



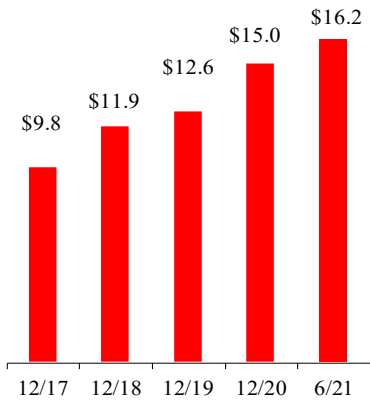
BANNER CORPORATION

NASDAQ: BANR
\$56.54 – 8/12/2021

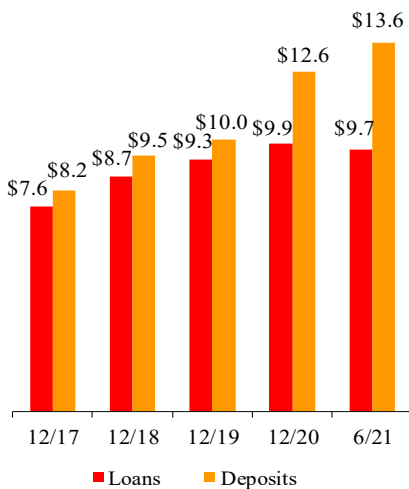
The IR Group

FACT SHEET

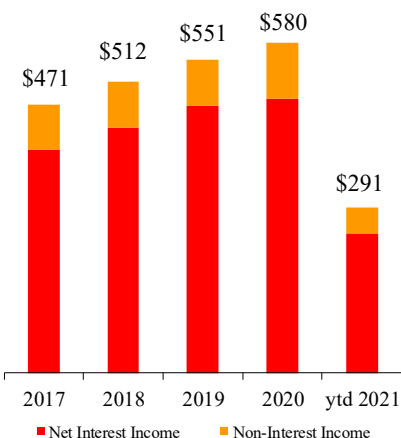
Total Assets (in billions)



Loans and Deposits (in billions)



Core Revenues (in millions)



Core revenues exclude gain on sale of securities and fair value adjustments.

HIGHLIGHTS

- ◆ Net income was \$54.4 million, or \$1.56 per diluted share, for the second quarter of 2021, a 16% increase compared to \$46.9 million, or \$1.33 per diluted share, for the preceding quarter and a 131% increase compared to \$23.5 million, or \$0.67 per diluted share, for the second quarter of 2020. Banner's second quarter 2021 results include \$10.3 million in recapture of provision for credit losses, compared to \$28.6 million in provision for credit losses in the second quarter of 2020.
- ◆ Revenues increased 6% to \$149.9 million, compared to \$141.9 million in the preceding quarter, and increased 2% when compared to \$147.3 million in the second quarter a year ago.
- ◆ Net interest income, before the recapture of provision for credit losses, increased to \$127.6 million in the second quarter of 2021, compared to \$117.7 million in the preceding quarter and \$119.6 million in the second quarter a year ago.
- ◆ Net interest margin on a tax equivalent basis was 3.52%, compared to 3.44% in the preceding quarter and 3.87% in the second quarter a year ago.
- ◆ Mortgage banking revenues decreased 35% to \$7.5 million, compared to \$11.4 million in the preceding quarter, and decreased 47% compared to \$14.1 million in the second quarter a year ago.
- ◆ Return on average assets was 1.36%, compared to 1.24% in the preceding quarter and 0.68% in the second quarter a year ago.
- ◆ Net loans receivable decreased to \$9.51 billion at June 30, 2021, compared to \$9.79 billion at March 31, 2021, and decreased 6% when compared to \$10.13 billion at June 30, 2020.
- ◆ Non-performing assets decreased to \$31.5 million, or 0.19% of total assets, at June 30, 2021, compared to \$37.0 million, or 0.23% of total assets in the preceding quarter, and decreased from \$39.9 million, or 0.28% of total assets, at June 30, 2020.
- ◆ The allowance for credit losses - loans was \$148.0 million, or 1.53% of total loans receivable, as of June 30, 2021, compared to \$156.1 million, or 1.57% of total loans receivable as of March 31, 2021 and \$156.4 million or 1.52% of total loans receivable as of June 30, 2020.
- ◆ Core deposits (non-interest-bearing and interest-bearing transaction and savings accounts) increased 1% to \$12.76 billion at June 30, 2021, compared to \$12.64 billion at March 31, 2021, and increased 16% compared to \$10.97 billion a year ago. Core deposits represented 94% of total deposits at June 30, 2021.
- ◆ Dividends to shareholders were \$0.41 per share in the quarter ended June 30, 2021.
- ◆ Common shareholders' equity per share increased 4% to \$48.31 at June 30, 2021, compared to \$46.60 at the preceding quarter end, and increased 5% from \$46.22 a year ago.
- ◆ Tangible common shareholders' equity per share* increased 5% to \$36.99 at June 30, 2021, compared to \$35.29 at the preceding quarter end, and increased 6% from \$34.89 a year ago.
- ◆ Banner repurchased 250,000 shares of its common stock during the quarter at an average cost of \$58.22 per share.

*Non GAAP

SUMMARY

Banner Corporation is a \$16.18 billion bank holding company operating one commercial bank in four Western states through a network of branches offering 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.



