morningstar DBRS assigned investment-grade ratings to WCC (BBB (low)) and Northwest Bank (BBB), both with Stable trends, affirming the organization's financial strength and disciplined risk management.

Leveraging this designation, WCC completed a \$55 million private placement of senior notes, using the proceeds to redeem existing debt. The transaction enhanced liquidity, improved balance sheet flexibility, and further augmented the Company's capital base to support future growth.

Key performance and balance sheet highlights for the twelve-month period ended December 31, 2025.

- Net Income of \$22.1 million.
- Net interest margin remained strong at 4.34%.
- Return on average assets of 1.52%, and return on average equity of 11.70%
- Total assets grew \$36 million, to \$1.47 billion, as compared to \$1.44 billion on December 31, 2024.
- Total loans grew \$40 million to \$879 million, as compared to \$839 million on December 31, 2024.
- Total deposits grew \$15 million, to \$1.11 billion, as compared to \$1.09 billion on December 31, 2024.
- Cost of interest-bearing liabilities decreased to 3.94%, as compared to 4.21% for same period in 2024.
- Efficiency ratio of 51.95% reflects a continued emphasis on prudent control of expenses.
- The Allowance for Credit Losses was conservatively funded at 1.71% of total loans.

Our balance sheet remains highly liquid and well-capitalized, reflecting our disciplined capital and liquidity management strategy. For more than 17 years, this conservative approach has consistently reinforced our ability to deliver stable returns, navigate economic cycles, and maintain a strong long-term outlook.

As of December 31, 2025, Northwest Bank reported a Tier 1 Leverage Ratio of 15.27%, well above the regulatory requirement of 9.0% for a Well Capitalized Bank. Our liquidity position remains strong, with cash and overnight investments of \$402.0 million, representing 27.3% of total assets and 36.3% of total deposits.

Through the quarter ended December 31, 2025, we recognized \$1.6 million in provision for credit losses, primarily related to two commercial real estate exposures. Additional, non-accrual loans increased \$12.7 million as one loan was placed on non-accrual while restructuring discussion take place. We believe this reflects our proactive and prudent approach to credit risk management. Our total non-performing assets increased from the prior quarter to \$35.1 million, or 2.38% of total assets, and our ACL remains well-funded at 1.71% of total loans. Importantly, as of the current reporting period, total commercial real estate (CRE), excluding owner-occupied loans, represents 167% of total capital, and total construction, land development, and other land loans represent 47% of total capital. Both measures remain well below the corresponding regulatory supervisory thresholds of 300% and 100%, respectively. Our disciplined credit strategy emphasizes early identification of loan stress, enabling us to address issues proactively and maintain long-term asset quality.

While we remain mindful of the ongoing uncertainties in the broader banking industry, we are confident in our ability to grow responsibly. We anticipate continued opportunity as competitors scale back their lending activity, creating space for WCC to expand its presence with strategic, high-quality relationships.

We extend sincere gratitude to our shareholders, clients, and community partners. Your support enables us to deliver consistent value through stock appreciation and dividends.

We invite you to continue engaging with our team and sharing the benefits of banking with Northwest Bank. By referring friends, family, and associates, you play a vital role in expanding our client base and reinforcing the community-focused values that define us.

Sincerely,



Jeff Gow  
Chairman, Chief Executive Officer, Northwest Bank  
Chairman, Western Capital Corporation



Kyle Leyendecker  
President and Chief Operating Officer, Northwest Bank  
Director, Northwest Bank | Western Capital Corporation

