

FIRST INTERSTATE BANCSYSTEM INC

Form S-4/A

January 16, 2019

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As filed with the Securities and Exchange Commission on January 16, 2019

Registration No. 333-228575

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

PRE-EFFECTIVE AMENDMENT NO. 1

TO THE

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

FIRST INTERSTATE BANCSYSTEM, INC.

(Exact name of registrant as specified in its charter)

Montana
**(State or other jurisdiction of
incorporation or organization)**

6022
**(Primary Standard Industrial
Classification Code Number)**

81-0331430
(I.R.S. Employer

Identification Number)

401 North 31st Street

Billings, Montana 59101

(406) 255-5390

**(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal
Executive Offices)**

Kevin P. Riley

President and Chief Executive Officer

401 North 31st Street

Billings, Montana 59116

(406) 255-5390

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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First Interstate BancSystem, Inc.

401 North 31st Street

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Phone: (703) 883-1100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Class A Common Stock, no par value per share	492,069 shares ⁽¹⁾	N/A	\$20,481,190 ⁽²⁾	\$2,483 ⁽³⁾

- (1) Represents the estimated maximum number of shares of First Interstate BancSystem, Inc. (First Interstate) Class A common stock estimated to be issuable upon the completion of the merger of described herein. This number is based on the product of (a) the number of shares of Community 1st Bank (CMYF) common stock outstanding (including shares reserved for issuance under existing options), and (b) 0.3784, which represents the amount of First Interstate Class A common stock that CMYF stockholders will be entitled to receive in exchange for each such share of CMYF common stock, pursuant to the terms of the Agreement and Plan of Merger, dated as of October 11, 2018, by and among First Interstate, First Interstate Bank (a wholly-owned subsidiary of First

- Interstate) and CMYF, which is attached to the proxy statement/prospectus as Annex A.
- (2) The proposed maximum aggregate offering price of First Interstate's Class A common stock was calculated based upon the market value of shares of CMYF common stock in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: (i) the product of (A) \$15.75, the average of the high and low sales prices of the common stock of CMYF on November 26, 2018 and (B) 1,300,393, the estimated maximum number of shares of CMYF common stock that may be exchanged for the merger consideration (including shares reserved for issuance under existing options).
 - (3) Registration fee was previously paid.

This registration statement shall hereafter become effective in accordance with the provisions of Section 8(a) of the Securities Act of 1933.

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Information contained in this proxy statement/prospectus is subject to completion or amendment. A registration statement relating to the shares of First Interstate BancSystem, Inc. Class A common stock to be issued in the merger has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted before the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful before registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY PROXY STATEMENT/PROSPECTUS,
SUBJECT TO COMPLETION, DATED JANUARY 16, 2019**

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Community 1st Bank Shareholder:

On October 11, 2018, First Interstate BancSystem, Inc. (which we refer to as First Interstate), First Interstate Bank and Community 1st Bank (which we refer to as CMYF) entered into an Agreement and Plan of Merger (which we refer to as the merger agreement) under which CMYF will merge with and into First Interstate Bank, with First Interstate Bank remaining as the surviving entity. This transaction is referred to in this document as the merger. Before the merger can be completed, the shareholders of CMYF must approve the merger agreement.

If the merger is completed, CMYF shareholders will be entitled to receive 0.3784 shares of First Interstate Class A common stock for each share of CMYF common stock they own. The maximum number of shares of First Interstate Class A common stock estimated to be issuable upon completion of the merger is 492,069. Based on First Interstate s closing price of \$44.62 on October 11, 2018, which was the last trading date preceding the public announcement of the proposed merger, each share of CMYF common stock exchanged for 0.3784 shares of First Interstate Class A common stock would have a value of \$16.88, or approximately \$21.0 million in the aggregate. Based on First Interstate s closing price of \$37.90 on January 14, 2019, which is the most recent practicable trading day before the printing of this document, each share of CMYF common stock exchanged for 0.3784 shares of First Interstate Class A common stock would have a value of \$14.34. The common stock of First Interstate trades on the Nasdaq Global Select Market under the symbol FIBK. The Class A common stock of CMYF trades on the OTC Market s Pink Market Place under the symbol CMYF. The market price of both First Interstate Class A common stock and CMYF common stock will fluctuate before the completion of the merger. Therefore, you are urged to obtain current market quotations for First Interstate Class A common stock and CMYF common stock.

Although the number of shares of First Interstate Class A common stock that holders of CMYF common stock will be entitled to receive is fixed, the market value of the stock consideration will fluctuate with the market price of First Interstate Class A common stock and will not be known at the time CMYF shareholders vote on the merger. CMYF

has the right to terminate the merger agreement if, at any time during a five-day period commencing on the fifth day before closing, the average closing price of First Interstate Class A common stock over the 20 consecutive trading days ending on and including the fifth day before closing (1) is less than \$36.54 and (2) underperforms the KBW Regional Banking Index by more than 20% during the same time period. If CMYF elects to exercise this termination right, then First Interstate has the option to increase the exchange ratio to a level that would eliminate the ability of CMYF to exercise this termination right.

The affirmative vote of two-thirds of the outstanding shares of CMYF common stock is required to approve the merger agreement. CMYF shareholders will vote to approve the merger agreement at a special meeting of shareholders to be held at 5:30 p.m., local time, on March 27, 2019 at 707 N. Post Street, Post Falls, Idaho 83854.

CMYF's board of directors unanimously recommends that CMYF shareholders vote FOR the approval of the merger agreement.

This document contains information that you should consider in evaluating the proposed merger. **In particular, you should carefully read the section captioned Risk Factors beginning on page 13 for a discussion of certain risk factors relating to the merger. You can also obtain information about First Interstate from documents filed with the Securities and Exchange Commission.**

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As always, we appreciate your support and look forward to seeing you at the shareholders meeting and we appreciate your continued support.

/s/ David P. Bobbitt
David P. Bobbitt
Chairman and Chief Executive Officer
Community 1st Bank

The shares of First Interstate Class A common stock to be issued in the merger are not deposits or savings accounts or other obligations of any bank or savings association and are not insured by the FDIC or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this document or the First Interstate Class A common stock to be issued in the merger, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is [], 2019, and it is first being mailed or otherwise delivered to shareholders of CMYF on or about [], 2019.

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ABOUT THIS DOCUMENT

This proxy statement/prospectus, which we refer to as this document, forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (which we refer to as the SEC) by First Interstate and constitutes a prospectus of First Interstate with respect to the shares of First Interstate Class A common stock to be issued to CMYF shareholders, as required by the merger agreement. This document also constitutes a proxy statement and a notice of meeting with respect to the special meeting of shareholders of CMYF.

You should only rely on the information contained in this document. No one has been authorized to provide you with information that is different from the information contained in this document. This document is dated [], 2019. You should not assume that the information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to CMYF shareholders nor the issuance by First Interstate of its Class A common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding First Interstate has been provided by First Interstate, and the information contained in this document regarding CMYF has been provided by CMYF.

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COMMUNITY 1st BANK

707 North Post Street

Post Falls, Idaho 83854

Notice of Special Meeting of Shareholders to be held on March 27, 2019

To the Shareholders of Community 1st Bank:

Community 1st Bank (which we refer to as CMYF) will hold a special meeting of shareholders (which we refer to as the CMYF special meeting) at 5:30 p.m., local time, on March 27, 2019, at 707 N. Post Street, Post Falls, Idaho 83854, to consider and vote on the following matters:

1. a proposal to approve the merger agreement, dated as of October 11, 2018, by and among First Interstate BancSystem, Inc., First Interstate Bank and CMYF and the merger, pursuant to which CMYF will merge with and into First Interstate Bank. A copy of the merger agreement is included as Annex A to the accompanying proxy statement/prospectus; and
2. a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit the further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement (which we refer to as the CMYF adjournment proposal).

Both of these items are described in more detail in the accompanying proxy statement/prospectus and its annexes. We urge you to read these materials carefully and in their entirety. The enclosed document forms a part of this notice.

CMYF's board of directors unanimously recommends that CMYF shareholders vote FOR both of the proposals.

CMYF shareholders of record as of the close of business on January 28, 2019 are entitled to notice of, and to vote at, the CMYF special meeting and any adjournments or postponements of the CMYF special meeting.

CMYF shareholders have the right to dissent from the merger and obtain payment of the cash appraisal fair value of their CMYF shares under applicable provisions of Idaho law. A copy of the provisions regarding dissenters' rights is attached as Annex B to the accompanying proxy statement/prospectus. For details of your dissenter's rights and how to exercise them, please see the discussion under *Description of the Merger Dissenters' Rights of Appraisal*.

Your vote is very important. Your proxy is being solicited by CMYF's board of directors. For the proposed merger to be completed, the proposal to approve the merger agreement must be approved by the affirmative vote of at least two-thirds of the outstanding shares of CMYF common stock. The CMYF adjournment proposal will be approved if a majority of the votes cast on such proposal at the CMYF special meeting are voted in favor of such proposal.

Whether or not you plan to attend the CMYF special meeting, we urge you to vote. Shareholders of record may vote:

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By mail complete, sign, date and mail your proxy card in the envelope provided as soon as possible; or

In person vote your shares in person by attending the CMYF special meeting.

If you hold your stock in street name through a banker or broker, please follow the instructions on the voting instruction card furnished by the record holder.

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If you have any questions or need assistance voting your shares, please contact Jerry C. Lyon, President and Operating Officer, at (208) 457-9610.

By Order of the Board of Directors,

/s/ William R. Basom

William R. Basom

Corporate Secretary

Post Falls, Idaho

[], 2019

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REFERENCES TO AVAILABLE INFORMATION

This document incorporates important business and financial information about First Interstate from documents filed with the SEC that have not been included in or delivered with this document. You may read and copy these documents at the SEC's public reference room located at 100 F Street, NE, Washington, DC 20549. Copies of these documents also can be obtained at prescribed rates by writing to the Public Reference Section of the SEC, at 100 F Street, NE, Washington, DC 20549 or by calling 1-800-SEC-0330 for additional information on the operation of the public reference facilities. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See *Where You Can Find More Information* on page 82.

You also may request orally or in writing copies of these documents at no cost by contacting First Interstate at:

First Interstate BancSystem, Inc.

401 North 31st Street

Billings, Montana 59101

Attention: Kirk D. Jensen, General Counsel

Telephone: (406) 255-5304

If you are a CMYF shareholder and would like to request documents from First Interstate, please do so by March 20, 2019 to receive them before the CMYF special meeting.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE CMYF SPECIAL MEETING

The following are answers to certain questions that you may have regarding the merger and the CMYF special meeting. We urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference in, this document.

Q: WHY AM I RECEIVING THIS DOCUMENT?

A: You are receiving this document because you are a shareholder of CMYF as of January 28, 2019, the record date for the CMYF special meeting. This document is being used by the board of directors of CMYF to solicit proxies from the CMYF shareholders for approval of the merger agreement and related matters. This document also serves as the prospectus for shares of First Interstate Class A common stock to be issued in exchange for shares of CMYF common stock in the merger.

To approve the merger agreement, CMYF has called a special meeting of its shareholders (which we refer to as the CMYF special meeting). This document also serves as a notice of the CMYF special meeting, and describes the proposals to be presented at the CMYF special meeting.

You should read this document carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending the special meeting. **Your vote is important.** We encourage you to submit your proxy as soon as possible.

Q: WHAT AM I BEING ASKED TO VOTE ON?

A: You are being asked to vote on the approval of a merger agreement that provides for the merger of CMYF with and into First Interstate Bank. You are also being asked to vote on a proposal to adjourn the shareholders meeting to a later date or dates, if necessary, to permit the further solicitation of proxies if there are not sufficient votes at the meeting to approve the merger agreement (which we refer to as the CMYF adjournment proposal).

Q: WHAT VOTE DOES CMYF S BOARD OF DIRECTORS RECOMMEND?

A: CMYF s board of directors has determined that the proposed merger is in the best interests of CMYF shareholders, has unanimously approved the merger agreement and unanimously recommends that CMYF shareholders vote FOR the approval of the merger agreement and FOR the CMYF adjournment proposal. See the section entitled *Description of the Merger CMYF s Reasons for the Merger and Recommendation of the Board of Directors* beginning on page 30 of this document.

Q: WHAT WILL CMYF SHAREHOLDERS RECEIVE IN THE MERGER?

A: If the merger is completed, CMYF shareholders will receive 0.3784 shares of First Interstate Class A common stock (which we refer to as the merger consideration) for each share of CMYF common stock held immediately before the merger.

Q: WHAT HAPPENS IF I AM ELIGIBLE TO RECEIVE A FRACTION OF A SHARE OF FIRST INTERSTATE CLASS A COMMON STOCK AS PART OF THE MERGER CONSIDERATION?

A: First Interstate will not issue any fractional shares of First Interstate Class A common stock in the merger. If the aggregate number of shares of First Interstate Class A common stock that you are entitled to receive as part of the merger consideration includes a fraction of a share of First Interstate Class A common stock, you will receive cash instead of that fractional share. First Interstate will pay to each former CMYF shareholder who holds fractional shares an amount in cash determined by multiplying the average of the closing sale

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prices of First Interstate Class A common stock for the 20 consecutive trading days ending on and including the fifth day preceding the closing date of the merger, which we refer to as the average closing price, by the fraction of a share (rounded to the nearest cent) of First Interstate Class A common stock that such shareholder would otherwise be entitled to receive. See the section entitled *Description of the Merger Consideration to be Received in the Merger* beginning on page 27 of this document.

Q: HOW WILL THE MERGER AFFECT CMYF STOCK OPTIONS?

A: At the effective time of the merger, each outstanding CMYF stock option, whether or not vested, will be converted into the right to receive cash equal to the product of (1) the number of shares of CMYF common stock subject to the stock option and (2) the amount by which the value of the merger consideration exceeds the exercise price. For purposes of this calculation, the value of the merger consideration is the product of 0.3784 and the average closing price of First Interstate Class A common stock.

Q: FIRST INTERSTATE AND FIRST INTERSTATE BANK ARE ALSO ACQUIRING IDAHO INDEPENDENT BANK, SIMULTANEOUSLY WITH THE MERGER. WHAT IMPACT WILL THE IDAHO INDEPENDENT BANK MERGER HAVE ON FIRST INTERSTATE S AND FIRST INTERSTATE BANK S MERGER WITH CMYF?

First Interstate and First Interstate Bank entered into a merger agreement to acquire Idaho Independent Bank (IIBK) on the same date that it entered into the merger agreement with CMYF. The completion of CMYF s merger is not conditioned upon or subject to the completion of the merger with IIBK (the IIBK Merger). However, since First Interstate and First Interstate Bank will be required to obtain the necessary regulatory approvals for two transactions rather than one, it is possible that the IIBK Merger will lengthen the amount of time that would otherwise be needed to obtain all regulatory approvals of the merger if CMYF were the only banking institution being acquired by First Interstate and First Interstate Bank. See Risk Factors Risks Related to the Merger First Interstate and First Interstate Bank are also acquiring IIBK in the IIBK Merger and the conditions to completing that merger may result in delays in completing the CMYF merger, or make it more difficult or time consuming than expected for a discussion of the impact that the IIBK acquisition would have on First Interstate s and First Interstate Bank s business and operations if both the CMYF and IIBK acquisitions are completed.

Q: WHAT EQUITY STAKE WILL CMYF SHAREHOLDERS HOLD IN FIRST INTERSTATE IMMEDIATELY FOLLOWING THE MERGER?

A: Immediately following completion of the merger, CMYF shareholders will own approximately 1.2% of the outstanding shares of First Interstate Class A common stock and 0.8% of the aggregate outstanding shares of First Interstate Class A common stock and First Interstate Class B common stock, which we refer to collectively in this document as First Interstate common stock, which equates to 0.3% of the voting power of First Interstate common stock. Following the completion of the merger and taking into account the closing of the IIBK Merger, CMYF shareholders will own approximately 10.2% of the outstanding shares of First Interstate Class A common stock and 6.7% of the aggregate outstanding shares of First Interstate common stock, which equates to 2.8% of the voting power of First Interstate common stock.

Q: HOW DO CMYF SHAREHOLDERS EXCHANGE THEIR STOCK CERTIFICATES?

A: Shortly after the merger, First Interstate's exchange agent will send instructions to you on how and where to surrender your CMYF stock certificates after the merger is completed. **Please do not send your CMYF stock certificates with your proxy card.**

Q: ARE CMYF'S SHAREHOLDERS ENTITLED TO APPRAISAL RIGHTS?

A: Yes. If you vote against the merger, and take certain other actions required by Idaho law, you will have dissenter's rights under Section 26-909 of the Idaho Code. Exercise of these rights will result in the

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purchase of your shares at fair value, as determined in accordance with Idaho law. Please read the section entitled *Description of the Merger Dissenters Rights of Appraisal* on page 67 of this document and review Annex B to this document for additional information.

Q: IS COMPLETION OF THE MERGER SUBJECT TO ANY CONDITIONS BESIDES CMYF SHAREHOLDER APPROVAL?

A: Yes. The merger must receive the required regulatory approvals, and there are other customary closing conditions that must be satisfied. For more information about the conditions to the completion of the merger, see *Description of the Merger Conditions to Completing the Merger* on page 55 of this document.

Q: WHEN IS THE MERGER EXPECTED TO BE COMPLETED?

A: We will complete the merger as soon as possible. Before that happens, the merger agreement must be approved by CMYF's shareholders and we must obtain the necessary regulatory approvals, among other conditions. Assuming timely receipt of regulatory and shareholder approvals, we expect to complete the merger in the first half of 2019.

Q: ARE THERE RISKS THAT I SHOULD CONSIDER IN DECIDING WHETHER TO VOTE TO APPROVE THE MERGER AGREEMENT?

A: Yes. You should consider the risk factors set forth in the section entitled *Risk Factors* beginning on page 13 of this document.

Q: WHAT VOTE IS REQUIRED TO APPROVE THE MATTERS TO BE CONSIDERED AT THE SPECIAL MEETING?

A: The proposal to approve the merger agreement must be approved by the affirmative vote of two-thirds of the outstanding shares of CMYF common stock. Consequently, abstentions and broker non-votes will effectively act as votes AGAINST such proposal.

Approval of the CMYF adjournment proposal requires that the votes cast in favor of the proposal exceed the votes cast against. Abstentions and broker non-votes will not affect the outcome of the vote on the CMYF adjournment proposal.

Q: WHAT IS THE QUORUM REQUIREMENT FOR THE SPECIAL MEETING?

A:

The presence at the CMYF special meeting, in person or by proxy, of shareholders representing a majority of the outstanding shares of CMYF common stock will constitute a quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for determining the presence of a quorum.

Q: WHEN AND WHERE IS THE SPECIAL MEETING?

A: The CMYF special meeting is scheduled to take place at 707 N. Post Street, Post Falls, Idaho 83854, at 5:30 p.m., local time, on March 27, 2019.

Q: WHO IS ENTITLED TO VOTE AT THE SPECIAL MEETING?

A: Holders of shares of CMYF common stock at the close of business on January 28, 2019 are entitled to vote at the CMYF special meeting. As of the record date, [] shares of CMYF common stock were outstanding and entitled to vote.

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Q: IF I PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, SHOULD I STILL RETURN MY PROXY?

A: Yes. Whether or not you plan to attend the special meeting, you should promptly submit your proxy so that your shares will be voted at the special meeting. The failure of a shareholder to vote in person or by proxy will have the same effect as a vote AGAINST the merger agreement.

Q: WHAT DO I NEED TO DO NOW TO VOTE MY SHARES OF COMMON STOCK?

A: If you are a shareholder of record, you can vote your shares as follows:

by completing and returning the proxy card that is enclosed; or

by voting in person at the special meeting.

If you hold your stock in street name through a banker or broker, please refer to the specific instructions set forth on the proxy or voting instruction card.

