

VENTURE FINANCIAL GROUP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share amounts; unaudited)

	Three months ended December 31		Twelve months ended December 31	
	2007	2006	2007	2006
Interest Income				
Loans	\$16,626	\$16,211	\$65,765	\$57,717
Federal funds sold and deposits in banks	14	58	106	282
Investments	4,494	2,063	14,230	6,672
Total interest income	21,134	18,332	80,101	64,671
Interest Expense				
Deposits	7,864	6,944	31,363	21,373
Federal funds purchased	60	1	78	175
Repurchase agreements	353	446	1,569	1,675
Short term debt	1,171	346	3,977	2,317
Long term debt	680	328	1,130	1,231
Junior subordinated debentures	375	525	1,808	2,084
Total interest expense	10,503	8,590	39,925	28,855
Net interest income	10,631	9,742	40,176	35,816
Provision for credit losses	975	375	2,100	1,075
Net interest income after provision for credit losses	9,656	9,367	38,076	34,741
Non-interest income				
Service charges on deposit accounts	1,066	984	4,061	3,953
Origination fees on mortgage loans sold	711	426	1,952	1,809
Gain on sale of securities	564	52	703	52
Change in market value of trusts	233	-	1,262	-
Other operating income	828	717	3,364	2,852
Total non-interest income	3,402	2,179	11,342	8,666
Non-interest expense				
Salaries and employee benefits	4,927	3,834	17,165	14,985
Occupancy	658	550	2,657	2,149
Equipment	623	441	2,169	1,923
Amortization of intangible assets	72	72	287	287
Other expense	2,432	1,924	8,958	7,324
Total non-interest expense	8,712	6,821	31,236	26,668
Operating income before provision for income taxes	4,346	4,725	18,182	16,739
Provision for income taxes	1,173	1,627	5,448	5,670
Net income	\$3,173	\$3,098	\$12,734	\$11,069
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) on securities arising during the period	(1,888)	607	(7,011)	1,311
Change in minimum pension liability	-	300	-	188
Comprehensive Income	\$1,285	\$ 4,005	\$ 5,723	\$ 12,568
Earnings per Share Data				
Basic earnings per share	\$ 0.44	\$ 0.43	\$ 1.78	\$ 1.54
Diluted earnings per share	\$ 0.43	\$ 0.43	\$ 1.75	\$ 1.52
Dividends declared per share	\$ 0.085	\$ 0.075	\$ 0.33	\$ 0.29
Weighted average number of common shares	7,165,948	7,139,757	7,163,034	7,172,290
Weighted average number of common shares, Including dilutive stock options	7,266,226	7,240,190	7,282,744	7,295,569
Performance Ratios				
Return on average assets (annualized)	1.10%	1.25%	1.18%	1.25%
Return on average equity (annualized)	14.22%	14.66%	14.71%	14.05%
Net interest margin	3.95%	4.34%	4.04%	4.44%
Efficiency Ratio	61.67%	56.32%	60.21%	59.22%