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, 1997

[ ] 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)

DELAWARE	81-0468393
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
P.O. Box 27; 202 Main Street, Kalispell, Montana	59903-0027
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	(406) 756-4200

N/A

(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

The number of shares of Registrant's common stock outstanding on July 25, 1997, was 6,812,017. No preferred shares are issued or outstanding.

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

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GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited - dollars in thousands except per share data)	June 30, 1997	December 31, 1996	June 30, 1996
Assets:			
Cash on hand and in banks	28,786	24,666	22,130
Federal funds sold	235	1,483	710
Interest bearing cash deposits	365	1,000	860
Cash and cash equivalents	29,386	27,149	23,700
Investments:			
Investment securities, held-to-maturity	15,394	16,410	18,020
Investment securities, available-for-sale	37,875	42,989	39,191
Mortgaged backed securities, held-to-maturity	3,317	4,045	3,724
Mortgaged backed securities, available-for-sale	48,159	42,061	40,046
Total Investments	104,745	105,505	100,981
Net loans receivable:			
Real estate loans	201,893	198,607	194,770
Commercial Loans	110,813	100,070	92,223
Installment and other loans	96,128	91,248	86,791
Allowance for losses	(3,469)	(3,284)	(3,111)
Total Loans, net	405,365	386,641	370,673
Premises and equipment, net	11,614	11,292	10,470
Real estate and other assets owned	142	410	36
Federal Home Loan Bank of Seattle stock, at cost	9,879	8,586	8,038
Federal Reserve stock, at cost	340	340	280
Accrued interest receivable	3,840	3,473	3,530
Goodwill, net	1,442	1,526	1,610
Other assets	857	1,070	728
	567,610	545,992	520,046
Liabilities and stockholders' equity:			
Deposits - interest bearing	264,717	257,409	248,004
Deposits - non-interest bearing	65,275	64,330	59,449
Advances from Federal Home Loan Bank of Seattle	136,237	143,289	120,892
Securities sold under agreements to repurchase	20,667	9,791	21,779
Other borrowed funds	12,001	5,202	10,548
Accrued interest payable	1,506	799	1,478
Advance payments by borrowers for taxes and insurance	1,125	940	1,113
Current income taxes	132	0	333
Deferred income taxes	1,658	1,446	923
Other liabilities	8,550	10,409	6,453
Minority Interest	458	429	391
Total liabilities	512,326	494,044	471,363
Common stock, $.01 par value per share, 12,500,000 shares authorized (1)	69	46	45
Paid-in capital	34,663	34,571	27,087
Retained earnings - substantially restricted	21,197	18,392	23,273
Treasury stock at cost (2)	(1,066)	(1,066)	(1,066)
Net unrealized gain (loss) on securities available-for-sale	421	5	(656)
Total stockholders' equity	55,284	51,948	48,683
	567,610	545,992	520,046
Book value per share	8.12	7.65	7.27

(1) Number of shares outstanding adjusted for three for two stock split in 1997.

(1) Total sharese outstanding at end period	6,811,517	6,793,664	6,693,713
(2) Treasury Shares	85,890	85,890	85,890

GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended June 30, 1997	Three months ended June 30, 1996	Six months ended June 30, 1997	Six months ended June 30, 1996
INTEREST INCOME:				
Real estate loans	$ 4,057	3,944	8,056	7,848
Commercial loans	2,619	2,133	4,995	4,312
Consumer and other loans	2,321	2,082	4,533	3,954
Mortgage backed securities	935	821	1,764	1,550
Investments	1,053	1,159	2,148	2,300
Total interest income	10,985	10,139	21,496	19,964
INTEREST EXPENSE:				
Deposits	2,754	2,505	5,444	4,978
Advances	1,896	1,764	3,846	3,530
Repurchase agreements	280	212	428	428
Other borrowed funds	56	51	106	57
Total interest expense	4,986	4,532	9,824	8,993
Net interest income	5,999	5,607	11,672	10,971
Provision for loan losses	209	116	372	215
Net interest income after provision for loan losses	5,790	5,491	11,300	10,756
NON-INTEREST INCOME:				
Loan fees and service charges	1,825	1,778	3,522	3,432
Gains (Losses) on sale of investments	0	0	0	0
Other income	184	277	365	535
Total fees and other income	2,009	2,055	3,887	3,967
Compensation, employee benefits and related expenses	2,262	2,110	4,541	4,148
Occupancy expense	460	421	937	785
Data processing expense	200	141	385	278
Other expenses	1,241	1,231	2,536	2,493
Minority interest	18	17	31	36
Total non-interest expense	4,181	3,920	8,430	7,740
	3,618	3,626	6,757	6,983
	1,326	1,425	2,479	2,754
	$ 2,292	2,201	4,278	4,229
Earnings per common shares(1)	$ 0.34	0.33	0.63	0.63
Dividends declared per common share(1)	0.12	0.11	0.23	0.21
Return on average assets (annualized)	1.64%	1.71%	1.54%	1.67%
Return on beginning equity (annualized)	17.36%	18.34%	16.47%	18.07%
Weighted average shares outstanding(1)	6,802,626	6,687,242	6,799,459	6,689,424

