

February 9, 2016

Dear Shareholder:

We are pleased to report to you our financial results for 2015. Your company has, once again, achieved positive financial results. Western Capital Corporation (WCC) recorded net income after-tax for the year ending December 31, 2015 of \$3.871 million, which compares to \$3.296 million for the same period in 2014, a 17% increase. Net income after-tax for both years included one-time, merger-related income and expense items for the acquisition of Regal Financial Bank (RFB) on December 31, 2014, and a 2014 expense for the final shareholder payout for the former Northwest Bank acquisition. Excluding these amounts from the years ending December 31, 2015 and 2014, adjusted net income after-tax was \$3.810 million as compared to \$1.895 million for 2014, representing an increase of 101%. The year-over-year improvement in earnings is largely a reflection of growth in the loan portfolio over the last year due to both organic growth and loans acquired in the merger with RFB, as well as focused management of non-interest expenses. As compared to the same period a year ago—and adjusting for one-time, merger-related income and expenses in both periods—total income increased 62% while adjusted non-interest expense increased 48%, continuing our progress in improving our operating leverage.

2015 Highlights:

- Total assets grew 7% to \$450.4 million at December 31, 2015, as compared to \$421.4 million a year earlier.
- Total loans increased 18% to \$381.8 million at December 31, 2015 compared to \$323.3 million a year earlier.
- Total deposits grew to \$371.1 million at December 31, 2015, an increase of \$34.0 million, or 10%, compared to a year ago. Included in the deposit growth was an increase in noninterest-bearing demand deposits of \$33.8 million, or 44%.
- Net interest income after the provision for loan losses was \$18.109 million, up 56% from \$11.618 million for the same period one year earlier.
- Net interest margin for 2015 was 4.57%, up from 4.40 % in 2014 as a result of an increase in the yield on earning assets combined with a decline in the cost of interest-bearing liabilities.
- Non-interest income of \$2.008 million for 2015 was 255% higher than the same period in 2014. The increase in 2015 versus 2014 was largely due to revenues from our Small Business Administration (SBA) division which was established as a result of the RFB merger. In addition, one-time items related to the former RFB totaling \$346,000 were recorded in 2015.
- Earnings per share was \$0.74 for 2015 versus \$0.80 in the same period of 2014. Adjusting for one-time, merger related income and expenses, earnings per share was \$0.73 in 2015 as compared to \$0.45 in 2014.
- Non-interest expense totaled \$13.716 million for 2015, up 44% from \$9.544 million for the same period in 2014. When adjusted for one-time, merger-related expenses in both years, non-interest expense was up 48% in 2015. As noted above, non-interest expenses have grown at a slower pace than revenues, improving our operating leverage.
- Asset quality remains strong with non-performing assets as a percent of total assets of 0.02% at December 31, 2015 — well below our Northwest peer banks' ratio of 1.2%.

- The allowance for loan losses and the “fair value discounts” on the two acquired loan portfolios together were 1.50%.
- Annualized return on average assets was 0.89% for 2015 compared to 1.14% for 2014. Adjusted for the one-time, merger-related income and expenses, the return on average assets was 0.88% for 2015 and 0.65% for 2014.
- Stockholders’ Equity increased to \$63.1 million at December 31, 2015, up from \$59.0 million at December 31, 2014.
- Capital ratios remain strong with a total risk-based capital ratio for Northwest Bank of 13.9% as of December 31, 2015.
- Book value per share at December 31, 2015 was \$12.12, an increase of \$0.78 per share, or 7%, from December 31, 2014.
- Northwest Bank continues to earn the highest rating (five-star “Superior”) from independent bank rating agency Bauer Financial™.

From the bank’s inception in March 2008, our focus has been on delivering an outstanding customer experience to our valued customers. Each year, we’ve grown through attracting great customers by striving to customize optimal banking solutions for their needs.

Given our capital ratio and our credit quality, we remain a very safe home for deposits. We continue to have a strong financial base to grow. To that end, we would appreciate referrals from our shareholders to support our continued growth, success, and its positive impact to shareholder value.

Thank you to all of our shareholders for your continued support of Northwest Bank.

Sincerely,



Steven D. Wasson
President & CEO
Western Capital Corporation
503-905-3232



Jeff Gow
Chairman
Western Capital Corporation

Enclosure

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.

