



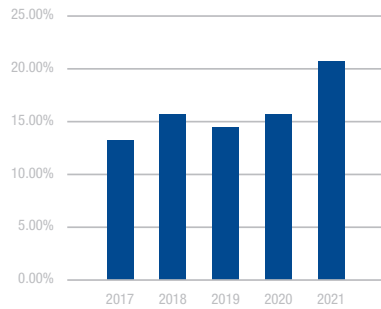
Celebrating West Bank Legends



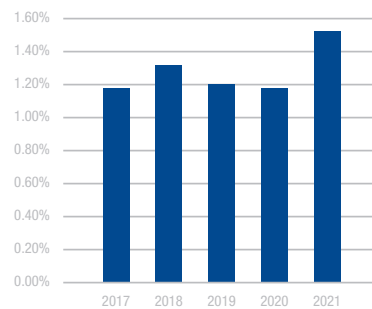
2021 ANNUAL REPORT

2021 FINANCIAL PERFORMANCE

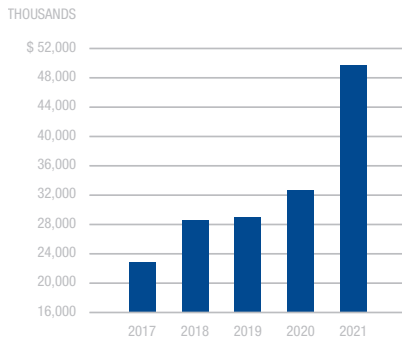
Return on Average Equity



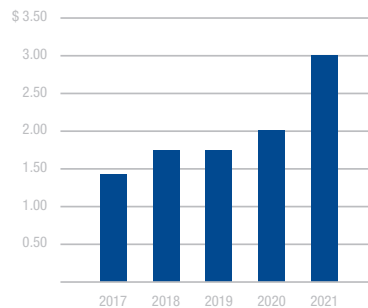
Return on Average Assets



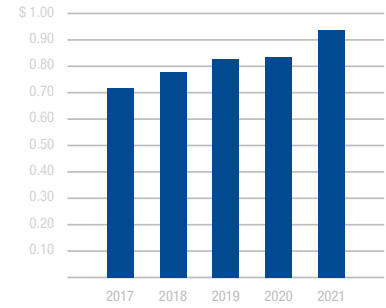
Net Income



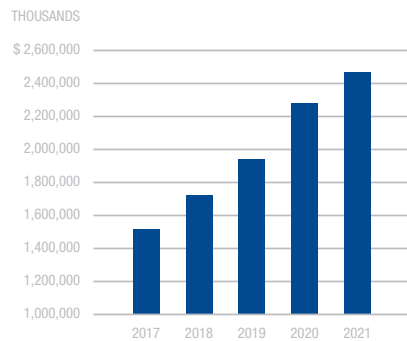
Earnings Per Share



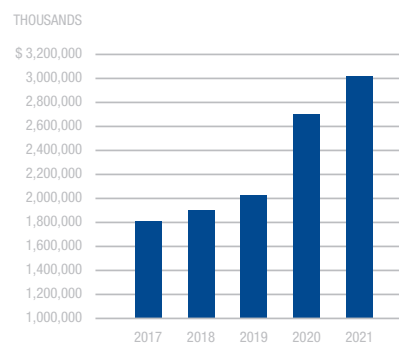
Dividends Per Share



Total Loans



Total Deposits



Dear Stockholders:

As I find myself reflecting upon this incredible and very unique year, I'm left to consider - How does a business generate a fifty percent increase in earnings following a record year and do so during a pandemic? The answer is simple, but not easy. It is having the right players on our team. It is clarity of vision and strategy. It is our rich history of community engagement and support. It is the consistency of what every West Banker does every day on purpose.



We believe that the key to our success is to have the best team, decide what is most important, and then do our best every day while we are having fun doing it. Although we do not set goals about being a certain size by a certain time, we have essentially tripled the size of your Bank during the past 10 years.

128 years ago, our founders started the bank in a small, red brick building on a dirt road. Since that time, West Bank has endured two World Wars, the Great Depression, many financial crises and now a worldwide pandemic. Those who came before us successfully overcame their own set of significant challenges and so are we.

We are proud to honor three West Bank legends who retired in 2021. Their decades of service to West Bank has been instrumental to our success and we are grateful for their influence and inspiration to many more West Bank legends in the making.

The future of our Company is bright. We currently have four new bank building projects in various stages of planning and development. These buildings represent our commitment to our customers, employees and communities as we continue our pursuit of excellence for decades to come. Our strong financial foundation and incredible team of dedicated West Bankers positions us well to face future challenges and to capitalize on opportunities.

We appreciate and sincerely thank you for your continued support and interest in our Company.

Sincerely,

A handwritten signature in black ink that reads 'David D. Nelson'.

David D. Nelson
CEO and President, West Bancorporation, Inc.
Chairman and CEO, West Bank



OUR VISION

Our vision is to achieve and sustain a position of industry envy and admiration.

OUR 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.

Richard Mockobee, Teller, Main Bank

2021 ACHIEVEMENTS

As a team and corporation, West Bank celebrated many great accomplishments and milestones throughout 2021.



One of 2021 Best Banks in America

- West Bank was named a “Sm-All Star” by Piper Sandler, investment bank and research firm.
- The selection was made from a field of 386 publicly traded banks and thrifts with criteria including growth, profitability, credit quality and capital strength.
- Out of 35 winners representing 10 percent of the eligible pool across the country, West Bank was the only Iowa bank to win and one of only a few from the Midwest.

All-Time Record Earnings



Each quarter of 2021 reported record earnings well above 2020 quarterly earnings.

Net income for 2021 was \$49.6 million, or \$2.95 per diluted common share compared to \$32.7 million or \$1.98 per diluted common share in 2020.

We also experienced incredible loan growth of 16 percent (excluding PPP loans) and are proud of remarkable credit quality for the banking industry.



