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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2008

[] Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

COMMISSION FILE 0-18911

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

MONTANA 81-0519541
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)
49 Commons Loop, Kalispell, Montana 59901
(Address of principal executive offices) (Zip Code)

(406) 756-4200
Registrant's telephone number, including area code
Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

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

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 [] Smaller reporting Company []
(Do not check if a smaller reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

The number of shares of Registrant's common stock outstanding on July 21, 2008 was 53,992,982. No preferred shares are issued or outstanding.

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GLACIER BANCORP, INC.
QUARTERLY REPORT ON FORM 10-Q

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GLACIER BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars in thousands, except per share data)

	JUNE 30, 2008	December 31, 2007	June 30, 2007
	(UNAUDITED)	(audited)	(unaudited)
ASSETS:			
Cash on hand and in banks	\$ 123,545	145,697	134,647
Federal funds sold	135	135	11,735
Interest bearing cash deposits	26,654	81,777	124,566
	-----	-----	-----
Cash and cash equivalents	150,334	227,609	270,948
Investment securities	773,417	700,324	737,104
Loans receivable, net	3,717,373	3,516,999	3,289,234
Loans held for sale	42,772	40,123	42,620
Premises and equipment, net	125,398	123,749	119,320
Real estate and other assets owned, net	6,523	2,043	2,153
Accrued interest receivable	28,128	26,168	27,621
Deferred tax asset	3,624	-	2,504
Core deposit intangible, net	12,416	13,963	15,575
Goodwill	140,301	140,301	140,018
Other assets	27,582	26,051	25,858
	-----	-----	-----
Total assets	\$ 5,027,868	4,817,330	4,672,955
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Non-interest bearing deposits	\$ 778,786	788,087	820,728
Interest bearing deposits	2,347,137	2,396,391	2,533,957
Advances from Federal Home Loan Bank of Seattle	658,211	538,949	260,224
Securities sold under agreements to repurchase	176,211	178,041	156,794
Other borrowed funds	355,437	223,580	233,986
Accrued interest payable	11,922	13,281	15,388
Deferred tax liability	-	481	-
Subordinated debentures	118,559	118,559	118,559
Other liabilities	31,962	31,385	33,648
	-----	-----	-----
Total liabilities	4,478,225	4,288,754	4,173,284
	-----	-----	-----
Preferred shares, \$.01 par value per share. 1,000,000 shares authorized None issued or outstanding	-	-	-
Common stock, \$.01 par value per share. 117,187,500 shares authorized	540	536	535
Paid-in capital	380,161	374,728	371,289
Retained earnings - substantially restricted	171,017	150,195	128,355
Accumulated other comprehensive (loss) income	(2,075)	3,117	(508)
	-----	-----	-----
Total stockholders' equity	549,643	528,576	499,671
	-----	-----	-----
Total liabilities and stockholders' equity	\$ 5,027,868	4,817,330	4,672,955
	=====	=====	=====
Number of shares outstanding	53,985,813	53,646,480	53,525,651
Book value per share	\$ 10.18	9.85	9.34

See accompanying notes to condensed consolidated financial statements.

GLACIER BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED - dollars in thousands, except per share data)	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
-----	2008	2007	2008	2007
-----	-----	-----	-----	-----
INTEREST INCOME:				
Real estate loans	\$ 12,399	15,201	24,991	29,642
Commercial loans	41,100	38,170	83,633	74,822
Consumer and other loans	11,790	11,870	23,897	23,184
Investment securities and other	9,284	10,052	18,068	19,565
	-----	-----	-----	-----
Total interest income	74,573	75,293	150,589	147,213
	-----	-----	-----	-----
INTEREST EXPENSE:				
Deposits	13,474	20,530	30,343	39,337
Federal Home Loan Bank of Seattle advances	4,821	4,050	10,539	9,092
Securities sold under agreements to repurchase	808	1,724	2,149	3,611
Subordinated debentures	1,853	1,816	3,726	3,630
Other borrowed funds	1,317	1,977	2,903	3,256
	-----	-----	-----	-----
Total interest expense	22,273	30,097	49,660	58,926
	-----	-----	-----	-----
NET INTEREST INCOME	52,300	45,196	100,929	88,287
Provision for loan losses	5,042	1,210	7,542	2,405
	-----	-----	-----	-----
Net interest income after provision for loan losses	47,258	43,986	93,387	85,882
	-----	-----	-----	-----
NON-INTEREST INCOME:				
Service charges and other fees	10,599	9,483	20,070	17,746
Miscellaneous loan fees and charges	1,624	2,275	3,114	4,097
Gains on sale of loans	4,245	3,708	8,125	6,750
Gain (Loss) on sale of investments	--	--	248	(8)
Other income	913	945	2,086	3,518
	-----	-----	-----	-----
Total non-interest income	17,381	16,411	33,643	32,103
	-----	-----	-----	-----
NON-INTEREST EXPENSE:				
Compensation, employee benefits and related expense	20,967	20,594	42,064	40,100
Occupancy and equipment expense	5,116	4,812	10,249	9,270
Advertising and promotions expense	1,833	1,581	3,372	3,021
Outsourced data processing expense	647	680	1,314	1,492
Core deposit intangibles amortization.....	767	809	1,546	1,589
Other expense	7,113	6,598	13,511	12,785
	-----	-----	-----	-----
Total non-interest expense	36,443	35,074	72,056	68,257
	-----	-----	-----	-----
EARNINGS BEFORE INCOME TAXES	28,196	25,323	54,974	49,728
Federal and state income tax expense	9,737	8,598	19,116	16,910
	-----	-----	-----	-----
NET EARNINGS	\$ 18,459	16,725	35,858	32,818
	=====	=====	=====	=====
Basic earnings per share	\$ 0.35	0.31	0.67	0.62
Diluted earnings per share	\$ 0.34	0.31	0.66	0.61
Dividends declared per share	\$ 0.13	0.12	0.26	0.24
Return on average assets (annualized)	1.51%	1.47%	1.48%	1.47%
Return on average equity (annualized)	13.51%	13.79%	13.25%	13.90%
Average outstanding shares - basic	53,971,220	53,164,813	53,910,414	52,836,255
Average outstanding shares - diluted	54,151,290	53,601,696	54,084,193	53,414,992

See accompanying notes to condensed consolidated financial statements.

GLACIER BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2007 AND UNAUDITED SIX MONTHS ENDED JUNE 30, 2008

(Dollars in thousands, except per share data)	Common Stock		Paid-in	Retained earnings substantially	Accumulated Other comprehensive	Total stockholders'
	Shares	Amount				
Balance at December 31, 2006	52,302,820	\$ 523	344,265	108,286	3,069	456,143
Comprehensive income:						
Net earnings	--	--	--	68,603	--	68,603
Unrealized gain on securities, net of reclassification adjustment and taxes ...	--	--	--	--	48	48
Total comprehensive income						68,651
Cash dividends declared (\$.50 per share)	--	--	--	(26,694)	--	(26,694)
Stock options exercised	550,080	6	6,148	--	--	6,154
Stock issued in connection with acquisition	793,580	7	18,993	--	--	19,000
Stock based compensation and tax benefit	--	--	5,322	--	--	5,322
Balance at December 31, 2007	53,646,480	\$ 536	374,728	150,195	3,117	528,576
Comprehensive income:						
Net earnings	--	--	--	35,858	--	35,858
Unrealized loss on securities, net of reclassification adjustment and taxes ...	--	--	--	--	(5,192)	(5,192)
Total comprehensive income						30,666
Cash dividends declared (\$.26 per share)	--	--	--	(14,039)	--	(14,039)
Stock options exercised	339,333	4	3,417	--	--	3,421
Cumulative effect of a change in principle	--	--	--	(997)	--	(997)
Stock based compensation and tax benefit	--	--	2,016	--	--	2,016
Balance at June 30, 2008 (unaudited)	53,985,813	\$ 540	380,161	171,017	(2,075)	549,643

See accompanying notes to condensed consolidated financial statements.

GLACIER BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED - dollars in thousands)	SIX MONTHS ENDED JUNE 30,	
	2008	2007
OPERATING ACTIVITIES:		
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 38,467	31,584
INVESTING ACTIVITIES:		
Proceeds from sales, maturities and prepayments of investments available-for-sale	211,647	165,114
Purchases of investments available-for-sale	(293,751)	(22,491)
Principal collected on installment and commercial loans	563,086	584,905
Installment and commercial loans originated or acquired	(752,164)	(737,316)
Principal collections on mortgage loans	176,482	270,272
Mortgage loans originated or acquired	(195,321)	(262,835)
Net purchase of FHLB and FRB stock	(138)	(3,451)
Net cash paid for sale of Western's Lewistown branch	--	(6,846)
Net cash received from North Side State Bank acquisition	--	9,339
Net addition of premises and equipment	(6,226)	(1,221)
NET CASH USED IN INVESTING ACTIVITIES	(296,385)	(4,530)
FINANCING ACTIVITIES:		
Net (decrease) increase in deposits	(58,555)	72,993
Net increase in FHLB advances and other borrowed funds	251,119	17,917
Net decrease in securities sold under repurchase agreements ..	(1,830)	(13,422)
Cash dividends paid	(14,039)	(12,749)
Excess tax benefits from stock options	527	1,399
Proceeds from exercise of stock options and other stock issued	3,421	4,739
NET CASH USED IN FINANCING ACTIVITIES	180,643	70,877
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(77,275)	97,931
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	227,609	173,017
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 150,334	270,948
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$ 51,020	54,368
Income taxes	\$ 22,265	14,005

The following schedule summarizes the acquisition of North Side State Bank in 2007

NORTH SIDE STATE BANK	
April 30, 2007	
Acquired	
Fair Value of assets acquired	\$ 127,258
Cash paid for the capital stock	8,854
Capital stock issued	19,000
Liabilities assumed	99,967

See accompanying notes to condensed consolidated financial statements.

1) Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of Glacier Bancorp Inc.'s (the "Company") financial condition as of June 30, 2008 and 2007, stockholders' equity for the six months ended June 30, 2008, the results of operations for the three and six months ended June 30, 2008 and 2007, and cash flows for the six months ended June 30, 2008 and 2007. The condensed consolidated statement of financial condition and statement of stockholders' equity and comprehensive income of the Company as of December 31, 2007 have been derived from the audited consolidated statements of the Company as of that date.

The accompanying condensed consolidated financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. Operating results for the six months ended June 30, 2008 are not necessarily indicative of the results anticipated for the year ending December 31, 2008. Certain reclassifications have been made to the 2007 financial statements to conform to the 2008 presentation.

2) Organizational Structure

The Company, headquartered in Kalispell, Montana, is a Montana corporation incorporated in 2004 as a successor corporation to the Delaware corporation incorporated in 1990. As of June 30, 2008, the Company is the parent holding company for ten wholly-owned, independent community bank subsidiaries: Glacier Bank ("Glacier"), First Security Bank of Missoula ("First Security"), Western Security Bank ("Western"), Big Sky Western Bank ("Big Sky"), Valley Bank of Helena ("Valley"), First Bank of Montana ("First Bank-MT"), all located in Montana, Mountain West Bank ("Mountain West") which is located in Idaho, Utah, and Washington, Citizens Community Bank ("Citizens") located in Idaho, 1st Bank ("1st Bank") located in Wyoming, and First National Bank of Morgan ("Morgan") located in Utah.

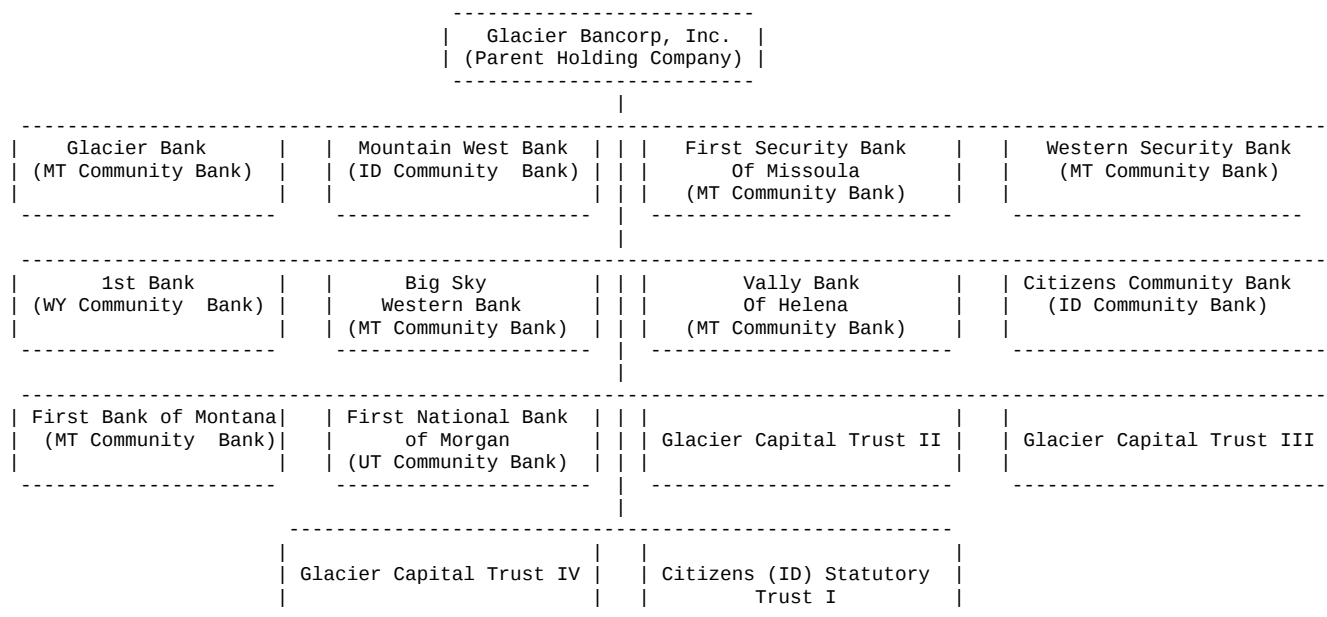
On April 30, 2008, Glacier Bank of Whitefish ("Whitefish") merged into Glacier with operations conducted under the Glacier charter. Prior period activity of Whitefish was combined and included in Glacier's historical results. The merger was accounted for as a combination of two wholly-owned subsidiaries without purchase accounting.