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(1) Adjusted for three for two stock split in 1997

GLACIER BANCORP, INC.
Consolidated Statements of Cash Flows

(dollars in thousands)	Six months ended June 30, 1997	1996
OPERATING ACTIVITIES :		
Net Earnings	4,278	4,229
Adjustments to reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Provision for loan losses	372	215
Depreciation of premises and equipment	422	371
Amortization of goodwill	84	84
Loss (gain) on sale of investments	0	0
Amortization of investment securities premiums and discounts, net	72	79
Net decrease in deferred income taxes	(61)	(138)
Net increase in interest receivable	(367)	(177)
Net increase in interest payable	707	811
Net increase (decrease) in current income taxes	132	(211)
Net decrease in other assets	213	76
Net decrease in other liabilities and minority interest	(1,830)	(573)
FHLB stock dividends	(322)	(279)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,700	4,487
INVESTING ACTIVITIES:		
Proceeds from sales, maturities and prepayments of investment securities available-for-sale	12,458	16,551
Purchases of investment securities available-for-sale	(12,825)	(28,529)
Proceeds from maturities and prepayments of investment securities held-to-maturity	1,744	488
Purchases of investment securities held-to-maturity	0	(995)
Principal collected on installment and commercial loans	42,753	42,039
Installment and commercial loans originated or acquired	(61,679)	(65,040)
Proceeds from sales of commercial loans	3,116	6,997.
Principal collections on mortgage loans	14,924	20,080
Mortgage loans originated or acquired	(47,049)	(60,703)
Proceeds from sales of mortgage loans	28,839	39,002
Net proceeds from sales of real estate owned	268	16
Net purchase of FHLB and FRB stock	(971)	(404)
Net addition of premises and equipment	(744)	(544)
Acquisition of minority interest	0	(109)
NET CASH USED BY INVESTING ACTIVITIES	(19,166)	(31,151)
FINANCING ACTIVITIES:		
Net increase in deposits	8,253	15,868
Net increase (decrease) in FHLB advances and other borrowed funds	(253)	9,226
Net increase in advance payments from borrowers for taxes and insurance	185	41
Net increase in securities sold under repurchase agreements	10,876	974
Cash dividends paid to stockholders	(1,543)	(1,034)
Treasury stock purchased	0	(192)
Proceeds from exercise of stock options and additional shares issued	185	152
NET CASH PROVIDED BY FINANCING ACTIVITIES	17,703	25,035
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,237	(1,629)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,149	25,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,386	23,700
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for: Interest	9,117	8,182
Income taxes	2,347	2,965

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS:

1) Basis of Presentation:

In the opinion of Management, the accompanying unaudited consolidated statements contain all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of Glacier Bancorp Inc's (the "Company") Financial Condition as of June 30, 1997, December 31, and June 30, 1996 and the Results of Operations for the six and three months ended June 30, 1997 and 1996 and the Statements of Cash Flows for the six months ended June 30, 1997 and 1996.

The First Security Bank of Missoula was acquired on December 31, 1996 through an exchange of stock with Missoula Bancshares, Inc. formerly the parent company of First Security Bank. The pooling of interest accounting method is being used for this merger transaction. Under this method, financial information for each of the periods presented include the combined companies as though the merger had occurred prior to the earliest date presented.