Share Data as of 8/12/2021

Recent Price	\$56.54	Market Cap	\$1.953B
Shares Outstanding	34.7M	Book Value	\$48.31
Estimated Float	34.4M	Price/Book	1.17x
Insider Ownership	2%	Tangible Book Value	\$36.99
Institutional Ownership	87%	Price/Tangible Book	1.53x
Avg. Daily Volume	113,000	2Q21 Net Interest Margin*	3.52%

*Tax Equivalent

Quarterly Financial Highlights

(\$ in thousands)

Income Statement

	Quarters Ended		
	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020
Interest Income	\$ 133,565	\$ 124,521	\$ 128,747
Interest Expense	6,011	6,860	9,167
Net Interest Income			
before Provision for Loan Losses	127,554	117,661	119,580
Provision for Loan Losses	(10,256)	(9,251)	28,623
Net Interest Income			
after Provision for Loan Losses	137,810	126,912	90,957
Non-Interest Income	22,201	23,728	25,428
Net gain on sale of securities	77	485	93
Net change in valuation of financial instruments carried at fair value	58	59	2,199
Total Non-Interest Income	22,336	24,272	27,720
Non-Interest Expense	92,428	92,808	88,054
COVID-19 expenses	117	148	2,152
Acquisition Related Expenses	79	571	336
Total Non-Interest Expense	92,624	93,527	90,542
Income before provision for income taxes	67,522	57,657	28,135
Provision for Income Taxes	13,140	10,802	4,594
Net Income	\$ 54,382	\$ 46,855	\$ 23,541
Diluted Earnings per Share	\$ 1.56	\$ 1.33	\$ 0.67
Cumulative Dividends per Share	\$ 0.41	\$ 0.41	\$ -
Diluted Weighted Avg. Shares O/S	34,933,714	35,303,483	35,283,690

Balance Sheet

	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020
Total Assets	\$ 16,181,857	\$ 16,119,792	\$ 14,405,607
Total Stockholders' Equity	\$ 1,669,211	\$ 1,618,817	\$ 1,625,103
Tangible Common Stockholders' Equity	\$ 1,278,086	\$ 1,225,981	\$ 1,226,827
Common stockholders' equity per share (1)	\$ 48.31	\$ 46.60	\$ 46.22
Common stockholders' tangible equity per share (1) (2)	\$ 36.99	\$ 35.29	\$ 34.89
Common stockholders' tangible equity to tangible assets (2)	8.09%	7.80%	8.76%
Consolidated Tier 1 Leverage capital ratio	8.86%	9.10%	9.83%

Key Financial Ratios

Net interest margin, as reported	3.45%	3.38%	3.81%
Net interest margin (tax equivalent)	3.52%	3.44%	3.87%
Return on average assets	1.36%	1.24%	0.68%
Return on average equity	13.32%	11.54%	5.85%
Efficiency ratio (3)	61.79%	65.90%	61.47%
Adjusted efficiency ratio (4)	59.77%	63.85%	58.58%

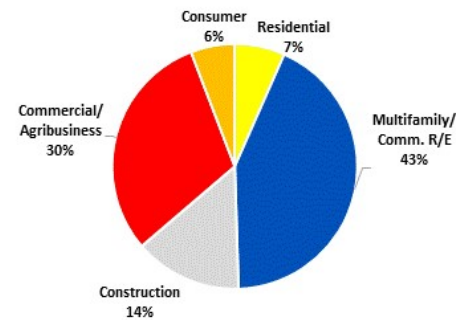
(1) Calculation is based on number of common shares outstanding at the end of the period rather than weighted average shares outstanding.

(2) Common stockholders' tangible equity excludes goodwill and other intangibles. Tangible assets exclude goodwill and other intangible assets. These ratios represent non-GAAP financial measures.

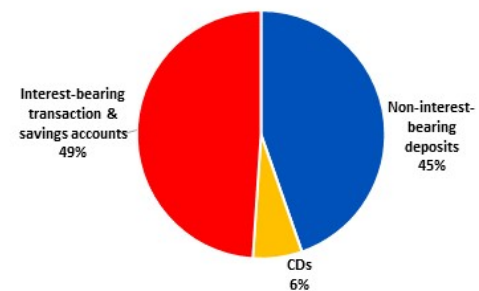
(3) Non-interest expense divided by the total of net interest income (before provision for loan losses) and non-interest income.

(4) Adjusted non-interest expense divided by adjusted revenue. Adjusted revenue excludes net gain (loss) on sale of securities and fair value adjustments. Adjusted non-interest expense excludes acquisition related expenses, COVID-19 expenses, amortization of core deposit intangibles, REO gain (loss), FHLB prepayment penalties and state/municipal business and use taxes. These represent non-GAAP financial measures.

Loan Portfolio



Deposit Portfolio



Analyst Coverage

D.A. Davidson & Co.
Jeff Rulis - July 22, 2021

Janney
Tim Coffey - July 23, 2021

Raymond James
David Feaster - July 22, 2021

Keefe, Bruyette & Woods
Jacquelyne Chimera - July 25, 2021

Piper Sandler
Andrew Liesch - July 22, 2021

Stephens Inc.
Andrew Terrell - July 22, 2021

Standard & Poor's

Corporate Information

Mark J. Grescovich, President & CEO
Peter J. Conner, EVP & CFO

10 South First Avenue
Walla Walla, WA 99362
(509) 527-3636
www.bannerbank.com