Q: HOW CAN I CHANGE MY VOTE AFTER I HAVE SUBMITTED MY PROXY?

A: You may change your vote at any time before your proxy is voted at the special meeting by: (1) filing with the Corporate Secretary a duly executed revocation of proxy; (2) submitting a new proxy card with a later date; or (3) voting in person at the meeting (your attendance at the meeting will not by itself revoke your proxy). The CMYF Corporate Secretary's mailing address is 707 N. Post Street, Post Falls, Idaho 83854.

If you hold your shares of CMYF common stock in street name through a bank or broker, you should contact your bank or broker to change your vote or revoke your proxy.

Your last vote will be the vote that is counted.

Q: IF MY SHARES ARE HELD IN STREET NAME BY MY BROKER, BANK OR OTHER NOMINEE, WILL MY BROKER, BANK OR OTHER NOMINEE AUTOMATICALLY VOTE MY SHARES FOR ME?

A: No. Your broker, bank or other nominee will not be able to vote your shares of common stock on the proposal to approve the merger agreement or on the adjournment proposal unless you provide instructions on how to vote. Please instruct your broker, bank or other nominee how to vote your shares, following the directions that your broker, bank or other nominee provides. If you do not provide instructions to your broker, bank or other nominee, your shares will not be voted, and this will have the effect of voting AGAINST the merger agreement. Please

review the instructions from your broker, bank or other nominee to see if your broker, bank or other nominee offers telephone or internet voting.

Q: WHAT IS THE DEADLINE FOR VOTING?

A: You may vote by mail at any time before the meeting as long as your proxy is received before the time of the special meeting.

If your shares are held in street name, you must vote your shares according to the voting instruction form by the deadline set by your broker, bank or other nominee.

Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO CMYF SHAREHOLDERS?

A: It is a condition to the completion of the merger that First Interstate and CMYF receive written opinions from their respective counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to in this

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document as the Internal Revenue Code. Subject to the limitations and qualifications described in the section entitled *Description of the Merger Material U.S. Federal Income Tax Consequences of the Merger*, if you are a United States holder of CMYF common stock, generally you will not recognize any gain or loss with respect to the exchange of shares of CMYF common stock for shares of First Interstate Class A common stock in the merger. However, CMYF shareholders generally will recognize gain or loss with respect to cash received instead of fractional shares of First Interstate Class A common stock that the CMYF shareholders would otherwise be entitled to receive.

You should read *Description of the Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 49 of this document for more information about the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

Q: IF I AM AN CMYF SHAREHOLDER, SHOULD I SEND IN MY CMYF STOCK CERTIFICATES NOW?

A: No. Please do not send in your CMYF stock certificates with your proxy. Promptly following the completion of the merger, an exchange agent will send you instructions for exchanging CMYF stock certificates for the merger consideration. See *Description of the Merger Surrender of Stock Certificates* beginning on page 49.

Q: WHAT SHOULD I DO IF I HOLD MY SHARES OF CMYF COMMON STOCK IN BOOK-ENTRY FORM?

A: You are not required to take any additional actions if your shares of CMYF common stock are held in book-entry form. Promptly following the completion of the merger, shares of CMYF common stock held in book-entry form automatically will be exchanged for shares of First Interstate Class A common stock in book-entry form and cash to be paid in exchange for fractional shares, if any.

Q: WHOM MAY I CONTACT IF I CANNOT LOCATE MY CMYF STOCK CERTIFICATE(S)?

A: If you are unable to locate your original CMYF stock certificate(s), you should contact CMYF at (208) 457-9610.

Q: WHO CAN ANSWER MY OTHER QUESTIONS?

A: If you have more questions about the merger, the shareholders meeting or how to submit your proxy, or if you need additional copies of this document or a proxy card you should contact:

Jerry C. Lyon

President and Chief Operating Officer

Community 1st Bank

707 N. Post Street

Post Falls, Idaho 83854

(208) 457-9610

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SUMMARY

This summary highlights selected information in this document and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the annexes and the documents attached to or incorporated by reference into this document.

The Companies

First Interstate BancSystem, Inc.

401 North 31st Street

Billings, Montana 59101

(406) 255-5304

First Interstate, a Montana corporation, is a bank holding company headquartered in Billings, Montana. It is the parent company of First Interstate Bank, a Montana-chartered bank. First Interstate Bank is a community bank operating over 140 banking offices, including online and mobile banking services, throughout Idaho, Montana, Oregon, South Dakota, Washington, and Wyoming. First Interstate Class A common stock is listed on the Nasdaq Global Select Market under the symbol FIBK. At September 30, 2018, First Interstate had total assets of \$13.35 billion, total deposits of \$10.85 billion and shareholders' equity of \$1.65 billion.

Community 1st Bank

707 N. Post Street

Post Falls, Idaho 83854

(208) 457-9610

CMYF is an Idaho-chartered bank headquartered in Post Falls, Idaho. Established in 2007, CMYF was the first chartered community bank in Post Falls, Idaho in over 104 years. CMYF serves customers throughout North Idaho with three full-service branch locations in Post Falls and Coeur d'Alene. At September 30, 2018, CMYF had total assets of \$133.1 million, total deposits of \$118.7 million and shareholders' equity of \$13.8 million.

Pending Acquisition of Idaho Independent Bank

On October 11, 2018, First Interstate and First Interstate Bank also entered into an agreement to acquire IIBK. Pursuant to the IIBK merger agreement, IIBK will merge with and into First Interstate Bank, with First Interstate Bank as the surviving entity. The IIBK Merger was approved by the boards of directors of each of First Interstate, First Interstate Bank and IIBK and is expected to close in the first half of 2019. Completion of the IIBK Merger is subject to customary closing conditions, including receipt of required regulatory approvals and approval of IIBK's shareholders. The completion of the CMYF merger is not conditioned upon or subject to the completion of the IIBK Merger. Under the terms of the IIBK merger agreement, holders of IIBK common stock will receive 0.50 shares of First Interstate Class A common stock for each share of IIBK common stock, which equates to an aggregate transaction value of approximately \$180.5 million as of the date of the IIBK merger agreement.

At September 30, 2018, IIBK had total assets of \$742.2 million, total deposits of \$626.6 million and shareholders equity of \$72.5 million.

For additional information on the IIBK Merger, including certain pro forma financial information, see *Unaudited Comparative Pro Forma Per Share Data*.

Background of the Merger (page 27)

Increased legislative and regulatory scrutiny of the financial services industry in recent years, as well as the ongoing consolidation in the financial services industry, have affected financial institutions generally and CMYF,

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in particular. As part of its ongoing consideration and evaluation of CMYF's long-term prospects and strategies, CMYF's board of directors and management have been carefully considering all options to grow CMYF in an effort to remain competitive.

After considering CMYF's options and a number of factors including the competitive and economic environment, the board of directors determined that an acquisition by First Interstate and First Interstate Bank was CMYF's best option to realize reasonable value for CMYF's shareholders in the current banking market.

For more information about the background of the merger we recommend you read the section of this document entitled *Description of the Merger Background of the Merger*.

CMYF's Reasons for the Merger and Recommendation of the Board of Directors (page 30)

In evaluating whether to adopt the merger agreement, the CMYF board of directors determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, CMYF's shareholders. In making this determination, CMYF's directors consulted with CMYF's management and its financial and legal advisors, and considered a number of factors.

These factors are discussed under the heading *Description of the Merger CMYF's Reasons for the Merger and Recommendation of the Board of Directors*. After reviewing such factors, the CMYF board of directors unanimously determined that the merger and the transactions contemplated thereby are fair to, and in the best interests of, CMYF's shareholders and unanimously recommended and continues to recommend that CMYF's shareholders vote **FOR** the merger agreement at the CMYF special meeting.

In addition, the CMYF board of directors unanimously recommends that CMYF shareholders vote **FOR** the CMYF adjournment proposal.

Special Meeting of CMYF Shareholders; Required Vote (page 24)

The CMYF special meeting is scheduled to be held at 707 N. Post Street, Post Falls, Idaho 83854, at 5:30 p.m., local time, on March 27, 2019. At the CMYF special meeting, CMYF shareholders will be asked to vote on a proposal to approve the merger agreement by and among CMYF, First Interstate and First Interstate Bank. CMYF shareholders may also be asked to approve the CMYF adjournment proposal.

Only CMYF shareholders of record as of the close of business on January 28, 2019 are entitled to notice of, and to vote at, the CMYF special meeting and any adjournments or postponements of the meeting.

Approval of the merger agreement requires the affirmative vote of two-thirds of the outstanding shares of CMYF common stock entitled to vote. Approval of the CMYF adjournment proposal requires the affirmative vote of a majority of the votes cast by the CMYF shareholders at the CMYF special meeting. As of January 28, 2019, the record date for the CMYF special meeting, there were [] shares of CMYF common stock outstanding and entitled to vote. The directors and executive officers of CMYF, as a group, beneficially owned [] shares of CMYF common stock, not including shares that may be acquired upon the exercise of stock options, representing approximately []% of the outstanding shares of CMYF common stock as of the record date.

Each of the directors and executive officers of CMYF, solely in their individual capacity as a CMYF shareholder, have entered into a separate voting agreement with First Interstate and First Interstate Bank, pursuant to which each such CMYF director or executive officer has agreed to vote in favor of the merger agreement.

Table of Contents**The Merger and the Merger Agreement (page 27)**

The merger of CMYF with and into First Interstate Bank is governed by the merger agreement. The merger agreement provides that if all of the conditions are satisfied or waived, CMYF will be merged with and into First Interstate Bank, with First Interstate Bank as the surviving entity. **We encourage you to read the merger agreement, which is included as Annex A to this document.**

What CMYF Shareholders Will Receive in the Merger (page 27)

If the merger is completed, CMYF shareholders will receive 0.3784 shares (such number being referred to as the exchange ratio) of First Interstate Class A common stock for each share of CMYF common stock held immediately before the merger. First Interstate will not issue any fractional shares of First Interstate Class A common stock in the merger. First Interstate will pay to each former CMYF shareholder who holds fractional shares an amount in cash determined by multiplying the average of the closing sale prices of First Interstate Class A common stock for the 20 consecutive trading days ending on and including the fifth day preceding the closing date of the merger by the fraction of a share (rounded to the nearest cent) of First Interstate Class A common stock that such shareholder would otherwise be entitled to receive.

Based on First Interstate's closing price of \$44.62 on October 11, 2018, which was the last trading date preceding the public announcement of the proposed merger, each share of CMYF common stock exchanged for 0.3784 shares of First Interstate Class A common stock would have a value of \$16.88. Based on the deemed value per share to CMYF shareholders and assuming an aggregate of 1,209,591 shares of CMYF common stock outstanding and 90,802 stock options outstanding with a weighted exercise price of \$10.07 the aggregate merger consideration to holders of CMYF common stock was approximately \$21.0 million on October 11, 2018. Based on First Interstate's closing price of \$37.90 on January 14, 2019, which is the most recent practicable trading day before the printing of this document, each share of CMYF common stock exchanged for 0.3784 shares of First Interstate Class A common stock would have a value of \$14.34. The common stock of First Interstate trades on the Nasdaq Global Select Market under the symbol FIBK. The common stock of CMYF trades on the OTC Market's Pink Market Place under the symbol CMYF. The market price of both First Interstate Class A common stock and CMYF common stock will fluctuate before the completion of the merger; therefore, you are urged to obtain current market quotations for First Interstate Class A common stock and CMYF common stock.

Market Price and Share Information (page 80)

The following table shows the closing price per share of First Interstate Class A common stock, the closing price per share of CMYF common stock and the equivalent price per share of CMYF common stock, giving effect to the merger, on October 11, 2018, which is the last day on which shares of each of First Interstate Class A common stock and CMYF common stock traded preceding the public announcement of the proposed merger, and on January 14, 2019, the most recent practicable date before the mailing of this document. The implied value of one share of CMYF common stock is computed by multiplying the price of a share of First Interstate Class A common stock by the 0.3784 exchange ratio. See *Description of the Merger Consideration to be Received in the Merger*.

		Implied Value of One Share of CMYF Common Stock
First Interstate Common Stock	CMYF Common Stock	

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October 11, 2018	\$	44.62	\$	14.55	\$	16.88
January 14, 2019		37.90		14.25		14.34

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Treatment of CMYF Stock Options (page 48)

At the effective time of the merger, each option to purchase shares of CMYF common stock outstanding and unexercised immediately before the effective time of the merger, whether or not vested, will be cancelled and, upon First Interstate's receipt of an option surrender agreement from the holder, exchanged for a cash payment equal to the product of (1) the number of shares of CMYF common stock subject to the stock option multiplied by (2) the amount by which the merger consideration exceeds the exercise price of such option, less applicable withholding taxes. For purposes of this calculation, the merger consideration is the product of the exchange ratio times the average closing sales price of First Interstate Class A common stock over the 20 consecutive trading days ending on and including the fifth day before the closing date of the merger.

D.A. Davidson's Opinion to Community Bank's Board of Directors (page 32)

On October 11, 2018, the CMYF board of directors received an opinion from its financial advisor, D.A. Davidson & Co. (which we refer to as "D.A. Davidson"), to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by D.A. Davidson as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of CMYF common stock. Subsequent changes in the operations and prospects of CMYF or First Interstate, general market and economic conditions and other factors that may be beyond the control of CMYF or First Interstate may significantly alter the value of CMYF or First Interstate or the prices of CMYF common stock or First Interstate Class A common stock by the time the merger is completed. Because CMYF does not anticipate asking D.A. Davidson to update its opinion, the opinion will not address the fairness of the exchange ratio from a financial point of view at the time the merger is completed or as of any other date other than the date of such opinion.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex C to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by D.A. Davidson in preparing the opinion.

D.A. Davidson's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the CMYF board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the exchange ratio in the merger to the holders of CMYF common stock. It did not address, among other things as set forth in D.A. Davidson's opinion, the underlying business decision of the CMYF board of directors to engage in the merger or enter into the merger agreement or constitute a recommendation to the CMYF board of directors in connection with the merger, and it does not constitute a recommendation to any holder of CMYF common stock as to how to vote in connection with the merger or any other matter.

For a description of the opinion that the CMYF board of directors received from D.A. Davidson, please refer to the section entitled *Description of the Merger - D.A. Davidson's Opinion to CMYF's Board of Directors*.

Interests of Certain Persons in the Merger that are Different from Yours (page 53)

In considering the information contained in this document, you should be aware that CMYF's executive officers and directors have plans that give them financial interests in the merger that are different from, or in addition to, the interests of CMYF shareholders generally. The CMYF board of directors was aware of these interests at the time it approved the merger agreement. These interests include, among other things:

accelerated vesting and payment of all outstanding CMYF stock options; and

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the rights of CMYF officers and directors under the merger agreement to continued indemnification coverage and continued coverage under directors and officers liability insurance policies.

CMYF Shareholders Dissenters Rights (page 67)

Under Idaho law, CMYF shareholders have the right to dissent from the merger and receive cash for the fair value of their shares of CMYF common stock. A shareholder electing to dissent must strictly comply with all the procedures required by Idaho law. These procedures are described later in this document, and a copy of the relevant statutory provisions is attached as Annex B. For more information on dissenters rights, see *Description of the Merger Dissenters Rights of Appraisal*.

Regulatory Matters Relating to the Merger (page 52)

Under the terms of the merger agreement, the merger cannot be completed unless it is first approved by the Board of Governors of the Federal Reserve System, which we refer to in this document as the Federal Reserve Board, the Montana Division of Banking and Financial Institutions, which we refer to in this document as the Montana Division, and the Idaho Department of Finance, which we refer to in this document as the Idaho Department. First Interstate has received approvals from the Federal Reserve Board, the Montana Division and the Idaho Department of Finance.

Conditions to Completing the Merger (page 55)

The completion of the merger is subject to the fulfillment of a number of customary closing conditions, including:

approval of the merger agreement by CMYF shareholders;

receipt of all required regulatory approvals, consents or waivers and the expiration of all statutory waiting periods;

the absence of any order, decree, injunction, statute, rule or regulation that prevents the consummation of the merger or that makes completion of the merger illegal;

receipt of consent of all third parties whose consent is required to consummate the merger, except where failure to obtain such consent would not have a material adverse effect on First Interstate or First Interstate Bank;

effectiveness of the registration statement of which this document is a part;

authorization for listing on the Nasdaq Stock Market of the shares of First Interstate Class A common stock to be issued in the merger;

receipt by each of First Interstate and CMYF of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

subject to the materiality standards provided in the merger agreement, the continued accuracy of the representations and warranties of First Interstate and CMYF in the merger agreement;

performance in all material respects by each of First Interstate and CMYF of its respective obligations under the merger agreement, unless waived by the other party;

the absence of any material adverse effect with respect to First Interstate or First Interstate Bank, on the one hand, or CMYF, on the other hand, since the date of the merger agreement;

none of the regulatory approvals containing any materially burdensome conditions; and

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not more than 10% of the outstanding shares of CMYF common stock have exercised dissenters' rights.

Terminating the Merger Agreement (page 65)

The merger agreement may be terminated by mutual written consent of First Interstate and CMYF at any time before the completion of the merger. Additionally, subject to conditions and circumstances described in the merger agreement, either First Interstate or CMYF may terminate the merger agreement if, among other things, any of the following occur:

CMYF shareholders do not approve the merger agreement at the CMYF special meeting (in the case of CMYF terminating, only if CMYF has complied with certain obligations, including calling the CMYF special meeting and recommending that the CMYF shareholders approve the merger);

any required regulatory approval has been denied and such denial has become final and non-appealable, or a governmental authority or court has issued a final, unappealable order prohibiting consummation of the transactions contemplated by the merger agreement;

the merger has not been consummated by July 31, 2019, unless the failure to complete the merger by that time was due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements provided in the merger agreement; or

there is a breach by the other party of any covenant or agreement contained in the merger agreement, or any representation or warranty of the other party becomes untrue, in each case such that the conditions to closing would not be satisfied and such breach or untrue representation or warranty has not been or cannot be cured within 30 days after the giving of written notice to such party of such breach.

First Interstate may also terminate the merger agreement if CMYF breaches its obligations in any material respect regarding the solicitation of other acquisition proposals or submission of the merger agreement to CMYF's shareholders or if the CMYF board of directors does not publicly recommend in this document that CMYF shareholders approve the merger agreement or withdraws or revises its recommendation in a manner adverse to First Interstate.

CMYF may also terminate the merger agreement:

before adoption and approval of the merger agreement by its shareholders, to enter into an agreement with respect to a superior proposal to be acquired by a third party, but only if CMYF's board of directors has determined in good faith based on the advice of legal counsel that failure to take such action would reasonably be expected to cause the CMYF board of directors to violate its fiduciary duties and CMYF has not breached its obligations regarding the solicitation of other acquisition proposals; and

within the five-day period commencing with the fifth day before the closing date of the merger (which we refer to as the determination date), if both of the following conditions have been satisfied:

the average daily closing sale prices of a share of First Interstate Class A common stock as reported on the Nasdaq Global Select Market for the 20 consecutive trading days ending on and including the determination date is less than \$36.54 (80% of the closing sale price of First Interstate Class A common stock on the third trading date before the date of the first public announcement of the merger agreement); and

First Interstate Class A common stock underperforms the KBW Regional Banking Index by more than 20% during the same period.

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However, if CMYF chooses to exercise this termination right, First Interstate has the option, within five days of receipt of notice from CMYF, to adjust the merger consideration and prevent termination under this provision.

Termination Fee (page 66)

Under certain circumstances described in the merger agreement in connection with the termination of the merger agreement, including circumstances involving alternative acquisition proposals with respect to CMYF and changes in the recommendation of the CMYF board of directors to its shareholders, CMYF will owe First Interstate an \$808,624 termination fee. See *Description of the Merger Termination Fee* for a description of the circumstances under which the termination fee is payable. The termination fee could discourage other companies from seeking to acquire CMYF.

