GLACIER BANCORP INC
Form S-4/A
March 27, 2009

As filed with the Securities and Exchange Commission on March 27, 2009.

Registration No. 333-158078

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PRE EFFECTIVE
AMENDMENT NO. 1
TO

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GLACIER BANCORP, INC.
(Exact name of registrant as specified in its charter)

MONTANA	6022	81-0519541
(State or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number)	(I.R.S. employer identification

49 COMMONS LOOP, KALISPELL, MONTANA 59901 (406) 756-4200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

MICHAEL J. BLODNICK
President and Chief Executive Officer
49 Commons Loop
Kalispell, Montana 59901
(406) 756-4200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications to:

STEPHEN M. KLEIN   DAVID CHISHOLM

WILLIAM E. BARTHOLDT
Graham & Dunn PC
Pier 70, 2801 Alaskan Way, Suite 300
Seattle, Washington 98121-1128
Telephone: (206) 340-9648
Facsimile: (206) 340-9599

Christian Samson Jones & Chisholm
310 West Spruce
Missoula, Montana 59807
Telephone: (406) 721-7772
Facsimile: (406) 721-7776

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF SECURITIES TO THE PUBLIC: The date of mailing of the enclosed proxy statement/prospectus to shareholders of First Company.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

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

Large Accelerated Filer [X]	Accelerated Filer [ ]
Non-Accelerated Filer [ ] (Do not check if a smaller reporting company)	Smaller reporting Company [ ]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT WILL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT WILL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THIS REGISTRATION STATEMENT WILL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SECTION 8(A), MAY DETERMINE.

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PROXY STATEMENT
OF FIRST COMPANY

PROSPECTUS OF
GLACIER BANCORP, INC.

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear First Company Shareholders:

The boards of directors of First Company and Glacier Bancorp, Inc. have agreed on a merger of First Company with and into Glacier Bancorp. When the merger occurs, First National Bank & Trust, First Company's subsidiary, will continue to operate as First National Bank & Trust with the same management, but as a wholly owned subsidiary of Glacier.

Under the terms of the Plan and Agreement of Merger, dated February 6, 2009, Glacier will pay to First Company shareholders, a total of 100,000 shares of Glacier common stock, plus a cash payment equal to $450,000, with each portion of the merger consideration being subject to adjustment as described in the attached proxy statement/prospectus.

Each outstanding share of First Company common stock will be exchanged for a fixed number of shares of Glacier common stock and a fixed amount of cash. The total cash portion of the merger consideration will be increased or reduced, as the case may be, on a dollar for dollar basis by the amount, if any, that First Company's "Closing Capital" is more or less than $15,250,000. Assuming for purposes of illustration only that the cash payment made by Glacier is $450,000 and that certain outstanding First Company shares are redeemed prior to closing as contemplated by the merger agreement, you will receive $_____ in a combination of $55.57 in cash and 12.349 shares of Glacier common stock for each of your First Company shares. This valuation is based on the $_____closing price of Glacier common stock on _________, 2009. First Company shareholders will own approximately 0.16% of Glacier's outstanding common stock following the merger. In addition to the cash and stock payments from Glacier, all shareholders owning First Company shares at the effective time of the merger will receive membership interests in a limited liability company formed to hold certain loans, loan participations, and other assets which Glacier required to be removed prior to the closing of the merger. The most recent transaction in First Company stock, an issuance of previously unissued shares, occurred July 29, 2008, at an issuance price of $1,855.67 per share.

Your board of directors believes the terms of the merger are fair and in the best interest of First Company and its shareholders. In reaching this decision, the board considered numerous factors as described in the attached proxy statement/prospectus, including the receipt of a fairness opinion from Shesunoff Consulting.

We will hold a special shareholders' meeting to vote on the merger proposal. THE FIRST COMPANY SPECIAL SHAREHOLDERS' MEETING WILL BE HELD ON APRIL 30, 2009, AT 10:00 A.M. LOCAL TIME, AT 245 EAST 1ST STREET, POWELL, WYOMING. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed form of proxy.

On behalf of the First Company board of directors, I recommend that you vote FOR approval of the merger.

Richard S. Nelson
Chairman

NEITHER THE FEDERAL DEPOSIT INSURANCE CORPORATION, SECURITIES AND EXCHANGE COMMISSION, NOR ANY STATE SECURITIES COMMISSION HAS APPROVED THE SECURITIES TO BE ISSUED BY GLACIER OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SHARES OF GLACIER COMMON STOCK TO BE ISSUED IN THE MERGER ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL DEPOSIT INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. SUCH SHARES ARE NOT GUARANTEED BY GLACIER OR FIRST COMPANY AND ARE SUBJECT TO INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

This proxy statement/prospectus is dated March __, 2009, and is first being mailed to First Company's shareholders on March __, 2009.

FIRST COMPANY
245 EAST 1ST STREET
POWELL, WYOMING 82435

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 30, 2009

TO THE SHAREHOLDERS OF FIRST COMPANY:

A special meeting of shareholders of First Company will be held on April 30, 2009, at 10:00 a.m. local time, at 245 East 1st Street, Powell, Wyoming. The special meeting is for the following purposes:

1. MERGER AGREEMENT. To consider and vote on a proposal to approve the Plan and Agreement of Merger, dated as of February 6, 2009, among Glacier Bancorp, Inc., First Company and First National Bank & Trust, under the terms of which First Company will merge with and into Glacier, as more fully described in the accompanying proxy statement/prospectus. The merger agreement is attached as APPENDIX A to the proxy statement/prospectus that accompanies this notice.

2. OTHER MATTERS. If necessary, to consider and act upon a proposal to adjourn the meeting to permit us to solicit additional proxies in the event that we do not have sufficient votes to approve the merger as of the date of the meeting.

Holders of record of First Company common stock at the close of business on March 26, 2009 the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of it. The affirmative vote of the holders of at least a majority of the shares of First Company's outstanding common stock is required for approval of the merger agreement. As of March 26, 2009, there were 8,357 shares of First Company common stock outstanding and entitled to vote at the special meeting.

First Company shareholders have the right to dissent from the merger and obtain payment of the fair value of their First Company shares under applicable provisions of Wyoming law. A copy of the provisions regarding dissenters' rights is attached as APPENDIX B to the accompanying proxy statement/prospectus. For details of your dissenters' rights and how to exercise them, please see the discussion under "The Merger - Dissenters' Rights of Appraisal."

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting, please complete, sign, date and promptly return the accompanying proxy using the enclosed envelope. If for any reason you should desire to revoke your proxy, you may do so at any time before it is voted at the meeting. IF YOU DO

NOT VOTE YOUR SHARES, IT WILL HAVE THE SAME EFFECT AS VOTING AGAINST THE MERGER.

THE BOARD OF DIRECTORS OF FIRST COMPANY HAS DETERMINED THAT THE MERGER AGREEMENT IS FAIR TO AND IN THE BEST INTERESTS OF FIRST COMPANY AND ITS SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE MERGER AGREEMENT.

PLEASE DO NOT SEND ANY CERTIFICATES FOR YOUR STOCK AT THIS TIME. YOU WILL RECEIVE INSTRUCTIONS ON HOW TO EXCHANGE YOUR CERTIFICATES SOON AFTER THE MERGER IS CONSUMMATED.

By Order of the Board of Directors,

Linda Kolpitcke, Secretary

Powell, Wyoming
March __, 2009

REFERENCES TO ADDITIONAL INFORMATION

THIS PROXY STATEMENT/PROSPECTUS INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT GLACIER FROM DOCUMENTS THAT ARE NOT INCLUDED IN OR DELIVERED WITH THIS DOCUMENT.

You can obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from Glacier at the following address:

Glacier Bancorp, Inc.
49 Commons Loop
Kalispell, Montana 59901
ATTN: LeeAnn Wardinsky, Corporate Secretary
Telephone: (406) 751-4703

You will not be charged for the documents that you request. If you would like to request documents, please do so by April 23, 2009 in order to receive them before the First Company special shareholders' meeting.

See "Where You Can Find More Information About Glacier" at page 56.

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QUESTIONS AND ANSWERS ABOUT THIS DOCUMENT AND THE MERGER

WHY AM I RECEIVING THESE MATERIALS?

We are sending you these materials to help you decide how to vote your shares of First Company with respect to the proposed merger with Glacier. The merger cannot be completed unless First Company receives the affirmative vote of the holders of at least a majority of the shares of First Company' outstanding common stock. First Company is holding a special meeting of shareholders to vote on the proposals necessary to complete the merger. Information about the special meeting is contained in this proxy statement of First Company and prospectus of Glacier.

WHAT IS THE PURPOSE OF THIS PROXY STATEMENT/PROSPECTUS?

This document serves as both a proxy statement of First Company and a prospectus of Glacier. As a proxy statement, it is being provided to you by First Company because the board of directors of First Company is soliciting your proxy to vote to approve the proposed merger of First Company with and into Glacier. After the merger, First National Bank & Trust, the subsidiary of First Company, will be wholly owned by Glacier. As a prospectus, it is being provided to you by Glacier because Glacier is offering you shares of its common stock as part of the consideration for your First Company shares.

WHAT WILL FIRST COMPANY SHAREHOLDERS RECEIVE IN THE MERGER?

Under the terms of the Plan and Agreement of Merger, Glacier will issue shares of its common stock and pay cash in exchange for all outstanding shares of First Company common stock. Glacier will issue a total of 100,000 shares of common stock, and will pay $450,000 in cash, for all of the shares of First Company.

The cash portion of the amount to be paid by Glacier will be subject to adjustment depending on First Company's capital at closing. If the "First Company Closing Capital," as defined in the merger agreement, is less than $15,250,000, then the cash portion will be reduced on a dollar-for-dollar basis. If the First Company Closing Capital exceeds $15,250,000, then the cash portion will be increased on a dollar for dollar basis.

The portion of the merger consideration consisting of Glacier common stock is fixed at 100,000 shares, although the number of shares may be adjusted in certain circumstances based on whether Glacier common stock is trading either higher or lower than specified levels immediately prior to the closing of the merger, in order to avoid the termination of the merger agreement. See "The Merger -- Termination of the Merger Agreement."

WHAT WILL I RECEIVE IN THE MERGER?

The merger consideration to be received by shareholders of First Company is a pro rata interest in a pool of merger consideration consisting of 100,000 shares and $450,000 in cash, the cash portion being subject to adjustment as described above. As of the date of this proxy statement/prospectus, there were 8,357 shares outstanding. Assuming that certain shares held by directors (50 shares), shares held by First Company's ESOP (129 shares), and shares held by certain non-principal shareholders (80 shares) are redeemed prior to the closing of the merger as contemplated by the merger agreement, First Company would have 8,098 shares of common stock outstanding at the closing of the merger.

Assuming for purposes of illustration only that (i) there is no increase or reduction of the cash portion of the merger consideration, (ii) that certain shares by First Company are redeemed prior to closing as contemplated by the merger agreement, and (iii) the Glacier common stock is valued at $______ (the closing price for Glacier common stock on __________, 2009), each share of First Company common stock would receive a value equal to $______, consisting of $55.57 in cash and 12.349 shares of Glacier common stock.