In addition, the Company owns four trust subsidiaries, Glacier Capital Trust II ("Glacier Trust II"), Glacier Capital Trust III ("Glacier Trust III"), Glacier Capital Trust IV ("Glacier Trust IV"), and Citizens (ID) Statutory Trust I ("Citizens Trust I") for the purpose of issuing trust preferred securities and, in accordance with Financial Accounting Standards Board ("FASB") Interpretation 46(R), the subsidiaries are not consolidated into the Company's financial statements. The Company does not have any other off-balance sheet entities.

See Note 12 - Segment Information for selected financial data including net earnings and total assets for the parent company and each of the community bank subsidiaries. Although the consolidated total assets of the Company was \$5 billion at June 30, 2008, eight of the ten community banks had total assets of less than \$1 billion. Morgan, the smallest community bank subsidiary had \$99.5 million in total

assets, while Glacier Bank, the largest community bank subsidiary, had \$1.2 billion in total assets at June 30, 2008.

The following abbreviated organizational chart illustrates the various relationships as of June 30, 2008:



3) Investments

A comparison of the amortized cost and estimated fair value of the Company's investment securities, available-for-sale and other investments is as follows:

INVESTMENTS AS OF JUNE 30, 2008

(Dollars in thousands)	Weighted Yield	Amortized Cost	Gross Unrealized Gains	Unrealized Losses	Estimated Fair Value
AVAILABLE-FOR-SALE:					
GOVERNMENT-SPONSORED ENTERPRISES:					
maturing within one year	3.27%	400	1	--	401
maturing one year through five years	0.00%	--	--	--	--
maturing five years through ten years	4.64%	262	--	(2)	260
maturing after ten years	4.03%	81	1	--	82
	3.84%	743	2	(2)	743
STATE AND LOCAL GOVERNMENTS AND OTHER ISSUES:					
maturing within one year	3.91%	1,383	3	--	1,386
maturing one year through five years	4.47%	4,287	49	(1)	4,335
maturing five years through ten years	5.09%	15,858	752	(4)	16,606
maturing after ten years	5.09%	248,389	6,608	(904)	254,093
	5.07%	269,917	7,412	(909)	276,420
MORTGAGE-BACKED SECURITIES	4.82%	438,118	773	(8,375)	430,516
FHLMC AND FNMA STOCK	5.73%	7,593	--	(2,322)	5,271
TOTAL MARKETABLE SECURITIES	4.93%	716,371	8,187	(11,608)	712,950
OTHER INVESTMENTS:					
Certificates of Deposits with over 90 day maturity, at cost	5.25%	99	--	--	99
FHLB and FRB stock, at cost	1.73%	59,952	--	--	59,952
Other stock, at cost	3.07%	416	--	--	416
TOTAL INVESTMENTS	4.68%	\$ 776,838	8,187	(11,608)	773,417

INVESTMENTS AS OF DECEMBER 31, 2007

(Dollars in thousands)	Weighted Yield	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
AVAILABLE-FOR-SALE:					
U.S. GOVERNMENT AND FEDERAL AGENCIES:					
maturing within one year	3.66%	\$ 2,550	3	--	2,553
GOVERNMENT-SPONSORED ENTERPRISES:					
maturing within one year	4.86%	947	--	(1)	946
maturing one year through five years	0.00%	--	--	--	--
maturing five years through ten years	7.06%	280	--	(1)	279
maturing after ten years	6.47%	87	1	--	88
	5.43%	1,314	1	(2)	1,313
STATE AND LOCAL GOVERNMENTS AND OTHER ISSUES:					
maturing within one year	4.03%	1,328	5	(1)	1,332
maturing one year through five years	4.30%	3,928	45	(2)	3,971
maturing five years through ten years	4.96%	16,847	932	(2)	17,777
maturing after ten years	5.09%	255,109	8,999	(319)	263,789
	5.06%	277,212	9,981	(324)	286,869
MORTGAGE-BACKED SECURITIES	4.55%	346,085	693	(3,405)	343,373
FHLMC AND FNMA STOCK	5.74%	7,593	--	(1,804)	5,789
TOTAL MARKETABLE SECURITIES	4.79%	634,754	10,678	(5,535)	639,897
OTHER INVESTMENTS:					
Certificates of Deposits with over					
90 day maturity, at cost	5.06%	199	--	--	199
FHLB and FRB stock, at cost	1.72%	59,815	--	--	59,815
Other stock, at cost	3.09%	413	--	--	413
TOTAL INVESTMENTS	4.52%	\$ 695,181	10,678	(5,535)	700,324

Interest income includes tax-exempt interest for the six months ended June 30, 2008 and 2007 of \$6,348,000 and \$6,928,000, respectively, and for the three months ended June 30, 2008 and 2006 of \$3,174,000 and \$3,476,000, respectively.

Gross proceeds from sale of marketable securities for the six months ended June 30, 2008 and 2007 were \$97,002,000 and \$55,798,000, respectively, resulting in gross gains of \$0 and \$1,000, respectively, and gross losses of \$0 and \$9,000, respectively. The gross proceeds and gross gains for the sale of other stock was \$248,000 and \$0 for the six months ended June 30, 2008 and 2007, respectively. The Company realized a gain of \$130,000 from the extinguishment of the Company's share ownership in Principal Financial Group and a gain of \$118,000 from the mandatory redemption of a portion of Visa, Inc. shares from its recent initial public offering. The cost of any investment sold is determined by specific identification.

The investments in the Federal Home Loan Bank ("FHLB") of Seattle stock are required investments related to the Company's borrowings from FHLB of Seattle. FHLB of Seattle obtains their funding primarily through issuance of consolidated obligations of the FHLB system. The U.S. Government does not guarantee these obligations, and each of the 12 FHLBs are jointly and severally liable for repayment of each other's debt.

4) Loans and Leases

The following table summarizes the Company's loan and lease portfolio,

TYPE OF LOAN (Dollars in thousands)	At 6/30/08		At 12/31/2007		At 6/30/07	
	Amount	Percent	Amount	Percent	Amount	Percent
Real Estate Loans:						
Residential real estate	\$ 706,815	18.8%	\$ 689,238	19.4%	\$ 781,216	23.4%
Loans held for sale	42,772	1.1%	40,123	1.1%	42,620	1.3%
Total	749,587	19.9%	729,361	20.5%	823,836	24.7%
Commercial Loans:						
Real estate	1,736,784	46.2%	1,617,076	45.4%	1,317,821	39.6%
Other commercial	664,558	17.7%	636,351	17.9%	641,170	19.2%
Total	2,401,342	63.9%	2,253,427	63.3%	1,958,991	58.8%
Consumer and other Loans:						
Consumer	207,595	5.6%	206,724	5.8%	210,783	6.3%
Home equity	471,398	12.5%	432,217	12.2%	401,759	12.1%
Total	678,993	18.1%	638,941	18.0%	612,542	18.4%
Net deferred loan fees, premiums and discounts	(8,970)	-0.3%	(10,194)	-0.3%	(11,093)	-0.3%
Allowance for loan and lease losses	(60,807)	-1.6%	(54,413)	-1.5%	(52,422)	-1.6%
Loan receivable, net	\$ 3,760,145	100.0%	\$ 3,557,122	100.0%	\$ 3,331,854	100.0%

The following table sets forth information regarding the Company's non-performing assets at the dates indicated:

(Dollars in thousands)	June 30, 2008	December 31, 2007	June 30, 2007
Real estate and other assets owned	\$ 6,523	2,043	2,153
Accruing Loans 90 days or more overdue	3,700	2,685	4,592
Non-accrual loans	19,674	8,560	5,235
Total non-performing assets	\$ 29,897	13,288	11,980
Non-performing assets as a percentage of total bank assets	0.58%	0.27%	0.25%

Impaired loans, net of government guaranteed amounts, were \$23,707,000, \$12,152,000 and \$5,235,000 as of June 30, 2008, December 31, 2007 and June 30, 2007, respectively. The allowance for loan and lease loss includes valuation allowances of \$3,030,000, \$2,827,000 and \$0 specific to certain impaired loans as of June 30, 2008, December 31, 2007, and June 30, 2007, respectively.

The following table illustrates the loan and lease loss experience:

(Dollars in thousands)	June 30, 2008	December 31, 2007	June 30, 2007
Balance at the beginning of the period	\$ 54,413	49,259	49,259
Charge-offs	(1,498)	(3,387)	(563)
Recoveries	350	1,222	682
Net (charge-offs) recoveries	\$ (1,148)	(2,165)	119
Acquisition (1)	-	639	639
Provision	7,542	6,680	2,405
Balance at the end of the period	\$ 60,807	54,413	52,422
Net (charge-offs) recoveries as a percentage of loans	(0.030%)	(0.060%)	0.004%

(1) Increase attributable to the April 30, 2007 acquisition of North Side State Bank ("North Side") of Rock Springs, Wyoming, which was merged into 1st Bank, the Company's subsidiary bank in Evanston, Wyoming.

5) Intangible Assets

The following table sets forth information regarding the Company's core deposit intangible and mortgage servicing rights as of June 30, 2008:

(Dollars in thousands)	Core Deposit Intangible	Mortgage Servicing Rights (1)	Total
Gross carrying value	\$ 25,706		
Accumulated Amortization	(13,290)		
Net carrying value	\$ 12,416	1,268	13,684
WEIGHTED-AVERAGE AMORTIZATION PERIOD (Period in years)	10.0	9.7	10.0
AGGREGATE AMORTIZATION EXPENSE			
For the three months ended June 30, 2008	\$ 767	53	820
For the six months ended June 30, 2008	1,546	92	1,638
ESTIMATED AMORTIZATION EXPENSE			
For the year ended December 31, 2008	\$ 3,032	135	3,167
For the year ended December 31, 2009	2,738	85	2,823
For the year ended December 31, 2010	2,369	83	2,452
For the year ended December 31, 2011	1,662	80	1,742
For the year ended December 31, 2012	1,300	78	1,378

(1) The mortgage servicing rights are included in other assets and the gross carrying value and accumulated amortization are not readily available.

Acquisitions are accounted for using the purchase accounting method as prescribed by Statement of Financial Accounting Standard ("SFAS") No. 141, Business Combinations. Purchase accounting requires the total purchase price to be allocated to the estimated fair values of assets acquired and

liabilities assumed, including certain intangible assets. Goodwill is recorded for the residual amount in excess of the net fair value.

Adjustment of the allocated purchase price may be related to fair value estimates for which all information has not been obtained or required for pre-acquisition contingencies of the acquired entity known or discovered during the allocation period, the period of time required to identify and measure the fair values of the assets and liabilities acquired in the business combination. The allocation period is generally limited to one year following consummation of a business combination.

6) Deposits

The following table illustrates the amounts outstanding for deposits \$100,000 and greater at June 30, 2008 according to the time remaining to maturity. Included in the certificates of deposit ("CD") maturities are brokered CDs in the amount of \$1,015,000.

(Dollars in thousands)	Certificates of Deposit -----	Non-Maturity Deposits -----	Totals -----
Within three months	\$ 120,148	1,303,609	1,423,757
Three to six months	85,336	-	85,336
Seven to twelve months	100,861	-	100,861
Over twelve months	47,338	-	47,338
	-----	-----	-----
Totals	\$ 353,683 =====	1,303,609 =====	1,657,292 =====

7) Advances and Other Borrowings

The following chart illustrates the average balances and the maximum outstanding month-end balances for FHLB of Seattle advances, repurchase agreements and U.S. Treasury, Tax and Loan borrowings:

(Dollars in thousands)	As of and for the six months ended June 30, 2008 -----	As of and for the year ended December 31, 2007 -----	As of and for the six months ended June 30, 2007 -----
FHLB advances:			
Amount outstanding at end of period	\$ 658,211	538,949	260,224
Average balance	\$ 648,296	382,243	368,928
Maximum outstanding at any month-end	\$ 815,860	538,949	509,519
Weighted average interest rate	3.26%	4.94%	4.97%
Repurchase agreements:			
Amount outstanding at end of period	\$ 176,211	178,041	156,794
Average balance	\$ 184,892	171,290	159,557
Maximum outstanding at any month-end	\$ 192,216	193,421	168,395
Weighted average interest rate	2.33%	4.35%	4.56%
U.S. Treasury, Tax and Loan:			
Amount outstanding at end of period	\$ 209,298	221,409	231,786
Average balance	\$ 173,434	120,188	128,986
Maximum outstanding at any month-end	\$ 299,477	244,012	244,012
Weighted average interest rate	2.74%	5.03%	5.28%

8) Stockholders' Equity

The Federal Reserve Board has adopted capital adequacy guidelines that are used to assess the adequacy of capital in supervising a bank holding company. The following table illustrates the Federal Reserve Board's capital adequacy guidelines and the Company's compliance with those guidelines as of June 30, 2008.

CONSOLIDATED (Dollars in thousands)	Tier 1 (Core) Capital	Tier 2 (Total) Capital	Leverage Capital
	-----	-----	-----
Total stockholder's equity	\$ 549,643	549,643	549,643
Less: Goodwill and intangibles	(152,717)	(152,717)	(152,717)
Other adjustments	(2,322)	(2,322)	(2,322)
Plus: Allowance for loan and lease losses	-	52,258	-
Accumulated other comprehensive			
Unrealized loss on AFS securities	2,075	2,075	2,075
Subordinated debentures	115,000	115,000	115,000
	-----	-----	-----
Regulatory capital computed	\$ 511,679	563,937	511,679
	=====	=====	=====
Risk weighted assets	\$ 4,172,360	4,172,360	
Total average assets			\$ 4,762,239
	=====	=====	=====
Capital as % of risk weighted assets	12.26%	13.52%	10.74%
Regulatory "well capitalized" requirement	6.00%	10.00%	5.00%
	-----	-----	-----
Excess over "well capitalized" requirement	6.26%	3.52%	5.74%
	=====	=====	=====

9) Computation of Earnings Per Share

Basic earnings per common share is computed by dividing net earnings by the weighted average number of shares of common stock outstanding during the period presented. Diluted earnings per share is computed by including the net increase in shares as if dilutive outstanding stock options were exercised, using the treasury stock method.

