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 September 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 to be filed 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 November 1, 2006, there were 17,536,682 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)

	September 30, 2006	December 31, 2005
Assets		
Cash and due from banks	$ 27,087,695	$ 39,424,270
Federal funds sold and other short-term investments	3,478,007	1,241,044
Cash and cash equivalents	30,565,702	40,665,314
Securities available for sale	267,647,396	270,333,846
Federal Home Loan Bank stock, at cost	3,952,000	4,384,400
Total securities	271,599,396	274,718,246
Loans	911,930,825	867,504,620
Allowance for loan losses	(8,178,355)	(7,615,188)
Loans, net	903,752,470	859,889,432
Premises and equipment, net	5,275,505	5,650,009
Accrued interest receivable	9,871,538	7,861,647
Goodwill and other intangible assets	26,453,204	27,116,287
Bank-owned life insurance	22,736,195	22,099,259
Other assets	11,365,046	6,380,103
Total assets	$1,281,619,056	$1,244,380,297
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing demand	$ 196,541,479	$ 207,492,888
Interest-bearing demand	48,134,916	48,629,629
Savings	231,085,979	295,068,233
Time, in excess of $100,000	312,670,401	269,057,298
Other time	197,178,704	124,645,285
Total deposits	985,611,479	944,893,333
Federal funds purchased and securities sold under agreements to repurchase	86,869,434	84,748,150
Other short-term borrowings	1,762,319	4,732,124
Accrued expenses and other liabilities	9,485,975	6,298,408
Subordinated notes	20,619,000	20,619,000
Long-term borrowings	66,265,018	78,568,766

Total liabilities	1,170,613,225	1,139,859,781
Stockholders' Equity		
Common stock, no par value; authorized 50,000,000 shares; 17,536,682 and 17,536,935 shares issued and outstanding at September 30, 2006 and December 31, 2005, respectively	3,000,000	3,000,000
Additional paid-in capital	32,000,000	32,000,000
Retained earnings	78,199,538	71,950,620
Accumulated other comprehensive income (loss)	(2,193,707)	(2,430,104)
Total stockholders' equity	111,005,831	104,520,516
Total liabilities and stockholders' equity	$1,281,619,056	$1,244,380,297

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30,		Ni
	2006	2005	20
Interest income:			
Loans, including fees	$17,505,439	$12,980,293	$50,00
Securities:			
U.S. Treasury, government agencies and corporations	1,523,820	1,708,489	4,54
States and political subdivisions	1,043,803	1,080,120	3,11
Other	395,774	337,051	1,12
Federal funds sold and other short-term investments	287,503	45,675	63
Total interest income	20,756,339	16,151,628	59,41
Interest expense:			
Demand deposits	128,061	56,511	26
Savings deposits	1,898,511	1,364,037	5,53
Time deposits	6,926,390	3,041,428	17,91
Federal funds purchased and securities sold under agreements to repurchase	855,742	611,355	2,61
Other short-term borrowings	8,027	462,218	3
Subordinated notes	370,867	370,867	1,10
Long-term borrowings	846,616	883,328	2,85
Total interest expense	11,034,214	6,789,744	30,31
Net interest income	9,722,125	9,361,884	29,10
Provision for loan losses	450,000	450,000	1,35
Net interest income after provision for loan losses	9,272,125	8,911,884	27,75

Noninterest income:			
Service charges on deposit accounts	1,371,286	1,214,142	3,49
Trust services	207,785	202,475	57
Investment advisory fees	2,002,794	904,236	6,36
Increase in cash value of bank-owned life insurance	214,903	212,621	63
Net realized gains (losses) from sales of securities available for sale	(2,937)	158,377	(14
Other income	355,881	340,732	1,07
Total noninterest income	4,149,712	3,032,583	11,99
Noninterest expense:			
Salaries and employee benefits	3,322,926	2,579,400	10,49
Occupancy	825,613	624,168	2,54
Data processing	447,956	367,753	1,43
Other expenses	1,499,927	1,083,010	4,12
Total noninterest expense	6,096,422	4,654,331	18,59
Income before income taxes	7,325,415	7,290,136	21,15
Income taxes	2,348,750	2,327,432	6,74
Net income	$ 4,976,665	$ 4,962,704	$14,40
Earnings per share, basic	$ 0.28	$ 0.28	$
Cash dividends per share	$ 0.160	$ 0.152	$

