



Second Quarter 2024



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Disclosure Statement



This presentation includes forward-looking statements. These statements include descriptions of management’s plans, objectives or goals for future operations, products or services, forecast of financial or other performance measures and statements about Banner’s general outlook for economic and other conditions. Additional forward-looking statements may be made in the question-and-answer period following the presentation. These forward-looking statements are subject to several risks and uncertainties and actual results may differ materially from those discussed today. Information on the risk factors that could cause actual results to differ are available from the earnings press release that was released July 17, 2024 as well as the Form 10-K for the year ended December 31, 2023 and Forms 10-Q filed quarterly thereafter. Forward-looking statements are effective only as of the date they are made, and Banner assumes no obligation to update information concerning its expectations.

Second quarter 2024 highlights



- Net income of \$39.8 million, compared to \$37.6 million for the prior quarter
- Loan growth of \$275 million (10% annualized)
- Total loan originations (excluding HFS) were \$996 million
- Total deposits decreased by \$80 million (2% annualized); loan-to-deposit ratio increased from 83% last quarter to 85%
- Net interest margin (tax equivalent) decreased 4 basis points to 3.70%
- Efficiency ratio (adjusted, non-GAAP) decreased 10 basis points to 63.60%
- \$2.4 million provision for credit losses driven by loan growth; Allowance for credit losses – loans was 1.37% of total loans
- Non-performing assets remained low at 0.21% of total assets, up 2 basis points from last quarter
- Kroll Bond Rating Agency, LLC affirmed the senior unsecured debt rating of BBB+, the subordinated debt rating of BBB, and the short-term debt rating of K2 for Banner Corporation, and affirmed the deposit and senior unsecured debt ratings of A-, the subordinated debt rating of BBB+, and the short-term deposit and debt ratings of K2 for Banner Bank
- Announced dividend of \$0.48 per share to be paid in August 2024

Building value at Banner



Building value for stakeholders ...

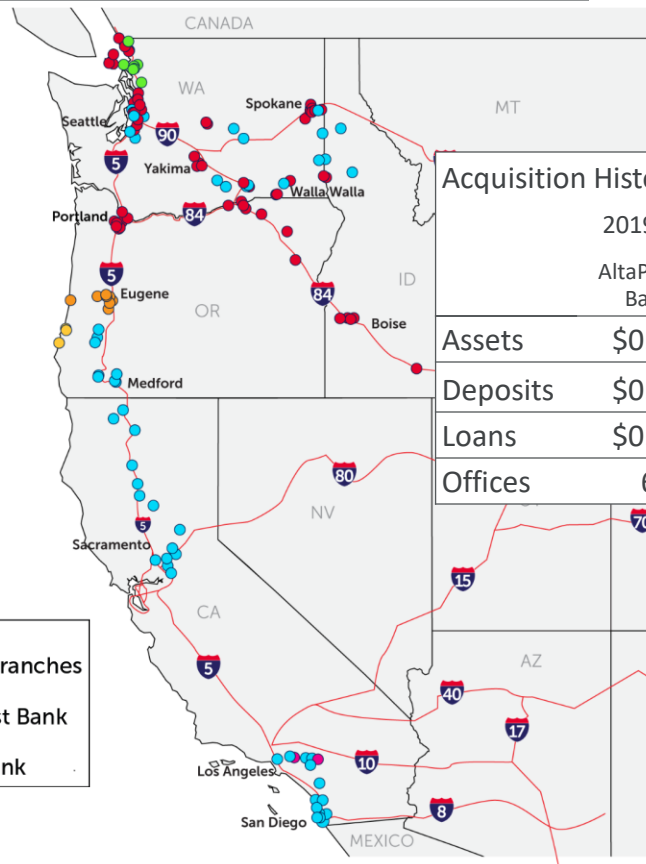
by focusing on core banking competency ...

that is sustainable through change events ...

and scalable with acquisition growth

Banner Corporation

Assets	\$15.8B
Deposits	\$13.1B
Loans	\$11.2B
Offices	135
Employees	1,949



Acquisition History

	2019 Q4	2018 Q4	2015 Q4	2015 Q1	2014 Q2
	AltaPacific Bank	Skagit Bank	AmericanWest Bank	Siuslaw Bank	SW Oregon Branches
Assets	\$0.4B	\$0.9B	\$4.5B	\$0.4B	\$0.2B
Deposits	\$0.3B	\$0.8B	\$3.6B	\$0.3B	\$0.2B
Loans	\$0.3B	\$0.6B	\$3.0B	\$0.2B	\$0.1B
Offices	6	11	98	10	6

