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## Section 1: 8-K (8-K)

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

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**FORM 8-K**  
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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (date of earliest event reported): July 24, 2020**

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**FIRST INTERSTATE BANCSYSTEM, INC.**

(Exact name of registrant as specified in its charter)  
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**Montana**

(State or other jurisdiction of  
incorporation or organization)

**001-34653**

(Commission  
File No.)

**81-0331430**

(IRS Employer  
Identification No.)

**401 North 31st Street**

**Billings, MT**

(Address of principal executive offices)

**59116-0918**

(zip code)

**(406) 255-5390**

(Registrant's telephone number, including area code)

**Not Applicable**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

\* \* \* \* \*

**Securities registered pursuant to Section 12(b) of the Act:**

**Title of each class**

Class A common stock, no par value

**Trading Symbol(s)**

FIBK

**Name of exchange on which registered**

NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or

Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

\* \* \* \* \*

**Item 2.02** Results of Operations and Financial Condition.

On July 27, 2020, First Interstate BancSystem, Inc. (the “Company”) issued a press release regarding its financial results for the quarter ended June 30, 2020. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein. Neither the information incorporated by reference in this report nor the press release shall be deemed as “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

**Item 8.01** Other Events.

In the same press release noted in Item 2.02 of this Current Report on Form 8-K, the Company announced that the Board of Directors of the Company declared, on July 24, 2020, a dividend of \$0.34 per share, that is payable August 17, 2020 to shareholders of record of the Company as of August 7, 2020.

**Item 9.01** Financial Statements and Exhibits.

(d)	<b>Exhibit Number</b>	<b>Description</b>
	<a href="#">99.1</a>	Press Release dated July 27, 2020.

## SIGNATURES

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

Date: July 27, 2020

FIRST INTERSTATE BANCSYSTEM, INC.

By: /s/ KEVIN P. RILEY

Kevin P. Riley

President and Chief Executive Officer

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## Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1



For Immediate Release

### *First Interstate BancSystem, Inc. Reports Second Quarter Earnings*

Billings, MT - July 27, 2020 - First Interstate BancSystem, Inc. (NASDAQ: FIBK) today reported financial results for the second quarter of 2020. For the quarter, the Company reported net income of \$36.7 million, or \$0.58 per share, which compares to net income of \$29.3 million, or \$0.45 per share, for the first quarter of 2020, and \$37.9 million, or \$0.59 per share, for the second quarter of 2019.

The second quarter of 2019 included acquisition costs related to the acquisitions of Idaho Independent Bank (“IIBK”) and Community 1st Bank (“CMYF”), both of which were acquired on April 8, 2019. The acquisition costs negatively impacted earnings by \$0.16 per share in the second quarter of 2019.

#### HIGHLIGHTS

- Mortgage banking revenues increased 30.3% to \$14.2 million, for the second quarter of 2020, compared to \$10.9 million for the first quarter of 2020, and increased 57.8%, from \$9.0 million, compared to the second quarter of 2019.
- Non-performing assets of \$64.1 million for the second quarter of 2020 decreased \$7.2 million, or 10.1%, from \$71.3 million during the first quarter of 2020 and decreased \$9.7 million, or 13.1%, from \$73.8 million during the second quarter of 2019.
- Criticized loans decreased \$33.9 million, compared to the first quarter of 2020 and \$47.9 million, compared to the second quarter of 2019.
- Tangible book value per common share increased to \$20.02 as of June 30, 2020, compared to \$19.32 as of March 31, 2020 and \$18.84 as of June 30, 2019.
- On an annualized basis and excluding Paycheck Protection Program (PPP) loans, residential real estate loans increased 18.5%, consumer loans increased 6.4%, and commercial real estate loans increased 5.6%. These increases were offset by decreases in commercial and other loan portfolios.

- Non-interest-bearing deposits increased \$1,117.3 million, or 33.8%, compared to the first quarter of 2020 and \$1,053.7 million, or 31.2%, compared to the second quarter of 2019.
- Securities sold under repurchase agreements increased 23.1%, to \$142.0 million, compared to the first quarter of 2020.
- As of July 17, 2020, we processed more than 11,400 applications that were approved for approximately \$1.2 billion in loans through the PPP.

“We continue to be very pleased with the resiliency of our markets and the strength of our asset quality in the face of the COVID-19 pandemic,” said Kevin P. Riley, President and Chief Executive Officer of First Interstate BancSystem, Inc. “We are seeing a number of positive trends that reflect the health of our borrowers including declines in non-performing assets and criticized loans, increasing deposit balances, and the vast majority of our deferred loans returning to their scheduled payments at the expiration of their deferral period. While the low interest rate environment and caution on the part of commercial borrowers presents challenges for revenue growth, we are benefiting from our diverse business mix that enables us to capitalize on pockets of strength we are seeing in the economy, such as residential mortgage and indirect consumer lending.”

“We remain very well positioned to manage through the continuation of the pandemic, with high levels of capital and liquidity. We believe our overall financial performance will remain relatively consistent over the second half of the year. Despite the near-term challenges, we continue to operate with a long-term perspective and execute well on the technology initiatives that are strengthening our infrastructure, improving our scalability, and enabling us to continually offer new digital banking features to our clients. We believe that the progress we have made to enhance our technological platform has positioned us well to capitalize on organic and acquisitive growth opportunities in the coming years as we return to a more normalized operating environment,” said Mr. Riley.

## **DIVIDEND DECLARATION**

On July 24, 2020, the Company’s board of directors declared a dividend of \$0.34 per common share, payable on August 17, 2020, to common stockholders of record as of August 7, 2020. The dividend equates to a 4.45% annualized yield based on the \$30.54 per share average closing price of the Company’s common stock as reported on NASDAQ during the second quarter of 2020.

## **NET INTEREST INCOME**

Net interest income decreased by 0.5%, to \$122.5 million, during the second quarter of 2020, compared to \$123.1 million during the first quarter of 2020. Net interest income decreased \$2.8 million, or 2.2% during the second quarter of 2020, compared to \$125.3 million during the second quarter of 2019. During the second quarter of 2020, the Company recorded a total of \$8.6 million of interest income from PPP lending activity. The decreases were primarily the result of lower levels of charged-off interest and interest accretion related to the fair valuation of acquired loans, and the impact of the March decrease in the Fed Funds rate.

