



NASDAQ: WTBA
Q1 2025 | Earnings Highlights

Disclaimers

Certain statements in this presentation, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements may appear throughout this presentation. These forward-looking statements are generally identified by the words "believes," "expects," "intends," "anticipates," "projects," "future," "confident," "may," "should," "will," "strategy," "plan," "opportunity," "will be," "will likely result," "will continue" or similar references, or references to estimates, predictions or future events. Such forward-looking statements are based upon certain underlying assumptions, risks and uncertainties. Because of the possibility that the underlying assumptions are incorrect or do not materialize as expected in the future, actual results could differ materially from these forward-looking statements. Risks and uncertainties that may affect future results include: interest rate risk, including the effects of changes in interest rates; fluctuations in the values of the securities held in our investment portfolio, including as a result of changes in interest rates; competitive pressures, including from non-bank competitors such as credit unions, "fintech" companies and digital asset service providers; pricing pressures on loans and deposits; our ability to successfully manage liquidity risk; changes in credit and other risks posed by the Company's loan portfolio, including declines in commercial or residential real estate values or changes in the allowance for loan losses dictated by new market conditions, accounting standards or regulatory requirements; the concentration of large deposits from certain clients, including those who have balances above current FDIC insurance limits; changes in local, national and international economic conditions, including the level and impact of inflation, including future monetary policies of the Federal Reserve in response thereto, and possible recession; the effects of recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time that resulted in several bank failures; changes in legal and regulatory requirements, limitations and costs; the imposition of domestic or foreign tariffs or other governmental policies impacting the global supply chain and the value of products produced by our commercial borrowers; changes in customers' acceptance of the Company's products and services; the occurrence of fraudulent activity, breaches or failures of our or our third-party partners' information security controls or cyber-security related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools; unexpected outcomes of existing or new litigation involving the Company; the monetary, trade and other regulatory policies of the U.S. government; acts of war or terrorism, including the ongoing Israeli-Palestinian conflict and the Russian invasion of Ukraine, widespread disease or pandemics, or other adverse external events; risks related to climate change and the negative impact it may have on our customers and their business; changes to U.S. tax laws, regulations and guidance; potential changes in federal policy and at regulatory agencies as a result of the 2024 presidential election; new or revised accounting policies and practices, as may be adopted by state and federal regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board; talent and labor shortages and 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.

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

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

1Q 2025 Financial Highlights

Diluted EPS

\$0.46

Net Income

\$7.8 million

**NASDAQ:
WTBA**

March 31, 2025

Closing Price: \$19.94

1Q 2025 Price Range: \$19.71 to \$23.06

Cash Dividend Per Share Declared

On April 23, 2025: \$0.25

(payable on May 21, 2025)

Annualized Dividend Yield: 5.02%

NPA's/Assets

0.00%

**Efficiency
Ratio¹**

56.37%

ROE

13.84%

ROA

0.81%

NIM¹

2.28%

Company Profile and Mission

Mission

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

- West Bancorporation, Inc. (the “Company”) is a publicly traded, financial holding company (NASDAQ: WTBA) established in 1984. Its sole subsidiary is West Bank, founded in 1893.
- West Bank is headquartered in West Des Moines, Iowa and has 11 branches and commercial banking offices serving the greater Des Moines, Iowa area; eastern Iowa, which includes Iowa City and Coralville, Iowa; and southern Minnesota, which includes Rochester, Owatonna, Mankato, and St. Cloud, Minnesota.
- The Company is a reliable, dividend paying community bank focused on commercial banking with approximately \$4.0 billion in assets.
- One of the Company's key competitive advantages is its client-centric approach to delivering strategic financial solutions to businesses and business owners, driven by the establishment of deep customer relationships and extensive experience in its markets.
- First and foremost a community bank, West Bank has built a strong reputation for being responsive to local needs. West Bank employees place a high priority on community involvement, lending their time and talents to a long list of civic and community projects.

Experienced Executive Leadership



David D. Nelson
Director/Chief Executive Officer/President

Joined West Bank in 2010
Years in Banking: 42

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



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

Joined West Bank in 2014
Years in Banking & Public Accounting: 35

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



Harlee N. Olafson
Chief Risk Officer/Executive Vice President

Joined West Bank in 2010
Years in Banking: 47

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



Brad L. Winterbottom
Executive Vice President
West Bank President

Joined West Bank in 1992
Years in Banking: 45

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



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

Joined West Bank in 2019
Years in Banking: 40

Prior to joining the Company Mr. Peters was the Executive Vice President of a \$16 billion regional bank in Minnesota where he was responsible for new market expansion.