2) Organizational Structure:

The Company is the parent company for five subsidiaries: Glacier Bank (the "Savings Bank"); Glacier National Bank (formerly the First National Bank of Whitefish) ("Whitefish"); First National Bank of Eureka ("Eureka"); First Security Bank of Missoula (Missoula) and Community First, Inc. (CFI). At June 30, 1997, the Company owned 100% of the Savings Bank, Missoula and CFI; 94% of Whitefish and 93% of Eureka. CFI provides full service brokerage services through INVEST Financial Services. The following abbreviated organizational chart illustrates the various relationships:

Glacier
Bancorp, Inc.
(Parent Holding Company)

Glacier
Bank
(Savings Bank)

First Security Bank
OF Missoula
(Commercial bank)

Community First
Inc,
(Brokerage services)

Glacier National Bank
of Whitefish
(Commercial bank)

First National Bank
of Eureka
(Commercial bank)

3) Stock Split:

The company completed a three-for-two stock split May 23, 1997. As a result, all per share amounts from time periods preceding this date have been restated to illustrate the effect of the stock split. Any fractional shares were paid in cash.

4) Computation of Earnings Per Share:

Earnings per common share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the period presented. Stock options are considered common stock equivalents, but are excluded from earnings per share computations due to immateriality.

5) Ratios:

Return on Average Assets (ROAA) was calculated based on the average of the total assets for the period. Return on Beginning Equity (ROBE) was calculated based on the Shareholders' Equity (Capital) at the beginning of each period presented.

6) Cash Dividend Declared:

On June 25, 1997, the Board of Directors declared a $.12 per share quarterly cash dividend to stockholders of record on July 11, 1997, payable on July 25, 1997.

7) Investments:

A comparison of the amortized cost and estimated fair value of the Company's investment securities is as follows:

INVESTMENT SECURITIES AS OF JUNE 30, 1997

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
HELD TO MATURITY:				
U.S. Government and Federal Agencies ...	$11,972	11	(26)	11,957
State, Local Government and other issues	3,367	81	(1)	3,447
Mortgage-backed securities	3,372	1	(21)	3,352
TOTAL HELD TO MATURITY SECURITIES .	$18,711	93	(48)	18,756
AVAILABLE FOR SALE:				
U.S. Government and Federal Agencies ...	$18,127	49	(120)	18,056
State, Local Government and other issues	19,475	465	(43)	19,897
Mortgage-backed securities	22,852	524	(121)	23,255
Real Estate Mortgage Investment Conduit	24,897	109	(180)	24,826
TOTAL AVAILABLE FOR SALE SECURITIES	$85,351	1,147	(464)	86,034

Investment Securities as of December 31, 1996

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
HELD TO MATURITY:				
U.S. Government and Federal Agencies ...	$12,971	16	(81)	12,906
State, Local Government and other issues	3,439	77	(1)	3,515
Mortgage-backed securities	4,045	2	(32)	4,015
TOTAL HELD TO MATURITY SECURITIES .	$20,455	95	(114)	20,436
AVAILABLE FOR SALE:				
U.S. Government and Federal Agencies ...	$27,480	50	(205)	27,325
State, Local Government and other issues	15,573	130	(39)	15,664
Mortgage-backed securities	24,319	534	(164)	24,689
Real Estate Mortgage Investment Conduit	17,684	0	(312)	17,372
TOTAL AVAILABLE FOR SALE SECURITIES	$85,056	714	(720)	85,050

8) Consolidated Statements of Cash Flows:

Cash equivalents include demand deposits at other financial institutions and short term certificates of deposit.

9) Regulatory Capital Requirements -

The Federal Reserve Board has adopted capital adequacy guidelines pursuant to which it assesses the adequacy of capital in supervising a bank holding company. The following table illustrates the Federal Reserve Boards capital adequacy guidelines and the Company's compliance with those guidelines as of June 30, 1997.