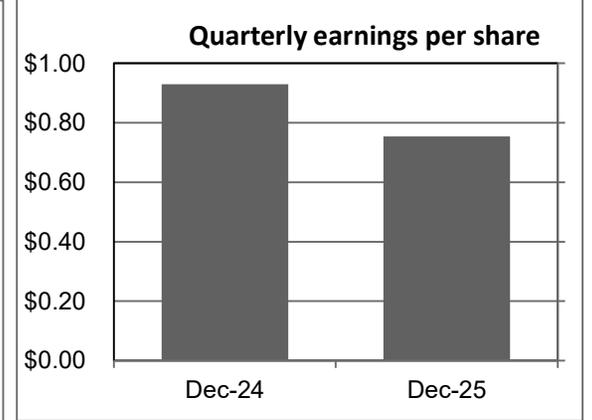
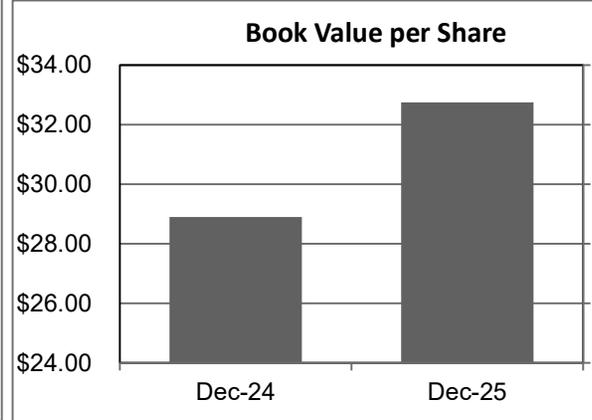
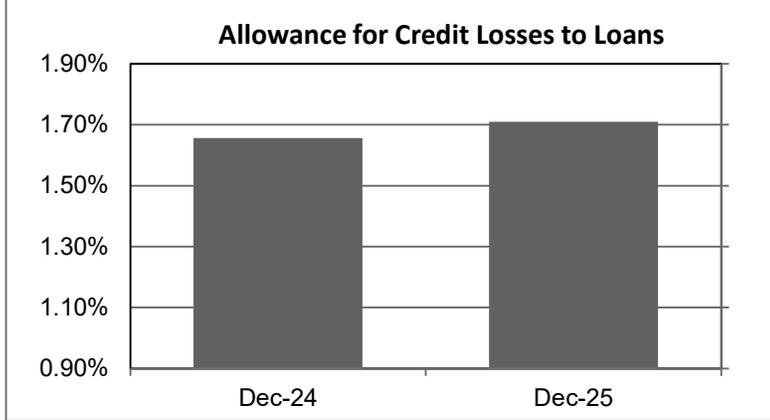
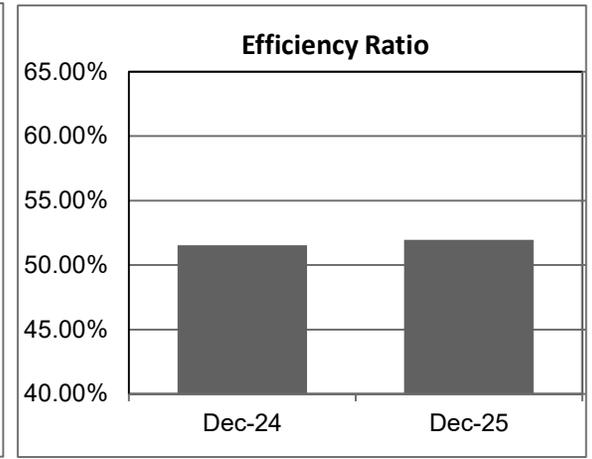
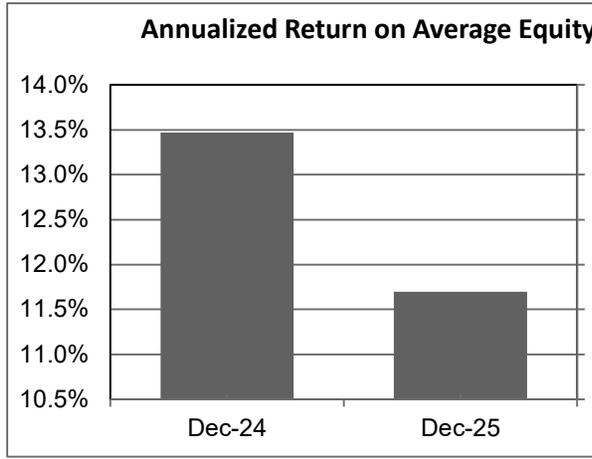
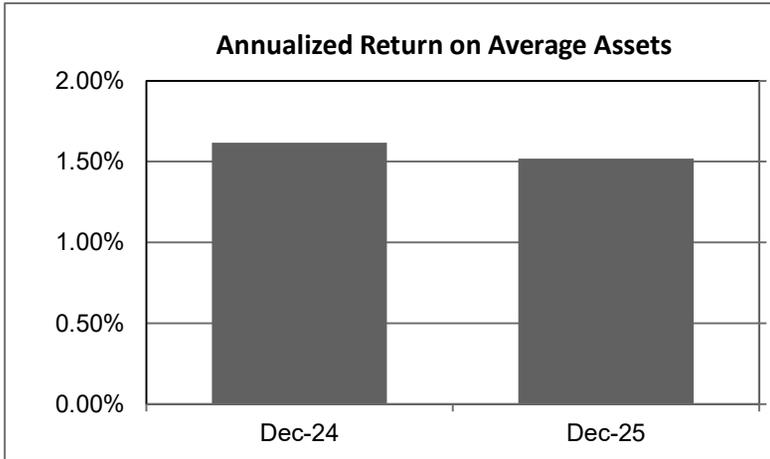
This communication contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Actual results may differ materially from the results expressed in forward-looking statements. Factors that might cause such a difference include changes in interest rates and interest rate relationships; demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking regulation; changes in tax laws; changes in prices; levies and assessments; the impact of technological advances; governmental and regulatory policy changes; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; changes in the national and local economy and other factors. Western Capital Corporation undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

