WEST BANCORPORATION INC
Form 10-Q
August 04, 2006

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to _____________

Commission File Number 0-49677

WEST BANCORPORATION, INC.
(Exact Name of Registrant as Specified in its Charter)

IOWA	42-1230603
(State of Incorporation)	(I.R.S. Employer Identification No.)

1601 22nd Street, West Des Moines, Iowa 50266

Telephone Number (515) 222-2300

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ___ Accelerated filer X Non-accelerated filer ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No X

As of August 4, 2006, there were 16,701,843 shares of common stock, no par value outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

West Bancorporation, Inc. and Subsidiaries
Consolidated Balance Sheets
(unaudited)

	June 30, 2006	December 31, 2005
Assets		
Cash and due from banks	$ 33,946,346	$ 39,424,270
Federal funds sold and other short-term investments	31,765,900	1,241,044
Cash and cash equivalents	65,712,246	40,665,314
Securities available for sale	264,660,840	270,333,846
Federal Home Loan Bank stock, at cost	4,486,000	4,384,400
Total securities	269,146,840	274,718,246
Loans	948,589,581	867,504,620
Allowance for loan losses	(8,439,708)	(7,615,188)
Loans, net	940,149,873	859,889,432
Premises and equipment, net	5,454,045	5,650,009
Accrued interest receivable	8,497,308	7,861,647
Goodwill and other intangible assets	26,674,231	27,116,287
Bank-owned life insurance	22,521,292	22,099,259
Other assets	9,098,665	6,380,103
Total assets	$1,347,254,500	$1,244,380,297
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing demand	$ 192,909,447	$ 207,492,888
Interest-bearing demand	44,416,319	48,629,629
Savings	281,919,521	295,068,233
Time, in excess of $100,000	308,616,506	269,057,298
Other time	201,397,342	124,645,285
Total deposits	1,029,259,135	944,893,333
Federal funds purchased and securities sold under agreements to repurchase	102,673,852	84,748,150
Other short-term borrowings	2,399,140	4,732,124
Accrued expenses and other liabilities	7,212,028	6,298,408
Subordinated notes	20,619,000	20,619,000

Long-term borrowings	78,411,310	78,568,766
Total liabilities	1,240,574,465	1,139,859,781
Stockholders' Equity		
Common stock, no par value; 50,000,000 authorized shares; 16,701,843 shares issued and outstanding	3,000,000	3,000,000
Additional paid-in capital	32,000,000	32,000,000
Retained earnings	76,033,137	71,950,620
Accumulated other comprehensive (loss)	(4,353,102)	(2,430,104)
Total stockholders' equity	106,680,035	104,520,516
Total liabilities and stockholders' equity	$1,347,254,500	$1,244,380,297

See accompanying notes to consolidated financial statements.

2

West Bancorporation, Inc. and Subsidiaries
Consolidated Statements of Income
(unaudited)

	Three Months Ended June 30,		Six
	2006	2005	
Interest income:			
Loans, including fees	$17,035,669	$11,930,863	$32,
Securities:			
U.S. Treasury, government agencies and corporations	1,521,614	1,726,410	3,
States and political subdivisions	1,029,141	1,025,574	2,
Other	397,712	481,453	
Federal funds sold and other short-term investments	218,972	120,637	
Total interest income	20,203,108	15,284,937	38,
Interest expense:			
Demand deposits	76,772	43,406	
Savings deposits	1,918,775	1,287,618	3,
Time deposits	6,132,398	2,356,534	10,
Federal funds purchased and securities sold under agreements to repurchase	845,846	599,149	1,
Other short-term borrowings	11,657	283,759	
Subordinated notes	366,872	366,872	
Long-term borrowings	1,014,438	873,060	2,
Total interest expense	10,366,758	5,810,398	19,
Net interest income	9,836,350	9,474,539	19,
Provision for loan losses	450,000	500,000	
Net interest income after provision for loan losses	9,386,350	8,974,539	18,
Noninterest income:			

Service charges on deposit accounts	1,117,093	1,244,253	2,
Trust services	195,168	188,825	
Investment advisory fees	2,112,210	823,642	4,
Increase in cash value of bank-owned life insurance	212,832	210,226	
Net realized gains from sales of securities available for sale	(37,817)	44,377	(
Other income	360,860	496,700	
Total noninterest income	3,960,346	3,008,023	7,
Noninterest expense:			
Salaries and employee benefits	3,492,227	2,585,938	7,
Occupancy	865,910	603,240	1,
Data processing	505,113	362,096	
Other expenses	1,318,710	1,064,896	2,
Total noninterest expense	6,181,960	4,616,170	12,
Income before income taxes	7,164,736	7,366,392	13,
Income taxes	2,282,850	2,381,605	4,
Net income	$ 4,881,886	$ 4,984,787	$ 9,
Earnings per share, basic	$ 0.29	$ 0.30	$
Cash dividends per share	$ 0.16	$ 0.16	$

See accompanying notes to consolidated financial statements.

West Bancorporation, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(unaudited)

	Six Months Ended June 30,	
	2006	2005
Common stock:		
Beginning of year balance	$ 3,000,000	$ 3,000,000
End of period balance	3,000,000	3,000,000
Additional paid-in capital:		
Beginning of year balance	32,000,000	32,000,000
End of period balance	32,000,000	32,000,000
Retained earnings:		
Beginning of year balance	71,950,620	62,565,046
Net income	9,427,107	9,827,268
Dividends on common stock; per share amounts 2006 and 2005 - $.32	(5,344,590)	(5,344,590)

End of period balance	76,033,137	67,047,724
Accumulated other comprehensive income (loss):		
Beginning of year balance	(2,430,104)	54,930
Unrealized gains (losses) on securities, net of tax	(1,922,998)	(277,052)
End of period balance	(4,353,102)	(222,122)
Total stockholders' equity	$106,680,035	$101,825,602

West Bancorporation, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(unaudited)

	Six Months Ended June 30,	
	2006	2005
Net income	$ 9,427,107	$ 9,827,268
Other comprehensive income (loss), unrealized gains (losses) on securities, net of reclassification adjustment, net of tax	(1,922,998)	(277,052)
Comprehensive income	$ 7,504,109	$ 9,550,216

See accompanying notes to consolidated financial statements.