- There were no material recoveries of previously charged-off interest included in net interest income this quarter, compared to previously charged-off interest recoveries of \$0.2 million during the first quarter of 2020 and \$1.5 million during the second quarter of 2019.
- Interest accretion attributable to the fair valuation of acquired loans contributed \$3.0 million to net interest income during the second quarter of 2020, of which approximately \$1.1 million was related to early payoffs. This compares to interest accretion of \$3.8 million in net interest income during the first quarter of 2020, of which approximately \$1.1 million was related to early payoffs, and interest accretion of \$5.2 million in net interest income during the second quarter of 2019, of which approximately \$2.6 million was related to early payoffs.

The net interest margin ratio was 3.52% for the second quarter of 2020 compared to 3.90% reported during the first quarter of 2020 and 4.08% during the second quarter of 2019. The decreases were the result of lower yields on interest earning assets as a result of the impact of the reduction in the federal funds rate, significant PPP loan balances at low yields, higher cash balances, and interest on long-term debt partially offset by lower deposit costs.

- Exclusive of the impact of the recovery of charged-off interest and interest accretion, the Company’s net interest margin ratio contracted 33 basis points to 3.44% during the second quarter of 2020, compared to 3.77% during the first quarter of 2020, primarily due to lower yields on the Company’s earning assets as a result of significant PPP loan balances with low yields, higher cash balances, and an increase in long-term debt, partially offset by lower funding costs.
- Exclusive of the impact of the recovery of charged-off interest and interest accretion, the Company’s net interest margin ratio contracted 42 basis points to 3.44%, compared to 3.86% during the second quarter of 2019, primarily as a result of the impact of the reduction in the federal funds rate, significant PPP loan balances at low yields, higher cash balances, and interest on long-term debt, all of which were partially offset by lower deposit costs.

## **PROVISION FOR CREDIT LOSSES**

The provision for the first and second quarters of 2020 reflect the adoption of the current expected credit loss (CECL) accounting standard. The provision includes an increase in expected losses over the life of the loan portfolios as a result of significant changes in the Company’s internal economic forecast related to the recent outbreak of the coronavirus (COVID-19) and uncertainty regarding the benefits of government stimulus. During the second quarter of 2020, the Company recorded a provision for credit losses of \$19.5 million, compared to \$29.0 million during the first quarter of 2020, and \$3.8 million during the second quarter of 2019. The provision includes the impact of net charge-offs of \$2.3 million, or 0.09% of average loans outstanding, for the second quarter of 2020, compared to \$3.1 million, or 0.14% of average loans outstanding, for the first quarter of 2020, and \$2.0 million, or 0.09% of average loans outstanding for the second quarter of 2019.

The Company's allowance for credit losses on loans as a percentage of period-end loans held for investment, including PPP loans, increased to 1.46% at June 30, 2020, compared to 1.45% at March 31, 2020, and 0.82% at June 30, 2019. The increase from June 30, 2019 is a result of the adoption of the CECL standard and the impact of COVID-19 on the Company's clients. Coverage of non-performing loans increased to 253.65% at June 30, 2020, compared to 204.60% at March 31, 2020, as a result of a higher allowance for credit losses and lower levels of non-performing loans, and compared to 160.61% at June 30, 2019. The increase from June 30, 2019 is primarily a result of the adoption of the CECL standard and the impact of COVID-19 on the Company's clients.

While the allowance for credit losses on loans of 1.46% include the PPP loan balance, the allowance for credit losses does not include a reserve on the 100% Small Business Administration guaranteed PPP loans. The allowance for credit losses on loans as a percentage of period-end loans held for investment would have been 20 basis points higher had the PPP loan balances been excluded at June 30, 2020.

## **NON-INTEREST INCOME**

Total non-interest income increased \$1.3 million, or 3.4%, to \$39.7 million during the second quarter of 2020, as compared to \$38.4 million during the first quarter of 2020, as increases in mortgage banking revenues and other income partially offset declines in other non-interest income sources. Total non-interest income increased \$2.1 million, or 5.6%, from \$37.6 million during the second quarter of 2019, which is primarily the result of higher mortgage banking revenues partially offset by a decrease in other fee income in the second quarter of 2020 associated with COVID-19.

The Company reclassified mortgage servicing revenues and direct costs related to loans sold (including amortization, impairment, and other expenses) to mortgage banking revenue to provide more clarity to mortgage banking activity for all periods presented. Mortgage banking revenues increased \$3.3 million, or 30.3%, to \$14.2 million during the second quarter of 2020, as compared to \$10.9 million during the first quarter of 2020 and increased \$5.2 million, or 57.8%, during the second quarter of 2020 from \$9.0 million during the second quarter of 2019. The increases were primarily driven by all-time high levels of mortgage loan production due to higher levels of refinance activity as a result of the favorable interest rate environment. These increases were partially offset by mortgage servicing impairments of \$2.9 million and \$5.5 million, in the first and the second quarter of 2020, respectively. During the second quarter of 2020, loans originated for home purchases accounted for approximately 29.0% of loan production, as compared to 49.9% during the first quarter of 2020 and 81.4% during the second quarter of 2019 due to the higher level of refinancing activity.

Service charges on deposit accounts decreased \$1.8 million, or 33.3%, to \$3.6 million during the second quarter of 2020, as compared to \$5.4 million during the first quarter of 2020 and the second quarter of 2019. The decreases are primarily due to changes in client behavior and the Company waiving continuous overdraft fees and regular overdraft fees for clients receiving stimulus checks during the second quarter of 2020, as part of the U.S. government response to COVID-19, .

## **NON-INTEREST EXPENSE**

Non-interest expense increased \$0.6 million, or 0.6%, to \$95.6 million during the second quarter of 2020, as compared to \$95.0 million during the first quarter of 2020. Non-interest expense decreased \$14.7 million, or 13.3%, from \$110.3 million during the second quarter of 2019, primarily due to a decrease in acquisition related expenses.

There were no material acquisition related expenses for the first or second quarter of 2020 whereas the second quarter of 2019 included \$13.5 million of such expenses. Exclusive of acquisition related expenses, non-interest expense decreased \$1.2 million, compared to \$96.8 million during the second quarter of 2019.

