

FIRST INTERSTATE BANCSYSTEM INC

Form S-4

February 20, 2014

[Table of Contents](#)

Registration No. 333-

As filed with the Securities and Exchange Commission on February 20, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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)

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Kevin P. Riley

Executive Vice President and Chief Financial Officer

401 North 31st Street

Billings, Montana 59101

(406) 255-5390

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Scott Berdan
Greg Lindley
Holland & Hart LLP
One Boulder Plaza
1800 Broadway, Suite 300
Boulder, CO 80302
(303) 473-2700**

**Richard M. Morgan
Chief Financial Officer
1225 Cedar Street
Helena, MT 59601
(406) 449-2265**

**Lynn Gardin
Fredrikson & Byron, P.A.
200 Sixth Street South, Suite 4000
Minneapolis, MN 55402
(612) 492-7102**

Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after the effective date of this registration statement.

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. ☐

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

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐
(Do not check if a
smaller reporting company)

Smaller reporting company ☐

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

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Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)	o
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)	o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Class A Common Stock, no par value	1,444,623		\$ 26,294,175	\$ 3,387
(1) Represents the maximum number of shares of Class A Common Stock, no par value per share, of First Interstate BancSystem, Inc. that may be issued in connection with the proposed merger to which this registration statement relates.				

(2) Estimated solely for the purpose of calculating the amount of the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, and computed pursuant to Rule 457(f), based upon the product of (a) 5,660,748, the maximum number of shares of common stock of Mountain West Financial Corp. to be exchanged or cancelled in the merger and (b) \$11.77, the book value per share of common stock of Mountain West Financial Corp. as of the most reasonable practicable date, minus the amount of cash to be paid, per share by First Interstate BancSystem, Inc. in the merger.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein 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 prior to 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 these securities 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 prior to registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY PROXY STATEMENT/PROSPECTUS
DATED FEBRUARY 20, 2014, SUBJECT TO COMPLETION**

MOUNTAIN WEST FINANCIAL CORP.

To the Stockholders of Mountain West Financial Corp.:

We are furnishing this proxy statement/prospectus to the holders of common stock of Mountain West Financial Corp., which we refer to as Mountain West, in connection with the solicitation of proxies for a meeting of the stockholders of Mountain West concerning the proposals described in this document. On February 10, 2014, First Interstate BancSystem, Inc., which we refer to as First Interstate, entered into a merger agreement to acquire Mountain West, in a transaction in which the consideration will be paid partly in stock and partly in cash. If the merger agreement is approved and the merger is subsequently completed, Mountain West will merge with and into First Interstate, with First Interstate as the surviving entity. The boards of Mountain West and First Interstate have each unanimously approved the merger agreement. Furthermore, all current directors and certain senior executive officers of Mountain West, who held approximately % of the issued and outstanding shares of Mountain West common stock on the record date, have signed agreements to support the merger and vote in favor of it at the Mountain West stockholder meeting.

Under the merger agreement, at the effective time of the merger, each issued and outstanding share of Mountain West common stock will be cancelled and converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash or, if a Mountain West stockholder properly elects and subject to the limitations summarized below, an amount in all cash or all stock roughly equal in value to the above described combination of stock and cash merger consideration. Based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on , 2014, and on the number of shares and options to purchase shares of Mountain West common stock issued and outstanding on such date, the aggregate value of the consideration that would be expected to be delivered to Mountain West stockholders in the merger would be approximately \$ million, of which \$ million would be paid in cash and \$ million would be represented by shares of First Interstate Class A Common Stock. The actual value received by Mountain West stockholders in the aggregate and on a per share of Mountain West common stock basis will fluctuate prior to the completion of the merger based on the prevailing market price of the First Interstate Class A Common Stock. You may obtain current stock price quotations for First Interstate Class A Common

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Stock on the NASDAQ Global Select Market under the symbol FIBK. Mountain West common stock is not listed on a national securities exchange, and therefore current Mountain West stock price quotations are not available.

As an accommodation to Mountain West stockholders, First Interstate has agreed to allow them to elect to receive their individual merger consideration in either all cash or all First Interstate Class A Common Stock, subject to the limitations discussed below and in lieu of the stock and cash combination merger consideration. Electing Mountain West stockholders may not ultimately receive in the merger only cash or only stock, however, because the merger agreement provides that First Interstate is only required to issue that number of shares of First Interstate Class A Common Stock that would have been issued in the merger if all Mountain West shares were converted at the specified stock and cash combination merger consideration, which we refer to as the target share number. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of shares of First Interstate Class A Common Stock at the target share number, then the Mountain West shares shall be converted in accordance with the elections. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received

Table of Contents

would result in the issuance of shares of First Interstate Class A Common Stock in excess of the target share number, then the number of shares of First Interstate Class A Common Stock to be delivered to the Mountain West stockholders making the all stock elections will be reduced proportionately and cash in an equivalent value will be paid to those stockholders. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of fewer shares of First Interstate Class A Common Stock than the target share number, then the amount of cash to be delivered to the Mountain West stockholders making the all cash elections will be reduced proportionately and shares of First Interstate Class A Common Stock having an equivalent value will be issued to those stockholders.

No fractional shares of First Interstate Class A Common Stock will be issued in the merger. A Mountain West stockholder will receive cash in lieu of any fractional shares of First Interstate Class A Common Stock such holder would otherwise have been entitled to receive in the merger.

Mountain West will hold a special meeting of stockholders to consider the proposed merger and related matters. First Interstate and Mountain West cannot complete the proposed merger unless Mountain West's stockholders vote to approve the merger agreement and the merger. This letter and the accompanying documents are being provided by the Mountain West board of directors to solicit your proxy to vote for approval of the merger agreement and the merger at a special meeting of Mountain West stockholders. The vote of the stockholders of First Interstate is not required to approve the merger agreement or merger. This letter and the accompanying documents are also being delivered to Mountain West stockholders as First Interstate's prospectus for its offering of First Interstate Class A Common Stock in the merger.

We expect the merger to be generally tax free to Mountain West stockholders for United States federal income tax purposes, except with respect to the taxes attributable to the cash to be received by Mountain West stockholders. Mountain West stockholders are urged to consult your own tax advisors to determine the extent to which your receipt of the merger consideration may be taxable to you.

Your vote is very important. To ensure your representation at the Mountain West special meeting, please complete and return the enclosed proxy card or submit your proxy through the Internet. Whether or not you expect to attend the Mountain West special meeting, please promptly vote. Submitting a proxy now will not prevent you from being able to vote in person at the Mountain West special meeting. **The Mountain West board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the approval of the merger agreement and the merger and FOR the adjournment of the special meeting if necessary or appropriate.**

The accompanying document provides you with additional detailed information about the proposed merger and the merger agreement. It also contains or references information about Mountain West and First Interstate and related matters. You are encouraged to read the accompanying document carefully, including the information incorporated in the document by reference. **In particular, you should read the RISK FACTORS section beginning on page 19 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

Sincerely,

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Richard G. Anderson

Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger agreement or merger, the issuance of the First Interstate Class A Common Stock in connection with the merger or the other transactions described in this document, or passed upon the adequacy or accuracy of the disclosure in this letter or the accompanying document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This letter and the accompanying documents are dated _____, 2014, and are first being mailed to stockholders of Mountain West on or about _____, 2014.

Table of Contents

**MOUNTAIN WEST FINANCIAL CORP.
1225 Cedar Street**

Helena, MT 59601

**NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2014**

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of Mountain West Financial Corp., which we refer to as Mountain West, will be held at the Holiday Inn Downtown, 22 N. Last Chance Gulch St., Helena, MT 59601, at 10:00 a.m., Mountain Time, on , 2014, for the following purposes:

1. To approve the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of February 10, 2014, by and between First Interstate BancSystem, Inc. and Mountain West, as such merger agreement may be amended from time to time, a copy of which is attached as Appendix A, and the merger to be effected pursuant thereto, which we refer to collectively as the Mountain West Merger proposal; and
2. To approve one or more adjournments of the Mountain West special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Mountain West Merger proposal, which we refer to as the Mountain West Adjournment proposal.

Mountain West will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Mountain West Merger proposal is described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The Mountain West board of directors has set , 2014 as the record date for the Mountain West special meeting. Only holders of record of Mountain West common stock at the close of business on , 2014 will be entitled to notice of and to vote at the Mountain West special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the Mountain West special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of Mountain West common stock.

Your vote is very important. To ensure your representation at the Mountain West special meeting, please complete and return the enclosed proxy card or submit your proxy through the Internet. Please promptly vote whether or not you expect to attend the Mountain West special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Mountain West special meeting.

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The Mountain West board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the Mountain West Merger proposal and FOR the Mountain West Adjournment proposal.

By order of the Board of Directors,

Richard G. Anderson
Chairman of the Board

Helena, Montana

, 2014

PLEASE VOTE YOUR SHARES OF MOUNTAIN WEST COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL MOUNTAIN WEST INVESTOR RELATIONS AT 406-449-2265.

Table of Contents

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission by First Interstate (File No. 333-), constitutes a prospectus of First Interstate under Section 5 of the Securities Act of 1933, as amended, which is referred to herein as the Securities Act, with respect to the shares of First Interstate Class A Common Stock to be issued in the merger contemplated by the merger agreement and the transactions contemplated thereby.

This document also constitutes a notice of meeting and a proxy statement with respect to Mountain West's special meeting, at which Mountain West stockholders will be asked to consider and vote upon certain proposals, including a proposal to approve the merger and the merger agreement and the transactions contemplated thereby.

WHERE YOU CAN FIND MORE INFORMATION

First Interstate files annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission, which is referred to herein as the SEC. You may read and copy any materials that First Interstate files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, First Interstate files its reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You are also able to obtain these documents, free of charge, from First Interstate at www.FIBK.com under the tab SEC Filings. The information contained on or accessible from First Interstate's website does not constitute a part of this document and is not incorporated by reference herein.

First Interstate has filed a registration statement on Form S-4 of which this document forms a part. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the address set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that First Interstate has previously filed and may hereafter file with the SEC. They contain important information about First Interstate and its financial condition. For further information, please see the section entitled INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE beginning on page 79.

First Interstate will provide to each person to whom a copy of this prospectus is delivered, a copy of any or all of the information that it has incorporated by reference into this document (excluding exhibits to such documents unless such exhibits are specifically incorporated by reference). First Interstate will provide this information upon written or oral request at no cost to the requester. You may request this information by contacting First Interstate's corporate headquarters at the following address: 401 North 31st Street, Billings, Montana 59101, Attention: Amy Anderson, or by calling (406) 255-5390.

To obtain timely delivery of these documents, you must request the information no later than , 2014 in order to receive them before Mountain West's special meeting of stockholders.

First Interstate Class A Common Stock is traded on the NASDAQ Global Select Market under the symbol FIBK.

Table of Contents

TABLE OF CONTENTS

	Page
<u>ABOUT THIS DOCUMENT</u>	i
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	i
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	7
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR FIRST INTERSTATE</u>	13
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	15
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	16
<u>RISK FACTORS</u>	19
<u>MOUNTAIN WEST SPECIAL MEETING OF STOCKHOLDERS</u>	22
<u>MOUNTAIN WEST PROPOSALS</u>	25
<u>INFORMATION ABOUT THE COMPANIES</u>	26
<u>THE MERGER</u>	27
<u>THE MERGER AGREEMENT</u>	48
<u>INFORMATION ABOUT MOUNTAIN WEST</u>	61
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	62
<u>DISSENTERS' RIGHTS OF MOUNTAIN WEST STOCKHOLDERS</u>	66
<u>DESCRIPTION OF FIRST INTERSTATE CAPITAL STOCK</u>	68
<u>COMPARISON OF STOCKHOLDERS' RIGHTS</u>	73
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF MOUNTAIN WEST</u>	78
<u>EXPERTS</u>	79
<u>CERTAIN LEGAL MATTERS</u>	79
<u>OTHER MATTERS</u>	79
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	79
 <u>Appendix A: Agreement and Plan of Merger</u>	 A-1
 <u>Appendix B: Opinion of D.A. Davidson & Co.</u>	 B-1
 <u>Appendix C: Provisions of Montana Code Annotated Related to Dissenters' Rights</u>	 C-1
 <u>Appendix D: Form of Voting and Support Agreement</u>	 D-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

WHAT IS THE MERGER?

First Interstate and Mountain West have entered into an Agreement and Plan of Merger, which is referred to herein as the merger agreement, pursuant to which Mountain West will merge with and into First Interstate with First Interstate continuing as the surviving corporation in a transaction that is referred to in this proxy statement/prospectus as the merger. A copy of the merger agreement is attached as Appendix A to this document. If the merger is consummated, First Interstate and Mountain West expect that within six months Mountain West Bank, National Association, a wholly owned subsidiary of Mountain West and which is referred to in this proxy statement/prospectus as Mountain West Bank, will merge with and into First Interstate Bank, which is a wholly owned subsidiary of First Interstate. The merger of Mountain West Bank with and into First Interstate Bank is referred in this proxy statement/prospectus as the bank merger. In order for Mountain West to complete the transaction with First Interstate, the approval of Mountain West's stockholders is needed as are approvals by the bank regulators of First Interstate, Mountain West, First Interstate Bank, and Mountain West Bank.

WHY AM I RECEIVING THIS PROXY STATEMENT/PROSPECTUS?

Mountain West is sending these materials to its stockholders to help them decide how to vote their shares of Mountain West common stock with respect to the merger and other matters to be considered at the special meeting. More specifically, the merger cannot be completed unless Mountain West stockholders approve the merger agreement. Mountain West is holding a special meeting of its stockholders to vote on the proposals necessary to complete the merger. Information about the special meeting, the merger and the other business to be considered by Mountain West's stockholders at the special meeting is contained in this document.

In addition, this document constitutes a prospectus of First Interstate. It is a prospectus because First Interstate, in connection with the merger, is offering shares of its Class A Common Stock, in addition to cash consideration, in exchange for outstanding shares of Mountain West common stock in the merger. The shares being offered by this document are required to be registered with the SEC prior to their issuance.

WHAT WILL MOUNTAIN WEST STOCKHOLDERS RECEIVE IN THE MERGER?

Under the merger agreement, First Interstate expects to issue approximately _____ shares of its Class A Common Stock and to pay approximately \$ _____ million in cash for all of the outstanding shares of common stock of Mountain West, based on the _____ shares of Mountain West common stock and options to purchase shares of Mountain West common stock outstanding as of _____, 2014, which is referred to in this proxy statement/prospectus as the record date.

WHAT WILL EACH MOUNTAIN WEST STOCKHOLDER RECEIVE IN THE MERGER?

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Each Mountain West stockholder will receive a combination of cash and stock consisting of 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash per share of Mountain West common stock; provided that, if a stockholder chooses, the stockholder may elect to receive one of the following forms of merger consideration instead of such cash and stock combination

- all cash, in an amount per share of Mountain West common stock equal, subject to proration and adjustment as described herein, to (i) \$7.125 plus (ii) the product of (x) 0.2552 and (y) the average closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market during the twenty (20) business days immediately preceding the fifth day prior to the closing date of the merger, which is referred to herein as the average closing price; or
- all First Interstate Class A Common Stock, in an amount of shares of First Interstate Class A Common Stock per share of Mountain West common stock equal, subject to proration and adjustment as described herein, to (i) 0.2552 plus (ii) the quotient of (x) \$7.125 divided by (y) the average closing price.

All elections are subject to the election, proration and allocation procedures and limitations described in this proxy statement/prospectus. Due to these limitations, Mountain West stockholders electing all cash or all stock will be subject to a pro rata adjustment as may be necessary, because the merger agreement provides that First Interstate is only required to issue that number of shares of First Interstate Class A Common Stock that would have been issued in

Table of Contents

the merger if all Mountain West shares were converted at the specified stock and cash combination merger consideration (referred to herein as the target share number).

HOW AND WHEN DOES A MOUNTAIN WEST STOCKHOLDER ELECT THE FORM OF CONSIDERATION HE OR SHE PREFERS TO RECEIVE?

If a Mountain West stockholder desires to make an all cash or all stock election (rather than receive the established merger consideration consisting of a mix of cash and stock, for which no election need be made), a Mountain West stockholder must submit an election statement (which accompanies this proxy statement/prospectus) to the exchange agent before 5:00 p.m., Mountain Time, on the date that is five business days prior to the closing date of the merger (or such other time and date as First Interstate and Mountain West may mutually agree upon). This date is referred to as the election deadline. Election choices and election procedures are described under the caption entitled THE MERGER.

NOTE: The actual election deadline is not currently known. First Interstate and Mountain West will issue a press release announcing the date of the election deadline at least five business days prior to the election deadline. Additionally, First Interstate and Mountain West will post the date of the election deadline on their respective web sites, also at least five business days before that deadline.

MAY A MOUNTAIN WEST STOCKHOLDER CHANGE HIS OR HER ELECTION ONCE IT HAS BEEN SUBMITTED?

Yes. An election may be revoked or changed so long as the new election is received by the exchange agent at or prior to the election deadline. The exchange agent has reasonable discretion to determine whether any election, revocation or change has been timely made.

WHAT HAPPENS IF AN ELECTION IS NOT MADE PRIOR TO THE ELECTION DEADLINE?

If a Mountain West stockholder chooses not to submit an election statement to the exchange agent prior to the election deadline, then that holder will receive, for each share of Mountain West common stock owned by such holder, 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash.

WILL FRACTIONAL SHARES OF FIRST INTERSTATE CLASS A COMMON STOCK BE ISSUED IN THE MERGER?

No. A Mountain West stockholder will receive cash in lieu of any fractional shares of First Interstate Class A Common Stock such holder would otherwise have been entitled to receive in the merger.

WHAT HAPPENS TO MOUNTAIN WEST STOCK OPTIONS IN THE MERGER?

Under the merger agreement, Mountain West has agreed that every option to purchase Mountain West common stock outstanding and not expired immediately prior to the completion of the merger, whether or not then vested and whether or not then exercisable, shall be cancelled in exchange for a payment in cash equal to (x) the per share merger consideration value, minus (y) the applicable exercise price per share, multiplied by (z) the number of shares available under such option, assuming 100% vesting.

WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO MOUNTAIN WEST STOCKHOLDERS?

