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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024

or

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

For the transition period from __________ to __________.

Commission File Number: 001-34653

FIRST INTERSTATE BANCSYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware	**81-0331430**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

401 North 31st Street	
Billings, MT	**59101**
(Address of principal executive offices)	(zip code)

(406) 255-5311

(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of exchange on which registered**
Common stock, $0.00001 par value	FIBK	NASDAQ

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

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☑ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§223.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Act.) ☐ Yes ☑ No

The aggregate market value of voting and non-voting common equity held by non-affiliates, computed by reference to the price at which the common equity was last sold on the NASDAQ, as of the last business day of the registrant's most recently completed second fiscal quarter was $2.4 billion.

As of January 31, 2025, there were 104,531,312 shares outstanding of the registrant's Common stock.

Documents Incorporated by Reference

The registrant intends to file a definitive Proxy Statement for the Annual Meeting of Shareholders scheduled to be held May 20, 2025. The information required by Part III of this Form 10-K is incorporated by reference to such Proxy Statement.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES

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December 31, 2024

PART I

Cautionary Note Regarding Forward-Looking Statements

When we refer to "we," "our," "us," "First Interstate," or the "Company" in this report, we mean First Interstate BancSystem, Inc. and our consolidated subsidiaries, including our wholly-owned subsidiary, First Interstate Bank, unless the context indicates that we refer only to the parent company, First Interstate BancSystem, Inc. When we refer to the "Bank" or "FIB" in this report, we mean only First Interstate Bank.

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Rule 3b-6 promulgated thereunder, that involve inherent risks and uncertainties. Any statements about our plans, objectives, expectations, strategies, beliefs, or future performance or events constitute forward-looking statements. Such statements are identified by words or phrases such as "believes," "expects," "anticipates," "plans," "trends," "objectives," "continues," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "may," or similar expressions. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates, and other important factors that could cause actual results to differ materially from any results, performance or events expressed or implied by such forward-looking statements. The factors included below under the caption "Summary Risk Factors" and described in further detail below under Item 1A Risk Factors of this report, among others, may cause actual results to differ materially from current expectations in the forward-looking statements, including those set forth in this report.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth herein. Forward-looking statements speak only as of the date they are made and we do not undertake or assume any obligation to update publicly any of these statements to reflect actual results, new information, or future events, changes in assumptions, or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Summary Risk Factors

An investment in shares of our common stock involves a high degree of risk. If any of the factors enumerated below and described in more detail in the section entitled "Risk Factors" under Item 1A of this report occurs, our business, financial condition, liquidity, and results of operations could be materially and adversely affected. In that case, the market price for our common stock could decline, and you may lose some or all of your investment. Some of the most material risks relating to an investment in our common stock include the impact or effect on our Company and its operating results, or its investors, of:

Regulatory and Compliance Risks, including:

- new or changes in existing, governmental regulations or in the way such regulations are interpreted or enforced;
- negative developments in the banking industry and increased regulatory scrutiny;
- tax legislative initiatives or assessments;
- more stringent capital requirements, to the extent they may become applicable to us;
- changes in accounting standards;
- any failure to comply with applicable laws and regulations, including, but not limited to, the CRA and fair lending laws, the USA PATRIOT ACT, OFAC guidelines and requirements, the BSA, and the related FinCEN and FFIEC Guidelines and regulations (as each of such terms and acronyms is defined below); and
- federal deposit insurance increases;

Credit Risks, including:

- lending risks and risks associated with loan sector concentrations;
- a decline in economic conditions that could reduce demand for our products and services and negatively impact the credit quality of loans;
- loan credit losses exceeding estimates;
- changes to United States trade policies, including the imposition of tariffs and retaliatory tariffs; and
- the soundness of other financial institutions;

Liquidity Risks, including:

- the ability to meet cash flow needs and availability of financing sources for working capital and other needs;
- a loss of deposits or a change in product mix that increases the Company's funding costs; and
- inability to access funding or to monetize liquid assets;

Market Risks, including:

- changes in interest rates; and
- interest rate effect on the value of our investment securities;

Operational Risks, including:

- cybersecurity risks, including denial-of-service attacks, network intrusions, business e-mail compromise, and other malicious behavior that could result in the disclosure of confidential information;
- privacy, information security, and data protection laws, rules, and regulations that affect or limit how we collect and use personal information or otherwise have an adverse effect on us;
- the potential impairment of our goodwill and other intangible assets;
- our reliance on other companies that provide key components of our business infrastructure;
- events that may tarnish our reputation;
- mainstream and social media contagion;
- the loss of the services of key members of our management team and directors;
- our ability to attract and retain qualified employees to operate our business;
- costs associated with repossessed properties, including potential environmental remediation;
- the effectiveness of our operational processes, policies and procedures, and internal control over financial reporting;
- our ability to implement technology-facilitated products and services or be successful in marketing these products and services to our clients; and
- the development and use of artificial intelligence;

Strategic Risks, including:

- risks related to acquisitions, mergers, strategic partnerships, divestitures, and other transactions;
- competition from new or existing financial institutions and non-banks;
- investing in technology; and
- incurrence of significant costs related to mergers and related integration activities;

Common Stock Risks, including:

- the volatility in the price and trading volume of our common stock;
- “anti-takeover” provisions in our certificate of incorporation and regulations, which may make it more difficult for a third party to acquire control of us even in circumstances that could be deemed beneficial to stockholders;
- changes in our dividend policy or our ability to pay dividends;
- our common stock not being an insured deposit;
- the potential dilutive effect of future equity issuances; and
- the subordination of our common stock to our existing and future indebtedness;

General Risk Factors, including:

- the effect of global conditions, earthquakes, volcanoes, tsunamis, floods, fires, drought, and other natural catastrophic events; and
- the impact of climate change and environmental sustainability matters.

The foregoing risk factors are not necessarily all of the factors that could cause our actual results, performance, or achievements to differ materially from expectations. Other unknown or unpredictable factors also could harm our results. Investors and other interested parties are encouraged to read the information included under the section captioned “Risk Factors” below in its entirety before making an investment decision about our securities.

Item 1. Business

Our Company

We are a financial and bank holding company focused on community banking. Since our incorporation in Montana in 1971, we have grown both organically and through strategic acquisitions. We operate 300 banking offices, including branches and detached drive-up facilities, in communities across 14 states—Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. Through our bank subsidiary, First Interstate Bank, we deliver a comprehensive range of banking products and services—including online and mobile banking—to individuals, businesses, government entities, and others throughout our market areas.

We are proud to provide lending opportunities to clients that participate in a wide variety of industries, including:

- Agriculture
- Construction
- Education
- Governmental services
- Healthcare
- Hospitality
- Housing
- Professional services
- Real Estate Development
- Retail
- Technology
- Tourism
- Wholesale trade

Historically, our authorized common stock had consisted of two classes of common stock: Class A common stock and Class B common stock. In March 2022, following the completion of our acquisition of Great Western Bank ("GWB") in February 2022, all outstanding shares of our Class B common stock automatically converted into shares of our Class A common stock on a one-for-one basis. On May 24, 2023, our shareholders approved a conversion of our state of incorporation from Montana to Delaware. At the effective time of the conversion, each outstanding share of our Class A common stock became an outstanding share of our common stock. All shares of our outstanding capital stock are now composed solely of shares of common stock. Our common stock is traded on the NASDAQ Global Select Market, or NASDAQ, under the symbol "FIBK." Since our initial public offering, we have expanded our market reach through organic growth and strategic acquisitions, including our acquisitions of Mountain West Bank, United Bank, N.A., Flathead Bank of Bigfork, Bank of the Cascades, Inland Northwest Bank, Idaho Independent Bank, Community 1st Bank, and GWB. As of December 31, 2024, we had consolidated assets of $29.1 billion, deposits of $23.0 billion, loans held for investment of $17.8 billion, and total stockholders' equity of $3.3 billion.

Our mission is to help people and their money work better together. With that as our guiding focus, we strive to be the most relevant everyday experience our clients have with their money. With our focus on community banking, we adhere to common values that have long provided a foundation for our growth and success:

(1) Put people first;
(2) Seek greatness;
(3) Demonstrate integrity;
(4) Celebrate success; and
(5) Be committed to our communities.

These values support our commitment to our employees, our clients, our communities, and our shareholders.

Our business model is strategically focused around four key pillars, which help us align, organize, and prioritize business strategies. These pillars guide our actions related to our employees, our clients, and our operations, ultimately leading to our financial success and creating value for our shareholders.

- The first pillar is ***Our People, Our Priority***. The success of our Company is a reflection of our people. We are building a diverse company, attracting the right people, retaining them in the right jobs, and developing them to meet our long-term needs. Our people are informed, capable, and resilient.
- The second pillar is ***Relentless Client Focus***. Our client loyalty is cultivated by our focus on every interaction, every time. By listening to our clients and learning about their needs, we are better able to connect their goals and dreams to the right products and services.
- The third pillar is ***Future Ready, Today***. We live in a world in constant motion, which requires agility and resiliency; adapting our products and processes to be scalable and sustainable is essential. Robust and relevant systems and processes create a foundation for our employees to excel—not only in their personal performance, but in their delivery of our products and services to our clients.
- The fourth pillar is ***Financial Vitality***. Our strategic focus on balance sheet management and goal-oriented financial rigor keeps us a top-performing bank. Our emphasis on accountability and our collaborative approach to aligning our efforts under our four pillars allows our community banking model to flourish.

By adhering to a strong set of values, we have significantly and strategically grown our business. Our long-term philosophy emphasizes providing high-quality financial products and services, delivering exceptional client service, influencing business leadership within our communities through professional and dedicated bankers, supporting our communities through financial contributions and socially responsible leadership, and cultivating a strong corporate culture. We plan to continue to advance our business in a disciplined and prudent manner, fueled by organic growth in our existing market areas and expansion into new and complementary markets when appropriate acquisition and other opportunities arise.

Community Banking

We have one operating segment—community banking. The Company's chief operating decision maker is its Chief Executive Officer who is charged with management of the Company and is responsible for the evaluation of operating performance and decision making about the allocation of resources to the operating segment. Community banking encompasses commercial, governmental, and consumer banking services provided through our Bank, which primarily include the acceptance of deposits, the extension of credit, mortgage loan origination and servicing, and wealth management, which includes trust, employee benefit, investment management, insurance, agency, and custodial services to individuals, businesses, and nonprofit organizations. Our philosophy emphasizes a local focus through a personalized service approach while also strengthening the communities in our market areas through community involvement, service activities, and philanthropy. We grant our banking offices significant authority in delivering products in response to local market considerations and client needs. This autonomy enables our banking offices to remain competitive by quickly responding to local market conditions and enhancing relationships with our clients in those markets. While our banking offices enjoy a level of flexibility, they remain accountable to company-wide standards and established limits on their authority and discretion. This combination of authority and accountability allows our banking offices to provide personalized service and localized community support while at the same time remaining focused on our overall financial vitality.

Lending Activities

We offer real estate, consumer, commercial, agricultural, and other loans to individuals, government entities, and businesses in our market areas. We have comprehensive credit policies that establish company-wide underwriting and documentation standards to manage the lending process and limit our risk. Each loan must meet minimum underwriting standards specified in our credit policies and procedures, which generally specify that loans:

(1) are made to borrowers who are generally located within or adjacent to our market footprint or own businesses and/or real estate within or adjacent to our footprint, with limited exceptions that may include participation loans and loans to national accounts;
(2) are made only for identified legal purposes;
(3) have specifically identified sources of repayment;
(4) mature within designated maximum maturity periods that coincide with repayment sources;
(5) are appropriately collateralized whenever possible;
(6) are supported by current credit information;
(7) do not exceed the Bank's legal lending limit;
(8) include medium-term fixed interest rates or variable rates that are adjusted within designated time frames; and
(9) require compliance with laws and regulations including a flood zone and risk determination prior to closing.

In addition, our credit policies include lending limitations to minimize concentrations of credit in agricultural, commercial, real estate, or consumer loans. Furthermore, the criteria meeting our underwriting standards must be documented, with exceptions noted, as a part of the loan approval process.

While each loan must meet minimum underwriting standards, qualified bankers are granted levels of credit authority for approving and pricing loans to assure that banking offices are responsive to competitive issues and community needs in each market area. Credit authorization is established by individual role and assigned based on the credit experience, credit acumen and performance of each banker. Credit authorization is granted under the direction of our Chief Credit Officer and is reviewed on an ongoing basis. Loan requests over the authority of our bankers are approved by designated Credit Officers and/or the Chief Credit Officer with the concurrence of our Chief Risk Officer as necessary.

Under the direction of James A. Reuter, who was recently appointed as our President and Chief Executive Officer effective as of November 2024, we are conducting an internal review and assessment of our internal credit policies. Any resulting improvements made to our current credit policies are anticipated to include enhanced executive-level oversight of underwriting standards, credit authorization levels and underwriting decisions, with increased executive-level scrutiny for any future lending decisions for loans with larger exposures. The Company anticipates expanding its current credit committee structure to include the approval of credit decisions above certain lending thresholds.

Deposit Products

We offer traditional depository products including checking, savings, and time deposits. Deposits at the Bank are insured by the Federal Deposit Insurance Corporation, or the FDIC, up to statutory limits. We also offer repurchase agreements primarily to commercial and municipal depositors. Under repurchase agreements, we sell investment securities held by the Bank to our clients under an agreement to repurchase the investment securities at a specified time or on demand. All outstanding repurchase agreements are due in one business day. Additionally, the Company is a member of the IntraFi Network, which enables us to offer our customers insurance coverage on interest-bearing demand, money market and certificate of deposit balances in excess of the FDIC insurance limits.

Wealth Management

We provide a wide range of trust, employee benefit, investment management, insurance, agency, and custodial services to individuals, businesses, and nonprofit organizations. These services include the administration of estates and personal trusts, management of investment accounts for individuals, employee benefit plans and charitable foundations, and insurance planning.

Centralized Services

We have centralized certain operational activities to provide consistent service levels to our clients across the Bank, which helps us gain efficiency in management of those activities as well as ensure regulatory compliance. Centralized operational activities generally support our banking offices in the delivery of products and services to clients and include:

- marketing;
- credit review;
- loan servicing;
- credit card issuance and servicing;
- mortgage loan sales and servicing;
- loan collections; and
- other operational activities.

To reduce operating costs and capitalize on the technical capabilities of selected vendors, we also leverage third-party service providers to selectively outsource certain bank operations and services, such as certain data processing, loan servicing, credit card servicing, and deposit processing systems.

Additionally, specialized staff support services have been centralized to enable our branches to more efficiently serve their markets. These services include:

- credit risk management;
- finance;
- human resource management;
- internal audit;
- facilities management;
- technology;
- risk management;
- legal;
- compliance; and
- other support services.

Market Area

The following table reflects our deposit market share and branch locations by state:

Deposit Market Share and Branch Locations by State	% of Market Deposits (1)	Deposit Market Share Rank (1)	Number of Branches (2)
Arizona	0.3	22	10
Colorado	0.4	29	19
Idaho	4.3	8	20
Iowa	1.9	8	45
Kansas	0.1	169	2
Minnesota	—	298	1
Missouri	0.1	144	6
Montana	16.4	2	41
Nebraska	2.2	8	44
North Dakota	0.1	73	1
Oregon	2.5	9	33
South Dakota	0.4	5	46
Washington	0.4	30	17
Wyoming	13.2	1	15
Total			300

(1) Source: FDIC.gov-data as of June 30, 2024.
(2) As of December 31, 2024.

We operate in markets with a diverse employment base covering numerous industries and we believe our community bank approach to providing client service is a competitive advantage that strengthens the Company's ability to effectively provide financial products and services to businesses and individuals in its markets.

Competition

There is significant competition among commercial banks in our market areas. We also compete with other providers of financial services that actively engage in providing various types of loans and other financial services to their clients, such as:

- savings and loan associations;
- credit unions;
- financial technology companies;
- internet banks;
- consumer finance companies;
- brokerage firms;
- mortgage banking companies;
- insurance companies;
- securities firms;
- mutual funds;
- government agencies; and
- major retailers.

To remain competitive in this congested industry, we continue to develop our omni-channel experience across our website, social media, and email, in addition to our offline channels, such as brick and mortar banking offices. Some of our competitors have greater resources and, as such, may have higher lending limits and may offer other services that we do not provide. We generally compete on the basis of service and responsiveness to client needs, available loan and deposit products, rates of interest charged on loans, rates of interest paid for deposits, and the availability and pricing of services such as trust, employee benefit, investment, and insurance services.

Government Regulation and Supervision

We are subject to extensive government regulation and supervision under federal and state laws. Summaries of the material laws and regulations that are applicable to us are provided below. The descriptions that follow are not intended to summarize all laws and regulations applicable to us. Furthermore, the descriptions that follow do not purport to be complete and are qualified in their entirety by reference to the full provisions of those laws and regulations. In addition to laws and regulations, state and federal banking regulatory agencies may issue policy statements, interpretive letters, and similar written guidance that may impose additional regulatory obligations or otherwise affect the conduct of our business. Additionally, proposals to change laws and regulations are frequently introduced at both the federal and state levels. The likelihood and timing of any such changes and their impact on the Company cannot be determined with certainty.

Regulatory Authorities

As a public company with our securities listed for trading on the NASDAQ, we are subject to the disclosure and regulatory requirements of the Securities and Exchange Commission, or SEC, including under the Securities Act, the Exchange Act, and the rules and listing standards of the NASDAQ.

As a financial and bank holding company, we are subject to regulation under the Bank Holding Company Act of 1956, as amended, and to supervision, regulation, and regular examination by the Board of Governors of the Federal Reserve System (the "Federal Reserve").

The Bank is subject to supervision and regular examination by its primary banking regulators, the Federal Reserve and the Montana Department of Administration, Division of Banking and Financial Institutions (the "Montana Division"). The Bank is also subject to supervision and examination by the Consumer Financial Protection Bureau ("CFPB").

The Bank's deposits are insured by the Deposit Insurance Fund ("DIF") administered by the FDIC in the manner and to the extent provided by law. As such, the Bank is subject to the Federal Deposit Insurance Act (the "FDIA") and FDIC regulations relating to deposit insurance and may also be subject to supervision and examination by the FDIC.

We are currently subject to the regulatory capital framework and guidelines reached by Basel III as adopted by the Federal Reserve. The Federal Reserve has risk-based capital adequacy guidelines intended to measure capital adequacy with regard to a banking organization's balance sheet, including off-balance sheet exposures such as unused portions of loan commitments, letters of credit, and recourse arrangements.

The extensive regulation of the Bank limits both the activities in which the Bank may engage and the conduct of its permitted activities. Further, the laws and regulations impose reporting and information collection obligations on the Bank. The Bank incurs significant costs relating to compliance with various laws and regulations and the collection and retention of information. As the regulatory framework for bank holding companies and banks continues to evolve and become more complex, the cost of complying with regulatory requirements continues to increase.

Financial and Bank Holding Company

First Interstate is a bank holding company and has registered as a financial holding company under regulations issued by the Federal Reserve. As a financial holding company, we may engage in business activities that are determined by the Federal Reserve to be financial in nature or incidental to financial activities as well as all activities authorized generally to bank holding companies. We may continue to engage in authorized financial activities provided that we remain a financial holding company and are “well-capitalized” and “well-managed.” We do not currently engage in significant financial holding company business or activities not otherwise permitted generally for bank holding companies.

Under federal law, First Interstate is required to serve as a source of financial and managerial strength to the Bank, which may include providing financial assistance to the Bank if the Bank experiences financial distress. Under existing Federal Reserve source of strength policies, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank. The Federal Reserve may also determine that the bank holding company is engaging in unsafe and unsound practices if it fails to commit resources to a subsidiary bank.

We are required by the Bank Holding Company Act to obtain Federal Reserve approval prior to acquiring, directly or indirectly, ownership or control of voting shares of any bank, if, after such acquisition, we would own or control more than 5% of its voting stock. The Federal Reserve considers a number of factors in evaluating acquisitions, including the financial and managerial resources and future prospects of the parties, the convenience and needs of the communities served, and competitive factors. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), when considering an application, the Federal Reserve is also required to evaluate whether the transaction would result in more concentrated risks to the United States banking or financial system. Under federal law and regulations, a bank holding company may acquire banks in states other than its home state if, among other things, the bank holding company is both “well-capitalized” and “well-managed” both before and after the acquisition.

Banks may also merge across state lines. With additional changes made to federal statutes under the Dodd-Frank Act, banks are also permitted to establish new interstate branches if a bank located in the target state could establish a new branch at the proposed location without regard to state laws limiting interstate de novo branching. A state can prohibit interstate mergers entirely or prohibit them if the continuing bank would control insured bank deposits in excess of a specified percentage of total insured bank deposits in the state. Under Montana law, a bank cannot acquire control of a bank located in Montana if, after the acquisition, the acquiring institution would control, in the aggregate, more than 30% of the total deposits of insured depository institutions located in Montana. As of June 30, 2024, based on publicly available information provided by the FDIC, we believe the Bank controlled approximately 16.4% of the total deposits of all insured depository institutions located in Montana. As such, the state limitation may limit our ability to directly or indirectly acquire additional banks located in Montana.

In order to assess the financial strength of the bank holding company, the Federal Reserve and the State of Montana may conduct periodic on-site and off-site inspections and credit reviews throughout the year. The federal banking agencies, including the Federal Reserve, may require additional information and reports from us. In addition, the Federal Reserve may examine, and require reports and information regarding, any entity that we control, including entities other than banks or entities engaged in financial activities. In certain circumstances, the Federal Reserve may require us to divest of non-bank entities or limit the activities of those entities even if the activities are otherwise permitted for bank holding companies under governing law.

Dividends and Restrictions on Transfers of Funds

Dividends from the Bank are the primary source of funds for the payment of our operating expenses and for the payment of dividends to our shareholders. Dividends are also limited by state and federal laws and regulations. We are also subject to various regulatory restrictions relating to capital distributions, including dividends, regulatory capital minimums, and the requirement to remain “well-capitalized” under the prompt corrective action regulations summarized below under the caption “Business – Government Regulation and Supervision – Capital Standards and Prompt Corrective Action.” In general, the Bank is limited to paying dividends that do not exceed the current year net profits together with retained earnings from the two preceding calendar years unless prior consent of the Federal Reserve is obtained. In addition, the Bank may not pay dividends in excess of the previous two years’ net earnings without providing notice to the Montana Division.

The capital buffer rules adopted by the federal banking regulators in accordance with the Basel Accords impose further limitations on the Bank's ability to pay dividends. In general, the Bank's ability to pay dividends is limited under the capital buffer rules unless the Bank's common equity conservation buffer exceeds the minimum required capital ratio by 2.5% of risk-weighted assets.

A state or federal banking regulator may also impose, by regulatory order or agreement of the Bank, specific dividend limitations or prohibitions. The Bank is not, however, currently subject to a specific regulatory dividend limitation.

The Federal Reserve has issued a policy statement regarding the payment of dividends and the repurchase of common stock by bank holding companies. In general, the policy provides that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the holding company appears consistent with the organization's capital needs, asset quality, and overall financial condition. Regulatory guidance provides for prior regulatory consultation with respect to capital distributions in certain circumstances such as where the company's net income for the past four quarters (net of previous capital distributions) is insufficient to fully fund the dividend or the company's overall rate of earnings retention is inconsistent with the company's capital needs and overall financial condition. The ability of a holding company to pay dividends may be restricted if a subsidiary bank becomes under-capitalized. The policy statement also states that a holding company should inform the Federal Reserve supervisory staff prior to redeeming or repurchasing common stock or perpetual preferred stock if the holding company is experiencing financial weaknesses or if the repurchase or redemption would result in a net reduction, as of the end of a quarter, in the amount of such equity instruments outstanding compared with the beginning of the quarter in which the redemption or repurchase occurred. These regulatory policies may affect our ability to pay dividends, repurchase shares of common stock, or otherwise engage in capital distributions.

Capital Standards and Prompt Corrective Action

Banks and bank holding companies are subject to various regulatory capital requirements administered by state and federal banking agencies, which involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weighting, and other factors. The capital requirements are intended to ensure that banking organizations have adequate capital given the risk levels of assets and off-balance sheet financial instruments and are applied separately to the Bank and its parent holding company.

Federal regulations require FDIC-insured depository institutions and bank holding companies to meet several minimum capital standards:

- a common equity Tier 1 capital to risk-based assets ratio of 4.5%;
- a Tier 1 capital to risk-based assets ratio of 6.0%;
- a total capital to risk-based assets ratio of 8.0%; and
- a 4.0% Tier 1 capital to total assets leverage ratio.

The existing capital requirements were effective January 1, 2015, and are based on recommendations of the Basel Committee on Banking Supervision and requirements of the Dodd-Frank Act.

For purposes of the regulatory capital requirements, common equity Tier 1 capital is generally defined as common stockholders' equity and retained earnings and is reduced by substantially all of the regulatory deductions including items such as goodwill and other intangibles and certain deferred tax assets. Tier 1 capital is generally defined as common equity Tier 1 capital and additional Tier 1 capital. Additional Tier 1 capital includes certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries. Total capital includes Tier 1 capital (common equity Tier 1 capital plus additional Tier 1 capital) and Tier 2 capital. Tier 2 capital is composed of capital instruments and related surplus, meeting specified requirements, and may include cumulative preferred stock and long-term perpetual preferred stock, mandatory convertible securities, intermediate preferred stock, and subordinated debt. Also included in Tier 2 capital is the allowance for credit losses ("ACL") limited to a maximum of 1.25% of risk-weighted assets and, for institutions like us that have exercised an opt-out election regarding the treatment of Accumulated Other Comprehensive Income ("AOCI"), up to 45.0% of net unrealized gains on available-for-sale equity securities with readily determinable fair market values. Institutions that have not exercised the AOCI opt-out have AOCI incorporated into common equity Tier 1 capital (including unrealized gains and losses on available-for-sale-securities). Calculation of all types of regulatory capital is subject to deductions and adjustments specified in the regulations.

In determining the amount of risk-weighted assets for purposes of calculating risk-based capital ratios, all assets, including certain off-balance sheet assets (for example, recourse obligations, direct credit substitutes, residual interests), are multiplied by a risk weight factor assigned by the regulations based on the risks believed inherent in the type of asset.

Higher levels of capital are required for asset categories believed to present greater risk. For example, a risk weight of 0% is assigned to cash and United States government securities, a risk weight of 50% generally is assigned to prudently underwritten first lien one- to four-family residential mortgages, a risk weight of 100% is assigned to commercial and consumer loans, a risk weight of 150% is assigned to certain past due loans, and a risk weight of between 0% to 600% is assigned to permissible equity interests, depending on certain specified factors.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted assets above the amount necessary to meet its minimum risk-based capital requirements. In assessing an institution's capital adequacy, the Federal Reserve takes into consideration not only these numeric factors, but qualitative factors as well and has the authority to establish higher capital requirements in individual cases where deemed necessary. The Federal Reserve has not established individual capital requirements applicable to us.

Federal law requires the federal banking agencies to take "prompt corrective action" in respect of depository institutions that do not meet minimum capital requirements. The law sets forth the following five capital tiers:

- "well capitalized;"
- "adequately capitalized;"
- "under-capitalized;"
- "significantly under-capitalized;" and
- "critically under-capitalized."

A depository institution's capital tier will depend upon how its capital levels compare with various relevant capital measures and certain other factors, as established by regulation. The relevant capital measures are the common equity tier 1 capital ratio, total capital ratio, the tier 1 capital ratio, and the leverage ratio.

A depository institution is generally prohibited from making any capital distributions (including payment of a dividend) or paying any management fee to its parent holding company if the depository institution would thereafter be under-capitalized. Under-capitalized institutions may be subject to growth limitations and other restrictions and are required to submit a capital restoration plan. If a depository institution fails to submit an acceptable plan, it is treated as if it is "significantly under-capitalized."

"Significantly under-capitalized" depository institutions are subject to additional requirements and restrictions, such as orders to sell sufficient stock to become "adequately capitalized," to reduce total assets, restrict interest rates paid, remove management and directors, and cease receipt of deposits from correspondent banks. "Critically under-capitalized" institutions are subject to the appointment of a receiver or conservator.

The capital stock of banks organized under Montana law, such as the Bank, may be subject to assessment upon the direction of the Montana Department of Administration under the Montana Bank Act. Under the Montana Bank Act, if the Department of Administration determines an impairment of a bank's capital exists, it may notify the Bank's Board of the impairment and require payment of an assessment on the bank stock. If the bank fails to do so, the Department of Administration may, among other things, take charge of the bank and proceed to liquidate the bank.

Restrictions on Transactions with Affiliates, Directors, and Officers

Under the Federal Reserve Act, the Bank may not lend funds or otherwise extend credit to its parent holding company or any other affiliate, except on specified types and amounts of collateral generally upon market terms and conditions. The Federal Reserve also has authority to define and limit the transactions between banks and their affiliates. The Federal Reserve's Regulation W and relevant federal statutes and regulations, among other authorities, impose significant limitations on transactions in which the Bank may engage with us or with other affiliates, including per-affiliate and aggregate limits on affiliate transactions.

Federal Reserve Regulation O restricts loans to the Bank and its parent holding company's insiders, which includes directors, certain officers, and principal shareholders and their respective related interests. All extensions of credit to the insiders and their related interests must be on the same terms as, and subject to the same loan underwriting requirements as, loans to persons who are not insiders. In addition, Regulation O imposes lending limits on loans to insiders and their related interests and imposes, in certain circumstances, requirements for prior approval of the loans by the Bank Board.

Safety and Soundness Standards and Other Supervisory and Enforcement Mechanisms

The federal banking agencies have adopted guidelines establishing standards for safety and soundness, asset quality and earnings, loan documentation, credit underwriting, interest rate risk exposure, internal controls, and audit systems. These standards are designed to identify potential concerns and ensure action is taken to address those concerns before they pose a risk to the DIF. If a federal banking agency determines that an institution fails to meet any of these standards, the agency may require the institution to submit an acceptable plan to achieve compliance with the standard. If the institution fails to submit an acceptable plan within the time allowed by the agency or fails in any material respect to implement an accepted plan, the agency must, by order, require the institution to correct the deficiency and may take other supervisory action.

Pursuant to the Dodd-Frank Act, federal banking regulators impose additional supervisory measures on banking organizations such as us when they exceed $10 billion in assets. These include enhanced risk management and corporate governance processes specified by the regulators.

The Federal Reserve has authority to bring an enforcement action against a bank or bank holding company and all “institution-affiliated parties” of a bank or bank holding company, including directors, officers, stockholders, and under certain circumstances, attorneys, appraisers, and accountants for the bank or holding company. Formal enforcement actions may include measures such as the issuance of a capital directive or cease and desist order for the removal of officers and/or directors or the appointment of a receiver or conservator. Civil money penalties cover a wide range of violations and actions, and can range up to $5,000 per day, unless a finding of knowing or reckless disregard is made, in which case penalties may be as high as $1 million per day. The FDIC also has the authority to terminate deposit insurance or recommend to the Federal Reserve that enforcement action be taken with respect to a particular bank. If such action is not taken, the FDIC has authority to take the action under specified circumstances. Montana law also provides the Montana Division with various enforcement mechanisms and, ultimately, authority to appoint a receiver or conservator for a Montana bank.

Deposit Insurance

The FDIC insures our client deposits through the DIF up to $250,000 per depositor. The amount of FDIC assessments paid by each DIF member institution is based on financial measures and supervisory ratings derived from a statistical model estimating the probability of failure within a three-year period, with banks deemed more risky paying higher assessments.

The FDIC was required by the Dodd-Frank Act to take actions necessary to cause the DIF to reach a reserve ratio of 1.35% of total estimated insured deposits by September 30, 2020. As of September 30, 2020, the FDIC had announced that the ratio was 1.30% due largely to consequences of the COVID-19 pandemic. The FDIC adopted a plan to restore the fund to the 1.35% ratio within eight years, but did not change its assessment schedule. On October 18, 2022, the FDIC finalized a rule that would increase initial base deposit insurance assessment rates by two basis points, beginning with the first quarterly assessment period of 2023 and in 2024 the FDIC Board maintained the designated reserve ratio for the DIF at two basis points for 2025.

In addition, to recover costs associated with protecting uninsured depositors during the bank failures in the first half of 2023, in November 2023, the FDIC implemented a 13.4 basis point annual special assessment on uninsured deposits above $5 billion, to be collected during an anticipated eight consecutive quarters beginning with the first quarter of 2024. The Company accrued $10.5 million in the fourth quarter of 2023 and an additional $1.5 million in the first quarter of 2024 for the special assessment. The special assessment is in addition to the assessment rates finalized as part of FDIC’s Amended Restoration Plan. In an update provided on October 17, 2024, the FDIC staff projects that the reserve ratio is on track to meet the 1.35% ahead of the statutory deadline of September 30, 2028.

All FDIC-insured institutions are also required to pay assessments to the FDIC to fund interest payments on bonds issued by the Financing Corporation, or the FICO, an agency of the Federal government established to recapitalize the predecessor to the DIF. The assessment rate is applied to total average assets less tangible equity, as defined under the Dodd-Frank Act. The assessment rate schedule can change from time-to-time at the discretion of the FDIC, subject to certain limits. Under the current system, premiums are assessed quarterly.

Interchange Fees

Under the Durbin Amendment to the Dodd-Frank Act, also known as Regulation II, the Federal Reserve adopted rules establishing standards for assessing whether the interchange fees that may be charged with respect to certain electronic debit transactions are “reasonable and proportional” to the costs incurred by issuers for processing such transactions, which alters the competitive structure of the debit card payment processing industry and caps debit card interchange fees for banks with over $10 billion in assets. Interchange fees are charges that merchants pay to us and other card-issuing banks for processing electronic payment transactions. The Federal Reserve also has rules governing routing and exclusivity that require issuers to offer two unaffiliated networks for routing transactions on each debit or prepaid product.

On October 3, 2022, the Federal Reserve finalized a rule that amends Regulation II to specify, among other things, that debit card issuers should enable all debit card transactions, including card-not-present transactions such as online payments, to be processed on at least two unaffiliated payment card networks. The final rule became effective July 1, 2023. In October 2023, the Federal Reserve proposed revising Regulation II to lower the cap from its current rate of 21 cents and .05% of the transaction, plus a one-cent fraud-prevention adjustment, to 14.4 cents and .04% per transaction and a 1.3 cents fraud-prevention adjustment, effective June 30, 2025. We are subject to the interchange fee cap and having at least two unaffiliated payment card networks because our assets exceed $10 billion.

Client Privacy and Other Consumer Protections

Federal and State laws impose client privacy requirements on any company engaged in financial activities, including us. Under these requirements, a financial company is required to protect the security and confidentiality of clients' nonpublic personal information. In addition, for clients who obtain a financial product such as a loan for personal, family, or household purposes, a financial holding company is required to disclose its privacy policy to the client at the time the relationship is established and annually thereafter. The financial company must also disclose its policies concerning the sharing of the client's nonpublic personal information with affiliates and third parties. Finally, a financial company is prohibited from disclosing an account number or similar item to a third party for use in telemarketing, direct mail marketing, or marketing through electronic mail.

The Bank is subject to a variety of federal and state laws, regulations, and reporting obligations aimed at protecting consumers and Bank clients. Failure to comply with these laws and regulations may, among other things, impair the collection of loans made in violation of the laws and regulations, provide borrowers or other clients certain rights and remedies, or result in the imposition of penalties on the Bank. Certain of these laws and regulations are described below.

The Equal Credit Opportunity Act generally prohibits discrimination in credit transactions on, among other things, the basis of race, color, religion, national origin, sex, marital status, or age and, in certain circumstances, limits the Bank's ability to require co-obligors or guarantors as a condition of the extension of credit to an individual.

The Real Estate Settlement Procedures Act ("RESPA") requires certain disclosures be provided to borrowers in real estate loan closings or other real estate settlements. In addition, RESPA limits or prohibits certain settlement practices, fee sharing, "kickbacks," and similar practices that are considered to be abusive.

The Truth in Lending Act ("TILA") requires disclosures to borrowers and other parties in consumer loans, including, among other things, disclosures relating to interest rates and other finance charges, payments and payment schedules, and annual percentage rates.

The Fair Housing Act regulates, among other things, lending practices in residential housing and prohibits discrimination in housing-related lending activities on the basis of race, color, religion, national origin, sex, handicap, disability, or familial status.

The Home Mortgage Disclosure Act requires certain lenders and other firms engaged in the home mortgage industry to collect and report information relating to applicants, borrowers, and home mortgage lending activities in which they engage in their market areas or communities. The information is used for, among other purposes, evaluation of discrimination or other impermissible acts in home mortgage lending.

The Home Ownership and Equity Protection Act regulates terms and disclosures of certain closed-end home mortgage loans that are not purchase money loans and includes loans classified as "high-cost loans."

The Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act, generally limits lenders and other financial firms in their collection, use, or dissemination of client credit information, gives clients some access to, and control over, their credit information, and requires financial firms to establish policies and procedures intended to deter identity theft and related frauds.

The Fair Debt Collection Practices Act regulates actions that may be taken in the collection of consumer debts and provides consumers with certain rights of access to information related to collection actions.

The Electronic Fund Transfer Act regulates fees and other terms on electronic funds transactions.

The Dodd-Frank Wall Street Reform and Consumer Protection Act prohibits, among other things, lending practices to consumers that are unfair, deceptive, or abusive.

The CFPB has promulgated numerous regulations relating to consumer financial services-related topics, such as mortgage origination disclosures, mortgage servicing practices, and others.

The Community Reinvestment Act ("CRA") generally requires the federal banking agencies to evaluate the record of a financial institution in meeting the credit needs of its local communities, including low- and moderate-income neighborhoods. In addition to substantial penalties and corrective measures that may be assessed for a violation of fair lending laws, the federal banking agencies may take compliance with such laws and the CRA into account when evaluating applications for transactions such as mergers and for new branches.

In connection with its assessment of CRA performance, the appropriate bank regulatory agency assigns a rating of "outstanding," "satisfactory," "needs to improve," or "substantial noncompliance." The Bank received a "satisfactory" rating on its most recently published CRA examination. Although the Bank's policies and procedures are designed to achieve compliance with all fair lending and CRA requirements, instances of non-compliance are occasionally identified through normal operational activities. Management endeavors to respond proactively to any instances of non-compliance and to implement and update appropriate procedures to prevent instances of non-compliance and other violations from occurring.

USA PATRIOT Act

The USA PATRIOT Act of 2001 amended the Bank Secrecy Act of 1970 and the Money Laundering Control Act of 1986 and adopted additional measures requiring insured depository institutions, broker-dealers, and certain other financial institutions to have policies, procedures, and controls to detect, prevent, and report money laundering and terrorist financing. The laws and related regulations also provide for information sharing, subject to conditions, between federal law enforcement agencies and financial institutions, as well as among financial institutions, for counter-terrorism purposes. Federal banking regulators are required, when reviewing bank holding company acquisition or merger applications, to take into account the effectiveness of the anti-money laundering activities of the applicants.

Office of Foreign Asset Control

The United States Treasury Office of Foreign Asset Control enforces economic and trade sanctions imposed by the United States on foreign persons and governments. Among other authorities, the Office of Foreign Asset Control, or OFAC, may require United States financial institutions to block or "freeze" assets of identified foreign persons or governments which come within the control of the financial institution. Financial institutions are required to adopt procedures for identification of new and existing deposit accounts and other relationships with persons or governments identified by OFAC and to timely report the accounts or relationships to OFAC.

Incentive Compensation

In May 2016, the Federal Reserve Board, other federal banking agencies, and the SEC jointly published a re-proposed rule-making designed to implement provisions of the Dodd-Frank Act prohibiting incentive compensation arrangements that would encourage inappropriate risk taking at a covered institution, which includes a bank or bank holding company with $1 billion or more of assets, such as us. The proposed rule (i) prohibits incentive-based compensation arrangements that encourage executive officers, employees, directors, or principal shareholders to expose the institution to inappropriate risks by providing excessive compensation (based on the standards for excessive compensation adopted pursuant to the FDIA) and (ii) prohibits incentive-based compensation arrangements for executive officers, employees, directors or principal shareholders that could lead to a material financial loss for the institution. The proposed rule requires covered institutions to establish policies and procedures for monitoring and evaluating their compensation practices. The comment period ended in July 2016 and a notice of proposed rulemaking was released in May 2024. Although final rules had not been adopted as of December 31, 2024, if these or other regulations are adopted in a form similar to the proposed rule-making, they could impose limitations on the manner in which we may structure compensation for our executives.

Cybersecurity

Federal regulators have issued two related statements regarding cybersecurity. One statement indicates that financial institutions should design multiple layers of security controls to establish lines of defense and ensure their risk management processes also address the risk posed by compromised client credentials, including security measures to reliably authenticate clients accessing internet-based services of the financial institution. The other statement indicates that a financial institution's management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption, and maintenance of the institution's operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the institution or its critical service providers fall victim to this type of cyber-attack. If we fail to observe the regulatory guidance, we could be subject to various regulatory sanctions, including financial penalties.

For additional discussion on cybersecurity, see Part I, Item 1C, "Cybersecurity" included herein.

Human Capital

Culture is critically important to the Company's success; our people are our number one priority. We approach our culture with an aspirational lens. It is not a stand-alone initiative or program—it is integrated in our systems, and our processes. Our values guide how we make decisions, treat each other, and serve our clients.

Workforce

As of December 31, 2024, we employed 3,481 employees, with none represented by a collective bargaining agreement. This represents a decrease of 104 employees from December 31, 2023. As of December 31, 2024, approximately 67.8% of our workforce was female, 32.0% was male, and 0.2% have not declared. The executive team is comprised of 75.0% female and 25.0% male, and the Company's senior leadership team was 55.6% female and 44.4% male.

Commitment to Community / Volunteerism

We are "all-in" when it comes to giving back—with time, money, and heart. We have a vested interest in the strength of our communities and strive to make them better places to live and work. Each year, the Company creates commitment to community plans for all our markets, which includes donating a portion of our net income before tax for charitable purposes. These plans help align strategies for philanthropy, volunteering and leadership, financial education outreach, community development, and sustainability.

We encourage employees to take active leadership roles within their communities to further demonstrate our values and help us respond to the needs of the markets we serve. The Company provides employees an opportunity to participate in a Bank-sponsored service project annually, marking the second Wednesday in September as our Commitment to Community Volunteer Day. We close all offices in the afternoon on Volunteer Day so employees can lend a hand in their community, either as teams or as individuals. At the end of 2024, we announced the addition of a new Volunteer Time benefit, which will allow employees to utilize up to eight work hours each year to participate in volunteer activities of their choosing.

Employee Engagement

Our employee engagement strategy prioritizes creating a work environment where every employee feels heard and valued. We measure our success by how effectively we address workplace needs and empower local leaders to activate meaningful progress.

To deepen our understanding of organizational dynamics, we conduct an annual census survey each fall and administer strategic pulse surveys throughout the year. These insights drive innovative solutions tailored to our employees' needs.

Leaders across the organization are held accountable for fostering engagement through active participation, sharing team results, and creating actionable engagement plans. The aggregated results are shared with the Company's board of directors (the "Board"), serving as a key indicator of the overall health of our workforce.

Compensation and Benefits

We strive to provide competitive wages, benefits, and programs that meet the varying needs of our workforce. We continually review our programs to ensure we remain competitive and take care of our employees.

Our compensation strategies are designed to pay for performance, pay competitively within our markets, and support pay equity among comparable jobs and markets across the company. Our job architecture consists of grade-based pay ranges in which we maintain a structure of roles and leveling that provide for career opportunities and are aligned with market salary data. We make data-driven decisions regarding employee compensation based on the job, experience, and performance.

The approach we take in our benefit offerings is a holistic one to address our employees' total well-being, which includes aspects of their health, physical, mental/emotional, social, and financial needs.

We offer the following compensation and benefit programs as part of our total rewards package:

- Competitive Total Compensation
  - Base salary
  - Short-term Incentive Plan (for eligible employees)
  - Long-term Incentive Plan (for eligible employees)
  - Referral incentive programs
- Comprehensive Benefit Programs
  - Medical, dental, and vision plans
  - 401(k) plan with a 100% match on the first 6% contributed
  - Paid time off

- Health savings accounts with employer contribution
- Flexible spending accounts
- Company paid childcare assistance program
- Student debt employer repayment program
- Additional Benefits: short-term disability; long-term disability; employee assistance program; free or discounted banking products and services; wellness program; and flexible work arrangements

Growth and Development

As part of our commitment to fostering a dynamic and competitive workforce, we have invested significant time and resources to develop and empower our talent. We made meaningful progress in our development programs centered on emotional intelligence, and manager effectiveness. These initiatives were further enhanced by role-specific training programs and on-demand learning opportunities, ensuring our employees are equipped with the skills necessary to excel in their roles.

Better Together

At First Interstate Bank we recognize that fostering an inclusive workplace contributes to innovation, enhances decision-making, and improves customer experiences. Our commitment to inclusion is reflected not only within our Company but also in the communities where we live and work. We take pride in creating a workplace that values diverse perspectives while ensuring fair and equitable opportunities for all employees. We are committed to advocating for the rights and respect of all and actively participate in achieving this by setting an example of this leadership in the communities we call home.

Our Council is comprised of 15 individuals across our footprint from various departments and includes a range of tenure with the Company. The Council meets quarterly with smaller working groups convening monthly to drive education, employee engagement, and communications that align with our overall business strategy. Our Employee Engagement survey allows us to track year over year progress, giving us insight into areas of strengths and opportunities for improvement, helping us continuously refine our approach to inclusion and workplace culture.

Our Community Responsibility department encourages activities that remind our employees of the importance of community. The Bank’s annual Volunteer Day fell on September 11, 2024, which gave us an opportunity to focus on projects for the Veteran and First Responder communities. Additionally, we focused on strengthening our partnership with Community Development to determine how we can best support their efforts and align goals.

In conjunction with our Learning & Development team, we created Better Together, a learning opportunity to ensure employees understand the value every person brings and their role in creating an inclusive and equitable environment. Better Together is now the foundational learning opportunity for incoming employees and creates a common understanding among new and more tenured employees. Launched in the third quarter of 2024, 77% of our workforce engaged with Better Together as of December 31, 2024.

Providing resources for employees continued to be an area of focus with the introduction of toolkits to enhance both cultural awareness and business skills. These toolkits are designed to help our employees better meet the diverse needs of our clients and community members with the understanding we come from different cultural experiences and perspectives. These toolkits are meant to be a resource for positive connections to ensure we lead with grace and purpose in all our interactions.

We continued our Collective Learning Series, a monthly educational and community-building webinar that brings together employees to share experiences, perspectives, and learn more about our team and the communities we serve. Three executives participated as panelists in our Women’s History event, and we partnered with community organizations to share insights on topics such as foster care, human trafficking, and Disability Pride Month. Employee support for the series continued and attendance doubled in 2024.

Our efforts to encourage opportunity for all have yielded recognition from several organizations including the American Bankers Association (“ABA”) and the Billings Chamber of Commerce. We received honorable mention in the ABA DEI awards and were awarded the inaugural Welcoming and Belonging Award from the Billings Chamber.

We believe we are better together and are committed to moving forward while making an impact and difference for all communities and employees.

In January 2025, newly issued Executive Orders focused on DEI, which indicate continued scrutiny of DEI initiatives and potential related investigations of certain private entities with respect to DEI initiatives, including publicly traded companies. In light of these Executive Orders, we are continuing to analyze our policies to ensure compliance with laws while retaining our commitment to creating an inclusive and equitable environment for employees and clients alike.

Website Access to SEC Filings

The Company's electronic filings with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and Proxy Statements, as well as amendments to these reports and statements filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are made available at no cost through our website at www.FIBK.com by clicking through the "Financials" tab found there and selecting "SEC Filings," as soon as reasonably practicable after the Company files such material with, or furnishes such materials to, the SEC. The Company's SEC filings are also available through the SEC's website at www.sec.gov. In addition, we routinely post important information for investors on our website at www.FIBK.com. We use this website as a means of disclosing material information in compliance with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. Our website and the information contained therein or connected thereto is not intended to be incorporated by reference into this report and should not be considered a part of this report, and the referenced websites are not intended to act as active hyperlinks.

Item 1A. Risk Factors

Like other financial institutions and bank holding companies, the success of our business is subject to a number of risks and uncertainties, many of which are outside of our control. The material risks and uncertainties of which we are currently aware are set forth below under headings that are provided for convenience and intended to organize the risks and uncertainties into related categories to improve readability for investors; no inference should be drawn, however, that the placement of a risk factor under a particular category means it is not applicable to another category of risks or that it may be more or less material than another risk factor. Regardless, if any of the events or circumstances described below actually occur, our business, financial condition, and results of operations could be harmed. These risks are not the only ones we may face. Other risks of which we are not aware, including those which relate to the banking and financial services industry in general and us in particular, or those which we do not currently believe are material, may harm our future business, financial condition, results of operations, and prospects. You should consider carefully the following important factors in evaluating us and our business before you make an investment decision about our securities.

Regulatory and Compliance Risks

New governmental regulations and/or changes in existing governmental regulations, or in the way such regulations are interpreted or enforced, could have a material adverse effect on the Company.

The Company is extensively regulated under federal and state banking laws and regulations that are intended primarily for the protection of clients, the DIF, and the banking system. Both the scope of the laws and regulations and the intensity of the supervision to which our business is subject have increased in recent years in response, we believe, to various factors including the 2008 financial crisis and 2023 banking crisis as well as technological and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. Many of these changes have occurred as a result of the Dodd-Frank Act and its implementing regulations. The Company expects its business will remain subject to extensive regulation and supervision.

Regulations, along with the currently existing tax, accounting, securities, insurance, employment, monetary, and other laws and regulations, rules, standards, policies, and interpretations control the methods by which we conduct business, implement strategic initiatives and tax compliance, and govern financial reporting and disclosures. In addition, the Company is subject to changes in federal and state laws as well as changes in banking and credit regulations and governmental economic and monetary policies. Congress may enact legislation from time-to-time that affects the regulation of the financial services industry, and state legislatures may enact legislation from time-to-time affecting the regulation of financial institutions chartered by or operating in those states. Federal and state regulatory agencies also periodically propose and adopt changes to their regulations or change the application of existing regulations. In recent years, the CFPB has increased its scrutiny of fee-based business models and various fees on consumer financial products and services, including depositor, overdraft and late fee charges. For example, in March 2024, the CFPB finalized a rule that limits the amount of late fees that could be charged for late credit card payments. Certain elements of the federal government have also expressed an interest in increased regulation of these types of fees. The CFPB has also focused on consumer data access issuing its final rule implementing Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as the "open banking" rule to empower consumers and authorized third parties to access account data controlled by financial institutions. Open banking rulemaking has long been expected to have a significant impact on both financial institutions and third parties.

In addition, in June 2024, the U.S. Supreme Court reversed its longstanding approach under the Chevron doctrine, which provided for judicial deference to regulatory agencies. As a result of this decision, we cannot be sure whether there will be increased challenges to existing regulations with which we are required to comply or how lower courts will apply the decision in the context of regulatory schemes applicable to us, leading to increased regulatory uncertainty and potential changes in the way laws or regulations applicable to us are interpreted or enforced. Further, it is difficult to predict the legislative, regulatory and other changes that may result under the new Trump administration. Early actions and statements by the new Trump administration suggest a significantly different regulatory agenda from the Biden administration. With the advent of efforts by the new administration to enhance regulatory efficiency, including the elimination of regulations and tailoring of regulatory proposals, cut expenditures, and restructure federal agencies, there could be a significant impact on rulemaking, supervision, examination and enforcement priorities of the federal banking agencies, including agencies like the Consumer Finance Protection Bureau. In addition, changes in the makeup of the Senate and the House of Representatives may lead to new or changed laws and regulations applicable to us, and there may also be significant changes to the fiscal and monetary policies of the federal government of the United States and its agencies, including the Federal Reserve.

Any of these changes or new legislation could increase our future compliance and other operating expenses and could have a material adverse effect on our business, financial condition, and results of operation.

Negative developments in the banking industry could result in increased regulatory scrutiny.

Events like the recent bank failures and the related negative media that involve adverse developments affecting financial institutions, transactional counterparties or other companies in the banking industry, or the development of concerns or rumors about these or similar events, have in the past and may in the future lead to erosion of confidence in the banking system, deposit volatility, liquidity issues, stock price volatility, and other adverse developments.

These developments can have and resulted in modifications to or additional laws and regulations governing banks and bank holding companies. These may include, an increase in capital requirements, modifications to regulatory requirements with respect to liquidity risk management, increased supervision over deposit concentrations, enhanced capital adequacy requirements, more stress testing and contingency planning requirements, implementation of other safe and sound banking practices, or other enhanced supervisory or enforcement activities. Other legislative initiatives could detrimentally impact our operations in the future. Regulatory bodies may enact new laws or promulgate new regulations or view matters or interpret laws and regulations differently than they have in the past, or commence investigations or inquiries into our business practices. Increased regulatory scrutiny, whether by virtue of new regulations (if any) or during routine examinations, could increase our cost of doing business and reduce our profitability. Among other things, there may be increased focus by both regulators and investors on deposit composition, the level of uninsured deposits, collateralized deposits, brokered deposits, unrealized losses in securities portfolios, liquidity, commercial real estate composition and concentration, and capital and general oversight and control of the foregoing.

Tax legislative initiatives or assessments could adversely affect our results of operations and financial condition.

We are subject to income and other taxes in the United States and in the various state and local jurisdictions where we operate. The laws and regulations related to tax matters are extremely complex and subject to varying interpretations. Although management believes our positions are reasonable, we are subject to audit by the Internal Revenue Service in the United States and by state and local tax authorities in all the jurisdictions in which we conduct business operations. While we believe we comply with all applicable tax laws, rules, and regulations in the relevant jurisdictions, the tax authorities may determine that we owe additional taxes or apply existing laws and regulations differently, which could result in a significant increase in liabilities for taxes and interest in excess of accrued liabilities and harm our business and financial condition.

New tax legislative initiatives, including increases in the corporate tax rate, may be enacted, negatively impacting our effective tax rate at the federal and state level, and potentially adversely affecting our tax positions or tax liabilities. For example, the U.S. has implemented a 15% minimum tax on corporations and a 1% excise tax on certain share buybacks. We have adopted and completed material share repurchase programs over the past several years as a means by which to return value to shareholders, and the new excise tax may have a material and negative impact on our willingness to engage in such programs in the future or may materially increase our costs associated with engaging in any such programs to the extent we determine to engage in them in the future. In addition, unilateral or multi-jurisdictional actions by various tax authorities, including an increase in tax audit activity, could have an adverse impact on our tax liabilities. In any event, significant uncertainties exist with respect to the amount of our tax liabilities, including those arising from potential and already implemented changes in tax laws. These and other tax related items could increase our future tax expense, could change our future intentions regarding the use of our earnings, and could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to more stringent capital requirements in the future, the impact of which could have a material risk to our operations.

Federal and state banking regulators possess broad powers to take supervisory actions as they deem appropriate. These supervisory actions may result in higher capital requirements, higher deposit insurance premiums, and limitations on the Company's activities that could have a material adverse effect on its business and profitability. For example, the FDIC and the federal banking agencies implemented "Basel III" regulatory capital reforms, which became effective in 2015 and were fully phased in as of January 2019, that substantially amended the regulatory risk-based capital rules applicable to us, as further described in Part I, Item 1. "Business" included herein.

While the current risk-based guidelines applicable to us and the Bank are based on the Basel III framework, regulators may, from time to time, implement changes to the regulatory capital adequacy and liquidity requirements applicable to us. For example, in September 2022, the federal banking regulators announced their intent to revise U.S. regulatory capital requirements to align with Basel IV requirements, more recently referred to as the Basel III "Endgame," and in July 2023 issued a notice of proposed rulemaking for comment that would substantially revise the regulatory capital framework for banking organizations with total assets of $100 billion or more and their depository institutions subsidiaries and banking organizations with significant trading activity. Public review and comment commenced with no final rule being issued. In September 2024, Federal Reserve Vice Chairman for Supervision outlined in a speech recommended revisions to the proposed Basel III "Endgame" capital requirements, including a new round of public review and comment. The proposal would not amend the capital requirements applicable to smaller, less complex banking organizations. It is unclear, however, when further guidance will become available and when any changes will go into effect. The impact of Basel IV will depend upon the way it is implemented in the U.S. with respect to institutions like First Interstate and FIB, but to the extent its implementation or other more stringent capital requirements become applicable to us and our operations, our results of operations and profitability could be materially and adversely affected.

Changes in accounting standards could materially negatively impact our financial statements.

From time-to-time, the Financial Accounting Standards Board ("FASB") and the SEC change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can materially impact how we record and report our financial condition and results of operations.

Any failure to comply with laws and regulations, including the Community Reinvestment Act (CRA) and fair lending laws, could lead to material penalties.

We must comply with the CRA, the Equal Credit Opportunity Act, the Fair Housing Act, and other fair lending laws and regulations that impose non-discriminatory lending and other requirements on financial institutions. A failure to comply with these laws could result in a wide variety of sanctions, including the required payment of damages and civil money penalties, injunctive relief, imposition of restrictions on mergers and acquisitions activity, and restrictions on expansion. In addition to actions by the U.S. Department of Justice and other federal agencies, including the Federal Reserve and CFPB, who are responsible for enforcing these laws, our compliance with fair lending laws could be challenged in private class action litigation. The costs of defending any such challenge and any adverse outcome arising from such a challenge could damage our reputation or could have a material adverse effect on our business, financial condition, or results of operations.

We are subject to the USA PATRIOT Act, OFAC guidelines and requirements, the Bank Secrecy Act ("BSA"), and related Financial Crimes Enforcement Network ("FinCEN") and Federal Financial Institutions Examination Council ("FFIEC") Guidelines and regulations and any failure to comply with them could result in material implications that could harm our business.

We are routinely examined by our regulators for compliance with the USA PATRIOT Act, OFAC guidelines and requirements, the BSA, and related FinCEN and FFIEC Guidelines. Failure to maintain and implement adequate programs and fully comply with relevant laws or regulations could have serious legal, financial, and reputational consequences for us, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required, or to prohibit such transactions even if approval is not required. Regulatory authorities have imposed cease and desist orders and significant civil money penalties against institutions found to be violating these regulations. If any of the foregoing were to come to pass, our business, financial condition, or results of operations could be materially and adversely affected.

Federal deposit insurance premiums could increase further in the future.

The FDIC insures deposits at FDIC-insured financial institutions, including the Bank. The FDIC charges insured financial institutions premiums to maintain the DIF at a specific level. Historically, unfavorable economic conditions increased bank failures and these additional bank failures decreased the DIF. Extraordinary growth in insured deposits during the COVID-19 pandemic caused the ratio of the DIF to total insured deposits to fall below the current statutory minimum of 1.35%. To restore the DIF to its statutorily mandated minimums, the FDIC significantly increased deposit insurance premium rates, including the Bank's premium rates, resulting in increased expenses.

The FDIC may further increase the assessment rates or impose additional special assessments in the future to restore and then steadily increase the DIF to these statutory target levels. Any increase in the Bank's FDIC premiums could have an adverse effect on its business, financial condition and results of operations. FDIC insurance premiums could increase in the future in response to similar declining economic conditions.

Credit Risks

We may be subject to lending risks and risks associated with loan sector concentrations, which could adversely affect the Company.

We take on credit risk by virtue of making loans and extending loan commitments and letters of credit. Our credit standards, procedures, and policies may not prevent us from incurring substantial credit losses.