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 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	14,403,772	14,789,972

Dividends on common stock	(8,150,459)	(8,016,885)
Purchase of fractional shares resulting from stock dividend	(4,395)	--
End of period balance	78,199,538	69,338,133
Accumulated other comprehensive income (loss):		
Beginning of year balance	(2,430,104)	54,930
Unrealized gains (losses) on securities, net of tax	236,397	(866,587)
End of period balance	(2,193,707)	(811,657)
Total stockholders' equity	$111,005,831	$103,526,476

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

	Nine Months Ended September 30,	
	2006	2005
Net Income	$14,403,772	$14,789,972
Other comprehensive income (loss), unrealized gains (losses) on securities, net of reclassification adjustment, net of tax	236,397	(866,587)
Comprehensive income	$14,640,169	$13,923,385

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2006	2005
Cash Flows from Operating Activities		
Net income	$ 14,403,772	$ 14,789,
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,350,000	1,325,
Net amortization and accretion	962,475	824,

Loss on disposal of fixed assets	11,011	22,
Net (gains) losses from sales of securities available for sale	146,612	(201,
Net gains from sales of loans held for sale	(91,548)	(137,
Proceeds from sales of loans held for sale	8,525,465	12,312,
Originations of loans held for sale	(8,733,917)	(12,179,
Increase in value of bank-owned life insurance	(636,936)	(629,
Depreciation	674,718	390,
Deferred income taxes	(97,757)	(172,
Change in assets and liabilities:		
Increase in accrued interest receivable	(2,009,891)	(1,235,
Increase in accrued expenses and other liabilities	2,475,192	740,
Net cash provided by operating activities	16,979,196	15,850,
Cash Flows from Investing Activities		
Proceeds from sales, calls, and maturities of securities available for sale	22,122,561	72,458,
Purchases of securities available for sale	(20,548,130)	(41,647,
Proceeds from maturities and calls of securities held to maturity	--	19,431,
Acquisition of Federal Home Loan Bank stock	(533,200)	(14,198,
Proceeds from redemption of Federal Home Loan Bank stock	965,600	11,833,
Net increase in loans	(46,673,038)	(104,828,
Proceeds from sales of premises and equipment	67,787	
Purchases of premises and equipment	(567,377)	(804,
Change in other assets	(1,627,782)	(2,611,
Net cash (used) in investing activities	(46,793,579)	(60,367,
Cash Flows from Financing Activities		
Net change in deposits	40,718,146	7,024,
Net change in federal funds purchased and securities sold under agreements to repurchase	2,121,284	3,739,
Net change in other short-term borrowings	(2,969,805)	65,693,
Principal payments on long-term borrowings	(12,000,000)	(10,900,
Purchase of fractional shares resulting from stock dividend	(4,395)	
Cash dividends	(8,150,459)	(8,016,
Net cash provided by financing activities	19,714,771	57,541,
Net increase (decrease) in cash and cash equivalents	(10,099,612)	13,024,
Cash and Cash Equivalents		
Beginning	40,665,314	29,879,
End	$ 30,565,702	$ 42,903,
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	$ 28,579,447	$ 16,527,
Income taxes	7,323,629	7,224,

See accompanying notes to consolidated financial statements.