Todd A. Mather
West Bank Chief Credit Officer

Joined West Bank in 2019
Years in Banking: 29

Prior to joining West Bank, Mr. Mather spent 8 years at a \$16 billion regional bank in Minnesota as a Senior Credit Director and Group Senior Credit Manager.

Conservative Organic Growth with Successful Lift-Out Strategies

2010

David Nelson joins West Bank as CEO.

2013

Entered the Rochester, Minnesota market by hiring experienced bankers who had existing strong relationships with local business owners and creating an advisory community board made up of local business owners and leaders. Successful and profitable establishment of market presence led to construction of permanent commercial banking office in 2016.

2018

Crossed \$2 billion in total assets.

2019

Expanded into St. Cloud, Mankato, and Owatonna, Minnesota with the same lift-out strategy used in Rochester, Minnesota. Successful and profitable establishment of market presence led to construction of permanent commercial banking offices in each of these three markets during 2022-2025.

2020

Crossed \$3 billion in total assets.

2024

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

Company Highlights – Commitment to Excellence

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

Established

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

Strategy

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

Community Service & Philanthropy

- In 2024, our employees volunteered over 8,200 hours of community service.
- In 2024, the West Bancorporation Foundation and West Bank provided over \$450,000 in total philanthropic contributions to more than 160 organizations.

Company Highlights – Commitment to Excellence

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

Credit Culture

- Strict credit risk management with robust processes and experienced credit personnel.
- 30 high quality commercial bankers with an average of 21 years of commercial banking experience.
- Centralized committee structure that is agile and responsive to customer needs and an organizational structure that provides deep support of credit and administrative functions.
- We are a local lender to local customers.

Asset Quality & Risk Management

- Proven credit culture with a history of strong asset quality.
- Classified and watch list loan balance was 0.27% of the loan portfolio at March 31, 2025.
- Nonperforming assets at March 31, 2025 totaled \$181 thousand, or 0.00% of total assets.
- Commercial real estate stress testing is completed quarterly.
- Independent third party loan review is performed semi-annually.

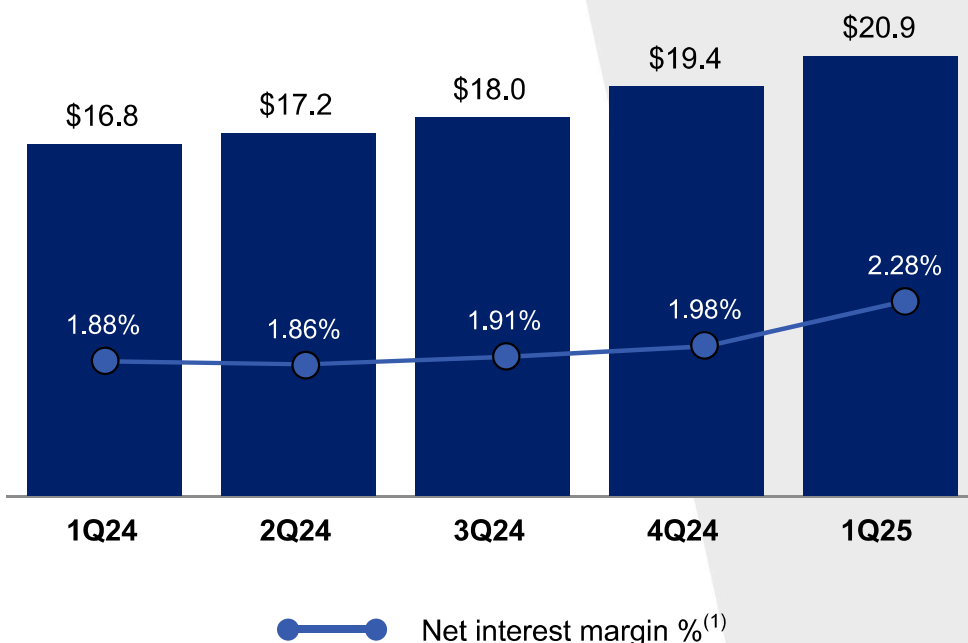
1Q 2025 Income Statement Highlights

(in thousands)