Our loans held for investment portfolio are concentrated in commercial real estate and commercial business loans. As of December 31, 2024, we had $12.1 billion of commercial loans, including $9.3 billion of commercial real estate loans, representing approximately 68.0% of our loans held for investment portfolio.

Commercial loans may involve greater risks than our other types of lending. Because payments on such loans are often dependent on the successful operation or development of the property or business involved, repayment of such loans can be more sensitive to adverse conditions in the real estate market or the general economy. Commercial loans typically are made based on borrowers’ ability to make repayment from the cash flow of their commercial venture. If the cash flow from business operations is reduced because of adverse conditions, the borrower’s ability to repay the loan may be impaired. Commercial loans are, on average, larger loans as compared to other loans with less readily marketable collateral. Given these factors, losses incurred on commercial real estate and commercial loans could have a material adverse impact on our business, financial condition, and results of operations. For example, in the fourth quarter of 2024, we recognized a material partial charge-off of approximately $49.3 million relating to a single commercial and industrial loan relationship that had become impaired as a result of adverse developments impacting the borrower’s business, as further described in Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

In addition, many of our borrowers operate in industries that are directly or indirectly impacted by changes in commodity prices, such as agriculture and livestock businesses, as well as businesses indirectly impacted by commodities prices, such as businesses that transport commodities or manufacture equipment used in production of commodities. Changes in commodity products prices depend on local, regional, and global events or conditions that affect supply and demand for the relevant commodity. Deterioration in economic conditions or in the real estate market could result in increased delinquencies and foreclosures and could have an adverse effect on the collateral value for many of these loans and on the repayment ability of many of our borrowers. Deterioration in economic conditions or in the real estate market could also reduce the number of loans we make to businesses in the construction and real estate industry, which could negatively impact our interest income and results of operations. Similarly, the occurrence of a natural or man-made disaster in our market areas could impair the value of the collateral we hold for real estate secured loans. Any factor or combination of factors identified above could negatively impact our business, financial condition, and results of operations.

A decline in economic conditions could reduce demand for our products and services and negatively impact the credit quality of loans, which could have an adverse effect on our results of operations.

Our clients are located predominantly in Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. Unlike larger banks that are more geographically diversified, our profitability largely depends on the general economic conditions in these areas. Deterioration in economic conditions could result in the following consequences, any of which could have a material adverse effect on our business, financial condition, liquidity, and results of operations:

- demand for our products and services may decline;

- loan delinquencies, problem assets, and foreclosures may increase;
- increases in the provisions for credit losses and loans and lease charge-offs;
- decrease in net interest income derived from lending activities;
- collateral for loans, especially real estate, may decline in value;
- future borrowing power of our clients may be reduced;
- the value of our securities portfolio may decline;
- the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us; and
- increases in our operating expenses associated with attending to the effects of the above noted consequences.

Volatility and uncertainty related to inflation and the effects of inflation, which may lead to increased costs for businesses and consumers and potentially contribute to poor business and economic conditions generally, may enhance or contribute to some of the risks discussed herein. For example, higher inflation, or volatility and uncertainty related to inflation, could reduce demand for our products, adversely affect the creditworthiness of the Company's borrowers, or result in lower values for our investment securities and other interest-earning assets. The Federal Reserve stated its current objective is to return the rate of inflation to 2% and it has been aggressively acting to achieve this goal. Throughout 2022 and through July 2023, the Federal Reserve raised the federal funds rate to a targeted rate between 5.25% and 5.5% in an effort to curb inflation. With the general inflationary pressures easing, the Federal Reserve paused raising interest rates during the second half of 2023 and decreased the federal funds rate by 100 basis points between September and December 2024. As market interest rates rise, we experience competitive pressures to increase the rates we pay on deposits, which may decrease our net interest income. In addition, inflationary pressures will increase our operating costs and could have a significant negative effect on our borrowers and the values of collateral securing loans, which could negatively affect our financial performance. To the extent these monetary policies do not mitigate the volatility and uncertainty related to inflation and the effects of inflation, or to the extent conditions otherwise worsen, we could experience adverse effects on our business, financial condition, and results of operations.

Deflationary pressures, while possibly lowering our operating costs, could also have a significant negative effect on our borrowers, especially our business borrowers, and the values of underlying collateral securing loans, which could negatively affect our business, financial condition, and results of operations.

Additionally, a significant decline in general economic conditions caused by the economic slowdown in Europe and the United States, the impact of trade negotiations, escalating tensions with China, economic conditions in China, including the global economic impacts of the Chinese economy, China's regulation of commerce, escalating military tensions in Europe as a result of Russia's military action in Ukraine, and the conflict in Israel and the surrounding regions, the outbreak of other international or domestic hostilities or other unrest, a default by the United States or other governments in repaying financial obligations, a shutdown of all or part of the United States government or other governments, the effects of pandemics or other health crises, acts of terrorism, climate-related events such as prolonged drought, unemployment, or other economic and geopolitical factors beyond our control, could further impact these local economic conditions and negatively affect our business and results of operations.

If we experience loan credit losses in excess of estimated amounts, our earnings could be adversely affected.

The risk of credit losses on loans varies with, among other things, general economic conditions, the composition of our loan portfolio, the creditworthiness of the borrower over the term of the loan, and, in the case of a collateralized loan, the value and marketability of the collateral for the loan. We maintain an ACL based upon, among other things, historical experience, delinquency trends, economic conditions, and regular reviews of loan portfolio quality. Based upon such factors, management makes various assumptions and judgments about the ultimate collectability of our loan portfolio and provides an ACL. These assumptions and judgments are complex and difficult to determine given the significant uncertainty surrounding future conditions in the general economy and banking industry. If management's assumptions and judgments prove to be incorrect and the ACL is inadequate, or if banking authorities or regulations require us to increase the ACL, our net income may be adversely affected. As a result, an increase in credit losses could have a material adverse effect on our earnings, financial condition, and results of operations.

United States trade policies and other factors beyond the Company's control, including the imposition of tariffs and retaliatory tariffs, may adversely impact our business, financial condition, and results of operations.

Uncertainties continue regarding the potential for a renegotiation of international trade agreements by the Trump administration after changes in United States trade policies, legislation, treaties, and tariffs were taken by the Biden administration. These changes, including trade policies and tariffs affecting other countries, including China, countries comprising the European Union or Middle East, Canada, and Mexico, and retaliatory tariffs by such countries, could materially harm our business. Tariffs and retaliatory tariffs have been imposed, and additional tariffs and retaliatory tariffs are periodically discussed.

If maintained, the newly announced tariffs and the potential escalation of trade disputes, a trade war or other governmental action related to tariffs or international trade agreements or policies, as well as potential epidemics or pandemics, have the potential to negatively impact our and/or our clients' costs, demand for our clients' products, and/or the U.S. economy or certain sectors thereof and, thus, adversely affect our business, financial condition, and results of operations.

The soundness of other financial institutions could adversely affect the Company.

Financial services companies are interrelated as a result of trading, clearing, counterparty, or other relationships. We have exposure to many different industries and counterparties. For example, we execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more financial services companies or the financial services industry at times have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of these transactions expose us to increased credit risk in the event of default of a counterparty or client.

Liquidity Risks

We are subject to liquidity risks which could impair our cash flows and adversely affect the Company.

Liquidity is the ability to meet current and future cash flow needs on a timely basis at a reasonable cost. Our liquidity is used to make loans and repay deposit liabilities as they become due or are demanded by clients. We rely on our ability to generate deposits and effectively manage the repayment and maturity schedules of our loans and investment securities, respectively, to provide adequate liquidity to fund our operations. While scheduled loan repayments are a relatively stable source of funds, they are subject to the ability of borrowers to repay the loans. The ability of borrowers to repay loans can be adversely affected by a number of factors, including changes in economic conditions, adverse trends or events affecting business industry groups, reductions in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters, which could be exacerbated by potential climate change, and international instability.

Additionally, deposit levels may be affected by several factors, including rates paid by competitors, general interest rate levels, regulatory capital requirements, returns available to clients on alternative investments and general economic conditions. We may experience potential stresses on liquidity management. We may see deposit levels decrease as clients adjust to distressed economic conditions by using the funds that would otherwise be savings. Accordingly, we may be required from time to time to rely on secondary sources of liquidity to meet withdrawal demands or otherwise fund operations. We maintain a portfolio of investment securities that may be used as a secondary source of liquidity to the extent the securities are not pledged as collateral. Other potential sources of liquidity include the sale of loans, the utilization of available government and regulatory assistance programs, the ability to acquire brokered deposits, the issuance of additional collateralized borrowings such as Federal Home Loan Bank advances, the issuance of debt or equity securities, the sale of available-for-sale securities which may require the sale of securities in a loss position, securities sold under repurchase agreements, federal funds purchased, and borrowings through the Federal Reserve's discount window. Without sufficient liquidity from these potential sources, we may not be able to meet the cash flow requirements of our depositors and borrowers.

Additionally, our access to funding sources in amounts adequate to finance our activities or on terms that are acceptable to us could be impaired by factors specific to us, the financial services industry, or the economy in general. Factors that could reduce our access to liquidity sources include a downturn in our local or national economies, unfavorable market conditions, difficult or illiquid credit markets, impairments on the value of the collateral we use to secure certain of our borrowings, or adverse regulatory actions against us. A failure to maintain adequate liquidity could have a material, adverse effect on our regulatory standing, business, financial condition, and results of operations.

Loss of deposits or a change in deposit mix could increase the Company's funding costs and negatively affect the Company's operations.

Deposits are a low cost and stable source of funding. We depend on checking and savings, negotiable order of withdrawal, money market deposit account balances, and other forms of client deposits as our primary source of funding. Deposit levels may be affected by several factors, including interest rates paid by competitors, general interest rate levels, returns available to customers on alternative investments and general economic conditions that affect savings levels and the amount of liquidity in the economy, including government stimulus efforts in response to economic crises. The availability of internet banking products has increased the mobility of client deposits. We compete with banks and other financial institutions for deposits. Funding costs may increase because the Company may lose deposits and replace them with more expensive sources of funding. Clients may shift their deposits into higher-cost products, or the Company may need to raise its interest rates to remain competitive in the marketplace. Higher funding costs reduce the Company's net interest income and net income. We cannot be assured that unusual deposit withdrawal activity will not affect banks generally in the future or the Bank specifically.

Our Liquidity could be impacted by an inability to access funding, by an unforeseen outflow of cash, or by the inability to monetize liquid assets.

Factors outside of the Company’s control, such as a general market disruption or an operational problem that affects third parties, could impair the Company’s ability to access short-term funding or create an unforeseen outflow of cash due to, among other factors, draws on unfunded commitments or deposit attrition. Large-scale withdrawals of deposits could require us to access short-term funding sources to meet immediate cash needs or pay significantly higher interest rates to obtain or maintain our deposits, which would have an adverse impact on our net interest income and net income. In addition, changes to the underwriting guidelines or lending policies may limit or restrict our ability to borrow, and therefore could have a significant adverse impact on our liquidity. In the event of future turmoil in the banking industry or other events, there is no guarantee that the U.S. government will invoke the systemic risk exception, create additional liquidity programs, or take any other action to stabilize the banking industry or provide liquidity. The Company’s inability to monetize liquid assets or to access short-term funding or capital markets could limit the Company’s ability to make new loans or meet existing lending commitments and could impact the Company’s liquidity and capitalization.

Market Risks

Changes in interest rates may have an adverse effect on demand for our products and services and on our profitability.

Our earnings and cash flows are largely dependent on net interest income, which is the difference between interest income earned on interest-earning assets, such as loans and investment securities, and interest expense paid on interest-bearing liabilities, such as deposits and borrowed funds. The level of net interest income is primarily a function of the average balance of interest-earning assets, the average balance of interest-bearing liabilities, and the spread between the yield on such assets and the cost of such liabilities. The narrowing of interest rate spreads could adversely affect our earnings and financial condition. The Federal Reserve increased the federal funds target range by 525 basis points between March 16, 2022 and July 26, 2023 in an effort to dampen increasing inflation rates. With the general inflationary pressures easing since July 2023, the Federal Reserve had paused any further changes to the federal funds rates only to decrease them by 100 basis points between September and December 2024. The Federal Reserve also indicated in December 2024 that there may be further interest rate decreases during 2025, although we cannot control or predict with certainty changes in interest rates. Regional and local economic conditions, competitive pressures, and the policies of regulatory authorities, including monetary policies of the Federal Reserve and the speed of their implementation, affect interest income and interest expense.

As of December 31, 2024, 40.3% of our loans were advanced to our clients on a variable or adjustable-rate basis. The prolonged higher borrowing costs resulting from the increases by the Federal Reserve may cause financial hardship on our borrowers, reducing the ability of borrowers to repay their current loan obligations. As a result, these increases in interest rates could result in increased loan defaults, foreclosures, and charge-offs and could necessitate further increases to the ACL, any of which could have a material adverse effect on our business, financial condition, or results of operations. In addition, a decrease in interest rates could negatively impact our margins and profitability and uncertainty about the timing and magnitude of future interest rate changes could reduce borrowing demand and, thus, the need for our lending services.

Changes in monetary policy, including changes in interest rates, could influence not only the interest we receive on loans and securities and the amount of interest we pay on deposits and borrowings, but could also adversely affect (1) our ability to originate loans and obtain deposits, (2) the fair value of our financial assets and liabilities, including mortgage servicing rights, (3) our ability to realize gains on the sale of assets, and (4) the average duration of our mortgage-backed securities and collateralized mortgage obligations portfolios. For example, rising interest rates could adversely affect our mortgage banking business because higher interest rates could cause clients to apply for fewer mortgages. Similarly, rising interest rates would increase the required periodic payment for variable rate loans and may result in an increase in non-performing loans. Additionally, rising interest rates may increase the cost of our deposits, which are a primary source of funding. Any substantial, unexpected, or prolonged change in market interest rates could have a material, adverse effect on our cash flows, financial condition, and results of operations.

Changes in interest rates can also affect the slope of the yield curve. The impact from a decline in the current yield curve or a flatter or inverted yield curve could cause our net interest income and net interest margin to contract, which could have a material adverse effect on our net income and cash flows, as well as the value of our assets. An inverted yield curve or downward shift in interest rates may also adversely affect the yield on investment securities by increasing the prepayment risk on certain securities. A flattening or inversion of the yield curve or a negative interest rate environment in the United States could create downward pressure on our net interest margin.

Changes in interest rates may have an adverse effect on the value of our investment securities.

Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Any sale of investment securities that are held in an unrealized loss position by us for liquidity or other purposes will cause actual losses to be realized. There can be no assurance that there will not be additional bank failures or issues such as liquidity concerns in the broader financial services industry or in the U.S. financial system. Adverse financial market and economic conditions can exert downward pressure on stock prices, security prices, and credit availability for financial institutions without regard to their underlying financial strength.

Operational Risks

Our Company faces cybersecurity risks, including denial-of-service attacks, network intrusions, business e-mail compromise, and other malicious behavior could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal, operational, and financial exposure.

Our computer systems and network infrastructure and those of third-party service providers on which we are dependent, are subject to security risks and could be susceptible to cyber-attacks, such as denial-of-service attacks, hacking, malware, terrorist activities, and other cybersecurity incidents. Industry experts report increasing cyber-attacks against financial services institutions, and the cost of responding to cybersecurity incidents is higher for victims within the financial sector relative to other sectors. Financial services institutions have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service, achieve illicit financial gain, or sabotage systems, often through the introduction of computer viruses, malware, ransomware, cyber-attacks, and other means. Denial-of-service attacks have been launched against several large financial services institutions, primarily resulting in inconvenience, but can also cause operational disruption. Ransomware and other types of cyber-attacks could be more disruptive and damaging. Hacking and identity theft risks arising from instances of data loss or compromise could also cause serious reputational harm to the Company and the Bank.

Our reliance on vendors subjects us to additional cybersecurity risks and vulnerabilities and other threats to our business operations, as vendor security incidents are common. For example, the hardware and software we purchase from suppliers and vendors to facilitate financial services and perform company operations are at risk of having embedded malware, viruses, and other methods intended to develop unauthorized access to confidential information. These types of attacks, known as “supply-chain attacks,” have become more prevalent and are creating additional risks through the solutions and tools upon which we rely. While we have a third-party risk management program to oversee our vendors and procurement, our ability to successfully mitigate these risks that occur in the hardware and software of these vendors is limited. Although we generally have agreements relating to cybersecurity and data privacy in place with our vendors, we cannot guarantee that such agreements will prevent a cyber-incident impacting our systems or information or enable us to obtain adequate or any reimbursement from our service providers in the event we should suffer any such incidents. Additionally, the existence of cyber-attacks or security breaches at third-party vendors with access to our data may not be disclosed to us in a timely manner. To the extent we experience supply-chain attacks, our business and reputation could be materially adversely affected, and these third (or fourth) party security incidents could give rise to legal and regulatory risk for the Company and the Bank.

We also face more indirect technology, cybersecurity, and operational risks relating to the customers, clients, and other third parties with whom we do business or upon whom we rely to facilitate or enable our business activities, including, for example, financial counterparties, regulators, and providers of critical infrastructure such as internet access and electrical power. As a result of increasing consolidation, interdependence, and complexity of financial entities and technology systems, a technology failure, cyber-attack, or other information or security breach that significantly degrades, deletes, or compromises the systems or data of one or more of the entities within our operating ecosystem could have a material impact on us and on our customers. This consolidation, interconnectivity, and complexity within the financial services sector increases the risk of operational failure. Any third-party or fourth-party technology failure, cyber-attack, or other information or security breach, termination, or constraint within our ecosystem could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk, or expand our business.

In addition, we provide our clients with the ability to bank remotely, including online, through their mobile devices, and over the telephone. The secure transmission of confidential information over the internet and other remote channels is a critical element of remote banking. Our network, or the network of third parties upon which we rely, could be vulnerable to unauthorized access, computer viruses, malware, phishing schemes, and other internal and external security breaches. We may be required to spend significant capital and other resources to protect against threats, or to alleviate problems caused by security breaches or malicious software. To the extent that our activities or the activities of our clients involve the storage and transmission of confidential information, security breaches and malware could expose us to claims, regulatory scrutiny, litigation, and other possible liabilities. Other possible points of intrusion or disruption not within the Company's control include internet service providers, electronic mail portal providers, social media portals, distant-server (cloud) service providers, electronic data security providers, telecommunications companies, and smart phone manufacturers.

Despite efforts to evaluate threats to the security of our systems and data and to implement controls and policies and procedures designed to address the same, cyber threats are rapidly evolving, and we may not be able to anticipate or prevent all such attacks, nor may we be able to implement guaranteed preventive measures against such security breaches. The techniques used by cyber criminals change frequently, may be novel (for example, "zero-day" vulnerabilities), and/or may not be recognized until launched or later (for example, threat actor evading detection for some time), and can originate from a wide variety of sources, including external service providers. These risks may increase in the future as we continue to increase our mobile payment and other internet-based product offerings and expand our internal usage of web-based products and applications. Further, targeted social engineering attacks may be sophisticated and difficult to prevent and our employees, clients, or other users of our systems may be fraudulently induced to disclose sensitive information, allowing cyber criminals to gain access to our systems or data of our clients. Cyber-attacks also could include phishing attempts or e-mail fraud to cause payments or information to be transmitted to an unintended recipient and could include the use of AI and machine learning to launch more automated, targeted and coordinated attacks on targets.

In addition, some of our employees work remotely, including while traveling for business, which increases our cybersecurity risk, creates data accessibility concerns, and makes us more susceptible to security breaches or business disruptions. While we have implemented measures to secure remote access to our systems and to educate our users on the risks associated with working remotely, we cannot guarantee that unauthorized access will not occur through these remote channels.

A successful penetration or circumvention of system security could cause us serious negative consequences, including significant disruption of operations, misappropriation of confidential information, or damage to our computers or systems or to those of our clients and counterparties. A successful security breach or other cybersecurity incident involving our computer systems and network infrastructure, or those of the third-party service providers upon which we rely, could result in violations of applicable data privacy and data security/data breach and other laws and contractual requirements, financial loss to us or to our clients, loss of confidence in our security measures, significant litigation exposure, and harm to our reputation, all of which could have a material adverse effect on our business, financial condition, and results of operations.

Privacy, information security, and data protection laws, rules, and regulations could affect or limit how we collect and use personal information, increase our compliance and technology costs, create litigation and regulatory enforcement risks, and adversely affect our business opportunities.

We are subject to various and constantly evolving privacy, information security, and data protection laws and regulatory guidance, including without limitation: (i) certain limitations on our ability to share non-public personal information about our clients with non-affiliated third parties; (ii) requirements for certain disclosures to clients about our information collection, sharing, and security practices and that afford clients the right to "opt out" of any information sharing by us with non-affiliated third parties (with certain exceptions); and (iii) requirements that we develop, implement, and maintain a written information security program containing appropriate safeguards based on our size and complexity, the nature and scope of our activities, and the sensitivity of client information we process, as well as plans for responding to data security breaches. The number of compliance requirements facing financial institutions continues to increase year over year, as more and more states continue to update and add to their existing data security and data breach requirements and more and more states enact comprehensive data privacy laws. While we have developed policies and procedures and designed our privacy and cybersecurity risk management and governance programs to align with the various statutory and regulatory requirements to which we are subject, these requirements are constantly changing, and the financial services industry continues to face heightened regulatory scrutiny over data privacy and information security practices. Compliance with current or future privacy, data protection, and information security laws (including those regarding security breach notification) affecting client or employee data could result in higher compliance and technology costs and could restrict our ability to provide certain products and services, which could have a material adverse effect on our business, financial conditions, or results of operations. Our failure to comply with privacy, data protection, and information security laws could result in potentially significant regulatory or governmental investigations or actions, litigation, fines, sanctions, and damage to our reputation, which could have a material adverse effect on our business, financial condition, or results of operations.

In addition, while we have taken steps to implement and maintain privacy policies that are accurate, comprehensive and compliant with applicable laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our data processing practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to privacy or cybersecurity. The publication of our privacy policies and other related documentation about our privacy and cybersecurity practices can subject us to potential legal claims or regulatory proceedings if they are found or alleged to be deceptive, unfair, or not representative of our actual practices. Additional risks could arise in connection with any failure or perceived failure by us, our service providers or other third parties with which we do business to provide adequate disclosure or transparency to our customers about the personal information collected from them and its use, to receive, document or honor the privacy preferences expressed by our customers, to protect personal information from unauthorized disclosure or to maintain proper training on privacy practices for all employees or third parties who have access to personal information in our possession or control.

Moreover, many U.S. and foreign laws and regulations, including those promulgated by the SEC, require companies to provide notice of cybersecurity incidents involving certain types of personal data or unauthorized access to, or interference with, our information systems to the public, certain individuals, the media, government authorities, or other third parties. Certain of these laws and regulations include notice or disclosure obligations contingent upon the result of complex analyses, including in some cases a determination of materiality. The nature of cybersecurity incidents can make it difficult to assess an incident’s overall impact quickly and comprehensively to our business, and we may make errors in our assessments. If we are unable to appropriately assess a cybersecurity incident in the context of required analyses, then we could face compliance risk under these laws and regulations, and we could be subject to lawsuits, regulatory fines or investigations, or other liabilities, any of which could adversely affect our business and operating results. Furthermore, cybersecurity incidents experienced by us, or by our customers or vendors, that lead to public disclosures may also lead to widespread negative publicity and increased government or regulatory scrutiny. Any compromise of our network or data, or any security incident experienced by a member of our supply chain, whether actual or perceived, could harm our reputation; erode customer confidence in our security measures; negatively affect our ability to attract new customers; or subject us to third-party lawsuits, regulatory fines or investigations, or other liability, any of which could adversely affect our business and operating results. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new customers and retain existing customers.

Additionally, we could be required under applicable data breach reporting laws and governing contracts to expend significant capital and other resources to investigate and address any actual or suspected cybersecurity incident or to implement measures to prevent further or additional incidents. To maintain business relationships, we may find it necessary or desirable to incur costs to provide remediation and incentives to customers or other business partners following an actual or suspected security incident. While we do maintain cyber liability insurance to mitigate the financial risks associated with security incidents that is reviewed annually, we cannot be sure that our existing cybersecurity insurance will continue to be available on acceptable terms, in sufficient amounts to cover any claims we submit, or at all. Further, we cannot be sure that insurers will not deny coverage as to any claim, and some security incidents may be outside the scope of our coverage, including in instances where they are considered force majeure events, or there are applicable sub-limits on our coverage. Security incidents may result in increased costs for cybersecurity insurance. One or more large, successful claims against us in excess of our available insurance coverage, or changes in our insurance policies, including premium increases or large deductible or co-insurance requirements, could have an adverse effect on our insurance coverage and on our business, operating results, and financial condition.

Our goodwill and other intangible assets may become impaired, which may adversely impact our results of operations and financial condition.

The excess purchase price over the fair value of net assets from acquisitions, or goodwill, is evaluated for impairment at least annually and on an interim basis if an event or circumstance indicates it is likely an impairment has occurred. In testing for impairment, the Company performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value of the reporting unit is in excess of the carrying value, the fair value of net assets is estimated based on analyses of our market value, discounted cash flows, and peer values. Consequently, the determination of goodwill is sensitive to market-based economics and other key assumptions. Variability in market conditions or in key assumptions could result in impairment of goodwill, which is recorded as a non-cash adjustment to income. An impairment of goodwill could have a material adverse effect on our financial condition and results of operations. As of December 31, 2024, we had goodwill of $1,100.9 million, or 33.3% of our total stockholders’ equity.

Identifiable intangible assets other than goodwill consist of core deposit intangibles and other intangible assets (primarily customer relationships). Adverse events or circumstances could impact the recoverability of these intangible assets including loss of core deposits, significant losses of customer accounts and/or balances, increased competition or adverse changes in the economy. To the extent these intangible assets are deemed unrecoverable, a non-cash impairment charge would be recorded which could have a material adverse effect on our results of operations.

The Company relies on other companies to provide certain key components of its business infrastructure.

We are reliant upon certain external vendors to provide products and services necessary to maintain our day-to-day operations and we currently outsource, or may outsource in the future, many of our major systems, such as certain data processing, loan servicing, credit card servicing, and deposit processing systems. Through our contractual relationships, external vendors are subject to some of the same rules and regulations that are applicable to the Company and their compliance with regulatory requirements is our responsibility. While the Company has selected these external vendors and systems carefully and continues to manage and oversee these vendors, it does not control their operations. Failure of certain external vendors or systems to perform or provide services in accordance with contractual arrangements could be disruptive to our operations and limit our ability to provide certain products and services demanded by our clients. Because our information technology and telecommunications systems interface with and depend on third-party systems, we could experience disruptions if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. If significant, sustained, or repeated, a system failure or disruption could compromise our ability to operate effectively, damage our reputation, result in a loss of client business, and/or subject us to additional regulatory scrutiny and possible financial liability. Any of the failures or disruptions mentioned above could negatively impact our financial condition, results of operations, and cash flows. Replacing these third-party vendors could also entail significant delay and expense.

Our reputation is very important to our ability to maintain, attract and retain client relationships and if our reputation were impaired, it could have an adverse effect on the Company.

Our clients expect us to deliver personalized financial services with the highest standards of performance, professionalism, compliance, and ethics. Damage to our reputation could undermine retention of our current clients and our ability to attract potential clients while also impairing the confidence of our counterparties and vendors, the result of which affects our ability to effect transactions. Maintaining our reputation depends, in part, on our ability to identify and address issues that may arise such as potential conflicts of interest, anti-money laundering, fair lending issues, client personal information and privacy issues, cybersecurity, employee, client and other third-party fraud, record-keeping, regulatory investigations, and any litigation that may arise from the failure or perceived failure of us to comply with legal and regulatory requirements. To maintain our reputation, we also must prevent third parties from infringing on the “First Interstate Bank” brand and associated trademarks and our other intellectual property. Our reputation or prospects could be significantly damaged by adverse publicity or negative information regarding our Company, whether or not true, that may be posted on social media, reported in the news, or posted in other parts of the internet. Defending our reputation, trademarks, and other intellectual property, including through litigation, could result in costs that could have a material adverse effect on our business, financial condition, or results of operations.

The results of mainstream media and social media contagion and speculation could impact the banking system and have an adverse effect on us.

Dissemination of information by mainstream media and social media platforms is extensive and can occur at a rapid pace. Adverse conditions at financial institutions of significant size can negatively impact other financial institutions, despite the quality of leadership and decision making of the other financial institutions or their ability to effectively identify, measure, manage and control risk. Misinformed or inaccurate reporting regarding an incident or incidents at any financial institution can impact the broader banking industry, particularly given the speed and breadth of such reporting. Any adverse condition could be reported in a way to negatively affect the price of financial institution securities and could impact credit availability for certain issuers without regard to their underlying financial strength. This contagion risk can also occur when a perceived lack of trust in the banking system spreads throughout the industry based upon the results of a few poorly managed, or allegedly poorly managed, larger financial institutions.

We are dependent upon the services of our management team and directors and if the services of any of them were to become unavailable, it could have an adverse effect on the Company.

Our future success and profitability are substantially dependent upon the management skills of senior management and directors. The unanticipated loss or unavailability of key employees could harm our ability to operate our business or execute our business strategy. The Company faces significant competition in the recruitment of highly motivated individuals who can deliver our Company’s purpose, mission, and values, which has recently intensified as a result of changes in the labor market. The FRB, FDIC, SEC, and other federal regulatory agencies have jointly proposed rules, which would affect incentive compensation. If finalized, these rules may result in additional costs and restrictions on the form of the Company’s incentive compensation. We may not be successful in retaining key employees or finding and integrating suitable successors in the event of key employee loss or unavailability.

We may not be able to attract and retain qualified employees to operate our business effectively, which could have an adverse effect on our business.

There is substantial competition to attract and retain talented and diverse employees in our markets. It may be difficult for us to attract and retain qualified employees at all management and staffing levels. Failure to attract and retain employees and maintain adequate staffing of qualified personnel could adversely impact our operations and our ability to execute our business strategy. Furthermore, relatively low unemployment rates may lead to significant increases in labor costs such as salaries, wages, and employee benefits expenses as we compete for qualified and skilled employees, which could negatively impact our results of operations.

In addition, in order to continue to hire and retain highly qualified personnel, we will need to continue to manage remote working policies, which may add to the complexity and costs of our business operations. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater acceptance of remote or hybrid work environments, which may increase the competition for talent.

Costs associated with repossessed properties, including potential environmental remediation, may adversely impact our results of operations, cash flows, and financial condition.

A significant portion of our loan portfolio is secured by real property. During the ordinary course of business, we may foreclose on and take title to properties serving as collateral for certain loans. There are significant costs associated with our ownership of these properties including, but not limited to, personnel costs, taxes and insurance, completion and repair costs, and valuation adjustments. Additionally, we may experience unfavorable pricing in connection with our disposition of foreclosed properties. These costs, along with unfavorable pricing upon disposition, may adversely affect our cash flows, financial condition, and results of operations.

If hazardous or toxic substances are found on these properties, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require us to incur substantial expenses and may materially reduce the affected property’s value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material, adverse effect on our cash flows, financial condition, and results of operations.

If we fail to maintain effective operational processes, policies and procedures, and internal control over financial reporting, our ability to accurately and timely report our financial results may be impacted, which could result in a loss of investor confidence and adversely impact our stock price and our business.

As an SEC reporting company, we are required to, among other things, maintain a system of effective internal control over financial reporting. We establish and maintain systems of internal operational and accounting controls that provide us with critical information used to manage our business. These systems are subject to various inherent limitations, including cost, judgments used in decision-making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, controls may become inadequate because of changes in conditions or processes and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, any system of internal operating controls may not be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management. From time-to-time, control deficiencies and losses from operational malfunctions or fraud have occurred and may occur in the future. For example, as initially disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 29, 2024, we previously identified control deficiencies that, in the aggregate, constituted a material weakness in our internal control over financial reporting. While our management has since remediated the material weakness and concluded that our internal control over financial reporting was effective as of June 30, 2024, control deficiencies or material weaknesses in our internal controls may be discovered in the future. Any future deficiencies, weaknesses, or losses related to internal operating control systems could have an adverse effect on our business, financial condition, results of operations, and prospects.

If we are unable to maintain effective internal control over financial reporting: our ability to record, process and report financial information accurately, and to prepare financial statements within required time periods, could be adversely affected; our liquidity, our access to capital markets, the perceptions of our creditworthiness, and our ability to complete acquisitions may be adversely affected; and we may be unable to maintain compliance with applicable securities laws and the rules and listing standards of the NASDAQ, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses which may negatively impact results of operations and financial condition, could negatively affect investor confidence in the accuracy and completeness of our financial statements, and could adversely impact our stock price.

We may not effectively implement technology-facilitated products and services or be successful in marketing these products and services to our clients, which could negatively impact our business.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-facilitated products and services. The effective use of technology enables financial institutions to better serve clients and perform more efficiently. Our future success depends, in part, upon our ability to use technology to provide products and services that will satisfy clients' demands for convenience, as well as create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-facilitated products and services or be successful in marketing these products and services to our clients. Failure to successfully keep pace with technological change affecting the financial services industry could have a material, adverse impact on our business and, in turn, on our financial condition, and results of operations.

The development and use of AI by us or others, or in our inability to effectively and timely implement its use, may adversely affect the Company.

The use of AI in the banking industry is developing and growing and ultimately, we may offer products or services incorporating AI. As a developing technology, AI presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. To effectively make necessary investments in AI, we may need to expend significant financial, human, and other resources. As a result, we may not be able to effectively implement AI in a timely way which could adversely impact our operations. Our ability to compete with financial institutions which have greater resources to invest in such technological improvements may be adversely impacted. Ultimately, any AI we develop or use may be flawed. If our use of AI, or its use by third parties with which we do business or otherwise interact, is deficient, biased, or inaccurate, or compromises customer privacy or implicates other ethics issues, we could be subject to competitive harm, potential legal liability, and brand or reputational harm.

Strategic Risks

Acquisitions, mergers, strategic partnerships, divestitures, and other transactions introduce a broad range of anticipated and unanticipated risks, which may prevent us from achieving the expected benefits from these transactions, investments, or relationships.

Acquisitions of other companies or of financial assets and related deposits and other liabilities present risks and uncertainties to us based in part on the nature of the business or assets and liabilities acquired. For example, if an acquisition includes loan portfolios, the extent of credit losses following completion of the acquisition could adversely affect our combined results of operations. Similarly, if an acquisition includes deposits, the extent of deposit attrition after closing could adversely affect our combined results of operations. Acquisitions of banking companies typically include both loans and deposits, and the extent of any post-closing credit losses and deposit attrition could be affected by a number of factors, including the state of the economy following the acquisition and the geographic area or markets in which the target operates. If the markets were to react negatively to the announcement of the acquisition, or if the economy were to suffer or enter into a recession following an acquisition, we may not timely, or at all, achieve the expected benefits of an acquisition and our business and the value of our common stock could be harmed.

Acquisitions of other companies or of financial assets and related deposits and other liabilities also present risks and uncertainties to us in addition to those presented by the nature of the business acquired. These risks include unanticipated costs incurred in connection with the integration of the acquired business. For example, the total cost and time required to complete the integration successfully could be greater than estimated and result in higher acquisition costs than expected or a loss of market opportunity due to any such delay. Furthermore, the results of litigation or governmental investigations that may have been pending at the time of an acquisition, or may be filed or commenced thereafter, as a result of an acquisition or otherwise, may be materially underestimated and harm our operating results more than originally anticipated. On the other hand, some or all of the anticipated benefits of a particular acquisition, such as cost savings from synergies or strategic gains from being able to offer product sets to a broader potential client base, may not be realized. It can take longer or require greater resources than originally expected to achieve any of such benefits. It also may prove impossible to achieve them at all or in their entirety as a result of unexpected factors or events. As a result, any acquisition could ultimately prove dilutive to our equity and shareholders' earnings per share, thereby adversely affecting our financial condition and results of operations.

Acquisitions may also result in business disruptions that could cause clients to remove their accounts from us and move their business to competing financial institutions. It is possible that the integration process related to acquisitions could also result in the disruption of our ongoing businesses or inconsistencies in standards, controls, procedures, and policies that could adversely affect our ability to maintain relationships with clients and employees. The loss of key employees in connection with an acquisition could also adversely affect our ability to successfully conduct our business. Acquisition and integration efforts could divert management attention and resources, which could have an adverse effect on our financial condition and results of operations. Additionally, the operation of the acquired branches may adversely affect our existing profitability, and we may not be able to achieve results in the future similar to those achieved by the existing banking business or manage growth resulting from the acquisition effectively, any of which could harm our business and reputation.

In addition to post-acquisition integration related risks, inherent uncertainties exist when assessing or integrating the operations of another business into which we may make an investment or with which we may enter a commercial relationship. We may not be able to fully achieve the strategic objectives and planned operating efficiencies relevant to an investment or strategic relationship. In addition, the markets and industries in which we and the potential investment targets operate are highly competitive. Investment targets and commercial contract counterparties may lose clients or otherwise perform poorly or unprofitably, or in the case of a strategic relationship, cause us to lose clients or perform poorly or unprofitably. Future investment activities and efforts to monitor or reap the benefits of a new strategic relationship may require us to devote substantial time and resources and may cause these investments and relationships to be unprofitable or cause us to be unable to pursue other business opportunities, any of which could harm our business.

Other transactions, including divestitures of any of our branches or other financial assets, also present a number of risks, including, in the case of any divestiture, the risks of not being able to timely or fully replace liquidity previously provided by deposits which may be transferred as part of such divestiture, and any divestiture or other transaction we undertake could adversely affect our business, financial condition, results of operations and cash flows. Divestitures and other transactions may involve significant uncertainty and execution complexity, which may cause us not to achieve our strategic objectives, realize expected cost savings, or obtain other benefits from such transaction. Whether such divestitures or other transactions are completed or not, their pendency could have a number of negative effects on our current business, including potentially disrupting our regular operations, harming our reputation, and diverting the attention of our workforce and management team. It could also disrupt existing business relationships, make it harder to develop new business relationships, or otherwise negatively impact the way that we operate our business.

The Company may experience significant competition from new or existing competitors, which may reduce its client base or cause it to adjust prices for its products and services in order to maintain market share.

There is intense competition among banks in the Company’s market areas. In addition, the Company competes with other providers of financial services, such as savings and loan associations, credit unions, consumer finance companies, securities firms, insurance companies, commercial finance and leasing companies, factoring companies, the mutual funds industry, financial technology (“fintech”) companies, full-service brokerage firms, and discount brokerage firms, some of which are subject to less extensive regulations than us with respect to the products and services they provide. Our success depends, in part, on our ability to adapt our products and services to evolving industry standards and client expectations. There is increasing pressure to provide products and services at lower prices. Lower prices can reduce our net interest margin and revenues from our fee-based products and services.

In addition, the adoption of new technologies by competitors, including internet banking services, mobile applications, and advanced ATM functionality, could require us to make substantial expenditures to modify or adapt our existing products and services. Also, these and other capital investments in our business may not produce expected growth in earnings anticipated at the time of the expenditure. The Company may not be successful in introducing new products and services, achieving market acceptance of its products and services, anticipating or reacting to consumers’ changing technological preferences, or developing and maintaining loyal clients. In addition, we could lose market share to the shadow banking system or other non-traditional banking organizations. Some of our larger competitors may have greater capital and resources than the Company, higher lending limits, and products and services not offered by us. Any potential adverse reactions to our financial condition or status in the marketplace, as compared to its competitors, could limit our ability to attract and retain clients and to compete for new business opportunities. The inability to attract and retain clients or to effectively compete for new business may have a material and adverse effect on our financial condition and results of operations.

The Company also experiences competition from non-bank companies inside and outside of its market area and, in some cases, from companies other than those traditionally considered financial sector participants. In particular, technology companies have begun to focus on the financial sector and offer software and products primarily over the internet, with an increasing focus on mobile device delivery. These companies generally are not subject to regulatory requirements comparable to those to which financial institutions are subject and may accordingly realize certain cost savings and offer products and services at more favorable rates and with greater convenience to the client. For example, a number of companies offer bill pay and funds transfer services that allow clients to avoid using a bank. Technology companies are generally positioned and structured to quickly adapt to technological advances and directly focus resources on implementing those advances. This competition could result in the loss of fee income and client deposits and related income. In addition, changes in consumer spending and saving habits could adversely affect our operations, and the Company may be unable to develop competitive and timely new products and services in response. As technology continues to advance, continuous innovation is expected to exert long-term pressure on the financial services industry.

Investing in technology, and the inability or failure to integrate technologies into the Company's operations may affect our business and earnings negatively.

Our success in the competitive environment in which we operate requires consistent investment of capital and human resources in innovation and technology, particularly in light of the current "FinTech" environment, in which financial institutions are investing significantly in new technologies, such as AI, machine learning, blockchain and other distributed ledger technologies, and developing potentially industry-changing new products, services and industry standards in order to attract clients. Our investment is directed at meeting the needs of our clients, adapting existing products and services to consider the evolving demands of the marketplace, and maintaining the security of our systems and building a platform for future innovation, technology, and a competitive advantage that is scalable. Our investment focuses on enhancing the delivery of our products and services, such as our recent implementation of Encompass Mortgage Loan Origination System, Mortgage Online Banking and Mobile Application, Commercial Center Online Banking, Healthcare Receivables Manager, Contactless Credit and Debit Cards, and Zelle. Falling significantly behind our competition in technology, or if the Company is not able to properly or timely anticipate or implement such technologies, or effectively train its staff to use such technologies, its business, financial condition, or operating results could be adversely affected.

In addition, the recent emerging technology trends, such as AI, including large language models, require us to keep pace with evolving regulations and industry standards. In the United States, there are various current and proposed regulatory frameworks relating to the use of AI in products and services. We expect that the legal and regulatory environment relating to emerging technologies such as AI will continue to develop and could increase the cost of doing business, and create compliance risks and potential liability, all which may have a material adverse effect on our financial condition and results of operations. Governments are also considering the new issues in intellectual property law that AI creates, which could result in different intellectual property rights in technology we create with AI and development processes and procedures and could have a material adverse effect on our business.

We may incur significant costs related to future acquisitions by merger and subsequent integration activities.

We have incurred and expect to incur certain non-recurring costs associated with mergers. These costs include financial advisory, legal, accounting, consulting and other advisory fees, severance/employee benefit-related costs, public company filing fees and other regulatory fees, printing costs, and other related costs.

We may incur substantial costs in connection with the integration of acquired companies. There are many processes, policies, procedures, operations, technologies, and systems that may need to be integrated, including purchasing, accounting and finance, payroll, compliance, treasury management, branch operations, vendor management, risk management, lines of business, pricing, and benefits. While we have assumed that a certain level of costs will be incurred, there are many factors beyond our control that could affect the total amount or the timing of the integration costs. Moreover, many of the costs that will be incurred are, by their nature, difficult to estimate accurately. These integration costs may result in us taking charges against earnings, the amount and timing of which are uncertain at present.

Common Stock Risks

Volatility in the price and volume of our common stock may be unfavorable.

The market price of our common stock is volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- general economic conditions;
- prevailing market conditions;
- our historical performance and capital structure;

- estimates of our business potential and earnings prospects;
- an overall assessment of our management;
- our performance relative to our peers;
- market demand for our shares;
- impact of potential large sales by investors with significant holdings, including members of the Scott Family shareholder group;
- perceptions of the banking industry in general;
- political influences on investor sentiment;
- consumer confidence;
- consummation of a strategic acquisition or other implementation of our expansion plans;
- international or domestic hostilities, or other international or domestic calamities, including wars or international conflicts with respect to which the United States may or may not be directly involved; and
- global conditions, earthquakes, tsunamis, tornados, floods, fires, pandemics, and other natural catastrophic events.

At times, the stock markets, including the NASDAQ on which our common stock is listed, may experience significant price and volume fluctuations. As a result, the market price of our common stock is likely to be similarly volatile and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance.

In addition, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

"Anti-takeover" provisions and the regulations to which we are subject may also make it more difficult for a third party to acquire control of us, even if the change in control could be deemed beneficial to stockholders.

We are a financial and bank holding company incorporated in the State of Delaware. Anti-takeover provisions in Delaware law and our certificate of incorporation and bylaws, as well as regulatory approvals that would be required under federal law, could make it more difficult for a third party to acquire control of us and may prevent stockholders from receiving a premium for their shares of our common stock. These provisions could adversely affect the market price of our common stock and could reduce the amount stockholders might receive if we are sold.

Our certificate of incorporation provides that our Board may issue up to 100,000 shares of preferred stock, in one or more series, without stockholder approval and with such terms, conditions, rights, privileges, and preferences as the Board may deem appropriate. In addition, our certificate of incorporation provides for staggered terms for our Board and limitations on persons authorized to call a special meeting of stockholders and advance notice requirements for stockholder proposals at stockholder meetings. In addition, while we have opted out of Section 203 of the General Corporation Law of the State of Delaware, in order to effect a change of control transaction as such term is used in our certificate of incorporation, our certificate of incorporation requires approval of stockholders holding the greater of (A) a majority of the voting power of the issued and outstanding shares of our capital stock then entitled to vote thereon, voting together as a single class, and (B) sixty-six and two-thirds percent (66.67%) of the voting power of the shares of our capital stock present in person or represented by proxy at the stockholder meeting called to consider such transaction and entitled to vote thereon. These and other provisions may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price of such common stock.

Further, the acquisition of specified amounts of our common stock (in some cases, the acquisition or control of more than 5% of our voting stock) may require certain regulatory approvals, including the approval of the Federal Reserve and one or more of our state banking regulatory agencies. The filing of applications with these agencies and the accompanying review process can take several months. This and the other factors described above may hinder or even prevent a change in control of us, even if a change in control would be beneficial to our stockholders.

Our dividend policy, or our ability to pay dividends, may change.

We are a legal entity separate and distinct from our subsidiary Bank. Since we are a holding company with no significant assets other than the capital stock of our subsidiaries, we depend upon dividends from our Bank for a substantial part of our revenue. Accordingly, our ability to pay dividends, cover operating expenses, and acquire other institutions depends primarily upon the receipt of dividends or other capital distributions from the Bank. The ability of our Bank to pay dividends to us is subject to, among other things, its earnings, financial condition, and need for funds, as well as federal and state governmental policies and regulations applicable to us and the Bank, which limit the amount that may be paid as dividends without prior approval.

Although we have historically paid dividends to our stockholders, we have no obligation to continue doing so and may change our dividend policy at any time without notice to our stockholders. Holders of our common stock are only entitled to receive such cash dividends as our Board may declare out of funds legally available for such payments. The amount of any dividend declaration is subject to our evaluation of our strategic plans, growth initiatives, capital availability, projected liquidity needs, and other factors.

An investment in our common stock is not an insured deposit.

Our common stock is not a bank savings account or deposit and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund, or any other public or private entity. As a result, holders of our common stock could lose some or all of their investment.

Future equity issuances could result in dilution, which could cause our common stock price to decline.

We may issue additional shares of common stock in the future pursuant to current or future employee equity compensation plans or in connection with future acquisitions or financings. Should we choose to raise capital by selling shares of common stock for any reason, the issuance would have a dilutive effect on the holders of our common stock and could have a material negative effect on the market price of our common stock.

The common stock is equity and is subordinate to our existing and future indebtedness.

Shares of our common stock are equity interests and do not constitute indebtedness. As such, shares of our common stock rank junior to all our indebtedness, including any subordinated term loans, subordinated debentures held by trusts that have issued trust-preferred securities, and other non-equity claims on us with respect to assets available to satisfy claims on us. In the future, we may make additional offerings of debt or equity securities, or we may issue additional debt or equity securities as consideration for future mergers and acquisitions.

General Risk Factors

Our business is subject to the risks of certain global conditions, earthquakes, volcanoes, tsunamis, tornados, floods, fires, drought, and other natural catastrophic events.

A major catastrophe, such as a pandemic, disease outbreak, or other natural disaster including extreme weather or other events, such as an earthquake, tornados, tsunami, flood, fire, drought, winter storms, or other type of natural disaster, could adversely affect our financial condition or results in a prolonged interruption of our business. We have operations and clients in the West and Midwest, a geographical region that has been or may be affected by disease, earthquake, volcano, tsunami, tornados, fires, drought, and flooding activity, which could be adversely impacted by these natural disasters or other severe weather in the region. Unpredictable natural and other disasters could have an adverse effect on the Company in that such events could materially disrupt our operations or the ability or willingness of our clients to access the financial services offered by the Company. These events could reduce our earnings and cause volatility in its financial results for any fiscal quarter or year and have a material, adverse effect on our financial condition and/or results of operations.

Climate change manifesting as physical or transition risks could adversely affect our operations, businesses and customers.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Such events could disrupt our operations or those of our clients or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. Additionally, transitioning to a low carbon economy may entail extensive policy, legal, technology, and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or taxes, could increase our expenses and undermine our strategies. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. As climate risk is interconnected with all key risk types, we have developed and continue to enhance processes to embed climate risk considerations into our risk management strategies such as market, credit and operational risks; however, because the timing and severity of climate change may not be predictable, our risk management strategies may not be effective in mitigating climate risk exposure.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company provides cybersecurity services to the Bank. In the ordinary course of business, we rely on electronic communications and information systems to conduct our operations and to store sensitive data. Cybersecurity risk management is overseen both as a critical component of our overall risk management program and as a standalone program. As further described below, we have implemented a risk-based, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner. We also offset cyber risk through internal training and testing of our employees, among other processes, in accordance with our policies and procedures.

Risk Management and Strategy

We have developed policies and procedures to provide processes and guidelines for managing cybersecurity incidents with the goal of minimizing disruption, damage, protecting data, and helping recover from a cybersecurity incident as quickly as possible.

In addition, in furtherance of our fiduciary responsibility to protect and account for information and information systems that are recognized as critical bank assets, we have established policies that require, among other things, that we perform an information security risk and vulnerability assessment at least annually, and implement corresponding risk management controls; implement a defense-in-depth security architecture, which may include firewalled network segmentation, malicious software protection, and data loss prevention; leverage data loss prevention technology to assist in preventing unauthorized disclosure of non-public information; and engage independent third parties to review, audit, and test the information security control structure and program to ensure processes and controls are functioning properly.

As part of our overall cybersecurity risk management process, employees receive annual training on incident preparedness, response, and recovery which we believe to be commensurate with their responsibilities. Employees are given directions on where to report actual or suspected incidents, both with respect to cybersecurity incidents as well as other risks, such as office closures, robbery, physical security, and employee or client injury. In addition to employees, individuals with a leadership role in the cybersecurity incident response processes are trained on their responsibilities annually, and the processes and those responsible for implementing them will be tested at least annually to assist in improving performance of the incident handlers and to identify issues with policies, procedures, and communication process.

To manage the information security processes related to relationships with third parties and contractors, we maintain a policy which requires all third parties and contractors to implement controls and abide by a non-disclosure agreement, and we regularly evaluate existing critical third-party service providers to ensure they continue to meet our minimum information security practices. Proposed relationships with new third-party service providers are evaluated to ensure the technology provided is in alignment with our standards and guidelines.

We have not experienced a significant compromise, significant data loss, or any material financial losses related to cybersecurity attacks, and no risks from cybersecurity threats that are known to us are believed to be reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. Risks and exposures related to cybersecurity attacks, however, are expected to remain high for the foreseeable future, due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of third-party service providers, internet banking, mobile banking, and other technology-based products and services.

Governance

The Board oversees the Company's risk associated with cybersecurity matters with the support of the Risk Committee of the Board (the "Risk Committee"). Management is responsible for identifying, assessing, monitoring, and managing risk, including cybersecurity risk, in a rapidly changing environment. All employees, including members of our information technology ("IT") team, are also required to report any known or suspected security event, pursuant to our policies and procedures.

The following members of Company management are tasked specifically with the responsibilities described below:

- *Cybersecurity Incident Response Team ("CIRT")* – The CIRT was established to provide quick, effective, and orderly responses to serious successful cybersecurity related incidents such as system and application outages, virus infections, hacker attempts, system compromises, improper disclosure of confidential information, system service interruptions, breach of personal identifiable information, or other technology related events with serious security implications or business disruptions.

The CIRT consists of various IT groups with the knowledge and expertise needed to execute the technical aspect of the Company's cybersecurity policies and procedures, including our Chief Information Officer ("CIO") and Chief Information Security Officer ("CISO"). As further described below, these officers are responsible for facilitating communications with the Risk Committee.

When an incident is reported, the CIRT determines the scope, scale and severity of the event and determines if the event is an incident. When the CIRT has determined an incident has occurred, the team is responsible for responding to such incident in a timely, cost-effective manner and reporting findings as necessary and appropriate, including communicating to other key stakeholders for the duration of such incident. In general, the CIRT reports such findings to the CISO, the CISO reports the information to the Chief Risk Officer ("CRO"), and the CRO ultimately reports those findings to the Risk Committee.

- *Enterprise Risk Management Committee ("ERMC")* – The ERMC is a management committee of the Bank and has primary oversight responsibility of the Company's cybersecurity programs.
- *Chief Risk Officer ("CRO")* – Tawnya Schoolitz is serving as our interim CRO, after serving in several leadership roles in the Company, including Chief Compliance Officer. In her current role, Ms. Schoolitz is responsible for reporting serious incidents to external authorities pursuant to advice from internal or external legal counsel, unless otherwise delegated.
- *Chief Information Officer ("CIO")* – Lori Meyer has served as our CIO since June 30, 2023, after serving in several leadership roles in the Company, including Director of Enterprise Program Management, Director of IT Business Management, Director of IT Business Relations, and Business Process Improvement Lead. As CIO, Ms. Meyer is responsible for oversight of the Company's cybersecurity policies and informing the ERMC on current computer security readiness, information security standards, procedures, regulatory compliance, data security and privacy concerns, and the remediation plans annually, or as needed.
- *Chief Information Security Officer ("CISO")* – Dale Daugherty has served as our CISO since 2021. As CISO, Mr. Daugherty is responsible for establishing and monitoring the effectiveness of the Company's cybersecurity policies and reporting the status and a summary of cybersecurity incidents to the CRO, CIO, ERMC, and Risk Committee. In this role, Mr. Daugherty serves as an intermediary between the CRO and the CIRT. Since 2002, Mr. Daugherty has served in the roles of Information Security Officer, AVP – IT Audit Manager, and Director of IT Compliance, Risk, and Security for the Bank and holds the CISSP, CISA, GCIH, GCIA, and GSEC certifications.
- *Chief Human Resources Officer ("CHRO")* – Rachel B. Turitto has served as our CHRO since 2019. As CHRO, Ms. Turitto is responsible for appropriate administration of the Company's cybersecurity policies with respect to employee-related cybersecurity incidents. Ms. Turitto joined us with over 15 years of diverse experience across multiple human resource disciplines, including human resource information systems.
- *Risk Committee* – The Risk Committee reviews periodic updates on cybersecurity matters from the CISO, CIO and the CRO. These updates include the information security risk and vulnerability assessment, the overall status of the information security program, and compliance with regulatory guidelines. In addition, reporting includes periodic assessments of business resiliency including oversight and management of incidents.

The Company believes its risk management strategy and governance programs related to cybersecurity matters are appropriate for a growing banking system of its size, but we continue to monitor them and improve upon them as warranted under our programs, policies, and procedures. Finally, we maintain customary cybersecurity insurance that we believe is appropriate for our industry and comparable to our peers.

Item 2. Properties

Our principal executive offices and one of our banking offices are anchor tenants in an 18-story commercial building located in Billings, Montana. The building is owned by a joint venture limited liability company in which FIB owns a 50.0% interest. We lease approximately 100,107 square feet of office space in the building. We also own a 66,112 square foot building that houses our operations center in Billings, Montana. As of December 31, 2024, we provided banking services at 300 locations in Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming, of which 72 properties are leased from independent third parties, one property was leased from a related entity, and 227 physical properties are owned by us. We believe each of our facilities is suitable and adequate to meet our current operational needs.

Item 3. Legal Proceedings

In the normal course of business, we may be named or threatened to be named as a defendant in various lawsuits. We record accruals for outstanding legal matters when it is believed to be probable that a loss will be incurred and the amount can be reasonably estimated. Management, following consultation with legal counsel, does not expect the ultimate disposition of any or a combination of any such ongoing or anticipated matters to have a material, adverse effect on our business, financial condition, or operating results.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock is listed on the NASDAQ Global Select Market under the symbol "FIBK." As of December 31, 2024, we had 1,654 record shareholders, including the Wealth Management division of FIB as trustee for 252,520 shares of common stock held on behalf of 390 individual participants in the Savings and Profit Sharing Plan for Employees of First Interstate BancSystem, Inc., or the Savings Plan.

Dividends

It is our policy to pay a quarterly dividend to all common shareholders. On January 28, 2025, the Company declared a quarterly cash dividend amount of $0.47 per share of common stock. While we currently intend to continue paying quarterly dividends, the Board may change or eliminate the payment of future dividends.

Dividend Restrictions

For a description of restrictions on the payment of dividends, see Part I, Item 1, "Business — Government Regulation and Supervision — Dividends and Restrictions on Transfers of Funds," and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Resources and Liquidity" included herein.

Sales of Unregistered Securities

There were no sales of equity securities by us during the year ended December 31, 2024 that were not registered under the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases made by or on behalf of us or any "affiliated purchasers" (as defined in Rule 10b-18(a)(3) under the Exchange Act), of our common stock during the three months ended December 31, 2024.

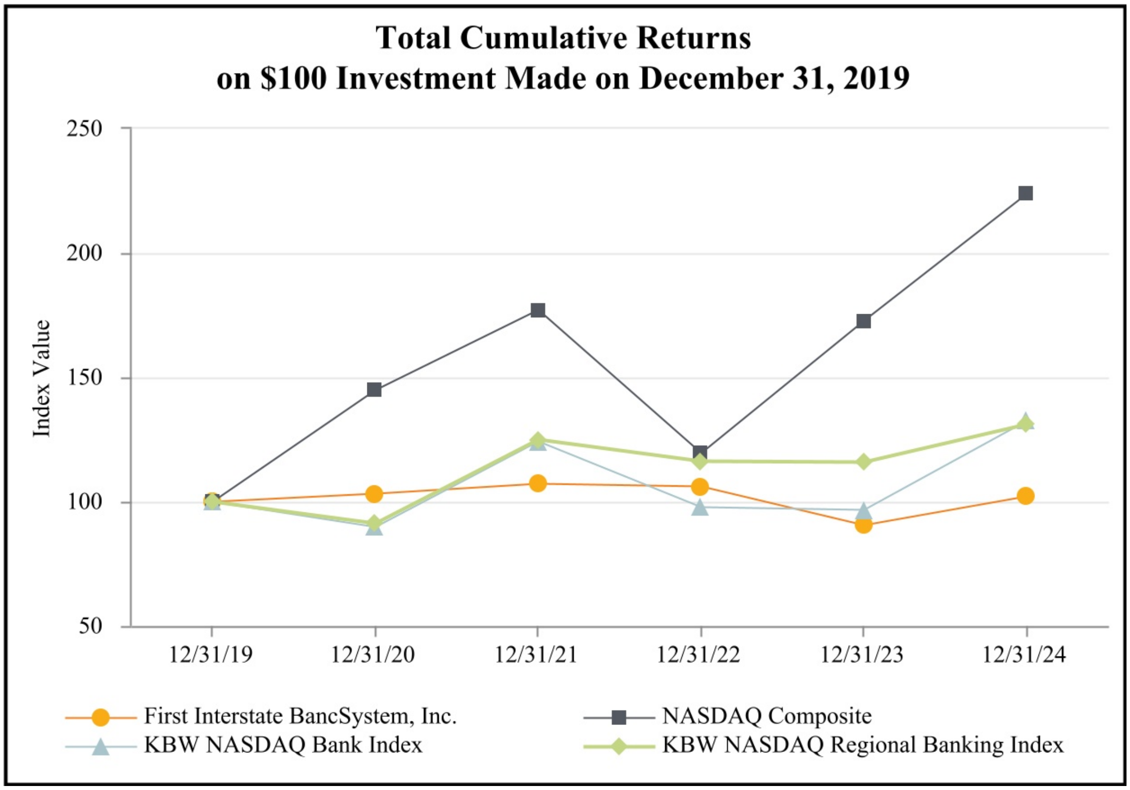
Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
October 1, 2024 to October 31, 2024	—	$ —	—	—
November 1, 2024 to November 30, 2024	—	—	—	—
December 1, 2024 to December 31, 2024	148	34.07	—	—
Total	148	$ 34.07	—	—

(1) Stock repurchases were redemptions of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants of the Company's 2015 Equity Compensation Plan.