(dollars in thousands)	Tier I (Core) Capital $	Tier I (Core) Capital %	Tier II (Total) Capital $	Tier II (Total) Capital %	Leverage Capital $	Leverage Capital %
GAAP Capital	55,284		55,284		55,284	
Goodwill	(1,442)		(1,442)		(1,442)	
Net unrealized gains on securities available-for-sale	(421)		(421)		(421)	
Allowance for loan losses	--		3,469		--	
Regulatory capital computed.	53,421		56,890		53,421	
Capital as % of assets.		15.99%		16.85%		9.78%
Regulatory "well capitalized" requirement		6.00%		10.00%		5.00%
Excess over "well capitalized" requirement		9.99%		6.85%		4.78%

Interest-Rate-Risk ("IRR") Component

FDICIA requires each federal banking agency to revise its risk-based capital standards to ensure that they take adequate account of IRR, concentration of credit risk and the risks of nontraditional activities, as well as reflect the actual performance and expected risk of loss on multi-family residential loans. Since January of 1994, the OTS has included an IRR component to its risk-based capital standards. An association's measured IRR is the change that occurs in its Net Portfolio Value ("NPV") as a result of a 200 basis point increase or decrease in interest rates (whichever leads to the lower NPV) divided by the estimated economic value (present value) of its assets; NPV equals the present value of expected cash inflows from existing assets less the present value of expected cash outflows from existing liabilities, plus the present value of net expected cash inflows from existing off-balance sheet contracts. A normal level of IRR is less than 2%. Only institutions whose measured IRR exceeds 2% must maintain an IRR component. An association must maintain capital of at least 8% of risk- weighted assets after the IRR component is deducted.

In August of 1995, the Agencies adopted a joint final rule to revise their risk-based capital standards to ensure that they take adequate account of interest rate risk. As of September 1, 1995, when evaluating the capital adequacy of a bank, examiners from the Agencies consider exposure to declines in the economic value of the bank's capital due to changes in interest rates. A bank may be required to hold additional capital for IRR if it has significant exposure or a weak interest rate risk management process. Concurrent with the publication of this final rule, the Agencies proposed for comment a joint policy statement describing the process they will use to measure and assess a bank's interest rate risk. This joint policy statement was superseded by an updated Joint Policy Statement in June of 1996. Any impact the joint final rule and Joint Policy Statement may have on the National Banks or the State Bank cannot be predicted at this time.

In addition, the Agencies published a joint final rule on September 6, 1996, amending their respective risk- based capital standards to incorporate a measure for market risk to cover all positions located in an institution's trading account and foreign exchange and commodity positions wherever located. This final rule took effect on January 1, 1997 and implements an amendment to the BASLE Capital Accord that sets forth a supervisory framework for measuring market risk. The final rule effectively requires banks and bank holding companies with significant exposure to market risk to measure that risk using their own internal value-at-risk model, subject to the parameters of the final rule, and to hold a sufficient amount of capital to support the institution's risk exposure.

Qualified Thrift Lender - In order to avoid certain restrictions on their operations, all savings associations are required to meet a Qualified Thrift Lender ("QTL") test. The regulations require that institutions maintain a percentage of qualifying lending activity of at least 65% as measured monthly. The Savings Bank reported on its June 30, 1997 Thrift Financial Report QTL ratios of 76%, 75%, and 74% for April, May, and June 1997.

Whitefish, Eureka and Missoula do not have a similar requirement.

Accounting for Transfers of Assets and Extinguishments of Liabilities

In June 1996, the FASB issued SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (the "Statement"). This Statement provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings, and provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities.

This Statement amends SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," to clarify that a debt security may not be classified as held-to-maturity if it can be prepaid or otherwise settled in such a way that the holder of the security would not recover substantially all of its recorded investment.

This Statement also rescinded all previous guidance regarding the accounting for mortgage servicing rights and provides guidance for the capitalization of originated as well as purchased mortgage servicing rights and the measurement of impairment of those rights.

This Statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after December 31, 1996, and is to be applied prospectively. Earlier or retroactive application is not permitted. The Company adopted the provisions of SFAS No. 125 as of January 1, 1997.

During the quarter ended June 30, 1997, $48,737 in servicing assets were recognized and $11,782 amortized. Year-to-date assets of $116,402, and amortization of $23,267 was recorded. The estimated fair value of the servicing assets was $712,000 at June 30, 1997 with a book value of $514,652. There was no activity or balance in the valuation allowance for impairment of recognized servicing assets during 1997. The fair value of the servicing assets was determined by stratification of the associated loan balances by rate, applying prepayment assumptions to each stratified group, and calculating a present value of resulting expected cash flows.