Salaries and wages expense increased \$4.3 million, or 10.8%, to \$44.2 million during the second quarter of 2020, compared to \$39.9 million during the first quarter of 2020, and increased \$4.1 million, or 10.2%, from \$40.1 million in the second quarter of 2019, primarily as a result of higher levels of incentive accruals during the second quarter of 2020.

Employee benefit expenses decreased \$3.8 million, or 26.8%, to \$10.4 million during the second quarter of 2020, when compared to the \$14.2 million incurred during the first quarter of 2020, primarily due to lower health insurance costs and lower payroll taxes. Employee benefit expenses decreased \$3.6 million, or 25.7%, from \$14.0 million during the second quarter of 2019, primarily due to lower health insurance and other employee benefit costs as compared to the second quarter of 2019.

## BALANCE SHEET

Total assets increased \$2,060.0 million, or 14.3%, to \$16,471.4 million as of June 30, 2020, from \$14,411.4 million as of March 31, 2020 and increased \$2,056.8 million, or 14.3%, from \$14,414.6 million as of June 30, 2019. The increases from the comparable periods are primarily due to an increase in loans held for investment as a result of the PPP loans originated and increases in investment securities and cash and cash equivalents as a result of higher levels of deposits.

Loans held for investment increased \$1,114.5 million, or 12.5%, to \$10,032.5 million as of June 30, 2020, from \$8,918.0 million as of March 31, 2020 and increased \$1,037.3 million, or 11.5%, as of June 30, 2020, from \$8,995.2 million as of June 30, 2019. During the second quarter of 2020, the Company originated PPP loans of \$1.2 billion.

Total real estate loans increased \$119.6 million, or 2.0%, to \$6,096.9 million as of June 30, 2020, from \$5,977.3 million as of March 31, 2020, primarily driven by increases in residential loans of \$56.6 million, or 4.6%, commercial loans of \$50.4 million, or 1.4%, and residential construction loans of \$17.8 million, or 7.8%. The increases were partially offset by a decrease primarily in land acquisition and development construction loans of \$5.2 million, or 1.8%.

Total real estate loans increased \$212.8 million, or 3.6%, from June 30, 2019. Growth within the real estate loan portfolio is primarily attributable to increases in commercial loans of \$135.3 million, or 3.9%, increases in commercial construction loans of \$106.4 million, or 30.1%, and increases in residential loans of \$9.3 million, or 0.7%. Growth was primarily offset by decreases in land acquisition and development construction loans of \$22.1 million, or 7.2%, and decreases in residential construction loans of \$14.8 million, or 5.7%.

Total consumer loans increased \$16.3 million, or 1.6%, to \$1,041.8 million as of June 30, 2020, from \$1,025.5 million as of March 31, 2020. Within the consumer loan portfolio, indirect loans increased \$27.3 million, or 3.5%, direct loans decreased \$5.7 million, or 3.3%, and credit card loans decreased \$5.3 million, or 7.0%, as of June 30, 2020 compared to March 31, 2020. Total consumer loans decreased \$34.2 million, or 3.2%, from \$1,076.0 million, as of June 30, 2019, primarily attributable to decreases in the direct and credit card loan portfolios as compared to June 30, 2019.

Commercial loans increased \$988.6 million, or 59.6%, to \$2,648.6 million as of June 30, 2020, from \$1,660.0 million as of March 31, 2020 and increased \$887.9 million, or 50.4%, from \$1,760.7 million as of June 30, 2019, primarily due to the PPP loans partially offset by pay-downs within the portfolio.

Agricultural loans increased \$24.9 million, or 9.7%, to \$282.8 million as of June 30, 2020, from \$257.9 million as of March 31, 2020, primarily due to seasonal draw downs on operating lines. Agricultural loans increased \$5.2 million, or 1.9%, from \$277.6 million as of June 30, 2019.

Mortgage loans held for sale increased \$75.5 million, or 80.0%, to \$169.9 million as of June 30, 2020, from \$94.4 million as of March 31, 2020, and increased \$105.8 million, or 165.1%, as of June 30, 2020, from \$64.1 million as of June 30, 2019. The increases are primarily due to an increase in originations of mortgage loans held for sale as a result of higher levels of refinance activity driven by lower interest rates.

Other assets increased \$25.0 million, or 10.4%, to \$264.8 million as of June 30, 2020, from \$239.8 million as of March 31, 2020, primarily due to increases in accrued interest receivables of \$10.2 million, company owned life receivables of \$5.0 million, PPP loan fee receivables of \$3.5 million, and interest rate swap contracts of \$7.2 million which were partially offset by normal fluctuations in other assets. Other assets increased \$61.1 million, or 30.0%, as of June 30, 2020, from \$203.7 million as of June 30, 2019, primarily due to increases in interest rate swap contracts of \$47.7 million, accrued interest receivables of \$6.3 million, company owned life receivables of \$5.0 million, PPP loan fee receivables of \$3.5 million which were partially offset by normal fluctuations in other assets.

Total deposits increased \$1,775.3 million, or 15.4%, to \$13,340.4 million as of June 30, 2020, from \$11,565.1 million as of March 31, 2020, primarily as a result of a \$1,117.3 million increase in non-interest bearing business deposits and an increase in interest bearing demand and savings deposits. These increases were partially offset by decreases in interest bearing time deposits. Total deposits increased \$1,850.5 million, or 16.1%, from \$11,489.9 million as of June 30, 2019, primarily related to an increase of \$1,053.7 million in non-interest-bearing business deposits and an increase in interest bearing demand and savings deposits. These increases were partially offset by decreases in interest-bearing time deposits.



Securities sold under repurchase agreements increased \$142.0 million, or 23.1%, to \$756.1 million as of June 30, 2020, from \$614.1 million as of March 31, 2020, and increased \$69.4 million, or 10.1%, as of June 30, 2020, from \$686.7 million as of June 30, 2019. Fluctuations in repurchase agreement balances correspond with fluctuations in the liquidity of the Company's clients.

Long-term debt increased \$98.4 million to \$112.3 million as of June 30, 2020, from \$13.9 million as of March 31, 2020, and increased \$96.5 million, from \$15.8 million as of June 30, 2019. The increase is due to the Company's issuance of \$100 million of subordinated notes in the second quarter of 2020.

The loans held for investment to deposit ratio was 75.2%, as of June 30, 2020, compared to 77.1% and 78.3% as of March 31, 2020 and June 30, 2019, respectively.