Performance Graph

The performance graph below compares the cumulative total shareholder return on our common stock with the cumulative total return on equity securities of companies included in the NASDAQ Composite Index, KBW NASDAQ Bank Index, and the KBW NASDAQ Regional Banking Index, measured on the last trading day of each year shown. The NASDAQ Composite Index is a comparative broad market index comprised of all domestic and international common stocks listed on the NASDAQ Stock Market. The KBW NASDAQ Bank Index is designed to track the performance of the leading banks and thrifts that are publicly-traded in the U.S. and includes 24 banking stocks representing the large U.S. national money centers, regional banks and thrift institutions. The KBW NASDAQ Regional Banking Index seeks to reflect the performance of U.S. companies that do business as publicly traded regional banks or thrifts in the U.S.

This graph assumes a $100 investment in our common stock on December 31, 2019, and reinvestment of dividends on the date of payment without commissions. The plot points on the graph were provided by S&P Global Market Intelligence. The performance graph represents past performance, which may not be indicative of the future performance of our common stock.



Index	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
First Interstate BancSystem, Inc.	$ 100.00	$ 103.20	$ 106.90	$ 106.06	$ 90.37	$ 102.07
NASDAQ Composite	100.00	144.92	177.06	119.45	172.77	223.87
KBW NASDAQ Bank Index	100.00	89.69	124.06	97.52	96.65	132.60
KBW NASDAQ Regional Banking Index	100.00	91.29	124.74	116.10	115.64	130.90

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K for the year ended December 31, 2024. We make statements in this section that are forward-looking statements within the meaning of the federal securities laws. All of such forward-looking statements are expressly qualified by reference to the cautionary statements provided under the caption "Cautionary Note Regarding Forward-Looking Statements" included on page 1 in Part I of this report. Furthermore, a number of known and unknown factors may cause our actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. Therefore, you are encouraged to read in its entirety the information provided under the caption "Risk Factors" included under Item 1A in Part I of this report for a discussion of risk factors that may negatively impact our expected results, performance, or achievements discussed below.

Non-GAAP Financial Measures

In addition to financial measures presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), this document contains non-GAAP financial measures where management believes it to be helpful in understanding our results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.

<u>Fully-Taxable Equivalent Basis.</u> Interest income, yields, and ratios on an FTE basis are considered non-GAAP financial measures. Management believes net interest income on an FTE basis provides an insightful picture of the interest margin for comparison purposes. The FTE basis also allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal statutory tax rate of 21 percent. We encourage readers to consider the Consolidated Financial Statements and other financial information contained in this Form 10-K in their entirety, and not to rely on any single financial measure.

Executive Overview

We are a financial and bank holding company headquartered in Billings, Montana. As of December 31, 2024, we had consolidated assets of $29.1 billion, deposits of $23.0 billion, loans held for investment of $17.8 billion, and total stockholders' equity of $3.3 billion.

As of December 31, 2024, we had 300 banking offices in operation, including branches and detached drive-up facilities, in communities across Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. Through our bank subsidiary, FIB, we deliver a comprehensive range of banking products and services—including online and mobile banking—to individuals, businesses, governmental entities, and others throughout our market areas. Our clients participate in a wide variety of industries, including:

- Agriculture
- Construction
- Education
- Governmental services
- Healthcare
- Hospitality
- Housing
- Professional services
- Real Estate Development
- Retail
- Technology
- Tourism
- Wholesale trade

Our Business

Our principal business activity is lending to, accepting deposits from, and conducting financial transactions for individuals, businesses, governmental entities, and other entities located in the communities we serve. We derive our income principally from interest charged on loans and, to a lesser extent, from interest and dividends earned on fixed income investments. We also derive income from noninterest sources such as: (i) fees received in connection with various lending and deposit services; (ii) wealth management services, such as trust, employee benefit, investment, and insurance services; (iii) mortgage loan originations, sales, and servicing; (iv) merchant and electronic banking services; and (v) from time-to-time, gains on sales of assets and securities.

Our principal expenses include: (i) interest expense on deposit accounts and other borrowings; (ii) salaries and employee benefits; (iii) information technology and communication costs primarily associated with maintaining loan and deposit functions; (iv) furniture, equipment, and occupancy expenses for maintaining our facilities; (v) professional fees, including FDIC insurance assessments; (vi) income tax expense; (vii) provisions for credit losses; (viii) intangible amortization; (ix) other real estate owned expenses; and (x) other segment expenses including legal expenses, advertising and promotion, credit card rewards expense, fees associated with originating and closing loans, insurance, and other expenses necessary to support our employees and service our clients. From time to time, we have incurred, and may incur in the future, costs related to our strategic acquisitions and other transactions.

Our loan portfolio consists of a mix of real estate, consumer, commercial, agricultural, and other loans, including fixed, adjustable, and variable rate loans. Our real estate loans comprise commercial real estate, construction (including residential, commercial, and land development construction loans), residential, agricultural, and other real estate loans. Fluctuations in the loan portfolio are directly related to the economies of the communities we serve. While each loan we originate must meet minimum underwriting standards we establish through our credit policies, our bankers are granted limited discretion to approve and price loans within pre-approved limits which assures that we are responsive to community needs in each market area and remain competitive. We fund our loan portfolio primarily with the core deposits from our clients and cash flows off of the investment portfolio. Historically, we have not relied on brokered deposits as a source of funding. We have also utilized wholesale funding sources to a limited extent. For additional information about our underwriting standards and loan approval process, see "Business—Lending Activities," included in Part I, Item 1 of this report.

Recent Trends and Developments

Acquisition Strategy

During the past few years, we have increased our community banking footprint across the Rocky Mountain and Pacific Northwest regions and have expanded into the Midwest and Southwest regions, in large part due to our acquisition activity. While we expect to continue to evaluate bank acquisitions and other transaction opportunities in a strategic and thoughtful manner, we expect the pace of our merger and acquisition activity to decline as we focus on organic growth opportunities.

Indirect Loans

In January 2025, we announced our plans to stop originating indirect loans as of February 28, 2025, in which indirect loans are created when we purchase consumer loan contracts advanced for the purchase of automobiles, boats, and other consumer goods from the consumer product dealer network within the market areas we serve. The decision was based on the operating performance of the indirect loan business and our desire to focus our resources on relationship banking opportunities. At December 31, 2024, indirect loans represented approximately 4.0% of loan balances and 77.4% of our consumer loan portfolio. Approximately 30% to 40% of our indirect loan balances are estimated to amortize over the 12 months after we stop originating indirect loans.

Partial Charge-Off of Commercial and Industrial Loan Relationship

As previously disclosed, we recognized a material, partial charge-off of approximately $49.3 million for the quarter ended December 31, 2024 related to a single commercial and industrial loan relationship, for which a $26.5 million specific reserve was held as of September 30, 2024. As previously disclosed, on January 8, 2025, the borrower, under the control of a court-appointed receiver (the "Receiver"), entered into an asset purchase agreement with a third-party buyer pursuant to which the borrower agreed to sell substantially all of its assets to the buyer. Closing of such transaction occurred on January 21, 2025 and cash collateral retained by the Company was subsequently applied as payment. Proceeds of $16.5 million were received by the Receiver pursuant to the Purchase Agreement of which $12.5 million is expected to be applied to resolve the remaining $12.3 million balance of the commercial and industrial loan relationship in the first quarter of 2025, after giving effect to the prior charge-off in the fourth quarter of 2024.

Economic Conditions

The Company has ample liquidity, and its capital ratios exceed all regulatory requirements to be deemed "well-capitalized" as of December 31, 2024. Our deposit base is diversified, including by depositor, which includes individuals, businesses across multiple industries, governmental units, and other entities, as well as geographically, across the communities we serve.

As of December 31, 2024, our FDIC insured deposits consisted of 64.4% of total deposits, including accounts eligible for pass-through insurance. As of February 25, 2025, the Bank had available borrowing capacity of $4.4 billion with the Federal Home Loan Bank ("FHLB") and $1.9 billion with the Federal Reserve Bank ("FRB") based on pledged investment securities and loan collateral.

U.S. inflation data hit a multi-decade high in June 2022, climbing to 9.1%, as reported by the Bureau of Labor Statistics. However, we have now seen a meaningful decrease to 2.9% as of December 2024. While our operating expenses are affected by general inflation, the asset and liability structure of the Company largely consists of monetary items. Monetary items, such as cash, investments, loans, deposits and other borrowings, are assets and liabilities which are or will be converted into a fixed number of dollars regardless of changes in prices. As a result, changes in interest rates have a more significant impact on the Company's performance than does general inflation.

The Federal Reserve stated its current objective is to return the rate of inflation to 2.0% and it is closely monitoring the progress that has been made to achieve this goal. The Federal Reserve increased short-term interest rates 525 basis points between March 16, 2022 and July 29, 2023. With general inflationary pressures easing since July 2023, the Federal Reserve had paused any further changes to short-term interest rates only to decrease them by 100 basis points between September and December 2024. While many financial industry experts have speculated that rates will decline further in the near-term, the Federal Reserve has not yet provided definitive guidance on any further changes to short-term interest rates.

The Company's quarterly yield on interest earning assets increased to 4.86% as of December 31, 2024 from 4.83% as of September 30, 2024, and 4.69% as of December 31, 2023.

The sustained elevation of short-term interest rates impacted the Company's cost of funds, primarily resulting from the shift of noninterest-bearing deposits into higher-cost, interest-bearing, and time deposit balances as well as variable rate debt. The Company's cost of funds decreased to 1.72% during the three months ended December 31, 2024, from 1.86% during the three months ended September 30, 2024, and was stable compared to the three months ended December 31, 2023. During the fourth quarter of 2024, the lower interest expense resulting from decreased borrowings resulted in an increase of the Company's net interest margin during the three months ended December 31, 2024 to 3.18% from 3.01% during the three months ended September 30, 2024 and from 2.99% for the three months ended December 31, 2023. The Company's FTE net interest margin increased to 3.20% during the three months ended December 31, 2024, from 3.04% during the three months ended September 30, 2024, and from 3.01% during the three months ended December 31, 2023.

Primary Factors Used in Evaluating Our Business

As a banking institution, we manage and evaluate our financial condition and our results of operations. We monitor and evaluate the levels and trends of the line items included in our balance sheet and statements of income, as well as various financial ratios that are commonly used in our industry. We analyze these ratios and financial trends against both our own historical levels as well as the financial condition and performance of comparable banking institutions in our region and nationally.

Results of Operations

Principal tools we use to manage and evaluate the results of our operations include tracking performance through metrics such as return on average equity, return on average assets, efficiency ratio, noninterest expense as a percent of total average assets, earnings per share, credit quality metrics, total shareholder return, net interest income, noninterest income, noninterest expense, and net income.

Net interest income is affected by a number of factors such as the level of interest rates, changes in interest rates, the speed of changes in interest rates, and changes in the volume and composition of interest earning assets and interest-bearing liabilities. Changes in interest rate spread, which is the difference between interest earned on assets and interest paid on liabilities, has the most significant impact on net interest income. Other factors like volume of loans, investment securities, and other interest earning assets, compared to the volume of interest-bearing deposits, short-term borrowings, and other indebtedness, also cause changes in our net interest income between periods. Noninterest-bearing sources of funds, such as demand deposits and stockholders' equity, help support earning assets.

The impact of funding, including noninterest-bearing deposit sources, is captured in the net interest margin, which is calculated as net interest income divided by average earning assets. We evaluate our net interest income by assessing the yields on our loans and other earning assets, the costs of our deposits and other funding sources, and the levels of our net interest spread and net interest margin.

We seek to increase our noninterest income over time, and we evaluate our noninterest income relative to the trends of the individual types of noninterest income in view of changes in the regulatory environment and prevailing market conditions. We manage our noninterest expenses in consideration of growth opportunities and our community banking model that emphasizes client service and responsiveness. We evaluate our noninterest expense on factors that include our noninterest expense relative to our average assets, our efficiency ratio, and the trends of the individual categories of noninterest expense.

Finally, we seek to increase our net income and provide favorable shareholder returns over time, and we evaluate our net income relative to the performance of similar bank holding companies on factors that include return on average assets, return on average equity, total shareholder return, and growth in earnings.

Financial Condition

We manage and evaluate our financial condition by focusing on liquidity, the diversification and quality of our loans, the adequacy of our ACL, the diversification and terms of our deposits, the level of our short-term borrowings and other funding sources, the re-pricing characteristics and maturities of our assets and liabilities, including potential interest rate exposure, and the adequacy of our capital levels. We seek to maintain sufficient levels of cash and investment securities to meet potential payment and funding obligations, and we evaluate our liquidity on factors that include the levels of cash and highly liquid assets relative to our liabilities, the quality and maturities of our investment securities, the ratio of loans held for investment to deposits, and any reliance on brokered certificates of deposit or other wholesale funding sources.

We seek to maintain a diverse and high-quality loan portfolio and evaluate our asset quality on factors that include the allocation of our loans among loan types, credit exposure to any single borrower or industry type, non-performing assets as a percentage of loans held for investment and other real estate owned ("OREO"), and loan charge-offs as a percentage of average loans. We maintain our ACL based on an estimate of expected credit losses in the loans held for investment portfolio over the life of the loan, including the incorporation of a two-year forecast period at each balance sheet date.

We seek to fund our assets primarily using core client deposits. We evaluate our deposit and funding mix on factors that include the allocation of our deposits among deposit types, the level of our noninterest-bearing deposits, the ratio of our core deposits (i.e. excluding time deposits above $250,000) to our total deposits, and our reliance on brokered deposits or other wholesale funding sources. We seek to manage the mix, maturities, and re-pricing characteristics of our assets and liabilities to mitigate the impact of a changing interest rate environment on our net interest margin, and we evaluate our asset-liability management using models to evaluate the changes to our net interest income under different interest rate scenarios.

Finally, we seek to maintain adequate capital levels to absorb unforeseen operating losses and to help support the growth of our balance sheet. We evaluate our capital adequacy using the regulatory and financial capital ratios including tangible common equity to tangible assets, leverage capital ratio, tier 1 common capital to total risk-weighted assets, tier 1 risk-based capital ratio, and total risk-based capital ratio.

Critical Accounting Estimates and Significant Accounting Policies

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States and follow practices prescribed within the banking industry. Application of these principles requires management to make estimates, assumptions, and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. The most significant accounting policies we follow are summarized in "Notes to Consolidated Financial Statements—Summary of Significant Accounting Policies" included in Part IV, Item 15 of this report.

Our critical accounting estimates are summarized below. Management considers an accounting estimate to be critical if: (1) the accounting estimate requires management to make particularly difficult, subjective, and/or complex judgments about matters that are inherently uncertain, and (2) changes in the estimate that are reasonably likely to occur from period to period, or the use of different estimates that management could have reasonably used in the current period, would have a material impact on our consolidated financial statements, results of operations, or liquidity.

Allowance for Credit Losses

The ACL represents our estimate of credit losses expected over the life of loans at each balance sheet date, which is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Increases in the ACL are recorded through net income as a provision for credit loss expense. Decreases in the ACL are recorded through net income as a reversal of provision for credit loss expense. Loans are charged-off against the ACL when management confirms the uncollectibility of a loan balance. Expected recoveries recorded do not exceed the aggregate of loan amounts previously charged-off. The ACL represents management's estimate of expected credit losses in the loans held for investment portfolio over the life of the loan, including the incorporation of a two-year forecast period with one-year reversion period for economic conditions.

We perform a quarterly assessment of the risks inherent in our loan portfolio, as well as a detailed review of each significant loan we have assessed to have weaknesses that does not share common risk characteristics with other loans. Based on this analysis, we record a provision for credit losses in order to maintain the ACL at appropriate levels. In determining the ACL, management estimates the ACL balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental and economic conditions, such as changes in unemployment rates, property values, or other relevant factors. The ACL is measured on a collective (pool) basis when similar risk characteristics exist.

For loans acquired in a business combination with no significant evidence of credit deterioration since origination, the Company estimates an ACL of the acquired loans determined using the same methodology as other loans held for investment.

A significant judgment in determining the final ACL is the macroeconomic forecast selected from the third-party service provider. The third-party service provider produces multiple economic scenarios that represent baseline, severe, and consensus scenarios. To illustrate the sensitivity of the model to forecast selection, the severe forecast was run resulting in an increase in the ACL of approximately $67.7 million. The severe scenarios includes assumptions such as an economy closer to recession, continuous inflationary pressure, deteriorating labor market, and a deteriorating unemployment market, among others. Conversely, the baseline forecast includes increasing GDP, steady unemployment, and future rate cuts. This sensitivity analysis and related impact on the ACL is a hypothetical analysis and is not intended to represent management's judgments or assumptions of qualitative loss factors that were utilized at December 31, 2024.

The ACL is maintained at an amount we believe to be sufficient to provide for estimated losses expected over the life of the loans at each balance sheet date resulting from management’s assessment of the quantitative and qualitative factors utilized to determine the ACL. Management monitors trends in the loan portfolio, including changes in the levels of past due, internally classified, and non-performing loans. Changes in the estimates and assumptions are possible and may have a material impact on our ACL, and as a result, on our consolidated financial statements or results of operations.

See “Notes to Consolidated Financial Statements—Summary of Significant Accounting Policies” for a description of the methodology used to determine the ACL and our policy pertaining to acquired loans. See “Notes to Consolidated Financial Statements—Loans” for a discussion on the factors driving changes in the amount of the ACL. See also Part I, Item 1A, “Risk Factors—Credit Risks.”

Goodwill

The excess purchase price over the fair value of net assets from acquisitions, or goodwill, is evaluated for impairment at least annually and on an interim basis if an event or circumstance indicates it is likely impairment has occurred. Goodwill impairment is determined by comparing the fair value of a reporting unit to its carrying amount. In any given year, the Company may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value of the reporting unit is in excess of the carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed. In performing a quantitative test for impairment, the fair value of net assets is estimated based on analyses of the Company’s market value, discounted cash flows, and peer values. The determination of goodwill impairment is sensitive to market-based economics and other key assumptions used in determining or allocating fair value. Variability in the market and changes in assumptions or subjective measurements used to estimate fair value are reasonably possible and may have a material impact on our consolidated financial statements or results of operations.

Our annual goodwill impairment test is performed each year as of July 1. The Company performed its 2024 annual goodwill impairment qualitative assessment and determined the Company’s goodwill was not considered impaired.

For additional information regarding goodwill, see “Notes to Consolidated Financial Statements—Summary of Significant Accounting Policies,” included in Part IV, Item 15 of this report and “Risk Factors—Operational Risks,” included in Part I, Item 1A of this report.

Results of Operations

The following discussion and analysis is intended to provide detail about the results of operations by comparing the years ended December 31, 2024 to December 31, 2023. A similar discussion and analysis that compares the fiscal year 2023 to the fiscal year ended December 31, 2022, may be found in Part II, Item 7, “Results of Operations” of our Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 29, 2024, which is incorporated herein by reference.

Net Income

Net income decreased $31.5 million, or 12.2%, to $226.0 million, or $2.19 per diluted share, in 2024, compared to $257.5 million, or $2.48 per diluted share, in 2023, primarily as a result of an increase in provision for credit losses and due to lower net interest income as a result of higher funding costs, partially offset by higher non-interest income due to the loss on sale of securities in 2023. This was partially offset by lower noninterest expense mainly due to lower FDIC insurance expense related to the special assessment in 2023 and lower other expenses, including credit card rewards.

Performance Ratios

As of or for the year ended December 31,	2024	2023	2022
Return on average assets	0.75 %	0.83 %	0.65 %
Return on average common stockholders' equity	6.92	8.17	6.34
Efficiency ratio (1)	62.30	62.50	67.83
Common stock dividend payout ratio (2)	85.84	75.81	86.73

(1) Our efficiency ratio definition conforms with the FDIC definition for all periods presented as noninterest expense less amortization of intangible assets divided by net interest income plus noninterest income.

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

Net Interest Income

Net interest income, the largest source of our operating income, is derived from interest, dividends, and fees received on interest earning assets, less interest expense incurred on interest bearing liabilities. Interest earning assets primarily include loans and investment securities. Interest bearing liabilities include deposits, short-term borrowings, and various other forms of indebtedness. Net interest income is affected by the level of interest rates, changes in interest rates, the speed of changes to interest rates, and changes in the volume and composition of interest earning assets and interest-bearing liabilities. Changes in interest rate spread, which is the difference between interest earned on assets and interest paid on liabilities, has the most significant impact on net interest income. Other factors like volume of loans, investment securities, and other interest earning assets compared to the volume of interest-bearing deposits, short-term borrowings, and other indebtedness also cause changes in our net interest income between periods. Noninterest-bearing sources of funds, such as demand deposits and stockholders' equity, help to support earning assets.

Net interest income decreased $57.2 million during 2024, as compared to the same period in 2023, primarily due to increased interest income on loans as a result of higher loan yields, which was more than offset by higher interest expense on deposits and declines in interest and dividends on investment securities as a result of a decrease in average investment security balances during the comparable periods.

Net interest income included interest accretion related to the fair value of acquired loans of $24.6 million during 2024 as compared to $20.4 million in 2023, of which $7.2 million was the result of early loan payoffs during 2024, as compared to $2.5 million in 2023. There were $5.5 million and no material recoveries of previously charged-off loan interest in 2024 and 2023, respectively.

Our net interest margin ratio decreased 10 basis points to 3.02% during 2024, as compared to 3.12% in 2023. Our net FTE interest margin ratio, a non-GAAP financial measure, decreased 10 basis points to 3.04% during 2024, as compared to 3.14% in 2023. Exclusive of the impact of interest accretion on acquired loans, our 2024 net FTE interest margin ratio decreased 12 basis points over our similarly calculated net interest margin ratio in 2023.

The following table presents, for the periods indicated, condensed average balance sheet information using daily average balances, together with interest income and yields earned on average interest earning assets and interest expense and rates paid on average interest-bearing liabilities.

Average Balance Sheets, Yields, and Rates

	Year Ended December 31,								
	2024			2023			2022		
(Dollars in millions)	Average Balance	Interest[(2)]	Average Rate	Average Balance	Interest[(2)]	Average Rate	Average Balance	Interest[(2)]	Average Rate
Interest earning assets:									
Loans[(1)]	$ 18,182.0	$ 1,028.2	5.66 %	$ 18,299.6	$ 986.0	5.39 %	$ 16,802.2	$ 797.2	4.74 %
Investment securities									
Taxable	8,261.5	243.5	2.95	9,173.1	269.1	2.93	9,729.8	213.9	2.20
Tax-exempt	186.5	3.4	1.82	199.7	3.9	1.95	243.6	5.0	2.05
Investment in FHLB and FRB stock	178.8	11.8	6.60	207.5	12.4	5.98	116.6	4.8	4.12
Interest-bearing deposits in banks	422.5	22.2	5.25	303.0	15.7	5.18	1,432.8	8.7	0.61
Federal funds sold	0.1	—	—	0.5	—	—	0.5	—	—
Total interest-earning assets	27,231.4	1,309.1	4.81	28,183.4	1,287.1	4.57	28,325.5	1,029.6	3.63
Noninterest-earning assets	2,825.0			2,951.1			2,804.2		
Total assets	$ 30,056.4			$ 31,134.5			$ 31,129.7		
Interest-bearing liabilities:									
Demand deposits	$ 6,224.9	$ 57.8	0.93 %	$ 6,553.3	$ 47.2	0.72 %	$ 7,549.8	$ 15.7	0.21 %
Savings deposits	7,784.8	161.2	2.07	7,989.3	122.2	1.53	8,732.7	24.5	0.28
Time deposits	2,894.1	106.9	3.69	2,676.3	73.2	2.74	1,577.0	8.1	0.51
Repurchase agreements	687.2	6.7	0.97	940.4	6.4	0.68	1,114.5	2.5	0.22
Other borrowed funds	2,434.7	123.4	5.07	2,514.6	133.8	5.32	411.1	15.3	3.72
Long-term debt	253.4	11.8	4.66	120.8	5.8	4.80	122.2	6.0	4.91
Subordinated debentures held by subsidiary trusts	163.1	13.1	8.03	163.1	12.7	7.79	156.6	6.8	4.34
Total interest-bearing liabilities	20,442.2	480.9	2.35	20,957.8	401.3	1.91	19,663.9	78.9	0.40
Noninterest-bearing deposits	5,879.4			6,549.9			7,911.6		
Other noninterest-bearing liabilities	468.8			475.9			364.7		
Stockholders' equity	3,266.0			3,150.9			3,189.5		
Total liabilities and stockholders' equity	$ 30,056.4			$ 31,134.5			$ 31,129.7		
Net FTE interest income (non-GAAP)[(3)]		$ 828.2			$ 885.8			$ 950.7	
Less FTE adjustments[(2)]		(6.6)			(7.0)			(8.1)	
Net interest income from consolidated statements of income		$ 821.6			$ 878.8			$ 942.6	
Interest rate spread			2.46 %			2.66 %			3.23 %
Net interest margin			3.02			3.12			3.33
Net FTE interest margin (non-GAAP)[(3)]			3.04			3.14			3.36
Cost of funds, including noninterest-bearing demand deposits[(4)]			1.83			1.46			0.29

(1) Average loan balances include mortgage loans held for sale and non-accrual loans. Interest income on loans includes amortization of deferred loan fees net of deferred loan costs of $3.4 million, $1.3 million, and $7.5 million during 2024, 2023, and 2022, respectively.

(2) Management believes fully taxable equivalent, or FTE, interest income is useful to investors in evaluating the Company's performance as a comparison of the returns between a tax-free investment and a taxable alternative. The Company adjusts interest income and average rates for tax exempt loans and securities to a FTE basis utilizing a 21.00%, 21.00%, and 26.25% tax rate for 2024, 2023, and 2022, respectively.

(3) Non-GAAP financial measure - see Non-GAAP Financial Measures included herein for a reconciliation to GAAP measures.

(4) Calculated by *dividing* total interest on interest-bearing liabilities *by* the sum of total interest-bearing liabilities plus noninterest-bearing deposits.

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The table below sets forth, for the periods indicated, a summary of the changes in interest income and interest expense resulting from estimated changes in average asset and liability balances (volume) and estimated changes in average interest rates (rate). Changes which are not due solely to volume or rate have been allocated to these categories based on the respective percent changes in average volume and average rate as they compare to each other.

Analysis of Interest Changes Due To Volume and Rates

	Year Ended December 31, 2024 compared with December 31, 2023			Year Ended December 31, 2023 compared with December 31, 2022			Year Ended December 31, 2022 compared with December 31, 2021		
(Dollars in millions)	Volume	Rate	Net	Volume	Rate	Net	Volume	Rate	Net
Interest earning assets:									
Loans [1]	$ (6.3)	$ 48.5	$ 42.2	$ 71.0	$ 117.8	$ 188.8	$ 308.6	$ 57.4	$ 366.0
Investment Securities [1]	(26.9)	0.8	(26.1)	(13.2)	67.3	54.1	61.9	83.1	145.0
Investment in FHLB and FRB Stock	(1.7)	1.1	(0.6)	3.7	3.9	7.6	1.2	2.6	3.8
Interest bearing deposits in banks	6.2	0.3	6.5	(6.9)	13.9	7.0	(0.7)	6.8	6.1
Total change	(28.7)	50.7	22.0	54.6	202.9	257.5	371.0	149.9	520.9
Interest bearing liabilities:									
Demand deposits	(2.4)	13.0	10.6	(2.1)	33.6	31.5	1.2	12.7	13.9
Savings deposits	(3.1)	42.1	39.0	(2.1)	99.8	97.7	1.2	21.8	23.0
Time deposits	6.0	27.7	33.7	5.6	59.5	65.1	2.7	0.6	3.3
Repurchase agreements	(1.7)	2.0	0.3	(0.4)	4.3	3.9	—	2.1	2.1
Other borrowed funds	(4.3)	(6.1)	(10.4)	78.3	40.2	118.5	—	15.3	15.3
Long-term debt	6.4	(0.4)	6.0	(0.1)	(0.1)	(0.2)	0.5	(0.5)	—
Subordinated debentures held by subsidiary trusts	—	0.4	0.4	0.3	5.6	5.9	2.2	1.8	4.0
Total change	0.9	78.7	79.6	79.5	242.9	322.4	7.8	53.8	61.6
Increase in FTE net interest income [1]	$ (29.6)	$ (28.0)	$ (57.6)	$ (24.9)	$ (40.0)	$ (64.9)	$ 363.2	$ 96.1	$ 459.3

(1) Interest income and average rates for tax exempt loans and securities are presented on a FTE basis.

Non-GAAP Reconciliation

The table below provides a reconciliation of the GAAP measure of net interest margin to the non-GAAP measure of net FTE interest margin.

		For the Year Ended		
(In millions, except % and per share data)		Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Net interest income	(A)	$ 821.6	$ 878.8	$ 942.6
FTE interest income		6.6	7.0	8.1
Net FTE interest income	(B)	828.2	885.8	950.7
Average interest-earning assets	(C)	$ 27,231.4	$ 28,183.4	$ 28,325.5
Net interest margin (GAAP)	(A) / (C)	3.02	3.12	3.33
Net interest margin (FTE) (Non-GAAP)	(B) / (C)	3.04	3.14	3.36

Provision for (reduction of) Credit Losses

Fluctuations in the provision for credit losses reflect charge-offs and recoveries as well as management's estimate of possible credit losses based upon the composition of our loan portfolio, evaluation of the borrowers' ability to repay, collateral value underlying loans, loan loss trends, and estimated effects of current and forecasted economic conditions on our loans held for investment and investment securities portfolios.

During 2024, the Company recorded a provision for credit losses of $67.8 million, as compared to a $32.2 million provision for credit losses in 2023. The 2024 provision includes a provision for credit losses of $80.9 million related to loans held for investment, reduction of credit losses of $13.2 million related to unfunded commitments, and a provision for credit losses of $0.1 million related to held-to-maturity securities. The provision incorporated the impact of credit movement during the year, changes in loan balances, the attributes of the current portfolio, asset quality metrics, a review of the current economic outlook, and net charge-offs of $104.5 million, or 0.57% of average loans outstanding, for 2024, primarily consisting of a $49.3 million commercial and industrial loan, a $15.9 million commercial real estate loan, and $13.0 million related to two construction real estate loans, compared to $23.5 million, or 0.13% of average loans outstanding in 2023.

For information regarding our non-performing loans, see "Non-Performing Assets" included herein. For information regarding our ACL, see "Financial Condition—Allowance for Credit Losses" included herein.

Noninterest Income

Noninterest income also contributes to our operating results with fee-based revenues such as payment services, mortgage banking and wealth management revenues, service charges on deposit accounts, and other service charges, commissions, and fees. The following table presents the composition of our noninterest income as of the dates indicated:

Noninterest Income	Year Ended December 31,			$ Change		% Change	
(Dollars in millions)	2024	2023	2022	2024 vs 2023	2023 vs 2022	2024 vs 2023	2023 vs 2022
Payment services revenues	$ 73.6	$ 76.4	$ 74.1	$ (2.8)	$ 2.3	(3.7)%	3.1 %
Mortgage banking revenues	6.6	8.4	18.7	(1.8)	(10.3)	(21.4)	(55.1)
Wealth management revenues	38.8	35.3	34.3	3.5	1.0	9.9	2.9
Service charges on deposit accounts	25.7	23.0	24.6	2.7	(1.6)	11.7	(6.5)
Other service charges, commissions and fees	9.0	9.5	15.5	(0.5)	(6.0)	(5.3)	(38.7)
Investment securities losses, net	—	(23.5)	(24.4)	23.5	0.9	(100.0)	(3.7)
Other income	24.4	17.9	20.4	6.5	(2.5)	36.3	(12.3)
Total noninterest income	$ 178.1	$ 147.0	$ 163.2	$ 31.1	$ (16.2)	21.2	(9.9)

Noninterest income increased $31.1 million in 2024 as compared to the same period in 2023. Significant components of these fluctuations are discussed below.

Payment services revenues consist of interchange revenue that merchants pay for processing electronic payment transactions, associated fees earned from the issuance of business credit cards, consumer credit cards, and debit cards, and ATM service fees. Payment services revenues decreased $2.8 million in 2024 as compared to the same period in 2023, mainly as result of decreased business credit card volume.

Mortgage banking revenues include origination and processing fees on residential real estate loans held for sale, gains on residential real estate loans sold to third parties, income earned from the servicing of mortgages originated by the Company which are held by third parties, and any impairments to or subsequent recovery of the Company's mortgage servicing rights valuation. Mortgage banking revenues decreased $1.8 million in 2024 as compared to the same period in 2023, primarily as a result of the decline in mortgage loan production volume as a result of the higher interest rate environment compared to 2023.

Wealth management revenues are principally comprised of fees earned for management of trust assets and investment services. Wealth management revenues increased $3.5 million in 2024 as compared to the same period in 2023, mainly as a result of an increase in trust services. The Company had $8.1 billion of assets under management at December 31, 2024 compared to $8.0 billion at December 31, 2023.

Service charge fees primarily consist of treasury services and overdraft charges on deposit accounts. These service charges increased $2.7 million in 2024, as compared to the same period in 2023. The increase in 2024 is mainly driven by increases in ACH, wire, sweep, and healthcare treasury service fees.

Investment securities losses, net includes realized gains and losses associated with the sales of investment securities. Investment securities losses, net was zero in 2024 compared to $23.5 million in the same period in 2023. The improvement was primarily due to a loss of $23.5 million incurred on the sale of $853.0 million of available-for-sale investment securities in 2023.

Other income primarily includes company-owned life insurance revenues, check printing income, agency stock dividends, and gains on sales of miscellaneous assets. Other income increased $6.5 million in 2024 as compared to the same period in 2023, primarily due to an increase in the cash surrender value of company-owned life insurance of $2.0 million, $1.5 million gain on sale of assets, and a decrease of $2.3 million on the disposition of loans compared to the 2023 period.

Noninterest expense

Noninterest expense decreased $19.4 million in 2024 as compared to the same period in 2023. The decrease was primarily a result of a $9.0 million reduction in special FDIC insurance assessment fees and a $21.3 million reduction in other expenses, partially offset by an increase in salaries and wages. Significant components of noninterest expense are discussed below.

The following table presents the composition of our noninterest expense as of the dates indicated:

Noninterest expense	Year Ended December 31,			$ Change		% Change	
(Dollars in millions)	2024	2023	2022	2024 vs 2023	2023 vs 2022	2024 vs 2023	2023 vs 2022
Salaries and wages	$ 270.9	$ 263.1	$ 282.1	$ 7.8	$ (19.0)	3.0 %	(6.7)%
Employee benefits	76.4	75.3	77.5	1.1	(2.2)	1.5	(2.8)
Outsourced technology services	56.2	59.0	54.3	(2.8)	4.7	(4.7)	8.7
Occupancy, net	48.7	48.0	44.0	0.7	4.0	1.5	9.1
Furniture and equipment	20.7	22.1	23.4	(1.4)	(1.3)	(6.3)	(5.6)
OREO expense, net	4.1	1.5	2.3	2.6	(0.8)	173.3	NM
Professional fees	21.6	19.1	19.1	2.5	—	13.1	—
FDIC insurance premiums	24.0	31.5	14.0	(7.5)	17.5	(23.8)	NM
Other intangibles amortization	14.6	15.7	15.9	(1.1)	(0.2)	(7.0)	(1.3)
Other expenses	100.2	121.5	114.5	(21.3)	7.0	(17.5)	6.1
Acquisition related expenses	—	—	118.9	—	(118.9)	—	NM
Total noninterest expense	$ 637.4	$ 656.8	$ 766.0	$ (19.4)	$ (109.2)	(3.0)	(14.3)

Salaries and wages expense primarily consist of salaries, severance, commissions, overtime, bonus accrual, and temporary employee expenses. Salaries and wages expense increased $7.8 million in 2024 as compared to the same period in 2023, primarily as a result of higher short-term incentive accruals in 2024, which were partially offset by lower salaries and wages and net severance costs as a result of the reduction in work force in December 2023.

Employee benefits include payroll taxes, medical insurance, long term incentive, and 401K plans. Employee benefits expense increased $1.1 million in 2024 as compared to the same period in 2023, primarily due to higher long term incentive accruals in 2024 because of low incentive accruals related to Company performance in 2023, which were partially offset by lower health insurance costs and lower payroll tax costs in 2024.

Outsourced technology services primarily include technology services related to the core system platform, software as a service, automated teller machines, technology equipment and software maintenance. Outsourced technology services expense decreased $2.8 million in 2024 as compared to the same period in 2023, primarily due to lower core processing costs in 2024.

Furniture and equipment expense primarily consist of maintenance and repairs, ATM expense, and depreciation. Furniture and equipment expense decreased $1.4 million in 2024 as compared to the same period in 2023, primarily due to a decrease in maintenance and repairs in 2024.

OREO expense, net includes expenses and income, gain or loss on sale, and valuation adjustments on property acquired through foreclosure on defaulted loans. OREO expense, net increased $2.6 million in 2024 as compared to the same period in 2023 as a result of downward valuation adjustments in 2024 partially offset by a decrease in expenses and gains on sale during the same period.

Professional fee expense is comprised of legal fees, audit and tax fees, consultant fees, and outside services. Professional fee expense increased $2.5 million in 2024 as compared to the same period in 2023, primarily related to an increase in audit fees, along with consulting and investment advisory services.

The FDIC insures deposits at FDIC-insured financial institutions and charges insured financial institutions premiums to maintain the DIF at a specific level. FDIC insurance premiums decreased $7.5 million in 2024 as compared to the same period in 2023, primarily attributable to the reduction of $9.0 million in the special assessment accrual recorded in 2024 compared to 2023 to cover the losses incurred by the DIF in response to 2023 bank failures. Under the special assessment, the Bank was assessed 13.4 basis points annually on an assessment base equal to its estimated uninsured deposits, after excluding the first $5 billion of uninsured deposits. The special assessment is being collected on a quarterly basis for eight quarters which began with the first quarter of 2024, although the FDIC retained the flexibility to extend the special assessment period as well as impose a one-time shortfall assessment to collect any remaining amount to fully recover the losses to the DIF.

Other expenses primarily include advertising and public relations costs; office supply, postage, freight, telephone, and travel expenses; donations expense; debit and credit card expenses; board of director fees; legal expenses; and other operational losses. Other expenses decreased $21.3 million in 2024 as compared to the same period in 2023, primarily resulting from decreases in donation expense, credit card rewards accruals, reclassifications of new market tax credit amortization expenses to income tax expense as a result of the adoption of ASU 2023-02, fraud losses, travel costs, and continued focus on cost savings initiatives.

Income Tax Expense

Our effective federal tax rate was 18.1% for the year ended December 31, 2024 compared to 18.4% for the year ended December 31, 2023. Fluctuations in effective federal income tax rates are primarily due to a decrease in pre-tax income, a decrease in net tax exempt interest income, and an increase in tax credits and the non-deductible portion of FDIC premium expense, which was partially offset by an increase in the cash surrender value of company owned life insurance.

State income tax applies primarily to pretax earnings generated within Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, and South Dakota. Our effective state tax rate was 5.2% for the year ended December 31, 2024 compared to 5.1% for the year ended December 31, 2023.

Financial Condition

The financial condition discussion below is based upon our Consolidated Balance Sheet in Part IV, Item 15 of this Report. A similar discussion and analysis comparing fiscal year 2023 to fiscal year ended December 31, 2022 may be found in Part II, Item 7, “Financial Condition” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 29, 2024, which is incorporated herein by reference.

Total Assets

Total assets decreased $1,533.8 million, or 5.0%, to $29,137.4 million as of December 31, 2024, from $30,671.2 million as of December 31, 2023, primarily due to normal amortization of the investment securities which were used to pay down short-term borrowings and decreases in loans held for investment, which were partially offset by an increase in cash and cash equivalents. Significant fluctuations in balance sheet accounts are discussed below.

Investment Securities

We manage our investment portfolio to obtain the highest yield possible while meeting our risk tolerance and liquidity guidelines and satisfying the pledging requirements for deposits of state and political subdivisions and securities sold under repurchase agreements. Our portfolio principally comprises U.S. treasury notes, U.S. government agency, U.S. government agency commercial mortgage-backed securities, U.S. government residential mortgage-backed securities, U.S. government agency collateralized mortgage obligations, corporate securities, and tax-exempt municipal securities.

Debt securities rated in the highest category by nationally recognized rating agencies and debt securities backed by the U.S. Government and government sponsored agencies, both on a direct and indirect basis, represented approximately 92.9% and 94.5% of the investment portfolio’s AFS and HTM segments, respectively, at December 31, 2024. All other held-to-maturity debt securities rated below AAA, not backed by the U.S. Government or government sponsored agencies, or which are not rated represented approximately 5.5% of total HTM debt securities at December 31, 2024.

Federal funds sold and interest-bearing deposits in the Bank are additional investments that are classified as cash equivalents rather than as investment securities. Investment securities classified as available-for-sale are recorded at fair value, while investment securities classified as held-to-maturity are recorded at amortized cost. Unrealized gains or losses, net of the deferred tax effect, on available-for-sale securities are reported as increases or decreases in accumulated other comprehensive income or loss, a component of stockholders’ equity.

Investment securities decreased $1,304.8 million, or 14.4%, to $7,744.6 million as of December 31, 2024, from $9,049.4 million as of December 31, 2023. The decrease was primarily resulting from pay-downs and maturities which were primarily used to paydown short-term borrowings, partially offset by a $48.6 million increase in fair market values and purchases of $102.2 million during the period. See “Notes to Consolidated Financial Statements — Investment Securities” included in Part IV, Item 15 of this report for additional details.

As of December 31, 2024, the estimated duration of our investment portfolio was 3.7 years, as compared to 3.5 years as of December 31, 2023. The weighted average yield on investment securities increased 1 basis point to 2.92% in 2024, from 2.91% in 2023.

As of December 31, 2024, investment securities with amortized costs and fair values of $3,460.2 million and $3,092.6 million, respectively, were pledged to secure public deposits, derivatives, and securities sold under repurchase agreements, as compared to $3,858.6 million and $3,462.2 million, respectively, as of December 31, 2023. For additional information concerning securities sold under repurchase agreements, see “Securities Sold Under Repurchase Agreements” included herein.

Mortgage-backed securities and, to a limited extent other securities, have uncertain cash flow characteristics that present additional interest rate risk in the form of prepayment or extension risk primarily caused by changes in market interest rates. This additional risk is generally rewarded in the form of higher yields. Maturities of mortgage-backed securities presented below are included in maturity categories based on their stated maturity date. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. As of December 31, 2024, the carrying value of our investments in non-agency mortgage-backed securities totaled $218.1 million. All other mortgage-backed securities included in the table below were issued by U.S. government entities and sponsored entities. As of December 31, 2024, there were no significant concentrations of investments (greater than 10% of stockholders’ equity) in any individual security issuer, except for U.S. government or agency-backed securities.

Approximately 74.0% and 74.2% of our tax-exempt securities were general obligation securities as of December 31, 2024 and 2023, respectively, of which 29.8% and 31.1%, respectively, were issued by political subdivisions or agencies within the states we operate, including Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming.

As of December 31, 2024, we had investment securities with fair values aggregating $6,296.7 million that had been in a continuous loss position more than 12 months. Gross unrealized losses on these securities totaled $746.2 million as of December 31, 2024, and were attributable to changes in interest rates. At December 31, 2024 and December 31, 2023, the Company had no ACL on available-for-sale securities and an ACL on held-to maturity securities classified as corporate and municipal securities of $0.9 million and $0.8 million, respectively.

The following table sets forth the carrying value as of December 31, 2024 and 2023, and the percentage of total investment securities and weighted average yields on investment securities as of December 31, 2024. Weighted-average yields have been computed on a fully taxable-equivalent basis using a tax rate of 21%.

Securities Maturities and Yield *(Dollars in millions)*	December 31, 2023 Carrying Value	December 31, 2024 Carrying Value	% of Total Investment Securities	Weighted Average FTE Yield
U.S. Treasury securities				
Maturing within one year	$ 299.7	$ 99.8	1.29 %	3.54 %
Maturing in one to five years	349.5	245.0	3.16	1.40
Mark-to-market adjustments on securities available-for-sale	(25.5)	(18.1)	(0.23)	NA
Total	623.7	326.7	4.22	2.02
U.S. government agency securities				
Maturing within one year	0.6	5.9	0.08	2.42
Maturing in one to five years	176.2	303.0	3.91	2.37
Maturing in five to ten years	353.8	233.1	3.01	2.05
Maturing after ten years	3.3	152.3	1.97	2.70
Mark-to-market adjustments on securities available-for-sale	(10.9)	(10.8)	(0.14)	NA
Total	523.0	683.5	8.83	2.23
Mortgage-backed securities				
Maturing within one year	44.9	53.3	0.69	2.49
Maturing in one to five years	684.3	1,023.8	13.22	2.65
Maturing in five to ten years	1,115.7	627.4	8.10	1.97
Maturing after ten years	4,613.0	3,914.0	50.54	2.30
Mark-to-market adjustments on securities available-for-sale	(366.4)	(333.4)	(4.30)	NA
Total	6,091.5	5,285.1	68.25	2.34
Collateralized loan obligation securities				
Maturing in five to ten years	180.6	376.4	4.86	5.97
Maturing after ten years	941.2	394.3	5.09	5.96
Mark-to-market adjustments on securities available-for-sale	(2.2)	1.3	0.02	NA
Total	1,119.6	772.0	9.97	5.97
Municipal securities				
Maturing within one year	4.0	1.9	0.02	2.59
Maturing in one to five years	41.5	45.6	0.59	2.86
Maturing in five to ten years	159.5	221.4	2.86	1.71
Maturing after ten years	230.9	159.4	2.06	1.94
Mark-to-market adjustments on securities available-for-sale	(36.9)	(40.0)	(0.52)	NA
Total	399.0	388.3	5.01	1.92
Corporate securities				
Maturing within one year	—	5.0	0.06	2.93
Maturing in one to five years	99.6	157.2	2.03	3.06
Maturing in five to ten years	218.2	144.4	1.86	3.00
Mark-to-market adjustments on securities available-for-sale	(25.2)	(17.6)	(0.23)	NA
Total	292.6	289.0	3.72	3.03
Total	$ 9,049.4	$ 7,744.6	100.00 %	2.67 %

Maturities of the 2024 securities noted above reflect $1,292.9 million of investment securities at their final maturities, which have call provisions within the next year. Based on current market interest rates, management expects approximately $12.5 million of these securities will be called in 2025. For additional information concerning investment securities, see "Notes to Consolidated Financial Statements — Investment Securities" included in Part IV, Item 15.

Federal Reserve Bank (FRB) and Federal Home Loan Bank (FHLB) Stock

The Bank is a member of the FHLB of Des Moines and the Minneapolis FRB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. As of December 31, 2024 and December 31, 2023, the Company held $177.4 million and $223.2 million, respectively, in equity securities in a combination of FRB and FHLB stocks, which are restricted nonmarketable securities acquired to meet regulatory requirements. These securities are carried at cost.

Loans Held for Sale

Loans held for sale consist of residential mortgage loans pending sale to investors in the secondary market and loans reclassified from loans held for investment due to management's intent and decision to sell the loans. Loans held for sale decreased $46.5 million, or 98.1%, to $0.9 million as of December 31, 2024, compared to $47.4 million as of December 31, 2023, primarily due to the repayment of an $19.6 million agricultural loan and disposal of a $27.3 million commercial real estate loan.

Loans Held for Investment, Net of Deferred Fees and Costs

The following table presents the composition of our loan portfolio as of the dates indicated:

Loans Outstanding
(Dollars in millions)

	As of December 31,					
	2024	Percent	2023	Percent	2022	Percent
Real estate:						
Commercial	$ 9,263.2	51.9 %	$ 8,869.2	48.4 %	$ 8,528.6	47.1 %
Construction	1,244.6	7.0	1,826.5	10.0	1,944.4	10.8
Residential	2,191.6	12.3	2,244.3	12.3	2,188.3	12.1
Agricultural	701.1	3.9	716.8	3.9	794.9	4.4
Total real estate	13,400.5	75.1	13,656.8	74.6	13,456.2	74.4 %
Consumer:						
Indirect	725.0	4.0	740.9	4.1	829.7	4.6
Direct	134.0	0.7	141.6	0.8	152.9	0.8
Credit card	77.6	0.4	76.5	0.4	75.9	0.4
Total consumer	936.6	5.1	959.0	5.3	1,058.5	5.8
Commercial	2,829.4	15.9	2,906.8	15.9	2,882.6	15.9
Agricultural	687.9	3.9	769.4	4.2	708.3	3.9
Other, including overdrafts	1.6	—	0.1	—	9.2	—
Loans held for investment	17,856.0	100.0 %	18,292.1	100.0 %	18,114.8	100.0 %
Deferred loan fees and costs	(11.1)		(12.5)		(15.6)	
Loans held for investment, net of deferred fees and costs	17,844.9		18,279.6		18,099.2	
Allowance for credit losses	(204.1)		(227.7)		(220.1)	
Net loans held for investment	$ 17,640.8		$ 18,051.9		$ 17,879.1	
Allowance for credit losses to loans held for investment		1.14 %		1.25 %		1.22 %

Loans held for investment, net of deferred fees and costs, decreased $434.7 million, or 2.4%, to $17,844.9 million as of December 31, 2024, as compared to $18,279.6 million as of December 31, 2023,

Real Estate Loans. We provide interim construction and permanent financing for both single-family and multi-unit properties, medium-term loans for commercial, agricultural and industrial property and/or buildings and equity lines of credit secured by real estate.

Commercial real estate loans. Commercial real estate loans include loans for property and improvements used commercially by the borrower or for lease to others for the production of goods or services. Approximately 33.0% and 34.4% of our commercial real estate loans were owner occupied as of December 31, 2024 and 2023, respectively.

Construction loans. Construction loans are primarily to commercial builders for residential lot development and the construction of single-family residences and commercial real estate properties. Construction loans are generally underwritten pursuant to pre-approved permanent financing. As of December 31, 2024, our construction loan portfolio was divided among the following categories: approximately $216.9 million, or 17.4%, residential construction; approximately $738.7 million, or 59.4%, commercial construction; and approximately $289.0 million, or 23.2%, land acquisition and development.

Residential real estate loans. Residential real estate loans are typically secured by first liens on the financed property. Included in residential real estate loans were home equity loans and lines of credit of $557.0 million, or 25.4%, and $541.8 million, or 24.1%, as of December 31, 2024 and 2023, respectively.

Agricultural real estate loans. Agricultural real estate loans are secured by farmland or ranchland consisting of short, intermediate, and long-term structures to experienced agriculturalists who have demonstrated management capabilities, established production and historical financial performance.

Consumer Loans. Our consumer loans include direct personal loans; credit card loans and lines of credit; and indirect loans created when we purchase consumer loan contracts advanced for the purchase of automobiles, boats, and other consumer goods from the consumer product dealer network within the market areas we serve. Personal loans and indirect dealer loans are generally secured by automobiles, recreational vehicles, boats, and other types of personal property and are made on an installment basis. In January 2025, we announced our plans to no longer originate indirect loans as of February 28, 2025, as further discussed above (see "—Recent Trends and Developments—Indirect Loans"). Credit cards are offered to clients in our market areas. Lines of credit are generally floating rate loans that are unsecured or secured by personal property. Approximately 77.4% and 77.3% of our consumer loans as of December 31, 2024 and 2023, respectively, were indirect consumer loans.

Commercial Loans. We provide a mix of variable and fixed rate commercial loans. The loans are typically made to small and medium-sized manufacturing, wholesale, retail, and service businesses for working capital needs and business expansions. Commercial loans generally include lines of credit, business credit cards, and loans with maturities of five years or less and outstanding balances tend to be cyclical in nature. The loans are generally made with business operations as the primary source of repayment and are typically collateralized by inventory, accounts receivable, equipment, and/or personal guarantees.

Agricultural Loans. Our agricultural loans generally consist of short- and medium-term loans and lines of credit that are primarily used for crops, livestock, equipment, and general operations. Agricultural loans are ordinarily secured by assets such as livestock or equipment and are repaid from the operations of the farm or ranch. Agricultural loans generally have maturities of five years or less, with operating lines for one production season.

The following table presents the contractual maturity distribution and interest rates of our loan portfolio as of December 31, 2024. The amounts provided below do not reflect scheduled repayment or prepayment assumptions related to the loan portfolio. The within one year category includes loans overdrafts and loans with no stated maturity.

Maturities and Interest Rate Sensitivities

	Contractual Maturity Range					Maturing After One Year	
(Dollars in millions)	Within One Year	One Year to Five Years	Five Years to Fifteen Years	After Fifteen Years	Total	Fixed Interest Rate	Floating/Variable Interest Rate
Real estate	$ 1,498.0	$ 4,984.3	$ 4,865.1	$ 2,053.1	$ 13,400.5	$ 7,115.4	$ 4,787.1
Consumer	101.9	420.1	375.9	38.7	936.6	822.3	12.4
Commercial	890.2	1,158.9	693.3	87.0	2,829.4	1,289.4	649.8
Agricultural	514.2	144.5	24.8	4.4	687.9	159.2	14.5
Other	1.6	—	—	—	1.6	—	—
Loans held for investment	$ 3,005.9	$ 6,707.8	$ 5,959.1	$ 2,183.2	$ 17,856.0	$ 9,386.3	$ 5,463.8

Non-Performing Assets

Non-performing assets include non-performing loans and OREO.

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

Non-accrual loans. We generally place loans on non-accrual status when they become 90 days past due, unless they are well secured and in the process of collection, or if the collection of principal and interest is in doubt. When a loan is placed on non-accrual status, any interest previously accrued but not collected is reversed from income. Non-accrual loans increased $31.9 million, to $138.3 million, as of December 31, 2024, from $106.4 million as of December 31, 2023, primarily due to an increase of $17.9 million of real estate loans and $22.0 million of commercial loans, partially offset by a decrease of $9.5 million of agricultural loans. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and when, in the opinion of management, the loans are estimated to be fully collectible as to both principal and interest. As of December 31, 2024 there were approximately $56.9 million of non-accrual loans for which there was no related ACL, as these loans had sufficient collateral securing the loan for repayment.

Loans contractually past due 90 days or more and still accruing interest. Loans past due 90 days or more accruing interest decreased $1.9 million, or 38.8%, to $3.0 million as of December 31, 2024, from $4.9 million as of December 31, 2023.

Other Real Estate Owned (OREO). OREO consists of real property acquired through foreclosure on the collateral underlying defaulted loans. We record OREO at fair value less estimated selling costs. Any excess of loan carrying value over the fair value of the real estate acquired, is recorded as a charge against the ACL. Estimated losses that result from the ongoing periodic valuation of these properties are charged to earnings in the period in which they are identified. The fair values of OREO properties are estimated using appraisals and management estimates of current market conditions. OREO properties are appraised every 18-24 months unless deterioration in local market conditions indicates the need to obtain new appraisals sooner.

OREO properties are evaluated by management quarterly to determine if additional write-downs are appropriate or necessary based on current market conditions. Quarterly evaluations include a review of the most recent appraisal of the property. Commercial and agricultural OREO properties are listed with unrelated third party professional real estate agents or brokers local to the areas where the marketed properties are located. Residential properties are typically listed with local realtors, after any redemption period has expired. We rely on these local real estate agents and/or brokers to list the properties on the local multiple listing system, to provide marketing materials and advertisements for the properties, and to conduct open houses.

OREO decreased to $4.3 million as of December 31, 2024, from $16.5 million as of December 31, 2023, primarily attributable to dispositions. As of December 31, 2024, 1.8% of our OREO balance was related to a 1-4 residential property, 84.2% was related to commercial properties, and 14.0% was related to construction properties.

The following table sets forth information regarding non-performing assets as of the dates indicated:

Non-Performing Assets *(Dollars in millions)*	As of December 31, 2024	2023	2022
Non-performing loans:			
Non-accrual loans	$ 138.3	$ 106.4	$ 59.2
Accruing loans past due 90 days or more	3.0	4.9	6.4
Total non-performing loans	141.3	111.3	65.6
OREO	4.3	16.5	12.7
Total non-performing assets	$ 145.6	$ 127.8	$ 78.3
Non-accrual loans to loans held for investment	0.78 %	0.58 %	0.33 %
Non-performing assets to loans held for investment and OREO	0.82	0.70	0.43
Non-performing assets to total assets	0.50	0.42	0.24
Allowance for credit losses to non-performing loans	144.44	204.58	335.52

For additional information regarding non-performing loans, see “Notes to Consolidated Financial Statements—Loans Held For Investment” included in financial statements included Part IV, Item 15 of this report.

Non-Performing Loans by Loan Type *(Dollars in millions)*	As of December 31, 2024	Percent	2023	Percent	2022	Percent
Real estate:						
Commercial	$ 55.4	39.2 %	$ 28.2	25.3 %	$ 20.7	31.5 %
Construction	3.3	2.3	17.2	15.5	4.3	6.6
Residential	15.8	11.2	11.3	10.2	7.6	11.6
Agricultural	5.3	3.8	5.4	4.8	7.6	11.6
Total real estate	79.8	56.5	62.1	55.8	40.2	61.3
Consumer:						
Indirect	4.6	3.3	3.1	2.8	3.3	5.0
Direct	0.9	0.6	0.3	0.3	0.4	0.6
Credit card	1.0	0.7	0.6	0.5	0.6	0.9
Total consumer	6.5	4.6	4.0	3.6	4.3	6.6
Commercial	34.1	24.1	11.8	10.6	12.3	18.7
Agricultural	20.9	14.8	33.4	30.0	8.8	13.4
Total non-performing loans	$ 141.3	100.0 %	$ 111.3	100.0 %	$ 65.6	100.0 %

Collateral-dependent loans. Collateral-dependent loans rely solely on the operation or sale of the collateral for repayment. In evaluating the overall risk associated with a loan, the Company considers character, overall financial condition and resources, and payment record of the borrower; the prospects for support from any financially responsible guarantors; and the nature and degree of protection provided by the cash flow and value of any underlying collateral. A loan may become collateral-dependent when foreclosure is probable or the borrower is experiencing financial difficulty and its source of repayment becomes inadequate over time. At such time, the Company develops an expectation that repayment will be provided substantially through the operation or sale of the collateral. Collateral-dependent loans increased to $97.6 million as of December 31, 2024, from $52.6 million as of December 31, 2023, primarily due to the movement of an $18.9 million agricultural loan, two commercial loans of $16.8 million, and commercial real estate loans.