Earnings Per Share

In March 1997, the FASB issued SFAS No. 128, "Earnings Per Share" (the "Statement"). The Statement applies to entities with publicly held common stock or potential common stock and is effective for financial statements issued for periods ending after December 15, 1997.

SFAS No. 128 replaces APB Opinion 15, "Earnings Per Share." Opinion 15 required that entities with simple capital structures present a single "earnings per common share" on the face of the income statement, whereas those with complex capital structures had to present both "primary" and "fully diluted" earnings per share ("EPS"). Primary EPS shows the amount of income attributed to each share of common stock if every common stock equivalent were converted into common stock. Fully diluted EPS considers common stock equivalents and all other securities that could be converted into common stock.

SFAS No. 128 simplifies the computation of EPS by replacing the presentation of primary EPS with a presentation of basic EPS. The Statement requires dual presentation of basic and diluted EPS by entities with complex capital structures. Basic EPS includes no dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution of securities that could share in the earnings of an entity, similar to fully diluted EPS. The Company has a simple capital structure, therefore minimal impact from SFAS No. 128 is expected.

Disclosure of Information About Capital Structure

In March 1997, the FASB issued SFAS No. 129, "Disclosure of Information About Capital Structure" (the "Statement"). The Statement applies to all entities and is effective for financial statements issued for periods ending after December 15, 1997. Statement No. 129 consolidates existing disclosure requirements.

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

Financial Condition - This section discusses the changes in Statement of Financial Condition items from December 31, 1996 to June 30, 1997.

At June 30, 1997, total consolidated assets increased by $21,618,000, or 3.96%, over the December 31, 1996 level. This increase was primarily in loan growth of $18,724,000, an increase of 4.84%.

Real Estate loans increased $3.3 million during the period, while commercial loans increased $10.8 million and Consumer loans increased $4.9 million.

Loans sold to the secondary market amounted to $32.0 million and $46.0 million during the first six months of 1997 and 1996, respectively.

The amount of loans serviced for others on June 30, 1997 was $114.4 million.

Total deposits increased nearly $8.3 million, with the increase occurring in interest bearing deposits. Advances from the Federal Home Loan Bank ("FHLB") decreased $7.0 million while securities sold under repurchase agreements and other borrowed funds increased $10.9 million, and $6.8 million respectively.

The OTS' minimum average liquidity requirement for the Savings Bank is 5.0%. For the three months ended June 30, 1997, the Savings Bank's liquidity percentage averaged 6.9%. The Savings Bank's principal source of funds are generated by deposits, payments on loans and securities, short and long term borrowings and net income. If there should ever be insufficient funds derived from these areas, the Savings Bank may borrow additional amounts from the FHLB, subject to regulatory limits.

All four institutions are members of the FHLB at June 30, 1997. 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. The following table demonstrates the available FHLB lines of credit and the extent of utilization as of June 30, 1997:

	Available line	Amount used	Available
The Savings Bank	144,245,000	100,266,000	43,979,000
Whitefish	8,430,000	6,675,000	1,755,000
Eureka	6,428,000	3,253,000	3,175,000
Missoula	13,689,000	6,522,000	7,167,000

Classified Assets and Reserves

Non-performing assets, consisting of non-accrual loans, accruing loans 90 days or more overdue, and real estate and other assets acquired by foreclosure or deed-in-lieu thereof, net of related reserves, amounted to $1.5 million or .27% of total assets at June 30, 1997, as compared to $1.6 million, or .29% of total assets, at December 31, 1996.

Non-performing assets continue to remain at a relatively low level.

	June 30, 1997	December 31, 1996
Total Reserves for Loan and Real Estate Owned losses:	$3.5 million	$3.3 million
Reserves as a percentage of Total Loans:	.86%	.85%
Reserves as a percentage of Non-performing Assets:	230%	204%

Impaired Loans
As of June 30, 1997, there were no loans considered impaired as measured under SFAS No. 114 criterion. Interest income on impaired loans and interest recoveries on loans that have been charged off, is recognized on a cash basis after principal has been fully paid, or at the time a loan becomes fully performing per the terms of the loan.

Minority Interest
The Minority Interest on the consolidated statement of financial condition represents the minority stockholders' share in the Retained Earnings of the Company. These are shares of Eureka and Whitefish that are still outstanding. The Company has extended an offer to each minority stockholder notifying them that the Company would buy their shares at the current book value. As of June 30, 1997, the Company owns 46,900 shares of Whitefish and 46,389 shares of Eureka. The Company's ownership of Whitefish and Eureka is 94% and 93%, respectively.