Building value at Banner

Core banking competency

Growing revenue

Protecting net interest margin

Spending carefully

Maintaining a moderate risk profile

Employing capital wisely

Growing revenue

Take advantage of ideal geography

Offer super community bank value proposition

Guard and improve reputation

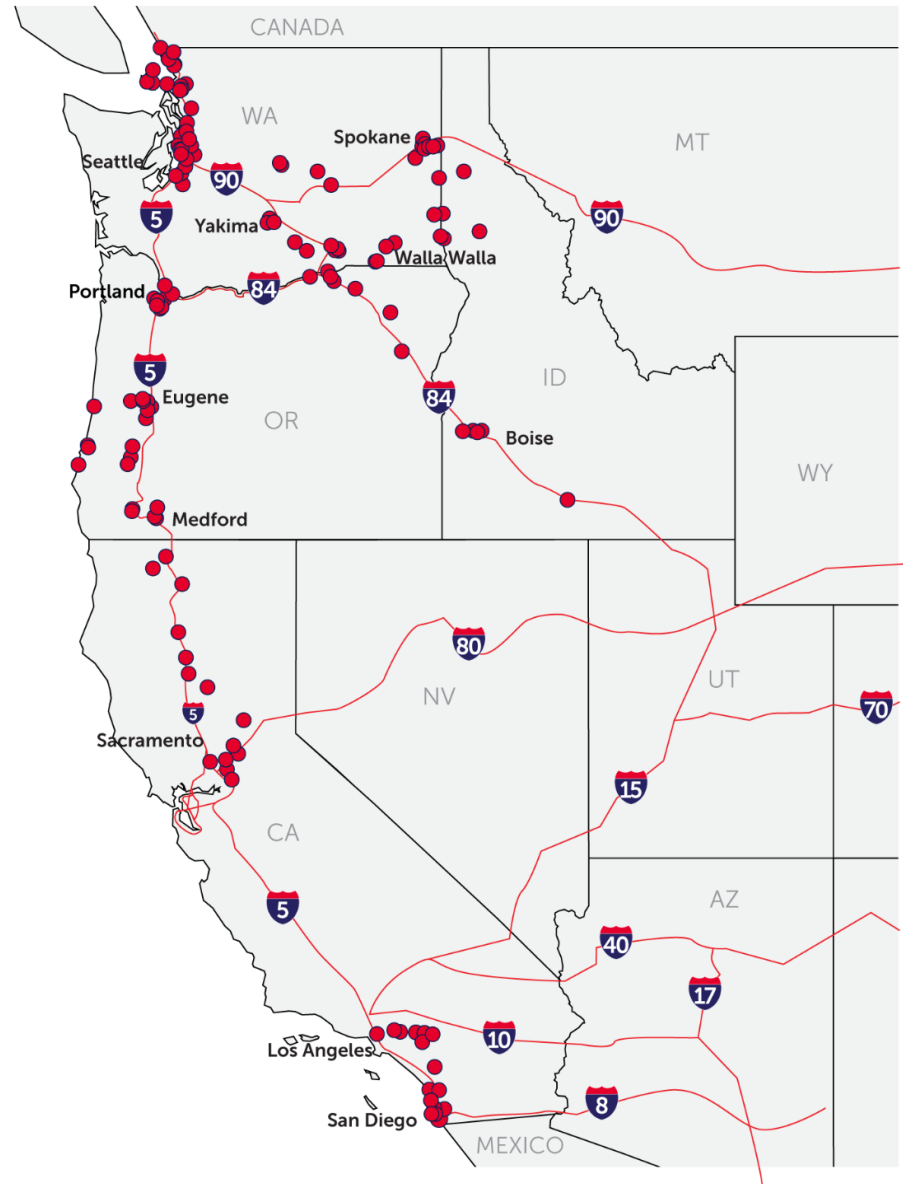
Grow market share

Growing revenue ... in a good place since 1890

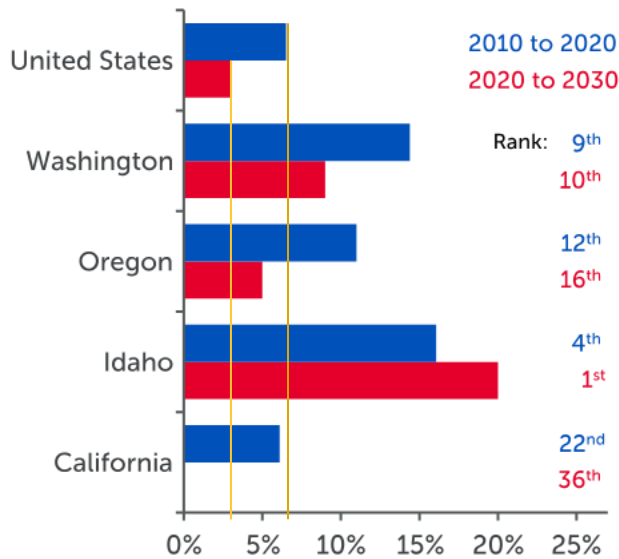
Population Estimate (millions)

	2020	2030	Growth
Washington	7.7	8.4	9%*
Oregon	4.2	4.5	5%
Idaho	1.8	2.2	20%*
California	39.5	39.5	0%
Region	53.3	54.6	2%
United States	331.4	344.6	4%

* Among the fastest growing in the country



Strong Population Growth Forecast



Source: U.S. Census Bureau
Moody's Analytics Forecasted (June 2023)

Growing revenue ... in an ideal geography



Powerful and diverse economic drivers

From Banner's Pacific Northwest base to ...

Technology	
Manufacturing	
Consumer	
Logistics	
Natural Resources	
Agriculture	Traditional, specialty crops, orchards, wineries, ...

California

From Apple to from Silicon Valley to the Central Valley ... the world's 6th largest economy

Growing revenue



Our super community bank value proposition

Broad product offerings serving middle market, small business and consumer client base

Decision-making as close to client as possible

Delivery channels aligned to maximize tactical execution of strategic plan

Community investment

Growing revenue



Guard and improve reputation

Outstanding CRA Rating
FDIC 2021, most recent 3-year examination cycle



Most Trustworthy Companies in America
Newsweek 2023 and 2024



World's Most Trustworthy Companies
Newsweek 2023



America's Best Regional Banks
Newsweek 2024



Excellence Award for Bank of the Year
Q2 Holdings 2023



5-Star rating™ (highest category)
BauerFinancial; 10+ years



America's 100 Best Banks
Forbes, 8 consecutive years (2017-2024)

World's Best Banks
Forbes (2020-2023)



Top 50 U.S. Public Banks (assets of \$10B+)
S&P Global Market Intelligence 2021, 2022 & 2023

Growing revenue

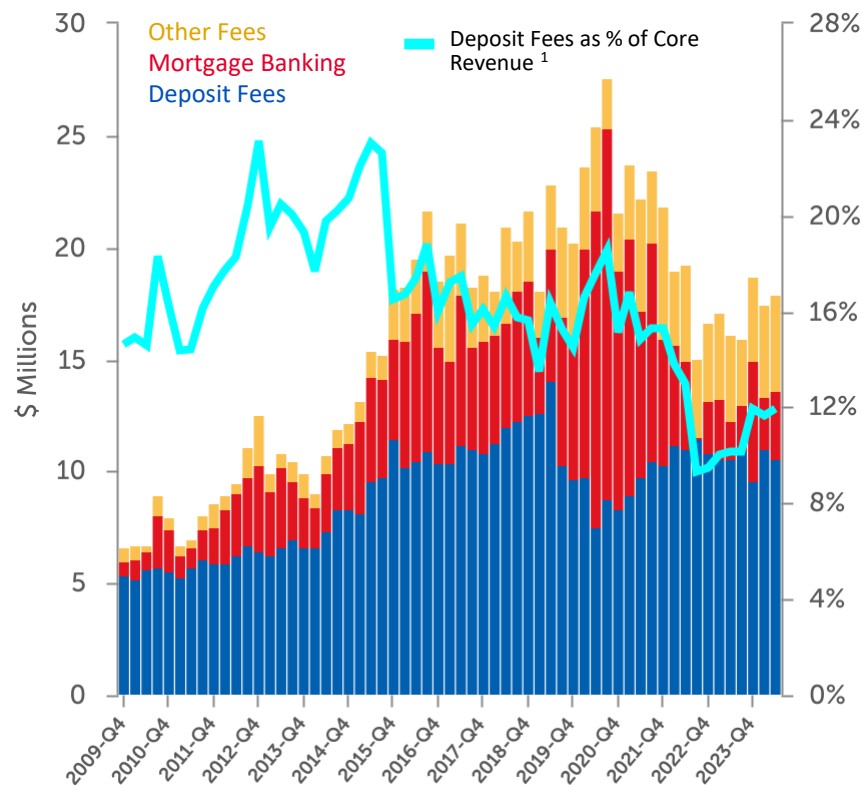
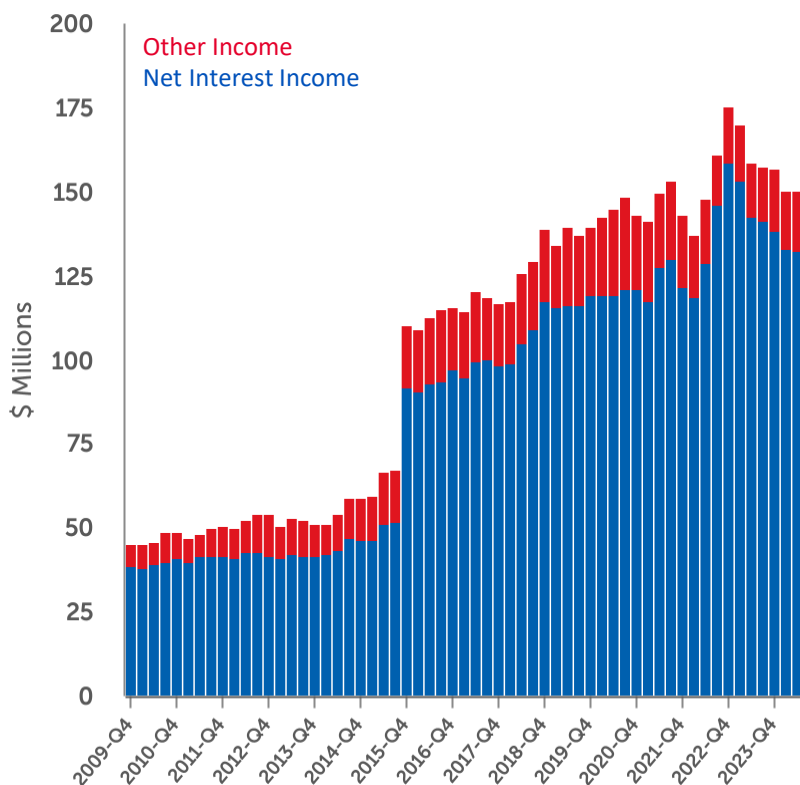


Core revenue¹

Quarter Ending	Quarter	Last 12 Months
	Amount	Amount
06/30/24	\$150M	\$616M
12/31/09	\$45M	\$177M

Noninterest income¹

Quarter Ending	Quarter	Last 12 Months
	Amount	Amount
06/30/24	\$18.0M	\$70.1M
12/31/09	\$6.6M	\$31.1M