West Bank Chairman & CEO Named to American Bankers Association Board of Directors

- The American Bankers Association (ABA) is the banking industry’s National Trade Association representing banks of all sizes across America.
- David Nelson was one of six bankers nationally to join the ABA board for a three-year term.
- After serving on the Iowa Bankers Association Board of Directors for several years, David Nelson began serving as an ABA board director in October 2021.



Celebrating Legendary Team Members

At the core of our mission, you will find the heart of West Bank: our people. Building strong relationships, communities and reputations simply cannot happen without a great team. Providing exceptional care and reliable support can only be genuine coming from generous and devoted individuals. We are both proud and humbled that in 2021, we celebrated three West Bank legends who collectively dedicated more than 100 years to helping West Bank fulfill its mission.

Over the course of almost 50 years with West Bank, Alice Jensen has become a well-known face to customers, employees and partners. When she was first hired in 1973 by former Executive Vice President Joyce Chapman, now retired, West Bank had only two locations in existence—Grand Avenue and the headquarters on 22nd Street—both in West Des Moines.

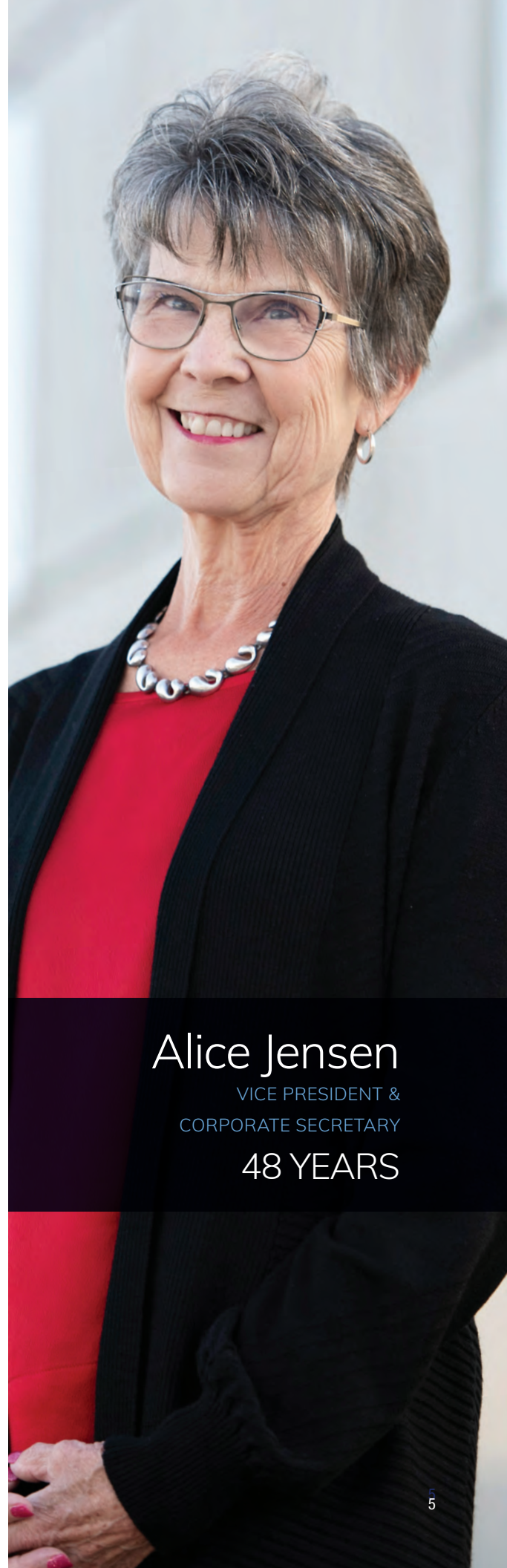
“We had no computers - just typewriters, adding machines, pens and papers,” Alice remembers. For payroll, Alice says “Employees used timecards. Withholding taxes were calculated manually for each employee, cash was ordered in dollar amounts and included in each employee’s envelope—down to the last penny. Envelopes were hand-delivered to each employee with a signature required.”

Over the years, Alice worked in several departments throughout the bank, including loan processing, consumer lending, auditing, new accounts, trust, and payroll. Ultimately, Alice was named Vice President and Corporate Secretary in 2000 and retired from that position in 2021.

Alice continues to stay busy in retirement, volunteering and enjoying a new bicycle, which she admits makes her family a little nervous. “After the first two trips and two tumbles, I feel I have a handle on it,” she laughs.

Alice’s retirement is well deserved, and she looks forward to spending more time with her family; however, it’s bittersweet as she leaves another family behind.

“West Bank has always been my second family. I’ve been proud to tell people where I work and what an honor it’s been to be an employee in a company that strives for each other’s success. I will always treasure the years of working with so many extraordinary people. I could not have wished for more from colleagues who’ve become my good friends.”



Alice Jensen

VICE PRESIDENT &
CORPORATE SECRETARY

48 YEARS



Rod Weikert

SENIOR VICE PRESIDENT,
COMMERCIAL BANKER

40 YEARS

Rod Weikert shares a quote he’s often heard from David Nelson, Chairman and CEO of West Bank, as he reflects on his 40 years with the company: “It’s fun to be part of something special.”

After four decades as a commercial banker, Rod credits his longevity with West Bank in large part to the diversity of the people and experiences that allowed him to cultivate a fulfilling career.

“The fun part of working at a bank is you get to work with a lot of different people, customers and all their different businesses,” Rod explains. “West Bank allowed me to evolve over time, find a place within the institution, and figure out how to contribute.”

He also notes that the bank’s adaptability, strong culture and quality management contributed to his, and the entire team’s, success.

“It’s essential for companies to have strong culture. At West Bank, we work together instead of against each other.”

Rod admits that as commercial banker, he’d often get credit for providing great customer service, but he believes the real credit goes to the people working behind the scenes to produce a good product. “It’s part of how we can grow relationships,” he says.