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

1. Basis of Presentation

The accompanying consolidated statements of income for the three and nine months ended September 30, 2006 and 2005, the consolidated statements of stockholders' equity, comprehensive income, and cash flows for the nine months ended September 30, 2006 and 2005, and the consolidated balance sheets as of September 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 September 30, 2006, and the results of operations and cash flows for the three and nine months ended September 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 weighted average number of shares outstanding for the three months ended September 30, 2006 and 2005 was 17,536,765 and 17,536,935, respectively, and the weighted average number of shares outstanding for the nine months ended September 30, 2006 and 2005 was 17,536,878 and 17,536,935, respectively.

On July 19, 2006, the Board of Directors of the Company declared a 5 percent common stock dividend which was paid on August 14, 2006 to shareholders of record on July 31, 2006. Fractional shares resulting from the stock dividend were paid in cash. The number of outstanding common shares and earnings per common share in the accompanying financial statements and footnotes reflect the 5 percent common stock dividend.

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 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 September 30, 2006 and December 31, 2005, are approximately as follows:

	September 30, 2006	December 31, 2005

Commitments to extend credit	$238,747,000	$247,849,000
Standby letters of credit	21,854,000	23,230,000
	$260,601,000	$271,079,000

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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 that of 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 nine months ended September 30, 2006 and 2005 (dollars in thousands).

	Three months ended September 30,					
	2006 Segments				S	
	Banking	Investment Advisory	Other	Consolidated	Banking	Investmen Advisory
Interest income	$20,756	$ --	$ --	$20,756	$16,152	$ --
Interest expense	11,026	8	--	11,034	6,775	15
Net interest income	9,730	(8)	--	9,722	9,377	(15)
Provision for loan losses	450	--	--	450	450	--
Net interest income after provision for loan losses	9,280	(8)	--	9,272	8,927	(15)
Noninterest income	2,148	2,061	(59)	4,150	2,128	955
Noninterest expense	4,278	1,878	(59)	6,097	3,983	722
Income before income taxes	7,150	175	--	7,325	7,072	218
Income taxes	2,275	73	--	2,348	2,237	90
Net income	$ 4,875	$ 102	$ --	$ 4,977	$ 4,835	$128
Depreciation and amortization	$ 200	$ 246	$ --	$ 446	$ 183	$ 41

	Nine months ended September 30,				
	2006 Segments				
	Banking	Investment Advisory	Other	Consolidated	Banking
Interest income	$ 59,418	$ --	$ (2)	$ 59,416	$ 45,894
Interest expense	30,291	25	(2)	30,314	17,416
Net interest income	29,127	(25)	--	29,102	28,478
Provision for loan losses	1,350	--	--	1,350	1,325
Net interest income after provision for loan losses	27,777	(25)	--	27,752	27,153
Noninterest income	5,627	6,527	(163)	11,991	6,089
Noninterest expense	12,940	5,814	(163)	18,591	11,892
Income before income taxes	20,464	688	--	21,152	21,350
Income taxes	6,464	284	--	6,748	6,834
Net income	$ 14,000	$ 404	$ --	$ 14,404	$ 14,516
Depreciation and amortization	$ 595	$ 743	$ --	$ 1,338	$ 518
Goodwill	$ 13,376	$ 9,869	$ --	$ 23,245	$ 13,376
Total assets	$1,268,060	$14,241	$(682)	$1,281,619	$1,217,474

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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.

In July 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes. Interpretation No. 48 provides clarification on accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB No. 109, Accounting for Income Taxes. The Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides for additional financial statement footnote disclosure. Interpretation No. 48 is effective for the Company beginning on January 1, 2007. The Company is currently evaluating the potential impact this Interpretation could have on its financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles, expands disclosures about fair value measurements and applies whenever other standards require or permit assets or liabilities to be measured at fair value. It does not expand the use of fair value in any new circumstances. This Statement is effective for the Company beginning on January 1, 2008. The Company does not expect this Statement to have a material effect on its financial condition.

