

BANNER CORP
Form 8-K
June 07, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 7, 2006

Banner Corporation

(Exact name of registrant as specified in its charter)

Washington
State or other jurisdiction
of incorporation

0-26584
Commission
File Number

91-1691604
(I.R.S. Employer
Identification No.)

10 S. First Avenue, Walla Walla, Washington
(Address of principal executive offices)

99362
(Zip Code)

Registrant's telephone number (including area code) (509) 527-3636

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 8.01 Other Events

On June 7, 2006, Banner Corporation announced that it had reached a \$5.5 million insurance settlement relating to inappropriate activities of a former employee in 2001 and prior years. The settlement will result in a credit to other operating expense in the current quarter ending June 30, 2006.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release of Banner Corporation dated June 7, 2006.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

BANNER CORPORATION

Date: June 7, 2006

By: /s/D. Michael Jones
D. Michael Jones
President and Chief Executive Officer

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Exhibit 99.1

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CONTACT: D. MICHAEL JONES,
PRESIDENT AND CEO
LLOYD W. BAKER, CFO

News Release

BANNER CORPORATION REACHES \$5.5 MILLION SETTLEMENT IN BOND CLAIM

Walla Walla, WA - June 7, 2006 - Banner Corporation (Nasdaq: BANR), the parent company of Banner Bank, today announced that it has reached a \$5.5 million insurance settlement relating to inappropriate activities of a former employee in 2001 and prior years. The settlement will result in a credit to other operating expense in the current quarter ending June 30, 2006.

"While the circumstances leading to this settlement were reprehensible, we are pleased to bring this issue to an end," said D. Michael Jones, President and CEO.

In April, Banner reported record results for the first quarter of 2006. Net income increased 44% to \$6.8 million, or \$0.56 per diluted share, compared to \$4.7 million, or \$0.39 per diluted share, in the first quarter of 2005. Loans grew 19% to \$2.54 billion, deposits increased 21% to \$2.42 billion and assets grew 5% to \$3.12 billion from year ago levels.

About Banner Corporation

Banner Corporation is the parent of Banner Bank, a commercial bank that operates a total of 58 branch offices and twelve loan offices in 24 counties in Washington, Oregon and Idaho. Banner serves the Pacific Northwest region with 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.

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