

**BANNER CORPORATION**

	CPP Disbursement Date 11/21/2008	RSSD (Holding Company) 2126977	Number of Insured Depository Institutions 2	
<b>Selected balance and off-balance sheet items</b>				
	2008 \$ millions	2009 \$ millions	%chg from prev	
<b>Assets</b>	\$4,602	\$4,745	3.1%	
Loans	\$3,969	\$3,801	-4.2%	
Construction & development	\$1,047	\$736	-29.7%	
Closed-end 1-4 family residential	\$663	\$766	15.4%	
Home equity	\$153	\$168	9.8%	
Credit card	\$13	\$16	25.2%	
Other consumer	\$69	\$60	-12.3%	
Commercial & Industrial	\$623	\$581	-6.7%	
Commercial real estate	\$1,016	\$1,085	6.8%	
Unused commitments	\$948	\$744	-21.5%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$53	\$43	-20.1%	
Asset-backed securities	\$0	\$0		
Other securities	\$60	\$128	114.0%	
Cash & balances due	\$103	\$323	214.4%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$83	\$78	-6.1%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$82	\$78	-4.2%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$4,150	\$4,275	3.0%	
Deposits	\$3,840	\$3,872	0.8%	
Total other borrowings	\$259	\$367	41.7%	
FHLB advances	\$111	\$190	70.3%	
<b>Equity</b>				
Equity capital at quarter end	\$452	\$470	4.0%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$99	\$60	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	9.5%	9.8%	--	
Tier 1 risk based capital ratio	10.8%	11.7%	--	
Total risk based capital ratio	12.1%	13.0%	--	
Return on equity <sup>1</sup>	-88.0%	-2.2%	--	
Return on assets <sup>1</sup>	-8.9%	-0.2%	--	
Net interest margin <sup>1</sup>	3.5%	3.6%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	40.1%	44.6%	--	
Loss provision to net charge-offs (qtr)	201.0%	100.5%	--	
Net charge-offs to average loans and leases <sup>1</sup>	1.7%	1.8%	--	
<sup>1</sup> Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
<b>Asset Quality (% of Total Loan Type)</b>	2008	2009	2008	2009
Construction & development	15.4%	21.6%	1.2%	1.6%
Closed-end 1-4 family residential	1.2%	2.3%	0.1%	0.1%
Home equity	0.5%	0.6%	0.1%	0.3%
Credit card	0.0%	0.0%	1.0%	1.3%
Other consumer	0.5%	0.2%	0.5%	0.4%
Commercial & Industrial	1.4%	3.7%	0.5%	0.4%
Commercial real estate	0.6%	0.7%	0.0%	0.0%
Total loans	4.7%	5.6%	0.4%	0.4%