The following schedule contains the data used in the calculation of basic and diluted earnings per share:

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
	-----	-----	-----	-----
Net earnings available to common stockholders	\$ 18,459,000	16,725,000	35,858,000	32,818,000
Average outstanding shares - basic	53,971,220	53,164,813	53,910,414	52,836,255
Add: Dilutive stock options	180,070	436,883	173,779	578,737
	-----	-----	-----	-----
Average outstanding shares - diluted	54,151,290	53,601,696	54,084,193	53,414,992
	=====	=====	=====	=====
Basic earnings per share	\$ 0.35	0.31	0.67	0.62
	=====	=====	=====	=====
Diluted earnings per share	\$ 0.34	0.31	0.66	0.61
	=====	=====	=====	=====

There were approximately 1,567,573 and 436,130 average shares excluded from the diluted average outstanding share calculation for the six months ended June 30, 2008 and 2007, respectively, due to the option exercise price exceeding the market price.

10) Comprehensive Income

The Company's only component of comprehensive income other than net earnings is the unrealized gains and losses on available-for-sale securities.

Dollars in thousands	For the three months ended June 30,		For the six months ended June 30,	
	2008	2007	2008	2007
Net earnings	\$ 18,459	16,725	35,858	32,818
Unrealized holding loss arising during the period	(10,492)	(7,092)	(8,320)	(5,911)
Tax benefit	4,134	2,794	3,279	2,329
Net after tax	(6,358)	(4,298)	(5,041)	(3,582)
Reclassification adjustment for (gain) losses included in net earnings	-	-	(248)	8
Tax expense (benefit)	-	-	97	(3)
Net after tax	-	-	(151)	5
Net unrealized loss on securities	(6,358)	(4,298)	(5,192)	(3,577)
Total comprehensive income	\$ 12,101	12,427	30,666	29,241

11) Federal and State Income Taxes

The Company and its financial institution subsidiaries join together in the filing of consolidated income tax returns in the following jurisdictions: federal, Montana, Idaho and Utah. Although 1st Bank has operations in Wyoming and Mountain West has operations in Washington, neither Wyoming nor Washington impose a corporate level income tax. All required income tax returns have been timely filed. Income tax returns for the years ended December 31, 2005, 2006 and 2007 remain subject to examination by federal, Montana, Idaho and Utah tax authorities and income tax returns for the years ended December 31, 2003 and 2004 remain subject to examination by the state of Montana and Idaho.

On January 1, 2007, the Company adopted FASB Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes. There was no cumulative effect recognized in retained earnings as a result of adopting FIN 48. The Company determined its unrecognized tax benefit to be \$152,000 as of June 30, 2008.

If the unrecognized tax benefit amount was recognized, it would decrease the Company's effective tax rate from 34.8 percent to 34.5 percent. Management believes that it is unlikely that the balance of its unrecognized tax benefits will significantly increase or decrease over the next twelve months.

The Company recognizes interest related to unrecognized income tax benefits in interest expense and penalties are recognized in other expense. During the six months ended June 30, 2008 and 2007, the Company recognized \$0 interest expense and recognized \$0 penalty with respect to income tax liabilities. The Company had approximately \$37,000 and \$50,000 accrued for the payment of interest at June 30, 2008 and 2007, respectively. The Company had accrued liabilities of \$0 for the payment of penalties at June 30, 2008 and 2007.

12) Segment Information

The Company defines operating segments and evaluates segment performance internally based on individual bank charters. The following schedule provides selected financial data for the Company's operating segments. Centrally provided services to the banks are allocated based on estimated usage of those services. The operating segment identified as "Other" includes limited partnership interests that operate residential rental real estate properties which have been allocated low income housing tax credits. Intersegment revenues primarily represents interest income on intercompany borrowings, management fees, and data processing fees received by individual banks or the parent company. Intersegment revenues, expenses and assets are eliminated in order to report results in accordance with accounting principles generally accepted in the United States of America.

Six months ended and as of June 30, 2008

(Dollars in thousands)	Glacier	Mountain West	First Security	Western	1st Bank	Big Sky	Valley
Revenues from external customers	\$ 42,359	43,550	27,909	18,484	13,983	12,460	10,872
Intersegment revenues	82	25	935	644	638	-	212
Expenses	(32,167)	(37,647)	(21,754)	(15,074)	(11,708)	(9,424)	(8,373)
Net Earnings	\$ 10,274	5,928	7,090	4,054	2,913	3,036	2,711
Total Assets	\$ 1,156,216	1,114,885	847,406	567,473	430,756	330,894	286,312

	Citizens	First Bank of MT	Morgan	Parent	Other	Eliminations	Total Consolidated
Revenues from external customers	\$ 7,007	4,548	2,715	229	116	-	184,232
Intersegment revenues	165	124	233	44,798	15	(47,871)	-
Expenses	(6,230)	(3,547)	(2,675)	(9,169)	(142)	9,536	(148,374)
Net Earnings	\$ 942	1,125	273	35,858	(11)	(38,335)	35,858
Total Assets	\$ 203,816	153,124	99,488	680,379	3,362	(846,243)	5,027,868

Six months ended and as of June 30, 2007

(Dollars in thousands)	Glacier	Mountain West	First Security	Western	1st Bank	Big Sky	Valley
Revenues from external customers	\$ 38,538	42,446	29,187	20,455	11,809	11,439	10,667
Intersegment revenues	78	24	920	713	552	15	95
Expenses	(30,418)	(35,521)	(23,497)	(16,903)	(9,966)	(9,024)	(8,570)
Net Earnings	\$ 8,198	6,949	6,610	4,265	2,395	2,430	2,192
Total Assets	\$ 1,030,238	996,119	834,762	553,387	470,595	288,449	281,809

	Citizens	First Bank of MT	Morgan	Parent	Other	Eliminations	Total Consolidated
Revenues from external customers	\$ 7,549	4,604	2,427	110	85	-	179,316
Intersegment revenues	-	316	632	41,190	25	(44,560)	-
Expenses	(6,461)	(3,969)	(2,602)	(8,482)	(114)	9,029	(146,498)
Net Earnings	\$ 1,088	951	457	32,818	(4)	(35,531)	32,818
Total Assets	\$ 181,250	143,093	91,560	634,276	3,421	(836,004)	4,672,955

Three months ended and as of June 30, 2008

(Dollars in thousands)	Glacier	Mountain West	First Security	Western	1st Bank	Big Sky	Valley
Revenues from external customers	\$ 21,121	21,846	13,681	9,255	6,937	6,184	5,518
Intersegment revenues	41	25	469	259	228	-	123
Expenses	(15,954)	(18,809)	(10,561)	(7,418)	(5,654)	(4,646)	(4,180)
Net Earnings	\$ 5,208	3,062	3,589	2,096	1,511	1,538	1,461
Total Assets	\$ 1,156,216	1,114,885	847,406	567,473	430,756	330,894	286,312

	Citizens	First Bank of MT	Morgan	Parent	Other	Eliminations	Total Consolidated
Revenues from external customers	\$ 3,580	2,334	1,340	91	67	-	91,954
Intersegment revenues	33	23	82	22,910	5	(24,198)	-
Expenses	(3,088)	(1,796)	(1,286)	(4,542)	(78)	4,517	(73,495)
Net Earnings	\$ 525	561	136	18,459	(6)	(19,681)	18,459
Total Assets	\$ 203,816	153,124	99,488	680,379	3,362	(846,243)	5,027,868

Three months ended and as of June 30, 2007

(Dollars in thousands)	Glacier	Mountain West	First Security	Western	1st Bank	Big Sky	Valley
Revenues from external customers	\$ 19,700	22,140	14,764	9,407	6,741	5,894	5,543
Intersegment revenues	39	13	643	549	302	14	58
Expenses	(15,515)	(18,399)	(12,066)	(8,361)	(5,600)	(4,613)	(4,449)
Net Earnings	\$ 4,224	3,754	3,341	1,595	1,443	1,295	1,152
Total Assets	\$ 1,030,238	996,119	834,762	553,387	470,595	288,449	281,809

	Citizens	First Bank of MT	Morgan	Parent	Other	Eliminations	Total Consolidated
Revenues from external customers	\$ 3,820	2,379	1,221	56	39	-	91,704
Intersegment revenues	-	101	327	20,959	15	(23,020)	-
Expenses	(3,259)	(1,985)	(1,339)	(4,290)	(46)	4,943	(74,979)
Net Earnings	\$ 561	495	209	16,725	8	(18,077)	16,725
Total Assets	\$ 181,250	143,093	91,560	634,276	3,421	(836,004)	4,672,955

13) Fair Value Measurement

On January 1, 2008, the Company adopted Financial Accounting Standards Board ("FASB") issued SFAS No. 157, Fair Value Measurements, which is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. FASB issued Staff Position ("FSP") SFAS 157-2, Effective Date of SFAS No. 157, which delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS 157 has been applied prospectively as of January 1, 2008.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The following are the assets measured at fair value on a recurring basis at and for the period ended June 30, 2008.

(Dollars in thousands)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total June 30, 2008
Available-for-sale securities	\$ -	695,619	17,331	712,950
Total assets at fair value	\$ -	695,619	17,331	712,950

The valuation techniques for available-for-sale securities include obtaining quoted market prices for identical assets, where available. If such prices are not available, fair value is based on independent asset pricing services and models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, and prepayments. There have been no significant changes in the valuation techniques during the period.

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended June 30, 2008.

(Dollars in thousands)	Significant Unobservable Inputs (Level 3)
Balance as of January 1, 2008	\$ 17,041
Total unrealized gains included in other comprehensive income	295
Amortization, accretion, or principal payments	(5)
Balance as of June 30, 2008	\$ 17,331

The change in unrealized losses related to available-for-sale securities are reported in the accumulated other comprehensive income (loss).

14) Rate/Volume Analysis

Net interest income can be evaluated from the perspective of relative dollars of change in each period. Interest income and interest expense, which are the components of net interest income, are shown in the following table on the basis of the amount of any increases (or decreases) attributable to changes in the dollar levels of the Company's interest-earning assets and interest-bearing liabilities ("Volume") and the yields earned and rates paid on such assets and liabilities ("Rate"). The change in interest income and interest expense attributable to changes in both volume and rates has been allocated proportionately to the change due to volume and the change due to rate.

(Dollars in thousands)	Six Months Ended June 30, 2008 vs. 2007		
	Increase (Decrease) due to:		
	Volume	Rate	Net
	-----	-----	-----
INTEREST INCOME			
Residential real estate loans	\$ (2,409)	(2,242)	(4,651)
Commercial loans	17,766	(8,955)	8,811
Consumer and other loans	2,495	(1,782)	713
Investment securities and other	(1,540)	43	(1,497)
	-----	-----	-----
Total Interest Income	16,312	(12,936)	3,376
INTEREST EXPENSE			
NOW accounts	45	(788)	(743)
Savings accounts	11	(345)	(334)
Money market accounts	1,104	(4,439)	(3,335)
Certificates of deposit	(2,770)	(1,812)	(4,582)
FHLB advances	6,886	(5,439)	1,447
Other borrowings and repurchase agreements	2,681	(4,400)	(1,719)
	-----	-----	-----
Total Interest Expense	7,957	(17,223)	(9,266)
	-----	-----	-----
NET INTEREST INCOME	\$ 8,355	4,287	12,642
	=====	=====	=====

15) Average Balance Sheet

The following schedule provides (i) the total dollar amount of interest and dividend income of the Company for earning assets and the resultant average yield; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rate; (iii) net interest and dividend income; (iv) interest rate spread; and (v) net interest margin. Non-accrual loans are included in the average balance of the loans.

AVERAGE BALANCE SHEET (Dollars in thousands)	For the Three months ended 6-30-08			For the Six months ended 6-30-08		
	Average Balance	Interest and Dividends	Average Yield/Rate	Average Balance	Interest and Dividends	Average Yield/Rate
ASSETS						
Residential real estate loans	\$ 728,127	12,399	6.81%	\$ 723,749	24,991	6.91%
Commercial loans	2,351,722	41,100	7.01%	2,313,383	83,633	7.25%
Consumer and other loans	659,960	11,790	7.17%	649,525	23,897	7.38%
Total Loans	3,739,809	65,289	7.00%	3,686,657	132,521	7.21%
Tax - exempt investment securities (1)	255,227	3,174	4.97%	257,560	6,348	4.93%
Other investment securities	537,735	6,110	4.55%	530,123	11,720	4.42%
Total Earning Assets	4,532,771	74,573	6.58%	4,474,340	150,589	6.73%
Goodwill and core deposit intangible	153,157			153,587		
Other non-earning assets	229,029			234,279		
TOTAL ASSETS	\$ 4,914,957			\$ 4,862,206		
LIABILITIES AND STOCKHOLDERS' EQUITY						
NOW accounts	\$ 467,852	698	0.60%	\$ 465,784	1,609	0.69%
Savings accounts	272,941	446	0.66%	270,113	993	0.74%
Money market accounts	763,838	3,904	2.05%	781,622	9,855	2.53%
Certificates of deposit	854,667	8,426	3.95%	857,610	17,886	4.18%
FHLB advances	701,324	4,821	2.76%	648,296	10,539	3.26%
Repurchase agreements and other borrowed funds	521,139	3,978	3.06%	512,717	8,778	3.43%
Total Interest Bearing Liabilities	3,581,761	22,273	2.49%	3,536,142	49,660	2.82%
Non-interest bearing deposits	735,953			735,579		
Other liabilities	47,641			46,113		
Total Liabilities	4,365,355			4,317,834		
Common stock	540			539		
Paid-in capital	379,265			377,858		
Retained earnings	166,307			161,543		
Accumulated other Comprehensive income	3,490			4,432		
Total Stockholders' Equity	549,602			544,372		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,914,957			\$ 4,862,206		
Net interest income		\$ 52,300			\$ 100,929	
Net interest spread			4.09%			3.91%
Net Interest Margin			4.63%			4.52%
Net Interest Margin (Tax Equivalent)			4.75%			4.65%
Return on average assets (annualized)			1.51%			1.48%
Return on average equity (annualized)			13.51%			13.25%

(1) Excludes tax effect of \$2,810 and \$1,405 on non-taxable investment security income for the year and quarter ended June 30, 2008, respectively.

