

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	
	2005	2004	2005	2004
<b>Interest Income</b>				
Loans	\$8,700	\$6,786	\$16,695	\$13,437
Federal funds sold and deposits in banks	48	10	54	13
Investments	743	767	1,528	1,674
<b>Total interest income</b>	<b>9,491</b>	<b>7,563</b>	<b>18,277</b>	<b>15,124</b>
<b>Interest Expense</b>				
Deposits	1,457	1,018	2,621	2,020
Other	1,366	504	2,525	999
<b>Total interest expense</b>	<b>2,823</b>	<b>1,522</b>	<b>5,146</b>	<b>3,019</b>
<b>Net interest income</b>	<b>6,668</b>	<b>6,041</b>	<b>13,131</b>	<b>12,105</b>
<b>Provision for credit losses</b>	<b>338</b>	<b>143</b>	<b>553</b>	<b>275</b>
<b>Net interest income after provision for credit losses</b>	<b>6,330</b>	<b>5,898</b>	<b>12,578</b>	<b>11,830</b>
<b>Non-interest income</b>				
Service charges on deposit accounts	859	1,065	1,594	1,954
Origination fees on mortgage loans sold	435	312	846	650
Other operating income	709	611	1,613	1,180
<b>Total non-interest income</b>	<b>2,003</b>	<b>1,988</b>	<b>4,053</b>	<b>3,784</b>
<b>Non-interest expense</b>				
Salaries and employee benefits	2,911	2,713	5,896	5,597
Occupancy and equipment	858	863	1,745	1,718
Other expense	1,621	1,547	3,080	2,734
<b>Total non-interest expense</b>	<b>5,390</b>	<b>5,123</b>	<b>10,721</b>	<b>10,049</b>
<b>Operating income before income taxes</b>	<b>2,943</b>	<b>2,763</b>	<b>5,910</b>	<b>5,565</b>
Provision for income taxes	907	873	1,841	1,767
<b>Net income</b>	<b>\$2,036</b>	<b>\$1,890</b>	<b>\$ 4,069</b>	<b>\$ 3,798</b>
<b>Other comprehensive income, net of tax:</b>				
Unrealized holding gains (losses) on securities arising during the period	(641)	(988)	(258)	(489)
<b>Comprehensive Income</b>	<b>\$1,395</b>	<b>\$902</b>	<b>\$ 3,811</b>	<b>\$ 3,309</b>
<b>Earnings per Share Data</b>				
Basic earnings per share	\$ 0.31	\$ 0.29	\$ 0.62	\$ 0.59
Diluted earnings per share	\$ 0.31	\$ 0.28	\$ 0.61	\$ 0.57
<b>Dividends declared per share</b>	<b>\$ 0.07</b>	<b>\$ 0.05</b>	<b>\$ 0.14</b>	<b>\$ 0.09</b>
Weighted average number of common shares	6,594,514	6,443,482	6,563,121	6,452,650
Weighted average number of common shares, Including dilutive stock options	6,712,486	6,707,145	6,681,093	6,716,313
<b>Performance Ratios</b>				
Return on average assets (annualized)	1.39%	1.46%	1.42%	1.47%
Return on average equity (annualized)	13.85%	15.30%	13.96%	15.48%