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## NEWS RELEASE

### **Banner Corporation Announces Officer Promotions**

Walla Walla, WA – November 26, 2008 - Banner Corporation (NASDAQ GMS: BANR), the parent company of Banner Bank and Islanders Bank, today announced that it is promoting three experienced officers within the organization. Cynthia Purcell, who is an Executive Vice President, has been named Chief Operating Officer of Banner Bank, in which role she will oversee the Bank's extensive and expanding community branch network as well as the day-to-day operations of the Bank. Executive Vice President Richard Barton has been named as Chief Lending Officer and will be in charge of Banner Bank's commercial, real estate and consumer lending programs and policies, as well as the Bank's lending support activities. Senior Vice President Jill Rice has been named as Banner Bank's Senior Credit Officer.

"We feel very fortunate to have leaders of the caliber of these officers within our organization," said D. Michael Jones, President and CEO of Banner Bank and Banner Corporation. "They each have excellent reputations and have displayed professionalism throughout their distinguished careers. The rest of the management team joins me in congratulating them as leaders of Banner's relationship-oriented Northwest commercial banking franchise."

Cindy Purcell has been associated with Banner Bank and the former Inland Empire Bank, which Banner Corporation acquired in 1996, since 1984. She was Inland Empire Bank's Chief Financial Officer and since 2000 has managed Banner Bank's operations, information technology, electronic banking, human resources, training, international banking, fraud prevention and security, facilities and purchasing activities. Ms. Purcell has a long professional relationship with the American Bankers Association and the Oregon Bankers Association. She taught at the ABA's Graduate School of Bank Investments and Financial Management and served on the school's Board of Advisors. She also has served on the Executive Committee of the ABA Funds Management and Capital Markets Division and on the ABA's Accounting Committee. She currently serves as Chairman of the Board of Directors of BancSource, a for-profit subsidiary of the OBA providing services for financial institutions in 11 states and was recently elected to the Board of Directors of the OBA. In 2007, Ms. Purcell was named one of the 25 Women to Watch by U.S. Banker magazine.

Rick Barton has served as Banner's Senior Credit Officer since 2002 with responsibility for managing the Bank's Credit Policy Division. He also is on the boards of Banner's Portland-based mortgage lending subsidiary, Community Financial Corporation, and Islanders Bank. His banking career spans over 35 years, including 30 years with Seafirst Bank and Bank of America. Mr. Barton is a graduate of the University of Colorado with a double degree in political science and economics and holds a Master's degree in political science from the University of Washington. He also is a graduate of the Pacific Coast Banking School. Mr. Barton is active in the Risk Management Association, a national professional credit organization, and has been a speaker or panelist at local and national events. He also is a member of the Washington Banker's Association Senior Credit Committee.

Jill Rice has over 20 years of increasing responsibility and achievements in commercial banking. She joined Banner in 2002 as the regional commercial credit administrator covering western Washington and most recently served as credit administration manager. Prior to joining Banner, her career included ten years at Kitsap Bank as the Senior Vice President in charge of credit administration and five years as a commissioned bank examiner with the FDIC. Ms. Rice graduated with honors from Western Washington University with a B.A. in business administration and a minor in economics. She is also a graduate of the Pacific Coast Banking School.

#### **About the Company**

Banner Corporation is a \$4.6 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).

*This press release contains statements that the Company believes are "forward-looking statements." These statements relate to the Company's financial condition, results of operations, plans, objectives, future performance or business. You should not place undue reliance on these statements, as they are subject to risks and uncertainties. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements the Company may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to the*

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*Company. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors which could cause actual results to differ materially include, but are not limited to, (1) adverse developments in the capital markets in general or in the markets for financial institutions stock in particular; (2) changes in legislation or regulatory requirements affecting financial institutions; (3) changes in the interest rate environment; and (4) adverse changes in general economic conditions and other risks detailed in Banner's reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and Form 10-Q for quarter ended September 30, 2008. Accordingly, these factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements.*

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