In addition to the cash and common stock merger consideration from Glacier, all shareholders holding First Company shares at the effective time of the merger will receive membership interests in a limited liability

company formed to hold certain loans, loan participations, and other assets which Glacier required to be removed prior to the closing of the merger. See "The Merger -- Pre-Closing Actions to be Taken by Fist Company and/or First National Bank."

WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO ME?

Glacier and First Company expect to report the merger as a tax-free reorganization for United States federal income tax purposes. In a tax-free reorganization, a shareholder who exchanges its shares of common stock in an acquired company for shares of common stock in an acquiring company, plus cash, must generally recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the fair market value of the shares of acquiring company common stock and cash received pursuant to the merger, excluding any cash received in lieu of fractional shares, over the shareholder's adjusted tax basis in its shares of acquired company common stock surrendered pursuant to the merger), or (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the merger. Current law is unclear, however, on whether the foregoing rule applies if the acquired company is an S corporation, such as First Company. If its does not, then the cash received in the exchange may be treated in whole or in part as a nontaxable distribution to the shareholders.

If the IRS disagrees with treatment of the merger as a tax free-reorganization, then the foregoing description of the tax consequences of the merger will not apply. Instead, First Company would be deemed to have sold all of its assets to Glacier in a taxable transaction and distributing the Glacier common stock and cash to its shareholders in a complete liquidation. Each First Company shareholder would recognize its share of the gain or loss recognized by First Company on the deemed sale of all of its assets. The gain or loss would be either capital or ordinary, depending on the character of each of the assets deemed sold. A shareholder's adjusted tax basis in its shares of First Company common stock would be increased or decreased by the share of gain or loss recognized by the shareholder. The shareholder would not recognize any further gain or loss on the deemed receipt of Glacier common stock and cash from First Company in complete liquidation, except to the extent the sum of the fair market value of the Glacier common stock and cash received by the shareholder is greater or less than the shareholder's adjusted tax basis in its shares of First Company common stock. If the shareholder has held the shares of First Company common stock as a capital asset for more than one year, then the gain or loss will be long-term capital gain or loss.

We urge you to consult your tax adviser to fully understand the tax consequences of the merger to you. Tax matters are very complicated and in many cases tax consequences of the merger will depend on your particular facts and circumstances.

WILL THE SHARES OF GLACIER THAT I RECEIVE IN THE MERGER BE FREELY TRANSFERABLE?

The Glacier common stock issued in the merger will be transferable free of restrictions under federal and state securities laws.

WHEN AND WHERE WILL THE SPECIAL MEETING TAKE PLACE?

First Company will hold a special meeting of its shareholders on April 30, 2009, at 10:00 a.m., at 245 East 1st Street, Powell, Wyoming.

HOW DO I VOTE?

To vote, please indicate on the enclosed proxy card how you want to vote and then sign, date, and mail your proxy card in the enclosed envelope AS SOON AS POSSIBLE so that your shares will be represented at the special meeting.

WHAT VOTE IS REQUIRED TO APPROVE THE MERGER AGREEMENT?

Approval of the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of First Company's outstanding common stock. As described in this proxy statement, the principal shareholders of the First Company have agreed to vote the shares they own in favor of the merger agreement. As such shareholders own approximately 97.5% of outstanding First Company stock, shareholder approval is assured.

WHAT HAPPENS IF I RETURN MY PROXY BUT DO NOT INDICATE HOW TO VOTE MY SHARES?

If you sign and return your proxy card, but do not provide instructions on how to vote your shares, your shares will be voted "FOR" approval of the merger agreement.

CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

Yes. You may change your vote at any time before your proxy is voted at the special meeting. If your shares are held in your own name, you may change your vote as follows:

- You may send a written notice stating that you would like to revoke your proxy and provide new instructions on how to vote;

- You may complete and submit a later-dated proxy card; or

- You may attend the meeting and vote in person. If you intend to vote in person and your shares are held by a broker, you should contact your broker for instructions.

If you choose either the first or second method above, you must submit your notice of revocation or your new proxy card to First Company's Secretary prior to the vote.

WHO MAY VOTE AT THE MEETING?

The board of directors of First Company has set March 26, 2009, as the record date for the meeting. If you were the owner of First Company common stock at the close of business on March 26, 2009, you may vote at the meeting.

WHEN WILL THE MERGER OCCUR?

We presently expect to complete the merger during the second quarter of 2009. The merger will occur after approval of the shareholders of First Company is obtained and after the merger has received regulatory approval and the other conditions to the merger are satisfied or waived. Glacier and First Company are working toward completing the merger as quickly as possible. If the merger does not occur for any reason by July 31, 2009, either Glacier or First Company may terminate the merger agreement.

HOW SOON AFTER THE MERGER IS COMPLETED CAN I EXPECT TO RECEIVE MY CASH OR GLACIER COMMON STOCK?

Glacier will work with its exchange agent to distribute consideration payable in the merger as promptly as practicable following the completion of the merger.

WHAT DO I NEED TO DO NOW?

We encourage you to read this proxy statement/prospectus in its entirety. Important information is presented in greater detail elsewhere in this document and documents governing the merger are attached as appendices to this proxy statement/prospectus. In addition, much of the business and financial information about Glacier that may be important to you is incorporated by reference into this document from documents separately filed by Glacier with the Securities and Exchange Commission ("SEC"). This means that important disclosure obligations to you are satisfied by referring you to one or more documents separately filed with the SEC.

Following review of this proxy statement/prospectus, PLEASE COMPLETE, SIGN, AND DATE THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE AS SOON AS POSSIBLE so that your shares can be voted at First Company's special meeting of shareholders.

WHAT IF I CHOOSE NOT TO READ THE INCORPORATED DOCUMENTS?

Information contained in a document that is incorporated by reference is part of this proxy statement/prospectus, unless it is superseded by information contained directly in this proxy statement/prospectus or in documents filed with the SEC after the date of this proxy statement/prospectus. Information that is incorporated from another document is considered to have been disclosed to you WHETHER OR NOT YOU CHOOSE TO READ THE DOCUMENT.

WHAT RISKS SHOULD I CONSIDER?

You should review carefully our discussion of "Risk Factors." You should also review the factors considered by the First Company board of directors in approving the merger agreement. See "Background of and Reasons for the Merger."

SHOULD I SEND IN MY COMMON STOCK CERTIFICATES NOW?

No. Please do not send your stock certificates with your proxy card. You will receive written instructions from the exchange agent after the merger is completed on how to exchange your common stock certificates for the merger consideration.

WHAT DO I DO IF I DO NOT AGREE WITH THE MERGER? DO I HAVE APPRAISAL OR DISSENTER'S RIGHTS?

If you are a First Company shareholder and you do not agree with the merger, vote against the merger, and take certain other actions required by Wyoming law, you will have dissenter's rights under W.S. 17-16-1302 through 17-16-1331. Exercise of these rights will result in the purchase of your shares at "fair value," as determined in accordance with Wyoming law. Please read the section entitled "The Merger --Dissenter's Rights of Appraisal" for additional information.

WHO CAN HELP ANSWER MY QUESTIONS?

If you have questions about the merger, the meeting, or your proxy, or if you need additional copies of this document or a proxy card, you should contact:

FIRST COMPANY
245 East 1st Street
Powell, Wyoming 82435
ATTN: Ty Nelson
Telephone No.: (307) 754-2201

This proxy statement/prospectus does not cover any resale of the securities to be received by shareholders of First Company upon consummation of the proposed merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any such resale.

THE DATE OF THIS PROXY STATEMENT/PROSPECTUS IS MARCH __, 2009.

SUMMARY

This summary, together with the preceding section entitled "Questions and Answers about this Document and the Merger," highlights selected information about this proxy statement/prospectus. We urge you to read carefully the entire proxy statement/prospectus and any other documents to which we refer to fully understand the merger. The merger agreement is attached as APPENDIX A to this proxy statement/prospectus.

INFORMATION ABOUT GLACIER AND FIRST COMPANY

GLACIER BANCORP, INC.
49 Commons Loop
Kalispell, Montana 59901
(406) 756-4200

Glacier, headquartered in Kalispell, Montana, is a Montana corporation, initially incorporated in Delaware in 1990, and subsequently incorporated under Montana law in 2004. Glacier is a regional multi-bank holding company providing commercial banking services from more than 98 banking offices throughout Montana, Idaho, Wyoming, Utah, Colorado and Washington. Glacier offers a wide range of banking products and services, including transaction and savings deposits, commercial, consumer and real estate loans, mortgage origination services, and retail brokerage services. Glacier serves individuals, small to medium-sized businesses, community organizations and public entities.

Glacier is the parent holding company of ten wholly-owned subsidiary commercial banks: Glacier Bank of Kalispell, First Security Bank of Missoula, Valley Bank of Helena, Big Sky Western Bank of Bozeman, Western Security Bank of Billings, First Bank of Montana, in Lewistown, all located in Montana; Mountain West Bank, located in Idaho with two branches in Utah and three branches in Washington; 1st Bank, located in Evanston, Wyoming; Citizens Community Bank, located in Pocatello, Idaho; and Bank of the San Juans, located in Durango, Colorado. Glacier is also the holding company of five financing subsidiaries.

As of December 31, 2008, Glacier had total assets of approximately $5.6 billion, total net loans receivable and loans held for sale of approximately $4.1 billion, total deposits of approximately $3.3 billion and approximately $677 million in shareholders' equity. Glacier common stock trades on The NASDAQ Global Select Market under the symbol "GBCI."

Financial and other information regarding Glacier, including risks associated with Glacier's business, is set forth in Glacier's annual report on Form 10-K for the year ended December 31, 2008. Information regarding Glacier's executive officers and directors, as well as additional information, including executive compensation and certain relationships and related transactions, is set forth or incorporated by reference in Glacier's annual report on Form 10-K for the year ended December 31, 2008, and Glacier's proxy statement for its 2009 annual meeting of shareholders, and the Forms 8-K filed by Glacier that are incorporated by reference into this proxy statement/ prospectus. See "Where You Can Find More Information About Glacier."

FIRST COMPANY
245 East 1st Street
Powell, Wyoming 82435
(307) 754-2201

First Company is the holding company of First National Bank & Trust. First National Bank is a national banking association headquartered in Powell, Wyoming. First National Bank offers a wide range of banking products and services, including transaction and savings deposits, commercial, consumer and real estate loans, and mortgage origination services. First National Bank serves individuals, small- to medium-sized businesses, community organizations and public entities.

As of December 31, 2008, First Company and First National Bank, on a consolidated basis, had total assets of approximately $285 million, total net loans receivable of approximately $190 million, total deposits of approximately $245 million and approximately $14.6 million in shareholders' equity.

First Company is a closely-held company, with its outstanding shares held by approximately 24 holders of record. First Company has elected to be subject to federal taxation as an "S Corporation" under the Internal Revenue Code. Direct or indirect members of the Nelson family beneficially own approximately 97.5% of First Company's outstanding shares. The Nelson family shareholders are sometimes referred to in this document as the "Principal Shareholders." Assuming that certain outstanding First Company shares are redeemed prior to the closing of the merger as described under "The Merger--Pre-Closing Actions to be Taken by First Company and/or First National Bank," the Principal Shareholders will own all of the issued and outstanding First Company common stock at the closing of the merger.