16) Change in Accounting Principle

In September 2006, FASB ratified the consensus reached by the Emerging Issues Task Force ("EITF") for Issue 06-4, Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangement. Effective for fiscal years beginning after December 15, 2007, the EITF requires policy holders of split dollar life insurance arrangements to recognize a liability for future benefits to the employee with the option to recognize the change in accounting principle through either a cumulative-effective adjustment to beginning retained earnings or through retrospective application to all periods.

The Company has split-dollar life insurance policies that required recording a liability for future benefits. The Company opted to recognize a cumulative-effect adjustment of \$997,000 to retained earnings as of January 1, 2008 due to the impracticality of obtaining prior years information.

In February 2007, FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of SFAS No. 115. SFAS 159 allows companies to report selected financial assets and liabilities at fair value. The changes in fair value are recognized in earnings and the assets and liabilities measured under this methodology are required to be displayed separately in the balance sheet. While SFAS 159 is effective beginning January 1, 2008, the Company has not elected the fair value option that is offered by this statement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS - THE THREE MONTHS ENDED JUNE 30, 2008 COMPARED TO MARCH 31, 2008 AND JUNE 30, 2007

Performance Summary

The Company reported net earnings of \$18.459 million for the second quarter, an increase of \$1.734 million, or 10 percent, over the \$16.725 million for the second quarter of 2007. Diluted earnings per share of \$.34 for the quarter is an increase of 10 percent over the diluted earnings per share of \$.31 for the same quarter of 2007. Annualized return on average assets and return on average equity for the second quarter were 1.51 percent and 13.51 percent, respectively, which compares with prior year returns for the second quarter of 1.47 percent and 13.79 percent, respectively. The increase in earnings is primarily due to an improvement in the net interest margin and a steady increase in loans as well as a \$1 million increase in non-interest income.

REVENUE SUMMARY
(UNAUDITED - \$ IN THOUSANDS)

	Three months ended		
	June 30, 2008 (unaudited)	March 31, 2008 (unaudited)	June 30, 2007 (unaudited)
Net interest income			
Interest income	\$ 74,573	\$ 76,016	\$ 75,293
Interest expense	22,273	27,387	30,097
Net interest income	52,300	48,629	45,196
Non-interest income			
Service charges, loan fees, and other fees	12,223	10,961	11,758
Gain on sale of loans	4,245	3,880	3,708
Gain on sale of investments	-	248	-
Other income	913	1,173	945
Total non-interest income	17,381	16,262	16,411
	\$ 69,681	\$ 64,891	\$ 61,607
Tax equivalent net interest margin	4.75%	4.54%	4.51%

	\$ change from March 31, 2008	\$ change from June 30, 2007	% change from March 31, 2008	% change from June 30, 2007
Net interest income				
Interest income	\$ (1,443)	\$ (720)	-2%	-1%
Interest expense	\$ (5,114)	\$ (7,824)	-19%	-26%
Net interest income	3,671	7,104	8%	16%
Non-interest income				
Service charges, loan fees, and other fees	1,262	465	12%	4%
Gain on sale of loans	365	537	9%	14%
Gain on sale of investments	(248)	-	-100%	n/m
Other income	(260)	(32)	-22%	-3%
Total non-interest income	1,119	970	7%	6%
	\$ 4,790	\$ 8,074	7%	13%

n/m - not measurable

Net Interest Income

Net interest income for the quarter increased \$4 million, or 8 percent, from the prior quarter, and increased \$7 million, or 16 percent, over the same period in 2007. While total interest income has decreased by \$1 million, or 1 percent, from the same period last year, total interest expense has decreased by \$8 million, or 26 percent, from the same period last year. The decrease in total interest expense is primarily attributable to rate decreases in interest bearing deposits and lower cost borrowings. The net interest margin as a percentage of earning assets, on a tax equivalent basis, was 4.75 percent which is 21 basis points higher than the 4.54 percent achieved for the prior quarter and 24 basis points higher than the 4.51 percent result for the second quarter of 2007.

Provision for Loan Losses

The Company recorded a provision for loan losses of \$5.0 million, an increase of \$3.8 million from the same quarter in 2007. Such increase is primarily attributable to higher reserves for certain commercial real estate loans in Western Montana and Idaho, most notably in the Coeur d'Alene, Sandpoint and Boise markets, and the

increase in non-performing assets at June 30, 2008 compared to June 30, 2007. Net charged-off loans during the three months ended June 30, 2008 was \$915 thousand.

The determination of the allowance for loan and lease losses ("ALLL") and the related provision for loan losses is a critical accounting estimate that involves management's judgments about current environmental factors which affect loan losses, such factors including economic conditions, changes in collateral values, net charge-offs, and other factors discussed in "Financial Condition Analysis" - Allowance for Loan and Lease Losses.

Non-interest Income

Non-interest income for the quarter increased \$1 million, or 7 percent, from the prior quarter, and also increased \$1 million, or 6 percent, over the same period in 2007. Fee income increased \$1.3 million, or 12 percent, during the quarter, compared to the \$465 million, or 4 percent, increase over the same period last year. The fee income increases are attributable to the continued growth in the number of checking accounts. Gain on sale of loans for the quarter increased \$365 thousand, or 9 percent, and increased \$537 thousand, or 14 percent, over the same period last year, such increases resulting from a greater volume of real estate and other loans sold. There were no sales of investments in the quarter, unlike the first quarter which included \$248 thousand in gain from the sale of shares in Principal Financial Group (PFG) and a mandatory redemption of a portion of Visa, Inc. shares from its initial public offering. For the quarter, other income decreased by \$260 thousand, or 22 percent, compared to a decrease of \$32 thousand, or 3 percent, over the same period last year.

NON-INTEREST EXPENSE SUMMARY (UNAUDITED - \$ IN THOUSANDS)

	Three months ended		
	June 30, 2008 (unaudited)	March 31, 2008 (unaudited)	June 30, 2007 (unaudited)
Compensation and employee benefits	\$ 20,967	\$ 21,097	\$ 20,594
Occupancy and equipment expense	5,116	5,133	4,812
Advertising and promotion expense	1,833	1,539	1,582
Outsourced data processing	647	667	680
Core deposit intangibles amortization	767	779	809
Other expenses	7,113	6,398	6,597
Total non-interest expense	\$ 36,443	\$ 35,613	\$ 35,074

	\$ change from March 31, 2008	\$ change from June 30, 2007	% change from March 31, 2008	% change from June 30, 2007
Compensation and employee benefits	\$ (130)	\$ 373	-1%	2%
Occupancy and equipment expense	(17)	304	0%	6%
Advertising and promotion expense	294	251	19%	16%
Outsourced data processing	(20)	(33)	-3%	-5%
Core deposit intangibles amortization	(12)	(42)	-2%	-5%
Other expenses	715	516	11%	8%
Total non-interest expense	\$ 830	\$ 1,369	2%	4%

Non-interest Expense

Non-interest expense increased by \$830 thousand, or 2 percent, from the prior quarter and increased by \$1.4 million, or 4 percent, from the same quarter of 2007. Compensation and benefit expense decreased \$130 thousand, or 1 percent, over the prior quarter, and increased \$373 thousand, or 2 percent, over the same quarter of 2007. The year-over-year increase is primarily attributable to increased staffing levels, including new branches, as well as increased compensation, including commissions tied to increased production, and benefits, including health insurance. The number of full-time-equivalent employees has increased from 1,469 to 1,537, a 5 percent increase since June 30, 2007.

Occupancy and equipment expense increased \$304 thousand, or 6 percent, while other expenses increased \$516 thousand, or 8 percent, since June 30, 2007, reflecting the cost of additional branch locations, facility upgrades, and other general and administrative costs. Advertising and promotion expense increased \$294 thousand, or 19 percent, from the prior quarter, and increased \$251 thousand, or 16 percent, from the same quarter of 2007, such increases primarily attributable to new branch promotions, and the banks continuing focus on attracting and retaining non-interest bearing deposits.

The efficiency ratio (non-interest expense/net interest income plus non-interest income) was 52 percent for the 2008 second quarter, compared to 57 percent for the 2007 second quarter, a five percentage point improvement.

RESULTS OF OPERATIONS - THE SIX MONTHS ENDED JUNE 30, 2008 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2007

Performance Summary

Net earnings of \$35.858 million for the first half of 2008 is an increase of \$3.040 million, or 9 percent over the first half of the prior year. Diluted earnings per share of \$0.66 versus \$0.61 for the same period last year is an increase of 8 percent. Included in first half of 2007 earnings is a nonrecurring \$1.0 million gain (\$1.6 million pre-tax) from the sale of Western Security Bank's Lewistown, Montana branch, which was partially offset by approximately \$500 thousand of nonrecurring expenses from the merger of three of the acquired Citizens Development Company's ("CDC") five subsidiaries into the Company's subsidiaries.

REVENUE SUMMARY (UNAUDITED - \$ IN THOUSANDS)

	Six months ended June 30,			
	2008	2007	\$ change	% change
Interest income	\$ 150,589	\$ 147,213	\$ 3,376	2%
Interest expense	49,660	58,926	(9,266)	-16%
Net interest income	100,929	88,287	12,642	14%
Non-interest income				
Service charges, loan fees, and other fees	23,184	21,843	1,341	6%
Gain on sale of loans	8,125	6,750	1,375	20%
Gain (loss) on sale of investments	248	(8)	256	-3200%
Other income	2,086	3,518	(1,432)	-41%
Total non-interest income	33,643	32,103	1,540	5%
	\$ 134,572	\$ 120,390	\$ 14,182	12%
Tax equivalent net interest margin	4.65%	4.49%		

Net Interest Income

Net interest income for the six months increased \$13 million, or 14 percent, over the same period in 2007. Total interest income increased \$3 million, or 2 percent, while total interest expense decreased \$9 million, or 16

percent. The decrease in interest expense is primarily attributable to the rate decreases on interest bearing deposits and lower cost borrowings. The net interest margin as a percentage of earning assets, on a tax equivalent basis, was 4.65 percent, an increase of 16 basis points from the 4.49 percent for the same period in 2007.

Provision for Loan Losses

The provision for loan loss expense was \$8 million for the first six months of 2008, an increase of \$5 million, or 214 percent, from the same period in 2007. The increase in the provision reflects an increase in non-performing loans since December 31, 2007, as well as reserves for certain commercial real estate loans in western Montana and Idaho. Net charged-off loans during the six months ended June 30, 2008 was \$1.148 million.

Non-interest Income

Total non-interest income increased \$1.5 million, or 5 percent in 2008. Fee income for the first half of 2008 increased \$1 million, or 6 percent, over the first half of 2007, driven primarily by an increased number of loan and deposit accounts, and additional customer products and services offered. Gain on sale of loans increased \$1.4 million, or 20 percent, from the first six months of last year. Gain from the sale of investments during the first half of 2008 included a first quarter mandatory redemption of a portion of Visa, Inc. shares from its initial public offering, and the sale of shares in Principal Financial Group (PFG). Other income for the six months decreased \$1.4 million, or 41 percent, over the same period in 2007. Such decrease is attributable to a gain of \$1.6 million from the January 19, 2007 sale of Western Security Bank's Lewistown branch, a regulatory requirement imposed to complete the acquisition of CDC.

NON-INTEREST EXPENSE SUMMARY (UNAUDITED - \$ IN THOUSANDS)

	Six months ended June 30,			
	2008	2007	\$ change	% change
Compensation and employee benefits	\$ 42,064	\$ 40,100	\$ 1,964	5%
Occupancy and equipment expense	10,249	9,270	979	11%
Advertising and promotion expense	3,372	3,021	351	12%
Outsourced data processing	1,314	1,492	(178)	-12%
Core deposit intangibles amortization	1,546	1,589	(43)	-3%
Other expenses	13,511	12,785	726	6%
Total non-interest expense	\$ 72,056	\$ 68,257	\$ 3,799	6%

Non-interest Expense

Non-interest expense increased by \$4 million, or 6 percent, from the same six months of 2007. The first half of 2007 included approximately \$500,000 of non-recurring expenses and costs, including overtime, associated with the January 26, 2007 merger of three of the five CDC subsidiaries into Glacier Bancorp, Inc.'s subsidiaries, and related operating system conversions. Compensation and employee benefit expense increased \$2 million, or 5 percent, from the first half of 2007, due largely to the increased number of employees added since June 30, 2007. Occupancy and equipment expense increased \$979 thousand, or 11 percent, while other expenses increased \$726 thousand, or 6 percent, since June 30, 2007, reflecting the cost of additional locations and facility upgrades. Advertising and promotion expense increased \$351 thousand, or 12 percent, from the first half of 2007, due primarily to new branch promotions, and the banks continuing focus on attracting and retaining non-interest bearing deposits. The efficiency ratio (non-interest expense/net interest income plus non-interest income) was 54 percent for the first half of 2008 compared favorably to 57 percent for the first six months of 2007.

FINANCIAL CONDITION ANALYSIS

As reflected in the table below, total assets at June 30, 2008 were \$5.028 billion, which is \$211 million, or 4 percent greater than total assets of \$4.817 billion at December 31, 2007, and \$355 million, or 8 percent, greater than the June 30, 2007 total assets of \$4.673 billion.

