

May 22, 2026

Dear Shareholder:

Western Capital Corporation (WCC) is pleased to share our financial performance for the first quarter ending, March 31, 2026.

This quarter's financial performance reflects our continued focus on disciplined asset selection and a conservative, proactive approach to credit risk management. Results were supported by a strong balance sheet, diversified income streams, effective capital and liquidity management, and consistent oversight of credit and interest rate risk. Through prudent loan structuring, disciplined pricing, and sound risk selection, we continued to expand assets carefully amid an increasingly complex economic environment.

As noted last quarter, in December 2025, Western Capital Corporation reinforced its capital position through two key milestones. Morningstar DBRS assigned investment-grade ratings to Western Capital Corporation (BBB (low)) and Northwest Bank (BBB), affirming the organization's financial strength, sound balance sheet structure, and disciplined approach to risk management. Leveraging these designations, WCC completed a \$55 million private placement senior note. The transaction enhanced liquidity, improved balance sheet flexibility, and further augmented the Company's capital base to support future growth.

As of March 31, 2026, Northwest Bank reported a Tier 1 Leverage Ratio of 15.62%, well above the regulatory requirement of 9.0% for a Well Capitalized Bank. Our liquidity position remains strong, with cash and overnight investments of \$308.2 million, representing 21.7% of total assets and 28.2% of total deposits.

There has been a notable increase in credit-related issues across both private credit markets and regulated banks. Consistent with this trend, we have experienced an increase in problem loans within Northwest Bank. Our loan portfolio management strategy, however, remains unchanged since inception, anchored in a conservative economic outlook and a disciplined focus on identifying exposures most susceptible to deterioration.

During the first quarter, we maintained this approach, resulting in a \$1.7 million provision for credit losses. We remain confident that our underwriting standards continue to produce an acceptable credit profile in new originations, reflecting a consistent emphasis on risk selection and structural discipline.

Importantly, as of the current reporting period, Total Commercial Real Estate excluding owner-occupied loans represents 188.6% of Total Capital (including ACL), and Total Construction, Land Development, and Other Land loans represent 50.7% of Total Capital (including ACL). Both measures remain well below the corresponding regulatory supervisory thresholds of 300% and 100%, respectively.

Key performance and balance sheet highlights for the quarter ended, March 31, 2026, include:

- Net Income of \$4.13 million.
- Net interest margin remained strong at 4.17%.
- Return on average assets of 1.15%, and return on average equity of 8.23%.
- Total assets of \$1.46 billion.
- Total loans grew \$25.9 million to \$905 million, as compared to \$879 million on December 31, 2025.
- Total deposits of \$1.09 billion.
- Cost of interest-bearing liabilities decreased to 3.67%, as compared to 3.94% on December 31, 2025.
- Efficiency ratio of 56.68% reflects a continued emphasis on prudent control of expenses.
- The Allowance for Credit Losses was conservatively funded at 1.66% of total loans.

