Making a difference in the places we call home.
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Here’s to a year of accomplishments.

Welcome to the 2021 iteration of First Interstate BancSystem’s Community Responsibility Report (formerly our Environmental, Social, and Governance report). Our focus on people first, always, means our decisions are driven by what matters to our employees, clients, communities, and stakeholders. When we keep the concept of community at the heart of everything we do, we find that our governance policies and environmental choices follow.

In a year defined by uncertainties, much of our efforts in 2020 focused on helping people through the many associated challenges, as demonstrated through our social initiatives. From there, we take a closer look at our efforts toward environmental sustainability before addressing how we maintain our strength and stability through our governance structure and processes.
To Our Stakeholders:

People first, always. This core value has been embedded in First Interstate Bank for more than 50 years. It centers us in everything we do—how we take care of our employees, clients, and neighbors; how we ensure integrity and success at all levels of the Bank; and how we consider the environment in which we live, work, and play. It inspires us to remain a trusted source of financial strength and stability for our people, our communities, and our shareholders, no matter the challenges that may arise.

The past year was filled with challenges. Nonetheless, by maintaining our unwavering focus on people, First Interstate continued to advance in a variety of environmental, social, and governance initiatives; we are pleased to share their status with you. As always, we strive for transparency and accountability, and we will continue to present relevant information to all our stakeholders.

At our core, First Interstate is a community bank. Although we have grown to 150 locations across six Western states, the following report illustrates how community remains at our heart. The global pandemic has not spared our footprint, but our time-tested, disciplined approach has further established First Interstate as a fiscally sound, community-minded financial partner.

At First Interstate, we know every decision has an impact, and we strive to make decisions that benefit our clients and communities as well as our Company. We are committed to being introspective and continually seek opportunities to make improvements to sustain our success as well as maintain the confidence of our valued stakeholders.

Sincerely,

Kevin P. Riley
President & CEO
First Interstate BancSystem, Inc.
Serving Our Employees, Clients, and Communities
First Interstate’s commitment to community is unwavering. Community starts with us. More specifically, community starts with our employees, who are the source of our continued success and the beginning of our value chain.

The uncertainty of the past year has challenged how we, like so many others, operate and move forward. Drawing on our Mission, Vision, Values, and strength as a community bank, we were able to provide the stability and resources our employees, clients, and communities needed.

In 2020, First Interstate proved we are more than just a bank – we are a trusted community partner.
Employees

Everything First Interstate does begins with our greatest asset: our employees. Before we can take care of our clients and communities, we need to take care of our people. We are proud of our tradition in this respect, and we are proud of the reputation First Interstate has earned throughout our footprint.

In 2020, First Interstate was named “Employer of Choice” by the Billings Job Service in Billings, Montana; our Hot Springs, South Dakota branch was named “Service Business of the Year” by the local Chamber of Commerce; and our North Idaho branches were recognized by the Post Falls Chamber as “Business of the Year.”

Our people make all the difference, and we continuously consider how we can best support them personally and professionally.
Employees and COVID-19

Throughout our footprint—and the world—COVID-19 had a significant impact. While some of our employees were affected directly in terms of their own health or that of a loved one, others shifted to monitoring their children’s online schooling. Many grappled with working from home or losing a partner’s income as certain industries struggled more than others. First Interstate deployed resources on several fronts to help ease these burdens.

SPECIAL CONDITION TIME OFF

First Interstate introduced a Special Condition Time Off (SCTO) policy to provide employees paid time to care for themselves or a loved one who tested positive for COVID-19. Employees impacted by daycare closures or adult care limitations while stay-at-home orders were in place were also able to use SCTO. Time away from work under these special circumstances did not count against any paid time off (PTO) accrued, recognizing both the range of severity and recuperation time associated with the virus as well as the need to retain valuable PTO for future downtime. In total, First Interstate awarded 212,760 hours of SCTO in 2020.
EXPANDED FIRST RELIEF

In 2015, we instituted a charitable program called First Relief to provide an avenue for employees to support one another in times of need, such as family emergencies, natural disasters, or other unexpected events.

This year, we expanded qualifying events to include illness or hardships related to COVID-19. Through employee gifts and payroll deductions as well as support from the First Interstate BancSystem Foundation, First Relief provides employees in crisis with assistance for basic living expenses to bridge short-term financial gaps. In 2020 alone, $55,800 in First Relief funds were awarded to employees in need.

COUNSELING AND MINDFULNESS

First Interstate offers an employee assistance program (EAP), and this year we took steps to ensure the program had ample resources to address greater anticipated use. EAP services were expanded to include counseling for employees struggling with issues related to COVID-19. Additionally, in recognition of the increased stress from prolonged remote work and social distancing, our Learning and Development team instituted mindfulness and guided meditation sessions to help alleviate strain.

COVID-19 TESTING COVERAGE

First Interstate absorbed the cost of COVID-19 testing, alleviating any burden to employees associated with co-pays or co-insurance costs.

ALTERNATIVE WORK ARRANGEMENTS

With the closure of schools and the announcement of stay-home orders around First Interstate’s footprint, we worked to accommodate the health, safety, and family needs of our employees through work-from-home and alternative work arrangements. For the last half of the year, close to 70% of our team worked from home, which accounts for nearly all employees whose duties could be performed remotely.

ENHANCED CLEANING AND PROTECTIVE MEASURES

First Interstate implemented enhanced cleaning and protective measures throughout the year. We provided personal protective equipment, such as face coverings and hand sanitizer, as well as plexiglass shields in our lobbies. We instituted a rigorous cleaning protocol, following start-of-the-day, intra-day, and end-of-day checklists. Additionally, in locations with 50 or more employees reporting for duty, we provide temperature screenings before employees are admitted into the building. To reinforce best practices, we implemented internal training on pandemic preparedness and workplace hygiene.

Our regular employee communications were key to keeping our people safe and informed. We established a dedicated COVID-19 intranet resource page and have issued more than 200 total communications related to the pandemic, providing resources and guidance to help keep our employees safe.
Recruiting, Development, and Advancement

First Interstate is always interested in new talent, and our hiring processes continued apace in 2020. During the year, we hired 453 new employees and were committed to retaining our top talent amid the pandemic while avoiding layoffs.

We continued to invest in our team and its ongoing development despite less-than-ideal economic conditions and travel restrictions. Curated online courses and trainings were highly utilized, and job roles and responsibilities were evaluated and adjusted to align employee strengths with client needs in our modified operating environment. Development and advancement opportunities presented themselves across the Company as we tackled new offerings, such as loans through the Paycheck Protection Program (PPP), and enhanced our digital services.

First Interstate strives to create a workplace culture that fosters collaboration and attracts and retains outstanding people. The Billings Job Service affirmed our efforts by honoring us with the 2020 Employer of Choice Award, which we were delighted to accept.
First Interstate has a longstanding relationship with the Pacific Coast Banking School (PCBS).

PCBS
Pacific Coast Banking School
The Premier National Graduate School of Banking

Each year, Executive Team members nominate individuals with leadership potential to be offered a place in the school’s three-year program. The program offers intensive training in all banking-related disciplines — from credit management and general economics to community support and service trends. Students participate in online and in-person trainings and prepare a final thesis, with top submissions selected for publication. Participation in PCBS was put on hold in 2020 due to COVID-19; however, we have three employees set to graduate and five employees poised to participate in 2021. Graduation for 2020 and 2021 will be held simultaneously; during that time, we expect all eight employees to graduate.

