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NEWS RELEASE

BANNER CORPORATION DECLARES \$0.19 CASH DIVIDEND

Walla Walla, WA – April 25, 2007 – Banner Corporation (NASDAQ GSM: BANR), the parent company of Banner Bank, today announced its Board of Directors declared its regular quarterly cash dividend of \$0.19 per share. The dividend will be paid July 10, to shareholders of record on June 30, 2007.

“Cash dividends are just one way we are working to maximize the return on investment for our shareholders,” said D. Michael Jones, President and CEO. This is the 47th consecutive quarterly cash dividend paid since Banner instituted regular quarterly cash dividends in 1996.

Banner will report first quarter 2007 results after the market closes on Tuesday, May 1. The following day, on Wednesday, May 2, management will host a conference call at 8:00 a.m. PDT (11:00 a.m. EDT) to discuss the results. Interested investors may listen to the call live or via replay at www.bannerbank.com. Investment professionals are invited to dial 303-262-2139 to participate in the call. A replay will be available for a week at 303-590-3000, using passcode 11086723#.

About Banner Corporation

Banner Corporation is the parent of Banner Bank, a commercial bank that operates a total of 62 branch offices and 12 loan offices in 27 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 on Business Wire at 3:30 a.m. PDT on April 25, 2007.