BANNER CORP Form 4 May 18, 2007

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

Washington, D.C. 20549

January 31, Expires: 2005

Form 5 obligations STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response...

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

0.5

1(b).

(Last)

share (1)

(Print or Type Responses)

1. Name and Address of Reporting Person * LARSEN MICHAEL K

(First)

(Street)

(Ctata)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

BANNER CORP [BANR]

(Check all applicable)

3. Date of Earliest Transaction

(Month/Day/Year) 05/16/2007

Director _X__ Officer (give title below)

10% Owner _ Other (specify

10 SOUTH FIRST AVE.

Executive V.P., Banner Bank 6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

WALLA WALLA, WA 99362

(City)	(State)	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 3. 4. Securities Acquired (A) Execution Date, if Transactiom Disposed of (D) any Code (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8) (A) or Code V Amount (D) Price					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)		
Common Stock, \$.01 par value per	05/16/2007		A	205.729 (2)	A	\$ 35.425	102,178 (4)	D			

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

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Securit	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	·				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A		
									Amount		
						Date	Expiration		or		
						Exercisable	Date		Number		
				C 1 W	(A) (D)				of		
				Code V	(A) (D)				Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

LARSEN MICHAEL K 10 SOUTH FIRST AVE. WALLA WALLA, WA 99362

Executive V.P., Banner Bank

Signatures

/s/Michael K. 05/17/2007 Larsen

**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) Acquired pursuant to deferred compensation agreement; settled in stock at termination of service.
- (2) Shares purchased directly from Banner Corporation under the Company's Dividend Reinvestment and Direct Stock Purchase Plan.
- Market price on May 15, 2007 used by deferred compensation plan administrator.
- Includes direct ownership of 3,228 shares through IRA, 40,070 shares through Deferred Compensation Plan and 12,267 shares through Employee Stock Ownership plan. Also includes indirect ownership of 2,752 shares through spouse's IRA.

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.

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