LINKEDIN LEARNING

First Interstate is leveraging scalable and effective tools for professional development, including LinkedIn Learning. An industry leader in online video education courses curated by subject matter experts, LinkedIn Learning provides First Interstate employees with opportunities to learn new skills that can enhance their career prospects. In 2020, employees at First Interstate streamed 2,361 hours of educational material with more than 1,000 employees activating their learning accounts. Through 2,200 completed courses and 44,300 viewed videos, our team members were able to enhance personal development skills, emotional intelligence, leadership capabilities, and communication skills. These courses, along with the role-based training our employees receive, help create well-rounded individuals with a path to success.
LEADERSHIP DEVELOPMENT

First Interstate is committed to helping our people grow and succeed. In 2020, we were pleased to welcome five new members to our Senior Leadership Team. Additionally, we continue to be intentional about understanding and supporting the markets in which we operate while positioning individuals to become active leaders within their own communities. We have maintained our tradition of nominating employees to participate in state- and city-specific leadership programs. In 2020, five employees participated in such programs, taking advantage of opportunities to expand their networks, leadership skills, and market knowledge.

Because we believe such development opportunities are important to all aspiring individuals, First Interstate awarded $75,000 grants to Leadership Montana and Leadership Wyoming, respectively, in the name of Tom Scott — son of First Interstate founder Homer Scott, Sr., previous First Interstate CEO, and former Chair of our board — who passed away in June 2020.

Our commitment to professional development enhances the ability of our people to make significant contributions to our industry and our region. For example, in 2020, Jeff Arbizzani, our Director of Treasury Solutions Delivery, was called upon by Mastercard® to serve on its new U.S. Commercial Issuers Advisory Council. Lorrie Asker, Regional President of Idaho, Eastern Washington, and Wyoming, was named to the Idaho governor’s Economic Rebound Advisory Committee. Our President and CEO, Kevin Riley, continues to serve on the Federal Advisory Council and was invited to join former Montana Governor Steve Bullock’s Coronavirus Relief Fund Task Force to help businesses and workers impacted by COVID-19.
Competitive Pay and Benefits

Our people are a priority, and we continuously look for opportunities to demonstrate that commitment through a competitive employee compensation program.

MINIMUM WAGE

First Interstate monitors the salaries and wages paid by other local and national companies to ensure our offerings are competitive and reasonable throughout our footprint. Although the federal minimum wage is currently $7.25 per hour, First Interstate is committed to providing a living wage to all employees. To that end, First Interstate raised the internal minimum wage to $15 per hour in 2020. Our goal is to ensure our employees are well compensated and that we continue to attract, motivate, reward, and retain a high-quality workforce.

PAID TIME OFF AND LEAVE

First Interstate offers employees paid time off (PTO), which can be used for a combination of vacation, personal, and sick time. PTO is accrued based on years of service and exempt status. Employees have the flexibility to carry over up to 80 hours of PTO annually. After conducting industrywide analysis and impact studies in 2019, First Interstate introduced an enhanced PTO program in 2020. Most notably, the new plan separates holidays from PTO, provides all employees with eligibility, enables part-time and full-time employees to accrue PTO at the same rate, and implements a universal maximum accrual rate. These changes meant increased PTO accrual at all employee levels. Along with PTO, employees working 30 hours or more per week are eligible to receive time off for special circumstances. Those asked to serve on active jury duty can receive up to 15 days of pay annually while in service. We also increased bereavement leave (now up to five paid days) for those who experience a death in their immediate family.
STUDENT LOAN DEBT REPAYMENT

Student debt is a significant burden in the best of times, but the stress of maintaining a payment schedule in the midst of a pandemic and economic uncertainty is only magnified. First Interstate introduced the Student Loan Debt Repayment Program to assist employees working to pay off their student loans. The Bank chips in $100 per month for qualified employees. In 2020, the Bank paid a total of $74,800 toward employee student loan debt.

CAREGIVER LEAVE

Employees who work at least 30 hours per week and have a family member who possesses a doctor’s certification of disability may be eligible for Caregiver Leave. Newly implemented in 2020, this benefit provides employees up to five days of paid leave to be a caregiver to an immediate family member who is suffering from a serious health condition.

HEALTH INSURANCE COVERAGE

First Interstate offers employees a choice in their health care options, which include medical, dental, and vision coverage upon eligibility. The Bank offers two medical benefit options: a standard health plan and a high-deductible plan. Additionally, we give employees access to MDLive, providing convenient phone or video consultations with U.S. board-certified doctors for 24/7/365 access to medical advice.

HEALTH SAVINGS ACCOUNTS

At First Interstate, approximately 60% of employees spend very little on medical care over the course of the year. For those who may be able to manage higher out-of-pocket expenditures in exchange for lower premiums, we offer a high-deductible health plan and a health savings account (HSA) to assist with expenses.
With an HSA, employees set aside pre-tax dollars to help pay for out-of-pocket, qualified medical expenses. Moreover, we seed employees’ HSAs, contributing $500 annually for those with individual plans and $1,000 annually for those with family plans, with contributions made on a per-pay-period basis.

**MEDICAL FLEXIBLE SPENDING ACCOUNTS**

Enrollment in a medical flexible spending account (FSA) is available to employees who select our standard health plan option. Accounts are funded with pre-tax dollars to help employees pay for eligible out-of-pocket medical expenses, and up to $550 can be carried over to the next plan year.

**DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS**

Childcare costs strain many families, and to alleviate some of the burden, First Interstate has established the Dependent Care FSA. For employees with childcare expenses (for children younger than 13) and a salary of less than $60,000 per year, First Interstate contributes $1,500 per year per child, up to $4,500 per year. Additionally, employees may contribute pre-tax dollars to their accounts.

**RETIREMENT PLAN**

To help employees prepare for retirement, First Interstate offers a 401(k) plan through Fidelity Investments. Beginning in 2020, the organization matches 100% of the first 6% contributed by employees, a benefit that can help position our employees for long-term success. New employees are automatically enrolled in the plan, and participants are fully vested after two years of employment and 1,000 hours worked annually.
DISABILITY INSURANCE

First Interstate offers short- and long-term disability coverage at no cost to qualifying employees. After a seven-day waiting period, employees may be eligible to receive 100% of their base earnings up to the first six weeks and 80% of their base earnings up to an additional five weeks. Beyond 12 weeks, for those who qualify for long-term disability, a salary is paid at 60% up until Social Security retirement age.

SUPPLEMENTARY INSURANCE

To help employees plan for an unforeseeable future, First Interstate offers a host of supplementary insurance benefits to eligible employees as well as their dependents. From life and accidental death and dismemberment to accident, critical illness, and hospital indemnity insurance, First Interstate offers multiple opportunities to secure additional coverage and peace of mind for unexpected challenges.

EXERCISE REIMBURSEMENT

Recognizing the importance of fitness on physical and mental health, First Interstate offers reimbursement of $25 a month or $300 a year toward a fitness membership. Given the stay-at-home directives resulting from the pandemic, this year we expanded that reimbursement to apply to digital and at-home workout programs.