Modifications to borrowers experiencing financial difficulty. Modifications of loans are made in the ordinary course of business and are completed on a case-by-case basis through negotiation with the borrower in connection with the ongoing loan collection processes. Loan modifications are made to provide borrowers payment relief. From time to time, we may modify certain loans to borrowers who are experiencing financial difficulty. In some cases, these modifications may result in new loans. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension or a combination thereof, among other things.

For additional information regarding modifications to borrowers experiencing financial difficulty, see “Notes to Consolidated Financial Statements—Loans Held For Investment” included in financial statements included Part IV, Item 15 of this report.

Allowance for Credit Losses

The Company performs a quarterly assessment of the appropriateness of its ACL in accordance with GAAP. The ACL is established through a provision for credit losses based on our evaluation of quantitative and qualitative risk factors in our loan portfolio at each balance sheet date. In determining the ACL, we estimate losses on specific loans, or groups of loans, where the expected loss can be identified and reasonably determined over the life of the loans. The balance of the ACL is based on historical loan loss rates, changes in the nature or tenure of the loan portfolio, overall portfolio quality, industry concentrations, delinquency trends, current environmental and economic factors, and the estimated impact of forecasted economic conditions on historical loan loss rates. See the discussion under “Critical Accounting Estimates and Significant Accounting Policies — Allowance for Credit Losses” above.

The ACL is increased by provisions charged against earnings and net recoveries of charged-off loans and is reduced by negative provisions credited to earnings and net loan charge-offs. The ACL consists of three elements:

(1) A specific valuation allowance associated with collateral-dependent and other individually evaluated loans. Specific valuation allowances are determined based on assessment of the fair value of the collateral underlying the loans as determined through independent appraisals, the present value of future cash flows, observable market prices, and any relevant qualitative or environmental factors impacting loans.

(2) A collective valuation allowance based on loan loss experience and future expectations for similar loans with similar characteristics and trends. The Company applies open pool methodologies for all portfolio segments. The open pool methodology averages quarterly loss rates by modeling segment, calculated as quarter-to-date net charge off balance divided by the end of period balance. Loss rates are recalculated quarterly with recoveries captured in the quarter a loan was charged off, are averaged across a look back period from 2009 to the current period, and are annualized. Macroeconomic-conditioned historical loss rates are applied to loan-level cash flows. Expected future principal and interest cash flows are calculated using contractual repayment terms and prepayment, utilization, interest rate, and probability of default assumptions. Macroeconomic sensitivity models calculate segment-specific multipliers using third party forecast data. The multipliers condition the annual loss rates over the 2-year forecast period, followed by a 1-year straight-line reversion to the unadjusted historical average loss rates. The unadjusted loss rates then apply for the remaining life of the loan. Estimated losses are totaled and aggregated to the segment level.

(3) A qualitative valuation allowance determined based on asset quality trends, industry concentrations, environmental risks, changes in portfolio composition, and other qualitative risk factors, both internal and external to the Company. Other qualitative factors, including changes in loan and lending policies, collateral quality, underwriting standards and personnel, credit review quality, and model imprecision, are also considered.

Based on the assessment of the appropriateness of the ACL, the Company records provisions for credit losses to maintain the ACL at appropriate levels.

Loans acquired in business combinations are initially recorded at fair value as adjusted for credit risk. For loans with no significant evidence of credit deterioration since origination, the difference between the fair value and the unpaid principal balance of the loan at the acquisition date is amortized into interest income using the effective interest method over the remaining period to contractual maturity. An ACL is recorded for the expected credit losses over the life of the loan. Subsequent changes to the ACL are recorded through provision expense using the same methodology as other loans held for investment.

For loans acquired in business combinations with evidence of deterioration in credit quality since origination, the Company determines the fair value of the loans by estimating the amount and timing of principal and interest cash flows initially expected to be collected on the loans and discounting those cash flows at an appropriate market rate of interest. An ACL is recognized by estimating the expected credit losses of the purchased asset and recording an adjustment to the acquisition date fair value to establish the initial amortized cost basis of the asset. Differences between the established amortized cost basis, and the unpaid principal balance of the asset, is considered to be a non-credit discount/premium and is accreted/amortized into interest income using the level yield interest method. Subsequent changes to the ACL are recorded through provision expense using the same methodology as other loans held for investment.

Loans, or portions thereof, are charged-off against the ACL when management believes the collectability of the principal is unlikely, or, with respect to consumer installment loans, according to an established delinquency schedule. Generally, loans are charged-off when (1) there has been no material principal reduction within the previous 90 days and there is no pending sale of collateral or other assets, (2) there is no significant or pending event which will result in principal reduction within the upcoming 90 days, (3) it is clear that we will not be able to collect all or a portion of the loan, or (4) foreclosure or repossession actions are pending. Loan charge-offs do not directly correspond with the receipt of independent appraisals or the use of observable market data if the collateral value is determined to be sufficient to repay the principal balance of the loan.

If a collateral-dependent loan is adequately collateralized, a specific valuation ACL is not recorded. As such, significant changes in collateral-dependent and non-performing loans do not necessarily correspond proportionally with changes in the specific valuation component of the ACL. Additionally, the Company expects the timing of charge-offs will vary between quarters and will not necessarily correspond proportionally to changes in the ACL or changes in non-performing or collateral-dependent loans due to timing differences among the initial identification of a collateral-dependent loan, recording of a specific valuation allowance for collateral-dependent loans, and any resulting charge-off of uncollectible principal.

Our ACL on loans was $204.1 million, or 1.14% of loans held for investment as of December 31, 2024, as compared to $227.7 million, or 1.25% of loans held for investment, as of December 31, 2023. The decrease in the percentage from December 31, 2023 is due to a specific reserve of $26.5 million for a commercial and industrial loan that was removed from the calculation in 2024 when the loan was charged down. This decrease was partially offset by credit deterioration that was captured in the 2024 ACL calculation.

Although we have established our ACL in accordance with GAAP in the United States and we believe that the ACL is appropriate to provide for known and expected losses in the portfolio at all times, future provisions will be subject to on-going evaluations of the risks in the loan portfolio. If the economy declines or asset quality deteriorates, material additional provisions could be required. The following table sets forth information regarding our ACL as of the dates and for the periods indicated.

Allowance for Credit Losses

(Dollars in millions)

As of and for the year ended December 31,	2024	2023	2022
Allowance for credit losses on loans:			
Beginning balance	$ 227.7	$ 220.1	$ 122.3
ACL recorded on PCD loans	—	—	59.5
Provision for (reduction of) operating expense	80.9	31.1	68.4
Charge-offs:			
Real estate			
Commercial	25.4	7.6	11.7
Construction	13.2	10.3	9.2
Residential	1.0	0.6	0.3
Agricultural	—	—	0.2
Consumer	15.4	14.0	10.1
Commercial	59.4	3.4	8.1
Agricultural	0.3	—	5.4
Total charge-offs	114.7	35.9	45.0
Recoveries:			
Real estate			
Commercial	0.8	4.2	3.0
Construction	0.1	0.1	0.5
Residential	0.2	0.1	0.8
Agricultural	0.1	0.3	0.4
Consumer	4.9	4.7	5.0
Commercial	3.8	2.6	2.3
Agricultural	0.3	0.4	2.9
Total recoveries	10.2	12.4	14.9
Net charge-offs	104.5	23.5	30.1
Ending balance	$ 204.1	$ 227.7	$ 220.1
Allowance for off-balance sheet credit losses:			
Beginning balance	$ 18.4	$ 16.2	$ 3.8
(Reduction of) provision for off-balance sheet credit losses	(13.2)	2.2	12.4
Ending balance	$ 5.2	$ 18.4	$ 16.2
Allowance for credit losses on investment securities:			
Beginning balance	$ 0.8	$ 1.9	$ —
Provision for (reduction of) credit losses	0.1	(1.1)	1.9
Ending balance	$ 0.9	$ 0.8	$ 1.9
Total allowance for credit losses	$ 210.2	$ 246.9	$ 238.2
Total provision for credit losses	67.8	32.2	82.7
Loans held for investment, net of deferred fees and costs	17,844.9	18,279.6	18,099.2
Average loans	18,182.0	18,299.6	16,802.2
Net charge-offs to average loans	0.57 %	0.13 %	0.18 %
Allowance to non-accrual loans	147.58	214.00	371.79
Allowance to loans held for investment	1.14	1.25	1.22

The ACL is allocated to loan categories based on the relative risk characteristics, asset classifications, and expected losses of the loan portfolio. The following table provides a summary of the allocation of the ACL for specific loan categories as of the dates indicated. The allocations presented should not be interpreted as an indication that charges to the ACL will be incurred in these amounts or proportions, or that the portion of the ACL allocated to each loan category represents the total amount available for future losses that may occur within these categories.

Allocation of the Allowance for Credit Losses
(Dollars in millions)

As of December 31,	2024		2023		2022	
	Allocated Reserves	% of Loan Category to Loans	Allocated Reserves	% of Loan Category to Loans	Allocated Reserves	% of Loan Category to Loans
Real estate	$ 139.4	75.1 %	$ 160.1	74.6 %	$ 138.7	74.4 %
Consumer	16.8	5.1	13.0	5.3	23.3	5.8
Commercial	38.9	15.9	50.2	15.9	54.9	15.9
Agricultural	9.0	3.9	4.4	4.2	3.2	3.9
Totals	$ 204.1	100.0 %	$ 227.7	100.0 %	$ 220.1	100.0 %

Total Liabilities

Total liabilities decreased $1,610.3 million, or 5.9%, to $25,833.4 million as of December 31, 2024, from $27,443.7 million as of December 31, 2023, primarily due to a decrease of $307.5 million in deposits, $258.8 million decrease in securities sold under repurchase agreements, and $1,035.5 million decrease in other borrowed funds. Significant fluctuations in liability accounts are discussed below.

Deposits

Total deposits decreased $307.5 million, to $23,015.6 million as of December 31, 2024, from $23,323.1 million as of December 31, 2023, with decreases in all types of deposits except for savings and time deposits, $250 and over.

As of December 31, 2024 and 2023, we had certificate of deposits of $12.5 million and $26.6 million, respectively, through IntraFi Network Deposits, or Intrafi. We had no brokered deposits as of December 31, 2024 and 2023.

The following table summarizes our deposits as of the dates indicated:

Deposits
(Dollars in millions)

As of December 31,	2024	Percent	2023	Percent	2022	Percent
Noninterest bearing demand	$ 5,797.6	25.2 %	$ 6,029.6	25.9 %	$ 7,560.0	30.2 %
Interest bearing:						
Demand	6,495.2	28.2	6,507.8	27.9	7,205.9	28.7
Savings	7,832.3	34.0	7,775.8	33.3	8,379.3	33.4
Time, $250k or more	825.0	3.6	811.6	3.5	438.0	1.8
Time, other	2,065.5	9.0	2,198.3	9.4	1,490.4	5.9
Total interest bearing	17,218.0	74.8	17,293.5	74.1	17,513.6	69.8
Total deposits	$ 23,015.6	100.0 %	$ 23,323.1	100.0 %	$ 25,073.6	100.0 %

For additional information concerning client deposits, including the use of repurchase agreements, see "Business—Community Banking—Deposit Products," included in Part I, Item 1 and "Notes to Consolidated Financial Statements—Deposits," included in Part IV, Item 15 of this report.

Securities Sold Under Repurchase Agreements

Under repurchase agreements with commercial and municipal depositors, client deposit balances are invested in U.S. government agency securities overnight and are then repurchased the following day. All outstanding repurchase agreements are due in one day and balances fluctuate in the normal course of business. Repurchase agreement balances decreased $258.8 million, or 33.1%, to $523.9 million as of December 31, 2024, from $782.7 million as of December 31, 2023.

The following table sets forth certain information regarding securities sold under repurchase agreements as of the dates indicated:

Securities Sold Under Repurchase Agreements

(Dollars in millions)

As of and for the year ended December 31,	2024	2023	2022
Securities sold under repurchase agreements:			
Balance at period end	$ 523.9	$ 782.7	$ 1,052.9
Average balance	687.2	940.4	1,114.5
Maximum amount outstanding at any month-end	825.8	1,100.5	1,263.3
Average interest rate:			
During the year	0.97 %	0.68 %	0.22 %
At period end	0.90	1.24	0.36

Other Borrowed Funds

Other borrowed funds is composed of variable-rate, overnight and fixed-rate borrowings with remaining contractual tenors of up to one year through the Federal Home Loan Bank, to address short-term funding needs. Other borrowed funds decreased $1,035.5 million, to $1,567.5 million as of December 31, 2024 compared to $2,603.0 million at December 31, 2023, primarily as a result of the Company's pay-off of wholesale borrowings in December 2024.

Capital Resources and Liquidity

Capital Resources

Stockholders' equity is influenced primarily by earnings, dividends, sales and redemptions of common stock, and changes in the unrealized holding gains or losses, net of taxes, on available-for-sale investment securities. Stockholders' equity increased $76.5 million, or 2.4%, to $3,304.0 million as of December 31, 2024 from $3,227.5 million as of December 31, 2023, due to changes in accumulated other comprehensive loss related to unrealized gains on available-for-sale securities, stock-based compensation expense, and retention of earnings, which are partially offset by stock repurchases of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants, and cash dividends paid. Regular cash dividends paid to common shareholders during 2024 amounted to approximately $195.9 million.

On January 28, 2025, we declared a quarterly dividend to common stockholders of $0.47 per share, which was paid on February 20, 2025 to shareholders of record as of February 10, 2025. The dividend equates to a 5.8% annual yield based on the $32.53 average closing price of the Company's common stock as reported on NASDAQ during the fourth quarter of 2024.

On December 14, 2023, the Company completed the repurchase of one million shares of its common stock from the estate of a stockholder at a price of $32.14 per share, or the closing price per share of the common stock as reported on the Nasdaq Stock Market on December 14, 2023, representing an aggregate purchase price of $32.1 million. As of December 31, 2024, the Company did not have a repurchase program in effect. For additional information regarding the repurchases, see "Notes to Consolidated Financial Statements—Capital Stock and Dividend Restrictions" included in Part IV, Item 15 of this report.

During 2024, the Company granted 43,514 restricted stock units of its common stock to directors for their annual service on the Company's Board. The aggregate value of the units issued to directors of $1.2 million is amortized into stock-based compensation expense in the accompanying consolidated statements of changes in stockholders' equity over a one-year service-based period.

As a bank holding company, the Company must comply with the capital requirements established by the Federal Reserve, and our subsidiary Bank must comply with the capital requirements established by the FDIC. The current risk-based guidelines applicable to us and our Bank are based on the Basel III framework, as implemented by the federal bank regulators. As of December 31, 2024 and 2023, the Company had capital levels that, in all cases, exceeded the guidelines to be deemed "well-capitalized."

For additional information regarding our capital levels, see "Notes to Consolidated Financial Statements—Regulatory Capital," included in Part IV, Item 15 of this report.

Liquidity

Liquidity measures our ability to meet current and future cash flow needs on a timely basis and at a reasonable cost. We manage our liquidity position to meet the daily cash flow needs of clients, while maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives of our shareholders. Our liquidity position is supported by management of liquid assets and liabilities and access to alternative sources of funds. Liquid assets include cash, interest bearing deposits in banks, federal funds sold, available-for-sale investment securities, and maturing or prepaying balances in our held-to-maturity investment and loan portfolios. Liquid liabilities include core deposits, federal funds purchased, securities sold under repurchase agreements, and borrowings. Other sources of liquidity include the sale of loans, the ability to acquire additional national market funds through non-core deposits, the issuance of additional collateralized borrowings such as FHLB advances, the issuance of debt securities, additional borrowings through the Federal Reserve's discount window, and the issuance of preferred or common securities.

The primary effect of inflation on our operations is reflected in increased operating costs. In our management's opinion, changes in interest rates affect the financial condition of a financial institution to a far greater degree than changes in the inflation rate. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond our control, including changes in the expected rate of inflation, the influence of general and local economic conditions, and the monetary and fiscal policies of the United States government, its agencies, and various other governmental regulatory authorities.

In the ordinary course of business, we have entered into contractual obligations and have made other commitments to make future payments. Our short-term and long-term liquidity requirements are primarily to fund on-going operations, including payment of interest on deposits and debt, extensions of credit to borrowers, capital expenditures, and shareholder dividends. These liquidity requirements are met primarily through cash flow from operations, redeployment of prepaying and maturing balances in our loan and investment portfolios, debt financing, and increases in client deposits. For additional information regarding our operating, investing and financing cash flows, see "Consolidated Financial Statements—Consolidated Statements of Cash Flows," included in Part IV, Item 15 of this report.

The Company had deposits without a stated maturity of $20,125.1 million and time deposits of $2,658.5 million, due in one year or less in addition to time deposits due in more than one year of $232.0 million as of December 31, 2024. For additional details in regard to the Company's deposits see "Notes to Consolidated Financial Statements—Deposits" included in Part IV, Item 15 of this report.

As of December 31, 2024, the Company had securities sold under repurchase agreements of $523.9 million due in one year or less as the agreements with our client counterparties mature on the next banking day.

As of December 31, 2024, the Company had $1,567.5 million of FHLB borrowings due in less than one year, $99.1 million of fixed-to-floating rate subordinated notes (the "Notes") due in more than one year, and available borrowing capacity of $4,371.4 million with the FHLB. The Company has unused federal fund lines of credit with third parties amounting to $235.0 million, subject to funds availability. These lines are subject to cancellation without notice. The Company also has an unused line of credit with the FRB for borrowings up to $1,813.6 million secured by government and agency backed securities and a blanket pledge of agricultural and commercial loans and has an unused $50.0 million revolving line of credit with another third party. For additional information concerning long-term debt, see "Notes to Consolidated Financial Statements—Long Term Debt and Other Borrowed Funds" included in Part IV, Item 15 of this report.

The Company may elect to redeem the Notes, in whole or in part, on any early redemption date which is any interest payment date on or after May 15, 2025 at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest. Any early redemption of the Notes will be subject to regulatory approval. From and including the date of issuance to, but excluding, May 15, 2025, or earlier redemption date, the Notes bear interest at an initial fixed rate of 5.25% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. From and including May 15, 2025 to, but excluding, May 15, 2025, or earlier redemption date, the Notes will bear interest at a floating rate per annum equal to a benchmark rate, which is expected to be Three-Month Term Secured Overnight Financing Rate ("SOFR") (as defined in the First Supplemental Indenture Agreement), plus 518.0 basis points, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2025. For more information regarding the Notes, see "Notes to Consolidated Financial Statements—Long Term Debt and Other Borrowed Funds" included in Part IV, Item 15 of this report.

The Company guarantees the distribution and payment for redemption or liquidation of capital trust preferred securities issued by our wholly owned subsidiary business trusts to the extent of funds held by the trusts. Although the guarantees are not separately recorded, the obligations underlying the guarantees are fully reflected on our consolidated balance sheets as subordinated debentures held by subsidiary trusts. The subordinated debentures currently qualify as tier 2 capital under the Federal Reserve capital adequacy guidelines. As of December 31, 2024, the Company had subordinated debentures held by subsidiary trusts of $163.1 million due in more than one year. For additional information concerning the subordinated debentures, see “Notes to Consolidated Financial Statements—Subordinated Debentures Held by Subsidiary Trusts” included in Part IV, Item 15 of this report.

The Company has future minimum rental commitments, exclusive of maintenance and operating costs, required under operating leases that have initial or remaining noncancelable lease terms in excess of one year at December 31, 2024 with $11.5 million due in one year or less and $34.2 million due in more than one year. For additional information concerning leases, see “Notes to Consolidated Financial Statements—Commitments and Contingencies” included in Part IV, Item 15 of this report.

The Company is a limited partner in several tax-advantaged limited partnerships that have been formed for the purpose of investing in approved qualified affordable housing, renewable energy, or other renovation or community revitalization projects. As of December 31, 2024, the Company expects to recover its investments through the use of tax credits generated by the investments. The Company's unfunded capital commitments to these investments were $25.2 million and $32.3 million as of December 31, 2024 and 2023, respectively, reported within accounts payable and accrued expenses on the consolidated balance sheets.

The Company has entered into various arrangements not reflected on the consolidated balance sheet that have or are reasonably likely to have a current or future effect on our financial condition, results of operations, or liquidity. As of December 31, 2024, the Company had unused credit card lines of $884.1 million, commitments to extend credit of $3,076.5 million and standby letters of credit of $73.5 million. Included in the $3,076.5 million in credit commitments outstanding, $632.3 million are related to home equity and home equity lines of credit, $1,505.5 million are related to traditional working capital commercial lines, and $420.9 million are unfunded commitments for current or future construction projects. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. For additional information regarding our off-balance sheet arrangements, see “Notes to Consolidated Financial Statements—Financial Instruments with Off-Balance Sheet Risk” included in Part IV, Item 15 of this report.

As a bank holding company, we are a corporation separate and apart from our subsidiary Bank and, therefore, we provide for our own liquidity. Our primary sources of funding include management fees and dividends declared and paid by the Bank and access to capital markets. There are statutory, regulatory, and debt covenant limitations that affect the ability of our Bank to pay dividends to us. Management believes that such limitations will not impact our ability to meet our ongoing short-term cash obligations. For additional information regarding dividend restrictions, see “Financial Condition—Capital Resources and Liquidity” above, “Business—Government Regulation and Supervision—Dividends and Restrictions on Transfers of Funds” included in Part I, Item 1 of this report, and “Risk Factors—Liquidity Risks and Regulatory and Compliance Risks” included in Part I, Item 1A of this report.

Company management continuously monitors our liquidity position and adjustments are made to the balance between sources and uses of funds as deemed appropriate. Our management is not aware of any events that are reasonably likely to have a material adverse effect on our liquidity, capital resources, or operations. In addition, our management is not aware of any regulatory recommendations regarding liquidity, which if implemented, would have a material adverse effect on us.

	December 31, 2024			December 31, 2023			
(Dollars in billions)	FHLB	FRB	Total	FHLB	FRB	BTFP	Total
Total borrowing capacity	$ 5.9	$ 1.8	$ 7.7	$ 6.2	$ 0.7	$ 2.4	$ 9.3
Borrowings outstanding	1.5	—	1.5	2.6	—	—	2.6
Remaining Capacity, at period end	$ 4.4	$ 1.8	$ 6.2	$ 3.6	$ 0.7	$ 2.4	$ 6.7
Cash and due from banks			0.4				0.4
Interest-bearing deposits			0.5				0.2
Total available liquidity			$ 7.1				$ 7.3

Through the Bank’s relationship with the FHLB, the Bank owns $81.3 million of FHLB stock and has access to additional liquidity and funding sources through FHLB advances. The Bank’s borrowing capacity is dependent upon the amount of collateral the Bank places at the FHLB.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure is interest rate risk. Our business and the composition of our balance sheet consists of investments in interest earning assets (principally loans and investment securities) which are primarily funded by interest bearing liabilities (deposits and indebtedness). Such financial instruments have varying levels of sensitivity to changes in market interest rates such as the level of interest rates, changes in interest rates, the speed of changes in interest rates, and changes in the volume and composition of interest earning assets and interest-bearing liabilities. Interest rate risk results when, due to different maturity dates and repricing intervals, interest rate indices for interest earning assets fluctuate adversely relative to interest bearing liabilities, thereby creating a risk of decreased net earnings and cash flow.

Although we characterize some of our interest-sensitive assets as securities available-for-sale, such securities are not purchased with the intent to sell in the near term. Rather, such securities may be sold in response to or in anticipation of changes in interest rates and resulting prepayment risk. We do not have any trading instruments nor do we classify any portion of the investment portfolio as trading. See “Notes to Consolidated Financial Statements—Summary of Significant Accounting Policies” included in Part IV, Item 15 of this report.

Asset Liability Management

The goal of asset liability management is the prudent control of market risk, liquidity, and capital. Asset liability management is governed by policies, goals, and objectives adopted and reviewed by the Bank’s Board. Development of asset liability management strategies and monitoring of interest rate risk are the responsibility of the Asset Liability Committee, or ALCO, which is composed of members of senior management.

Interest Rate Risk

Interest rate risk is the risk of loss of future earnings or long-term value due to changes in interest rates. Our primary source of earnings is net interest income, which is affected by the level of interest rates, changes in interest rates, the speed of changes in interest rates, the relationship between rates on interest-bearing assets and liabilities, the impact of interest rate fluctuations on asset prepayments, and the mix of interest-bearing assets and liabilities.

The ability to optimize net interest income is largely dependent upon the achievement of an interest rate spread that can be managed during periods of fluctuating interest rates. Interest sensitivity is a measure of the extent to which net interest income will be affected by market interest rates over a period of time.

Net Interest Income Sensitivity

We believe net interest income sensitivity provides the best perspective of how day-to-day decisions affect our interest rate risk profile. We monitor net interest income sensitivity by utilizing an income simulation model to subject 12- and 24- month net interest income to various rate movements. Simulations modeled quarterly include scenarios where market rates change instantaneously up or down in a parallel or non-parallel manner. Estimates produced by our income simulation model are based on numerous assumptions including, but not limited to: (1) the timing of changes in interest rates, (2) shifts or rotations in the yield curve, (3) repricing characteristics for market rate sensitive instruments, (4) differing sensitivities of financial instruments due to differing underlying rate indices, (5) varying loan prepayment speeds for different interest rate scenarios, (6) the effect of interest rate limitations in our assets, such as caps and floors, and (7) overall growth and repayment rates and product mix of assets and liabilities. Because of limitations inherent in any approach used to measure interest rate risk, simulation results are not intended as a forecast of the actual effect of a change in market interest rates on our results, but rather to provide insight into our current interest rate exposure and execute appropriate asset/liability management strategies accordingly.

The following table presents the net interest income simulation model’s projected change in net interest income over a one-year horizon due to a change in interest rates. The net interest income simulation assumes parallel shifts in the yield curve and a static balance sheet. The net interest income simulation also uses a deposit beta modeling assumption which is an estimate of the change in interest-bearing deposit pricing for a given change in market interest rates. The deposit beta assumption is derived from empirical analysis and may vary over time depending on the composition of deposit balances. Based on the December 31, 2024 deposit balance composition, the deposit beta assumption is 31% for up- and down- rate scenarios. Actual changes to deposit pricing may vary significantly from this assumption due to management actions, customer behavior, and market forces, which may have significant impacts to our net interest income. The net interest income simulations at December 31, 2024 project that interest-bearing liabilities reprice faster than our interest earning assets.

Change in Interest Rate (basis points)	Percent Change in Net Interest Income December 31, 2024
+200	(4.24)%
+100	(2.04)%
-100	1.65%
-200	3.05%

The preceding interest rate sensitivity analysis does not represent a forecast and should not be relied upon as being indicative of expected operating results.

As part of the Company's overall asset and liability management strategy, the Company previously entered into two interest rate collars related to variable-rate loans that were designated as cash flow hedges with a total notional amount of $300.0 million and entered into four swaps, two of which were related to variable-rate loans and two that were related to variable-rate securities that were designated as cash flow hedges with a total notional amount of $850.0 million. The collars designated as cash flow hedges synthetically fix the interest income received by the Company when the interest index falls below a floor rate on a rate reset and when the interest index exceeds the cap rate on a rate reset. Each of the swaps designated as cash flow hedges synthetically fixes the interest income received by the Company.

During 2024, the Company voluntarily terminated three swaps, two of which were related to variable-rate loans and one related to variable-rate securities that were designated as cash flow hedges with a total notional amount of $550.0 million. The termination of the cash flow hedges resulted in a net loss of $0.2 million being captured in accumulated other comprehensive income, net of tax, and reclassified to interest income over the period the forecasted transactions affect earnings. The active two interest rate collars and one remaining swap designated as cash flow hedges were effective with a total notional amount of $600.0 million.

Recent Accounting Pronouncements

The expected impact of accounting standards recently issued but not yet adopted are discussed in "Notes to Consolidated Financial Statements—Authoritative Accounting Guidance" included in Part IV, Item 15 of this report.

Item 8. Financial Statements and Supplementary Data

The following consolidated financial statements of First Interstate BancSystem, Inc. and subsidiaries are contained in Part IV, Item 15 of this report and are incorporated herein by reference.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm for the year ended December 31, 2024 (PCAOB ID: 42)
Report of RSM US LLP, Independent Registered Public Accounting Firm for the years ended December 31, 2023 and 2022 (PCAOB ID: 49)
Consolidated Balance Sheets — December 31, 2024 and 2023
Consolidated Statements of Income — Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Comprehensive Income — Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Stockholders' Equity — Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Cash Flows — Years Ended December 31, 2024, 2023, and 2022
Notes to Consolidated Financial Statements

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, under the supervision and with the participation of the Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer), evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2024. The term "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2024, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods required by the SEC’s rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting for the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that: pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with proper authorizations; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

All internal control over financial reporting processes and systems, no matter how well designed, have inherent limitations. Therefore, even processes and systems deemed to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2024, based on the criteria and guidelines established in the *Internal Control--Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such assessment, management determined that the Company’s internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young LLP’s report on our internal control over financial reporting as of December 31, 2024 is presented below this management report in Item 9A of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of First Interstate BancSystem, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited First Interstate BancSystem, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, First Interstate BancSystem, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2024 , the related consolidated statements of income, comprehensive income (loss), changes in stockholders' equity and cash flows for the year ended December 31, 2024, and the related notes, and our report dated February 28, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Salt Lake City, Utah
February 28, 2025

Item 9B. Other Information

Effective February 26, 2025, pursuant to the 2023 Equity and Incentive Plan, the Company adopted a form of Performance Restricted Stock Unit Grant Agreement (Core Return on Average Tangible Common Equity) to be used as the template for awards of performance restricted stock units, that may be granted to eligible participants under the 2023 Equity and Incentive Plan, unless otherwise determined by the Compensation Committee of the Board.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended December 31, 2024, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Information concerning directors, executive officers, and corporate governance is set forth under the headings "Election of Directors," "Human Capital Management," "Securities Trading Policy," and "Corporate Governance" in our Proxy Statement relating to our 2025 annual meeting of shareholders and is incorporated herein by reference.

Information concerning our compliance with section 16(a) of the Securities Exchange Act of 1934 is set forth under the heading "Delinquent Section 16(a) Reports" in our Proxy Statement relating to our 2025 annual meeting of shareholders and is herein incorporated herein by reference.

Item 11. Executive Compensation

Information concerning executive compensation is set forth under the headings "Compensation Discussion and Analysis," "Compensation of Named Executive Officers," "Director Compensation," and "Corporate Governance" in our Proxy Statement relating to our 2025 annual meeting of shareholders and is herein incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information concerning security ownership of certain beneficial owners and management as well as related stockholder matters is set forth under the heading "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plans" in our Proxy Statement relating to our 2025 annual meeting of shareholders and is herein incorporated herein by reference.

The following table provides information, as of December 31, 2024, regarding our equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans(1)
Equity compensation plans approved by shareholders(2)	—	$—	2,553,800
Equity compensation plans not approved by shareholders	NA	NA	NA
Total	—	$—	2,553,800

(1) Excludes number of securities to be issued upon exercise of outstanding options, warrants and rights.

(2) Includes only remaining shares available for future issuance under the 2023 Equity and Incentive Plan. As of May 24, 2023, no additional awards can be issued under the 2015 Equity and Incentive Plan.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information concerning relationships and related party transactions of certain of our executive officers, directors, and greater than 5% shareholders as well as the independence of our directors is set forth under the headings "Certain Relationships and Related Party Transactions" and "Corporate Governance" in our Proxy Statement relating to our 2025 annual meeting of shareholders and is herein incorporated herein by reference. In addition, see "Notes to Consolidated Financial Statements—Related Party Transactions" included in Part IV, Item 15.

Item 14. Principal Accountant Fees and Services

Information concerning principal accountant fees and services and related information is set forth under the headings “Principal Accounting Fees and Services” and “Audit Committee Pre-Approval Policies and Procedures” in our Proxy Statement relating to our 2025 annual meeting of shareholders and is herein incorporated by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Our audited consolidated financial statements follow. The list of all financial statements filed as part of this filing is included above under Part II, Item 8. Financial Statements and Supplementary Data, on page 60, and incorporated herein by reference. Such audited consolidated financial statements follow:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of First Interstate BancSystem, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of First Interstate BancSystem Inc. and subsidiaries (the Company) as of December 31, 2024, the related consolidated statements of income, comprehensive income (loss), changes in stockholders' equity and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 28, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses (ACL)

Description of the Matter	At December 31, 2024, the Company's loans held for investment portfolio was $17,844.9 million with an associated ACL of $204.1 million. The provision for credit losses was $67.8 million for the year ended December 31, 2024. As discussed in Notes 1 and 5 to the consolidated financial statements, the ACL is an estimate and consists of three elements: a specific valuation allowance associated with collateral-dependent and other individually evaluated loans; a collective valuation allowance for loans with similar characteristics and trends; and a qualitative valuation allowance to adjust historical loss information based on an evaluation of qualitative factors. The collective valuation allowance is calculated based on the expected future principal and interest cash flows over the remaining life of a loan, adjusted for prepayment and annual loss rate assumptions. Management's calculation includes segment-specific multipliers that adjust the annual loss rates to the level expected under economic conditions over a two-year forecast period, followed by a one-year, straight-line reversion to the unadjusted, historical average loss rates.

	The qualitative valuation allowance represents adjustments to historical loss information and segment-specific multipliers based on asset quality trends, industry concentrations, environmental risks, changes in portfolio composition, and other qualitative risk factors. Other qualitative factors, including changes in loan and lending policies, collateral quality, underwriting standards and personnel, credit review quality, and model imprecision, are also considered. Judgment was required by management to determine the changes in portfolio composition and model imprecision adjustments, which are both part of the qualitative factors management considers.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls over the ACL process, which include, among others, management's review and approval controls designed to assess the need for and level of the qualitative adjustments for changes in portfolio composition and model imprecision, which are part of the qualitative factors, and the controls related to the reliability of the data utilized to support management's assessment. To test the qualitative factors for changes in portfolio composition and model imprecision, we evaluated the appropriateness of management's methodology and assessed the reasonableness of the adjustments and whether all relevant risks were reflected in the ACL. Additionally, with respect to the model imprecision adjustment, with the support of specialists, we evaluated the model methodology and factors that could impact the accuracy of the model results. Regarding the measurement of the qualitative factors for changes in portfolio composition and model imprecision, we evaluated the completeness, accuracy and relevance of the underlying internal and external data utilized in management's estimate and considered the existence of additional or contrary information. We also evaluated the mathematical accuracy of the calculation of qualitative factors. We evaluated the overall ACL, inclusive of the qualitative factors, and whether the amount appropriately reflects a reasonable estimate of expected credit losses by comparing the overall ACL to historical losses and ACL reserves established by peer banking institutions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2024.

Salt Lake City, Utah
February 28, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of First Interstate BancSystem, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of First Interstate BancSystem, Inc. and its subsidiaries (the Company) as of December 31, 2023, the related consolidated statements of income, comprehensive income, stockholders’ equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company’s auditor from 2004 to 2024.

Des Moines, Iowa
February 29, 2024

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

December 31,	2024	2023
Assets		
Cash and due from banks	$ 378.0	$ 378.2
Interest bearing deposits in banks	518.5	199.7
Federal funds sold	0.1	0.1
Total cash and cash equivalents	896.6	578.0
Investment securities:		
Available-for-sale, at fair value	5,057.1	5,841.5
Held-to-maturity (estimated fair values of $2,358.6 and $2,874.0 at December 31, 2024 and 2023, respectively)	2,687.5	3,207.9
Total investment securities	7,744.6	9,049.4
FHLB and FRB stock, at cost	177.4	223.2
Loans held for sale ($0.9 and $0.5 of which is recorded at fair value at December 31, 2024 and December 31, 2023, respectively)	0.9	47.4
Loans held for investment, net of deferred fees and costs	17,844.9	18,279.6
Allowance for credit losses	(204.1)	(227.7)
Net loans held for investment	17,640.8	18,051.9
Goodwill	1,100.9	1,100.9
Company-owned life insurance	513.0	502.4
Premises and equipment, net of accumulated depreciation	427.2	444.3
Other intangibles, net of accumulated amortization	66.8	81.4
Accrued interest receivable	116.8	129.1
Mortgage servicing rights, net of accumulated amortization	25.7	28.3
Other real estate owned	4.3	16.5
Deferred tax asset, net	118.4	150.0
Other assets	304.0	268.4
Total assets	$ 29,137.4	$ 30,671.2
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing	$ 5,797.6	$ 6,029.6
Interest bearing	17,218.0	17,293.5
Total deposits	23,015.6	23,323.1
Securities sold under repurchase agreements	523.9	782.7
Accounts payable and accrued expenses	378.9	380.4
Accrued interest payable	47.0	52.2
Other borrowed funds	1,567.5	2,603.0
Long-term debt	132.2	120.8
Allowance for credit losses on off-balance sheet credit exposures	5.2	18.4
Subordinated debentures held by subsidiary trusts	163.1	163.1
Total liabilities	25,833.4	27,443.7
Stockholders' equity:		
Preferred stock, $0.00001 par value; 100,000 shares authorized at December 31, 2024 and 2023; zero issued and outstanding, respectively	—	—
Common stock and additional paid-in-capital, $0.00001 par value; 150,000,000 shares authorized at December 31, 2024 and 2023; 104,585,964 and 103,941,626 shares issued and outstanding, respectively	2,459.5	2,448.9
Retained earnings	1,166.4	1,135.1
Accumulated other comprehensive loss, net	(321.9)	(356.5)
Total stockholders' equity	3,304.0	3,227.5
Total liabilities and stockholders' equity	$ 29,137.4	$ 30,671.2

See accompanying notes to consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

Year Ended December 31,	2024	2023	2022
Interest income:			
Interest and fees on loans	$ 1,022.2	$ 979.7	$ 790.2
Interest and dividends on investment securities:			
Taxable	243.5	269.1	213.9
Exempt from federal taxes	2.8	3.2	3.9
Interest and dividends on FHLB and FRB stock	11.8	12.4	4.8
Interest on deposits in banks	22.2	15.7	8.7
Total interest income	1,302.5	1,280.1	1,021.5
Interest expense:			
Interest on deposits	325.9	242.6	48.3
Interest on securities sold under repurchase agreements	6.7	6.4	2.5
Interest on other borrowed funds	123.4	133.8	15.3
Interest on long-term debt	11.8	5.8	6.0
Interest on subordinated debentures held by subsidiary trusts	13.1	12.7	6.8
Total interest expense	480.9	401.3	78.9
Net interest income	821.6	878.8	942.6
Provision for credit losses	67.8	32.2	82.7
Net interest income after provision for credit losses	753.8	846.6	859.9
Noninterest income:			
Payment services revenues	73.6	76.4	74.1
Mortgage banking revenues	6.6	8.4	18.7
Wealth management revenues	38.8	35.3	34.3
Service charges on deposit accounts	25.7	23.0	24.6
Other service charges, commissions, and fees	9.0	9.5	15.5
Investment securities losses, net	—	(23.5)	(24.4)
Other income	24.4	17.9	20.4
Total noninterest income	178.1	147.0	163.2
Noninterest expense:			
Salaries and wages	270.9	263.1	282.1
Employee benefits	76.4	75.3	77.5
Outsourced technology services	56.2	59.0	54.3
Occupancy, net	48.7	48.0	44.0
Furniture and equipment	20.7	22.1	23.4
OREO expense, net	4.1	1.5	2.3
Professional fees	21.6	19.1	19.1
FDIC insurance premiums	24.0	31.5	14.0
Other intangibles amortization	14.6	15.7	15.9
Other expenses	100.2	121.5	114.5
Acquisition related expenses	—	—	118.9
Total noninterest expense	637.4	656.8	766.0
Income before income tax	294.5	336.8	257.1
Provision for income tax	68.5	79.3	54.9
Net income	$ 226.0	$ 257.5	$ 202.2
Earnings per common share (Basic)	$ 2.19	$ 2.48	$ 1.96
Earnings per common share (Diluted)	2.19	2.48	1.96

See accompanying notes to consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

Year ended December 31,	2024	2023	2022
Net income	$ 226.0	$ 257.5	$ 202.2
Other comprehensive income (loss), before tax:			
Investment securities available for sale:			
Change in net unrealized gains (losses) during the period	48.6	144.8	(613.1)
Reclassification adjustment for net losses included in income	—	23.5	24.4
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	—	(7.2)	0.2
Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.5)	(1.3)	(26.1)
Cash flow hedges:			
Change in unrealized losses on derivatives	(15.0)	(6.5)	(6.8)
Reclassification adjustment for derivatives net losses included in income	12.8	7.4	0.1
Other comprehensive income (loss), before tax	45.9	160.7	(621.3)
Deferred tax (expense) benefit related to other comprehensive (loss) income	(11.3)	(40.1)	155.2
Other comprehensive income (loss), net of tax	34.6	120.6	(466.1)
Comprehensive income (loss), net of tax	$ 260.6	$ 378.1	$ (263.9)

See accompanying notes to consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share data)

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2021	$ 945.0	$ 1,052.6	$ (11.0)	$ 1,986.6
Net income	—	202.2	—	202.2
Other comprehensive loss, net of tax expense	—	—	(466.1)	(466.1)
Common stock transactions:				
5,040,896 common shares purchased and retired	(199.0)	—	—	(199.0)
46,913,370 common shares issued	1,722.5	—	—	1,722.5
458,177 non-vested common shares issued	—	—	—	—
106,891 non-vested common shares forfeited or canceled	—	—	—	—
17,807 stock options exercised, net of 4,877 shares tendered in payment of option price and income tax withholding amounts	0.1	—	—	0.1
Stock-based compensation expense	9.6	—	—	9.6
Common cash dividends declared ($1.70 per share)	—	(182.1)	—	(182.1)
Balance at December 31, 2022	$ 2,478.2	$ 1,072.7	$ (477.1)	$ 3,073.8
Net income	—	257.5	—	257.5
Other comprehensive income, net of tax expense	—	—	120.6	120.6
Common stock transactions:				
1,056,191 common shares purchased and retired	(34.0)	—	—	(34.0)
683,574 non-vested common shares issued	—	—	—	—
127,780 non-vested common shares forfeited or canceled	—	—	—	—
Stock-based compensation expense	4.7	—	—	4.7
Common cash dividends declared ($1.88 per share)	—	(195.1)	—	(195.1)
Balance at December 31, 2023	$ 2,448.9	$ 1,135.1	$ (356.5)	$ 3,227.5
Cumulative change related to the adoption of ASU 2023-02	—	1.2	—	1.2
Adjusted balance at January 1, 2024	2,448.9	1,136.3	(356.5)	3,228.7
Net income	—	226.0	—	226.0
Other comprehensive income, net of tax expense	—	—	34.6	34.6
Common stock transactions:				
49,568 common shares purchased and retired	(1.2)	—	—	(1.2)
807,913 non-vested common shares issued	—	—	—	—
114,007 non-vested common shares forfeited or canceled	—	—	—	—
Stock-based compensation expense	11.8	—	—	11.8
Common cash dividends declared ($1.88 per share)	—	(195.9)	—	(195.9)
Balance at December 31, 2024	$ 2,459.5	$ 1,166.4	$ (321.9)	$ 3,304.0

See accompanying notes to consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

Year Ended December 31,	2024	2023	2022
Cash flows from operating activities:			
Net income	$ 226.0	$ 257.5	$ 202.2
Adjustments to reconcile net income from operations to net cash provided by operating activities:			
Provision for credit losses	67.8	32.2	82.7
Net gain (loss) on disposal of premises and equipment	(2.9)	0.7	(2.0)
Depreciation and amortization	57.0	53.8	55.5
Net premium amortization on investment securities	1.1	2.4	17.0
Net loss on investment securities transactions	—	23.5	24.4
Realized and unrealized net gains on mortgage banking activities	(1.8)	(2.8)	(9.4)
Net gains and write-downs of OREO and other assets pending disposal	3.9	1.0	2.1
Net gain on extinguishment of debt	—	—	(1.4)
Mortgage servicing rights recovery	—	—	(3.4)
Deferred taxes	21.3	20.4	(4.7)
Net increase in cash surrender value of company-owned life insurance	(14.7)	(9.7)	(11.1)
Stock-based compensation expense	11.8	4.7	9.6
Originations of mortgage loans held for sale	(149.6)	(351.5)	(429.5)
Proceeds from sales of mortgage loans held for sale	150.3	359.5	461.6
Changes in operating assets and liabilities:			
Decrease (increase) in accrued interest receivable	12.3	(10.8)	(37.8)
(Increase) decrease in other assets	(23.2)	80.5	(12.9)
(Decrease) increase in accrued interest payable	(5.2)	37.7	8.4
Increase (decrease) in accounts payable and accrued expenses	0.9	(71.1)	183.1
Net cash provided by operating activities	355.0	428.0	534.4
Cash flows from investing activities:			
Purchases of investment securities	(102.2)	(134.7)	(4,167.9)
Proceeds from sales, maturities, and pay-downs of investment securities:			
Held-to-maturity	524.7	227.3	370.5
Available-for-sale	924.2	1,390.7	1,926.5
Purchases and sales of FHLB and FRB stock	45.8	(24.6)	(129.2)
Proceeds from company-owned life insurance settlements	4.1	5.2	1.3
Net change in loans held for investment	372.3	(185.8)	(951.4)
Proceeds from sale of OREO	12.9	3.5	3.4
Proceeds from the sale of Health Savings Accounts	—	—	1.4
Acquisition of bank and bank holding company, net of cash and cash equivalents received	—	—	2,006.9
Capital expenditures, net of sales	(23.0)	(28.2)	(10.5)
Net cash provided by (used in) investing activities	$ 1,758.8	$ 1,253.4	$ (949.0)
Cash flows from financing activities:			
Net decrease in deposits	$ (307.5)	$ (1,750.5)	$ (2,884.0)
Net (decrease) increase in securities sold under repurchase agreements	(258.8)	(270.2)	28.9
Net (decrease) increase in other borrowed funds	(1,285.5)	276.0	2,327.0
Repayments of long-term debt	(0.2)	(0.1)	(164.1)
Advances on long-term debt	253.9	—	14.3
Payment of stock issuance costs	—	—	(0.8)
Proceeds from issuance of common stock	—	—	0.1
Purchase and retirement of common stock	(1.2)	(34.0)	(199.0)
Dividends paid to common stockholders	(195.9)	(195.1)	(182.1)
Net cash used in financing activities	(1,795.2)	(1,973.9)	(1,059.7)

Net increase (decrease) in cash and cash equivalents		318.6		(292.5)		(1,474.3)
Cash and cash equivalents at beginning of period		578.0		870.5		2,344.8
Cash and cash equivalents at end of period	$	896.6	$	578.0	$	870.5
Supplemental disclosures of cash flow information:						
Cash paid during the period for income taxes	$	34.3	$	51.2	$	57.8
Cash paid during the period for interest expense		475.7		363.6		32.0
Supplemental disclosures of noncash investing and financing activities:						
Transfer of available-for-sale to held-to-maturity securities	$	—	$	—	$	463.6
Transfer of held-to-maturity to available-for-sale securities		—		23.0		10.9
Right-of-use assets obtained in exchange for operating lease liabilities		1.6		6.4		22.9
Transfer of loans to other real estate owned		4.6		8.3		0.4
Transfer of held-for-sale loans to held for investment		—		29.6		19.8
Transfer of held for investment loans to held-for-sale		—		30.4		12.4
Shares issued for acquisition		—		—		1,723.3
Supplemental schedule of noncash investing activities from acquisitions:						
Investment securities		—		—		2,699.0
Securities purchased under agreement to resell		—		—		101.1
Loans held for sale		—		—		217.0
Loans held for investment, net		—		—		7,645.5
Premises and equipment		—		—		144.7
Goodwill		—		—		479.3
Other intangibles		—		—		72.9
Mortgage servicing rights		—		—		1.3
Company-owned life insurance		—		—		186.6
Deferred tax assets		—		—		60.2
Other real estate owned		—		—		15.8
Other assets		—		—		200.8
Total noncash assets acquired		—		—		11,824.2
Deposits		—		—		11,688.0
Securities sold under repurchase agreements		—		—		74.0
Accounts payable and accrued expenses		—		—		110.4
Long-term debt		—		—		159.3
Subordinated debentures held by subsidiary trusts		—		—		76.1
Total liabilities assumed	$	—	$	—	$	12,107.8

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business. First Interstate BancSystem, Inc. (the “Parent Company” and collectively with its subsidiaries, the “Company”) is a financial and bank holding company that, through the branch offices of its bank subsidiary, provides a comprehensive range of banking products and services to individuals, businesses, municipalities, and other entities throughout Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. In addition to its primary emphasis on commercial and consumer banking services, the Company also offers trust, employee benefit, investment, and insurance services through its bank subsidiary. The Company is subject to competition from other financial institutions and nonbank financial companies, and is also subject to the regulations of various government agencies and undergoes periodic examinations by those regulatory authorities.

Basis of Presentation. The Company’s consolidated financial statements include the accounts of the Parent Company and its operating subsidiaries. As of December 31, 2024, the Company had one significant subsidiary, First Interstate Bank (“FIB”). Intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications, none of which were material, have been made in the consolidated financial statements for 2023 and 2022 to conform to the 2024 presentation. These reclassifications did not change previously reported net income, financial condition, cash flows, or stockholders’ equity.

Business Combinations. The Company accounts for all business combinations using the acquisition method of accounting. Under this method of accounting, acquired assets and assumed liabilities are included with the acquirer's accounts as of the date of acquisition, with any excess of purchase price over the fair value of the net assets acquired recognized as either finite lived intangibles or capitalized as goodwill. In addition, acquisition related costs and restructuring costs are recognized as period expenses as incurred. Fair values are subject to refinement over the measurement period, not to exceed one year after the closing date.

Equity Method Investments. The Company has investments in real estate joint ventures that are not consolidated because the Company does not own a majority voting interest, control the operations, or receive a majority of the losses or earnings of the joint venture. These joint ventures are accounted for using the equity method of accounting whereby the Company initially records its investment at cost (or fair value at the date of acquisition) and then subsequently adjusts the carrying value for the Company’s proportionate share of distributions and earnings or losses of the joint ventures.

Variable Interest Entities. The Company’s wholly owned business trusts, FI Statutory Trust I (“Trust I”), FI Capital Trust II (“Trust II”), FI Statutory Trust III (“Trust III”), FI Capital Trust IV (“Trust IV”), FI Statutory Trust V (“Trust V”), FI Statutory Trust VI (“Trust VI”), Northwest Bancorporation Capital Trust I (“Trust VII”), GWB Capital Trust VI (“Trust VIII”), Sunstate Bancshares Trust II (Trust IX”), Great Western Statutory Trust IV (“Trust X”), HF Financial Capital Trust III (“Trust XI”), HF Trust IV (“Trust XII”), HF Trust V (“Trust XIII”), and HF Trust VI (“Trust XIV”) are variable interest entities for which the Company is not a primary beneficiary. Accordingly, the accounts of Trust I through Trust XIV are not included in the accompanying consolidated financial statements and are instead accounted for using the equity method of accounting.

The Company has equity investments in variable interest Certified Development Entities (“CDEs”) which have received allocations under the New Markets Tax Credits Program. The underlying activities of the CDEs are community development projects designed primarily to promote community welfare, such as economic rehabilitation and development of low-income areas by providing housing, services, or jobs for residents. The maximum exposure to loss in the CDEs is the amount of equity invested and credit extended by the Company. The Company has credit protection in the form of indemnification agreements, guarantees, and collateral arrangements.

The Company is required to consolidate VIEs in New Market Tax Credit CDEs in which it has concluded it has a controlling financial interest. At December 31, 2024, approximately $28.4 million of the Company’s assets and liabilities included in the consolidated balance sheets were related to New Market Tax Credit VIEs which the Company has consolidated. These amounts were $20.9 million at December 31, 2023.

Assets Held in Fiduciary or Agency Capacity. The Company holds certain trust assets in a fiduciary or agency capacity. The Company also purchases and sells federal funds as an agent. These and other assets held in an agency or fiduciary capacity are not assets of the Company and, accordingly, are not included in the accompanying consolidated financial statements.

Use of Estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and income and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimate impacting the Company's consolidated financial statements is the ACL.

Cash and Cash Equivalents. For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, federal funds sold for less than three-month periods, and interest-bearing deposits in banks with original maturities of less than three months. As of December 31, 2024 and 2023, the Company had cash of $518.2 million and $199.0 million, respectively, on deposit with the Federal Reserve Bank (FRB). On March 15, 2020, the Federal Reserve reduced reserve requirement ratios to zero percent effective March 26, 2020. This action eliminated reserve requirements for all depository institutions.

Debt Security Investments. Investments in debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity and carried at amortized cost. Investments in debt securities that may be sold in response to or in anticipation of changes in interest rates and resulting prepayment risk, or other factors, are classified as available-for-sale and carried at fair value. The unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of stockholders' equity and comprehensive income. Management determines the appropriate classification of securities at the time of purchase.

The amortized cost of debt securities classified as held-to-maturity or available-for-sale is adjusted for accretion of discounts to maturity and amortization of premiums over the estimated average life of the security, without anticipating prepayments, except for mortgage-backed securities where prepayments are anticipated, or in the case of callable securities, through the first call date, using the effective yield method. Such amortization and accretion is included in interest income. Realized gains and losses on sales are recorded on the trade date in investment securities gains and losses and determined using the specific identification method.

Accrued interest receivable on investment securities totaled $29.6 million and $38.5 million at December 31, 2024 and 2023, respectively, and was reported in the accrued interest receivable line item on the consolidated balance sheets.

Allowance for Credit Losses - Held-to-Maturity Securities: Management measures expected credit losses on held-to-maturity debt securities on a collective basis by major security type. Accrued interest receivable on held-to-maturity debt securities is excluded from the estimate of credit losses. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts.

Management classifies the held-to-maturity portfolio into the following major security types:

U.S. Treasury notes. U.S. Treasury notes issued by the U.S. Department of the Treasury are guaranteed by the U.S. government with very little risk to default.

State, county, and municipal securities. Municipal bonds issued by municipal governments within the U.S. These types of securities are primarily composed of general obligation bonds, or municipal bonds backed by the credit and taxing power of the issuing jurisdiction and revenue obligation bonds, or municipal bonds that are financed by income-producing projects and are secured by a specified source of revenue. Municipal issues shall have at least a "BBB" rating by Moody's and/or Standard and Poor's, or equivalent creditworthiness must be established prior to purchase. All non-rated or private placement securities must be analyzed and approved by the Company's Credit Department and documented prior to purchase.

Obligations of U.S. government agencies and entities. Securities held by the Company are primarily issued by The Federal Home Loan Mortgage Corporation, known as Freddie Mac, and The Federal National Mortgage Association, known as Fannie Mae, which are implicitly guaranteed by the U.S. government with very little risk of default.

U.S. agency commercial mortgage-backed securities. Commercial mortgage-backed securities held by the Company are primarily issued by U.S. government agencies and entities. These securities are either explicitly or implicitly guaranteed by the U.S. government with very little risk of default.

U.S. agency residential mortgage-backed securities. Residential mortgage-backed securities held by the Company are primarily issued by U.S. government agencies and entities. These securities are either explicitly or implicitly guaranteed by the U.S. government with very little risk of default.

U.S. agency collateralized mortgage obligations. Collateralized mortgage obligations include agency residential securities which either explicitly or implicitly guaranteed by the U.S. government with very little risk of default.

Corporate securities. Securities held by the Company are primarily comprised of corporate bonds (both senior and subordinated-debt) issued by a firm or public entity which carry ratings no lower than investment grade "BBB" or better by Moody', Standard and Poor's, or Kroll rating agencies. All corporate subordinated-debt securities are analyzed and approved by the Company prior to purchase.

Allowance for Credit Losses - Available-For-Sale Securities: For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Company performs a qualitative assessment as to whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an ACL is recognized in other comprehensive income.

Changes in the ACL are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the ACL when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met. Accrued interest receivable on available-for-sale debt securities is excluded from the estimate of credit losses.

Loans Held for Sale. The Company originates certain loans intended for sale in the secondary market. Conforming agency mortgage production is sold on a servicing retained basis. Certain loans, such as government guaranteed mortgage loans, are sold on a servicing released basis. The Company has elected the fair value option for residential mortgage loans the Company originated with the intent to sell that are classified as loans held for sale and are recorded at fair value, determined individually, as of the balance sheet date. The loan's fair value includes the servicing value of the loans as well as any accrued interest. The fair value of loans held for sale are primarily determined based on quoted prices for similar loans in active markets or outstanding commitments from third-party investors.

Performing residential real estate loans that are held for sale are generally sold with servicing rights retained. Upon the sale of an originated loan, the mortgage servicing right is recorded at its estimated fair value.

Loans that are originated and classified as held for investment are periodically sold in order to manage liquidity, asset credit quality, interest rate risk, or concentration risk. Loans that are reclassified into loans held for sale from loans held for investment, due to a change in intent, are recorded at the lower of cost or fair value less cost to sell. Any changes in fair value attributable to credit deterioration at the time of transfer are charged against the ACL. Net unrealized losses, if any, are recorded as a valuation allowance. The valuation allowance and any net gains and losses are recorded as a component of noninterest income in the consolidated statements of operations.

Loans Held for Investment. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost or principal balance outstanding. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts and deferred loan fees and costs. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Accrued interest receivable on loans held for investment totaled $84.8 million and $86.1 million at December 31, 2024 and 2023, respectively, and was reported in the accrued interest receivable line item on the consolidated balance sheets. Interest income is accrued on the unpaid principal balance of underlying loans. Interest income on mortgage and commercial loans is discontinued and placed on nonaccrual status at the time the loan is 90 days delinquent unless the loan is well secured and in process of collection.

Mortgage loans that are 180 days past due and commercial loans are charged off to the extent principal or interest is deemed uncollectible. Consumer and credit card loans continue to accrue interest until they are charged off no later than 120 days past due unless the loan is in the process of collection. Past-due status is based on the contractual terms of the loan. The Company considers a loan to be past due when it is 30 days or more past its contractual payment due date. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. Interest received on such loans reduces the principal balances and interest income is not recognized until the loan balance is reduced to zero or the loan qualifies for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and when, in the opinion of management, the loans are estimated to be fully collectible as to both principal and interest.

Purchased Credit Deteriorated ("PCD") Loans

The Company has loans acquired through acquisitions, some of which have experienced more than insignificant credit deterioration since origination. Loans that meet at least one of the following criteria are considered to have experienced more-than-insignificant credit deterioration since origination at the date of acquisition: 1) have experienced more than one delinquency of more than 60 days or 60+ days past due as of the acquisition date; 2) have been placed on nonaccrual status at any point since origination; 3) are special mention, substandard, doubtful as of the acquisition date; 4) have experienced a modification to a borrower experiencing financial difficulty as of the acquisition date; or 5) are in high-risk industries based on macroeconomic conditions and local market conditions of the acquired entity on the acquisition date. PCD loans are recorded at the amount paid for the loan. An ACL is determined using the same methodology as other loans held for investment. The initial ACL determined on a collective basis is allocated to individual loans. The sum of the loan's purchase price and ACL becomes its initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a noncredit discount or premium, which is amortized into interest income over the life of the loan. Subsequent changes to the ACL are recorded through provision expense.

Allowance for Credit Losses - Loans held for investment

The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected over the life of the loans. Loans are charged off against the ACL when management determines that a loan balance cannot be collected. The Company applies recoveries when received and has elected not to forecast recoveries for purposes of calculating the ACL.