“It wasn’t uncommon for me to get a call from a customer who needed an answer I didn’t immediately have. But I knew I could make a phone call to a co-worker and get that answer.”

Also celebrating milestone anniversaries in 2021:



25 YEARS

Sue Reinders
1st Vice President
Assistant Branch Manager



20 YEARS

Bobbi Jo Kemble
Vice President
Digital Banking Manager

Kevin Smith
Senior Vice President
Commercial Banker

Sue Bryant
2nd Vice President
Finance

Jason Nelson
Vice President
Security Officer

Before joining West Bank in 2001, Doug Gulling's professional experience at other community banks planted a curiosity in him about the source of West Bank's continual success.

"When we compared performance, we always wondered how West Bank performed so much better than everyone else," he says. When he was hired at West Bank, he found his answers.

"It's our business model and our people. When you have people working for decades, they have to know what they're doing and do it well," he says.

Doug fit right in. After another 20 years with West Bank, he retired as CFO in 2021. Though he says he feels like a lightweight compared to Alice and Rod, Doug dedicated two decades to building a strong financial management team. It's this type of team he says has paved the way for 128 years of West Bank's success.

"Dave Nelson often reminds us, the team with the best players should win unless they have a bad coach," Doug says. "West Bank has the best players, we have a great coach, and we plan to keep on winning."

Doug is happy to retire while he can still travel with his wife, Judy, and focus on the "three G's—golf, gardening and goofing off."



Doug Gulling
EXECUTIVE VICE PRESIDENT &
CHIEF FINANCIAL OFFICER
20 YEARS

We're so thankful for these three legendary West Bank team members, just as we're grateful for all those who retired from long careers with us before them and the many more who will follow in their footsteps in the years to come. We continue to be proud that establishing long, successful careers at West Bank is not the exception—it's the norm.





Upholding Legendary Service

Ensuring that our clients continue to receive exceptional care will always be a priority. That means it's essential to consistently analyze and find ways to improve systems, services and technology. While 2020 proved that we could be nimble and responsive in the face of unexpected challenges, the need for continual innovation to exceed our customer's expectations carried on into 2021.

Supportive Technology

Integrating technology to improve our services is important, but we ensure it is never at the expense of a personalized experience. Over the course of 2021, we focused on combining high-tech with high-touch personal services.

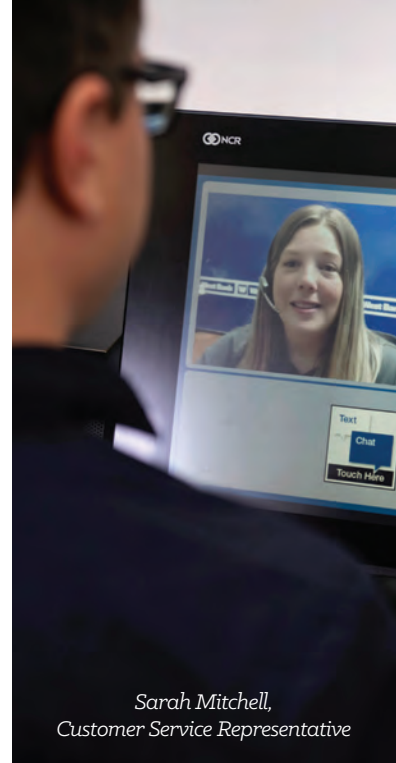
- New Drive-Up Video Tellers, which feature access to live support from West Bank tellers, were installed at our Waukee, South and East locations.
- For enhanced debit card security, West Bank debit cardholders were enrolled in debit card text fraud alerts. Text notifications of potential fraudulent transactions are sent to cardholders who are able to immediately respond back whether transactions are valid or not.
- West Bank's ACH Fraud Detection System was updated, providing customers with improved fraud detection support.
- We now offer "Soft Tokens", a secure one-time password generated by a mobile app for use each time customers log into eCorp Online Banking, eCorp Mobile, or complete a transaction such as a wire or ACH.

Customer Support

We know that a big part of great customer service is listening and responding. That's why we take the time to proactively survey our customers to identify opportunities for providing even better support. In June 2021, we distributed surveys to almost 10,000 customers for feedback on their West Bank experiences. Responses were instrumental for guiding our service plans and upgrades for 2022 and beyond. As a result of the survey, we are focusing on consistent communications for new and beneficial services while streamlining account opening processes.

Paycheck Protection Program

While the bulk of the PPP loans were processed in 2020, totaling 925, the financial strain caused by the COVID-19 pandemic continued the need for PPP support throughout 2021. Over the course of the last two years, West Bank processed nearly 1,500 PPP loans. We've provided community businesses with more than \$300 million in PPP assistance, nearly \$273 million of those loans already forgiven.



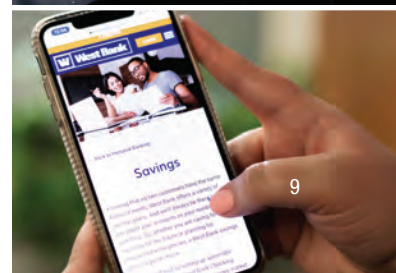
*Sarah Mitchell,
Customer Service Representative*



*Jeff DeVore,
Branch Manager*



*Gabe Olson,
Commercial Banker*



Continuing Legendary Support

As a community bank, we know we are only as strong as the communities we serve. That's why we place immense value on giving back.



Portfolio Manager Michele Sursely and Rochester Market President Mike Zirser present grant to Channel One Regional Food Bank



West Bankers Yunien Ramos, Nezira Mujkanovic and Leslie Ramos lead the West Des Moines Independence Day parade



Portfolio Manager Kelly Schaer and Commercial Banker Minda Hamann deliver CPR training kits to Liberty High School

In 2021, West Bancorporation Foundation and West Bank provided:

\$1,049,000

in total philanthropic contributions

76

Grants awarded in 2021



\$49,500

in grants to 8 local food pantries



Good Neighbors:

West Bank made a \$350,000 contribution to the Historic West Des Moines Pilot Housing Program. This program will assist property owners within the Historic West Des Moines area, also known as Valley Junction where West Bank was founded in 1893, with residential property improvement projects.