In September 2006, the FASB issued SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. SFAS No. 158 is an amendment of SFAS Nos. 87, 88, 106 and 132R. This Statement requires employers to fully recognize the overfunded or underfunded status of a defined benefit retirement plan, retiree healthcare and other postretirement plans as an asset or liability in their financial statements as of the end of the fiscal year. This Statement is effective for the Company for 2006. 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 categories in the prior year's statement of cash flows 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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2006, compared to the same periods in 2005, and on the consolidated financial condition of the Company and its subsidiaries at September 30, 2006, compared to December 31, 2005.

Net income for the three months ended September 30, 2006, was $4,977,000, which was virtually the same as the $4,963,000 reported for the same period in 2005. Increases in net interest income, service charges on deposit accounts and investment advisory fees were offset by increases in operating expenses.

For the first nine months of 2006, net income declined 2.6 percent from the prior year to $14,404,000, or $.82 per share. Net interest income for the first nine months of 2006 was $669,000 higher than the previous year primarily because of the $110 million increase in average earning assets. Compared to the prior year, the increases in net interest income and investment advisory fees were more than offset by increases in noninterest expense. The nine months ended September 30, 2006 also included net realized losses on the sale of investment securities of $147,000 compared to net gains of $202,000 for the same period in 2005. Current year results include the operations of IMG, which was acquired on December 30, 2005.

The net interest margin for the three and nine months ended September 30, 2006, declined 24 and 27 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 40.0 percent higher than last year due the increase in investment advisory fees earned by IMG. Net income from the investment advisory segment of the company totaled $102,000 for the third quarter of 2006, compared to $128,000 for the third quarter of 2005. Year-to-date net income from this segment totaled $404,000, compared to $274,000 for the same period in 2005.

Year-to-date noninterest expense was 34.1 percent higher than a year ago, primarily due to the acquisition of IMG, increases in compensation and related benefit expenses, occupancy costs and intangible amortization.

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RESULTS OF OPERATIONS

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

	Three Months Ended September 30,				Nine Months Ended	
	2006	2005	Change	Change-%	2006	2005
Net income	$ 4,977	$ 4,963	$ 14	0.3%	$ 14,404	$ 14,790
Average assets	1,315,308	1,189,373	125,935	10.6%	1,301,735	1,181,382
Average stockholders' equity	107,893	101,875	6,018	5.9%	106,042	99,628
Return on assets	1.50%	1.66%	-0.16%		1.48%	1.67%
Return on equity	18.30%	19.33%	-1.03%		18.16%	19.85%
Efficiency ratio	42.60%	36.61%	5.99%		43.70%	36.27%
Dividend payout ratio	57.14%	53.33%	3.81%		56.71%	53.93%
Equity to assets ratio	8.20%	8.57%	-0.37%		8.15%	8.43%

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 net securities gains (losses)) plus taxable equivalent net interest income.

Dividend payout ratio - dividends per share divided by net income per share.

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 September 30 (dollars in thousands):

	Average Balance				Interest Income/Expe		
	2006	2005	Change	Change-%	2006	2005	Change
Interest-earning assets:							
Loans:							
Commercial	$ 356,528	$ 282,204	$ 74,324	26.34%	$ 7,080	$ 4,693	$2,387
Real estate	537,696	477,448	60,248	12.62%	9,907	7,886	2,021
Consumer	12,986	10,907	2,079	19.06%	265	221	44
Other	25,770	22,359	3,411	15.26%	343	253	90
Total loans	932,980	792,918	140,062	17.66%	17,595	13,053	4,542
Investment securities:							
Taxable	171,401	203,444	(32,043)	-15.75%	2,008	2,134	(126)
Tax-exempt	98,891	106,075	(7,184)	-6.77%	1,302	1,396	(94)
Total investment securities	270,292	309,519	(39,227)	-12.67%	3,310	3,530	(220)
Federal funds sold and short-term investments	21,006	4,732	16,274	343.91%	288	46	242
Total interest-earning assets	$1,224,278	$1,107,169	$117,109	10.58%	21,193	16,629	4,564
Interest-bearing liabilities:							
Deposits:							
Checking with interest, savings and money markets	$ 299,936	$ 307,970	$ (8,034)	-2.61%	2,027	1,421	606
Time deposits	553,475	366,023	187,452	51.21%	6,926	3,041	3,885
Total deposits	853,411	673,993	179,418	26.62%	8,953	4,462	4,491
Other borrowed funds	160,559	213,808	(53,249)	-24.91%	2,081	2,328	(247)
Total interest-bearing liabilities	$1,013,970	$ 887,801	$126,169	14.21%	11,034	6,790	4,244