4

West Bancorporation, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2006	2005
Cash Flows from Operating Activities		
Net income	$ 9,427,107	$ 9,827,26
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	900,000	875,00
Net amortization and accretion	685,152	616,62
Loss on disposition of fixed assets	8,954	63

Net (gains) losses from sales of securities available for sale	143,675	(43,18
Net gains from sales of loans held for sale	(62,718)	(98,92
Proceeds from sales of loans held for sale	4,673,330	7,796,95
Originations of loans held for sale	(4,743,612)	(8,164,04
Increase in value of bank-owned life insurance	(422,033)	(416,49
Depreciation	449,748	250,98
Deferred income taxes	(294,492)	(135,44
Change in assets and liabilities:		
Increase in accrued interest receivable	(635,661)	(168,77
Increase in accrued expenses and other liabilities	913,620	1,151,06
Net cash provided by operating activities	11,043,070	11,491,65
Cash Flows from Investing Activities		
Proceeds from sales, calls, and maturities of securities available for sale	20,299,239	47,796,74
Purchases of securities available for sale	(18,273,371)	(35,584,91
Proceeds from maturities and calls of securities held to maturity	--	19,006,00
Acquisition of Federal Home Loan Bank stock	(533,200)	(8,528,50
Proceeds from redemption of Federal Home Loan Bank stock	431,600	7,239,40
Net increase in loans	(81,027,441)	(63,203,33
Proceeds from sale of premises and equipment	16,151	-
Purchases of premises and equipment	(278,889)	(622,90
Change in other assets	(1,244,157)	(93,31
Net cash (used) in investing activities	(80,610,068)	(33,990,82
Cash Flows from Financing Activities		
Net change in deposits	84,365,802	47,268,55
Net change in federal funds purchased and securities sold under agreements to repurchase	17,925,702	84,67
Net change in other short-term borrowings	(2,332,984)	(2,299,47
Principal payments on long-term borrowings	--	(10,900,00
Cash dividends	(5,344,590)	(5,344,59
Net cash provided by financing activities	94,613,930	28,809,16
Net increase in cash and cash equivalents	25,046,932	6,309,99
Cash and Cash Equivalents		
Beginning	40,665,314	29,879,45
End	$ 65,712,246	$ 36,189,45
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	$ 18,305,777	$ 10,352,71
Income taxes	4,721,879	4,830,76

See accompanying notes to consolidated financial statements.

5

West Bancorporation, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. Basis of Presentation

The accompanying consolidated statements of income for the three and six months ended June 30, 2006 and 2005, and the consolidated statements of stockholders' equity, comprehensive income (loss), and cash flows for the six months ended June 30, 2006 and 2005, and the consolidated balance sheets as of June 30, 2006 and December 31, 2005, include the accounts and transactions of the Company and its wholly-owned subsidiaries, West Bank, WB Capital Management Inc. (d/b/a VMF Capital) and Investors Management Group, Ltd. (IMG). All material intercompany balances and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Although management believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these interim consolidated financial statements be read in conjunction with the Company's most recent audited financial statements and notes thereto. In the opinion of management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of June 30, 2006, and the results of operations and cash flows for the three and six months ended June 30, 2006 and 2005.

The results for these interim periods may not be indicative of results for the entire year or for any other period.

2. Earnings per Common Share

Earnings per share represent income available to common shareholders divided by the weighted average number of shares outstanding during the period. The Company has no common equivalent shares that could cause dilution. The average number of shares outstanding for the three and six months ended June 30, 2006 and 2005 was 16,701,843.

3. Commitments

In the normal course of business, the Company enters into commitments to extend credit such as loan commitments and standby letters of credit to meet the financing needs of its customers. These commitments expose the Company to varying degrees of credit and market risk and are subject to the same credit reviews as those loans recorded on the balance sheet. For additional information on credit extension commitments see Note 13 of the Company's 2005 consolidated financial statements. The Company's commitments as of June 30, 2006 and December 31, 2005 are approximately as follows:

	June 30, 2006	December 31, 2005
Commitments to extend credit	$232,721,000	$247,849,000
Standby letters of credit	25,424,000	23,230,000
	$258,145,000	$271,079,000

4. Segment Information

An operating segment is generally defined as a component of a business for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision-maker. The Company's primary business segments are banking and investment advisory services. The banking segment generates revenue through interest and fees on loans, service charges on deposit accounts, interest on investment securities and fees for trust services. The banking segment includes West Bank and the Company, as the holding company's operation is similar to the bank. The investment advisory segment generates revenue by providing investment portfolio management services to individuals, retirement plans, corporations, foundations, endowments and public entities. The investment advisory segment includes VMF Capital and IMG. The "Other" column represents the elimination of intercompany balances. The acquisition of IMG on December 30, 2005 is the reason for the significant increase in investment advisory fees. In prior year reporting periods the investment advisory segment was included in the "Other" column. Selected financial information on the Company's segments is presented below for the three and six months ended June 30, 2006 and 2005 (dollars in thousands).