ASSETS (\$ IN THOUSANDS)	June 30, 2008 (unaudited)	December 31, 2007 (audited)	June 30, 2007 (unaudited)	\$ change from December 31, 2007	\$ change from June 30, 2007
Cash on hand and in banks	\$ 123,545	145,697	134,647	(22,152)	(11,102)
Investment securities, interest bearing deposits, FHLB stock, FRB stock, and fed funds	800,206	782,236	873,405	17,970	(73,199)
Loans:					
Real estate	746,193	725,854	819,427	20,339	(73,234)
Commercial	2,396,098	2,247,303	1,951,995	148,795	444,103
Consumer and other	678,661	638,378	612,854	40,283	65,807
Total loans	3,820,952	3,611,535	3,384,276	209,417	436,676
Allowance for loan and lease losses	(60,807)	(54,413)	(52,422)	(6,394)	(8,385)
Total loans net of allowance for loan and lease losses	3,760,145	3,557,122	3,331,854	203,023	428,291
Other assets	343,972	332,275	333,049	11,697	10,923
Total Assets	\$ 5,027,868	4,817,330	4,672,955	210,538	354,913

At June 30, 2008, total loans were \$3.821 billion, an increase of \$139 million, or 3.8 percent (15 percent annualized) over total loans of \$3.682 billion at March 31, 2008, and an increase of \$209 million, or 6 percent (12 percent annualized) over total loans of \$3.612 billion at December 31, 2007. Over the first half of 2008, commercial loans increased the most with an increase of \$149 million, or 7 percent, followed by consumer loans, which are primarily comprised of home equity loans, increasing by \$40 million, or 6 percent, while real estate loans increased \$20 million, or 3 percent from the fourth quarter of 2007. Since June 30, 2007, total loans have increased \$437 million, or 13 percent, of which commercial loans increased \$444 million, or 23 percent, consumer loans grew by \$66 million, or 11 percent, while real estate loans decreased \$73 million, or 9 percent.

Investment securities, including interest bearing deposits in other financial institutions and federal funds sold, have increased \$18 million, or 2 percent, from December 31, 2007 and have decreased \$73 million, or 8 percent, from June 30, 2007. Investment securities at June 30, 2008 represented 16 percent of total assets at June 30, 2008 and at December 31, 2007 compared to 19 percent at June 30, 2007.

The Company typically sells a majority of long-term mortgage loans originated, retaining servicing only on loans sold to certain lenders. The sale of loans in the secondary mortgage market reduces the Company's risk of holding long-term fixed rate loans in the loan portfolio. Mortgage loans sold with servicing released for the six months ended June 30, 2008 and 2007 were \$356 million and \$310 million, respectively, and for the three months ended June 30, 2008 and 2007 were \$180 million and \$168 million, respectively. The Company has also been active in originating commercial SBA loans, some of which are sold to investors. The amount of loans sold and serviced for others at June 30, 2008 was approximately \$185 million.

Allowance for Loan and Lease Losses

The Company is committed to a conservative management of the credit risk within the loan and lease portfolios, including the early recognition of problem loans. The Company's credit risk management includes stringent credit policies, individual loan approval limits, limits on concentrations of credit, and committee approval of larger loan requests. Management practices also include regular internal and external credit examinations, identification and review of individual loans and leases experiencing deterioration of credit quality, procedures for the collection of non-performing assets, quarterly monitoring of the loan and lease portfolios, semi-annual review of loans by industry, and periodic interest rate shock testing.

Determining the adequacy of the ALLL involves a high degree of judgment and is inevitably imprecise as the risk of loss is difficult to quantify. The ALLL methodology is designed to reasonably estimate the probable loan and lease losses within each subsidiary bank's loan and lease portfolios. Accordingly, the ALLL is maintained within a range of estimated losses. The determination of the ALLL and the related provision for credit losses is a critical accounting estimate that involves management's judgments about all known relevant internal and external environmental factors that affect loan losses, including the credit risk inherent in the loan and lease portfolios, economic conditions nationally and in the local markets in which the banks operate, changes in collateral values, delinquencies, non-performing assets and net charge-offs. Relative to national economic developments, the local market areas in which the banks operate largely continue to have economies that foster the above-average job and population growth achieved over the course of 2007. Although the Company and the banks continue to actively monitor national and local economic trends, a softening of economic conditions combined with declines in the values of real estate that collateralize most of the Company's loan and lease portfolios may adversely affect the credit risk and potential for loss to the Company.

The Company considers the ALLL balance of \$60.807 million adequate to cover inherent losses in the loan and lease portfolios as of June 30, 2008. However, no assurance can be given that the Company will not, in any particular period, sustain losses that are significant relative to the amount reserved, or that subsequent evaluations of the loan and lease portfolios applying management's judgment about then current factors, including regulatory developments, will not require significant changes in the ALLL. Under such circumstances, this could result in enhanced provisions for credit losses. See additional risk factors in Part II - Other information, Item 1A - Risk Factors.

The Company's model of ten wholly-owned, independent community banks, each with its own loan committee, chief credit officer and Board of Directors, provides substantial local oversight to the lending and credit management function. Loan relationships exceeding a bank's loan approval limit up to \$10 million are subject to approval by the Executive Loan Committee consisting of the ten banks' chief credit officers and the Company's Credit Administrator. Loans exceeding \$10 million are subject to approval by the Company's Board of Directors. Unlike a traditional, single-bank holding company, the Company's decentralized business model affords multiple reviews of larger loans before credit is extended, a significant benefit in mitigating and managing the Company's credit risk. The geographic dispersion of the market areas in which the Company and the community bank subsidiaries operate further mitigates the risk of credit loss. While this process is intended to limit credit exposure, there can be no assurance that problem credits will not arise and loan losses incurred, particularly in periods of rapid economic downturns.

At the end of each quarter, each of the subsidiary community banks analyzes its loan and lease portfolio and maintains an ALLL at a level that is appropriate and determined in accordance with accounting principals generally accepted in the United States of America. The ALLL balance covers estimated credit losses on individually evaluated loans, including those which are determined to be impaired, as well as estimated credit losses inherent in the remainder of the loan and lease portfolios.

The ALLL evaluation is well documented and approved by each subsidiary bank's Board of Directors and reviewed by the Company's Board of Directors. In addition, the policy and procedures for determining the balance of the ALLL are reviewed annually by each subsidiary bank's Board of Directors and the Company's Board of Directors.

The primary responsibility for credit risk assessment and identification of problem loans rests with the loan officer of the account. This continuous process, utilizing each of the bank's internal credit risk rating process, is necessary to support management's evaluation of ALLL adequacy. An independent loan review function verifying credit risk ratings evaluates the loan officer and management's evaluation of the loan portfolio credit quality. The loan review function also assesses the evaluation process and provides an independent analysis of the adequacy of the ALLL.

The following table summarizes the allocation of the ALLL:

(Dollars in thousands)	June 30, 2008		December 31, 2007		June 30, 2007	
	Allowance for loan and lease Losses	Percent of loans in category	Allowance for loan and lease Losses	Percent of loans in category	Allowance for loan and lease Losses	Percent of loans in category
Real estate loans	\$ 5,391	19.6%	4,755	20.2%	5,642	24.2%
Commercial real estate loans	26,310	45.3%	23,010	44.6%	19,047	31.6%
Other commercial loans	19,063	17.4%	17,453	17.6%	18,386	26.2%
Consumer and other loans	10,043	17.7%	9,195	17.6%	9,347	18.0%
Totals	\$ 60,807	100.0%	54,413	100.0%	52,422	100.0%

Each bank's ALLL is generally available to absorb losses from any segment of its loan and lease portfolio.

The increase in the ALLL for commercial real estate loans was primarily due to increases in reserves for certain commercial real estate loans in the high growth areas of Western Montana and Idaho, most notably in the Coeur d'Alene, Sandpoint and Boise markets, and the increase in non-performing assets since June 30, 2007.

(Dollars in thousands)	Six months ended June 30, 2008	Year ended December 31, 2007	Six months ended June 30, 2007
Balance at beginning of period	\$ 54,413	49,259	49,259
Charge-offs:			
Real estate loans	(580)	(306)	(94)
Commercial loans	(570)	(2,367)	(309)
Consumer and other loans	(348)	(714)	(160)
Total charge-offs	\$ (1,498)	(3,387)	(563)
Recoveries:			
Real estate loans	44	208	110
Commercial loans	178	656	376
Consumer and other loans	128	358	196
Total recoveries	\$ 350	1,222	682
Net (charge-offs) recoveries	(1,148)	(2,165)	119
Acquisition (1)	-	639	639
Provision	7,542	6,680	2,405
Balance at end of period	\$ 60,807	54,413	52,422
Ratio of net (charge-offs) recoveries to average loans outstanding during the period	(0.030%)	(0.060%)	0.004%
Allowance for loan and lease losses as a percentage of total loan and leases	1.59%	1.51%	1.55%

(1) Increase attributable to the April 30, 2007 acquisition of North Side State Bank ("North Side") of Rock Springs, Wyoming, which was merged into 1st Bank, the Company's subsidiary bank in Evanston, Wyoming.

The ALLL has increased \$8.4 million, or 16 percent, from a year ago. The ALLL of \$60.807 million is 1.59 percent of June 30, 2008 total loans outstanding, up from 1.51 percent at prior year end, and up from 1.55 percent in the second quarter last year. The first six months provision for loan and lease loss expense was \$7.5 million, an

increase of \$5.1 million from the same period in 2007. Net loans and lease charge-offs were \$1.1 million, or .030 percent of average loans and leases in the first six months of 2008, compared to net recoveries of \$119 thousand, or .004 percent of average loans and leases in the first six months of 2007.

The banks' charge-off policy is consistent with bank regulatory standards. Consumer loans generally are charged off when the loan becomes over 120 days delinquent. Real estate acquired as a result of foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned until such time as it is sold. When such property is acquired, it is recorded at the lower of the unpaid principal balance or estimated fair value, not to exceed estimated net realizable value. Any write-down at the time of recording real estate owned is charged to the ALLL. Any subsequent write-downs are charged to current expense.

Non-performing Assets (Dollars in thousands)	At 6/30/2008	At 12/31/2007	At 6/30/2007
	-----	-----	-----
Non-accrual loans:			
Real estate loans	\$ 1,293	934	977
Commercial loans	17,788	7,192	3,799
Consumer and other loans	593	434	459
	-----	-----	-----
Total	\$ 19,674	8,560	5,235
Accruing Loans 90 days or more overdue:			
Real estate loans	467	840	659
Commercial loans	3,006	1,216	3,791
Consumer and other loans	227	629	142
	-----	-----	-----
Total	\$ 3,700	2,685	4,592
Real estate and other assets owned, net	6,523	2,043	2,153
	-----	-----	-----
Total non-performing loans and real estate and other assets owned, net	\$ 29,897	13,288	11,980
	=====	=====	=====
As a percentage of total bank assets	0.58%	0.27%	0.25%
Interest Income (1)	\$ 707	683	206
Allowance for loan and lease losses as a percentage of non-performing assets	203%	409%	438%

(1) Amounts represent interest income that would have been recognized on loans accounted for on a non-accrual basis for the six months ended June 30, 2008, year ended December 31, 2007 and six months ended June 30, 2007 had such loans performed pursuant to contractual terms.

Non-performing assets as a percentage of total bank assets at June 30, 2008 were at .58 percent, up from .57 percent as of March 31, 2008, and up from .25 percent at June 30, 2007. These ratios compare favorably to the Federal Reserve Bank Peer Group average of 1.06 percent at March 31, 2008, the most recent information available. The ALLL was 203 percent of non-performing assets at June 30, 2008, down from 409 percent for the prior year end and down from 438 percent a year ago. Each of the subsidiary banks evaluates the level of its non-performing assets, the values of the underlying real estate and other collateral, and related trends in net charge-offs. Through pro-active credit administration, the banks work closely with borrowers to seek favorable resolution to the extent possible, thereby attempting to minimize net charge-offs or losses to the Company.

Most of the Company's non-performing assets are secured by real estate. Based on the most current information available to management, including updated appraisals where appropriate, the Company believes in most instances the value of the underlying real estate collateral is adequate to minimize any significant charge-offs or loss to the Company.

Loans are reviewed on a regular basis and are placed on a non-accrual status when the collection of the contractual principal or interest is unlikely. The Company typically places loans on non-accrual when principal or interest is due and has remained unpaid for 90 days or more unless the loan is in process of collection and well-secured by collateral the fair value of which is sufficient to discharge the debt in full. When a loan is placed on non-accrual status, interest previously accrued but not collected is generally reversed against current period interest income. Subsequent payments are either applied to the outstanding principal balance or recorded as interest income, depending on the assessment of the ultimate repayment of the loan. Interest accruals are resumed on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

A loan is considered impaired when, based upon current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. The amount of the impairment is measured using cash flows discounted at the loan's effective interest rate, except when it is determined that repayment of the loan is expected to be provided solely by the underlying collateral. For collateral dependent loans, impairment is measured by the fair value of the collateral. When the ultimate collectibility of the total principal of an impaired loan is in doubt, all payments are applied to principal under the cost recovery method. When the ultimate collectibility of the total principal on an impaired loan is not in doubt, contractual interest is generally credited to interest income when received under the cash basis method. Total interest income recognized for impaired loans under the cash basis for the three and six months ended June 30, 2008 and 2007 was not significant. Impaired loans, net of government guaranteed amounts, were \$23.707 million and \$5.235 million as of June 30, 2008 and 2007, respectively. The ALLL includes valuation allowances of \$3.030 million and \$0 specific to certain impaired loans as of June 30, 2008 and 2007, respectively.

LIABILITIES (\$ IN THOUSANDS)	June 30, 2008 (unaudited)	December 31, 2007 (audited)	June 30, 2007 (unaudited)	\$ change from December 31, 2007	\$ change from June 30, 2007
Non-interest bearing deposits	\$ 778,786	788,087	820,728	(9,301)	(41,942)
Interest bearing deposits	2,347,137	2,396,391	2,533,957	(49,254)	(186,820)
Advances from Federal Home Loan Bank	658,211	538,949	260,224	119,262	397,987
Securities sold under agreements to repurchase and other borrowed funds	531,648	401,621	390,780	130,027	140,868
Other liabilities	43,884	45,147	49,036	(1,263)	(5,152)
Subordinated debentures	118,559	118,559	118,559	-	-
Total liabilities	\$ 4,478,225	4,288,754	4,173,284	189,471	304,941

Non-interest bearing deposits increased \$8 million, or 1 percent, since March 31, 2008, decreased \$9 million, or 1 percent, since December 31, 2007, and decreased \$42 million, or 5 percent, since June 30, 2007. Interest bearing deposits decreased \$49 million from December 31, 2007. The decrease of \$187 million in interest bearing deposits since June 30, 2007 includes a \$226 million decrease in higher cost brokered CD's in favor of lower cost interest bearing deposits. FHLB of Seattle advances increased \$398 million from June 30, 2007 and increased \$119 million from December 31, 2007. Repurchase agreements and other borrowed funds were \$532 million at June 30, 2008, an increase of \$141 million from June 30, 2007, and an increase of \$130 million from December 31, 2007. Included in this latter category are U.S. Treasury Tax and Loan funds of \$199 million at June 30, 2008, a decrease of \$17 million from December 31, 2007, and a decrease of \$27 million from June 30, 2007.