The ACL estimate consists of three elements: a specific valuation allowance associated with collateral-dependent and other individually evaluated loans; a collective valuation allowance for loans with similar characteristics and trends; and a qualitative valuation allowance to adjust historical loss information based on an evaluation of qualitative factors.

The specific valuation allowance is determined based on an assessment of the fair value of the collateral underlying the loans as determined through independent appraisals, the present value of future cash flows, observable market prices, and any relevant qualitative or environmental factors impacting loans.

The collective valuation allowance is estimated using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses.

The qualitative valuation allowance represents adjustments to historical loss information and segment-specific multipliers based on asset quality trends, industry concentrations, environmental risks, changes in portfolio composition, and other qualitative risk factors, both internal and external to the Company. Other qualitative factors, including changes in loan and lending policies, collateral quality, underwriting standards and personnel, credit review quality, and model imprecision, are also considered.

Annualized loss rates are recalculated quarterly, with subsequent recoveries captured in the quarter a loan was charged off and are averaged across a look back period from 2009 to the current period. Expected future principal and interest cash flows are calculated using contractual terms while considering prepayment, utilization, and annual loss rate assumptions. Macroeconomic models calculate segment-specific multipliers using third party forecast data. The multipliers adjust the annual loss rates to the level expected under the economic conditions over the 2-year forecast period, followed by a 1-year straight-line reversion to the unadjusted historical average loss rates. The unadjusted loss rates then apply for the remaining life of the loan. Estimated losses are totaled and aggregated to the portfolio segment level.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments, defaults, interest rates, and utilization rates. The contractual term excludes expected extensions, renewals, and modifications unless either management has a reasonable expectation at the reporting date that a modification to a borrower experiencing financial difficulty will be executed or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

A loan for which the terms have been modified and for which the borrower is experiencing financial difficulties, is considered to be a modification to borrowers experiencing financial difficulty. The ACL on a loan to borrowers experiencing financial difficulty is measured using the same method as all other loans held for investment, except when the loan is individually assessed for credit loss.

The Company segments the loan portfolio into pools based on the following risk characteristics: financial asset type, collateral type, loan structure, and credit characteristics.

The Company has identified the following portfolio segments:

Real Estate loans. Include commercial real estate loans which are non-farm, non-residential real estate loans generally secured by first liens on income-producing real estate and generally mature in less than 10 years; construction development loans which are primarily to commercial builders for residential lot development and the construction of single-family residences and commercial real estate properties; commercial construction loans which are primarily made to commercial builders for the development of commercial real estate properties; and construction and development loans which are generally underwritten pursuant to credit worthiness or pre-qualification for permanent financing. During the construction phase for any of the above loans, the borrower pays interest only. In most cases, construction and development loans generally transition to permanent real estate loans or otherwise mature in three years or less.

Real estate loans also include agricultural real estate loans that generally mature in ten years or less, secured by farmland or ranchland. These loans fund the construction of short, intermediate, and long-term structures and are made to experienced agriculturalists who have demonstrated management capabilities, established production and historical financial performance. Real estate loans also include consumer home equity and home equity lines of credit (“HELOC”) that are secured by residential property and generally mature in 25 years or less, and residential loans which are loans to finance the purchase or refinance of residential property which are typically secured by first liens or are construction loans to commercial builders or owner occupants for the construction of single-family residences. Residential 1-4 family loans generally mature within 15 years, although in some instances, they could mature in up to 30 years. Construction loans are generally underwritten pursuant to credit worthiness or pre-qualification for permanent financing. During the construction phase, the borrower pays interest only. Residential construction loans generally transition to a permanent residential loan or otherwise mature in two years or less.

Consumer loans. Include indirect, direct advance lines, and credit cards. Indirect are loan contracts advanced for the purchase of automobiles, boats, and other consumer goods from the consumer product dealer networks within our market areas. Indirect dealer loans are generally secured by automobiles, recreational vehicles, boats, and other types of personal property and are made on an installment basis. Consumer indirect line loans generally mature in seven years or less. Consumer direct and advance line loans are originated for a variety of purposes including the purchase of automobiles, boats and other consumer goods, home improvements, medical expenses, vehicle repairs, debt consolidation, and planned expenses in addition to the purchase of automobiles, boats, and other consumer goods. Consumer direct and advance line loans generally mature in seven years or less. Consumer credit card loans are lines of credit offered to clients in our market areas that are generally floating rate loans and include both unsecured and secured lines. Consumer credit card loans generally do not have stated maturities but are reviewed periodically and are unconditionally cancellable.

Commercial loans. Include commercial and industrial loans through a mix of variable and fixed rate commercial loans, including loans to finance showroom floor inventories and other loans for commercial purposes that are secured by 1-4 family residential property. These loans are typically made to small and medium-sized manufacturing, wholesale, retail, and service businesses for working capital needs and business expansions. Floor plan loans and commercial purpose loans secured by 1-4 family residential property generally mature in seven years or less. Commercial loans also include secured and unsecured lines of credit, business credit cards, and loans with maturities of five years or less. Outstanding balances on these commercial loans tend to be cyclical in nature. These loans are generally made with business operations as the primary source of repayment, and are typically collateralized by inventory, accounts receivable, equipment, and/or personal guarantees.

Agricultural loans. Agricultural loans generally consist of short and medium-term loans and lines of credit that are primarily used for crops, livestock, equipment, and general operations. Agricultural loans are ordinarily secured by assets such as livestock or equipment and are repaid from the operations of the farm or ranch. Agricultural loans generally have maturities of seven years or less, with operating lines for one production season.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures. The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Company. Management considers unused credit card lines and federal fund lines, extended to others, to be unconditionally cancellable. The ACL on off-balance sheet credit exposures is adjusted through the provision for credit losses. The estimate considers the likelihood that funding will occur and includes expected credit losses on commitments expected to be funded over the estimated life.

The Company has identified commitments to extend credit and standby letters of credit determined not to be unconditionally cancellable as categories with off-balance sheet credit exposures and uses the commitment balance, expected loss rate, expected cash flows, and utilization rate as primary assumptions to develop the ACL on those exposures. The utilization rate represents management's best estimate of the probability that the unfunded portion of the commitment will be funded given existing economic conditions.

Goodwill. The excess purchase price over the fair value of net assets from acquisitions, or goodwill, is evaluated for impairment at least annually and on an interim basis if an event or circumstance indicates that it is likely impairment has occurred. Goodwill impairment is determined by comparing the fair value of a reporting unit to its carrying amount. In any given year the Company may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value of the reporting unit is in excess of the carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed. In performing a quantitative test for impairment, the fair value of net assets is estimated based on analyses of the Company's market value, discounted cash flows and peer values.

Core Deposit and Other Customer Relationship Intangibles. Intangible assets consist of core deposit intangibles and other customer relationship intangibles. Core deposit intangibles represent the intangible value of depositor relationships resulting from deposit liabilities assumed, as a result of acquisitions, and are amortized using an accelerated method based on the estimated weighted average useful lives of the related deposits, which is generally ten years. Other customer relationship intangibles represent the value of the identifiable intangible value assigned to customer relationships arising from acquired companies and are amortized within other intangibles amortization expense in the consolidated statements of income using the straight-line method over the estimated useful life, which is 12 years.

Mortgage Servicing Rights. The Company recognizes the rights to service mortgage loans for others, whether acquired or internally originated. Mortgage servicing rights are initially recorded at fair value based on comparable market data and are amortized in proportion to and over the period of estimated net servicing income within mortgage banking revenues in the consolidated statements of income. Mortgage servicing rights are evaluated quarterly for impairment by comparing carrying value of mortgage servicing rights to the discounted expected future cash flows, taking into consideration the estimated level of prepayments based on current industry expectations and the predominant risk characteristics of the underlying loans including loan type, note rate, and loan term. Impairment adjustments, if any, are recorded through a valuation allowance to other income in the consolidated statements of income.

Premises and Equipment. Buildings, furniture, and equipment are stated at cost less accumulated depreciation. Depreciation expense recorded within occupancy, net on the consolidated statements of income is computed using straight-line methods over estimated useful lives of 5 to 45 years for buildings and improvements and 3 to 15 years for furniture and equipment. Leasehold improvements and assets acquired under a financing lease are amortized over the shorter of their estimated useful lives or the terms of the related leases. Land is recorded at cost. Costs incurred for maintenance and repairs are expensed as incurred.

We have leased branches and office space and have entered into various other agreements in conducting our business. Operating lease right-of-use assets are included within the premises and equipment, net of accumulated depreciation line item and our operating lease liability is included within the accounts payable and accrued expenses on the consolidated balance sheets. Operating lease expense is recognized within occupancy, net on the consolidated statements of income on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs such as property taxes are expensed as incurred. Lease and non-lease components are accounted for separately as the amounts are readily determinable under our lease contracts. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets.

In recognizing lease right-of use assets and related lease liabilities, we determine whether an agreement represents a lease and at commencement of the lease we evaluate each agreement to determine whether the lease is an operating or financing lease. Some of our lease agreements have contained renewal options, tenant improvement allowances, rent holidays, and rent escalation clauses. Right-of-use lease assets represent our right to use the underlying asset for the lease term and the lease obligation represents our commitment to make the lease payments arising from the lease. Right-of-use lease assets and obligations are recognized at the commencement date based on the present value of remaining lease payments over the lease term. For the Company’s leases that do not provide an implicit rate, we use an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The right-of-use lease asset includes any lease payments made prior to commencement and excludes any lease incentives. The estimated lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

Company-Owned Life Insurance. Key executive and group life insurance policies are recorded at their cash surrender value. Separate account group life insurance policies are subject to a stable value contract that offsets the impact of interest rate fluctuations on the market value of the policies and are recorded at the stabilized investment value. Changes in the cash surrender or stabilized investment value of insurance policies, as well as insurance proceeds received, are recorded as other income within the consolidated statements of income, and are not subject to income taxes.

Deferred Compensation Plan. The Company has a deferred compensation plan for the benefit of certain highly compensated officers and directors of the Company. The plan allows for discretionary employer contributions in excess of tax limits applicable to the Company’s 401(k) plan and the deferral of salary, short-term incentives, or director fees subject to certain limitations. Deferred compensation plan assets and liabilities are included in other assets and accounts payable and accrued expenses, respectively, within the Company’s consolidated balance sheets at fair value. As of December 31, 2024 and 2023, deferred compensation plan assets were $22.7 million and $19.2 million, respectively. Corresponding deferred compensation plan liabilities were $22.7 million and $19.2 million as of December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets. Long-lived assets, including premises and equipment and certain identifiable intangibles, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The amount of the impairment loss, if any, is based on the asset’s fair value. No impairment losses were recognized in 2024, 2023, or 2022.

OREO. Real estate acquired in satisfaction of loans is initially carried at current fair value less estimated selling costs. Any excess of loan carrying value over the fair value of the real estate acquired is recorded as a charge to the ACL. Subsequent adjustments are based on the lower of cost or fair value (less estimated selling costs) and are included in OREO expense on the consolidated statements of income. Subsequent increases in fair value less estimated selling costs are recorded as a reduction in OREO expense to the extent of recognized losses. Operating expenses, net of related income, and gains or losses on sales are included in OREO expense on the consolidated statements of income.

Restricted Equity Securities. The Company, as a member of the FRB and the FHLB, is required to maintain investments in each of the organization's capital stock. As of December 31, 2024 and 2023, restricted equity securities of the FRB of $95.0 million and $94.2 million, respectively, and restricted equity securities of the FHLB of $81.3 million and $127.8 million, respectively, in addition to other equity securities of $1.2 million for both years, were included in the consolidated balance sheets caption FHLB and FRB stock, at cost. No ready market exists for the FHLB and FRB restricted equity securities, and they have no quoted market values. Restricted equity securities are periodically reviewed for impairment based on ultimate recovery of par value.

The determination of whether a decline affects the ultimate recovery of par value is influenced by the significance of the decline compared to the cost basis of the restricted equity securities, length of time a decline has persisted, impact of legislative and regulatory changes on the issuing organizations, and the liquidity positions of the issuing organizations. Based on management's assessment, no impairment losses were recorded on restricted equity securities during 2024, 2023, or 2022.

Derivatives and Hedging Activities. For asset and liability management purposes, the Company enters into interest rate swap contracts to hedge against changes in forecasted cash flows or changes in the fair value of financial instruments due to interest rate exposures. Interest rate swaps are contracts in which a series of interest payments are exchanged over a prescribed period. The notional amount upon which the interest payments are based is not exchanged.

The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items. For derivatives that are designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income and subsequently reclassified into interest income in the same period(s) during which the hedged transaction affects earnings.

When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively when (a) it is determined that the derivative is no longer effective in offsetting changes in the cash flows or fair value of a hedged item (including forecasted transactions); (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is de-designated as a hedge instrument, because it is unlikely that a forecasted transaction will occur; or (d) management determines that designation of the derivative as a hedge instrument is no longer appropriate.

When cash flow hedge accounting is discontinued because it is probable that a forecasted transaction will not occur, the derivative will continue to be carried on the balance sheet at its fair value, and gains and losses that were accumulated in other comprehensive income will be recognized immediately in earnings. In all other situations in which hedge accounting is discontinued, the derivative will be carried at its fair value on the balance sheet, with subsequent changes in its fair value recognized in current-period earnings.

The Company enters into certain interest rate swap contracts that are not designated as hedging instruments. In the normal course of business, the Company enters into interest rate lock commitments to finance residential mortgage loans that are not designated as accounting hedges. These commitments, which contain fixed expiration dates, offer the borrower an interest rate guarantee provided the loan meets underwriting guidelines and closes within the timeframe established by the Company. Interest rate risk arises on these commitments and subsequently closed loans if interest rates change between the time of the interest rate lock and the delivery of the loan to the investor. Loan commitments related to residential mortgage loans intended to be sold are considered derivatives and are marked to market through earnings. In addition to the effects of the change in market interest rate, the fair value measurement of the derivative also contemplates the expected cash flows to be received from the counterparty from the future sale of the loan.

The Company also sells residential mortgage loans on either a best efforts or mandatory delivery basis and mitigates the effect of the interest rate risk inherent in providing interest rate lock commitments by entering into forward loan sales contracts.

The Company has elected to present the derivatives on a gross basis. For more information regarding our derivatives, see "Derivatives and Hedging Activities" footnote included herein.

Software. Capitalized software, stated at cost less accumulated amortization, includes purchased software, capitalizable application development costs associated with internally developed software, and cloud computing arrangements, including capitalizable implementation costs associated with hosting arrangements that are service contracts. Capitalized software is included in premises and equipment, net of accumulated depreciation on the consolidated balance sheets. Amortization expense, generally computed on the straight-line method, is charged to furniture and equipment expense in the consolidated statements of income over the estimated useful life of the software, generally three to five years, or the term of the hosting arrangement for implementation costs related to service contracts. Cloud computing arrangements include software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS) and other similar hosting arrangements. The Company primarily utilizes SaaS and PaaS arrangements. Capitalized implementation costs of hosting arrangements that are service contracts were $2.2 million and $2.3 million at December 31, 2024 and 2023, respectively.

Earnings Per Common Share. Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period, excluding outstanding participating securities. Participating securities include non-vested performance restricted stock awards granted and all non-vested time restricted stock awards. Diluted earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding determined for the basic earnings per share calculation plus the dilutive effect of stock compensation using the treasury stock method.

Income Taxes. The Parent Company and its subsidiaries have elected to be included in a consolidated federal income tax return. For state income tax purposes, the combined taxable income of the Parent Company and its subsidiaries is apportioned among the states in which operations take place. Federal and state income taxes attributable to the subsidiaries, computed on a separate return basis, are paid to or received from the Parent Company.

The Company accounts for income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are determined based on enacted income tax rates which will be in effect when the differences between the financial statement carrying values and tax bases of existing assets and liabilities are expected to be reported in taxable income. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more-likely-than-not that some portion or all of a deferred tax asset will not be realized.

Positions taken in the Company's tax returns may be subject to challenge by the taxing authorities upon examination. Uncertain tax positions are initially recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions are both initially and subsequently measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The Company provides for interest and, in some cases, penalties on tax positions that may be challenged by the taxing authorities. Interest expense is recognized beginning in the first period that such interest would begin accruing. Penalties are recognized in the period that the Company claims the position in the tax return. Interest and penalties on income tax uncertainties are classified within income tax expense in the consolidated statements of income. With few exceptions, the Company is no longer subject to U.S. federal and state examinations by tax authorities for years before 2021. The Company had no material penalties as of December 31, 2024, 2023, or 2022.

Revenue Recognition. The Company recognizes revenue as it is earned based on contractual terms, as transactions occur, or as services are provided and collectability is reasonably assured. The principal source of revenue is interest income from loans and investments. The Company also earns noninterest income from various banking and financial services offered to its clients. Certain specific policies related to noninterest income include the following:

Wealth management and trust fee income

Wealth management and trust fee income included within wealth management revenues within the consolidated statements of income represents monthly or other periodic fees due from wealth management clients as consideration for managing the clients' assets. Wealth management and trust services include custody of assets, investment management, fees for trust services and similar fiduciary activities. Revenue is recognized when our performance obligation is completed. The Company does not earn performance-based incentives. Optional services such as estate settlement and other court appointed services are available to existing trust and asset management clients. The Company's performance obligation for these transactional-based services is generally satisfied, and related revenue recognized, at a point in time.

Service charges on deposit accounts

Service charges on deposit accounts represent general service fees for account maintenance and activity- or transaction-based fees and consist of transaction-based revenue, time-based revenue (service period), item-based revenue or some other individual attribute-based revenue. Revenue is recognized when our performance obligation is completed for account maintenance services or when a transaction has been completed (such as a wire transfer or check orders). Payment for such performance obligations are generally received at a point in time when the performance obligations are satisfied.

Interchange and other fees

Payment services revenue includes interchange and other fees earned whenever the Company's debit and credit cards are processed through card payment networks such as MasterCard. ATM fees are primarily generated when a Company cardholder uses a non-Company ATM or a non-Company cardholder uses a Company ATM. Merchant services income primarily represents fees charged to merchants to process their debit and credit card transactions, in addition to account management fees. Swap fee income primarily represents income associated with the execution of dealer bank swap agreements. Other service charges include revenue from processing wire transfers, bill pay service, cashier's checks, and other services. The Company's performance obligation for interchange and other service charges are largely satisfied, and related revenue recognized, when completion of the services is rendered at a point in time.

Annuity and insurance commissions

Annuity and insurance commissions, included in wealth management revenues, primarily represent commissions received on annuity and insurance product sales. The Company acts as an intermediary between the Company's client and the insurance carrier. The Company's performance obligation is generally satisfied upon the issuance of the annuity or insurance policy, the carrier then remits the commission payment to the Company, and the Company recognizes the revenue at a point in time.

Comprehensive Income (Loss). Comprehensive income (loss) includes net income, as well as other changes in stockholders' equity that result from transactions and economic events other than those with shareholders. In addition to net income, the Company's comprehensive income (loss) includes the after tax effect of changes in unrealized gains and losses on available-for-sale investment securities and derivatives designated as cash flow hedges, and changes in the unamortized gain or loss on available-for-sale investment securities transferred to held-to-maturity.

Segment Reporting. An operating segment is defined as a component of a business for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and evaluate performance. The Company adopted Accounting Standards Update 2023-07 "*Segment Reporting (Topic 280) - Improvement to Reportable Segment Disclosures"* on January 1, 2024. The "Segment Reporting" topic of the FASB ASC requires that public companies report certain information about operating segments. It also requires that public companies report certain information about their products and services, the geographic areas in which they operate, and their major clients. The Company has identified one reporting unit and one operating segment, community banking, which encompasses commercial and consumer banking services to serve a similar base of clients utilizing company-wide offerings of similar products and services managed through similar processes and platforms offered to individuals, businesses, municipalities and other entities. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer who is charged with management of the Company and is responsible for the evaluation of operating performance and decision making about the allocation of resources to operating segments.

(Dollars in millions, except share and per share data)

The CODM regularly assesses performance of the single operating and reporting segment and decides how to allocate resources based on net income calculated on the same basis as is net income reported in the Company's consolidated statements of income. The CODM is also regularly provided with expense information at a level consistent with that disclosed in the Company's consolidated statements of income.

Our principal expenses include: (i) interest expense on deposit accounts and other borrowings; (ii) salaries and employee benefits; (iii) information technology and communication costs primarily associated with maintaining loan and deposit functions; (iv) furniture, equipment, and occupancy expenses for maintaining our facilities; (v) professional fees, including FDIC insurance assessments; (vi) income tax expense; (vii) provisions for credit losses; (viii) intangible amortization; (ix) other real estate owned expenses; and (x) other segment expenses including legal expenses, advertising and promotion, credit card rewards expense, fees associated with originating and closing loans, insurance, and other expenses necessary to support our employees and service our clients. See the consolidated financial statements for other financial information regarding the Company's operating segment.

Advertising Costs. Advertising costs are expensed as incurred within other expenses. Advertising expense was $0.7 million, $0.9 million, and $3.8 million in 2024, 2023, and 2022, respectively.

Transfers of Financial Assets. Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company; the transferee obtains the right, free of conditions that constrain it from taking advantage of that right, to pledge or exchange the transferred assets; and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Stock-Based Compensation. Compensation cost for all stock-based awards is measured at fair value on the date of grant and is recognized over the requisite service period for awards expected to vest. The impact of forfeitures of stock-based payment awards on compensation expense is recognized as forfeitures occur. Stock-based compensation expense of $11.8 million, $4.7 million, and $9.6 million for the years ended December 31, 2024, 2023, and 2022, respectively, is included in employee benefits expense in the Company's consolidated statements of income.

Fair Value Measurements. In general, fair value measurements are based upon quoted market prices, where available. If quoted market prices are not available, fair value measurements are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and require some degree of judgment regarding interest rates, credit risk, prepayments and other factors. The use of different assumptions or estimation techniques may have a significant effect on the fair value amounts reported.

(2) GOODWILL AND OTHER INTANGIBLES

Goodwill

The Company has goodwill with a carrying value of $1,100.9 million as of December 31, 2024 and 2023 and performed its annual impairment assessment as of July 1, 2024 and 2023 concluding there was no impairment to goodwill. In addition, there were no events or circumstances that occurred during the second half of 2024 that would more-likely-than-not reduce the fair value of the Company's reporting unit below its carrying value.

Other Intangible Assets

Other intangible assets are comprised of core deposit intangibles ("CDI") and other customer relationship intangibles ("OCRI") and amounted to the following at December 31, 2024 and 2023:

December 31, 2024	CDI	OCRI	Total
Gross other intangible assets, at January 1, 2024	$ 154.7	$ 22.8	$ 177.5
Accumulated amortization	(105.2)	(5.5)	(110.7)
Net other intangible assets, end of period	$ 49.5	$ 17.3	$ 66.8
December 31, 2023			
Gross other intangible assets, at January 1, 2023	$ 154.7	$ 22.8	$ 177.5
Accumulated amortization	(92.5)	(3.6)	(96.1)
Net other intangible assets, end of period	$ 62.2	$ 19.2	$ 81.4

(Dollars in millions, except share and per share data)

The Company recorded $14.6 million, $15.7 million and $15.9 million of other intangible asset amortization expense for the years ended December 31, 2024, 2023, and 2022 respectively.

CDI and OCRI are evaluated for impairment if events and circumstances indicate a possible impairment.

The following table provides the estimated aggregate future amortization expense of other intangible assets:

Years ending December 31,	CDI	OCRI	Total
2025	$ 11.7	$ 1.9	$ 13.6
2026	10.9	1.9	12.8
2027	8.2	1.9	10.1
2028	5.8	1.9	7.7
2029	4.5	1.9	6.4
Thereafter	8.4	7.8	16.2
Total	$ 49.5	$ 17.3	$ 66.8

(3) INVESTMENT SECURITIES

The amortized cost and the approximate fair values of investment securities are summarized as follows:

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-Sale:				
U.S. Treasury notes	$ 245.0	$ —	$ (18.1)	$ 226.9
State, county, and municipal securities	252.0	—	(40.0)	212.0
Obligations of U.S. government agencies	224.1	—	(10.8)	213.3
U.S. agency commercial mortgage-backed securities	1,057.2	0.1	(74.5)	982.8
U.S. agency residential mortgage-backed securities	1,301.2	0.4	(125.8)	1,175.8
U.S. agency collateralized mortgage obligations	1,156.9	0.6	(106.6)	1,050.9
Private mortgage-backed securities	218.1	—	(27.6)	190.5
Collateralized loan obligation	770.7	1.3	—	772.0
Corporate securities	249.6	—	(16.7)	232.9
Total	$ 5,474.8	$ 2.4	$ (420.1)	$ 5,057.1

December 31, 2024	Amortized Cost[(1)]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to Maturity:				
U.S. Treasury notes	$ 99.8	$ —	$ (0.4)	$ 99.4
State, county, and municipal securities	176.3	0.2	(26.7)	149.8
Obligations of U.S. government agencies	470.1	—	(59.9)	410.2
U.S. agency commercial mortgage-backed securities	374.9	—	(33.4)	341.5
U.S. agency residential mortgage-backed securities	1,082.5	—	(140.7)	941.8
U.S. agency collateralized mortgage obligations	427.8	—	(66.1)	361.7
Corporate securities	57.0	—	(2.8)	54.2
Total	$ 2,688.4	$ 0.2	$ (330.0)	$ 2,358.6

(1) Amortized cost presented above is net of an ACL of $0.9 million and includes $8.0 million of unamortized gains and $15.9 million of unamortized losses related to the 2021 and 2022 transfer of securities from available-for-sale to held-to-maturity, respectively.

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December 31, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-Sale:				
U.S. Treasury notes	$ 250.2	$ —	$ (25.5)	$ 224.7
State, county, and municipal securities	256.7	—	(36.9)	219.8
Obligations of U.S. government agencies	179.4	—	(10.9)	168.5
U.S. agency commercial mortgage-backed securities	1,192.7	0.6	(87.7)	1,105.6
U.S. agency residential mortgage-backed securities	1,496.3	1.2	(130.6)	1,366.9
U.S. agency collateralized mortgage obligations	1,308.5	1.3	(120.3)	1,189.5
Private mortgage-backed securities	241.3	—	(30.9)	210.4
Collateralized loan obligation	1,121.9	0.1	(2.3)	1,119.7
Corporate securities	260.8	—	(24.4)	236.4
Total	$ 6,307.8	$ 3.2	$ (469.5)	$ 5,841.5

December 31, 2023	Amortized Cost[(1)]	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to Maturity:				
U.S. Treasury notes	$ 399.0	$ —	$ (2.8)	$ 396.2
State, county, and municipal securities	179.2	0.2	(24.2)	155.2
Obligations of U.S. government agencies	354.5	—	(42.4)	312.1
U.S. agency commercial mortgage-backed securities	510.5	—	(52.9)	457.6
U.S. agency residential mortgage-backed securities	1,232.6	—	(137.0)	1,095.6
U.S. agency collateralized mortgage obligations	475.9	0.2	(69.0)	407.1
Corporate securities	57.0	—	(6.8)	50.2
Total	$ 3,208.7	$ 0.4	$ (335.1)	$ 2,874.0

(1) Amortized cost presented above is net of an ACL of $0.8 million and includes $10.7 million of unamortized gains and $18.1 million of unamortized losses related to the 2021 and 2022 transfer of securities from available-for-sale to held-to-maturity, respectively.

The following tables show the gross unrealized losses and fair values of available-for-sale investment securities and the length of time individual investment securities have been in an unrealized loss position as of December 31, 2024 and 2023.

	Less than 12 Months		12 Months or More		Total	
December 31, 2024	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-Sale:						
U.S. Treasury notes	$ —	$ —	$ 226.8	$ (18.1)	$ 226.8	$ (18.1)
State, county, and municipal securities	—	—	210.1	(40.0)	210.1	(40.0)
Obligations of U.S. government agencies	3.6	—	206.2	(10.8)	209.8	(10.8)
U.S. agency commercial mortgage-backed securities	38.1	(0.4)	934.9	(74.1)	973.0	(74.5)
U.S. agency residential mortgage-backed securities	33.7	(1.5)	1,086.2	(124.3)	1,119.9	(125.8)
U.S. agency collateralized mortgage obligations	20.5	(0.3)	987.1	(106.3)	1,007.6	(106.6)
Private mortgage-backed securities	—	—	190.4	(27.6)	190.4	(27.6)
Collateralized loan obligation	10.0	—	—	—	10.0	—
Corporate securities	27.5	(0.5)	205.5	(16.2)	233.0	(16.7)
Total	$ 133.4	$ (2.7)	$ 4,047.2	$ (417.4)	$ 4,180.6	$ (420.1)

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	Less than 12 Months		12 Months or More		Total	
December 31, 2023	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-Sale:						
U.S. Treasury notes	$ —	$ —	$ 224.7	$ (25.5)	$ 224.7	$ (25.5)
State, county, and municipal securities	—	—	217.1	(36.9)	217.1	(36.9)
Obligations of U.S. government agencies	—	—	168.0	(10.9)	168.0	(10.9)
U.S. agency commercial mortgage-backed securities	0.2	—	1,083.1	(87.7)	1,083.3	(87.7)
U.S. agency residential mortgage-backed securities	0.7	—	1,287.5	(130.6)	1,288.2	(130.6)
U.S. agency collateralized mortgage obligations	—	—	1,142.4	(120.3)	1,142.4	(120.3)
Private mortgage-backed securities	—	—	210.5	(30.9)	210.5	(30.9)
Collateralized loan obligation	—	—	935.7	(2.3)	935.7	(2.3)
Corporate securities	—	—	236.5	(24.4)	236.5	(24.4)
Total	$ 0.9	$ —	$ 5,505.5	$ (469.5)	$ 5,506.4	$ (469.5)

The Company determines the ACL on both available-for-sale and held-to-maturity investment securities by a discounted cash flow approach when needed, using each security's effective interest rate at the time of purchase or upon acquisition. The ACL is measured as the amount by which an investment security's amortized cost exceeds the net present value of expected future cash flows. However, the amount of credit losses for available-for-sale investment securities is limited to the amount of a security's unrealized loss. The ACL on held-to-maturity investment securities is representative of current expected credit losses that management expects to be incurred over the life of the investment and established through a charge to provision for credit losses in current period earnings. For held-to-maturity investment securities, the Company has the intent and ability to hold these investment securities to maturity.

The investment securities portfolio primarily contains securities that are guaranteed by a sovereign entity or are generally considered to have non-credit related risks, such as interest rate risk or liquidity factors. The Company considers whether the securities are issued by the federal government or its agencies and whether downgrades by bond rating agencies have occurred.

As of December 31, 2024 and 2023, the Company had 670 and 704 individual available-for-sale investment securities, respectively, that were in an unrealized loss position, which was related primarily to fluctuations in current interest rates. As of December 31, 2024, the Company had the intent and ability to hold these investment securities for a period of time sufficient to allow for an anticipated recovery in cost.

The Company had no ACL for available-for-sale corporate investment securities as of December 31, 2024 and 2023, respectively.

On a quarterly basis, the Company refreshes the credit quality indicator of each held-to-maturity security. As of December 31, 2024 and 2023, the held-to-maturity portfolio is composed of investment grade or better securities. The Company had a $0.9 million and a $0.8 million ACL for held-to-maturity corporate and state, county, and municipal investment securities as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Company had $29.6 million and $38.5 million, respectively, of accrued interest receivable from investment securities on the consolidated balance sheets. Accrued interest receivable is presented as a separate line item on the consolidated balance sheets and is not included in the carrying value of our securities.

For the year ended December 31, 2024, there were no material gross realized gains or losses on the disposition of available-for-sale investment securities. For the years ended December 31, 2023 and December 31, 2022, there were no material gross realized gains and $23.5 million and $46.8 million of gross realized losses on the disposition of available-for-sale investment securities, respectively.

(Dollars in millions, except share and per share data)

The following schedule represents the amortized cost of debt securities by contractual maturity except for maturities of mortgage-backed securities, which have been adjusted to reflect shorter maturities based upon estimated prepayments of principal.

	Available-for-Sale		Held-to-Maturity	
December 31, 2024	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within one year	$ 64.7	$ 63.9	$ 101.2	$ 100.7
After one year but within five years	1,338.6	1,258.9	435.9	408.5
After five years but within ten years	1,131.4	1,048.9	471.3	413.6
After ten years	2,940.1	2,685.4	1,680.0	1,435.8
Total	$ 5,474.8	$ 5,057.1	$ 2,688.4	$ 2,358.6

As of December 31, 2024, the Company held investment securities callable within one year having amortized costs and estimated fair values of $1,292.9 million and $1,247.2 million, respectively. These investment securities are primarily included in the “after five year” categories in the table above.

As of December 31, 2024 and 2023, the Company had securities with carrying values of $3,460.2 million and $3,858.6 million, respectively, for investment securities pledged to secure public deposits, derivatives, and securities sold under repurchase agreements that had estimated fair values as of December 31, 2024 and 2023 of $3,092.6 million and $3,462.2 million, respectively. All securities sold under repurchase agreements are with clients and mature on the next banking day. The Company retains possession of the underlying securities sold under repurchase agreements.

As of December 31, 2024 and 2023, the Company held $177.4 million and $223.2 million, respectively, in equity securities primarily in a combination of Federal Reserve Bank and Federal Home Loan Bank stocks, which are restricted nonmarketable securities acquired to meet regulatory requirements. These securities are carried at cost.

(4) LOANS HELD FOR SALE

The following table presents loans held for sale by class of receivable for the dates indicated:

	December 31, 2024	December 31, 2023
Loans held for sale:		
Agricultural, at lower of cost or market	$ —	$ 19.6
Commercial real estate, at lower of cost or market	—	27.3
Residential mortgage, at fair value	0.9	0.5
Total loans held for sale	$ 0.9	$ 47.4

The table below presents the non-residential mortgage loans held for sale activity for the 2024 period:

	Agricultural	Commercial Real Estate
Beginning balance as of December 31, 2023	$ 19.6	$ 27.3
Repayments	(19.6)	—
Loan disposals	—	(27.3)
Ending balance as of December 31, 2024	$ —	$ —

As of December 31, 2023, loans held for sale included the nonaccrual commercial real estate loan of $27.3 million.

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(5) LOANS HELD FOR INVESTMENT

The following table presents loans by class of receivable and portfolio segment as of the dates indicated:

	2024	2023
Real estate:		
Commercial	$ 9,263.2	$ 8,869.2
Construction	1,244.6	1,826.5
Residential	2,191.6	2,244.3
Agricultural	701.1	716.8
Total real estate	13,400.5	13,656.8
Consumer:		
Indirect	725.0	740.9
Direct and advance lines	134.0	141.6
Credit card	77.6	76.5
Total consumer	936.6	959.0
Commercial	2,829.4	2,906.8
Agricultural	687.9	769.4
Other, including overdrafts	1.6	0.1
Loans held for investment	17,856.0	18,292.1
Deferred loan fees and costs	(11.1)	(12.5)
Loans held for investment, net of deferred fees and costs	17,844.9	18,279.6
Allowance for credit losses	(204.1)	(227.7)
Net loans held for investment	$ 17,640.8	$ 18,051.9

Allowance for Credit Losses

The following tables represent, by loan portfolio segments, the activity in the ACL for loans held for investment:

December 31, 2024	Beginning Balance	Provision for Credit Losses	Loans Charged-Off[2]	Recoveries Collected	Ending Balance
Allowance for credit losses [1]					
Real estate	$ 160.1	$ 17.7	$ (39.6)	$ 1.2	$ 139.4
Consumer	13.0	14.3	(15.4)	4.9	16.8
Commercial	50.2	44.3	(59.4)	3.8	38.9
Agricultural	4.4	4.6	(0.3)	0.3	9.0
Total allowance for credit losses	$ 227.7	$ 80.9	$ (114.7)	$ 10.2	$ 204.1

December 31, 2023	Beginning Balance	Provision for (reversal of) Credit Loss	Loans Charged-Off[2]	Recoveries Collected	Ending Balance
Allowance for credit losses [1]					
Real estate	138.7	35.2	(18.5)	4.7	160.1
Consumer	23.3	(1.0)	(14.0)	4.7	13.0
Commercial	54.9	(3.9)	(3.4)	2.6	50.2
Agricultural	3.2	0.8	—	0.4	4.4
Total allowance for credit losses	$ 220.1	$ 31.1	$ (35.9)	$ 12.4	$ 227.7

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December 31, 2022	Beginning Balance	ACL Recorded for PCD Loans	Provision for (reversal of) Credit Loss	Loans Charged-Off[2]	Recoveries Collected	Ending Balance
Allowance for credit losses [1]						
Real estate:						
Commercial real estate:						
Non-owner occupied	$ 17.3	$ 17.2	$ (4.2)	$ (3.5)	$ 0.4	$ 27.2
Owner occupied	13.3	9.5	(2.7)	(2.5)	1.9	19.5
Multi-family	13.3	10.9	8.7	(5.7)	0.7	27.9
Total commercial real estate	43.9	37.6	1.8	(11.7)	3.0	74.6
Construction:						
Land acquisition & development	0.5	3.4	(0.4)	(2.6)	0.4	1.3
Residential construction	2.4	—	1.1	—	0.1	3.6
Commercial construction	6.0	0.2	31.6	(6.6)	—	31.2
Total construction	8.9	3.6	32.3	(9.2)	0.5	36.1
Residential real estate:						
Residential 1-4 family	13.4	0.1	6.9	(0.2)	0.3	20.5
Home equity and HELOC	1.2	—	—	(0.1)	0.5	1.6
Total residential real estate	14.6	0.1	6.9	(0.3)	0.8	22.1
Agricultural real estate	1.9	2.3	1.5	(0.2)	0.4	5.9
Total real estate	69.3	43.6	42.5	(21.4)	4.7	138.7
Consumer:						
Indirect	14.3	—	2.7	(4.0)	2.3	15.3
Direct and advance lines	4.6	—	2.2	(3.7)	2.1	5.2
Credit card	2.2	—	2.4	(2.4)	0.6	2.8
Total consumer	21.1	—	7.3	(10.1)	5.0	23.3
Commercial:						
Commercial and floor plans	27.1	11.2	15.1	(6.6)	2.2	49.0
Commercial purpose secured by 1-4 family	4.4	0.2	1.2	(0.2)	0.1	5.7
Credit card	0.1	—	1.4	(1.3)	—	0.2
Total commercial	31.6	11.4	17.7	(8.1)	2.3	54.9
Agricultural:						
Agricultural	0.3	4.5	0.9	(5.4)	2.9	3.2
Total agricultural	0.3	4.5	0.9	(5.4)	2.9	3.2
Total allowance for credit losses	$ 122.3	$ 59.5	$ 68.4	$ (45.0)	$ 14.9	$ 220.1

[1] Amounts presented exclude the ACL related to unfunded commitments and investment securities. The allowance for credit losses related to unfunded commitments and investment securities are included in the "Financial Instruments with Off-Balance Sheet Risk" Note and "Investment Securities" Note, respectively.

[2] Loans, or portions thereof, are charged-off against the ACL when management believes the collectability of the principal is unlikely, or, with respect to consumer installment loans, according to an established delinquency schedule.

Collateral-Dependent Loans

A collateral-dependent loan relies substantially on the operation or sale of the collateral securing the loan for repayment. A loan may become collateral-dependent when foreclosure is probable or the borrower is experiencing financial difficulty and its sources of repayment become inadequate over time.

(Dollars in millions, except share and per share data)

The following tables present the principal balance of collateral-dependent loans by class of receivable as of the dates indicated:

	Collateral Type			
As of December 31, 2024	Business Assets	Real Property	Other	Total
Real estate:				
Commercial	$ —	$ 47.3	$ —	$ 47.3
Construction	—	3.2	—	3.2
Residential	—	2.7	—	2.7
Agricultural	—	1.8	—	1.8
Total real estate	—	55.0	—	55.0
Commercial	20.3	1.1	0.8	22.2
Agricultural	—	20.3	0.1	20.4
Total collateral-dependent loans	$ 20.3	$ 76.4	$ 0.9	$ 97.6

	Collateral Type			
As of December 31, 2023	Business Assets	Real Property	Other	Total
Real estate:				
Commercial	$ —	$ 26.6	$ —	$ 26.6
Construction	—	17.0	—	17.0
Residential	—	0.5	—	0.5
Agricultural	—	1.2	—	1.2
Total real estate	—	45.3	—	45.3
Commercial	4.5	1.4	0.7	6.6
Agricultural	0.7	—	—	0.7
Total collateral-dependent loans	$ 5.2	$ 46.7	$ 0.7	$ 52.6

Loans are considered past due if the required principal and interest payments have not been received 30 days or more past the contractual payment due date. Loans classified in the following table as 90 days or more past due continue to accrue interest. The following tables present the contractual aging of the Company's recorded principal balance of loans by class of receivable as of the dates indicated:

As of December 31, 2024	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or more Days Past Due	Total Loans Past Due	Current Loans	Non-accrual Loans[(1)(2)(3)]	Total Loans
Real estate:							
Commercial	$ 4.9	$ 2.8	$ —	$ 7.7	$ 9,200.1	$ 55.4	$ 9,263.2
Construction	3.7	—	—	3.7	1,237.6	3.3	1,244.6
Residential	6.6	2.7	0.4	9.7	2,166.5	15.4	2,191.6
Agricultural	7.6	2.8	—	10.4	685.4	5.3	701.1
Total real estate	22.8	8.3	0.4	31.5	13,289.6	79.4	13,400.5
Consumer:							
Indirect	8.4	2.6	0.7	11.7	709.4	3.9	725.0
Direct and advance lines	0.6	0.2	0.3	1.1	132.3	0.6	134.0
Credit card	0.7	0.5	1.0	2.2	75.4	—	77.6
Total consumer	9.7	3.3	2.0	15.0	917.1	4.5	936.6
Commercial	11.2	3.0	0.6	14.8	2,781.1	33.5	2,829.4
Agricultural	2.4	2.8	—	5.2	661.8	20.9	687.9
Other, including overdrafts	—	—	—	—	1.6	—	1.6
Loans held for investment	$ 46.1	$ 17.4	$ 3.0	$ 66.5	$ 17,651.2	$ 138.3	$ 17,856.0

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As of December 31, 2023	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or more Days Past Due	Total Loans Past Due	Current Loans	Non-accrual Loans[(1)(2)(3)]	Total Loans
Real estate:							
Commercial	$ 12.7	$ 6.1	$ —	$ 18.8	$ 8,822.2	$ 28.2	$ 8,869.2
Construction	3.1	0.4	—	3.5	1,805.8	17.2	1,826.5
Residential	11.9	3.1	0.6	15.6	2,218.0	10.7	2,244.3
Agricultural	1.8	—	—	1.8	709.6	5.4	716.8
Total real estate	29.5	9.6	0.6	39.7	13,555.6	61.5	13,656.8
Consumer:							
Indirect	8.0	2.2	0.4	10.6	727.6	2.7	740.9
Direct and advance lines	0.9	0.2	—	1.1	140.2	0.3	141.6
Credit card	0.7	0.5	0.6	1.8	74.7	—	76.5
Total consumer	9.6	2.9	1.0	13.5	942.5	3.0	959.0
Commercial	14.5	1.1	0.3	15.9	2,879.4	11.5	2,906.8
Agricultural	0.1	—	3.0	3.1	735.9	30.4	769.4
Other, including overdrafts	—	—	—	—	0.1	—	0.1
Loans held for investment	$ 53.7	$ 13.6	$ 4.9	$ 72.2	$ 18,113.5	$ 106.4	$ 18,292.1

(1) As of December 31, 2024 and 2023, none of our non-accrual loans were earning interest income. Additionally, $5.5 million and no material interest income was recognized on non-accrual loans at December 31, 2024 and 2023, respectively. There were $4.1 million and $2.7 million in reversals of accrued interest at December 31, 2024 and 2023, respectively.

(2) As of December 31, 2024 and 2023, there were approximately $56.9 million and $33.3 million, respectively, of non-accrual loans for which there was no related ACL, as these loans had sufficient collateral securing the loan for repayment.

(3) As of December 31, 2024, there were approximately $13.5 million, $6.2 million, and $40.5 million of non-accrual loans that were 30-59 days past due, 60-89 days past due, and 90 days or more past due, respectively. As of December 31, 2023, there were approximately $1.8 million, $16.7 million, and $44.2 million of non-accrual loans that were 30-59 days past due, 60-89 days past due, and 90 days or more past due, respectively.

Modifications to Borrowers Experiencing Financial Difficulty

Modifications of loans are made in the ordinary course of business and are completed on a case-by-case basis through negotiation with the borrower in connection with the ongoing loan collection processes. Loan modifications are made to provide payment relief to borrowers experiencing financial difficulty.

From time to time, we may modify certain loans to borrowers who are experiencing financial difficulty. In some cases, these modifications may result in new loans. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, a term extension, or a combination thereof, among other things.

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The following table presents the amortized cost basis of loans, by class and by type of modification, at December 31, 2024 and 2023 that were both experiencing financial difficulty and modified during the periods indicated. The percentage of the principal balance of loans that were modified to borrowers in financial distress as compared to the principal balance of each class of receivable is also presented below:

December 31, 2024	Principal Forgiveness	Term Extension	Rate Reduction	Term Extension and Interest Rate Reduction	Total	% of Total Class of Loans Held for Investment [1]
Real estate:						
Commercial	$ —	$ 26.4	$ —	$ —	$ 26.4	0.28 %
Construction	—	1.9	—	—	1.9	0.15
Residential	—	—	—	0.3	0.3	0.01
Agricultural	—	12.0	—	—	12.0	1.71
Total real estate	—	40.3	—	0.3	40.6	0.30
Consumer:						
Indirect	—	0.1	—	—	0.1	0.01
Total consumer	—	0.1	—	—	0.1	0.01
Commercial	—	8.9	—	0.6	9.5	0.34
Agricultural	—	20.1	—	—	20.1	2.92
Loans held for investment[2]	$ —	$ 69.4	$ —	$ 0.9	$ 70.3	0.39 %
December 31, 2023						
Real estate:						
Commercial	$ 1.5	$ 28.6	$ 1.1	$ 0.6	$ 31.8	0.36 %
Construction	—	13.7	—	—	13.7	0.75
Residential	0.1	0.6	—	—	0.7	0.03
Agricultural	—	6.4	—	—	6.4	0.89
Total real estate	1.6	49.3	1.1	0.6	52.6	0.39
Consumer:						
Indirect	—	0.1	—	—	0.1	0.01
Direct and advance lines	—	0.1	—	—	0.1	0.07
Total consumer	—	0.2	—	—	0.2	0.02
Commercial	—	7.4	—	0.2	7.6	0.26
Agricultural	—	36.1	—	—	36.1	4.69
Loans held for investment[2]	$ 1.6	$ 93.0	$ 1.1	$ 0.8	$ 96.5	0.53 %

(1) Based on the principal balance as of period end, divided by the period end principal balance of the corresponding class of receivables.

(2) As of December 31, 2024 and 2023, the Company excluded $0.2 million and $1.6 million, respectively, in accrued interest from the amortized cost of the identified loans.

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The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty during the years ended December 31, 2024 and 2023:

				Term Extension and Interest Rate Reduction	
December 31, 2024	Principal Forgiveness	Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction
Real estate:					
Commercial	$ —	8.6	— %	0.0	— %
Construction	—	4.0	—	0.0	—
Residential	—	0.0	—	31.2	3.43
Agricultural	—	10.4	—	0.0	—
Total real estate	—				
Consumer:					
Indirect	—	7.0	—	0.0	—
Total consumer	—				
Commercial	—	20.2	—	10.0	0.98
Agricultural	—	9.4	—	0.0	—
Loans held for investment [(1)]	$ —				

December 31, 2023					
Real estate:					
Commercial	$ 1.3	5.8	0.35 %	6.0	0.25 %
Construction	—	9.1	—	0.0	—
Residential	0.3	131.6	—	0.0	—
Agricultural	—	4.5	—	0.0	—
Total real estate	1.6				
Consumer:					
Indirect	—	8.3	—	0.0	—
Direct and advance lines	—	62.1	—	0.0	—
Total consumer	—				
Commercial	—	12.2	—	14.6	0.51
Agricultural	—	9.2	—	0.0	—
Loans held for investment [(1)]	$ 1.6				

[(1)] Balances based on loan original contractual terms.

The Company monitors the performance of loan modifications to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Of the loans that were modified during the twelve-months ended December 31, 2024 and 2023, there were no and $6.7 million of loans classified as past due 30 days or more, respectively, with the remaining loans performing in accordance with the modified terms and classified as current at December 31, 2024 and 2023.

There were no commitments to lend additional funds related to loan modifications to borrowers experiencing financial difficulty during the years ended December 31, 2024 and 2023.

There were $20.9 million of payment defaults on these loans subsequent to their modifications during the twelve-months ended December 31, 2024 and none in 2023. The Company considers a payment default to occur when the loan is 90 days or more past due or the loan is placed on non-accrual status after the modification. The Company monitors the performance of modified loans on an ongoing basis. In the event of subsequent default, the ACL continues to be reassessed based on an individual evaluation of each loan. The modifications made during the periods presented did not significantly impact the Company's determination of the ACL.

Credit Quality Indicators

As part of the on-going and continuous monitoring of the credit quality of the Company's loan portfolio, management tracks internally assigned risk classifications of loans based on relevant information about the ability of borrowers to service their debt. The factors considered by the Company include, among other factors, the borrower's current financial information, historical payment experience, credit documentation, public information, and current economic trends. The Company analyzes loans individually to classify the credit risk of the loans. This analysis generally includes loans with an outstanding balance greater than $1.0 million, which are generally considered non-homogeneous loans, such as commercial loans and commercial real estate loans. This analysis is performed no less than on an annual basis, depending upon the size of exposure and the contractual obligations governing the borrower's financial reporting frequency. Homogeneous loans, including small business loans, are typically monitored by payment performance. The Company internally risk rates its loans in accordance with a Uniform Classification System developed jointly by the various bank regulatory agencies. The Uniform Classification System defines three broad categories of criticized assets, which the Company uses as credit quality indicators in addition to the 6 Pass ratings in its 10-point rating scale:

Special Mention — includes loans that exhibit a potential weakness in financial condition, loan structure, or documentation that warrants management's close attention. If not promptly corrected, the potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard — includes loans that are inadequately protected by the current net worth and paying capacity of the borrower which have well-defined weaknesses that jeopardize the liquidation of the debt. Although the primary source of repayment for a substandard loan may not currently be sufficient, collateral or other sources of repayment are sufficient to satisfy the debt. Continuance of a substandard loan is not warranted unless positive steps are taken to improve the worthiness of the credit.

Doubtful — includes loans that exhibit pronounced weaknesses based on currently existing facts, conditions, and values to a point where collection or liquidation for full repayment is highly questionable and improbable. Doubtful loans are required to be placed on non-accrual status and are assigned specific loss exposure.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered pass-rated loans. A pass-rated loan can be assets where there is virtually no credit risk, such as cash secured loans with funds on deposit with the Bank. Pass rated loans also include loans that are on our watch lists, where the borrower exhibits potential weaknesses, which may, if not checked or corrected, negatively affect the borrower's financial capacity and threaten their ability to fulfill debt obligations in the future.

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The Company evaluates the credit quality and loan performance for the ACL of the following class of receivables by origination year using the origination date or the loan's subsequent renewal or modification date based on the aforementioned risk scale as of and for the periods ended:

	December 31, 2024								
	Term Loans Amortized Cost Basis by Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Commercial real estate:									
Pass	$ 1,208.5	$ 1,340.2	$ 1,909.1	$ 1,344.1	$ 1,069.7	$ 1,778.3	$ 74.1	$ 109.8	$ 8,833.8
Special mention	78.4	17.5	15.8	16.1	4.9	79.2	0.6	9.8	222.3
Substandard	81.5	12.1	22.0	37.3	10.2	43.5	0.5	—	207.1
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 1,368.4	$ 1,369.8	$ 1,946.9	$ 1,397.5	$ 1,084.8	$ 1,901.0	$ 75.2	$ 119.6	$ 9,263.2
Current-period gross charge-offs	0.2	5.7	—	19.4	—	0.1	—	—	25.4
Construction real estate:									
Pass	$ 438.0	$ 233.0	$ 320.2	$ 76.5	$ 17.3	$ 20.9	$ 124.8	$ 1.8	$ 1,232.5
Special mention	2.1	—	6.4	—	—	—	—	—	8.5
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	3.6	—	—	—	—	—	—	—	3.6
Total	$ 443.7	$ 233.0	$ 326.6	$ 76.5	$ 17.3	$ 20.9	$ 124.8	$ 1.8	$ 1,244.6
Current-period gross charge-offs	—	—	13.1	—	0.1	—	—	—	13.2
Agricultural real estate:									
Pass	$ 118.6	$ 53.0	$ 104.7	$ 107.9	$ 66.0	$ 144.1	$ 33.4	$ 0.5	$ 628.2
Special mention	1.1	0.2	6.8	6.1	8.5	0.7	—	—	23.4
Substandard	12.9	8.2	19.7	3.4	4.4	0.9	—	—	49.5
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 132.6	$ 61.4	$ 131.2	$ 117.4	$ 78.9	$ 145.7	$ 33.4	$ 0.5	$ 701.1
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial:									
Pass	$ 438.8	$ 353.0	$ 375.9	$ 316.0	$ 165.9	$ 255.2	$ 767.3	$ 8.9	$ 2,681.0
Special mention	3.9	13.9	3.1	2.2	6.2	0.6	19.1	—	49.0
Substandard	30.8	5.4	12.8	5.5	1.6	3.4	35.2	1.5	96.2
Doubtful	—	1.6	1.1	0.5	—	—	—	—	3.2
Total	$ 473.5	$ 373.9	$ 392.9	$ 324.2	$ 173.7	$ 259.2	$ 821.6	$ 10.4	$ 2,829.4
Current-period gross charge-offs	21.6	2.2	1.1	0.3	0.1	0.1	31.1	2.9	59.4
Agricultural:									
Pass	$ 109.6	$ 34.1	$ 39.4	$ 16.6	$ 13.5	$ 5.8	$ 379.4	$ 1.1	$ 599.5
Special mention	4.1	1.4	0.9	0.2	0.9	0.1	5.1	—	12.7
Substandard	4.1	25.9	0.1	—	0.5	—	25.9	0.3	56.8
Doubtful	18.9	—	—	—	—	—	—	—	18.9
Total	$ 136.7	$ 61.4	$ 40.4	$ 16.8	$ 14.9	$ 5.9	$ 410.4	$ 1.4	$ 687.9
Current-period gross charge-offs	—	—	—	0.3	—	—	—	—	0.3

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	Term Loans Amortized Cost Basis by Origination Year								
	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Commercial real estate:									
Pass	$ 1,268.0	$ 2,065.0	$ 1,612.2	$ 1,200.1	$ 716.5	$ 1,660.5	$ 46.5	$ 28.1	$ 8,596.9
Special mention	4.2	9.1	42.6	12.9	27.5	17.1	0.3	—	113.7
Substandard	65.4	11.8	18.9	2.4	30.1	28.5	0.2	—	157.3
Doubtful	—	—	1.3	—	—	—	—	—	1.3
Total	$ 1,337.6	$ 2,085.9	$ 1,675.0	$ 1,215.4	$ 774.1	$ 1,706.1	$ 47.0	$ 28.1	$ 8,869.2
Current-period gross charge-offs	1.7	0.3	1.7	2.6	—	1.3	—	—	7.6
Construction:									
Pass	$ 493.7	$ 735.3	$ 331.2	$ 36.7	$ 16.8	$ 36.2	$ 104.4	$ 13.7	$ 1,768.0
Special mention	0.5	6.6	1.3	—	—	0.2	—	0.9	9.5
Substandard	7.0	4.0	24.4	0.2	—	0.4	—	—	36.0
Doubtful	—	13.0	—	—	—	—	—	—	13.0
Total	$ 501.2	$ 758.9	$ 356.9	$ 36.9	$ 16.8	$ 36.8	$ 104.4	$ 14.6	$ 1,826.5
Current-period gross charge-offs	—	—	0.1	—	0.6	—	—	9.6	10.3
Agricultural real estate:									
Pass	$ 86.2	$ 123.7	$ 126.2	$ 93.5	$ 56.7	$ 124.3	$ 31.8	$ 7.0	$ 649.4
Special mention	2.6	9.5	3.5	1.9	1.5	11.3	0.5	—	30.8
Substandard	8.1	20.8	3.6	2.6	0.4	1.1	—	—	36.6
Total	$ 96.9	$ 154.0	$ 133.3	$ 98.0	$ 58.6	$ 136.7	$ 32.3	$ 7.0	$ 716.8
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial:									
Pass	$ 481.6	$ 507.7	$ 389.8	$ 215.1	$ 108.7	$ 272.9	$ 762.3	$ 7.6	$ 2,745.7
Special mention	7.3	4.7	6.6	3.1	0.9	1.9	14.8	0.2	39.5
Substandard	15.8	19.6	9.0	7.0	1.6	3.0	58.8	0.4	115.2
Doubtful	3.3	1.3	1.6	—	—	0.1	0.1	—	6.4
Total	$ 508.0	$ 533.3	$ 407.0	$ 225.2	$ 111.2	$ 277.9	$ 836.0	$ 8.2	$ 2,906.8
Current-period gross charge-offs	0.2	0.4	0.5	0.5	0.2	0.1	1.4	0.1	3.4
Agricultural:									
Pass	$ 105.7	$ 57.7	$ 31.6	$ 22.4	$ 6.1	$ 7.2	$ 421.9	$ 3.4	$ 656.0
Special mention	2.6	0.8	0.5	0.2	0.1	0.1	9.0	3.1	16.4
Substandard	43.8	0.3	2.7	0.7	28.8	2.2	18.5	—	97.0
Total	$ 152.1	$ 58.8	$ 34.8	$ 23.3	$ 35.0	$ 9.5	$ 449.4	$ 6.5	$ 769.4
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—

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The Company evaluates the credit quality, loan performance, and the ACL of its residential and consumer loan portfolios based primarily on the aging status of the loan and borrower payment activity. Accordingly, loans on nonaccrual status, loans past due 90 days or more and still accruing interest are considered nonperforming for purposes of credit quality evaluation. The following tables present the recorded investment of these loan portfolios based on the credit risk profile of loans that are performing and loans that are nonperforming as of the periods indicated:

	December 31, 2024								
	Term Loans Amortized Cost Basis by Origination Year								
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Residential:									
Performing	$ 22.6	$ 73.8	$ 409.1	$ 487.3	$ 440.2	$ 252.5	$ 477.8	$ 12.5	$ 2,175.8
Nonperforming	1.3	1.5	4.9	2.1	1.1	4.9	—	—	15.8
Total	$ 23.9	$ 75.3	$ 414.0	$ 489.4	$ 441.3	$ 257.4	$ 477.8	$ 12.5	$ 2,191.6
Current-period gross charge-offs	—	0.2	0.2	0.1	0.3	0.2	—	—	1.0
Consumer indirect:									
Performing	$ 266.8	$ 127.2	$ 167.5	$ 68.9	$ 44.4	$ 45.6	$ —	$ —	$ 720.4
Nonperforming	0.9	1.1	1.1	0.6	0.4	0.5	—	—	4.6
Total	$ 267.7	$ 128.3	$ 168.6	$ 69.5	$ 44.8	$ 46.1	$ —	$ —	$ 725.0
Current-period gross charge-offs	0.5	2.0	3.4	1.1	0.4	1.1	—	—	8.5
Consumer direct and advance lines:									
Performing	$ 46.5	$ 25.4	$ 18.5	$ 10.0	$ 4.2	$ 5.2	$ 23.2	$ 0.1	$ 133.1
Nonperforming	0.4	0.1	0.2	0.1	—	0.1	—	—	0.9
Total	$ 46.9	$ 25.5	$ 18.7	$ 10.1	$ 4.2	$ 5.3	$ 23.2	$ 0.1	$ 134.0
Current-period gross charge-offs	0.2	0.6	0.9	0.2	—	1.8	0.1	0.1	3.9
Consumer credit card:									
Performing	$ —	$ —	$ —	$ —	$ —	$ —	$ 76.6	$ —	$ 76.6
Nonperforming	—	—	—	—	—	—	1.0	—	1.0
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 77.6	$ —	$ 77.6
Current-period gross charge-offs	—	—	—	—	—	—	3.0	—	3.0

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	December 31, 2023								
	Term Loans Amortized Cost Basis by Origination Year								
	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Residential:									
Performing	$ 44.7	$ 356.9	$ 521.3	$ 500.6	$ 88.5	$ 217.1	$ 471.8	$ 32.1	$ 2,233.0
Nonperforming	1.1	2.1	1.2	1.1	0.7	5.1	—	—	11.3
Total	$ 45.8	$ 359.0	$ 522.5	$ 501.7	$ 89.2	$ 222.2	$ 471.8	$ 32.1	$ 2,244.3
Current-period gross charge-offs	0.3	—	0.1	0.1	—	0.1	—	—	0.6
Consumer indirect:									
Performing	$ 194.9	$ 264.7	$ 115.4	$ 81.1	$ 32.9	$ 48.8	$ —	$ —	$ 737.8
Nonperforming	0.4	0.9	0.6	0.4	0.2	0.6	—	—	3.1
Total	$ 195.3	$ 265.6	$ 116.0	$ 81.5	$ 33.1	$ 49.4	$ —	$ —	$ 740.9
Current-period gross charge-offs	0.5	3.2	1.8	0.8	0.3	0.7	—	—	7.3
Consumer direct and advance lines:									
Performing	$ 44.5	$ 32.9	$ 18.5	$ 9.4	$ 3.6	$ 6.0	$ 26.2	$ 0.2	$ 141.3
Nonperforming	0.1	0.1	0.1	—	—	—	—	—	0.3
Total	$ 44.6	$ 33.0	$ 18.6	$ 9.4	$ 3.6	$ 6.0	$ 26.2	$ 0.2	$ 141.6
Current-period gross charge-offs	0.2	0.5	0.2	0.4	0.1	2.6	0.1	—	4.1
Consumer credit card:									
Performing	$ —	$ —	$ —	$ —	$ —	$ —	$ 75.9	$ —	$ 75.9
Nonperforming	—	—	—	—	—	—	0.6	—	0.6
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 76.5	$ —	$ 76.5
Current-period gross charge-offs	—	—	—	—	—	—	2.6	—	2.6

In the normal course of business, there were no material purchases of portfolio loans and no material sales of loans held for investment during the periods ended December 31, 2024 or 2023.