Accounting Treatment of the Merger (page 49)

The merger will be accounted for using the acquisition method in accordance with U.S. generally accepted accounting principles.

Comparison of Rights of Shareholders (page 73)

When the merger is completed, CMYF shareholders will receive shares of First Interstate Class A common stock and become First Interstate shareholders with their rights governed by Montana law and by First Interstate's amended and restated articles of incorporation and bylaws. The rights of CMYF shareholders will change as a result of the merger due to differences in First Interstate's and CMYF's governing documents. See *Comparison of Rights of Shareholders* for a summary of the material differences between the respective rights of CMYF shareholders and First Interstate shareholders.

Material U.S. Federal Income Tax Consequences of the Merger (page 49)

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Accordingly, U.S. holders of CMYF common stock generally will not recognize any gain or loss on the exchange of shares of CMYF common stock for shares of First Interstate Class A common stock. However, a U.S. holder of CMYF common stock generally will recognize gain or loss with respect to cash received instead of a fractional share of First Interstate Class A common stock that a U.S. holder would otherwise be entitled to receive.

This tax treatment may not apply to all CMYF shareholders. Determining the actual tax consequences of the merger to you can be complicated and will depend on your particular circumstances. CMYF shareholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each shareholder.

To review the tax consequences of the merger to CMYF shareholders in greater detail, please see the section *Description of the Merger Material U.S. Federal Income Tax Consequences of the Merger*.

Risk Factors (page 13)

You should consider all the information contained in or incorporated by reference into this document in deciding how to vote for the proposals presented in the document. In particular, you should consider the factors described under *Risk Factors*.

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RISK FACTORS

*In deciding how to vote, you should consider carefully all of the information included in this document and its annexes, all of the information incorporated by reference into the document and the risk factors identified by First Interstate with respect to First Interstate's operations included in its filings with the SEC, including First Interstate's Annual Report on Form 10-K for the year ended December 31, 2017. See *Where You Can Find More Information*. In addition, you should consider the following risk factors.*

Risks Related to the Merger

Because the price of First Interstate Class A common stock will fluctuate, CMYF shareholders cannot be certain of the market value of the merger consideration.

Upon the completion of the merger, each share of CMYF common stock outstanding immediately before the completion of the merger will be converted into the right to receive 0.3784 shares of First Interstate Class A common stock. The market value of the merger consideration may vary from the closing price of First Interstate Class A common stock on the date the execution of the merger agreement was announced, on the date that this document was mailed to CMYF shareholders, on the date of the CMYF special meeting and on the date the merger is completed. The market price of First Interstate Class A common stock may fluctuate as a result of a variety of factors, including general market and economic conditions, changes in First Interstate's business, operations and prospects, and regulatory considerations. Therefore, at the time of the CMYF special meeting, CMYF shareholders will not know or be able to calculate the market value of the First Interstate Class A common stock they will receive upon completion of the merger. For example, based on the range of closing prices of First Interstate Class A common stock during the period from October 11, 2018, the last trading day before public announcement of the merger, through January 14, 2019, the last practicable date before the date of this document, the merger consideration represented a market value ranging from a low of \$13.10 to a high of \$16.88 for each share of CMYF common stock. You should obtain current market quotations for shares of First Interstate Class A common stock and CMYF common stock. See *Market Price and Dividend Information* on page 80 for ranges of historic market prices of First Interstate Class A common stock and CMYF common stock.

The price of First Interstate Class A common stock might decrease after the merger.

Upon completion of the merger, holders of CMYF common stock will become shareholders of First Interstate. First Interstate Class A common stock could decline in value after the merger. For example, during the twelve-month period ending on January 14, 2019 (the most recent practicable date before the printing of this document), the closing price of First Interstate Class A common stock varied from a low of \$35.03 to a high of \$46.95 and ended that period at \$37.90. The market value of First Interstate Class A common stock fluctuates based upon general market conditions, First Interstate's business, operations and prospects and other factors. Further, the market price of First Interstate Class A common stock after the merger may be affected by factors different from those currently affecting the common stock of First Interstate or CMYF. The businesses of CMYF and First Interstate Bank differ and, accordingly, the results of operations of the combined company and the market price of First Interstate's shares of common stock following the merger may be affected by factors different from those currently affecting the independent results of operations and market prices of common stock of each of CMYF and First Interstate. For a discussion of the business of First Interstate, First Interstate Bank and of certain factors to consider in connection with First Interstate's business, see the documents incorporated by reference in this document and referred to under *Where You Can Find More Information* beginning on page 82.

CMYF, First Interstate Bank and First Interstate will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effects of the merger on employees and customers may have an adverse effect on CMYF, First Interstate Bank or First Interstate. These uncertainties may impair CMYF's, First Interstate Bank's or First Interstate's ability to attract, retain and motivate key personnel until the merger is completed, and could

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cause customers and others that interact with CMYF, First Interstate Bank or First Interstate to seek to change existing business relationships with CMYF, First Interstate Bank or First Interstate. Retention of certain employees by CMYF, First Interstate Bank or First Interstate may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with the combined company. If key employees depart because of issues relating to the uncertainty and difficulty of integration, or a desire not to remain with CMYF or First Interstate, CMYF's business or First Interstate's business could be harmed. In addition, subject to certain exceptions, CMYF has agreed to operate its business in the ordinary course before closing, which may prevent it from pursuing certain growth opportunities. See *Description of the Merger Conduct of Business Before the Merger* for a description of the restrictive covenants applicable to CMYF, First Interstate and First Interstate Bank.

Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of First Interstate, First Interstate Bank and CMYF.

There can be no assurance that the merger will be completed. If the merger is not completed, the ongoing businesses of First Interstate, First Interstate Bank and CMYF may be adversely affected and First Interstate, First Interstate Bank and CMYF will be subject to a number of risks, including the following:

First Interstate and CMYF will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor, proxy solicitation and printing fees;

under the merger agreement, First Interstate, First Interstate Bank and CMYF are subject to certain restrictions on the conduct of their respective businesses before completing the merger, which may adversely affect their ability to execute certain of its business strategies if the merger is terminated; and

matters relating to the merger may require substantial commitments of time and resources by First Interstate, First Interstate Bank and CMYF management, which could otherwise have been devoted to other opportunities that may have been beneficial to First Interstate, First Interstate Bank and CMYF as independent companies.

In addition, if the merger is not completed, First Interstate, First Interstate Bank and/or CMYF may experience negative reactions from the financial markets and from their respective customers and employees. First Interstate, First Interstate Bank and/or CMYF also could be subject to litigation related to any failure to complete the merger or to proceedings commenced by First Interstate and First Interstate Bank on the one hand, or CMYF on the other hand, against the other seeking damages or to compel the other to perform its obligations under the merger agreement. These factors and similar risks could have an adverse effect on the results of operation, business and stock prices of First Interstate, First Interstate Bank and CMYF.

First Interstate and First Interstate Bank may be unable to successfully integrate CMYF's operations or retain CMYF's employees, which could adversely affect the combined company.

The merger involves the integration of two banks that have previously operated independently. The difficulties of combining the operations of the two banks include, among other things: integrating personnel with diverse business backgrounds; combining different corporate cultures; and retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the business and the loss of key personnel. The integration of the two banks will substantially benefit from the experience and expertise of certain key employees of CMYF who are expected to be retained by First Interstate Bank. First Interstate Bank may not be successful in retaining these employees for the time period necessary to successfully integrate CMYF's operations with those of First Interstate Bank. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business and results of operations of First Interstate Bank following the merger.

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Additionally, First Interstate and First Interstate Bank may not be able to successfully achieve the level of cost savings, revenue enhancements and other synergies that it expects, and may not be able to capitalize upon the existing customer relationships of CMYF to the extent anticipated, or it may take longer, or be more difficult or expensive than expected, to achieve these goals. These matters could have an adverse effect on First Interstate's business, results of operation and stock price.

First Interstate and First Interstate Bank are also acquiring IIBK in the IIBK Merger and the conditions to completing that merger may result in delays in completing the CMYF merger, or make it more difficult or time consuming than expected.

First Interstate and First Interstate Bank announced the proposed acquisition of IIBK in the IIBK Merger on the same date as the CMYF merger. The IIBK Merger is subject to customary closing conditions, including receipt of regulatory approvals for the IIBK Merger, as well as the approval of the shareholders of IIBK. The preparation and filing of regulatory applications, and a separate prospectus/proxy statement, as well as planning the integration of CMYF at the same time as obtaining the regulatory approvals and planning the integration of CMYF is time consuming and could divert management attention and resources away from the CMYF merger. It is possible that because of the complexities involved in acquiring two financial institutions simultaneously, First Interstate and First Interstate Bank could experience delays in regulatory approval. This could result in the merger process taking longer than anticipated, which could be costly to First Interstate, First Interstate Bank and CMYF, disrupt First Interstate's or CMYF's ongoing businesses relationships with their respective clients, customers, depositors and employees or result in a failure to achieve the anticipated benefits of the CMYF merger.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire CMYF.

Until the completion of the merger, with some exceptions, CMYF is prohibited from soliciting, initiating, encouraging or participating in any discussion of or otherwise considering any inquiry or proposal that may lead to an acquisition proposal, such as a merger or other business combination transactions, with any person other than First Interstate and First Interstate Bank. In addition, CMYF has agreed to pay an \$808,624 termination fee to First Interstate in specified circumstances. These provisions could discourage other companies that may have an interest in acquiring CMYF from considering or proposing such an acquisition even though those other companies might be willing to offer greater value to CMYF's shareholders than First Interstate has offered in the merger. The payment of the termination fee would also have a material adverse effect on CMYF's financial condition and results of operations.

Certain of CMYF's directors and officers have interests that are different from, or in addition to, interests of CMYF shareholders generally.

Certain executive officers and directors of CMYF have interests in the merger that are different from, or in addition to, the interests of CMYF shareholders generally. These include: (1) a cash payment in connection with the termination of all outstanding CMYF stock options; and (2) provisions in the merger agreement relating to indemnification of directors and officers and insurance for directors and officers of CMYF for events occurring before the merger. For a more detailed discussion of these interests, see *Description of the Merger Interests of Certain Persons in the Merger that are Different from Yours* beginning on page 53.

Both First Interstate and CMYF shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined organization.

First Interstate shareholders and CMYF shareholders each currently have the right to vote in the election of their respective board of directors and on various other matters affecting their respective company. Upon the completion of the merger, CMYF's shareholders will become shareholders of First Interstate with a percentage ownership of the combined organization that is substantially smaller than such shareholders' percentage.

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ownership of CMYF. Following completion of the merger, CMYF shareholders will own approximately 10.2% of the outstanding shares of First Interstate Class A common stock and 6.7% of the aggregate outstanding shares of the First Interstate common stock, which equates to 2.8% of the voting power of First Interstate common stock. Additionally, upon the completion of the IIBK Merger, CMYF's shareholders percentage ownership of First Interstate will further decrease.

The reduced voting power of CMYF shareholders is further effected by the two classes of common stock that First Interstate maintains. First Interstate Class B common stock is entitled to five votes per share, while shares of First Interstate Class A common stock, which is what will be issued to CMYF shareholders, are entitled to one vote per share. As of January 14, 2019, members of the Scott family held 21,285,014 shares of First Interstate Class B common stock and, therefore, controlled in excess of 71% of the voting power of First Interstate's outstanding common stock. As a result, the Scott family will be able to exert a significant degree of influence or actual control over First Interstate's management and affairs and over matters requiring shareholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of First Interstate's assets and any other significant transaction. This concentrated control will limit CMYF shareholders' future ability to influence corporate matters, and the interests of the Scott family may not always coincide with First Interstate's interests or your interests.

The fairness opinion to the board of directors CMYF rendered on the date of the signing of the merger agreement does not reflect any changes in circumstances after the date of such fairness opinions.

D.A. Davidson delivered to the board of directors of CMYF its opinion on October 11, 2018. The opinion does not reflect changes that may occur or may have occurred after the date of such opinion, including changes to the operations and prospects of First Interstate or CMYF, changes in general market and economic conditions or regulatory or other factors that may materially alter or affect the value of First Interstate Class A common stock or CMYF common stock. The opinion speaks only as of the date on which it was rendered and not as of the date of this document or any other date.

There is no assurance when or even if the merger will be completed.

Completion of the merger is subject to satisfaction or waiver of a number of conditions. See *Description of the Merger Conditions to Completing the Merger* beginning on page 55. There can be no assurance that First Interstate, First Interstate Bank and CMYF will be able to satisfy the closing conditions or that closing conditions beyond their control will be satisfied or waived.

First Interstate and CMYF can agree at any time to terminate the merger agreement, even if CMYF shareholders have already voted to approve the merger agreement. First Interstate and CMYF can also terminate the merger agreement under other specified circumstances.

Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, First Interstate, First Interstate Bank and CMYF must obtain approvals from the Federal Reserve Board, the Montana Division and the Idaho Department, which approvals have been received. Other approvals, waivers or consents from regulators may also be required. In determining whether to grant these approvals the regulators consider a variety of factors, including the regulatory standing of each party. An adverse development in either party's regulatory standing or other factors could result in an inability to obtain approval or delay their receipt. These regulators may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or

imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger.

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The shares of First Interstate Class A common stock to be received by CMYF shareholders as a result of the merger will have different rights from the shares of CMYF common stock.

Upon completion of the merger, CMYF shareholders will become First Interstate shareholders. Their rights as shareholders Class A common stock will be governed by Montana corporate law and the amended and restated articles of incorporation and bylaws of First Interstate. The rights associated with CMYF common stock are governed by Idaho law and the articles of incorporation and bylaws of CMYF and are different from the rights associated with First Interstate Class A common stock. See the section of this document entitled *Comparison of Rights of Shareholders* beginning on page 73 for a discussion of the different rights associated with First Interstate Class A common stock.

Goodwill incurred in the merger may negatively affect First Interstate's financial condition.

To the extent that the merger consideration, consisting of shares of First Interstate Class A common stock to be issued in the merger, cash paid for fractional shares and cash paid to terminate CMYF options, exceeds the fair value of the net assets acquired in the merger, including identifiable intangibles of CMYF, that amount will be reported as goodwill by First Interstate. In accordance with current accounting guidance, goodwill will not be amortized but will be evaluated for impairment annually. A failure to realize expected benefits of the merger could adversely impact the carrying value of the goodwill recognized in the merger, and in turn negatively affect First Interstate's financial condition.

Risks Relating to First Interstate's Business

You should read and consider risk factors specific to First Interstate's business that will also affect the combined company after the merger. These risks are described in the sections entitled *Risk Factors* in First Interstate's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in other documents incorporated by reference into this document. Please see the section entitled *Where You Can Find More Information* beginning on page 82 of this document for the location of information incorporated by reference into this document.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this document are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving First Interstate's or CMYF's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as believe, expect, anticipate, intend, target, estimate, continue, projections, potential, by future conditional verbs such as will, would, should, could or may, or by variations of such words or similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results of First Interstate, CMYF or the combined entity following the merger, the combined entity's plans, objectives, expectations and intentions, cost savings and/or revenue enhancements to be achieved in the merger, the expected timing of the completion of the merger, financing plans and the availability of capital, the likelihood of success and impact of litigation and other statements that are not historical facts. These statements are only predictions based on First Interstate's and CMYF's current expectations and projections about future events. There are important factors that could cause First Interstate's and CMYF's actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties described in the section entitled *Risk Factors* beginning on page 13.

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties that change over time. In addition to factors previously disclosed in First Interstate's reports filed with the SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements:

the inability to close the merger in a timely manner, in particular due to First Interstate's and First Interstate Bank's efforts to simultaneously acquire IIBK;

the failure of CMYF shareholders to approve the merger agreement;

the failure to obtain applicable regulatory approvals and meet other closing conditions to the merger on the expected terms and schedule;

the potential impact of announcement or consummation of the proposed merger with CMYF on relationships with third parties, including customers, employees, and competitors;

business disruption following the merger;

difficulties and delays in integrating the First Interstate and CMYF businesses or fully realizing cost savings and other benefits;

First Interstate's potential exposure to unknown or contingent liabilities of CMYF;

the challenges of integrating, retaining, and hiring key personnel;

the failure to attract new customers and retain existing customers in the manner anticipated;

the outcome of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future, including litigation related to the merger;

any interruption or breach of security resulting in failures or disruptions in customer account management, general ledger, deposit, loan, or other systems;

changes in First Interstate's stock price before closing;

operational issues stemming from, and/or capital spending necessitated by, the potential need to adapt to industry changes in information technology systems, on which First Interstate and CMYF are highly dependent;

changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, and other changes pertaining to banking, securities, taxation, rent

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regulation and housing, financial accounting and reporting, environmental protection, and insurance, and the ability to comply with such changes in a timely manner;

changes in the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Department of the Treasury and the Federal Reserve Board;

changes in interest rates, which may affect First Interstate's or CMYF's net income, prepayment penalty income, mortgage banking income, and other future cash flows, or the market value of First Interstate's or CMYF's assets, including its investment securities;

changes to the federal tax code;

the imposition of tariffs or other domestic or international governmental policies impacting the value of the agricultural or other products of the borrowers of First Interstate or CMYF;

changes in accounting principles, policies, practices, or guidelines;

changes in First Interstate's credit ratings or in First Interstate's ability to access the capital markets;

natural disasters, war, or terrorist activities; and

other economic, competitive, governmental, regulatory, technological, and geopolitical factors affecting First Interstate's or CMYF's operations, pricing, and services.

Additionally, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond First Interstate's or CMYF's control.

Annualized, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

For any forward-looking statements made in this document or in any documents incorporated by reference into this document, First Interstate and CMYF claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of the applicable document incorporated by reference in this document. Except to the extent required by applicable law, neither First Interstate nor CMYF undertake to update forward-looking statements to reflect facts, circumstances, assumptions, or events that occur after the date the forward-looking statements are made. All written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to First Interstate, CMYF, or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document.

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The following tables present selected historical financial information for First Interstate and for CMYF at and for the dates indicated. The following information is only a summary and not necessarily indicative of the results of future operations of First Interstate, CMYF or the combined company. The summary financial information for First Interstate is derived from prior filings made with the SEC, which are incorporated by reference into this document. The financial information for First Interstate at December 31, 2017 and 2016 and for the three years ended December 31, 2017 should be read in connection with the audited consolidated financial statements and related notes thereto included in its Annual Report on Form 10-K for the year ended December 31, 2017. The financial information for First Interstate for the nine months ended September 30, 2018 and 2017 should be read in connection with the unaudited financial statements and notes thereto included in its Quarterly Report on Form 10-Q for the period ended September 30, 2018. The results of operations for the nine months ended September 30, 2018 are not necessarily indicative of the operating results for the year ending December 31, 2018 or for any other period. See *Where You Can Find More Information* on page 82.