The merger is intended to qualify, and the obligation of First Interstate to complete the merger is conditioned upon the receipt of a legal opinion from its counsel to the effect that the merger will qualify, as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended, which is referred to herein as the Internal Revenue Code. In addition, in connection with the filing of the registration statement of which this document is a part, Holland & Hart LLP has delivered an opinion to First Interstate to the same effect.

Assuming the merger qualifies as such a reorganization, a stockholder of Mountain West generally will not recognize any gain or loss upon receipt of First Interstate Class A Common Stock in exchange for Mountain West common stock in the merger but may recognize gain with respect to the cash consideration and cash received in lieu of a fractional share of First Interstate Class A Common Stock.

The consequences of the merger to any particular Mountain West stockholder will depend on that stockholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger and your election statement.

Table of Contents

WHEN WILL THE MERGER BE COMPLETED?

First Interstate and Mountain West are working to complete the merger as soon as practicable. If the stockholders of Mountain West approve the merger agreement and the merger, the parties currently expect that the merger will be completed in mid- 2014, but no later than December 31, 2014. Neither First Interstate nor Mountain West can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals will be received.

WHEN AND WHERE WILL THE MOUNTAIN WEST SPECIAL MEETING OF STOCKHOLDERS TAKE PLACE?

The special meeting of stockholders of Mountain West will be held at 10:00 a.m., Mountain Time, on _____, 2014, at the Holiday Inn Downtown, 22 N. Last Chance Gulch St., Helena, MT 59601.

WHAT AM I BEING ASKED TO VOTE ON AND WHY IS THIS APPROVAL NECESSARY?

Mountain West stockholders are being asked to vote on the following proposals:

1. to approve the merger agreement, a copy of which is attached as Appendix A to this document, and the merger to be effected pursuant thereto, which are referred to herein collectively as the Mountain West Merger proposal; and
2. to approve one or more adjournments of the Mountain West special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Mountain West Merger proposal, which is referred to as the Mountain West Adjournment proposal.

Approval by Mountain West stockholders of the Mountain West Merger proposal is required for completion of the merger. Mountain West will transact no other business at the Mountain West special meeting, except for business properly brought before the Mountain West special meeting or any adjournment or postponement thereof.

WHO IS ENTITLED TO VOTE?

Holders of record of Mountain West common stock at the close of business on _____, 2014, which is the date that the Mountain West board of directors has fixed as the record date for the Mountain West special meeting, are entitled to vote at the Mountain West special meeting.

WHAT CONSTITUTES A QUORUM?

The presence at the Mountain West special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Mountain West common stock entitled to vote at the Mountain West special meeting will constitute a quorum for the transaction of business. Abstentions, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. So-called broker non-votes, which are described below and not anticipated at this meeting, will have no impact on the determination of a quorum.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL AT THE MOUNTAIN WEST SPECIAL MEETING?

Mountain West Merger proposal: The affirmative vote of two-thirds of the outstanding shares of Mountain West common stock entitled to vote is required to approve the Mountain West Merger proposal. As described in this proxy statement, all current directors and certain senior executive officers (and their affiliates) of Mountain West have signed agreements to vote in favor of and support the merger. Such persons own approximately % of outstanding Mountain West common stock as of the record date.

Mountain West Adjournment proposal: Assuming a quorum is present, the affirmative vote of a majority of the shares of Mountain West common stock represented (in person or by proxy) at the Mountain West special meeting and entitled to vote on the proposal is required to approve the Mountain West adjournment proposal.

Table of Contents

WHAT DOES THE MOUNTAIN WEST BOARD OF DIRECTORS RECOMMEND?

The Mountain West board of directors unanimously recommends that Mountain West stockholders vote **FOR** the Mountain West Merger proposal and **FOR** the Mountain West Adjournment proposal.

WHAT DO I NEED TO DO NOW?

After carefully reading and considering the information contained in this proxy statement/prospectus, if you were the record holder of shares of Mountain West common stock as of _____, 2014, you may vote in person by attending the special meeting or, to ensure that your shares of Mountain West common stock are represented at the special meeting, you may vote your shares over the Internet or by signing and returning the enclosed proxy card in the postage-paid envelope provided. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

HOW DO I VOTE?

If you are a stockholder of record of Mountain West as of _____, 2014, which is referred to as the Mountain West record date, you may submit your proxy before Mountain West's special meeting in one of the following ways:

- _____ visit the website shown on your proxy card to vote via the Internet; or
- _____ complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at Mountain West's special meeting.

If your shares are held in _____ street name, through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. _____ street name stockholders who wish to vote at the meeting will need to obtain a proxy form from their broker, bank or other nominee.

HOW MANY VOTES DO I HAVE AND WHAT PERCENTAGE OF SHARES DO DIRECTORS AND OFFICERS OWN?

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You are entitled to one vote for each share of Mountain West common stock that you owned as of the record date. As of the close of business on the record date, there were approximately shares of Mountain West common stock issued and outstanding and approximately options to purchase Mountain West common stock outstanding. As of that date, approximately % of the outstanding shares of Mountain West common stock were beneficially owned by the current directors and certain senior executive officers (and their affiliates) of Mountain West.

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

If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Mountain West or by voting in person at Mountain West's special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee.

Under the rules of the NASDAQ Stock Market, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NASDAQ determines to be non-routine without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the Mountain West special meeting are such non-routine matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.

Assuming a quorum is present, if you are a Mountain West stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares,

Table of Contents

- your broker, bank or other nominee may not vote your shares on the Mountain West Merger proposal, which broker non-votes will have the same effect as a vote AGAINST such proposal; and
- your broker, bank or other nominee may not vote your shares on the Mountain West Adjournment proposal, which broker non-votes will have no effect on the vote count for such proposal.

WHAT IF I DO NOT VOTE OR ABSTAIN?

Assuming a quorum is present, an abstention occurs when a stockholder attends the special meeting in person and does not vote or returns a proxy with an abstain vote.

Assuming a quorum is present, if you are a Mountain West stockholder and you fail to vote or fail to instruct your broker, bank or other nominee how to vote on the Mountain West Merger proposal, it will have the same effect as a vote cast AGAINST the Mountain West Merger proposal. If you respond with an abstain vote on the Mountain West Merger proposal, your proxy will have the same effect as a vote cast AGAINST the Mountain West Merger proposal.

WHAT WILL HAPPEN IF I RETURN MY PROXY OR VOTING INSTRUCTION CARD WITHOUT INDICATING HOW TO VOTE?

If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the Mountain West common stock represented by your proxy will be voted as recommended by the Mountain West board of directors with respect to that proposal. Unless a Mountain West stockholder, as applicable, checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters that may properly come before the meeting, if any the Mountain West special meeting.

MAY I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY OR VOTING INSTRUCTION CARD?

Yes. You may change your vote at any time before your proxy is voted at the Mountain West special meeting. You may do this in one of four ways:

- by sending a notice of revocation to the corporate secretary of Mountain West;

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- by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically if you are eligible to do so and following the instructions on the proxy card;
- by sending a completed proxy card bearing a later date than your original proxy card; or
- by attending the Mountain West special meeting and voting in person.

If you choose any of the first three methods, you must take the described action such that the notice, internet vote or proxy card, as applicable, is received no later than the beginning of the special meeting.

If your shares are held in an account at a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

DO I NEED IDENTIFICATION TO ATTEND THE MOUNTAIN WEST MEETING IN PERSON?

Yes. Please bring proper identification, together with proof that you are a record owner of Mountain West common stock. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned shares of Mountain West common stock, as applicable, on the record date.

ARE MOUNTAIN WEST STOCKHOLDERS ENTITLED TO DISSENTERS' RIGHTS?

Under Montana law, Mountain West stockholders are entitled to dissenters' rights in connection with the merger.

Table of Contents

WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

If the merger is not completed, Mountain West stockholders will not receive any consideration for their shares of Mountain West common stock in connection with the merger. Instead, Mountain West will remain an independent private company and its common stock will continue to be unlisted. Under specified circumstances described elsewhere herein, Mountain West may be required to pay First Interstate a fee in connection with the termination of the merger agreement.

SHOULD MOUNTAIN WEST STOCKHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?

No. Mountain West stockholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, a letter of transmittal with instructions for its completion will be provided to Mountain West stockholders under separate cover and the stock certificates should be sent at that time.

WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS ABOUT THE PROXY MATERIALS OR VOTING?

If you are a Mountain West stockholder and have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this document or the enclosed proxy card, you should contact Mountain West Investor Relations at 406-449-2265.

Table of Contents

SUMMARY

This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents referred to before you decide how to vote with respect to the merger-related proposals. In addition, important business and financial information about First Interstate is incorporated by reference into this document. For a description of this information, please see the section entitled INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE beginning on page 79. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled WHERE YOU CAN FIND MORE INFORMATION in the forepart of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.

Unless the context otherwise requires, throughout this document, First Interstate refers to First Interstate BancSystem, Inc., Mountain West refers to Mountain West Financial Corp. and the combined company refers collectively to First Interstate and Mountain West. Also, the proposed merger of Mountain West with and into First Interstate is referred to as, the merger, the proposed merger of Mountain West Bank with and into First Interstate Bank as the bank merger, and the Agreement and Plan of Merger, dated as of February 10, 2014, by and between First Interstate and Mountain West as the merger agreement.

Information about the Companies (page 26)

First Interstate BancSystem, Inc.
401 North 31st Street
Billings, Montana
Phone: (406) 255-5390

First Interstate is a financial and bank holding company headquartered in Billings, Montana and registered under the Bank Holding Company Act of 1956, as amended, which is referred to herein as the BHC Act. As of September 30, 2013, First Interstate had consolidated assets of \$7.5 billion, deposits of \$6.1 billion, loans of \$4.3 billion and total stockholders' equity of \$793 million. As of the date of this document, First Interstate operates 74 banking offices, including detached drive-up facilities, in 41 communities located in Montana, Wyoming and western South Dakota. Through First Interstate Bank, First Interstate delivers a comprehensive range of banking products and services to individuals, businesses, municipalities and other entities throughout First Interstate's market areas. First Interstate's customers participate in a wide variety of industries, including energy, tourism, agriculture, healthcare, professional services, education, governmental services, construction, mining, retail and wholesale trade.

Mountain West Financial Corp.

1225 Cedar Street

Helena, Montana
Phone: (406) 449-2265

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Mountain West is a bank holding company headquartered in Helena, Montana and registered under the BHC Act. As of September 30, 2013, Mountain West had consolidated assets of \$647 million, deposits of \$542.5 million, loans of \$402 million and total stockholders' equity of \$60.3 million. As of the date of this document, Mountain West operates 12 branches in five primary markets in Montana: Helena, Great Falls, Missoula, the Flathead Valley (Kalispell and Whitefish) and Bozeman. Through Mountain West Bank, Mountain West offers a full range of commercial and consumer banking products and services to individuals, businesses and organizations in Montana.

The Merger and the Merger Agreement (pages 27 and 48)

The terms and conditions of the merger are contained in the merger agreement, which is attached to this document as Appendix A. You are encouraged to read the merger agreement carefully, as it is the legal document that governs the merger. Under the terms of the merger agreement, Mountain West will merge with and into First Interstate with First Interstate as the surviving corporation.

Merger Consideration (page 27)

Under the merger agreement, at the effective time of the merger, each issued and outstanding share of Mountain West

Table of Contents

common stock will be cancelled and converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash or, if a Mountain West stockholder properly elects and subject to the limitations summarized below, an amount in all cash or all stock roughly equal in value to the above described combination of stock and cash merger consideration. Based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on _____, 2014, and on the number of shares and options to purchase shares of Mountain West common stock issued and outstanding on such date, the aggregate value of the consideration that would be expected to be delivered to Mountain West stockholders in the merger would be approximately \$ _____ million, of which \$ _____ million would be paid in cash and \$ _____ million would be represented by _____ shares of First Interstate Class A Common Stock. The actual value received by Mountain West stockholders in the aggregate and on a per share of Mountain West common stock basis will fluctuate prior to the completion of the merger based on the prevailing market price of the First Interstate Class A Common Stock. You may obtain current stock price quotations for First Interstate Class A Common Stock on the NASDAQ Global Select Market under the symbol FIBK. Mountain West common stock is not listed on a national securities exchange, and therefore current Mountain West stock price quotations are not available.

As an accommodation to Mountain West stockholders, First Interstate has agreed to allow them to elect to receive their individual merger consideration in either all cash or all First Interstate Class A Common Stock, subject to the limitations discussed below and in lieu of the stock and cash combination merger consideration. Electing Mountain West stockholders may not ultimately receive in the merger only cash or only stock, however, because the merger agreement provides that First Interstate is only required to issue that number of shares that equals the target share number. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of shares of First Interstate Class A Common Stock at the target share number, then the Mountain West shares shall be converted in accordance with the elections. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of shares of First Interstate Class A Common Stock in excess of the target share number, then the number of shares of First Interstate Class A Common Stock to be delivered to the Mountain West stockholders making the all stock elections will be reduced proportionately and cash in an equivalent value will be paid to those stockholders. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of fewer shares of First Interstate Class A Common Stock than the target share number, then the amount of cash to be delivered to the Mountain West stockholders making the all cash elections will be reduced proportionately and shares of First Interstate Class A Common Stock having an equivalent value will be issued to those stockholders.

Recommendation of the Mountain West Board of Directors and Reasons for the Merger (page 33)

The Mountain West board of directors unanimously recommends that Mountain West stockholders vote **FOR** the Mountain West Merger proposal and **FOR** the Mountain West Adjournment proposal.

For a more complete description of Mountain West's reasons for the merger and the recommendation of the Mountain West board of directors, please see the section entitled THE MERGER Recommendation of the Mountain West Board of Directors and Reasons for the Merger beginning on page 33.

Mountain West Financial Advisor

On February 10, 2014, D.A. Davidson & Co., which is referred to herein as Davidson, Mountain West's financial advisor in connection with the merger, delivered an oral fairness opinion to Mountain West's board of directors, which was subsequently confirmed in a written opinion dated the same date that, as of such date and subject to and based on the qualifications and assumptions set forth in its written opinion, the per share merger consideration in the proposed merger was fair, from a financial point of view, to the stockholders of Mountain West. In addition, on the

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date of this prospectus/proxy statement, Davidson provided an updated fairness opinion to Mountain West's board of directors that as of such date and subject to and based on the qualifications and assumptions set forth in its written opinion, the per share merger consideration in the proposed merger was fair, from a financial point of view, to the stockholders of Mountain West.

The full text of Davidson's opinions, dated February 10, 2014, and _____, 2014, are attached as Appendices B and _____, respectively, to this document. You should read the opinions in their entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Davidson in rendering its opinion.

Table of Contents

Davidson's opinions are addressed to Mountain West's board of directors and the opinions are not a recommendation as to how any stockholder of Mountain West should vote with respect to the merger or any other matter or as to any action that a stockholder should take with respect to the merger.

The opinions address only the fairness, from a financial point of view, of the per share merger consideration in the proposed merger to the stockholders of Mountain West, and do not address the underlying business decision of Mountain West to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may be available to Mountain West. Davidson has received a fee for its services.

For further information, please see the section entitled "THE MERGER - Opinion of Mountain West's Financial Advisor" beginning on page 35.

Mountain West Special Meeting of Stockholders (page 22)

The Mountain West special meeting will be held at 10:00 a.m., Mountain Time, on _____, 2014, at the Holiday Inn - Downtown, 22 N. Last Chance Gulch St., Helena, MT 59601. At the Mountain West special meeting, Mountain West stockholders will be asked to approve the Mountain West Merger proposal and the Mountain West Adjournment proposal.

Mountain West's board of directors has fixed the close of business on _____, 2014 as the record date for determining the holders of Mountain West common stock entitled to receive notice of and to vote at the Mountain West special meeting. Only holders of record of Mountain West common stock at the close of business on the Mountain West record date will be entitled to notice of and to vote at the Mountain West special meeting and any adjournment or postponement thereof, unless the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting.

As of the record date, there were _____ shares of Mountain West common stock outstanding held by approximately _____ holders of record and approximately _____ options to purchase Mountain West common stock outstanding. Each share of Mountain West common stock entitles the holder to one vote on each proposal to be considered at the Mountain West special meeting. All current directors and certain senior executive officers (and their affiliates) of Mountain West have signed agreements to vote in favor of and support the merger. Such persons own approximately _____ % of outstanding Mountain West common stock as of the record date. As of the record date, First Interstate and its executive officers and directors beneficially held no shares of Mountain West's common stock.

Financial Interests of Directors and Officers of Mountain West in the Merger (page 43)

Certain of Mountain West's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Mountain West's stockholders. These interests include:

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- Mr. Bradshaw is partially vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at age 62 (or if later, his retirement). If Mr. Bradshaw's employment is terminated within 24 months after the merger, Mr. Bradshaw will be fully vested in the payments, such that he would receive monthly payments over 20 years at an annual rate of \$36,000 beginning immediately after his termination of employment.
- Mr. Brown is partially vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at age 65 (or if later, his retirement). If Mr. Brown's employment is terminated within 24 months after the merger, Mr. Brown will instead receive a lump sum payment of \$77,600, \$159,856, or \$246,977 (depending on the date of termination) immediately after his termination of employment.
- Pursuant to the terms of his 2002 Employment Agreement, Mr. Morgan will be entitled to a lump sum payment of \$532,223 on account of the merger, payable upon the closing of the merger.
- Mr. Morgan is fully vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at his retirement; however, if Mr. Morgan's employment is terminated within 24 months after the merger, Mr. Morgan would instead receive a lump sum amount equal to \$777,515 at the time of his termination of employment.

Table of Contents

- The directors and officers of Mountain West and Mountain West Bank will receive continued indemnification and director and officer liability insurance coverage for a period of six years after completion of the merger.

Treatment of Mountain West Stock Options (page 31)

Under the merger agreement, Mountain West has agreed that every option to purchase Mountain West common stock outstanding and not expired immediately prior to the completion of the merger, whether or not then vested and whether or not then exercisable, shall be cancelled in exchange for a payment in cash equal to (x) the per share merger consideration value, minus (y) the applicable exercise price per share, multiplied by (z) the number of shares available under such option, assuming 100% vesting.