Tax-equivalent net interest income	$10,159	$ 9,839	$ 320
Net interest spread			
Net interest margin			

Data for the nine months ended September 30 (dollars in thousands):

	Average Balance				Interest Income/Expe		
	2006	2005	Change	Change-%	2006	2005	Change
Interest-earning assets:							
Loans:							
Commercial	$ 345,197	$ 273,130	$ 72,067	26.39%	$19,709	$12,841	$ 6,868
Real estate	539,062	460,289	78,773	17.11%	28,854	21,821	7,033
Consumer	12,268	10,812	1,456	13.47%	726	617	109
Other	24,925	20,273	4,652	22.95%	973	735	238
Total loans	921,452	764,504	156,948	20.53%	50,262	36,014	14,248
Investment securities:							
Taxable	172,872	220,566	(47,694)	-21.62%	5,929	6,995	(1,066)
Tax-exempt	99,388	102,506	(3,118)	-3.04%	3,899	3,995	(96)
Total investment securities	272,260	323,072	(50,812)	-15.73%	9,828	10,990	(1,162)
Federal funds sold and short-term investments	16,525	12,817	3,708	28.93%	632	305	327
Total interest-earning assets	$1,210,237	$1,100,393	$109,844	9.98%	60,722	47,309	13,413
Interest-bearing liabilities:							
Deposits:							
Checking with interest, savings and money markets	$ 309,274	$ 340,335	$(31,061)	-9.13%	$ 5,794	$ 3,898	1,896
Time deposits	515,493	320,894	194,599	60.64%	17,916	6,979	10,937
Total deposits	824,767	661,229	163,538	24.73%	23,710	10,877	12,833
Other borrowed funds	174,581	222,509	(47,928)	-21.54%	6,604	6,584	20
Total interest-bearing liabilities	$ 999,348	$ 883,738	$115,610	13.08%	30,314	17,461	12,853
Tax-equivalent net interest income					$30,408	$29,848	$ 560
Net interest spread							
Net interest margin							

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 third quarter was 3.29 percent, which was 24 basis points lower than the same quarter last year and 6 basis points lower than the second quarter of 2006. The decline from the prior quarter was due to continued increases in market rates on deposits which have increased faster than the yields on earning assets. The Company's tax-equivalent net interest income for the nine months ended September 30, 2006, increased $560,000 compared to the nine months ended September 30, 2005.

Taxable-equivalent interest income and fees on loans increased $14.2 million in the first nine 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 $157 million higher than the first nine months of last year. The average yield on loans increased to 7.29 percent for the first nine months of 2006, compared to 6.30 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 $50.8 million lower than last year while the yield has increased 27 basis points. Most purchases of investment securities during the first nine 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 nine months of 2006 increased to 3.84 percent from 2.20 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 nine months of last year, the average balance of higher rate certificates of deposit was up $194.6 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 balances of money market and savings accounts, which typically have lower rates, were $17.9 million and $12.4 million lower, respectively.

The average balance of borrowings for the first nine months of 2006 was $47.9 million lower than a year ago. Short-term borrowings, which consisted primarily of federal funds purchased and borrowings from the Federal Home Loan Bank of Des Moines (FHLB), averaged $52.6 million less than in the first nine months of 2005, due to utilizing wholesale time deposits. Long-term borrowings averaged $4.7 million more than in the first nine months of 2005, 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 nine months ended September 30, 2006 and 2005 as well as common ratios related to the allowance for loan losses (dollars in thousands).

