

First Interstate BancSystem, Inc. (NASDAQ: FIBK; Billings, MT) has agreed to acquire Absarokee Bancorporation, Inc. (Absarokee, MT) and its subsidiary, United Bank

Deal Value: \$7.2 Million

Sandler O'Neill served as financial advisor to First Interstate BancSystem, Inc. in this transaction. This transaction is Sandler O'Neill's 71st bank or thrift transaction nationwide since January 1, 2014, more than any other investment bank during that time period.¹

Since January 1, 2014, Sandler O'Neill has advised on 13 Western bank or thrift transactions, more than any other investment bank during that time period.¹

(BILLINGS, Mont. & ABSAROKEE, Mont.) First Interstate BancSystem, Inc. (NASDAQ: FIBK) ("First Interstate"), parent company of First Interstate Bank, and Absarokee Bancorporation, Inc. ("Absarokee"), parent company of United Bank, announced today that First Interstate has signed a definitive agreement to acquire the Montana-based Absarokee and its subsidiary, United Bank. With total assets of \$74 million, Absarokee currently operates four United Bank branches in the Montana communities of Absarokee, Columbus and Laurel. This is First Interstate's second in-market acquisition in the last year and will provide a complementary market adjacent to First Interstate's Billings, Montana headquarters.

"United Bank is a locally-owned bank committed to great customer service backed by small-town values," said First Interstate President and CEO, Ed Garding. "As a community bank, we share those same values and operating philosophy," Garding continued.

United Bank President and CEO, Terry Lobdell says United Bank is looking forward to becoming part of the First Interstate family. "Before his unexpected passing earlier this year, United Bank's former CEO, Don Vondra, was actively working to secure the future of United Bank. Don had already started acquisition discussions with First Interstate – his choice to carry on the legacy he had built," said Lobdell.

First Interstate Billings Region President Keith Cook added, "Mr. Vondra was a respected member of the banking community and is greatly missed."

Subject to the terms and conditions of the definitive agreement, cash consideration for the acquisition will be approximately \$7.2 million. First Interstate expects the transaction to be immediately accretive to earnings per share. Upon closing of the transaction, which is expected to take place during the third quarter of 2015, the United Bank branches will become branches of First Interstate Bank. First Interstate's Board of Directors unanimously approved the acquisition, subject to obtaining regulatory approval and the approval of Absarokee shareholders.

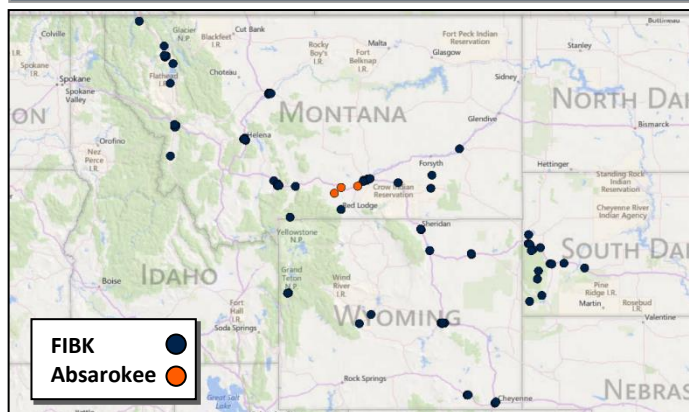
Financial Highlights

(Dollars in millions)

	FIBK	Absarokee
Total Assets	\$8,609.9	\$74.0
Gross Loans	4,856.6	37.7
Total Deposits	7,006.2	64.3
Total Equity	908.9	7.4
Tang. Comm. Equity / Tang. Assets	8.22%	9.87%

1) Excludes terminated transactions and self-advisory roles.
 Note: Financial data as of December 31, 2014.
 Source: SNL Financial.

Pro Forma Branch Map



Sandler O'Neill Contacts:
 1251 Avenue of the Americas, 6th Floor
 New York, NY 10020

Bill Hickey
 Principal / Co-Head of Investment Banking
 (212) 466-7704

Adam Keefer
 Managing Director
 (415) 978-5057

Alex Venino
 Associate
 (212) 466-7727