# Western Capital Corp.

Unaudited  
\$ in Thousands

<u>Statement of Condition</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>Statement of income</u>	<u>For the twelve months ending</u>	
				<u>31-Dec-24</u>	<u>31-Dec-25</u>
<b>Assets</b>					
Cash and due from banks	\$ 254,447	\$ 401,986	<b>Interest income</b>		
Investment securities	322,294	178,048	Loans	\$ 69,860	\$ 75,615
Loans	839,065	878,722	Investments	31,648	27,062
Allowance for credit losses	(13,898)	(15,025)	<b>Total interest income</b>	<b>101,508</b>	<b>102,677</b>
Loans, net of Allowance for credit losses	825,167	863,696	<b>Interest expense</b>		
Deferred tax asset, net	7,067	6,429	Deposits	33,996	33,414
Accrued interest & other assets	29,619	24,672	Borrowings	6,239	6,885
<b>Total assets</b>	<b>\$ 1,438,594</b>	<b>\$ 1,474,832</b>	<b>Total interest expense</b>	<b>40,235</b>	<b>40,300</b>
<b>Liabilities</b>					
Deposits			<b>Net interest income before provision for credit losses</b>	<b>61,273</b>	<b>62,377</b>
Noninterest-bearing demand deposits	\$ 230,001	\$ 248,806	Provision for credit losses	2,656	3,378
Interest-bearing checking	91,495	152,639	<b>Net interest income after provision for credit losses</b>	<b>58,617</b>	<b>58,999</b>
Money market & savings accounts	358,999	314,597	<b>Noninterest income</b>		
Certificates of deposit	410,971	390,684	Gain on sale of government guaranteed loans	1,597	606
Total deposits	1,091,466	1,106,725	Other noninterest income	1,580	3,156
Borrowings	153,367	153,941	<b>Total noninterest income</b>	<b>3,177</b>	<b>3,763</b>
Other liabilities	17,504	14,348	<b>Noninterest expense</b>		
<b>Total liabilities</b>	<b>1,262,337</b>	<b>1,275,014</b>	Salaries & employee benefits	23,305	23,733
<b>Stockholders' equity</b>					
Common stock, \$1 par value	\$ 6,098	\$ 6,102	Occupancy & equipment	2,131	2,186
Surplus & retained earnings	147,999	171,603	Data processing & telecom	2,380	2,474
Net income YTD	22,160	22,113	Professional fees	1,082	1,769
<b>Total stockholders' equity</b>	<b>176,257</b>	<b>199,818</b>	Other	4,319	4,200
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,438,594</b>	<b>\$ 1,474,832</b>	<b>Total noninterest expense</b>	<b>33,217</b>	<b>34,362</b>
			<b>Net income before tax</b>	<b>28,577</b>	<b>28,400</b>
			Income tax expense	6,417	6,287
			<b>Net income</b>	<b>\$ 22,160</b>	<b>\$ 22,113</b>

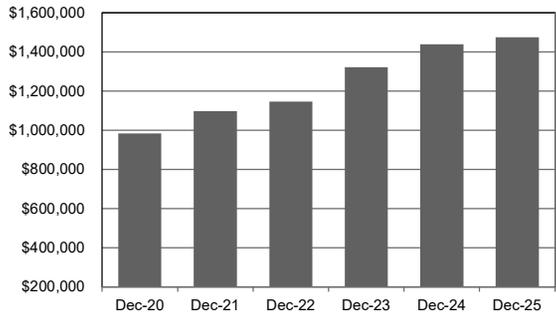
## Western Capital Corporation - Current Financial Performance



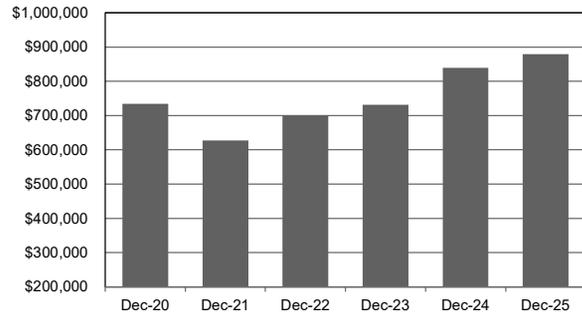
	Dec-24	Dec-25		Dec-24	Dec-25
<b>Operating Results/Ratios - YEAR-TO-DATE UNLESS OTHERWISE NOTED</b>			<b>Key Ratios @ Quarter-End</b>		
Return on avg equity	13.47%	11.70%	Total loans to deposits	76.88%	79.40%
Return on avg assets	1.62%	1.52%	Allowance for credit losses to loans	1.66%	1.71%
Quarterly net income (\$000's)	\$ 5,670	\$ 4,600	Nonperforming assets/assets	0.65%	2.38%
Efficiency ratio	51.54%	51.95%	Net chg-offs (recoveries) to loans	-0.07%	0.41%
Book value per share	\$ 28.90	\$ 32.75	<b>Quarterly capital ratio - Northwest Bank</b>		
Quarterly earnings per share	\$ 0.93	\$ 0.75	Tier 1 leverage ratio	13.79%	15.27%
Net interest margin	4.56%	4.34%			
Yield on earning assets	7.56%	7.15%			
Cost of int-bearing liabilities	4.21%	3.94%			

