

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **July 25, 2024**

WEST BANCORPORATION, INC.

(Exact name of registrant as specified in its charter)

Iowa

(State or other jurisdiction of incorporation)

0-49677

(Commission File Number)

42-1230603

(I.R.S. Employer Identification No.)

3330 Westown Parkway, West Des Moines, Iowa 50266

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **515-222-2300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	WTBA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 25, 2024, West Bancorporation, Inc. (the "Company") issued a press release announcing its second quarter earnings results for the period ended June 30, 2024, and the declaration of a quarterly dividend. A copy of the press release is attached hereto as Exhibit 99.1.

The information furnished in this item of this Form 8-K, and the related exhibit, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

The Company hereby furnishes the Earnings Presentation attached hereto as Exhibit 99.2.

The information furnished in this item of this Form 8-K, and the related exhibit, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit Number	Description
99.1	Press Release of West Bancorporation, Inc. dated July 25, 2024
99.2	Second Quarter 2024 Earnings Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

West Bancorporation, Inc.

July 25, 2024

By: */s/ Jane M. Funk*

Name: Jane M. Funk

Title: Executive Vice President, Treasurer and Chief Financial Officer



Press Release

July 25, 2024

FOR IMMEDIATE RELEASE

For more information contact:

Jane Funk, Executive Vice President, Treasurer and Chief Financial Officer (515) 222-5766

WEST BANCORPORATION, INC. ANNOUNCES SECOND QUARTER 2024 FINANCIAL RESULTS AND DECLARES QUARTERLY DIVIDEND

West Des Moines, IA - West Bancorporation, Inc. (Nasdaq: WTBA; the "Company"), parent company of West Bank, today reported second quarter 2024 net income of \$5.2 million, or \$0.31 per diluted common share, compared to first quarter 2024 net income of \$5.8 million, or \$0.35 per diluted common share, and second quarter 2023 net income of \$5.9 million, or \$0.35 per diluted common share. On July 24, 2024, the Company's Board of Directors declared a regular quarterly dividend of \$0.25 per common share. The dividend is payable on August 21, 2024, to stockholders of record on August 7, 2024.

David Nelson, President and Chief Executive Officer of the Company, commented, "Our credit quality remains pristine as a result of our disciplined loan growth and credit risk management practices. The ratio of nonperforming assets to total assets remains negligible at 0.01%. In the first half of 2024, we have seen deposits grow, net interest income improve and net interest margin stabilize."

David Nelson added, "Our efficiency ratio has increased as expected with the costs associated with our new buildings. Our buildings are designed as tools for building strong relationships and facilitating business development. We believe these strategic investments will continue to drive profitable growth similar to the successes we have had in our newer Minnesota offices."

Second Quarter 2024 Financial Highlights

	<u>Quarter Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2024</u>
Net income (in thousands)	\$5,192	\$11,001
Return on average equity	9.50 %	10.07 %
Return on average assets	0.53 %	0.57 %
Efficiency ratio (a non-GAAP measure)	67.14 %	64.62 %
Nonperforming assets to total assets	0.01 %	0.01 %

Second Quarter 2024 Compared to First Quarter 2024 Overview

- Loans increased \$18.6 million in the second quarter of 2024, or 2.5 percent annualized. The increase is primarily due to the funding of previously committed construction loans.
- No credit loss expense was recorded in either the first or second quarter of 2024.
- The allowance for credit losses to total loans was 0.95 percent at June 30, 2024 and March 31, 2024. Nonaccrual loans at June 30, 2024 consisted of three loans with a total balance of \$521 thousand, compared to one loan with a balance of \$289 thousand at March 31, 2024.

- Deposits increased \$115.9 million, or 3.8 percent, in the second quarter of 2024. Brokered deposits totaled \$370.3 million at June 30, 2024, compared to \$396.4 million at March 31, 2024, a decrease of \$26.1 million. Excluding brokered deposits, deposits increased \$142.0 million during the second quarter of 2024. In the second quarter of 2024, a local municipal customer deposited approximately \$120.0 million of bond proceeds that are expected to be withdrawn over the next 12-18 months. As of June 30, 2024, estimated uninsured deposits, which exclude deposits in the IntraFi[®] reciprocal network, brokered deposits and public funds protected by state programs, accounted for approximately 26.3 percent of total deposits.
- Borrowed funds decreased to \$525.5 million at June 30, 2024, compared to \$639.7 million at March 31, 2024. The decrease was primarily attributable to a decrease of \$113.0 million in federal funds purchased and other short-term borrowings as a result of the increase in deposits.
- The efficiency ratio (a non-GAAP measure) was 67.14 percent for the second quarter of 2024, compared to 62.04 percent for the first quarter of 2024. The increase in the efficiency ratio was primarily due to the increase in noninterest expense, partially offset by the increase in net interest income. Salaries and benefits increased primarily due to annual officer compensation increases and compensation related accrual adjustments. Occupancy and equipment increased primarily due to the occupancy costs associated with the Company's newly constructed headquarters.
- Net interest margin, on a fully tax-equivalent basis (a non-GAAP measure), was 1.86 percent for the second quarter of 2024, compared to 1.88 percent for the first quarter of 2024. Net interest income for the second quarter of 2024 was \$17.2 million, compared to \$16.8 million for the first quarter of 2024.
- The tangible common equity ratio was 5.65 percent as of both June 30, 2024 and March 31, 2024.

Second Quarter 2024 Compared to Second Quarter 2023 Overview

- Loans increased \$191.7 million at June 30, 2024, or 6.8 percent, compared to June 30, 2023. The increase is primarily due to the funding of previously committed construction loans.
- Deposits increased \$344.6 million at June 30, 2024, compared to June 30, 2023. Included in deposits were brokered deposits totaling \$370.3 million at June 30, 2024, compared to \$230.7 million at June 30, 2023. Brokered deposits were used to reduce short-term borrowed funds and to fund loan growth. Excluding brokered deposits, deposits increased \$205.0 million, or 7.9 percent, as of June 30, 2024, compared to June 30, 2023. In the second quarter of 2024, a local municipal customer deposited approximately \$120.0 million of bond proceeds that are expected to be withdrawn over the next 12-18 months.
- Borrowed funds decreased to \$525.5 million at June 30, 2024, compared to \$593.9 million at June 30, 2023. The decrease was primarily attributable to a decrease of \$98.7 million in federal funds purchased and other short-term borrowings, partially offset by an increase of \$35.0 million in FHLB one-month rolling advances hedged with long-term interest rate swaps.
- The efficiency ratio (a non-GAAP measure) was 67.14 percent for the second quarter of 2024, compared to 62.83 percent for the second quarter of 2023. The increase in the efficiency ratio in the second quarter of 2024 compared to the second quarter of 2023 was primarily due to the decrease in net interest income and increase in noninterest expense. Occupancy and equipment increased primarily due to the occupancy costs associated with the Company's newly constructed headquarters.
- Net interest margin, on a fully tax-equivalent basis (a non-GAAP measure), was 1.86 percent for the second quarter of 2024, compared to 2.02 percent for the second quarter of 2023. Net interest income for the second quarter of 2024 was \$17.2 million, compared to \$17.3 million for the second quarter of 2023.

