



# BANNER CORPORATION

NASDAQ: BANR

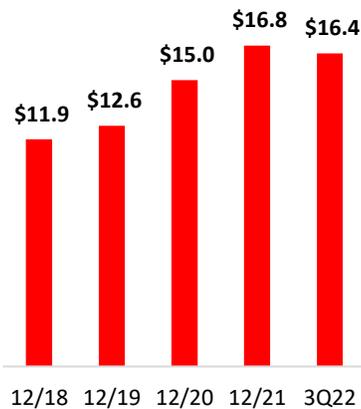
\$67.80 – 10/24/2022

The IR Group

## FACT SHEET

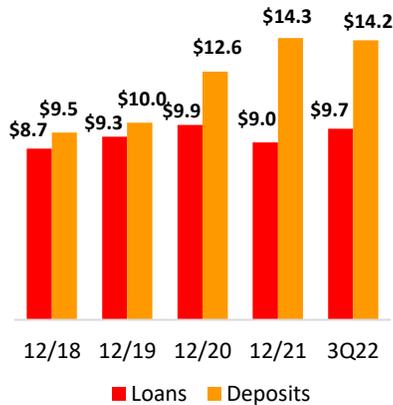
### Total Assets

(in billions)



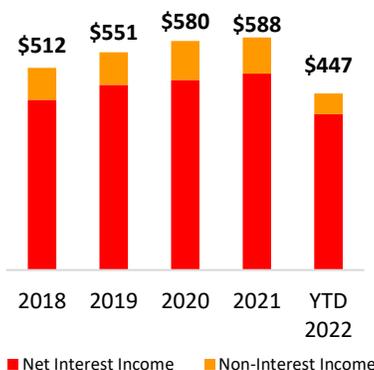
### Loans and Deposits

(in billions)



### Core Revenue

(in millions)



Core revenue excludes gain on sale of securities, fair value adjustments and the gain on sale of branches.

### THIRD QUARTER HIGHLIGHTS

- Revenues increased 4% to \$162.0 million, compared to \$156.2 million in the preceding quarter, and increased 4% compared to \$155.5 million in the third quarter a year ago.
- Net interest income increased 14% to \$146.4 million in the third quarter of 2022, compared to \$129.0 million in the preceding quarter and increased 13%, compared to \$130.1 million in the third quarter a year ago.
- Net interest margin, on a tax equivalent basis, was 3.85%, compared to 3.44% in the preceding quarter and 3.47% in the third quarter a year ago.
- Mortgage banking revenues decreased 97% to \$105,000, compared to \$4.0 million in the preceding quarter, and decreased 99% compared to \$9.6 million in the third quarter a year ago.
- Return on average assets was 1.18%, compared to 1.16% in the preceding quarter and 1.20% in the third quarter a year ago.
- Net loans receivable increased 4% to \$9.69 billion at September 30, 2022, compared to \$9.33 billion at June 30, 2022, and increased 7% compared to \$9.08 billion at September 30, 2021.
- Non-performing assets decreased to \$15.6 million, or 0.10% of total assets, at September 30, 2022, compared to \$19.1 million, or 0.12% of total assets at June 30, 2022, and \$29.7 million, or 0.18% of total assets, at September 30, 2021.
- The allowance for credit losses - loans was \$135.9 million, or 1.38% of total loans receivable, as of September 30, 2022, compared to \$128.7 million, or 1.36% of total loans receivable as of June 30, 2022 and \$139.9 million, or 1.52% of total loans receivable as of September 30, 2021.
- Core deposits (non-interest-bearing and interest-bearing transaction and savings accounts) increased to \$13.51 billion at September 30, 2022, compared to \$13.46 billion at June 30, 2022, and \$13.31 billion a year ago. Core deposits represented 95% of total deposits at September 30, 2022.
- Dividends to shareholders were \$0.44 per share in the quarter ended September 30, 2022.
- Common shareholders' equity per share decreased 5% to \$41.20 at September 30, 2022, compared to \$43.46 at the preceding quarter end, and decreased 15% from \$48.67 a year ago.
- Tangible common shareholders' equity per share\* decreased 7% to \$29.97 at September 30, 2022, compared to \$32.20 at the preceding quarter end, and decreased 20% from \$37.30 a year ago.

\*Non-GAAP (Generally Accepted Accounting Principles) measure

### SUMMARY

Banner Corporation is a \$16.36 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](http://www.bannerbank.com).