Regulatory Approvals Required for the Merger (page 45)

Completion of the merger and the bank merger are subject to various regulatory approvals, including the Board of Governors of the Federal Reserve System, which is referred to herein as Federal Reserve, and the Montana Division of Banking and Financial Institutions. Notifications and/or applications requesting approval for the merger or for the bank merger may also be submitted to other federal and state regulatory authorities. First Interstate and Mountain West have filed, or are in the process of filing, notices and applications to obtain the necessary regulatory approvals. Although First Interstate and Mountain West currently believe they should be able to obtain all required regulatory approvals in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to or have a material adverse effect on First Interstate after the completion of the merger. The regulatory approvals to which completion of the merger and bank merger are subject are described in more detail under the section entitled THE MERGER Regulatory Approvals Required for the Mergers beginning on page 46. Regulatory approvals are also required for Mountain West to pay those dividends to its stockholders that it is permitted to pay pursuant to the merger agreement.

Conditions to the Merger (page 57)

Among other things, the obligations of First Interstate and Mountain West to complete the merger are each subject to the satisfaction or waiver of the following conditions:

- approval of the Mountain West Merger proposal by the Mountain West stockholders;
- the effectiveness of the registration statement on Form S-4, of which this document is a part, and the absence of a stop order or proceeding initiated or threatened by the SEC for that purpose;
- the accuracy of the representations and warranties of each party as of the closing date of the merger;

- performance in all material respects by each party of the obligations required to be performed by it at or prior to the closing date of the merger;
- receipt of all consents and approvals required to consummate the merger; and
- receipt by First Interstate of an opinion of its tax counsel as to certain tax matters.

No Solicitation and Change in Recommendation (page 52)

Under the terms of the merger agreement, Mountain West has agreed not to solicit, initiate, encourage or facilitate inquiries or proposals with respect to, participate in any discussions or negotiations concerning, or enter into any agreement regarding any acquisition proposal. Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances and with advance notice to First Interstate, in response to an unsolicited bona fide acquisition proposal which, in the good faith judgment of the Mountain West board of directors, is or is reasonably likely to result in a proposal which is superior to the merger with First Interstate, and the Mountain West board of directors determines in good faith (and after consultation with Mountain West's outside counsel) that failure to take such actions would reasonably be expected to be a violation of its fiduciary duties under applicable law, Mountain West may furnish information regarding Mountain West and participate in discussions and negotiations with such third party.

Table of Contents

Termination of the Merger Agreement (page 53)

First Interstate and Mountain West may mutually agree at any time to terminate the merger agreement without completing the merger, even if the Mountain West stockholders have voted to approve the merger agreement. The merger agreement may also be terminated and the merger abandoned at any time prior to the effective time of the merger, as follows:

- by either First Interstate or Mountain West, if the merger is not completed on or before December 31, 2014, unless the failure of the closing to occur by such date is due to a breach of a representation, warranty, covenant or agreement by the party seeking to terminate the merger agreement;
- by Mountain West, if the average closing price of First Interstate's Class A Common Stock on the NASDAQ Global Market is less than \$20.00 per share during the twenty (20) business days preceding the fifth business day prior to the closing of the merger, which is referred to herein as the average closing price, unless First Interstate, within five (5) business days of receiving a notice of termination by Mountain West, adjusts the merger consideration by an amount equal to the difference between \$20.00 and the average closing price, multiplied by the number of shares of First Interstate Class A Common Stock to be issued in the merger;
- by either First Interstate or Mountain West, if a required regulatory approval is denied and First Interstate elects not to appeal such denial within fifteen (15) business days of such denial;
- by either First Interstate or Mountain West, if the stockholders of Mountain West have not approved the merger at the Mountain West special meeting or any adjournment or postponement thereof;
- by either First Interstate or Mountain West, as applicable, if the closing conditions of the other party are not satisfied or waived or become impossible to satisfy (other than as a result of the terminating party to comply with its obligations under the merger agreement) as of December 31, 2014;
- by First Interstate, if environmental site assessments indicate a material adverse environmental condition that First Interstate reasonably determines would have a material adverse effect on Mountain West on a consolidated basis and Mountain West or its subsidiary is unable to remedy the condition within sixty (60) days after First Interstate delivers notice thereof;
- subject to certain limitations, by Mountain West, if Mountain West's board of directors determines an acquisition proposal is a superior proposal and delivers a break-up fee equal to \$3 million by wire transfer of immediately available funds to First Interstate; or

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- by either First Interstate or Mountain West, as applicable, if the other party breaches any of its representations, warranties, agreements or covenants set forth in the merger agreement, which breach is not, or cannot be, cured within thirty (30) days following notice to the breaching party.

Mountain West may be required to pay First Interstate a termination fee equal to \$1 million or a break-up fee equal to \$3 million in certain circumstances. For more information, please see the section entitled **THE MERGER AGREEMENT Termination of Merger Agreement Termination Fee and Break-up Fee** beginning on page 54.

Material United States Federal Income Tax Consequences of the Merger (page 62)

The merger is intended to qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code. Assuming the merger qualifies as such a reorganization, a stockholder of Mountain West generally will not recognize any gain or loss upon receipt of First Interstate Class A Common Stock in exchange for Mountain West common stock in the merger, but may recognize gain with respect to the cash consideration and cash received in lieu of a fractional share of First Interstate Class A Common Stock. It is a condition to the completion of the merger that First Interstate receives a written opinion from its counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code.

Tax matters are very complicated and the tax consequences of the merger to each Mountain West stockholder may depend on such stockholder's particular facts and circumstances. Mountain West stockholders are urged to consult their tax

Table of Contents

advisors to understand fully the tax consequences to them of the merger. For more information, please see the section entitled MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER beginning on page 62.

Comparison of Stockholders Rights (page 73)

The rights of Mountain West stockholders who continue as First Interstate stockholders after the merger will be governed by the Amended and Restated Articles of Incorporation and Second Amended and Restated Bylaws of First Interstate rather than by the articles of incorporation and bylaws of Mountain West. For more information, please see the section entitled COMPARISON OF STOCKHOLDERS RIGHTS beginning on page 73.

Dissenters Rights of Mountain West Stockholders (page 66)

As a stockholder of Mountain West, under Montana law you have the right to dissent from the merger and have the fair value of your shares of Mountain West common stock paid to you in cash. The fair value may be more or less than the value of the shares of First Interstate Class A Common Stock and cash being paid in the merger.

Persons having beneficial interests in Mountain West common stock held of record in the name of another person, such as a broker or bank, must act promptly to cause the record holder to take the actions required under Montana law to exercise your dissenters rights.

In order to dissent, you must carefully follow the requirements of the Montana Code Annotated, including giving the required written notice prior to the special meeting at which the vote on the merger agreement is taken. These steps are summarized under the caption DISSENTERS RIGHTS OF MOUNTAIN WEST STOCKHOLDERS on page 66.

If you intend to exercise dissenters rights, you should read the statutes carefully and consult with your own legal counsel. You should also remember that if you return a signed proxy card but fail to provide instructions as to how your shares of Mountain West common stock are to be voted, you will be considered to have voted in favor of the merger agreement and you will not be able to assert dissenters rights. Also, if you exercise dissenters rights, you may have taxable income as a result, so you are urged to consult with your own tax advisor if you intend to dissent. See the section entitled MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER on page 62. If the merger agreement is approved by the stockholders of Mountain West, holders of Mountain West common stock who make a written objection to the merger prior to the Mountain West special meeting, vote against the approval of the merger agreement, properly make a written demand for payment following notice of the merger and timely surrender their Mountain West stock certificates will be entitled to receive the fair value of their shares in cash under the Montana Code Annotated.

The text of the provisions of the Montana Code Annotated pertaining to dissenters rights is attached to this proxy statement/prospectus as Appendix C.

Risk Factors (page 19)

Before voting at the Mountain West special meeting, you should carefully consider all of the information contained in or incorporated by reference into this proxy statement/prospectus, including the risk factors set forth in the section entitled **RISK FACTORS** beginning on page 19 or described in First Interstate's Annual Report on Form 10-K as of and for the year ended December 31, 2012 and other reports filed with the SEC, including subsequent quarterly reports filed on Form 10-Q, which are incorporated by reference into this proxy statement/prospectus. Please see the section entitled **WHERE YOU CAN FIND MORE INFORMATION** beginning on page ii.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA FOR FIRST INTERSTATE**

The following table summarizes consolidated financial results achieved by First Interstate for the periods and at the dates indicated and should be read in conjunction with First Interstate's consolidated financial statements and the notes to the consolidated financial statements contained in reports that First Interstate has previously filed with the SEC. Historical financial information for First Interstate can be found in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 and its Annual Report on Form 10-K for the year ended December 31, 2012. Please see the section entitled "WHERE YOU CAN FIND MORE INFORMATION" beginning on page ii for instructions on how to obtain the information that has been incorporated by reference. Financial amounts as of and for the nine months ended September 30, 2013 are unaudited (and are not necessarily indicative of the results of operations for the full year or any other interim period), and management of First Interstate believes that such amounts reflect all adjustments (consisting only of normally recurring adjustments) necessary for a fair presentation of its results of operations and financial position as of the dates and for the periods indicated. You should not assume the results of operations for the past periods presented indicate results for any future period.

	As of or for the (Dollars in thousands, except share and per share data)			As of or for the Year Ended December 31,			
	2013	2012	2012	2011	2010	2009	2008
Selected Balance Sheet Data							
Assets:							
Cash and cash equivalents	\$ 542,343	\$ 611,335	\$ 801,332	\$ 472,447	\$ 685,618	\$ 623,482	\$ 314,030
Loans	4,332,092	4,180,051	4,223,912	4,186,549	4,367,909	4,528,004	4,772,813
Allowance for loan losses	92,990	99,006	100,511	112,581	120,480	103,030	87,316
Net loans	4,239,102	4,081,045	4,123,401	4,073,968	4,247,429	4,424,974	4,685,497
Investment securities	2,145,083	2,166,727	2,203,481	2,169,645	1,933,403	1,446,280	1,072,276
Mortgage servicing rights, net of accumulated amortization and impairment reserve	13,518	12,334	12,653	11,555	13,191	17,325	11,002
Goodwill	183,673	183,673	183,673	183,673	183,673	183,673	183,673
Core deposit intangibles, net of accumulated amortization	4,873	6,291	5,937	7,357	8,803	10,551	12,682
Other assets	371,508	399,747	391,284	406,882	428,853	431,368	349,187
Total assets	\$ 7,500,100	\$ 7,461,152	\$ 7,721,761	\$ 7,325,527	\$ 7,500,970	\$ 7,137,653	\$ 6,628,347
Liabilities:							
Deposits	\$ 6,108,625	\$ 6,035,732	\$ 6,240,411	\$ 5,826,971	\$ 5,925,713	\$ 5,824,056	\$ 5,174,259
Securities sold under repurchase agreements	428,110	460,805	505,785	516,243	620,154	474,141	525,501
Other borrowed funds	10	6	32	7	4,991	5,423	79,216
Long-term debt	37,128	37,170	37,160	37,200	37,502	73,353	84,148
Preferred stock pending redemption			50,000				
Subordinated debentures held by subsidiary trusts	82,477	82,477	82,477	123,715	123,715	123,715	123,715
Other liabilities	50,890	47,092	54,710	50,371	52,093	62,531	102,446
Total liabilities	\$ 6,707,240	\$ 6,663,282	\$ 6,970,575	\$ 6,554,507	\$ 6,764,168	\$ 6,563,219	\$ 6,089,285
Stockholders' Equity:							
Preferred stock	\$	\$ 50,000	\$	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Common stock	283,352	270,553	271,335	266,842	264,174	112,135	117,613
Retained earnings	517,456	458,506	463,860	435,144	413,253	397,224	362,477
Accumulated other comprehensive income (loss), net	(7,948)	18,811	15,991	19,034	9,375	15,075	8,972

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Total Stockholders Equity	\$	792,860	\$	797,870	\$	751,186	\$	771,020	\$	736,802	\$	574,434	\$	539,062
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Selected Income Statement Data:

Interest income	\$	192,952	\$	206,299	\$	273,900	\$	292,883	\$	314,546	\$	328,034	\$	355,919
Interest expense		15,959		23,486		30,114		42,031		63,107		84,898		120,542
Net interest income		176,993		182,813		243,786		250,852		251,439		243,136		235,377
Provision for loan losses		(2,125)		32,750		40,750		58,151		66,900		45,300		33,356
Net interest income after provision for loan losses		179,118		150,063		203,036		192,701		184,539		197,836		202,021
Non-interest income		86,005		84,226		114,861		91,872		90,911		100,690		128,597
Non-interest expense		164,284		171,803		229,635		218,412		221,004		217,710		222,541
Income before income taxes		100,839		62,486		88,262		66,161		54,446		80,816		108,077
Income tax expense		35,478		21,107		30,038		21,615		17,090		26,953		37,429
Net income		65,361		41,379		58,224		44,546		37,356		53,863		70,648
Preferred stock dividends				2,569		3,300		3,422		3,422		3,422		3,347
Net income available to common stockholders		65,361		38,810		54,924		41,124		33,934		50,441		67,301

Common Stock Data:

Earnings per share:														
Basic	\$	1.50	\$	0.90	\$	1.28	\$	0.96	\$	0.85	\$	1.61	\$	2.14
Diluted		1.49		0.90		1.27		0.96		0.85		1.59		2.10
Dividends per share		0.27		0.36		0.61		0.45		0.45		0.50		0.65
Book value per share (1)		17.98		17.29		17.35		16.77		16.05		16.73		15.50
Weighted average shares outstanding:														
Basic		43,458,309		42,943,588		42,965,987		42,749,526		39,907,640		31,335,668		31,484,136
Diluted		43,843,289		43,046,556		43,092,978		42,847,196		40,127,365		31,678,500		32,112,672

Table of Contents

(Dollars in thousands, except share and per share data)	As of or for the Nine Months Ended September 30,			As of or for the Year Ended December 31,			
	2013	2012	2012	2011	2010	2009	2008
Financial Ratios:							
Return on average assets	1.18%	0.75%	0.79%	0.61%	0.52%	0.79%	1.12%
Return on average common stockholders' equity	11.31	7.56	7.46	5.86	5.22	9.98	14.73
Average stockholders' equity to average assets	10.43	10.62	10.57	10.25	9.67	8.16	7.98
Yield on earning assets	3.86	4.16	4.10	4.43	4.85	5.44	6.37
Cost of average interest bearing liabilities	0.41	0.60	0.58	0.78	1.15	1.63	2.50
Interest rate spread	3.46	3.56	3.52	3.65	3.70	3.81	3.87
Net interest margin (2)	3.54	3.70	3.66	3.80	3.89	4.05	4.25
Efficiency ratio (3)	62.47	64.34	64.03	63.73	64.55	63.32	61.14
Common stock dividend payout ratio (4)	18.00	40.00	47.66	46.88	52.94	31.06	30.37
Loan to deposit ratio	70.92	69.26	67.69	71.85	73.71	77.75	92.24
Asset Quality Ratios:							
Non-performing loans to total loans (5)(8)	2.22%	3.04%	2.61%	4.87%	4.51%	2.65%	1.87%
Non-performing assets to total loans and OREO (6)(8)	2.64	3.96	3.35	5.72	5.24	3.47	2.00
Non-performing assets to total assets (8)	1.53	2.24	1.85	3.30	3.08	2.22	1.44
Allowance for loan losses to non-performing loans (8)	96.66	77.79	91.31	55.16	61.10	85.86	97.60
Net charge-offs to average loans	0.17	1.48	1.26	1.54	1.10	0.63	0.28
Capital Ratios:							
Tier 1 common capital to total risk weighted assets (7)	13.33	11.81	11.94	11.04	10.12	6.43	5.35
Leverage ratio	10.01	9.56	8.81	9.84	9.27	7.30	7.13
Tier 1 risk-based capital	14.85	14.53	13.60	14.55	13.53	9.74	8.57
Total risk-based capital	16.68	16.52	15.59	16.54	15.50	11.68	10.49

(1) For purposes of computing book value per share, book value equals common stockholders' equity.

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

(3) Efficiency ratio represents non-interest expenses, excluding loan loss provision, divided by the aggregate of net interest income and non-interest income.

(4) Common stock dividend payout ratio represents dividends per share divided by basic earnings per share.

(5) Non-performing loans include nonaccrual loans (including nonaccrual troubled debt restructurings) and loans past due 90 days or more and still accruing interest.

(6) Non-performing assets include nonaccrual loans (including nonaccrual troubled debt restructurings), loans past due 90 days or more, and OREO.

(7) For purposes of computing tier 1 common capital to total risk weighted assets, tier 1 common capital is calculated as tier 1 capital less preferred stock and trust preferred securities.

(8) In January 2013, First Interstate changed its definition of non-performing loans and the ratios included in the table above to recast to conform to the revised definition. As a result, its historical financial information for prior periods in documents incorporated by reference herein will not reflect this change in definition. For such prior periods and per such prior definition, the ratios would have been as follows:

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	As of or for the Nine Months Ended September 30,			As of or for the Year Ended December 31,			
	2013	2012	2012	2011	2010	2009	2008
Asset Quality Ratios:							
Non-performing loans to total loans	2.22%	3.89%	3.36%	5.77%	4.82%	2.75%	1.90%
Non-performing assets to total loans and OREO	2.64	4.80	4.10	6.60	5.55	3.57	2.03
Non-performing assets to total assets	1.53	2.72	2.26	3.81	3.26	2.28	1.46
Allowance for loan losses to non-performing loans	96.66	60.85	70.78	46.62	57.19	82.64	96.03

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

The tables below set forth, for the calendar quarters indicated, the high and low sales prices per share for, and the dividend paid per share with respect to, First Interstate Class A Common Stock, which is listed for trading on the NASDAQ Global Select Market under the symbol FIBK, and Mountain West common stock, for which no established public trading market exists. Though sporadic trading occurs in an over-the-counter market for Mountain West common stock, no registered broker/dealer makes a market in Mountain West common stock, and its over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. The following table setting forth the ranges of trading prices for Mountain West's common stock for the periods presented is provided to the extent known or believed to be known to the management of Mountain West.