For additional information, see "Information Concerning First Company."

FIRST COMPANY WILL MERGE INTO GLACIER

The merger agreement provides for the merger of First Company with and into Glacier. In the merger, your shares of First Company common stock will be exchanged for a combination of shares of Glacier common stock and cash. After the merger, you will no longer own shares of First Company.

The merger agreement is attached as APPENDIX A to this document. We encourage you to read the merger agreement in its entirety.

FIRST COMPANY SPECIAL MEETING

The special meeting of shareholders of First Company will be held at 245 East 1st Street, Powell, Wyoming, on April 30, 2009 at 10:00 a.m., local time. At the meeting you will be asked to consider and vote upon a proposal to approve the merger agreement and consider and act upon such other matters as may properly come before the meeting or any adjournment of the meeting.

You will be entitled to vote at the First Company special meeting if you owned First Company common stock at the close of business on March 26, 2009, the record date. As of that date there were 8,357 shares of First Company common stock entitled to be voted at the special meeting.

REQUIRED APPROVAL OF THE MERGER AGREEMENT BY FIRST COMPANY SHAREHOLDERS

In order to approve the merger agreement, at least a majority of the outstanding shares of First Company common stock must be voted at the special meeting in favor of approval. Glacier's shareholders do not have to vote on the transaction.

As of the record date for the meeting, the directors of First Company beneficially owned 5,262 shares, or 63%, of First Company's outstanding common stock. The First Company directors and certain principal shareholders of First Company have agreed to vote their shares in favor of approval of the merger agreement. Such persons own approximately 97.5% of the outstanding shares of First Company. Accordingly, shareholder approval of the merger agreement is assured.

FIRST COMPANY REASONS FOR THE MERGER

First Company's board of directors believes the merger is in your best interest. The board considered a number of factors in deciding to approve and recommend the terms of the merger agreement to you. These factors included the following:

- the value, form and mix of the consideration to be received by First Company's shareholders in the merger;
- the existence and effect of agreements between First Company and its primary regulator, the Board of Governors of the Federal Reserve, and First National Bank and its primary regulator, the OCC, on the ability of First Company to continue to operate;
- the ability of First Company or the Bank to raise additional capital in order to meet projected needs and requirements imposed by their respective regulators;
- the availability or likelihood of other transactions for the sale or merger of First Company, First National Bank or the sale of their respective assets with parties other than Glacier in the time frames required under obligations imposed on First Company and First National Bank under regulatory requirements and agreements;
- the historical and prospective business of First Company;
- the likely impact of the merger on the employees and customers of First National Bank;
- the strategic goals of First Company and First Company's financial condition and prospects;
- the fact that Glacier's common stock is widely held and has an active trading market; whereas, First Company's stock is illiquid and is not publicly traded;
- the additional capital and managerial resources which Glacier will provide to First National Bank; and
- the economic, competitive and regulatory environment for First National Bank and community banks generally.

First Company's board of directors also took into account advice of its financial advisors, Sheshunoff & Co. Investment Banking ("Sheshunoff"), which issued an opinion that the merger consideration to be received by First Company's shareholders in the merger is fair, from a financial point of view. See "Background of and Reasons for the Merger - Reasons for the Merger" and "- Opinion of Financial Advisor to First Company" and APPENDIX C "Fairness Opinion of Sheshunoff."

FIRST COMPANY AND FIRST NATIONAL BANK WILL DISTRIBUTE CERTAIN ASSETS TO AN ENTITY THAT IT IS ANTICIPATED WILL ULTIMATELY BE OWNED BY FIRST COMPANY'S PRINCIPAL SHAREHOLDERS

The merger agreement provides that prior to the closing of the merger, First Company and First National Bank will have removed certain assets from First National Bank, consisting primarily of out-of-market First National Bank loan participations, certain real estate owned by First National Bank and not used in its business, a performing loan and similar assets referred to as the "Excluded Assets." To comply with the merger agreement, First Company intends to cause First National Bank to form a separate limited liability company subsidiary and to transfer the Excluded Assets to the subsidiary immediately prior to the closing of the merger. The membership interests in the subsidiary holding the Excluded Assets will be distributed to all shareholders holding First Company shares at the effective time of the merger. The Principal Shareholders have entered into, and the limited liability company will be required to enter into, an indemnification agreement with Glacier, covering any liabilities that might arise from the Excluded Assets or the pre-closing distributions, as well as other matters. See "The Merger -- Pre-Closing Actions to be Taken by First Company and/or First National Bank."

WE ANTICIPATE THAT CERTAIN FIRST COMPANY SHARES WILL BE REDEEMED FOR CASH BY FIRST COMPANY PRIOR TO THE CLOSING OF THE MERGER.

First Company anticipates that, subject to the entry into agreements satisfactory to First Company and the holders of certain outstanding shares of First Company stock, that certain shares will be redeemed for cash prior to the closing of the merger. It is anticipated that such shares will consist of 129 shares held of record by First Company's Employee Stock Ownership Plan ("ESOP"); 50 shares owned by First Company directors; and 80 shares owned by non-Principal Shareholders. The per share redemption amount with respect to such shares, except for certain shares owned by directors that are subject to repurchase agreements, will be based upon a valuation of First Company shares conducted by Sheshunoff in its capacity as financial advisor to the ESOP. There can be no assurance that any such redemptions will occur. See "The Merger -- Redemption of Certain First Company Shares Prior to Closing."

WHAT FIRST COMPANY SHAREHOLDERS WILL RECEIVE IN THE MERGER

In the merger, Glacier will issue shares of its common stock and pay cash for all shares of First Company common stock outstanding as of the date of the closing of the merger.

If you do not provide notice of dissent, you will receive, for each share of First Company common stock that you own, a fixed number of shares of Glacier common stock and a fixed amount of cash, without interest.

The total merger consideration that Glacier will pay for the shares of First Company will be as follows:

- Stock Portion: Glacier will issue a total of 100,000 shares of its common stock. Assuming that certain outstanding First Company shares are redeemed prior to closing as contemplated by the merger agreement, First Company shareholders will receive 12.349 shares of Glacier common stock for each share of First Company common stock. However, Glacier will not issue fractional shares, and will pay cash in lieu of such fractional shares, as described under "The Merger -- Fractional Shares."

- Cash Portion: Glacier will pay $450,000 in cash, subject to increase or reduction, as the case may be, on a dollar for dollar basis, by the amount (if any) by which the "First Company Closing Capital," as defined in the merger agreement, is greater than or less than $15,250,000. Generally speaking, the "First Company Closing Capital" means First Company's capital stock, surplus and retained earnings, after giving effect to specified costs, payments, expenses and other adjustments, including the $15.3 million capital contribution by Glacier to First National Bank. Assuming, there is no increase or reduction in the cash portion of the merger consideration and that certain outstanding First Company shares are redeemed prior to closing as contemplated by the merger agreement, First Company shareholders will receive $55.57 in cash for each share of First Company common stock.

The amount of consideration to be received for each share of First Company common stock will be determined by dividing the total consideration payable by the number of shares of First Company common stock outstanding immediately prior to the effective time of the merger.

The actual aggregate amount of cash to be paid cannot be determined until shortly before the effective date of the merger. Accordingly, the actual amount of cash that you will receive for each of your First Company shares will not be determined until shortly before the closing of the merger.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

Glacier and First Company expect to report the merger as a tax-free reorganization for United States federal income tax purposes. In a tax-free reorganization, a shareholder who exchanges its shares of common stock in an acquired company for shares of common stock in an acquiring company, plus cash, must generally recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized

(i.e., the excess of the sum of the fair market value of the shares of acquiring company common stock and cash received pursuant to the merger, excluding any cash received in lieu of fractional shares, over the shareholder's adjusted tax basis in its shares of acquired company common stock surrendered pursuant to the merger), or (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the merger. Current law is unclear, however, on whether the foregoing rule applies if the acquired company is an S corporation, such as First Company. If its does not, then the cash received in the exchange may be treated in whole or in part as a nontaxable distribution to the shareholders.

If the IRS disagrees with treatment of the merger as a tax free-reorganization, then the foregoing description of the tax consequences of the merger will not apply. Instead, First Company would be deemed to have sold all of its assets to Glacier in a taxable transaction and distributing the Glacier common stock and cash to its shareholders in a complete liquidation. Each First Company shareholder would recognize its share of the gain or loss recognized by First Company on the deemed sale of all of its assets. The gain or loss would be either capital or ordinary, depending on the character of each of the assets deemed sold. A shareholder's adjusted tax basis in its shares of First Company common stock would be increased or decreased by the share of gain or loss recognized by the shareholder. The shareholder would not recognize any further gain or loss on the deemed receipt of Glacier common stock and cash from First Company in complete liquidation, except to the extent the sum of the fair market value of the Glacier common stock and cash received by the shareholder is greater or less than the shareholder's adjusted tax basis in its shares of First Company common stock. If the shareholder has held the shares of First Company common stock as a capital asset for more than one year, then the gain or loss will be long-term capital gain or loss.

WE URGE YOU TO CONSULT YOUR TAX ADVISER TO FULLY UNDERSTAND THE TAX CONSEQUENCES OF THE MERGER TO YOU. TAX MATTERS ARE VERY COMPLICATED AND IN MANY CASES TAX CONSEQUENCES OF THE MERGER WILL DEPEND ON YOUR PARTICULAR FACTS AND CIRCUMSTANCES.

FIRST COMPANY SHAREHOLDERS HAVE DISSENTERS' RIGHTS

Under Wyoming law, First Company shareholders have the right to dissent from the merger and receive cash for the fair value of their shares of First Company common stock. A shareholder electing to dissent must strictly comply with all the procedures required by the Wyoming statutes. These procedures are described later in this document, and a copy of the relevant statutory provisions is attached as APPENDIX B.

THE FIRST COMPANY BOARD OF DIRECTORS RECOMMENDS SHAREHOLDER APPROVAL OF THE MERGER

After careful consideration, the First Company board of directors believes that the merger is in the best interests of First Company shareholders and has unanimously approved the merger agreement. the First Company board of directors recommends that First Company shareholders vote "FOR" approval of the merger agreement.

FIRST COMPANY FINANCIAL ADVISOR SAYS THE MERGER CONSIDERATION IS FAIR TO FIRST COMPANY SHAREHOLDERS FROM A FINANCIAL POINT OF VIEW

Sheshunoff has served as financial advisor to First Company in connection with the merger and has given an opinion to First Company's board of directors that, as of _______, 2009, the consideration that First Company's shareholders will receive for their First Company shares in the merger is fair, from a financial point of view, to First Company shareholders. A copy of the opinion delivered by Sheshunoff is attached to this document as APPENDIX C. First Company shareholders should read the opinion carefully to understand the assumptions made, matters considered and limitations of the review undertaken by Sheshunoff in providing its opinion. The opinion is more fully described under the heading "Opinion of Financial Advisor to First Company" below. First Company agreed to pay Sheshunoff a fee for its services and to indemnify it against certain liabilities arising out of the merger or its engagement.