The Company filed its report on Form 10-Q with the Securities and Exchange Commission today. Please refer to that document for a more in-depth discussion of the Company's financial results. The Form 10-Q is available on the Investor Relations section of West Bank's website at www.westbankstrong.com.

The Company will discuss its results in a conference call scheduled for 2:00 p.m. Central Time on Thursday, July 25, 2024. The telephone number for the conference call is 800-715-9871. The conference ID for the conference call is 8511345. A recording of the call will be available until August 8, 2024, by dialing 800-770-2030. The conference ID for the replay call is 8511345, followed by the # key.

About West Bancorporation, Inc. (Nasdaq: WTBA)

West Bancorporation, Inc. is headquartered in West Des Moines, Iowa. Serving customers since 1893, West Bank, a wholly-owned subsidiary of West Bancorporation, Inc., is a community bank that focuses on lending, deposit services, and trust services for small- to medium-sized businesses and consumers. West Bank has six offices in the Des Moines, Iowa metropolitan area, one office in Coralville, Iowa, and four offices in Minnesota in the cities of Rochester, Owatonna, Mankato and St. Cloud.

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may appear throughout this report. These forward-looking statements are generally identified by the words "believes," "expects," "intends," "anticipates," "projects," "future," "confident," "may," "should," "will," "strategy," "plan," "opportunity," "will be," "will likely result," "will continue" or similar references, or references to estimates, predictions or future events. Such forward-looking statements are based upon certain underlying assumptions, risks and uncertainties. Because of the possibility that the underlying assumptions are incorrect or do not materialize as expected in the future, actual results could differ materially from these forward-looking statements. Risks and uncertainties that may affect future results include: interest rate risk, including the effects of sustained high interest rates by the Federal Reserve; fluctuations in the values of the securities held in our investment portfolio, including as a result of changes in interest rates; competitive pressures, including from non-bank competitors such as "fintech" companies and digital asset service providers; pricing pressures on loans and deposits; our ability to successfully manage liquidity risk; changes in credit and other risks posed by the Company's loan portfolio, including declines in commercial or residential real estate values or changes in the allowance for credit losses dictated by new market conditions, accounting standards or regulatory requirements; the concentration of large deposits from certain clients who have balances above current FDIC insurance limits; changes in local, national and international economic conditions, including high rates of inflation and possible recession; the effects of recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time that resulted in recent bank failures; changes in legal and regulatory requirements, limitations and costs including in response to the recent bank failures; changes in customers' acceptance of the Company's products and services; the occurrence of fraudulent activity, breaches or failures of our or our third-party partners' information security controls or cyber-security related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools; unexpected outcomes of existing or new litigation involving the Company; the monetary, trade and other regulatory policies of the U.S. government; acts of war or terrorism, including the ongoing Israeli-Palestinian conflict and the Russian invasion of Ukraine, widespread disease or pandemics, or other adverse external events; risks related to climate change and the negative impact it may have on our customers and their businesses; changes to U.S. tax laws, regulations and guidance; potential changes in federal policy and at regulatory agencies as a result of the upcoming 2024 presidential election; talent and labor shortages; and any other risks described in the "Risk Factors" sections of reports filed by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to revise or update such forward-looking statements to reflect current or future events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

WEST BANCORPORATION, INC. AND SUBSIDIARY
Financial Information (unaudited)
(in thousands)

CONDENSED BALANCE SHEETS	As of				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Assets					
Cash and due from banks	\$ 27,994	\$ 27,071	\$ 33,245	\$ 18,819	\$ 29,776
Interest-bearing deposits	121,825	120,946	32,112	1,802	1,968
Securities available for sale, at fair value	588,452	605,735	623,919	609,365	645,091
Federal Home Loan Bank stock, at cost	21,065	26,181	22,957	26,691	22,488
Loans	2,998,774	2,980,133	2,927,535	2,849,777	2,807,075
Allowance for credit losses	(28,422)	(28,373)	(28,342)	(28,147)	(27,938)
Loans, net	2,970,352	2,951,760	2,899,193	2,821,630	2,779,137
Premises and equipment, net	101,965	95,880	86,399	75,675	66,683
Bank-owned life insurance	44,416	44,138	43,864	43,589	43,328
Other assets	89,046	90,981	84,069	104,329	90,084
Total assets	\$ 3,965,115	\$ 3,962,692	\$ 3,825,758	\$ 3,701,900	\$ 3,678,555
Liabilities and Stockholders' Equity					
Deposits	\$ 3,180,922	\$ 3,065,030	\$ 2,973,779	\$ 2,755,529	\$ 2,836,325
Federal funds purchased and other short-term borrowings	85,500	198,500	150,270	261,510	184,150
Other borrowings	439,998	441,183	442,367	443,552	409,736
Other liabilities	34,812	34,223	34,299	37,376	31,218
Stockholders' equity	223,883	223,756	225,043	203,933	217,126
Total liabilities and stockholders' equity	\$ 3,965,115	\$ 3,962,692	\$ 3,825,758	\$ 3,701,900	\$ 3,678,555
AVERAGE BALANCES					
			For the Quarter Ended		
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Assets	\$ 3,964,109	\$ 3,812,199	\$ 3,706,497	\$ 3,679,541	\$ 3,645,651
Loans	2,994,492	2,949,672	2,857,594	2,813,213	2,783,463
Deposits	3,123,282	2,956,635	2,878,676	2,764,184	2,854,945
Stockholders' equity	219,771	219,835	201,920	215,230	213,177

WEST BANCORPORATION, INC. AND SUBSIDIARY
Financial Information (unaudited)
(in thousands)