1. Excludes net gain/loss on sale of securities and change in valuation of financial instruments carried at fair value.

Building value at Banner

Core banking competency

Growing revenue

Protecting net interest margin

Spending carefully

Maintaining a moderate risk profile

Employing capital wisely

Protecting net interest margin

Improve earning asset mix

Improve funding mix

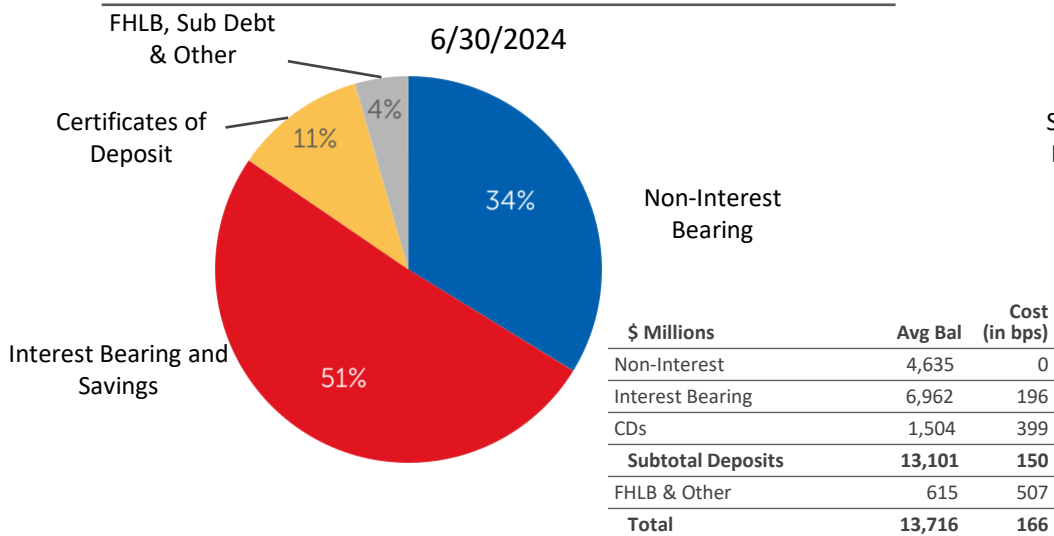
Reduce deposit costs

Maintain loan-to-deposit ratio

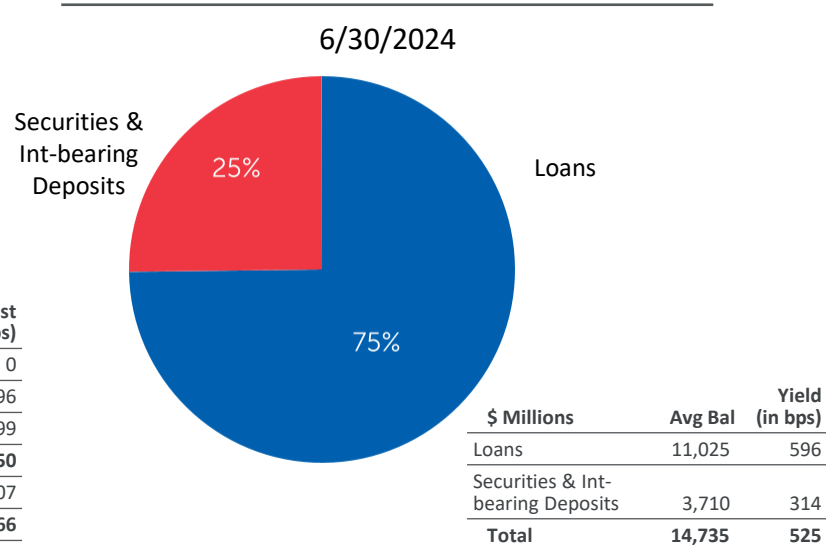
Protecting net interest margin



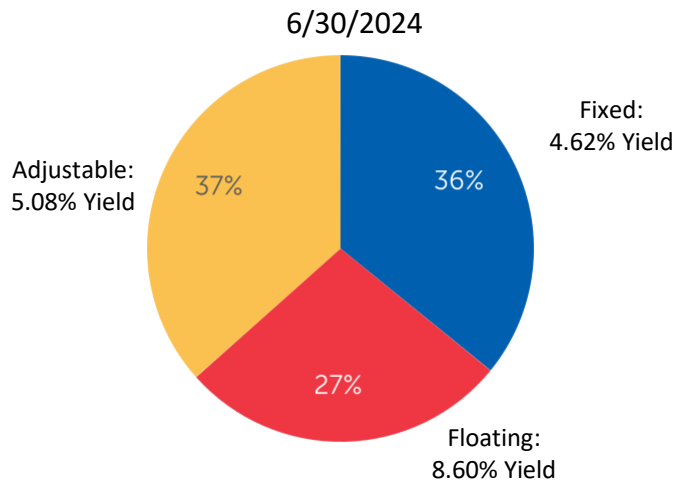
Low Cost Funding Mix



Earning Asset Mix



Loan Repricing Structure



65% of the loan portfolio is floating/adjustable

71% of the floating/adjustable loans have floors

26% of the loans that have floors are at the floor

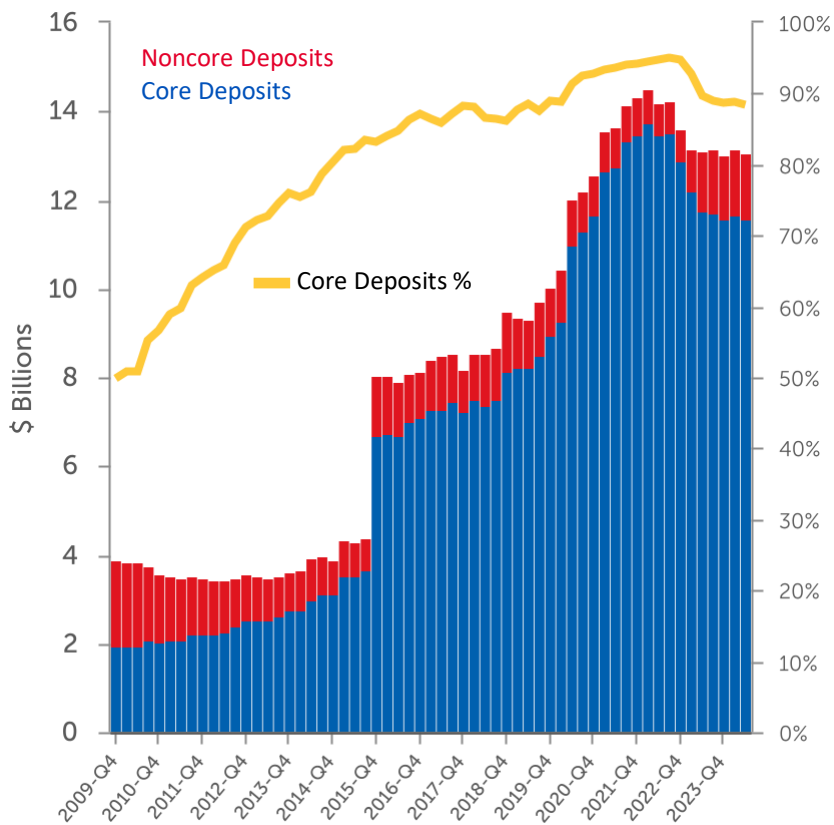
15% of the loans that have floors are within 100 basis points of the floor

Protecting net interest margin



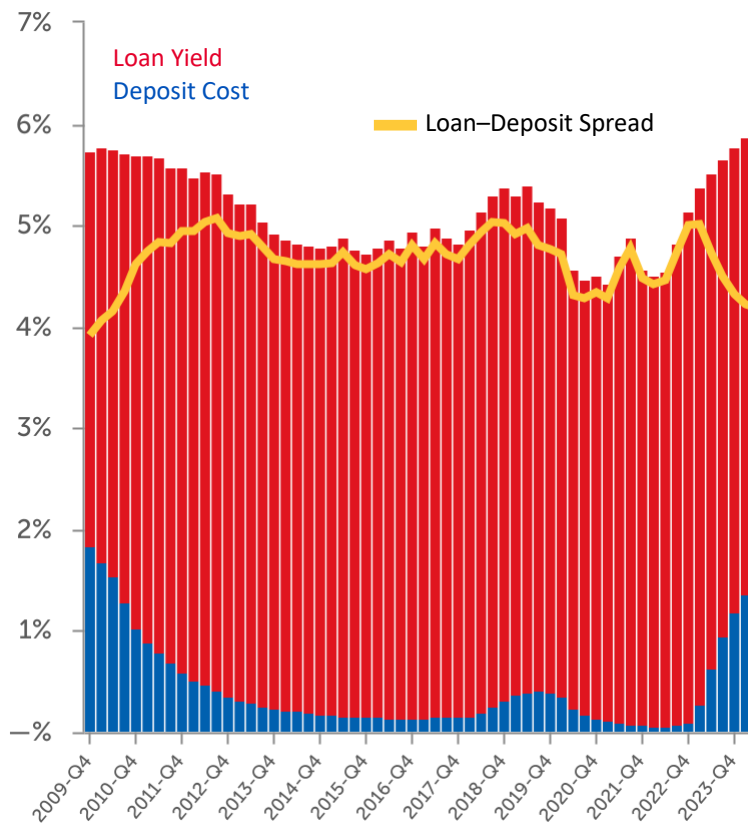
Focus on core deposits

Quarter Ending	Balance	% of Total Deposits
06/30/24	\$11,554M	88%
12/31/09	\$1,924M	50%