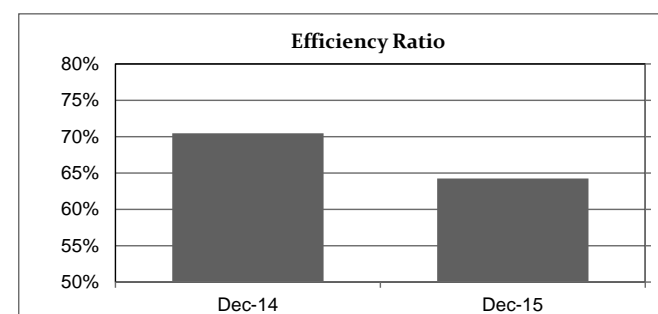
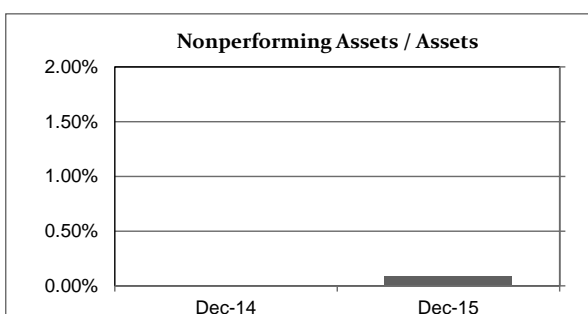
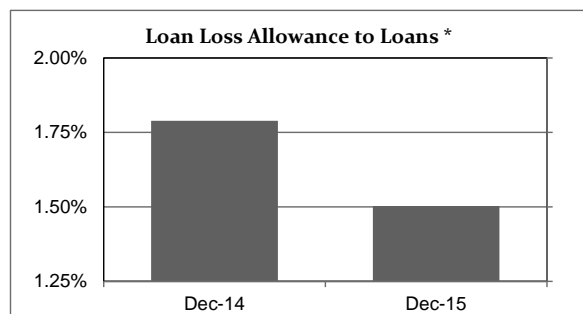
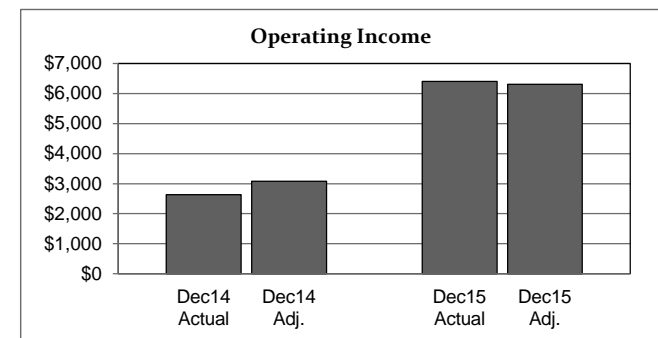
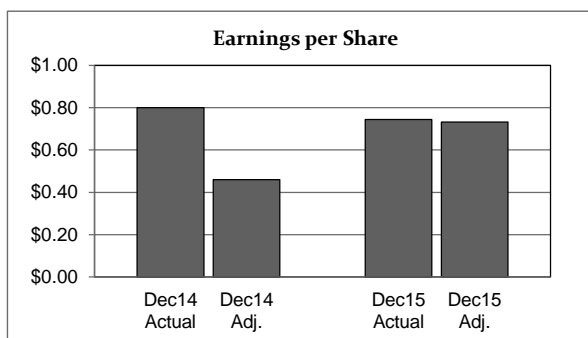
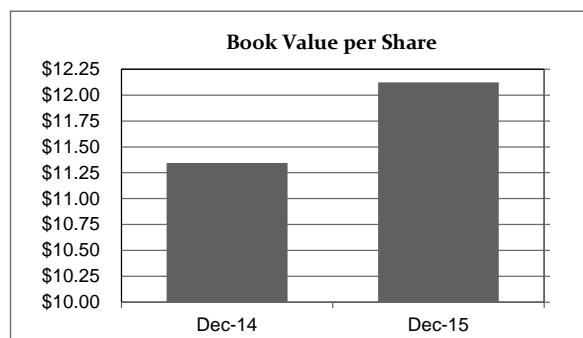
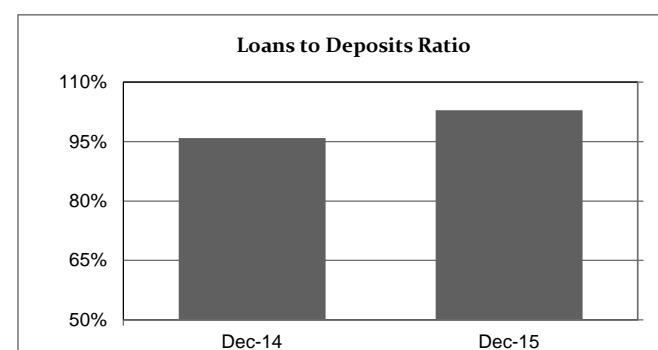
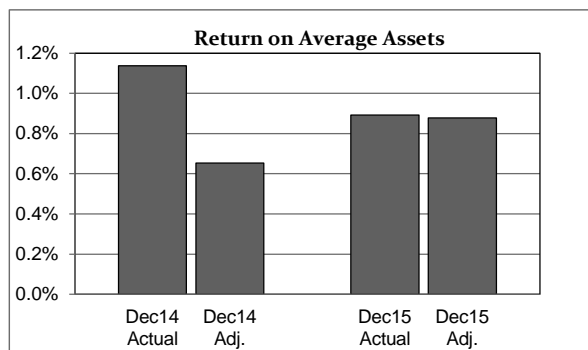
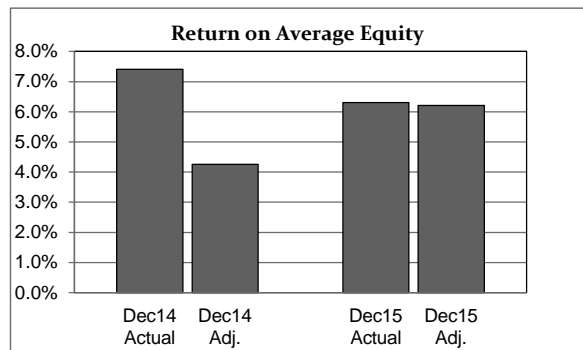
Save the date: Our annual shareholders’ meeting is Wednesday, April 20, 2016 in Boise, Idaho