Selected Consolidated Historical Financial Data of First Interstate

	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(Dollars in thousands, except per share amounts)						
FINANCIAL CONDITION DATA							
Total assets	\$ 13,355,799	\$ 12,206,473	\$ 12,213,255	\$ 9,063,895	\$ 8,728,196	\$ 8,609,936	\$ 7,564,651
Cash and cash equivalents	965,049	882,834	758,986	782,023	780,457	798,670	534,827
Investment securities	2,576,634	2,617,682	2,693,206	2,124,468	2,057,505	2,287,110	2,151,543
Net loans	8,444,328	7,477,544	7,542,208	5,402,330	5,169,379	4,823,243	4,259,514
Securities sold under repurchase agreements	635,884	635,289	642,961	537,556	510,635	502,250	457,437
Deposits	10,845,561	9,933,467	9,934,871	7,376,110	7,088,937	7,006,212	6,133,750
Long-term debt	22,432	28,039	13,126	27,970	27,885	38,067	36,917
Subordinated debentures	86,865	82,477	82,477	82,477	82,477	82,477	82,477
Total shareholders equity	1,654,432	1,419,410	1,427,616	982,593	950,493	908,924	801,581
OPERATING DATA							
	\$ 313,607	\$ 249,007	\$ 349,843	\$ 279,765	\$ 264,363	\$ 248,461	\$ 236,967

Net interest income							
Provision (credit) for loan losses	7,037	7,528	11,053	9,991	6,822	(6,622)	(6,125)
Non-interest income	109,109	104,561	141,753	136,496	121,515	111,835	113,024
Non-interest expense	261,463	238,748	323,821	261,011	248,599	236,435	220,724
Income tax expense	34,378	35,039	50,201	49,623	43,662	45,214	46,566
Net income	119,838	72,253	106,521	95,636	86,795	84,401	86,136
COMMON SHARE DATA							
Basic earnings per share	\$ 2.10	\$ 1.46	\$ 2.07	\$ 2.15	\$ 1.92	\$ 1.89	\$ 1.98
Diluted earnings per share	2.09	1.45	2.05	2.13	1.90	1.87	1.96
Dividends per share	0.84	0.72	0.96	0.88	0.80	0.64	0.41
Book value per share ⁽¹⁾	27.30	25.14	25.28	21.87	20.92	19.85	18.15
Outstanding shares (basic)	56,951,029	49,514,818	51,429,366	44,511,774	45,184,091	44,615,060	43,566,681
Outstanding shares (diluted)	57,330,027	50,000,882	51,903,209	44,910,396	45,646,418	45,210,561	44,044,602

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	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
KEY OPERATING RATIOS							
Return on average assets	1.30%	0.93%	0.98%	1.10%	1.02%	1.06%	1.16%
Return on average common equity	10.79	8.18	8.57	9.93	9.37	9.86	11.05
Interest rate spread	3.70	3.51	3.54	3.50	3.39	3.41	3.44
Net interest margin ⁽²⁾	3.84	3.61	3.64	3.57	3.46	3.49	3.54
Average shareholders equity to average assets	12.02	11.36	11.45	11.04	10.87	10.77	10.49
Dividend payout ratio ⁽³⁾	39.93	49.31	46.38	40.93	41.65	33.83	20.71
Efficiency ratio ⁽⁴⁾	60.58	66.52	64.77	61.88	63.55	65.24	63.43
Allowance for loan losses to total loans	0.86	0.99	0.95	1.39	1.46	1.52	1.96
Non-performing loans to total loans ⁽⁵⁾	0.78	1.06	0.95	1.40	1.37	1.32	2.22
Non-performing assets to total assets ⁽⁶⁾	0.63	0.74	0.68	0.96	0.90	0.91	1.48
Allowance for loan losses to non-performing loans	110.84	93.02	99.40	99.52	106.71	114.58	88.28
Net charge-offs to average loans	0.09	0.19	0.23	0.20	0.08	0.10	0.21
CAPITAL RATIOS							
Total risk-based capital ratio	12.76	12.76	12.76	15.13	15.36	16.15	16.75
Tier 1 risk-based capital ratio	12.01	11.90	11.93	13.89	13.99	14.52	14.93
Leverage ratio	9.73	8.71	8.86	10.11	10.12	9.61	10.08
Common equity tier 1 risk-based	11.15	11.02	11.04	12.65	12.69	13.08	13.31

(1) Book value equals common shareholders equity per share.

(2) Net interest margin is presented on a fully taxable equivalent basis.

(3) Dividend payout ratio represents dividends per common share divided by basic earnings per common share.

(4) Efficiency ratio represents non-interest expense less amortization of intangible assets, divided by the aggregate of net interest income and non-interest income.

(5) Non-performing loans include non-accrual loans and loans past due 90 days or more and still accruing interest.

(6) Non-performing assets include non-accrual loans, loans past due 90 days or more and still accruing interest and other real estate owned.

Table of Contents**Selected Historical Financial Data of CMYF**

	At or For the Nine Months Ended September 30,		At or For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(Dollars in thousands, except per share amounts)							
FINANCIAL CONDITION DATA							
Total assets	\$ 133,111	\$ 123,872	\$ 123,123	\$ 103,437	\$ 96,762	\$ 93,697	\$ 85,681
Cash and cash equivalents	36,343	27,485	29,267	18,727	17,593	23,305	21,311
Investment securities	15,523	15,918	15,730	16,413	14,013	11,746	10,355
Net loans	78,250	77,574	75,199	65,556	63,747	57,007	51,730
Deposits	118,707	110,681	109,716	91,526	85,415	82,954	75,699
Total shareholders equity	13,761	12,729	12,964	11,730	11,133	10,540	9,809
OPERATING DATA							
Net interest income	\$ 3,744	\$ 3,182	\$ 4,392	\$ 3,786	\$ 3,513	\$ 3,071	\$ 2,801
Provision for loan losses	147	99	151	87	33	31	124
Non-interest income	272	245	329	285	294	305	297
Non-interest expense	2,707	2,590	3,441	3,102	2,927	2,688	2,620
Income tax expense (benefit)	282	234	370	280	271	(156)	(121)
Net income	880	504	759	603	577	657	354
COMMON SHARE DATA							
Basic earnings per share	\$ 0.97	\$ 0.57	\$ 0.64	\$ 0.52	\$ 0.50	\$ 0.57	\$ 0.31
Diluted earnings per share	0.90	0.53	0.60	0.47	0.46	0.52	0.30
Dividends per share							
Book value per share ⁽¹⁾	11.38	10.52	10.72	10.10	9.59	9.09	8.46
	1,209,591	1,209,591	1,209,591	1,161,368	1,160,668	1,160,118	1,160,118

Outstanding shares (basic)							
Outstanding shares (diluted)	1,300,393	1,228,345	1,250,920	1,289,017	1,275,803	1,275,881	1,182,719
KEY OPERATING RATIOS							
Return on average assets	0.91%	0.58%	0.64%	0.58%	0.60%	0.73%	0.43%
Return on average common equity	8.80	5.55	6.18	5.25	5.33	6.46	3.66
Interest rate spread	3.82	3.72	3.74	3.65	3.62	3.35	3.36
Net interest margin	3.99	3.85	3.88	3.80	3.77	3.56	3.57
Average shareholders equity to average assets	10.36	10.61	10.59	11.09	11.34	11.33	11.82
Dividend payout ratio							
Efficiency ratio ⁽²⁾	66.89	74.15	71.58	74.58	75.19	82.88	87.07
Allowance for loan losses to total loans	1.49	1.25	1.36	1.33	1.74	1.88	2.03
Non-performing loans to total loans ⁽³⁾				0.18		0.17	0.09
Non-performing assets to total assets ⁽⁴⁾					0.13	0.20	0.93
Allowance for loan losses to non-performing loans				7.23		10.83	23.33
Net (recoveries) charge-offs to average loans			(0.01)	0.53		0.02	0.04
CAPITAL RATIOS							
Total risk-based capital ratio	18.30	17.17	17.01	18.91	18.38	18.64	18.74
Tier 1 risk-based capital ratio	17.05	15.93	15.76	16.84	17.13	17.38	17.48
Leverage ratio	10.61	10.42	10.23	10.85	11.22	11.21	11.50
Common equity tier 1 risk-based	17.05	15.93	15.76	16.84	17.13	17.38	17.48

- (1) Book value equals common shareholders' equity per share.
- (2) Efficiency ratio represents non-interest expense divided by the aggregate of net interest income and non-interest income.
- (3) Non-performing loans include non-accrual loans and loans past due 90 days or more and still accruing interest.
- (4) Non-performing assets include non-accrual loans, loans past due 90 days or more and still accruing interest and other real estate owned

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The following table shows information about First Interstate's, CMYF's and IIBK's earnings per common share, dividends per share and book value per share, and similar information giving effect to the merger (which we refer to as pro forma information). In presenting the unaudited comparative pro forma information as of and for the periods shown, we assumed that First Interstate, CMYF and IIBK had been merged on the date indicated or at the beginning of the periods presented, as applicable.

The information listed as per equivalent CMYF share was obtained by multiplying the pro forma amounts by the exchange ratio of 0.3784. First Interstate anticipates that the combined company will derive financial benefits from the merger that include the opportunity to earn more revenue. The unaudited pro forma combined information, while helpful in illustrating the financial characteristics of First Interstate following the mergers under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. The unaudited pro forma combined information also does not necessarily reflect what the historical results of First Interstate would have been had our companies been combined during this period.

The information in the following table is based on, and should be read together with, the historical financial information that we have presented in or incorporated by reference in this document.

	First Interstate Historical	CMYF Historical	First Interstate/ CMYF Pro Forma Combined ⁽¹⁾⁽²⁾	IIBK Historical	First Interstate/ CMYF/ IIBK Pro Forma Combined ⁽¹⁾⁽³⁾	Per Equivalent CMYF Share ⁽⁴⁾
Book value per share:						
At September 30, 2018	\$ 27.30	\$ 11.38	\$ 27.29	\$ 9.37	\$ 27.98	\$ 10.59
At December 31, 2017	25.28	11.25	22.81	8.78	26.09	9.87
Cash dividends declared per share:						
Nine months ended						
September 30, 2018	0.84	0.00	0.84	0.00	0.84	0.32
Year ended December 31, 2017	0.96	0.00	0.96	0.00	0.96	0.36
Basic earnings per share:						
Nine months ended						
September 30, 2018	2.10	0.73	2.20	0.30	2.06	0.78
Year ended December 31, 2017	2.07	0.63	2.07	0.40	1.98	0.75
Diluted earnings per share:						
Nine months ended						
September 30, 2018	2.09	0.68	2.19	0.29	2.05	0.78
Year ended December 31, 2017	2.05	0.61	2.05	0.39	1.97	0.74

- (1) Pro forma dividends per share represent First Interstate's historical dividends per share.
- (2) The pro forma combined book value per share of First Interstate common stock is based upon the pro forma combined common shareholders' equity for First Interstate and CMYF divided by total pro forma common shares of the combined entities.
- (3) The pro forma combined book value per share of First Interstate common stock is based upon the pro forma combined common shareholders' equity for First Interstate, CMYF and IIBK divided by total pro forma common shares of the combined entities.
- (4) Represents the pro forma combined information multiplied by the exchange ratio.

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SPECIAL MEETING OF CMYF SHAREHOLDERS

This document is being provided to holders of CMYF common stock as CMYF's proxy statement in connection with the solicitation of proxies by and on behalf of its board of directors to be voted at the CMYF special meeting and at any adjournment or postponement of the CMYF special meeting. This document is also being provided to holders of CMYF common stock as First Interstate's prospectus in connection with the issuance by First Interstate of its shares of Class A common stock as consideration in the proposed merger.

Date, Time and Place of Meeting

The CMYF special meeting is scheduled to be held as follows:

Date: March 27, 2019

Time: 5:30 p.m., local time

Place: 707 N. Post Street, Post Falls, Idaho 83854

Purpose of the Meeting

At the CMYF special meeting, CMYF's shareholders will be asked to:

Approve the merger agreement, pursuant to which CMYF will merge with and into First Interstate Bank, with First Interstate Bank surviving the merger, and each share of CMYF common stock outstanding immediately before the completion of the merger will be converted into the right to receive 0.3784 shares of First Interstate Class A common stock.

Approve the CMYF adjournment proposal.

Who Can Vote at the Meeting

You are entitled to vote if the records of CMYF showed that you held shares of CMYF common stock as of the close of business on January 28, 2019, which is the record date for the CMYF special meeting. As of the close of business on the record date, [] shares of CMYF common stock were outstanding. Each share of CMYF common stock has one vote on each matter presented to shareholders. If your shares are held in street name by your broker, bank or other nominee and you wish to vote in person at the CMYF special meeting, you will have to obtain a legal proxy from your broker, bank or other nominee entitling you to vote at the CMYF special meeting.

Quorum; Vote Required

The CMYF special meeting will conduct business only if a majority of the outstanding shares of CMYF common stock is represented in person or by proxy at the meeting to constitute a quorum. If you submit valid proxy instructions or attend the meeting in person, your shares will be counted to determine whether there is a quorum, even if you abstain from voting. If you fail to provide voting instructions to your broker, bank or other nominee with respect to a proposal, that broker, bank or other nominee will not vote your shares with respect to that proposal.

Approval of the merger agreement requires the affirmative vote of two-thirds of the outstanding shares of CMYF common stock. **Failure to submit valid proxy instructions or to vote in person will have the same effect as a vote against the merger agreement. Broker non-votes and abstentions from voting will have the same effect as voting against the merger agreement.**

Approval of the CMYF adjournment proposal requires that the votes cast in favor of the proposal exceed the votes cast against the proposal. The failure to vote in person or submit valid proxy instructions, broker non-votes and abstentions will have no effect on the voting on the proposal.

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Shares Held by CMYF Officers and Directors and by First Interstate

As of January 14, 2019, directors and executive officers of CMYF beneficially owned 496,034 shares of CMYF common stock. This equals 40.75% of the outstanding shares of CMYF common stock as of the January 14, 2019. Each of the directors and executive officers of CMYF, solely in their individual capacity as a CMYF shareholder, have entered into a separate voting agreement with First Interstate and First Interstate Bank to vote the 496,034 shares of CMYF common stock owned by them in favor of the merger agreement. As of the January 14, 2019, neither First Interstate nor any of its subsidiaries, directors or executive officers owned any shares of CMYF common stock.

Voting and Revocability of Proxies

You may vote in person at the CMYF special meeting or by proxy. To ensure your representation at the CMYF special meeting, CMYF recommends that you vote by proxy even if you plan to attend the CMYF special meeting. You can change your vote at the special meeting.

If you are a shareholder of record, you can vote your shares:

by completing and mailing the proxy card that is enclosed; or

by voting in person at the special meeting.

If you hold your stock in street name through a banker or broker, please refer to the specific instructions set forth on the proxy card.

CMYF shareholders whose shares are held in street name by their broker, bank or other nominee must follow the instructions provided by their broker, bank or other nominee to vote their shares. Your broker, bank or other nominee may allow you to deliver your voting instructions via telephone or the internet. If your shares are held in street name and you wish to vote in person at the CMYF special meeting, you will have to obtain a legal proxy from your broker, bank or other nominee entitling you to vote at the special meeting.

If you are a holder of record of CMYF common stock, voting instructions are included on the enclosed proxy card. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against or abstain with respect to each matter. If you are the holder of record of your shares of CMYF common stock and submit your proxy without specifying a voting instruction, your shares of CMYF common stock will be voted FOR the proposal to approve the merger agreement and FOR the CMYF adjournment proposal. If your shares are held in street name and you return an incomplete instruction card to your broker, bank or other nominee, that broker, bank or other nominee will not vote your shares with respect to any matter.

You may revoke your proxy at any time before it is voted at the special meeting by:

filing with the Corporate Secretary of CMYF a duly executed revocation of proxy;

submitting a new proxy with a later date; or

voting in person at the special meeting.

If your shares are held in street name, you should contact your broker, bank or other nominee to change your vote.

Attendance at the CMYF special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to:

Community 1st Bank

707 N. Post Street

Post Falls, Idaho 83854

Attention: William R. Basom, Corporate Secretary

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Solicitation of Proxies

CMYF will pay for the solicitation of proxies from CMYF shareholders. Additionally, directors, officers and employees of CMYF may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. CMYF will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

CMYF PROPOSAL NO. 1

APPROVAL OF THE MERGER AGREEMENT

At the CMYF special meeting, shareholders will consider and vote on a proposal to approve the merger agreement. Details about the merger agreement, including each party's reasons for the merger, the effect of approval of the merger agreement and the timing of effectiveness of the merger, are discussed in the section entitled *Description of the Merger* beginning on page 27 of this document.

CMYF's board of directors unanimously recommends

that CMYF shareholders vote FOR

approval of the merger agreement.

CMYF PROPOSAL NO. 2

ADJOURNMENT OF THE CMYF SPECIAL MEETING

If there are insufficient proxies at the time of the CMYF special meeting to approve the merger agreement, CMYF shareholders may be asked to vote on a proposal to adjourn the meeting to a later date to allow additional time to solicit additional proxies. CMYF's board of directors does not currently intend to propose adjournment at the CMYF special meeting if there are sufficient votes to approve the merger agreement (Proposal No. 1).

CMYF's board of directors unanimously recommends

that CMYF shareholders vote FOR

approval of the CMYF adjournment proposal.

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DESCRIPTION OF THE MERGER

The following summary of the merger agreement is qualified by reference to the complete text of the merger agreement. A copy of the merger agreement is attached as Annex A to this document and is incorporated by reference into this document. You should read the merger agreement completely and carefully as it, rather than this description, is the legal document that governs the merger.

General

The merger agreement provides for the merger of CMYF with and into First Interstate Bank, with First Interstate Bank as the surviving entity.

Pending Acquisition of Idaho Independent Bank

On October 11, 2018, First Interstate and First Interstate Bank also entered into an agreement to acquire IIBK. Pursuant to the IIBK merger agreement, IIBK will merge with and into First Interstate Bank, with First Interstate Bank as the surviving entity. The IIBK Merger was approved by the boards of directors of each of First Interstate, First Interstate Bank and IIBK and is expected to close in the first half of 2019. Completion of the IIBK Merger is subject to customary closing conditions, including receipt of required regulatory approvals and approval of IIBK's shareholders. The completion of the CMYF merger is not conditioned upon or subject to the completion of the IIBK Merger. Under the terms of the IIBK merger agreement, holders of IIBK common stock will receive 0.50 shares of First Interstate Class A common stock for each share of IIBK common stock, which equates to an aggregate transaction value of approximately \$180.5 million as of the date of the IIBK merger agreement.

At September 30, 2018, IIBK had total assets of \$742.2 million, total deposits of \$626.6 million and shareholders equity of \$72.5 million.

For additional information on the IIBK Merger, including certain pro forma financial information, see *Unaudited Comparative Pro Forma Per Share Data*.

Consideration to be Received in the Merger

When the merger becomes effective, each share of CMYF common stock issued and outstanding immediately before completion of the merger will automatically be converted into the right to receive 0.3784 shares of First Interstate Class A common stock, plus cash in lieu of any fractional share, without interest.

If First Interstate declares a stock dividend or distribution on shares of its common stock or subdivides, splits, reclassifies or combines the shares of First Interstate Class A common stock before the effective time of the merger, then the exchange ratio will be adjusted to provide CMYF shareholders with the same economic effect as contemplated by the merger agreement before any of these events.

CMYF's shareholders will not receive fractional shares of First Interstate Class A common stock. Instead, CMYF's shareholders will receive a cash payment for any fractional shares in an amount equal to the product of (1) the fraction of a share of First Interstate Class A common stock to which he, she or it is entitled multiplied by (2) the average closing sales price of First Interstate Class A common stock over the 20 consecutive trading days ending on and including the fifth day before the closing date of the merger.

Background of the Merger

From time to time over the past several years, the board of directors of CMYF discussed and evaluated strategic alternatives to enhance shareholder value and achieve greater shareholder liquidity. During this period, CMYF's board of directors has been focused on the challenges facing the community banking industry in general

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and, in some cases, CMYF specifically. Some of these challenges include the costs and burdens of the regulatory environment for community banks, the importance of scale to offset these costs, the competitive environment for loans and deposits and the desire for shareholder liquidity.

In October 2017, CMYF was approached by another community bank (Party A) that was interested in pursuing a potential merger with CMYF. CMYF and Party A had numerous discussions, but the verbal indication of pricing from Party A of approximately \$12.60 per share in cash was determined to be too low by the CMYF board of directors on October 17, 2017.

