

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

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Interest Income				
Loans	\$16,772	\$15,700	\$49,139	\$41,506
Federal funds sold and deposits in banks	38	73	92	224
Investments	4,019	2,117	9,736	4,609
Total interest income	20,829	17,890	58,967	46,339
Interest Expense				
Deposits	8,552	6,293	23,499	14,429
Federal funds purchased	16	12	18	174
Short term repurchase agreements and debt	1,047	719	3,935	2,765
Long term repurchase agreements and debt	970	1,077	1,970	2,897
Total interest expense	10,585	8,101	29,422	20,265
Net interest income	10,244	9,789	29,545	26,074
Provision for credit losses	375	400	1,125	700
Net interest income after provision for credit losses	9,869	9,389	28,420	25,374
Non-interest income				
Service charges on deposit accounts	1,040	990	2,995	2,969
Origination fees on mortgage loans sold	376	501	1,241	1,383
Other operating income	1,694	746	3,704	2,135
Total non-interest income	3,110	2,237	7,940	6,487
Non-interest expense				
Salaries and employee benefits	4,444	4,311	12,238	11,151
Occupancy and equipment	1,253	989	3,545	3,081
Other expense	2,520	1,895	6,741	5,615
Total non-interest expense	8,217	7,195	22,524	19,847
Operating income before provision for income taxes	4,762	4,431	13,836	12,014
Provision for income taxes	1,565	1,403	4,275	4,043
Net income	\$3,197	\$3,028	\$ 9,561	\$ 7,971
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) on securities arising during the period	291	2,897	(5,123)	704
Change in minimum pension liability	-	124	-	(112)
Comprehensive Income	\$3,488	\$ 6,049	\$ 4,438	\$ 8,563
Earnings per Share Data				
Basic earnings per share	\$ 0.45	\$ 0.42	\$ 1.34	\$ 1.11
Diluted earnings per share	\$ 0.44	\$ 0.42	\$ 1.31	\$ 1.09
Dividends declared per share	\$ 0.085	\$ 0.075	\$0.245	\$ 0.215
Weighted average number of common shares	7,161,814	7,143,946	7,158,156	7,183,253
Weighted average number of common shares, Including dilutive stock options	7,283,901	7,250,349	7,284,476	7,306,900
Performance Ratios				
Return on average assets (annualized)	1.16%	1.29%	1.21%	1.24%
Return on average equity (annualized)	14.99%	15.52%	14.88%	13.72%
Net interest margin	3.99%	4.52%	4.08%	4.48%
Efficiency Ratio	61.14%	59.10%	59.66%	59.98%