	First Interstate Class A Common Stock			Mountain West Common Stock		
	High	Low	Dividend	High	Low	Dividend
2012						
First Quarter	\$ 15.07	\$ 12.94	\$ 0.12	\$ 7.00	\$ 5.50	
Second Quarter	\$ 15.00	\$ 13.21	\$ 0.12	\$ 7.15	\$ 4.55	
Third Quarter	\$ 15.75	\$ 13.51	\$ 0.12	\$ 8.00	\$ 7.15	
Fourth Quarter	\$ 15.70	\$ 13.38	\$ 0.25	\$ 8.00	\$ 6.75	
2013						
First Quarter	\$ 19.70	\$ 15.15		\$ 9.00	\$ 7.02	
Second Quarter	\$ 21.07	\$ 17.87	\$ 0.13	\$ 9.50	\$ 8.01	\$ 0.30
Third Quarter	\$ 25.23	\$ 20.58	\$ 0.14	\$ 9.62	\$ 8.60	
Fourth Quarter	\$ 29.53	\$ 23.02	\$ 0.14	\$ 10.00	\$ 9.25	
2014						
First Quarter (through February 19, 2014)	\$ 28.34	\$ 24.18	\$ 0.16	\$ 13.45	\$ 9.96	\$ 0.33*

* This dividend was declared by the Mountain West board of directors on December 30, 2013 and is to be paid on April 1, 2014 to stockholders of record as of February 28, 2014.

The following table sets forth the closing sale prices per share of First Interstate Class A Common Stock and Mountain West common stock on February 10, 2014, the last trading day before the public announcement of the signing of the merger agreement, and on , 2014, the latest practicable date before the date of this document.

Date	First Interstate Class A Common Stock	Mountain West Common Stock
February 10, 2014	\$ 24.77	\$ 10.55
, 2014	\$	\$

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this document and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act, and Rule 3b-6 promulgated thereunder, that involve inherent risks and uncertainties. These statements include statements about First Interstate's and Mountain West's plans, strategies and prospects and involve known and unknown risks that are difficult to predict. Therefore, actual results, performance or achievements may differ materially from those expressed in or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as may, could, expect, intend, plan, seek, anticipate, believe, estimate, predict, potential, continue, likely, will, and similar expressions, or the negative of these terms or similar expressions. You should carefully read forward-looking statements, including statements that contain these words, because they discuss the future expectations or state other forward-looking information about First Interstate, Mountain West and the combined company. Forward-looking statements speak only as of the date they are made. First Interstate and Mountain West assume no duty to update such statements.

Factors that may cause actual results to differ materially from current expectations are described in First Interstate's reports filed with the SEC and the section of this document entitled **RISK FACTORS** (beginning on page 19), and include, but are not limited to:

- the ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by Mountain West stockholders, on the expected terms and schedule;
- a delay in closing the merger;
- difficulties and delays in integrating the First Interstate and Mountain West businesses or fully realizing cost savings and other benefits, including as a result of (i) potential negative publicity regarding consolidations or reductions in force, (ii) an inability to retain Mountain West employees, or (iii) attrition of Mountain West Bank customers;
- business disruption following the merger;
- diversion of management's attention from ongoing business operations and opportunities;
- worsening economic conditions;
- adverse economic conditions affecting Montana, Wyoming and western South Dakota;

- credit losses;
- concentrations of real estate loans;
- commercial loan risk;
- adequacy of the allowance for loan losses;
- impairment of goodwill;
- changes in interest rates;
- access to low-cost funding sources;
- increases in deposit insurance premiums;
- inability to grow First Interstate's business;
- the impact, extent and timing of technological changes, capital management activities, and other actions of the

Table of Contents

Federal Reserve, the Department of Business Oversight and the FDIC, and legislative and regulatory actions and reforms;

- governmental regulation and changes in regulatory, tax and accounting rule and interpretations;
- sweeping changes in regulation of financial institutions due to passage of Dodd-Frank Act;
- changes in or noncompliance with governmental regulations;
- effects of recent legislative and regulatory efforts to stabilize financial markets;
- dependence on management teams;
- ability to attract and retain qualified employees;
- failure of technology;
- reliance on external vendors;
- inability to meet liquidity requirements;
- lack of acquisition candidates;
- failure to manage growth;

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- competition;
- inability to manage risks in turbulent and dynamic market conditions;
- ineffective internal operational controls;
- environmental remediation and other costs;
- litigation pertaining to fiduciary responsibilities;
- failure to effectively implement technology-driven products and services;
- capital required to support the bank subsidiaries, First Interstate Bank and Mountain West Bank;
- soundness of other financial institutions;
- impact of proposed Basel III capital standards for U.S. banks;
- inability of the bank subsidiaries, First Interstate Bank and Mountain West Bank, to pay dividends;
- implementation of new lines of business or new product or service offerings;
- change in dividend policies;
- volatility of First Interstate Class A Common Stock;
- voting control of First Interstate Class B stockholders;

- decline in market price of First Interstate Class A Common Stock;

Table of Contents

- dilution as a result of future equity issuances;
- uninsured nature of any investment in First Interstate Class A Common Stock and Mountain West common stock;
- the outcome of any legal proceedings that may be instituted against First Interstate or Mountain West;
- anti-takeover provisions;
- First Interstate controlled company status; and
- subordination of First Interstate Class A Common Stock to company debt.

Table of Contents

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption entitled CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS, Mountain West stockholders should carefully consider the risk factors that appear in First Interstate's (i) Annual Report on Form 10-K as of and for the year ended December 31, 2012 and other reports filed by First Interstate with the SEC, including subsequent quarterly reports filed on Form 10-Q, which are incorporated by reference into this proxy statement/prospectus and (ii) the following risk factors in deciding whether to vote for approval of the Mountain West Merger proposal. Stockholders of Mountain West should also consider the other information in this document and the other documents incorporated by reference into this document. Please see the sections entitled WHERE YOU CAN FIND MORE INFORMATION beginning on page ii and INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE beginning on page 79.

Because the market price of the First Interstate Class A Common Stock will fluctuate, you cannot be sure of the value of the merger consideration that you will receive.

First Interstate Class A Common Stock trades on the NASDAQ Global Market and has a market price that fluctuates. As a result, you will not be able to precisely determine the value of the merger consideration you will receive upon completion of the merger at the time of the Mountain West special meeting of stockholders. Any change in the market price of First Interstate Class A Common Stock prior to completion of the merger will affect the value of the merger consideration that Mountain West stockholders will receive upon completion of the merger. First Interstate Class A Common Stock price changes may result from a variety of factors, including but not limited to general market and economic conditions, changes in First Interstate's business, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of First Interstate or Mountain West.

Mountain West stockholders may receive a form of consideration different from what they elect.

Although each Mountain West stockholder may elect to receive all cash or all First Interstate Class A Common Stock in the merger (rather than receive the established merger consideration consisting of a mix of cash and stock, for which no election need be made), there is a target aggregate number of shares of First Interstate Class A Common Stock that First Interstate is required to issue in the merger. As a result, if either (i) the aggregate cash elections would result in the number of shares of First Interstate Class A Common Stock to be issued to be less than the target, and you chose the all cash election or (ii) the aggregate stock elections would result in the number of shares of First Interstate Class A Common Stock to be issued to exceed the target and you chose the all stock election, some or all of your consideration may be in a form that you did not choose.

The merger agreement limits Mountain West's ability to pursue other transactions and provides for the payment of a break-up fee if Mountain West does so.

While the merger agreement is in effect and subject to very narrow exceptions, Mountain West and its directors, officers and agents are prohibited from initiating or encouraging inquiries with respect to alternative acquisition proposals. The prohibition limits Mountain West's ability to seek offers that may be superior from a financial point of view from other possible acquirers. If Mountain West receives an unsolicited proposal from a third party that is superior from a financial point of view to that made by First Interstate and the merger agreement is terminated,

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Mountain West may be required to pay a \$3 million break-up fee. This fee makes it less likely that a third party will make an alternative acquisition proposal.

The merger is subject to the receipt of consents and approvals from governmental entities that may impose conditions that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, various approvals, consents and waivers must be obtained from the Federal Reserve Board and the Montana Division of Banking and Financial Institutions, and before the bank merger may be completed, various approvals, consents and waivers must additionally be obtained from the Federal Deposit Insurance Corporation and the Department of Justice. These governmental entities may impose conditions on the granting of such approvals and consents. Although First Interstate and Mountain West do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs 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.

Table of Contents

First Interstate may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, First Interstate's ability to combine the businesses of First Interstate and Mountain West. If First Interstate is not able to successfully achieve this objective, the anticipated benefits of the merger may not be realized fully, or at all, or may take longer to realize than expected.

First Interstate and Mountain West have operated and, until the consummation of the merger, will continue to operate independently. It is possible that the integration process or other factors could result in the loss or departure of key employees, the disruption of the ongoing business of First Interstate or inconsistencies in standards, controls, procedures and policies. It is also possible that clients, customers, depositors and counterparties of First Interstate could choose to discontinue their relationships with the combined company post-merger because they prefer doing business with an independent company or for any other reason, which would adversely affect the future performance of the combined company. These transition matters could have an adverse effect on each of First Interstate and Mountain West during the pre-merger period and for an undetermined time after the consummation of the merger.

The fairness opinions that Mountain West has obtained from Davidson, have not been, and are not expected to be, updated to reflect any changes in circumstances that will occur before the closing of the merger.

The fairness opinions issued to Mountain West by Davidson, which is Mountain West's financial advisor, regarding the fairness, from a financial point of view, of the consideration to be paid in connection with the merger, speaks only as of February 10, 2014 and as of the date of this prospectus/proxy statement. Changes in the operations and prospects of Mountain West, general market and economic conditions and other factors which may be beyond the control of Mountain West, and on which the fairness opinion was based, may alter the value of Mountain West or the market price of shares of First Interstate as of the closing date of the merger. Davidson does not have any obligation to update, revise or reaffirm its opinion to reflect subsequent developments. Because Mountain West does not anticipate asking its financial advisor to update its opinion, the opinion will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. Mountain West's board of directors' recommendation that Mountain West stockholders vote FOR approval of the merger agreement, however, is made as of the date of this document. For a description of the opinion that Mountain West received from its financial advisor, see the section entitled THE MERGER Opinion of Mountain West's Financial Advisor included elsewhere in this proxy statement/prospectus.

Certain Mountain West directors and officers may have interests in the merger different from the interests of Mountain West stockholders.

In considering the recommendation of the board of directors of Mountain West, Mountain West stockholders should be aware that certain directors and executive officers of Mountain West have interests in the merger that may differ from, or be in addition to, the interests of Mountain West stockholders generally. These interests may arise from, among other things, salary continuation benefits and severance benefits that will be payable in the event of an employee's termination within 24 months after the merger, an agreement that provides a payment upon a change in control and provisions in the merger agreement regarding continued indemnification and insurance for Mountain West and Mountain West Bank directors and officers. The board of directors of Mountain West was aware of these interests and considered them, among other things, when it approved the merger agreement and in making its recommendation that Mountain West stockholders approve the merger agreement and the merger. For a more complete description of the interests of Mountain West directors and executive officers in the merger, see the section entitled THE MERGER Financial Interests of Directors and Officers of Mountain West in the Merger included elsewhere in this proxy statement/prospectus.

Mountain West stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Mountain West stockholders currently have the right to vote in the election of the board of directors of Mountain West and on other matters affecting Mountain West. Upon the completion of the merger, each Mountain West stockholder who receives shares of First Interstate Class A Common Stock will become a stockholder of First Interstate with a percentage ownership of First Interstate that is smaller than such stockholder's percentage ownership of Mountain West. The holders of First Interstate's Class A Common Stock are entitled to one vote per share and the holders of First Interstate's Class B Common Stock are entitled to five votes per share on any matter to be voted upon by the stockholders. Holders of First Interstate Class A Common Stock and Class B Common Stock vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law. It is currently expected that the former stockholders of

Table of Contents

Mountain West as a group will receive shares in the merger constituting approximately % of the combined shares of First Interstate Class A Common Stock and Class B Common Stock outstanding immediately after the merger. For these reasons, Mountain West stockholders will have less influence on the management and policies of First Interstate than they now have on the management and policies of Mountain West.

Mountain West will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Mountain West and consequently on First Interstate. These uncertainties may impair Mountain West's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Mountain West to seek to change existing business relationships with Mountain West. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, First Interstate's business following the merger could be negatively impacted. In addition, the merger agreement restricts Mountain West from taking certain specified actions until the merger occurs without the consent of First Interstate. These restrictions may prevent Mountain West from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled "THE MERGER AGREEMENT - Covenants and Agreements" beginning on page 49 for a description of the restrictive covenants applicable to Mountain West.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.

Before the merger and bank merger may be completed, various approvals must be obtained from the bank regulatory and other governmental authorities. These governmental entities may impose conditions on the granting of such approvals. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on First Interstate following the merger. The regulatory approvals may not be received at any time, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or cannot be met. Although First Interstate and Mountain West do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs 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.

Branch consolidation could have an adverse effect on the combined company.

If the merger closes by or before the third quarter of 2014, First Interstate expects to consolidate six to eight branches, mostly at locations outside of the Helena market, by the end of 2014. Such consolidations and, to the extent they occur, any associated reductions in force could result in negative publicity for the combined company, which could have an adverse effect on the combined company following the merger.

The combined company expects to incur substantial expenses related to the merger.

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The combined company expects to incur substantial expenses in connection with consummation of the merger and combining the business, operations, networks, systems, technologies, policies and procedures of the two companies. Although First Interstate and Mountain West have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses, the realization of economies of scale and the cost savings related to the combination of the businesses following the consummation of the merger. As a result of these expenses, both First Interstate and Mountain West expect to take charges against their earnings before the completion of the merger and First Interstate expects to take additional charges after completion of the merger.

Table of Contents

MOUNTAIN WEST SPECIAL MEETING OF STOCKHOLDERS

Date, Time and Place

The special meeting of stockholders of Mountain West will be held at 10:00 a.m., Mountain Time, on _____, 2014, at the Holiday Inn Downtown, 22 N. Last Chance Gulch St., Helena, MT 59601. On or about _____, 2014, Mountain West commenced mailing this document and the enclosed form of proxy to its stockholders entitled to vote at the Mountain West special meeting.

Purpose of Mountain West Special Meeting

At the Mountain West special meeting, Mountain West stockholders will be asked to:

- _____ approve the Mountain West Merger proposal; and
- _____ approve the Mountain West Adjournment proposal, if necessary or appropriate.

Recommendation of the Mountain West Board of Directors

The Mountain West board of directors unanimously recommends that you vote **FOR** the Mountain West Merger proposal and **FOR** the Mountain West Adjournment proposal. Please see the section entitled **THE MERGER Recommendation of the Mountain West Board of Directors and Reasons for the Merger** beginning on page 33.

Mountain West Record Date and Quorum

The Mountain West board of directors has fixed the close of business on _____, 2014, as the record date for determining the holders of Mountain West common stock entitled to receive notice of and to vote at the Mountain West special meeting.

As of the Mountain West record date, there were _____ shares of Mountain West common stock outstanding and entitled to vote at the Mountain West special meeting held by approximately _____ holders of record. Each share of Mountain West common stock entitles the holder to

one vote at the Mountain West special meeting on each proposal to be considered at the Mountain West special meeting.

The representation (in person or by proxy) of holders of at least a majority of the votes entitled to be cast on the matters to be voted on at the Mountain West special meeting constitutes a quorum for transacting business at the Mountain West special meeting. All shares of Mountain West common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Mountain West special meeting.

Required Vote

Required Vote to Approve the Mountain West Merger Proposal

The affirmative vote of two-thirds of the outstanding shares of Mountain West common stock entitled to vote is required to approve the Mountain West Merger proposal.

Required Vote to Approve the Mountain West Adjournment Proposal

Assuming a quorum is present, the affirmative vote of a majority of the shares of Mountain West common stock represented (in person or by proxy) at the Mountain West special meeting and entitled to vote on the proposal is required to approve the Mountain West Adjournment proposal.

Table of Contents

Treatment of Abstentions; Failure to Vote

For purposes of the Mountain West special meeting, an abstention occurs when a Mountain West stockholder attends the Mountain West special meeting, either in person or by proxy, but abstains from voting.

- For the Mountain West Merger proposal, an abstention or a failure to vote will have the same effect as a vote cast AGAINST this proposal.
- For the Mountain West Adjournment proposal, assuming a quorum is present, if a Mountain West stockholder present in person at the Mountain West special meeting abstains from voting, or responds by proxy with an abstain vote, it will have the same effect as a vote cast AGAINST this proposal.

Voting on Proxies; Incomplete Proxies

Giving a proxy means that a Mountain West stockholder authorizes the persons named in the enclosed proxy card to vote its shares at the Mountain West special meeting in the manner it directs. A Mountain West stockholder may vote by proxy or in person at the Mountain West special meeting. If you hold your shares of Mountain West common stock in your name as a stockholder of record, to submit a proxy you, as a Mountain West stockholder, may use one of the following methods:

- Through the Internet: Use the Internet to vote your proxy 24 hours a day, 7 days a week. Have your proxy card handy when you access the website. You will be prompted to enter your control number(s), which is located on your proxy card, to create and submit an electronic ballot.
- By mail: Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Mountain West requests that Mountain West stockholders vote over the Internet or by completing and signing the accompanying proxy and returning it to Mountain West as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Mountain West stock represented by it will be voted at the Mountain West special meeting in accordance with the instructions contained on the proxy card.

If any proxy is returned without indication as to how to vote, the shares of Mountain West common stock represented by the proxy will be voted as recommended by the Mountain West board of directors. Unless a Mountain West stockholder checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on any other matters voted upon at the Mountain West special meeting.

If a Mountain West stockholder's shares are held in street name by a broker, bank or other nominee, the stockholder should check the voting form used by that firm to determine whether it may vote over the Internet.

Every Mountain West stockholder's vote is important. Accordingly, each Mountain West stockholder should sign, date and return the enclosed proxy card, or vote via the Internet, whether or not the Mountain West stockholder plans to attend the Mountain West special meeting in person.

Shares Held in Street Name

If you are a Mountain West stockholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Mountain West or by voting in person at the Mountain West special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Mountain West common stock on behalf of their customers may not give a proxy to Mountain West to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Mountain West stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

- your broker, bank or other nominee may not vote your shares on the Mountain West Merger proposal, which

Table of Contents

broker non-votes will have the same effect as a vote AGAINST this proposal; and

- your broker, bank or other nominee may not vote your shares on the Mountain West Adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

Revocability of Proxies and Changes to a Mountain West Stockholder's Vote

A Mountain West stockholder has the power to change his, her, or its vote at any time before his, her, or its shares of Mountain West common stock are voted at the Mountain West special meeting by:

- sending a notice of revocation to Mountain West Financial Corp., Attention: Corporate Secretary, P.O. Box 6013, Helena, MT 59604-6013, stating that you would like to revoke your proxy;
- logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically if you are eligible to do so, and following the instructions on the proxy card;
- sending a completed proxy card bearing a later date than your original proxy card; or
- attending the Mountain West special meeting and voting in person.