	Three Months Ended September 30,			Nine Months Ended Sep	
	2006	2005	Change	2006	2005
Balance at beginning of period	$ 8,440	$ 7,080	$ 1,360	$ 7,615	$ 6,527
Charge-offs	(721)	(284)	(437)	(821)	(671)
Recoveries	9	60	(51)	34	125
Net charge-offs	(712)	(224)	(488)	(787)	(546)
Provision charged to operations	450	450	--	1,350	1,325
Balance at end of period	$ 8,178	$ 7,306	$ 872	$ 8,178	$ 7,306
Average loans outstanding	$932,980	$792,918	$140,062	$921,452	$764,504
Ratio of net charge-offs during the period to average loans outstanding	0.08%	0.03%		0.09%	0.07%
Ratio of allowance for loan losses to average loans outstanding	0.88%	0.92%		0.89%	0.96%

Charge-offs in the three months ended September 30, 2006, increased significantly compared to the prior year. Three loans that had been classified as non-accrual accounted for $586,000 of the total charge-offs. The three loans met the criteria for an in-substance foreclosure, which occurs when the borrower has little or no equity in the collateral securing a loan. Charge-offs were incurred for the difference between the carrying value and the net realizable value of the properties securing the loans. A total of $1,730,000 was transferred into other real estate owned.

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 when 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 examinations. See also the discussion of nonperforming 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 September 30,			
	2006	2005	Change	Change-%
Noninterest income:				
Service charges on deposit accounts	$1,371	$1,214	$ 157	12.93%
Trust services	208	202	6	2.97%
Investment advisory fees	2,003	904	1,099	121.57%
Increase in cash value of bank-owned life insurance	215	213	2	0.94%
Net realized gains (losses) from sales of securities	(3)	159	(162)	-101.89%
Other:				
Debit card usage fees	55	45	10	22.22%
Check printing fees	33	39	(6)	-15.38%
Visa/Mastercard income	46	28	18	64.29%
Gain on sale of residential mortgages	28	28	--	0.00%
Other loan fees	10	8	2	25.00%
All other	184	192	(8)	-4.17%
Total other	356	340	16	4.71%
Total noninterest income	$4,150	$3,032	$1,118	36.87%

	Nine Months Ended September 30,			
	2006	2005	Change	Change-%
Noninterest income:				
Service charges on deposit accounts	$ 3,492	$3,501	$ (9)	-0.26%

Trust services	571	531	40	7.53%
Investment advisory fees	6,364	2,478	3,886	156.82%
Increase in cash value of bank-owned life insurance	637	629	8	1.27%
Net realized gains (losses) from sales of securities	(147)	202	(349)	-172.77%
Other:				
Debit card usage fees	167	147	20	13.61%
Check printing fees	116	110	6	5.45%
Visa/Mastercard income	121	104	17	16.35%
Gain on sale of residential mortgages	57	87	(30)	-34.48%
Other loan fees	55	170	(115)	-67.65%
All other	558	608	(50)	-8.22%
Total other	1,074	1,226	(152)	-12.40%
Total noninterest income	$11,991	$8,567	$3,424	39.97%

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 slightly on a year-to-date basis, while implementation of pricing changes in the third quarter of 2006 caused an increase in return check charges compared to the same quarter in 2005. Trust fees increased 7.5 percent in the first nine months of 2006 compared to the prior year as a result of the combination of new business and revised fee schedules.

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Investment advisory fees are fees earned by VMF Capital and IMG. The significant increase in investment advisory fees in the current quarter and year-to-date was due to the acquisition of IMG on the last day of 2005. Revenue declined slightly in the third quarter of 2006 compared to the second quarter because of the loss of a customer. New business development efforts were hampered somewhat due to the significant amount of time and effort spent on planning for the merger. Effective October 1, 2006, VMF Capital and IMG have merged and will operate as WB Capital Management Inc. Combining the two companies will allow for more effective client service.