Organizations awarded focus on Human Services, Arts and Culture, and Education



Community Awards:

West Des Moines Chamber - Best of the West "Best Bank" and "Best Company That Gives Back to the Community" awards

"We are proud to support such amazing organizations that are continually bettering our community."

- Jill Hansen, Senior Vice President,

West Bank and Executive Director of the West Bancorporation Foundation



Treasury Management Administrator
Zana Serdarevic volunteering with Rebuilding Together



Tyler Miller, South Branch Manager,
presents grant to Food Bank of Iowa



Nezira Mujkanovic, Retail Banking Specialist,
volunteers at West Bank's free Shred Day.



Building the Foundation for Future Legends

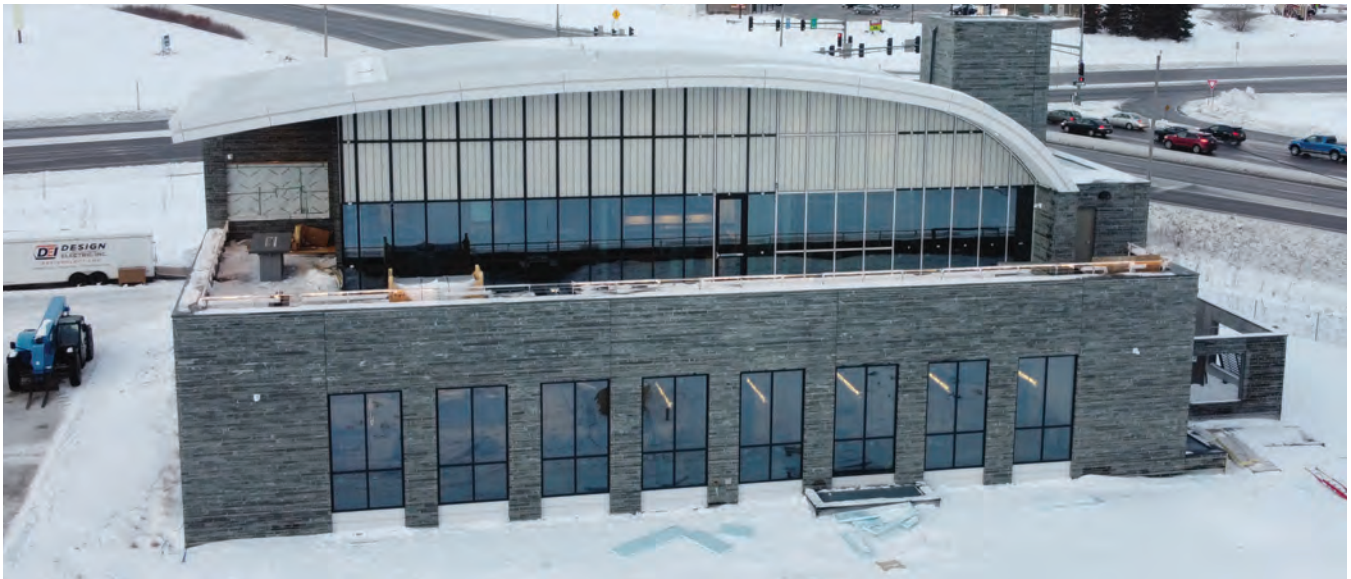
Over the course of 128 years, West Bank has grown from one small Valley Junction office in West Des Moines to 11 locations throughout Iowa and Minnesota. This expansion results from a proven framework for success that includes hiring great people, incorporating community board members who work and live in the areas we serve, and waiting to purchase or build permanent locations until financially plausible. We're proud to say that we have four more buildings planned in the next few years that we're confident will be home to many West Bank legends to come.



Sartell, Minnesota

Located near St. Cloud, Sartell will soon feature a new 15,000 square-foot West Bank building to open in 2022. The state-of-the-art building will reflect the architecture of the building in Rochester, which opened in 2016. The new Sartell building will be a point of pride for the area with a modern structure, natural stone, many windows for natural light and a rooftop space for entertaining.

In addition to business banking, the new building will offer full-service consumer banking and trust services for business customers and the community.



Mankato and Owatonna, Minnesota

West Bank also has plans to construct new bank buildings in Mankato and Owatonna in the next few years. After leasing space in both locations since 2019, we look forward to establishing permanent roots to provide many more years of exceptional community banking.



New West Bank Headquarters

After 50 years of being headquartered on 22nd Street in West Des Moines, West Bank announced in late 2021 plans to build a new site to call home.

“As the oldest business of any type to be founded in West Des Moines, we believe it’s very important to remain headquartered here,” says David Nelson, West Bank Chairman and CEO.

The new office building will be located merely one mile west of the current headquarters but offers more visibility from Interstate 235. The addition of the modern facility, and the business it will bring to the area, will help to revitalize the neighborhood, where smaller businesses have recently struggled.

“To further demonstrate our support for West Des Moines, we selected a site that is not only highly visible, but also in need of reinvestment and redevelopment,” Nelson adds. “Redevelopment is both more difficult and more expensive, but as community leaders, we think it’s important to support the community that has supported us for so long.”

The four-story, 62,000 square-foot building will be built on about 7.5 acres on Westtown Parkway. The building will also reflect new buildings planned for Minnesota with natural stone and glass, though it will be much larger to accommodate nearly 100 employees and leaders headquartered there. It will also provide a rooftop terrace and other areas perfect for hosting West Bank events, including a lower-level walk-out patio with a view of a new water feature. Construction will begin in 2022 and is scheduled to be complete in 2024.