FIRST COMPANY'S OFFICERS AND DIRECTORS HAVE INTERESTS IN THE MERGER THAT ARE DIFFERENT FROM OR IN ADDITION TO THEIR INTERESTS AS SHAREHOLDERS

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When you consider the unanimous recommendation of First Company board of directors that First Company's shareholders approve the merger agreement, you should be aware that certain members of First Company's management have interests in the merger that are different from, or in addition to, their interests as First Company shareholders. These interests arise out of provisions in the merger agreement relating to indemnification of directors, an employment agreement with the President of First Company that will be effective upon the closing of the merger, and distribution to shareholders which may include members of First Company's management, prior to closing, of interests in a limited liability company holding certain out-of-market loan participations and other assets of First Company and First National Bank which Glacier required to be removed from First National Bank prior to the merger, to an entity to be ultimately owned by the principal shareholders of First Company, some of whom are also members of First Company's management. See "The Merger - Interests of Certain Persons in the Merger" and The Merger -- Pre-Closing Actions to be Taken by First Company and/or First National Bank."

The First Company board of directors was aware of these interests and took them into account in its decision to approve the merger agreement.

THE MERGER IS EXPECTED TO OCCUR IN THE SECOND QUARTER OF 2009

Currently, we anticipate that the merger will occur in the second quarter of 2009. However, we cannot assure you when or if the merger will occur. The merger agreement may be terminated by either Glacier or First Company if the merger does not occur on or before July 31, 2009.

COMPLETION OF THE MERGER IS SUBJECT TO SATISFACTION OR WAIVER OF CERTAIN CONDITIONS

Completion of the merger is subject to the satisfaction or waiver of certain conditions including, among others:

- approval of the merger agreement by holders of at least a majority of the shares of First Company's outstanding common stock;

- approval of the merger by federal and state regulatory authorities;

- accuracy of each party's representations in the merger agreement;

- transfer of the Excluded Assets; and

- compliance by each party with all material terms, covenants and conditions of the merger agreement.

The merger agreement provides that either Glacier or First Company may terminate the merger either before or after the First Company special meeting, under certain circumstances. Among other things, the merger agreement provides that Glacier may terminate the merger agreement if the average trading price of its stock, determined pursuant to the merger agreement, is above a specified amount, unless First Company agrees to accept a reduced number of Glacier shares, and that First Company may terminate the merger agreement if the average trading price of Glacier stock is below a specified amount, unless Glacier agrees to increase the number of its shares to be issued to First Company shareholders. See "The Merger - Termination of the Merger Agreement."

WE MAY NOT COMPLETE THE MERGER WITHOUT ALL REQUIRED REGULATORY APPROVALS

The merger must be approved by the Federal Reserve Bank of Minneapolis and the Wyoming State Bank Commissioner. Additionally, certain First Company stock redemptions and distributions by First Company and First National Bank that are required to be accomplished prior to the closing of the merger must be approved by the Federal Reserve Bank of Kansas City and the Office of the Comptroller of the Currency, as applicable. Applications have been filed with these regulatory bodies seeking such approvals. We expect to obtain all such regulatory approvals, although we cannot be certain if or when we will obtain them.

EITHER FIRST COMPANY OR GLACIER, AS THE CASE MAY BE, MUST PAY A TERMINATION FEE UNDER CERTAIN CIRCUMSTANCES

If either party terminates the merger agreement due to specified breaches of the merger agreement by the other party, the breaching party will be required to pay the non-breaching party a termination fee of $200,000. See "The Merger -- Termination Fees."

FIRST COMPANY MUST PAY GLACIER A BREAK-UP FEE UNDER CERTAIN CIRCUMSTANCES

Under the merger agreement, First Company must pay Glacier a break-up fee of $1,000,000, if the merger agreement is terminated due to the failure of First Company to recommend or obtain approval of the merger by its shareholders, or due to the receipt of a "superior acquisition proposal" as defined in the merger agreement which is acted upon by First Company.

First Company agreed to pay the break-up fee under the circumstances described above in order to induce Glacier to enter into the merger agreement. This arrangement could have the effect of discouraging other companies from trying to acquire First Company. See "The Merger - Break-up Fee."

FIRST COMPANY SHAREHOLDERS WILL HAVE DIFFERENT RIGHTS AFTER THE MERGER

The rights of First Company shareholders are governed by Wyoming law, as well as by First Company's articles of incorporation and bylaws. After completion of the merger, the rights of the former First Company shareholders receiving Glacier common stock in the merger will be governed by Montana law, and by Glacier's articles of incorporation and bylaws. Although Glacier's articles of incorporation and bylaws are similar in many ways to First Company's articles of incorporation and bylaws, there are some substantive and procedural differences that will affect the rights of First Company shareholders. See "Comparison of Certain Rights of Holders of Glacier and First Company Common Stock."

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this document, including the matters addressed under the caption "Cautionary Note Regarding Forward-Looking Statements," you should consider the matters described below carefully in determining whether to approve the merger agreement and the transactions contemplated by the merger agreement.

RISKS ASSOCIATED WITH THE PROPOSED MERGER

BECAUSE THE MARKET PRICE OF THE GLACIER COMMON STOCK MAY FLUCTUATE, YOU CANNOT BE SURE OF THE VALUE OF THE SHARES OF GLACIER COMMON STOCK THAT YOU WILL RECEIVE.

Although the number of shares of Glacier common stock that will constitute the stock portion of the merger consideration that will be exchanged for a share of First Company is fixed, at the time of the First Company special shareholder meeting, and prior to the closing of the merger, you will not be able to determine the value of the Glacier common stock you would receive upon completion of the merger. Any change in the market price of Glacier common stock prior to completion of the merger will affect the value of the merger consideration that First Company shareholders will receive upon completion of the merger. First Company is not permitted to terminate the merger agreement or resolicit the vote of First Company shareholders solely because of changes in the market price of Glacier common stock. Common stock price changes may result from a variety of factors, including but not limited to general market and economic conditions, changes in Glacier's business, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of Glacier or First Company. You should obtain current market prices for Glacier common stock.

The merger agreement provides that the number of shares of Glacier common stock to be issued in the merger may be decreased or increased, as the case may be, if the average trading price of Glacier common stock, determined pursuant to the merger agreement, is greater than or less than specified amounts. The First Company board of directors would make the decision, without resoliciting the vote of First Company shareholders, to either terminate the merger agreement or accept a decrease in the number of Glacier shares to be issued if Glacier's average trading price is greater than a specified amount. See "The Merger -- Termination of the Merger Agreement."

THE MERGER AGREEMENT LIMITS FIRST COMPANY'S ABILITY TO PURSUE OTHER TRANSACTIONS AND PROVIDES FOR THE PAYMENT OF A BREAK UP FEE IF FIRST COMPANY DOES SO.

While the merger agreement is in effect and subject to very narrow exceptions, First Company and its directors, officers and agents are prohibited from initiating or encouraging inquiries with respect to alternative acquisition proposals. The prohibition limits First Company's ability to seek offers that may be superior from a financial point of view from other possible acquirers. If First Company receives an unsolicited proposal from a third party that is superior from a financial point of view to that made by Glacier and the merger agreement is terminated, First Company may be required to pay a $1,000,000 break-up fee. This fee makes it less likely that a third party will make an alternative acquisition proposal.

UNDER CERTAIN CONDITIONS, THE MERGER AGREEMENT REQUIRES FIRST COMPANY TO PAY A TERMINATION FEE.

Under certain circumstances (generally involving First Company's breach of its representations and covenants in the merger agreement), Glacier can terminate the merger agreement and require First Company to pay a termination fee of $200,000.

COMBINING OUR TWO COMPANIES MAY BE MORE DIFFICULT, COSTLY OR TIME-CONSUMING THAN WE EXPECT.

Glacier and First Company have operated and, until the completion of the merger, will continue to operate, independently. Even though First National Bank will continue to be operated separately, it is possible that the integration process could result in the loss of key employees, the disruption of the ongoing business of

First National Bank or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. As with any merger of banking institutions, there also may be disruptions that cause us to lose customers or cause customers to take their deposits out of

First National Bank.

UNANTICIPATED COSTS RELATING TO THE MERGER COULD REDUCE GLACIER'S FUTURE EARNINGS PER SHARE.

Glacier believes that it has reasonably estimated the likely costs of integrating the operations of First National Bank into Glacier, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs or future operating expenses, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of Glacier after the merger. If the merger is completed and unexpected costs are incurred, the merger could have a dilutive effect on Glacier's earnings per share, meaning earnings per share could be less than if the merger had not been completed.

GLACIER HAS VARIOUS ANTI-TAKEOVER MEASURES THAT COULD IMPEDE A TAKEOVER.

Glacier has various anti-takeover measures in place, which are described elsewhere in this document. Any one or more of these measures may impede the takeover of Glacier without the approval of the Glacier board of directors and may prevent you from taking part in a transaction in which you could realize a premium over the current market price of Glacier common stock. See "Comparison of Certain Rights of Holders of Glacier and First Company Common Stock."

RISKS ASSOCIATED WITH GLACIER'S BUSINESS

Our business exposes us to certain risks. The following is a discussion of what we currently believe are the most significant risks and uncertainties that may affect our business, financial condition and future results.

WE CANNOT PREDICT THE EFFECT OF THE NATIONAL ECONOMIC SITUATION ON OUR FUTURE RESULTS OF OPERATIONS OR STOCK TRADING PRICE.

The national economy, and the financial services sector in particular, is currently facing challenges of a scope unprecedented in recent history. No one can predict the severity or duration of this national downturn, which has adversely impacted the markets we serve. Any deterioration in our markets resulting from the economic slowdown would have an adverse effect on our business, financial condition, results of operations and prospects, and could also cause the trading price of our stock to decline.

WE CANNOT PREDICT THE EFFECT OF RECENTLY AND PENDING FEDERAL LEGISLATION.

On October 3, 2008, Congress enacted the Emergency Economic Stabilization Act of 2008 ("EESA"), which provides the United States Treasury Department ("Treasury") with broad authority to implement action intended to help restore stability and liquidity to the US financial markets. Pursuant to the EESA, the Treasury has the ability to purchase or insure up to $700 billion in troubled assets held by financial institutions under the Troubled Asset Relief Program ("TARP") under various programs. On October 14, 2008, the Treasury announced it would initially purchase equity stakes in financial institutions under a Capital Purchase Program (the "CPP") of up to $350 billion of the $700 billion authorized under the TARP legislation. The CPP provides direct equity investment of perpetual preferred stock by the Treasury in qualified financial institutions. The EESA also increases the amount of deposit account insurance coverage from $100,000 to $250,000 effective until December 31, 2009.

As indicated by the Treasury as of early 2009, additional related legislation is pending, which among other things is expected to inject more capital from the Treasury into financial institutions through the Capital Assistance Program, establish a public-private investment fund for the purchase of troubled assets, and expand the Term Asset-Backed Securities Loan Facility to include commercial mortgage backed-securities.