## Share Data as of 10/24/22

Recent Price	\$67.80	Market Cap	\$2.318B
Shares Outstanding	34.2M	Book Value	\$41.20
Estimated Float	33.6M	Price/Book	1.65x
Insider Ownership	2%	Tangible Book Value	\$29.97
Institutional Ownership	87%	Price/Tangible Book	2.26x
Avg. Daily Volume	159,000	3Q22 Net Interest Margin*	3.85%

\*Tax Equivalent

## Quarterly Financial Highlights

### Income Statement

	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Interest income	\$ 151,119	\$ 133,001	\$ 135,868
Interest expense	4,676	3,990	5,722
Net interest income before provision for credit losses	146,443	129,011	130,146
Provision (recapture) for credit losses	6,087	4,534	(8,638)
Net interest income after provision for loan losses	140,356	124,477	138,784
Non-interest income	15,047	19,268	23,500
Net gain on sale of securities			
Net change in valuation of financial instruments carried at fair value	6	32	56
Gain on sale of branches, including related deposits	532	69	1,778
Total non-interest income	-	7,804	-
Non-interest expense	15,585	27,173	25,334
COVID-19 expenses	95,034	92,053	102,091
Merger and acquisition related expenses	-	-	44
Total non-interest expense	-	-	10
Income before provision for income taxes	95,034	92,053	102,145
Provision for income taxes	60,907	59,597	61,973
Net income	11,837	11,632	12,089
	\$ 49,070	\$ 47,965	\$ 49,884
Diluted earnings per share	\$ 1.43	\$ 1.39	\$ 1.44
Cumulative dividends per share	\$ 0.44	\$ 0.44	\$ 0.41
Diluted weighted avg. shares O/S	34,416,017	34,451,740	34,699,492

### Balance Sheet

	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021
Total assets	\$ 16,360,809	\$ 16,385,197	\$ 16,637,879
Total shareholders' equity	\$ 1,408,659	\$ 1,485,930	\$ 1,667,119
Tangible common shareholders' equity	\$ 1,024,883	\$ 1,100,839	\$ 1,277,569
Common shareholders' equity per share (1)	\$ 41.20	\$ 43.46	\$ 48.67
Common shareholders' tangible equity per share (1)(2)	\$ 29.97	\$ 32.20	\$ 37.30
Common shareholders' tangible equity to tangible assets (2)	6.41%	6.88%	7.86%
Consolidated tier 1 leverage capital ratio	9.06%	8.74%	8.79%

### Key Financial Ratios

Net interest margin, tax equivalent	3.85%	3.44%	3.47%
Return on average assets	1.18%	1.16%	1.20%
Return on average equity	12.85%	12.67%	11.79%
Efficiency ratio (3)	58.65%	58.94%	65.70%
Adjusted efficiency ratio (4)	57.04%	59.46%	59.65%

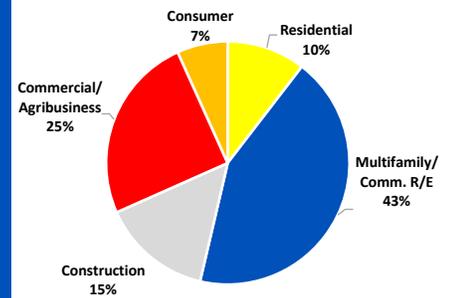
(1) Calculation is based on number of common shares outstanding at the end of the period rather than weighted average shares outstanding.

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

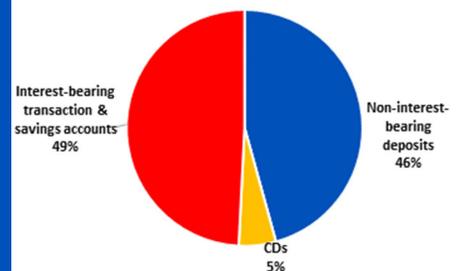
(3) Non-interest expense divided by the total of net interest income (before provision for loan losses) and non-interest income.

(4) Adjusted non-interest expense divided by adjusted revenue. Adjusted revenue excludes net gain (loss) on sale of securities, fair value adjustments and the gain on sale of branches. Adjusted non-interest expense excludes merger and acquisition related expenses, COVID-19 expenses, Banner Forward expenses, amortization of core deposit intangibles, REO operations, loss on extinguishment of debt and state/municipal business and use taxes. These represent non-GAAP.

### Loan Portfolio



### Deposit Portfolio



### Analyst Coverage

#### D.A. Davidson & Co.

Jeff Rulis-October 20, 2022

#### Janney

Tim Coffey-October 24, 2022

#### Keefe, Bruyette & Woods

Kelly Motta -October 20, 2022

#### Piper Sandler

Andrew Liesch-October 20, 2022

#### Raymond James

David Feaster-October 21, 2022

#### Stephens Inc.

Andrew Terrell-October 24, 2022

#### Standard & Poor's

### Corporate Information

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

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