At a meeting held on March 15, 2018, CMYF's board of directors decided that it was in its shareholders' best interest to engage D.A. Davidson as its financial advisor to assist the CMYF board of directors in reviewing and possibly pursuing its strategic alternatives. On March 19, 2018, CMYF engaged D.A. Davidson to evaluate the market landscape, identify potential merger partners and, if appropriate, assist the CMYF board of directors in pursuing and negotiating a transaction.

From March through April 2018, D.A. Davidson conducted due diligence on CMYF. D.A. Davidson contacted another community bank (Party B) that had expressed interest in CMYF at various points through the years about a possible merger. Party B was contacted due to its acquisition history, strong stock performance and ability to make a decision quickly on whether to pursue a merger or not. Party B and CMYF executed a mutual non-disclosure agreement without a standstill provision on March 22, 2018. Representatives from D.A. Davidson and CMYF's Chief Executive Officer had an in-person meeting with the management team of Party B at Party B's headquarters on May 2-3, 2018, which included material describing CMYF's business and prospects. After several weeks of discussions, Party B elected not to pursue a potential transaction.

From May to late August 2018, D.A. Davidson contacted seven additional parties to determine if there was interest in a potential acquisition of CMYF and entered into confidentiality agreements without standstill provisions with four of those parties, including First Interstate.

D.A. Davidson made a presentation to the CMYF board of directors on June 19, 2018 to provide an update on the current market trends and discussions it had with potential partners to date.

CMYF held in-person meetings with three of the potential merger partners during the summer of 2018. The meetings consisted of management personnel from the three banks visiting CMYF and having meetings with CMYF's Chief Executive Officer to discuss CMYF's strategy, market opportunities and reasons for a possible sale.

In late August 2018, CMYF's board of directors received two non-binding written letters of intent. CMYF's board held a meeting on August 29, 2018 to review the letters of intent received from First Interstate and another party (Party C). The two letters of intent were discussed and compared to each other. The First Interstate letter of intent was for an all-stock transaction of 0.3874 shares of First Interstate Class A common stock for each share of CMYF common stock outstanding (with an implied value of \$17.43 per share at such time). The letter of intent from Party C was for an all-cash transaction with an estimated value between \$16.31 to \$16.85 per CMYF common share, depending on CMYF's future earnings and total transaction-related expenses. After discussion, it was determined to execute the letter of intent with First Interstate. On September 5, 2018, CMYF executed the First Interstate letter of intent dated August 31, 2018 and a separate exclusivity agreement with First Interstate.

On September 4, 2018, CMYF engaged the law firm of Breyer & Associates PC, which we refer to as Breyer & Associates, to be its legal counsel in connection with the proposed transaction.

During September and October 2018, CMYF set up an online data room containing due diligence materials, separately allowed First Interstate to conduct a loan file review and held several management meetings and conference calls with the executive officers of First Interstate. In September and October 2018, CMYF conducted reverse due diligence of First Interstate including information obtained from an online data room.

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On September 20, 2018, First Interstate circulated to CMYF a draft of the merger agreement and on September 27, 2018 circulated the ancillary agreements to the merger agreement through its counsel Luse Gorman, PC, which we refer to as Luse Gorman. Negotiation of the merger agreement took place between late September and early October 2018.

On September 26, 2018, there was a telephonic conference with CMYF's Chairman and Chief Executive Officer, D.A. Davidson and Breyer & Associates to discuss the draft of the merger agreement.

On September 28, 2018, Breyer & Associates provided merger agreement comments to Luse Gorman.

On October 1, 2018, Breyer & Associates received a revised merger agreement from Luse Gorman. Also, on October 1, 2018, CMYF management had a reverse diligence conference call with the management team of First Interstate and Piper Jaffray & Co., which we refer to as Piper.

On October 4, 2018, at a CMYF board of directors meeting attended by Breyer & Associates and representatives of D.A. Davidson, the final terms of the definitive merger agreement were reviewed and discussed.

On October 5, 2018, CMYF provided its disclosure schedule to First Interstate and on October 8, 2018, First Interstate provided its disclosure schedule to CMYF.

On October 11, 2018, the board of directors of CMYF, together with Breyer & Associates and representatives of D.A. Davidson, met to consider approval of the merger agreement. At this meeting, D.A. Davidson reviewed the financial aspects of the proposed merger and rendered to the CMYF board of directors an opinion to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by D.A. Davidson as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the shareholders of CMYF. Among other matters considered, the board of directors of CMYF reviewed the specific terms of the merger agreement, the form and value of the consideration to be received by CMYF shareholders, current market conditions including comparable bank merger and acquisition transactions, and the implications of the merger to CMYF's employees, customers, and communities. After due consideration of these and other matters, the board of directors of CMYF determined that the proposed merger and merger agreement are advisable and in the best interests of CMYF's shareholders, unanimously approved the merger agreement, and authorized the executive officers of CMYF to execute the merger agreement and take all necessary and appropriate action to consummate the transaction contemplated by the merger agreement.

On October 10, 2018, First Interstate's board of directors held a meeting at which representatives of First Interstate's senior management were present and representatives from its financial advisor, Piper, and its legal counsel, Luse Gorman, were present via telephone. Representatives of Piper reviewed the financial aspects of the transaction and the financial analysis supporting its fairness opinion. After discussion among First Interstate's board of directors and its advisors, representatives of Piper delivered its opinion, dated October 10, 2018, to First Interstate's board of directors to the effect that, as of such date and based on and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be paid to the CMYF shareholders by First Interstate in the proposed merger was fair to First Interstate from a financial point of view. First Interstate's board of directors was updated on the results of the completion of the legal and business due diligence review of CMYF. A representative of Luse Gorman reviewed in detail the terms of the merger agreement. After further discussion, First Interstate's board of directors unanimously approved the merger agreement.

Later in the day on October 11, 2018, the parties executed the merger agreement and the parties to the ancillary agreements executed such agreements. On the afternoon of October 11, 2018, the parties issued a joint press release

announcing the proposed transaction.

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CMYF's Reasons for the Merger and Recommendation of the Board of Directors

The CMYF board of directors believes the merger is in the best interests of CMYF and its shareholders. After careful consideration, the CMYF board of directors unanimously approved the merger agreement at a meeting held on October 11, 2018, and recommends that CMYF shareholders vote FOR approval of the merger agreement and FOR the CMYF adjournment proposal.

In reaching its determination to approve the merger agreement, the CMYF board of directors consulted with CMYF's management and its financial and legal advisors, and considered a number of factors, including the following material factors:

its assessment, based in part on presentations by D.A. Davidson, CMYF's financial advisor, and its management and the results of the due diligence investigation of First Interstate conducted by CMYF's management and financial and legal advisors, of the business, financial performance, operations, capital level, asset quality, management, financial condition and competitive position of First Interstate Bank and stock performance of First Interstate on an historical and a prospective basis, and of the combined company on a pro forma basis including anticipated cost savings;

its knowledge of First Interstate Bank's business, operations, financial condition, earnings, asset quality and prospects;

its belief that the merger will result in a stronger banking franchise with a diversified revenue stream, strong capital ratios, a well-balanced loan portfolio and an attractive funding base that has the potential to deliver enhanced value to CMYF's shareholders as continuing shareholders of First Interstate as compared to continuing to operate as a stand-alone entity;

the information presented by D.A. Davidson to it with respect to the merger and the opinion of D.A. Davidson that, as of the date of that opinion, the exchange ratio was fair to the holders of CMYF common shares from a financial point of view (see *D.A. Davidson's Opinion to CMYF's Board of Directors* on page 32);

the benefits to CMYF and its customers of operating as part of a larger organization, including enhancements in products and services, higher lending limits, and greater financial resources;

the opportunistic impact of the merger for employees and customers of CMYF;

the future employment opportunities for existing employees of CMYF;

the CMYF board of directors' belief that the two companies share a common vision of the importance of customer service and local decision-making and that management and employees of CMYF and First Interstate Bank possess complementary skills and expertise;

the current and prospective economic and competitive environment facing the financial services industry generally, and CMYF in particular, including the continued rapid consolidation in the financial services industry and the competitive effects of the increased consolidation on smaller financial institutions such as CMYF;

First Interstate Bank's interest in expanding its business banking and commercial real estate businesses in CMYF's market areas, and the complementary market areas, banking philosophy and community focus of both First Interstate Bank and CMYF;

the increasing importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long term and in being able to capitalize on technological developments that significantly impact industry competitive conditions;

the greater market capitalization and trading liquidity of First Interstate common stock if CMYF shareholders desire to sell the First Interstate common shares to be received by them following completion of the merger;

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the expected social and economic impact of the merger on the constituencies served by CMYF, including its borrowers, customers, depositors, employees, suppliers and communities;

that First Interstate has paid cash dividends on its common shares;

its understanding that the merger will qualify as a reorganization under the Code, providing favorable tax consequences to CMYF's shareholders in the merger;

its assessment, with the assistance of counsel, concerning the likelihood that all regulatory approvals required for the merger would be obtained; and

its review with CMYF's independent legal advisor, Breyer & Associates PC, of the material terms of the merger agreement, including its ability, under certain circumstances, to withhold, withdraw, qualify or modify its recommendation to CMYF's shareholders and to consider and pursue a better unsolicited acquisition proposal, subject to the payment by CMYF of a termination fee of \$808,624 to First Interstate, which it concluded was reasonable in the context of termination fees in comparable transactions and in light of the overall terms of the merger agreement, as well as the nature of the covenants, representations and warranties and termination provisions in the merger agreement.

In the course of its deliberations regarding the merger, the CMYF board of directors also considered the following potential risks and uncertainties that the CMYF board of directors determined did not outweigh the benefits to CMYF and its shareholders expected to be generated by the merger:

the potential risk of diverting management attention and resources from the operation of CMYF's business and towards the completion of the merger;

the restrictions on the conduct of CMYF's business prior to the completion of the merger, which are customary for merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent CMYF from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of CMYF absent the pending merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating CMYF's business, operations and workforce with those of First Interstate Bank;

the transaction costs;

that the interests of certain of CMYF's directors and executive officers may be different from, or in addition to, the interests of CMYF's other shareholders as described under the heading *Interests of Certain Persons in the Merger that are Different than Yours* ;

that, while CMYF expects the merger will be consummated, there can be no assurance that all conditions to the parties' obligations to complete the merger agreement will be satisfied, including the risk that necessary regulatory or shareholder approvals might not be obtained and, as a result, the merger may not be consummated;

the risk of potential employee attrition and/or adverse effects on CMYF's business and customer relationships as a result of the pending merger;

that: (1) CMYF would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement; and (2) CMYF would be obligated to pay to First Interstate a termination fee of \$808,624 if the merger agreement is terminated under certain circumstances, all of which may discourage other parties potentially interested in a business combination with CMYF from pursuing such a transaction; and

the other risks described under the section *Risk Factors*.

The above discussion of the information and factors considered by the CMYF board of directors is not intended to be exhaustive, but includes the material factors the board of directors considered. In reaching its

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determination to approve the merger agreement and recommend that CMYF's shareholders vote in favor of the merger agreement, the board of directors did not assign any relative or specific weights to the foregoing factors, and individual directors may have given differing weights to different factors. The CMYF board of directors also did not undertake to make any specific determination as to whether any factor was decisive in reaching its ultimate determination. The CMYF board of directors instead based its recommendation on the totality of the information presented.

CMYF's board of directors unanimously approved the merger agreement and recommends that CMYF's shareholders vote FOR approval of the merger agreement and FOR approval of the CMYF adjournment proposal. CMYF shareholders should be aware that CMYF's directors and executive officers have interests in the merger that are different from, or in addition to, those of other CMYF shareholders. The CMYF board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending that the shareholders of CMYF approve the merger agreement. See *Interests of Certain Persons in the Merger that are Different than Yours*.

This summary of the reasoning of the CMYF board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under *Cautionary Statement About Forward-Looking Statements*.

D.A. Davidson's Opinion to CMYF's Board of Directors

On March 19, 2018, CMYF entered into an engagement agreement with D.A. Davidson to render financial advisory and investment banking services to CMYF. As part of its engagement, D.A. Davidson agreed to assist CMYF in analyzing, structuring, negotiating and, if appropriate, effecting a transaction between CMYF and another financial institution. D.A. Davidson also agreed to provide CMYF's board of directors with an opinion as to the fairness, from a financial point of view, of the exchange ratio in the proposed merger to the holders of CMYF's common stock. CMYF engaged D.A. Davidson because D.A. Davidson is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with CMYF and its business. As part of its investment banking business, D.A. Davidson is continually engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

On October 11, 2018, the CMYF board of directors held a meeting to evaluate the proposed merger. At this meeting, D.A. Davidson reviewed the financial aspects of the proposed merger and rendered an opinion to the CMYF board that, as such date and based upon and subject to assumptions made, procedures followed, matters considered and limitations on the review undertaken, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of CMYF's common stock.

The full text of D.A. Davidson's written opinion, dated October 11, 2018, is attached as Annex C to this proxy statement-prospectus and is incorporated herein by reference. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. CMYF's shareholders are urged to read the opinion in its entirety.

D.A. Davidson's opinion speaks only as of the date of the opinion and D.A. Davidson undertakes no obligation to revise or update its opinion. The opinion is directed to the CMYF board of directors and addresses only the fairness, from a financial point of view, of the exchange ratio in the proposed merger to the holders of CMYF's common stock. The opinion does not address, and D.A. Davidson expresses no view or opinion with respect to, (1) the underlying business decision of CMYF to engage in the merger, (2) the relative merits or effect of the merger as compared to any alternative business transactions or strategies that may be or may have been available to or contemplated by CMYF or

CMYF's board of directors, or (3) any legal, regulatory, accounting, tax or similar matters relating to CMYF, its shareholders or relating to or arising out of the merger. The opinion expresses no view or opinion as to any terms or other aspects of the merger, except for the exchange ratio. CMYF and First Interstate determined the exchange ratio through the negotiation process. The opinion does not

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express any view as to the amount or nature of the compensation to any of CMYF's or First Interstate's officers, directors or employees, or any class of such persons, or with respect to the fairness of any such compensation. The opinion has been reviewed and approved by D.A. Davidson's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

D.A. Davidson has reviewed the registration statement on Form S-4 of which this proxy statement-prospectus is a part and consented to the inclusion of its opinion to the CMYF board of directors as Annex C to this proxy statement-prospectus and to the references to D.A. Davidson and its opinion contained herein. A copy of the consent of D.A. Davidson is attached as Exhibit 99.2 to the registration statement on Form S-4.

In connection with rendering its opinion, D.A. Davidson reviewed, among other things, the following:

a draft of the merger agreement dated October 9, 2018;

certain financial statements and other historical financial and business information about First Interstate and CMYF made available to D.A. Davidson from published sources and/or from the internal records of First Interstate and CMYF that D.A. Davidson deemed relevant;

certain publicly available analyst earnings estimates for First Interstate for the years ending December 31, 2018 and December 31, 2019, as extrapolated for First Interstate for the years ending December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 based on growth rate assumptions provided by First Interstate management, in each case as discussed with and confirmed by senior management of CMYF and First Interstate;

financial projections for CMYF for the years ending December 31, 2018 and December 31, 2019 extrapolated for CMYF for the years ending December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 based on growth rate assumptions provided by CMYF management, in each case as discussed with and confirmed by senior management of CMYF;

the current market environment generally and the banking environment in particular;

the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;

the market and trading characteristics of selected public companies and selected public bank holding companies in particular;

the relative contributions of CMYF and First Interstate to the combined company;

the pro forma financial impact of the merger, taking into consideration the amounts and timing of the estimated transaction costs and cost savings; and

such other financial studies, analyses and investigations and financial, economic and market criteria and other information as D.A. Davidson considered relevant including discussions with management and other representatives and advisors of CMYF and First Interstate concerning the business, financial condition, results of operations and prospects of CMYF and First Interstate.

In arriving at its opinion, D.A. Davidson assumed and relied upon the accuracy and completeness of all information that was publicly available, supplied or otherwise made available to, discussed with or reviewed by or for D.A. Davidson. D.A. Davidson relied on the assurances of the managements of CMYF and First Interstate that they are not aware of any facts or circumstances that would make any of such information, forecasts or analyses inaccurate or misleading. D.A. Davidson did not independently verify, and did not assume responsibility for independently verifying, such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of CMYF or First Interstate. In addition, D.A. Davidson did not assume any obligation to conduct, nor did D.A. Davidson conduct any physical inspection of the properties or facilities of CMYF or First Interstate and has not been provided with any reports of such physical inspections.

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D.A. Davidson assumed that there has been no material change in CMYF's or First Interstate's business, assets, financial condition, results of operations, cash flows, or prospects since the date of the most recent financial statements provided to D.A. Davidson.

With respect to the financial projections and other estimates (including information relating to certain pro forma financial effects of, and strategic implications and operational benefits anticipated to result from, the merger) provided to or otherwise reviewed by or for or discussed with us, we have been advised by management of CMYF that such forecasts and other analyses were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of CMYF as to the future financial performance of CMYF and the other matters covered thereby, and that the financial results (including the potential strategic implications and operational benefits anticipated to result from the merger) reflected in such forecasts and analyses will be realized in the amounts and at the times projected. We assume no responsibility for and express no opinion as to these forecasts and analyses or the assumptions on which they were based.

D.A. Davidson did not make an independent evaluation or appraisal of the loan and lease portfolios, classified loans, other real estate owned or any other specific assets, nor has D.A. Davidson assessed the adequacy of the allowance for loan losses of CMYF or First Interstate. D.A. Davidson has not reviewed any individual credit files relating to CMYF or First Interstate. D.A. Davidson assumed that the respective allowances for loan losses for both CMYF and First Interstate are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. D.A. Davidson did not make an independent evaluation of the quality of CMYF's or First Interstate's deposit base, nor have we independently evaluated potential deposit concentrations or the deposit composition of CMYF or First Interstate. D.A. Davidson did not make an independent evaluation of the quality of CMYF's or First Interstate's investment securities portfolio, nor has it we independently evaluated potential concentrations in the investment securities portfolio of CMYF or First Interstate.

D.A. Davidson assumed that all representations and warranties contained in the merger agreement and all related agreements are true and correct in all respects material to D.A. Davidson's analysis, and that the merger will be consummated in accordance with the terms of the merger agreement, without waiver, modification, or amendment of any term, condition or covenant thereof the effect of which would be in any respect material to D.A. Davidson's analysis. D.A. Davidson has assumed that all governmental, regulatory or other consents, approvals, and waivers necessary for the consummation of the merger will be obtained without any material adverse effect on the combined company or the contemplated benefits of the merger.

D.A. Davidson assumed in all respects material to its analysis that CMYF and First Interstate will remain as going concerns for all periods relevant to its analysis. D.A. Davidson's opinion was necessarily based upon information available to D.A. Davidson and economic, market, financial and other conditions as they exist and can be evaluated on the date the fairness opinion letter was delivered to CMYF's board of directors.

Our opinion does not take into account individual circumstances of specific holders with respect to control, voting or other rights that may distinguish such holders.

We also express no opinion as to the actual value of First Interstate Class A common stock when issued in the merger or the prices at which CMYF's common stock or First Interstate's Class A common stock will trade following announcement of the proposed merger or at any future time.

We have not evaluated the solvency or fair value of CMYF or First Interstate under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. This opinion is not a solvency opinion and does not in any way address the solvency or financial condition of CMYF or First Interstate. We are not expressing any opinion as to the

impact of the merger on the solvency or viability of CMYF or First Interstate or the ability of CMYF or First Interstate to pay their respective obligations when they come due.

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Set forth below is a summary of the material financial analyses performed by D.A. Davidson in connection with rendering its opinion. The summary of the analyses of D.A. Davidson set forth below is not a complete description of the analysis underlying its opinion, and the order in which these analyses are described below is not indicative of any relative weight or importance given to those analyses by D.A. Davidson. The following summaries of financial analyses include information presented in tabular format. You should read these tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses.