25-YEAR CLUB

Loyalty and longevity are hallmarks of First Interstate’s workforce. In recognition of a longstanding commitment to our Mission, Vision, and Values, the Bank established the 25-Year Club to recognize employees who reach this service milestone. Upon completing 25 years of service, an employee is given the opportunity to have the First Interstate BancSystem Foundation make a one-time donation of $250 to a nonprofit organization of their choice. In 2020, 19 employees achieved this milestone, resulting in total donations of $4,750 to employee-selected charities.
Achieving Work/Life Balance

As the lines between work and the rest of life blurred in 2020, First Interstate made a conscious effort to provide employees with options to help them restore balance to their personal and professional needs.

ALTERNATIVE WORK ARRANGEMENTS

Alternative Work Arrangements (AWA) allow for managers to modify their departments’ work schedules or offer employees greater flexibility in meeting their work performance goals and personal needs with creative work scheduling. Due to the nature of some positions, AWA are not always feasible. However, managers consider requests on a case-by-case basis, as some schedules may be altered without disruption or impact to our clients.

PEER-TO-PEER RECOGNITION

First Interstate maintains a peer-to-peer recognition program, called “Celebrate.” Employees are encouraged to consider the Company’s core values and how their colleagues bring them to life through their work. In 2020, 15,750 Celebrate Awards were given to employees for going above and beyond the call of duty. Hosted on our intranet site, the program tracks each “Celebrate” acknowledgment, and employees accrue points that can be redeemed for merchandise and gift cards.

YEAR-END BONUSES

In recognition of the value that each employee brings to our organization, year-end bonuses are awarded at all levels of the Bank to eligible employees – from tellers to Executive Team members – based on their individual performance.
Workplace Diversity

The past year reinforced the importance of equity and social justice and underscored everyone’s responsibility to become better educated and take steps to effect positive change. At First Interstate, we believe we have a responsibility to foster a culture of diversity, equity, and inclusion not only in our Company, but also within the communities where we live and work. We take pride in creating a workplace environment that values our employees for their differences while ensuring equity in all we do. We are committed to advocating for the rights and respect of all and will actively participate in achieving this by setting the example.

DIVERSITY, EQUITY, AND INCLUSION

We continuously seek opportunities to foster diversity within our workforce. Our DEI task force helps us strengthen and formalize that commitment. This task force is focused on our Company-wide strategy to enhance diversity, equity, and inclusion.

JUNETEENTH

We recognize the importance of Juneteenth (June 19) in our nation’s history, and in 2020, we provided a paid half-day holiday for all employees to take time to reflect. We recognize the critical role history and education play in helping us better understand and appreciate other cultures. Our efforts on Juneteenth helped shine a light on these important discussions, an area of focus for our DEI task force.

EQUAL OPPORTUNITY EMPLOYER

First Interstate is an equal opportunity employer, meaning we do not discriminate against job candidates or employees due to their race, color, religion, sex, national origin, age, disability, sexual orientation or identification, or genetic information. Additionally, as a federal contractor, First Interstate actively recruits and advances qualified minorities, women, disabled persons, and veterans.

We are pleased to partner with Circa, an organization that provides compliance solutions and diversity recruiting. This collaboration enables us to reach a larger applicant pool. We take pride in building a workplace culture where all employees feel celebrated, supported, and empowered, and have equal access to career and development opportunities through a barrier-free employment process. The composition of our staff largely reflects the communities in which we work, and we continue to be deliberate in our efforts to find diverse, qualified candidates.

GENDER DIVERSITY

Our gender diversity highlights our commitment to equal opportunities for all. As of December 31, 2020, women make up 72% of our workforce, with 63% of our managers being women. In addition, women make up more than half the members of our 30-member Senior Leadership Team. Our Executive Team also follows this trend, as three of the eight executives who report to our CEO are women.
Clients

We are committed to delivering the best experience possible for our clients, making strides every day to distinguish ourselves as a trusted financial partner and community leader.

Throughout this journey, we recognize our clients’ preferences have evolved and require the ability to bank wherever, whenever, and however they choose. We also recognized our clients had unique needs during 2020 due to the pandemic, and our teams were nimble and flexible in response.

Our focus and investment in enhancing processes and technologies fuel our effort to achieve service excellence.
Clients and COVID-19

Our mission is to help people and their money work better together, and we have always taken a personal approach to achieving that goal. First Interstate stepped up to the challenge of maintaining a high level of service during the pandemic while taking the necessary steps to protect the health and safety of our clients and our employees.

NEW SAFETY PROTOCOLS

First Interstate implemented consistent social distancing and mask-use policies for in-branch interactions throughout our footprint, ensuring that no matter which location our clients visited, they would feel at ease in the knowledge that their bank was following best practices. All offices and branch locations implemented advanced hygiene and cleaning protocols, with a particular focus on traditionally high-traffic and high-touch areas. Plexiglass shields were installed at teller locations and other interaction points to provide additional barriers for health and safety.

The Tower Theatre in Bend, Oregon, expressed thanks on its marquee for First Interstate’s assistance with their PPP loan. In 2020, First Interstate facilitated approximately 11,700 PPP loans to clients across our footprint.
MAINTAINING ESSENTIAL SERVICE

Understanding the importance of providing safe, uninterrupted access to financial products and services that people need most, First Interstate made every effort to meet clients at their level of comfort. While following state and local regulations, First Interstate established designated hours or appointment-only policies to mitigate risks related to COVID-19.

For clients’ convenience to allow them to easily deposit larger checks, such as economic impact payments, we strongly encouraged clients to use our mobile, online, and telebanking resources, providing video tutorials and education opportunities to assist those utilizing these channels for the first time. Because of this effort, nearly 29,000 clients signed up for online or mobile banking services in 2020.

FINANCIAL ASSISTANCE

Given COVID-19’s uneven impact on industries and communities throughout our footprint, First Interstate recognized that some clients would need financial assistance. We worked with clients on a case-by-case basis to implement help in the form of loan deferrals, payment rescheduling, or fee and interest waivers to reduce financial strain during this unprecedented period.

PAYCHECK PROTECTION PROGRAM

To help businesses stay afloat during the pandemic, First Interstate innovated quickly to ensure we would be positioned to provide swift access to federal assistance offered via the Paycheck Protection Program (PPP). We developed efficient processes to fund loans as quickly as possible, with team members devoting countless hours and working through the night to get systems in place. To ensure we could maintain health and safety, each step of our PPP process was designed to be facilitated online, and clients digitally signed and returned all documents to keep the process moving.

SOCIAL REPORT ▶ CLIENTS ▶ CLIENTS AND COVID-19

Facilitated approximately 11.7K PPP LOANS to clients in 2020

Total value of PPP loans awarded: $1.2B
The numbers tell only part of the story. The people and businesses we’ve impacted with our PPP efforts tell it more fully:

Ranae Staley at the Giving Plate, which distributes more than 10,000 boxes of food annually to families in Central Oregon, said: “We are blessed to be in a spot where we are not having to lay anybody off thanks to the PPP loan and COVID-19 relief funding from First Interstate.”