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

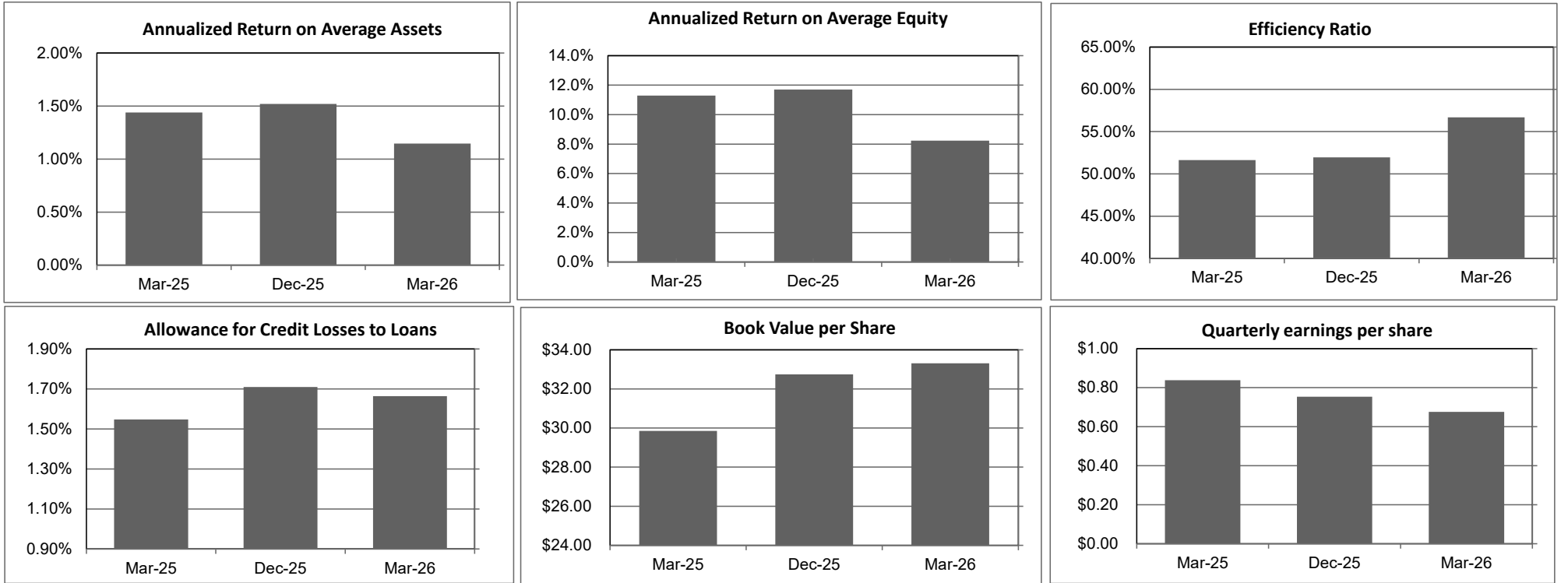
This communication contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Actual results may differ materially from 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

Statement of Condition	31-Mar-25	31-Dec-25	31-Mar-26	YTD change	Statement of income	For the three months ending	
						31-Mar-25	31-Mar-26
Assets							
Cash and due from banks	\$ 244,351	\$ 401,986	\$ 316,407	\$ (85,579) -21.3%	Interest income	\$ 18,142	\$ 17,855
Investment securities	305,189	178,048	224,243	46,195 25.9%	Loans	6,997	6,242
Loans	924,915	878,722	904,589	25,867 2.9%	Investments	25,139	24,097
Allowance for credit losses	(14,315)	(15,025)	(15,050)	(25) 0.2%	Total interest income	25,139	24,097
Loans, net of Allowance for credit losses	910,600	863,696	889,539	25,843 3.0%	Interest expense		
					Deposits	8,099	7,189
Deferred tax asset, net	7,226	6,429	5,914	(514) -8.0%	Borrowings	1,753	2,028
Accrued interest & other assets	28,090	24,672	24,960	288 1.2%	Total interest expense	9,851	9,217
Total assets	\$ 1,495,455	\$ 1,474,832	\$ 1,461,064	(13,768) -0.9%	Net interest income before provision for credit losses	15,288	14,880
					Provision for credit losses	1,653	1,702
Liabilities							
Deposits					Net interest income after provision for credit losses	13,635	13,178
Noninterest-bearing demand deposits	\$ 212,296	\$ 248,806	\$ 239,108	(9,698) -3.9%	Noninterest income		
Interest-bearing checking	94,906	152,639	139,289	(13,350) -8.7%	Gain on sale of government guaranteed loans	199	807
Money market & savings accounts	364,785	314,597	345,899	31,303 10.0%	Other noninterest income	1,069	586
Certificates of deposit	482,075	390,684	366,377	(24,308) -6.2%	Total noninterest income	1,268	1,393
Total deposits	1,154,062	1,106,725	1,090,673	(16,052) -1.5%	Noninterest expense		
Borrowings	143,883	153,941	153,983	42 0.0%	Salaries & employee benefits	6,123	6,384
Other liabilities	15,503	14,348	12,849	(1,498) -10.4%	Occupancy & equipment	593	526
Total liabilities	1,313,448	1,275,014	1,257,505	(17,509) -1.4%	Data processing & telecom	633	633
					Professional fees	342	548
Stockholders' equity							
Common stock, \$1 par value	\$ 6,098	\$ 6,102	\$ 6,111	10 0.2%	Other	858	1,133
Surplus & retained earnings	170,796	171,603	193,316	21,713 12.7%	Total noninterest expense	8,548	9,224
Net income YTD	5,113	22,113	4,132	(17,981) -81.3%	Net income before tax	6,354	5,347
Total stockholders' equity	182,007	199,818	203,560	3,742 1.9%	Income tax expense	1,241	1,215
Total liabilities and stockholders' equity	\$ 1,495,455	\$ 1,474,832	\$ 1,461,064	(13,768) -0.9%	Net income	\$ 5,113	\$ 4,132