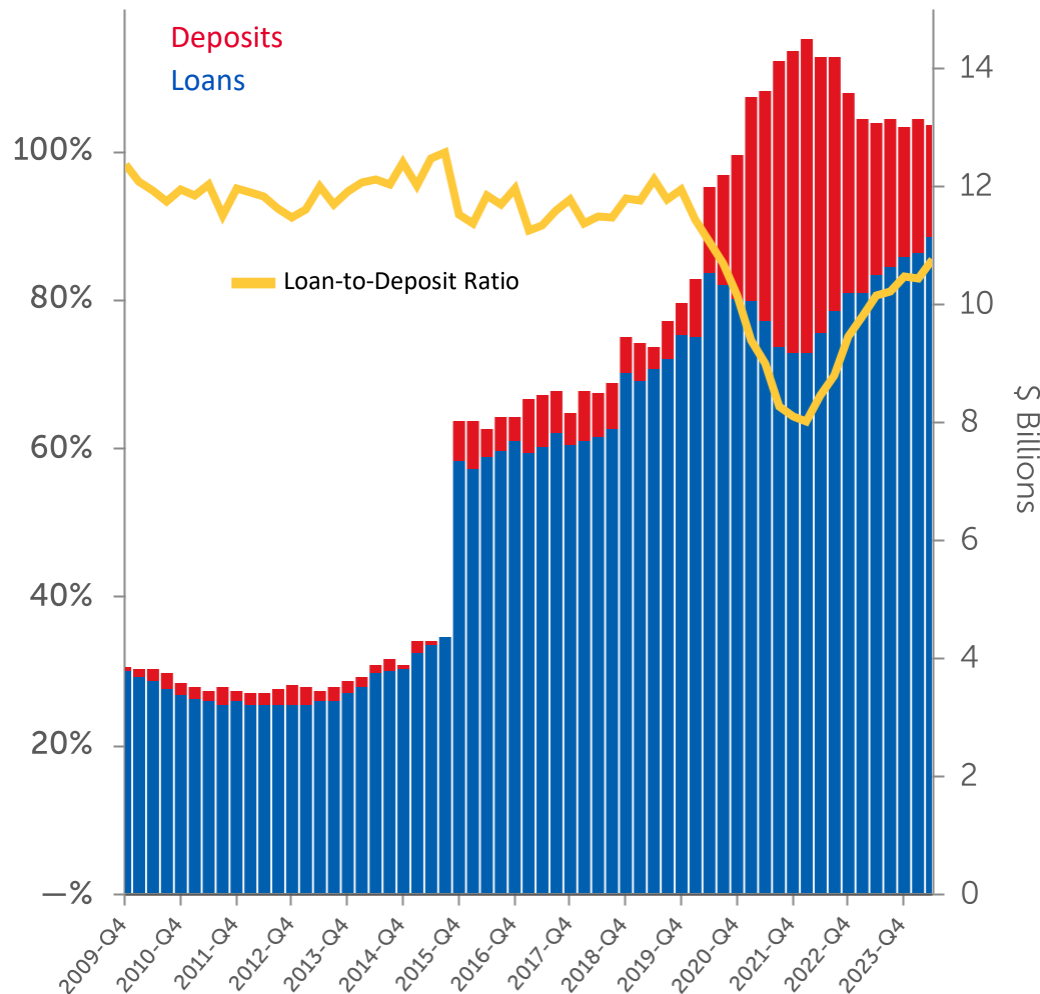
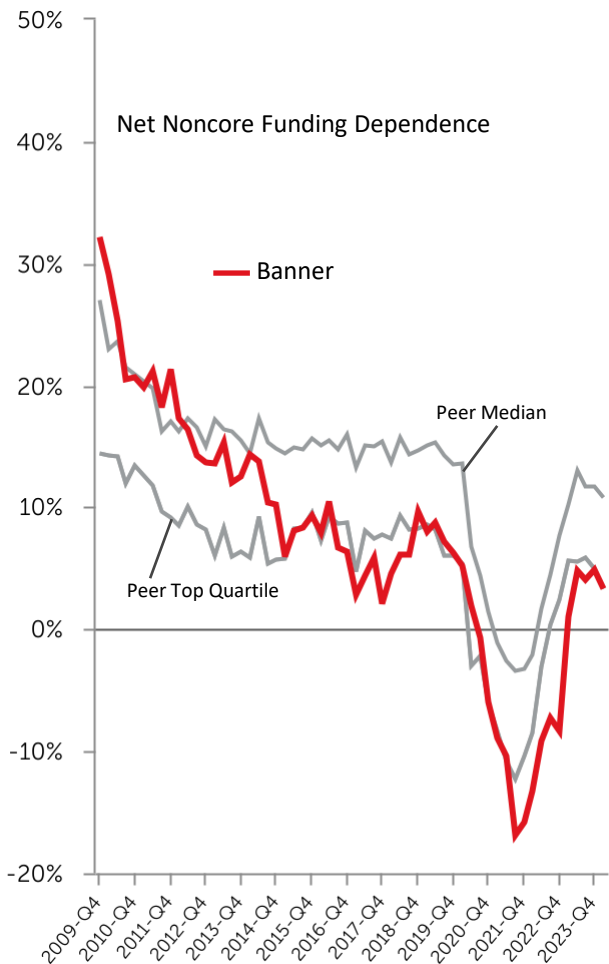


Manage deposit costs

Quarter Ending	Quarter		Last 12 Months	
	Amount	Rate	Amount	Rate
06/30/24	\$48.9M	1.50%	\$163.8M	1.25%
12/31/09	\$17.7M	1.83%	\$83.2M	2.21%