(6) PREMISES AND EQUIPMENT

Premises and equipment and related accumulated depreciation are as follows:

December 31,	2024	2023
Land	$ 87.2	$ 87.7
Buildings and improvements	473.7	474.2
Furniture and equipment	112.2	111.6
Total premises and equipment	673.1	673.5
Less accumulated depreciation	(245.9)	(229.2)
Premises and equipment, net	$ 427.2	$ 444.3

Depreciation expense was $38.8 million, $34.3 million, and $35.1 million for the years ended December 31, 2024, 2023, and 2022, respectively.

The Parent Company and a FIB branch office lease premises from an affiliated entity. See Note —Commitments and Contingencies.

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(7) OTHER REAL ESTATE OWNED

OREO is a category of real estate owned by the Company resulting from a default by the borrower. Information with respect to the Company's OREO is reflected in the following table:

Year Ended December 31,	2024	2023	2022
Balance at beginning of year	$ 16.5	$ 12.7	$ 2.0
Acquired through acquisitions	—	—	15.8
Additions	4.6	8.3	0.4
Valuation adjustments	(4.3)	(1.1)	(2.8)
Dispositions	(12.5)	(3.4)	(2.7)
Balance at end of year	$ 4.3	$ 16.5	$ 12.7

There were $4.3 million, $1.1 million and $2.8 million of valuation adjustments at December 31, 2024, 2023 and 2022 respectively, which were adjustments based on internal evaluations and other sources, including management estimates of the current fair value of properties, and adjustments directly related to receipt of updated appraisals.

The carrying value of foreclosed residential real estate properties included in OREO was not material as of December 31, 2024 and 2023. The Company had $2.2 million and $0.5 million of recorded investments in consumer mortgage loans secured by residential real estate for which formal foreclosure proceedings were in process of foreclosure as of December 31, 2024 and December 31, 2023, respectively.

(8) DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through the management of its business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and derivative financial instruments. The Company enters into derivative financial instruments, such as interest rate swap contracts to manage or hedge exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates and interest rate exposures. The Company does not enter into interest rate swap agreements for trading or speculative purposes.

The Company sells residential mortgage loans on either a best efforts or mandatory delivery basis. The Company mitigates the effect of the interest rate risk inherent in providing interest rate lock commitments by entering into forward loan sales contracts. The forward loan sales contracts are recorded at fair value with changes in fair value recorded through earnings and are not designated as accounting hedges. Exclusive of the fair value component associated with the projected cash flows from the loan delivery to the investor, the changes in fair value related to movements in market rates of the interest rate lock commitments and the forward loan sales contracts generally move in opposite directions, and the net impact of changes in these valuations on net income during the loan commitment period is generally inconsequential. When the loan is funded to the borrower, the interest rate lock commitment expires, and the Company records a loan held for sale. The forward loan sales contract acts as a hedge against movements in the market interest rates from the time the Company enters into the interest rate lock commitment. The changes in measurement of the estimated fair values of the interest rate lock commitments and forward loan sales contracts are included in mortgage banking revenues in the accompanying consolidated statements of income. The Company charges a fee for these transactions, which is included in mortgage banking revenues on the consolidated statements of income which were not material for the periods ended December 31, 2024 and 2023.

The Company also enters into certain interest rate swap contracts that are not designated as hedging instruments. These derivative contracts relate to transactions in which the Company enters into an interest rate swap with a client while at the same time entering into an offsetting interest rate swap with a third-party financial institution. Because the Company acts as an intermediary for the client, changes in the fair value of the underlying derivative contracts primarily offset each other and do not significantly impact the Company’s results of operations. The Company charges a fee for these transactions, which is included in other service charges, commissions, and fees on the consolidated statements of income which were not material for the periods ended December 31, 2024 and 2023.

Cash Flow Hedges of Interest Rate Risk

The Company’s objectives in using interest rate derivatives are to add stability to interest income (expense) and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and collars as part of its interest rate risk management strategy.

As part of the Company’s overall asset and liability management strategy, the Company entered into two interest rate collars related to variable-rate loans that were designated as cash flow hedges with a total notional amount of $300.0 million and entered into four swaps, two of which were related to variable-rate loans and two that were related to variable-rate securities that were designated as cash flow hedges with a total notional amount of $850.0 million. The collars designated as cash flow hedges synthetically fix the interest income received by the Company when the interest index falls below a floor rate on a rate reset and when the interest index exceeds the cap rate on a rate reset. Each of the swaps designated as cash flow hedges synthetically fixes the interest income received by the Company.

During 2024, the Company voluntarily terminated three swaps, two of which were related to variable-rate loans and one related to variable-rate securities that were designated as cash flow hedges with a total notional amount of $550.0 million. The termination of the cash flow hedges resulted in a net loss of $0.2 million being captured in accumulated other comprehensive income, net of tax, and reclassified to interest income over the period the forecasted transactions affect earnings.

The active two interest rate collars and one remaining swap designated as cash flow hedges were effective with a total notional amount of $600.0 million.

(Dollars in millions, except share and per share data)

For derivatives that are designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income and subsequently reclassified into interest income in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified as interest income when interest payments on the Company's hedged items are earned. During the next twelve months, based on implied forward curves, the Company estimates that $2.6 million will be reclassified as an adjustment to interest income.

Fair Value Hedges of Interest Rate Risk

The Company is exposed to changes in the fair value of fixed-rate assets due to changes in benchmark interest rates. The Company uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rate. Interest rate swaps designated as fair value hedges involve the payment of fixed-rate amounts to a counterparty in exchange for the Company receiving variable-rate payments over the life of the agreements. During the third quarter of 2022, the Company discontinued a fair value hedging relationship, resulting in an $8.5 million hedging basis adjustment on the previously hedged investment securities. The hedging basis adjustment is being accreted into income through July 2028 or until the securities are sold. The Company accreted $1.4 million of the adjustment into interest income during the period ended December 31, 2024 and 2023.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in interest income.

The following amounts were recorded on the consolidated balance sheets related to cumulative basis adjustment for the discontinued fair value hedge for the periods indicated:

	December 31, 2024		December 31, 2023	
	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment
Available-for-sale securities	$ 194.7	$ 5.3	$ 193.3	$ 6.7

Derivatives Not Designated as Accounting Hedges

Derivative instruments not designated as accounting hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously economically hedged by offsetting derivatives that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate derivatives associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized in other income.

Risk Participation Agreements

The Company acquired, from Great Western Bank, risk participation agreements under which it assumed credit risk associated with a borrower's performance related to derivative contracts. The Company only entered into these credit risk participation agreements in instances in which the Company was also a party to the related loan participation agreements for such borrowers. The Company manages its credit risk under risk participation agreements by monitoring the creditworthiness of the borrower, based on its normal credit review process.

The following table summarizes the fair values of our derivative instruments on a gross and net basis for the periods indicated. The derivative asset and liability balances are presented on a gross basis, prior to the application of bilateral collateral and master netting agreements, but after the variation margin payments with central clearing organizations have been applied as settlement, as applicable. Total derivative assets and liabilities are adjusted to account for the impact of legally enforceable master netting agreements that allow us to settle all derivative contracts with a single counterparty on a net basis and to offset the net derivative position with the related cash collateral. Securities collateral related to legally enforceable master netting agreements is not offset on the consolidated balance sheets.

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	December 31, 2024			December 31, 2023		
	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value
Derivatives designated as accounting hedges:						
Interest rate swap contracts	$ —		$ —	$ 550.0		$ 3.0
Derivatives not designated as accounting hedges:						
Interest rate swap contracts	1,415.4		44.9	1,589.0		34.3
Interest rate lock commitments	2.7		—	5.7		0.1
Forward loan sales contracts	2.4		—	—		—
Derivative assets	$ 1,420.5	Other assets	$ 44.9	$ 2,144.7	Other assets	$ 37.4
Derivatives designated as accounting hedges:						
Interest rate collars	$ 300.0		$ 1.0	$ 300.0		$ 3.6
Interest rate swap contracts	300.0		2.8	300.0		2.4
Derivatives not designated as accounting hedges:						
Interest rate swap contracts	1,415.4		130.0	1,589.0		121.1
Risk participation agreements	91.6		—	101.1		0.1
Forward loan sales contracts	—		—	5.6		0.1
Derivative liabilities	$ 2,107.0	Accounts payable and accrued expenses	$ 133.8	$ 2,295.7	Accounts payable and accrued expenses	$ 127.3

There was an unrealized fair value gain on cash flow hedging derivative instruments recognized in other comprehensive income of $15.0 million and $6.5 million for the periods ended December 31, 2024 and 2023, respectively.

All derivatives are carried at fair value in either other assets or other liabilities and all related cash flows are reported in the operating section of the consolidated statements of cash flows.

(Dollars in millions, except share and per share data)

The tables below present the gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of the dates indicated:

	December 31, 2024					
	Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Received[(1)]	Net Amount
Interest rate swap and collar contracts	$ 44.9	$ —	$ 44.9	$ —	$ 42.4	$ 2.5
Total derivatives	44.9	—	44.9	—	42.4	2.5
Total assets	$ 44.9	$ —	$ 44.9	$ —	$ 42.4	$ 2.5

(1) Netting adjustments represent the amounts recorded to convert derivatives assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The application of the collateral cannot reduce the net derivative position below zero. Therefore, excess collateral, if any, is not reflected above.

	Gross Liabilities Recognized	Gross Liabilities Offset in the Balance Sheet	Net Liabilities in the Balance Sheet	Financial Instruments	Cash Collateral Posted	Net Amount
Interest rate swap and collar contracts	$ 133.8	$ —	$ 133.8	$ —	$ —	$ 133.8
Total derivatives	133.8	—	133.8	—	—	133.8
Repurchase agreements[(2)]	523.9	—	523.9	—	—	523.9
Total liabilities	$ 657.7	$ —	$ 657.7	$ —	$ —	$ 657.7

(2) Repurchase agreements are fully collateralized by investment securities.

	December 31, 2023					
	Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Received[(1)]	Net Amount
Interest rate swap and collar contracts	$ 37.3	$ —	$ 37.3	$ —	$ 32.7	$ 4.6
Interest rate lock commitments	0.1	—	0.1	—	—	0.1
Total derivatives	37.4	—	37.4	—	32.7	4.7
Total assets	$ 37.4	$ —	$ 37.4	$ —	$ 32.7	$ 4.7

(1) Netting adjustments represent the amounts recorded to convert derivatives assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The application of the collateral cannot reduce the net derivative position below zero. Therefore, excess collateral, if any, is not reflected above.

	Gross Liabilities Recognized	Gross Liabilities Offset in the Balance Sheet	Net Liabilities in the Balance Sheet	Financial Instruments	Cash Collateral Posted	Net Amount
Interest rate swap and collar contracts	$ 127.1	$ —	$ 127.1	$ —	$ —	$ 127.1
Risk participation agreements	0.1	—	0.1	—	—	0.1
Forward loan sales contracts	0.1	—	0.1	—	—	0.1
Total derivatives	127.3	—	127.3	—	—	127.3
Repurchase agreements[(2)]	782.7	—	782.7	—	—	782.7
Total liabilities	$ 910.0	$ —	$ 910.0	$ —	$ —	$ 910.0

(2) Repurchase agreements are fully collateralized by investment securities.

Credit-risk-related Contingent Feature

The Company has agreements with certain of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. In addition, the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

(Dollars in millions, except share and per share data)

The Company has agreements with certain of its derivative counterparties that contain a provision where if the Company fails to maintain its status as a well / adequately capitalized institution, then the counterparty could terminate the derivative positions and the Bank would be required to settle its obligations. Similarly, the Bank could be required to settle its obligations under certain of its agreements if specific regulatory events occur, such as a publicly issued prompt corrective action directive, cease and desist order, or a capital maintenance agreement that required the Bank to maintain a specific capital level. If the Bank had breached any of these provisions at December 31, 2024 or 2023, it could have been required to settle its obligations under the agreements at the termination value.

As of December 31, 2024, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, was zero related to these agreements. As of December 31, 2024, the Company has minimum collateral posting thresholds with certain of its derivative counterparties and has not posted excess collateral. If the Company had breached any of these provisions at December 31, 2024, it could have been required to settle its obligations under the agreements at their termination value.

(9) MORTGAGE SERVICING RIGHTS

Information with respect to the Company's mortgage servicing rights follows:

Year Ended December 31,	2024	2023	2022
Balance at beginning of year	$ 28.3	$ 31.1	$ 31.6
Acquisition of mortgage servicing rights	—	—	1.3
Originations of mortgage servicing rights	0.7	1.1	2.5
Amortization expense	(3.3)	(3.9)	(4.3)
Balance at end of year	25.7	28.3	31.1
Principal balance of serviced loans underlying mortgage servicing rights	$ 2,853.2	$ 3,091.1	$ 3,259.8
Mortgage servicing rights as a percentage of serviced loans	0.90 %	0.92 %	0.95 %

At December 31, 2024, the estimated fair value and weighted average remaining life of the Company's mortgage servicing rights were $35.4 million and 7.6 years, respectively. The fair value of mortgage servicing rights was determined using discount rates ranging from 11.1% to 12.4% and monthly prepayment speeds ranging from 0.2% to 2.2% depending upon the risk characteristics of the underlying loans. At December 31, 2023, the estimated fair value and weighted average remaining life of the Company's mortgage servicing rights were $38.8 million and 7.8 years, respectively. The fair value of mortgage servicing rights was determined using discount rates ranging from 11.9% to 12.8% and monthly prepayment speeds ranging from 0.4% to 1.6% depending upon the risk characteristics of the underlying loans. There were no temporary impairments or impairment reversals in 2024 and 2023, compared to $3.4 million of impairments reversed in 2022. There was no valuation reserve and no permanent impairment was recorded in 2024, 2023, or 2022.

(10) DEPOSITS

Deposits are summarized as follows:

December 31,	2024	2023
Noninterest bearing	$ 5,797.6	$ 6,029.6
Interest bearing:		
Demand	6,495.2	6,507.8
Savings	7,832.3	7,775.8
Time, $250 and over	825.0	811.6
Time, other	2,065.5	2,198.3
Total interest bearing	17,218.0	17,293.5
Total deposits	$ 23,015.6	$ 23,323.1

Other time deposits include time deposits under $250,000 and deposits obtained through the Company's participation in Intrafi. Intrafi deposits totaled $12.5 million and $26.6 million as of December 31, 2024 and 2023, respectively. The Company had no brokered deposits as of December 31, 2024 and December 31, 2023.

(Dollars in millions, except share and per share data)

As of December 31, 2024 and 2023, the Company had time deposits of $825.0 million and $811.6 million, respectively, that met or exceeded the FDIC insurance limit of $250,000.

Maturities of time deposits at December 31, 2024 are as follows:

	Time, $250 and Over	Time, other	Total Time
Due within 3 months or less	$ 418.8	$ 924.7	$ 1,343.5
Due after 3 months and within 6 months	219.7	588.9	808.6
Due after 6 months and within 12 months	122.4	384.0	506.4
Due within 2026	56.3	125.0	181.3
Due within 2027	5.1	32.1	37.2
Due within 2028	1.7	7.1	8.8
Due within 2029 and thereafter	1.0	3.7	4.7
Total	$ 825.0	$ 2,065.5	$ 2,890.5

Interest expense on time deposits of $250,000 and over was $32.7 million, $21.5 million, and $2.5 million for the years ended December 31, 2024, 2023, and 2022, respectively.

(11) LONG-TERM DEBT AND OTHER BORROWED FUNDS

A summary of long-term debt follows:

December 31,	2024	2023
Parent Company:		
Fixed to floating subordinated notes, 5.25% fixed rate effective May 2020 through May 2025	$ 99.1	$ 99.0
Subsidiaries:		
0.00% FHLB borrowings maturing in August 2029	3.9	—
8.00% finance lease obligation with term ending October 31, 2029	0.8	0.9
1.00% note payable maturing December 31, 2041, interest only payable quarterly until September 30, 2024 and then principal and interest until maturity	—	5.1
Note payable maturing March 31, 2038, interest only payable at 1.30% monthly until March 31, 2025 and then principal and interest at 3.25% until maturity	2.0	2.0
1.30% note payable maturing June 1, 2034, interest only payable monthly until March 31, 2025 and then principal and interest until maturity	0.6	0.6
1.12% note payable maturing December 31, 2045, interest only payable annually until December 31, 2028 and then principal and interest until maturity	6.8	6.8
1.35% note payable maturing December 31, 2046 interest only payable annually until December 31, 2025 and then principal and interest until maturity	6.4	6.4
1.26% note payable maturing December 31, 2051 interest only payable annually until December 31, 2031 and then principal and interest until maturity	12.6	—
Total long-term debt	$ 132.2	$ 120.8

Maturities of long-term debt at December 31, 2024 were as follows:	
2025	$ 0.1
2026	0.1
2027	0.2
2028	0.2
2029	4.1
Thereafter	127.5
Total	$ 132.2

On May 15, 2020, the Company completed a public offering of $100.0 million fixed-to-floating rate subordinated notes due May 15, 2030 (the “Notes”). The debt is included in Tier 2 capital for the Company. The Company may elect to redeem the Notes, in whole or in part, on any early redemption date which is any interest payment date on or after May 15, 2025 at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest. The Company may also redeem the Notes, in whole but not in part, upon certain conditions as defined in the indenture agreement. Any early redemption of the Notes will be subject to regulatory approval.

From and including the date of issuance to, but excluding, May 15, 2025, or earlier redemption date, the Notes bear interest at an initial fixed rate of 5.25% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, which commenced on November 15, 2020. From and including May 15, 2025 to, but excluding, May 15, 2025, or earlier redemption date, the Notes will bear interest at a floating rate per annum equal to a benchmark rate, which is expected to be Three-Month Term Secured Overnight Financing Rate (“SOFR”) (as defined in the First Supplemental Indenture Agreement), plus 518.0 basis points, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2025.

Unamortized debt issuance costs of $0.9 million, as of December 31, 2024, are being amortized to maturity. Subordinated debt is presented net of issuance costs on the consolidated balance sheet.

The Notes are unsecured, subordinated obligations of the Company and: (i) rank junior to all of the Company’s existing and future senior indebtedness; (ii) rank equal in right of payment with any of the Company’s existing and future subordinated indebtedness; (iii) rank senior to the Company’s obligations relating to any junior subordinated debt securities issued to its capital trust subsidiaries; (iv) are effectively subordinated to all of the Company’s secured indebtedness to the extent of the value of the assets securing such indebtedness; and (v) are structurally subordinated to all of the existing and future liabilities and obligations of the Company’s subsidiaries, including deposit liabilities and claims of other creditors of the Company’s bank subsidiary, First Interstate Bank.

Proceeds from the private placement of subordinated notes were used for general corporate purposes.

At December 31, 2024, the Company had $3.9 million in 5-year FHLB borrowings with a 1-year lockout at 0.00%, maturing in August 2029.

The Company has a financing lease obligation on a banking office. Assets acquired under the financing lease, consist solely of a building and leasehold improvements, and are included in premises and equipment subject to depreciation.

Additionally, the Company borrowed or assumed through acquisitions $28.4 million and $20.9 million as of December 31, 2024 and 2023, respectively, related to New Market Tax Credits that the Company is required to consolidate through its controlling interest in variable interest entity investments. The long-term debt obligations consist of fixed rate note payables with various interest rates from 1.00% to 3.25% and maturities from June 1, 2034 through December 31, 2051, collateralized by the Company’s equity interest in various CDEs, which are 99.9% owned by the Company.

At December 31, 2024, the Company had $1,567.5 million in outstanding FHLB borrowings with remaining tenors of up to twelve-months at an average rate of 4.77%, as compared to $2,603.0 million of outstanding FHLB fixed rate borrowings with tenors of up to three-months at an average rate of 5.52% at December 31, 2023. As of December 31, 2024 and December 31, 2023, the Company had no other material outstanding borrowings classified as other borrowed funds.

At December 31, 2024, the Company has remaining available lines of credit with the FHLB of approximately $4,371.4 million, subject to collateral availability. The available line of credit and outstanding borrowings with the FHLB are collateralized by certain loans and securities with an advance equivalent collateral value of $5,942.8 million.

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The following table presents outstanding FHLB borrowings by original maturity classification for the dates indicated:

As of December 31, 2024	Average Rate	Outstanding Balance
Fixed rate borrowings with tenors of up to twelve-months	4.78	1,317.5
Fixed rate borrowings with tenors over twelve-months	4.72	250.0
		$ 1,567.5

As of December 31, 2023	Rate	Outstanding Balance
Fixed rate borrowings with tenors of up to three-months	5.52	$ 2,603.0
		$ 2,603.0

The Company has unused federal fund lines of credit with third parties amounting to $235.0 million, subject to funds availability. These lines are subject to cancellation without notice. The Company also has an unused line of credit with the FRB for borrowings up to $1,813.6 million secured by a blanket pledge of agricultural and commercial loans and has an unused $50.0 million revolving line of credit with another third party.

(12) SUBORDINATED DEBENTURES HELD BY SUBSIDIARY TRUSTS

The Company sponsors fourteen wholly owned business trusts, Trust I through Trust XIV (collectively, the "Trusts"). The Trusts were formed for the exclusive purpose of issuing an aggregate of $163.1 million of 30-year floating rate mandatorily redeemable capital trust preferred securities ("Trust Preferred Securities") to third-party investors. The Trusts also issued, in aggregate, $5.3 million of common equity securities to the Parent Company. Proceeds from the issuance of the Trust Preferred Securities and common equity securities were invested in 30-year junior subordinated deferrable interest debentures ("Subordinated Debentures") issued by the Parent Company.

A summary of Subordinated Debenture issuances follows:

				December 31, 2024		December 31, 2023	
	Issuance	Interest Rate[1]	Maturity Date	Amount	Common Shares[2]	Amount	Common Shares [2]
Trust I	November 2007	7.37%	December 15, 2037	$ 15.5	$ 0.5	$ 15.5	$ 0.5
Trust II	October 2007	7.10	January 1, 2038	10.3	0.3	10.3	0.3
Trust III	December 2007	7.02	December 15, 2037	20.6	0.6	20.6	0.6
Trust IV	December 2007	7.55	April 1, 2038	15.5	0.5	15.5	0.5
Trust V	January 2008	7.60	April 1, 2038	10.3	0.3	10.3	0.3
Trust VI	January 2008	7.60	April 1, 2038	10.3	0.3	10.3	0.3
Trust VII	June 2005	6.29	June 30, 2035	5.2	0.2	5.2	0.2
Trust VIII	March 2006	6.10	March 15, 2036	30.9	0.9	30.9	0.9
Trust IX	June 2005	6.47	June 15, 2035	2.1	0.1	2.1	0.1
Trust X	December 2003	7.46	December 17, 2033	23.1	0.7	23.1	0.7
Trust XI	December 2002	8.27	January 7, 2033	5.2	0.2	5.2	0.2
Trust XII	September 2003	8.02	October 8, 2033	7.2	0.2	7.2	0.2
Trust XIII	December 2006	6.59	March 1, 2037	5.3	0.3	5.3	0.3
Trust XIV	July 2007	6.50	October 1, 2037	2.2	0.2	2.2	0.2
Total subordinated debentures payable				163.7	$ 5.3	163.7	$ 5.3
Less: fair value adjustment [3]				(0.6)		(0.6)	
Total subordinated debentures payable, net of fair value adjustments				$ 163.1		$ 163.1	

[1] Interest rates as of December 31, 2024

[2] Common shares on subordinated debentures are included in other assets on the consolidated balance sheets

[3] Adjustment reflects the fair value adjustments related to the subordinated deferrable interest debentures assumed as part of the Northwest and Great Western acquisitions.

Trust I Subordinated Debentures issued by the Company bore interest at a fixed rate of 7.50% for five years after issuance until December 15, 2012, and thereafter at a variable rate equal to three-month SOFR plus tenor spread plus

2.75% per annum. Interest payment dates are December 15, March 15, June 15, and September 15 of each year, beginning December 15, 2007, and are payable in arrears.

Trust II Subordinated Debentures issued by the Company bear a cumulative floating interest rate equal to SOFR plus tenor spread plus 2.25% per annum. Interest payment dates are January 1, April 1, July 1 and October 1 of each year, beginning January 1, 2008, and are payable in arrears.

Trust III Subordinated Debentures issued by the Company bore interest at a fixed rate of 6.88% for five years after issuance until December 15, 2012, and thereafter at a variable rate equal to three-month SOFR plus tenor spread plus 2.40% per annum. Interest payment dates are December 15, March 15, June 15, and September 15 of each year, beginning March 15, 2008, and are payable in arrears.

Trust IV Subordinated Debentures issued by the Company bear a cumulative floating interest rate equal to three-month SOFR plus tenor spread plus 2.70% per annum. Interest payment dates are January 1, April 1, July 1 and October 1 of each year, beginning April 1, 2008, and are payable in arrears.

Trust V Subordinated Debentures issued by the Company bore interest at a fixed rate of 6.78% for five years after issuance until April 1, 2013, and thereafter at a variable rate equal to three-month SOFR plus tenor spread plus 2.75% per annum. Interest payment dates are January 1, April 1, July 1 and October 1 of each year, beginning April 1, 2008, and are payable in arrears.

Trust VI Subordinated Debentures issued by the Company bear a cumulative floating interest rate equal to three-month SOFR plus tenor spread plus 2.75% per annum. Interest payment dates are January 1, April 1, July 1 and October 1 of each year, beginning April 1, 2008, and are payable in arrears.

The Subordinated Debentures are unsecured with interest distributions payable quarterly. The Company may defer the payment of interest at any time provided that the deferral period does not extend past the stated maturity. During any such deferral period, distributions on the Trust Preferred Securities will also be deferred and the Company's ability to pay dividends on its common and preferred shares is restricted. The Subordinated Debentures may be redeemed, subject to approval by the FRB, at the Company's option on or after five years from the date of issue, or at any time in the event of unfavorable changes in laws or regulations. Debt issuance costs consisting primarily of underwriting discounts and professional fees were capitalized and are being amortized through maturity to interest expense using the straight-line method, which approximates level yield.

The terms of the Trust Preferred Securities are identical to those of the Subordinated Debentures. The Trust Preferred Securities are subject to mandatory redemption upon repayment of the Subordinated Debentures at their stated maturity dates or earlier redemption in an amount equal to their liquidation amount plus accumulated and unpaid distributions to the date of redemption. The Company guarantees the payment of distributions and payments for redemption or liquidation of the Trust Preferred Securities to the extent of funds held by the Trusts.

In conjunction with the acquisition of Northwest in August 2018, the Company acquired Northwest Bancorporation Capital Trust I ("Trust VII"). The Northwest Trust was formed for the exclusive purpose of issuing an aggregate of $5.0 million of 30-year floating rate mandatorily redeemable capital trust preferred securities ("Northwest Trust Preferred Securities") to third-party investors. The Trusts also issued, in aggregate, $0.2 million of common equity securities to Northwest. Proceeds from the issuance of the Trust Preferred Securities and common equity securities were invested in 30-year junior subordinated deferrable interest debentures ("Northwest Subordinated Debentures") issued by Northwest. The Subordinated Debentures bore interest at a fixed rate of 5.95% for five years after issuance until June 30, 2010, and thereafter at a variable rate equal to SOFR plus tenor spread plus 1.70% per annum. Interest payment dates are December 30, March 30, June 30, and September 30 of each year, beginning September 30, 2005, and are payable in arrears.

The Company acquired the GWB Capital Trust VI ("Trust VIII") with the acquisition of Great Western in February 2022. Great Western caused to be issued 30,000 shares, $1,000 par value, or $30.0 million of preferred securities of Trust VIII on March 10, 2006, through a private placement. Trust VIII also issued, in aggregate, $0.9 million of common equity securities to Great Western. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 1.48%. Interest payment dates are December 15, March 15, June 15, and September 15 of each year, beginning June 15, 2006, and are payable in arrears. Proceeds from the issue were used for general corporate purposes including redemption of Great Western's Preferred Securities of GWB Capital Trust II.

The Company acquired the Sunstate Banchares Trust II (Trust IX") with the acquisition of Great Western in February 2022. Sunstate Bancshares caused to be issued 2,000 shares, $1,000 par value, or $2.0 million of preferred securities of Trust IX on June 1, 2005, through a private placement. Trust IX also issued, in aggregate, $0.1 million of common equity securities to Sunstate Banchsares. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 1.85%. Interest payment dates are March 15, June 15, September 15, and December 15 of each year, beginning September 15, 2005, and are payable in arrears.

The Company acquired the Great Western Statutory Trust IV ("Trust X") with the acquisition of Great Western in February 2022. Great Western caused to be issued 22,400 shares, $1,000 par value, or $22.4 million of preferred securities of Trust X on December 17, 2003, through a private placement. Trust X also issued, in aggregate, $0.7 million of common equity securities to Great Western. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 2.85% basis points. Interest payment dates are March 17, June 17, September 17 and December 17 of each year, beginning March 17, 2004 and are payable in arrears. Proceeds from the issue were used for general corporate purposes.

The Company acquired the HF Financial Capital Trust III ("Trust XI") in the acquisition of Great Western in February 2022. HF Financial Corp. caused to be issued 5,000 shares, $1,000 par value, or $5.0 million of preferred securities of Trust XI on December 19, 2002, through a private placement. Trust XI also issued, in aggregate, $0.2 million of common equity securities to HF Financial Corp. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 3.35%. Interest payment dates are January 7, April 7, July 7, and October 7 of each year, beginning April 7, 2003, and are payable in arrears.

The Company acquired the HF Trust IV ("Trust XII") in the acquisition of Great Western in February 2022. HF Financial Corp. caused to be issued 7,000 shares, $1,000 par value, or $7.0 million of preferred securities of Trust XII on September 25, 2003, through a private placement. Trust XII also issued, in aggregate, $0.2 million of common equity securities to HF Financial Corp. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 3.10%. Interest payment dates are January 8, April 8, July 8, and October 8 of each year, beginning January 8, 2004, and are payable in arrears.

The Company acquired the HF Trust V ("Trust XIII") in the acquisition of Great Western in February 2022. HF Financial Corp. caused to be issued 5,000 shares, $1,000 par value, or $5.0 million of preferred securities of Trust XIII on December 7, 2006, through a private placement. Trust XIII also issued, in aggregate, $0.3 million of common equity securities to HF Financial Corp. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 1.83%. Interest payment dates are March 1, June 1, September 1, and December 1 of each year, beginning March 1, 2007, and are payable in arrears. In the first quarter of Great Western's fiscal year 2017, Great Western redeemed 5,000 shares of Trust XIII debentures under the First Supplemental Indenture dated May 13, 2016.

The Company acquired the HF Trust VI ("Trust XIV") in the acquisition of Great Western in February 2022. HF Financial Corp. caused to be issued 2,000 shares, $1,000 par value, or $2.0 million of preferred securities of Trust XIV on July 5, 2007, through a private placement. Trust XIV also issued, in aggregate, $0.2 million of common equity securities to HF Financial Corp. The distribution rate is set quarterly at three-month SOFR plus tenor spread plus 1.65%. Interest payment dates are January 1, April 1, July 1, and October 1 of each year, beginning October 1, 2007, and are payable in arrears.

For the seven Subordinated Debentures acquired from Great Western, the Company may, at one or more times, defer interest payments on the related debentures for up to 20 consecutive quarters following suspension of dividends on all capital stock. At the end of any deferral period, all accumulated and unpaid interest must be paid. Subject to the Company receiving prior approval of the Federal Reserve, if required, the Company has the right to redeem the debentures at the redemption price, in whole or in part, on an interest payment date. The redemption price is $1,000 per preferred security plus any accrued and unpaid interest to the date of redemption. Holders of the preferred securities have no voting rights. The preferred securities are unsecured and rank junior in priority of payment to all of the Company's senior indebtedness and senior to the Company's common and preferred stock.

As of December 31, 2024, the Trust Preferred Securities qualified as tier 2 capital of the Parent Company under the Federal Reserve Board's capital adequacy guidelines.

(13) CAPITAL STOCK AND DIVIDEND RESTRICTIONS

The Company’s common stock is traded on the NASDAQ stock market, or NASDAQ, under the symbol “FIBK.”

As of December 31, 2024, the Company is authorized to issue an aggregate of 150,100,000 shares of capital stock, of which, 150,000,000 shares are designated as common stock, and 100,000 are designated as preferred stock. Our common stock is uncertificated and has one vote per share.

The Company had 104,585,964 and 103,941,626 shares of common stock outstanding as of December 31, 2024 and 2023, respectively, and no shares of preferred stock outstanding as of December 31, 2024 and 2023.

During 2024, the Company issued 43,514 shares of its common stock to directors for their annual service on the Company's Board. The aggregate value of the shares issued to directors of $1.2 million is amortized into stock-based compensation expense in the accompanying consolidated statements of changes in stockholders’ equity over a one-year service period. During 2023 and 2022, the Company issued 54,414 and 33,769 shares of its common stock with an aggregate value of $1.2 million and $1.3 million to directors for their service on the Company’s Board during 2023 and 2022, respectively. The aggregate value of the shares issued to directors is included in stock-based compensation expense in the accompanying consolidated statements of changes in stockholders’ equity.

On December 14, 2023, the Company completed the repurchase of one million shares of its common stock from the estate of a stockholder at a price of $32.14 per share, or the closing price per share of the common stock as reported on the Nasdaq Stock Market on December 14, 2023, representing an aggregate purchase price of $32.1 million. As of December 31, 2024, the Company did not have a repurchase program in effect.

Other stock repurchases during 2024 and 2023 were redemptions of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants in the Company’s equity compensation plans.

On May 25, 2023, the Company filed a Registration Statement on Form S-8 to register two million shares of common stock to be issued pursuant to the Company's 2023 Equity and Incentive Plan.

On May 23, 2024, the Company filed a Registration Statement on Form S-8 to register an additional two million shares of common stock to be issued pursuant to the Company's 2023 Equity and Incentive Plan.

On May 26, 2023, the Company filed a universal shelf registration statement on Form S-3, which was subsequently declared effective by the SEC. The shelf registration statement allows the Company to raise additional capital from time to time through offers and sales of registered securities consisting of debt securities, preferred stock, depository shares, common stock, warrants, purchase contracts, and units or units consisting of any combination of the foregoing securities. The Company may sell these securities using the prospectus in the shelf registration statement, together with applicable prospectus supplements, from time to time, in one or more offerings.

The payment of dividends by subsidiary banks is subject to various federal and state regulatory limitations. In general, a bank is limited, without the prior consent of its regulators, to paying dividends that do not exceed current year net profits together with retained earnings from the two preceding calendar years. The Company’s debt instruments also include limitations on the payment of dividends.

(14) EARNINGS PER COMMON SHARE

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period presented, excluding unvested restricted stock. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares determined for the basic earnings per share computation plus the dilutive effects of stock-based compensation using the treasury stock method.

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The following table sets forth the computation of basic and diluted earnings per share for the periods presented:

Year Ended December 31,	2024	2023	2022
Net income	$ 226.0	$ 257.5	$ 202.2
Weighted average common shares outstanding for basic earnings per share computation	102,978,301	103,752,206	103,274,070
Dilutive effects of stock-based compensation	212,563	27,897	66,929
Weighted average common shares outstanding for diluted earnings per common share computation	103,190,864	103,780,103	103,340,999
Basic earnings per common share	$ 2.19	$ 2.48	$ 1.96
Diluted earnings per common share	2.19	2.48	1.96
Anti-dilutive unvested time restricted stock	71,728	119,144	52,027

The Company had 809,865, 908,476, and 470,622 shares of unvested restricted stock as of December 31, 2024, 2023, and 2022, respectively, that were not included in the computation of diluted earnings per common share because performance conditions for vesting had not been met.

(15) REGULATORY CAPITAL

The Company and the Bank are subject to various regulatory capital requirements administered by federal banking regulators, including the Federal Reserve. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company’s and the Bank’s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company’s and Bank’s assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Parent Company, like all bank holding companies, is not subject to the prompt corrective action provisions. The Company’s and the Bank’s capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of total and tier 1 capital to risk-weighted assets, and of tier 1 capital to average assets, as defined in the regulations. As of December 31, 2024, the Company exceeded all capital adequacy requirements to which it is subject.

As of December 31, 2024, the most recent notification from the regulatory agencies categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well-capitalized, the institution must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the following table. There are no conditions or events since the most recent notification that management believes have changed the Bank's categories.

As an approved mortgage seller, the Bank is required to maintain a minimum level of capital specified by the United States Department of Housing and Urban Development. At December 31, 2024 and 2023, the Bank met these requirements.

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The Company's actual capital amounts and ratios and selected minimum regulatory thresholds and prompt corrective action provisions as of December 31, 2024 and 2023 are presented in the following tables:

	Actual		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer(1)		Minimum to Be Well Capitalized Under Prompt Corrective Action Requirements(2)	
December 31, 2024	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total risk-based capital:								
Consolidated	$ 2,962.8	14.38 %	$ 1,647.8	8.00 %	$ 2,162.8	10.50 %	$ 2,059.8	10.00 %
FIB	2,691.5	13.10	1,644.1	8.00	2,157.9	10.50	2,055.2	10.00
Tier 1 risk-based capital:								
Consolidated	2,504.0	12.16	1,235.9	6.00	1,750.8	8.50	1,647.8	8.00
FIB	2,490.3	12.12	1,233.1	6.00	1,746.9	8.50	1,644.1	8.00
Common equity tier 1 risk-based capital:								
Consolidated	2,504.0	12.16	926.9	4.50	1,441.8	7.00	1,338.9	6.50
FIB	2,490.3	12.12	924.8	4.50	1,438.6	7.00	1,335.8	6.50
Leverage capital ratio:								
Consolidated	2,504.0	8.71	1,149.4	4.00	1,149.4	4.00	1,436.8	5.00
FIB	2,490.3	8.68	1,147.5	4.00	1,147.5	4.00	1,434.4	5.00

December 31, 2023	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total risk-based capital:								
Consolidated	$ 2,941.1	13.28 %	$ 1,771.6	8.00 %	$ 2,325.2	10.50 %	$ 2,214.5	10.00 %
FIB	2,662.0	12.04	1,768.3	8.00	2,320.8	10.50	2,210.3	10.00
Tier 1 risk-based capital:								
Consolidated	2,454.4	11.08	1,328.7	6.00	1,882.3	8.50	1,771.6	8.00
FIB	2,433.0	11.01	1,326.2	6.00	1,878.8	8.50	1,768.3	8.00
Common equity tier 1 risk-based capital:								
Consolidated	2,454.4	11.08	996.5	4.50	1,550.1	7.00	1,439.4	6.50
FIB	2,433.0	11.01	994.6	4.50	1,547.2	7.00	1,436.7	6.50
Leverage capital ratio:								
Consolidated	2,454.4	8.22	1,193.9	4.00	1,193.9	4.00	1,492.3	5.00
FIB	2,433.0	8.16	1,192.2	4.00	1,192.2	4.00	1,490.2	5.00

(1) The capital conservation buffer is an additional 2.5% of the amount necessary to meet the minimum risk-based capital requirements for total, tier 1, and common equity tier 1 risk-based capital.

(2) The ratios to meet the requirements to be deemed "well-capitalized" are only applicable to FIB. However, the Company manages its capital position as if the requirements apply to the consolidated company and has presented the ratios as if they also applied on a consolidated basis

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In connection with the adoption of current expected credit losses ("CECL"), or ASC 326, on January 1, 2020, the Company recognized an after-tax cumulative effect reduction to retained earnings totaling $24.1 million. In March 2020, the Office of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, and the FDIC issued an interim final rule that allows banking organizations to mitigate the effects of ASC 326 on their regulatory capital computations. This interim rule is in addition to the three-year transition period already in place under the capital transition rule previously issued in February 2019. Banking organizations can elect to mitigate the estimated cumulative regulatory capital effects for an additional two years. This rule allows an institution to defer incorporating the impact of ASC 326 into its regulatory capital calculation, including ratios, over an extended period. Additionally, the interim rule extends the transition period whereby an institution can defer the impact from ASC 326 on the current period, determined based on the difference between the new ASC 326 allowance for credit losses and the allowance for loan losses under the incurred loss method from previous GAAP, for up to two years. The total impact related to ASC 326 would then be transitioned into regulatory capital and the associated ratios over a three-year transition period, beginning after the initial two-year deferral period, for a total transition period of five years. The Company elected to opt into the transition election and adopted transition relief over the permissible five-year period. The transitionary period ended on January 1, 2025.

(16) COMMITMENTS AND CONTINGENCIES

The Company had commitments under construction contracts of $2.8 million as of December 31, 2024.

The Parent Company and the Billings office of FIB are the anchor tenants in a building owned by an entity in which FIB has a 50.0% ownership interest.

The Company leases certain premises and equipment from third parties under operating leases. Total rental expense to third parties was $9.0 million, $9.3 million, and $8.9 million, in 2024, 2023, and 2022, respectively.

The total future minimum rental commitments, exclusive of maintenance and operating costs, required under operating leases that have initial or remaining noncancelable lease terms in excess of one year at December 31, 2024, are as follows:

	Third Parties	Related Entity	Total
For the year ending December 31:			
2025	$ 10.1	$ 1.4	$ 11.5
2026	8.6	0.9	9.5
2027	6.6	0.1	6.7
2028	5.2	—	5.2
2029	4.4	—	4.4
Thereafter	8.4	—	8.4
Total	$ 43.3	$ 2.4	$ 45.7

Residential mortgage loans sold to investors in the secondary market are sold with varying recourse provisions. Based on the specific terms stated in the agreements, the Company did not have a significant amount of sold residential mortgage loans with recourse provisions still in effect as of December 31, 2024 and 2023. The Company did not repurchase a significant amount of loans from secondary market investors under the terms of loan sales agreements during the years ended December 31, 2024, 2023, and 2022. In the opinion of management, the risk of recourse and the subsequent requirement of loan repurchase to the Company is not significant, and accordingly no liabilities have been established related to such. In addition, the Company made various representations and warranties associated with the sale of loans. The Company has not incurred significant losses resulting from these provisions.

A substantial portion of the Company's clients' ability to honor their contracts is dependent on the financial conditions in Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. The Company's loan portfolio is diversified and assigned to risk classifications by industry concentrations. These industry concentrations of credit are taken into consideration by management in determining the ACL.

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In the normal course of business, the Company is involved in various other claims and litigation. In the opinion of management, following consultation with legal counsel, the ultimate liability or disposition thereof is not expected to have a material adverse effect on the consolidated financial condition, results of operations, or liquidity of the Company.

(17) FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, the Company is a party to financial instruments with off-balance sheet risk to meet the financing needs of its clients. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of amounts recorded in the consolidated balance sheets. Commitments to extend credit are agreements to lend to a client so long as there is no violation of any condition established in the commitment contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a client to a third party. The credit risk involved in issuing letters of credit is essentially the same as the credit risk involved in extending loan facilities to clients. The Company's policy for obtaining collateral, and determining the nature of such collateral, is essentially the same as in the Company's policies for making commitments to extend credit. The estimated fair value of the obligation undertaken by the Company in issuing standby letters of credit is included in accounts payable and accrued expenses in the Company's consolidated balance sheets.

The following table presents our financial instruments with off-balance sheet risk, as well as the activity in the ACL for off-balance sheet credit losses related to those financial instruments:

	December 31, 2024	December 31, 2023
Beginning balance	$ 18.4	$ 16.2
Provision for credit loss expense	(13.2)	2.2
Ending balance	$ 5.2	$ 18.4

	December 31, 2024	December 31, 2023
Commitments to extend credit	$ 3,076.5	$ 4,069.2
Standby letters of credit	73.5	97.1

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(18) INCOME TAXES

Income tax expense consists of the following:

Year ended December 31,	2024	2023	2022
Current:			
Federal	$ 38.1	$ 46.1	$ 45.2
State	9.7	12.8	14.4
Total current	47.8	58.9	59.6
Deferred:			
Federal	17.8	16.0	(3.7)
State	2.9	4.4	(1.0)
Total deferred	20.7	20.4	(4.7)
Total income tax expense	$ 68.5	$ 79.3	$ 54.9

Total income tax provision differs from the amount of income tax determined by applying the statutory federal income tax rate of 21% for the periods presented to income before income taxes due to the following:

Year ended December 31,	2024	2023	2022
Tax expense at the statutory tax rate	$ 61.9	$ 70.7	$ 54.0
Increase (decrease) in tax resulting from:			
Tax-exempt income	(7.4)	(8.1)	(8.4)
State income tax, net of federal income tax benefit	10.0	13.6	10.6
Deficiency (benefit) of stock-based compensation plans	0.6	0.3	0.2
Nondeductible transaction costs	—	—	2.0
Federal tax credits	(0.3)	(0.2)	(4.3)
FDIC premiums	2.5	2.0	1.6
Other, net	1.2	1.0	(0.8)
Tax expense at effective tax rate	$ 68.5	$ 79.3	$ 54.9

The tax effects of temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax asset (liability) relate to the following:

December 31,	2024	2023
Deferred tax assets:		
Loans, principally due to allowance for credit losses	$ 50.7	$ 56.7
Loan discount	11.5	21.7
Investment securities, unrealized losses	106.1	118.1
Derivatives, unrealized losses	0.8	0.3
Deferred compensation	22.5	18.6
Non-performing loan interest	2.5	2.2
Other real estate owned write-downs and carrying costs	—	1.4
Net operating loss carryforwards [1]	1.0	1.1
Lease liabilities	8.9	11.0
Other reserves	7.2	10.7
Contract incentives	6.4	7.5
Discount on acquired investment securities	6.8	10.1
Other	4.3	4.8
Deferred tax assets	$ 228.7	$ 264.2

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December 31,	2024	2023
Deferred tax liabilities:		
Fixed assets, principally differences in bases and depreciation	$ (20.6)	$ (19.8)
Deferred loan costs	(3.2)	(4.1)
Investment in joint venture partnership, principally due to differences in depreciation of partnership assets	(0.8)	(2.4)
Right of use assets	(8.2)	(10.3)
Prepaid amounts	(0.8)	(0.9)
Government agency stock dividends	(1.2)	(1.3)
Goodwill and other intangibles	(68.6)	(68.1)
Mortgage servicing rights	(6.4)	(6.9)
Other	(0.5)	(0.4)
Deferred tax liabilities	(110.3)	(114.2)
Net deferred tax assets	$ 118.4	$ 150.0

[(1)] As of December 31, 2024, the Company had remaining federal net operating loss carryforwards of $2.0 million from acquired companies, which is available to offset federal taxable income, and state net operating loss carryforwards in amounts which vary by state. The federal net operating losses will expire in 2030 and the state net operating losses of $11.6 million began expiring in 2023 and ending in 2036. The use of these carryforwards is subject to annual limitations. The Company believes it is more likely than not that these items will be utilized within the carryforward period.

A valuation allowance was not required for the deferred tax assets as of December 31, 2024 and 2023 because it is more likely than not these assets will be realized through future reversals of existing taxable temporary differences, and future taxable income. Uncertain tax positions were not significant at December 31, 2024 or 2023.

The Company had current net income tax receivables of $22.2 million and $16.4 million at December 31, 2024 and 2023, respectively.

The Company is subject to income tax in the U.S. federal jurisdiction and also in various states. The Company is no longer subject to examination by taxing authorities for years before 2021.

The Company holds investments in certain tax-advantaged limited partnerships whose purpose is to invest in qualified affordable housing projects and community revitalization projects. The Company's investments in these entities generate a return primarily through the realization of federal income tax credits and other tax benefits, such as tax deductions from operating losses of the investments, over specified time periods.

The carrying value of the Company's tax credit investments was $103.8 million and $90.8 million as of December 31, 2024 and 2023, respectively, reported within other assets on the consolidated balance sheets. For the years ended December 31, 2024, 2023, and 2022 the Company recorded $11.6 million, $9.3 million, and $3.6 million, respectively, of amortization related to these investments under the proportional amortization method within the provision for income taxes, and $0.4 million, $2.8 million, and $3.3 million of amortization within other non-interest expense on the consolidated statements of income.

For the years ended December 31, 2024, 2023, and 2022 the Company recorded $13.3 million, $9.8 million, and $8.5 million, respectively, in tax credits and other tax benefits within the provision for income taxes on its consolidated statements of income.

The Company's unfunded capital commitments to these investments were $25.2 million and $32.3 million as of December 31, 2024 and 2023, respectively, reported within accounts payable and accrued expenses on the consolidated balance sheets.

(19) STOCK-BASED COMPENSATION

The Company has equity awards outstanding under two stock-based compensation plans; the 2023 Equity and Incentive Plan (the “2023 Plan”) and the 2015 Equity Incentive Plan, as amended and restated (the “2015 Plan”). These plans were primarily established to enhance the Company’s ability to attract, retain, and motivate employees. The Company’s Board or, upon delegation, the Compensation and Human Capital Committee of the Board (“Compensation Human Capital Committee”) has exclusive authority to select employees, advisors and others, including directors, to receive awards and to establish the terms and conditions of each award made pursuant to the Company’s stock-based compensation plan.

The 2023 Plan, approved by the Company’s shareholders in May 2023, was established to provide the Company with flexibility to select from various equity-based performance compensation methods, and to be able to address changing accounting and tax rules and corporate governance practices by optimally utilizing performance-based compensation. At December 31, 2024, there were 2,553,800 common shares available for future grant under the 2023 Plan.

The 2015 Plan, approved by the Company’s shareholders in May 2015, was established to provide the Company with flexibility to select from various equity-based performance compensation methods, and to be able to address changing accounting and tax rules and corporate governance practices by optimally utilizing performance-based compensation. Upon approval of the 2023 Plan, the remaining common shares available for future grant under the 2015 were forfeited. The 2015 Plan continues with respect to the awards made prior to June 2023.

Restricted Stock. Common stock issued under the Company’s restricted stock plans may not be sold or otherwise transferred until restrictions have lapsed or performance objectives have been obtained. During the vesting periods, participants have voting rights and receive dividends on all time restricted shares and vesting performance restricted shares under the 2015 Plan. During the vesting periods, under the 2023 Plan, participants do not have voting rights and dividends are accumulated until the time upon which the award vests. Upon termination of employment, common shares upon which restrictions have not lapsed must be returned to the Company. The vesting requirements under both plans are time-vested, performance-vested, or a combination of both. Currently, time-vested grants vest ratably over three years from the date of grant. Performance-vested grants cliff-vest at the end of a three-year period based on the Company’s performance to peers.

All restricted share awards are classified as equity awards. The fair value of equity-classified restricted stock is based on the market price of the stock on the measurement date and is amortized as compensation expense on a straight-line basis over the period restrictions lapse or the end of the performance period. Stock compensation is recognized based on the number of awards to vest using actual forfeiture amounts. For performance-based stock, an estimate is made of the number of shares expected to vest as a result of actual performance against the performance targets to determine the amount of compensation expense to be recognized. The estimate is reevaluated quarterly and total compensation expense is adjusted for any change in the current period.

Stock-based compensation expense related to restricted stock of $11.8 million, $4.7 million and $9.6 million was included in employee benefits on the Company’s consolidated statements of income for the years ended December 31, 2024, 2023, and 2022, respectively.

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The following table presents information regarding the Company’s restricted stock:

	Number of Shares		Weighted-Average Measurement Date Fair Value
Balance at December 31, 2021	521,012	$	39.73
Granted	458,176		38.67
Vested	(131,199)		39.92
Forfeited	(106,891)		38.61
Balance at December 31, 2022	741,098	$	38.94
Granted	683,574		19.84
Vested	(180,587)		36.73
Forfeited	(127,779)		29.75
Balance at December 31, 2023	1,116,306	$	27.74
Granted	807,913		25.49
Vested	(201,755)		30.03
Forfeited	(114,007)		27.04
Balance at December 31, 2024	1,608,457	$	23.98

During 2024, the Company issued 807,913 restricted common shares. The 2024 restricted share awards included 312,366 performance restricted shares, of which 156,183 vest in varying percentages upon achievement of defined return on average equity performance goals, and 156,183 vest in varying percentages upon achievement of defined total return to shareholder goals. The defined return to shareholder goals related to the 2021 performance restricted stock grants were not met resulting in the cancellation of 90,935 performance shares. Vesting of the 2024 performance restricted shares is also contingent on employment as of March 15, 2027. Additionally, 586,482 time-restricted shares were issued during 2024, of which 43,514 vest one year from the grant date and the remaining 542,968 vest one-third on each annual anniversary of the grant date, contingent on continued employment through the vesting dates.

As of December 31, 2024, there was $27.9 million of unrecognized compensation cost related to non-vested, restricted stock awards expected to be recognized over a period of 1.28 years.

(20) EMPLOYEE BENEFIT PLAN

Savings Plan. In addition, the Company has a contributory employee savings plan. All employees are eligible to participate in the plan. Employee participation in the plan is at the option of the employee. The Company contributed 100% of the first 6% of the participating employee’s eligible compensation in 2024, 2023, and 2022, respectively. Contribution expense for this plan of $13.0 million, $12.7 million, and $13.5 million in 2024, 2023, and 2022, respectively, is included in employee benefits expense in the Company’s consolidated statements of income.

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(21) OTHER COMPREHENSIVE INCOME (LOSS)

The gross amounts of each component of other comprehensive income (loss) and the related tax effects for the periods indicated are as follows:

Year Ended December 31, 2024	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Investment securities available-for sale:			
Change in net unrealized gain during period	$ 48.6	$ (12.0)	$ 36.6
Net change in unamortized losses on available-for-sale securities transferred into held-to-maturity	(0.5)	—	(0.5)
Change in net unrealized losses on derivatives	(15.0)	4.0	(11.0)
Reclassification adjustment for derivative net losses included in net income	12.8	(3.3)	9.5
Total other comprehensive income	$ 45.9	$ (11.3)	$ 34.6

Year Ended December 31, 2023	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Investment securities available-for sale:			
Change in net unrealized gain during period	$ 144.8	$ (36.1)	$ 108.7
Reclassification adjustment for net losses included in net income	23.5	(5.8)	17.7
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	(7.2)	1.8	(5.4)
Net change in unamortized losses on available-for-sale securities transferred into held-to-maturity	(1.3)	0.3	(1.0)
Change in net unrealized losses on derivatives	(6.5)	1.5	(5.0)
Reclassification adjustment for derivative net losses included in net income	7.4	(1.8)	5.6
Total other comprehensive income	$ 160.7	$ (40.1)	$ 120.6

Year Ended December 31, 2022	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Investment securities available-for sale:			
Change in net unrealized losses during period	$ (613.1)	$ 152.4	$ (460.7)
Reclassification adjustment for net losses included in net income	24.4	(5.5)	18.9
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	0.2	(0.1)	0.1
Net change in unamortized losses on available-for-sale securities transferred into held-to-maturity	(26.1)	6.6	(19.5)
Change in net unrealized losses on derivatives	(6.8)	1.8	(5.0)
Reclassification adjustment for derivative net losses included in net income	0.1	—	0.1
Total other comprehensive loss	$ (621.3)	$ 155.2	$ (466.1)

The components of accumulated other comprehensive loss, net of income taxes, are as follows:

Years ended December 31,	2024	2023	2022
Net unrealized loss on investment securities available-for-sale	$ (313.6)	$ (350.1)	$ (471.0)
Net unrealized loss on investment securities transferred to held-to-maturity	(5.9)	(5.6)	(4.5)
Net unrealized gain (loss) on derivatives	(2.4)	(0.8)	(1.6)
Net accumulated other comprehensive loss	$ (321.9)	$ (356.5)	$ (477.1)

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(22) CONDENSED FINANCIAL INFORMATION (PARENT COMPANY ONLY)

Following is condensed financial information of First Interstate BancSystem, Inc.