The Company is considered to be "well-capitalized" as of June 30, 2020, having exceeded all regulatory capital adequacy requirements. During the second quarter of 2020, the Company paid regular common stock dividends of approximately \$21.8 million, or \$0.34 per share,

## **CREDIT QUALITY**

As of June 30, 2020, non-performing assets decreased \$7.2 million, or 10.1%, to \$64.1 million, compared to \$71.3 million as of March 31, 2020, primarily due to decreases in non-accrual loans of \$1.2 million, or 2.3%, loans 90 days past due of \$4.3 million, or 35.8%, and other real estate owned of \$1.7 million, or 20.7%.

Criticized loans decreased \$33.9 million, or 8.5%, to \$366.1 million as of June 30, 2020, from \$400.0 million as of March 31, 2020, driven primarily by pay-downs in commercial and commercial real estate loans which were partially offset by downgrades. Criticized loans decreased \$47.9 million from \$414.0 million as of June 30, 2019.

Net loan charge-offs decreased \$0.8 million, or 25.8%, to \$2.3 million during the second quarter of 2020, as compared to \$3.1 million during the first quarter of 2020. The net loan charge-offs in the second quarter of 2020 were composed of charge-offs of \$4.1 million and recoveries of \$1.8 million. Net loan charge-offs during the second quarter of 2019 were \$2.0 million.

## NON-GAAP FINANCIAL MEASURES

In addition to results presented in accordance with GAAP in the United States of America, this release contains the following non-GAAP financial measures that management uses to evaluate our capital adequacy: (i) tangible book value per common share; (ii) tangible common stockholders' equity to tangible assets; (iii) tangible assets; (iv) tangible common stockholders' equity; and (v) return on average tangible common stockholders' equity. Tangible book value per common share is calculated as tangible common stockholders' equity divided by common shares outstanding. Tangible common stockholders' equity to tangible assets is calculated as tangible common stockholders' equity divided by tangible assets. Tangible assets are calculated as total assets less goodwill and other intangible assets (excluding mortgage servicing assets). Tangible common stockholders' equity to tangible assets is calculated as tangible common stockholders' equity divided by tangible assets. Return on average tangible common stockholders' equity is calculated as net income available to common shareholders divided by average tangible common stockholders' equity. These non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies because other companies may not calculate these non-GAAP measures in the same manner. They also should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP.

The Company adjusts the foregoing capital adequacy measures to exclude intangible assets except mortgage servicing rights, adjusts its non-interest expense to exclude acquisition related expenses, and adjusts its net interest margin ratio to exclude the impact of the recovery of charged-off interest and the impact of interest accretion on acquired loans. Management believes these non-GAAP financial measures, which are intended to complement the capital ratios defined by banking regulators and to present on a consistent basis our and our acquired companies' organic continuing operations without regard to the acquisition costs and adjustments that we consider to be unpredictable and dependent on a significant number of factors that are outside our control, are useful to investors in evaluating the Company's performance because, as a general matter, they either do not represent an actual cash expense and are inconsistent in amount and frequency depending upon the timing and size of our acquisitions (including the size, complexity and/or volume of past acquisitions, which may drive the magnitude of acquisition related costs, but may not be indicative of the size, complexity and/or volume of future acquisitions or related costs), or they cannot be anticipated or estimated in a particular period (in particular as it relates to unexpected recovery amounts). This impacts the ratios which are important to analysts and allows investors to compare certain aspects of the Company's capitalization to other companies.

See the Non-GAAP Financial Measures table included herein and the textual discussion for a reconciliation of the above described non-GAAP financial measures to their most directly comparable GAAP financial measures.

## Cautionary Note Regarding Forward-Looking Statements and Factors that Could Affect Future Results

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder, that involve inherent risks and uncertainties. Any statements about our plans, objectives, expectations, strategies, beliefs, or future performance or events constitute forward-looking statements. Such statements are identified by words or phrases such as “believes,” “expects,” “anticipates,” “plans,” “trends,” “objectives,” “continues” or similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “may” or similar expressions. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other important factors that could cause actual results to differ materially from any results, performance or events expressed or implied by such forward-looking statements. The following factors, among others, may cause actual results to differ materially from current expectations in the forward-looking statements, including those set forth in this press release: political, legal, regulatory, and general economic or business conditions, either nationally or regionally; geopolitical uncertainties throughout the world; weather-related, disease, viruses, wide-spread health emergencies, pandemics, and other adverse climate or other conditions that may impact our business and our clients’ businesses; changes in the interest rate environment or interest rate changes made by the Board of Governors of the Federal Reserve; credit performance of our loan portfolio; adequacy of the allowance for credit losses and access to low-cost funding sources; our ability to achieve the projected cost savings from our acquisitions and do so in the time expected; operating costs, client loss and business disruption following our acquisitions may be greater than expected; the unavailability of LIBOR; impairment of goodwill; dependence on our management team and ability to attract and retain qualified employees; governmental regulation and changes in regulatory, tax and accounting rules and interpretations; stringent capital requirements; future FDIC insurance premium increases; CFPB restrictions on our ability to originate and sell mortgage loans; cyber-security risks, including items such as “denial of service,” “hacking,” and “identity theft”; management distraction and costs associated with defending against, and unfavorable resolution with respect to, significant litigation, including class action litigation, and regulatory proceedings; inability to meet liquidity requirements; inability to grow organically or through acquisitions; impairment of collateral underlying our loans; environmental remediation and other costs associated with repossessed properties; ineffective internal operational controls; competition; meeting market demand with current and new products; reliance on external vendors; soundness of other financial institutions; failure of technology and failure to effectively implement technology-driven products and services; risks associated with introducing and implementing new lines of business, products or services; failure to execute on strategic or operational plans, including the ability to complete acquisitions or achieve expected costs savings or revenue growth associated with acquisitions; deposit attrition, client loss and/or revenue loss following completed acquisitions; anti-takeover provisions; changes in dividend policy and the inability of our bank subsidiary to pay dividends; the uninsured nature of any investment in our common stock; decline in market price and volatility of our common stock; voting control of Class B common stock stockholders; controlled company status; dilution as a result of future equity issuances; and subordination of common stock to our indebtedness.