	As of				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
LOANS					
Commercial	\$ 526,589	\$ 544,293	\$ 531,594	\$ 529,293	\$ 535,085
Real estate:					
Construction, land and land development	496,864	465,247	413,477	399,253	351,461
1-4 family residential first mortgages	92,230	108,065	106,688	89,713	80,998
Home equity	15,264	14,020	14,618	12,429	12,625
Commercial	1,856,301	1,839,580	1,854,510	1,812,816	1,820,718
Consumer and other	15,234	12,844	10,930	10,123	10,289
	<u>3,002,482</u>	<u>2,984,049</u>	<u>2,931,817</u>	<u>2,853,627</u>	<u>2,811,176</u>
Net unamortized fees and costs	(3,708)	(3,916)	(4,282)	(3,850)	(4,101)
Total loans	\$ 2,998,774	\$ 2,980,133	\$ 2,927,535	\$ 2,849,777	\$ 2,807,075
Less allowance for credit losses	(28,422)	(28,373)	(28,342)	(28,147)	(27,938)
Net loans	<u>\$ 2,970,352</u>	<u>\$ 2,951,760</u>	<u>\$ 2,899,193</u>	<u>\$ 2,821,630</u>	<u>\$ 2,779,137</u>
CREDIT QUALITY					
Pass	\$ 2,994,310	\$ 2,983,618	\$ 2,931,377	\$ 2,853,100	\$ 2,810,640
Watch	7,651	142	144	184	187
Substandard	521	289	296	343	349
Doubtful	—	—	—	—	—
Total loans	<u>\$ 3,002,482</u>	<u>\$ 2,984,049</u>	<u>\$ 2,931,817</u>	<u>\$ 2,853,627</u>	<u>\$ 2,811,176</u>
DEPOSITS					
Noninterest-bearing demand	\$ 530,441	\$ 521,377	\$ 548,726	\$ 551,688	\$ 568,029
Interest-bearing demand	443,658	449,946	481,207	417,802	459,030
Savings and money market - non-brokered	1,483,264	1,315,698	1,315,741	1,249,309	1,302,468
Money market - brokered	97,259	119,840	124,335	99,282	114,142
Total nonmaturity deposits	2,554,622	2,406,861	2,470,009	2,318,081	2,443,669
Time - non-brokered	353,269	381,646	322,694	299,683	276,097
Time - brokered	273,031	276,523	181,076	137,765	116,559
Total time deposits	626,300	658,169	503,770	437,448	392,656
Total deposits	<u>\$ 3,180,922</u>	<u>\$ 3,065,030</u>	<u>\$ 2,973,779</u>	<u>\$ 2,755,529</u>	<u>\$ 2,836,325</u>
BORROWINGS					
Federal funds purchased and other short-term borrowings	\$ 85,500	\$ 198,500	\$ 150,270	\$ 261,510	\$ 184,150
Subordinated notes, net	79,762	79,697	79,631	79,566	79,500
Federal Home Loan Bank advances	315,000	315,000	315,000	315,000	280,000
Long-term debt	45,236	46,486	47,736	48,986	50,236
Total borrowings	<u>\$ 525,498</u>	<u>\$ 639,683</u>	<u>\$ 592,637</u>	<u>\$ 705,062</u>	<u>\$ 593,886</u>
STOCKHOLDERS' EQUITY					
Preferred stock	\$ —	\$ —	\$ —	\$ —	\$ —
Common stock	3,000	3,000	3,000	3,000	3,000
Additional paid-in capital	34,322	33,685	34,197	33,487	32,642
Retained earnings	273,981	272,997	271,369	271,025	269,301
Accumulated other comprehensive loss	(87,420)	(85,926)	(83,523)	(103,579)	(87,817)
Total stockholders' equity	<u>\$ 223,883</u>	<u>\$ 223,756</u>	<u>\$ 225,043</u>	<u>\$ 203,933</u>	<u>\$ 217,126</u>

WEST BANCORPORATION, INC. AND SUBSIDIARY

Financial Information (unaudited)

(in thousands)

CONSOLIDATED STATEMENTS OF INCOME	For the Quarter Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Interest income:					
Loans, including fees	\$ 41,700	\$ 40,196	\$ 38,208	\$ 36,756	\$ 35,011
Securities:					
Taxable	3,394	3,416	3,521	3,427	3,432
Tax-exempt	808	810	869	880	883
Interest-bearing deposits	1,666	148	85	29	25
Total interest income	47,568	44,570	42,683	41,092	39,351
Interest expense:					
Deposits	23,943	21,559	20,024	17,156	16,277
Federal funds purchased and other short-term borrowings	1,950	2,183	2,024	3,165	2,264
Subordinated notes	1,105	1,108	1,114	1,113	1,109
Federal Home Loan Bank advances	2,718	2,325	2,482	2,329	1,621
Long-term debt	622	645	678	695	739
Total interest expense	30,338	27,820	26,322	24,458	22,010
Net interest income	17,230	16,750	16,361	16,634	17,341
Credit loss expense (benefit)	—	—	500	200	—
Net interest income after credit loss expense (benefit)	17,230	16,750	15,861	16,434	17,341
Noninterest income:					
Service charges on deposit accounts	462	460	476	463	458
Debit card usage fees	490	458	488	495	511
Trust services	794	776	782	831	749
Increase in cash value of bank-owned life insurance	278	274	275	262	250
Loan swap fees	—	—	—	431	—
Realized securities losses, net	—	—	(431)	—	—
Other income	322	331	308	340	421
Total noninterest income	2,346	2,299	1,898	2,822	2,389
Noninterest expense:					
Salaries and employee benefits	7,169	6,489	6,468	6,696	7,029
Occupancy and equipment	1,852	1,447	1,499	1,359	1,322
Data processing	754	714	723	703	729
Technology and software	731	700	676	573	579
FDIC insurance	631	519	475	439	420
Professional fees	244	257	235	254	287
Director fees	236	199	240	196	251
Other expenses	1,577	1,543	1,845	1,685	1,857
Total noninterest expense	13,194	11,868	12,161	11,905	12,474
Income before income taxes	6,382	7,181	5,598	7,351	7,256
Income taxes	1,190	1,372	1,073	1,445	1,394
Net income	\$ 5,192	\$ 5,809	\$ 4,525	\$ 5,906	\$ 5,862
Basic earnings per common share	\$ 0.31	\$ 0.35	\$ 0.27	\$ 0.35	\$ 0.35
Diluted earnings per common share	\$ 0.31	\$ 0.35	\$ 0.27	\$ 0.35	\$ 0.35

WEST BANCORPORATION, INC. AND SUBSIDIARY
Financial Information (unaudited)
(in thousands)