December 31,	2024	2023
Condensed balance sheets:		
Cash and cash equivalents	$ 273.4	$ 275.7
Investment in bank subsidiary	3,160.5	3,062.2
Advances to subsidiaries, net	46.8	43.5
Other assets	137.9	147.0
Total assets	$ 3,618.6	$ 3,528.4
Other liabilities	$ 52.4	$ 38.8
Long-term debt	99.1	99.0
Subordinated debentures held by subsidiary trusts	163.1	163.1
Total liabilities	314.6	300.9
Stockholders' equity	3,304.0	3,227.5
Total liabilities and stockholders' equity	$ 3,618.6	$ 3,528.4

Years Ended December 31,	2024	2023	2022
Condensed statements of income:			
Dividends from subsidiaries	$ 205.0	$ 360.0	$ 360.0
Other interest income	0.4	0.5	0.4
Other income, primarily management fees from subsidiaries	54.3	51.6	51.7
Total income	259.7	412.1	412.1
Salaries and benefits	43.6	34.5	40.6
Interest expense	18.6	18.4	12.6
Acquisition related expenses	—	—	62.3
Other operating expenses, net	27.8	22.5	25.0
Total expenses	90.0	75.4	140.5
Earnings before income tax benefit	169.7	336.7	271.6
Income tax benefit	(7.2)	(4.2)	(18.9)
Income before undistributed earnings of subsidiaries	176.9	340.9	290.5
Undistributed (loss) earnings of subsidiaries	49.1	(83.4)	(88.3)
Net income	$ 226.0	$ 257.5	$ 202.2

Years Ended December 31,	2024	2023	2022
Condensed statements of cash flows:			
Cash flows from operating activities:			
Net income	$ 226.0	$ 257.5	$ 202.2
Adjustments to reconcile net income to cash provided by operating activities:			
Undistributed losses (earnings) of subsidiaries	(49.1)	83.4	88.3
Stock-based compensation expense	11.9	4.6	9.6
Other, net	1.4	2.7	(151.2)
Net cash provided by operating activities	190.2	348.2	148.9
Cash flows from investing activities:			
Acquisition of bank holding company, net of cash and cash equivalents received	—	—	(0.8)
Net cash used in investing activities	$ —	$ —	$ (0.8)

(Dollars in millions, except share and per share data)

Years Ended December 31,	2024	2023	2022
Cash flows from financing activities:			
Net increase in advances from subsidiaries	$ 4.6	$ 1.8	$ 206.5
Proceeds from issuance of common stock, net of stock issuance costs	—	—	0.1
Purchase and retirement of common stock	(1.2)	(34.0)	(198.9)
Dividends paid to common stockholders	(195.9)	(195.1)	(182.1)
Net cash used in financing activities	(192.5)	(227.3)	(174.4)
Net change in cash and cash equivalents	(2.3)	120.9	(26.3)
Cash and cash equivalents, beginning of year	275.7	154.8	181.1
Cash and cash equivalents, end of year	$ 273.4	$ 275.7	$ 154.8

There was $1,722.5 million of noncash financing activities for the issuance of common stock related to the GWB acquisition in 2022.

(23) FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities

The methodologies used by the Company in determining the fair values of each class of financial instruments are based primarily on independent, market-based data to reflect a value that would be reasonably expected in an orderly transaction between market participants at the measurement date, and therefore are classified within Level 2 of the valuation hierarchy. There have been no significant changes in the valuation techniques during the periods ended December 31, 2024 and 2023.

The Company's policy is to recognize transfers between levels as of the end of the reporting period. Transfers in and out of Level 1, Level 2, and Level 3 are recognized on the actual transfer date. There were no significant transfers between fair value hierarchy levels during the years ended December 31, 2024 and 2023. Further details on the methods used to estimate the fair value of each class of financial instruments above are discussed below:

Investment Debt Securities Available-for-Sale. The Company obtains fair value measurements for investment securities from an independent pricing service, and these securities are classified as level 2. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the investment's terms and conditions, among others. Vendors chosen by the Company are widely recognized vendors whose evaluations support the pricing functions of financial institutions, investment and mutual funds, and portfolio managers. If needed, a broker may be utilized to determine the reported fair value of investment securities. The Company also compares the reasonableness of the pricing quarterly through a validation process involving additional independent third parties.

Loans Held for Sale. Fair value measurements for residential mortgage loans held for sale are obtained from an independent pricing service and are classified as level 2. The fair value measurements consider observable data that may include binding contracts or quotes or bids from third party investors as well as loan level pricing adjustments. Commercial and agricultural loans held for sale are derived from quotes or bids from third party investors.

Interest Rate Collars: The fair values of interest rate collars are obtained from an independent third party and are classified as level 2. The values are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates fell below (rise above) the strike rate of the floors (caps). The variable interest rates used in the calculation of projected receipts on the collars are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The Company also compares the reasonableness of the pricing quarterly through a validation process involving additional independent third parties.

Interest Rate Swap Contracts. Fair values for derivative interest rate swap contracts are obtained from an independent third party and are classified as level 2. The values are based upon the estimated amounts to settle the contracts considering current interest rates and are calculated using discounted cash flows that are observable, or that can be corroborated by observable market data. The inputs used to determine fair value include the United States Dollar – SOFR forward curve to estimate variable rate cash inflows and the SOFR to estimate the discount rate. The estimated variable rate cash inflows are compared to the fixed rate outflows and such difference is discounted to a present value to estimate the fair value of the interest rate swaps. The Company also compares the reasonableness of the pricing quarterly through a validation process involving additional independent third parties.

For purposes of potential valuation adjustments to our derivative positions, we evaluate both our credit risk and the credit risk of our counterparties. Accordingly, we have considered factors such as the likelihood of our default and the default of our counterparties, our net exposures and remaining contractual life, among other things, in determining if any fair value adjustments related to credit risk are required. The change in value of derivative assets and derivative liabilities attributable to credit risk was not significant during the reported periods.

Interest Rate Lock Commitments. Fair value measurements for interest rate lock commitments are obtained from an independent pricing service and are classified as level 2. The fair value measurements consider observable data that may include prices available from secondary market investors taking into consideration various characteristics of the loan, including the loan amount, interest rate, value of the servicing, and loan to value ratio, among other things. Observable data is then adjusted to reflect changes in interest rates, the Company's estimated pull-through rate, and estimated direct costs necessary to complete the commitment into a closed loan net of origination and processing fees collected from the borrower.

Forward Loan Sales Contracts. The fair value measurements for forward loan sales contracts are obtained from an independent pricing service and are classified as level 2. The fair value measurements consider observable data that includes sales of similar loans.

Deferred Compensation Plan Assets and Liabilities. The fair values of deferred compensation plan assets and liabilities are based primarily on quoted market prices for identical instruments traded in active markets at the measurement date and are classified as level 1. These investments are in the same funds and purchased in the same amounts as the participants' selected investments, which represent the underlying liabilities to plan participants. Deferred compensation plan liabilities are recorded at amounts due to participants, based on the fair value of participants' selected investments.

(Dollars in millions, except share and per share data)

Financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

		Fair Value Measurements at Reporting Date Using		
As of December 31, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment debt securities available-for-sale:				
U.S. Treasury notes	$ 226.9	$ —	$ 226.9	$ —
State, county, and municipal securities	212.0	—	212.0	—
Obligations of U.S. government agencies	213.3	—	213.3	—
U.S. agency commercial mortgage-backed securities	982.8	—	982.8	—
U.S. agency residential mortgage-backed securities	1,175.8	—	1,175.8	—
U.S. agency collateralized mortgage obligations	1,050.9	—	1,050.9	—
Private mortgage-backed securities	190.5	—	190.5	—
Collateralized loan obligations	772.0	—	772.0	—
Corporate securities	232.9	—	232.9	—
Loans held for sale	0.9	—	0.9	—
Derivative assets:				
Interest rate swap contracts	44.9	—	44.9	—
Derivative liabilities:				
Interest rate collars	1.0	—	1.0	—
Interest rate swap contracts	132.8	—	132.8	—
Deferred compensation plan assets	22.7	22.7	—	—
Deferred compensation plan liabilities	22.7	22.7	—	—

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		Fair Value Measurements at Reporting Date Using		
As of December 31, 2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment debt securities available-for-sale:				
U.S. Treasury notes	$ 224.7	$ —	$ 224.7	$ —
State, county, and municipal securities	219.8	—	219.8	—
Obligations of U.S. government agencies	168.5	—	168.5	—
U.S. agency commercial mortgage-backed securities	1,105.6	—	1,105.6	—
U.S. agency residential mortgage-backed securities	1,366.9	—	1,366.9	—
U.S. agency collateralized mortgage obligations	1,189.5	—	1,189.5	—
Private mortgage-backed securities	210.4	—	210.4	—
Collateralized loan obligations	1,119.7	—	1,119.7	—
Corporate securities	236.4	—	236.4	—
Loans held for sale	0.5	—	0.5	—
Derivative assets:				
Interest rate swap contracts	37.3	—	37.3	—
Forward loan sales contracts	0.1	—	0.1	—
Derivative liabilities:				
Interest rate collars	3.6	—	3.6	—
Interest rate swap contracts	123.5	—	123.5	—
Risk participation agreements	0.1	—	0.1	—
Forward loan sales contracts	0.1	—	0.1	—
Deferred compensation plan assets	19.2	19.2	—	—
Deferred compensation plan liabilities	19.2	19.2	—	—

Additionally, from time to time, certain assets are measured at fair value on a non-recurring basis. Adjustments to fair value generally result from the application of lower-of-cost-or-market accounting or write-downs of individual assets due to credit deterioration. The following table presents information about the Company's assets and liabilities measured at fair value on a non-recurring basis:

		Fair Value Measurements at Reporting Date Using		
As of December 31, 2024	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans	$ 97.6	$ —	$ —	$ 97.6

		Fair Value Measurements at Reporting Date Using		
As of December 31, 2023	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans	$ 52.6	$ —	$ —	$ 52.6
Loans held for sale	46.9	—	—	46.9
Other real estate owned	16.5	—	—	16.5
Long-lived assets to be disposed of by sale	1.0	—	—	1.0

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Collateral-dependent Loans. Collateral-dependent loans are reported at the fair value of the underlying collateral if repayment is expected solely from collateral. The collateral-dependent loans are reported at fair value through specific valuation allowance allocations. In addition, when it is determined that the fair value of a collateral-dependent loan is less than the recorded investment in the loan, an ACL is recognized on the loan for the difference between the recorded investment and the fair value of the collateral less costs to sell. Collateral values are estimated using independent appraisals and management estimates of current market conditions. As of December 31, 2024, the Company had collateral-dependent loans with a carrying and fair value of $97.6 million. As of December 31, 2023, the Company had collateral-dependent loans with a carrying and fair value of $52.6 million.

OREO. The fair values of OREO are estimated using independent appraisals and management estimates of current market conditions. Upon initial recognition, write-downs based on the foreclosed asset's fair value at foreclosure are reported through charges to the ACL. Periodically, the fair value of foreclosed assets is remeasured with any subsequent write-downs charged to OREO expense in the period in which they are identified.

Long-lived Assets to be Disposed of by Sale. Long-lived assets to be disposed of by sale are carried at the lower of carrying value or fair value less estimated costs to sell. The fair values of long-lived assets to be disposed of by sale are based upon observable market data and management estimates of current market conditions. As of December 31, 2024, the Company had long-lived assets to be disposed of by sale with carrying and fair values aggregating $0.8 million. As of December 31, 2023, the Company had long-lived assets to be disposed of by sale with carrying values aggregating $1.0 million.

The following table presents additional quantitative information about assets measured at fair value on a non-recurring basis and for which the Company has utilized Level 3 inputs to determine fair values:

As of December 31, 2024	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)			
Collateral-dependent loans	$ 97.6	Appraisal	Appraisal adjustment	—%	-	87%	(40%)
As of December 31, 2023							
Collateral-dependent loans	$ 52.6	Appraisal	Appraisal adjustment	0%	-	100%	(36%)
Loans held for sale	46.9	Fair value of collateral	Discount for type of property, age of appraisal, and current status	5%		23%	(14%)
Other real estate owned	16.5	Appraisal	Appraisal adjustment	10%	-	43%	(48%)
Long-lived assets to be disposed of by sale	1.0	Appraisal	Appraisal adjustment	0%	-	0%	0%

The Company is required to disclose the fair value of financial instruments for which it is practical to estimate fair value. The methodologies for estimating the fair value of financial instruments that are measured at fair value on a recurring or non-recurring basis are discussed above. The methodologies for estimating the fair value of other financial instruments are discussed below. For financial instruments bearing a variable interest rate where no credit risk exists, it is presumed that recorded book values are reasonable estimates of fair value.

Financial Assets. Carrying values of cash, cash equivalents, and accrued interest receivable approximate fair values due to the liquid and/or short-term nature of these instruments. Fair values for investment securities held-to-maturity are obtained from an independent pricing service, which considers observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, trading levels, trade execution data, market consensus prepayment speeds, credit information, and the investment's terms and conditions, among other things. Fair values of fixed rate loans and variable rate loans that reprice on an infrequent basis are estimated by discounting future cash flows using current interest rates at which similar loans with similar terms would be made to borrowers of similar credit quality using an exit price notion. Carrying values of variable rate loans that reprice frequently, and with no change in credit risk, approximate the fair values of these instruments. The estimated fair values for all loans are then reduced by the estimated life-of-the-loan aggregate credit losses in the loan portfolio.

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Financial Liabilities. The fair values of demand deposits, savings accounts, securities sold under repurchase agreements, and accrued interest payable are the amounts that are payable on demand at the reporting date. The fair values of fixed-maturity certificates of deposit are estimated using external market rates that are currently offered for deposits that have similar remaining maturities. The fixed and floating rate subordinated debentures, floating rate subordinated term loan, other borrowed funds, fixed rate subordinated term debt, and capital lease obligation are estimated by discounting future cash flows using current rates for advances that have similar characteristics.

Commitments to Extend Credit and Standby Letters of Credit. The fair value of commitments to extend credit and standby letters of credit, based on fees currently charged to enter into similar agreements, is not significant.

The estimated fair values of financial instruments that are reported in the Company's consolidated balance sheets, and are segregated by the level of the valuation inputs within the fair value hierarchy that are utilized to measure fair value, are as follows:

	`		Fair Value Measurements at Reporting Date Using		
As of December 31, 2024	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 896.6	$ 896.6	$ 896.6	$ —	$ —
Investment debt securities held-to-maturity	2,687.5	2,358.6	—	2,358.6	—
Accrued interest receivable	116.8	116.8	—	116.8	—
Mortgage servicing rights, net	25.7	35.4	—	35.4	—
Net loans held for investment	17,640.8	17,154.7	—	—	17,154.7
Total financial assets	$ 21,367.4	$ 20,562.1	$ 896.6	$ 2,510.8	$ 17,154.7
Financial liabilities:					
Total deposits, excluding time deposits	$ 20,125.1	$ 20,125.1	$ 20,125.1	$ —	$ —
Time deposits	2,890.5	2,875.5	—	2,875.5	—
Securities sold under repurchase agreements	523.9	523.9	—	523.9	—
Other borrowed funds	1,567.5	1,567.5	—	1,567.5	—
Accrued interest payable	47.0	47.0	—	47.0	—
Long-term debt	132.2	131.9	—	131.9	—
Subordinated debentures held by subsidiary trusts	163.1	152.3	—	152.3	—
Total financial liabilities	$ 25,449.3	$ 25,423.2	$ 20,125.1	$ 5,298.1	$ —

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			Fair Value Measurements at Reporting Date Using		
As of December 31, 2023	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 578.0	$ 578.0	$ 578.0	$ —	$ —
Investment debt securities held-to-maturity	3,207.9	2,874.0	—	2,874.0	—
Accrued interest receivable	129.1	129.1	—	129.1	—
Mortgage servicing rights, net	28.3	38.8	—	38.8	—
Net loans held for investment	18,051.9	17,334.4	—	17,281.8	52.6
Total financial assets	$ 21,995.2	$ 20,954.3	$ 578.0	$ 20,323.7	$ 52.6
Financial liabilities:					
Total deposits, excluding time deposits	$ 20,313.2	$ 20,313.2	$ 20,313.2	$ —	$ —
Time deposits	3,009.9	2,981.7	—	2,981.7	—
Securities sold under repurchase agreements	782.7	782.7	—	782.7	—
Other borrowed funds	2,603.0	2,603.0	—	2,603.0	—
Accrued interest payable	52.2	52.2	—	52.2	—
Long-term debt	120.8	115.6	—	115.6	—
Subordinated debentures held by subsidiary trusts	163.1	151.1	—	151.1	—
Total financial liabilities	$ 27,044.9	$ 26,999.5	$ 20,313.2	$ 6,686.3	$ —

(24) RELATED PARTY TRANSACTIONS

Certain executive officers, directors, and greater than 5% shareholders of the Company and certain entities and individuals related to such persons had transactions with the Company in the ordinary course of business. These parties were deposit clients of the Bank and incurred indebtedness in the form of loans, as clients, of $5.1 million and $11.1 million at December 31, 2024 and 2023, respectively. During 2024, new loans and advances on existing loans of $3.0 million were funded, loan repayments totaled $8.8 million, and $0.2 million of loans were removed or added due to changes in related parties.

In 2024, the Company sold its share of a hangar for use of the Company's plane for $0.4 million to an entity in which James R. Scott indirectly owned a one-third interest at the time.

On December 14, 2023, the Company completed the repurchase of one million shares of its common stock from the estate of the Homer Scott, Jr. Revocable Trust (the "Trust") at a price of $32.14 per share, or the closing price per share of the common stock as reported on the Nasdaq Stock Market on December 14, 2023, representing an aggregate purchase price of $32.1 million. The Trust is an affiliate of the Company, as it is a member of the "Scott Family FIBK Shareholder Group" identified as such in the beneficial ownership table included in the Company's definitive proxy statement filed with the Securities and Exchange Commission on April 11, 2023, which group includes three of the Company's directors, namely Messrs. James R. Scott, John M. Heyneman, Jr., and Jonathan R. Scott, and all of which family group members collectively beneficially own greater than 5% of the outstanding shares of the Common Stock. Additionally, the Company's wholly owned subsidiary, First Interstate Bank, currently serves as trustee of the Trust.

(25) RECENT AUTHORITATIVE ACCOUNTING GUIDANCE

ASU 2023-02, "*Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*" In March 2023, the FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* that permit reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Previously, this method was only available for qualifying tax equity investments in low-income housing tax credit structures. The amendments also require that a reporting entity disclose certain information in annual and interim reporting periods that enable investors to understand certain information about its investments that generate income tax credits and other income tax benefits from a tax credit program. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Amendments in this ASU became effective for the Company on January 1, 2024. The Company elected the modified retrospective approach for qualifying New Market Tax Credits and adjusted beginning retained earnings by an increase of $1.2 million related to the previously recorded deferred taxes. Prospectively, the amortization of the investment in Low Income Housing Tax Credits, Historic Tax Credits, and New Market Tax Credits are recorded net within income tax expense.

ASU 2023-06, "*Disclosure Improvements—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*" In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* that amends the ASC to incorporate certain disclosure requirements from SEC Release No. 33-10532 - Disclosure Update and Simplification that was issued in 2018. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company does not anticipate the adoption of ASU 2023-06 will have a significant impact on the Company's financial position, results of operations, or liquidity.

ASU 2023-07, "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*" In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* to improve disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This update does not change how a public entity identifies its operating segments; however, it does require that an entity that has single reportable segment provide all the disclosures required by the amendments in this update. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. A public entity should apply the amendments in this update retrospectively to all prior periods presented in the consolidated financial statements. The Company currently has one reportable operating segment, Community Banking. The amendments in this ASU did not impact the Company's consolidated financial statements and did not have a significant impact to the disclosures.

ASU 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*" In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* that require public business entities to annually disclose (1) specific categories in their rate reconciliation; (2) additional information for reconciling items that meet a quantitative threshold; (3) the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes; (4) the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which the income taxes paid that meet a quantitative threshold; (5) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (6) income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. The ASU eliminates the requirement to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months and to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures. For public business entities, the amendments are effective for annual periods beginning after December 15, 2024. The amendments should be applied on a prospective basis, but retrospective application is permitted. The amendments in this ASU became effective for the Company on January 1, 2025 and did not have a significant impact on the Company's financial position, results of operations, or liquidity.

ASU 2024-03, "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of income statement expenses*" In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of income statement expenses* that require public business entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The amendments in this Update do not change or remove current expense disclosure requirements. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this Update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the standard and does not anticipate it will have a significant impact on the Company's financial position, results of operations, or liquidity.

(26) SUBSEQUENT EVENTS

Subsequent events have been evaluated for potential recognition and disclosure through the date financial statements were filed with the Securities and Exchange Commission. On January 28, 2025, the Company declared a quarterly dividend to common shareholders of $0.47 per share, which was paid on February 20, 2025 to shareholders of record as of February 10, 2025.

As previously disclosed, on February 20, 2025, Marcy D. Mutch notified the Company of her intention to retire as a full-time employee at the end of 2025 and to step down after a transition period as the Company's Executive Vice President and Chief Financial Officer effective May 31, 2025. From May 31, 2025, until her planned retirement on December 31, 2025, Ms. Mutch is expected to serve as an executive advisor to the Company, assisting the Company with the transition to her announced successor, Deputy Chief Financial Officer David P. Della Camera. Thereafter, Ms. Mutch has agreed to serve as a consultant to the Company through December 31, 2026.

On February 24, 2025, the Company's Chief Executive Officer appointed David P. Della Camera, the Company's existing Deputy Chief Financial Officer, to succeed Ms. Mutch as the Company's next Executive Vice President and Chief Financial Officer, beginning June 1, 2025.

No other events requiring recognition or disclosure were identified.

(a) (2) Financial statement schedules.

All other schedules to the consolidated financial statements of the Registrant are omitted since the required information is either not applicable, deemed immaterial, or is shown in the financial statements filed herewith or in notes thereto.

(a) (3) Exhibits.

Exhibit Number	Description
3.1	Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 25, 2023)
3.2	Bylaws (incorporated herein by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q, File No. 001-34653, filed on May 3, 2024)
4.1	Description of the Company's securities registered under Section 12 of the Exchange Act (incorporated herein by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
4.2	Indenture, dated May 15, 2020, between the Company and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 18, 2020)
4.3	First Supplemental Indenture, dated May 15, 2020, between the Company and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 18, 2020)
4.4	Form of 5.25% Fixed-to-Floating Rate Subordinated Notes due 2030 (incorporated herein by reference to Exhibit A of Exhibit 4.2 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 18, 2020)
4.5	Stockholders' Agreement, dated September 15, 2021, between the Company and the individuals and entities listed therein (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on September 20, 2021)
10.1	Lease Agreement, dated September 20, 1985, as amended and with addenda, between Billings 401 LLC and the Company (incorporated herein by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 28, 2018)
10.2†	Deferred Compensation Plan of the Company
10.3†	2015 Equity and Incentive Plan of the Company, amended and restated as of January 1, 2019 (incorporated herein by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 27, 2019)
10.4†	Form of 2015 Equity and Incentive Plan Performance Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on March 21, 2022)
10.5†	Form of 2015 Equity and Incentive Plan Time Vested Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on March 21, 2022)
10.6†	2023 Equity and Incentive Plan (incorporated herein by reference to Appendix C to the Company's definitive proxy statement on Schedule 14A, File No. 001-34653, filed with the SEC on April 11, 2023)
10.7†	Amendment to the Company's 2023 Equity and Incentive Plan (incorporated herein by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8, File No. 333-279687, filed on May 23, 2024)
10.8†	Form of 2023 Equity and Incentive Plan Restricted Stock Unit Grant Agreement (2023) (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 25, 2023)
10.9†	Form of 2023 Equity and Incentive Plan Performance Restricted Stock Unit Grant Agreement (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 25, 2023)
10.10†	Form of 2023 Equity and Incentive Plan Restricted Stock Unit Grant Agreement (2024 and 2025) (incorporated herein by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
10.11†	Form of 2023 Equity and Incentive Plan Performance Restricted Stock Unit Grant Agreement (2024 Core Return on Average Equity) (incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)

10.12†	Form of 2023 Equity and Incentive Plan Performance Restricted Stock Unit Grant Agreement (2025 Core Return on Average Tangible Common Equity)
10.13†	Form of 2023 Equity and Incentive Plan Performance Restricted Stock Unit Grant Agreement (2024 and 2025 Total Shareholder Return) (incorporated herein by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
10.14†	Company Director Compensation Summary
10.15†	Employment Agreement, dated October 8, 2024, between James Reuter, the Company and the Bank (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on October 9, 2024)
10.16†	Employment Agreement, dated December 14, 2021, between Marcy D. Mutch, the Company and the Bank (incorporated herein by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 25, 2022)
10.17†	Employment Agreement, dated December 14, 2021, between Kirk D. Jensen, the Company and the Bank (incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 25, 2022)
10.18†	Employment Agreement, dated January 23, 2024, between Kris Robbins, the Company and the Bank (incorporated herein by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
10.19†	Employment Agreement, dated August 24, 2023, between Lorrie Asker, the Company and the Bank (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on August 28, 2023)
10.20†	Employment Agreement, dated November 30, 2023, between Lori Meyer, the Company and the Bank (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on December 1, 2023)
10.21†	Employment Agreement, dated August 19, 2021 between Kevin P. Riley, the Company and the Bank (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on August 20, 2021)
10.22†	Transition and Separation Agreement and General Release by and between Kevin P. Riley, the Company and the Bank, effective July 8, 2024 (incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, File No. 001-34653, filed on August 2, 2024)
10.23†	First Amendment to the Transition and Separation Agreement and General Release by and between Kevin P. Riley, the Company and the Bank, effective October 8, 2024 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, File No. 001-34653, filed on November 4, 2024)
10.24†	Letter Agreement with James R Scott dated April 2, 2024 (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on April 4, 2024)
14.1	Code of Ethics for Chief Executive Officer and Senior Financial Officers (incorporated herein by reference to Exhibit 14.1 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
19.1	Insider Trading Policy of the Company
21.1	Subsidiaries of the Company
23.1	Consent of Ernst & Young Independent Registered Public Accounting Firm
23.2	Consent of RSM US LLP Independent Registered Public Accounting Firm
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended
32**	18 U.S.C. Section 1350 Certifications
97	Clawback Policy of the Company (incorporated herein by reference to Exhibit 97 to the Company's Annual Report on Form 10-K, File No. 001-34653, filed on February 29, 2024)
101.INS	Interactive Data File - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - The cover page XBRL tags are embedded within the inline XBRL document (included in Exhibit 101)

† Denotes Management contract or compensatory plan or arrangement
** Furnished herewith

(b) The exhibits filed or incorporated herein by reference are as set forth in Item 15(a)3 above.

(c) Financial Statements Schedules

See Item 15(a)(2) above.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

First Interstate BancSystem, Inc.

By:	/s/ James A. Reuter	February 28, 2025
	JAMES A. REUTER President and Chief Executive Officer	Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ STEPHEN B. BOWMAN	February 28, 2025
Stephen B. Bowman, Chair of the Board	Date
/s/ ALICE S. CHO	February 28, 2025
Alice S. Cho, Director	Date
/s/ FRANCES P. GRIEB	February 28, 2025
Frances P. Grieb, Director	Date
/s/ THOMAS E. HENNING	February 28, 2025
Thomas E. Henning, Director	Date
/s/ JOHN M. HEYNEMAN, JR.	February 28, 2025
John M. Heyneman, Jr., Director	Date
/s/ DAVID L. JAHNKE	February 28, 2025
David L. Jahnke, Director	Date
/s/ DENNIS L. JOHNSON	February 28, 2025
Dennis L. Johnson, Director	Date
/s/ STEPHEN M. LACY	February 28, 2025
Stephen M. Lacy, Director	Date
/s/ PATRICIA L. MOSS	February 28, 2025
Patricia L. Moss, Director	Date
/s/ JOYCE A. PHILLIPS	February 28, 2025
Joyce A. Phillips, Director	Date
/s/ DANIEL A. RYKHUS	February 28, 2025
Daniel A. Rykhus, Director	Date
/s/ JAMES R. SCOTT	February 28, 2025
James R. Scott, Director	Date
/s/ JONATHAN R. SCOTT	February 28, 2025
Jonathan R. Scott, Director	Date

/s/ JAMES A. REUTER	February 28, 2025
James A. Reuter President, Chief Executive Officer and Director (Principal executive officer)	Date
/s/ MARCY D. MUTCH	February 28, 2025
Marcy D. Mutch Executive Vice President and Chief Financial Officer (Principal financial and accounting officer)	Date

Exhibit 10.2

First Interstate BancSystem

Deferred Compensation Plan

As Amended and Restated Effective February 15, 2025

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service, or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is "unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees" under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer's particular situation. FMR LLC, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer's attorney prior to execution.

Table of Contents

Preamble

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented, and administered in a manner consistent therewith.

Article 1 - General

1 Plan

The Plan will be referred to by the name specified in the Adoption Agreement.

1.1 Effective Dates

(a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.

(b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except as otherwise provided in the Adoption Agreement, all amounts deferred under the Plan prior to the Amendment Effective Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Effective Date.

(c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3 Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

Article 2 - Definitions

Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1 Account

“Account” means an account and any subaccounts established for the purpose of recording amounts credited on behalf of a Participant and any earnings, expenses, gains, losses, or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant’s Beneficiary pursuant to the Plan.

2.2 Administrator

“Administrator” means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.

2.3 Adoption Agreement

“Adoption Agreement” means the agreement adopted by the Plan Sponsor that establishes the Plan.

2.4 Beneficiary

“Beneficiary” means the persons, trusts, estates, or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.

2.5 Board or Board of Directors

“Board” or “Board of Directors” means the Board of Directors of the Plan Sponsor.

2.6 Bonus

“Bonus” means an amount of incentive remuneration payable by the Employer to a Participant.

2.7 Change in Control

“Change in Control” means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.

2.8 Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.9 Compensation

“Compensation” has the meaning specified in Section 3.01 of the Adoption Agreement.

2.10 Director

“Director” means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.

2.11 Disability

“Disability” means that a Participant is disabled as defined in Section 6.01(i) of the Adoption Agreement.

2.12 Eligible Employee

“Eligible Employee” means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.

2.13 Employer

“Employer” means the Plan Sponsor and any other Related Employer that is listed in Section 1.04 of the Adoption Agreement and which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.

2.14 ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.15 Identification Date

“Identification Date” means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.

2.16 Key Employee

“Key Employee” means an employee who satisfies the conditions set forth in Section 9.6.

2.17 Participant

“Participant” means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.

2.18 Plan

"Plan" means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor, and as amended from time to time.

2.19 Plan Sponsor

"Plan Sponsor" means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.

2.20 Plan Year

"Plan Year" means the period identified in Section 1.02 of the Adoption Agreement.

2.21 Related Employer

"Related Employer" means the Plan Sponsor and (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Plan Sponsor and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Plan Sponsor.

2.22 Retirement

"Retirement" has the meaning specified in 6.01(f) of the Adoption Agreement.

2.23 Separation from Service

"Separation from Service" means the date that the Participant dies, retires, or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant's right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant's right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a Director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a Director.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a Director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a Director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

2.24 Unforeseeable Emergency

"Unforeseeable Emergency" means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

2.25 Valuation Date

"Valuation Date" means each business day of the Plan Year that the New York Stock Exchange is open.

2.26 Years of Service

"Years of Service" means each one-year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

Article 3 - Participation

3.1 Participation

The Participants in the Plan shall be those Eligible Employees and Directors of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.

3.2 Termination of Participation

The Administrator may terminate a Participant's participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant's participation before the Participant experiences a Separation from Service, the Participant's vested Accounts shall be paid in accordance with the provisions of Article 9.

Article 4 - Participant Elections

4.1 Deferral Agreement

If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his or her Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3, a deferral agreement becomes irrevocable at the close of the specified period.

4.2 Amount of Deferral

An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3 Timing of Election to Defer

Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B)(iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become ‘readily ascertainable’ within the meaning of Treas. Reg. § 1.409A-2(a)(8). In addition, if the Compensation qualifies as ‘fiscal year compensation’ within the meaning of Treas. Reg. § 1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer’s taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his or her deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Treas. Reg. § 1.409A-2(a)(7).

4.4 Election of Payment Schedule and Form of Payment

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

(a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant’s Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service as the distribution event. If he or she fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.

(b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his or her Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service in the distribution event. If the Participant fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.

Article 5 - Employer Contributions

5.1 Matching Contributions

If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.

5.2 Other Contributions

If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution or contributions determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. These contributions will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

Article 6 - Accounts and Credits

6.1 Establishment of Account

For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator may establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.

6.2 Credits to Account

A Participant's Account will be credited for each Plan Year with the amount of his or her elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions, if any, treated as allocated on his or her behalf under Article 5.

Article 7 - Investment of Contributions

7.1 Investment Options

The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.

7.2 Adjustment of Accounts

The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains, and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in Section 7.1.

Article 8 - Right to Benefits

8.1 Vesting

A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his or her Account attributable to his or her elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his or her Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his or her Account.

8.2 Death

The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the vested amount credited to the Participant's Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator. Whenever a Participant designates a new Beneficiary, all former Beneficiary designations by such Participant shall be revoked automatically. If a Participant and the Participant's spouse divorce, any designations of the spouse as Beneficiary shall become null and void. The former spouse shall be treated as the Beneficiary under the Plan only if after the divorce is final, the Participant expressly re-designates the former spouse as the Participant's Beneficiary.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's vested Account, such amount will be paid to his or her estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

8.3 Disability

If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Disability in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Disability shall be based on the definition of Disability in Section 6.01(i) of the Adoption Agreement and in a manner consistent with the requirements of Code Section 409A.

Article 9 - Distribution of Benefits

9.1 Amount of Benefits

The vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

9.2 Method and Timing of Distributions

Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six-month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Treas. Reg. § 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

9.3 Unforeseeable Emergency

A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with Section 9.6 at the time he or she experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

9.4 Payment Election Overrides

If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his or her Beneficiary regardless of whether the Participant had made different elections of time and/or form of payment or whether the Participant was receiving installment payments at the time of the event.

9.5 Cashouts of Amounts Not Exceeding Stated Limit

If the vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he or she incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the vested amount credited to his or her Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.

9.6 Required Delay in Payment to Key Employees

Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his or her Separation from Service (or Retirement, if applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable).

(a) A Participant is treated as a Key Employee if: (i) he or she is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he or she satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.

(b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.

(c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements: (i) is reasonably designed to include all Key Employees, (ii) is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and (iii) results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Treas. Reg. § 1.409A-2(b).

(d) The six-month delay does not apply to payments described in Section 9.9(a), (b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with this Section 9.6 at the time he or she incurs a Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

9.7 Change in Control

If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he or she has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he or she makes in accordance with Article 4 or upon his or her death or Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

(a) Relevant Corporations. To constitute a Change in Control for purposes of the Plan, the event must relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.

(b) Stock Ownership. Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a vested option is considered owned by the individual who owns the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.

(c) Change in the Ownership of a Corporation. A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(d) Change in the Effective Control of a Corporation. A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's Board of Directors is replaced during any twelve month period by Directors whose appointment or election is not endorsed by a majority of the members of the corporation's Board of Directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(e) Change in the Ownership of a Substantial Portion of a Corporation's Assets. A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

9.8 Permissible Delays in Payment

Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances (as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis):

(a) The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed.

(b) The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.

(c) The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

9.9 Permitted Acceleration of Payment

The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Treas. Reg. § 1.409A-3(j)(4), including the following events:

(a) Domestic Relations Order. A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).

(b) Compliance with Ethics Agreement and Legal Requirements. A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.

(c) De Minimis Amounts. A payment may be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), and (ii) at the time the payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Treas. Reg. § 1.409A-1(c)(2).

(d) FICA Tax. A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.

(e) Section 409A Additional Tax. A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.

(f) Offset. A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed $5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

(g) Other Events. A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

Article 10 - Amendment and Termination

10.1 Amendment by Plan Sponsor

The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board of Directors or other authorized person. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his or her Account which had accrued and vested prior to the amendment.

10.2 Plan Termination Following Change in Control or Corporate Dissolution

If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Treas. Reg. § 1.409A-1(c)(2) are also terminated so that all Participants under the Plan and all similar arrangements are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.

10.3 Other Plan Terminations

The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Treas. Reg. § 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan Sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

Article 11 - The Trust

11.1 Establishment of Trust

The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.

11.2 Trust

Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's creditors in the event of the Plan Sponsor's insolvency. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.

11.3 Investment of Trust Funds

Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

Article 12 - Plan Administration

12.1 Powers and Responsibilities of the Administrator

The Administrator has the full power and the full responsibility to administer the Plan in all of its details; subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

(a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To administer the claims and review procedures specified in Section 12.2;

(e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;

(f) To determine the person or persons to whom such benefits will be paid;

(g) To authorize the payment of benefits;

(h) To make corrections and recover the overpayment of any benefits;

(i) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;

(j) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;

(k) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2 Claims and Review Procedures

(a) Claims Procedure. If any person believes he or she is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. If the claim involves a Disability, the denial must also include the standards that governed the decision, including the basis for disagreeing with any health care professionals, vocational professionals or the Social Security Administration as well as an explanation of the scientific or clinical judgment underlying the denial. Such notification will be given within 90 days (45 days in the case of a claim regarding Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Disability, which may be extended an additional 30 days) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person within the initial 90 day period (45 day period in the case of a claim regarding Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.

(b) Review Procedure. Within 60 days (180 days in the case of a claim regarding Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Disability) of the date denial is considered to have occurred), such person (or his or her duly authorized representative) may (i) file a written request with the Administrator for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Disability). If the decision on review is not made within such period, the claim will be considered denied.

If the claim is regarding Disability, and the determination of Disability has not been made by the Social Security Administration, the Railroad Retirement Board, or under the Plan Sponsor's long-term disability plan, the person may, upon written request and free of charge, also receive the identification of medical or vocational experts whose advice was obtained in connection with the denial of a claim regarding Disability, even if the advice was not relied upon.

Before issuing any decision with respect to a claim involving Disability, the Administrator will provide to the person, free of charge, the following information as soon as possible and sufficiently in advance of the date on which the response is required to be provided to the person to allow the person a reasonable opportunity to respond prior to the due date of the response:

- Any new or additional evidence considered, relied upon, or generated by the Administrator or other person making the decision; and
- A new or additional rationale if the decision will be based on that rationale.

c. Exhaustion of Claims Procedures and Right to Bring Legal Claim. No action at law or equity shall be brought more than one year after the Administrator's affirmation of a denial of a claim, or, if earlier, more than four years after the facts or events giving rise to the claimant's allegation(s) or claim(s) first occurred.

12.3 Plan Administrative Costs

All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

Article 13 - Miscellaneous

13.1 Unsecured General Creditor of the Employer

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.2 Employer's Liability

Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.

13.3 Limitation of Rights

Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

13.4 Anti-Assignment

Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his or her Beneficiary. Neither the Participant nor his or her Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he or she may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the Administrator, to satisfy any debt or liability to the Employer.

13.5 Facility of Payment

If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his or her affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

13.6 Notices

Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case or a letter, five business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.

13.7 Tax Withholding

If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his or her Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.

13.8 Indemnification

(a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.

(b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

(c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his or her heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment, or restatement of the Plan.

(d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.

(e) For the purposes of this Section, the following definitions shall apply:

- Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, Director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he or she is or was performing administrative functions under the Plan.
- "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9 Successors

The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10 Disclaimer

It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11 Governing Law

The Plan will be construed, administered, and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

Deferred Compensation Plan

Adoption Agreement

(As Amended and Restated Effective February 15, 2025)

Adoption Agreement

1.01 Preamble

By the execution of this Adoption Agreement the Plan Sponsor hereby [complete (a) or (b)]

(a) ☐ adopts a new plan as of [month, day, year]

(b) ☒ amends and restates its existing plan as of February 15, 2025 which is the Amendment Effective Date. Except as otherwise provided in Appendix A, all amounts deferred under the Plan prior to the Amendment Effective Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Effective Date.

Original Effective Date: April 1, 2001

Pre-409A Grandfathering: ☐ Yes ☒ No

By executing this Adoption Agreement, the Plan Sponsor (as defined below) has adopted the Plan (as defined below) consisting of the Basic Plan Document along with this Adoption Agreement (and any exhibits or scheduled attached hereto). The Plan Sponsor, by completing this Adoption Agreement has made the specific choices regarding plan design as set forth in the Adoption Agreement together with the detailed additional provisions set out in the Basic Plan Document. All capitalized terms used in this Adoption Agreement have the same meaning given in the Basic Plan Document.

1.02 Plan

Plan Name: First Interstate BancSystem, Inc. Deferred Compensation Plan

Plan Year: January 1 – December 31

1.03 Plan Sponsor

Name: First Interstate BancSystem, Inc.

Address: 401 North 31st Street, Billings, Montana 59116-0918

Phone #: (406)255-5375

EIN #: 81-0331430

Fiscal Year: December 31

Is stock of the Plan Sponsor, any Employer or any Related Employer publicly traded on an established securities market? ☒ Yes ☐ No

1.04 Employer

The following entities have been authorized by the Plan Sponsor to participate in and have adopted the Plan [insert "Not Applicable" if none have been authorized]:

Entity	Publicly Traded on Est. Securities Market	
	Yes	No
Not Applicable	☐	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐

1.05 Administrator

The Plan Sponsor has designated the following party or parties to be responsible for the administration of the Plan:

Name: First Interstate BancSystem, Inc.

Address: 401 North 31st Street, Billings, Montana 59116-0918

Note: The Administrator is the person or persons designated by the Plan Sponsor to be responsible for the administration of the Plan. Neither Fidelity Employer Services Company nor any other Fidelity affiliate can be the Administrator.

1.06 Key Employee Determination Dates

The Employer has designated April 1 as the Identification Date for purposes of determining Key Employees.

In the absence of a designation, the Identification Date is December 31.

The Employer has designated April 1 as the effective date for purposes of applying the six month delay in distributions to Key Employees.

In the absence of a designation, the effective date is the first day of the fourth month following the Identification Date.

2.01 Participation

a. ☒ Employees [complete (i), (ii) or (iii)]

   i. ☒ Eligible Employees are selected by the Employer.

   ii. ☐ Eligible Employees are those employees of the Employer who satisfy the following criteria:

   iii. ☐ Employees are not eligible to participate.

b. ☒ Directors [complete (i), (ii) or (iii)]

   i. ☐ All Directors are eligible to participate.

   ii. ☒ Only Directors selected by the Employer are eligible to participate.

   iii. ☐ Directors are not eligible to participate.

Directors emeritus, advisory directors, and persons excluded from participation by action of the Compensation Committee on July 27, 2005, shall not be eligible to participate in the Plan.

3.01 Compensation

For purposes of determining Participant contributions under Article 4 and Employer contributions under Article 5, Compensation shall be defined in the following manner [complete (a) or (b) and select (c) and/or (d), if applicable]:

a. ☒ Compensation is defined as:

The Participant’s earned income, including salary, bonus, and other remuneration from the Employer.

b. ☐ Compensation as defined in [insert name of qualified plan] without regard to the limitation in Section 401(a)(17) of the Code for such Plan Year.

c. ☒ Director Compensation is defined as:

Annual Retainer and Committee Fees

d. ☐ Compensation shall, for all Plan purposes, be limited to $.

e. ☐ Not Applicable.

3.02 Bonuses

Compensation, as defined in Section 3.01 of the Adoption Agreement, includes the following type of bonuses that will be the subject of a separate deferral election:

Type	[Will be treated as] Performance Based Compensation	
	Yes	No
Bonus	☐	☒
	☐	☐
	☐	☐
	☐	☐
	☐	☐

☐ Not Applicable.

4.01 Participant Contributions

If Participant contributions are permitted, complete (a) and (b). Otherwise complete (c).

a. Amount of Deferrals

i. A Participant may elect within the period specified in Section 4.01(b) of the Adoption Agreement to defer the following amounts of remuneration. For each type of remuneration listed, complete "dollar amount" and/or "percentage amount".

i. Compensation other than Bonuses [do not complete if you complete (iii)]

Type of Remuneration	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Base Salary	$1,000		1%	100%	1%
			%	%	%
			%	%	%

Note: The increment is required to determine the permissible deferral amounts. For example, a minimum of 0% and maximum of 20% with a 5% increment would allow an individual to defer 0%, 5%, 10%, 15% or 20%.

ii. Bonuses [do not complete if you complete (iii)]

Type of Bonus	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Bonus			1%	100%	1%
			%	%	%
			%	%	%

iii. Compensation [do not complete if you completed (i) and (ii)]

Dollar Amount		% Amount		Increment
Min	Max	Min	Max	
		%	%	%

iv. Director Compensation

Type of Compensation	Dollar Amount		% Amount		Increment
	Min	Max	Min	Max	
Annual Retainer			1%	100%	1%

Committee Fees			1%	100%	1%
Other:			%	%	%
Other:			%	%	%

b. Election Period

i. Performance Based Compensation

A special election period

☐ Does

☒ Does Not

apply to each eligible type of performance based compensation referenced in Section 3.02 of the Adoption Agreement.

The special election period, if applicable, will be determined by the Employer.

ii. Newly Eligible Participants

An employee who is classified or designated as an Eligible Employee during a Plan Year

☒ May

☐ May Not

elect to defer only Base Salary and with respect to Directors, Annual Retainer and Committee Fees, earned during the remainder of the Plan Year by completing a deferral agreement within the 30 day period beginning on the date he or she is eligible to participate in the Plan.

The special election period, if applicable, will be determined by the Employer.

c. No Participant Contributions

☐ Participant contributions are not permitted under the Plan.

5.01 Employer Contributions

If Employer contributions are permitted, complete (a) and/or (b). Otherwise complete (c).

a. Matching Contributions

i. Amount

For each Plan Year, the Employer shall make a matching contribution on behalf of each Participant who defers Compensation for the Plan Year and satisfies the requirements of Section 5.01(a)(ii) of the Adoption Agreement equal to [complete the ones that are applicable]:

(A) ☐ [insert percentage]% of the Compensation the Participant has elected to defer for the Plan Year

(B) ☒ An amount determined by the Employer in its sole discretion

(C) ☐ Matching contributions for each Participant shall be limited to $ and/or [insert percentage]% of Compensation

(D) ☐ Other:

____

____

(E) ☐ Not Applicable [Proceed to Section 5.01(b)]

ii. Eligibility for matching contribution

A Participant who defers Compensation for the Plan Year shall receive an allocation of matching contributions determined in accordance with Section 5.01(a)(i) provided he or she satisfies the following requirements [complete the ones that are applicable]:

(A) ☐ Describe requirements:

____

____

(B) ☒ Is selected by the Employer in its sole discretion to receive an allocation of matching contributions

(C) ☐ No requirements

iii. Time of Allocation

Matching contributions, if made, shall be treated as allocated [select one]:

(A) ☒ As of the last day of the Plan Year

(B) ☒ At such times as the Employer shall determine in its sole discretion

(C) ☐ At the time the Compensation on account of which the matching contribution is being made would otherwise have been paid to the Participant

(D) ☐ Other:

____

____

b. Other Contributions

i. Amount

The Employer shall make a contribution on behalf of each Participant who satisfies the requirements of Section 5.01(b)(ii) equal to [complete the ones that are applicable]:

(A) ☒ An amount equal to [insert percentage]% of the Participant's Compensation

(B) ☒ An amount determined by the Employer in its sole discretion

(C) ☐ Contributions for each Participant shall be limited to $

(D) ☐ Other:

____

____

(E) ☐ Not Applicable [Proceed to Section 6.01]

ii. Eligibility for Other Contribution

A Participant shall receive an allocation of other Employer contributions determined in accordance with Section 5.01(b)(i) for the Plan Year if he or she satisfies the following requirements [complete the one that is applicable]:

(A) ☒ Describe requirements:

____

____

(B) ☒ Is selected by the Employer in its sole discretion to receive an allocation of other Employer contributions

(C) ☐ No requirements

iii. Time of Allocation

Employer contributions, if made, shall be treated as allocated [select one]:

(A) ☒ As of the last day of the Plan Year

(B) ☒ At such times or times as the Employer shall determine in its sole discretion

(C) ☐ Other:

____

____

c. No Employer Contributions

☐ Employer contributions are not permitted under the Plan.

6.01 Distributions

The timing and form of payment of distributions made from the Participant's vested Account shall be made in accordance with the elections made in this Section 6.01 of the Adoption Agreement except when Section 9.6 of the Plan requires a six month delay for certain distributions to Key Employees of publicly traded companies.

a. Timing of Distributions

i. All distributions shall commence in accordance with the following [choose one]:

(A) ☐ As soon as administratively feasible following the distribution event but in no event later than the time prescribed by Treas. Reg. Sec. 1.409A-3(d).

(B) ☐ Monthly on specified day 1st day of month.

(C) ☐ Annually on specified month and day [insert month and day]

(D) ☐ Calendar quarter on specified month and day [insert month and day] [insert numerical quarter 1, 2, 3, or 4]

ii. The timing of distributions as determined in Section 6.01(a)(i) shall be modified by the adoption of:

(A) ☐ Event Delay – Distribution events other than those based on Specified Date or Specified Age will be treated as not having occurred for [insert number of months] months

(B) ☐ Hold Until Next Year – Distribution events other than those based on Specified Date or Specified Age will be treated as not having occurred for twelve months from the date of the event if payment pursuant to Section 6.01(a)(i) will thereby occur in the next calendar year or on the first payment date in the next calendar year in all other cases

(C) ☐ Immediate Processing – The timing method selected by the Plan Sponsor under Section 6.01(a)(i) shall be overridden for the following distribution events [insert events]:

____

____

(D) ☒ Not applicable

b. Distribution Events

i. Participant Contributions under Section 4.01(a)

Effective with respect to amounts credited beginning on or after January 1, 2022, Participants may elect the following payment events and the associated form or forms of payment. If multiple events for each year are selected, the earliest to occur will trigger payment. For installments, insert the range of available periods (e.g., 5-15) or insert the periods available (e.g., 5, 7, 9).

	Lump Sum	Installments
(A) ☒ Specified Date	☒	2-5 years
(B) ☐ Specified Age	☐	___years
(C) ☒ Separation from Service	☒	2 -15 years
(D) ☐ Separation from Service plus 6 months	☐	___years
(E) ☐ Separation from Service plus_months [not to exceed months]	☐	___years
(F) ☐ Retirement	☐	___years
(G) ☐ Retirement plus 6 months	☐	___years
(H) ☐ Retirement plus 12 months	☐	___years
(I) ☐ Disability	☐	___years
(J) ☐ Death	☐	___years
(K) ☐ Change in Control	☐	___years

The minimum deferral period for Specified Date or Specified Age event shall be one (1) years.

Installments may be paid [select each that applies]

☒ Monthly – only for distributions upon Separation from Service
☐ Quarterly
☐ Semi-Annually
☒ Annually

ii. Employer Contributions under Section 5.01(a) and (b)

Effective with respect to amounts credited beginning on or after January 1, 2022, Participants may elect the following payment events and the associated form or forms of payment. If multiple events for each year are selected, the earliest to occur will trigger payment. For installments, insert the range of available periods (e.g., 5-15) or insert the periods available (e.g., 5, 7, 9).

	Lump Sum	Installments
(A) ☒ Specified Date	☒	2-5 years
(B) ☐ Specified Age	☐	___years
(C) ☒ Separation from Service	☒	2 -15 years
(D) ☐ Separation from Service plus 6 months	☐	___years
(E) ☐ Separation from Service plus_months [not to exceed months]	☐	___years
(F) ☐ Retirement	☐	___years
(G) ☐ Retirement plus 6 months	☐	___years
(H) ☐ Retirement plus 12 months	☐	___years
(I) ☐ Disability	☐	___years
(J) ☐ Death	☐	___years
(K) ☐ Change in Control	☐	___years

The minimum deferral period for Specified Date or Specified Age event shall be one (1) years

Installments may be paid [select each that applies]

☒ Monthly – only for distributions upon Separation from Service
☐ Quarterly
☐ Semi-Annually
☒ Annually

c. Specified Date and Specified Age elections may not extend beyond age Not Applicable.

d. **Payment Election Override**

Payment of the remaining vested balance of the Participant's Account will automatically occur at the time specified in Section 6.01(a) of the Adoption Agreement in the form indicated upon the earliest to occur of the following events [check each event that applies and for each event include only a single form of payment]:

Events	Form of Payment: Lump Sum	Form of Payment: Installments
☐ Separation from Service	☐	
☐ Separation from Service before Retirement	☐	
☒ Death	☒	
☐ Disability	☐	
☐ Not Applicable	☐	

e. **Involuntary Cashouts**

☒ If the Participant's vested Account at the time of his or her Separation from Service does not exceed $10,000, distribution of the vested Account shall automatically be made in the form of a single lump sum in accordance with Section 9.5 of the Plan.

☐ There are no involuntary cashouts.

f. Retirement

☒ Retirement shall be defined as a Separation from Service that occurs on or after the Participant [insert description of requirements]:

Attains age 65.

With respect to a Director, Retirement shall mean the date the Participant is no longer an active member of the Board of Directors of an Employer. For this purpose, status as a director emeritus or advisory director shall not be considered active board membership.

☐ No special definition of Retirement applies.

g. Distribution Election Change

A Participant

☒ Shall
☐ Shall Not

be permitted to modify a scheduled distribution date and/or payment option in accordance with Section 9.2 of the Plan.

A Participant shall generally be permitted to elect such modification an unlimited number of times.

Administratively, allowable distribution events will be modified to reflect all options necessary to fulfill the distribution change election provision.

h. Frequency of Elections

The Plan Sponsor

☒ Has
☐ Has Not

elected to permit annual elections of a time and form of payment for amounts deferred under the Plan. If a single election of a time and/or form of payment is required, the Participant will make such election at the time he or she first completes a deferral agreement which, in all cases, will be no later than the time required by Reg. Sec. 1.409A-2.

i. Disability

For Purposes of Section 2.11 of the Plan, Disability shall be defined as

☒ Total disability as determined by the Social Security Administration or the Railroad Retirement Board.
☒ As determined by the Employer's long term disability insurance policy.

☐ As follows [insert description of requirements]:

____

____

☐ Not applicable.

7.01 Vesting

a. Matching Contributions

The Participant's vested interest in the amount credited to his or her Account attributable to matching contributions shall be based on the following schedule:

☒	Years of Service	Vesting %	
	0	____%	[insert "100" if there is immediate vesting]
	1	____%	
	2	100%	
	3	____%	
	4	____%	
	5	____%	
	6	____%	
	7	____%	
	8	____%	
	9	____%	

☐ Other:

____

____

☐ Class year vesting applies:

____

☐ Not applicable.

b. Other Employer Contributions

The Participant's vested interest in the amount credited to his or her Account attributable to Employer contributions other than matching contributions shall be based on the following schedule:

☒	Years of Service	Vesting %	
	0	___%	[insert "100" if there is immediate vesting]
	1	___%	
	2	100%	
	3	___%	
	4	___%	
	5	___%	
	6	___%	
	7	___%	
	8	___%	
	9	___%	

☐ Other:

____

____

☐ Class year vesting applies:

____

☐ Not applicable.

c. **Acceleration of Vesting**

The Participant’s vested interest in his or her Account will automatically be 100% upon the occurrence of the following events [select the ones that are applicable]:

i. ☒ Death.

ii. ☒ Disability.

iii. ☒ Change in Control.

iv. ☒ Eligibility for Retirement.

v. ☐ Other:

____

____

vi. ☐ Not applicable.

d. **Years of Service**

i. A Participant’s Years of Service shall include all service performed for the Employer and

☒ Shall
☐ Shall Not

include service performed for the Related Employer.

ii. Years of Service shall also include service performed for the following entities:

____

____

____

____

____

iii. Years of Service shall be determined in accordance with [select one]:

(A) ☒ The elapsed time method in Treas. Reg. Sec. 1.410(a)-7

(B) ☐ The general method in DOL Reg. Sec. 2530.200b-1 through b-4

(C) ☐ Participant's Years of Service credited under:
[insert name of plan]

(D) ☐ Other:

iv. ☐ Not applicable.

8.01 Unforeseeable Emergency

(a) A withdrawal due to an Unforeseeable Emergency as defined in Section 2.24:

☐ Will
☒ Will Not [if Unforeseeable Emergency withdrawals are not permitted, proceed to Section 9.01]

be allowed.

(b) Upon a withdrawal due to an Unforeseeable Emergency, a Participant's deferral election for the remainder of the Plan Year:

☐ Will
☐ Will Not

be cancelled. If cancellation occurs, the Participant may resume participation in accordance with Article 4 of the Plan.

9.1 Investment Decisions

Investment decisions regarding the hypothetical amounts credited to a Participant's Account shall be made by [select one]:

(a) ☒ The Participant or his or her Beneficiary

(b) ☐ The Employer

10.1 Trust

The Employer [select one]:

☒ Does
☐ Does Not

intend to establish a trust as provided in Article 11 of the Plan.

11.1 Termination Upon Change In Control

The Plan Sponsor

☒ Reserves

☐ Does Not Reserves

the right to terminate the Plan and distribute all vested amounts credited to Participant Accounts upon a Change in Control as described in Section 9.7.

11.2 Automatic Distribution Upon Change In Control

Distribution of the remaining vested balance of each Participant’s Account

☐ Shall

☒ Shall Not

automatically be paid as a lump sum payment upon the occurrence of a Change in Control as provided in Section 9.7.

11.3 Change In Control

A Change in Control for Plan purposes includes the following [select each definition that applies]:

a. ☒ A change in the ownership of the Employer as described in Section 9.7(c) of the Plan.

b. ☒ A change in the effective control of the Employer as described in Section 9.7(d) of the Plan.

c. ☒ A change in the ownership of a substantial portion of the assets of the Employer as described in Section 9.7(e) of the Plan.

d. ☐ Not Applicable.

12.1 Governing State Law

The laws of Delaware shall apply in the administration of the Plan to the extent not preempted by ERISA.

Appendix A

Special Effective Dates

The First Interstate BancSystem, Inc. Deferred Compensation Plan SERP Award Notices from 2016 and 2024 as may be amended from time to time are incorporated into this Plan, copies of which are attached hereto.

FIRST INTERSTATE BANCSYSTEM, INC.
DEFERRED COMPENSATION PLAN
SERP AWARD NOTICE (2016)

First Interstate BancSystem, Inc. (the "Employer") and Kevin P. Riley (the "Participant") have entered into an Executive Employment Agreement effective as of September 23, 2015, pursuant to which the Employer has agreed to provide Participant with an annual nonqualified deferred compensation benefit (the "Benefit") with certain specified terms. The Compensation Committee of the Employer wishes to provide the benefit for 2016 and subsequent calendar years (unless and until modified) as a SERP Contribution under the First Interstate BancSystem, Inc. Deferred Compensation Plan (as restated effective January 1, 2016).

Accordingly, for the calendar year 2016, the Compensation Committee herby provides the Participant with this notice of SERP Contributions that may be earned by the Participant with respect to the following periods (each, a "Performance Period"):

- January 1, 2016 to December 31, 2016
- January 1, 2016 to December 31, 2017
- January 1, 2016 to December 31, 2018

These SERP Contributions and all terms of this Award Notice are subject to the more detailed terms and conditions of the First Interstate BancSystem, Inc. Deferred Compensation Plan, which is an unfunded and unsecured arrangement. Capitalized terms used but not defined in this Award Notice will have the meaning given in the Deferred Compensation Plan.

The SERP Contributions for each Performance Period consist of a Base Contribution and a Performance Contingent Contribution.

The Company and Participant agree as follows:

1. Amount. The amount of the Base Contribution, if earned, will be 20% of the Participant's annualized base salary as of the last day of the Performance Period. The amount of the Performance-Contingent contribution, if earned, will be up to an additional 20% of the Participant's annualized base salary as of the last day of the Performance Period.

2. Service Contingencies. The Participant will not be entitled to either the Base Contribution or the Performance-Contingent Contribution unless the Participant remains continuously employed by the Employer through the last day of the Performance Period.