If you choose any of the first three methods, you must take the described action no later than the beginning of the Mountain West special meeting. If you choose to send a completed proxy card bearing a later date than your original proxy card or a notice of revocation, the new proxy card or notice of revocation must be received before the beginning of the Mountain West special meeting. If you have instructed a bank, broker or other nominee to vote your shares of Mountain West common stock, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

Solicitation of Proxies

The cost of solicitation of proxies from Mountain West stockholders will be borne by Mountain West. Mountain West will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. In addition to solicitations by mail, Mountain West's directors, officers and regular employees may solicit proxies

personally or by telephone without additional compensation.

Attending the Mountain West Special Meeting

Subject to space availability, all Mountain West stockholders as of the record date, or their duly appointed proxies, may attend the Mountain West special meeting.

If you hold your shares of Mountain West common stock in your name as a stockholder of record and you wish to attend the Mountain West special meeting, please bring valid picture identification.

If your shares of Mountain West common stock are held in street name in a stock brokerage account or by a bank or nominee and you wish to attend the Mountain West special meeting, you need to bring a copy of a bank or brokerage statement to the Mountain West special meeting reflecting your stock ownership as of the record date. You must also bring valid picture identification.

Voting and Support Agreements

Concurrently with and as a condition to First Interstate entering into the merger agreement, on February 10, 2014, all current directors and certain senior executive officers (and their affiliates) of Mountain West, holding approximately % of outstanding Mountain West common stock as of the record date, entered into Voting and Support Agreements to vote shares for approval of the merger and the merger agreement and against any competing acquisition proposals, and to refrain from selling such shares, subject to the terms of the Voting and Support Agreements.

As of the record date, First Interstate directors and executive officers beneficially held no shares of Mountain West common stock.

Table of Contents

MOUNTAIN WEST PROPOSALS

Mountain West Merger Proposal

As discussed throughout this proxy statement/prospectus, Mountain West is asking its stockholders to approve the Mountain West Merger proposal. Holders of Mountain West common stock should read carefully this proxy statement/prospectus in its entirety, including the appendices, for more detailed information concerning the merger agreement and the merger. In particular, holders of Mountain West common stock are directed to the merger agreement, a copy of which is attached as Appendix A to this proxy statement/prospectus.

Vote Required and Mountain West Board Recommendation

The affirmative vote of two-thirds of the outstanding shares of Mountain West common stock entitled to vote is required to approve the Mountain West Merger proposal.

The Mountain West board of directors unanimously recommends a vote FOR the Mountain West Merger proposal.

Mountain West Adjournment Proposal

The Mountain West special meeting may be adjourned to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Mountain West special meeting to approve the Mountain West Merger proposal.

If, at the Mountain West special meeting, the number of shares of Mountain West common stock present or represented and voting in favor of the Mountain West Merger proposal is insufficient to approve the Mountain West Merger proposal, Mountain West intends to move to adjourn the Mountain West special meeting in order to enable the Mountain West board of directors to solicit additional proxies for approval of the merger. In that event, Mountain West will ask its stockholders to vote only upon the Mountain West Adjournment proposal, and not the Mountain West Merger proposal.

In the Mountain West Adjournment proposal, Mountain West is asking its stockholders to authorize the holder of any proxy solicited by the Mountain West board of directors to vote in favor of granting discretionary authority to the proxy holders, to adjourn the Mountain West special meeting to another time and place for the purpose of soliciting additional proxies. If the Mountain West stockholders approve the Mountain West Adjournment proposal, Mountain West could adjourn the Mountain West special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Mountain West stockholders who have previously voted.

Vote Required and Mountain West Board Recommendation

Assuming a quorum is present, the affirmative vote of a majority of the shares of Mountain West common stock represented (in person or by proxy) at the Mountain West special meeting and entitled to vote on the proposal is required to approve the Mountain West Adjournment proposal.

The Mountain West board of directors recommends a vote FOR the Mountain West Adjournment proposal.

Other Matters to Come Before the Mountain West Special Meeting

No other matters are intended to be brought before the Mountain West special meeting by Mountain West, and Mountain West does not know of any matters to be brought before the Mountain West special meeting by others. If, however, any other matters properly come before the Mountain West special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with their best judgment on any such matter.

Table of Contents

INFORMATION ABOUT THE COMPANIES

First Interstate BancSystem, Inc.

401 North 31st Street
Billings, Montana
Phone: (406) 255-5390

First Interstate is a financial and bank holding company headquartered in Billings, Montana and registered under the BHC Act. As of September 30, 2013, First Interstate had consolidated assets of \$7.5 billion, deposits of \$6.1 billion, loans of \$4.3 billion and total stockholders' equity of \$793 million. As of the date of this document, First Interstate operates 74 banking offices, including detached drive-up facilities, in 41 communities located in Montana, Wyoming and western South Dakota. Through First Interstate Bank, First Interstate delivers a comprehensive range of banking products and services to individuals, businesses, municipalities and other entities throughout First Interstate's market areas. First Interstate's customers participate in a wide variety of industries, including energy, tourism, agriculture, healthcare, professional services, education, governmental services, construction, mining, retail and wholesale trade.

First Interstate's stock is traded on the NASDAQ Global Select Market under the symbol FIBK. Additional information about First Interstate and its subsidiaries may be found in the documents incorporated by reference into this proxy statement/prospectus. Please also see the section entitled WHERE YOU CAN FIND MORE INFORMATION beginning on page ii.

Mountain West Financial Corp.

1225 Cedar Street

Helena, Montana
Phone: (406) 449-2265

Mountain West is a bank holding company headquartered in Helena, Montana and registered under the BHC Act. As of September 30, 2013, Mountain West had consolidated assets of \$647 million, deposits of \$542.5 million, loans of \$402 million and total stockholders' equity of \$60.3 million. As of the date of this document, Mountain West operates 12 branches in five primary markets in Montana—Helena, Great Falls, Missoula, the Flathead Valley (Kalispell and Whitefish) and Bozeman. Through Mountain West Bank, Mountain West offers a full range of commercial and consumer banking products and services to individuals, businesses and organizations in Montana.

Table of Contents

THE MERGER

The following is a discussion of the merger and the material terms of the merger agreement between First Interstate and Mountain West. You are urged to read carefully the merger agreement in its entirety, a copy of which is attached as Appendix A to this proxy statement/prospectus and incorporated by reference herein. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. This section is not intended to provide you with any factual information about First Interstate or Mountain West. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings First Interstate makes with the SEC, as described in the section entitled WHERE YOU CAN FIND MORE INFORMATION beginning on page ii.

Terms of the Merger

Effect of the Merger

First Interstate's and Mountain West's boards of directors have approved the merger agreement. The merger agreement provides for the merger of Mountain West with and into First Interstate, with First Interstate continuing as the surviving corporation. If the merger is consummated, First Interstate and Mountain West expect that within six months Mountain West Bank will merge with and into First Interstate Bank, a bank chartered under the laws of the State of Montana and a wholly owned subsidiary of First Interstate. First Interstate Bank will be the surviving bank following the bank merger.

If the stockholders of Mountain West approve the merger agreement at the special meeting, and if the required regulatory approvals are obtained and the other conditions to the parties' obligations to effect the merger are met or waived by the party entitled to do so, First Interstate and Mountain West anticipate that the merger will be completed in mid-2014, although delays could occur. As a result of the merger, holders of Mountain West common stock will be entitled to receive shares of First Interstate Class A Common Stock and cash, with cash paid in lieu of a fractional share, and will no longer be owners of Mountain West stock. In the merger, Mountain West stockholders will have the right, subject to the proration and allocation procedures described below, with respect to each of their shares of Mountain West common stock, to elect to receive all stock or all cash rather than the combination stock and cash merger consideration. As a result of the merger, certificates for Mountain West common stock will only represent the right to receive the merger consideration pursuant to the merger agreement, and otherwise will be null and void after completion of the merger.

The value of the merger consideration that you will receive will fluctuate with the market price of First Interstate Class A Common Stock.

Merger Consideration

Under the merger agreement, at the effective time of the merger, each issued and outstanding share of Mountain West common stock will be cancelled and converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash or, if a Mountain West stockholder properly elects and subject to the limitations summarized below, an amount in all cash or all stock roughly equal in value to

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the above described combination of stock and cash merger consideration. Based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on _____, 2014, and on the number of shares and options to purchase shares of Mountain West common stock issued and outstanding on such date, the aggregate value of the consideration that would be expected to be delivered to Mountain West stockholders in the merger would be approximately \$ _____ million, of which \$ _____ million would be paid in cash and \$ _____ million would be represented by _____ shares of First Interstate Class A Common Stock. The actual value received by Mountain West stockholders in the aggregate and on a per share of Mountain West common stock basis will fluctuate prior to the completion of the merger based on the prevailing market price of the First Interstate Class A Common Stock. You may obtain current stock price quotations for First Interstate Class A Common Stock on the NASDAQ Global Select Market under the symbol FIBK. Mountain West common stock is not listed on a national securities exchange, and therefore current Mountain West stock price quotations are not available.

As an accommodation to Mountain West stockholders, First Interstate has agreed to allow them to elect to receive their individual merger consideration in either all cash or all First Interstate Class A Common Stock, subject to the limitations discussed below and in lieu of the stock and cash combination merger consideration. Electing Mountain West stockholders may not ultimately receive in the merger only cash or only stock, however, because the merger agreement provides that First Interstate is only required to issue that number of shares of First Interstate Class A Common Stock that would have been issued in the merger if all Mountain West shares were converted at the specified stock and cash combination merger consideration

Table of Contents

(referred to herein as the target share number). If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of shares of First Interstate Class A Common Stock at the target share number, then the Mountain West shares shall be converted in accordance with the elections. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of shares of First Interstate Class A Common Stock in excess of the target share number, then the number of shares of First Interstate Class A Common Stock to be delivered to the Mountain West stockholders making the all stock elections will be reduced proportionately and cash in an equivalent value will be paid to those stockholders. If, after giving effect to the merger consideration with respect to non-electing Mountain West stockholders, the elections received would result in the issuance of fewer shares of First Interstate Class A Common Stock than the target share number, then the amount of cash to be delivered to the Mountain West stockholders making the all cash elections will be reduced proportionately and shares of First Interstate Class A Common Stock having an equivalent value will be issued to those stockholders.

No fractional shares of First Interstate Class A Common Stock will be issued in the merger. A Mountain West stockholder will receive cash in lieu of any fractional shares of First Interstate Class A Common Stock such holder would otherwise have been entitled to receive in the merger. The amount of cash will be determined by multiplying the fractional share interest (after taking into account all shares of First Interstate Class A Common Stock held and rounded down to the nearest ten-thousandth when expressed in decimal form) by the average closing price of First Interstate's Class A Common Stock on the NASDAQ Global Market during the twenty (20) business days preceding the fifth business day prior to the closing of the merger (referred to herein as the average closing price).

Stock Election

The merger agreement provides that each Mountain West stockholder who makes a valid election to receive 100% stock as consideration in the merger, which is referred to as a stock election, will have the right to receive, in exchange for each share of Mountain West common stock, subject to proration and adjustment as described below, an amount of shares of First Interstate Class A Common Stock equal to (i) 0.2552 plus (ii) the quotient of (x) \$7.125 divided by (y) the average closing price. As discussed above, no fractional shares of First Interstate Class A Common Stock will be issued in the merger, and a holder of Mountain West common stock who would otherwise be entitled to a fractional share of First Interstate Class A Common Stock will receive cash in lieu thereof.

Cash Election

The merger agreement provides that each Mountain West stockholder who makes a valid election to receive 100% cash as consideration in the merger, which is referred to as a cash election, will have the right to receive, in exchange for each share of Mountain West common stock, subject to proration and adjustment as described below, an amount equal to (i) \$7.125 plus (ii) the product of (x) 0.2552 and (y) the average closing price.

No Election

Mountain West stockholders who would like to receive the specified merger consideration consisting of a stock and cash combination do not need to make an election. Mountain West stockholders who make no election to receive cash or shares of First Interstate Class A Common Stock in the merger, whose elections are not received by the exchange agent by the election deadline, or whose forms of election are improperly

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completed and/or are not signed will be deemed not to have made an election. Shares of Mountain West common stock with respect to which no election is deemed to have been made are referred to herein as no election shares and will have the right to receive, in exchange for each share of Mountain West common stock, 0.2552 shares of First Interstate Class A Common Stock plus \$7.125 in cash.

The requirement to elect all cash, all stock, or to make no election and receive the designated mix of cash and stock does not apply to the Mountain West Financial Corp. Profit Sharing Plan and Trust, which may make an election in any proportion of cash and stock to the extent deemed necessary or appropriate by the trustees or other fiduciaries of such plan to comply with applicable law.

Proration Procedures

The merger agreement provides a target aggregate number of shares of First Interstate Class A Common Stock that may be issued in the merger, which target equals that number of shares of First Interstate Class A Common Stock that would have been issued in the merger if all Mountain West shares were converted at the specified stock and cash combination merger

Table of Contents

consideration (referred to herein as the target share number). If the elections of the Mountain West stockholders would result in the aggregate number of shares of First Interstate Class A Common Stock to be issued to be greater or less than the target share number, then the Mountain West stockholder elections will be subject to adjustment as described below. Furthermore, the market value of the First Interstate Class A Common Stock (measured with reference to the lesser of the closing price of First Interstate Class A Common Stock on (i) February 7, 2014 and (ii) the closing date) issued in the merger may not be less than forty percent of the total consideration paid by First Interstate in the merger.

The exchange agent shall give effect to the election statements within five business days after the closing of the merger in accordance with the election statements as follows:

No Adjustment if Stock Consideration is Sufficiently Subscribed

If the election statements would result in (i) the market value of the aggregate amount of First Interstate Class A Common Stock (measured with reference to the lesser of the closing price of First Interstate Class A Common Stock on (a) February 7, 2014 and (b) the closing date) issued in the merger to be more than forty percent of the total consideration paid by First Interstate in the merger and (ii) the number of shares of First Interstate Class A Common Stock being equal to the target share number, then:

- a Mountain West stockholder making a cash election will receive 100% cash for each share of Mountain West common stock held by such holder in an amount equal to (i) \$7.125 plus (ii) the product of (x) 0.2552 and (y) the average closing price;
- a Mountain West stockholder making a stock election will receive 100% stock for each share of Mountain West common stock held by such holder in an amount of shares of First Interstate Class A Common Stock equal to (i) 0.2552 plus (ii) the quotient of (x) \$7.125 divided by (y) the average closing price; and
- all no election shares will be converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock and \$7.125 in cash per share.

Proration Adjustment if Stock Consideration is Oversubscribed

If the election statements would result in the number of shares of First Interstate Class A Common Stock that would be issued to be greater than the target share number, then:

- all no election shares will be converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock and \$7.125 in cash per share;

- a Mountain West stockholder making a cash election will receive 100% cash for each share of Mountain West common stock held by such holder in an amount equal to (i) \$7.125 plus (ii) the product of (x) 0.2552 and (y) the average closing price;
- the exchange agent shall then adjust the election statements to reduce the number of shares of First Interstate Class A Common Stock to be delivered to Mountain West stockholders making all stock elections proportionally and shall pay cash in an equivalent value to those stockholders; and
- the exchange agent shall then, if necessary, adjust the election statements (and no election shares if necessary) by any reasonable method in order to cause the market value of the aggregate amount of First Interstate Class A Common Stock (measured with reference to the lesser of the closing price of First Interstate Class A Common Stock on (a) February 7, 2014 and (b) the closing date) to be issued to be as close as reasonably practical to, but in any event not less than, forty percent of the total consideration paid by First Interstate in the merger.

Proration Adjustment if Stock Consideration is Undersubscribed

If the election statements would result in the number of shares of First Interstate Class A Common Stock that would be issued to be less than the target share number, then:

Table of Contents

- all no election shares will be converted into the right to receive 0.2552 shares of First Interstate Class A Common Stock and \$7.125 in cash per share;
- a Mountain West stockholder making a stock election will receive 100% stock for each share of Mountain West common stock held by such holder in an amount of shares of First Interstate Class A Common Stock equal to (i) 0.2552 plus (ii) the quotient of (x) \$7.125 divided by (y) the average closing price; and
- the exchange agent shall then adjust the election statements to reduce the amount of cash to be paid to Mountain West stockholders making all cash elections proportionally and shall deliver shares of First Interstate Class A Common Stock having an equivalent value to those stockholders; and
- the exchange agent shall then, if necessary, adjust the election statements (and no election shares if necessary) by any reasonable method in order to cause the market value of the aggregate amount of First Interstate Class A Common Stock (measured with reference to the lesser of the closing price of First Interstate Class A Common Stock on (a) February 7, 2014 and (b) the closing date) to be issued to be as close as reasonably practical to, but in any event not less than, forty percent of the total consideration paid by First Interstate in the merger.

Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration

The conversion of Mountain West common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after the effective time of the merger, the exchange agent will exchange certificates representing shares of Mountain West common stock for merger consideration to be received in the merger pursuant to the terms of the merger agreement.

Election Statement

An election statement is being distributed with this proxy statement/prospectus to each holder of record of Mountain West common stock as of record date for the Mountain West meeting permitting each holder of Mountain West common stock the ability to make an all cash or all stock election with respect to the type of merger consideration they wish to receive.

Mountain West stockholders who want to receive the specified merger consideration consisting of a stock and cash combination do not need to make an election.

Holders of Mountain West common stock who wish to elect the type of merger consideration they will receive in the merger should carefully review and follow the instructions set forth in the election statement. Mountain West stockholders who hold their shares in street name should

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follow their broker's instructions for making an election with respect to such shares. All election statements must be received by the exchange agent by 5:00 p.m., Mountain Time, on the date five days prior to the completion of the merger. This date is referred to as the election deadline. Shares of Mountain West common stock as to which the holder has not made a valid election prior to the election deadline will be treated as no election shares.

The actual election deadline is not currently known. First Interstate and Mountain West will issue a press release announcing the date of the election deadline at least five business days prior to that deadline. Additionally, First Interstate and Mountain West will post the date of the election deadline on their respective web sites, also at least five business days before that deadline.