Three months ended June 30,

	2006 Segments				Se	
	Banking	Investment Advisory	Other	Consolidated	Banking	Investmen Advisory
Interest income	$20,192	$ --	$ 12	$20,204	$15,285	$ --
Interest expense	10,359	(4)	12	10,367	5,795	15
Net interest income	9,833	4	--	9,837	9,490	(15)
Provision for loan losses	450	--	--	450	500	--
Net interest income after provision for loan losses	9,383	4	--	9,387	8,990	(15)
Noninterest income	1,846	2,169	(55)	3,960	2,184	878
Noninterest expense	4,292	1,945	(55)	6,182	3,946	724
Income before income taxes	6,937	228	--	7,165	7,228	139
Income taxes	2,191	92	--	2,283	2,324	58
Net income	$ 4,746	$ 136	$ --	$ 4,882	$ 4,904	$ 81
Depreciation and amortization	$ 196	$ 250	$ --	$ 446	$ 173	$ 44

Six months ended June 30,

	2006 Segments					
	Banking	Investment Advisory	Other	Consolidated	Banking	Inv Ad

Interest income	$ 38,662	$ --	$ (2)	$ 38,660	$ 29,742	$
Interest expense	19,265	17	(2)	19,280	10,641	
Net interest income	19,397	(17)	--	19,380	19,101	
Provision for loan losses	900	--	--	900	875	
Net interest income after provision for loan losses	18,497	(17)	--	18,480	18,226	
Noninterest income	3,479	4,466	(104)	7,841	3,961	
Noninterest expense	8,662	3,936	(104)	12,494	7,909	
Income before income taxes	13,314	513	--	13,827	14,278	
Income taxes	4,189	211	--	4,400	4,597	
Net income	$ 9,125	$ 302	$ --	$ 9,427	$ 9,681	$
Depreciation and amortization	$ 395	$ 497	$ --	$ 892	$ 335	$
Goodwill	$ 13,376	$ 9,869	$ --	$ 23,245	$ 13,376	$
Total assets	$1,333,501	$13,947	$(193)	$1,347,255	$1,185,053	$

5. Impact of New Financial Accounting Standards

In February 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 155, Accounting for Certain Hybrid Financial Instruments. SFAS No. 155 is an amendment of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, and SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. This Statement eliminates the exemption from applying Statement 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. The Statement also allows an entity to elect fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a remeasurement event, on an instrument-by-instrument basis. This Statement is effective for the Company beginning on January 1, 2007. The Company does not expect this Statement to have a material effect on its financial condition or results of operations.

In March 2006, the FASB issued SFAS No. 156, Accounting for Servicing of Financial Assets. SFAS No. 156 is an amendment of SFAS No. 140. SFAS No. 156 requires an entity to recognize a servicing asset or liability each time it undertakes an obligation to service a financial asset and requires each servicing asset or liability to be initially measured at fair value. Entities are permitted to choose the fair value measurement method or the amortization method for subsequent reporting periods. This Statement is effective for the Company beginning on January 1, 2007. The Company does not expect this statement to have a material effect on its financial condition or results of operations.

6. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term are the allowance for loan losses and fair value of financial instruments.

7. Critical Accounting Policies

Management has identified its most critical accounting policy to be that related to the allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that collectibility of the principal is unlikely. The Company has policies and procedures for evaluating the overall credit quality of its loan portfolio, including timely identification of potential problem credits. On a quarterly basis, management reviews the appropriate level for the allowance for loan losses incorporating a variety of risk considerations, both quantitative and qualitative. Quantitative factors include the Company's historical loss experience, delinquency and charge-off trends, collateral values, known information about individual loans and other factors. Qualitative factors include the general economic environment in the Company's market area and the expected trend of those economic conditions. To the extent actual results differ from forecasts and management's judgment, the allowance for loan losses may be greater or less than future charge-offs.

8. Reclassifications

Minor reclassifications were made to certain prior year's statement of cash flows categories to conform to the current year's presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

The information contained in this report may contain forward-looking statements about the Company's growth and acquisition strategies, new products and services, and future financial performance, including earnings and dividends per share, return on average assets, return on average equity, efficiency ratio and capital ratio. Certain statements in this report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based upon certain underlying assumptions, risks and uncertainties. Because of the possibility of change in the underlying assumptions, actual results could differ materially from these forward-looking statements. Risks and uncertainties that may affect future results include: interest rate risk, competitive pressures, pricing pressures on loans and deposits, actions of bank and non-bank competitors, changes in local and national economic conditions, changes in regulatory requirements, actions of the Securities and Exchange Commission and/or the Federal Reserve Board, and customers' acceptance of the Company's products and services. The Company undertakes no obligation to revise or update such forward-looking statements to reflect current events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THREE AND SIX MONTHS ENDED JUNE 30, 2006

OVERVIEW

The following discussion is provided for the consolidated operations of the

Company, which includes its wholly-owned banking subsidiary, West Bank (Bank) and its wholly-owned investment advisory subsidiaries, WB Capital Management Inc. d/b/a VMF Capital (VMF Capital) and Investors Management Group, Ltd. (IMG). It focuses on the consolidated results of operations for the three and six months ended June 30, 2006, compared to the same periods in 2005 and on the consolidated financial condition of the Company and its subsidiaries at June 30, 2006, compared to December 31, 2005.

Net income for the three months ended June 30, 2006 was $4,882,000 compared to $4,985,000 for the same period in 2005, a decline of 2.1 percent.

For the first six months of 2006, net income was $9,427,000, or $.56 per share, which was a 4.1 percent decline from last year. Net interest income for the first six months of 2006 was $309,000 higher than the previous year, primarily because of the $126 million increase in average earning assets. Like the three months ended June 30, 2006, the increases in net interest income and investment advisory fees were more than offset by increases in noninterest expense. Current year results included the operations of IMG, which was acquired on December 30, 2005.

The net interest margin for the three months and six months ended June 30, 2006 declined 27 and 29 basis points, respectively, compared to the same periods one year ago. The cost of funds (deposits and borrowings) has increased faster than the yield on earning assets (loans and investments).

Year-to-date noninterest income was 41.7 percent higher than last year due to an increase in investment advisory fees earned by VMF Capital and fees earned by IMG. Year-to-date net income from the investment advisory segment of the company totaled $136,000 for the second quarter, compared to $81,000 for the second quarter of 2005. Year-to-date net income from this segment totaled $302,000 compared to $146,000 for the same period in 2005.

Year-to-date noninterest expense was 35.7 percent higher than a year ago, primarily due to the acquisition of IMG, increases in compensation and related benefit expenses and occupancy costs.