CONSOLIDATED STATEMENTS OF INCOME	For the Six Months Ended	
	June 30, 2024	June 30, 2023
Interest income:		
Loans, including fees	\$ 81,896	\$ 67,959
Securities:		
Taxable	6,810	6,748
Tax-exempt	1,618	1,768
Interest-bearing deposits	1,814	55
Total interest income	92,138	76,530
Interest expense:		
Deposits	45,502	29,616
Federal funds purchased and other short-term borrowings	4,133	4,343
Subordinated notes	2,213	2,215
Federal Home Loan Bank advances	5,043	2,883
Long-term debt	1,267	1,437
Total interest expense	58,158	40,494
Net interest income	33,980	36,036
Credit loss expense (benefit)	—	—
Net interest income after credit loss expense (benefit)	33,980	36,036
Noninterest income:		
Service charges on deposit accounts	922	920
Debit card usage fees	948	997
Trust services	1,570	1,455
Increase in cash value of bank-owned life insurance	552	507
Gain from bank-owned life insurance	—	691
Other income	653	776
Total noninterest income	4,645	5,346
Noninterest expense:		
Salaries and employee benefits	13,658	13,896
Occupancy and equipment	3,299	2,649
Data processing	1,468	1,364
Technology and software	1,431	1,092
FDIC insurance	1,150	836
Professional fees	501	537
Director fees	435	456
Other expenses	3,120	3,715
Total noninterest expense	25,062	24,545
Income before income taxes	13,563	16,837
Income taxes	2,562	3,131
Net income	\$ 11,001	\$ 13,706
Basic earnings per common share	\$ 0.66	\$ 0.82
Diluted earnings per common share	\$ 0.65	\$ 0.82

WEST BANCORPORATION, INC. AND SUBSIDIARY
Financial Information (unaudited)

COMMON SHARE DATA	As of and for the Quarter Ended						For the Six Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023	
Earnings per common share (basic)	\$ 0.31	\$ 0.35	\$ 0.27	\$ 0.35	\$ 0.35	\$ 0.66	\$ 0.82	
Earnings per common share (diluted)	0.31	0.35	0.27	0.35	0.35	0.65	0.82	
Dividends per common share	0.25	0.25	0.25	0.25	0.25	0.50	0.50	
Book value per common share ⁽¹⁾	13.30	13.31	13.46	12.19	12.98			
Closing stock price	17.90	17.83	21.20	16.31	18.41			
Market price/book value ⁽²⁾	134.59 %	133.96 %	157.50 %	133.80 %	141.83 %			
Price earnings ratio ⁽³⁾	14.36	12.77	19.79	11.75	13.11			
Annualized dividend yield ⁽⁴⁾	5.59 %	5.61 %	4.72 %	6.13 %	5.43 %			
REGULATORY CAPITAL RATIOS								
Consolidated:								
Total risk-based capital ratio	11.85 %	11.78 %	11.88 %	11.96 %	12.15 %			
Tier 1 risk-based capital ratio	9.30	9.23	9.30	9.37	9.51			
Tier 1 leverage capital ratio	8.08	8.36	8.50	8.58	8.60			
Common equity tier 1 ratio	8.74	8.67	8.74	8.80	8.92			
West Bank:								
Total risk-based capital ratio	12.66 %	12.63 %	12.76 %	12.89 %	13.13 %			
Tier 1 risk-based capital ratio	11.79	11.76	11.89	12.01	12.24			
Tier 1 leverage capital ratio	10.25	10.65	10.86	11.00	11.08			
Common equity tier 1 ratio	11.79	11.76	11.89	12.01	12.24			
KEY PERFORMANCE RATIOS AND OTHER METRICS								
Return on average assets ⁽⁵⁾	0.53 %	0.61 %	0.48 %	0.64 %	0.64 %	0.57 %	0.76 %	
Return on average equity ⁽⁶⁾	9.50	10.63	8.89	10.89	11.03	10.07	12.90	
Net interest margin ⁽⁷⁾⁽¹³⁾	1.86	1.88	1.87	1.91	2.02	1.87	2.12	
Yield on interest-earning assets ⁽⁸⁾⁽¹³⁾	5.13	4.99	4.87	4.70	4.57	5.06	4.49	
Cost of interest-bearing liabilities	3.83	3.70	3.60	3.38	3.10	3.77	2.94	
Efficiency ratio ⁽⁹⁾⁽¹³⁾	67.14	62.04	64.66	60.83	62.83	64.62	58.91	
Nonperforming assets to total assets ⁽¹⁰⁾	0.01	0.01	0.01	0.01	0.01			
ACL ratio ⁽¹¹⁾	0.95	0.95	0.97	0.99	1.00			
Loans/total assets	75.63	75.20	76.52	76.98	76.31			
Loans/total deposits	94.27	97.23	98.44	103.42	98.97			
Tangible common equity ratio ⁽¹²⁾	5.65	5.65	5.88	5.51	5.90			

(1) Includes accumulated other comprehensive loss.

(2) Closing stock price divided by book value per common share.

(3) Closing stock price divided by annualized earnings per common share (basic).

(4) Annualized dividend divided by period end closing stock price.

(5) Annualized net income divided by average assets.

(6) Annualized net income divided by average stockholders' equity.

(7) Annualized tax-equivalent net interest income divided by average interest-earning assets.

(8) Annualized tax-equivalent interest income on interest-earning assets divided by average interest-earning assets.

(9) Noninterest expense (excluding other real estate owned expense and write-down of premises) divided by noninterest income (excluding net securities gains/losses and gains/losses on disposition of premises and equipment) plus tax-equivalent net interest income.

(10) Total nonperforming assets divided by total assets.

(11) Allowance for credit losses on loans divided by total loans.

(12) Common equity less intangible assets (none held) divided by tangible assets.

(13) A non-GAAP measure.

NON-GAAP FINANCIAL MEASURES

This report contains references to financial measures that are not defined in GAAP. Such non-GAAP financial measures include the Company's presentation of net interest income and net interest margin on a fully taxable equivalent (FTE) basis and the presentation of the efficiency ratio on an adjusted and FTE basis, excluding certain income and expenses. Management believes these non-GAAP financial measures provide useful information to both management and investors to analyze and evaluate the Company's financial performance. These measures are considered standard measures of comparison within the banking industry. Additionally, management believes providing measures on a FTE basis enhances the comparability of income arising from taxable and nontaxable sources. Limitations associated with non-GAAP financial measures include the risks that persons might disagree as to the appropriateness of items included in these measures and that different companies might calculate these measures differently. These non-GAAP disclosures should not be considered an alternative to the Company's GAAP results. The following table reconciles the non-GAAP financial measures of net interest income and net interest margin on a fully taxable equivalent basis and efficiency ratio on an adjusted and FTE basis.

