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NEWS RELEASE

BANNER CORPORATION ANNOUNCES 4Q07 CONFERENCE CALL AND WEBCAST

Walla Walla, WA – January 3, 2008 – Banner Corporation (NASDAQ: BANR), the parent of Banner Bank and Islanders Bank, today announced that it will report earnings for the fourth quarter of 2007 after the market closes on Tuesday, January 22, 2008. Management will host a conference call on Wednesday, January 23 at 6:00 a.m. PST (9:00 a.m. EST) to discuss the results. The call will also be broadcast live via the internet.

Investment professionals are invited to dial 303-262-2130 at 6:00 a.m. PST (9:00 a.m. 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 Banner Bank's website, www.bannerbank.com. An archived recording of the call can be accessed by dialing 303-590-3000, access code 11104221#, until Wednesday, January 30, 2008.

Banner Corporation is a \$4.3 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 via Prime Newswire on January 3, 2008, at 3:30 a.m. PST.