

WEST BANCORPORATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CONDITION (Unaudited)

	June 30,	
	2003	2002
Assets		
Cash and due from banks	\$ 25,564,476	\$ 29,178,395
Short-term investments	68,916,380	82,516,248
Securities	255,141,662	219,335,176
Loans	500,068,690	480,210,690
Allowance for loan losses	(4,796,329)	(4,475,600)
Loans, net	495,272,361	475,735,090
Other assets	19,005,740	9,172,785
Total assets	\$ 863,900,619	\$ 815,937,694
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing	\$ 155,297,839	\$ 140,059,911
Interest-bearing		
Demand	37,371,926	32,629,697
Savings	280,330,844	238,567,428
Time	85,427,006	159,252,442
Total deposits	558,427,615	570,509,478
Short-term borrowings	161,685,796	109,511,177
Long-term borrowings	51,600,000	51,600,000
Other liabilities	2,552,302	2,109,824
Stockholders' equity	89,634,906	82,207,215
Total liabilities and stockholders' equity	\$ 863,900,619	\$ 815,937,694

WEST
BANCORPORATION

PERFORMANCE HIGHLIGHTS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Return on average equity	19.35%	19.92%	19.19%	19.70%
Return on average assets	1.92%	1.97%	1.91%	1.92%
Net interest margin	3.73%	4.11%	3.77%	4.01%
Efficiency ratio	29.54%	30.23%	30.05%	30.26%

CONSOLIDATED STATEMENTS OF OPERATION (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest income				
Loans	\$ 7,667,478	\$ 8,307,961	\$ 15,369,314	\$ 16,561,231
Securities	2,293,400	2,596,728	4,525,679	4,870,694
Other	379,187	359,557	818,680	862,228
Total interest income	<u>10,340,065</u>	<u>11,264,246</u>	<u>20,713,673</u>	<u>22,294,153</u>
Interest expense				
Deposits	1,453,794	2,326,088	3,063,812	4,703,098
Short-term borrowings	493,976	439,316	891,708	983,400
Long-term borrowings	715,907	715,907	1,423,947	1,403,661
Total interest expense	<u>2,663,677</u>	<u>3,481,311</u>	<u>5,379,467</u>	<u>7,090,159</u>
Net interest income	7,676,388	7,782,935	15,334,206	15,203,994
Provision for loan losses	175,000	230,000	375,000	460,000
Net interest income after provision for loan losses	<u>7,501,388</u>	<u>7,552,935</u>	<u>14,959,206</u>	<u>14,743,994</u>
Noninterest income				
Service charges on deposit accounts	1,221,683	1,115,116	2,277,876	2,118,736
Trust services	122,000	141,657	254,000	299,634
Net realized gains from sales of securities available for sale	95,867	-	195,607	-
Other income	499,483	318,007	915,972	642,227
Total noninterest income	<u>1,939,033</u>	<u>1,574,780</u>	<u>3,643,455</u>	<u>3,060,597</u>
Noninterest expense				
Salaries and employee benefits	1,707,443	1,615,329	3,426,720	3,199,812
Occupancy expense	352,874	320,184	723,123	638,718
Data processing expense	248,889	265,519	492,174	530,342
Other expense	568,963	700,457	1,142,257	1,306,851
Total noninterest expense	<u>2,878,169</u>	<u>2,901,489</u>	<u>5,784,274</u>	<u>5,675,723</u>
Income before income taxes	6,562,252	6,226,226	12,818,387	12,128,868
Income taxes	2,311,391	2,217,299	4,516,961	4,300,640
Net income	<u>\$ 4,250,861</u>	<u>\$ 4,008,927</u>	<u>\$ 8,301,426</u>	<u>\$ 7,828,228</u>

WEST
BANCORPORATION

PER COMMON SHARE MARKET INFORMATION*

	PER COMMON SHARE		MARKET INFORMATION*	
	Net Income	Dividends	High	Low
2003				
1st quarter	\$ 0.25	\$ 0.16	\$ 17.54	\$ 14.35
2nd quarter	0.26	0.16	19.61	15.77
2002				
1st quarter	\$ 0.24	\$ 0.15	\$ 14.00	\$ 11.50
2nd quarter	0.25	0.15	18.00	13.15
3rd quarter	0.26	0.16	16.50	14.38
4th quarter	0.27	0.16	15.63	14.40

*The prices shown are the high and low sale prices for the Company's common stock, which trades on the NASDAQ National Market, under the symbol WTBA. The market quotations, reported by NASDAQ, do not include retail markup, markdown or commissions.

CORPORATE INFORMATION

Corporate Offices

1601 22nd Street, West Des Moines, IA 50266
Telephone: (515) 222-2300

Board of Directors

Frank W. Berlin (1) (2)
President, Frank W. Berlin
& Associates

Thomas A Carlstrom (1)
Neurosurgeon

Joyce A. Chapman (1)
Executive Vice President,
West Bank
Treasurer,
West Bancorporation, Inc.

Steven G. Chapman (1) (2)
President, ITA Group

Michael A. Coppola (1) (2)
President,
Coppola Enterprises, Inc.

Orville E. Crowley (2) (3)
President,
Linden Lane Farms

Harlan D. Hockenbery (3)
Attorney,
Sullivan & Ward, P.C.

Raymond G. Johnston (2)
Vice Chairman,
West Bancorporation, Inc.
Retired Executive Vice
President, West Bank

Paul R. Knapp (3)
Vice President,
Knapp Properties, Inc.