(in thousands)	For the Quarter Ended						For the Six Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023	
Reconciliation of net interest income and net interest margin on a FTE basis to GAAP:								
Net interest income (GAAP)	\$ 17,230	\$ 16,750	\$ 16,361	\$ 16,634	\$ 17,341	\$ 33,980	\$ 36,036	
Tax-equivalent adjustment ⁽¹⁾	55	82	95	113	122	137	283	
Net interest income on a FTE basis (non-GAAP)	17,285	16,832	16,456	16,747	17,463	34,117	36,319	
Average interest-earning assets	3,731,674	3,595,954	3,487,799	3,478,053	3,461,313	3,663,814	3,448,722	
Net interest margin on a FTE basis (non-GAAP)	1.86 %	1.88 %	1.87 %	1.91 %	2.02 %	1.87 %	2.12 %	
Reconciliation of efficiency ratio on an adjusted and FTE basis to GAAP:								
Net interest income on a FTE basis (non-GAAP)	\$ 17,285	\$ 16,832	\$ 16,456	\$ 16,747	\$ 17,463	\$ 34,117	\$ 36,319	
Noninterest income	2,346	2,299	1,898	2,822	2,389	4,645	5,346	
Adjustment for realized securities losses, net	—	—	431	—	—	—	—	
Adjustment for losses on disposal of premises and equipment, net	21	—	24	3	2	21	2	
Adjusted income	19,652	19,131	18,809	19,572	19,854	38,783	41,667	
Noninterest expense	13,194	11,868	12,161	11,905	12,474	25,062	24,545	
Efficiency ratio on an adjusted and FTE basis (non-GAAP) ⁽²⁾	67.14 %	62.04 %	64.66 %	60.83 %	62.83 %	64.62 %	58.91 %	

(1) Computed on a tax-equivalent basis using a federal income tax rate of 21 percent, adjusted to reflect the effect of the nondeductible interest expense associated with owning tax-exempt securities and loans. Management believes the presentation of this non-GAAP measure provides supplemental useful information for proper understanding of the financial results, as it enhances the comparability of income arising from taxable and nontaxable sources.

(2) The efficiency ratio expresses noninterest expense as a percent of fully taxable equivalent net interest income and noninterest income, excluding specific noninterest income and expenses. Management believes the presentation of this non-GAAP measure provides supplemental useful information for proper understanding of the Company's financial performance. It is a standard measure of comparison within the banking industry. A lower ratio is more desirable.



West Bancorporation

NASDAQ: WTBA
Q2 2024 | Earnings Highlights

Disclaimers

Certain statements in this presentation, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements may appear throughout this presentation. These forward-looking statements are generally identified by the words "believes," "expects," "intends," "anticipates," "projects," "future," "confident," "may," "should," "will," "strategy," "plan," "opportunity," "will be," "will likely result," "will continue" or similar references, or references to estimates, predictions or future events. Such forward-looking statements are based upon certain underlying assumptions, risks and uncertainties. Because of the possibility that the underlying assumptions are incorrect or do not materialize as expected in the future, actual results could differ materially from these forward-looking statements. Risks and uncertainties that may affect future results include: interest rate risk, including the effects of sustained high interest rates by the Federal Reserve; fluctuations in the values of the securities held in our investment portfolio, including as a result of changes in interest rates; competitive pressures, including from non-bank competitors such as "fintech" companies and digital asset service providers; pricing pressures on loans and deposits; our ability to successfully manage liquidity risk; changes in credit and other risks posed by the Company's loan portfolio, including declines in commercial or residential real estate values or changes in the allowance for loan losses dictated by new market conditions, accounting standards or regulatory requirements; the concentration of large deposits from certain clients who have balances above current FDIC insurance limits; changes in local, national and international economic conditions, including high rates of inflation and possible recession; the effects of recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time that resulted in recent bank failures; changes in legal and regulatory requirements, limitations and costs including in response to the recent bank failures; changes in customers' acceptance of the Company's products and services; the occurrence of fraudulent activity, breaches or failures of our or our third-party partners' information security controls or cyber-security related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools; unexpected outcomes of existing or new litigation involving the Company; the monetary, trade and other regulatory policies of the U.S. government; acts of war or terrorism, including the ongoing Israeli-Palestinian conflict and the Russian invasion of Ukraine, widespread disease or pandemics, or other adverse external events; risks related to climate change and the negative impact it may have on our customers and their business; changes to U.S. tax laws, regulations and guidance; potential changes in federal policy and at regulatory agencies as a result of the upcoming 2024 presidential election; talent and labor shortages; and any other risks described in the "Risk Factors" sections of reports filed by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to revise or update such forward-looking statements to reflect current or future events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of West Bancorporation, Inc. after the date hereof. Certain of the information contained herein may be derived from information provided by industry sources. We believe that such information is accurate and that the sources from which it has been obtained are reliable. We cannot guarantee the accuracy of such information, however, and we have not independently verified such information.

This presentation contains references to financial measures that are not defined in GAAP. Such non-GAAP financial measures include the Company's presentation of net interest income and net interest margin on a fully taxable equivalent (FTE) basis and the presentation of the efficiency ratio on an adjusted and FTE basis, excluding certain income and expenses. Management believes these non-GAAP financial measures provide useful information to both management and investors to analyze and evaluate the Company's financial performance. These measures are considered standard measures of comparison within the banking industry. Additionally, management believes providing measures on a FTE basis enhances the comparability of income arising from taxable and nontaxable sources. Limitations associated with non-GAAP financial measures include the risks that persons might disagree as to the appropriateness of items included in these measures and that different companies might calculate these measures differently. These non-GAAP disclosures should not be considered an alternative to the Company's GAAP results. This presentation includes reconciliations of non-GAAP financial measures to comparable GAAP financial measures.

2Q 2024 Financial Highlights

Diluted EPS

\$0.31

Net Income

\$5.2 million

NPAs/Assets

0.01%

**Efficiency
Ratio¹**

67.14%

ROE

9.50%

ROA

0.53%

NIM¹

1.86%

**NASDAQ:
WTBA**

June 28, 2024*

Closing Price: \$17.90

2Q 2024 Price Range: \$15.80 to \$18.20

Cash Dividend Per Share Declared

On July 24, 2024: \$0.25

(payable on August 21, 2024)

Annualized Dividend Yield: 5.59%

*Last trading day of the quarter.



(1) Presented on a fully taxable equivalent basis; see Appendix for "Non-GAAP Financial Measures."

Company Profile and Mission

Mission

Our mission is to build strong relationships, build strong communities, and build upon our strong reputation to ensure our clients receive exceptional care, our communities receive outstanding support, and the loyalty of our employees and stockholders is rewarded.