These factors are not necessarily all the factors that could cause our actual results, performance or achievements to differ materially from those expressed in or implied by any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above and included in our periodic reports filed with the SEC under the Securities Exchange Act of 1934, as amended, under the caption “Risk Factors.” Interested parties are urged to read in their entirety such risk factors prior to making any investment decision with respect to the Company. Forward-looking statements speak only as of the date they are made and we do not undertake or assume any obligation to update publicly any of these statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

## **Second Quarter 2020 Conference Call for Investors**

First Interstate BancSystem, Inc. will host a conference call to discuss the second quarter of 2020 results at 11 a.m. Eastern Time (9 a.m. Mountain Time) on Tuesday, July 28, 2020. The conference call will be accessible by telephone and through the Internet. Participants may join the call by dialing 1-877-507-0356 or by logging on to [www.FIBK.com](http://www.FIBK.com). The call will be recorded and made available for replay after 1 p.m. Eastern Time (11 a.m. Mountain Time) on July 28, 2020 through 9 a.m. Eastern Time (7 a.m. Mountain Time) on August 27, 2020, by dialing 1-877-344-7529 (using conference ID 10145865). The call will also be archived on our website, [www.FIBK.com](http://www.FIBK.com), for one year.

### **About First Interstate BancSystem, Inc.**

First Interstate BancSystem, Inc. is a financial and bank holding company incorporated in 1971 and headquartered in Billings, Montana. The Company operates banking offices, including detached drive-up facilities, in communities across Idaho, Montana, Oregon, South Dakota, Washington, and Wyoming. Through First Interstate Bank, the Company delivers a comprehensive range of banking products and services to individuals, businesses, municipalities, and other entities throughout the Company's market areas.

**Contact:**      **Marcy Mutch**  
                    **Chief Financial Officer**  
                    **First Interstate BancSystem, Inc.**  
                    **(406) 255-5312**  
                    **[marcy.mutch@fib.com](mailto:marcy.mutch@fib.com)**

**NASDAQ: FIBK**  
**[www.FIBK.com](http://www.FIBK.com)**

**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
*(Unaudited)*

<i>(In millions, except % and per share data)</i>	Quarter Ended					% Change	
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	2Q20 vs 1Q20	2Q20 vs 2Q19
Net interest income	\$ 122.5	\$ 123.1	\$ 128.2	\$ 125.5	\$ 125.3	(0.5)%	(2.2)%
Net interest income on a fully-taxable equivalent ("FTE") basis	123.0	123.6	128.7	126.0	125.8	(0.5)	(2.2)
Provision for credit losses <sup>(1)</sup>	19.5	29.0	3.8	2.6	3.8	(32.8)	413.2
<b>Non-interest income:</b>							
Payment services revenues	9.3	10.2	10.8	10.8	10.5	(8.8)	(11.4)
Mortgage banking revenues*	14.2	10.9	8.6	10.4	9.0	30.3	57.8
Wealth management revenues	5.4	6.2	6.0	5.9	5.8	(12.9)	(6.9)
Service charges on deposit accounts	3.6	5.4	5.4	5.3	5.4	(33.3)	(33.3)
Other service charges, commissions and fees*	2.9	2.1	1.8	1.7	1.8	38.1	61.1
Total fee-based revenues	35.4	34.8	32.6	34.1	32.5	1.7	8.9
Investment securities gains	—	—	—	0.1	—	NM	NM
Other income	4.3	3.6	2.5	4.0	5.1	19.4	(15.7)
Total non-interest income	39.7	38.4	35.1	38.2	37.6	3.4	5.6
<b>Non-interest expense:</b>							
Salaries and wages	44.2	39.9	40.0	40.1	40.1	10.8	10.2
Employee benefits	10.4	14.2	11.2	11.9	14.0	(26.8)	(25.7)
Occupancy and equipment	11.0	10.1	10.1	10.4	10.5	8.9	4.8
Core deposit intangible amortization	2.7	2.9	2.9	3.0	3.0	(6.9)	(10.0)
Other expenses*	27.2	28.4	27.4	28.3	29.0	(4.2)	(6.2)
Other real estate owned (income) expense	0.1	(0.5)	(1.7)	(0.8)	0.2	(120.0)	(50.0)
Acquisition related expenses	—	—	0.7	3.8	13.5	NM	NM
Total non-interest expense	95.6	95.0	90.6	96.7	110.3	0.6	(13.3)
Income before taxes	47.1	37.5	68.9	64.4	48.8	25.6	(3.5)
Income taxes	10.4	8.2	16.5	15.3	10.9	26.8	(4.6)
Net income	\$ 36.7	\$ 29.3	\$ 52.4	\$ 49.1	\$ 37.9	25.3 %	(3.2)%
<b>Weighted-average shares outstanding:</b>							
Weighted-average basic shares outstanding	63,301	64,790	64,870	64,832	64,505	(2.3)%	(1.9)%
Weighted-average diluted shares outstanding	63,379	64,937	65,168	65,043	64,707	(2.4)	(2.1)
Earnings per share - basic	\$ 0.58	\$ 0.45	\$ 0.81	\$ 0.76	\$ 0.59	28.9	(1.7)
Earnings per share - diluted	0.58	0.45	0.80	0.76	0.59	28.9	(1.7)

NM - not meaningful

\* The Company reclassified certain mortgage banking related quarterly amounts prior to June 30, 2020 from other service charges, commissions and fees and mortgage servicing rights amortization and impairment, included in other expenses, into mortgage banking revenues to conform prior periods to the June 30, 2020 presentation. These reclassifications did not change previously reported net income.

<sup>(1)</sup> Provision for credit losses on loans for the quarter ended June 30, 2020 and March 31, 2020; provision for loan losses for the prior periods.