STOCKHOLDERS' EQUITY (\$ IN THOUSANDS EXCEPT PER SHARE DATA)	June 30, 2008 (unaudited)	December 31, 2007 (audited)	June 30, 2007 (unaudited)	\$ change from December 31, 2007	\$ change from June 30, 2007
Common equity	\$ 551,718	525,459	500,179	26,259	51,539
Accumulated other comprehensive (loss) income	(2,075)	3,117	(508)	(5,192)	(1,567)
Total stockholders' equity	549,643	528,576	499,671	21,067	49,972
Core deposit intangible, net, and goodwill	(152,717)	(154,264)	(155,593)	1,547	2,876
	\$396,926	374,312	344,078	22,614	52,848
Stockholders' equity to total assets	10.93%	10.97%	10.69%		
Tangible stockholders' equity to total tangible assets	8.14%	8.03%	7.62%		
Book value per common share	\$ 10.18	9.85	9.34	0.33	0.84
Market price per share at end of quarter	\$ 15.99	18.74	20.35	(2.75)	(4.36)

Total stockholders' equity and book value per share amounts have increased \$50 million and \$.84 per share, respectively, from June 30, 2007, the result of earnings retention and exercised stock options. Tangible stockholders equity has increased \$53 million, or 15 percent since June 30, 2007, with tangible stockholders' equity at 8.14 percent of total tangible assets at June 30, 2008, up from 7.62 percent at June 30, 2007. Accumulated other comprehensive income, representing net unrealized gains or losses on investment securities designated as available for sale, decreased \$2 million from June 30, 2007.

Cash dividend

On June 25, 2008, the board of directors declared a cash dividend of \$.13 payable July 17, 2008 to shareholders of record on April 8, 2008, which is an increase of 8 percent over the \$.12 dividend declared in the first quarter of last year.

Liquidity and Capital Resources

The objective of liquidity management is to maintain cash flows adequate to meet current and future needs for credit demand, deposit withdrawals, maturing liabilities and corporate operating expenses. The principal source of the Company's cash revenues are dividends received from the Company's banking subsidiaries. The payment of dividends is subject to government regulation, in that regulatory authorities may prohibit banks and bank holding companies from paying dividends which would constitute an unsafe or unsound banking practice. The subsidiaries' source of funds is generated by deposits, principal and interest payments on loans, sale of loans and securities, short and long-term borrowings, and net earnings. In addition, all of the banking subsidiaries are members of the FHLB of Seattle. As of June 30, 2008, the Company had \$951 million of available FHLB of Seattle credit of which \$658 million was utilized. Accordingly, management of the Company has a wide range of versatility in managing the liquidity and asset/liability mix for each individual institution as well as the Company as a whole.

Lending Commitments

In the normal course of business, there are various outstanding commitments to extend credit, such as letters of credit and un-advanced loan commitments, which are not reflected in the accompanying condensed consolidated financial statements. Management does not anticipate any material losses as a result of these transactions.

Impact of Recently Issued Accounting Standards

In December 2007, FASB issued SFAS No. 141(R), Business Combinations. The objective of this Statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. The Statement establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and c) determines what

information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Company is currently evaluating the impact of the adoption of this standard, but does not expect it to have a material effect on the Company's financial position or results of operations with any future business combinations.

Merger of Bank Subsidiaries

Effective April 30, 2008, Whitefish merged into Glacier with the combined operations conducted under the Glacier charter. In connection with the merger, Russ Porter, President of Whitefish, has joined Mountain West as President and Chief Operating Officer.

Effect of inflation and changing prices

Generally accepted accounting principles often require the measurement of financial position and operating results in terms of historical dollars, without consideration for change in relative purchasing power over time due to inflation. Virtually all assets of the Company and each subsidiary bank are monetary in nature; therefore, interest rates generally have a more significant impact on a company's performance than does the effect of inflation.

Forward Looking Statements

This Form 10-Q includes forward looking statements, which describe management's expectations regarding future events and developments such as future operating results, growth in loans and deposits, continued success of the Company's style of banking and the strength of the local economies in which it operates. Future events are difficult to predict, and the expectations described above are necessarily subject to risk and uncertainty that may cause actual results to differ materially and adversely. In addition to discussions about risks and uncertainties set forth from time to time in the Company's public filings, factors that may cause actual results to differ materially from those contemplated by such forward looking statements include, among others, the following possibilities: (1) local, national and international economic conditions are less favorable than expected or have a more direct and pronounced effect on the Company than expected and adversely affect the company's ability to continue its internal growth at historical rates and maintain the quality of its earning assets; (2) changes in interest rates reduce interest margins more than expected and negatively affect funding sources; (3) projected business increases following strategic expansion or opening or acquiring new banks and/or branches are lower than expected; (4) costs or difficulties related to the integration of acquisitions are greater than expected; (5) competitive pressure among financial institutions increases significantly; (6) legislation or regulatory requirements or changes adversely affect the businesses in which the Company is engaged.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company believes that there have not been any material changes in information about the Company's market risk than was provided in the Form 10-K report for the year ended December 31, 2007.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of our disclosure controls and procedures (as required by Exchange Act Rules 240.13a-15(b) and 15d-14(c)) as of the date of this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are effective and timely, providing them with material information relating to the Company required to be disclosed in the reports the Company files or submits under the Exchange Act.

Changes in Internal Controls

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the second quarter 2008, to which this report relates that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no pending material legal proceedings to which the registrant or its subsidiaries are a party.

ITEM 1A. RISK FACTORS

The Company and the community bank subsidiaries are exposed to certain risks. The following is a discussion of the most significant risks and uncertainties that may affect the Company's business, financial condition and future results.

Fluctuating interest rates can adversely affect our profitability

The Company's 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 our 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, the profitability. The Company cannot provide assurance that it can minimize interest rate risk. In addition, interest rates also affect the amount of money the Company can lend. When interest rates rise, the cost of borrowing also increases. Accordingly, changes in levels of market interest rates could materially and adversely affect the net interest spread, asset quality, loan origination volume, business and prospects.

A tightening of the credit market may make it difficult to obtain available money to fund loan growth, which could adversely affect our earnings

A tightening of the credit market and the inability to obtain adequate money to fund continued loan growth may negatively affect asset growth and, therefore, earnings capability. In addition to any deposit growth, maturity of investment securities and loan payments, the Company also relies on alternative funding sources through correspondent banking and a borrowing line with the FHLB of Seattle to fund loans. In the event of a downturn in the economy, particularly in the housing market, these resources could be negatively affected, which would limit the funds available to the Company.

Allowance for Loan and Lease Losses may not be adequate to cover actual loan losses, which could adversely affect earnings

The Company maintains an ALLL in an amount that is believed adequate to provide for losses inherent in the portfolio. While the Company strives to carefully monitor credit quality and to identify loans that may become non-performing, at any time there are loans included in the portfolio that will result in losses that have not been identified as non-performing or potential problem loans. The Company cannot be sure that it will be able to identify deteriorating loans before they become non-performing assets, or that it will be able to limit losses on those loans that are identified. As a result, future significant additions to the ALLL may be necessary. Additionally, future additions to the ALLL may be required based on changes in the composition of the loans comprising the portfolio and 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 ALLL. Additionally, federal banking regulators, as an integral part of their supervisory function, periodically review

the Company's ALLL. These regulatory agencies may require the Company to increase the ALLL which could have a negative effect on the Company's financial condition and results of operation. A critical element in determining the adequacy of the ALLL is the maintenance of the underlying collateral values, most of which are in real estate.

Concentration in Real Estate Market

The Company has a high concentration of loans secured by real estate and a downturn in the real estate market, for any reason, could hurt business and prospects. In particular, if the nationwide economic decline migrates further to the markets the Company serves, the Company could be exposed to additional risk of losses from real estate related loans. Business activities and credit exposure are concentrated in loans secured by real estate. A decline in the real estate market could negatively affect the business because the collateral securing those loans may decrease in value. A downturn in the economics of the markets the Company serves 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. The ability to recover on defaulted loans by foreclosing and selling the real estate collateral would then be diminished and the Company would more likely to suffer losses on defaulted loans.

Loan portfolio mix could result in increased credit risk in an economic downturn

The loan portfolio contains a high percentage of commercial, commercial real estate, real estate acquisition and development loans in relation to the total loans and total assets. These types of loans generally are viewed as having more risk of default than residential real estate loans or certain other types of loans or investments. In fact, the FDIC has issued a pronouncement alerting banks its concern about banks with a heavy concentration of commercial real estate loans. These types of loans also typically are larger than residential real estate loans and other commercial loans. Because the loan portfolio contains a significant number of commercial and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans may cause a significant increase in non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses, or an increase in loan charge-offs, which could have an adverse impact on the results of operations and financial condition.

Competition in our market area may limit our future success

Commercial banking is a highly competitive business. The Company competes with other commercial banks, savings and loan associations, credit unions, finance, insurance and other non-depository companies operating in the Company's market area. The Company is subject to substantial competition for loans and deposits from other financial institutions. Some of the Company's competitors are not subject to the same degree of regulation and restriction as it is. Some of its competitors have greater financial resources than the Company. If the Company is unable to effectively compete in its market area, the business and results of operations could be adversely affected.

The FDIC likely will increase insurance premiums to rebuild and maintain the federal deposit insurance fund

Based on recent events and the state of the economy, it is likely that the FDIC may increase federal deposit insurance premiums as early as September 2008. Depending on the circumstances, this increase may be relatively significant and will add to the Company's cost of operations. It is too soon to predict the exact amount of any premium increase or the impact on the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (a) Not Applicable
- (b) Not Applicable
- (c) Not Applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

- (a) Not Applicable
- (b) Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

- (a) The Company's Annual Shareholders' Meeting was held April 30, 2008
- (b) Not Applicable
- (c) A brief description of each matter voted upon at the Annual Meeting and the number of votes cast for, against, or withheld, including a separate tabulation with respect to each nominee to serve on the Board is presented below:

- (1) Election of Directors for three-year terms expiring in 2011 and until their successors have been elected and have qualified.

Michael J. Blodnick
Votes Cast For: 45,528,380
Votes Cast Withheld: 484,097

Allen J. Fetscher
Votes Cast For: 45,463,750
Votes Cast Withheld: 548,727

John W. Murdoch
Votes Cast For: 45,307,712
Votes Cast Withheld: 704,766

- (2) To approve an amendment to the Company's Articles of Incorporation to eliminate the current staggered terms of the board of directors and instead provide for the annual election of all directors.

Votes Cast For: 37,835,271
Votes Cast Withheld: 951,514

- (d) None

ITEM 5. OTHER INFORMATION

- (a) Not Applicable
- (b) Not Applicable

ITEM 6. EXHIBITS

- Exhibit 3.i. - Amended and Restated Articles of Incorporation
- Exhibit 3.ii.- Amended and Restated Bylaws
- Exhibit 31.1 - Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes - Oxley Act of 2002
- Exhibit 31.2 - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes - Oxley Act of 2002
- Exhibit 32 - Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLACIER BANCORP, INC.

August 8, 2008

/s/ Michael J. Blodnick

Michael J. Blodnick
President/CEO

August 8, 2008

/s/ Ron J. Copher

Ron J. Copher
Senior Vice President/CFO

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
GLACIER BANCORP, INC.

ARTICLE 1. NAME. The name of the corporation is Glacier Bancorp, Inc. (hereinafter referred to as the "Corporation").

ARTICLE 2. REGISTERED OFFICE AND REGISTERED AGENT. The address of the registered office of the Corporation is 49 Commons Loop, Kalispell, Montana 59901. The name of the registered agent at such address is Michael J. Blodnick.

ARTICLE 3. NATURE OF BUSINESS. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Montana Business Corporation Act ("MBCA").

ARTICLE 4. CAPITAL STOCK. The total number of shares of capital stock which the Corporation has authority to issue is 118,187,500, of which 1,000,000 shall be serial preferred stock, \$0.01 par value per share (hereinafter the "Preferred Stock"), and 117,187,500 shall be common stock, \$0.01 par value per share (hereinafter the "Common Stock").

The Board of Directors is hereby expressly authorized, by resolution or resolutions to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock. Before any shares of any such series are issued, the Board of Directors shall fix, and hereby is expressly empowered to fix, by resolution or resolutions, the following provisions of the shares thereof:

(a) the designation of such series, the number of shares to constitute such series and the stated value thereof if different from the par value thereof;

(b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any shares of stock of any other class or any other series of this class;

(d) whether the shares of such series shall be subject to redemption by the Corporation, and, if so, the times, prices and other conditions of such redemption;

(e) the amount or amounts payable upon shares of such series upon, and the rights of the holders of such series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Corporation;

(f) whether the shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or any other series of this class or any other securities, and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of, the Common Stock or shares of stock of any other class or any other series of this class;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Corporation or upon the issue of any additional stock, including additional shares of such series or of any other series of this class or of any other class; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

The powers, preferences and relative, participating, optional and other special rights, of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of Preferred Stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall accrue and/or be cumulative.

ARTICLE 5. INCORPORATOR. The name and mailing address of the sole incorporator is as follows:

Name	Address
Michael J. Blodnick	Glacier Bancorp, Inc. 49 Commons Loop Kalispell, Montana 59901

ARTICLE 6. PREEMPTIVE RIGHTS. No holder of the capital stock of the Corporation shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class whatsoever of the Corporation, or of securities convertible into stock of any class whatsoever, whether now or hereafter authorized, or whether issued for cash or other consideration or by way of a dividend.

ARTICLE 7. DIRECTORS. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors. Except as otherwise fixed pursuant to the provisions of Article 4 hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors, the number of directors shall be determined by a vote of the majority of the Board of Directors, provided that no decrease shall have the effect of shortening the term of any incumbent director. Notwithstanding anything to the contrary contained in these Articles of Incorporation, the number of directors may not be less than seven (7) or more than seventeen (17).