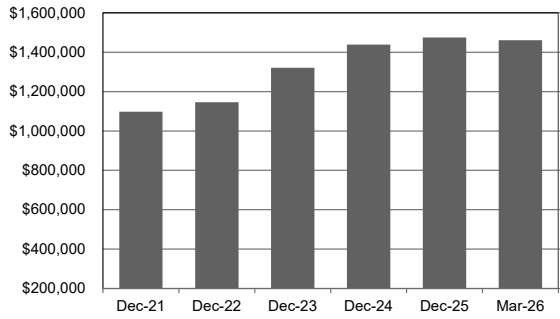
Western Capital Corporation - Current Financial Performance



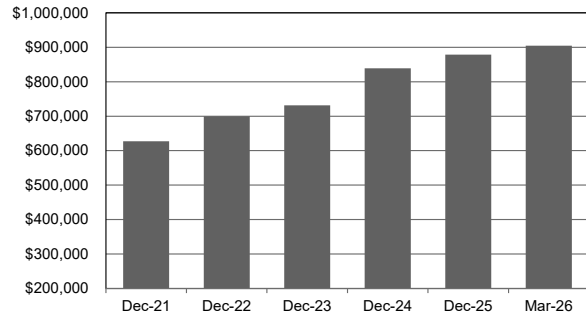
	Mar-25	Dec-25	Mar-26		Mar-25	Dec-25	Mar-26
Operating Results/Ratios - YEAR-TO-DATE UNLESS OTHERWISE NOTED				Key Ratios @ Quarter-End			
Return on avg equity	11.29%	11.70%	8.23%	Total loans to deposits	80.14%	79.40%	82.94%
Return on avg assets	1.44%	1.52%	1.15%	Allowance for credit losses to loans	1.55%	1.71%	1.66%
Quarterly net income (\$000's)	\$ 5,113	\$ 4,600	\$ 4,132	Nonperforming assets/assets	0.95%	2.38%	2.29%
Efficiency ratio	51.63%	51.95%	56.68%	Net chg-offs (recoveries) to loans	0.20%	0.41%	0.23%
Book value per share	\$ 29.85	\$ 32.75	\$ 33.31	Quarterly capital ratio - Northwest Bank			
Quarterly earnings per share	\$ 0.84	\$ 0.75	\$ 0.68	Tier 1 leverage ratio	14.27%	15.27%	15.69%
Net interest margin	4.37%	4.34%	4.17%				
Yield on earning assets	7.18%	7.15%	6.75%				
Cost of int-bearing liabilities	3.91%	3.94%	3.67%				