RESULTS OF OPERATIONS

The following table shows selected financial results and measures for the three and six months ended June 30, 2006 compared with the same periods in 2005 (dollars in thousands):

	Three months ended June 30,				Six months end	
	2006	2005	Change	Change-%	2006	2005
Net income	$ 4,882	$ 4,985	$ (103)	-2.1%	$ 9,427	$ 9,827
Average assets	1,317,852	1,182,254	135,598	11.5%	1,294,836	1,177,320
Average stockholders' equity	105,488	99,184	6,304	6.4%	105,102	98,486
Return on assets	1.49%	1.69%	-0.20%		1.47%	1.68%
Return on equity	18.56%	20.16%	-1.60%		18.09%	20.12%
Efficiency ratio	43.35%	35.77%	7.58%		44.25%	36.10%
Dividend payout ratio	54.74%	53.61%	1.13%		56.69%	54.39%

Equity to assets ratio	8.00%	8.39%	-0.39%	8.12%	8.37%

Definitions of ratios:

Return on assets - annualized net income divided by average assets.

Return on equity - annualized net income divided by average stockholders' equity.

Efficiency ratio - noninterest expense divided by noninterest income (excluding securities gains) plus taxable equivalent net interest income.

Dividend payout ratio - dividends paid divided by net income.

Equity to assets ratio - average equity divided by average assets.

Net Interest Income

The following tables show average balances and related interest income or interest expense, with the resulting average yield or rate by category of average earning assets or interest-bearing liabilities. Interest income and the resulting net interest income are shown on a fully taxable basis.

Data for the three months ended June 30 (dollars in thousands):

	Average Balance				Interest Incom		
	2006	2005	Change	Change-%	2006	2005	Ch
Interest-earning assets:							
Loans:							
Commercial	$ 353,662	$ 273,418	$ 80,244	29.35%	$ 6,774	$ 4,299	$2
Real estate	546,487	463,530	82,957	17.90%	9,782	7,280	2
Consumer	12,173	10,668	1,505	14.11%	242	194	
Other	24,988	20,729	4,259	20.55%	323	224	
Total loans	937,310	768,345	168,965	21.99%	17,121	11,997	5
Investment securities:							
Taxable	174,075	214,949	(40,874)	-19.02%	2,008	2,296	
Tax-exempt	98,326	103,185	(4,859)	-4.71%	1,282	1,337	
Total investment securities	272,401	318,134	(45,733)	-14.38%	3,290	3,633	
Federal funds sold and short-term investments	17,228	14,443	2,785	19.28%	219	121	
Total interest-earning assets	$1,226,939	$1,100,922	$ 126,017	11.45%	20,630	15,751	4
Interest-bearing liabilities:							
Deposits:							
Checking with interest, savings and money markets	$ 311,362	$ 338,177	$ (26,815)	-7.93%	1,996	1,331	

Time deposits	530,675	331,802	198,873	59.94%	6,132	2,356	3
Total deposits	842,037	669,979	172,058	25.68%	8,128	3,687	4
Other borrowed funds	174,862	211,837	(36,975)	-17.45%	2,239	2,123	
Total interest-bearing liabilities	$1,016,899	$ 881,816	$ 135,083	15.32%	10,367	5,810	4
Tax-equivalent net interest income					$10,263	$ 9,941	$
Net interest spread							
Net interest margin							

Data for the six months ended June 30 (dollars in thousands):

	Average Balance				Interest Incom		
	2006	2005	Change	Change-%	2006	2005	Ch
Interest-earning assets:							
Loans:							
Commercial	$ 339,438	$ 268,518	$ 70,920	26.41%	$12,629	$ 8,148	$4
Real estate	539,756	451,568	88,188	19.53%	18,947	13,935	5
Consumer	11,903	10,763	1,140	10.59%	461	396	
Other	24,495	19,213	5,282	27.49%	629	482	
Total loans	915,592	750,062	165,530	22.07%	32,666	22,961	9
Investment securities:							
Taxable	173,620	229,269	(55,649)	-24.27%	3,921	4,861	
Tax-exempt	99,640	100,691	(1,051)	-1.04%	2,597	2,599	
Total investment securities	273,260	329,960	(56,700)	-17.18%	6,518	7,460	
Federal funds sold and short-term investments	14,248	16,927	(2,679)	-15.83%	345	259	
Total interest-earning assets	$1,203,100	$1,096,949	$ 106,151	9.68%	39,529	30,680	8
Interest-bearing liabilities:							
Deposits:							
Checking with interest, savings and money markets	$ 314,021	$ 356,785	$ (42,764)	-11.99%	$ 3,768	$ 2,477	1
Time deposits	496,187	297,956	198,231	66.53%	10,989	3,938	7
Total deposits	810,208	654,741	155,467	23.74%	14,757	6,415	8
Other borrowed funds	181,707	226,931	(45,224)	-19.93%	4,523	4,256	
Total interest-bearing liabilities	$ 991,915	$ 881,672	$ 110,243	12.50%	19,280	10,671	8
Tax-equivalent net interest							

income	$20,249	$20,009	$
	=======	=======	==
Net interest spread			
Net interest margin			

11

Fluctuations in net interest income can result from the combination of changes in the volumes of asset and liability categories and changes in interest rates. Net interest margin is a measure of the net return on interest-earning assets and is computed by dividing annualized tax-equivalent net interest income by the average of total interest-earning assets for the period. The net interest margin for the second quarter was 3.35 percent, which was 27 basis points lower than the same quarter last year and 7 basis points lower than the first quarter of 2006. The decline from the prior quarter was due to continued increases in market rates on deposits and borrowings, which have increased faster than the yields on earning assets. The Company's tax-equivalent net interest income for the six months ended June 30, 2006 increased $240,000 compared to the six months ended June 30, 2005.

Taxable-equivalent interest income and fees on loans increased $5.1 million in the first six months of 2006 compared to the same period in 2005, due to the combination of a higher volume of outstanding loans and increasing yields. Average loans were $165.5 million higher than the first six months of last year and the average yield on loans increased to 7.19 percent for the first six months of 2006, compared to 6.17 percent for the same period in 2005. The yield on the Company's loan portfolio is affected by the mix of the portfolio, the effects of competition, the interest rate environment and the amount of non-accrual loans. The interest rate environment can influence the volume of new loan originations and the mix of variable rate versus fixed rate loans. Competition for loans in the market areas served by the Company remains strong.

