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NEWS RELEASE

Banner Corporation Declares \$0.20 Quarterly Cash Dividend

Walla Walla, WA – April 23, 2008 – Banner Corporation (NASDAQ GSM: BANR), the parent company of Banner Bank and Islanders Bank, today announced its Board of Directors declared a regular quarterly cash dividend of \$0.20 per share, the same as in the previous quarter. The dividend will be paid July 10, 2008, to shareholders of record on June 30, 2008.

“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 payment is Banner’s 51st consecutive quarterly cash dividend paid since Banner instituted regular quarterly cash dividends in 1996.

On April 30, 2008, Banner plans to report first quarter 2008 earnings after the market closes and will host a conference the following day, May 1, at 8:00 a.m. PDT.

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.

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NOTE: Transmitted on Prime Newswire at 3:30 a.m. PDT on April 23, 2008.