	For the Quarter Ended			Linked Quarter Comments
	Q1 '24	Q4 '24	Q1 '25	
Net interest income	\$ 16,750	\$ 19,422	\$ 20,855	Increases driven primarily by reduction in deposit interest rates and changes in funding mix.
Net interest margin ⁽¹⁾	1.88 %	1.98 %	2.28 %	
Credit loss expense	\$ —	\$ 1,000	\$ —	Q4 2024 credit loss expense reflects changes in certain qualitative factors in that period.
Noninterest income (excluding securities losses)	2,299	2,602	2,243	Trust fees included a large one-time fee in Q4 2024.
Realized securities losses	—	(1,172)	—	\$11.8 million of proceeds from investment security sales in Q4 2024 were used to fund loan growth, with an estimated earnback period of approximately 2 years.
Noninterest expense	11,868	13,399	13,063	The comparison of Q1 2024 to Q4 2024 and Q1 2025 was primarily impacted by increases in salary and benefits due to incentive compensation related accruals and occupancy and equipment costs related to the new bank headquarters and Owatonna branch buildings.
Efficiency ratio ⁽¹⁾	62.04 %	60.79 %	56.37 %	
Income tax expense	\$ 1,372	\$ (644)	\$ 2,193	Income tax benefit of \$1.8 million for an energy related investment tax credit associated with new headquarters building construction was recorded in Q4 2024.
Net income	5,809	7,097	7,842	
Return on average equity	10.63 %	12.24 %	13.84 %	

Net Interest Income

Net Interest Income (\$ in millions)

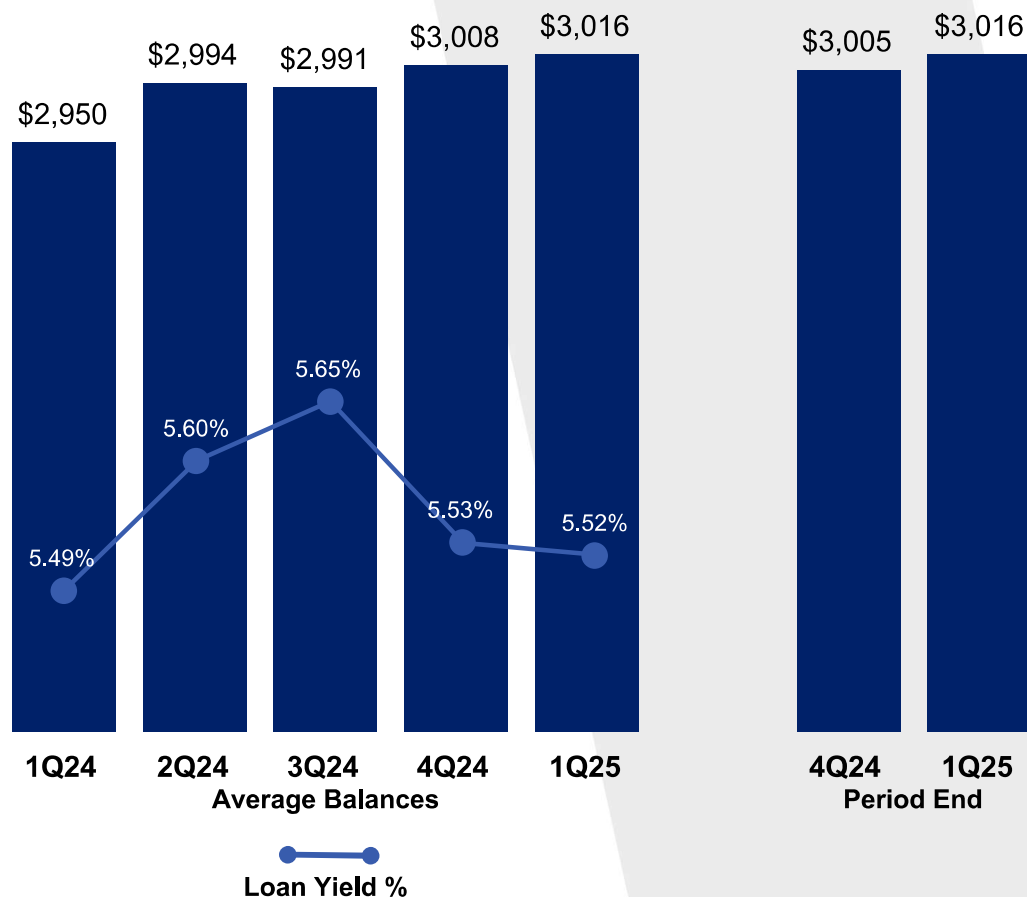


Net interest income increased \$1.5 million and net interest margin increased 30 bps in Q1 2025 compared to Q4 2024