Protecting net interest margin

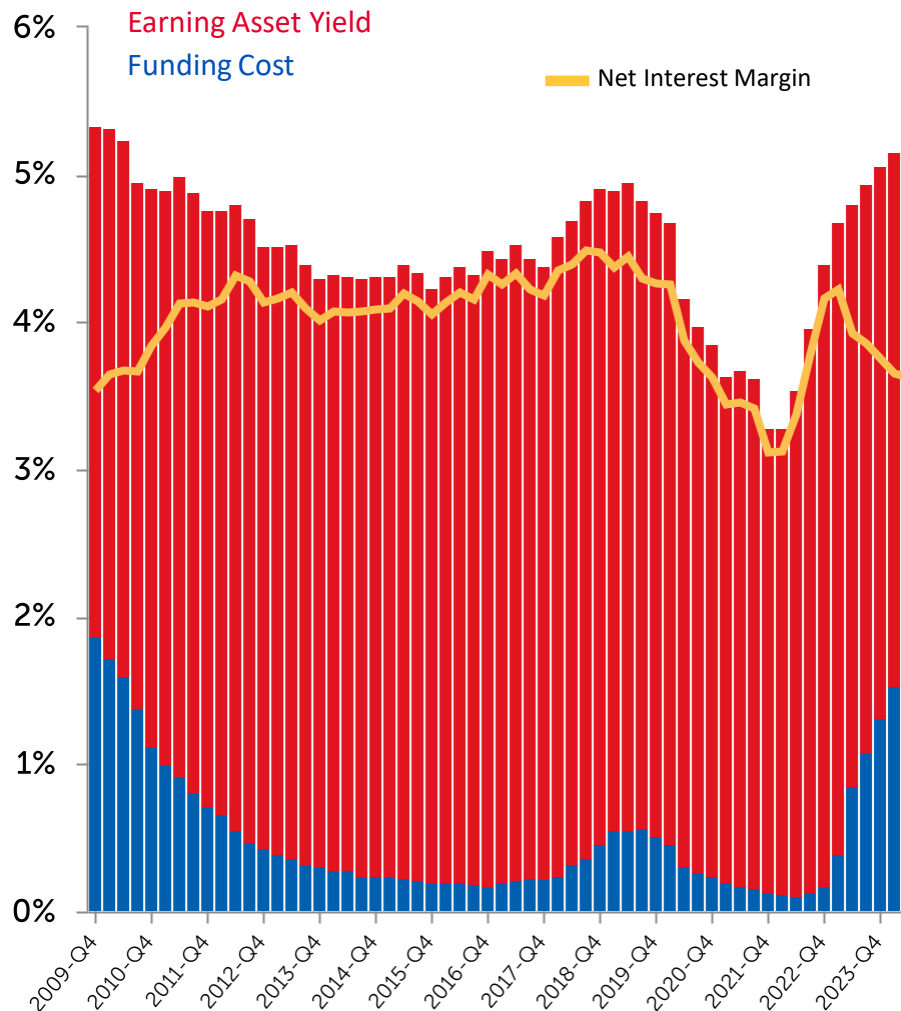
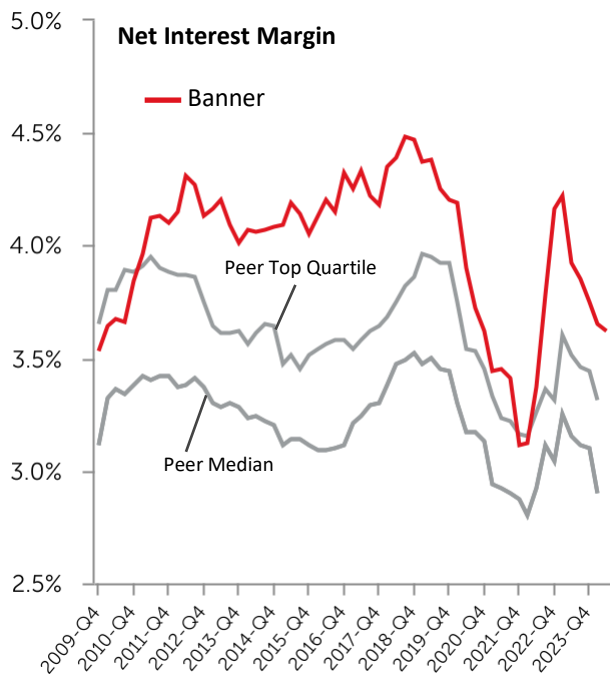


Peer source: Group 1 (\$10B and over), Bank Holding Company Performance Report (BHCPR), National Information Center, Federal Reserve System, Division of Banking Supervision and Regulation

Protecting net interest margin

Maintain top quartile net interest margin

Quarter Ending	Quarter		Last 12 Months	
	Amount	Rate	Amount	Rate
06/30/24	\$133M	3.62%	\$546M	3.72%
12/31/09	\$39M	3.53%	\$146M	3.36%



Peer source: Group 1 (\$10B and over), Bank Holding Company Performance Report (BHCP), National Information Center, Federal Reserve System, Division of Banking Supervision and Regulation

Conservative investment portfolio

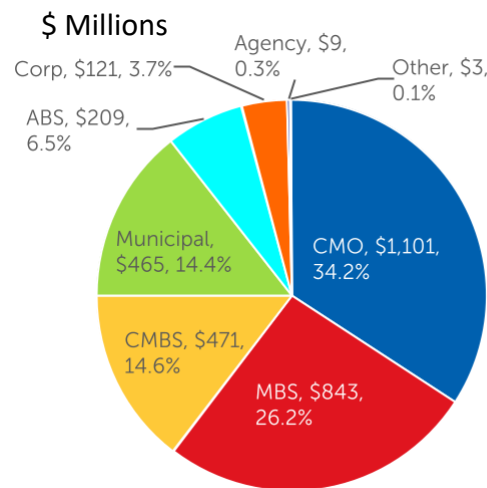


12 Month Net Interest Income Sensitivity (\$MM), % Change

	Ramp \$MM	Ramp % Change	Shock \$MM	Shock % Change
Up 200	576,603	0.1%	574,304	(0.3)%
Up 100	577,886	0.3%	580,156	0.7%
Base	575,960	0.0%	575,960	0.0%
Down 100	569,733	(1.1)%	558,863	(3.0)%
Down 200	563,957	(2.1)%	541,207	(6.0)%

Assumes flat forward balance sheet, parallel and sustained shift in market rates ratably over a 12-month period (ramp) or immediate (shock); Base as of 6/30/24

Investment Portfolio Composition (\$3.22 billion)

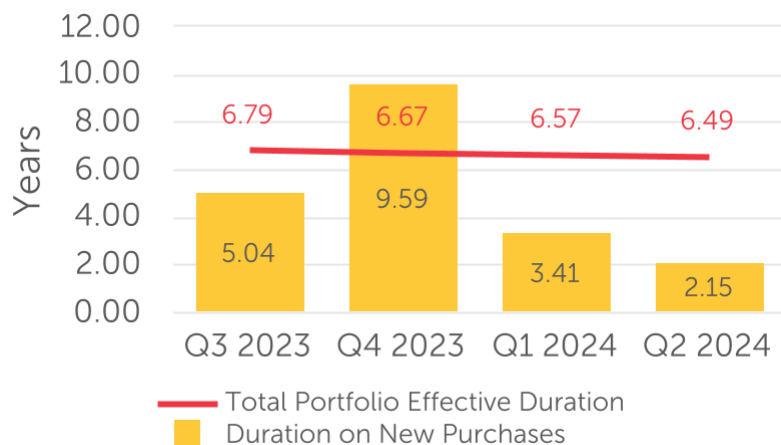


78% of investments are Agency MBS/CMO or AAA rated

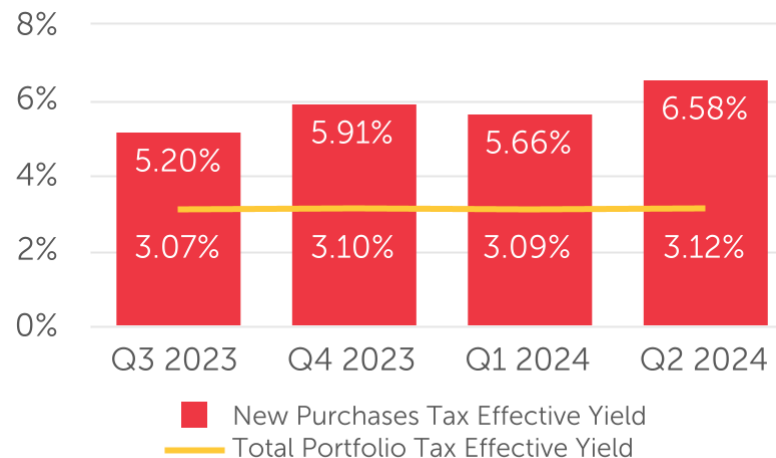
7.3% non-rated investments, principally CRA investments

Portfolio is a diversified mix of asset types and blend of fixed and floating rate instruments. It remains moderately asset sensitive.