Voodoo Doughnut, a staple in Portland, Oregon, added: “There are so many unsung heroes working to help during these challenging times, and unfortunately I think the banking community is one of those groups that is sorely missed in getting the credit they deserve,” said Chris Schultz, CEO. “We would never be in this place without your relentless help and support.”

The Post Falls (ID) Food Bank provided this perspective: “Since mid-March (2020) our food donations from local grocery stores have decreased to one-third of normal,” said Executive Director, Leslie Orth. “To continue to meet the ever-increasing need for food, the Food Bank will have to purchase food to fill our market shelves. Before the PPP funds, there was a concern about using operating funds to purchase food and not having enough for our daily obligations including payroll and utilities.”

Adventure Office, a software solutions company in South Dakota, had this to say: “It was clear to all of us the amount of work put forth by all of you to ensure we received our PPP assistance,” said Dave Butterfield, owner. “However, the importance of working with our hometown bank was made even more evident when we saw so many other small businesses unable to get their applications submitted and funding approved. It is people like you that make the difference!”
Clients and Our Ongoing Commitment

First Interstate strives to provide an exceptional client experience. To do so, we invest in tools, processes, and systems that enable us to deliver products and services that are relevant, right, and remove friction for our clients. In many ways, the events of 2020 nudged us to become more nimble and fast-forward some of our operating initiatives in the digital space to serve clients more effectively and safely. With client need, convenience, and service excellence at the heart of what we do, we’re proud of the strides we made this year regarding system enhancements, product offerings, and overall client experience.

Top: One of First Interstate’s newest branches in Hardin, Montana, opened for business late 2020. Click here to view a time lapse video of the construction project.

Above: First Interstate employees in Post Falls, Idaho, using the Bank’s new Integrated Teller system.
Key Technology Transformations

We continually look for opportunities to improve our methods, introducing upgrades seamlessly and with the least amount of disruption to our clients’ busy lives.

**CORE TRANSFORMATION**

First Interstate is continually adapting to inevitable changes within our industry. To enhance the functionality of our core technology, we continue to work through clean-up efforts and are implementing new tools, such as enhanced workflow technologies, that enable us to improve our frontline and back-end processes. Ultimately, these enhancements create a more consistent client experience while simultaneously helping manage risk for our Company.

**DOCUSIGN**

Launched in late August, DocuSign enables electronic signing for all tiers of commercial loans, improving efficiency and providing convenience to our clients. The DocuSign for Commercial Loans project had widespread impact across the Company; training was assigned to more than 700 employees who handle Commercial Loans, and 99% of employees completed it. Additionally, we completed approximately 11,700 Paycheck Protection Program (PPP) promissory notes utilizing the convenience of DocuSign.

Terri Takashige, a Commercial Banking Representative in Portland, Oregon, said DocuSign has improved workflow, especially during a time when teammates are working from home.

“DocuSign allows me to board loans quicker and from a remote location. This saves time and increases efficiency.”
CHECKING PRODUCT CONSOLIDATION

As part of the Bank’s Core Transformation initiative, we consolidated 266 checking products into seven core products. This consolidation allowed us to retire hundreds of products that had been grandfathered in over the years while enabling our bankers to provide a consistent client experience. We launched a set of standard products for all new accounts in October 2019, and we completed the migration of all existing accounts in March 2020.

INTEGRATED TELLER

To streamline and integrate transaction processing, we introduced the Integrated Teller solution across our Company in a phased approach starting in October 2020. The new system offers improved functionality such as real-time scanning and virtual tickets. For our clients, this means a smoother and oftentimes faster transaction experience at the teller line.
Digital Client Ecosystem

A global pandemic may have accelerated the trend toward more digital banking, but First Interstate has long been invested in developing a digital client ecosystem to provide services where, when, and how our clients need them.

DIGITAL BANKING

Our personal mobile banking app continues to provide clients with the accessibility and functionality they seek. The app has a rating of 4.8 out of 5 stars in the Apple App Store and 4.6 out of 5 stars in the Google Play Store from more than 7,700 and 4,400 reviews, respectively. App users navigate an intuitive format to view all account balances, transfer funds, pay bills, stop payments, deposit checks, configure push notifications, and find First Interstate ATMs and branches, among other functions. Additionally, Secure Socket Layer (SSL) encryption ensures secure communications. A focus on enhancing tools and technology, specifically integrations between our app and digital banking platform, provides the more than 90,000 clients using our app with robust banking services at their fingertips.
Fair and Responsible Banking Practices

First Interstate strives to ensure our clients do not experience discrimination, and we are committed to engaging in fair and responsible banking practices. Our Product Management protocols identify opportunities to provide useful and innovative products and services. In conjunction with leaders from multiple departments, our Product Management team works to keep new and existing products consistent with our commitment to fair and responsible banking practices.

REGULATORY UNIVERSITY

First Interstate maintains an online platform called Regulatory University (Reg U) which provides annual training on Fair and Responsible Lending. Centered on preventing illegal discrimination, the training involves a series of courses that teach employees to properly handle credit applications and denials; recognize the risk factors for unfair, deceptive, and abusive acts and practices; and understand the applicable laws and regulations as well as the consequences of noncompliance. We expect all our employees to uphold these standards in every interaction to ensure First Interstate maintains our reputation of fair treatment in each of the communities we serve.

COMMUNITY REINVESTMENT ACT

First Interstate is committed to maintaining compliance with the Community Reinvestment Act (CRA) by meeting the banking and credit needs of the communities in which we do business, inclusive of low- and moderate-income (LMI) neighborhoods and consumers.
CRA EXAM RATING

We strive to achieve the highest ratings from our clients, community partners, and regulators for service consistent with safe and sound lending practices. Exams occur every two years, and for nine of the past 10 CRA exam cycles, First Interstate achieved an outstanding CRA rating for serving LMI communities and individuals with lending, investments, and services.

COMMUNITY DEVELOPMENT EFFORTS

Our community development efforts are focused on affordable housing, community services, economic development, and the revitalization and stabilization of distressed or underserved areas as well as LMI areas. We encourage our branches to actively seek opportunities to serve related organizations through board membership, financing, and providing financial education and expertise as well as making donations and investments, particularly with qualified organizations engaged in a primary purpose of community development.

NATIVE AMERICAN COMMUNITY DEVELOPMENT

During a public health crisis, the underserved and those already coping with financial hardship are often impacted the most. Community Development Financial Institutions (CDFIs) provide affordable financing to underserved areas — such as those with significant minority populations or high poverty rates, which often include Native American communities.

First Interstate donated $70,000 to assist Native American CDFIs in Montana, South Dakota, and Wyoming. Eric Swack, Executive Director of the Wind River Development Fund in Wyoming, noted, “This is an extremely generous gift at a time when Wind River Development Fund needs it most. This is the kind of support that really has a direct and substantial impact on our ability to serve the community.”
MOFI PARTNERSHIP

First Interstate has a long-standing partnership with MoFi, a 501(c)(3) CDFI with a five-state service area including Idaho, Montana, Oregon, Washington, and Wyoming. MoFi provides financing and consulting that transforms lives and communities.

We regularly refer entrepreneurial clients who may not qualify for the Bank’s financing to MoFi for assistance. In 2020, our lenders referred 271 business financing deals to MoFi, totaling approximately $58 million. MoFi also provides a Path to Bankability plan to each of its clients. This customized consulting helps borrowers develop the skills they need to build successful businesses and eventually achieve a long-term relationship with a bank.