- Interest income on loans decreased \$0.8 million and interest income on interest-bearing cash deposits decreased \$2.1 million. The decline in interest income on loans was due to the slight decrease in loan yields from Q4 2024 to Q1 2025 as a result of the decline in Prime & SOFR rates during Q4 2024. The decrease in interest income on interest-bearing cash deposits was due to the decline in average balances and decline in the federal funds rate during Q4 2024.
- Deposit interest expense decreased \$4.3 million, primarily due to a decline in deposit interest rates, driven by reductions in the federal funds rate during Q4 2024. The cost of interest-bearing deposits decreased 38 bps from Q4 2024 to Q1 2025.
- Interest expense on borrowed funds decreased \$0.3 million, due to the payoff of FHLB advances totaling \$45.0 million in Q4 2024.

Loans

Loans
(\$ in millions)

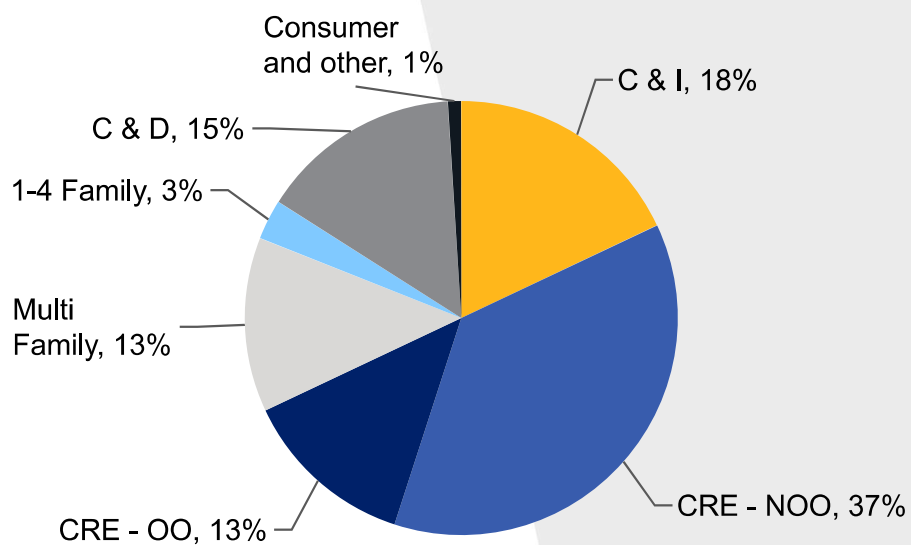


Quarterly Highlights

- Loans increased \$11.6 million in Q1 2025, primarily due to an increase in commercial real estate loans.
- Quarterly average loans increased \$8.6 million compared to Q4 2024.
- Commercial real estate loans are well diversified among various industry sectors.
- Commercial office lending makes up 5.4% of the total loan portfolio, with only 1.1% located in the Des Moines metropolitan downtown area.
- Loan yields decreased 1 bp in Q1 2025 compared to Q4 2024 as the decreases in prime and SOFR rates lowered the yields on variable-rate loans. Yields on fixed-rate loans continue to increase, as loan originations and renewals are priced at higher prevailing market rates compared to roll-off rates.
- 38% of the loan portfolio consists of variable-rate loans.