Quarterly New Purchases: Average Duration



Quarterly New Purchases: Average Yield



Building value at Banner

Core banking competency

Growing revenue

Protecting net interest margin

Spending carefully

Maintaining a moderate risk profile

Employing capital wisely

Spending carefully

Benefit from scale

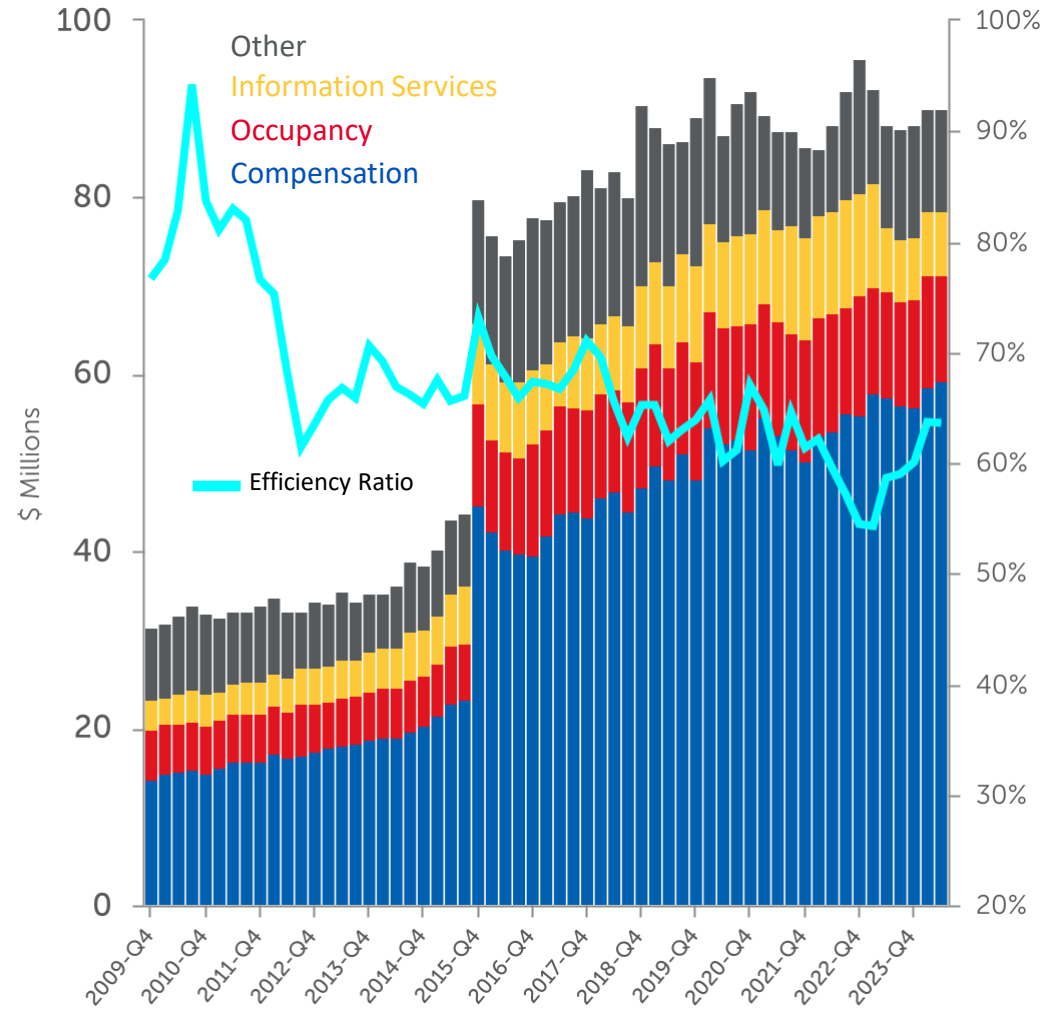
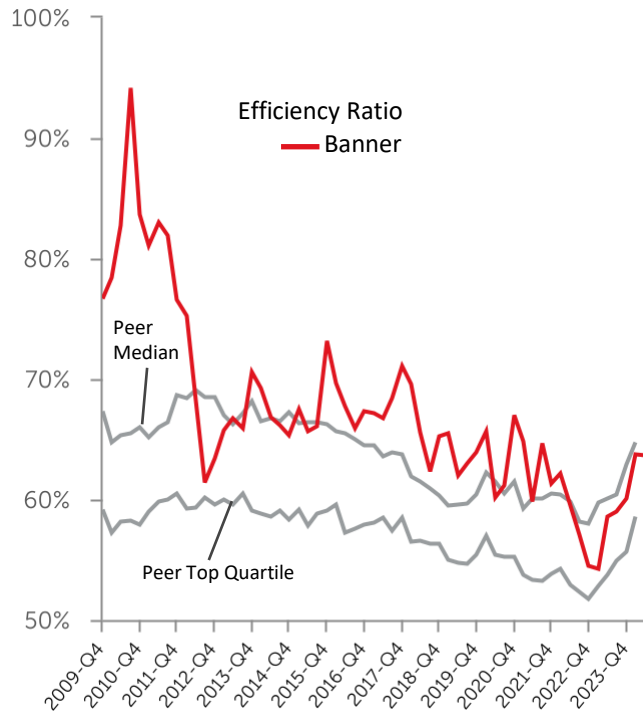
Control core operating expense

Spending carefully



Control core operating expense

Quarter Ending	Quarter Amount	Last 12 Months Amount
06/30/24	\$96M	\$379M
12/31/09	\$31M	\$132M



Peer source: Group 1 (\$10B and over), Bank Holding Company Performance Report (BHCPR), National Information Center, Federal Reserve System, Division of Banking Supervision and Regulation

Building value at Banner

Core banking competency

Growing revenue

Protecting net interest margin

Spending carefully

Maintaining a moderate risk profile

Employing capital wisely

Maintaining a moderate risk profile

Embrace effective enterprise risk management

Minimize nonperforming assets

Maintain appropriate loan loss reserve

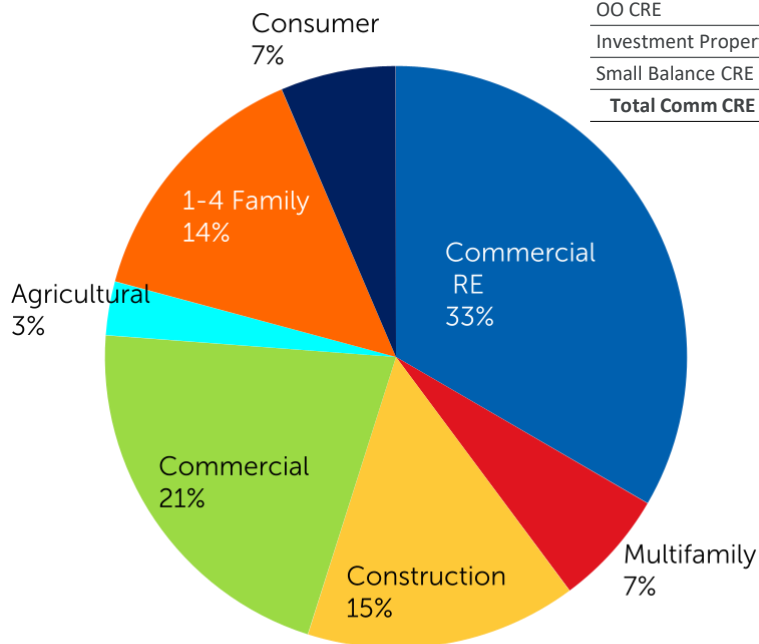
Maintain appropriate risk capital

Diversified loan portfolio



Loan Composition

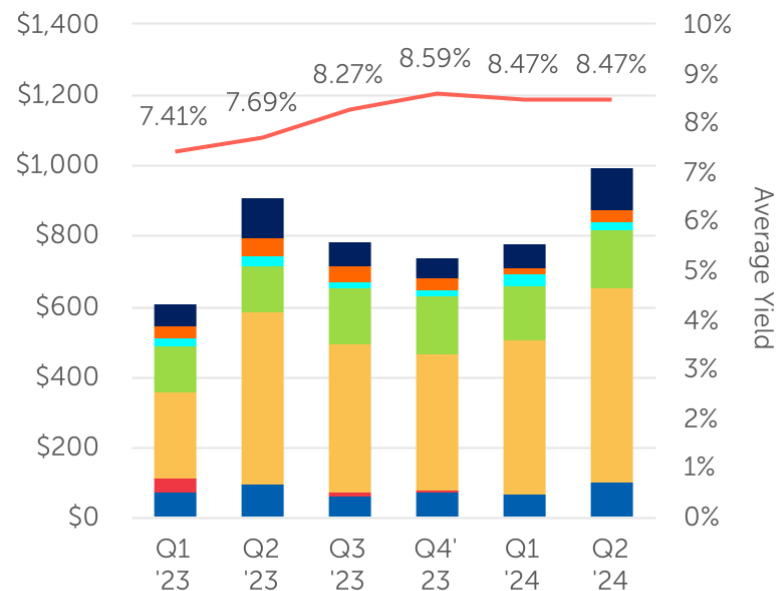
6/30/2024



CRE Breakout	\$MM	%
OO CRE	951	9 %
Investment Properties	1,536	14 %
Small Balance CRE	1,234	11 %
Total Comm CRE	3,721	33 %

Construction Breakout	\$MM	%
Commercial	173	2 %
Multifamily	664	6 %
1-4 Family	490	4 %
Land	352	3 %
Total Construction	1,680	15 %