3. Performance Contingency. The Participant will not be entitled to the Performance-Contingent Contribution unless the following performance criteria are met:

    a. The amount of the Performance-Contingent Contribution for each Performance Period will be based on the Total Shareholder Return (TSR) percentile ranking of the Employer over the relevant Performance Period, relative to the Comparator Banks, as defined below.

    b. "Comparator Banks" for this purpose means banks headquartered in the U.S. that are both (a) traded on NYSE, NYSE MKT or Nasdaq throughout the entire Performance

Period; and (b) have total assets between 50% and 200% of the Employer's assets as of the beginning of the Performance Period. The Employer itself will not be included in the set of Comparator Banks.

c. The TSR calculation will assume dividends paid during the Performance Period are reinvested in shares of stock.

d. The amount, if any, of the Performance-Contingent Contribution will be determined as follows:

	Threshold	**Target**	**Maximum**
Relative TSR Percentile Rank	<= 35th percentile	50th percentile	>= 75th percentile
Amount of Performance-Based Contribution (as % of annualized base salary)	0	0.1	0.2

e. If applicable, the amount of the Performance-Contingent Contribution will be on a straight-line interpolation basis where Relative TSR Percentile Rank falls between the Threshold and Maximum levels.

4. SERP Account. The SERP Contributions, if earned, will be contributed to the Participant's SERP Account within the Trust as soon as practical following the last day of the Performance Period. Until distributed, the Participant's SERP Account will be invested by the Trustee and will be adjusted to reflect gains and losses and other amounts in accordance with the Deferred Compensation Plan and the Trust.

5. Vesting. The SERP Contributions will vest 50% on December 31, 2019, and 10% on each December 31st thereafter, so long as Participant remains employed by the Employer on each such date. Vesting will be accelerated in the event of death, disability, and certain terminations of service in connection with a Change in Control, each as more fully described in the Deferred Compensation Plan.

6. Forfeiture. The SERP Contributions (vested and unvested) are subject to forfeiture, clawback and/or suspension in the event that Participant is terminated for Cause or that Participant breaches any non-competition or non-solicitation provisions in an applicable employment agreement with the Employer.

7. Distribution. The SERP Contributions will be paid in 180 substantially equal monthly installments, commencing on the Participant's termination of service with the Employer for any reason. Upon the death of the Participant before termination of service, distribution will be made in a lump sum to the Participant's Beneficiary.

/s/ Teresa Taylor

Teresa Taylor
Chair, Compensation Committee

FIRST INTERSTATE BANCSYSTEM, INC.
DEFERRED COMPENSATION PLAN
SERP AWARD NOTICE (2024)

First Interstate BancSystem, Inc. (the “Employer”) and Kevin P. Riley (the “Participant”) have entered into an Executive Employment Agreement effective as of September 23, 2015, pursuant to which the Employer has agreed to provide Participant with an annual nonqualified deferred compensation benefit (the “Benefit”) in accordance with certain specified terms below.

The Compensation and Human Capital Committee of the Employer (“Committee”) wishes to provide the benefit pursuant to this notice (the “Award Notice”) for the 2024 performance year and subsequent performance years (unless and until modified) as a SERP Contribution under the First Interstate BancSystem, Inc. Deferred Compensation Plan, as amended from time to time (“Plan”).

Accordingly, for the calendar year 2024 and on for each subsequent calendar year (unless and until modified), the Committee herby provides the Participant with this notice of SERP Contributions that may be earned by the Participant based upon the continued employment of the Participant with the Employer and the performance of the Employer over a three-year period, with each three-year period commencing on January 1 and ending three calendar years later on December 31st (e.g., under this Award Notice, the initial Performance Period is January 1, 2022 – December 31, 2024; the next subsequent Performance Period is January 1, 2023 – December 31, 2025) (each three-year period, a “Performance Period”).

These SERP Contributions and all terms of this Award Notice are subject to the more detailed terms and conditions of the Plan, which is an unfunded and unsecured arrangement. Capitalized terms used but not defined in this Award Notice will have the meaning given in the Plan.

The SERP Contributions for each Performance Period consist of a Base Contribution and a Performance Contingent Contribution.

1. Amount. The amount of the Base Contribution, if earned, will be 20% of the Participant’s annualized base salary as of the last day of the Performance Period (the “Base Contribution”). The amount of the Performance-Contingent contribution, if earned, will be up to an additional 20% of the Participant’s annualized base salary as of the last day of the Performance Period (the “Performance-Contingent Contribution”).

2. Service Contingencies. The Participant will not be entitled to either the Base Contribution or the Performance-Contingent Contribution unless the Participant remains continuously employed by the Employer through the last day of the Performance Period.

3. Performance Contingency. The Participant will not be entitled to the Performance-Contingent Contribution unless the following performance criteria are met:

    a. The amount of the Performance-Contingent Contribution for each Performance Period will be based on the Total Shareholder Return (“TSR”) percentile ranking of the Employer over the relevant Performance Period, relative to the Comparator Banks, as defined below.

    b. “Comparator Banks” means the component companies of the KBW Nasdaq Regional Banking Index (the “KRX”) as of the first day of the Performance Period. Changes to the components of the KRX throughout the Performance Period will not impact the companies comprising Comparator Banks, provided that only those companies that continue to trade on a major exchange throughout the entire Performance Period will be included in Comparator Banks at the time performance results are determined. The Company itself will not be included in the set of Comparator Banks.

c. "TSR" is calculated using a closing price average of the 20 trading days immediately prior to the first day of the Performance Period and the last 20 trading days of the Performance Period. The TSR calculation will assume dividends paid during the Performance Period are reinvested on the next business day in shares of stock.

d. The amount, if any, of the Performance-Contingent Contribution will be determined as follows:

	Threshold	**Target**	**Maximum**
Relative TSR Percentile Rank	<= 35th percentile	50th percentile	>= 75th percentile
Amount of Performance-Based Contribution (as % of annualized base salary)	0%	10%	20%

e. If applicable, the amount of the Performance-Contingent Contribution will be on a straight-line interpolation basis where Relative TSR Percentile Rank falls between the Threshold and Maximum levels.

4. SERP Account. The SERP Contributions, if earned, will be contributed to the Participant's SERP Account within the Trust as soon as practical following the last day of the Performance Period. Until distributed, the Participant's SERP Account will be invested by the Trustee and will be adjusted to reflect gains and losses and other amounts in accordance with the Deferred Compensation Plan and the Trust.

5. Vesting. The SERP Contributions will vest 50% on December 31, 2019, and 10% on each December 31st thereafter, so long as Participant remains employed by the Employer on each such date. Vesting will be accelerated in the event of death, disability, and certain terminations of service in connection with a Change in Control, each as more fully described in the Deferred Compensation Plan.

6. Forfeiture. The SERP Contributions (vested and unvested) are subject to forfeiture, clawback and/or suspension in the event that Participant is terminated for Cause or that Participant breaches any non-competition or non-solicitation provisions in an applicable employment agreement with the Employer.

7. Distribution. The SERP Contributions will be paid in accordance with the terms of the Plan and Participant's elections thereunder.

/s/ Stephen Bowman

Stephen Bowman
Chair, Compensation Committee

/s/ Kevin Riley

Kevin Riley
Participant Signature

Exhibit 10.12

FIRST INTERSTATE BANCSYSTEM, INC. 2023 EQUITY AND INCENTIVE PLAN PERFORMANCE RESTRICTED STOCK UNIT GRANT AGREEMENT (Core ROATCE)

This Performance Restricted Stock Unit Grant Agreement ("Agreement") is made and entered into as of the date specified in Exhibit A (referred to as "Grant Date") between First Interstate BancSystem, Inc. (the "Company"), and the below named Participant, an Employee of the Company.

The Company and Participant agree as follows:

1. Precedence of Plan. This Agreement, including all the Performance Restricted Stock Units granted under it is governed by the First Interstate BancSystem, Inc. 2023 Equity and Incentive Plan (the "Plan"). This Agreement is subject to and will be construed in accordance with the terms and conditions of the Plan, as now or hereinafter in effect. Any capitalized terms used in this Agreement without being defined and that are defined in the Plan will have the meaning specified in the Plan. In the event of a conflict or inconsistency between the terms and conditions of this Agreement and the Plan, the terms and conditions of the Plan shall govern.

2. Grant of Performance Restricted Stock Unit Award. Participant is hereby granted a Performance Restricted Stock Unit Award for the number of Performance Restricted Stock Units as listed in the Notice of Performance Restricted Stock Unit Award attached hereto as Exhibit A. The Performance Restricted Stock Units represent the right to receive shares of the Company's Common Stock (or, if determined in the discretion of the Committee, the right to receive a cash amount equal to the Fair Market Value based on shares of the Company's Common Stock). The Performance Restricted Stock Units shall be credited to a separate account maintained for Participant on the books and records of the Company (the "Account"). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company. Notwithstanding the foregoing, if Participant primarily lives or works in Colorado at the time Participant signs this Agreement, Participant agrees that Participant shall not be eligible for the grant of such Performance Restricted Stock Unit Award herein unless Participant signs and returns the Notice of Restrictive Covenants provided in connection with this Agreement. For any such Participant, this Agreement shall become effective on the latest date of the following: (a) fourteen (14) days following Participant's receipt of this Agreement and return of the executed Notice of Restrictive Covenants provided in connection with this Agreement, and (b) the date of Participant's execution of this Agreement.

3. Vesting.

   a. *Vesting*. Except as otherwise provided herein, provided Participant's Continuous Service has not terminated from the Grant Date through the Vesting Date (as defined in the Notice of Performance Restricted Stock Unit Award attached hereto as Exhibit A), the Performance Restricted Stock Units shall vest and a specified number of shares of Common Stock (or cash) will become issuable in settlement of such Performance Restricted Stock Units as of the Vesting Date as determined based on application of the applicable Core ROATCE Payout Percentage (as defined below), to the extent the following performance criteria set forth below are met over the Performance Period (as defined below):

      i. The proportion of Performance Restricted Stock Units that will vest and the number of shares of Common Stock issuable in settlement of the Performance Restricted Stock Units to a Participant will be based on the percentile ranking of the Company over the Performance Period, relative to the Comparator Banks, of its Core Return on Average Tangible Common Equity ("Core ROATCE"). All such determinations regarding Core ROATCE will be determined by the Committee following the end of the Performance Period and prior to the Vesting Date and all such determinations will be final and binding on all parties.

      ii. For purposes of this Agreement, the following terms are defined below:

         1. "Comparator Banks" means the component companies of the KBW Nasdaq Regional Banking Index (the "KRX") as of the first day of the Performance Period. Changes to the components of the KRX throughout the Performance Period will not impact the companies comprising Comparator Banks, provided that only those companies that continue to trade on a major exchange throughout the entire Performance Period will be included in Comparator Banks at the time performance results are determined. The Company itself will not be included in the set of Comparator Banks.

         2. "Core ROATCE" means Core Return on Average Tangible Common Equity as defined by S&P Global (or its successor). Core ROATCE will be calculated as an average of the respective measure for each of the three calendar years of the Performance Period for the Company and all Comparator Banks, regardless of each entity's fiscal year end.

3. “Performance Period” means the Performance Period as set forth in Exhibit A.

iii. The amount, if any, of Performance Restricted Stock Units that will vest as of the Vesting Date and the number of shares of Common Stock that will be issued in settlement, subject to the Participant’s Continuous Service from the Grant Date through the Vesting Date, will be (i) the aggregate number of Performance Restricted Stock Units as listed in the Notice of Performance Restricted Stock Unit Award multiplied by (ii) the payout percentage set forth below that is based on the percentile ranking of the Company over the Performance Period, relative to the Comparator Banks for Core ROATCE (“Core ROATCE Payout Percentage”). Any fraction shares of Common Stock issuable will be rounded down to the nearest whole number:

1. If the Company’s percentile rank is less than 25%, the Core ROATCE Payout Percentage will be 0%, such that 0% of the Performance Restricted Stock Units contingent on such applicable payout percentage will become vested as of the Vesting Date and all such Performance Restricted Stock Units will be forfeited.

2. If the Company’s percentile rank is greater than or equal to 25% and less than 50%, the Core ROATCE Payout Percentage will be between 50% and 100% such that between 50% and 100% (the actual amount determined by linear interpolation) of the Performance Restricted Stock Units contingent on such applicable payout percentage will vest on the Vesting Date.

3. If the Company’s percentile rank is greater than or equal to 50% and less than 90%, the Core ROATCE Payout Percentage will be between 100% and 200% such that between 100% and 200% (the actual amount determined by linear interpolation) of the Performance Restricted Stock Units contingent on such applicable payout percentage will vest on the Vesting Date.

4. If the Company’s percentile rank is greater than or equal to 90%, the Core ROATCE Payout Percentage will be 200% such that 200% of the Performance Restricted Stock Units contingent on such applicable payout percentage will vest on the Vesting Date.

The vesting under this Section 3(iii) is illustrated by the following table:

Percentile Rank to Peers	<25%	25%	50%	90%
Payout Percentage	0%	50%	100%	200%

b. *Death or Disability of Participant*. If, prior to the Vesting Date, Participant’s Continuous Service terminates due to death or a Disability, Participant will vest in and be entitled to 100% of the Performance Restricted Stock Units as of the date of the Participant’s termination of Continuous Service due to death or Disability (“Death or Disability Vesting Date”), provided such termination of Participant’s Continuous Service constitutes a “separation from service” as defined under Section 409A (“Separation from Service”), regardless of the attainment of the performance criteria as of the last day of the Performance Period.

c. *Retirement*. If Participant has not had a Separation of Service from the Grant Date through the date on which Participant becomes Retirement-Eligible, Participant will remain entitled to the Performance Restricted Stock Units, subject to the level of attainment of the performance criteria as of the last day of the Performance Period (“Retirement Vesting Date”), regardless of whether Participant has a Separation from Service following the date of which Participant becomes Retirement-Eligible. For purposes of this Agreement, “Retirement-Eligible” means the date on which Participant attains the age of 65.

d. *Separation from Service in Connection with Change in Control.* In the event of a Participant’s Separation from Service as a result of either the Participant’s termination of Continuous Service (i) without Cause or (ii) by Participant for Good Reason during the 24-month period following the closing date of a Change in Control (“Involuntary Termination”), Participant will vest in and be entitled to 100% of the Performance Restricted Stock Units as of the date of such Separation from Service. (“Involuntary Termination Vesting Date”).

4. Forfeiture.

a. *Forfeiture*. Except as provided in paragraphs 3.b., 3.c., and 3.d. above, in the event that Participant has a Separation from Service prior to the Vesting Date, all Performance Restricted Stock Units will be forfeited to the Company as of the date of Participant’s Separation from Service and Participant shall have no further rights with respect to such Performance Restricted Stock Units. Notwithstanding the foregoing, in the event that Participant’s Separation from Service is as a result of termination by the Company for Cause at any time, Participant will forfeit all Performance Restricted Stock Units granted under this Agreement, regardless if vested or unvested as of the date of such Separation from Service.

b. *Clawback.* Pursuant to Section 15.2 of the Plan, every Award issued pursuant to the Plan is subject to potential forfeiture or "clawback" to the fullest extent called for by applicable federal or state law or any policy of the Company, including the First Interstate BancSystem, Inc. Clawback Policy. By accepting this Performance Restricted Stock Unit Award, Participant agrees to be bound by, and comply with, the terms of any such forfeiture or "clawback" provision imposed by applicable federal or state law or prescribed by any policy of the Company.

5. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, prior to and until such time as the Performance Restricted Stock Units are settled or paid out in accordance with Section 7, the Performance Restricted Stock Units and the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Participant. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Performance Restricted Stock Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Performance Restricted Stock Units will be forfeited by Participant and all of Participant's rights to such Performance Restricted Stock Units shall immediately terminate without any payment or consideration by the Company.

6. Rights as a Shareholder.

a. *Voting and Other Rights*. Except as set forth in Section 6(b) below with respect to certain Dividend Equivalent rights, Participant shall have no rights of a shareholder and will not be treated as an owner of any shares of Common Stock issuable in settlement of this Performance Restricted Stock Unit Award, except with respect to shares of Common Stock that have actually been issued in settlement of any Performance Restricted Stock Units.

b. *Dividend Equivalent Rights*. If, on or after the Grant Date but prior to date of settlement or payment of any Performance Restricted Stock Units in accordance with Section 7, the Company declares a cash or stock dividend on the shares of Common Stock, prior to the date of settlement or payment, Participant's Account shall be credited with Dividend Equivalents in an amount equal to the dividends that would have been paid to Participant if one share of Common Stock had been issued on the Grant Date for each Performance Restricted Stock Unit that becomes issuable to Participant as of the date of settlement or payment under Section 7. Dividend Equivalents shall be subject to the same vesting terms as the Performance Restricted Stock Units to which they are attributable and shall be paid on the same date that the Performance Restricted Stock Units to which they are attributable are settled or paid in accordance with Section 7 hereof. Dividend Equivalents credited to a Participant's Account shall be distributed in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of the Dividend Equivalents, if any.

7. Settlement of Performance Restricted Stock Units. Subject to Section 9, in the event that one or more Performance Restricted Stock Unit vests as of the Vesting Date or, if earlier, the Retirement Vesting Date, the Company will issue, within 45 days following the Vesting Date: (i) a number of shares of Common Stock (or, in the Committee's discretion, a lump sum cash payment equal to the Fair Market Value of such shares of Common Stock) to Participant in settlement and payment of the vested Performance Restricted Stock Units equal to the number of then-vested Performance Restricted Stock Units and (ii) a lump sum of cash equal to any Dividend Equivalents credited with respect to such vested Performance Restricted Stock Units or, at the discretion of the Committee, shares of Common Stock having a Fair Market Value equal to such Dividend Equivalents. Notwithstanding the foregoing, and subject to Section 9, in the event that one or more Performance Restricted Stock Unit vests prior to the Vesting Date or the Retirement Vesting Date, with such vesting occurring on the Death or Disability Vesting Date or Involuntary Termination Vesting Date, settlement of the Performance Restricted Stock Units, in an amount determined as described in this Section 7 above, will be made to Participant within 45 days of the applicable Death or Disability Vesting Date or Involuntary Termination Vesting Date. Participant shall have no further rights with respect to any Performance Restricted Stock Units that are paid or that terminate pursuant to Sections 3 or 4 as of the date of settlement or payment pursuant to this Section 7.

8. Stock Register. On the date of payment or settlement of any Performance Restricted Stock Units in accordance with Section 7, to the extent payment is made in shares of Common Stock, the Company will deliver to Participant (or in the case of Participant's death, to Participant's beneficiary) the shares of Common Stock (rounded down to the nearest full share) by entering such shares in book-entry form.

9. Withholding. Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to Participant pursuant to this Agreement and the Plan, the amount of any required withholding taxes in respect of the Performance Restricted Stock Units and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Committee may permit Participant to satisfy any federal, state, local, FICA or similar tax withholding obligation by any of the following means, or by a combination of such means: (i) tendering a cash payment, including through withholding

from other compensation payable by the Company to Participant or (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable or deliverable to Participant; provided, however, that no shares of Common Stock shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement or payment of the Performance Restricted Stock Units or the subsequent sale of any shares; and (b) does not commit to structure the Performance Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items.

10. Non-Solicitation. Participant hereby covenants and agrees that, during the Period of Restriction, Participant shall not, without the written consent of the Company, either directly or indirectly, (i) solicit, offer employment to, or take any other action intended (or that a reasonable person acting in like circumstances would expect) to have the effect of causing any officer or employee of First Interstate BancSystem, Inc. or any of its direct or indirect subsidiaries or affiliates (collectively "FIB"), to terminate or interrupt such officer's or employee's Continuous Service with FIB and accept employment or become affiliated with, or provide services for compensation in any capacity whatsoever to, any business whatsoever that competes with FIB within the Restricted Area, or (ii) within the Restricted Area, solicit business from any customer of FIB, divert or attempt to divert any business from FIB, or induce, attempt to induce, or assist others in inducing or attempting to induce any agent, customer or supplier of FIB or any other person or entity associated or doing business with FIB (or proposing to become associated or to do business with FIB) to terminate such person's or entity's relationship with FIB (or to refrain from becoming associated with or doing business with FIB) or in any other manner to interfere with the relationship between FIB and any such person or entity. Notwithstanding the foregoing, the provisions of Section 10 shall only apply to such customers, agents, suppliers, and other persons with whom Participant had contact or about whom Participant obtained knowledge or had access to information during Participant's employment with FIB.

Participant agrees that the covenants herein are (a) reasonable and necessary for the protection of the Company's legitimate interests, including, but not limited to, its trade secrets, confidential business information, and goodwill, (b) not against the public interest, and (c) do not place an unreasonable burden on Participant's ability to earn a living.

a. *Definitions*. For purposes of the non-solicitation covenants above in Section 10, the following terms shall have the following definitions:

(1) "Period of Restriction" means a period of twelve (12) months following the termination of Participant's Continuous Service with FIB for any reason, unless a court of competent jurisdiction determines that the period is unenforceable under applicable law because it is too long in which case the applicable period shall be the longest of the following periods that the court determines is reasonable under the circumstances: nine (9) months after the termination of Participant's Continuous Service with FIB for any reason or six (6) months after the termination of Participant's Continuous Service with FIB for any reason.

(2) "Restricted Area" means within fifty (50) miles of the locations in which FIB has business operations, headquarters or offices or has filed an application for regulatory approval to establish an office, unless a court of competent jurisdiction determines that the geographic territory is unenforceable under applicable law because it is too large in which case the geographic territory will be the broadest of the following territories that the court determines is reasonable under the circumstances: within twenty-five (25) miles of the locations in which FIB has business operations or has filed an application for regulatory approval to establish an office, within ten (10) miles of the locations in which FIB has business operations or has filed an application for regulatory approval to establish an office or within five (5) miles of the locations in which FIB has business operations or has filed an application for regulatory approval to establish an office.

b. *Limited Application of Sections 10 in Certain States*. FIB acknowledges and agrees that, in certain states the covenants contained in Section 10 may have limited applicability. FIB intends for this Agreement to comply fully with state and local laws and, as such, acknowledges that Section 10 is limited in the following states; and, to the extent that there are additional limitations not acknowledged herein, FIB intends for Section 10 to be read and applied in full compliance with applicable state laws. Further, to the extent any state not listed limits enforceability of a covenant if the employee's annual compensation is insufficient for enforceable post-employment non-competition restrictions, such limitation is incorporated by reference.

(1) *Idaho*. If Participant's primary work location is in Idaho as of the date upon which Participant executes this Agreement, or upon the cessation of employment, then Section 10 of this Agreement shall not apply unless Participant is a "key employee" under Idaho Code § 44-2701.

(2) *Nebraska*: If Participant's primary work location is in Nebraska as on the date upon which Participant executes this Agreement, or upon the cessation of employment, then Section 10(ii) of this Agreement shall only apply to customers, agents, suppliers, and other persons with whom Participant had personal contact and did business with during Participant's employment with FIB.

(3) *North Dakota.* If Participant's primary work location is in North Dakota as of the date upon which Participant executes this Agreement, or upon the cessation of employment, then Section 10(i) of this Agreement shall be replaced in its entirety with the following language: "(i) solicit, offer employment to, or take any other action intended (or that a reasonable person acting in like circumstances would expect) to have the effect of causing any officer or employee of First Interstate BancSystem, Inc. or any of its direct or indirect subsidiaries or affiliates (collectively "FIB"), that Participant had contact or about whom Participant obtained knowledge or had access to information during the last two years of Participant's employment with FIB, to terminate or interrupt such officer's or employee's Continuous Service with FIB and accept employment or become affiliated with, or provide services for compensation in a capacity similar to those performed for FIB in the person's last two years of employment, any business whatsoever that competes with FIB within the Restricted Area."

(4) *South Dakota.* If Participant's primary work location is in South Dakota as of the date upon which Participant executes this Agreement, or upon the cessation of employment, then Section 10(ii) of this Agreement shall be replaced in its entirety with the following language: "(ii) within the Restricted Area, solicit existing customers of FIB."

11. General Provisions.

a. *Tax Advisor Consultation.* Participant represents Participant has reviewed with Participant's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

b. *Data Privacy*. In order to administer the Plan, the Company may process personal data about Participant. Such data includes, but is not limited to, the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about Participant such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, Participant gives explicit consent to the Company to process any such personal data.

c. *Consent to Electronic Delivery*. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant, Participant agrees that the Company may deliver or cause to be delivered the Plan prospectus and the Company's annual report to Participant in an electronic format. The Company's prospectus is available electronically within the Participant's Fidelity account at https://nb.fidelity.com and the Company's annual report is located electronically at www.fibk.com. If at any time Participant would prefer to receive paper copies of these documents, as Participant is entitled to, please contact Fidelity Stock Plan Services at (800) 544-9354 to request paper copies of these documents.

d. *Fractions*. To the extent that the Company is obligated to issue a fractional number of Performance Restricted Stock Units, such number will be rounded down to the nearest whole share number.

e. *Receipt of Plan*. By entering into this Agreement, Participant acknowledges (i) that they have received and read a copy of the Plan and (ii) that this Agreement is subject to and will be construed in accordance with the terms and conditions of the Plan, as now or hereinafter in effect.

f. *Not an Employment or Service Contract*. This Agreement is not an employment or service contract and nothing in this Agreement may be deemed to create in any way whatsoever any obligation on the part of Participant to remain in the service of the Company or an Affiliate or of the Company or an Affiliate to continue Participant in the service of the Company or an Affiliate.

g. *Further Action*. The parties agree to execute such further instruments and to take such further action as reasonably may be necessary to carry out the intent of this Agreement.

h. *Interpretation*. The interpretations and constructions of any provision of and determinations of any question arising under the Plan or this Agreement will be made by the Company, and all such interpretations, constructions and determinations will be final and conclusive as to all parties. This Agreement, as issued pursuant to the Plan, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations and understandings. The invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision hereof. This Agreement may be executed in counterparts, all of which will be deemed to be one and the same instrument, and it is sufficient for each party to have executed at least one, but not necessarily the same, counterpart. The headings contained in this Agreement are for reference purposes only and do not affect the meaning or interpretation of this Agreement in any way.

i. *Governing Law; Venue.* This Agreement and the rights and obligations of the parties hereto will be governed by and construed in accordance with the laws of the State of Delaware. The parties agree that any action brought by either party to interpret or enforce any provision of the Plan or this Agreement must be brought in the state or federal court located in Wilmington, Delaware, and the parties irrevocably submit to the exclusive jurisdiction of that court for any action, suit or proceeding, and hereby waive any right to contest such jurisdiction or change such venue on any grounds.

j. *Successors*. This Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement, this Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, successors and assigns.

k. *Further Documents.* Upon request of the Company, Participant shall execute any further documents or instruments which the Company deems necessary or reasonably desirable to carry out the purposes or intent of this Agreement.

l. *Adjustment for Stock Split.* All references to the number of Performance Restricted Stock Units and shares of Common Stock in this Agreement shall be adjusted to reflect any stock split, stock dividend or other change in the shares of Common Stock which may be made after the date of this Agreement.

m. *Compliance with Law*. The issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

n. *Amendment*. The Committee has the right to amend, alter, suspend, discontinue or cancel the Performance Restricted Stock Units, prospectively or retroactively; provided, that, no such amendment shall adversely affect Participant’s material rights under this Agreement without Participant’s consent.

o. *Section 409A*. This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A. Notwithstanding anything in this Agreement to the contrary, this Agreement may be amended, as reasonably requested by the Company, and as may be necessary to fully comply with Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder. A termination of Continuous Service shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute nonqualified deferred compensation upon or following a termination of Continuous Service unless such termination is also a “separation from service” within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a “termination of Continuous Service,” “termination of employment,” or like terms shall mean “separation from service.” Notwithstanding anything to the contrary in the Agreement, if Participant is deemed a "specified employee" within the meaning of Section 409A, as determined by the Committee, at a time when Participant becomes eligible for settlement or payment of the Performance Restricted Stock Units as a result of their Separation from Service, then to the extent necessary to prevent any accelerated or additional tax under Section 409A, such settlement or payment will be delayed until the earlier of: (a) the business day following the date that is six months following Participant’s Separation from Service and (b) Participant’s death.

IN WITNESS WHEREOF, the Company, by a duly authorized officer of the Company, and Participant have executed this Agreement effective as of the Grant Date as stated in Exhibit A.

FIRST INTERSTATE BANCSYSTEM, INC.

By:	James A. Reuter	**Signed Electronically**
Title:	President and CEO	Participant Signature
Address:	401 North 31st Billings, MT 59116	

EXHIBIT A

NOTICE OF PERFORMANCE RESTRICTED STOCK UNIT AWARD
FIRST INTERSTATE BANCSYSTEM, INC.

Participant Name	____________________
Participant ID	____________________
Plan Name	First Interstate BancSystem, Inc. 2023 Equity and Incentive Plan
Number of Performance Restricted Stock Units	____________________
Vesting and Payout Percentage Range	0% to 200%
Grant Date	____________________
Performance Period	January 1, 2025 to December 31, 2027
Vesting Date	March 15, 2028
Performance Metrics	Core Return on Average Tangible Common Equity (Core ROATCE)

Exhibit 10.14

FIRST INTERSTATE BANCSYSTEM, INC.
DIRECTOR COMPENSATION

We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on our Board of Directors (the "Board"). In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties as well as the skill level required by us with respect to members of the Board.

Annual non-employee director compensation is based upon a service year beginning on June 1 and ending on May 31 of each year. For the 2024-2025 service year, each non-employee director, other than the Chair of the Board, is entitled to receive an annual retainer valued at $140,000, of which approximately $80,000 was paid in the form of restricted stock units on June 1, 2024 and the remaining approximately $60,000 is payable on a quarterly basis in the form of either cash or restricted stock units at the director's election.

For his services as Chair of the Board for the 2024-2025 service year, Stephen B. Bowman is entitled to receive an annual retainer of $230,000, of which approximately $130,000 was paid in the form of restricted stock units on June 1, 2024 and the remaining approximately $100,000 is payable on a quarterly basis in the form of either cash or restricted stock units at his election. David L. Jahnke, who served as Chair of the Board until May 2024, received a cash payment in 2024 of $22,500, reflecting his quarterly cash retainer fee covering the portion of the 2023-2024 service year during which he served as Chair of the Board. The retainer paid to the Chair of the Board is in lieu of all director fees and other retainers described below. The retainer paid to the Chair of the Board recognizes the Chair's work in providing an interface between the Board and our management, oversight of strategic planning, leadership of the Board, executive succession planning, and community visibility.

James A. Reuter and Kevin P. Riley received no separate compensation for serving as a director in fiscal year 2024, but were compensated in their capacity as President and Chief Executive Officer during their respective time serving in the role.

Committee members and committee chairpersons received additional compensation as follows:

Committee	Chair Retainer[1]	Member Retainer
Audit	$27,500	$10,000
Compensation & Human Capital	20,000	10,000
Governance & Nominating	19,000	7,500
Risk	22,500	10,000
Technology	19,000	7,500

[1] Amount is inclusive of member retainer for the Chair of the Committee.

Directors are reimbursed for ordinary expenses incurred in connection with attending board and committee meetings. Under our deferred compensation plan, directors may elect to defer any cash portion of director's fees until an elective distribution date or the director's retirement, disability, or death.

Directors are also eligible to participate in the First Interstate BancSystem Foundation's (the "Foundation") Matching Gift program. Under the Matching Gift program, the Foundation will match each director's charitable donations, dollar for dollar, up to $10,000 per calendar year. The Foundation is a charitable organization established by First Interstate BancSystem, Inc., and is a separate legal entity from First Interstate BancSystem, Inc., with distinct legal restrictions. Only eligible 501(c)(3) tax-exempt organizations may receive a matching donation from the Foundation.

Exhibit 19

Insider Trading Policy

Effective November 2024

Table of Contents

1 Overview

1.1 Policy Purpose

This Policy provides procedures and guidelines with respect to transactions in the Company's securities, the protection of material, non-public information and the standard of conduct expected of the Company's employees and others covered by this Policy in this highly sensitive area.

As a public company, First Interstate BancSystem, Inc. (collectively with its subsidiaries, the "Company") is subject to various federal and state laws and regulations governing trading in its securities. It is the policy of the Company to comply fully, and to assist those covered by this Policy in complying fully, with these laws and regulations. This Policy applies to all officers, directors, director emeriti, board observers, non-officer employees, and consultants of the Company and, in some cases, the members of such persons' households and immediate families.

1.2 Policy Scope

1.2.1 Securities

The Policy applies to all transactions, direct or indirect, in all of the Company's securities, including, but not limited to, the Company's common stock and stock options. This includes shares of common stock that are restricted, or unvested, and shares of common stock held in the Company's 401(k) retirement savings plan.

1.2.2 Persons

The Policy applies to all officers, directors, director emeriti, board observers, non-officer employees, and consultants of the Company (collectively referred to herein as "you"). The Policy also applies to any person who receives material, non-public information from you, including Family Members.

1.2.3 Other Companies

The Policy is not limited to trading in the Company's securities. It also includes trading in the securities of other companies, such as customers or suppliers of the Company and those with which the Company may be negotiating major transactions, such as an acquisition, investment or sale. Information that is not material to the Company may nevertheless be material to one of those other companies.

1.2.4 Transactions in General

Trading refers to the purchase and sale of stock, derivative securities such as put and call options and convertible debentures or preferred stock, and debt securities. Transactions encompass trading and all other transactions involving the Company's securities, including the pledging of securities, transfers of securities between trusts, changes in beneficial ownership or in the form of beneficial ownership, or any other transfer.

1.2.5 Transactions by Family Members and Others

This Policy applies to your Family Members. You are responsible for the transactions of these Family Members and therefore should make them aware of the need to confer with you before they trade in Company securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by, or related to you or your Family Members.

1.2.6 Transactions by Entities that You Influence or Control

This Policy applies to any entities that you influence or control, including any corporations, partnerships, or trusts (collectively, "Controlled Entities"), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

1.2.7 401(k) Plan Transactions

The Policy's trading restrictions apply to elections you may make under the 401(k) plan to (i) make an intra-plan transfer of an existing account balance out of the Company stock fund, (ii) borrow money against your 401(k) plan account, if permitted, if the loan will result in a liquidation of some or all of your Company stock fund balance, and (iii) make a withdrawal or take any other action that will result in a liquidation of some or all of your Company stock fund balance.

1.2.8 Broker-Assisted Cashless Exercise of Stock Options

This Policy's trading restrictions apply to any sale of stock as part of a broker-assisted cashless exercise of a stock option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of a stock option.

1.2.9 Transactions Outside the Scope of the Policy

This Policy does not apply to the following transactions, except as specifically noted. Transactions outside of the scope of the Policy are subject to pre-clearance provisions of the Policy discussed below.

1.2.10 Net Withholding or Cash Exercise of Stock Options

The Policy does not apply to a cash exercise of a stock option granted to you pursuant to the Company's equity compensation plans. The Policy also does not apply to a net withholding exercise of a stock option granted to you pursuant to the Company's equity compensation plans whereby a person has elected to have the Company withhold shares subject to an option to satisfy the option price and/or tax withholding requirements. This Policy does apply, however, to any market sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option, as noted above.

1.2.11 Stock Awards

This Policy does not apply to the vesting of stock awards or stock unit awards granted to you pursuant to the Company's equity compensation plans, or the exercise of a tax withholding right pursuant to which you elect, or the Company requires you, to have the Company withhold shares of stock or stock units to satisfy tax withholding requirements upon the vesting of any stock award or stock unit award. The Policy does apply, however, to any market sale of any stock award or stock unit award, or the market sale of any vested shares.

1.2.12 Transfers to Brokers

This Policy does not apply to a transfer of Company securities to a brokerage account if the securities remain in your name following such transfer.

1.2.13 Transactions Not Involving a Purchase or Sale

Bona fide gifts of stock are not transactions subject to this Policy, unless you have reason to believe that the recipient of the gift intends to sell the stock while you are aware of material, non-public information.

1.2.14 Exceptions for Approved Rule 10b5-1 Trading Plans

Trades in the Company's securities that are executed pursuant to an Insider Trading Compliance Officer pre-approved Rule 10b5-1 trading plan are not subject to the prohibition on trading on the basis of material, non-public information contained in the Policy or to the restrictions relating to pre-clearance procedures and blackout periods discussed below.

Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides an affirmative defense from insider trading liability under the federal securities laws for trading plans that meet certain requirements. In general, and among other requirements, a Rule 10b5-1 trading plan must be entered into during a time when you are unaware of material, non-public information, and if you are an officer or director you must include in your plan, among other things, a representation to that effect. Once the plan is adopted, you must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify (including by formula) the amount, pricing, and timing of transactions in advance or delegate discretion regarding those matters to an independent third party.

The Company requires that all Rule 10b5-1 trading plans meet, among other requirements, all of the following criteria:

- The plan must be adopted during an open window period;
- All individuals entering into a plan must act in good faith with respect to that plan;
- There must be a waiting or cooling off period of at least 30 days (the greater of (1) 90 days following plan adoption or modification; or (2) two business days following the disclosure in certain periodic reports of the issuer's financial results for the fiscal quarter in which the plan was adopted

or modified (but not to exceed 120 days following plan adoption or modification) for officers and directors) between the adoption of the plan and the first transaction by the plan;

• Any modification or termination of the plan must be preapproved by the Insider Trading Compliance Officer;

• Any person may only have one plan in place at any time;

• The plan must last for at least six months but no longer than two years; and

• The amount of shares that the plan may sell on a quarterly basis may not exceed the volume limitations of Rule 144, as promulgated under the Securities Act of 1933, as amended.

Rule 10b5-1 of the Exchange Act is complex and has recently been changed by the Securities and Exchange Commission ("SEC") and may be changed further by the SEC in the future, so you are encouraged to contact the Company's Insider Trading Compliance Officer well in advance of when you may want to implement any such plan to ensure that it complies with applicable Company requirements and SEC rules at the time.

1.3 Personal Responsibility

It is the personal obligation and responsibility of each individual covered by this policy to act in a manner consistent with this Policy. The Company depends upon the conduct and diligence of those covered by this Policy, in both their professional and personal capacities, to ensure full compliance with this Policy. The ultimate responsibility for adhering to the Policy and avoiding improper trading rests with you. Violation of the Policy could result in the Company taking disciplinary action, including dismissal for cause.

1.4 Potential Criminal and Civil Liability and/or Disciplinary Action

The Exchange Act, as amended, and specifically Rule 10b-5 of the Exchange Act, makes it unlawful for any person to make false statements or omit to state material facts in connection with the purchase or sale of any security. There are no limits on the size of a transaction that will trigger insider trading liability. In the past, even relatively small trades have resulted in SEC investigations and lawsuits.

Individuals found liable for insider trading face penalties of up to three (3) times the profit gained or loss avoided, and a criminal fine of up to $5 million and up to twenty (20) years in jail. In addition to the potential criminal and civil liabilities mentioned above, in certain circumstances the Company may be required to recover all profits made by an insider who traded illegally, plus collect other damages. In addition, the Company (and its executive officers and directors) could face penalties of the greater of $1 million or three (3) times the profit gained or loss avoided as a result of a violation and/or a criminal penalty of up to $25 million for failing to take steps to prevent insider trading.

In addition to any civil or criminal penalties that may be imposed by others, willful violation of this Policy and its procedures may constitute grounds for dismissal or other disciplinary action.

1.5 Administration of the Policy

It is important that all who are subject to this Policy understand the breadth of activities that constitute illegal insider trading and the consequences of such activities, which can be severe. **Should you have any questions regarding the Policy, please contact the Company's General Counsel and designated Insider Trading Compliance Officer, Kirk Jensen, at (406) 255-5304, or any member of the Company's Legal Department.**

2 Background & Definitions

"Insider trading" is a top enforcement priority of the SEC, the NASDAQ Stock Market ("NASDAQ") and the Department of Justice. Criminal prosecutions and civil actions for insider trading are commonplace and may result in fines and/or imprisonment.

2.1 Insider Trading & Insiders

Insider trading is (1) trading on the basis of material, non-public information, (2) disclosing or "tipping" material, non-public information to others or recommending the purchase or sale of securities on the basis of such information, or (3) assisting someone who is engaged in any of the above activities.

The term "Insider" means anyone who, by virtue of a relationship with the Company, possesses material, nonpublic information regarding the business of the Company, including members of the Company's Board of Directors, director emeriti, board observers, employees, and consultants, as well as members of such persons' immediate families and households.

An individual can be considered an Insider for a limited time with respect to certain material, non-public information even though he or she is not a director or officer. For example, an assistant who knows that an acquisition is about to occur may be regarded as an Insider with respect to that information until the news of such acquisition has been fully disclosed to the public.

2.2 Material Information

Information is generally deemed to be "material" if there is a substantial likelihood a "reasonable investor" would rely on it in deciding to purchase, sell or hold a security to which the information relates or if public dissemination of the information is likely to affect the market price of the securities. As a practical matter, materiality often is determined after the fact, when it is known that someone has traded on the information and after the information itself has been made public and its effects upon the market are more certain. Since trading that receives scrutiny is evaluated after the fact and with the benefit of hindsight, any questions concerning the materiality of specific information should be resolved in favor of materiality, and trading should be avoided.

Examples of information that is generally regarded as material are:

- Financial results;
- Projections of future earnings or losses or other earnings guidance;
- Projections that significantly differ from external expectations;
- Proposed or pending acquisitions, and major investments or divestitures;
- Significant related party transactions;
- The establishment of a repurchase program for Company securities;
- Significant project or product developments;
- Changes in key personnel;
- Changes in external auditors or notification that the auditor's report may no longer be relied upon;
- Changes in dividends;
- Major events regarding the Company's securities, including the declaration of a stock split or the offering of additional shares;
- New debt offerings;
- Positive or negative developments in outstanding significant litigation;
- Events that may result in the creation of a significant reserve or write-off or other significant adjustments to the financial statements;
- Actual or threatened significant litigation or inquiry by a governmental or regulatory authority; and
- Any other facts which might cause the Company's financial results to be substantially affected.

2.3 Non-Public Information

"Non-public" information is any information that has not been previously disclosed and is not otherwise available to investors generally. Filings with the SEC and press releases are generally regarded as public information. Information about undisclosed financial results or a possible merger, acquisition, or other material development, whether concerning the Company or otherwise, and obtained in the normal course of employment or through a rumor, tip or just "loose talk," is not public information. Information should be considered "non-public" until after the first Trading Day (as defined below) after such information has been disseminated widely to the general public through, for example, press releases, SEC filings, news tickers, newspaper items, current quarterly or annual reports.

2.4 Family Members

A "Family Member" is any family member who resides with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family member who does not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company securities.

2.5 Trading Day

For purposes of this Policy, a “Trading Day” shall mean a day on which the NASDAQ is open for trading.

3 Policy Statements

3.1 Prohibitions for All Persons Subject to this Policy

3.1.1 No Trading on Any Material, Non-Public Information

You may not trade in the securities of the Company, directly or through Family Members or other persons or entities, if you are aware of material, non-public information relating to the Company. Similarly, you may not trade in the securities of any other company if you are aware of material, non-public information about that company.

3.1.2 No Tipping

You may not pass material, non-public information on to others or recommend to anyone the purchase or sale of any securities when you are aware of such information. This practice violates securities laws and can result in the same civil and criminal penalties that apply to insider trading, even though you did not trade and did not gain any benefit from another’s trading.

3.1.3 No Short Sales

You may not engage in the short sale of the Company’s securities. A “short sale” is a sale of securities not owned by the seller or, if owned, not delivered against such sale within twenty (20) days thereafter, which is known as a “short against the box”. Short sales of the Company’s securities evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects.

3.1.4 No Exception for Economic Hardship

The existence of a personal financial emergency does not excuse you from compliance with the Policy.

3.1.5 Post-Termination Transactions

The Policy continues to apply to transactions in Company securities even after termination of employment or other services to the Company. If you are in possession of material, non-public information when your employment or service relationship terminates, you may not trade in Company securities until that information has become public or is no longer material. However, the pre-clearance procedures discussed below will cease to apply upon the expiration of any Blackout Period or other Company imposed trading restrictions applicable at the time of the termination of service.

3.2 Prohibitions for Section 16 Reporting Persons and Designated Individuals

3.2.1 Section 16 Reporting Persons and Designated Individuals

The following prohibitions and procedures apply to Section 16 Reporting Persons (as defined below) and any other employees that may be designated as subject hereto by the Company from time to time ("Designated Individuals" and, collectively with the Section 16 Reporting Persons, "Covered Persons"). "Section 16 Reporting Persons" are members of the Company's Board of Directors, director emeriti, board observers, and executive officers who are subject to the reporting and "short-swing profit" liability provisions of Section 16 of the Exchange Act. Section 16 Reporting Persons and Designated Individuals will be informed of their status as such from time to time for purposes of this Policy by the Insider Trading Compliance Officer.

3.2.2 Pre-Clearance Requirement for Covered Persons

Covered Persons, together with their Family Members, may not engage in any transaction, including transactions noted as outside the scope of the Policy, involving the Company's securities (including a contribution to a trust or any other transfer) without first obtaining pre-clearance of the transaction from the Insider Trading Compliance Officer or member of the Legal Department.

3.2.3 Pre-Clearance Procedures

A request for pre-clearance should be submitted to the Insider Trading Compliance Officer or other member of the Company's Legal Department in advance of the proposed transaction. The Insider Trading Compliance Officer is under no obligation to approve the trade submitted for pre-clearance and may determine not to permit the trade. The Insider Trading Compliance Officer may not trade in Company securities unless the Chief Executive Officer or Chief Financial Officer has approved the trade(s) in accordance with the procedures set forth in this Policy. Pre-cleared trades must be affected within an open trading window.

Under special circumstances, employees who are not Section 16 Reporting Persons or may gain access to material, non-public information. In such cases, the Company, in its discretion, may determine that such employees be identified as and informed that they are Designated Individuals who may also be subject to the prohibitions and procedures described below. Such employees will be notified of such status and will be subject to the prohibitions and procedures described below for such period of time as the Insider Trading Compliance Officer deems appropriate.

3.2.4 Trading Blackout Periods

Covered Persons and their Family Members are subject to black-out periods during which they are prohibited from conducting any transactions involving the Company's securities. The prohibition against trading during the black-out periods also prohibits the fulfillment of "limit orders" by any broker for such Covered Persons or Family Members, and the brokers with whom any such "limit order" is placed must be informed of such prohibition at the time such "limit order" is placed.

Blackout periods include the following:

1. Quarterly Blackout Periods. The Company's announcement of its quarterly financial results almost always has the potential to have a material effect on the market for the Company's securities. Covered Persons may not trade in the Company's securities during the period beginning the fifteenth day of the calendar month in which the quarter ends and ending after the first Trading Day following the release of the Company's earnings for that quarter (or year).

2. Interim Earnings Guidance Blackouts. The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, filing with the SEC or other means designed to achieve widespread dissemination of the information. You should anticipate that trading will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market, which will in any event be deemed to be no sooner than the first Trading Day following the release of such information.

3. Event-Specific Blackouts. From time to time, an event may occur or be expected to occur that is material to the Company and is known by only a few directors, officers, and other employees. So long as the event or expected event remains material and non-public, the persons who are aware of it shall be deemed to be Designated Persons, and they as well as the other persons covered by the quarterly earnings blackout procedures (i.e., other Covered Persons) may not trade in the Company's securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout and determined to be Designated Individuals. If a person whose trades are subject to pre-clearance but who is not deemed to be a Designated Individual for a particular event-specific blackout requests permission to trade in the Company's securities during an event-specific blackout, the Insider Trading Compliance Officer may to the extent deemed appropriate under the circumstances inform the requesting person of the existence of a blackout period and not permit the trade, but in such event the Insider Trading Compliance Officer would do so without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the Insider Trading Compliance Officer to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of material, non-public information.

   Covered Persons may also be subject to event-specific blackouts pursuant to the SEC's Regulation Blackout Trading Restriction, which prohibits certain sales and other transfers by insiders during certain pension plan blackout periods applicable to pension plans, if any, implemented by the Company.

Even if a blackout period is not in effect, at no time may you trade in Company securities if you are aware of material, non-public information about the Company.

3.2.5 Blackout Exceptions

A Covered Person who is subject to a quarterly earnings blackout period and who has an unexpected and urgent need to sell Company stock in order to generate cash may, in appropriate circumstances, be permitted to sell Company securities even during the quarterly blackout period. Hardship exceptions may be granted only by the Insider Trading Compliance Officer and must be requested in advance of the proposed trade. A hardship exception may be granted only if the Insider Trading Compliance Officer concludes that the Company's earnings information for the applicable quarter does not constitute material, non-public information. Under no circumstance will a hardship exception be granted during an event-specific blackout period to a person subject to such blackout period, or to a director or executive officer.

3.2.6 No Short-Term Trading

Short-term trading of Company securities may be distracting to you and may put undue focus on the Company's short-term stock market performance instead of the Company's long-term business objectives. For these reasons, any director, officer or other employee of the Company who purchases stock in the open market may not sell any stock during the six months following the purchase (or vice versa).

3.2.7 No New Margin Loans or Pledging

After February 28, 2023, you may no longer initiate (i) the engagement of a brokerage firm to use Company securities owned by you as security for a margin or other loan, or increase the number of Company securities subject to any margin or other loan that you may have with a brokerage firm that was outstanding prior to February 28, 2023, or (ii) any pledge of Company securities, or increase the number of Company securities subject to any pledge that you may have outstanding prior to February 28, 2023, as collateral for any loan.

3.3 Hedging, Short-Term, & Speculative Transactions

The Company considers it improper and inappropriate for those employed by or associated with the Company to engage in hedging, short-term or speculative transactions in the Company's securities, or in other transactions in the Company's securities that may lead to inadvertent violations of the insider trading laws. Accordingly, your trading in Company securities is subject to the following additional prohibitions and guidance.

3.3.1 Hedging

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, involve the establishment of a short position in the Company's securities and limit or eliminate your ability to profit from an increase in the value of the Company's securities. Such transactions are complex and involve many aspects of the federal securities laws. Therefore, the Company prohibits Insiders from entering into hedging or monetization arrangements directly or indirectly involving Company securities.

3.3.2 Standing Orders

Standing orders should be used only for a very brief period of time. A standing order placed with a broker to sell or purchase stock at a specified price leaves you with no control over timing of the transaction. A standing order transaction executed by the broker when you are aware of material, non-public information may result in unlawful insider trading.

3.3.3 Margin Accounts and Pledges

A margin or foreclosure sale that occurs when you are aware of material, non-public information may, under some circumstances, result in unlawful insider trading. Because of this danger, if applicable, you should exercise caution in continuing to hold Company securities in a margin account or continuing to allow your Company securities to be pledged as collateral for a loan.

In furtherance of the intents and purposes of the prohibition on new margin loans or pledging activities by Covered Persons discussed above in this Policy, if you had, prior to the later of (i) February 28, 2023, and (ii) the date that you became a Covered Person hereunder (the latter of which being the “Trigger Date”), entered into a margin loan using Company securities as collateral or otherwise pledged Company securities as collateral for any other loan, the aggregate number of such Company securities used as collateral must be reduced, prior to the third anniversary of the Trigger Date, to a number of Company securities not exceeding, on an as - converted basis, fifteen percent (15%) of the total number of unencumbered shares of common stock of the Company then beneficially owned by you.

3.4 Public Disclosures

Maintaining the confidentiality of Company information is essential for competitive, security and other business reasons, as well as to comply with securities laws. All information learned about the Company, or its business plans should be treated as confidential and proprietary to the Company. Inadvertent disclosure of confidential or inside information may expose the Company and you to significant risk of investigation and litigation.

The timing and nature of the Company’s disclosure of material information to outsiders is subject to legal rules, the breach of which could result in substantial liability for you, the Company, and its management. Accordingly, it is important that responses to inquiries about the Company by the press, investment analysts or others in the financial community be made on the Company’s behalf only through authorized individuals.

Please consult the Company’s Investor Relations Disclosure Policy and External Communications Policy for more details regarding the Company’s policy on speaking to the media, financial analysts and investors.

3.5 Protection of Material, Non-Public Information

All directors and employees of the Company have ethical and legal responsibilities to maintain the confidentiality of all material, non-public information.

As explained previously, under no circumstances may an employee or director use material, non-public information about the Company for his or her personal benefit. Moreover, except as specifically authorized or in the performance of regular corporate duties, under no circumstances may an employee or director release to others information that might affect the Company's securities. Therefore, it is important that an employee or director not disclose material, non-public information to anyone, including other employees of the Company, unless the other employee needs to know such information in order to fulfill his or her job responsibilities.

Under no other circumstances should such information be disclosed to anyone, including family, relatives, or business or social acquaintances. In maintaining the confidentiality of the information, the individual in possession of such information shall not affirm or deny statements made by others, either directly or through electronic means, if such affirmation or denial would result in the disclosure of material, non-public information.

If an employee or director has any doubt about whether certain information is non-public or material, such doubt should be resolved in favor of not communicating such information or trading without discussing with the Insider Trading Compliance Officer or other member of the Company's Legal Department. Questions concerning what is or is not material, non-public information should be directed to the Insider Trading Compliance Officer or other member of the Company's Legal Department. The Insider Trading Compliance Officer may consult with legal counsel or executive officers of the Company at any time.

3.5.1 Material, Non-Public Information Regarding Other Companies

In the ordinary course of doing business, you may come into possession of material, non-public information with respect to other companies. An individual receiving material, non-public information in such a manner has the same duty not to disclose the information to others or to use that information in connection with securities transactions of such other company as such individual has with respect to material, non-public information about the Company.

If the Company is in the process of negotiating a significant transaction with another company, you are cautioned not to trade in the stock of that company if you are in possession of material, non-public information concerning such company. If you are not certain whether it is permissible to trade in the stock of such company, you should contact the Insider Trading Compliance Officer or other member of the Legal Department before making any trades.

3.5.2 Unauthorized Disclosure of Internal Information

Unauthorized disclosure of internal information about the Company may create serious problems for the Company whether or not the information is used to facilitate improper trading in securities of the Company. Therefore, it shall be the duty of each person employed or associated with the Company to maintain the confidentiality of information relating to the Company or obtained through a relationship of confidence. Company personnel should not discuss internal Company matters or developments with anyone outside the Company, except in the performance of regular corporate duties.

3.5.3 Precautions to Prevent Misuse or Unauthorized Disclosure of Sensitive Information

When you are involved in a matter or transaction that is sensitive and, if disclosed, could reasonably be expected to have an effect on the market price of the securities of the Company or any other company involved in the transaction, you should consider taking extraordinary precautions to prevent misuse or unauthorized disclosure of such information. Such measures include the following:

- Maintaining files securely and avoiding storing information on computer systems that can be accessed by other individuals;
- Avoiding the discussion of confidential matters in areas where the conversation could possibly be overheard;
- Not gossiping about Company affairs; and
- Restricting the copying and distribution of sensitive documents within the Company.

3.5.4 Social Media

Any statement you make in a virtual forum (including, but not limited to, internet chat rooms, blogs, instant messages, social networking sites, or in other similar forums) regarding the Company may be seen as a recommendation to buy or sell the Company's securities. Refer to the Social Media Policy for guidance on use of social media outlets.

3.5.5 Inadvertent Disclosure of Material, Non-Public Information

If material, non-public information regarding the Company is inadvertently disclosed, no matter what the circumstances, by anyone, the person making or discovering that disclosure should immediately report the facts to the Insider Trading Compliance Officer.

3.5.6 Inquiries Regarding Material, Non-public Information

When an inquiry is received regarding information that may be material, it should be referred, without comment, to the Company's Investor Relations Officer.

3.6 Company Assistance

Your compliance with the Policy is of the utmost importance both for you and for the Company. If you have any questions about the Policy or its application to any proposed transaction, please contact the Company's General Counsel and designated Insider Trading Compliance Officer, Kirk Jensen, at (406) 255-5304, or another member of the Company's Legal Department.

3.6.1 Reporting Violations

Any person who believes that a violation of this policy has taken place shall report such violation promptly to the Insider Trading Compliance Officer.

3.6.2 Certification

All officers, directors, employees and consultants, including Covered Persons, of the Company must certify their understanding of, and intent to comply with, the Policy.

Exhibit 21.1

Subsidiaries of First Interstate BancSystem, Inc.

Subsidiary	State of Incorporation or Jurisdiction of Organization	Business Name
First Interstate Bank	Montana	First Interstate Bank
FI Statutory Trust I	Connecticut	FI Statutory Trust I
FI Capital Trust II	Delaware	FI Capital Trust II
FI Statutory Trust III	Delaware	FI Statutory Trust III
FI Capital Trust IV	Delaware	FI Capital Trust IV
FI Statutory Trust V	Delaware	FI Statutory Trust V
FI Statutory Trust VI	Delaware	FI Statutory Trust VI
Northwest Bancorporation Capital Trust I	Delaware	Northwest Bancorporation Capital Trust I
Great Western Statutory Trust IV	Connecticut	Great Western Statutory Trust IV
GWB Capital Trust VI	Delaware	GWB Capital Trust VI
HF Financial Capital Trust III	Delaware	HF Financial Capital Trust III
HF Financial Capital Trust IV	Delaware	HF Financial Capital Trust IV
HF Financial Capital Trust V	Delaware	HF Financial Capital Trust V
HF Financial Capital Trust VI	Delaware	HF Financial Capital Trust VI
Sunstate Bancshares Trust II	Delaware	Sunstate Bancshares Trust II

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements:

(1) Registration Statement (Form S-8 No. 333-203233) pertaining to the First Interstate BancSystem, Inc. 2015 Equity and Incentive Plan;

(2) Registration Statement (Form S-3 No. 333-272215) pertaining to a shelf registration;

(3) Registration Statement (Form S-8 No. 333-272210) pertaining to the First Interstate BancSystem, Inc. 2023 Equity and Incentive Plan; and

(4) Registration Statement (Form S-8, No. 333-279687) pertaining to the First Interstate BancSystem, Inc. 2023 Equity and Incentive Plan;

of our reports dated February 28, 2025, with respect to the consolidated financial statements of First Interstate BancSystem, Inc. and the effectiveness of internal control over financial reporting of First Interstate BancSystem, Inc., included in this Annual Report (Form 10-K) of First Interstate BancSystem, Inc. for the year ended December 31, 2024.

/s/ Ernst & Young

Salt Lake City, Utah
February 28, 2025

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-203233) pertaining to the First Interstate BancSystem, Inc. 2015 Equity and Incentive Plan; Registration Statement (Form S-3 No. 333-272215) pertaining to a shelf registration; Registration Statement (Form S-8 No. 333-272210) pertaining to the First Interstate BancSystem, Inc. 2023 Equity and Incentive Compensation Plan; and Registration Statement (Form S-8, No. 333-279687) pertaining to the First Interstate BancSystem, Inc. 2023 Equity and Incentive Plan of our report dated February 29, 2024, relating to the consolidated financial statements of First Interstate BancSystem, Inc. appearing in this Annual Report on Form 10-K of First Interstate BancSystem, Inc. for the year ended December 31, 2024.

/s/ RSM US LLP

Des Moines, Iowa
February 28, 2025

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, James A. Reuter, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 of First Interstate BancSystem, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: February 28, 2025

/s/ JAMES A. REUTER

James A. Reuter
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Marcy D. Mutch, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 of First Interstate BancSystem, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: February 28, 2025

/s/ MARCY D. MUTCH

Marcy D. Mutch
Executive Vice President and
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned are the Chief Executive Officer and the Chief Financial Officer of First Interstate BancSystem, Inc. (the “Registrant”). This Certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Certification accompanies the Annual Report on Form 10-K of the Registrant for the year ended December 31, 2024.

Each of the undersigned certifies in such person's capacity as an officer of the Registrant that, to such officer's knowledge, such Annual Report on Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This Certification is executed as of February 28, 2025.

/s/ JAMES A. REUTER
James A. Reuter
President and Chief Executive Officer

/s/ MARCY D. MUTCH
Marcy D. Mutch
Executive Vice President and
Chief Financial Officer