The Company recognized losses from the sale of investment securities in the first nine 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 nine months 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. 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 September 30,			
	2006	2005	Change	Change-%
Noninterest expense:				
Salaries and employee benefits	$3,323	$2,580	$ 743	28.80%
Occupancy	826	624	202	32.37%
Data processing	448	367	81	22.07%
Other:				
Insurance	64	40	24	60.00%
Supplies	74	60	14	23.33%
Marketing	164	114	50	43.86%
Business development	75	73	2	2.74%
Professional fees	257	141	116	82.27%
Consulting fees	55	90	(35)	-38.89%
Intangible amortization	221	84	137	163.10%
All other	590	481	109	22.66%
Total other	1,500	1,083	417	38.50%
Total noninterest expense	$6,097	$4,654	$1,443	31.01%

	Nine Months Ended September 30,			
	2006	2005	Change	Change-%
Noninterest expense:				
Salaries and employee benefits	$10,490	$ 7,744	$2,746	35.46%
Occupancy	2,548	1,817	731	40.23%
Data processing	1,433	1,057	376	35.57%
Other:				
Insurance	185	118	67	56.78%
Supplies	215	239	(24)	-10.04%
Marketing	370	279	91	32.62%
Business development	236	198	38	19.19%
Professional fees	596	395	201	50.89%
Consulting fees	159	199	(40)	-20.10%
Intangible amortization	663	254	409	161.02%
All other	1,696	1,560	136	8.72%
Total other	4,120	3,242	878	27.08%
Total noninterest expense	$18,591	$13,860	$4,731	34.13%

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 because of one additional location related to 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 canceled 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. In the third quarter, one of the Des Moines metropolitan branches was relocated to a higher traffic location. An agreement to sell the former branch is in place and is expected to result in a gain on sale of approximately $112,000 in the fourth quarter of 2006.

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 as a result of significant efforts to increase and expand current and new customer relationships at the Bank and the investment advisory subsidiaries.

Professional fees increased due to the acquisition of IMG, higher audit fees and higher legal fees. Legal fees increased because of fees associated with one non-accrual loan and the cost of defending a lawsuit filed on June 20, 2006, which was reported on a Form 8-K filed on June 26, 2006.

Consulting fees for 2006 included expenses incurred by IMG, but have declined as 2005 expense included fees for implementation of software programs to assist with asset-liability management. Intangible amortization increased as the result of recording client base and employment/noncompete intangibles in the acquisition of IMG.

Income Tax Expense

The Company incurred income tax expense of $6.7 million for the nine months ended September 30, 2006 compared to $7.0 million for the nine months ended September 30, 2005. The effective income tax rate as a percent of income before taxes for the three and nine months ended September 30, 2006 and 2005 held steady at approximately 32 percent.

FINANCIAL CONDITION

Total assets as of September 30, 2006, were $1.3 billion, a slight 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 $2.7 million from December 31, 2005, to $267.6 million. During the nine months ended September 30, 2006, $16.2 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 September 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 $44.4 million from December 31, 2005, to September 30, 2006. The increase was primarily attributable to growth in real estate construction and commercial loans.

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

	September 30, 2006	December 31, 2005	Change
Non-accrual loans	$4,269	$4,145	$ 124
Loans past due 90 days and still accruing interest	--	767	(767)
Total non-performing loans	4,269	4,912	(643)
Other real estate owned	2,012	497	1,515
Total non-performing assets	$6,281	$5,409	$ 872
Non-performing assets to total loans	0.69%	0.62%	0.07%
Non-performing assets to total assets	0.49%	0.43%	0.06%