West Bancorporation
Leadership

A Legend Lost

Sadly, 2021 also marked the year we lost one of West Bank's most well-known legends, former Chairman and CEO David Miller. For more than 40 years, Dave dedicated his talent and sharp business acumen to the growth of West Bank and its team. He passed peacefully on November 21 at the age of 89.

Dave was born and raised in Davenport, Iowa, graduating high school in 1950 from St. Ambrose Academy. In 1954, he earned his Business Administration degree from University of Iowa and started his banking career at Davenport Bank and Trust. In 1961, he joined West Bank, then known as West Des Moines State Bank, as Vice President and rose quickly to become bank President in 1968 and ultimately Chairman of the Board and President in 1978. He retired as Chairman and CEO in 2001.



David Miller, 1932-2021

An inspiring visionary and strong community advocate, Dave helped mold the culture of perpetual growth at West Bank, always with a focus on local support and personalized service. His approach is best illustrated with a passage from his shareholders letter published in the 1985 West Bank Annual Report, in which he said,

“...we have no intention of becoming a financial supermarket in an attempt to be all things to all people. We will continue to provide the greater Des Moines metro area with the highest quality of personalized service consistent with sound banking practice and to provide an institution that is customer responsive and community oriented.”

After reporting record earnings, Dave concluded his letter giving credit to his team, a sentiment that has carried on long since he retired:

“We all need to express our appreciation to the staff of West Bank, who, by their abilities and attitude in the performance of their various responsibilities, are the ones who make it all happen.”

David Miller is survived by his wife of 68 years, Joan Miller, 5 adult children, 12 grandchildren, 4 step-grandchildren, 13 great-grandchildren and numerous cherished nephews and nieces.

BOARD OF DIRECTORS



Jim Noyce*
Chairman,
West Bancorporation



Dave Nelson*
CEO and President,
West Bancorporation;
Chairman and CEO,
West Bank



Jane Funk**
EVP, Treasurer and Chief
Financial Officer,
West Bancorporation;
EVP and Chief Financial
Officer, West Bank



Brad Winterbottom**
EVP,
West Bancorporation;
President, West Bank



Harlee Olafson**
EVP and Chief Risk Officer,
West Bancorporation;
EVP and Chief Risk Officer,
West Bank



Brad Peters**
EVP,
West Bancorporation;
EVP and Minnesota
Group President of
West Bank



Douglas Gulling*
Bank Building
Construction Administrator,
West Bank



Patrick Donovan*
Retired



Lisa Elming*
Retired



Steven Gaer*
R & R Realty Group;
Retired Mayor,
West Des Moines



Mike Gerdin*
Heartland Express, Inc.



Sean McMurray*
Businessolver, Inc.



George Milligan*
The Graham Group, Inc.



Steven Schuler*
Retired



Therese Vaughan*
University of Iowa



Jason Worth*
Gilcrest/Jewett
Lumber Company

* Director of West Bancorporation, Inc. and West Bank ** Director of West Bank

CENTRAL IOWA COMMUNITY BOARD



Rhonda Burkhardt
The Underground Company, LTD



Jerry Deegan
Retired



Darin Ferguson
Ferguson Commercial Real Estate Services



Ryan Flynn, CPA
Flynn + Sweeney, LLC



Kevin Grimm
Wexford & James, LLC



Greg LaMair
Assured Partners LLC



Dave Moench
Realm Companies



Austin Palmer
The Palmer Group



Steve Schweizer
Denman & Company



Victoria Veiock
Bing's



Jeff Yurgae
Mueller-Yurgae Associates, Inc.

EASTERN IOWA COMMUNITY BOARD



Jesse Allen
Allen Homes, Inc.



Rodney Anderson
Panuchos Mexican Grill



Jill Armstrong
Skogman Realty



David Barker
Barker Apartments



Kevin Digmann
Hodge Construction



Ravi Patel
Hawkeye Hotels



Luke Recker
Styker Instruments



Chuck Skaugstad
The Mansion Town Square Developers



Leighton Smith
BerganKDV



Jerry Waddilove
Real Estate Developer

All six of our community boards are non-voting advisory boards with knowledge of the communities we serve.

MANKATO COMMUNITY BOARD



Bryan Bode
Investor/Developer/
Farmer



Mark Draper
River City Electric
Company



Dr. Wynn Kearney
Retired Surgeon/Investor



Steve Kibble
Siesta Hills



Bruce Kinsella
Philanthropic Consulting



Tim Lidstrom
Lidstrom Commercial
Realtors



David Pfeffer
Vintage Fine Homes, Inc.



Mark Phinney
C&N Sales Company
First Choice Security



Randy Westman
Westman Investments



Art Westphal
Bethany Lutheran
College



Andrew Willaert
Gislason & Hunter LLP

OWATONNA COMMUNITY BOARD



Dale Buytaert
CliftonLarsonAllen LLP



Chad Hanson
Main Street
Dental Clinics



Theresa James
James Brothers
Construction



Wayne James
James Brothers
Construction



Scott Mohs
Mohs Contracting
Mohs Homes



Mike Noble
Investor/Retired



Pat Noble
National Online
Consignment and Rental



Darren Roemhildt
Bridges Chiropractic



Brandon Wayne
Wayne-Norrid-Wetmore
Wealth Management

All six of our community boards are non-voting advisory boards with knowledge of the communities we serve.

ROCHESTER COMMUNITY BOARD



Jason Boynton, CPA
Smith Schafer & Associates



Jeff Brown
Jeff Brown Real Estate



Michael Busch
Paramark Corp.



Patrick Deutsch
Pace International



Bobbie Gostout, M.D.
*Vice President Emeritus,
Mayo Clinic*



Hal Henderson
HGA



Charlie Kuehn
Kuehn Motors



Dick Kuehn
Kuehn Motors



David Pederson
Dunlap & Seeger, P.A.



Peter Schuller
A.B. Systems, Inc.