To make an election, a holder of Mountain West common stock must submit a properly completed election statement so that it is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions on the election statement. Neither Mountain West nor First Interstate is under any obligation to notify any holder of defects in such holder's election statement.

Generally, an election may be revoked or changed, but only by written notice received by the exchange agent prior to the election deadline. If an election is revoked and unless a subsequent properly executed election statement is actually received by the exchange agent at or prior to the election deadline, the holder having revoked the election will be deemed to have made no election with respect to his or her shares of Mountain West common stock.

Table of Contents

Holders will not be entitled to revoke or change their elections following the election deadline. As a result, holders who have made elections will be unable to revoke their elections.

Shares of Mountain West common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed to have made no election. If it is determined that any purported cash election or stock election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Anti-Dilution

If prior to the effective time of the merger, First Interstate or Mountain West changes the number of outstanding shares of its capital stock by way of a reclassification, recapitalization, stock split, subdivision, stock dividend, stock distribution or any other similar combination or readjustment of shares, the merger consideration, including the per share cash consideration, the per share stock consideration and all other dependent components of the merger consideration, will be adjusted proportionally to reflect such change.

Treatment of Mountain West Stock Options

Under the merger agreement, Mountain West has agreed that every option to purchase Mountain West common stock outstanding and not expired immediately prior to the completion of the merger, whether or not then vested and whether or not then exercisable, shall be cancelled in exchange for a payment in cash equal to (x) the per share merger consideration value, minus (y) the applicable exercise price per share, multiplied by (z) the number of shares available under such option, assuming 100% vesting.

Background of the Merger

The management and directors of Mountain West have from time to time considered and discussed financial and strategic options potentially available to Mountain West. These discussions have focused on, among other things, the business, market and regulatory environment faced by community banks, competitive and operational challenges faced by Mountain West, ongoing consolidation in the financial services industry, and options to enhance stockholder value and liquidity. With continued improvement in Mountain West's asset quality in the first half of 2013, and having received general unsolicited expressions of potential interest from two larger banking organizations, the directors of Mountain West determined to interview selected investment banking firms to explore the prospect of pursuing a sale or merger of Mountain West later in the year.

On May 23, 2013, representatives from the investment banking group of Davidson met with Mountain West's Executive Committee of the board of directors to review information regarding the community bank operating environment generally, Mountain West's financial condition and operating results relative to peers, bank valuation levels in the public market and in merger and acquisition transactions, the process required to pursue a sale transaction, potential acquirers or merger partners, and the prospective valuation of Mountain West under certain assumptions. Following that presentation and further discussion among management, directors, and Fredrikson & Byron, P.A., outside counsel, the board

determined to interview selected investment banks to represent Mountain West in a potential sale or merger transaction.

On June 11, June 24 and June 25, the Mountain West board received presentations from four investment banking firms, including Davidson. Matters discussed included the firms' backgrounds, capabilities and experience in bank sale transactions in the region, operating and market conditions affecting community banks, valuation levels for community banks generally and for Mountain West specifically, the timing and process required to pursue a merger or sale transaction, and the fee structures proposed by the investment banks. Following discussion and consideration of the presentations, the board elected to hire Davidson as its investment banking advisor and on July 12, Mountain West and Davidson entered into an engagement letter agreement.

From July 13 to October 30, management and Davidson worked together to compile and analyze information regarding Mountain West, organize an electronic due diligence data room, prepare financial analyses, draft a confidential information memorandum describing Mountain West (including its financial condition, results and prospects), and identify potential acquirers or merger partners. On October 22, Davidson provided a presentation to the Mountain West board of directors that included prevailing market conditions, updated guidance on a likely valuation range for Mountain West, a process overview and timeframe, and the parties that management and Davidson recommended for inclusion in the confidential

Table of Contents

marketing process. After discussion, the board authorized management and Davidson to proceed with the process.

On October 31 and November 1, Davidson contacted the 15 financial institutions approved by the management and board of Mountain West to determine their interest in exploring a possible acquisition of a bank having the general characteristics of Mountain West. Seven of the parties expressed potential interest and signed confidentiality agreements to obtain additional information regarding Mountain West on a confidential basis. From November 4 until late November, Davidson participated in discussions with these parties and answered questions or provided supplemental information. Davidson requested non-binding indications of interest, including initial valuation ranges, by December 3. On December 3, Davidson received three written proposals and two informal verbal indications of interest at a general valuation level. The other two parties that had received the confidential information memorandum determined to not submit an indication of interest for reasons that included the size of Mountain West, the specific market areas served, and a focus on other strategic expansion opportunities.

On December 4, Davidson met with the board of directors of Mountain West to review the indications of interest and select the parties with which to move forward for further evaluation and discussions. After discussion, the board authorized moving forward with the three parties that had submitted written proposals. Davidson contacted these parties and provided them and their advisors with access to an extensive electronic due diligence data room containing information, documents and reports regarding Mountain West. From December 5 to January 3, management of Mountain West and Davidson responded to information requests, answered questions, and added additional documents and information to the electronic data room. During this time, management and Davidson also participated in teleconference meetings with the parties other than First Interstate to present and discuss information concerning Mountain West and to answer questions concerning asset quality, financial condition, and operating results and prospects.

On December 17, management of Mountain West and Davidson met with First Interstate in Billings, Montana. Participants in the meeting for Mountain West were Rick Hart, CEO, Dick Morgan, CFO, Mitch Bradshaw, Chief Credit Officer, and Loren Brown, Senior Vice President/Cashier. Participants in the meeting for First Interstate were Tom Scott, Chairman, Jim Scott, Executive Vice Chairman, Ed Garding, CEO, Kevin Riley, CFO, and Bob Cerkovnik, Chief Credit Officer. Participants also included representatives of the parties' investment banking advisors. The parties reviewed and discussed information concerning both Mountain West and First Interstate, including markets served, bank market conditions, operations, asset quality, and their respective financial condition, results and prospects. The parties also discussed their community banking philosophies, commitments to communities, customers and employees, and the prospective benefits of a combination.

On December 20, Davidson sent the parties detailed instructions on the matters to be covered in their Letters of Intent to acquire Mountain West. From December 20, 2013 through January 3, 2014, Davidson provided the parties with updated information concerning Mountain West's financial condition, asset quality and estimated earnings, and discussed the prospect for improving the terms to their initial proposals.

On January 6, Davidson and Mountain West received detailed proposals from First Interstate and one other party. The third party elected to not submit a proposal after re-considering whether to expand into Mountain West's market area versus focusing on organic growth and other opportunities in and around its existing banking markets. On January 7 and January 8, Davidson and Mountain West management reviewed and discussed the two submitted proposals with outside counsel and members of Mountain West's Executive Committee of the board of directors. Discussions included the relative merits of the proposals and potential changes to the terms of the proposal from First Interstate.

On January 8, Mountain West's board of directors and Davidson met to review and consider the proposals. Discussions included bank market and valuation conditions generally, the process that was undertaken by Mountain West and Davidson over the preceding months to solicit competitive proposals from multiple parties, and the relative merits of the two detailed proposals received by Mountain West. After discussion, the board determined that the proposal received from First Interstate was more favorable to Mountain West's stockholders than the other

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proposal, and that Mountain West should enter into the Letter of Intent with First Interstate subject to the negotiation and acceptance of certain revisions to the terms of the January 6 proposal. The revisions principally included clarification that the value to be received by Mountain West's option holders would not affect the value received by stockholders, revised collar and walk-away provisions, reduced breakup fees, and revised terms for non-compete agreements and the provision of ongoing director and officer indemnification.

On January 9, Davidson supplied First Interstate with the proposed revisions and the parties further discussed and negotiated the changes to the Letter of Intent. On January 10, First Interstate provided Mountain West a revised Letter of Intent reflecting the revised terms, and the parties entered into the Letter of Intent.

Table of Contents

From January 13 through January 23, the parties and their advisors exchanged additional information and engaged in continued discussions. From January 17 through January 20, the parties met in Helena to enable First Interstate to complete an extensive review of Mountain West's loan files. On January 17, Mr. Hart, Mr. Morgan and Mr. Riley also met to discuss operating and integration considerations and to tour Mountain West's Helena banking offices.

From January 23 through February 7, the parties and their advisors exchanged and negotiated the terms of documents and schedules relating to the merger, including the Merger Agreement.

On February 10, the board of directors of Mountain West met in Helena to discuss and consider the proposed merger. They were joined by representatives of Davidson and Fredrikson & Byron. Matters discussed included the fiduciary responsibilities of the board, the background of the merger, the process undertaken to solicit merger or acquisition proposals, the provisions of the merger agreement and other documents related to the merger, business and financial information concerning Mountain West and First Interstate, valuation and financial analyses, and the matters described under "Recommendation of the Mountain West Board of Directors and Reasons for the Merger". Following discussion and the delivery by Davidson of the fairness opinion, the board voted unanimously in support of the merger with First Interstate.

Recommendation of the Mountain West Board of Directors and Reasons For The Merger

Mountain West's board of directors has unanimously approved the merger agreement and unanimously recommends that the Mountain West stockholders vote **FOR** approval of the merger agreement.

At a special meeting held on February 10, 2014, the Mountain West board of directors unanimously determined that the terms of the merger agreement were fair to, and in the best interests of, Mountain West and its stockholders. In the course of reaching its decision to approve the merger agreement, the board of directors consulted with Davidson, its financial advisor, and Fredrikson & Byron, P.A., its legal counsel. In reaching its determination, the Mountain West board of directors considered a number of factors which constituted the reasons that the board of directors determined to approve the merger and to recommend that Mountain West stockholders vote in favor of the merger. Such factors included the following:

- the process undertaken to arrive at the merger;
- the terms of the merger agreement and the value, form and mix of consideration to be received by Mountain West stockholders in the merger;
- the provisions of the merger agreement allowing Mountain West to pay a \$0.33 per share cash dividend to its stockholders prior to consummation of the merger and a \$0.06 per share cash dividend for each whole or partial calendar month elapsing prior to the effective time of the merger, beginning with September 2014;

- the provisions of the merger agreement allowing Mountain West to cause all outstanding stock options to be exercised or cashed out without affecting the value and consideration to be received by stockholders;
- the value to be received by Mountain West stockholders in the merger relative to the likely value of Mountain West on a stand-alone basis, the value of comparable companies, the financial terms of comparable transactions in the banking industry, the premium to be received over the quoted price for Mountain West shares on the OTC Bulletin Board, and the relative financial contributions of Mountain West and First Interstate;
- the opportunity for stockholders of Mountain West to achieve much greater liquidity for their shares of Mountain West stock through the payment of cash and delivery of shares of First Interstate Class A Common Stock that are actively traded on the NASDAQ Global Market;
- the historic and prospective business and financial results of First Interstate and the historic trading prices of First Interstate Class A Common Stock;
- the fact that Mountain West and First Interstate have a shared operating footprint and similar business cultures, operating principles, and commitments to Montana communities;

Table of Contents

- the opportunity for Mountain West stockholders receiving shares of First Interstate Class A Common Stock to participate in the prospective growth and financial performance of the combined company, including the contemplated operational efficiencies following the merger;
- the fact that First Interstate has consistently paid dividends for approximately 20 years;
- the likelihood that First Interstate will be able to obtain regulatory approval of the merger;
- the historic and prospective business and financial results and future resource requirements of Mountain West;
- the current and prospective economic, operational, competitive and regulatory environment facing Mountain West and the financial services industry generally, including continued consolidation in the industry, increased regulatory and technology requirements, and the increased importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long-term;
- the opportunity for Mountain West customers to continue to receive personalized service and local decision-making, while benefiting from expanded locations, products, services, and lending capacities;
- the additional advancement and training opportunities for Mountain West employees in the combined company, and the commitments by First Interstate to mitigate the impact of employee reductions by (a) not hiring for open First Interstate positions in Mountain West markets between the date of the merger agreement and the closing of the merger (to create opportunities for Mountain West employees who might otherwise be displaced), and (b) providing generous severance and outplacement service arrangements for employees whose jobs are eliminated following the merger;
- the opinion of Davidson that the merger consideration to be received by Mountain West stockholders in the merger is fair from a financial point of view; and
- the provisions in the merger agreement that provide for the ability of the Mountain West board of directors to respond to an unsolicited acquisition proposal that the board of directors determines in good faith is a superior proposal, and to terminate the merger agreement, subject to certain conditions, including the payment of the Breakup Fee, if Mountain West has entered into a letter of intent or other agreement with respect to a superior proposal.

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The Mountain West board of directors also considered a number of uncertainties and risks in its deliberations concerning the transactions contemplated by the merger agreement, including the following:

- that a portion of the merger consideration will be paid through the issuance of a fixed number of shares of First Interstate Class A Common Stock and any decrease in the market price of First Interstate Class A Common Stock will result in a reduction in the aggregate merger consideration to be received by Mountain West stockholders at the time of completion of the merger (subject to the adjustment procedures described under "The Merger Agreement" "Termination of the Merger Agreement");
- that at the time of the stockholders' meeting, Mountain West stockholders will not necessarily know or be able to calculate the actual value of the merger consideration which they would receive upon completion of the merger;
- the possible disruption to business that may result from the announcement of the merger and the resulting distraction of management's attention from the day-to-day operations of Mountain West;
- the contemplated branch consolidations and probable reduction in the number of Mountain West employees as a result of the operating efficiencies enabled by the merger;
- the restrictions contained in the merger agreement on the operation of business by Mountain West during the period between signing of the merger agreement and completion of the merger, as well as the other covenants and agreements of Mountain West contained in the merger agreement;
- that First Interstate has a right to a \$1,000,000 termination fee in certain circumstances; and

Table of Contents

- that the \$3,000,000 Breakup Fee provided for in the merger agreement could have the effect of discouraging superior proposals for a business combination between Mountain West and third parties.

The foregoing discussion of the reasons that led the Mountain West board of directors to unanimously approve the merger and unanimously recommend that Mountain West stockholders vote in favor of the merger is not intended to be exhaustive, but is believed to include all of the material reasons for the board of directors' decision. In reaching its determination to approve and recommend the transaction, the Mountain West board based its recommendation on the totality of the information presented to it and did not assign any relative or specific weights to the reasons considered in reaching that determination. Individual directors may have given differing weights to different reasons. After deliberating with respect to the merger with First Interstate, considering, among other things, the matters discussed above and the opinion of Davidson referred to above, the Mountain West board of directors unanimously approved and adopted the merger agreement and the merger with First Interstate.

For the reasons set forth above, the Mountain West board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote **FOR** the Mountain West Merger proposal and **FOR** the Mountain West Adjournment proposal (if necessary or appropriate).

Opinion of Mountain West's Financial Advisor

Davidson was retained to act as financial advisor to Mountain West Financial Corp. in connection with the merger and to render an opinion as to whether the merger consideration was fair to the holders of Mountain West common stock from a financial point of view. At a meeting of Mountain West board of directors held on February 10, 2014, Davidson rendered its opinion to the effect that, based upon and subject to the considerations set forth in the opinion and based upon such other matters as Davidson considered relevant, the merger consideration was fair, from a financial point of view, to the stockholders of Mountain West as of the date of the opinion.

The full text of the written opinion of Davidson, dated February 10, 2014, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix B to this document and is incorporated herein by reference. Mountain West's stockholders should read the opinion in its entirety. Davidson provided its opinion for the information and assistance of Mountain West's board of directors in connection with its consideration of the Merger. The Davidson opinion is not a recommendation as to how any holder of Mountain West's common stock should vote with respect to the Merger.

In connection with rendering its opinion and performing its related financial analyses, Davidson reviewed, among other things:

- a copy of the merger agreement as of February 6, 2014;
- certain financial statements, financial analyses (including core earnings), and other historical financial and business information about Mountain West and First Interstate made available to us from published sources and/or from the internal records of Mountain West and First Interstate that we deemed relevant;

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- certain publicly available analyst earnings estimates for First Interstate for the years ending December 31, 2014 and December 31, 2015 and estimated growth rates for the years thereafter;
- the current market environment generally and the banking environment in particular;
- the regulatory, competitive and operating environment and related considerations affecting community banks generally and Mountain West in particular;
- future business and financial prospects for Mountain West on a stand-alone basis, based on management guidance;
- the net present value of Mountain West with consideration of projected financial results through 2018 based on management guidance;
- the relative contributions of Mountain West and First Interstate to the combined company;
- the financial terms of certain other similar transactions in the financial institutions industry, to the extent publicly available;
- the market, trading and valuation characteristics of Mountain West's common stock, including comparisons to comparable public banks and bank holding companies;
- the market, trading, dividend payment and valuation characteristics of First Interstate's Class A Common Stock, including comparisons to comparable public bank holding companies;
- the pro forma financial impact of the merger, taking into consideration the amounts and timing of transaction costs, earnings estimates, potential cost savings, and other financial and accounting considerations in connection with the merger; and

Table of Contents

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

Davidson also reviewed the final executed merger agreement, and believes that none of the changes from the draft merger agreement on February 6, 2014 to the final executed merger agreement affected its fairness opinion or fairness opinion analysis in any material respects.

In rendering its opinion, Davidson assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to Davidson, discussed with or reviewed by or for Davidson, or publicly available, and Davidson has not assumed responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Mountain West or First Interstate, nor has Davidson been furnished with any such evaluation or appraisal. In addition, Davidson has not assumed any obligation to conduct, nor has it conducted any physical inspection of the properties or facilities of Mountain West or First Interstate. Davidson has further relied on statements from the management of Mountain West and First Interstate that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Davidson did not make an independent evaluation of the adequacy of the allowance for loan losses of Mountain West or First Interstate nor has Davidson reviewed any individual credit files relating to Mountain West or First Interstate. Davidson has assumed that the respective allowances for loan losses for both Mountain West and First Interstate are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Davidson has assumed that there has been no material change in Mountain West's or First Interstate's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements provided.

Davidson has assumed in all respects material to the analysis that Mountain West and First Interstate will remain as going concerns for all periods relevant to the analysis. It has also assumed in all respects material to the analysis that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement will not be waived.

Davidson has assumed that in the course of obtaining necessary regulatory or other consents or approvals (contractual or otherwise) for the transaction, no restrictions, including any divestiture requirements or amendment or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the transaction.

Davidson does not express any view as to, and its opinion does not address, the relative merits of the transaction as compared to any alternative business strategies that might exist for Mountain West or the effect of any other transaction in which Mountain West might engage. Additionally, Davidson is not expressing any opinion herein as to the prices at which the shares of Mountain West or First Interstate currently trade or may trade in the future. The opinion of Davidson is necessarily based upon information available to Davidson and economic, market, financial and other conditions as they exist and can be evaluated on the date of the opinion.