- West Bancorporation, Inc. (the “Company”) is a publicly-traded, financial holding company (NASDAQ: WTBA) established in 1984 whose sole subsidiary is West Bank, founded in 1893.
- West Bank is headquartered in West Des Moines, Iowa and has 11 branches and commercial banking offices serving the greater Des Moines, Iowa area; eastern Iowa, which includes Iowa City and Coralville, Iowa; and southern Minnesota, which includes Rochester, Owatonna, Mankato, and St. Cloud, Minnesota.
- The Company is a reliable, dividend paying community bank with \$3.9 billion in assets focused on commercial banking.
- One of the Company's key competitive advantages is its client-centric approach to delivering strategic financial solutions to businesses, driven by the establishment of deep customer relationships and extensive experience in its markets.
- First and foremost a community bank, West Bank has built a strong reputation for being responsive to local needs. West Bank employees place a high priority on community involvement, lending their time and talents to a long list of civic and community projects.
- West Bank strives to be best at all things that are most important to someone running their own business.

Experienced Executive Leadership



David D. Nelson
Director/Chief Executive Officer/President

Joined West Bank in 2010
Years in Banking: 41

Prior to joining the Company Mr. Nelson was the President of Southeast Minnesota Business Banking and President of Wells Fargo Bank Rochester in Rochester, Minnesota.



Jane M. Funk
Chief Financial Officer
Executive Vice President/Treasurer

Joined West Bank in 2014
Years in Banking & Public Accounting: 34

Ms. Funk has extensive experience in the community banking industry and public accounting.



Harlee N. Olafson
Chief Risk Officer/Executive Vice President

Joined West Bank in 2010
Years in Banking: 46

Prior to joining the Company Mr. Olafson was the President of Southwest Minnesota Business Banking and President of Wells Fargo Bank Mankato in Mankato, Minnesota.



Brad L. Winterbottom
Executive Vice President
West Bank President

Joined West Bank in 1992
Years in Banking: 44

Mr. Winterbottom has extensive experience in commercial lending and loan portfolio administration and knowledge of the Iowa business community.



Bradley P. Peters
Executive Vice President
West Bank Minnesota Group President

Joined West Bank in 2019
Years in Banking: 39

Prior to joining the Company Mr. Peters was the Executive Vice President of Bremer Bank in Minnesota where he was responsible for new market expansion.



Todd A. Mather
West Bank Chief Credit Officer

Joined West Bank in 2019
Years in Banking: 28

Prior to joining West Bank, Mr. Mather spent 8 years at Bremer Bank in Minnesota as a Senior Credit Director and Group Senior Credit Manager.



Conservative Organic Growth with Successful Lift-Out Strategies

2010

David Nelson joins West Bank as CEO.

2013

Entered the Rochester, Minnesota market by hiring experienced bankers who had existing strong relationships with local business owners and creating an advisory community board made up of local business owners and leaders.

2016

Constructed a bank office building in Rochester, Minnesota.

2018

Crossed \$2 billion in total assets.

2019

Expanded into St. Cloud, Mankato, and Owatonna, Minnesota with the same lift-out strategy used in Rochester, Minnesota.

2020

Crossed \$3 billion in total assets.

2022

Opened a newly constructed bank office building in St. Cloud, Minnesota.

2023

Opened a newly constructed bank office building in Mankato, Minnesota and began construction on a bank office building in Owatonna, Minnesota.

2024

Opened new corporate headquarters building in West Des Moines, Iowa in April 2024. After being in the same leased space for fifty years, the new building consolidates our operations under one roof, and provides space for future growth and enhanced business development opportunities.

Company Highlights – Commitment to Excellence

West Bancorporation is a high performing company in U.S. community banking, well-versed in providing commercial banking services, including loans and lines of credit and all types of deposit services, to small- and medium-sized businesses in its Iowa and Minnesota markets.

Established

- A 132 year presence in the Des Moines, Iowa metropolitan area and is West Des Moines' oldest business of any type.
- Long track record of growth and stability coupled with attractive financial returns and dividend yield.
- Simple and consistent business model with a conservative operating philosophy and expense management controls.

Strategy

- Disciplined organic growth strategy with a track record of successful lift-out strategies.
- Business model highlighted by focus on risk management and consistent execution.
- Superior talent with business expertise in building relationships.

Community Service & Philanthropy

- In 2023, our employees volunteered over 8,000 hours of community service.
- In 2023, the West Bancorporation Foundation and West Bank provided over \$730,000 in total philanthropic contributions to more than 225 organizations.

Company Highlights – Commitment to Excellence

West Bank is a commercially-focused financial institution operating in high quality markets in Iowa and Minnesota led by a deep and experienced management team with skills developed internally and with other large regional banking institutions.

Credit Culture

- Strict credit risk management with robust processes and experienced credit personnel.
- 30 high quality commercial bankers with an average of 20 years of commercial banking experience.
- Centralized committee structure that is agile and responsive to customer needs and an organizational structure that provides deep support of credit and administrative functions.
- We are a local lender to local customers. We live where we lend.

Asset Quality

- Proven credit culture with a history of strong asset quality.
- Classified and watch list loan balance was 0.27% of the loan portfolio at June 30, 2024.
- Nonperforming assets at June 30, 2024 totaled \$521 thousand, or 0.01% of total assets.

Risk Management

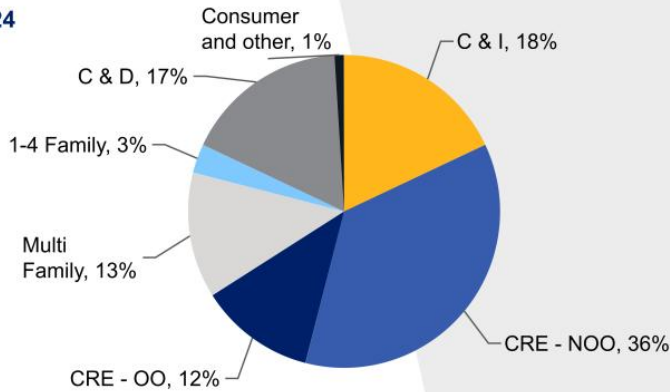
- Commercial real estate stress testing is completed quarterly.
- No exposure to cryptocurrency companies or assets.
- No commercial real estate office exposure in major metropolitan downtown areas outside of Iowa.