**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
*(Unaudited)*

<i>(In millions, except % and per share data)</i>	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	% Change	
						2Q20 vs 1Q20	2Q20 vs 2Q19
<b>Assets:</b>							
Cash and cash equivalents	\$ 1,425.0	\$ 869.2	\$ 1,076.8	\$ 1,269.6	\$ 1,128.9	63.9 %	26.2 %
Investment securities	3,385.5	3,070.5	3,052.3	2,827.1	2,708.5	10.3	25.0
Mortgage loans held for sale, at fair value	169.9	94.4	100.9	108.9	64.1	80.0	165.1
Loans held for investment	10,032.5	8,918.0	8,930.7	8,992.6	8,995.2	12.5	11.5
Allowance for credit losses	146.1	129.1	73.0	75.0	74.2	13.2	96.9
Net loans held for investment	9,886.4	8,788.9	8,857.7	8,917.6	8,921.0	12.5	10.8
Goodwill and intangible assets (excluding mortgage servicing rights)	706.1	708.8	711.7	715.6	719.4	(0.4)	(1.8)
Company owned life insurance	293.1	295.3	293.8	292.8	291.7	(0.7)	0.5
Premises and equipment	309.5	308.5	306.0	302.8	321.1	0.3	(3.6)
Other real estate owned	6.5	8.2	8.5	17.8	27.6	(20.7)	(76.4)
Mortgage servicing rights	24.6	27.8	30.2	29.8	28.6	(11.5)	(14.0)
Other assets	264.8	239.8	206.3	219.6	203.7	10.4	30.0
<b>Total assets</b>	<b>\$ 16,471.4</b>	<b>\$ 14,411.4</b>	<b>\$ 14,644.2</b>	<b>\$ 14,701.6</b>	<b>\$ 14,414.6</b>	<b>14.3 %</b>	<b>14.3 %</b>
<b>Liabilities and stockholders' equity:</b>							
Deposits	\$ 13,340.4	\$ 11,565.1	\$ 11,663.5	\$ 11,799.6	\$ 11,489.9	15.4 %	16.1 %
Securities sold under repurchase agreements	756.1	614.1	697.6	636.9	686.7	23.1	10.1
Long-term debt	112.3	13.9	13.9	13.9	15.8	NM	NM
Subordinated debentures held by subsidiary trusts	86.9	86.9	86.9	86.9	86.9	NM	NM
Other liabilities	176.8	175.3	168.4	181.7	186.7	0.9	(5.3)
<b>Total liabilities</b>	<b>14,472.5</b>	<b>12,455.3</b>	<b>12,630.3</b>	<b>12,719.0</b>	<b>12,466.0</b>	<b>16.2</b>	<b>16.1</b>
<b>Stockholders' equity:</b>							
Common stock	1,021.2	1,018.7	1,049.3	1,047.8	1,045.6	0.2	(2.3)
Retained earnings	912.5	897.6	953.6	921.4	892.5	1.7	2.2
Accumulated other comprehensive income (loss)	65.2	39.8	11.0	13.4	10.5	63.8	NM
<b>Total stockholders' equity</b>	<b>1,998.9</b>	<b>1,956.1</b>	<b>2,013.9</b>	<b>1,982.6</b>	<b>1,948.6</b>	<b>2.2</b>	<b>2.6</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 16,471.4</b>	<b>\$ 14,411.4</b>	<b>\$ 14,644.2</b>	<b>\$ 14,701.6</b>	<b>\$ 14,414.6</b>	<b>14.3 %</b>	<b>14.3 %</b>
Common shares outstanding at period end	64,561	64,553	65,246	65,229	65,229	— %	(1.0)%
Book value at period end	\$ 30.96	\$ 30.30	\$ 30.87	\$ 30.39	\$ 29.87	2.2	3.6
Tangible book value at period end**	20.02	19.32	19.96	19.42	18.84	3.6	6.3

NM - not meaningful

\*\*Non-GAAP financial measure - see Non-GAAP Financial Measures included herein for a reconciliation of book value at period end (GAAP) to tangible book value at period end (non-GAAP).

**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Loans and Deposits**  
*(Unaudited)*

<i>(In millions, except %)</i>	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	% Change	
						2Q20 vs 1Q20	2Q20 vs 2Q19
<b>Loans:</b>							
Real Estate:							
Commercial real estate*	\$ 3,593.8	\$ 3,543.4	\$ 3,487.8	\$ 3,469.9	\$ 3,458.5	1.4 %	3.9 %
Construction:							
Land acquisition and development	285.3	290.5	302.1	309.6	307.4	(1.8)	(7.2)
Residential	246.2	228.4	244.1	261.8	261.0	7.8	(5.7)
Commercial	459.8	459.4	431.5	386.7	353.4	0.1	30.1
Total construction	991.3	978.3	977.7	958.1	921.8	1.3	7.5
Residential real estate*	1,287.6	1,231.0	1,246.1	1,256.6	1,278.3	4.6	0.7
Agricultural real estate	224.2	224.6	226.6	226.5	225.5	(0.2)	(0.6)
Total real estate	6,096.9	5,977.3	5,938.2	5,911.1	5,884.1	2.0	3.6
Consumer:							
Indirect	801.9	774.6	784.6	797.8	793.1	3.5	1.1
Direct	169.3	175.0	179.0	188.8	201.7	(3.3)	(16.1)
Credit card	70.6	75.9	81.6	80.3	81.2	(7.0)	(13.1)
Total consumer	1,041.8	1,025.5	1,045.2	1,066.9	1,076.0	1.6	(3.2)
Commercial*	2,648.6	1,660.0	1,673.7	1,726.5	1,760.7	59.6	50.4
Agricultural	282.8	257.9	279.1	292.7	277.6	9.7	1.9
Other	3.7	3.7	—	1.3	2.7	—	37.0
Deferred loan fees and costs	(41.3)	(6.4)	(5.5)	(5.9)	(5.9)	545.3	600.0
Loans held for investment	\$ 10,032.5	\$ 8,918.0	\$ 8,930.7	\$ 8,992.6	\$ 8,995.2	12.5 %	11.5 %

\*In conjunction with the adoption of ASU 2016-13, the Company reclassified 2019 quarterly amounts in our multi-family loan portfolio from residential real estate to commercial real estate. Additionally, we reclassified our 2019 quarterly amounts in our commercial 1-4 family and commercial home equity lines of credit from commercial real estate to commercial to conform 2019 amounts to the 2020 presentation. These reclassifications did not change previously reported loans held for investment.