Loan Originations (commitments, \$MM)



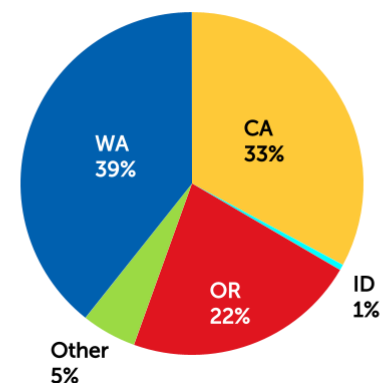
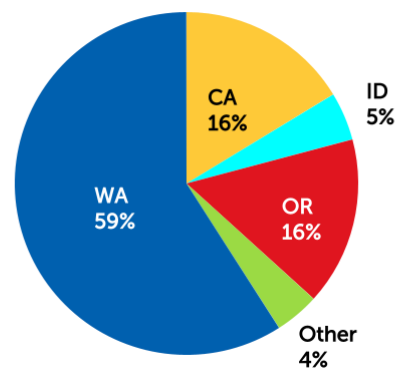
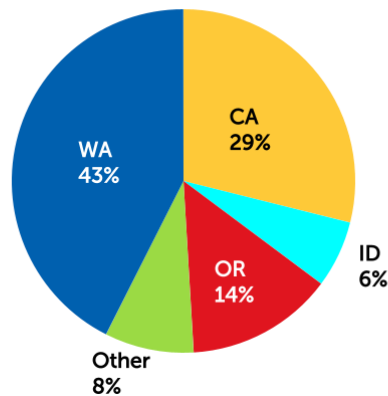
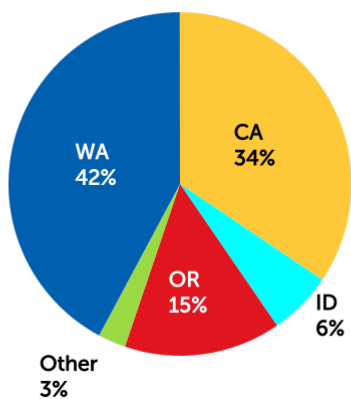
- Commercial RE
- Multifamily
- Construction
- Commercial
- Agricultural
- 1-4 Fam
- Consumer
- Avg Yield on New Loan Originations

Characteristics of highlighted loan segments

Office ¹		Retail ²		Healthcare ³		Multifamily	
Balances (\$MM)	\$630.4	Balances (\$MM)	\$1,310.7	Balances (\$MM)	\$402.9	Balances (\$MM)	\$717.1
Percent of Total Loans	5.7%	Percent of Total Loans	11.8%	Percent of Total Loans	3.6%	Percent of Total Loans	6.4%
Total Investor Office	\$289.7	Balance of Retail Loans Secured by CRE *	\$1,187.7	Balance Secured by Medical Office *	\$175.5	Total Affordable Housing	\$349.2
Total Owner Occupied	\$340.6	Average Loan Size	\$0.6	Medical Office as a % of Total Loans	1.6%	Total Market Rent/Middle Income	\$367.9
Average Loan Size	\$0.8	Average CRE Secured Loan Size	\$0.7	Average Loan Size	\$0.5	Average Loan Size	\$1.5
Largest Loan Size	\$19.0	Largest Loan Size	\$23.3	Average Medical Office Size	\$0.7	Largest Loan Size	\$18.9
30 + days Past Due	\$0.8	30 + days Past Due	\$1.8	Largest Loan Size	\$16.4	30 + days Past Due	\$0.0
Adversely Classified	\$6.7	Adversely Classified	\$6.8	30 + days Past Due	\$0.3	Adversely Classified	\$2.2
				Adversely Classified	\$0.4		

* No mall exposure

* No hospital exposure



¹ By collateral code

² Retail business loans, both commercial and commercial real estate secured loans

³ All healthcare and social services, including both commercial and commercial real estate secured loans

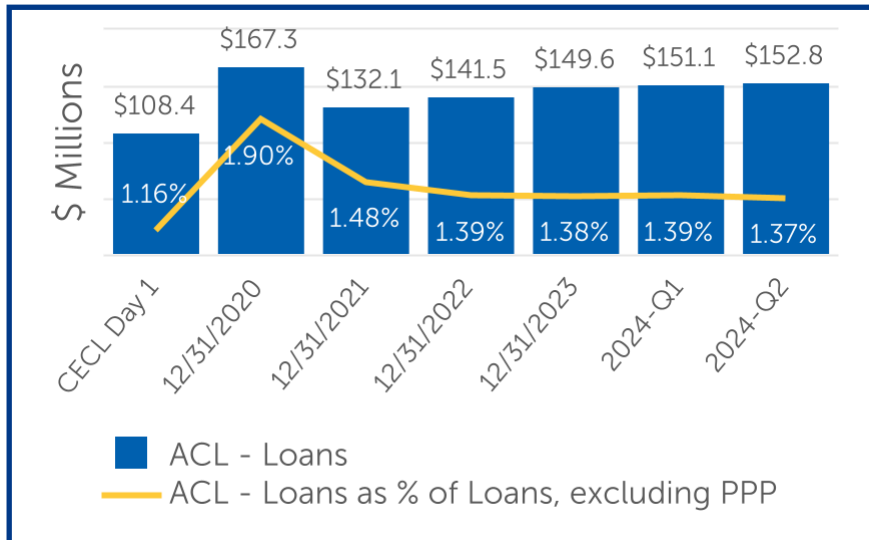
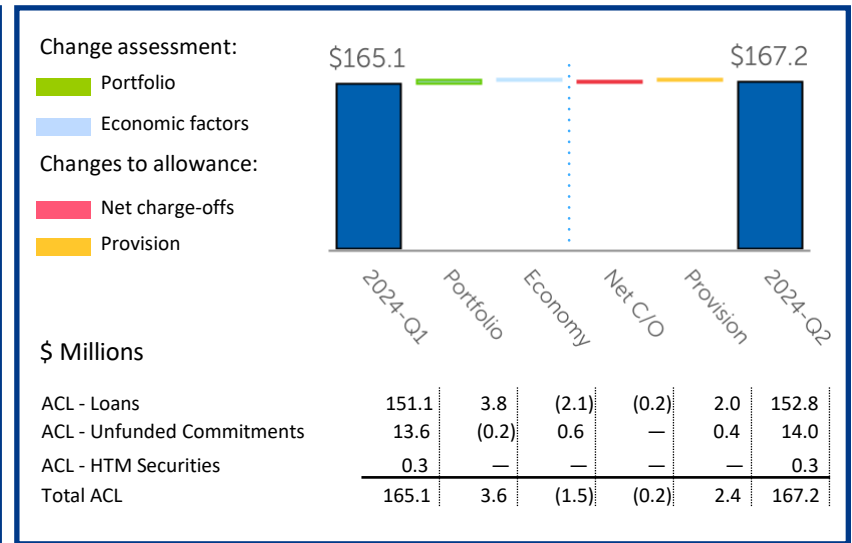
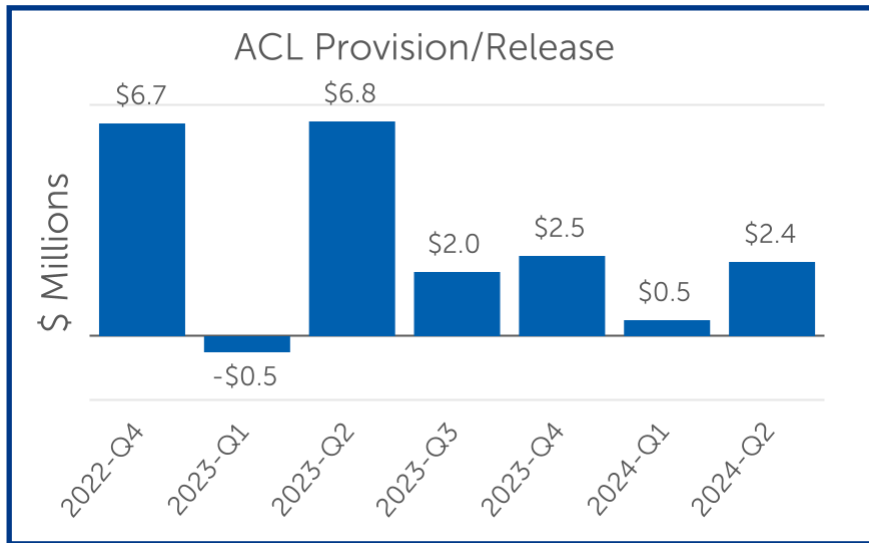
Characteristics of highlighted loan segments



