

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

| | Three months ended September 30 | | Nine months ended September 30 | |
|---|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2006 | 2005 | 2006 | 2005 |
| Interest Income | | | | |
| Loans | \$15,700 | \$9,421 | \$41,506 | \$26,116 |
| Federal funds sold and deposits in banks | 73 | 286 | 224 | 344 |
| Investments | 2,117 | 712 | 4,609 | 2,236 |
| Total interest income | 17,890 | 10,419 | 46,339 | 28,696 |
| Interest Expense | | | | |
| Deposits | 6,293 | 2,151 | 14,429 | 4,772 |
| Fed funds purchased | 12 | -- | 174 | 24 |
| Repurchase agreements | 446 | 316 | 1,230 | 792 |
| Other | 1,350 | 972 | 4,432 | 2,997 |
| Total interest expense | 8,101 | 3,439 | 20,265 | 8,585 |
| Net interest income | 9,789 | 6,980 | 26,074 | 20,111 |
| Provision for credit losses | 400 | 161 | 700 | 714 |
| Net interest income after provision for credit losses | 9,389 | 6,819 | 25,374 | 19,397 |
| Non-interest income | | | | |
| Service charges on deposit accounts | 990 | 969 | 2,969 | 2,563 |
| Origination fees on mortgage loans sold | 501 | 384 | 1,383 | 1,230 |
| Other operating income | 746 | 827 | 2,135 | 2,440 |
| Total non-interest income | 2,237 | 2,180 | 6,487 | 6,233 |
| Non-interest expense | | | | |
| Salaries and employee benefits | 4,311 | 3,243 | 11,151 | 9,139 |
| Occupancy and equipment | 989 | 944 | 3,081 | 2,689 |
| Other expense | 1,895 | 1,644 | 5,615 | 4,724 |
| Total non-interest expense | 7,195 | 5,831 | 19,847 | 16,552 |
| Operating income before income taxes | 4,431 | 3,168 | 12,014 | 9,078 |
| Provision for income taxes | 1,403 | 868 | 4,043 | 2,709 |
| Net income | \$3,028 | \$2,300 | \$ 7,971 | \$ 6,369 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized holding gains (losses) on securities arising during the period | 2,897 | (250) | 704 | (508) |
| Change in minimum pension liability | 124 | 0 | (113) | 0 |
| Comprehensive Income | \$ 6,049 | \$2,050 | \$ 8,562 | \$ 5,861 |
| Earnings per Share Data | | | | |
| Basic earnings per share | \$ 0.42 | \$ 0.34 | \$ 1.11 | \$ 0.96 |
| Diluted earnings per share | \$ 0.42 | \$ 0.33 | \$ 1.09 | \$ 0.93 |
| Dividends declared per share | \$ 0.075 | \$ 0.070 | \$ 0.215 | \$ 0.210 |
| Weighted average number of common shares | 7,143,946 | 6,741,838 | 7,183,253 | 6,630,121 |
| Weighted average number of common shares, Including dilutive stock options | 7,250,846 | 6,959,409 | 7,306,900 | 6,847,692 |
| Performance Ratios | | | | |
| Return on average assets (annualized) | 1.29% | 1.50% | 1.24% | 1.43% |
| Return on average equity (annualized) | 15.52% | 14.83% | 13.72% | 14.03% |