Unless otherwise indicated, the following quantitative information, to the extent it is based on market data, is based on market data as of October 9, 2018, and is not necessarily indicative of market conditions after such date.

Implied Valuation Multiples for CMYF based on the Merger Consideration

D.A. Davidson reviewed the financial terms of the proposed merger. As described in the merger agreement, each outstanding share of common stock of CMYF will be converted into the right to receive 0.3784 shares of First Interstate Class A common stock, which we refer to as the exchange ratio. The terms and conditions of the merger are more fully described in the merger agreement. For purposes of the financial analyses described below, based on the closing price of First Interstate Class A common stock on October 9, 2018 of \$45.99, the exchange ratio represented an implied value of \$17.40 per share of CMYF common stock. Based upon financial information as of or for the twelve month period ended June 30, 2018 and other financial and market information described below, D.A. Davidson calculated the following transaction ratios:

Transaction Ratios		
	Per Share ⁽¹⁾	Aggregate ⁽¹⁾
Transaction Price / Q2 2018 Year-to-Date Net Income (Annualized)	19.6x	20.2x
Transaction Price / LTM Net Income	21.1x	21.8x
Transaction Price / 2018E Net Income ⁽²⁾	18.5x	19.1x
Transaction Price / 2019E Net Income ⁽²⁾	11.8x	12.2x
Transaction Price / Book Value	156.7%	161.6%
Transaction Price / Tangible Book Value	156.7%	161.6%
Tangible Book Premium / Core Deposits ⁽³⁾		7.9%
Transaction Price / CMYF's Closing Price as of 10/9/2018 ⁽⁴⁾	20.0%	

- (1) Variances in the per share and aggregate transaction ratios are due to the dilutive impact of options
- (2) Financial projections in 2018 and 2019 based on management budget, as discussed with and confirmed by CMYF management
- (3) Tangible book premium / core deposits calculated by dividing the excess or deficit of the aggregate transaction value compared to tangible book value by core deposits
- (4) Based on CMYF's Closing Price as of October 9, 2018 of \$14.50

Table of Contents**Stock Price Performance of First Interstate and CMYF**

D.A. Davidson reviewed the history of the reported trading prices and volume of CMYF common stock and First Interstate Class A common stock and certain stock indices, including the Russell 3000 and the KBW Nasdaq Regional Bank Index. D.A. Davidson compared the stock price performance of CMYF or First Interstate with the performance of the Russell 3000 and the KBW Nasdaq Regional Banking Index as follows:

One Year Stock Performance		
	Beginning Index Value on 10/9/2017	Ending Index Value on 10/9/2018
Russell 3000	100.00%	112.40%
KBW Nasdaq Regional Banking Index	100.00%	102.57%
First Interstate	100.00%	120.39%
CMYF	100.00%	132.39%

Three Year Stock Performance		
	Beginning Index Value on 10/9/2015	Ending Index Value on 10/9/2018
Russell 3000	100.00%	141.69%
KBW Nasdaq Regional Banking Index	100.00%	134.74%
First Interstate	100.00%	164.96%
CMYF	100.00%	156.96%

Contribution Analysis

D.A. Davidson analyzed the relative contribution of CMYF and First Interstate to certain financial and operating metrics for the pro forma combined company. Such financial and operating metrics included: (1) market capitalization; (2) net income available for common shareholders during the twelve months ended June 30, 2018; (3) estimates for First Interstate GAAP net income in 2018 and 2019 based on publicly available consensus earnings estimates and estimates for CMYF GAAP net income in 2018 and 2019 based on CMYF management's budget; (4) total assets; (5) gross loans; (6) total deposits; (7) non-interest bearing demand deposits; (8) non-maturity deposits; and (9) tangible common equity. The relative contribution analysis did not give effect to the impact of any synergies as a result of the proposed merger. The results of this analysis are summarized in the table below, which also compares the results of this analysis with the implied pro forma ownership percentages of CMYF or First Interstate shareholders in the combined company based on the exchange ratio:

Contribution Analysis				
	First Interstate Stand-alone	First Interstate % of Total	CMYF Stand-alone	CMYF % of Total
Market Capitalization	\$ 2,786,890	99.4%	\$ 17,538	0.6%

Market Capitalization (10/9/2018) (in thousands)

Income Statement - Historical

LTM Net Income (in thousands) ⁽¹⁾	\$	139,919	99.3%	\$	996	0.7%
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Income Statement - Projections

2018E Net Income (in thousands) ^{(2) (3)}	\$	179,494	99.4%	\$	1,138	0.6%
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2019E Net Income (in thousands) ^{(2) (3)}	\$	198,899	99.1%	\$	1,787	0.9%
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Table of Contents**Contribution Analysis**

	First Interstate Stand-alone	First Interstate % of Total	CMYF Stand-alone	CMYF % of Total
Balance Sheet				
Total Assets (in thousands)	\$ 13,127,268	99.0%	\$ 129,800	1.0%
Total Investment Securities (in thousands)	\$ 2,717,926	99.4%	\$ 15,798	0.6%
Gross Loans, Incl. Loans HFS (in thousands)	\$ 8,463,962	99.1%	\$ 78,283	0.9%
Loan Loss Reserve (in thousands)	\$ 74,100	98.5%	\$ 1,131	1.5%
Total Deposits (in thousands)	\$ 10,649,873	98.9%	\$ 115,526	1.1%
Non-Interest Bearing Demand Deposits (in thousands)	\$ 3,114,714	98.8%	\$ 38,307	1.2%
Non-Maturity Deposits (in thousands)	\$ 9,404,792	99.0%	\$ 96,334	1.0%
Tangible Common Equity (in thousands)	\$ 1,015,096	98.7%	\$ 13,435	1.3%
Pro Forma Ownership				
Merger - Actual		99.3%		0.7%

Note: Pro forma contribution does not include any purchase accounting or merger adjustments

Note: Reflects impact from acquisitions closed after June 30, 2018

- (1) Net income for the preceding twelve months ending June 30, 2018
- (2) Financial projections for First Interstate in 2018 and 2019 based on publicly available consensus Street estimates, as discussed with and confirmed by First Interstate and CMYF management
- (3) Financial projections for CMYF in 2018 and 2019 based on management budget, as discussed with and confirmed by CMYF management

CMYF Comparable Companies Analysis

D.A. Davidson used publicly available information to compare selected financial and market trading information for CMYF and a group of 14 financial institutions selected by D.A. Davidson that: (1) were headquartered in Idaho, Washington and Oregon; (2) had their common stock listed on an over-the-counter exchange; (3) had assets below \$500 million; and (4) were not pending merger targets or ethnic banks. The 14 financial institutions were as follows:

BEO Bancorp	Oregon Bancorp, Inc.
Clatsop Community Bank	Oregon Pacific Bancorp
Commencement Bank	Pacific West Bank
Community Financial Group, Inc.	People's Bank of Commerce
First Sound Bank	Savi Financial Corporation, Inc.

Idaho First Bank

Summit Bank

Lewis & Clark Bank

Willamette Community Bank

Note: Does not reflect impact from pending acquisitions or acquisitions closed after June 30, 2018

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The analysis compared the financial condition and market performance of CMYF and the 14 financial institutions identified above based on publicly available financial and market trading information for CMYF and the 14 financial institutions as of and for the twelve-month or three-month period ended June 30, 2018. The table below shows the results of this analysis (excluding the impact of earnings per share multiples considered not meaningful by D.A. Davidson).

Financial Condition and Performance

	CMYF	Median	Comparable Companies		
			Average	Low	High
Total Assets (in millions)	\$ 129.8	\$ 229.5	\$ 243.5	\$ 64.3	\$ 412.7
Loan / Deposit Ratio	67.8%	90.8%	88.4%	65.5%	105.1%
Non-Performing Assets / Total Assets	%	0.47%	0.88%	%	5.30%
Tangible Common Equity Ratio	10.35%	10.91%	10.82%	8.31%	14.46%
Net Interest Margin (Most Recent Quarter)	3.96%	4.59%	4.57%	3.25%	5.70%
Cost of Deposits (Most Recent Quarter)	0.34%	0.54%	0.49%	0.06%	0.92%
Efficiency Ratio (Most Recent Quarter)	69.2%	73.9%	74.3%	55.6%	95.4%
Return on Average Tangible Common Equity (Most Recent Quarter)	8.33%	9.45%	10.74%	1.97%	38.29%
Return on Average Assets (Most Recent Quarter)	0.86%	0.91%	1.13%	0.19%	4.22%

Market Performance Multiples

	CMYF	Median	Comparable Companies		
			Average	Low	High
Market Capitalization (in millions)	\$ 17.5	\$ 37.1	\$ 49.2	\$ 10.6	\$ 207.1
Price Change (LTM)	32.4%	21.7%	24.7%	(12.7%)	72.9%
Price Change (YTD)	8.8%	16.8%	15.9%	(8.8%)	38.3%
Price / Most Recent Quarter Earnings Per Share	15.8x	13.0x	14.6x	5.4x	25.2x
Price / LTM Earnings Per Share	17.5x	17.9x	16.9x	8.1x	27.1x
Price / Tangible Book Value Per Share	130.5%	137.7%	142.5%	101.4%	236.1%
Dividend Yield (Most Recent Quarter)	0.00%	0.00%	0.50%	0.00%	2.67%

First Interstate Comparable Companies Analysis

D.A. Davidson used publicly available information to compare selected financial and market trading information for First Interstate and a group of 10 financial institutions selected by D.A. Davidson that: (1) were headquartered in the Western U.S.; (2) had their common stock listed on the NASDAQ or NYSE; (3) had assets between \$7.5 billion and \$25.0 billion; and (4) were not pending merger targets or ethnic banks. These 10 financial institutions were as follows:

Banc of California, Inc.

Great Western Bancorp, Inc.

Banner Corporation

Pacific Premier Bancorp, Inc.

Columbia Banking System, Inc.

PacWest Bancorp

CVB Financial Corp.

Washington Federal, Inc.

Glacier Bancorp, Inc.

Western Alliance Bancorporation

Note: Does not reflect impact from pending acquisitions or acquisitions closed after June 30, 2018

The analysis compared the financial condition and market performance of First Interstate and the 10 financial institutions identified above based on publicly available financial and market trading information for First Interstate and the 10 financial institutions as of and for the twelve-month or three-month period ended June 30, 2018. The analysis also compared the 2018 and 2019 earnings per share multiples for First Interstate and the 10 financial institutions identified above based on publicly available consensus Street estimates for First

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Interstate and the 10 financial institutions. The table below shows the results of this analysis (excluding the impact of earnings per share multiples considered not meaningful by D.A. Davidson).

	Financial Condition and Performance				
	First	Median	Comparable Companies		
	Interstate		Average	Low	High
Total Assets (in millions)	\$ 12,235.7	\$ 11,953.3	\$ 13,514.9	\$ 8,093.9	\$ 24,529.6
Loan / Deposit Ratio	77.5%	92.1%	91.0%	73.7%	101.5%
Non-Performing Assets / Total Assets	0.69%	0.35%	0.40%	0.08%	1.12%
Tangible Common Equity Ratio	8.23%	9.83%	9.80%	6.57%	12.05%
Net Interest Margin (Most Recent Quarter)	3.87%	4.23%	4.12%	3.01%	5.18%
Cost of Deposits (Most Recent Quarter)	0.29%	0.41%	0.44%	0.09%	1.14%
Efficiency Ratio (Most Recent Quarter)	58.8%	51.8%	52.6%	39.8%	76.2%
Return on Average Tangible Common Equity (Most Recent Quarter)	18.16%	15.44%	15.29%	5.84%	21.47%
Return on Average Assets (Most Recent Quarter)	1.38%	1.44%	1.46%	0.58%	2.02%

	Market Performance Multiples				
	First	Median	Comparable Companies		
	Interstate		Average	Low	High
Market Capitalization (in millions)	\$ 2,787	\$ 2,748	\$ 3,211	\$ 950	\$ 6,085
Price Change (LTM)	20.4%	(3.8%)	(0.6%)	(8.8%)	17.9%
Price Change (YTD)	14.8%	(4.9%)	(1.2%)	(11.0%)	12.6%
Price / Most Recent Quarter Earnings Per Share	15.5x	15.7x	16.7x	13.0x	26.0x
Price / LTM Earnings Per Share	18.5x	18.6x	20.5x	13.9x	31.8x
Price / 2018E Earnings Per Share ⁽¹⁾	15.7x	15.5x	16.8x	13.0x	28.2x
Price / 2019E Earnings Per Share ⁽¹⁾	14.1x	13.5x	14.0x	12.1x	18.1x
Price / Tangible Book Value Per Share	269.9%	239.8%	236.6%	140.5%	331.2%
Dividend Yield (Most Recent Quarter)	2.44%	2.42%	2.24%	0.00%	5.00%

(1) Earnings per share estimates based on publicly available consensus Street estimates

Precedent Transactions Analysis

D.A. Davidson reviewed three sets of comparable merger and acquisition transactions. The sets of mergers and acquisitions included: (1) Pacific Northwest Transactions, (2) Nationwide Transactions, and (3) Nationwide Stock Transactions.

Pacific Northwest Transactions included seven transactions where:

the selling company was a bank or thrift headquartered in Idaho, Washington or Oregon;

the selling company's total assets were below \$500 million;

the transaction was announced between January 1, 2016 and October 9, 2018;

the transaction's pricing information was publicly available; and

the transaction was not a merger of equals

Nationwide Transactions included 17 transactions where:

the selling company was a bank headquartered in the United States;

the selling company's total assets were between \$100 million and \$300 million;

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the selling company's return on average assets over the last twelve months was between 0.50% and 1.00%;

the selling company's nonperforming assets as a percentage of total assets was below 2.00%;

the transaction was announced between October 9, 2017 and October 9, 2018;

the transaction's pricing information was publicly available; and

the transaction was not a merger of equals

Nationwide Stock Transactions included six transactions where:

the selling company was a bank headquartered in the United States;

the selling company's total assets were between \$100 million and \$400 million;

the selling company's return on average assets over the last twelve months was between 0.00% and 1.00%;

the selling company's nonperforming assets as a percentage of total assets was below 2.00%;

the consideration to the selling company's common shareholders was 100% stock;

the transaction was announced between October 9, 2017 and October 9, 2018;

the transaction's pricing information was publicly available; and

the transaction was not a merger of equals

The following tables set forth the transactions included in Pacific Northwest Transactions, Nationwide Transactions, and Nationwide Stock Transactions, and are sorted by announcement date:

Pacific Northwest Transactions

Announcement Date	Acquirer	Target
7/17/2018*	FS Bancorp, Inc.	Anchor Bancorp

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5/23/2018	Timberland Bancorp, Inc.	South Sound Bank
3/08/2018	Heritage Financial Corporation	Premier Commercial Bancorp
6/26/2017	BayCom Corp.	Plaza Bank
3/23/2017	Northwest Bancorporation, Inc.	CenterPointe Community Bank
4/26/2016	Pacific Continental Corporation	Foundation Bancorp, Inc.
4/26/2016	Cascade Bancorp	Prime Pacific Financial Services

* Indicates the transaction was pending as of October 9, 2018

Nationwide Transactions

Announcement Date	Acquirer	Target
8/13/2018*	BayCom Corp	Bethlehem Financial Corporation
7/24/2018*	Summit Financial Group, Inc.	Peoples Bankshares, Inc.
7/11/2018*	River Financial Corporation	PSB Bancshares, Inc.
6/27/2018*	SmartFinancial, Inc.	Foothills Bancorp, Inc.
6/20/2018*	SB One Bancorp	Enterprise Bank N.J.
6/13/2018	Merchants Bancorp	FM Bancorp, Inc.
6/12/2018	Equity Bancshares, Inc.	City Bank and Trust Company
5/31/2018	Orrstown Financial Services, Inc.	Mercersburg Financial Corporation
5/23/2018	Timberland Bancorp, Inc.	South Sound Bank
4/19/2018*	Premier Financial Bancorp, Inc.	First Bank of Charleston, Inc.
3/14/2018	Plains Bancshares, Inc.	Sixth Bancshares, Inc.

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Announcement Date	Acquirer	Target
2/22/2018	Bank of Southern California, NA	Americas United Bank
1/29/2018	Guaranty Bancshares, Inc.	Westbound Bank
12/22/2017	Community Bancorp, Inc.	Shelbank Corporation
12/18/2017	Equity Bancshares, Inc.	Adams Dairy Bancshares, Inc.
12/12/2017	SmartFinancial, Inc.	Tennessee Bancshares, Inc.
11/14/2017	Investor group	Bancorp of Lexington Inc.

* Indicates the transaction was pending as of October 9, 2018

Nationwide Stock Transactions

Announcement Date	Acquirer	Target
6/20/2018*	SB One Bancorp	Enterprise Bank N.J.
3/01/2018	Parkway Acquisition Corp.	Great State Bank
12/21/2017	LCNB Corp.	Columbus First Bancorp, Inc.
12/15/2017	Amalgamated Bank	New Resource Bancorp
12/12/2017	SmartFinancial, Inc.	Tennessee Bancshares, Inc.
12/04/2017	Independent Bank Corporation	TCSB Bancorp, Inc.

* Indicates the transaction was pending as of October 9, 2018

For each transaction referred to above, D.A. Davidson compared, among other things, the following implied ratios:

transaction price compared to tangible book value on a per share and aggregate basis, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction;

transaction price compared to earnings per share for the last twelve months, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction;

tangible book premium to core deposits based on the latest publicly available financial statements of the target company prior to the announcement of the transaction.

D.A. Davidson compared the multiples of the comparable transaction groups and other operating financial data where relevant to the proposed merger multiples and other operating financial data of CMYF as of or for the three-month period ended June 30, 2018. The table below sets forth the results of this analysis.

	Financial Condition and Performance											
	CMYF	Pacific Northwest				Nationwide				Nationwide Stock		
(in	Median	Average	Low	High	Median	Average	Low	High	Median	Average	Low	High
ets	\$ 129.8	\$ 186.9	\$ 259.7	\$ 69.7	\$ 480.2	\$ 186.9	\$ 183.9	\$ 104.9	\$ 263.1	\$ 288.6	\$ 276.6	\$ 138.7
ity	0.79%	0.78%	0.69%	(0.46%)	1.30%	0.76%	0.75%	0.50%	0.94%	0.81%	0.72%	0.34%
atio	7.72%	7.99%	6.25%	(4.36%)	12.02%	6.37%	6.66%	4.18%	9.25%	7.10%	6.88%	3.73%
ing	10.35%	12.39%	11.75%	9.58%	13.80%	9.92%	10.28%	7.49%	15.84%	8.99%	9.92%	8.56%
1	68.9%	72.0%	75.3%	65.1%	94.6%	65.7%	65.7%	55.0%	76.3%	66.3%	66.0%	55.0%
	0.00%	1.09%	1.17%	0.00%	2.29%	0.23%	0.53%	0.00%	1.78%	0.77%	0.71%	0.08%

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	CMYF	Median	Pacific Northwest			Transaction Multiples			High	Median	Average	Nationwide Stock		High
			Average	Low	High	Average	Low	Average				Low		
Transaction	156.7%	122.0%	140.7%	108.9%	223.2%	154.9%	155.8%	122.3%	191.7%	150.7%	163.6%	119.1%	2	
le /value (are) ction	161.6%	122.8%	141.0%	108.9%	223.5%	158.4%	157.3%	122.3%	191.7%	157.3%	166.4%	119.1%	2	
le /value (gate) ction LTM	21.8x	15.6x	18.4x	11.3x	27.3x	24.4x	24.2x	13.0x	35.7x	26.1x	25.3x	14.8x	3	
le m / ts (2)	7.9%	4.6%	6.3%	2.5%	17.7%	8.5%	9.1%	4.8%	16.6%	10.8%	11.2%	2.6%	2	

(1) Based on CMYF's Closing Price as of 10/9/2018 of \$14.50

(2) Tangible book premium / core deposits calculated by dividing the excess or deficit of the aggregate transaction value over tangible book value by core deposits

Net Present Value Analysis for CMYF

D.A. Davidson performed an analysis that estimated the net present value per share of CMYF common stock under various circumstances. The analysis assumed: (1) CMYF performed in accordance with CMYF management's financial forecasts for the years ending December 31, 2018 and December 31, 2019; and (2) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by CMYF management. To approximate the terminal value of CMYF common stock at December 31, 2023, D.A. Davidson applied price to earnings multiples ranging from 12.0x to 24.0x and multiples of tangible book value ranging from 130.0% to 180.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 13.00% to 18.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of CMYF's common stock. In evaluating the discount rate, D.A. Davidson used industry standard methods of adding the current risk-free rate, which is based on the 10-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium and the published Duff & Phelps Size Premium.