The full effect of the broad legislation already enacted and related legislation expected to be enacted in the near future on the national economy and financial institutions, particularly on mid-sized institutions like us, cannot now be predicted.

OUR ABILITY TO ACCESS MARKETS FOR FUNDING AND ACQUIRE AND RETAIN CUSTOMERS COULD BE ADVERSELY AFFECTED TO THE EXTENT THE FINANCIAL SERVICE INDUSTRY'S REPUTATION IS DAMAGED.

Reputation risk is the risk to liquidity, earnings and capital arising from negative publicity regarding the financial services industry. The financial services industry continues to be featured in negative headlines about the global and national credit crisis and the resulting stabilization legislation enacted by the U.S. federal government. These reports can be damaging to the industry's image and potentially erode consumer confidence in insured financial institutions, such as our banking subsidiary.

WE HAVE A HIGH CONCENTRATION OF LOANS SECURED BY REAL ESTATE.

The Company has a concentration of loans secured by real estate. While the Pacific Northwest economy typically lags the national economy, the effects of the economic downturn are now significantly impacting our market area. Further downturn in the market areas we serve may cause us to have lower earnings and could increase our credit risk associated with our loan portfolio, as the collateral securing those loans may decrease in value. A continued downturn in the local economy could have a material adverse effect both on the borrowers' ability to repay these loans, as well as the value of the real property held as collateral. Our ability to recover on defaulted loans by foreclosing and selling the real estate collateral would then be diminished and we would be more likely to suffer losses on defaulted loans.

AN ECONOMIC DOWNTURN IN THE MARKET AREAS WE SERVE MAY CAUSE US TO HAVE LOWER EARNINGS AND COULD INCREASE OUR CREDIT RISK ASSOCIATED WITH OUR LOAN PORTFOLIO.

The inability of borrowers to repay loans can erode our earnings. Although the adverse effects of the national economic downturn have not yet been experienced in our primary market areas to the extent of many other regions of the country, there can be no assurance that our markets areas will also deteriorate. A deterioration in economic conditions in the market areas we serve could result in the following consequences, any of which could have an adverse impact on our prospects, results of operations and financial condition:

- loan delinquencies may increase further, migrating into our substantial commercial real estate and business lending portfolios;

- collateral for loans made may decline further in value, in turn reducing customers' borrowing power, reducing the value of assets and collateral associated with existing loans;

- demand for banking products and services may decline; and

- low cost or non-interest bearing deposits may decrease.

OUR ALLOWANCE FOR LOAN LOSSES MAY NOT BE ADEQUATE TO COVER ACTUAL LOAN LOSSES, WHICH COULD ADVERSELY AFFECT OUR EARNINGS.

The Company maintains an allowance for loan losses in an amount that we believe is adequate to provide for losses inherent in the portfolio. While we strive to carefully manage and monitor credit quality and to identify loans that may become nonperforming, at any time there are loans included in the portfolio that will result in losses, but that have not been identified as nonperforming or potential problem loans. By managing our credit quality, we attempt to identify deteriorating loans before they become nonperforming assets and adjust the loan loss reserve accordingly. However, because future events are uncertain, and if the economy continues to deteriorate, there may be loans that deteriorate to a nonperforming status in an accelerated time frame. As a result, future additions to the allowance may be necessary. Because the loan portfolio contains a number of loans

with relatively large balances, the deterioration of one or a few of these loans may cause a significant increase in nonperforming loans, requiring an increase to the loan loss allowance. Additionally, future significant additions to the allowance may be required based on changes in the mix of loans comprising the portfolio, changes in the financial condition of borrowers, such as may result from changes in economic conditions, or as a result of incorrect assumptions by management in determining the allowance. Additionally, federal banking regulators, as an integral part of their supervisory function, periodically review our loan portfolio and the adequacy of our allowance for loan losses. These regulatory agencies may require us to recognize further loan loss provisions or charge-offs based upon their judgments, which may be different from ours. Any increase in the allowance for loan losses could have a negative effect on our financial condition and results of operation.

FLUCTUATING INTEREST RATES CAN ADVERSELY AFFECT OUR PROFITABILITY.

Our profitability is dependent to a large extent upon net interest income, which is the difference (or "spread") between the interest earned on loans, securities and other interest-earning assets and interest paid on deposits, borrowings, and other interest-bearing liabilities. Because of the differences in maturities and repricing characteristics of interest-earning assets and interest-bearing liabilities, changes in interest rates do not produce equivalent changes in interest income earned on interest-earning assets and interest paid on interest-bearing liabilities. Accordingly, fluctuations in interest rates could adversely affect the Company's interest rate spread, and, in turn, profitability. Because the Company is asset sensitive, we seek to manage our interest rate risk within well established guidelines. Generally, the Company seeks an asset and liability structure that insulates net interest income from large deviations attributable to changes in market rates.

A CONTINUED TIGHTENING OF THE CREDIT MARKETS MAY MAKE IT DIFFICULT TO OBTAIN ADEQUATE FUNDING FOR LOAN GROWTH, WHICH COULD ADVERSELY AFFECT OUR EARNINGS.

A continued tightening of the credit market and the inability to obtain or retain adequate money to fund continued loan growth may negatively affect our asset growth and liquidity position and, therefore, our earnings capability. In addition to core deposit growth, maturity of investment securities and loan payments, the Company also relies on alternative funding sources through correspondent banking, national certificates of deposit and borrowing lines with the Federal Reserve Bank and FHLB to fund loans. In the event the current economic downturn continues, particularly in the housing market, these resources could be negatively affected, both as to price and availability, which would limit and or raise the cost of the funds available to the Company.

IF THE GOODWILL WE HAVE RECORDED IN CONNECTION WITH ACQUISITIONS BECOMES IMPAIRED, IT COULD HAVE AN ADVERSE IMPACT ON OUR EARNINGS AND CAPITAL.

Accounting standards require that we account for acquisitions using the purchase method of accounting. Under purchase accounting, if the purchase price of an acquired company exceeds the fair value of its net assets, the excess is carried on the acquiror's balance sheet as goodwill. At December 31, 2008, we had approximately $147 million of goodwill on our balance sheet. In accordance with generally accepted accounting principles, our goodwill is not amortized but rather is evaluated for impairment on an annual basis or more frequently if events or circumstances indicate that a potential impairment exists. Such evaluation is based on a variety of factors, including the quoted price of our common stock, market prices of common stocks of other banking organizations, common stock trading multiples, discounted cash flows, and data from comparable acquisitions. Although at the current time we do not face a direct risk of impairment of goodwill, there can be no assurance that future evaluations of goodwill will not result in findings of impairment and write-downs, which could be material.

A DECLINE IN THE FAIR VALUE OF OUR INVESTMENT PORTFOLIO COULD ADVERSELY AFFECT EARNINGS.

Investment securities fair value could decline as a result of factors including changes in market interest rates, credit quality and ratings, liquidity and other economic conditions. Investment securities are impaired if the fair value of the security is less than the carrying value. When a security is impaired, the Company determines whether the impairment is temporary or other-than-temporary. If an impairment is determined to be other-than-

temporary, an impaired loss is recognized by reducing the amortized cost basis to fair value and as a charge to earnings.

WE MAY GROW THROUGH FUTURE ACQUISITIONS WHICH COULD, IN SOME CIRCUMSTANCES, ADVERSELY AFFECT OUR PROFITABILITY MEASURES.

We have in recent years acquired other financial institutions. We may in the future engage in selected acquisitions of additional financial institutions. There are risks associated with any such acquisitions that could adversely affect our profitability. These risks include, among other things, incorrectly assessing the asset quality of a financial institution being acquired, encountering greater than anticipated cost of incorporating acquired businesses into our operations, and being unable to profitably deploy funds acquired in an acquisition. Furthermore, we cannot provide any assurance as to the extent to which we can continue to grow through acquisitions.

We anticipate issuing capital stock in connection with any future acquisitions, either directly or through raising capital to fund the cash portion of such acquisitions. Such acquisitions and related issuances of stock may have a dilutive effect on earnings per share and the percentage ownership of current shareholders. We do not have any current definitive understandings or agreements for any acquisitions.

THE FDIC HAS INCREASED INSURANCE PREMIUMS TO REBUILD AND MAINTAIN THE FEDERAL DEPOSIT INSURANCE FUND.

Based on recent events and the state of the economy, the FDIC has increased federal deposit insurance premiums beginning in the first quarter of 2009. The FDIC also adopted a final rule revising its risk-based assessment system, effective April 21, 2009. The changes to the assessment system involve adjustments to the risk-based calculation for an institution's unsecured debts, secured liabilities and brokered deposits. The revisions effectively result in a range of possible assessments under the risk-based system of 7 to 77.5 basis points. The increase of FDIC premiums will add to our cost of operations and could have a significant impact on the Company. Depending on any future losses that the FDIC insurance fund may suffer due to failed financial institutions, there can be no assurance that there will not be additional significant premium increases in order to replenish the fund.

On February 27, 2009 the FDIC adopted an interim rule that, if made final, will impose a special Deposit Insurance Fund assessment of 20 basis points on all insured institutions. However, there are some indications that this assessment may be reduced to 10 basis points if the FDIC is able to secure borrowing authority of up to $100 billion (from the current $30 billion limit), which is subject to federal legislation. The assessment will be calculated on June 30, 2009 deposit balances and collected on September 30, 2009. Based upon the Company's December 31, 2008 deposits subject to FDIC insurance assessments, the special assessment would be approximately $6.51 million before tax, assuming that the assessment is made at the 20 basis point amount. As of the date of this proxy statement/prospectus, the amount of the special assessment cannot be determined.

WE OPERATE IN A HIGHLY REGULATED ENVIRONMENT AND MAY BE ADVERSELY AFFECTED BY CHANGES IN FEDERAL STATE AND LOCAL LAWS AND REGULATIONS.

We are subject to extensive regulation, supervision and examination by federal and state banking authorities. Any change in applicable regulations or federal, state or local legislation could have a substantial impact on us and our operations. Additional legislation and regulations that could significantly affect our powers, authority and operations may be enacted or adopted in the future, which could have a material adverse effect on our financial condition and results of operations. Further, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws or regulations by financial institutions and holding companies in the performance of their supervisory and enforcement duties. These powers recently have been utilized more frequently due to the serious national, regional and local economic conditions we are facing. The exercise of regulatory authority may have a negative impact on our financial condition and results of operations.

GLACIER'S TRUST PREFERRED SECURITIES HAVE A PRIORITY RIGHT TO PAYMENT OF DIVIDENDS.

Glacier has periodically supported its continued growth through the issuance of trust preferred securities from special purpose trusts and accompanying debt. Trust preferred securities have a priority right to distributions and payment over the common stock. At December 31, 2008, Glacier had trust preferred securities and accompanying debt totaling approximately $121 million.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the merger, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) statements about our respective plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," or words of similar meaning. These forward-looking statements are based on current beliefs and expectations of management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Glacier's and First Company's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations in the forward-looking statements:

- the risks associated with lending and potential adverse changes in credit quality;

- increased loan delinquency rates;

- competition from other financial services companies in our markets;

- the risks presented by the current economic slowdown, which could adversely affect credit quality, collateral values, including real estate collateral, investment values and loan originations;

- demand for banking products and services may decline;

- the interest rate environment may change, causing margins to compress and adversely affecting net interest income.