Western Capital Corporation - Historical Financial Performance

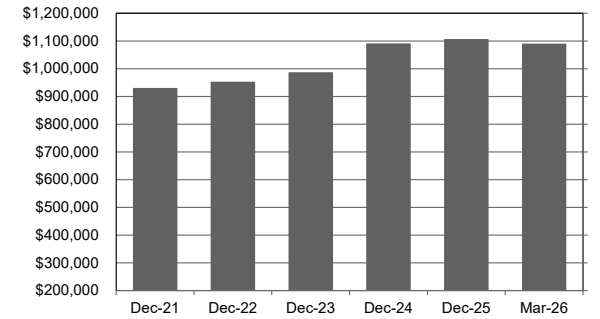
Assets



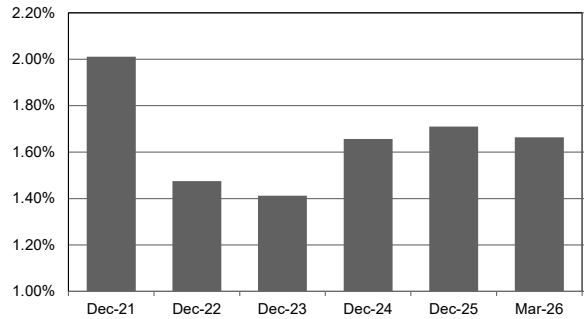
Loans (Total)



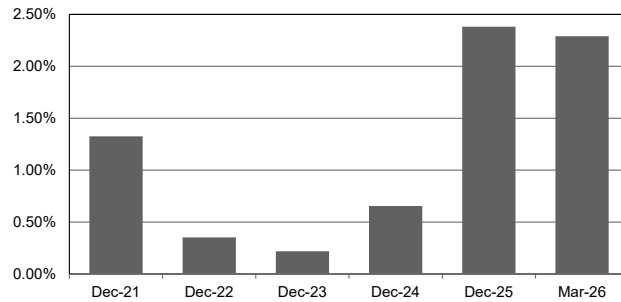
Deposits



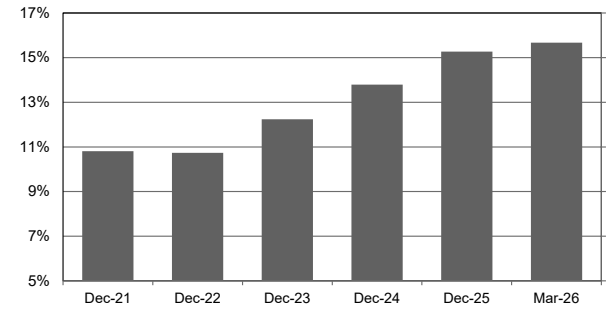
Allowance for Credit Losses / Loans



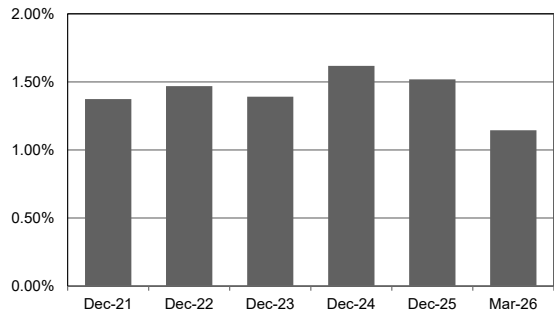
Nonperforming Assets / Assets



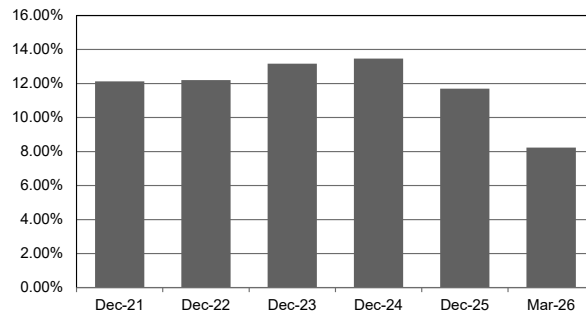
Tier 1 Leverage Capital Ratio (NB)



Return on Average Assets (YTD)



Return on Average Equity (YTD)



Book Value per Share

