



Banner Corporation




BANR NASDAQ

Banks

Market Capitalization USD:

\$215.07 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Mark J. Grescovich

Age: 47

CEO Since: 2010

	2009	2010	2011
Base Salary	\$425,000	\$496,154	\$600,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$9,754	\$42,626	\$69,545
TOTAL ANNUAL COMPENSATION	\$434,754	\$538,780	\$669,545
Increase in Post-Retirement Benefits	\$2,516	\$0	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$0	\$250,000	\$250,000
TOTAL COMPENSATION	\$437,270	\$788,780	\$919,545
Median of Other Named Executive Officers Total Compensation	\$391,918	\$403,211	\$476,598
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$75,458
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$0	\$75,458

Proxy Date: 21 Mar 2012

Annual Meeting Date: 24 Apr 2012

Equity Reserves: 1.97%

Stock Option Run Rate: 0.00%

Banner Corporation

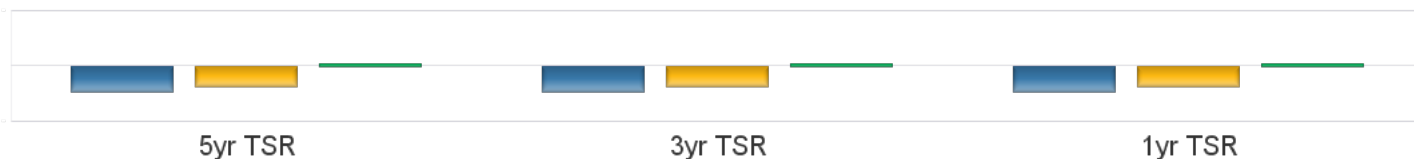
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ BANR



Peer Comparisons (TRBC) =Banks

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
BANR	Banner Corporation	\$437,270	\$788,780	\$919,545	\$215,067,111
NBTB	NBT Bancorp Inc.	\$2,299,459	\$2,990,727		\$625,525,586
HOMB	Home BancShares, Inc.	\$1,025,614	\$905,789	\$866,825	\$604,856,768
BNCL	Beneficial Mutual Bancorp, Inc.	\$955,088	\$744,482		\$601,345,769
KRNY	Kearny Financial Corp.	\$2,513,689	\$1,307,971		\$598,898,251
COLB	Columbia Banking System, Inc.	\$747,460	\$1,003,191	\$1,138,875	\$565,592,214
NFBK	Northfield Bancorp, Inc.	\$3,951,684	\$937,048		\$560,137,768

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

AmericanWest Bancorporation, Pacific Continental Corporation, Cascade Bancorp, Sterling Financial Corp., Cascade Financial Corp., Umpqua Holdings Corporation, Columbia Banking System, Washington Banking Co., First Interstate BancSystem, Washington Federal, Glacier Bancorp, Inc., West Coast Bancorp, Co Biz Financial, PacWest Bancorp, CVB Financial Corp, PremierWest Bancorp, F&M Bank of Long Beach, Westamerica Bancorporation, First State Bancorporation, Western Alliance Bancorp, Nara Bancorp, Wilshire Bancorp, Pacific Capital Bancorp

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Robert J. Lane	Chairman	66	Male	5	Outside
David A. Klaue	Member	58	Male	5	Outside

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