At the October 11, 2018 CMYF board of directors meeting, D.A. Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of CMYF common stock of \$10.11 to \$25.37 when applying the price to earnings multiples to the financial forecasts and \$11.04 to \$19.20 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple					
	12.0x	14.0x	16.0x	18.0x	22.0x	24.0x
13.00%	\$ 12.69	\$ 14.80	\$ 16.92	\$ 19.03	\$ 23.26	\$ 25.37
14.00%	\$ 12.11	\$ 14.13	\$ 16.15	\$ 18.17	\$ 22.21	\$ 24.23
15.00%	\$ 11.57	\$ 13.50	\$ 15.43	\$ 17.35	\$ 21.21	\$ 23.14
16.00%	\$ 11.05	\$ 12.90	\$ 14.74	\$ 16.58	\$ 20.27	\$ 22.11
17.00%	\$ 10.57	\$ 12.33	\$ 14.09	\$ 15.85	\$ 19.37	\$ 21.13
18.00%	\$ 10.11	\$ 11.79	\$ 13.47	\$ 15.16	\$ 18.53	\$ 20.21

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Discount Rate	Tangible Book Value Per Share Multiple					
	130.0%	140.0%	150.0%	160.0%	170.0%	180.0%
13.00%	\$ 13.86	\$ 14.93	\$ 16.00	\$ 17.06	\$ 18.13	\$ 19.20
14.00%	\$ 13.24	\$ 14.25	\$ 15.27	\$ 16.29	\$ 17.31	\$ 18.33
15.00%	\$ 12.64	\$ 13.61	\$ 14.59	\$ 15.56	\$ 16.53	\$ 17.50
16.00%	\$ 12.08	\$ 13.01	\$ 13.94	\$ 14.87	\$ 15.80	\$ 16.73
17.00%	\$ 11.55	\$ 12.44	\$ 13.32	\$ 14.21	\$ 15.10	\$ 15.99
18.00%	\$ 11.04	\$ 11.89	\$ 12.74	\$ 13.59	\$ 14.44	\$ 15.29

D.A. Davidson also considered and discussed with the CMYF board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, D.A. Davidson performed a similar analysis assuming CMYF estimated earnings per share in 2023 varied from 20.00% above projections to 20.00% below projections. This analysis resulted in the following range of per share values for CMYF common stock, using the same price to earnings multiples of 12.0x to 24.0x and a discount rate of 15.00%.

Variance to	Earnings Per Share Multiple					
	12.0x	14.0x	16.0x	18.0x	22.0x	24.0x
2023 EPS						
20.00%	\$ 13.88	\$ 16.20	\$ 18.51	\$ 20.82	\$ 25.45	\$ 27.77
15.00%	\$ 13.30	\$ 15.52	\$ 17.74	\$ 19.96	\$ 24.39	\$ 26.61
10.00%	\$ 12.73	\$ 14.85	\$ 16.97	\$ 19.09	\$ 23.33	\$ 25.45
5.00%	\$ 12.15	\$ 14.17	\$ 16.20	\$ 18.22	\$ 22.27	\$ 24.30
0.00%	\$ 11.57	\$ 13.50	\$ 15.43	\$ 17.35	\$ 21.21	\$ 23.14
(5.00%)	\$ 10.99	\$ 12.82	\$ 14.65	\$ 16.49	\$ 20.15	\$ 21.98
(10.00%)	\$ 10.41	\$ 12.15	\$ 13.88	\$ 15.62	\$ 19.09	\$ 20.82
(15.00%)	\$ 9.83	\$ 11.47	\$ 13.11	\$ 14.75	\$ 18.03	\$ 19.67
(20.00%)	\$ 9.26	\$ 10.80	\$ 12.34	\$ 13.88	\$ 16.97	\$ 18.51

Illustrative Net Present Value Analysis for Pro Forma CMYF

For illustrative purposes, D.A. Davidson performed an analysis that estimated the net present value per share of CMYF common stock if reinvested in First Interstate, under various circumstances, including the impact of the merger with First Interstate. The analysis assumed (1) CMYF performed in accordance with management budget for the years ending December 31, 2018 and December 31, 2019, (2) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by CMYF management; and (3) the pro forma financial impact of the merger with First Interstate including the cost savings estimates, purchase accounting adjustments and estimated transaction expenses, as discussed with and confirmed by CMYF and First Interstate managements. The analysis also assumed (1) First Interstate performed in accordance with publicly available consensus Street estimates for the years ending December 31, 2018 and December 31, 2019, and (2) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by CMYF and First Interstate management. To approximate the terminal value of CMYF common stock at December 31, 2023, D.A. Davidson applied price to earnings multiples of 12.0x to 22.0x and multiples of tangible book value ranging from 180.0% to 280.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 7.90% to 12.90% chosen to reflect different

assumptions regarding required rates of return of holders or prospective buyers of CMYF's common stock. In evaluating the discount rate, D.A. Davidson used industry standard methods of adding the current risk-free rate, which is based on the 10-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium and the published Duff & Phelps Size Premium.

At the October 11, 2018 CMYF board of directors meeting, D.A. Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon

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the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of CMYF common stock, after adjusting for the exchange ratio of 0.3784, of \$12.41 to \$26.97 when applying the price to earnings multiples to the financial forecasts and \$12.73 to \$23.80 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple					
	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
7.90%	\$ 15.58	\$ 17.86	\$ 20.14	\$ 22.41	\$ 24.69	\$ 26.97
8.90%	\$ 14.87	\$ 17.04	\$ 19.21	\$ 21.39	\$ 23.56	\$ 25.73
9.90%	\$ 14.21	\$ 16.27	\$ 18.34	\$ 20.41	\$ 22.48	\$ 24.55
10.90%	\$ 13.58	\$ 15.55	\$ 17.52	\$ 19.50	\$ 21.47	\$ 23.44
11.90%	\$ 12.98	\$ 14.86	\$ 16.74	\$ 18.63	\$ 20.51	\$ 22.39
12.90%	\$ 12.41	\$ 14.21	\$ 16.01	\$ 17.80	\$ 19.60	\$ 21.40

Tangible Book Value Multiples

Discount Rate	Tangible Book Value Per Share Multiple					
	180.0%	200.0%	220.0%	240.0%	260.0%	280.0%
7.90%	\$ 15.98	\$ 17.54	\$ 19.11	\$ 20.67	\$ 22.24	\$ 23.80
8.90%	\$ 15.25	\$ 16.74	\$ 18.23	\$ 19.72	\$ 21.22	\$ 22.71
9.90%	\$ 14.57	\$ 15.99	\$ 17.41	\$ 18.83	\$ 20.25	\$ 21.67
10.90%	\$ 13.92	\$ 15.28	\$ 16.63	\$ 17.99	\$ 19.34	\$ 20.69
11.90%	\$ 13.31	\$ 14.60	\$ 15.89	\$ 17.19	\$ 18.48	\$ 19.77
12.90%	\$ 12.73	\$ 13.96	\$ 15.20	\$ 16.43	\$ 17.66	\$ 18.90

D.A. Davidson also considered and discussed with the CMYF board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, D.A. Davidson performed a similar analysis assuming CMYF's pro forma estimated earnings per share in 2023 varied from 20.00% above projections to 20.00% below projections. This analysis resulted in the following range of per share values for CMYF common stock, after adjusting for the exchange ratio of 0.3784, using the same price to earnings multiples of 12.0x to 22.0x, and using a discount rate of 10.90%.

Variance to	Earnings Per Share Multiple					
	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
2023 EPS						
20.00%	\$ 15.94	\$ 18.31	\$ 20.68	\$ 23.05	\$ 25.42	\$ 27.78
15.00%	\$ 15.35	\$ 17.62	\$ 19.89	\$ 22.16	\$ 24.43	\$ 26.70
10.00%	\$ 14.76	\$ 16.93	\$ 19.10	\$ 21.27	\$ 23.44	\$ 25.61
5.00%	\$ 14.17	\$ 16.24	\$ 18.31	\$ 20.38	\$ 22.46	\$ 24.53

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0.00%	\$ 13.58	\$ 15.55	\$ 17.52	\$ 19.50	\$ 21.47	\$ 23.44
(5.00%)	\$ 12.98	\$ 14.86	\$ 16.73	\$ 18.61	\$ 20.48	\$ 22.36
(10.00%)	\$ 12.39	\$ 14.17	\$ 15.94	\$ 17.72	\$ 19.50	\$ 21.27
(15.00%)	\$ 11.80	\$ 13.48	\$ 15.15	\$ 16.83	\$ 18.51	\$ 20.19
(20.00%)	\$ 11.21	\$ 12.79	\$ 14.36	\$ 15.94	\$ 17.52	\$ 19.10

Financial Impact Analysis

D.A. Davidson performed pro forma merger analyses that combined projected income statement and balance sheet information of CMYF and First Interstate. Assumptions regarding the accounting treatment,

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acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of First Interstate. In the course of this analysis, D.A. Davidson used the publicly available consensus Street estimates for First Interstate for the years ending December 31, 2018 and December 31, 2019, and used management's budget for CMYF for the years ending December 31, 2018 and December 31, 2019 provided by CMYF management. This analysis indicated that the merger is expected to be accretive to First Interstate's estimated earnings per share beginning in 2019, after excluding non-recurring transaction-related expenses. The analysis also indicated that the merger is expected to be accretive to tangible book value per share for First Interstate and that First Interstate would maintain capital ratios in excess of those required for First Interstate to be considered well-capitalized under existing regulations. For all of the above analyses, the actual results achieved by CMYF and First Interstate prior to and following the merger will vary from the projected results, and the variations may be material.

D.A. Davidson prepared its analyses for purposes of providing its opinion to CMYF's board of directors as to the fairness, from a financial point of view, of the exchange ratio in the proposed merger to the holders of CMYF's common stock and to assist CMYF's board of directors in analyzing the proposed merger. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties and their respective advisors, none of CMYF, First Interstate or D.A. Davidson or any other person assumes responsibility if future results are materially different from those forecasted.

D.A. Davidson's opinion was one of many factors considered by CMYF's board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the board of directors of CMYF or management with respect to the merger or the exchange ratio.

D.A. Davidson and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions. D.A. Davidson acted as financial advisor to CMYF in connection with, and participated in certain of the negotiations leading to, the merger. D.A. Davidson is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, D.A. Davidson and its affiliates may provide such services to CMYF, First Interstate and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of CMYF and First Interstate for their own account and for the accounts of their customers and may at any time hold long and short positions of such securities. CMYF selected D.A. Davidson as its financial advisor because it is a recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement executed on March 19, 2018, CMYF engaged D.A. Davidson as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of the engagement letter, CMYF agreed to pay D.A. Davidson a cash fee of \$50,000 concurrently with the rendering of its fairness opinion. CMYF will pay to D.A. Davidson at the time of closing of the merger a contingent cash fee equal to 1.50% of the value of the aggregate consideration to be received by the holders of CMYF common stock and CMYF stock options. CMYF has also agreed to reimburse D.A. Davidson for all reasonable out-of-pocket expenses, including fees of counsel, and to indemnify D.A. Davidson and certain related persons against specified liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement. D.A. Davidson may provide investment banking services to the combined company in the future and may receive future compensation.

Certain Financial Projections Utilized by the CMYF Board of Directors and CMYF's Financial Advisor

CMYF does not, as a matter of course, publicly disclose forecasts or internal projections as to future performance, earnings, or other results due to, among other reasons, the uncertainty of the underlying

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assumptions and estimates. However, CMYF's management provided its financial advisor, D.A. Davidson, and First Interstate with certain non-public unaudited prospective financial information regarding CMYF prepared by CMYF's management that was considered by D.A. Davidson in preparing its fairness opinion, as described in this document under the heading *D.A. Davidson's Opinion to CMYF's Board of Directors* beginning on page 32. This non-public unaudited prospective financial information was prepared as part of CMYF's overall process of analyzing various strategic initiatives, and was not prepared for the purposes of, or with a view toward, public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, published guidelines of the SEC regarding forward-looking statements, or generally accepted accounting principles. A summary of certain significant elements of this information is set forth below. The information included below does not comprise all of the prospective financial information provided by CMYF to D.A. Davidson and First Interstate.

Although presented with numeric specificity, the financial forecasts reflect numerous estimates and assumptions of CMYF's management made at the time they were prepared, and assume execution of various strategic initiatives that CMYF is no longer pursuing in light of the merger. These and the other estimates and assumptions underlying the financial forecasts involve judgments with respect to, among other things, the future interest rate environment and other economic, competitive, regulatory, and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive, and regulatory uncertainties and contingencies, including, among other things, the inherent uncertainty of the business and economic conditions affecting the industry in which CMYF operates, and the risks and uncertainties described under *Risk Factors* beginning on page 13 and *Cautionary Note About Forward-Looking Statements* beginning on page 18, all of which are difficult to predict and many of which are outside the control of CMYF and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions would prove to be accurate or that the projected results would be realized, and actual results likely would differ materially from those reflected in the financial forecasts, whether or not the merger is completed. Further, these assumptions do not include all potential actions that management could or might have taken during these time periods.

The inclusion in this document of the non-public unaudited prospective financial information below should not be regarded as an indication that CMYF, First Interstate, their respective boards of directors, or D.A. Davidson considered, or now consider, these projections and forecasts to be a reliable predictor of future results. The financial forecasts are not fact and should not be relied upon as being necessarily indicative of future results, and this information should not be relied on as such. In addition, this information represents CMYF management's evaluation at the time it was prepared of certain measures of CMYF's expected future financial performance on a stand-alone basis, assuming execution of certain strategic initiatives. The unaudited prospective financial information does not give effect to the merger, including the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with consummating the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect on either First Interstate or CMYF, as applicable, of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions that would likely have been taken if the merger agreement had not been executed, but that were instead altered, accelerated, postponed, or not taken in anticipation of the merger.

No assurances can be given that these financial forecasts and the underlying assumptions are reasonable or that, if they had been prepared as of the date of this document, similar assumptions would be used. In addition, the financial forecasts may not reflect the manner in which First Interstate would operate the CMYF business after the merger. **First Interstate and CMYF do not intend to, and each disclaims any obligation to, make publicly available any update or other revision to this unaudited prospective financial information to reflect circumstances occurring since its preparation or to reflect the occurrence of unanticipated events, even in the**

event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

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The financial forecasts summarized in this section were prepared by and are the responsibility of the management of CMYF. No independent registered public accounting firm has examined, compiled, or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for the prospective financial information.

Further, the unaudited prospective financial information does not take into account the effect on CMYF of any possible failure of the merger to occur. Neither CMYF nor D.A. Davidson, or their respective affiliates, officers, directors, advisors, or other representatives has made, makes, or is authorized in the future to make any representation to any shareholder of CMYF, or other person regarding CMYF's ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The inclusion of the unaudited prospective financial information herein should not be deemed an admission or representation by First Interstate or CMYF that it is viewed as material information of CMYF particularly in light of the inherent risks and uncertainties associated with such projections.

In light of the foregoing, and taking into account that the CMYF special meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, CMYF shareholders are cautioned not to place unwarranted reliance on such information.

The following table presents select unaudited prospective financial data of CMYF for the years ending December 31, 2018 and 2019 prepared by CMYF's management and provided to D.A. Davidson and First Interstate.

	At or For the Year Ended December 31, 2018 2019 (In thousands)	
FINANCIAL CONDITION DATA		
Total assets	\$ 132,788	\$ 144,559
Net loans	85,743	91,322
Deposits	117,793	127,621
Total shareholders' equity	14,087	16,059
OPERATING DATA		
Net income	\$ 1,138	\$ 1,787

First Interstate's Reasons for the Merger

First Interstate's board of directors believes that the merger is in the best interests of First Interstate and its shareholders. In deciding to approve the merger and the merger agreement, First Interstate's board of directors considered a number of factors, including:

CMYF's community banking orientation, its favorable reputation within its local communities and its compatibility with First Interstate and its subsidiaries;

First Interstate management's review of the business, operations, earnings and financial condition, including asset quality, of CMYF;

that following the mergers with CMYF and IIBK, First Interstate will have the sixth largest market share in Idaho;

First Interstate's expectation that it will achieve significant cost savings in connection with the merger;

that the transaction is expected to be accretive to earnings per share in 2019;

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the pro forma financial effects of the proposed transaction, including the expected dilution to tangible book value per share;

continued geographic diversification into attractive, high growth markets in the Pacific Northwest, including Coeur d Alene;

obtaining low cost deposits and significant excess liquidity;

the scale, scope and strength of operations, product lines and delivery systems that could be achieved by combining First Interstate and CMYF;

the complementary nature of the business, market areas and corporate cultures of First Interstate and CMYF;

First Interstate's historic performance in similar markets, including its recent successes in Idaho and Washington following its acquisitions of Bank of the Cascades in 2017 and Inland Northwest Bank in 2018;

the expectation that the merger will create the opportunity for the combined company to have superior future earnings and prospects compared to First Interstate's earnings and prospects on a stand-alone basis;

First Interstate's successful track record of creating shareholder value through merger and acquisition transactions, including its proven experience in successfully integrating acquired businesses and management's belief that it will be able to integrate CMYF with First Interstate Bank successfully;

the financial presentation, dated October 10, 2018, of Piper to the First Interstate board of directors and the opinion, dated October 10, 2018, of Piper to the First Interstate board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to First Interstate of the merger consideration in the proposed merger;

the review by First Interstate's board of directors with its management and legal advisors of the structure and other terms of the merger and the expectation of First Interstate's legal advisors that the merger will qualify as a transaction of a type that is generally tax-free to CMYF shareholders for U.S. federal income tax purposes (except with respect to cash received in lieu of fractional shares of First Interstate Class A common stock); and

the likelihood of regulators approving the merger without burdensome conditions or delay.

The foregoing discussion of the information and factors considered by First Interstate's board of directors is not intended to be exhaustive. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, First Interstate's board of directors did not quantify or assign any

relative weights to the factors considered, and individual directors may have given different weights to different factors. First Interstate's board of directors considered all these factors as a whole, with the assistance of First Interstate's management and First Interstate's outside financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

Treatment of CMYF Stock Options

At the effective time of the merger, each option to purchase shares of CMYF common stock outstanding immediately before the effective time of the merger, whether or not vested, will be cancelled and, upon First Interstate's receipt of an option surrender agreement from the holder, exchanged for a cash payment equal to the product of (1) the number of shares of CMYF common stock subject to the stock option multiplied by (2) the amount by which the merger consideration exceeds the exercise price of such option, less applicable withholding taxes. For purposes of this calculation, the merger consideration is the product of the exchange ratio times the average closing sales price of First Interstate Class A common stock over the 20 consecutive trading days ending on and including the fifth day before the closing date of the merger.