Two loans accounted for $3.7 million of the total non-accrual loans. As previously reported, one commercial loan totaling $3.8 million secured by commercial real estate used in the operation of the customer's business and farmland was placed on non-accrual status in the fourth quarter of 2005. As negotiations for a resolution have progressed, the farmland portion of this relationship was moved to other real estate owned at an estimated net realizable value of $1.6 million. The remaining portion of the loan was written down by $292,000 to reflect the value that management anticipates will be realized from the remaining collateral. Payments totaling $115,000 were applied to the principal balance of this loan during the first nine 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. The second loan was associated with the lawsuit disclosed in last quarter's report and was placed on non-accrual status in August 2006. The amount of the loan is $1.9 million. The funds to pay off this loan are currently being held at the co-defendant bank. Management believes this loan will be paid in full from these funds. The remaining balance of loans in non-accrual status was $544,000, and consisted of loans to 16 different borrowers. The amount of loans past due 90 days and still accruing interest declined to zero from $767,000 at December 31, 2005, due to a concerted effort to collect delinquent payments. Finally, two construction loans totaling $425,000 were written down by $295,000, and the remaining balance of $130,000 was transferred to other real estate owned during the third quarter of 2006.

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

Deposits

Total deposits as of September 30, 2006, were $986 million compared with $945 million as of December 31, 2005. The savings category of deposits, which includes money market accounts that are liquid accounts and therefore pay relatively lower interest rates, declined approximately $64 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 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 agreement to repurchase was approximately the same as the end of 2005. 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 throughout Iowa 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. Long-term borrowings declined $12.3 million due to FHLB advances being called in the third quarter of 2006. In early October 2006, the decision was made to replace $50 million of wholesale deposits with two $25 million ten-year callable FHLB advances. One of the advances is callable in one year and the other is callable at the end of three years. The weighted average rate on the new callable FHLB advances is 4.12 percent, which is significantly less than the cost of wholesale certificates of deposit at this time.

Liquidity and Capital Resources

The objective of liquidity management is to ensure the availability of sufficient cash flows to meet the requirements of depositors and borrowers, all corporate financial commitments and to capitalize on opportunities for profitable business expansion. The Company's principal source of funds is deposits, including 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 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 asset-liability management policy. The Company had liquid assets (cash and cash equivalents) of $30.6 million as of September 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 of approximately $103 million available from the FHLB at September 30, 2006, and has a $2.5 million unsecured line of credit through a large regional correspondent bank. In addition, the Bank has $85 million available through unsecured federal funds lines of credit with correspondent banks. The Bank was utilizing $16.8 million of those lines of credit at September 30, 2006. Management believes the combination of high levels of potentially liquid assets, positive cash flows from operations and additional borrowing capacity provided strong liquidity for the Company at September 30, 2006.

The Company's total stockholders' equity increased to $111.0 million at September 30, 2006, from $104.5 million at December 31, 2005. Total stockholders' equity was 8.7 percent of total assets as of September 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.

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 nine months ended September 30, 2006.

On July 19, 2006, the Board of Directors of the Company declared a 5 percent common stock dividend which was paid on August 14, 2006 to shareholders of record on July 31, 2006. Fractional shares resulting from the stock dividend were paid in cash. The number of outstanding common shares and earnings per common share in the accompanying financial statements and footnotes reflect the 5 percent common stock dividend.

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 September 30, 2006.

	Regulatory requirements to be: Adequately Capitalized	Regulatory requirements to be: Well-Capitalized	Actual Regu Capital Ratio September 30, 2006	D
Total risk-based capital as % of risk-weighted assets				
Consolidated	8.0%	10.0%	11.0%	
West Bank	8.0%	10.0%	11.4%	
Tier 1 capital as % of risk-weighted assets:				
Consolidated	4.0%	6.0%	10.3%	
West Bank	4.0%	6.0%	8.7%	
Tier 1 capital as % average assets				
Consolidated	4.0%	5.0%	8.2%	
West Bank	4.0%	5.0%	7.0%	

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 nine months of 2006 changed when compared to 2005.

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 underlying transactions.

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 nine 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, which has expired.

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Item 6. Exhibits

(a) 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 Section 13 or 15(d) 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)

November 2, 2006 Date	By: /s/ Thomas E. Stanberry Thomas E. Stanberry Chairman, President and Chief Executive Officer
November 2, 2006 Date	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
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