

March 6, 2009

Neil M. Barofsky
Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, D.C. 20220

Also by email to: SIGTARP.response@do.treas.gov

Dear Mr. Barofsky:

I am writing in response to your letter dated February 6, 2009.

Our Company received \$36,000,000 from the sale of preferred stock to the U.S. Treasury Department on December 31, 2008. On that date, \$2,000,000 of the proceeds were used to retire debt. The remaining \$34,000,000 was injected as capital into the Company's wholly-owned banking subsidiary, West Bank. We have stated publicly that we intended to use these funds for loans, liquidity and capital.

These funds were not specifically segregated.

West Bank has made approximately \$33 million in new loans since January 1, 2009.

We expect to use the remaining unspent funds for loans.

We anticipate using the funds as communicated in our original statement. While West Bank was a well-capitalized bank prior to receiving TARP funds, the amount of "cushion" in those capital ratios was relatively small for the economic environment we are currently experiencing. As a result, West Bank would have drastically reduced its lending in 2009 without the TARP funds.

At the time we applied for, and accepted TARP funds, the executive compensation rules stated the Company could not deduct for income tax purposes, compensation to any one

individual in excess of \$500,000. We made plans to, and are complying with those requirements. The Compensation Committee of the Company's Board of Directors is knowledgeable of the requirements surrounding executive compensation. There had been no plans to offset such limitations with other changes. However, on February 16, 2009, new requirements were set forth regarding executive compensation at those companies accepting TARP funds. These new requirements included the prohibition of bonus and severance payments for several people within our organization. (b) (4)

(b) (4)

(b) (4) The Board is concerned that the new executive compensation requirements will put the Company at a competitive disadvantage when it comes to hiring and retaining executive talent.

I certify the accuracy of all statements, representations, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Sincerely,



Douglas R. Gulling
Executive Vice President and Chief Financial Officer

cc: Press release dated December 24, 2008

Notice of Special Shareholders' Meeting to be Held December 23, 2008
2009 Budgeted Balance Sheet for West Bank



Press Release

December 24, 2008

FOR IMMEDIATE RELEASE

For more information contact:

Doug Gulling, Executive Vice President and Chief Financial Officer (515) 222-2309

**WEST BANCORPORATION, INC. SHAREHOLDERS APPROVE AMENDMENT TO
RESTATED ARTICLES OF INCORPORATION**

On December 23, 2008, the Shareholders of West Bancorporation, Inc. (NASDAQ: WTBA) (the "Company"), parent company of West Bank and WB Capital Management Inc., approved an amendment to the Company's Restated Articles of Incorporation authorizing a class of preferred stock at a Special Shareholders' Meeting. Eighty percent of the Company's Shareholders were represented by proxy or attended in person, with the proposal being approved by eighty-six percent of those Shareholders.

With this approval, the Company will be able to complete the sale of preferred stock to the U.S. Department of the Treasury under the Troubled Asset Relief Program Capital Purchase Program ("CPP"). As previously announced, the Company has received preliminary approval to participate in the program in an amount of \$36 million. The Company expects to complete this transaction on December 31, 2008.

In response to Shareholder questions, Mr. Thomas E. Stanberry, Chairman, President and Chief Executive Officer stated that the Company decided to apply for funds under the CPP because it believes a higher level of capital is warranted since the duration and extent of the current economic downturn is unknown. He went on to say that the CPP funds will be used for loans, liquidity, and capital.

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements preceded by, followed by or that include the words "believes," "expects," "should," or "anticipates," or references to estimates or similar expressions. 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. 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.



WEST BANCORPORATION, INC.

**NOTICE OF SPECIAL SHAREHOLDERS' MEETING
TO BE HELD DECEMBER 23, 2008**

Dear Fellow Shareholders:

A Special Shareholders' Meeting of West Bancorporation, Inc. will be held in the David L. Miller Conference Center on the second floor of the West Bank building at 1601 22nd Street, West Des Moines, Iowa, on Tuesday, December 23, 2008, at 9:00 a.m., central time, for the following purposes:

1. To approve an amendment to the Company's Restated Articles of Incorporation to authorize a class of 50 million shares of preferred stock, par value \$0.01 per share. A copy of the amendment is set forth in Exhibit A to the accompanying proxy statement.
2. Such other business as may properly come before the Special Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on November 7, 2008, as the record date for determination of Shareholders entitled to notice of and to vote at the Special Meeting. A list of eligible Shareholders will be maintained at the Company's offices at 1601 22nd Street, West Des Moines, Iowa, beginning two business days after the meeting notice has been mailed through the date of the meeting.

Whether or not you expect to attend the Special Meeting, in order to make sure your vote is received, please complete and return the enclosed proxy card or vote your proxy electronically via the internet as instructed on the card. A prompt response would be appreciated.

Thank you for your interest in the Company.

For the Board of Directors,

A handwritten signature in black ink, appearing to read 'Tom Stanberry', written over a horizontal line.

Thomas E. Stanberry
Chairman, President and Chief Executive Officer

November 24, 2008