**Deposits:**

Non-interest bearing	\$ 4,426.6	\$ 3,309.3	\$ 3,426.5	\$ 3,639.7	\$ 3,372.9	33.8 %	31.2 %
Interest bearing:							
Demand	3,665.6	3,293.8	3,195.4	3,054.1	3,066.6	11.3	19.5
Savings	4,035.6	3,641.4	3,591.6	3,570.8	3,491.9	10.8	15.6
Time, \$0.1 and over	486.2	560.1	651.1	705.2	717.4	(13.2)	(32.2)
Time, other	726.4	760.5	798.9	829.8	841.1	(4.5)	(13.6)
Total interest bearing	8,913.8	8,255.8	8,237.0	8,159.9	8,117.0	8.0	9.8
Total deposits	\$ 13,340.4	\$ 11,565.1	\$ 11,663.5	\$ 11,799.6	\$ 11,489.9	15.4 %	16.1 %
Total core deposits <sup>(1)</sup>	\$ 12,854.2	\$ 11,005.0	\$ 11,009.5	\$ 11,091.5	\$ 10,763.7	16.8 %	19.4 %

<sup>(1)</sup> Core deposits are defined as total deposits less time deposits, \$0.1 and over and brokered deposits

**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Credit Quality**  
*(Unaudited)*

<i>(In millions, except %)</i>	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	% Change	
						2Q20 vs 1Q20	2Q20 vs 2Q19
<b>Allowance for Credit Losses: <sup>(1)</sup></b>							
Allowance for credit losses	\$ 146.1	\$ 129.1	\$ 73.0	\$ 75.0	\$ 74.2	13.2 %	96.9 %
As a percentage of loans held for investment	1.46%	1.45%	0.82%	0.83%	0.82%		
Net charge-offs during quarter	\$ 2.3	\$ 3.1	\$ 5.8	\$ 1.8	\$ 2.0	(25.8)%	15.0 %
Annualized as a percentage of average loans	0.09%	0.14%	0.25%	0.08%	0.09%		
<b>Non-Performing Assets:</b>							
Non-accrual loans	\$ 49.9	\$ 51.1	\$ 42.9	\$ 50.1	\$ 41.0	(2.3)%	21.7 %
Accruing loans past due 90 days or more	7.7	12.0	5.7	7.0	5.2	(35.8)	48.1
Total non-performing loans	57.6	63.1	48.6	57.1	46.2	(8.7)	24.7
Other real estate owned	6.5	8.2	8.5	17.8	27.6	(20.7)	(76.4)
Total non-performing assets	\$ 64.1	\$ 71.3	\$ 57.1	\$ 74.9	\$ 73.8	(10.1)%	(13.1)%
Non-performing assets as a percentage of:							
Loans held for investment and OREO	0.64%	0.80%	0.64%	0.83%	0.82%		
Total assets	0.39	0.49	0.39	0.51	0.51		
Accruing Loans 30-89 Days Past Due	\$ 56.8	\$ 53.3	\$ 37.7	\$ 40.2	\$ 38.8	6.5 %	46.3 %
Accruing TDRs	3.4	5.0	5.5	5.5	5.7	(32.0)	(40.4)
<b>Criticized Loans:</b>							
Special Mention	\$ 122.7	\$ 150.2	\$ 157.5	\$ 174.5	\$ 182.5	(18.3)%	(32.8)%
Substandard	228.2	243.6	224.0	229.1	217.0	(6.3)	5.2
Doubtful	15.2	6.2	5.9	12.5	14.5	145.2	4.8
Total	\$ 366.1	\$ 400.0	\$ 387.4	\$ 416.1	\$ 414.0	(8.5)%	(11.6)%

<sup>(1)</sup> Allowance for credit losses on loans ("ACLL") at June 30, 2020 and March 31, 2020; Allowance for loan losses ("ALLL") for the prior periods.



**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Selected Ratios - Annualized**  
*(Unaudited)*

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>Annualized Financial Ratios (GAAP)</b>					
Return on average assets	0.93%	0.81%	1.41%	1.35%	1.07%
Return on average common equity	7.49	5.91	10.39	9.89	7.97
Yield on average earning assets	3.71	4.18	4.30	4.42	4.62
Cost of average interest-bearing liabilities	0.27	0.41	0.52	0.70	0.77
Interest rate spread	3.44	3.77	3.78	3.72	3.85
Net interest margin ratio	3.52	3.90	3.94	3.93	4.08
Efficiency ratio	57.27	57.03	53.70	57.24	65.87
Loans held for investment to deposit ratio	75.20	77.11	76.57	76.21	78.29

**Annualized Financial Ratios - Operating\*\* (Non-GAAP)**

Tangible book value per common share	\$ 20.02	\$ 19.32	\$ 19.96	\$ 19.42	\$ 18.84
Tangible common stockholders' equity to tangible assets	8.20%	9.10%	9.35%	9.06%	8.98%
Return on average tangible common equity	11.68	9.18	16.15	15.56	12.73

**Consolidated Capital Ratios:**

Total risk-based capital to total risk-weighted assets	14.77% *	13.67%	14.10%	13.71%	13.43%
Tier 1 risk-based capital to total risk-weighted assets	12.86 *	12.80	13.41	13.01	12.73
Tier 1 common capital to total risk-weighted assets	12.08 *	12.01	12.62	12.19	11.94
Leverage Ratio	9.22 *	9.90	10.13	9.96	9.94

\*Preliminary estimate - may be subject to change. Additionally, the 2020 regulatory capital ratios presented above include the assumption of the transitional method relative to recent legislation by Congress in relief of COVID-19 pandemic on the economy and financial institutions in the United States. The referenced relief allows a total five-year phase in of the CECL impact on capital and relief over the next two years for the impact on the allowance for credit losses resulting from COVID-19.

\*\*Non-GAAP financial measures - see Non-GAAP Financial Measures included herein for a reconciliation of book value per common share to tangible book value per common share, return on average common equity (GAAP) to return on average tangible common equity, and tangible common stockholders' equity to tangible assets (non-GAAP).