Set forth below is a summary of the material financial analyses performed by Davidson in connection with rendering its opinion. The summary of the analyses of 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 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 February 6, 2014, and is not necessarily indicative of market conditions after such date.

Summary of Proposal

Davidson reviewed the financial terms of the proposed transaction. The terms and conditions of the merger are more fully described in the merger agreement. Each outstanding share of Mountain West common stock will be exchanged for (i) cash consideration of \$7.125 and (ii) 0.2552 shares of First Interstate class A common stock, which equates to \$13.45 per share based on First Interstate's closing stock price of \$24.78 on February 6, 2014. Based upon Mountain West's common shares outstanding at December 31, 2013 of 5,236,748, the aggregate consideration to Mountain West common stockholders is cash of

Table of Contents

\$37.3 million and 1,336,418 shares of First Interstate Class A Common Stock. In addition, all options that are outstanding at closing will be cashed out at the difference between the merger value per share and the weighted average strike price. Based upon Mountain West's options outstanding of 424,000 at December 31, 2013 with a weighted average strike price of \$8.21, option holders would receive an aggregate of approximately \$2.2 million in cash. In total, Mountain West stockholders and option holders would receive total value of \$72.7 million. Based upon financial information as of or for the twelve month period ended December 31, 2013, Davidson calculated the following transaction ratios:

Transaction Ratios

Total Deal Consideration (\$000s)	\$	72,650
Deal Consideration Per Common Share	\$	13.45
Transaction Value Per Share / Tangible Book Value Per Share		121.3%
Transaction Value / Aggregate Tangible Book Value		125.2%
Transaction Value / 2013 Stated Earnings Per Share		16.2x
Transaction Value / 2013 Core Earnings Per Share (1)		20.6x
Tangible Book Premium/ Core Deposits		3.1%
Premium Paid to pre-announcement MTWF stock price		27.5%

(1) Core earnings per share were calculated by making adjustments to Mountain West's stated earnings to eliminate items of extraordinary or non-recurring income and expense, as confirmed with Mountain West management.

Stock Trading History of Mountain West and First Interstate

Davidson reviewed the history of the reported trading prices and volume of Mountain West and First Interstate common stock and the relationship between the movements in the prices of Mountain West and First Interstate common stock to movements in certain stock indices, including the Standard & Poor's 500 Index, the Keefe, Bruyette & Woods, Inc. Regional Bank Index and the SNL Bank Index, and relative to their respective peers that are discussed in the Comparable Company Analysis.

Mountain West One Year Stock Performance

	Beginning Index Value on February 6, 2013	Ending Index Value on February 6, 2014
Mountain West	100.0%	131.9%
Standard & Poor's 500 Index	100.0%	117.3%
SNL Bank Index	100.0%	123.0%
MTWF Comparable Company Peers	100.0%	106.7%

First Interstate One Year Stock Performance

	Beginning Index Value on February 6, 2013	Ending Index Value on February 6, 2014
First Interstate	100.0%	142.1%

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Standard & Poor's 500 Index	100.0%	117.3%
KBW Bank Index	100.0%	123.9%
FIBK Comparable Company Peers	100.0%	138.1%

First Interstate Stock Performance since IPO

	Beginning Index Value on March 23, 2010	Ending Index Value on February 6, 2014
First Interstate	100.0%	170.9%
Standard & Poor's 500 Index	100.0%	151.0%
KBW Bank Index	100.0%	134.1%
FIBK Comparable Company Peers	100.0%	157.9%

Table of Contents

Mountain West Comparable Companies Analysis

Davidson used publicly available information to compare selected financial and market trading information for Mountain West and a group of financial institutions selected by Davidson. The Mountain West peer group consisted of 14 banks traded on the OTCBB or Pink Sheets headquartered in Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming with total assets between \$250 million and \$1 billion:

Mountain West Comparable Company Peers

Alerus Financial Corporation

Baker Boyer Bancorp

BEO Bancorp

BNCCORP, Inc.

Cashmere Valley Bank

Citizens Bancorp

Columbia Commercial Bancorp

Foundation Bancorp, Inc.

Idaho Independent Bank

Northwest Bancorporation, Inc.

Pacific Financial Corporation

Puget Sound Bank

Security National Corporation

Siuslaw Financial Group, Inc.

The analysis compared financial information for Mountain West and the median financial and market trading data for the Mountain West peer group as of or for the twelve month period ended December 31, 2013 or most recently reported period. The table below sets forth the data for Mountain West and the median data for the Mountain West peer groups for the twelve months ended December 31, 2013 or most recently reported period, with pricing data as of February 6, 2014.

**Mountain
West**

**Comparable
Group Median**

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	Result	
Total Assets (in millions)	\$ 645.9	\$ 494.4
Non-Performing Assets / Total Assets	2.86%	1.66%
Loan Loss Reserves / Loans	3.00%	1.82%
Texas Ratio	29.2%	17.5%
Tangible Common Equity Ratio	9.04%	9.22%
Net Interest Margin	3.98%	3.48%
Efficiency Ratio	83.7%	72.2%
Return on Average Assets	0.69%	0.92%
Market Capitalization (in millions)	\$ 55.2	\$ 48.7
Price / Tangible Book Value	95.2%	107.5%
Price / LTM Earnings Per Share	15.8x	11.2x

First Interstate Comparable Companies Analysis

Davidson used publicly available information to compare selected financial and market trading information for First Interstate and a group of financial institutions selected by Davidson. The First Interstate peer group consisted of 10 select banks traded on the NASDAQ or NYSE headquartered in the Western and Midwestern U.S. with total assets between \$2 billion and \$17 billion:

Table of Contents**First Interstate Comparable Company Peers**

1st Source Corporation

Banner Corporation

CoBiz Financial Inc.

Columbia Banking System, Inc.

Glacier Bancorp, Inc.

Heartland Financial USA, Inc.

Old National Bancorp

UMB Financial Corporation

Umpqua Holdings Corporation

Western Alliance Bancorporation

The analysis compared financial information for First Interstate and the median financial and market trading data for the First Interstate peer group as of or for the twelve month period ended December 31, 2013 or most recently reported period. The table below sets forth the data for First Interstate and the median data for the First Interstate peer groups for the twelve months ended December 31, 2013 or most recently reported period, with pricing data as of February 6, 2014.

	First Interstate	Comparable Group Median Result
Total Assets (in millions)	\$ 7,564.7	\$ 7,523.0
Non-Performing Assets / Total Assets	1.74%	1.46%
Loan Loss Reserves / Loans	1.96%	1.54%
Texas Ratio	19.6%	15.6%
Tangible Common Equity Ratio	8.32%	8.64%
Net Interest Margin	3.54%	3.91%
Efficiency Ratio	61.8%	66.6%
Return on Average Assets	1.16%	1.04%
Market Capitalization (in millions)	\$ 1,092.5	\$ 1,325.9
Price / Tangible Book Value	178.4%	191.7%
Price / LTM Earnings Per Share	12.6x	16.1x

Precedent Transactions Analysis

Davidson reviewed three sets of comparable mergers and acquisitions. The sets of mergers and acquisitions included: (1) Nationwide Transactions which included 9 transactions announced from January 1, 2012 through February 6, 2014 involving banks and thrifts headquartered

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nationwide where the selling bank's total assets were between \$250 million and \$2 billion, non-performing assets to total assets ratio were between 2.0% and 4.0%, and return on average assets between 0.30% and 0.70%; (2) Western U.S. Transactions with Similar Performance which included 9 transactions announced from January 1, 2012 through February 6, 2014 involving banks and thrifts headquartered in the Western U.S. where the selling bank's total assets were under \$1 billion and return on average assets was between 0.20% and 1.20%; and (3) All Western U.S. Transactions which included 24 transactions announced from January 1, 2013 through February 6, 2014 involving banks and thrifts headquartered in the Western U.S. as set forth below:

Nationwide Transactions

Announcement Date	Acquirer	Target
1/23/2014*	HomeTrust Bancshares, Inc.	Jefferson Bancshares, Inc.
1/21/2014*	TriCo Bancshares	North Valley Bancorp
10/21/2013*	Heritage Oaks Bancorp	Mission Community Bancorp
2/15/2013	Southern BancShares, Inc.	Heritage Bancshares, Inc.
2/7/2013	Renasant Corporation	First M&F Corporation
9/18/2012	Wintrust Financial Corporation	HPK Financial Corporation
5/31/2012	United Financial Bancorp, Inc.	New England Bancshares, Inc.
3/13/2012	National Australia Bank, Ltd.	North Central Bancshares, Inc.
1/26/2012	Tompkins Financial Corporation	VIST Financial Corp.

* Indicates the transaction was pending as of February 6, 2014

Table of Contents**Western U.S. Transactions with Similar Performance**

Announcement Date	Acquirer	Target
8/5/2013	Whitcorp Financial Company	Colorado State Bank of Walsh
7/26/2013	HomeStreet, Inc.	YNB Financial Services Corp.
6/12/2013	Four Corners Community Bank	Citizens State Bank of Cortez
3/27/2013	Glacier Bancorp, Inc.	North Cascades Bancshares, Inc.
3/22/2013	Puget Sound Bank	Core Business Bank
3/12/2013	Heritage Financial Corporation	Valley Community Bancshares, Inc.
2/25/2013	Glacier Bancorp, Inc.	Wheatland Bankshares, Inc.
10/23/2012	Pacific Continental Corporation	Century Bank
4/17/2012	Bank of Commerce	State Bank & Trust Company

All Western U.S. Transactions

Announcement Date	Acquirer	Target
1/31/2014*	AltaPacific Bancorp	Mission Oaks Bancorp
1/21/2014*	TriCo Bancshares	North Valley Bancorp
1/16/2014*	Bay Commercial Bank	Bank On It, Inc.
11/4/2013	Independence Bank	Premier Service Bank
10/23/2013*	Heritage Financial Corporation	Washington Banking Company
10/23/2013*	Cascade Bancorp	Home Federal Bancorp, Inc.
10/21/2013*	Heritage Oaks Bancorp	Mission Community Bancorp
9/11/2013*	Umpqua Holdings Corporation	Sterling Financial Corporation
8/5/2013	Whitcorp Financial Company	Colorado State Bank of Walsh
7/26/2013	HomeStreet, Inc.	Fortune Bank
7/26/2013	HomeStreet, Inc.	YNB Financial Services Corp.
7/22/2013	PacWest Bancorp	CapitalSource, Inc.
7/15/2013	Wilshire Bancorp, Inc.	Saehan Bancorp
7/2/2013	First ULB Corp.	Union Financial Corporation
7/1/2013	Bank of Marin Bancorp	NorCal Community Bancorp
6/26/2013*	Alamogordo Financial Corp.	Bank 1440
6/12/2013	Four Corners Community Bank	Citizens State Bank of Cortez
5/2/2013	Sterling Financial Corporation	Commerce National Bank
3/27/2013	Glacier Bancorp, Inc.	North Cascades Bancshares, Inc.
3/22/2013	Puget Sound Bank	Core Business Bank
3/12/2013	Heritage Financial Corporation	Valley Community Bancshares
3/6/2013	Pacific Premier Bancorp, Inc.	San Diego Trust Bank
2/25/2013	Glacier Bancorp, Inc.	Wheatland Bankshares, Inc.
1/22/2013	Western Alliance Bancorporation	Centennial Bank

* Indicates the transaction was pending as of February 6, 2014

Davidson reviewed the following multiples for comparable mergers and acquisitions: transaction price at announcement to tangible book value and transaction price at announcement to last twelve months earnings. As illustrated in the following table, Davidson compared the proposed merger multiples to the median multiples of the comparable transaction groups and other operating financial data where relevant. The table below sets forth the Mountain West Merger Consideration based on the assumptions outlined in the Summary Proposal section of this document.

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The table below sets forth the median data for the comparable transaction groups as of the last twelve months ended prior to the transaction announcement and Mountain West data for the last twelve months ended December 31, 2013.

Table of Contents

	Comparable Group Medians			
	Mountain West	Nationwide Transactions Median	Western U.S. Transactions with Similar Performance	All Western U.S. Transactions
Transaction Value / Tangible Book Value Per Share	125.2%	116.3%	127.7%	133.4%
Transaction Value / Last Twelve Months Stated Earnings	16.2x	18.9x	22.0x	20.0x
Transaction Value/ Last Twelve Months Core Earnings (1)	20.6x	18.9x	22.0x	20.0x
Total Assets (in millions)	\$ 645.9	\$ 498.6	\$ 100.1	\$ 242.5
Return on Average Assets (Last Twelve Months)	0.69%	0.44%	0.76%	0.72%
Return on Average Equity (Last Twelve Months)	7.4%	5.2%	6.0%	6.2%
Tangible Common Equity Ratio	9.04%	8.60%	10.55%	10.75%
Efficiency Ratio (Last Twelve Months)	83.7%	77.9%	75.5%	81.2%
Non-Performing Assets / Total Assets	2.86%	2.71%	1.00%	1.93%

(1) Core earnings for Mountain West were calculated by making adjustments to stated earnings to eliminate items of extraordinary or non-recurring income and expense, as confirmed with Mountain West management. The published valuation multiples for transactions taking place in the comparable groups do not take into account such adjustments, which could have the effect of increasing or decreasing the median multiples shown.

Premium Paid Analysis

Davidson reviewed the premium paid relative to current trading price for bank acquisitions in three groups: (1) Nationwide Transactions which included 9 transactions announced from January 1, 2012 through February 6, 2014 involving banks and thrifts headquartered nationwide where the selling bank's total assets were between \$250 million and \$2 billion, non-performing assets to total assets ratio were between 2.0% and 4.0%, and return on average assets between 0.30% and 0.70%; (2) All Western U.S. Transactions which included 24 transactions announced from January 1, 2013 through February 6, 2014 involving banks and thrifts headquartered in the Western U.S.; and (3) all M&A transactions in the U.S. announced between January 1, 2012 through February 6, 2014, as set forth below:

	Median Premium Paid to Current Trading Price
Comparable National Transactions	38.8%
All Western U.S. Transactions	19.1%
All U.S. Transactions	36.8%
Mountain West Premium	27.5%

Net Present Value Analysis

Davidson performed an analysis that estimated the net present value of Mountain West under various circumstances. The analysis assumed Mountain West performed in accordance with the financial forecasts for the years ending December 31, 2014 through December 31, 2018 as provided by and discussed with management of Mountain West. To approximate the terminal value of Mountain West at December 31, 2018, Davidson applied price to earnings multiples of 16.0x to 24.0x and multiples of tangible book value ranging from 110.0% to 150.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.00% to 15.00%

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chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Mountain West's common stock. In evaluating the discount rate, Davidson used the industry standard methods of adding the current risk-free rate, which is based on the 10-year Treasury yield, plus the published Ibbotson Equity Risk Premium, plus company-specific adjustments for size, industry and related considerations.

Table of Contents

The analysis indicates an imputed range of values of Mountain West of \$7.22 to \$12.67 per fully diluted share (\$39.0 million to \$68.5 million in aggregate) when applying the price to earnings multiples to the financial forecasts and \$7.99 to \$12.95 per fully diluted share (\$43.1 million to \$69.9 million in aggregate) when applying the same multiples of tangible book value to the financial forecasts. The following tables illustrate the net present values for Mountain West on a per share basis under the assumptions shown:

Earnings Per Share Multiples (price per fully diluted share)

Discount Rate	16x		18x		20x		22x		24x	
10.00%	\$	8.89	\$	9.83	\$	10.78	\$	11.73	\$	12.67
11.00%	\$	8.52	\$	9.42	\$	10.33	\$	11.23	\$	12.14
12.00%	\$	8.17	\$	9.03	\$	9.90	\$	10.76	\$	11.63
12.50%	\$	8.00	\$	8.85	\$	9.69	\$	10.54	\$	11.38
13.00%	\$	7.84	\$	8.66	\$	9.49	\$	10.32	\$	11.15
14.00%	\$	7.52	\$	8.31	\$	9.10	\$	9.90	\$	10.69
15.00%	\$	7.22	\$	7.98	\$	8.74	\$	9.50	\$	10.25

Tangible Book Value Multiples (price per fully diluted share)

Discount Rate	110%		120%		130%		140%		150%	
10.00%	\$	9.84	\$	10.62	\$	11.40	\$	12.17	\$	12.95
11.00%	\$	9.43	\$	10.17	\$	10.92	\$	11.66	\$	12.40
12.00%	\$	9.04	\$	9.75	\$	10.46	\$	11.17	\$	11.88
12.50%	\$	8.85	\$	9.55	\$	10.24	\$	10.93	\$	11.63
13.00%	\$	8.67	\$	9.35	\$	10.03	\$	10.71	\$	11.38
14.00%	\$	8.32	\$	8.97	\$	9.62	\$	10.27	\$	10.92
15.00%	\$	7.99	\$	8.61	\$	9.23	\$	9.85	\$	10.47

Contribution Analysis

Davidson performed an analysis that examined the value of Mountain West by analyzing the relative contribution of earnings, loans, deposits, and tangible common equity to the pro form company, excluding purchase accounting adjustments. As illustrated in the following table, the analysis imputed an average value of Mountain West of \$12.36 per fully diluted share (\$66.8 million in aggregate).

Valuation Metric	Mountain West Contribution	Implied Value per FD Share
Pre-Tax, Pre-Provision Earnings (2013)	3.5%	\$ 7.27
Earnings (2014E)	3.8%	\$ 8.09
Earnings (2015E)	4.0%	\$ 8.38
Gross Loans (12/31/13)	8.5%	\$ 18.89
Tangible Common Equity (12/31/13)	8.6%	\$ 19.17

Financial Impact Analysis

Davidson also performed pro forma merger analyses that examined the pro forma impact of the transaction on the combined company's balance sheet and forecasted income statement, after taking into account certain assumptions that included estimated transaction costs, accounting adjustments, projected cost savings, and estimated operating results for Mountain West and First Interstate. Earnings estimates for Mountain West were provided by and discussed with Mountain West management; earnings estimates for First Interstate were derived from research reports published by the Davidson institutional research group. The analysis indicated that the merger is expected to be accretive to the 2015 earnings per share of

Table of Contents

First Interstate and dilutive to the tangible book value per share for First Interstate. The analysis also indicated that First Interstate would maintain capital ratios in excess of those required to be considered well-capitalized under existing regulations. For all of the above analyses, the actual financial impact of the merger and actual financial results achieved by First Interstate following the merger may vary from the estimated results, and such variations may be material.