\$ in Thousands

Statement of Condition	For the twelve months ending		Statement of Income	For the twelve months ending	
	31-Dec-15 <i>(Unaudited)</i>	31-Dec-14 <i>(Audited)</i>		31-Dec-15 <i>(Unaudited)</i>	31-Dec-14 <i>(Audited)</i>
Assets			Interest Income		
Cash and Due from Banks	\$37,964	\$70,006	Loans	\$20,426	\$13,244
Investment Securities	24,430	21,277	Investment Securities	568	424
Loans	381,785	323,316	Total Interest Income	20,995	13,668
Allowance for Loan Losses	(4,281)	(3,112)	Interest Expense		
Loans, net of Allowance for Loan Losses	377,504	320,204	Deposits	1,427	1,122
Real Estate Owned	0	0	Other Borrowings	263	195
Deferred Tax Asset, net	5,967	6,069	Total Interest Expense	1,690	1,316
Accrued Interest & Other Assets	4,500	3,800	Net Interest Income before		
Total Assets	\$450,365	\$421,355	Provision for Loan Losses	19,304	12,352
			Provision for Loan Losses	1,195	734
Liabilities			Net Interest Income after Provision	18,109	11,618
Noninterest-Bearing Demand Deposits	110,883	77,040	for Loan Losses		
Interest-Bearing Checking	11,193	7,366	Gain on Sale of SBA Loans	1,032	0
Money Market & Savings Accounts	174,803	145,611	Other Noninterest Income	976	565
Certificates of Deposit	74,255	107,153	Total Income	20,117	12,183
Total Deposits	371,135	337,170	Noninterest Expense		
Borrowings	12,651	7,747	Salaries & Employee Benefits	9,271	6,617
Other Liabilities	3,518	17,433	Occupancy & Equipment	1,217	658
Total Liabilities	387,304	362,351	Data Processing & Communication	1,131	678
			Marketing, Business Development	264	255
Stockholders' Equity			Professional Fees	452	387
Common Stock, \$1 par value	5,203	5,202	Other	1,382	950
Surplus & Retained Earnings	53,988	50,505	Total Noninterest Expense	13,716	9,544
Net Income YTD	3,871	3,296	Total Operating Income	6,401	2,638
Total Stockholders' Equity	63,061	59,004	Withheld Merger Consideration	0	(192)
			Bargain Purchase Gain	0	1,865
Total Liabilities and Stockholders' Equity	\$450,365	\$421,355	Net Income Before Tax	6,401	4,311
			Income Tax Expense	2,531	1,015
			Net Income	\$3,871	\$3,296