Ed Stanley
*Merit Building
Enclosure Systems*



Tim Weir
Olmsted Medical Center

ST. CLOUD COMMUNITY BOARD



David Berdan
J-Berd Companies



Byron Bjorklund
Short Stop Restaurants



Jeff Drown
Lyon Contracting



Steve Feneis
Granite City Real Estate



Jason Ferche
Ferche Companies



Marc Sanderson
Wilkie Sanderson



Dr. Kevin Smith
*Regional Diagnostic
Radiology*



Eric Stack
*Millerbernd
Manufacturing*



Tim Torborg
Torborg Builders



Heidi Weikert
*S.T. Cotter
Turbine Services*

All six of our community boards are non-voting advisory boards with knowledge of the communities we serve.



West Bancorporation
Financials



As of and for the years ended December 31, 2021, 2020, and 2019
(dollars in thousands, except per share data)

	2021	2020	2019
Results of operations			
Net interest income	\$ 95,059	\$ 82,833	\$ 66,430
Provision for loan losses	(1,500)	12,000	600
Noninterest income	9,729	9,602	8,318
Noninterest expense	43,380	39,054	38,406
Income before income taxes	62,908	41,381	35,742
Net income	49,607	32,712	28,690
Per common share			
Cash dividends	\$ 0.94	\$ 0.84	\$ 0.83
Basic earnings	3.00	1.99	1.75
Diluted earnings	2.95	1.98	1.74
Closing stock price	31.07	19.30	25.63
Book value	15.73	13.58	12.93
Year-end balances			
Assets	\$3,500,201	\$3,185,744	\$ 2,473,691
Investment securities	768,787	432,294	411,069
Loans	2,456,196	2,280,575	1,941,663
Nonperforming loans	8,948	16,194	538
Other real estate owned	-	-	-
Deposits	3,016,005	2,700,994	2,014,756
Stockholders' equity	260,328	223,695	211,820
Ratios			
Return on average assets	1.52%	1.19%	1.20%
Return on average equity	20.33%	15.49%	14.34%
Texas ratio ⁽¹⁾	3.10%	6.40%	0.23%
Efficiency ratio ^{(1) (2)}	40.91%	41.96%	50.96%
Dividend payout ratio	31.33%	42.23%	47.33%
Dividend yield	3.03%	4.35%	3.24%
Net interest margin ⁽²⁾	3.05%	3.20%	2.95%
Allowance for loan losses as % of loans	1.15%	1.29%	0.89%
Net (charge-offs) recoveries as % of average loans	0.02%	0.01%	0.00%
Nonperforming loans as % of loans	0.36%	0.71%	0.03%
Tangible common equity to tangible assets	7.44%	7.02%	8.56%

(1) A lower ratio is better.

(2) As presented, this is a non-GAAP measure – see “Non-GAAP Financial Measures” for additional details.

CONSOLIDATED BALANCE SHEETS



December 31, 2021 and 2020
(dollars in thousands, except per share data)

Assets

Cash and due from banks	\$ 17,555	\$ 77,693
Federal funds sold	<u>175,270</u>	<u>318,742</u>
Cash and cash equivalents	192,825	396,435
Investment securities available for sale, at fair value	<u>758,822</u>	<u>420,571</u>
Federal Home Loan Bank stock, at cost	9,965	11,723
Loans	2,456,196	2,280,575
Allowance for loan losses	<u>(28,364)</u>	<u>(29,436)</u>
Loans, net	2,427,832	2,251,139
Premises and equipment, net	34,568	29,077
Accrued interest receivable	8,890	11,231
Bank-owned life insurance	43,609	42,686
Deferred tax assets, net	10,819	11,289
Other assets	<u>12,871</u>	<u>11,593</u>
Total assets	<u>\$ 3,500,201</u>	<u>\$ 3,185,744</u>

Liabilities and stockholders' equity

Liabilities

Deposits		
Noninterest-bearing demand	\$ 720,136	\$ 696,731
Interest-bearing demand	548,242	553,881
Savings	1,550,636	1,274,254
Time of \$250 or more	53,019	46,907
Other time	<u>143,972</u>	<u>129,221</u>
Total deposits	3,016,005	2,700,994
Federal funds purchased	2,880	5,375
Subordinated notes, net	20,465	20,452
Federal Home Loan Bank advances	125,000	175,000
Long-term debt	51,521	21,558
Accrued expenses and other liabilities	<u>24,002</u>	<u>38,670</u>
Total liabilities	<u>3,239,873</u>	<u>2,962,049</u>

Stockholders' equity

Preferred stock, \$0.01 par value; authorized 50,000,000 shares; no shares issued and outstanding at December 31, 2021 and 2020	-	-
Common stock, no par value; authorized 50,000,000 shares; 16,554,846 and 16,469,272 shares issued and outstanding at December 31, 2021 and 2020, respectively	3,000	3,000
Additional paid-in capital	30,183	28,823
Retained earnings	237,782	203,718
Accumulated other comprehensive loss	<u>(10,637)</u>	<u>(11,846)</u>
Total stockholders' equity	260,328	223,695
Total liabilities and stockholders' equity	<u>\$ 3,500,201</u>	<u>\$ 3,185,744</u>

CONSOLIDATED STATEMENTS OF INCOME



Years ended December 31, 2021, 2020, and 2019
(dollars in thousands, except per share data)

