

BANNER CORP  
Form 4  
February 26, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**SIRMON GARY**

(Last) (First) (Middle)  
  
10 SOUTH FIRST AVE.  
  
(Street)

WALLA WALLA, WA 99362

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**BANNER CORP [BANR]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/22/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of the Board

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock, \$.01 par value per share	02/22/2007		S <sup>(1)</sup>		2,000	D	\$ 44.5002
					221,147 <sup>(2)</sup>	D	
Common Stock, \$.01 par value per share <sup>(3)</sup>	02/23/2007		A		97.942 <sup>(4)</sup>	A	\$ 44.87 <sup>(5)</sup>
					221,245 <sup>(6)</sup>	D	
Common Stock,	02/26/2007		S <sup>(1)</sup>		1,500	D	\$ 43.074
					219,745 <sup>(6)</sup>	D	

\$.01 par  
value per  
share

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SIRMON GARY 10 SOUTH FIRST AVE. WALLA WALLA, WA 99362	X			Chairman of the Board

## Signatures

/s/Gary Sirmon                      02/26/2007  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Sale pursuant to Rule 10b5-1 Trading Plan dated 7/15/06.
- (2) Includes direct ownership of 1,756 shares through IRA, 100,145 shares through Deferred Compensation Plan, 11,641 shares through Employee Stock Ownership Plan and 3,300 shares through Profit Sharing Plan.
- (3) Acquired pursuant to deferred compensation agreement; settled in stock at termination of service.

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- (4) Shares purchased directly from Banner Corporation under the Company's Dividend Reinvestment and Direct Stock Purchase Plan.
- (5) Market price on February 21, 2007 used by deferred compensation plan administrator.
- (6) Includes direct ownership of 1,756 shares through IRA, 100,243 shares through Deferred Compensation Plan, 11,641 shares through Employee Stock Ownership Plan and 3,300 shares through Profit Sharing Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.