BANNER CORP
Form 5
January 27, 2003

FORM 5

[ ] Check box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b)
[ ] Form 3 Holdings Reported
[ ] From 4 Transactions Reported

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

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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(f) of the Investment Company Act of 1940

OMB APPROVAL
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1. Name and Address of Reporting Person*	2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Larsen, Michael K.	Banner Corporation "BANR "		
(Last) (First) (Middle) 10 South First Avenue	3. IRS Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for Month/Year 12/02	___ Director ___ 10% Owner _X_ Officer (give title below) ___ Other (specify below) Executive Vice President
(Street) Walla Walla, WA 99362		5. If Amendment, Date of Original (Month/Year)	7. Individual or Joint/Group Reporting (check applicable line) XX Form Filed by One Reporting Person __ Form Filed by More than One Reporting Person
(City) (State) (Zip)			

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

1. Title of Security (Instr. 3)	2. Trans-action 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 Bene-ficially Owned at End of Issuer's Fiscal Year (Instr. 3 and 4)	6. Owner-ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A) or				
				Amount	(D)	Price			

*If the form is filed by more than one reporting person, see Instruction 4(b)(v). SEC 1474 (3-99)

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FORM 5 (continued) 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. Con-version or Exercise Price of Derivative Security	3. Trans-action Date (Month/ Day/Year)	3A. Deemed Execution Date, if any (Month/ Day/Year)	4. Trans-action 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 Sec-urities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Deriva-tive Se-curities Benefici-ally Owned at End of Year (Instr. 4)	10. Owner-ship of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exer-cisable	Expiration Date	Title	Amount or Number of Shares				
Phantom Stock Units	1 for 1	2/04/02		A	.69		*	*	Common Stock	.69	18.25		D	
Phantom Stock Units	1 for 1	2/15/02		A	74.4		*	*	Common Stock	74.4	20.57		D	
Phantom Stock Units	1 for 1	5/15/02		A	8.48		*	*	Common Stock	8.48	24.23		D	
Phantom Stock Units	1 for 1	8/14/02		A	8.93		*	*	Common Stock	8.93	21.42	1,314	D	

Explanation of Responses:

*Phantom Stock Units acquired pursuant to deferred compensation agreement; settled in stock at termination of service.

/s/Michael K. Larsen 1/14/03

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)

** Signature of Reporting Person Date

Note: File three copies of this Form, one of which must be manually signed.

If space provided is insufficient, see Instruction 6 for procedure

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