Davidson prepared its analyses for purposes of providing its opinion to Mountain West's board of directors as to the fairness of the merger from a financial point of view to holders of Mountain West common stock, and to assist Mountain West'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 Mountain West, First Interstate or Davidson or any other person assumes responsibility if future results are materially different from those forecasted.

Davidson's opinion was one of many factors considered by the Mountain West 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 Mountain West or management with respect to the Merger or the merger consideration.

Davidson and its affiliates, as part of their investment banking business, are regularly 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. Davidson acted as financial advisor to Mountain West in connection with, and participated in certain of the negotiations leading to the merger. 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, Davidson and its affiliates may provide such services to Mountain West, First Interstate and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of Mountain West 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. Mountain West selected Davidson as its financial advisor, among other reasons, because it is a recognized investment banking firm that has substantial experience in transactions similar to the merger..

Davidson's Compensation and Other Relationships with Mountain West

Pursuant to a letter agreement dated July 12, 2013, Mountain West engaged Davidson as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of the engagement letter, Mountain West agreed to pay Davidson a cash fee of \$100,000 concurrently with the rendering of its opinion. Mountain West will pay to Davidson at the time of closing of the Merger a cash success fee equal to 1.0% of the aggregate consideration. Further, Davidson received a cash fee of \$25,000 from Mountain West as a retainer upon execution of the engagement letter, which will be credited against the 1.0% cash success fee. Mountain West has also agreed to reimburse Davidson for all reasonable out-of-pocket expenses and to indemnify Davidson and certain related persons against specified liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement. In the prior two years, other than the cash retainer fee described herein, Davidson did not receive any fees for investment banking services from Mountain West or from First Interstate. Davidson may, however, provide investment banking services to the combined company in the future and may receive future compensation.

Management and Board of Directors of First Interstate After the Merger

The current directors and senior officers of First Interstate are expected to continue in their current positions. No officers of Mountain West are expected to serve as executive officers of First Interstate immediately after the closing of the merger. Information about the current First Interstate directors and executive officers can be found in the documents listed under the section entitled WHERE YOU CAN FIND MORE INFORMATION beginning on page ii.

Financial Interests of Directors and Officers of Mountain West in the Merger

In considering the recommendation of the board of directors of Mountain West to vote for the proposal to approve the merger agreement, you should be aware that certain directors and officers of Mountain West have interests in the merger that are in addition to, or different from, their interests as stockholders of Mountain West. The board of Mountain West was aware of these interests and considered them in approving the merger agreement. These interests include:

Table of Contents

- Mr. Bradshaw is partially vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at age 62 (or if later, his retirement). If Mr. Bradshaw's employment is terminated within 24 months after the merger, Mr. Bradshaw will be fully vested in the payments, such that he would receive monthly payments over 20 years at an annual rate of \$36,000 beginning immediately after his termination of employment.
- Mr. Brown is partially vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at age 65 (or if later, his retirement). If Mr. Brown's employment is terminated within 24 months after the merger, Mr. Brown will instead receive a lump sum payment of \$77,600, \$159,856, or \$246,977 (depending on the date of termination) immediately after his termination of employment.
- Pursuant to the terms of his 2002 Employment Agreement, Mr. Morgan will be entitled to a lump sum payment of \$532,223 on account of the merger, payable upon the closing of the merger.
- Mr. Morgan is fully vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at his retirement; however, if Mr. Morgan's employment is terminated within 24 months after the merger, Mr. Morgan would instead receive a lump sum amount equal to \$777,515 at the time of his termination of employment.
- The directors and officers of Mountain West and Mountain West Bank will receive continued indemnification and director and officer liability insurance coverage for a period of six years after completion of the merger.

Merger-Related Compensation for Mountain West's Named Executive Officers

The following table sets forth the estimated potential benefits to Mountain West's principal executive officer and two next most highly compensated executive officers as a result of the merger pursuant to the terms of the merger agreement. This table does not include the value of benefits in which the named executive officers are vested without regard to the terms of the merger agreement or as a result of the merger.

Name	Cash	Equity	Perquisites/ Benefits	Total
Richard E. Hart (1)	\$	\$	\$	\$
Richard M. Morgan (2)(3)				
Mitchell K. Bradshaw (4)(5)				

(1) Assumes full vesting of Mr. Hart's existing options for 31,330 shares at an average exercise price of \$7.63 per share, and a merger consideration value per share of \$ (calculated based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on , 2014).

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(2) This amount is equal to (a) a change in control payment of \$532,223 due immediately upon the merger, and (b) a cash payment for the cancellation of existing options (assuming full vesting of Mr. Morgan's existing options for 11,500 shares at an exercise price of \$13.20 per share, and a merger consideration value per share of \$ (calculated based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on , 2014)).

(3) Mr. Morgan is fully vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at his retirement; however, if Mr. Morgan's employment is terminated within 24 months after the merger, Mr. Morgan would instead receive a lump sum amount equal to \$777,515 at the time of his termination of employment.

(4) Assumes full vesting of Mr. Bradshaw's existing options for 5,000 shares at an exercise price of \$6.00 per share, and a

Table of Contents

merger consideration value per share of \$ (calculated based on the closing price of First Interstate Class A Common Stock on the NASDAQ Global Select Market on , 2014).

(5) Mr. Bradshaw is partially vested in a benefit under a Salary Continuation Agreement that ordinarily would provide a stream of payments over 20 years beginning at age 62 (or if later, his retirement). If Mr. Bradshaw's employment is terminated within 24 months after the merger, Mr. Bradshaw will be fully vested in the payments, such that he would receive monthly payments over 20 years at an annual rate of \$36,000 beginning immediately after his termination of employment.

Financial Interests of Directors and Officers of First Interstate in the Merger

First Interstate has not entered into any agreement or understanding, whether written or unwritten, with any director or executive officer pursuant to which any such person would be entitled to receive compensation, whether present, deferred or contingent, that is based on or otherwise relates to the merger.

Regulatory Approvals Required for the Mergers

Completion of the merger and the bank merger is subject to the receipt of all approvals required to complete the transactions contemplated by the merger agreement from the Federal Reserve and, with respect to the bank merger, the Montana Division of Banking and Financial Institutions, and the expiration of any applicable statutory waiting periods. First Interstate has agreed to take all actions that are necessary, proper and advisable in connection with obtaining all regulatory approvals, and Mountain West has agreed to fully cooperate with First Interstate in the filing of the applications and other documents necessary to complete the transactions contemplated by the merger. First Interstate and its subsidiaries have filed, or are in the process of filing, applications and notifications to obtain these regulatory approvals.

Federal Reserve Applications

The Merger. First Interstate is a bank holding company under Section 3 of the BHC Act. Section 3(a)(5) of the BHC Act generally requires the prior approval of the Federal Reserve for any bank holding company to merge with any other bank holding company. First Interstate is required to file an application with the Federal Reserve. In considering the approval of the merger, the Federal Reserve is required by the BHC Act to review, with respect to First Interstate and the companies and insured depository institutions to be acquired: (1) financial and managerial resources and the effect of the proposed transaction on these resources, including the management expertise, internal controls and risk management systems, (2) the effect of the proposal on competition and (3) whether the proposed transaction can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices or risk to the stability of the United States banking or financial system. The Federal Reserve also reviews the records of the relevant insured depository institutions under the Community Reinvestment Act of 1977. In connection with such a review, the Federal Reserve 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.

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Under the Montana Bank Act, First Interstate is required provide the Montana Division with a copy of all applications filed with the Federal Reserve seeking approval of the merger. The Montana Division may provide comments on the applications to the Federal Reserve and may request further information with respect to the merger. In addition, the Montana Bank Act prohibits the merger if First Interstate would, through its subsidiaries, control greater than 22 percent of the total deposits in Montana. The merger is not expected to result in such control of deposits by First Interstate in Montana.

The Bank Merger. Because First Interstate Bank is a state bank member of the Federal Reserve, prior approval to merge Mountain West Bank with and into First Interstate Bank is required from the Federal Reserve, pursuant to Section 18(c)(2)(B) of the Federal Deposit Insurance Act, which is referred to herein as the Bank Merger Act, and by the Montana Division under the Montana Bank Act. In evaluating an application filed under the Bank Merger Act, the Federal Reserve is required to take into consideration (1) the competitive impact of the proposed transactions, (2) financial and managerial resources and future prospects of the banks that are party to the merger, (3) the convenience and needs of the communities served by the banks and their compliance with the Community Reinvestment Act, (4) the banks' effectiveness in combating money-laundering activities, and (5) the extent to which the proposed transactions would result in greater or more concentrated risks to the stability of the U.S. banking or

Table of Contents

financial system. In connection with its review under the Bank Merger Act, the Federal Reserve provides an opportunity for public comment on the application for the bank merger and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate.

Transactions approved by the Federal Reserve under the BHC Act and the Bank Merger Act generally may not be completed until 30 days after the approval of the Federal Reserve is received, during which time the Department of Justice may challenge the transaction on antitrust grounds. With the approval of the Federal Reserve and the concurrence of the Department of Justice, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the merger, the Department of Justice could analyze the merger's effect on competition differently than the Federal Reserve, and thus it is possible that the Department of Justice could reach a different conclusion than the Federal Reserve does regarding the merger's effects on competition. A determination by the Department of Justice not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

Because First Interstate Bank is a Montana-chartered commercial bank, prior approval of the bank merger is required from the Montana Division. The Division may accept public comments on the bank merger application and may consider other factors in considering the bank merger. Generally, the Montana Division will act upon an application within 15 to 45 calendar days following expiration of the required publication and public comment periods. The Montana Division may, however, extend the processing period for good cause.

Because Mountain West is a national bank, information with respect to the bank merger is required to be filed with the Comptroller of the Currency (the OCC). Both the Montana Bank Act and the National Bank Act permit the merger of a national bank with a bank chartered under the Montana Bank Act. Because First Interstate Bank will be the surviving bank in the merger, the prior approval of the bank merger by the OCC is not required.

Additional Regulatory Approvals, Notices and Filings

Additional notifications, filings and/or applications will be submitted to various other federal and state regulatory authorities in connection with the mergers and the payment of permitted dividends by Mountain West, including the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the U.S. Department of the Treasury.

The closing of the merger and the bank merger is conditioned upon the regulatory agencies and authorities not imposing any condition, limitation or requirement that is reasonably unacceptable to First Interstate. Although First Interstate and Mountain West currently believe they should be able to obtain all required regulatory approvals in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether the approvals will contain terms, conditions or restrictions not currently contemplated that will be detrimental to First Interstate after the completion of the merger.

There can likewise be no assurances that federal or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result of such challenge.

Accounting Treatment

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method. The result of this is that (a) the recorded assets and liabilities of First Interstate will be carried forward at their recorded amounts, (b) First Interstate's historical operating results will be unchanged for the prior periods being reported on, and (c) the assets and liabilities of Mountain West will be adjusted to fair value at the date of the merger. In addition, all identifiable intangibles will be recorded at fair value and included as part of the net assets acquired. The amount by which the purchase price (consisting of the value of cash and shares of First Interstate Class A Common Stock to be issued to former Mountain West stockholders) exceeds the fair value of the net assets, including identifiable intangibles of Mountain West at the merger date, will be reported as goodwill. In accordance with current accounting guidance, goodwill is not amortized and will be evaluated for impairment at least annually or on an interim basis if an event or circumstance indicates that it is likely an impairment has occurred. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of Mountain West being included in the operating results of First Interstate beginning from the date of completion of the merger.

Table of Contents

Public Trading Markets

First Interstate Class A Common Stock is listed on the NASDAQ Global Select Market under the symbol FIBK. The First Interstate Class A Common Stock issuable in the merger will be listed on the NASDAQ Global Select Market.

Exchange of Shares in the Merger

First Interstate will appoint an exchange agent to handle the exchange of shares of Mountain West common stock for cash and shares of First Interstate Class A Common Stock. As soon as reasonably practicable after the closing of the merger, First Interstate's exchange agent will mail a letter of transmittal to each person who was a Mountain West stockholder of record at the effective time of the merger describing the actions necessary for delivery of the merger consideration. This mailing will also contain instructions on how to surrender shares of Mountain West common stock (whether in certificated or book entry form) in exchange for the merger consideration that the holder is entitled to receive under the merger agreement.

All shares of First Interstate Class A Common Stock issued to the holders of Mountain West common stock pursuant to the merger will be deemed issued as of the effective date of the merger. However, until a holder of Mountain West common stock surrenders its shares of Mountain West common stock in accordance with the instructions provided by the exchange agent, dividends or other distributions on such stockholder's First Interstate Class A Common Stock will accrue, but will not be paid. Once a Mountain West stockholder properly surrenders its shares of Mountain West common stock, any unpaid dividends or other distributions that such stockholder is entitled to receive, as well as any merger consideration payable in cash to such stockholder, will be paid without interest. After the effective time of the merger, there will be no transfers on the stock transfer books of Mountain West of any shares of Mountain West common stock. If certificates representing shares of Mountain West common stock are presented for transfer after the completion of the merger, they will be cancelled and exchanged for the merger consideration into which the shares of Mountain West common stock represented by those certificates shall have been converted.

If a certificate for Mountain West common stock has been lost, stolen, mutilated or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of an appropriate affidavit as to such loss, theft, mutilation or destruction, and, if requested by First Interstate or the exchange agent, upon the posting of a bond in such amount as First Interstate may determine necessary as indemnity against any claim that may be made against First Interstate in respect of such lost, stolen, mutilated or destroyed certificate.

Subject to the terms of First Interstate's agreement with the exchange agent, First Interstate may use its reasonable discretion in determining the validity of any letters of transmittal delivered by a Mountain West stockholder and such stockholder's compliance with the procedures prescribed by the exchange agent necessary for delivery of the merger consideration. In addition, First Interstate may use its reasonable discretion in determining the method of payment of the cash portion of the merger consideration each such stockholder is entitled to receive.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of the material terms and conditions of the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Appendix A to, and incorporated by reference into, this proxy statement/prospectus. The rights and obligations of the parties are governed by the terms and conditions of the merger agreement and not by this summary or any other information contained in this proxy statement/prospectus. You are urged to read the merger agreement carefully and in its entirety before making any decisions regarding the merger.

Effects of the Merger

The merger agreement provides for the merger of Mountain West with and into First Interstate, with First Interstate surviving the merger. The merger agreement provides that the articles of incorporation and the bylaws of First Interstate as in effect immediately prior to the merger will be the articles of incorporation and bylaws of the surviving company. Pursuant to the merger agreement the board of directors of First Interstate shall continue to be the board of directors of the surviving company; however, First Interstate has agreed to use its best efforts to nominate Richard Anderson, who is the current chairman of Mountain West's board of directors, to become a director of the surviving company if a vacancy occurs on the board of directors by reason of a death, resignation or removal within one year of the closing of the merger.

As a result of the merger, the existence of Mountain West will cease and there will no longer be any shares of Mountain West common stock. Mountain West stockholders will only participate in the surviving company's future earnings and potential growth through their ownership of First Interstate Class A Common Stock, if any. All of the other incidents of direct ownership of Mountain West common stock, such as the right to vote on certain corporate decisions, to elect directors and to receive dividends and distributions from Mountain West, will be extinguished upon completion of the merger. All of the property, rights, privileges, powers and franchises of First Interstate and Mountain West will vest in the surviving company, and all debts, liabilities and duties of Mountain West and First Interstate will become the debts, liabilities and duties of the surviving company.

Effective Time of the Merger

The merger agreement provides that the merger will be consummated on the first business day that is not less than ten (10) business days after the latest to occur of (i) the receipt of all required regulatory approvals, including the expiration of all related statutory waiting or holding periods, and (ii) the receipt of approval of Mountain West's stockholders, unless extended by mutual agreement of First Interstate and Mountain West. First Interstate and Mountain West shall file articles of merger with the Secretary of State of the State of Montana, which shall indicate the effective time of the closing of the merger. As of the date of this document, First Interstate and Mountain West expect that the merger will be effective in mid-2014, although it does not expect the merger to close in June 2014. However, there can be no assurance as to when or if the merger will occur.

If the merger is not completed on or before December 31, 2014, the merger agreement may be terminated by either First Interstate or Mountain West, unless the failure of the closing to occur by such date is due to a breach of a representation, warranty, covenant or agreement by the party seeking to terminate the merger agreement.

For a description of the merger, merger consideration and treatment of Mountain West stock options, please see the section entitled THE MERGER Terms of the Merger beginning on page 27.

Covenants and Agreements

Conduct of Businesses Prior to the Completion of the Merger

Mountain West has agreed that, prior to the effective time of the merger, it will generally conduct its business, and cause its subsidiaries to conduct their respective businesses, in the ordinary course of business consistent with past practices. In addition, it will use its commercially reasonable efforts to preserve intact its business organization, keep available the services of its current officers, employees and agents and maintain its relationships and goodwill with its suppliers, customers, landlords, creditors, employees, agents and others having business relationships with Mountain West. Further, Mountain West has agreed to maintain (i) an adequate reserve for possible loan and lease losses which is in accordance with generally accepted

Table of Contents

accounting principles, or GAAP, (ii) all of its assets necessary to conduct its business, including the maintenance of insurance policies upon its assets and (iii) its books and records in its usual manner consistent with prior years and in compliance with all applicable laws except where such failure to maintain would not reasonably be expected to have a material adverse effect on Mountain West on a consolidated basis. It has also agreed to timely file all required filings with applicable regulatory authorities.

In addition to the general covenants above, Mountain West has agreed that prior to the closing of the merger, subject to specified exceptions in the merger agreement, it will not, and will not permit its subsidiaries to, without the written consent of First Interstate:

- (i) change its authorized or issued capital stock, (ii) issue any capital stock (other than in connection with the exercise of options), grant any stock option or grant any right to purchase shares of its capital stock (other than the full vesting of outstanding options as contemplated in the merger agreement), (iii) issue any security convertible into its capital stock or evidences of indebtedness (except in connection with customer deposits), (iv) grant any registration rights, (v) purchase, redeem, retire or otherwise acquire any shares of its capital stock (other than the cash out of options contemplated by the merger agreement), or (vi) declare or pay any dividend or other distribution