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Surrender of Stock Certificates

The conversion of CMYF common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as practicable after the completion of the merger, the exchange agent will mail to CMYF shareholders a letter of transmittal, together with instructions for the exchange of their CMYF common stock certificates for the merger consideration. Until you surrender your CMYF stock certificates for exchange after completion of the merger, you will not be paid dividends or other distributions declared after the merger with respect to any First Interstate Class A common stock into which your CMYF shares have been converted. When you surrender your CMYF stock certificates accompanied by a properly completed letter of transmittal, First Interstate will pay any unpaid dividends or other distributions, without interest, that had become payable with respect to the shares of First Interstate Class A common stock into which your CMYF shares had been converted.

If you own shares of CMYF common stock in street name through a broker, bank or other nominee, you should receive or seek instructions from the broker, bank or other nominee holding your shares concerning how to surrender your shares of CMYF common stock in exchange for the merger consideration.

If you own shares of CMYF common stock in book-entry form, you are not required to take any additional action to exchange such shares for the merger consideration. Promptly following the completion of the merger, shares of CMYF common stock held in book-entry form automatically will be exchanged for shares of First Interstate Class A common stock in book-entry form and cash to be paid in exchange for fractional shares, if any.

If your CMYF stock certificates have been lost, stolen or destroyed, you will have to provide an affidavit claiming your CMYF stock certificates to be lost, stolen or destroyed, and post a bond in such amount as the exchange agent may direct before you receive any consideration for your shares.

After the completion of the merger, there will be no further transfers of CMYF common stock. CMYF stock certificates presented for transfer after the completion of the merger will be cancelled and exchanged for the merger consideration.

Accounting Treatment of the Merger

First Interstate will account for the merger under the acquisition method of accounting according to U.S. generally accepted accounting principles. Using the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities of CMYF will be recorded by First Interstate at their respective fair values at the time of the completion of the merger. The excess of First Interstate's purchase price over the net fair value of the assets acquired and liabilities assumed will then be recorded as goodwill.

Material U.S. Federal Income Tax Consequences of the Merger

General. The following discussion sets forth the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of CMYF common stock. This discussion does not address any tax consequences arising under the laws of any state, locality, foreign jurisdiction or U.S. federal tax laws other than federal income tax law. This discussion is based upon the Internal Revenue Code, the regulations of the United States Department of the Treasury and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, the term U.S. holder means:

an individual who is a citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States; any state thereof or the District of Columbia;

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a trust if (1) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

This discussion assumes that you are a U.S. holder and you hold your shares of CMYF common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, the discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

a financial institution;

a tax-exempt organization;

a pass-through entity or investor therein;

an insurance company;

a mutual fund;

a dealer in securities or currencies;

a trader in securities who elects the mark-to-market method of accounting for your securities;

a regulated investment company;

a real estate investment trust;

a retirement plan, individual retirement account or other tax-deferred account;

a CMYF shareholder whose shares are qualified as small business stock for purposes of Section 1202 of the Internal Revenue Code or who may otherwise be subject to the alternative minimum tax provisions of the Internal Revenue Code;

a CMYF shareholder who received CMYF common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

a person who has a functional currency other than the U.S. dollar;

a CMYF shareholder who holds CMYF common stock as part of a hedge, straddle or a constructive sale or conversion transaction; or

a U.S. expatriate or former resident of the United States.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds CMYF common stock, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership.

This discussion is not intended to be tax advice to any particular holder of CMYF common stock. Tax matters regarding the merger are complicated, and the tax consequences of the merger to you will depend on your particular situation. CMYF shareholders are urged to consult their tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effects of state, local, federal non-income and non-U.S. tax laws.

It is a condition to the closing of the merger that First Interstate receive the opinion of its legal counsel, Luse Gorman, PC, and CMYF receive the opinion of its special counsel, Silver, Freedman, Taff & Tiernan LLP, each dated as of the effective time of the merger, to the effect that, on the basis of facts, representations and

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assumptions set forth or referred to in each opinion (including factual representations contained in certificates of officers of First Interstate and CMYF), the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The tax opinions are not binding on the Internal Revenue Service, which we refer to as the IRS, or any court. First Interstate and CMYF have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

Assuming that the merger is completed in the manner set forth in the merger agreement, and that the representations found in the merger agreement and in the officers' certificates provided by First Interstate and CMYF delivered at the time of closing will be true and complete without qualification as of the effective time of the merger, it is the opinion of each of Luse Gorman, PC and Silver, Freedman, Taff & Tiernan LLP that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Based solely on the information set forth herein, and subject to the assumptions, qualifications and limitations set forth herein and in their respective federal income tax opinions filed as exhibits to the registration statement on Form S-4, this discussion of the material U.S. federal income tax consequences of the merger, to the extent such discussion expresses conclusions as to the application of U.S. federal income tax law, constitutes the opinions of Luse Gorman, PC, legal counsel to First Interstate, and Silver, Freedman, Taff & Tiernan LLP, special counsel to CMYF. In rendering their respective tax opinions, each counsel relied upon representations and covenants, including those contained in officers' certificates of First Interstate and CMYF, reasonably satisfactory in form and substance to each such counsel. If any of the representations, covenants or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected. Copies of the tax opinions are attached as Exhibits 8.1 and 8.2 to the registration statement on Form S-4.

Subject to the foregoing, the material U.S. federal income tax consequences of the merger are as follows:

No gain or loss will be recognized by a U.S. holder of CMYF common stock upon the receipt of shares of First Interstate Class A common stock in exchange for such holder's CMYF common stock pursuant to the merger (except in respect of cash received in lieu of fractional shares, as discussed below);

The aggregate adjusted tax basis of the shares of First Interstate Class A common stock received by the U.S. holder in the merger will be the same as the aggregate adjusted tax basis of shares of CMYF common stock surrendered in exchange therefor, reduced by the tax basis allocable to any fractional share of First Interstate Class A common stock for which cash is received;

The holding period of First Interstate Class A common stock received by a U.S. holder will include the holding period of the CMYF common stock exchanged therefor; and

Although no fractional shares of First Interstate Class A common stock will be issued in the merger, a U.S. holder who receives cash in lieu of such a fractional share of First Interstate Class A common stock will

generally be treated as having received the fractional share pursuant to the merger and then having sold that fractional share of First Interstate Class A common stock for cash. As a result, a U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the portion of the holder's aggregate adjusted tax basis of the shares of CMYF common stock surrendered that is allocable to its fractional share. Any capital gain or loss will be long-term capital gain or loss if the holding period for the fractional share (including the holding period of the shares of CMYF common stock surrendered therefor) is more than one year. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

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For purposes of the above discussion of the basis and holding periods for shares of CMYF common stock and First Interstate Class A common stock, CMYF shareholders who acquired different blocks of CMYF common stock at different times or at different prices must calculate their basis and holding periods separately for each identifiable block of such common stock exchanged or received in the merger.

Backup Withholding. A non-corporate U.S. holder may be subject to backup withholding (currently at a rate of 24%) on any cash received in the merger, including cash received in lieu of a fractional share of First Interstate Class A common stock. Backup withholding generally will not apply, however, to U.S. holders who:

furnish a correct taxpayer identification number, certify that they are not subject to backup withholding on Form W-9 or successor form and otherwise comply with all the applicable requirements of the backup withholding rules; or

provide proof that they are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Reporting Requirements. U.S. holders of CMYF common stock who receive First Interstate Class A common stock pursuant to the merger will be required to retain records pertaining to the merger, and any such holder who, immediately before the merger, holds at least 1% (by vote or value) of the outstanding CMYF stock, or securities of CMYF with a basis for U.S. federal income tax purposes of at least \$1 million, will be required to file with its U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger. U.S. holders are urged to consult with their tax advisors with respect to these and other reporting requirements applicable to the merger.

The preceding discussion is a summary of the material U.S. federal income tax consequences of the merger to a U.S. holder of CMYF stock and does not address all potential tax consequences that apply or that may vary with, or are contingent on, individual circumstances, and should not be construed as tax advice. Moreover, the discussion does not address any U.S. federal non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated and, accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local and foreign income and other tax consequences to you of the merger.

Regulatory Matters Relating to the Merger

Completion of the merger is subject to the receipt of all required approvals and consents from regulatory authorities. The merger is subject to approval by the Federal Reserve Board, the Montana Division and the Idaho Department. First Interstate has filed the required applications. While First Interstate does not know of any reason why it would not obtain the approvals in a timely manner, other than the complexities involved in acquiring two financial institutions simultaneously, First Interstate cannot be certain when or if it will receive the regulatory approvals.

Federal Reserve Board. The merger is subject to approval by the Federal Reserve Board under the Bank Merger Act. On January 10, 2019, First Interstate received the approval from the Federal Reserve Board.

The Federal Reserve Board takes into consideration a number of factors when acting on applications under the Bank Merger Act, including: (1) the financial and managerial resources and the effect of the proposed merger on these resources (including capital and pro forma capital ratios of the combined organization, the management expertise, internal controls, and risk management systems, especially those with respect to compliance with laws applicable to consumers and fair lending laws); (2) the effect of the proposal on competition; (3) the future prospects of the existing and merged entities; (4) the convenience and needs of the communities served; (5) any risk to the stability of the United States banking or financial system; and (6) the effectiveness of the acquiring

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entity in combating money laundering activities. The Federal Reserve Board also reviews the records of the relevant insured depository institutions under the Community Reinvestment Act of 1997, which we refer to as the CRA. In connection with such a review, the Federal Reserve Board will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if it determines such meeting or other proceeding would be appropriate.

In addition, a period of 15 to 30 days must expire following approval by the Federal Reserve Board before completion of the merger is allowed, within which period the United States Department of Justice may file objections to the merger under the federal anti-trust laws. There can be no assurance that the Department of Justice will not initiate proceedings to block the merger.

Montana Division. Prior approval of the merger is required from the Montana Division. The Division requires a 30-day public comment period on a merger application and may consider any comments received and other factors in considering the merger. On January 10, 2019, First Interstate received the approval from the Montana Division.

Idaho Department. The merger is subject to and must comply with the requirements of the Idaho Bank Act. Under the Idaho Bank Act, an application for approval of the merger must be provided to the Idaho Department, which includes a copy of the Bank Merger Act application filed with the Federal Reserve Board and the applicable fee. The director of the Idaho Department will not approve the application if, among other things: (1) the merger would be detrimental to the safety and soundness of First Interstate Bank or CMYF; (2) First Interstate Bank, its executive officers, directors or principal shareholders do not have a record of sound performance, efficient management, financial responsibility and integrity such that it would be against the interest of the depositors, other customers, creditors or shareholders of CMYF, or against the public interest to authorize the merger; or (3) the financial condition of First Interstate Bank or CMYF is such that the financial stability of First Interstate Bank or First Interstate might be jeopardized or the interests of depositors or other customers of First Interstate Bank or First Interstate might be prejudiced; (4) the consummation of the merger will tend to substantially lessen competition within Idaho unless the director finds that the anticompetitive effects of the merger are clearly outweighed by the benefit of meeting the convenience and needs of the community to be served; or (5) First Interstate Bank has not established a record of meeting the credit needs of the communities which it services. On January 10, 2019, First Interstate Bank received the approval from the Idaho Department.

The merger cannot proceed in the absence of the requisite regulatory approvals. See *Conditions to Completing the Merger* and *Terminating the Merger Agreement*. There can be no assurance that the requisite regulatory approvals will be obtained, and if obtained, there can be no assurance as to the date of any approval. There also can be no assurance that any regulatory approvals will not contain a condition or requirement that causes the approvals to fail to satisfy one or more conditions set forth in the merger agreement and described under *Conditions to Completing the Merger*.

The approval of any application merely implies the satisfaction of regulatory criteria for approval, which does not include, for example, review of the merger from the standpoint of the adequacy of the merger consideration. Furthermore, regulatory approvals do not constitute an endorsement or recommendation with respect to the merger.

Interests of Certain Persons in the Merger that are Different from Yours

In considering the recommendation of the board of directors of CMYF to approve the merger agreement and the merger, you should be aware that CMYF's executive officers and directors have compensation agreements or plans that give them financial interests in the merger that are different from, or in addition to, the interests of CMYF shareholders generally, which are described below. The board of directors of CMYF was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the

merger agreement.

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Treatment of Stock Options. The merger agreement provides that all options to purchase CMYF common stock outstanding at the effective time of the merger, whether or not vested, will be cancelled and, subject to First Interstate's receipt of an option surrender agreement, the holder will be entitled to receive a lump sum cash payment equal to the product of (1) the number of shares of CMYF common stock subject to the stock option multiplied by (2) the amount by which the merger consideration exceeds the exercise price of such option, less applicable withholding taxes. For purposes of this calculation, the merger consideration is the product of the exchange ratio times the average closing sales price of First Interstate Class A common stock over the 20 consecutive trading days ending on and including the fifth day before the closing date of the merger. If the exercise price of a CMYF stock option is equal to or greater than the merger consideration, such option will be cancelled at the effective time of the merger for no consideration. CMYF executive officers, David P. Bobbitt, Jerry C. Lyon and Nicole M. Montgomery hold 6,143, 5,534 and 4,484 stock options, respectively, and will receive a cash payment of \$23,693, \$23,491 and \$20,572, respectively, upon the termination and cash-out of the stock options, based on a per share price of CMYF common stock of \$16.11, which is the average closing market price of CMYF common stock over the five business days following the public announcement of the merger.

Indemnification and Insurance of Directors and Officers. In the merger agreement, First Interstate has agreed to indemnify and hold harmless each of the current and former officers and directors of CMYF against any costs, expenses, judgments, fines, amounts paid in settlements, damages and other liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether arising before or after the effective time of the merger, pertaining to any matter that existed or occurred at or before the effective time of the merger to the same extent as CMYF currently provides for indemnification of its officers and directors. First Interstate has also agreed to maintain in effect for a period of six years following the effective time of the merger the directors and officers liability insurance policy currently maintained by CMYF or to provide a policy with comparable coverage, provided that, to obtain such insurance coverage, First Interstate is not obligated to expend, in the aggregate, an amount exceeding 200% of the amount of the annual premiums currently paid by CMYF for such insurance.

Employee Matters

Each person who is an employee of CMYF as of the effective time of the merger (whose employment is not specifically terminated as of the effective time of the merger) will become an employee of First Interstate Bank. These employees, at the sole discretion of First Interstate, may continue on CMYF's benefit plans through the end of 2019, and, if this occurs, will be eligible to participate in employee benefit plans that are substantially comparable to the employee benefit that are generally made available to similarly situated employees of First Interstate Bank beginning in 2020; provided, however, that continuing employees will not experience a gap in coverage and will not be eligible to participate in any frozen plans of First Interstate Bank. With respect to any First Interstate Bank health or welfare plan, First Interstate Bank will cause any pre-existing condition limitations or eligibility waiting periods to be waived and credit each continuing employee for any co-payments or deductibles incurred by such continuing employee under an CMYF health plan for the plan year in which coverage commences under First Interstate Bank's health plan. Terminated CMYF employees that do not continue as employees of First Interstate Bank following the effective time of the merger, and their qualified beneficiaries, will have the right to continued coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985.

Continuing employees will receive prior service credit for purposes of eligibility and vesting (but not for purposes of benefit accrual under First Interstate Bank's 401(k) Plan for 2019 employer contributions) provided that such recognition of service will not (1) apply to paid time-off, to the extent, at First Interstate Bank's discretion, the cash value of unused paid time-off is paid to continuing employees at the closing of the merger, or (2) operate to duplicate any benefits with respect to the same period of service.

Each full-time employee of CMYF whose employment is involuntarily terminated by First Interstate (other than for cause) within six months following the effective time of the merger and who is not covered by a separate

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employment agreement, change in control agreement or other agreement that provides for the payment of severance will, upon executing an appropriate release in the form reasonably determined by First Interstate Bank, receive a severance payment equal to two weeks of base pay for each year of service with CMYF, and, to the extent applicable, First Interstate Bank, with a minimum payment equal to four weeks for base pay and a maximum payment of 52 weeks of base pay, depending on such employee's title.

First Interstate will provide all employees of CMYF whose employment was terminated other than for cause, disability or retirement at or following the merger, job counseling and outplacement assistance services to assist such employees in locating new employment. First Interstate will notify all such employees of opportunities for positions that First Interstate Bank reasonably believes such persons are qualified and will consider any application for such positions submitted by such persons, provided, however, that any decision to offer employment to any such person will be made in the sole discretion of First Interstate or First Interstate Bank.

A retention bonus pool will be established for employees of CMYF other than employees of CMYF who are covered by employment agreements or other contracts providing for severance, as jointly designated by First Interstate and CMYF. The amount and payment date of the retention bonus for each employee will be jointly determined by First Interstate and CMYF.

Operations of First Interstate Bank after the Merger

The merger agreement provides for the merger of CMYF with and into First Interstate Bank, with First Interstate Bank as the surviving entity.

The directors and executive officers of First Interstate and First Interstate Bank will remain the same following the merger.

Resale of Shares of First Interstate Class A Common Stock

All shares of First Interstate Class A common stock issued to CMYF's shareholders in connection with the merger will be freely transferable. This document does not cover any resales of the shares of First Interstate Class A common stock to be received by CMYF's shareholders upon completion of the merger, and no person may use this document in connection with any resale.

Time of Completion

Unless the parties agree otherwise and unless the merger agreement has otherwise been terminated, the closing of the merger will take place within 15 days following the date on which all of the conditions to the merger contained in the merger agreement are satisfied or waived. See *Conditions to Completing the Merger*. On the closing date, to merge CMYF into First Interstate Bank, First Interstate Bank will file Articles of Merger with the Montana Division and the Idaho Department. The merger will become effective at the time stated in the Articles of Merger.

It is currently expected that the merger will be completed in the first half of 2019. However, because completion of the merger is subject to regulatory approvals and other conditions, the parties cannot be certain of the actual timing of the completion of the merger.

Conditions to Completing the Merger

First Interstate s, First Interstate Bank s and CMYF s obligations to consummate the merger are conditioned on the following:

approval of the merger agreement by CMYF shareholders;

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receipt of all required regulatory approvals, consents or waivers and the expiration of all statutory waiting periods;

the absence of any order, decree, injunction, statute, rule or regulation that prevents the consummation of the merger or that makes completion of the merger illegal;

receipt of consent of all third parties whose consent is required to consummate the merger, except where failure to obtain such consent would not have a material adverse effect on First Interstate;

effectiveness of the registration statement of which this document is a part;

First Interstate filing a notice with The Nasdaq Stock Market for the listing of the shares of First Interstate Class A common stock to be issued by First Interstate in the merger, and The Nasdaq Stock Market not objecting to the listing of such shares of First Interstate Class A common stock;

receipt by each of First Interstate and CMYF of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code; and

the absence of any material adverse effect with respect to First Interstate and First Interstate Bank, on the one hand, or CMYF, on the other hand.

In addition, First Interstate's and First Interstate Bank's obligations to consummate the merger are conditioned on the following:

the representations and warranties of CMYF contained in the merger agreement being true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and the receipt by First Interstate and First Interstate Bank of a written certificate from CMYF's Chief Executive Officer and Chief Financial Officer to that effect;

CMYF's performance in all material respects of all of its obligations and covenants required to be performed before the effective time of the merger, and First Interstate's and First Interstate Bank's receipt of a written certificate from CMYF's Chief Executive Officer and Chief Financial Officer to that effect;

none of the regulatory approvals, consents or waivers necessary to consummate the merger and the transactions contemplated by the merger agreement including any condition or requirement that would so materially and adversely impact the economic or business benefits to First Interstate and First Interstate Bank of the transactions contemplated by the merger agreement that, had such condition or requirement been

known, First Interstate and First Interstate Bank would not, in its reasonable judgment, have entered into the merger agreement; and

as of the date immediately before the closing of the merger, no more than 10% of the outstanding shares of CMYF common stock having exercised its dissenters' rights.

In addition, CMYF's obligations to consummate the merger are conditioned on the following:

the representations and warranties of First Interstate and First Interstate Bank contained in the merger agreement being true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and CMY