Results of Operations - The six months ended 6/30/97 compared to the six months ended 6/30/96. The following discussion pertains to the consolidated income for the Company.

Net income of $4.278 million for the first six months of 1997 was an increase of $49,000, or 1.2 percent over the $4.229 million in the same period in 1996. Earnings per share were $.63 for each of the six month periods. Return on average assets was 1.54 percent and 1.67 percent for 1997 and 1996, respectively, while the return on beginning equity was 16.47 percent and 18.07 percent for the same periods. Increased earnings from the net interest margin were somewhat offset by an increased provision for possible loans losses, and increased expenses from new branches.

Loan Loss Provision
The provision for loan losses was $372,000, up from $215,000 during the same period in 1996, reflecting the increase in loans and losses experienced. As discussed above the level of non-performing assets remains at a relatively low level.

Net Interest Income
Net interest income for the six months was $11.672 million, an increase of $701,000, or 6.39 percent, over 1996. More net earning assets, as discussed above, was the primary reason for this increase.

The Company's net interest income is determined by its interest rate spread (i.e., the difference between the yields earned on its earning assets, and the rates paid on its interest-bearing liabilities) and the relative amounts of earning assets and interest-bearing liabilities. The following table sets forth information concerning the Company's interest rate spread at June 30, 1997 and 1996:

INTEREST RATE SPREAD
One way to protect against interest rate volatility is to maintain a comfortable interest spread between yields on assets and the rates paid on interest bearing liabilities. As shown below, our net interest margin decreased in 1997 from 4.62% to 4.56%, the result of higher interest rates on deposits and borrowings, a greater percentage of assets funded with interest bearing liabilities, and slightly lower rates on earning assets. Although the interest spread, and net interest margin are down from 1996, increased asset levels resulted in significantly higher net interest income.

FOR THE SIX MONTHS ENDED:	June 30, [1] 1997	1996
Combined weighted average yield on loans and investments [2]	8.45%	8.46%
Combined weighted average rate paid on savings deposits and borrowings	4.68%	4.58%
Net interest spread	3.77%	3.88%
Net interest margin [3]	4.56%	4.62%

[1] Weighted averages are computed without the effect of compounding daily interest.

[2] Includes dividends received on capital stock of the Federal Home Loan Bank.

[3] The net interest margin (net yield on average interest earning assets) is interest income from loans and investments less interest expense from deposits, FHLB advances, and other borrowings, divided by the total amount of earning assets.

Non-Interest Income
Non-interest income decreased $80,000, or 2.0 percent from 1996. Loan fees and service charges on deposit accounts were up $90,000 while other income decreased by $170,000, primarily from a reduction in commissions on insurance sales, and a non-recurring $70,000 recovery in 1996.

Non-Interest Expense
Non-interest expense increased by $690,000, or 8.9 percent, with the largest portion of the increase in compensation and employee benefits, which increased $393,000, or 9.5 percent. Data processing expenses increased $107,000, the result of increased volumes of loan and deposit accounts. Occupancy expense was also up substantially, $152,000, or 19.4%. Opening of the new branches, volume related increases, plus other normal increases resulted in these higher expenses.

Income Taxes
The effective tax rate was reduced from 39.4 percent in 1996 to 36.7 percent in 1997. Increased investment in tax free bonds was the primary reason for the reduced expense.

Results of Operations - The three months ended 6/30/97 compared to the three months ended 6/30/96. The following discussion pertains to the consolidated income for the Company:

Net income was $2.292 million, or $.34 per share, for the second quarter of 1997, compared with $2.201 million, or $.33 per share, for the same quarter of 1996, an increase of $91,000, or 4.1%. The increase in net income is attributed to an increase in the net interest margin which was partially offset by a larger provision for loan losses, and higher expenses related to the establishment of additional branch locations. Return on average assets and return on beginning equity in the second quarter of 1997 were 1.64 percent and 17.36 percent, respectively, compared with returns of 1.71 percent and 18.34 percent for the same quarter of 1996. The lower return, as a percentage of assets, was the result of the sizeable asset growth of $47.564 million, or 9.15 percent. Stockholder equity at the beginning of the quarter increased 10.0 percent over the second quarter of 1996. The higher equity amount resulted in the reduced return on equity ratio.