Loan Mix

**Loan Mix
as of March 31, 2025**

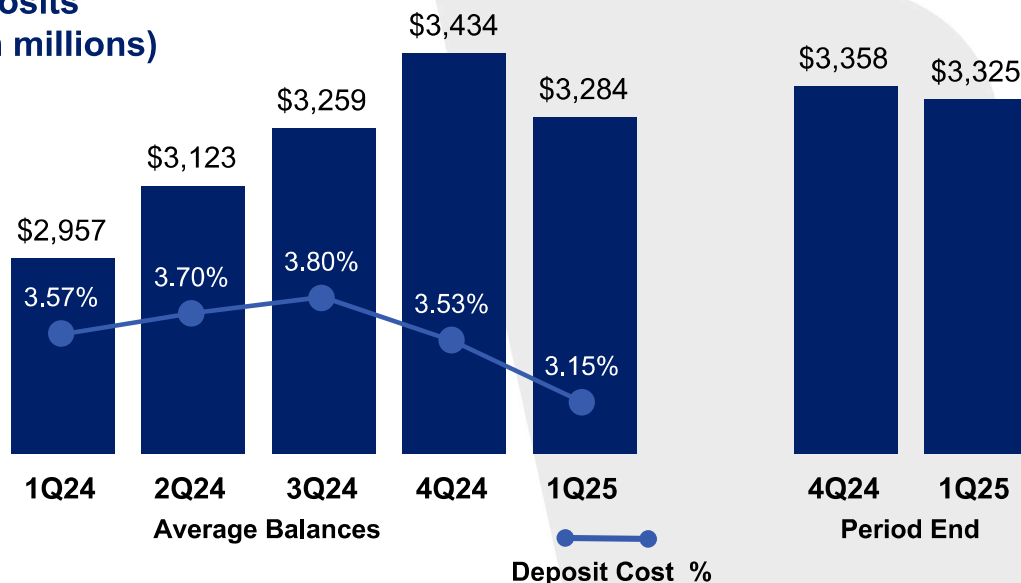


**Total Construction and Development and Commercial
Real Estate Loans at March 31, 2025**

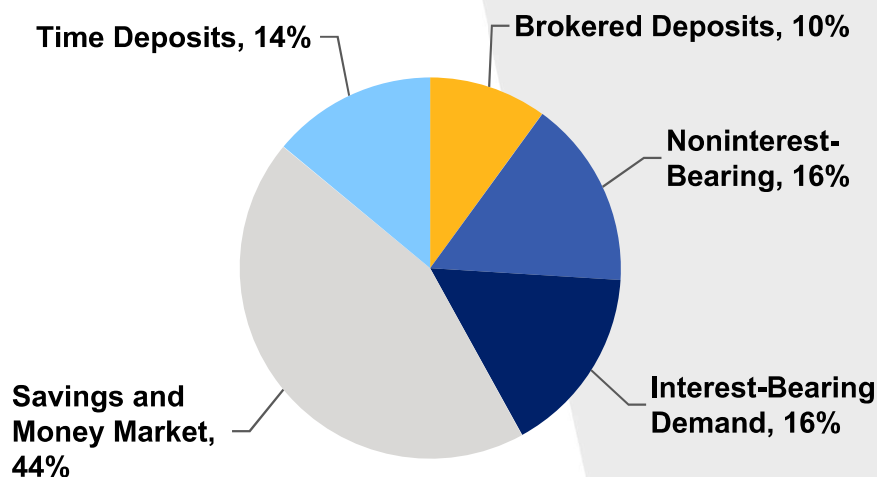
Sector	Balance (\$ in thousands)
Multifamily	\$ 546,842
Medical	97,283
Warehouse & trucking terminals	286,573
Hotels	259,205
Mixed use	104,759
Office	161,595
Retail	246,975
Senior care/living	105,714
Residential	162,128
Land and land development	98,101
Other	291,385
Total	\$ 2,360,560

Deposits

Deposits (\$ in millions)