Additionally, we are an approved lender for MoFi’s HomeNow down payment assistance program. Since July 2017, 17 of our mortgage loan officers have worked with MoFi on HomeNow mortgages, totaling $3.25 million in loans and $128,000 in down payment assistance funds.

Finally, First Interstate and MoFi partner on New Markets Tax Credit (NMTC) financing, drawing private capital to fund projects in low-income communities. Since July 2017, we have been a key partner to MoFi on four closed NMTC projects in Montana and Wyoming, totaling $37 million.

Our work with our community businesses is regularly recognized, and in 2020, First Interstate was named Best Small Business Lender in Montana by MoFi. Additionally, MoFi recognized Rob Kilian, our Vice President of Commercial Banking in Cheyenne, as Wyoming Small Business Lender of the Year.
Communities

At First Interstate, we believe in the unlimited potential of our communities and seek ways to provide support that can enable our neighbors to thrive.

Community has been at the heart of First Interstate since our inception, and even during the most challenging periods, we are privileged to be a source of strength and stability.
Caring for Community Every Day

First Interstate is proud to support our neighbors in need. In fact, it’s one of our core values. Our team members—especially those on the front lines serving clients—keep an ear to the ground to learn where the greatest needs are in their own areas. We continue to offer our team members discretion in directing sponsorships, donations, and volunteer hours to the unique needs within their community.

First Interstate has designated Commitment to Community (C2C) “champions” across our footprint. These champions are laser-focused on specific metrics, benchmarks, and local initiatives so they can help ensure organizations stretch the dollars, time, and resources they receive. Through our branches, First Interstate provided the following to our markets in 2020:

- Total grants awarded: $5M
- Total sponsorships awarded: $4.5M
- Total employee matching: $700K
- Total monetary gifts: $575K
- Volunteer hours donated: $125K
- Total volunteer hours: 18,400
- Total organizations served: Over 950
Centennial Youth of Yellowstone County

In 1982, the centennial year of Billings, Montana, First Interstate established the Centennial Youth Foundation. The Bank committed to donating more than $1 million in 100 years to nonprofits supporting and enriching the lives of children in Yellowstone County. In 2020, First Interstate donated $25,000 to Centennial Youth of Yellowstone County award winners.
First Interstate BancSystem Foundation

In 1990, First Interstate cemented our commitment to community with the establishment of the First Interstate BancSystem Foundation. Each year, First Interstate commits at least 2% of pretax earnings to charitable organizations across our footprint. These funds are distributed through our Foundation and local markets using a collaborative decision-making process, enabling our people to channel resources to the areas that need them most.

When we realized the effect COVID-19 was having on our communities, the Foundation Board committed to donating $5 million in 2020 — 2% of our pretax earnings — notwithstanding the economic uncertainty at the time. These funds were specifically directed to support poverty issues including workforce development, economic development, early childhood education, nonprofit capacity building, and financial education. From April to December of 2020, First Interstate Bank and the Foundation awarded more than $1 million and 145 grants to COVID-19-specific outreach across our footprint.

COVID-19-FOCUSED OUTREACH

APPROXIMATELY

$1M
funded with the majority going to food programs

25 organizations supporting seniors

29 organizations supporting youth

90% organizations supporting minority populations

10 organizations supporting domestic violence prevention
In **Wyoming**, First Interstate provided $75,000 in support to the Wyoming Food Bank of the Rockies, Wyoming Food for Thought, Restoration Church Food Pantry, Holy Cross Food Bank, Natrona County Meals on Wheels, and the Wyoming Rescue Mission.

Sara Fritsinger of the Restoration Church Food Pantry told us,

"We are blown away by First Interstate Bank’s generosity and dedication to serving our community. We have stepped up our efforts in response to the impact of COVID-19 and went from offering services once a month to weekly, so this will help us immensely to continue to be available when Casper needs us most."

Upon receiving a $20,000 donation for feeding programs in Casper, Brad Hopkins, executive director of the Wyoming Rescue Mission, echoed this sentiment:

"Thank you to First Interstate Bank for your wonderful help and for touching the lives of 120 people at the Mission right now as they work on their journey toward wholeness. Thank you for reaching out in these challenging times."

In **Montana**, a donation to the Montana Food Bank Network (MFBN) helped provide the equivalent of 75,000 meals for quick distribution through the network’s partner food pantries, making it accessible to Montanans around the state. According to Gayle Carlson, chief executive officer of MFBN,

"We believe every person has a basic human right to access nutritious, high-quality food. We are so grateful for the support of First Interstate Bank and its Foundation. This donation couldn’t come at a better time for Montanans given the current crisis."
In **Idaho**, a $25,000 donation to The Idaho Foodbank helped to provide food for up to 125,000 meals distributed through the organization’s approximately 465 hunger relief partners including schools and food pantry partners. Its President and CEO, Karen Vauk, said, “We are grateful to First Interstate Bank for their generous donation, especially during these unprecedented times. This gift will help us address the increasing demand for food now and allow us to continue to serve our neighbors in need throughout this period of economic recovery.”

In **Oregon**, our $25,000 donation to the Oregon Food Bank was received with gratitude from Susannah Morgan, CEO, who shared just how important partnerships are during this time. “Community support is always vital to our work. In the face of a pandemic, the financial assistance we receive from individuals and organizations like First Interstate Bank helps us continue our work toward ending hunger for good.”

Finally, in **South Dakota**, we donated $25,000 to the South Dakota Community Foundation. The funds were distributed to seven separate community savings accounts to offset increased need in communities around the state due to COVID-19.

### Fire Relief Assistance

In addition to a global pandemic, communities within our footprint endured a horrific fire season in 2020. Some communities were decimated and in need of both immediate assistance and long-term aid toward rebuilding. First Interstate offered resources to various organizations supporting impacted communities, including donations of $30,000 to United Way and $50,000 to Oregon Community Foundation’s Rebuilding Fund. In total, First Interstate provided more than $180,000 in donations to support these efforts.

After fires destroyed more than 330,000 acres of Eastern Washington land in just 24 hours, First Interstate stepped up to support United Way of Whitman County’s Wildfire Relief Fund. First Interstate was one of over 900 donors who helped raise $468,000 for the communities of Whitman County.
The Gift of Time

Donations of time and money are personal, and the Foundation aims to multiply employee impact through gift and volunteer matching. Open to full- and part-time employees with at least 90 days of service with the Bank, the matching program is available for employee monetary gifts and volunteer hours donated to qualifying organizations, including nonprofit, tax-exempt organizations under Section 501(c)(3), and accredited educational institutions. The organizations must directly benefit First Interstate communities in Idaho, Montana, Oregon, South Dakota, Washington, and Wyoming.

- Gift matching is available for a direct employee gift of $25, at minimum, to an eligible nonprofit; employee gifts are matched up to $5,000 per year. In 2020, the Foundation donated more than $700,000 in matching funds to over 950 organizations throughout the Bank’s footprint.