- our business may not be integrated successfully, or such integration may take longer to accomplish than expected;

- the anticipated growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;

- operating costs, customer losses and business disruption following the merger, including adverse developments in relationships with employees, may be greater than expected;

- adverse governmental or regulatory policies may be enacted; and

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Glacier's reports filed with the SEC.

All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Glacier or First Company or any person acting on behalf of Glacier or First Company are expressly qualified in their entirety by the cautionary statements above. Neither Glacier nor First Company undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

SELECTED HISTORICAL FINANCIAL INFORMATION OF GLACIER

The following selected financial information for the fiscal years ended December 31, 2008, 2007, 2006, 2005 and 2004 is derived from audited consolidated financial statements of Glacier. The financial data below should be read in conjunction with the financial statements and notes thereto, incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information About Glacier."

	AT OR FOR THE FISCAL YEARS ENDED DECEMBER 31				
	2008	2007	2006	2005	2004
	DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA				
SUMMARY OF OPERATIONS:					
Interest income	$ 302,985	$ 304,760	$ 253,326	$ 189,985	$ 147,
Interest expense	90,372	121,291	95,038	59,978	39,
Net interest income	212,613	183,469	158,288	130,007	107,
Provision for loan losses	28,480	6,680	5,192	6,023	4,
Net interest income after provision for loan losses	184,133	176,789	153,096	123,984	103,
Noninterest income	61,034	64,818	51,842	44,626	34,
Noninterest expenses	145,909	137,917	112,550	90,926	72,
Pre-tax net income	99,258	103,690	92,388	77,684	65,
Taxes	33,601	35,087	31,257	25,311	21,
Net income	65,657	68,603	61,131	52,373	44,
Basic earnings per share*	$ 1.20	$ 1.29	$ 1.23	$ 1.12	$ 0
Diluted earnings per share*	$ 1.19	$ 1.28	$ 1.21	$ 1.09	$ 0
Cash dividends per share*	$ 0.52	$ 0.50	$ 0.45	$ 0.40	$ 0
STATEMENT OF FINANCIAL CONDITIONS:					
Total assets	$5,553,970	$4,817,330	$4,471,298	$3,708,975	$3,013,
Net loans receivable and LHFS	4,053,454	3,557,122	3,165,524	2,397,187	1,701,
Total deposits	3,262,475	3,184,478	3,207,533	2,534,712	1,729,
Total borrowings	1,449,187	940,570	646,508	719,413	900,
Shareholder's equity	676,940	528,576	456,143	333,239	270,
Book value per share*	$ 11.04	$ 9.85	$ 8.72	$ 6.91	$ 5
KEY OPERATING RATIOS:					
Return on average assets	1.31%	1.49%	1.52%	1.52%	1
Average equity to average assets	11.23%	10.78%	9.52%	8.61%	8
Net interest margin(1)	4.70%	4.50%	4.44%	4.25%	4
Non-performing over assets	1.46%	0.27%	0.19%	0.26%	0
Dividend payout ratio	43.33%	38.76%	36.59%	35.93%	37

(1) Calculated on a tax equivalent basis.

* Revised for stock splits and dividends.

COMPARATIVE STOCK PRICE AND DIVIDEND INFORMATION

GLACIER COMMON STOCK

Glacier common stock is quoted on The NASDAQ Global Select Market under the symbol "GBCI." The following table sets forth for the periods indicated:

- the high and low sale prices for Glacier common stock as reported on The NASDAQ Global Select Market, and

- dividends per share on Glacier common stock.

	HIGH*	LOW*	CASH DIVIDENDS DECLARED
2006			
First quarter	$21.81	$19.72	$0.11
Second quarter	$21.20	$18.69	$0.11
Third quarter	$23.24	$18.55	$0.11
Fourth quarter	$25.25	$21.99	$0.12
2007			
First quarter	$25.39	$22.76	$0.12
Second quarter	$24.61	$19.55	$0.12
Third quarter	$24.00	$18.41	$0.13
Fourth quarter	$23.85	$17.57	$0.13
2008			
First quarter	$20.48	$15.54	$0.13
Second quarter	$21.78	$15.99	$0.13
Third quarter	$27.72	$14.46	$0.13
Fourth quarter	$25.36	$14.12	$.013
2009			
First quarter	$18.76	$12.78	$.013
Section quarter (through March 26)	$12.15	$19.36	

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* Adjusted for stock splits and stock dividends.

At March 25, 2009, 61,509,818 outstanding shares of Glacier common stock were held by approximately 2,041 holders of record.

FIRST COMPANY COMMON STOCK

Presently, no active trading market exists for the First Company common stock. If First Company were to remain independent, management of First Company does not expect that a market for First Company common stock would develop. No registered broker/dealer makes a market in First Company common stock, and First Company common stock is not listed or quoted on any stock exchange or automated quotation system. First Company acts as its own transfer agent and registrar.

Occasionally, management of First Company becomes aware of trades of private sales of its common stock and the prices at which these trades were executed. First Company is not aware of any third-party transactions in its common stock since January 1, 2008. First Company issued 55 shares of common stock in early July 2008 for a purchase price of $1,850.00 per share and an additional 485 shares of common stock in late July 2008 for a purchase price of $1,855.67 per share. Both issuances were to existing shareholders of First Company.

At March 26, 2009, the 8,357 outstanding shares of First Company common stock were held by approximately 24 holders of record.

FIRST COMPANY SPECIAL SHAREHOLDERS' MEETING

DATE, TIME, PLACE

The First Company special meeting of shareholders will be held on April 30, 2009, at 10:00 a.m. local time, at 245 East 1st Street, Powell, Wyoming.

As described below under "Vote Required," approval of the merger agreement requires the affirmative vote of at least a majority of the shares of First Company's outstanding common stock. If there are not sufficient votes represented at the special meeting, either in person or by proxy, to approve the merger agreement, or if a quorum is not present, First Company may adjourn or postpone the meeting in order to permit further solicitation of proxies by First Company. The persons appointed as proxies on the form accompanying this document are authorized to vote to approve such adjournment or postponement, unless the proxy appointing them instructs them to vote against approval of the merger agreement.

PURPOSE

At the special meeting, First Company shareholders will:

- consider and vote on a proposal to approve the merger, and
- if necessary, consider and act upon a proposal to adjourn the special meeting to allow additional time to solicit proxies.

RECORD DATE; SHARES OUTSTANDING AND ENTITLED TO VOTE

The First Company board of directors has fixed 5:00 p.m. on March 26, 2009 as the record date for determining the holders of shares of First Company common stock entitled to notice of and to vote at the special meeting. At the close of business on the First Company record date, there were 8,357 shares of common stock issued and outstanding and held by approximately 24 holders of record. Holders of record of First Company common stock on the record date are entitled to one vote per share and are also entitled to exercise dissenters' rights if certain procedures are followed. See "The Merger - Dissenters' Rights of Appraisal" and APPENDIX B.

Certain directors and the principal shareholders of First Company have agreed to vote all shares held or controlled by them in favor of approval of the merger. A total of 8,148 outstanding shares, or approximately 97.5% of the outstanding shares of First Company common stock, are covered by the voting agreement. Thus shareholder approval of the merger agreement is assured. See "The Merger - Voting Agreement."

VOTE REQUIRED AND QUORUM

The affirmative vote of the holders of at least a majority of the shares of First Company's outstanding common stock is required to approve the merger. At least a majority of the total outstanding shares of First Company common stock must be present, either in person or by proxy, in order to constitute a quorum for the meeting. For purposes of determining a quorum, abstentions and broker nonvotes (that is, proxies from brokers or nominees, indicating that such person has not received instructions from the beneficial owners or other persons entitled to vote shares as to a matter with respect to which the broker or nominees do not have discretionary power to vote) are counted in determining the shares present at a meeting.

For voting purposes, however, only shares actually voted FOR the approval of the merger agreement, and neither abstentions nor broker nonvotes, will be counted as favorable votes in determining whether the merger agreement is approved by the holders of First Company common stock. As a result, abstentions and broker nonvotes will have the same effect as votes against approval of the merger agreement.

VOTING, SOLICITATION, AND REVOCATION OF PROXIES

If the enclosed proxy card is duly executed and received in time for the special meeting, it will be voted in accordance with the instructions given. If the proxy card is duly executed and received but no instruction is given, it is the intention of the persons named in the proxy to vote the shares represented by the proxy for the approval of the merger and in the proxy holder's discretion on any other matter properly coming before the meeting. Any proxy given by a shareholder may be revoked before its exercise by:

- written notice to the Secretary of First Company;
- a later-dated proxy; or
- appearing and voting at the special meeting in person.

First Company is soliciting the proxy for the special meeting on behalf of the First Company board of directors. First Company will bear the cost of solicitation of proxies from its shareholders. In addition to using the mails, First Company may solicit proxies by personal interview, telephone, and facsimile. Banks, brokerage houses, other institutions, nominees, and fiduciaries will be requested to forward their proxy soliciting material to their principals and obtain authorization for the execution of proxies. First Company does not expect to pay any compensation for the solicitation of proxies. However, First Company will, upon request, pay the standard charges and expenses of banks, brokerage houses, other institutions, nominees, and fiduciaries for forwarding proxy materials to and obtaining proxies from their principals.

VOTING IN PERSON AT THE SPECIAL MEETING

Shareholders of Record. Shares held directly in your name as the shareholder of record may be voted in person at the special meeting. If you choose to vote your shares in person, please bring the enclosed proxy card or proof of identification. Even if you plan to attend the special meeting, we recommend that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the special meeting.

Beneficial Owner. Shares held in street name may be voted in person by you only if you bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on the record date.

BACKGROUND OF AND REASONS FOR THE MERGER

BACKGROUND OF THE MERGER

First Company contacted Sheshunoff in mid-2008 and expressed an interest in discussing strategic alternatives. Sheshunoff made a presentation to First Company's board of directors in August 2008, discussing First Company's possible value in the bank merger and acquisition marketplace, trends of consolidation and increased competition in the financial services industry as well as deteriorating credit quality across the industry, and merger and acquisition activity on a regional basis. Sheshunoff was hired in September to market First National Bank and began contacting selected potentially interested parties regarding a potential acquisition of First Company. Glacier was one of the financial institutions contacted due to its strong financial position, commitment to community banking, and a perceived fit with the organization culturally

On October 13, 2008, a representative of Sheshunoff contacted Michael Blodnick, the Chief Executive Officer of Glacier, to inquire as to whether Glacier might be interested in submitting a proposal for the merger or acquisition of First Company. Mr. Blodnick expressed interest in receiving additional information on the opportunity, and received an informational package from Sheshunoff. Glacier and its investment banking advisor, D.A. Davidson & Co. ("Davidson"), reviewed the information, and on October 22, 2008, Glacier delivered a letter to First Company expressing its interest in further pursuing discussions toward a possible transaction.