Deposit Mix as of March 31, 2025



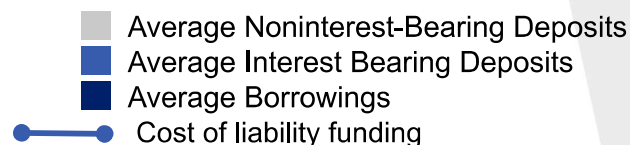
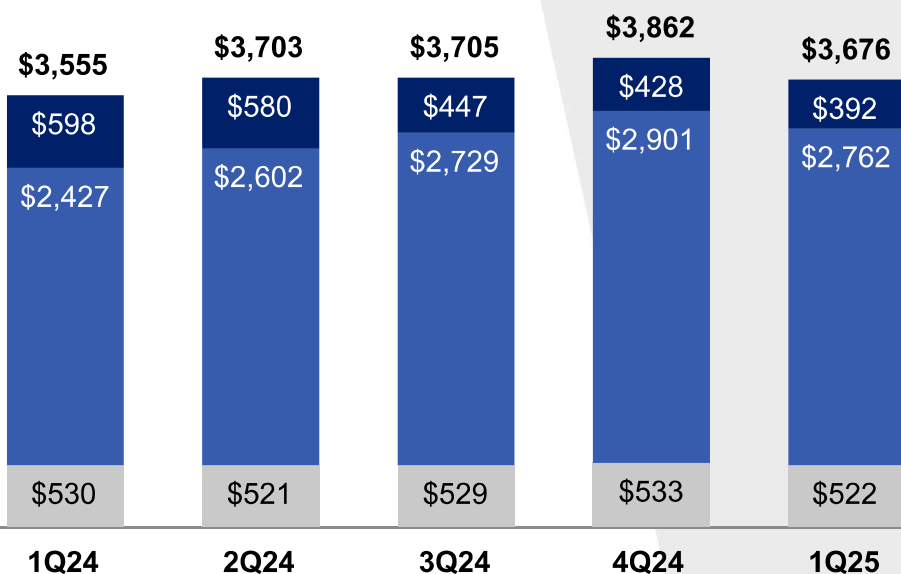
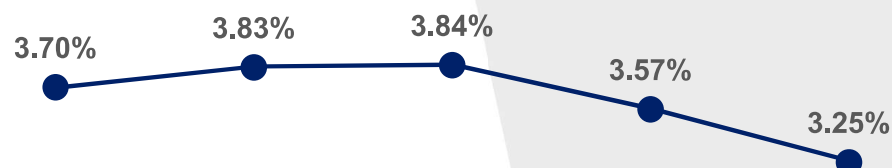
Quarterly Highlights

- Total deposits decreased \$33.1 million in Q1 2025.
- Brokered deposits increased \$69.1 million in Q1 2025.
- Deposit costs decreased 38 bps in Q1 2025 compared to Q4 2024, due to reductions in deposit pricing driven by decreases in the federal funds rate and changes in deposit mix.
- West Bank participates in the IntraFi® ICS and CDARS reciprocal deposit network which enables depositors to receive FDIC insurance coverage on deposits otherwise exceeding the maximum insurable amount.
- Estimated uninsured deposits, excluding deposits in the IntraFi® reciprocal deposit network, brokered deposits and public funds protected by state programs, were approximately 28.0% of total deposits at the end of Q1.

Funding and Liquidity

Overall Funding Costs

(\$ in millions)



Sources of Liquidity

(\$ in thousands)

Cash and cash equivalents	\$	210,610
Unpledged securities		87,317
FHLB borrowing availability		634,634
Unsecured lines of credit availability		75,000
Federal Reserve discount window availability		119,463
Total as of 3/31/2025	\$	1,127,024

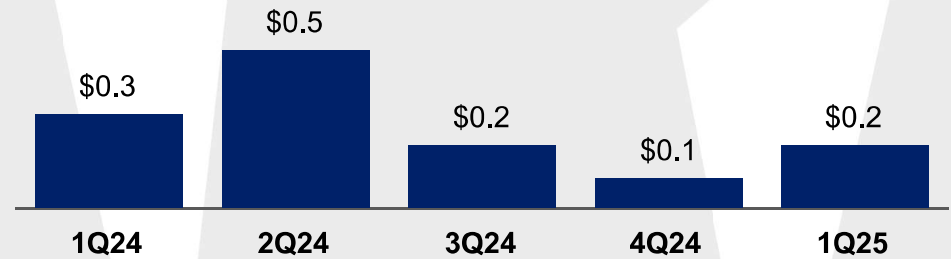
West Bank also maintains master brokered deposit agreements with brokerage firms and access to one-way buy options through the IntraFi[®] deposit network.