Loans

Loans
(\$ in millions)



Loan Mix
as of 6/30/24

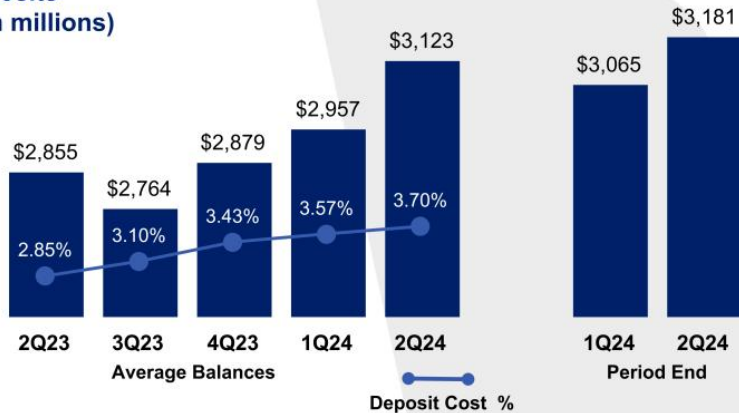


Quarterly Highlights

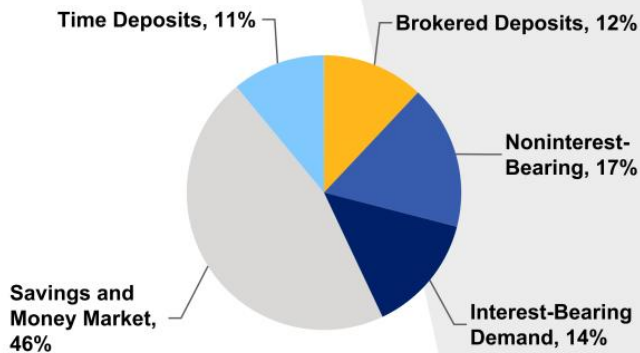
- Loans increased \$18.6 million in Q2 2024, primarily due to the funding of previously committed construction loans.
- Quarterly average loans increased \$44.8 million compared to Q1 2024.
- Commercial real estate loans are diversified among various sectors, including hotels, warehouses, medical, senior living, mixed use and office.
- Commercial office lending makes up less than 6.1% of the total loan portfolio, with only 1.2% located in the Des Moines metropolitan downtown area.
- Loan yields increased 11 bps in Q2 2024 compared to Q1 2024 as loan originations and renewals priced at higher prevailing market rates compared to current portfolio rates.
- 34% of the loan portfolio consists of variable-rate loans.

Deposits

Deposits (\$ in millions)



Deposit Mix as of 6/30/24



Quarterly Highlights

- Total deposits increased \$115.9 million in Q2 2024.
- Brokered deposits decreased \$26.1 million in Q2 2024.
- West Bank participates in the IntraFi[®] ICS and CDARS reciprocal deposit network which enables depositors to receive FDIC insurance coverage on deposits otherwise exceeding the maximum insurable amount.
- Estimated uninsured deposits, excluding deposits in the IntraFi[®] reciprocal deposit network, brokered deposits and public funds protected by state programs, were approximately 26.3% of total deposits at the end of Q2.
- Deposit costs increased 13 bps in Q2 2024 compared to Q1 2024.
- Deposit costs have continued to increase in response to sustained high short term market rates and pricing competition from other financial institutions and brokerage firms.

Funding and Liquidity

Overall Funding Costs

(\$ in millions)



Sources of Liquidity

(\$ in thousands)

Cash and cash equivalents	\$	149,819
Unpledged securities		156,561
FHLB borrowing availability		524,974
Unsecured lines of credit availability		75,000
Federal Reserve discount window availability		71,550
Total as of 6/30/2024	\$	977,904

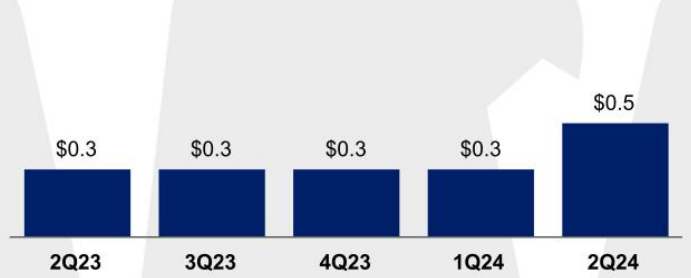
West Bank also maintains master brokered deposit agreements with brokerage firms and access to one-way buy options through the IntraFi[®] deposit network.

Credit Quality

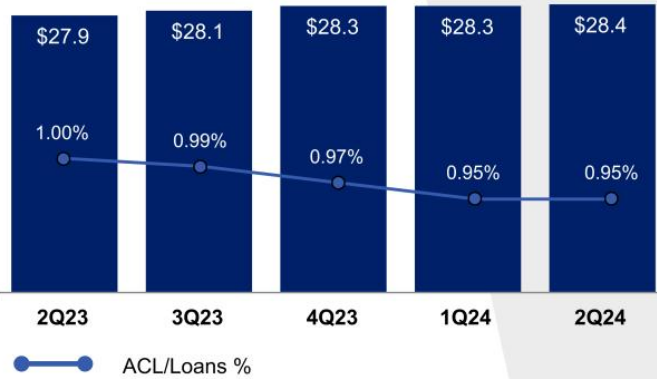
Net Charge-Offs (Recoveries)
(\$ in thousands)



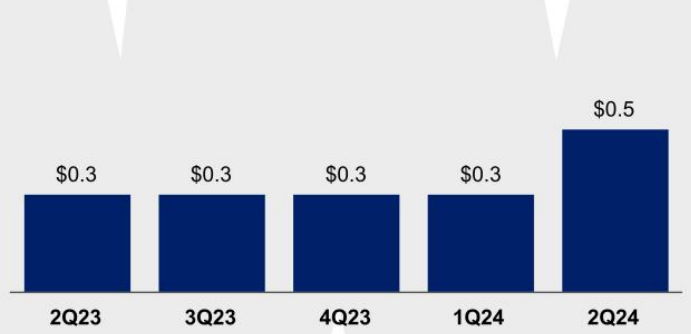
Substandard Loans
(\$ in millions)



Allowance for Credit Losses
(\$ in millions)

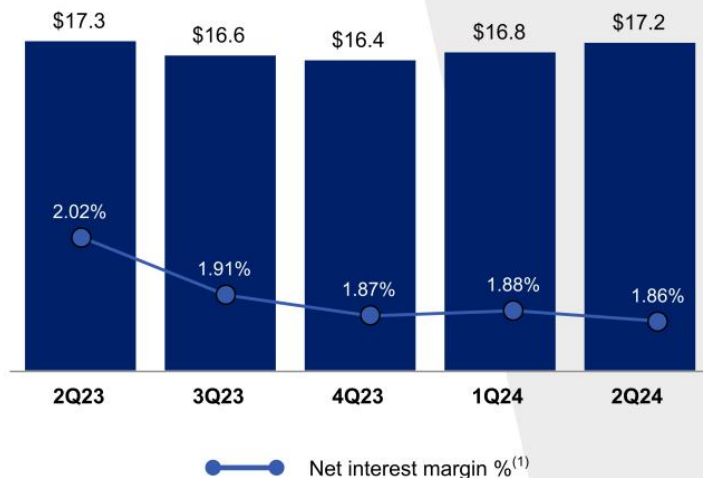


Nonaccrual Loans
(\$ in millions)



Net Interest Income

Net Interest Income (\$ in millions)



Net interest income increased \$0.4 million in Q2 2024 compared to Q1 2024

- Loan interest income increased \$1.5 million.
- Interest income on interest-bearing cash deposits increased \$1.5 million.
- Deposit interest expense increased \$2.4 million.