	2021	2020	2019
Interest income			
Loans, including fees	\$ 95,585	\$ 90,668	\$ 85,512
Investment securities:			
Taxable	8,542	7,818	10,031
Tax-exempt	2,861	1,443	2,022
Federal funds sold	292	304	1,110
Total interest income	<u>107,280</u>	<u>100,233</u>	<u>98,675</u>
Interest expense			
Deposits	7,948	11,256	25,214
Federal funds purchased	5	23	241
Subordinated notes	1,008	1,016	1,023
Federal Home Loan Bank advances	2,944	4,705	5,130
Long-term debt	316	400	637
Total interest expense	<u>12,221</u>	<u>17,400</u>	<u>32,245</u>
Net interest income	<u>95,059</u>	<u>82,833</u>	<u>66,430</u>
Provision for loan losses	<u>(1,500)</u>	<u>12,000</u>	<u>600</u>
Net interest income after provision for loan losses	<u>96,559</u>	<u>70,833</u>	<u>65,830</u>
Noninterest income			
Service charges on deposit accounts	2,352	2,360	2,492
Debit card usage fees	1,948	1,632	1,644
Trust services	2,671	2,078	2,026
Increase in cash value of bank-owned life insurance	923	593	644
Loan swap fees	66	1,572	-
Realized securities gains (losses), net	51	77	(87)
Other income	1,718	1,290	1,599
Total noninterest income	<u>9,729</u>	<u>9,602</u>	<u>8,318</u>
Noninterest expense			
Salaries and employee benefits	23,226	21,591	21,790
Occupancy	5,162	4,879	4,895
Data processing	2,465	2,331	2,566
FDIC insurance	1,818	1,210	404
Professional fees	946	927	814
Director fees	765	868	993
Other expenses	8,998	7,248	6,944
Total noninterest expense	<u>43,380</u>	<u>39,054</u>	<u>38,406</u>
Income before income taxes	<u>62,908</u>	<u>41,381</u>	<u>35,742</u>
Income taxes	<u>13,301</u>	<u>8,669</u>	<u>7,052</u>
Net income	<u>\$ 49,607</u>	<u>\$ 32,712</u>	<u>\$ 28,690</u>
Earnings per common share:			
Basic earnings per common share	<u>\$ 3.00</u>	<u>\$ 1.99</u>	<u>\$ 1.75</u>
Diluted earnings per common share	<u>\$ 2.95</u>	<u>\$ 1.98</u>	<u>\$ 1.74</u>



To the Stockholders and the Board of Directors of West Bancorporation, Inc.

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of West Bancorporation, Inc. and subsidiary as of December 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income (not presented herein), stockholders' equity (not presented herein) and cash flows (not presented herein) for each of the three years in the period ended December 31, 2021; and in our report, dated February 23, 2022, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

RSM US LLP

Des Moines, Iowa | February 23, 2022

NON-GAAP FINANCIAL MEASURES


Non-GAAP financial measures include the Company's presentation of net interest margin on a fully taxable equivalent (FTE) basis and the presentation of the efficiency ratio on an FTE basis, excluding certain noninterest income and expenses. The following table reconciles the non-GAAP financial measures to GAAP.

As of and for the years ended December 31, 2021, 2020, and 2019
(dollars in thousands, except per share data)

	2021	2020	2019
Reconciliation of net interest income and net interest margin on an FTE basis to GAAP:			
Net interest income (GAAP)	\$ 95,059	\$ 82,833	\$ 66,430
Tax-equivalent adjustment ⁽¹⁾	<u>1,202</u>	<u>707</u>	<u>834</u>
Net interest income on an FTE basis (non-GAAP)	\$ 96,261	\$ 83,540	\$ 67,264
Average interest-earning assets	\$ 3,152,138	\$ 2,614,342	\$ 2,277,461
Net interest margin on an FTE basis (non-GAAP)	3.05%	3.20%	2.95%
Reconciliation of efficiency ratio on an FTE basis to GAAP:			
Net interest income on an FTE basis (non-GAAP)	\$ 96,261	\$ 83,540	\$ 67,264
Noninterest income	9,729	9,602	8,318
Adjustment for realized securities (gains) losses, net	(51)	(77)	87
Adjustment for losses on disposal of premises and equipment, net	84	9	-
Adjustment for gain on sale of premises	-	-	(307)
Adjusted income	\$ 106,023	\$ 93,074	\$ 75,362
Noninterest expense	\$ 43,380	\$ 39,054	\$ 38,406
Efficiency ratio on an adjusted FTE basis (non-GAAP) ⁽²⁾	40.91%	41.96%	50.96%

(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 financial performance. It is a standard measure of comparison within the banking industry.



A copy of the Company's annual report on Form 10-K filed with the Securities and Exchange Commission will be available on the Securities and Exchange Commission's website at www.sec.gov and through a link on the Company's website, westbankstrong.com, under Investor Relations – SEC Filings – Documents. A copy of the annual report can also be obtained upon request to Melissa Gillespie, mgillespie@westbankstrong.com, 515-222-2370.

STOCK INFORMATION



West Bancorporation's common stock is traded on the Nasdaq Global Select Market, and quotations are furnished by the Nasdaq System. We had 160 common stockholders of record on December 31, 2021, and an estimated 3,600 additional beneficial holders whose stock was held in street name by brokerages or fiduciaries.

Market and dividend information ⁽¹⁾

	High	Low	Close	Dividends
2021				
4th Quarter	\$ 34.50	\$ 29.30	\$ 31.07	\$ 0.24
3rd Quarter	31.98	26.26	30.03	0.24
2nd Quarter	29.90	23.92	27.75	0.24
1st Quarter	26.78	18.86	24.09	0.22
Total				<u>\$0.94</u>
2020				
4th Quarter	\$ 21.79	\$ 15.53	\$ 19.30	\$ 0.21
3rd Quarter	17.99	15.50	15.84	0.21
2nd Quarter	20.67	14.50	17.49	0.21
1st Quarter	25.68	13.74	16.35	0.21
Total				<u>\$0.84</u>

(1) The prices shown are the high, low and closing sale prices for the Company's common stock. The market quotations, reported by Nasdaq, do not include retail markup, markdown or commissions.