The average balance of investment securities was $56.7 million lower than last year for the first six months, while the yield has increased 25 basis points. Most purchases of investment securities during the first six months of 2006 have been callable agency bonds with maturities less than ten years or municipal bonds with maturities less than twenty years.

The average rate paid on deposits for the first six months of 2006 increased to 3.67 percent from 1.98 percent for the same period last year. This increase is primarily the result of an increase in market interest rates and the shift in funds from money market and savings accounts to certificates of deposit. Customers have made such transfers to maximize their earnings. Compared to the first six months of last year, the average balance of higher rate certificates of deposit was up $198.2 million. The increase consisted of jumbo certificates of deposit, which generally bear higher interest rates than the other deposit categories and wholesale certificates of deposit, which have been used as an alternative to short-term borrowings. The average balance of money market and savings accounts, which typically have lower rates, were $28.5 million and $11.5 million lower, respectively.

The average balance of borrowings for the first six months of 2006 was $45.2 million lower than a year ago. Average short-term borrowings, which consisted primarily of borrowings from the Federal Home Loan Bank of Des Moines (FHLB), averaged $52 million less than in the first six months of 2005 due to utilizing wholesale time deposits. Long-term borrowings averaged $7.2 million more than in the first six months of 2006, due to borrowing funds to finance the acquisition of IMG in December 2005. The Company has minimized its use of FHLB short-term advances because rates associated with wholesale deposits have been slightly lower and wholesale deposits do not require collateral.

Provision for Loan Losses and the Related Allowance for Loan Losses

The following table sets forth the activity in the Allowance for Loan Losses for the three and six months ended June 30, 2006 and 2005 as well as common ratios related to the allowance for loan losses (dollars in thousands).

	Three months ended June 30,			Six months ended June 3		
	2006	2005	Change	2006	2005	Cha
Balance at beginning of period	$ 8,049	$ 6,902	$1,147	$ 7,615	$ 6,527	$1,
Charge-offs	(66)	(354)	288	(100)	(387)	
Recoveries	7	32	(25)	25	65	
Net charge-offs	(59)	(322)	263	(75)	(322)	
Provision charged to operations	450	500	(50)	900	875	
Balance at end of period	$ 8,440	$ 7,080	$1,360	$ 8,440	$ 7,080	$1,
Average loans outstanding	$937,310	$768,345		$915,592	$750,062	
Ratio of net charge-offs during the period to average loans outstanding	0.01%	0.04%		0.01%	0.04%	
Ratio of allowance for loan losses to average loans outstanding	0.90%	0.92%		0.92%	0.94%	

The provision for loan losses represents charges made to earnings to maintain an adequate allowance for loan losses. The allowance for loan losses is management's best estimate of probable losses inherent in the loan portfolio as of the balance sheet date. Factors considered in establishing an appropriate allowance include: an assessment of the financial condition of the borrower; a realistic determination of value and adequacy of underlying collateral; the condition of the local economy and the condition of the specific industry of the borrower; an analysis of the levels and trends of loan categories; and a review of delinquent and classified loans.

The adequacy of the allowance for loan losses is evaluated quarterly by management and reviewed by the Bank's Board of Directors. This evaluation focuses on specific loan reviews, changes in the type and volume of the loan portfolio given the current and forecasted economic conditions and historical loss experience. Any one of the following conditions may result in the review of a specific loan: concern about whether the customer's cash flow or net worth is sufficient to repay the loan; delinquency status; criticism of the loan in a regulatory examination; the suspension of interest accrual; or other reasons including whether the loan has other special or unusual characteristics that suggest special monitoring is warranted.

While management uses available information to recognize losses on loans, further reduction in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgment about information available to them at the time of their examination. See also the discussion of non-performing assets later in this report.

Noninterest Income

The following table shows the variance from the prior year in the noninterest income categories shown in the Consolidated Statements of Income. In addition, accounts within the Other Income category that represent significant variances are shown (dollars in thousands).

	Three months ended June 30,			
	2006	2005	Change	Change-%
Noninterest income				
Service charges on deposit accounts	$1,117	$1,244	$ (127)	-10.2%
Trust services	195	189	6	3.2%
Investment advisory fees	2,112	824	1,288	156.3%
Increase in cash value of bank-owned life insurance	213	210	3	1.4%
Net realized gains (losses) from sales of securities	(38)	44	(82)	-186.4%
Other:				
Debit card usage fees	58	53	5	9.4%
Check printing fees	36	35	1	2.9%
Gain on sale of residential mortgages	17	38	(21)	-55.3%
Gain on sale of commercial loans	34	8	26	325.0%
Other loan fees	10	162	(152)	-93.8%
All other	206	201	5	2.5%
Total other	361	497	(136)	-27.4%
Total noninterest income	$3,960	$3,008	$ 952	31.6%

	Six months ended June 30,			
	2006	2005	Change	Change-%
Noninterest income				
Service charges on deposit accounts	$2,121	$2,287	$ (166)	-7.3%
Trust services	363	329	34	10.3%
Investment advisory fees	4,361	1,574	2,787	177.1%
Increase in cash value of bank-owned life insurance	422	416	6	1.4%

Net realized gains (losses) from sales of securities	(144)	43	(187)	-434.9%
Other:				
Debit card usage fees	112	102	10	9.8%
Check printing fees	83	71	12	16.9%
Gain on sale of residential mortgages	29	59	(30)	-50.8%
Gain on sale of commercial loans	34	51	(17)	-33.3%
Other loan fees	45	162	(117)	-72.2%
All other	415	441	(26)	-5.9%
Total other	718	886	(168)	-19.0%
Total noninterest income	$7,841	$5,535	$2,306	41.7%

Noninterest income results from the charges and fees collected by the Company from its customers for various services performed and miscellaneous other income and gains (or losses) from the sale of investment securities. Service charges on deposit accounts declined for two reasons: 1) higher interest rates resulted in a higher earnings credit on commercial checking accounts, which results in lower service charges; and 2) return check charges have been declining during the past year due to fewer customers overdrawing their accounts. Trust fees increased 10.3 percent in the first six months of 2006 compared to the prior year as a result of the combination of new business and revised fee schedules.