Credit Quality

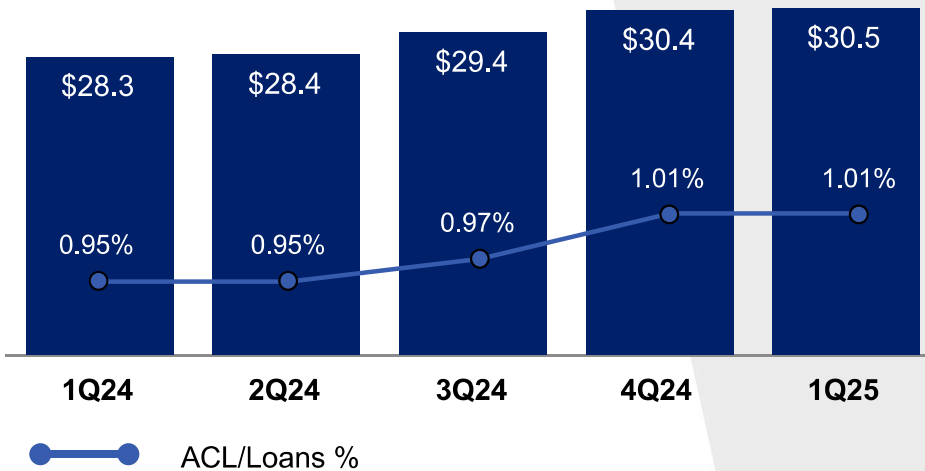
Net Charge-Offs (Recoveries) (\$ in thousands)



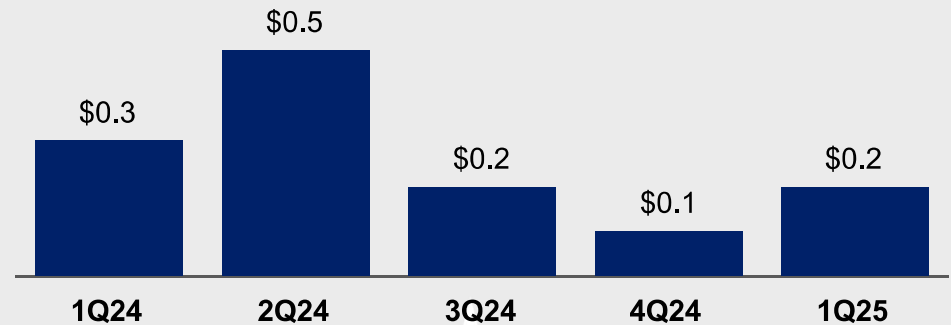
Substandard Loans (\$ in millions)



Allowance for Credit Losses (\$ in millions)

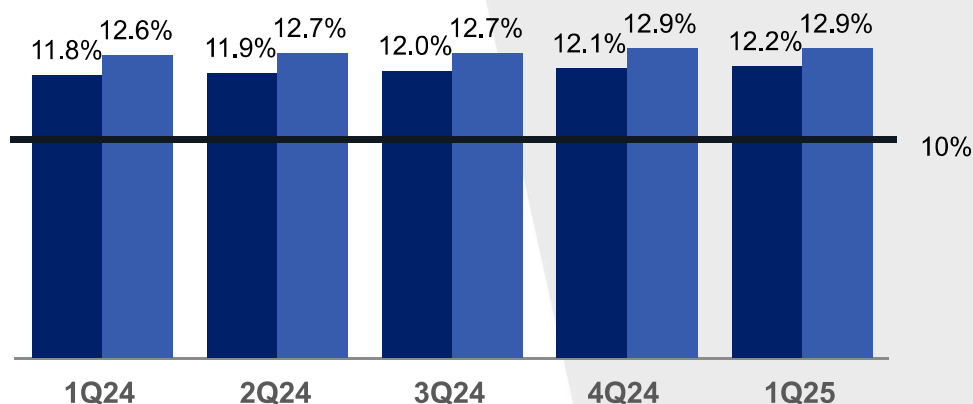


Nonaccrual Loans (\$ in millions)

