



BANNER CORPORATION

NASDAQ: BANR

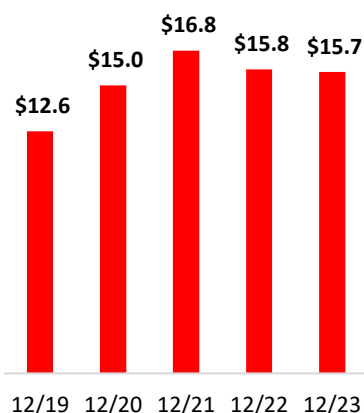
\$49.90 – 1/24/2024

The IR Group

FACT SHEET

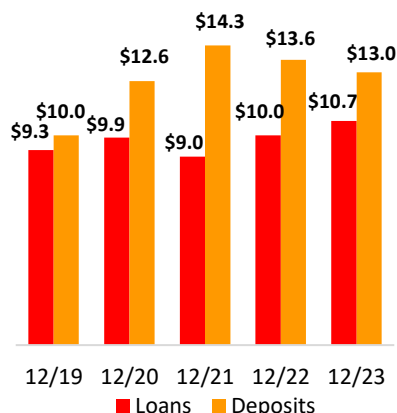
Total Assets

(in billions)



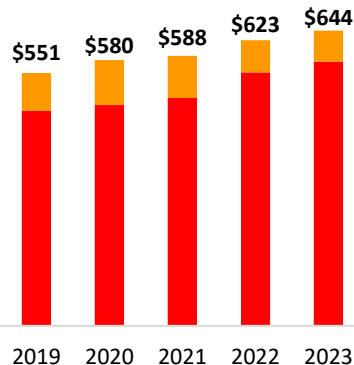
Loans and Deposits

(in billions)



Core Revenue

(in millions)



■ Net Interest Income ■ Non-Interest Income

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

FOURTH QUARTER 2023 HIGHLIGHTS

- Revenues were \$152.5 million for the fourth quarter of 2023, compared to \$154.4 million in the preceding quarter, and \$172.1 million in the fourth quarter a year ago.
- Adjusted revenue* (the total of net interest income and total non-interest income adjusted for the net gain or loss on the sale of securities and the net change in valuation of financial instruments) was \$157.1 million in the fourth quarter of 2023, compared to \$157.7 million in the preceding quarter and \$175.7 million in the fourth quarter a year ago.
- Net interest income was \$138.4 million in the fourth quarter of 2023, compared to \$141.8 million in the preceding quarter and \$159.1 million in the fourth quarter a year ago.
- Net interest margin, on a tax equivalent basis, was 3.83%, compared to 3.93% in the preceding quarter and 4.23% in the fourth quarter a year ago.
- Mortgage banking operations revenue was \$5.4 million for the fourth quarter of 2023, compared to \$2.0 million in the preceding quarter and \$2.3 million in the fourth quarter a year ago.
- Return on average assets was 1.09%, compared to 1.17% in the preceding quarter and 1.34% in the fourth quarter a year ago.
- Net loans receivable increased 2% to \$10.66 billion at December 31, 2023, compared to \$10.46 billion at September 30, 2023, and increased 7% compared to \$10.01 billion at December 31, 2022.
- Non-performing assets were \$30.1 million, or 0.19% of total assets, at December 31, 2023, compared to \$26.8 million, or 0.17% of total assets at September 30, 2023, and \$23.4 million, or 0.15% of total assets, at December 31, 2022.
- The allowance for credit losses - loans was \$149.6 million, or 1.38% of total loans receivable, as of December 31, 2023, compared to \$147.0 million, or 1.38% of total loans receivable as of September 30, 2023 and \$141.5 million, or 1.39% of total loans receivable as of December 31, 2022.
- Total deposits decreased to \$13.03 billion at December 31, 2023, compared to \$13.17 billion at September 30, 2023 and \$13.62 billion at December 31, 2022. Core deposits represented 89% of total deposits at December 31, 2023.
- Banner Bank's estimated uninsured deposits were approximately 31% of total deposits at both December 31, 2023 and September 30, 2023.
- Banner Bank's estimated uninsured deposits, excluding collateralized public deposits and affiliate deposits, were approximately 28% of total deposits at both December 31, 2023 and September 30, 2023.
- Available borrowing capacity was \$4.65 billion at December 31, 2023, compared to \$4.62 billion at September 30, 2023.
- On-balance sheet liquidity was \$2.93 billion at December 31, 2023, compared to \$2.86 billion at September 30, 2023.
- Dividends paid to shareholders were \$0.48 per share in the quarter ended December 31, 2023.
- Common shareholders' equity per share increased 9% to \$48.12 at December 31, 2023, compared to \$44.27 at the preceding quarter end, and increased 13% from \$42.59 at December 31, 2022.
- Tangible common shareholders' equity per share* increased 12% to \$37.09 at December 31, 2023, compared to \$33.22 at the preceding quarter end, and increased 18% from \$31.41 at December 31, 2022.