Investment advisory fees are fees earned by VMF Capital and IMG. The significant increase in investment advisory fees in the current quarter was due to the acquisition of IMG on the last day of 2005. Revenue declined slightly in the second quarter compared to the first quarter because fees for administering the Vintage Mutual Funds were reduced to be more competitive in the marketplace.

14

The Company recognized losses from the sale of investment securities in the first six months of 2006 as lower yielding investments were sold with the proceeds being reinvested at higher yields. By the end of the year, the additional income earned on the purchased investments will more than make up for the losses recognized in the first half of the year. Debit card usage fees continued to increase as customers continued to expand utilization of this convenient payment method. Check printing income increased due to new contract terms with the vendor. Gains from the sale of residential mortgages in the secondary market were down because increases in market interest rates have reduced the volume of originations. Gains from the sale of commercial loans result from the occasional sale of the United States Department of Agriculture (USDA) guaranteed portion of commercial loans. Noninterest related loan fees in 2005 included the recognition of a one-time fee for a loan commitment that was terminated by a customer.

Noninterest Expense

The following table shows the variance from the prior year in the noninterest expense categories shown in the Consolidated Statements of Income. In addition, accounts within the Other Expense category that represent significant variances are shown (dollars in thousands).

Three months ended June 30,

	2006	2005	Change	Change-%
Noninterest expense:				
Salaries and employee benefits	$3,492	$2,586	$ 906	35.0%
Occupancy	866	603	263	43.6%
Data processing	506	362	144	39.8%
Other:				
Insurance	57	40	17	42.5%
Supplies	73	82	(9)	-11.0%
Marketing	108	64	44	68.8%
Business development	81	82	(1)	-1.2%
Professional fees	175	124	51	41.1%
Consulting fees	46	68	(22)	-32.4%
Intangible amortization	221	85	136	160.0%
All other	557	520	37	7.1%
Total other	1,318	1,065	253	23.8%
Total noninterest expense	$6,182	$4,616	$1,566	33.9%

	Six months ended June 30,			
	2006	2005	Change	Change-%
Noninterest expense:				
Salaries and employee benefits	$ 7,167	$5,164	$2,003	38.8%
Occupancy	1,722	1,193	529	44.3%
Data processing	985	690	295	42.8%
Other:				
Insurance	121	78	43	55.1%
Supplies	141	179	(38)	-21.2%
Marketing	206	165	41	24.8%
Business development	161	125	36	28.8%
Professional fees	339	254	85	33.5%
Consulting fees	104	109	(5)	-4.6%
Intangible amortization	442	170	272	160.0%
All other	1,106	1,079	27	2.5%
Total other	2,620	2,159	461	21.4%
Total noninterest expense	$12,494	$9,206	$3,288	35.7%

The increase in salaries and benefits included compensation and benefits for approximately 24 employees related to the acquisition of IMG, approximately 15 more employees at West Bank in 2006 than a year ago due to growth of the bank, annual compensation adjustments and higher medical insurance premiums. Occupancy expenses were higher this year due to one additional location for IMG and increased depreciation expense related to furniture and equipment additions throughout the Company. Early in the year the Clive office of VMF Capital was relocated to the same facility as IMG and is using space that was already leased. A new tenant has agreed to utilize the former VMF Capital space and the landlord is canceling VMF Capital's remaining lease. A charge of $32,000 was recorded to occupancy expense in the second quarter as a result of terminating that lease.

Data processing expense and insurance expense were higher primarily due to the acquisition of IMG. Supplies declined as the first quarter of 2005 included reprinting many brochures due to product and pricing changes. Marketing and business development related costs increased due to significant efforts to increase and expand current and new customer relationships at the Bank and the investment advisory subsidiaries. Consulting fees have held steady as 2005 expense included fees for implementation of software programs to assist with asset-liability management and 2006 expense includes expenses incurred by IMG.

Income Tax Expense

The Company incurred income tax expense of $4.4 million for the six months ended June 30, 2006 compared to $4.7 million for the six months ended June 30, 2005. The effective income tax rates as a percent of income before taxes for the three and six months ended June 30, 2006 were 31.9 percent and 31.8 percent, compared to 32.3 percent for the same periods last year. The effective income tax rate is slightly lower in 2006 because of a slightly higher level of income that is exempt from Federal income taxes.

FINANCIAL CONDITION

Total assets as of June 30, 2006 were $1.3 billion, which was an 8.3 percent increase from $1.2 billion at December 31, 2005. The increase is primarily due to increased loan volumes, which were funded primarily by wholesale certificates of deposit.

Investment Securities

Investment securities available for sale declined approximately $5.7 million from December 31, 2005 to $264.7 million. During the six months ended June 30, 2006, $15.4 million of lower yielding securities were sold with the majority of the proceeds reinvested in higher yielding securities. On a quarterly basis, the investment securities portfolio is reviewed for other-than-temporary impairment. As of June 30, 2006, existing unrealized losses are considered to be temporary in nature due to market interest rate fluctuations and accordingly, no impairment adjustment has been recorded.

Loans and Non-performing Assets

Loans outstanding increased approximately $81.1 million from December 31, 2005 to June 30, 2006. The increase was primarily attributable to growth in real estate construction, commercial real estate and commercial loans.

16

The following table sets forth the amount of non-performing loans and assets held by the Company and common ratio measurements of those items (dollars in thousands).

