

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	
	2003	2002	2003	2002
Interest Income				
Loans	\$6,553	\$8,357	\$29,168	\$28,662
Federal funds sold and deposits in banks	8	31	68	52
Investments	876	328	2,120	1,260
Total interest income	7,437	8,716	31,356	29,974
Interest Expense				
Deposits	1,046	1,481	4,591	5,912
Other	445	259	1,575	640
Total interest expense	1,491	1,740	6,166	6,552
Net interest income	5,946	6,976	25,190	23,422
Provision for credit losses	476	735	2,329	2,343
Net interest income after provision for credit losses	5,470	6,241	22,861	21,079
Non-interest income				
Service charges on deposit accounts	881	892	3,668	3,132
Origination fees on mortgage loans sold	612	804	3,380	2,519
Other operating income	897	485	5,512	2,214
Total non-interest income	2,390	2,181	12,560	7,865
Non-interest expense				
Salaries and employee benefits	2,609	3,161	12,018	10,247
Occupancy and equipment	843	794	3,374	2,641
Other expense	1,462	2,554	6,800	7,185
Total non-interest expense	4,914	6,509	22,192	20,073
Operating income before income taxes	2,946	1,913	13,229	8,871
Income taxes	921	439	4,173	2,659
Net income	\$2,025	\$1,474	\$ 9,056	\$ 6,212
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) on securities arising during the period	(107)	299	(403)	220
Comprehensive Income	\$1,918	\$1,773	\$ 8,653	\$ 6,432
Earnings per Share Data				
Basic earnings per share	\$ 0.47	\$ 0.34	\$ 2.07	\$ 1.42
Diluted earnings per share	\$ 0.45	\$ 0.33	\$ 1.98	\$ 1.39
Dividends declared per share	\$ 0.07	\$ 0.05	\$ 0.24	\$ 0.20
Weighted average number of common shares	4,338,450	4,387,926	4,373,602	4,379,910
Weighted average number of common shares, Including dilutive stock options	4,543,938	4,532,404	4,570,228	4,464,903
Performance Ratios				
Return on average assets (annualized)	1.59%	1.35%	1.88%	1.56%
Return on average equity (annualized)	16.75%	14.53%	19.39%	15.13%