A. Term. Until the annual meeting of shareholders to be held in 2009, the Board of Directors will be divided into three classes. Each such Class will consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. Until the annual meeting of shareholders to be held in 2009, each director will serve for a term ending on the date of the third annual meeting of shareholders following the annual meeting at which such director was elected. The terms of office of all directors who are in office immediately prior to the closing of the polls for the election of directors at the 2009 annual meeting of shareholders of the Corporation shall expire at such time. At each annual meeting of shareholders beginning with the 2009 annual meeting of shareholders of the Corporation, directors shall not have staggered terms, and the directors shall be elected to hold office until the next annual meeting of shareholders and until their successors shall have been duly elected and qualified, subject, however, to prior resignation, retirement, disqualification or removal from office. Shareholders of the Corporation shall not be permitted to cumulate their votes for the election of directors.

B. Vacancies. Except as otherwise fixed pursuant to the provisions of Article 4 hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors, any vacancy occurring in the Board of Directors, including any vacancy created by reason of an increase in the number of directors, may be filled by a majority vote of the directors then in office, whether or not a quorum is present, or by a sole remaining director, and any director so chosen shall hold office until the next annual meeting of shareholders and until such director's successor shall have been elected and qualified.

C. Removal. Subject to the rights of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect directors, any director (including persons elected by directors to fill vacancies in the Board of Directors) may be removed from office only for cause at a duly constituted meeting of shareholders called expressly for such purpose.

ARTICLE 8. LIABILITY OF DIRECTORS AND OFFICERS. The personal liability of the directors and officers of the Corporation for monetary damages shall be eliminated to the fullest extent permitted by the MBCA as it exists on the effective date of these Articles of Incorporation or as such law may be thereafter in effect. No amendment, modification or repeal of this Article 8 shall adversely affect the rights provided hereby with respect to any claim, issue or matter in any proceeding that is based in any respect on any alleged action or failure to act prior to such amendment, modification or repeal.

ARTICLE 9. CERTAIN BUSINESS COMBINATIONS.

9.1 VOTE REQUIRED FOR CERTAIN BUSINESS COMBINATIONS.

A. Higher Vote for Certain Business Combinations. In addition to any affirmative vote required by law, any other provision of these Articles of Incorporation, the Bylaws of the Corporation, any agreement with a national securities exchange or otherwise, and except as otherwise expressly provided in Article 9.2 of this Article 9:

(1) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (i) any Interested Shareholder (as hereinafter defined) or (ii) any other corporation (whether or not itself an Interested Shareholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Shareholder; or

(2) any sale, lease, license, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder or any Affiliate of any Interested Shareholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value (as hereinafter defined) of \$500,000 or more; or

(3) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Interested Shareholder or any Affiliate of any Interested Shareholder; or

(4) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Shareholder or any Affiliate of any Interested Shareholder; or

(5) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Shareholder or any Affiliate of any Interested Shareholder; shall require the affirmative vote of the holders of at least 80% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class (it being understood that for purposes of this Article 9, each share of the Voting Stock shall have the number of votes granted to it pursuant to Article 4 of these Articles of Incorporation). Such affirmative vote shall be required notwithstanding that no vote may be required, or that a lesser percentage may be specified, by law, any other provision of these Articles of Incorporation, the Bylaws of the Corporation, any agreement with any national securities exchange or otherwise.

B. Definition of "Business Combination." The term "Business Combination" as used in this Article 9 shall mean any transaction which is referred to in any one or more of clauses (1) through (5) of paragraph A of this Article 9.1.

9.2 WHEN HIGHER VOTE IS NOT REQUIRED.

The provisions of Article 9.1 shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as may be required by law, any other provision of these Articles of Incorporation, the Bylaws of the Corporation, any agreement with a national securities exchange or otherwise, if all of the conditions specified in either of the following paragraphs A or B are met:

A. Approval by Disinterested Directors. The Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined).

B. Price and Procedural Requirements. All of the following conditions shall have been met:

(1) The aggregate amount of the cash and the Fair Market Value as of the consummation of the Business Combination of consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be at least equal to the higher of the following:

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any shares of Common Stock acquired by it (i) within the five-year period immediately prior to the first public announcement of the terms of the proposed Business Combination (the "Announcement Date") or (ii) in the transaction in which it became an Interested Shareholder, whichever is higher; and

(b) the Fair Market Value per share of Common Stock on the Announcement Date or on the date on which the Interested Shareholder became an Interested Shareholder (such latter date is referred to in this Article 9 as the "Determination Date"), whichever is higher.

(2) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of shares of any other class of outstanding Voting Stock shall be at least equal to the highest of the following (it being intended that the requirements of this clause (2) shall be required to be met with respect to every class of outstanding Voting Stock, whether or not the Interested Shareholder has previously acquired any shares of a particular class of Voting Stock):

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any shares of such class of Voting Stock acquired by it (i) within the five-year period immediately prior to the Announcement Date or (ii) in the transaction in which it became an Interested Shareholder, whichever is higher;

(b) the Fair Market Value per share of such class of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher; and

(c) (if applicable) the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) The consideration to be received by holders of a particular class of outstanding Voting Stock (including Common Stock) shall be in cash or in the same form as the Interested Shareholder has previously paid for shares of such class of Voting Stock. If the Interested Shareholder has paid for shares of any class of Voting Stock with varying forms of consideration, the form of consideration for such class of Voting Stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock previously acquired by it. The price determined in accordance with clauses (1) and (2) of this paragraph (B) shall be subject to appropriate adjustment in the event of any stock dividend, stock split, combination of shares or similar event.

(4) After such Interested Shareholder has proposed such a Business Combination and prior to the consummation of such Business Combination; (a) except as approved by a majority of the Disinterested Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on the outstanding Preferred Stock of the Corporation; (b) there shall have been (i) no reduction in the quarterly rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Disinterested Directors, and (ii) an increase in such quarterly rate of dividends paid on such Common Stock as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Disinterested Directors; and (c) such Interested Shareholder shall not have become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Shareholder becoming an Interested Shareholder.

(5) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended (or any subsequent provisions replacing such) (hereinafter referred to as the "Act"), and the rules and regulations of the Securities and Exchange Commission thereunder shall be mailed to the shareholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to the Act.)

(6) The holders of all outstanding shares of Voting Stock not beneficially owned by the Interested Shareholder prior to the consummation of any Business Combination shall be entitled to receive in such Business Combination cash or other consideration for their shares of such Voting Stock in compliance with clauses (1), (2) and (3) of paragraph B of this Article 9.2 (provided, however, that the failure of any such holders who are exercising their statutory rights to dissent from such Business Combination and receive payment of the fair value of their shares to exchange their shares in such Business Combination shall not be deemed to have prevented the condition set forth in this clause (6) from being satisfied).

9.3 CERTAIN DEFINITIONS.

For the purposes of this Article 9 the following shall be deemed to have the meanings specified below:

A. The term "person" shall mean any individual, firm, corporation or other entity.

B. The term "Interested Shareholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:

(1) is the beneficial owner, directly or indirectly, of more than 10% of the voting power of the then outstanding Voting Stock; or

(2) is an Affiliate of the Corporation and at any time within the five-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding Voting Stock; or

(3) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the five-year period immediately prior to the date in question beneficially owned by an Interested Shareholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933, as amended (or any subsequent provisions replacing such).

C. A person shall be deemed a "beneficial owner" of any Voting Stock:

(1) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(2) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(3) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purpose of determining whether a person is an Interested Shareholder pursuant to paragraph B of this Article 9.3, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph C of this Article 9.3 but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

E. The terms "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in rule 12b-2 of the General Rules and Regulations under the Act, as in effect on the effective date of these Articles of Incorporation.

F. The term "Subsidiary" shall mean any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Shareholder set forth in paragraph B of this Article 9.3, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. The term "Fair Market Value" shall mean: (1) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Act on which such stock is listed or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Disinterested Directors in good faith, in each case with respect to any class of such stock, appropriately adjusted for any dividend or distribution in shares of such stock or any subdivision or reclassification of outstanding shares of such stock into a greater number of shares of such stock or any combination or reclassification of outstanding shares of such stock into a smaller number of shares of such stock; and (2) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by a majority of the Disinterested Directors in good faith.

H. In the event of any Business Combination in which the Corporation is the survivor, the phrase "consideration other than cash to be received" as used in clauses (1) and (2) of paragraph B of Article 9.2 shall include the shares of Common Stock and/or the shares of any other eligible outstanding Voting Stock retained by the holders of such shares.

I. The term "Disinterested Director" shall mean any member of the Board of Directors of the Corporation who is unaffiliated with the Interested Shareholder and who was a member of the Board of Directors prior to the Determination Date, and any successor of a Disinterested Director who is unaffiliated with the Interested Shareholder and is recommended to succeed a Disinterested Director by a majority of the total number of Disinterested Directors then on the Board of Directors.

J. References to "highest per share price" shall in each case with respect to any class of stock reflect an appropriate adjustment for any dividend or distribution in shares of such stock or subdivision or reclassification of outstanding shares of such stock into a greater number of shares of such stock or any combination or reclassification of outstanding shares of such stock into a smaller number of shares of such stock.

9.4 POWERS OF THE BOARD OF DIRECTORS.

A majority of the Board of Directors of the Corporation shall have the power and duty to decide for the purpose of this Article 9, on the basis of information known to them after reasonable inquiry, whether a person is an Interested Shareholder. Once the Board of Directors has made a determination pursuant to the preceding sentence that a person is an Interested Shareholder, a majority of the number of Directors of the Corporation who would qualify as Disinterested Directors shall have the power and duty to interpret all of the terms and provisions of this Article 9, and to determine on the basis of information known to them after reasonable inquiry all facts necessary to ascertain compliance with this Article 9, including, without limitation: (A) the number of shares of Voting Stock beneficially owned by any person, (B) whether a person is an Affiliate or Associate of another, (C) whether the assets which are the subject of any Business Combination have an aggregate Fair Market Value of \$500,000 or more and (D) whether all of the applicable conditions set forth in paragraph B of Article 9.2 have been met with respect to any Business Combination. Any determination pursuant to this Article 9.4 made in good faith shall be binding and conclusive on all parties.

9.5 NO EFFECT ON FIDUCIARY OBLIGATIONS OF INTERESTED SHAREHOLDERS.

Nothing contained in this Article 9 shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.

9.6 AMENDMENT, REPEAL, ETC.

Notwithstanding any other provisions of these Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by these Articles of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of 80% or more of the outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provisions inconsistent with this Article 9.

ARTICLE 10. SHAREHOLDER APPROVAL OF PLAN OF MERGER OR SHARE EXCHANGE. A majority of all votes entitled to be cast by each voting group is sufficient to approve any plan of merger or share exchange requiring approval of the Corporation's shareholders pursuant to Section 35-1-815 of the MBCA (as such statute exists on the effective date of these Articles of

Incorporation or as it may be thereafter in effect); provided that, notwithstanding anything contained in these Articles of Incorporation to the contrary, any transaction with an Interested Party shall be approved in the manner specified in Article 9.

ARTICLE 11. AMENDMENT. The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights conferred upon shareholders herein are granted subject to this reservation; provided that, notwithstanding anything contained in these Articles of Incorporation to the contrary, Article 9 shall be amended in the manner specified in Article 9.6.

/s/ Michael J. Blodnick

Michael J. Blodnick, President and CEO

BYLAWS
OF
GLACIER BANCORP, INC.

ARTICLE I. OFFICES

1.1 Registered Office and Registered Agent. The registered office of Glacier Bancorp, Inc. (the "Corporation") shall be located in the State of Montana at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

1.2 Other Offices. The Corporation may have other offices within or without the State of Montana at such place or places as the Board of Directors may from time to time determine.

ARTICLE II. STOCKHOLDERS' MEETINGS

2.1 Meeting Place. All meetings of the shareholders shall be held at the principal place of business of the Corporation, or at such other place within or without the State of Montana as shall be determined from time to time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

2.2 Annual Meeting Time. The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year on the last Wednesday of April at the hour of 9:00 a.m., if not a legal holiday, and if a legal holiday, then on the day following, at the same hour, or at such other date and time as may be determined by the Board of Directors and stated in the notice of such meeting.

2.3 Organization. Each meeting of the shareholders shall be presided over by the Chairman of the Board, the President, or in the absence of both the Chairman and the President, a chairman of the meeting as designated by the Board of Directors. The Secretary, or in his absence a temporary Secretary, shall act as secretary of each meeting of the shareholders. In the absence of the Secretary and any temporary Secretary, the chairman of the meeting may appoint any person present to act as secretary of the meeting. The chairman of any meeting of the shareholders, unless prescribed by law or regulation or unless the Board of Directors has otherwise determined, shall determine the order of the business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussions as seem to him in order.

2.4 Special Meetings. Special meetings of the shareholders, for any purpose or purposes, may be called at any time by the Chairman of the Board, the President or a majority of the Board of Directors and shall be called by the Chairman of the Board, the President or the Secretary upon the written request of the holders of not less than 10% of the issued and outstanding capital stock of the Corporation entitled to vote on the matter for which the meeting is called, voting together as a single class.

2.5 Notice.

(a) Notice of the time and place of the annual meeting of shareholders shall be given by delivering personally or by mailing a written or printed notice of the same, at least ten days and not more than sixty days prior to the meeting, to each shareholder of record entitled to vote at such meeting. When any shareholders' meeting, either annual or special, is adjourned for 120 days or more, or if a new record date is fixed for an adjourned meeting of shareholders, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the time and place of any meeting adjourned for less than 120 days or of the business to be transacted thereat (unless a new record date is fixed therefor), other than an announcement at the meeting at which such adjournment is taken.

(b) At least ten days and not more than sixty days prior to the meeting, a written or printed notice of each special meeting of shareholders, stating the place, day and hour of such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be either delivered personally or mailed to each shareholder of record entitled to vote at such meeting.

2.6 Shareholders' List for Meeting. No later than two (2) business days after notice is given of any meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting, or any adjournment thereof, shall be made available to shareholders, arranged in alphabetical order, with the address of and number of shares held by each. The record shall be kept open at the time and place of such meeting for the inspection of any shareholder.

