

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

	For the three months ended March 31,	
	2008 <i>(unaudited)</i>	2007 <i>(unaudited)</i>
INTEREST INCOME		
Loans	\$ 14,464	\$ 15,925
Federal funds sold and deposits in banks	4	22
Investment securities		
Taxable	4,952	2,277
Non-taxable	141	214
Total interest income	19,561	18,438
INTEREST EXPENSE		
Deposits	6,686	6,987
Federal funds purchased	190	-
Securities sold under agreement to repurchase	247	392
Other borrowings	1,637	1,049
Junior subordinated debentures	387	502
Total interest expense	9,147	8,930
Net interest income	10,414	9,508
PROVISION FOR CREDIT LOSSES		
Net interest income after provision for credit losses	1,525	375
	8,889	9,133
NON-INTEREST INCOME		
Service charges on deposit accounts	1,041	946
Origination fees and net gains on sales of loans	1,303	402
Net gain on sale of securities	696	278
Change in market value of junior subordinated debentures	442	91
Other non-interest income	737	851
Total non-interest income	4,219	2,568
NON-INTEREST EXPENSES		
Salaries and employee benefits	4,927	4,074
Occupancy	732	566
Equipment	600	442
Amortization of intangible assets	72	72
Other non-interest expense	2,164	1,920
Total non-interest expenses	8,495	7,074
Income before provision for income taxes	4,613	4,627
PROVISION FOR INCOME TAXES		
	1,487	1,433
NET INCOME	\$ 3,126	\$ 3,194
EARNINGS PER SHARE		
Basic	\$ 0.43	\$ 0.45
Diluted	\$ 0.43	\$ 0.44
Weighted average shares outstanding, basic	7,219,806	7,154,805
Weighted average shares outstanding, diluted	7,301,274	7,282,498