Net Interest Income
Net interest income for the quarter was $5.999 million, an increase of $392,000, or 6.99 percent, over the same period in 1996. More net earning assets was the primary reason for this increase. Loan balances have increased $34.7 million from June 30, 1996, an increase of 9.4 percent. All loan classifications have increased, with commercial loans up $18.590 million, or 20.16 percent, consumer loans up $9.337 million, or 10.76 percent, and real estate loans up $7.123 million, or 3.17 percent. Total deposits increased $22.539 million, or 7.3 percent, with $5.826 million of the increase in non-interest bearing deposits. Federal Home Loan Bank advances, and other borrowed funds provided the balance of the funding for the increase in earning assets.
The capital level remains strong at 9.74 percent of assets.

Loan Loss Provisions and Non-Performing Assets
The second quarter provision for loan losses was $209,000, up from $116,000 during the same quarter in 1996. Non-performing assets are at .37 percent of loans at June 30, 1997, well below the average of the Company's peer group which was .87 percent at March 31, 1997, the most recent information available. The reserve for loan losses was 230 percent of non-performing assets as of June 30, 1997.

Non-interest Income
Non-interest income decreased $46,000, or 2.2 percent from the second quarter of 1996. Loan fees and service charges on deposit accounts were up $47,000 while other income decreased by $93,000, primarily from a reduction in commissions on insurance sales, and a non-recurring $70,000 recovery in 1996.

Non-interest Expense
Non-interest expense increased by $261,000, or 6.7 percent, over the second quarter of 1996. The largest portion of the increase was in compensation and employee benefits which increased $152,000, or 7.2 percent. Data processing expenses increased $59,000 the result of increased volumes of loan and deposits accounts. Occupancy expense was also up substantially, $39,000, or 9.3%. Opening of the new branches, volume related increases, plus other normal increases resulted in these higher expenses.

Income Taxes
The effective tax rate was reduced from 39.4 percent in 1996 to 36.7 percent in 1997. Increased investment in tax free bonds was the primary reason for the reduced expense.

New offices
The new full service branch at Thompson Falls and the supermarket branch in Helena are now open. Both of these locations are in new communities for Glacier Bank.

Stock split and dividend increase
The three-for-two stock split for the common stock of Glacier Bancorp, Inc. was completed on May 23, 1997. The board of directors has also declared a dividend of $.12 per share to be paid on July 25, 1997. This dividend is an increase of 12.5 percent over the previous dividend, adjusted for the effects of the stock split.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

THERE ARE NO PENDING MATERIAL LEGAL PROCEEDINGS TO WHICH THE REGISTRANT OR IT'S SUBSIDIARIES ARE A PARTY.

ITEM 2. CHANGES IN SECURITIES

NONE

ITEM 3. DEFAULTS ON SENIOR SECURITIES

NONE

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

THE ANNUAL SHAREHOLDER'S MEETING WAS HELD ON APRIL 23, 1997. THE ELECTION OF DIRECTORS WAS HELD WITH WILLIAM L. BOUCHEE, L. PETER LARSON, AND EVERIT A. SLITER ELECTED FOR A THREE YEAR TERM. THE RATIFICATION OF THE APPOINTMENT OF KPMG PEAT MARWICK LLP AS THE INDEPENDENT AUDITORS FOR THE YEAR ENDING DECEMBER 31, 1997 WAS COMPLETED BY SHAREHOLDER VOTE.

ITEM 5. OTHER INFORMATION

NONE

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

NONE

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 14, 1997	BY /S/ MICHAEL J. BLODNICK
DATE	MICHAEL J. BLODNICK EXECUTIVE VICE PRESIDENT/COO
AUGUST 14, 1997	BY /S/ JAMES H. STROSAHL
DATE	JAMES H. STROSAHL SENIOR VICE PRESIDENT/CHIEF FINANCIAL OFFICER

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACED FROM THE UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION JUN 30, 1997 AND THE RELATED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS JUN 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO QUARTERLY REPORT FORM 10-Q JUN 30, 1997.

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6-MOS
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JUN-30-1997
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