2.7 Quorum: Actions of Shareholder. Except as otherwise required by law:

(a) A quorum at any annual or special meeting of shareholders shall consist of shareholders representing, either in person or by proxy, a majority of the outstanding capital stock of the Corporation entitled to vote at such meeting.

(b) The votes of a majority in interest of those present at any properly called meeting or adjourned meeting of shareholders at which a quorum, as defined above, is present, shall be sufficient to transact business.

2.8 Voting of Shares.

(a) Except as otherwise provided in these Bylaws or to the extent that voting rights of the shares of any class or classes are limited or denied by the Articles of Incorporation, each shareholder, on each matter submitted to a vote at a meeting of shareholders, shall have one vote for each share of stock registered in his name on the books of the Corporation.

(b) Directors are to be elected by a plurality of votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Shareholders shall not be permitted to cumulate their votes for the election of directors. If, at any meeting of the shareholders, due to a vacancy or vacancies or otherwise, directors of more than one class of the Board of Directors are to

be elected, each class of directors to be elected at the meeting shall be elected in a separate election by a plurality vote.

2.9 Fixing of the Record Date. The Board of Directors may fix in advance a record date for determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend. Such date shall be not more than seventy days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken.

2.10 Proxies. A shareholder may vote either in person or by proxy executed in writing by the shareholder, or his duly authorized attorney-in-fact. Without limiting the manner in which a shareholder may authorize another person or persons to act for him as proxy, a shareholder may grant such authority in the manner specified in Section 35-1-525 (or any successor thereto) of the Montana Business Corporation Act ("MBCA"). No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

2.11 Waiver of Notice. A waiver of any notice required to be given any shareholder, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

2.12 Voting of Shares in the Name of Two or More Persons. When ownership stands in the name of two or more persons, in the absence of written directions to the Corporation to the contrary, at any meeting of the shareholders of the Corporation any one or more of such shareholders may cast, in person or by proxy, all votes to which such ownership is entitled. In the event an attempt is made to cast conflicting votes, in person or by proxy, by the several persons in whose names shares of stock stand, the vote or votes to which those persons are entitled shall be cast as directed by a majority of those holding such stock and present in person or by proxy at such meeting, but no votes shall be cast for such stock if a majority cannot agree.

2.13 Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by an officer, agent or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such corporation may determine. Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court or other public authority by which such receiver was appointed. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

2.14 Proposals. At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an

annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for shareholder action. To be timely a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not later than 120 days prior to the anniversary date of the mailing of proxy materials by the Corporation in connection with the immediately preceding annual meeting. In no event will the public announcement of an adjournment of a shareholders meeting commence a new time period for the giving of a shareholder's notice as described above. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (a) a brief description of the business desires to be brought before the annual meeting; (b) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business; (c) the class and number of shares of the Corporation which are beneficially owned by the shareholder; (d) any material interest of the shareholder in such business; and (e) any other information that is required to be provided by the shareholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act") (or any successor thereto) in such shareholder's capacity as a proponent of a shareholder proposal. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Article II, Section 2.14, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. This provision is not a limitation on any other applicable laws and regulations.

2.15 Inspectors. For each meeting of shareholders, the Board of Directors shall appoint one or more inspectors of election. If for any meeting the inspector(s) appointed by the Board of Directors shall be unable to act or the Board of Directors shall fail to appoint any inspector, one or more inspectors shall be appointed at the meeting by the chairman thereof. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. An inspector or inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. An inspector or inspectors shall not accept a ballot, proxy or vote, nor any revocations thereof or changes thereto, after the closing of the polls (unless a court of competent jurisdiction, upon application by a shareholder, shall determine otherwise) and may appoint or retain other persons or entities to assist them in the performance of their duties. Inspectors need not be shareholders and may not be nominees for election as directors.

2.16 Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be given by all of the

shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III. CAPITAL STOCK

3.1 Certificates. Shares may but need not be represented by Certificates. Certificates, if utilized, shall be signed by the Chairman of the Board or the President, and the Secretary or the Treasurer, or any other two officers as may be designated by the Board of Directors, and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of such officers may be facsimiles. If an officer who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer before the certificate is issued, it may be issued by the Corporation with the same effect as if the person were an officer on the date of issue. Each newly-issued certificate of stock shall state:

(a) the name of the Corporation and that it is organized under the laws of the State of Montana;

(b) the name of the person to whom issued; and

(c) the number and class of shares and the designation of the series, if any, which such certificate represents.

3.2 Transfers.

(a) Transfers of stock shall be made only upon the stock transfer books of the Corporation, kept at the registered office of the Corporation or at its principal place of business, or at the office of its transfer agent or registrar, and before a new certificate is issued the old certificate shall be surrendered for cancellation. The Board of Directors may, by resolution, open a share register in any state of the United States, and may employ an agent or agents to keep such register, and to record transfers of shares therein.

(b) Shares of stock shall be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificate or an assignment separate from the certificate, or by a written power of attorney to sell, assign and transfer the same, signed by the holder of said certificate. No shares of stock shall be transferred on the books of the Corporation until the outstanding certificates therefor have been surrendered to the Corporation.

3.3 Registered Owner. Registered shareholders shall be treated by the Corporation as the holders in fact of the stock standing in their respective names and the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the State of Montana.

3.4 Mutilated, Lost or Destroyed Certificates. In case of any mutilation, loss or destruction of any certificate of stock, another may be issued in its place upon receipt of proof of such mutilation, loss or destruction. The Board of Directors may impose conditions on such

issuance and may require the giving of a satisfactory bond or indemnity to the Corporation in such sum as it may determine or establish such other procedures as it may deem necessary.

3.5 Fractional Shares or Scrip. The Corporation may (a) issue fractions of a share which shall entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the Corporation in the event of liquidation; (b) arrange for the disposition of fractional interests by those entitled thereto; (c) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such shares are determined; or (d) issue scrip in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip aggregating a full share.

3.6 Shares of Another Corporation. Shares owned by the Corporation in another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Board of Directors may determine or, in the absence of such determination, by the President of the Corporation.

ARTICLE IV. BOARD OF DIRECTORS

4.1 Powers. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, which may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by law, the Articles of Incorporation, or these Bylaws directed or required to be exercised or done by the shareholders.

4.2 Term. The Board of Directors shall be elected in the manner provided in the Corporation's Articles of Incorporation.

4.3 Number of Directors. The number of directors shall be determined in the manner provided in the Corporation's Articles of Incorporation.

4.4 Vacancies. All vacancies in the Board of Directors shall be filled in the manner provided in the Corporation's Articles of Incorporation.

4.5 Removal of Directors. Directors may be removed in the manner provided in the Corporation's Articles of Incorporation.

4.6 Regular Meetings. Regular meetings of the Board of Directors or any committee thereof may be held without notice at the principal place of business of the Corporation or at such other place or places, either within or without the State of Montana, as the Board of Directors or such committee, as the case may be, may from time to time designate. The annual meeting of the Board of Directors may be held without notice immediately after the adjournment of the annual meeting of shareholders.

4.7 Special Meetings.

(a) Special meetings of the Board of Directors may be called at any time by the

Chairman of the Board, the President or by a majority of the authorized number of directors, to be held at the principal place of business of the Corporation or at such other place or places as the Board of Directors or the person or persons calling such meeting may from time to time designate. Notice of all special meetings of the Board of Directors shall be given to each director by two days' service of the same by telephone, facsimile, e-mail, mail or in person. Such notice need not specify the business to be transacted at, or the purpose of, the meeting.

(b) Special meetings of any committee of the Board of Directors may be called at any time by such person or persons and with such notice as shall be specified for such committee by the Board of Directors, or in the absence of such specification, in the manner and with the notice required for special meetings of the Board of Directors.

4.8 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

4.9 Quorum; Actions of the Board of Directors. Except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

4.10 Action by Directors Without a Meeting. Any action required or which may be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

4.11 Action by Directors by Communications Equipment. Any action required or which may be taken at a meeting of directors, or of a committee thereof, may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

4.12 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4.13 Executive and Other Committees. Standing or special committees may be appointed from its own number by the Board of Directors from time to time and the Board of Director may from time to time invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by the Board. An Executive Committee may be appointed by resolution passed by a majority of the full Board of Directors. It shall have and exercise all of the authority of the Board of Directors, except with respect to those matters identified in Section 35-1-439(4) (or any successor thereto) of the MBCA. The designation of any such committee, and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.14 Remuneration. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and/or a stated salary as director. Members of special or standing committees may be allowed like compensation for attending committee meetings. No such payments shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. The Board of Directors or a committee thereof may fix the compensation for directors.

4.15 Nominations of Directors. Subject to the rights of holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, nominations for the elected of directors may be made by the Board of Directors or committee appointed by the Board of Directors or by any shareholder entitled to vote generally in an election of director. However, any shareholder entitled to vote generally in an election of directors may nominate one or more persons for election as directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid to the Secretary of the Corporation not later than 120 days prior to the anniversary date of the mailing of proxy materials by the Corporation in connection with the immediately preceding annual meeting. In no event will the public announcement of an adjournment of a shareholders meeting commence a new time period for the giving of a shareholder's notice as described above. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A (or any successor thereto) under the 1934 Act; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Article IV, Section 4.15. Upon the receipt of a shareholder nomination made in accordance with the procedures prescribed by these Bylaws, such nomination shall be evaluated by the Corporation's Governance/Nominating Committee (or any successor thereto) in

accordance with its evaluation procedures, in order to determine whether such nominee should be included in the slate of persons recommended by the Board of Directors to the Corporation's shareholders for election at the next annual meeting. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedures, and if the chairman so determines, the defective nomination will be disregarded.

ARTICLE V. OFFICERS

5.1 Designations. The officers of the Corporation shall be a Chairman of the Board, a President, a Secretary and a Treasurer, as well as such Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board may designate, who shall be elected for one year by the directors at their first meeting after the annual meeting of shareholders, and who shall hold office until their successors are elected and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 Powers and Duties. The officers of the Corporation shall have such authority and perform such duties as the Board of Directors may from time to time authorize or determine. In the absence of action by the Board of Directors, the officers shall have such powers and duties as generally pertain to their respective offices.

5.3 Delegation. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

5.4 Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

5.5 Other Officers. Directors may appoint such other officers and agents as it may deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.6 Term - Removal. The officers of the Corporation shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.7 Bonds. The Board of Directors may, by resolution, require any and all of the officers to give bonds to the Corporation, with sufficient surety or sureties, conditions for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI. INDEMNIFICATION, ETC. OF DIRECTORS, OFFICERS AND EMPLOYEES

6.1 Indemnification The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer or employee of the Corporation or any predecessor of the Corporation, or is or was serving at the request of the Corporation or any predecessor of the partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the fullest extent authorized by Sections 35-1-451 to 35-1-459 (or any successors thereto) of the MBCA, provided that the Corporation shall not be liable for any amounts which may be due to connection with a settlement of any action, suit or proceeding effected without its prior written consent or any action suit or proceeding initiated by any person seeking indemnification hereunder without its prior written consent.

6.2 Advancement of Expenses. Reasonable expenses (including attorneys' fees) incurred by a director, officer or employee of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding described in Article VI, Section 6.1 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors, subject to the requirements of Section 35-1-454 (or any successor thereto) of the MBCA.

6.3 Other Rights and Remedies. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Corporation's Articles of Incorporation, any agreement, vote of shareholders or disinterested directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person; provided, however, that any such indemnification right is valid only to the extent that it is consistent with Sections 35-1-451 through 35-1-459 (or any successors thereto) of the MBCA.

6.4 Insurance. Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of its Articles of Incorporation or this Article VI.

6.5 Modification. The duties of the Corporation to indemnify and to advance expenses to a director, officer or employee provided in this Article VI shall be in the nature of a contract between the Corporation and each such person, and no amendment or repeal of any provision of this Article VI shall alter, to the detriment of such person, the right of such person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior

to such amendment or repeal.

ARTICLE VII. DIVIDENDS; FINANCE; AND FISCAL YEAR

7.1 Dividends. Subject to the applicable provisions of the MBCA, dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property or in shares of the capital stock of the Corporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, may deem proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any other proper purpose, and the Board of Directors may modify or abolish any such reserve.

7.2 Disbursements. All checks or demand for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.3 Depositories. The monies of the Corporation shall be deposited in the name of the Corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check or other order for payment of money signed by such persons and in such manner as may be determined by resolution of the Board of Directors.

7.4 Fiscal Year. The fiscal year of the Corporation shall end on the 31st day of December of each year.

ARTICLE VIII. NOTICES

Except as may otherwise be required by law, any notice to any shareholder or director may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United State mail, addressed to the addressee at his last known address in the records of the Corporation, with postage thereon prepaid.

ARTICLE IX. SEAL

The corporate seal of the Corporation shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the Corporation.

ARTICLE X. BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall

keep minutes and proceedings of its shareholders and Board of Directors (including committees thereof); and it shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each. Any books, records and minutes may be in written form or any other form capable of being converted into written form within a reasonable time.

ARTICLE XI. AMENDMENTS

11.1 Amendments. These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Board of Directors or by the affirmative vote of the holders of a majority of the votes cast by shareholders of the Corporation at an annual or special meeting of the shareholders.

11.2 Emergency Bylaws. The Board of Directors may adopt emergency Bylaws, subject to repeal or change or by action of the shareholders, which shall be operative during any emergency in the conduct of the business of the Corporation resulting from an attack on the United States or any nuclear or atomic disaster.

ARTICLE XII. USE OF PRONOUNS

Use of the masculine gender in these Bylaws shall be considered to represent either masculine or feminine gender whenever appropriate.

CERTIFICATIONS

I, Michael J. Blodnick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Glacier Bancorp, Inc
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2008

/s/ Michael J. Blodnick

 Michael J. Blodnick
 President/CEO

CERTIFICATIONS

I, Ron J. Copher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Glacier Bancorp, Inc
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2008

/s/ Ron J. Copher

 Ron J. Copher
 Senior Vice President/CFO

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Glacier Bancorp, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Michael J. Blodnick, President and Chief Executive Officer, and Ron J. Copher, Senior Vice President and Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

August 8, 2008

/s/ Michael J. Blodnick

Michael J. Blodnick
President/CEO

/s/ Ron J. Copher

Ron J. Copher
Senior Vice President/CFO