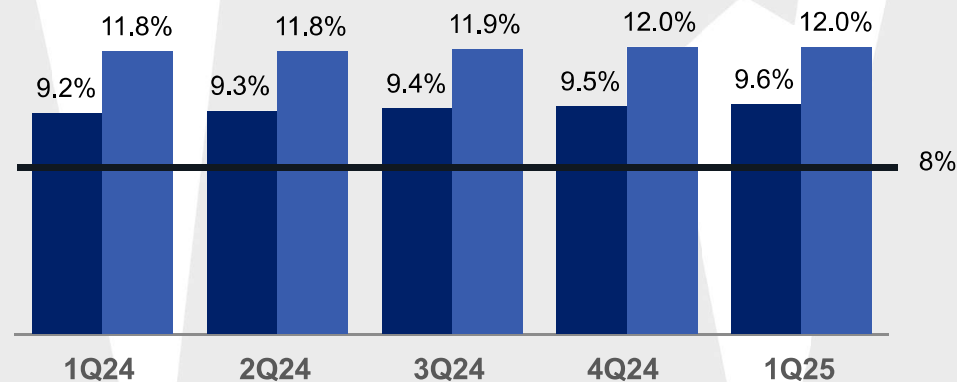


Regulatory Capital Ratios

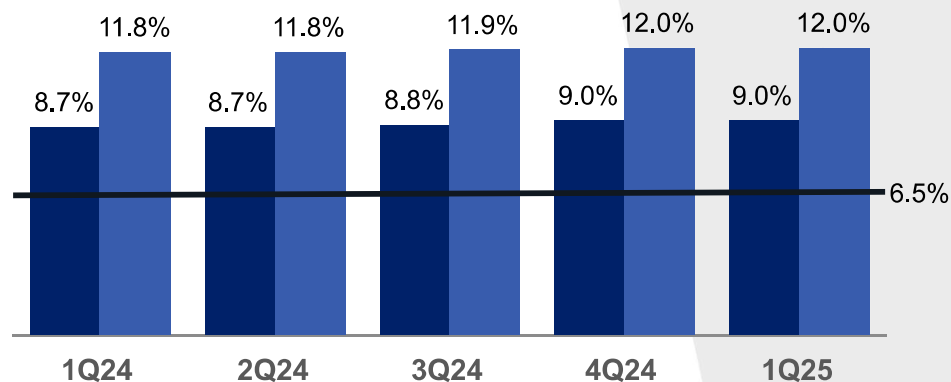
Total Risk-Based Capital Ratio



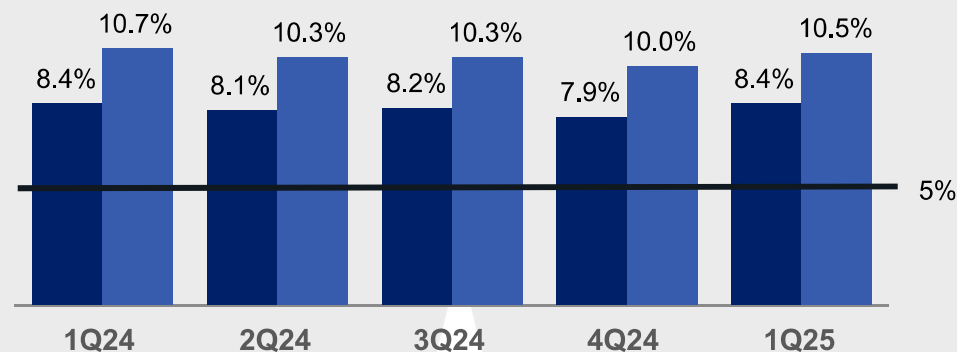
Tier 1 Capital Ratio



Common Equity Tier 1 Ratio



Tier 1 Leverage Ratio



Appendix

Non-GAAP Financial Measures

(in thousands)

	As of and for the Quarter Ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Reconciliation of net interest income and net interest margin on a FTE basis to GAAP:					
Net interest income (GAAP)	\$ 20,855	\$ 19,422	\$ 17,960	\$ 17,230	\$ 16,750
Tax-equivalent adjustment ⁽¹⁾	66	16	29	55	82
Net interest income on a FTE basis (non-GAAP)	20,921	19,438	17,989	17,285	16,832
Average interest-earning assets	3,717,441	3,910,978	3,749,688	3,731,674	3,595,954
Net interest margin on a FTE basis (non-GAAP)	2.28 %	1.98 %	1.91 %	1.86 %	1.88 %
Reconciliation of efficiency ratio on an adjusted and FTE basis to GAAP:					
Net interest income on a FTE basis (non-GAAP)	\$ 20,921	\$ 19,438	\$ 17,989	\$ 17,285	\$ 16,832
Noninterest income	2,243	1,430	2,359	2,346	2,299
Adjustment for realized securities losses, net	—	1,172	—	—	—
Adjustment for losses on disposal of premises and equipment, net	8	—	26	21	—
Adjusted income	23,172	22,040	20,374	19,652	19,131
Noninterest expense	13,063	13,399	12,892	13,194	11,868
Efficiency ratio on an adjusted and FTE basis (non-GAAP) ⁽²⁾	56.37 %	60.79 %	63.28 %	67.14 %	62.04 %

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

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