	June 30, 2006	December 31, 2005	Change

Non-accrual loans	$4,336	$4,145	$ 191
Loans past due 90 days and still accruing interest	54	767	(713)
Total non-performing loans	4,390	4,912	(522)
Other real estate owned	252	497	(245)
Total non-performing assets	$4,642	$5,409	$(767)
Non-performing assets to total loans	0.49%	0.62%	-0.13%
Non-performing assets to total assets	0.34%	0.43%	-0.09%

One loan accounted for $3.8 million of the total non-accrual loans. As previously reported, this loan is a commercial loan secured by commercial real estate used in the operation of the customer's business and by farmland. The loan was placed on non-accrual status during the fourth quarter of 2005 due to the time period that it could take to resolve the situation involving this loan. Payments totaling $56,000 were applied to the principal balance of this loan during the first six months of 2006. Beginning in July 2006, approximately $20,000 per month for the remainder of 2006 will be applied to the carrying value of this loan. These funds will come from a short-term rental agreement with a third party. It will be necessary for the real estate collateral to be sold to fully liquidate this loan. The remaining balance of loans in non-accrual status was $526,000 and consisted of loans to four different borrowers. The amount of loans past due 90 days and still accruing interest declined to $54,000 from $767,000 at December 31, 2005, due to a concerted effort to collect delinquent payments.

Reference is also made to the information and discussion earlier in this report under the heading of "Provision for Loan Losses and the Related Allowance for Loan Losses."

Deposits

Total deposits as of June 30, 2006 were $1.0 billion compared with $945 million as of December 31, 2005, an increase of 8.9 percent. The savings category of deposits which includes money market accounts, which are liquid accounts and therefore pay relatively lower interest rates, declined approximately $13.1 million. A portion of those funds moved into the time certificates of deposit in excess of $100,000 category as customers attempted to maximize the interest earned on those funds. It is expected that this trend will continue. Time deposits increased a total of $116.3 million. In addition to the movement of money market balances, the Bank utilized wholesale certificates of deposit as a lower cost alternative source of funds compared to borrowing from the FHLB or federal funds.

Borrowings

The balance of Federal funds purchased and securities sold under agreements to repurchase was $102.7 million at June 30, 2006, up from $84.7 million at December 31, 2005. Most of this increase relates to Federal funds purchased. Federal funds purchased include funds sold to West Bank by approximately 25 banks throughout Iowa as part of the correspondent bank services provided by West Bank. The balance of Federal funds purchased from correspondent banks will fluctuate depending upon the loan demand and investment strategy of those banks. The Bank also purchases federal funds from regional and national correspondent banks as necessary for short-term liquidity needs. The balance of other short-term borrowings consisted of Treasury, Tax and Loan option notes and the short-term portion of an installment note payable to a regional correspondent bank. The note was obtained in December 2005 to fund the acquisition of IMG.

Liquidity and Capital Resources

The objective of liquidity management is to ensure the availability of sufficient cash flows to meet all corporate financial commitments and to capitalize on opportunities for profitable business expansion. The Company's principal source of funds is deposits, which include demand, money market, savings and certificates of deposit. Other sources include principal repayments on loans, proceeds from the maturity and sale of investment securities, federal funds purchased, repurchase agreements, advances from the Federal Home Loan Bank ("FHLB") and funds provided by operations. Liquidity management is conducted on both a daily and a long-term basis. Investments in liquid assets are adjusted based on expected loan demand, projected loan maturities and payments, expected deposit flows, and the objectives set by the Company's funds management policy. The Company had liquid assets (cash and cash equivalents) of $65.7 million as of June 30, 2006, compared with $40.7 million as of December 31, 2005. Securities available for sale may be sold prior to maturity to meet liquidity needs, to respond to market changes or to adjust the Company's interest rate risk position. The Company had additional borrowing capacity available from the Federal Home Loan Bank of approximately $83 million at June 30, 2006 and has a $2.5 million unsecured line of credit through a large regional correspondent bank. In addition, the Bank has $100 million available through unsecured federal funds lines of credit with correspondent banks. The Bank was utilizing $30 million of those lines of credit at June 30, 2006. The combination of high levels of potentially liquid assets, cash flows from operations and additional borrowing capacity provided strong liquidity for the Company at June 30, 2006.

The Company's total stockholders' equity increased to $106.7 million at June 30, 2006, from $104.5 million at December 31, 2005. The growth in equity was less than would result from net income less cash dividends paid due to the continued increase in the accumulated comprehensive loss. The $1.9 million increase in accumulated comprehensive loss since December 31, 2005, was the result of a reduction in the market value of investment securities available for sale due to increasing interest rates. Total stockholders' equity was 7.9 percent of total assets as of June 30, 2006 and 8.4 percent on December 31, 2005. No material capital expenditures or material changes in the capital resource mix are anticipated at this time.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital to risk-weighted assets and of Tier 1 capital to average assets. Management believes the capital levels of the Company and the Bank met all capital adequacy requirements to which they were subject at June 30, 2006.

	Regulatory requirements to be:		Actua[l] Capital
	Adequately Capitalized	Well-Capitalized	June 30, 2006
Total risk-based capital as % of risk-weighted assets			
Consolidated	8.0%	10.0%	10.4%
West Bank	8.0%	10.0%	10.8%

Tier 1 capital as % of risk-weighted assets:			
Consolidated	4.0%	6.0%	9.6%
West Bank	4.0%	6.0%	8.1%
Tier 1 capital as % average assets			
Consolidated	4.0%	5.0%	8.1%
West Bank	4.0%	5.0%	6.8%

On April 19, 2006, the Company's Board of Directors authorized $5 million to be used for the buy-back of Company common stock for a period of 12 months. No repurchases took place during the six months ended June 30, 2006.

Market Risk Management

Market risk is the risk of earnings volatility that results from adverse changes in interest rates and market prices. The Company's market risk is primarily interest rate risk arising from its core banking activities of lending and deposit taking. Interest rate risk is the risk that changes in market interest rates may adversely affect the Company's net interest income. Management continually develops and implements strategies to mitigate this risk. The analysis of the Company's interest rate risk was presented in the Form 10-K filed with the Securities and Exchange Commission on March 8, 2006 and is incorporated herein by reference. The Company has not experienced any material changes to its market risk position since December 31, 2005. Management does not believe the Company's primary market risk exposures and how those exposures were managed in the first six months of 2006 changed when compared to 2005.