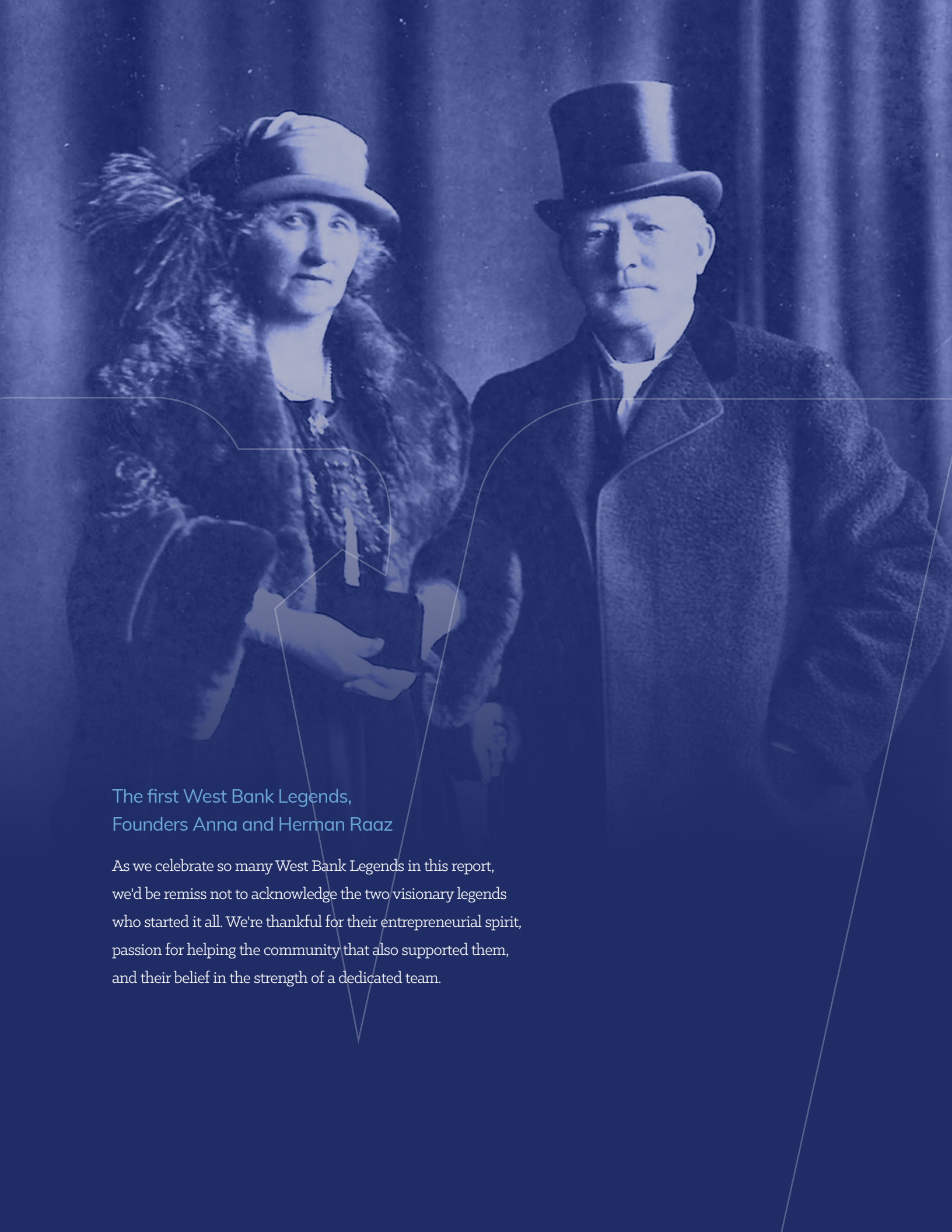
TRANSFER AGENT AND REGISTRAR



American Stock Transfer & Trust Company, LLC
 6201 15th Avenue, Brooklyn, New York 11219
 800-937-5449 | www.amstock.com



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: the effects of the COVID-19 pandemic, including its effects on the economic environment, our customers and our operations, including due to supply chain disruptions, as well as any changes to federal, state or local government laws, regulations or orders in connection with the pandemic; interest rate risk, including anticipated rate increases; competitive pressures, including from non-bank competitors such as "fintech" companies; pricing pressures on loans and deposits; changes in credit and other risks posed by the Company's loan and investment portfolios, including declines in commercial or residential real estate values or changes in the allowance for loan losses dictated by new market conditions, accounting standards (including as a result of the future implementation of the current expected credit loss (CECL) accounting standard) or regulatory requirements; changes in local, national and international economic conditions, including rising rates of inflation; changes in legal and regulatory requirements, limitations and costs; changes in customers' acceptance of the Company's products and services; cyber-attacks; unexpected outcomes of existing or new litigation involving the Company; the monetary, trade and other regulatory policies of the U.S. government, including anticipated rate increases; acts of war or terrorism, widespread disease or pandemics, such as the COVID-19 pandemic, or other adverse external events; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate, as well as other alternative reference rates; changes to U.S. tax laws, regulations and guidance; liquidity risk due to excess liquidity at the Company's bank subsidiary; talent and labor shortages and high rates of employee turnover; 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.



The first West Bank Legends, Founders Anna and Herman Raaz

As we celebrate so many West Bank Legends in this report, we'd be remiss not to acknowledge the two visionary legends who started it all. We're thankful for their entrepreneurial spirit, passion for helping the community that also supported them, and their belief in the strength of a dedicated team.



2021 ANNUAL REPORT

© West Bancorporation, Inc. and Subsidiary



2021 ANNUAL REPORT

Locations

IOWA

Main Bank

1601 22nd St.
West Des Moines

Coralville

401 10th Ave.
Coralville

East

2440 East Euclid Ave.
Des Moines

Grand

125 Grand Ave.
West Des Moines

South

3920 SW 9th St.
Des Moines

Waukee

955 East Hickman Rd.
Waukee

City Center

809 6th Ave.
Des Moines

MINNESOTA

Mankato

122 North Broad St.
Mankato

Owatonna

345 Florence Ave., Suite 101
Owatonna

Rochester

2188 Superior Dr. NW
Rochester

St. Cloud

622 Roosevelt Rd., Suite 150
St. Cloud

ONLINE

westbankstrong.com



@westbankstrong