- Recognizing that nonprofits rely on volunteer labor to carry out their important missions, the Foundation instituted a volunteer matching program to encourage employees to get involved. Employees who volunteer at least 10 hours in a calendar year qualify for a volunteer match; the benefiting nonprofit receives $10 per hour for the employee’s time. Volunteer time is matched up to $1,000 for individuals per public charity each year, and a single public charity can receive up to $2,500 in volunteer matching donations per year.

We believe companies have a responsibility to serve as stewards of their communities. With a workforce of over 2,400 employees across six states, together we can have a powerful impact on neighbors and organizations in need. In 2020, our employees volunteered 18,430 hours in their communities – an impressive figure considering the challenges brought on by the pandemic.
Company-wide Initiatives

Although many of our efforts to support service organizations are driven by employees observing specific gaps in their neighborhoods, First Interstate regularly rallies our entire employee base to help fill universal needs.

Corporate Sponsorships

At a corporate level, we recognize the need to support — via sponsorship dollars — efforts and organizations with regional reach. Under normal circumstances, institutions of higher learning, statewide arts and music festivals, and event centers headline these efforts. Despite event cancellations, sports season delays and cancellations, and other roadblocks, First Interstate held true to its commitment to these organizations in 2020 with more than $1.5 million in corporate sponsorship support. Combined with $3 million in branch sponsorship support, this effort works to complement our overall approach to commitment to community and philanthropy.
Neighbors Feeding Neighbors

Our usual partners were strained to meet their community needs in 2020, and we knew they’d need our support. While we gave large grants to statewide organizations, we also engaged our employees to help through our Neighbors Feeding Neighbors (NFN) program. NFN is a company-wide initiative that benefits nonprofits with an established food program by offering double-matched dollars for First Interstate employee donations and volunteer time.

In 2020, we saw an 83% increase in the number of employees who participated in our NFN program, raising more than $211K for our neighbors in need.
Volunteer Day

On September 9, 2020, First Interstate held its third annual Volunteer Day. Employees from all our locations spent half the workday volunteering with local nonprofits, either in-person (when safe to do so) or virtually. Service projects included financial literacy trainings, preparing food boxes and hygiene kits, sewing face masks, weeding and harvesting gardens, and chopping firewood, among others. In total, 2,100 employees took part, tallying 6,657 volunteer hours and benefiting more than 270 organizations across our footprint. First Interstate provided an additional $66,000 in mini-grants to help fund supplies and materials for Volunteer Day projects.
At First Interstate, our people thrive when engaging with the community. We are eager to serve these essential organizations, and they are thankful for our support.

In Idaho, Mary Soito at the Western Idaho Community Action Partnership told us,

“We so appreciate First Interstate Bank and their employees. They are always willing to go the extra mile for our community.”

In Oregon, Carolyn Candela with NeighborImpact says,

“We celebrate the partnership we have with First Interstate Bank. A million thanks for the many times and ways you have stood with us, helping us help Central Oregonians in need.”

At the Boys & Girls Club of Missoula County in Montana, CEO Katie Moore shared,

“With youth spending less time in a classroom setting this year, the need for academically aligned enrichment outside of school, coupled with positive adult connections, is stronger than ever before. We are thrilled to have members of the First Interstate Bank team support with both of these essential elements of youth development by teaching financial education to our Club members.”
R. Scott Engmann, Executive Director for Black Hills Area Habitat for Humanity in South Dakota, noted,

“With COVID making life more challenging for everyone, our committed partnership with First Interstate Bank is all the more important. Simply put, some partners just get it! I’m grateful for First Interstate’s commitment to Volunteer Day and know they will be in the trenches with us as we strive to serve 28 more families with new and remodeled homes in FY 20/21.”

In Washington, Nick Flett with Children’s Home Society of Washington expressed his appreciation:

“Over the years, Children’s Home Society of Washington has relied on volunteer groups in the Spokane community to help us with big projects and upkeep at our facility. COVID has created a host of challenges for organizing groups like this, so we are incredibly grateful to First Interstate Bank for offering to lend a hand during this difficult time. Their efforts will go a long way toward helping us maintain our facility and be ready for the day when we can open our doors to the Spokane community again.”

Finally, in Wyoming, Ashley Nickolai of the Wyoming Food Bank of the Rockies welcomed returning First Interstate volunteers:

“We here at the Food Bank look forward to this time every year. I am excited to host the First Interstate volunteer crew again [next] year. Cheers to Hunger Heroes!”
Coats and More

The First Interstate-branded Coats and More drive began in 2009 to collect new and gently used cold-weather gear — coats, boots, blankets, socks, hats, and mittens — for people in need across our footprint. The need was greater than ever in 2020 given the economic fallout of the pandemic. However, we needed to adjust the way we conducted the coat and clothing drive to ensure employees and those donating items were kept safe.

Rather than situating collection bins within our branch locations, we encouraged our bankers to reach out to nonprofit groups in their communities and ask how they could best support them. Some requested monetary donations so they could purchase items. Others asked us to gather items and drop them off directly at their organization. Our team adapted to ensure those in need received cold weather items in 2020. In total, 40 branches and 230 employees participated and collected more than 4,000 items — assisting 33 nonprofit organizations.

IDAHO

In Post Falls, the market gave funds to the St. Vincent de Paul North Idaho Winter Warming Center. The Center was able to purchase 30 sleeping bags, snacks, and coffee. They were also able to provide a Christmas meal and a gift to each person who spent Christmas Eve in the Center.

OREGON

The Children’s Village was given funds in lieu of clothing donations this year. Organizers were able to shop locally and buy 11 pairs of boots and 15 pairs of snow pants for children in need.

MONTANA

In Missoula, 80 employees gathered and purchased 270 items for the Poverello Center and Hawthorne Elementary School.

WASHINGTON

In Spokane, 31 employees gathered and purchased 184 items for the Teen Closet.
Financial Education

First Interstate believes education is the key to making sound financial decisions, and we are dedicated to providing our communities with educational opportunities. As we also believe it is never too late to learn, our programs reach everyone from school-aged children to the elderly.

In 2020, Cardrates.com recognized First Interstate with the “Editor’s Choice Award for Community Commitment,” acknowledging the Bank for its outstanding efforts in giving back to the community and promoting financial literacy in the western U.S. Here are some of the ways we accomplished that.

EVERFI

In 2020, First Interstate partnered with EVERFI to provide consistent financial education materials to all our employees. With EVERFI, any employee can create financial education workshops with topics including personal finance, small business, and home ownership. Employees also have access to self-serve modules on money management, credit, saving, and more. In the spring of 2020, we began the next phase of our EVERFI rollout by making this information readily accessible to anyone who visits firstinterstate.com. Situated in our online resource center, these tips and tools help give clients a leg up in enhancing their overall financial fitness. The most popular courses, Identity Protection and Financial Wellbeing for Entrepreneurs, allow us to see what concerns individuals had in 2020. We can use this information to determine what areas of financial education to focus on in 2021.
MINI BANK

One of First Interstate’s most significant investments in promoting financial literacy from an early age is our Mini Bank Program. We launched our first efforts in 1999, creating a partnership between the Foundation, local branches, and select community schools in low- to moderate-income (LMI) areas. Our goal is to help break the cycle of poverty by instilling healthy money management habits in children, helping them to make sound choices as they grow and assume greater financial responsibility.