Subsequent Stock and Regular Dividends

On July 19, 2006, the Board of Directors of the Company declared a 5 percent common stock dividend to be paid on August 14, 2006 to shareholders of record on July 31, 2006. Any fractional shares resulting from the stock dividend will be paid in cash. The Board of Directors also declared a quarterly cash dividend of $0.16 per common share of outstanding stock after the stock dividend is paid. The cash dividend is payable on August 25, 2006 to shareholders of record on August 18, 2006. The number of common shares outstanding and earnings per common share in the accompanying financial statements and footnotes have not been adjusted to reflect the 5 percent common stock dividend.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The information appearing above under the heading "Market Risk Management" is incorporated herein by reference.

Item 4. Controls and Procedures

a. Evaluation of disclosure controls and procedures.

As of the end of the period covered by this report, an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 240.13a-15(e)) as of the end of the period covered by this report was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the

Securities and Exchange Commission's rules and forms.

b. Changes in internal controls over financial reporting.

There were no changes in the Company's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries from time to time are party to various legal actions arising in the normal course of business. On June 26, 2006, the Company filed a Form 8-K reporting West Bank was named as a defendant in a lawsuit filed June 20, 2006. The lawsuit claims a breach of a credit agreement arising out of a commercial loan transaction in which West Bank attempted to purchase a note of Iowa Wireless Services, LLC from First American Bank. The plaintiffs, D.B. Zwirn Special Opportunities Fund, L.P., et al, are seeking monetary damages of not less than $16,700,000 from the defendants, which include Iowa Network Services, Inc., INS Wireless, Inc. and First American Bank, in addition to West Bank. West Bank intends to vigorously defend the action and believes it has substantial defenses. West Bank also believes that Iowa Network Services, Inc. agreed to protect it from losses caused by the ownership of the Iowa Wireless Services, LLC note.

Item 1A. Risk Factors

Management of the Company does not believe there have been any material changes in the risk factors that were disclosed in the Form 10-K filed with the Securities and Exchange Commission on March 8, 2006.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the first six months of 2006, there were no purchases of the Company's common shares under the $5 million stock buy-back plan approved by the Board of Directors on April 19, 2006 or the previous stock buy-back plan approved in April 2005.

Item 4. Submission of Matters to a Vote of Security Holders

The Company's annual meeting of shareholders was held on April 20, 2006. The record date for determination of shareholders entitled to vote at the meeting was February 16, 2006. There were 16,701,843 shares outstanding as of that date, each such share being entitled to one vote. At the shareholders' meeting the holders of 13,307,756 shares or 79.7 percent of the outstanding shares, were represented in person or by proxy, which constituted a quorum. The following proposal was voted on at the meeting:

Proposal I - Election of Directors

Nine directors were elected to serve for a one year term or until their successors shall have been elected and qualified. At the shareholders' meeting, the individuals received the number of votes set opposite their names:

	For	Vote Withheld
Frank W. Berlin	13,304,952	2,804
Steven G. Chapman	13,166,732	141,024
Michael A. Coppola	12,228,449	1,079,307
Orville E. Crowley	13,303,237	4,519
George D. Milligan	12,846,384	461,372
Robert G. Pulver	13,303,997	3,759
Thomas E. Stanberry	13,304,735	3,021
Jack G. Wahlig	13,279,590	28,166
Connie Wimer	13,268,495	39,261

Item 6. Exhibits

The following exhibits are filed as part of this report:

Exhibits	
3.1	Restated Articles of Incorporation of the Company(1)
3.2	By-laws of the Company(1)
10.1	Lease for Main Bank Facility(1)
10.2	Supplemental Agreement to Lease for Main Bank Facility(1)
10.3	Short-term Lease related to Main Bank Facility(1)
10.4	Assignment(1)
10.5	Lease Modification Agreement No. 1 for Main Bank Facility(1)
10.6	Memorandum of Real Estate Contract(1)
10.7	Affidavit(1)
10.8	Addendum to Lease for Main Bank Facility(1)
10.9	Data Processing Contract(1)
10.10	Employment Contract(1)
10.11	No document
10.12	Data Processing Contract Amendment(2)
10.13	Purchase and Assumption Agreement between West Des Moines State Bank and Hawkeye State Bank(3)
10.14	Employment Agreement effective March 1, 2003, which was consummated in the first quarter of 2004(4)
10.15	The Employee Savings and Stock Ownership Plan, as amended(5)
10.16	Amendment to Lease Agreement(6)
10.17	Employment Agreement(6)
10.18	Consulting Agreement(8)
10.19	West Bancorporation, Inc. Restricted Stock Compensation Plan(7)
10.20	Employment Agreement between Investors Management Group Ltd. and Jeff Lorenzen(9)
10.21	Assignment and Assumption of Lease and Consent to Assignment(10)
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the

	Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Incorporated herein by reference to the related exhibit filed with the Form 10 on March 11, 2002.

(2) Incorporated herein by reference to the related exhibit filed with the Form 10-K on March 26, 2003.

(3) Incorporated herein by reference to the related exhibit filed with the Form 10-Q on May 15, 2003.

(4) Incorporated herein by reference to the related exhibit filed with the Form 10-K on February 26, 2004.

(5) Incorporated herein by reference to the related exhibit filed with the Form S-8 on October 29, 2004.

(6) Incorporated herein by reference to the related exhibit filed with the Form 10-K on March 3, 2005.

(7) Incorporated herein by reference to the definitive proxy statement 14A filed on March 10, 2005.

(8) Incorporated herein by reference to the related exhibit filed with the Form 10-Q on May 6, 2005.

(9) Incorporated herein by reference to the related exhibit filed with the Form 8-K on February 22, 2006.

(10) Incorporated herein by reference to the related exhibit filed with the Form 10-K on March 8, 2006.

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, thereunto duly authorized.

West Bancorporation, Inc.
(Registrant)

August 4, 2006
Dated

By: /s/ Thomas E. Stanberry
Thomas E. Stanberry
Chairman, President and Chief Executive Officer

August 4, 2006
Dated

By: /s/ Douglas R. Gulling
Douglas R. Gulling
Executive Vice President and Chief

Financial Officer
(Principal Accounting Officer)

EXHIBIT INDEX

The following exhibits are filed herewith:

Exhibit No.	Description
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002
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