

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	
	2007	2006	2007	2006
Interest Income				
Loans	\$16,442	\$13,662	\$32,367	\$25,806
Federal funds sold and deposits in banks	32	120	54	151
Investments	3,226	1,722	5,717	2,492
Total interest income	19,700	15,504	38,138	28,449
Interest Expense				
Deposits	7,960	4,978	14,947	8,136
Federal funds purchased	2	128	2	162
Repurchase agreements	439	438	830	784
Other	1,506	1,491	3,058	3,082
Total interest expense	9,907	7,035	18,837	12,164
Net interest income	9,793	8,469	19,301	16,285
Provision for credit losses	375	150	750	300
Net interest income after provision for credit losses	9,418	8,319	18,551	15,985
Non-interest income				
Service charges on deposit accounts	1,009	1,039	1,955	1,979
Origination fees on mortgage loans sold	463	440	865	882
Other operating income	790	804	2,010	1,389
Total non-interest income	2,262	2,283	4,830	4,250
Non-interest expense				
Salaries and employee benefits	3,720	3,441	7,794	6,840
Occupancy and equipment	1,284	1,039	2,292	2,092
Other expense	2,229	2,079	4,221	3,720
Total non-interest expense	7,233	6,559	14,307	12,652
Operating income before income taxes	4,447	4,043	9,074	7,583
Provision for income taxes	1,277	1,414	2,710	2,640
Net income	\$3,170	\$2,629	\$ 6,364	\$ 4,943
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) on securities arising during the period	(5,362)	(1,982)	(5,506)	(2,193)
Change in minimum pension liability	-	(124)	-	(237)
Comprehensive Income (loss)	\$(2,192)	\$ 523	\$ 858	\$ 2,513
Earnings per Share Data				
Basic earnings per share	\$ 0.44	\$ 0.36	\$ 0.89	\$ 0.68
Diluted earnings per share	\$ 0.44	\$ 0.36	\$ 0.88	\$ 0.67
Dividends declared per share	\$ 0.08	\$ 0.07	\$ 0.16	\$ 0.14
Weighted average number of common shares	7,150,658	7,224,640	7,150,777	7,231,813
Weighted average number of common shares, including dilutive stock options	7,271,374	7,336,907	7,271,854	7,354,877
Performance Ratios				
Return on average assets (annualized)	1.20%	1.20%	1.24%	1.21%
Return on average equity (annualized)	14.03%	13.58%	14.82%	12.82%
Net interest margin	4.10%	4.28%	4.17%	4.41%