Financial Highlights



Operating Results/Ratios	Dec-14		Dec-15	
	Actual	Adjusted	Actual	Adjusted
Return on Average Equity	7.41%	4.26%	6.30%	6.21%
Return on Average Assets	1.14%	0.65%	0.89%	0.88%
Adjusted Operating Income (\$000's)	\$2,638	\$3,081	\$6,401	\$6,302
Efficiency Ratio	70%		64%	
Book Value per Share	\$11.34		\$12.12	
Earnings per Share	\$0.80	\$0.46	\$0.74	\$0.73
Net Interest Margin	4.40%		4.57%	
Yield on Earning Assets	4.87%		4.97%	
Cost of Interest-Bearing Liabilities	0.70%		0.64%	

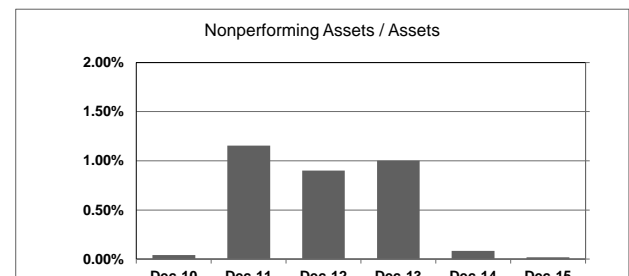
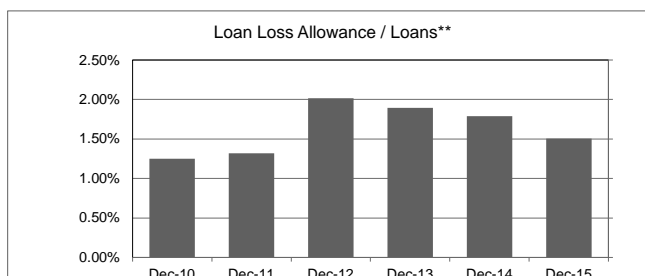
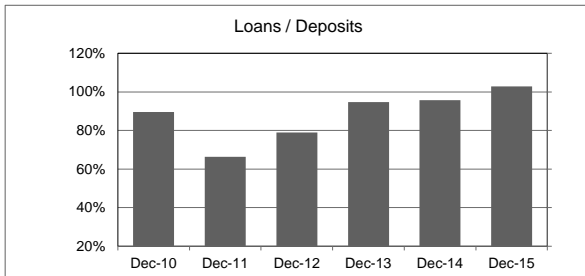
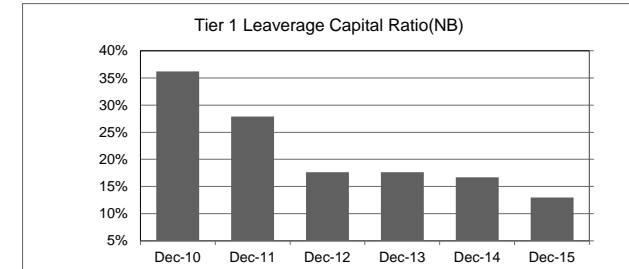
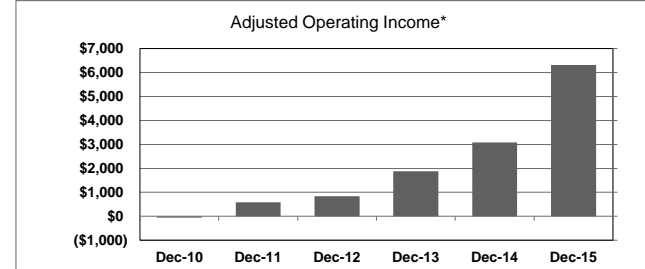
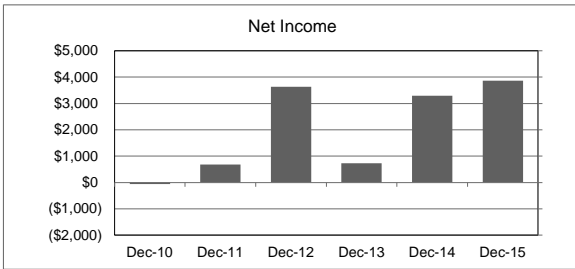
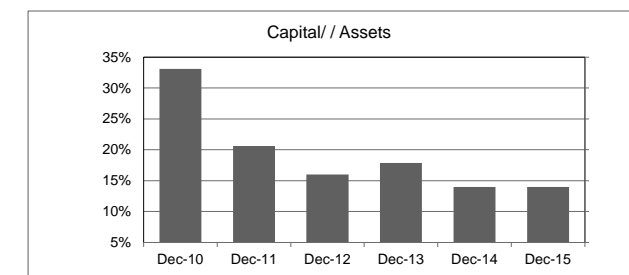
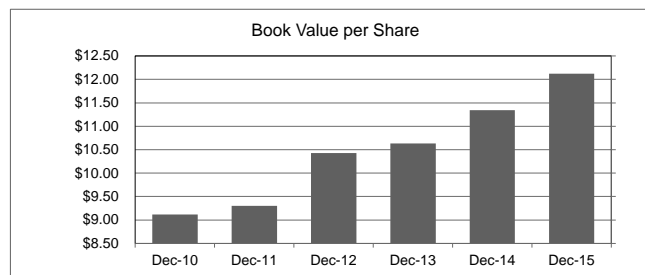
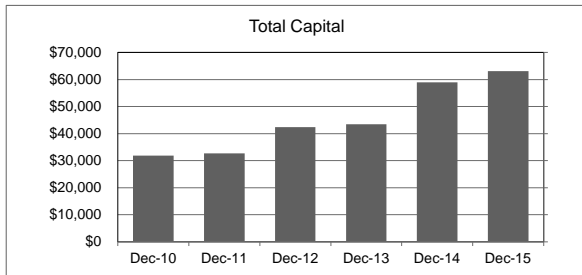
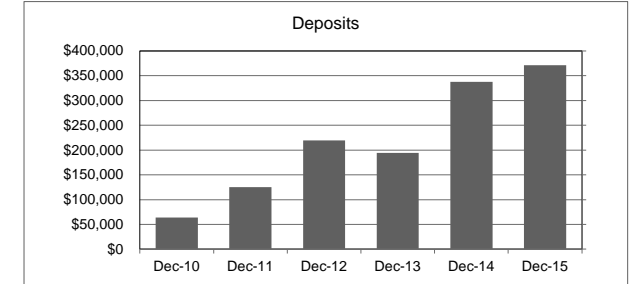
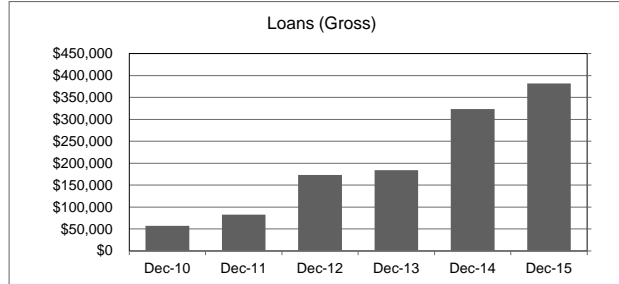
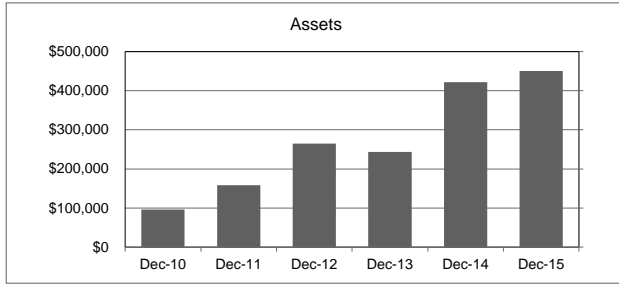
Key Ratios	Dec-14		Dec-15	
	Actual	Adjusted	Actual	Adjusted
Loans to Deposits	95.89%		102.87%	
Loan Loss Allowance to Loans*	1.79%		1.50%	
Nonperforming Assets/Assets	0.09%		0.02%	
Net Charge-Offs/(Recoveries) to Loans	-0.05%		0.01%	
Capital Ratios - Northwest Bank				
Tier 1 Leverage Capital Ratio	16.7%		13.0%	
Total Risk-Based Capital Ratio	15.3%		13.9%	

Adjusted amounts in Operating Results table and charts show both actual and adjusted amounts to exclude Bargain Purchase Gain and other one-time income and expense items related to acquisitions.

* Includes loans acquired and related FV adjustments in acquisitions of former Regal Financial Bank (Dec 2014) and former Northwest Bank (Aug 2012).

Western Capital Corporation Historical Highlights

\$ in Thousands except Book Value Per Share



* Adjusted Operating Income excludes gains/losses on securities and one-time merger related income and expense.

** Includes loans acquired and related FV adjustments in acquisitions of former Regal Financial Bank (Dec 2014) and former Northwest Bank (Aug 2012).