*Non-GAAP (Generally Accepted Accounting Principles) measure

SUMMARY

Banner Corporation is a \$15.67 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 1/24/24

Recent Price	\$49.90	Market Cap	\$1.714B
Shares Outstanding	34.3M	Book Value	\$48.12
Estimated Float	33.8M	Price/Book	1.04x
Insider Ownership	2%	Tangible Book Value	\$37.09
Institutional Ownership	85%	Price/Tangible Book	1.35x
Avg. Daily Volume	192,000	4Q23 Net Interest Margin*	3.83%

*Tax Equivalent

Quarterly Financial Highlights (in thousands except shares and per share data)

Income Statement

	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Interest income	\$ 183,738	\$ 179,064	\$ 165,558
Interest expense	45,329	37,298	6,487
Net interest income before provision for credit losses	138,409	141,766	159,071
Provision for credit losses	2,522	2,027	6,704
Net interest income after provision for credit losses	135,887	139,739	152,367
Non-interest income	18,719	15,969	16,634
Net loss on sale of securities	(4,806)	(2,657)	(3,721)
Net change in valuation of financial instruments carried at fair value	139	(654)	157
Total non-interest income	14,052	12,658	13,070
Total non-interest expense	96,621	95,891	99,013
Income before provision for income taxes	53,318	56,506	66,424
Provision for income taxes	10,694	10,652	12,044
Net income	\$ 42,624	\$ 45,854	\$ 54,380
Diluted earnings per share	\$ 1.24	\$ 1.33	\$ 1.58
Cumulative dividends per share	\$ 0.48	\$ 0.48	\$ 0.44
Diluted weighted avg. shares O/S	34,472,155	34,429,726	34,437,151

Balance Sheet

	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Total assets	\$ 15,670,391	\$ 15,507,880	\$ 15,833,431
Total shareholders' equity	\$ 1,652,691	\$ 1,520,607	\$ 1,456,432
Tangible common shareholders' equity	\$ 1,273,886	\$ 1,140,944	\$ 1,073,871
Common shareholders' equity per share (1)	\$ 48.12	\$ 44.27	\$ 42.59
Common shareholders' tangible equity per share (1)(2)	\$ 37.09	\$ 33.22	\$ 31.41
Common shareholders' tangible equity to tangible assets (2)	8.33%	7.54%	6.95%
Consolidated tier 1 leverage capital ratio	10.56%	10.40%	9.45%

Key Financial Ratios

Net interest margin, tax equivalent	3.83%	3.93%	4.23%
Return on average assets	1.09%	1.17%	1.34%
Return on average equity	10.98%	11.68%	15.14%
Efficiency ratio (3)	63.37%	62.10%	57.52%
Adjusted efficiency ratio (4)	60.04%	59.00%	54.43%

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

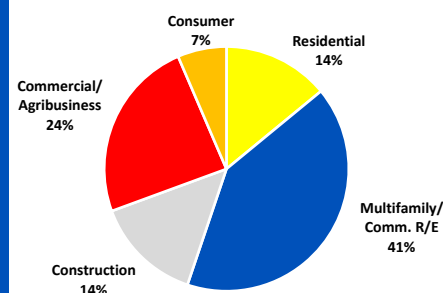
(2) Common shareholders' tangible equity excludes goodwill and other intangibles. Tangible assets exclude goodwill and other intangible assets. These ratios represent non-GAAP financial measures.

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

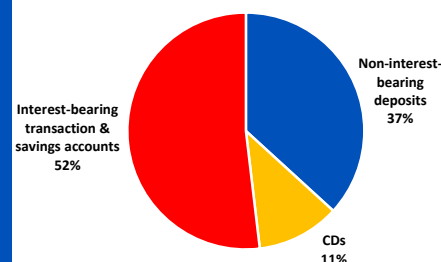
(4) Adjusted non-interest expense divided by adjusted revenue. Adjusted revenue excludes net gain (loss) on sale of securities and fair value adjustments.

Adjusted non-interest expense excludes Banner Forward expenses, amortization of core deposit intangibles, REO operations and state/municipal business and use taxes. These represent non-GAAP.

Loan Portfolio



Deposit Portfolio



Analyst Coverage

D.A. Davidson & Co.

Jeff Rulis-January 19, 2024

Janney

Tim Coffey-January 22, 2024

Keefe, Bruyette & Woods

Kelly Motta-January 20, 2024

Piper Sandler

Andrew Liesch-January 19, 2024

Raymond James

David Feaster-January 19, 2024

Stephens Inc.

Andrew Terrell-January 23, 2024

Standard & Poor's

Corporate Information

Mark J. Grescovich, President & CEO

Robert G. Butterfield, EVP & CFO

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