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## NEWS RELEASE

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### **Banner Corporation Declares \$0.20 Quarterly Cash Dividend**

Walla Walla, WA – January 23, 2008 – Banner Corporation (NASDAQ GSM: BANR), the parent company of Banner Bank and Islanders Bank, today announced its Board of Directors declared its regular quarterly cash dividend of \$0.20 per share. The dividend will be paid April 10, 2008, to shareholders of record on March 31, 2008. This payment is Banner's 50<sup>th</sup> consecutive quarterly cash dividend paid since Banner instituted regular quarterly cash dividends in 1996.

Yesterday, Banner reported its fourth quarter 2007 earnings and provided detailed financial information in a separate press release.

#### **About Banner Corporation**

Banner Corporation is a \$4.5 billion bank holding company operating two commercial banks 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](http://www.bannerbank.com).

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NOTE: Transmitted on Prime Newswire at 3:30 a.m. PST on January 23, 2008.