David L. Miller (1) (2)
Chairman Emeritus,
West Bancorporation, Inc.
Vice Chairman,
West Bank

David R. Milligan (1) (2)
Chairman & CEO,
West Bank
Executive Vice President,
West Bancorporation, Inc.

George D. Milligan (1)
President,
The Graham Group

Robert G. Pulver (1) (2)
President,
All State Industries, Inc.

Thomas E. Stanberry (1) (2)
Chairman,
President & CEO,
West Bancorporation, Inc.
Vice Chairman, West Bank

Jack G. Wahlig (1) (2)
President,
Integrus Financial, L.C.

Connie Wimer (1) (2)
Publisher,
Business Publications

Brad L. Winterbottom (1)
President, West Bank

- (1) Director of West Bank
(2) Director of West Bancorporation, Inc.
(3) Director Emeritus of West Bank

Dividend Paying Agent/Transfer Agent

Illinois Stock Transfer Company
209 West Jackson Boulevard, Suite 903
Chicago, Illinois 60606-6905
Telephone: 800-757-5755

Stock Listings

Nasdaq Symbol: WTBA
Wall Street Journal and Other
Newspapers: WestBcp

Investor Information

Douglas R. Gulling, CFO
(515) 222-2309

On July 18, 2003, West Bank completed the acquisition of Hawkeye State Bank in Iowa City as an office of the Bank. We hired Lynn Rowat, an experienced and well-known banker from Iowa City, to lead that market.

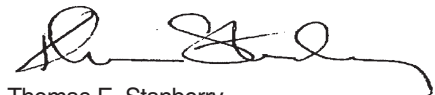
On July 11, 2003, we announced the acquisition of VMF Capital, LLC ("VMF"). VMF is the largest independent asset manager headquartered in Iowa, with offices in Cedar Rapids and Clive. Asset management is a key element of the financial solutions that will be needed by a growing segment of our population. This acquisition is expected to be completed on October 1, 2003 at which time VMF will become a wholly-owned subsidiary of West Bancorporation.

Our vision is to be the best financial solutions company in Iowa. The Hawkeye State Bank and VMF acquisitions are a tremendous start toward achieving that goal. But similar to our philosophy regarding the loan portfolio, we believe the quality of acquisitions is the key to success rather than the quantity of acquisitions. We will successfully pursue additional growth opportunities, but only those that meet our criteria and timeframe.

The economy remains weak as evidenced by the recent cut in the targeted federal funds rate, although more consumer optimism appears to be creeping into the market. We are encouraged by increased earnings reported by many companies for the second quarter, but continue to believe that economic recovery is several quarters into the future. We are positioned to continue to ride out the economic weakness. The credit quality of our loan and investment portfolio is good, our investment portfolio has a relatively short duration and we have sufficient liquidity.

We are pleased to see the benefit shareholders will receive from the reduction in the income tax rate applied to dividends paid on corporate stock. Our board of directors evaluates the dividend each quarter and we anticipate continuing to pay out a significantly higher portion of earnings in dividends than our peers.

Yours truly,



Thomas E. Stanberry
Chairman, President and Chief Executive Officer
West Bancorporation, Inc.

CHAIRMAN'S LETTER

Dear Shareholders:

Net income for the second quarter of 2003 was \$4,251,000, which is a 6.0 percent increase over the same period last year. Earnings per share were \$.26 this year compared to \$.25 last year. Total capital as a percentage of total assets was 10.4 percent as of June 30, 2003. For the second quarter of 2003, the return on average equity was 19.35 percent, the return on average assets was 1.92 percent and the efficiency ratio was 29.54 percent.

For the first half of 2003, net income was \$8,301,000, or \$.52 per share, which is also a 6.0 percent increase over last year.

Net income year-to-date for the first half of 2003 exceeded last year primarily because of an increase in non-interest income which continues to be higher than last year due to the purchase of bank owned life insurance (BOLI), surcharge fees from non-bank customers using our automated teller machines and gains from the sale of investment securities. The Bank invested in BOLI during the first quarter of this year to help offset the cost of employee benefits. In July we recommended to our board of directors that the Bank increase the amount of BOLI to take advantage of the attractive tax-free yield earned on the funds invested in BOLI. The board approved our recommendation and we are presently considering the size and timing of an increase in the Bank's BOLI investment.

Net interest margin has declined 24 basis points from a year ago. The decline is due mostly to a change in the mix of our interest earning assets. A higher proportion of interest earning assets are invested in federal funds sold and investment securities. These categories of interest earning assets yield less than loans. We continue to maintain high credit quality in our investment securities and keep the duration of our portfolio relatively short.

Loans as of June 30, 2003 totaled \$500,069,000, up \$19,858,000 from a year ago. While loan growth is important to the Bank, we remain steady in our belief that it is more important to maintain our credit quality standards than to concentrate on the quantity of loans. As the economy improves we will have opportunities to focus on accelerated growth in the Bank's loan portfolio. The Bank's nonaccrual loans have declined from \$1,376,000 as of June 30, 2002 to \$385,000 at June 30, 2003. In that same time frame, other real estate owned, which represents real estate obtained through foreclosure, has declined from \$800,000 to \$522,000. The allowance for loan losses as a percentage of total loans is .96 percent as of June 30, 2003. This compares to .93 percent a year ago.



WEST BANCORPORATION, INC.
AND SUBSIDIARY, WEST BANK

Quarterly
Report to
Shareholders