On October 30, 2008, Mr. Blodnick and a representative of Davidson met with First Company in Cody, Wyoming. Participants in the meeting included Richard S. Nelson, Richard T. Nelson, Robert A. Nelson, Julie Sullivan, and a representative of Sheshunoff. Matters discussed at the meeting included each organization's community banking philosophy, Glacier's business model, First Company's banking operations, asset quality, recent operating results, and prospects, and First Company's desire to remain a separately-chartered community bank serving northern Wyoming. At the same time, Glacier's chief credit officer separately met with the chief credit officer and chief financial officer of First National Bank & Trust to review and discuss the bank's loan portfolio and various measures of asset quality. At the conclusion of the meetings, Glacier expressed its interest in submitting a formal proposal for an acquisition or merger transaction First Company, and First Company agreed to provide Glacier a 30 day period in which to submit its proposal.

During November, First Company and Sheshunoff furnished additional information to Glacier, and Glacier and Davidson evaluated the information and prepared financial analyses. On November 14, 2008, Richard S. Nelson, Richard T. Nelson, and Robert A. Nelson met with Mr. Blodnick and a representative of Davidson in Kalispell, Montana. Matters discussed and reviewed at the meeting included Glacier's recently completed public stock offering, First Company's assets and liabilities, First National Bank & Trust's asset quality, operating results, and prospects, and the framework for a possible transaction structure.

On November 26, 2008, Glacier's board of directors met and approved the submission of a term sheet for the acquisition of First National Bank & Trust through the merger of First Company into Glacier. Glacier delivered a term sheet setting forth the proposed terms of the transaction, including merger consideration of $1.6 million in cash and 225,000 shares of Glacier common stock, the distribution of certain out-of-market loan participations, and the closing delivery of consolidated tangible equity of at least $16.5 million, after giving effect to a $13.4 million capital contribution by Glacier. On November 28, 2008, First Company's board of directors met with a representative of Sheshunoff to review, consider, and approve the Glacier proposal.

During December, 2008 and January, 2009, Glacier, First Company, and their respective financial and legal advisors conducted on-site and off-site due diligence and drafted and negotiated the definitive merger agreement and related ancillary agreements. On February 2, 2009, the parties agreed to modify the terms of the transaction to provide for the distribution of an additional two loans having a book value of approximately $1.9

million, to reduce the cash and stock consideration to $450,000 and 100,000 shares, to reduce the closing capital requirement to $15.25 million, and to increase the amount of Glacier's capital contribution to $15.3 million.

On February 4, 2009, the board of directors of First Company met, together with its legal counsel and Sheshunoff, to consider approval of the merger agreement with Glacier. Sheshunoff presented its analysis and draft opinion as to the fairness of the merger, from a financial point of view. Among other matters discussed, the board held in-depth discussions on the specifics of the merger agreement, the form and value of consideration to be received by the shareholders of First Company, the asset distributions to be made prior to consummation of the merger, the potential purchase price adjustments, the price and historical performance of Glacier common stock, the timing and process for consummation of the merger, the break-up fee, current market and regulatory conditions, the implications of the merger to First Company's shareholders, and the implications of the merger to First National Bank & Trust's employees, customers, and communities. After due consideration of these and other matters, and taking into consideration the fairness opinion to be delivered by Sheshunoff, the First Company board of directors voted unanimously to approve the merger.

On February 6, 2009, the board of directors of Glacier met to consider approval of the merger. Matters discussed included the results of due diligence reviews, the terms of the merger agreement and related documents, key pricing metrics, risks of the merger, the pro forma financial impact of the merger, and the timing and process for consummation of the merger. After due consideration of these and other matters, the Glacier board approved the merger by unanimous vote.

On February 6, 2009, Sheshunoff delivered its fairness opinion and

Glacier and First Company executed the merger agreement and related documents. After the close of business on February 9, 2009, the parties issued a joint press release announcing the execution of the merger agreement.

REASONS FOR THE MERGER - FIRST COMPANY

At a special meeting held on February 4, 2009, the First Company board of directors unanimously determined that the terms of the merger agreement were in the best interests of First Company and its shareholders. In the course of reaching its decision to approve the merger agreement, the First Company board of directors consulted with Sheshunoff, its financial advisor, and Christian Samson Jones & Chisholm, PLLC, its legal counsel. In reaching its determination, First Company's board of directors considered a number of factors. Such factors also constituted the reasons that the board of directors determined to approve the merger and to recommend that First Company's shareholders vote in favor of the merger. Such reasons included the following:

- the terms of the merger agreement and the form of the consideration, and the historical trading ranges for Glacier common stock;

- the existence and effect of agreements between First Company and its primary regulator, the Board of Governors of the Federal Reserve, and First National Bank and its primary regulator, the OCC, on the ability of First Company or First National Bank to continue to operate

- the ability of First Company or First National Bank to raise additional capital in order to meet projected needs and requirements imposed by their respective regulators

- the availability or likelihood of other transactions for the sale or merger of First Company or First National Bank or the sale of their respective assets with parties other than Glacier in the time frames required under obligations imposed on First Company and First National Bank under regulatory requirements and agreements;

- information concerning Glacier's financial condition and results of operations as well as the likelihood that Glacier would be able to obtain regulatory approval for the merger;

- the financial terms of recent business combinations in the financial services industry and a comparison of the multiples of selected combinations with the terms of the proposed acquisition by with Glacier;

- the opinion of Sheshunoff that the merger consideration to be received by First Company's shareholders in the merger is fair from a financial point of view;

- the expectation that First Company shareholders would have the opportunity to continue to participate in the growth of the combined company and would also greatly benefit from the significantly greater liquidity of the trading market for Glacier common stock;

- that Glacier has historically paid cash dividends on its common sock;

- the effects of the economic, regulatory and market pressures facing First Company and community banks generally and First National Bank's prospects as an independent bank;

- the determination that a business combination with Glacier would extend First National Bank's lending capabilities and increase the range of financial products and services available to First National Bank's customers;

- the provisions in the merger agreement that provide for the ability of the board of directors to respond to an unsolicited acquisition proposal that the board of directors determines in good faith is a superior proposal as defined in the merger agreement;

- the provisions of the merger agreement that provide for the ability of the First Company board of directors to terminate the merger agreement, subject to certain conditions including the payment of a break-up fee, if First Company has entered into a letter of intent or other agreement with respect to a superior proposal;

- the broad experience of Glacier's management team and its particular experience in managing and supporting subsidiary banks that have an emphasis on local decision making and authority;

- the likelihood of the merger being approved by applicable regulatory authorities without undue conditions or delay;

- First Company's board's understanding of the business, operations, financial conditions, earnings, management and future prospects of Glacier, taking into account First Company's due diligence investigation of Glacier, including, but not limited to, debt service and other existing financial obligations, the financial obligations to be incurred in connection with the proposed transaction and other likely financial obligations of Glacier and the possible effects of such obligations; and

- the current and prospective economic and competitive environment facing the financial services industry generally, including continued consolidation in the industry and the increased importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long-term.

The First Company board of directors also considered a number of uncertainties and risks in its deliberations concerning the transactions contemplated by the merger agreement, including the following:

- that a portion of the merger consideration will be paid through the issuance of a fixed number of shares of Glacier common stock and any decrease in the market price of Glacier common stock will result in a reduction in the aggregate merger consideration to be received by First Company shareholders at the time of completion of the merger subject to the adjustment procedures described under "The Merger--Termination of the Merger Agreement";

- that First Company shareholders will not necessarily know or be able to calculate the actual value of the merger consideration which they would receive upon completion of the merger;

- that the "break-up" fee provisions in the merger agreement could have the effect of discouraging superior proposals for a business combination between First Company and third parties;

- the possible disruption to First Company's business that may result from the announcement of the merger and the resulting distraction of management's attention from the day-to-day operations of First Company's business; and

- the restrictions contained in the merger agreement on the operation of First Company's business during the period between signing of the merger agreement and completion of the merger, as well as the other covenants and agreements of First Company contained in the merger agreement.

The foregoing discussion of the reasons that led the First Company board of directors to approve the merger and recommend that First Company's shareholders vote in favor of the merger is not intended to be exhaustive, but is believed to include all of the material reasons for the board of directors' decision. In reaching its determination to approve and recommend the transaction, the First Company board based its recommendation on the totality of the information presented to it and did not assign any relative or specific weights to the reasons considered in reaching that determination. Individual directors may have given differing weights to different reasons. After deliberating with respect to the merger with Glacier, considering, among other things, the matters discussed above and the opinion of Sheshunoff referred to above, the First Company board of directors unanimously approved and adopted the merger agreement and the merger with Glacier as being in the best interests of First Company and its shareholders.

OPINION OF FINANCIAL ADVISOR TO FIRST COMPANY

First Company retained Sheshunoff to provide its opinion as to the fairness from a financial viewpoint of the merger consideration to the First Company shareholders. As part of its investment banking business, Sheshunoff is regularly engaged in the valuation of securities in connection with mergers and acquisitions and valuations for estate, corporate and other purposes. First Company's board of directors retained Sheshunoff based upon its experience as a financial advisor in mergers and acquisitions of financial institutions and its knowledge of financial institutions.

Sheshunoff is regularly engaged in the valuation of securities in connection with mergers and acquisitions and valuations for estate, corporate and other purposes. Sheshunoff is experienced in these activities and has performed assignments similar in nature to that requested by First Company on other occasions.

On February 6, 2009, Sheshunoff rendered its fairness opinion to First Company's board of directors that, as of such date, the merger consideration was fair, from a financial point of view, to the shareholders of First Company. Sheshunoff has updated its fairness opinion as of the date of this proxy statement/prospectus. The full text of the updated fairness opinion which sets forth, among other things, assumptions made, procedures followed, matters considered, and limitations on the review undertaken, is attached as Appendix C to this proxy statement. You are urged to read Sheshunoff's fairness opinion carefully and in its entirety. The fairness opinion is addressed to First Company's board of directors and does not constitute a recommendation to any First Company shareholder as to how he or she should vote at the special meeting of First Company's shareholders.

