

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

	Three months ended June 30		Six months ended June 30	
	2006	2005	2006	2005
Interest Income				
Loans	\$13,662	\$8,700	\$25,806	\$16,695
Federal funds sold and deposits in banks	120	48	151	54
Investments	1,722	743	2,492	1,528
Total interest income	15,504	9,491	28,449	18,277
Interest Expense				
Deposits	4,978	1,457	8,136	2,621
Fed funds purchased	128	16	162	24
Repurchase agreements	438	259	784	476
Other	1,491	1,091	3,082	2,025
Total interest expense	7,035	2,823	12,164	5,146
Net interest income	8,469	6,668	16,285	13,131
Provision for credit losses	150	338	300	553
Net interest income after provision for credit losses	8,319	6,330	15,985	12,578
Non-interest income				
Service charges on deposit accounts	1,039	859	1,979	1,594
Origination fees on mortgage loans sold	440	435	882	846
Other operating income	804	709	1,389	1,613
Total non-interest income	2,283	2,003	4,250	4,053
Non-interest expense				
Salaries and employee benefits	3,441	2,911	6,840	5,896
Occupancy and equipment	1,039	858	2,092	1,745
Other expense	2,079	1,621	3,720	3,080
Total non-interest expense	6,559	5,390	12,652	10,721
Operating income before income taxes	4,043	2,943	7,583	5,910
Provision for income taxes	1,414	907	2,640	1,841
Net income	\$2,629	\$2,036	\$ 4,943	\$ 4,069
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) on securities arising during the period	(1,982)	(641)	(2,193)	(258)
Change in minimum pension liability	(124)	0	(237)	0
Comprehensive Income	\$ 523	\$1,395	\$ 2,513	\$ 3,811
Earnings per Share Data				
Basic earnings per share	\$ 0.36	\$ 0.31	\$ 0.68	\$ 0.62
Diluted earnings per share	\$ 0.36	\$ 0.30	\$ 0.67	\$ 0.61
Dividends declared per share	\$ 0.07	\$ 0.07	\$ 0.14	\$ 0.14
Weighted average number of common shares	7,224,640	6,594,514	7,231,813	6,563,121
Weighted average number of common shares, Including dilutive stock options	7,336,907	6,712,486	7,354,877	6,681,093
Performance Ratios				
Return on average assets (annualized)	1.20%	1.39%	1.21%	1.42%
Return on average equity (annualized)	13.58%	13.85%	12.82%	13.96%