With support from First Interstate and our partners, students operate school-based banks and have the opportunity to open and maintain savings accounts. First Interstate offers a special interest rate on balances to provide a saving incentive. Students gain a sense of financial direction and can develop essential life skills by serving on their Mini Bank Board of Directors, setting policies for their respective Mini Bank, serving as tellers, and shadowing at their local First Interstate branch. In 2020, the Mini Bank program saw assets increase by 1.3%, reaching over $1.3 million across 1,101 savings accounts in 23 schools.

MONEY MATTERS:
FINANCIAL EDUCATION COURSES FOR KIDS

In 2020, we launched our second year of the “Money Matters” program at 12 LMI-qualified K-12 schools. Using EVERFI, we offer these students interactive online financial literacy resources free of charge. With 99 students currently using the resources and 979 hours of learning completed to date, we strive to translate complex financial concepts to better help students develop strategies for managing their finances. In 2021, we will continue to work with our partner schools to help maximize use of these resources.
Growing Communities Through Giving

2020

In the last 11 years, we have contributed $36,300,000 toward enhancing the communities we serve. As we continue to recognize the importance of giving back, here’s a look at what we achieved in 2020.

ELDER FRAUD PREVENTION

Elder financial abuse affects millions of seniors every year and accounts for billions of dollars’ worth of fraud. To help seniors spot potential fraud, our bankers visit senior centers, retirement homes, and other community organizations and offer informative presentations with prevention tips.

Given the restrictions placed on visiting such locations during COVID-19, First Interstate bankers modified their presentations for virtual participants to reach seniors in 2020.

$5M
Donated in 2020

23
Mini-Banks Supported

965
Nonprofits Served

66%
Tackled Poverty

6.6K
Volunteer Hours

Volunteer Day 2020

$1M+
COVID Relief

11.7K
PPP Loans Facilitated

$1.8M
To Food Programs Over the Last 11 Years

Volunteer Match Program

18.4K
Hours in Total

$124K
Contributed

We strive to help the hungry through food programs like our “Neighbors Feeding Neighbors” initiative.

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Preserving Our Environment
First Interstate spans a unique six-state footprint, which incorporates the rugged and scenic Northern Mountain and Pacific Northwest states. Our natural environment is part of what makes our communities desirable places to live, work, and play. Our employees, clients, and community members are drawn to our great outdoors, and we have a vested interest in preserving the places they enjoy as much as we can.

When we formed our ESG Steering Committee, we intentionally incorporated a cross-functional team with a heightened awareness of Company-wide environmental and sustainability issues and initiatives as well as our commitment to social responsibility. As a leading corporate citizen, First Interstate is dedicated to folding more conservation considerations into our core business strategy and values, and our ESG Steering Committee is tasked with tracking and reporting on our efforts to help keep us moving in this direction.

We believe becoming a more sustainable Company is a progressive effort, and we are working to introduce practices that, when taken individually and collectively, can effectively reduce our carbon footprint and create a better environment for all our constituents.
Building in Efficiency as We Grow

First Interstate continually seeks opportunities to reduce our carbon footprint — especially as we expand our service area. Part of that effort is finding ways to use square footage more efficiently to produce cost savings and attain alignment with our overall strategy to be thoughtful and responsible in our operations practices.

Smaller buildings and spaces require less energy, and in recent years, we have taken steps to increase occupancy levels where permitted, reducing overall square footage. In 2020, we took space savings into consideration when designing, remodeling, and building new branch locations in Bend, Oregon; Livingston, Montana; and Hardin, Montana. In Livingston and Hardin, the combined square footage of the new buildings is 37,561 SF (69.9%) less than the former locations. While future new builds may not necessarily achieve this dramatic percentage decrease in square footage, they serve as an example of the effort and focus on efficiency, right-sizing, and space utilization across the Company.

Additionally, as facilities are remodeled or built, we are folding ENERGY STAR standards and LEED (Leadership in Energy and Environmental Design) principles into our design process and finished product. Our Great West Center (Ops); Shiloh branch in Billings, Montana; and Downtown branch in Missoula, Montana, are all LEED-certified, poised to generate cost savings over time. Other buildings meet the LEED-certification standard without having completed the certification steps. As plans are made and executed for end-of-life capital replacements or repairs and maintenance needs, we work to ensure energy-efficient strategies are deployed.

In Livingston, Montana, and Hardin, Montana, the combined square footage of the new buildings is 69.9% less than their former locations.
Reduce, Reuse, Recycle

As we upgrade our work environments, whether through new construction or retrofitting, we look for opportunities to divert materials, equipment, and furnishings from the landfills. Any electronic equipment that is past its useful life in our fast-paced environment is prepared for e-recycling or donation to a nonprofit. Anything with a hard drive is wiped clean before it leaves First Interstate. These items are offered to community organizations, local nonprofits, schools, or even clients who may know of a pressing local need.

First Interstate branches set individual goals to reduce, reuse, and recycle within their facilities, taking into consideration the local services available, as opportunities in each market vary. In addition, each market has a goal to organize at least two branch events a year promoting sustainability, with activities including shred days, bike- or walk-to-work days, and e-recycling drives.

In conjunction with introducing First Interstate’s updated Mission, Vision, and Values, we were poised to implement new sustainability initiatives across our footprint in 2020 before the pandemic struck. While continuing to encourage recycling, we renewed our focus on reusing supplies and materials when possible. In early March, each employee received a new Bank-branded stainless-steel water bottle to reduce the environmental impact of single-use items. At the same time, the Company discouraged the use of plastic water bottles. To continue decreasing our environmental impact, our ESG Steering Committee is exploring additional ways to eliminate one-time use and disposable supplies, empowering employees to find other ways to minimize waste, both at work and at home.
Energy-Efficient Computing

In 2019 and into 2020, we moved to a Virtual Desktop Infrastructure (VDI), a server-based computing infrastructure that employs energy-efficient workstations and replaces less efficient personal computers. This system is 75% more energy efficient than utilizing traditional personal computers, and the workstations have an extended lifespan, reducing our e-waste.

Paperless Delivery

First Interstate has long encouraged clients to sign up for online banking, online bill pay, and electronic statements. Not only is this practice convenient for our clients as it delivers banking services when, where, and how they want them, it impacts the environment by reducing waste.

In 2020, digital banking proved to be even more important in providing our clients with an efficient way to handle their financial needs from the safety of their homes. First Interstate increased the proportion of our client base choosing paperless delivery, spurred in part by the pandemic. By the end of the year, 165,881 clients chose to support sustainability efforts with paperless delivery, creating a paper statement adoption rate of 21.6%.

Through our digital client ecosystem, clients can complete online applications by uploading their information, eliminating printing altogether. Many of our departments have made efforts to use as little paper as possible, and by changing processes and updating procedures we have reduced waste. Clients with checking and savings accounts are also encouraged to receive electronic statements, helping them potentially avoid a monthly fee for delivery of paper statements as well as helping the environment. We continue to utilize digital signatures where possible on client loan documents with hopes to further eliminate unnecessary paper consumption.
Governance with a Mission
At First Interstate, the tone of governance is established at the top, and it begins – and ends – with our core Mission, Vision, and Values. Every decision is made with these principles at the center.