## Western Capital Corporation - Historical Financial Performance

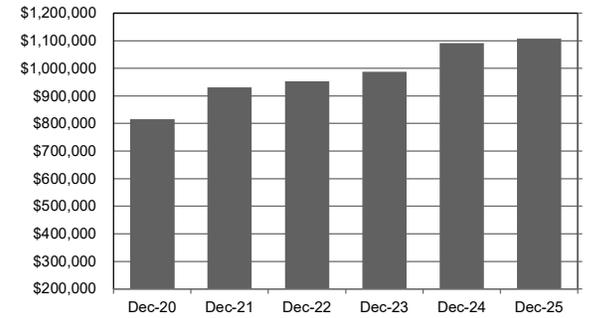
### Assets



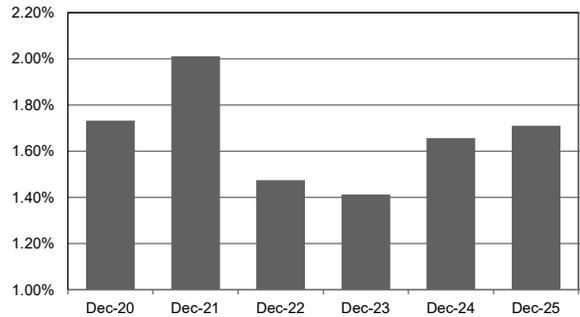
### Loans (Total)



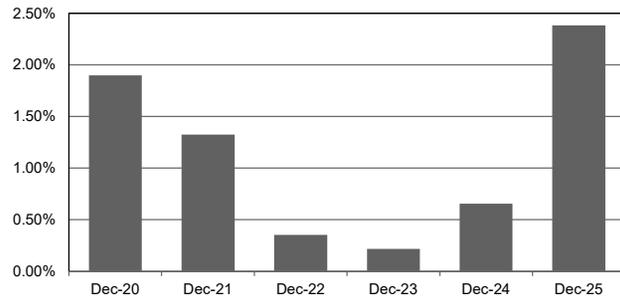
### Deposits



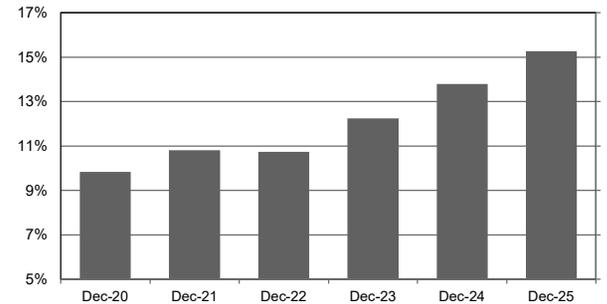
### Allowance for Credit Losses / Loans



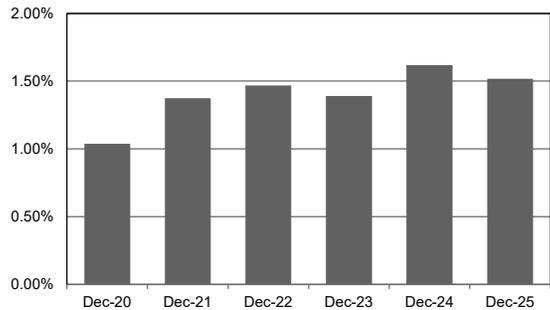
### Nonperforming Assets / Assets



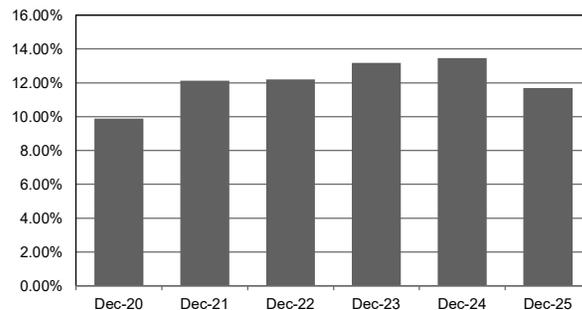
### Tier 1 Leverage Capital Ratio (NB)



### Return on Average Assets (YTD)



### Return on Average Equity (YTD)



### Book Value per Share