Net interest margin decreased 2 bps in Q2 2024

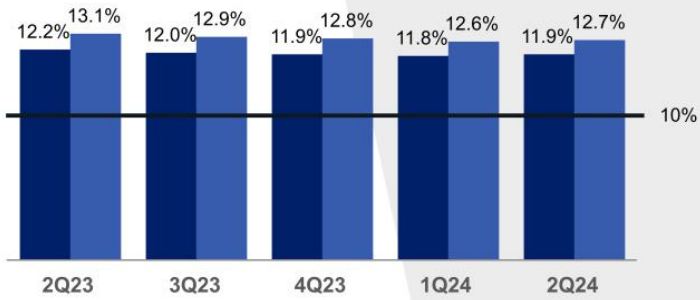
- Loan yields increased 11 bps in the second quarter of 2024 compared to the first quarter of 2024.
- Estimated investment portfolio cash flows for the next 12 months are \$49.6 million with a roll-off interest rate of 2.14%.



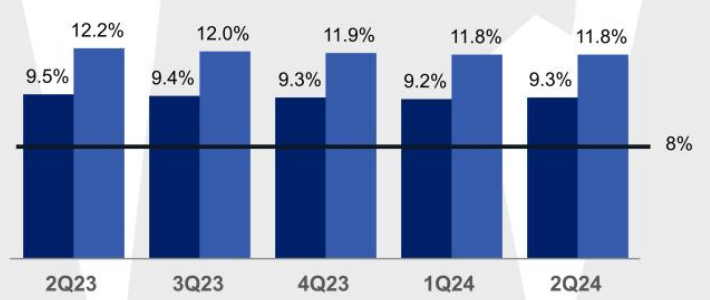
(1) Presented on a fully taxable equivalent basis; see Appendix for "Non-GAAP Financial Measures."

Regulatory Capital Ratios

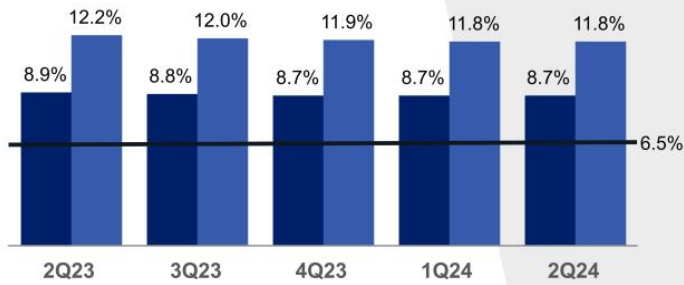
Total Risk Based Capital Ratio



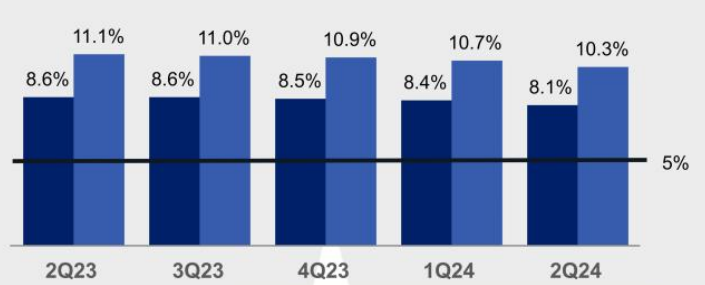
Tier 1 Capital Ratio



Common Equity Tier 1 Ratio



Tier 1 Leverage Ratio



Company

West Bank

Note: Lines depict well-capitalized levels.



Appendix

Non-GAAP Financial Measures

(in thousands)

As of and for the Quarter Ended

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Reconciliation of net interest income and net interest margin on a FTE basis to GAAP:					
Net interest income (GAAP)	\$ 17,230	\$ 16,750	\$ 16,361	\$ 16,634	\$ 17,341
Tax-equivalent adjustment ⁽¹⁾	55	82	95	113	122
Net interest income on a FTE basis (non-GAAP)	17,285	16,832	16,456	16,747	17,463
Average interest-earning assets	3,731,674	3,595,954	3,487,799	3,478,053	3,461,313
Net interest margin on a FTE basis (non-GAAP)	1.86 %	1.88 %	1.87 %	1.91 %	2.02 %
Reconciliation of efficiency ratio on an adjusted and FTE basis to GAAP:					
Net interest income on a FTE basis (non-GAAP)	\$ 17,285	\$ 16,832	\$ 16,456	\$ 16,747	\$ 17,463
Noninterest income	2,346	2,299	1,898	2,822	2,389
Adjustment for realized securities losses, net	—	—	431	—	—
Adjustment for losses on disposal of premises and equipment, net	21	—	24	3	2
Adjusted income	19,652	19,131	18,809	19,572	19,854
Noninterest expense	13,194	11,868	12,161	11,905	12,474
Efficiency ratio on an adjusted and FTE basis (non-GAAP) ⁽²⁾	67.14 %	62.04 %	64.66 %	60.83 %	62.83 %

(1) Computed on a tax-equivalent basis using a federal income tax rate of 21 percent, adjusted to reflect the effect of the nondeductible interest expense associated with owning tax-exempt securities and loans. Management believes the presentation of this non-GAAP measure provides supplemental useful information for proper understanding of the financial results, as it enhances the comparability of income arising from taxable and nontaxable sources.

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West Bancorporation, Inc. Board of Directors

Back L to R: Douglas Gulling, Sean McMurray, Patrick Donovan and Philip Jason Worth
Front L to R: Steven Gaer, Lisa Elming, George Milligan (Chair), Rosemary Parson, David Nelson,
James Noyce, Therese Vaughan and Steven Schuler