**Mission**

Our Mission is to help people and their money work better together. Whether applying for a loan or simply trying to access account information in our app, this promise fuels our everyday interactions with clients. We recognize clients appreciate convenience and trust us to deliver exceptional service at every turn. In short, we understand that what we’re doing is not just banking – it’s connecting the dots between what is needed and what is possible, and we are honored to serve as the conduit between the two.

**Vision**

Our Vision is to be the most relevant everyday banking experience our clients have with their money. This is our North Star – our model for service excellence that we aspire to perfect.

**Values**

Our Values are the principles we live by and hold ourselves accountable to along the way.

- People First, Always
- Seek Greatness
- Integrity
- Celebrate Success
- Commitment to Community

Our Mission, Vision, and Values allow leaders to frame every interaction and decision appropriately, creating consistency in practice and transparency in application to ensure our Company is poised for long-term success.
Our Company has grown significantly the past five years, requiring us to implement scalable, repeatable processes and to seek efficiencies.

Our leadership was able to successfully navigate this evolution because each decision was examined and executed through the lens of our Mission, Vision, and Values. First Interstate is proud to govern in an environment of transparency and inclusion, ensuring all voices are heard and all considerations are measured.

Each year, the Executive Team presents strategic operating plans with specific benchmarks to the Board of Directors, providing a roadmap for initiatives undertaken throughout the year. Moreover, all Bank decisions are measured against the CEO’s objectives to ensure we maintain our focus and dedicate resources and efforts appropriately.

Our CEO’s objectives encompass every facet of First Interstate. They incorporate goals pertaining to the management team’s operating plans; financial goals, such as earnings-per-share growth and return-on-equity targets; employee goals, such as engagement levels and the quality of the senior management team; client satisfaction goals; risk goals, including regulatory exam ratings, asset liability management, and the risk management culture; and various overarching strategic goals.
In 2020, our CEO had an additional goal of keeping our employees, clients, and communities safe while maintaining shareholder value during a pandemic – a challenge the Bank and our industry as a whole have not had to address in our lifetime. Our steady emphasis on managing risk, investing in technology, and living out our core values positioned the Bank to remain a sound and reliable resource for all our constituents.

First Interstate’s approach to governance enables both the Executive Team and the Board of Directors to be successful in building long-term financial performance, a value proposition that’s good for our employees, clients, communities, and shareholders. Despite the economic uncertainty surrounding the pandemic, First Interstate continued our 25-year track record of paying quarterly dividends to shareholders and generating compelling earnings per share, generating a net income of $161.2 million, or $2.53 per share in 2020.

**Board Diversity**

First Interstate strives to maintain a diverse Board in terms of beliefs, background, education, and experience. In addition, gender diversity continues to be an area of opportunity. Of the 13 Directors on our Board, four are women and two of them chair a Board committee. One of our Directors is also from an underrepresented minority group as defined by NASDAQ. As always, we seek to add diverse individuals who contribute unique business perspectives to the Board, benefiting First Interstate as a whole.

**Director Independence**

Individuals appointed Independent Directors must satisfy criteria required by applicable law and the NASDAQ Exchange Rules. Eight of our 13 Directors, including the Chair of the Board, are independent under NASDAQ rules.
Controlled Environment: Independent Public Accounting

First Interstate retains the services of an independent public accounting firm to execute regular audits and ensure a controlled risk environment. In addition, we deploy three lines of defense in managing risk.

The first line of defense is our employees, who are responsible for identifying, managing, and owning the risks in their respective lines of business. The second line of defense comprises several departments: Enterprise Risk Management, Human Resources, Compliance, and the Legal Department. These groups are responsible for providing guidance, oversight, and appropriate support to the first line of defense.

First Interstate’s third line of defense consists of our Internal Audit and Credit Risk Review departments. These groups ensure appropriate risk management controls, processes, and systems are in place and functioning effectively.

Internal Audit provides independent and objective assurance and consulting, guided by a philosophy of adding value to improve the operations of the Company. The Internal Audit team assists the Company in accomplishing its strategic objectives by providing a systematic and disciplined approach to evaluating the effectiveness of our processes for risk management, internal control, and governance.

Credit Risk Review conducts periodic risk assessments following the three lines of defense and approaches our assessments in the same cautious manner. Assessments are completed at the first line, reviewed by the second line, and reported to the appropriate governing bodies. Assessments are complemented by a robust risk register that represents and reports risk, severity, likelihood, inherent risk, control, control strength, residual risk, and risk drivers.
Engaging with Stakeholders

To remain true to First Interstate’s Mission, Vision, and Values, we engage with all our stakeholders to provide clarity about our purpose and our progress in generating long-term growth and success.

SHAREHOLDER COMMUNICATIONS

We value our investors and are cognizant of our responsibility to be good stewards of the assets entrusted to us. We strive to provide timely and clear communications about our business strategies and results, maintaining a dedicated website — fibk.com — with the current investor-related information and access to our earnings information and SEC filings, including 10-Q and 10-K reports, Form 14A and Annual Meetings, and Form 8-K, among others.

Each quarter, we release our quarterly earnings and conduct earnings calls to provide a recap of our performance. These touchpoints provide transparency into our business strategies and initiatives, as well as provide clarity into our outlook for the near and long term. Recordings are accessible afterward on fibk.com.
INVESTMENT COMMUNITY

We regularly participate in investment bank conferences and meetings that allow us to communicate with our current and potential shareholders. Periodically, First Interstate invites investors and analysts to participate in “Investor Day” presentations.

These meetings offer stakeholders an opportunity to delve into the current and future state of the Bank. Multiple topics of interest are covered, such as overview of market opportunities in the Bank’s various regions, steps taken to enhance the risk management culture, a review of financial performance, and important strategic initiatives. Additionally, the meetings provide an opportunity for stakeholders to ask questions of executive management and provide feedback about the Bank’s performance.

REGULATOR RELATIONS

First Interstate works to maintain compliance with rules of all applicable regulatory agencies. We work with the Board of Governors of the Federal Reserve System, the central bank of the U.S., to ensure the Bank operates within federal regulations. Additionally, we fall under the oversight of the state of Montana’s Division of Banking and Financial Institutions, which ensures Montanans have “a safe and sound system of state-chartered financial institutions.”

Finally, the Consumer Financial Protection Bureau (CFPB) also regulates First Interstate. The CFPB enforces federal consumer financial laws and protects consumers from deceptive, unfair, or abusive actions by empowering and educating individuals with tools and information.

For additional details related to our governance, as well as pay-for-performance information, you may reference our Corporate Governance Guidelines and Proxy.
Our Path Forward

As we emerge from one of the most challenging years in memory, we are filled with gratitude for a team that has rallied to support one another as well as our clients and communities at a time of great need. At the same time, we remain centered on our Mission, Vision, and Values and on our commitment to maintaining momentum on the many community issues and initiatives that are meaningful internally as well as externally.

We are proud of the progress we have made in a demanding year, but we know we have not reached a stopping point. As our communities, our industry, and our nation evolve, so will our opportunities and responsibilities. We will continue to be disciplined about our processes, our measurements, and our transparency. We will continue to refine our operations and inspire confidence among our staff, clients, communities, and stakeholders. And we will continue to explore ways to be of service to further exemplify and define what it means to be a successful community bank.