In connection with the February 6, 2009 fairness opinion and its updated opinion, Sheshunoff:

1. Reviewed the Merger Agreement dated February 6, 2009;

2. Reviewed First Company's financial statements for the period ending September 30, 2008 and preliminary statements for the period ending December 31, 2008;

3. Evaluated First Company's subsidiary bank's regulatory reports as of September 30, 2008 and preliminary reports for the period ending December 31, 2008;

4. Evaluated First Company's consolidated results based upon a review of its regulatory reports for the five-year period ending December 31, 2007;

5. Conducted conversations regarding recent and projected financial performance of First Company with members of executive management;

6. Compared First Company's recent operating results and pricing multiples for First Company in the Merger with those of certain other banks in the U.S. with assets between $50 million and $500 million that have recently been acquired;

7. Compared First Company's recent operating results and the pricing multiples for First Company in the Merger to the public stock trading levels of certain other banks in the western U.S. along with consideration of recent control premiums paid for public bank stocks in recent acquisitions of banks in the U.S.;

8. Reviewed the historical stock price data and trading volume of Glacier's common stock;

9. Compared the historical stock price data and trading volume of Glacier's common stock with that of certain other comparable publicly traded companies;

10. Compared certain financial characteristics and performance measures of Glacier with that of certain other comparable publicly traded companies;

11. Compared the historical stock price performance of Glacier's common stock with that of selected indices Sheshunoff deemed relevant;

12. Held various on-site meetings with First Company's management to discuss the potential sale of First Company; and

13. Performed such other analyses as we deemed appropriate.

In connection with its review, Sheshunoff relied upon and assumed the accuracy and completeness of all of the foregoing information provided to it or made publicly available, and Sheshunoff did not assume any responsibility for independent verification of such information. Sheshunoff assumed that internal confidential financial projections provided by First Company were reasonably prepared reflecting the best currently available estimates and judgments of the future financial performance of First Company, and did not independently verify the validity of such assumptions.

Sheshunoff did not make any independent evaluation or appraisal of the assets or liabilities of First Company or Glacier nor was Sheshunoff furnished with any such appraisals. Sheshunoff did not examine any individual loan files of First Company. Sheshunoff is not an expert in the evaluation of loan portfolios and has assumed that loan losses have been adequately reflected.

Sheshunoff assumed that all required regulatory and third-party approvals will be received in a timely fashion and without any conditions or requirements that could adversely affect First Company, Glacier, the merger or Glacier's operations following the merger. Sheshunoff assumed that there would be no impediment to Glacier's ability to procure financing to fund the merger consideration. Sheshunoff has also assumed that the executed merger agreement will conform in all material respects to the latest draft of the merger agreement provided to Sheshunoff.

The fairness opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to Sheshunoff as of February 4, 2009.

In rendering the fairness opinion, Sheshunoff performed a variety of financial analyses. The preparation of an opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Consequently, the fairness opinion is not readily susceptible to partial analysis or summary description. Moreover, the evaluation of fairness, from a financial point of view, of the merger consideration is to some extent subjective, based on the experience and judgment of Sheshunoff, and not merely the result of mathematical analysis of financial data. Sheshunoff did not attribute particular weight to any analysis or factor considered by it. Accordingly, notwithstanding the separate factors summarized below, Sheshunoff believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. The ranges of valuations resulting from any particular analysis described below should not be taken to be Sheshunoff's view of the actual value of First Company, Glacier or the combined entity.

In performing its analyses, Sheshunoff made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of First Company or Glacier. The analyses performed by Sheshunoff are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, Sheshunoff's analyses should not be viewed as determinative of the opinion of the board of directors or the management of First Company with respect to the value of First Company or

Glacier or to the fairness of the merger consideration.

Pursuant to the merger agreement dated February 6, 2009 between the parties, Glacier has agreed to exchange the aggregate of $450,000 in cash, 100,000 shares of Glacier common stock, and the Loan Participations (as defined in the Merger Agreement) and certain other loans for all of the outstanding shares of common stock of First Company, subject to certain adjustments and pre-closing actions as provided in the Merger Agreement. The stock component is subject to a cuff of $14.00 and collar of $21.00 based on the price performance of Glacier common stock over the 10 trading days preceding the fifth trading day immediately prior to the Effective Date. The merger consideration may be higher or lower as of the Effective Date based upon the terms of the Agreement. Pursuant to the Merger Agreement, First Company will merge with and into Glacier and First National Bank & Trust will become a wholly-owned subsidiary of Glacier.

The estimated total merger consideration to be paid reflects the cash component, the Glacier stock valued at $16 per share (an approximate average price of the stock as of February 4, 2009), the Loan Participations (as measured by their recent book value), certain other loans (as measured by their recent book value), and a distribution of investments to be made prior to closing. Total merger consideration for these purposes was $17.8 million.

The following is a summary of the analyses performed by Sheshunoff in connection with its opinion. The discussion utilizes financial information concerning First Company as of December 31, 2008.

First Company Discounted Cash Flow Analysis: Using discounted cash flow analysis, Sheshunoff estimated the present value of the future after-tax cash flow streams that First Company could produce on a stand-

alone basis through the year 2013 under various circumstances, assuming that it performed in accordance with the projections provided by First Company's management. Such a 'going concern' analysis included the requisite capital raise necessary to restore adequate capital to First Company and its banking subsidiary.

Sheshunoff estimated the terminal value for First Company at the end of 2013 by capitalizing the final period projected earnings using a discount rate that is the quotient of (1) the assumed annual long-term growth rate of the earnings of First Company of 3.25% and (2) the difference between a range of required rates of return and the assumed annual long-term growth rate of earnings in (1) above. Sheshunoff discounted the annual net income and the terminal values using discount rates ranging from 14% to 16%. The discount range was chosen to reflect different assumptions regarding the required rates of return of First Company and the inherent risk surrounding the underlying projections. This discounted cash flow analysis indicated a range of values of $4.9 million to $2.8 million as shown in the table below compared to the estimated net merger consideration of $17.8 million.

DISCOUNT RATE		
14%	15%	16%

Present value (in thousands)	$4,895	$3,731	$2,752

Analysis of Selected Transactions: Sheshunoff performed an analysis of premiums paid in select, recently-announced acquisitions of banking organizations with comparable characteristics to the merger. Two sets of transactions were selected to ensure a thorough analysis.

The first set of comparable transactions consisted of a group of selected transactions for banks with announced pricing, total assets between $50 million and $500 million, announced since August 1, 2008, and whose nonperforming assets to total assets ratio was greater than 1% (First Company had a 3.44% NPA/Assets ratio). These comparable transactions consisted of 10 mergers and acquisitions of banks with assets between $56 million and $403 million that were announced between August 18, 2008 and January 16, 2009. The Glacier Offer multiples assume a transaction value of $17.8 million for the analysis. The analysis yielded purchase price multiples in these transactions as shown below:

	PRICE/ BOOK (X)	PRICE/TG BOOK (X)	PRICE/LTM EARNINGS (X)	PRICE/ ASSETS (%)	PRICE/ DEPOSITS (%)	PREMIUM TO DEPOSITS (%)
Maximum	2.68	2.68	44.9	26.6	31.7	13.24
Minimum	0.55	0.55	13.0	5.4	7.4	-6.82
Median	1.16	1.16	21.2	8.0	9.1	1.09
Glacier Offer	1.17	1.17	NM	6.3	7.3	1.05

The price as a multiple of book and tangible book in the merger were slightly higher than the median multiple of those in comparable transactions. The premium to deposit ratio was slightly lower than the median. The price to latest twelve months (LTM) earnings did not produce a meaningful multiple as First Company posted a net loss in 2008. Finally, price as a percentage of assets and deposits were both lower than the median, but this ratio is understated for the Glacier Offer as compared to the medians due to the fact that the capital level of First Company is below the median for the group (First Company had a capital ratio of 5.40% versus a median capital ratio of 8.17% for the group).

The second set of comparable transactions consisted of the previous group of selected transactions (banks with total assets between $50 million and $500 million that were announced since August 1, 2008 and whose nonperforming assets to total assets ratio was greater than 1%) along with the additional constraint that recent

profitability as measured by ROAA was less than 0.50% (First Company's 2008 ROAA was -1.25%). These comparable transactions consisted of seven mergers and acquisitions of banks with assets between $56 million and $403 million that were announced between September 17, 2008 and January 14, 2009. The Glacier Offer multiples assume a transaction value of $17.8 million for the analysis. The analysis yielded purchase price multiples in these transactions as shown below:

	PRICE/ BOOK (X)	PRICE/TG BOOK (X)	PRICE/LTM EARNINGS (X)	PRICE/ ASSETS (%)	PRICE/ DEPOSITS (%)	PREMIUM TO DEPOSITS (%)
Maximum	2.68	2.68	44.9	9.2	11.0	5.20
Minimum	0.55	0.55	44.9	5.4	7.4	-6.82
Median	1.05	1.14	44.9	6.9	8.4	0.41
Glacier Offer	1.17	1.17	NM	6.3	7.3	1.05

The price as a multiple of book, tangible book, and premium to deposits in the merger were all higher than the median multiple of those in comparable transactions. The price to latest twelve months (LTM) earnings did not produce a meaningful multiple as First Company posted a net loss in 2008. Finally, price as a percentage of assets and deposits were only slightly lower than the median, but this ratio is understated for the Glacier Offer as compared to the medians due to the fact that the capital level of First Company is below the median for the group (First Company had a capital ratio of 5.40% versus a median capital ratio of 7.29% for the group).

Analysis of Selected Publicly Traded Stocks: Sheshunoff also analyzed select western U.S. publicly traded bank stocks along with recent M&A control premiums in order to achieve a geographic comparison. Two sets of transactions were selected to ensure a thorough analysis.

The first set of publicly traded bank stocks consisted of banks under $5 billion in total assets with shares traded on the NASDAQ stock exchange. Only banks based in the following western states were included: Wyoming, Montana, Nevada, Idaho, Colorado, Oregon, Washington, Nebraska, North Dakota and South Dakota. The analysis yielded 20 bank stocks. Also reviewed were recent control premiums of publicly traded banks as measured by the premium paid to the stock price one month prior to the announcement. The median premium paid for banks under $500 million in total assets was approximately 40%. The Glacier Offer pricing multiples as compared to the median trading multiples including a 40% premium is shown below:

	PRICE/ BOOK (X)	PRICE/ TG BOOK (X)	PRICE/LTM EARNINGS (X)	PRICE/ ASSETS (%)	PREMIUM TO DEPOSITS (%)
Median with 40% premium	0.36	0.44	17.8	3.0	NM
Glacier Offer	1.17	1.17	NM	6.3	1.05

Note: Stock prices as of February 3, 2009

The price as a multiple of book, tangible book, and as a percent of assets in the merger were all significantly higher than the median multiple of the publicly traded banks. The price to latest twelve months (LTM) earnings did not produce a meaningful multiple as First Company posted a net loss in 2008. Finally, the median premium to deposits was negative for the public banks, while the Glacier Offer implies a premium of 1.05%.

The second set of publicly traded bank stocks consisted of banks under $5 billion in total assets with shares traded on the NASDAQ stock exchange, as well as those traded over-the-counter or on pink sheets. Only banks based in the following western states were included: Wyoming, Montana, Nevada, Idaho, Colorado, Nebraska, North Dakota and South Dakota. The analysis yielded 19 bank stocks. Also included was the median premium paid for banks under $500 million in total assets of approximately 40%. The Glacier Offer pricing multiples as compared to the median trading multiples including a 40% premium is shown below:

	PRICE/ BOOK (X)	PRICE/ TG BOOK (X)	PRICE/LTM EARNINGS (X)	PRICE/ ASSETS (%)	PREMIUM TO DEPOSITS (%)
Median with 40% premium	0.70	0.78	9.9	5.9	NM
Glacier Offer	1.17	1.17	NM	6.3	1.05

Note: Stock prices as of February 3, 2009

The price as a multiple of book, tangible book, and as a percent of assets in the merger wer