

First Interstate BancSystem, Inc. (NASDAQ: FIBK; Billings, MT) has agreed to acquire Northwest Bancorporation, Inc. (OTC Pink: NBCT; Spokane, WA)

Deal Value: Approximately \$160.9 Million

This transaction marks FIBK's fifth bank acquisition announced since January 2014 and first since acquiring Cascade Bancorp in November 2016 in order to jump over the \$10 Billion asset regulatory threshold.

Sandler O'Neill served as financial advisor and provided a fairness opinion to First Interstate BancSystem, Inc. in this transaction. This transaction represents Sandler O'Neill's 165th bank or thrift transaction nationwide since January 1, 2015, representing \$49.1 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

BILLINGS, Montana and SPOKANE, Washington-- First Interstate BancSystem, Inc. ("First Interstate") (NASDAQ: FIBK) and Northwest Bancorporation, Inc. ("Northwest") (OTC Pink: NBCT) today announced that they have entered into a definitive agreement under which First Interstate, parent company of First Interstate Bank, will acquire Northwest, parent company of Inland Northwest Bank ("INB"), in an all-stock transaction valued at approximately \$160.9 million in aggregate, or \$21.03 per share. The transaction complements First Interstate's footprint, which successfully expanded from the Mountain West to the Pacific Northwest with the completion of the Cascade Bancorp acquisition in May 2017, and provides First Interstate with a presence in several high-growth markets, including Spokane, Washington, Portland, Oregon and Coeur d'Alene, Idaho.

INB is a customer-focused community bank based in Spokane, Washington with \$826.8 million of assets, \$669.0 million in loans, \$721.0 million in deposits and \$81.7 million in shareholders' equity with 20 banking offices across Washington, Idaho and Oregon. First Interstate intends to continue operating all 20 of the banking offices. After completion of the acquisition, First Interstate will have approximately \$13.1 billion in total assets, \$8.3 billion in total loans, \$10.7 billion in total deposits, \$1.5 billion in shareholders' equity and 146 banking offices.

"We are very excited about this acquisition. Our partnership with INB supplements and accelerates our expansion into the Pacific Northwest. More importantly, we believe INB's customer focus and community bank model align very well with our culture and approach to banking," said Kevin Riley, First Interstate President and Chief Executive Officer. "Since expanding into Idaho, Oregon, and Washington in 2017, we have a tremendous respect and enthusiasm for these communities and markets. We're eager to deepen our presence and build relationships with the clients who call these beautiful regions home," continued Mr. Riley.

"INB's growth and momentum spurred First Interstate's interest in us, and, consequently, a tremendous opportunity for our combined company to expand our presence throughout the Pacific Northwest. First Interstate is the ideal partner because we share values about community banking and how we serve our employees, customers and communities," said Russ Lee, President and Chief Executive Officer of Northwest. "We are confident that, together, we will deliver a high standard of excellence, continue to value our relationships in each of our communities, and generate strong returns for our shareholders, many of whom have supported INB since it was founded almost 30 years ago."

Pursuant to the terms of the definitive merger agreement, Northwest shareholders will receive 0.516 shares of First Interstate Class A common stock in exchange for each share of Northwest common stock they hold. The exchange ratio is fixed and the shares received by Northwest shareholders are expected to qualify as a tax-free exchange. Northwest shareholders will own approximately 6% of First Interstate once the transaction is complete.

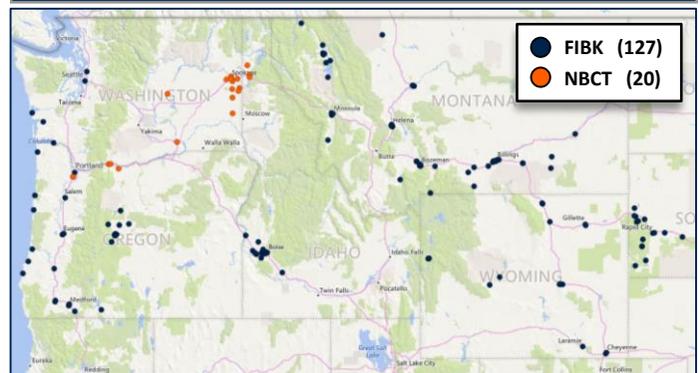
Financial Highlights

(Dollars in millions)

	FIBK	NBCT
Total Assets	\$12,273.4	\$826.8
Total Net Loans	\$7,573.3	\$661.8
Total Deposits	\$10,025.9	\$721.0
Total Equity	\$1,432.4	\$81.7
TCE / TA	7.76%	8.55%

1) Source: S&P Global Market Intelligence; majority and minority transactions; excludes terminated transactions and self-advisory roles
Note: Financial data as of March 31, 2018

Pro Forma Branch Map



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