**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**  
**Average Balance Sheets**  
*(Unaudited)*

<i>(In millions, except %)</i>	Three Months Ended								
	June 30, 2020			March 31, 2020			June 30, 2019		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<b>Interest earning assets:</b>									
Loans <sup>(1) (2)</sup>	\$ 9,949.6	\$ 112.4	4.54%	\$ 8,995.6	\$ 112.4	5.03%	\$ 8,948.3	\$ 121.2	5.43%
Investment securities <sup>(2)</sup>	3,017.7	16.4	2.19	3,061.3	17.8	2.34	2,703.4	16.4	2.43
Interest bearing deposits in banks	1,068.1	0.5	0.19	705.0	2.5	1.43	728.7	5.0	2.75
Federal funds sold	0.1	—	—	0.3	—	—	0.8	—	—
<b>Total interest earning assets</b>	<b>14,035.5</b>	<b>129.3</b>	<b>3.71%</b>	<b>12,762.2</b>	<b>132.7</b>	<b>4.18%</b>	<b>12,381.2</b>	<b>142.6</b>	<b>4.62%</b>
Non-earning assets	1,757.9			1,698.3			1,838.4		
<b>Total assets</b>	<b>\$ 15,793.4</b>			<b>\$ 14,460.5</b>			<b>\$ 14,219.6</b>		
<b>Interest bearing liabilities:</b>									
Demand deposits	\$ 3,563.5	\$ 0.4	0.05%	\$ 3,241.9	\$ 0.9	0.11%	\$ 3,033.5	\$ 2.7	0.36%
Savings deposits	3,874.5	0.3	0.03	3,628.0	1.4	0.16	3,443.9	5.6	0.65
Time deposits	1,263.1	3.8	1.21	1,384.3	5.0	1.45	1,507.0	5.8	1.54
Repurchase agreements	696.5	0.1	0.06	639.4	0.5	0.31	695.8	1.1	0.63
Other borrowed funds	—	—	—	0.5	—	—	—	—	—
Long-term debt	64.8	1.0	6.21	13.9	0.3	8.68	15.8	0.4	10.15
Subordinated debentures held by subsidiary trusts	86.9	0.7	3.24	86.9	1.0	4.63	86.9	1.2	5.54
<b>Total interest-bearing liabilities</b>	<b>9,549.3</b>	<b>6.3</b>	<b>0.27%</b>	<b>8,994.9</b>	<b>9.1</b>	<b>0.41%</b>	<b>8,782.9</b>	<b>16.8</b>	<b>0.77%</b>
Non-interest-bearing deposits	4,062.9			3,284.0			3,317.8		
Other non-interest-bearing liabilities	210.4			188.0			211.1		
Stockholders' equity	1,970.8			1,993.6			1,907.8		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 15,793.4</b>			<b>\$ 14,460.5</b>			<b>\$ 14,219.6</b>		
Net FTE interest income	\$ 123.0			\$ 123.6			\$ 125.8		
Less FTE adjustments <sup>(2)</sup>	(0.5)			(0.5)			(0.5)		
<b>Net interest income from consolidated statements of income</b>	<b>\$ 122.5</b>			<b>\$ 123.1</b>			<b>\$ 125.3</b>		
Interest rate spread	3.44%			3.77%			3.85%		
Net FTE interest margin <sup>(3)</sup>	3.52%			3.90%			4.08%		
Cost of funds, including non-interest-bearing demand deposits <sup>(4)</sup>	0.19%			0.30%			0.56%		

<sup>(1)</sup> Average loan balances include mortgage loans held for sale and non-accrual loans. Interest income on loans includes amortization of deferred loan fees net of deferred loan costs, which is not material.

<sup>(2)</sup> Interest income and average rates for tax exempt loans and securities are presented on an FTE basis.

<sup>(3)</sup> Net FTE interest margin during the period equals the difference between annualized interest income on interest earning assets and the annualized interest expense on interest bearing liabilities, divided by average interest earning assets for the period.

<sup>(4)</sup> Calculated by dividing total annualized interest on interest bearing liabilities by the sum of total interest-bearing liabilities plus non-interest-bearing deposits.

**FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES**

**Non-GAAP Financial Measures**

*(Unaudited)*

<i>(In millions, except % and per share data)</i>	As Of or For the Quarter Ended				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Total common stockholders' equity (GAAP) (A)	\$ 1,998.9	\$ 1,956.1	\$ 2,013.9	\$ 1,982.6	\$ 1,948.6
Less goodwill and other intangible assets (excluding mortgage servicing rights)	706.1	708.8	711.7	715.6	719.4
Tangible common stockholders' equity (Non-GAAP) (B)	\$ 1,292.8	\$ 1,247.3	\$ 1,302.2	\$ 1,267.0	\$ 1,229.2
<b>Total assets (GAAP)</b>	<b>\$ 16,471.4</b>	<b>\$ 14,411.4</b>	<b>\$ 14,644.2</b>	<b>\$ 14,701.6</b>	<b>\$ 14,414.6</b>
Less goodwill and other intangible assets (excluding mortgage servicing rights)	706.1	708.8	711.7	715.6	719.4
Tangible assets (Non-GAAP) (C)	\$ 15,765.3	\$ 13,702.6	\$ 13,932.5	\$ 13,986.0	\$ 13,695.2
<b>Average Balances:</b>					
Total common stockholders' equity (GAAP) (D)	\$ 1,970.8	\$ 1,993.6	\$ 2,001.7	\$ 1,969.0	\$ 1,907.8
Less goodwill and other intangible assets (excluding mortgage servicing rights)	707.4	710.2	714.1	717.3	713.7
Average tangible common stockholders' equity (Non-GAAP) (E)	\$ 1,263.4	\$ 1,283.4	\$ 1,287.6	\$ 1,251.7	\$ 1,194.1
Total quarterly average assets (F)	\$ 15,793.4	\$ 14,460.5	\$ 14,721.9	\$ 14,473.0	\$ 14,219.6
Annualized net income available to common shareholders (G)	147.6	117.8	207.9	194.8	152.0
Common shares outstanding (H)	64,561	64,553	65,246	65,229	65,229
Return on average assets (GAAP) (G)/(F)	0.93%	0.81%	1.41%	1.35%	1.07%
Return on average common stockholders' equity (GAAP) (G)/(D)	7.49	5.91	10.39	9.89	7.97
Average common stockholders' equity to average assets (GAAP) (D)/(F)	12.48	13.79	13.60	13.60	13.42
Book value per common share (GAAP) (A)/(H) \$	\$ 30.96	\$ 30.30	\$ 30.87	\$ 30.39	\$ 29.87
Tangible book value per common share (Non-GAAP) (B)/(H)	20.02	19.32	19.96	19.42	18.84
Tangible common stockholders' equity to tangible assets (Non-GAAP) (B)/(C)	8.20%	9.10%	9.35%	9.06%	8.98%
Return on average tangible common stockholders' equity (Non-GAAP) (G)/(E)	11.68	9.18	16.15	15.56	12.73

**First Interstate BancSystem, Inc.**

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