

OFFICE OF THRIFT SUPERVISION

Approval of Organization and Acquisition of a Federal
De Novo Stock Savings Bank

Order No.: 96-54

Date: June 7, 1996

First Interstate BancSystem of Montana, Inc., Billings Montana, (the "Holding Company") has applied to the Office of Thrift Supervision ("OTS") to organize a Federal de novo stock savings bank to be known as First Interstate Bank of Commerce fsb, Hamilton, Montana ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1464(e), and 12 C.F.R. § 552.2-1 thereunder. In addition, the Holding Company has applied to the OTS to acquire the Institution, pursuant to Section 10(e) of the HOLA, 12 U.S.C. § 1467a(e), and 12 C.F.R. § 574.3. (The foregoing applications are referred to herein as the "Applications.")

The OTS has considered the Applications under the standards set forth at sections 5(e) and 10(e) of the HOLA, and at 12 C.F.R. §§ 552.2-1, 571.6, and 574.7. In addition, the OTS has considered the Institution's proposed Community Reinvestment Act statement to meet the credit needs of the entire community the Institution will serve, including the low- and moderate-income neighborhoods therein, a digest from the West Regional Office, an opinion from the Business Transactions Division and an analysis from Corporate Activities.

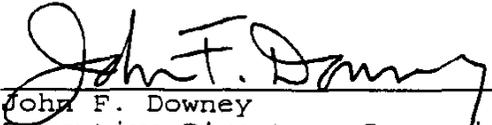
The OTS has also considered four protests filed regarding the formation of the Institution. In general, the protests assert that there is no necessity for the Institution and that it would injure other institutions operating in the proposed market area. After a thorough review of the applications and protests under applicable statutes and regulations, we have determined: (i) that the application adequately addresses the concerns raised in the protests; (ii) that the applicant has demonstrated sufficient need for the proposed Institution; and (iii) that the Institution can be established without injury to properly conducted existing local thrifts and other depository institutions. Further, the Chief Counsel's Office has no legal objection to approval of the applications.

The OTS has determined that the organization of the Institution and the acquisition of the Institution by the Holding Company would be in compliance with all applicable statutes and regulations. Accordingly, the Applications are hereby approved provided that the following conditions are complied with in a manner satisfactory to the West Regional Director, or his designee:

1. The Holding Company and the Institution must receive all required regulatory approvals prior to establishment of the Institution with copies of all such approvals supplied to the West Regional Office;
2. There have been no substantial changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders, or the business plan; and provided further, that no additional information, having an adverse bearing on any feature of the application, exists;
3. Prior to opening for business, the officers, organizers and directors must: (1) meet with the West Regional Director; and (2) file with the West Regional Director a certification by legal counsel stating the effective date of the completion of the organization of the Institution, and that the completion of the organization of the Institution has been consummated in accordance with the provisions of all applicable laws and regulations (including state and federal securities law requirements), the Applications, and this Order;
4. The Institution is required to undergo an annual independent audit for the first three years of operation unless the requirement is waived in writing by the Regional Director prior to the expiration of the three year period;

Any time period specified herein may be extended by the West Regional Director, for good cause, for up to 120 calendar days.

By order of the Acting Director of the Office of Thrift Supervision, or his designee, effective June 7, 1996.


John F. Downey
Executive Director, Supervision