



The Cereghino Group
Corporate Investor Relations
206.388.5785 www.stockvalues.com



CONTACT: D. MICHAEL JONES,
PRESIDENT AND CEO
LLOYD W. BAKER, CFO
(509) 527-3636

NEWS RELEASE

BANNER CORPORATION ANNOUNCES FOURTH QUARTER CONFERENCE CALL AND WEBCAST

Walla Walla, WA – January 8, 2007 – Banner Corporation (Nasdaq: BANR), the parent of Banner Bank, today announced that it will report earnings for the fourth quarter of 2006 after the market closes on Wednesday, January 24, 2007. Management will host a conference call on Thursday, January 25 at 8:00 a.m. PST (11:00 a.m. EST) to discuss the results. The call will also be broadcast live via the internet.

Investment professionals are invited to dial 303-262-2140 at 8:00 am PST (11:00 am EST) to access the call. All current and prospective shareholders are welcome to listen to the live call or replay through a webcast posted on the bank's website, www.bannerbank.com, or at www.fulldisclosure.com. Institutional investors may access the call via the subscriber-only site, www.streetevents.com. An archived recording of the call can be accessed by dialing 303-590-3000, access code 11080798#, until Thursday, February 1, 2007 or via the Internet at www.fulldisclosure.com.

Banner Corporation is the parent of Banner Bank, a commercial bank that operates a total of 58 branch offices and 12 loan offices in 24 counties in Washington, Oregon and Idaho. Banner serves the Pacific Northwest region with a full range of deposit services and business, commercial real estate, construction, residential, agricultural and consumer loans. Visit Banner Bank on the Web at www.bannerbank.com.

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Note: Transmitted via Business Wire on January 8, 2007 at 11:00 a.m. PST.