Origination Year						
Portfolio Segment	Balance	% Owner Occupied	2024	2023	2022	2021 and earlier
Office	\$630.4	54%	\$13.8	\$41.2	\$79.1	\$496.4
Retail (CRE Secured)	\$1,187.7	51%	\$76.6	\$130.9	\$185.6	\$794.5
Medical Office	\$175.5	46%	\$6.7	\$9.1	\$25.5	\$134.2
Multifamily	\$717.1	0%	\$4.0	\$63.4	\$114.0	\$535.8

Scheduled Maturity or Next Reprice Date (excludes variable rate loans)						
Portfolio Segment	Balance	< 12 months	1 - 2 years	2 - 3 years	3 - 5 years	> 5 years
Office	\$630.4	\$38.0	\$81.3	\$123.8	\$165.0	\$161.7
Retail (CRE Secured)	\$1,187.7	\$116.9	\$126.8	\$192.8	\$321.7	\$228.2
Medical Office	\$175.5	\$5.6	\$23.9	\$21.3	\$39.4	\$43.0
Multifamily	\$717.1	\$11.1	\$67.3	\$144.7	\$98.3	\$342.3

Allowance for credit losses



Allocation of Allowance for Credit Losses-Loans

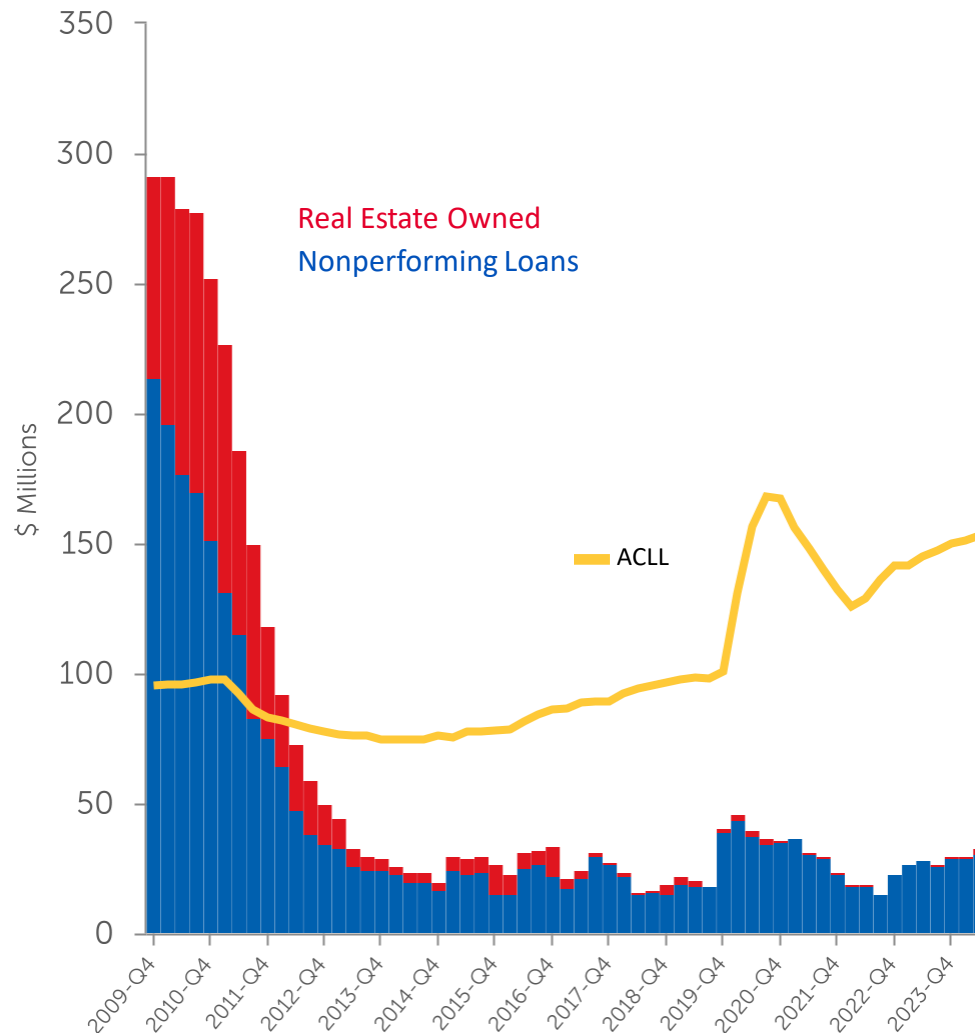
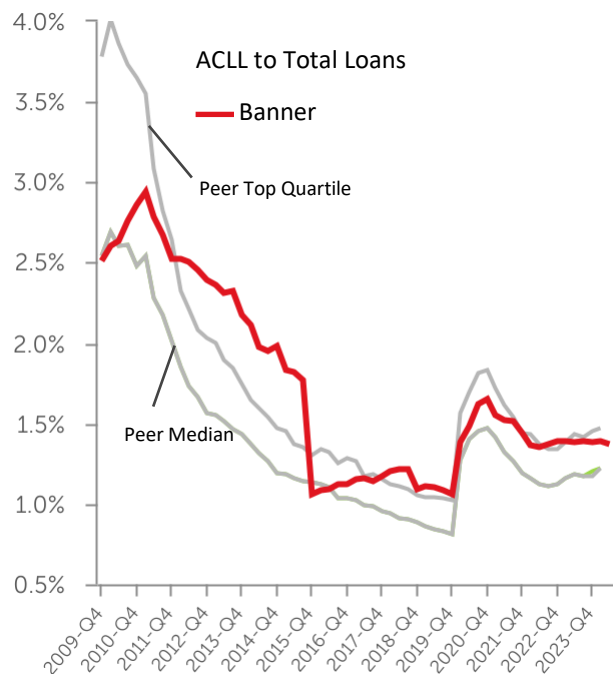
	Allowance (\$000)	% coverage	Non Performing	% Coverage NPLs
Commercial RE	39,064	1.05%	2,326	1,679%
Multifamily	8,253	1.15%	—	—%
Construction	31,597	1.88%	3,999	790%
1-4 Family	20,906	1.30%	10,045	208%
Commercial	38,835	1.64%	8,694	447%
Agricultural	4,045	1.21%	1,586	255%
Consumer	10,148	1.42%	4,072	249%
Total	152,848	1.37%	30,722	498%

Maintaining a moderate risk profile



Minimize nonperforming assets

Quarter Ending	NPAs		REO	
	Amount	% of TA	Amount	% of TA
06/30/24	\$33M	0.21%	\$3M	0.02%
12/31/09	\$292M	6.11%	\$78M	2.01%



Peer source: Group 1 (\$10B and over), Bank Holding Company Performance Report (BHCP), National Information Center, Federal Reserve System, Division of Banking Supervision and Regulation

Building value at Banner

Core banking competency

Growing revenue

Protecting net interest margin

Spending carefully

Maintaining a moderate risk profile

Employing capital wisely

Employing capital wisely

Maintain premium to tangible book value

Pay appropriate dividends

Prepare for future opportunities

Reconciliation of non-GAAP measures



\$ Thousands

	Quarters Ended		
	Jun 30, 2024	Mar 31, 2024	Jun 30, 2023
PRE-TAX PRE-PROVISION EARNINGS			
Income before provision for income taxes (GAAP)	\$ 49,248	\$ 46,389	\$ 48,771
Provision for credit losses	2,369	520	6,764
Pretax pre provision earnings (non-GAAP)	51,617	46,909	55,535
Exclude net loss/(gain) on sale of securities	562	4,903	4,527
Exclude net change in valuation of financial instruments carried at fair value	190	992	3,151
Exclude Banner Forward expenses	—	—	195
Adjusted pretax pre provision earnings (non-GAAP)	\$ 52,369	\$ 52,804	\$ 63,408

Building value at Banner



Building value for ...

Shareholders by delivering top quartile financial performance

Clients by delivering super community bank service and products

Employees by offering opportunity and reward

Communities by providing capital and staying involved
