



The Cereghino Group
Corporate Investor Relations
206.388.5785 www.stockvalues.com



CONTACT: D. MICHAEL JONES,
PRESIDENT AND CEO
LLOYD W. BAKER, CFO
(509) 527-3636

NEWS RELEASE

Banner Corporation Declares \$0.01 Quarterly Cash Dividend; Schedules 4Q09 Conference Call and Webcast

Walla Walla, WA – January 6, 2010 – 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 \$0.01 per share, the same as paid in the previous quarter. The dividend is payable January 29, 2010, to common shareholders of record on January 15, 2010.

Banner Corporation also announced that it will report fourth quarter results after the market closes on Wednesday, January 27, 2010. Management will host a conference call on Thursday, January 28 at 8:00 a.m. PST (11:00 a.m. EST) to discuss the results. The call will also be broadcast live via the internet.

Interested investors may listen to the call live or via replay at www.bannerbank.com. Investment professionals are invited to dial (480) 629-9818 using access code 4198992 to participate in the call. A replay will be available for one week at (303) 590-3030, using access code 4198992.

About Banner Corporation

Banner Corporation is a \$4.8 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.

###

NOTE: Transmitted on GlobeNewswire at 5:00 a.m. PST on January 6, 2010.