SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20522

FORM 10-K/A

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998 or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 COMMISSION FILE 000-18911

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

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

Registrant's telephone number, including area code: 406-756-4200

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.01 par value

Indicate by check mark whether the registrant (i) 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 (ii) has been subject to such filing requirements for the past 90 days. [X]

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of March 18, 1999, there were issued and outstanding 8,650,195 shares of the Registrant's Common Stock. No preferred shares are issued or outstanding.

The aggregate market value of the voting stock held by non-affiliates of the Registrant, computed by reference to the closing price of such stock as of the close of trading on March 18, 1999, was $168,678,802.

Document Incorporated by Reference

Portions of the 1999 Annual Meeting Proxy Statement dated March 31, 1999 are incorporated by reference into Part III of this form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

The Company is a Delaware corporation and at December 31, 1998 had five commercial banks as subsidiaries, Glacier Bank, Glacier Bank of Whitefish, Glacier Bank of Eureka, First Security Bank of Missoula, and Valley Bank of Helena. The following discussion and analysis includes the effects of the pooling-of-interests merger with HUB Financial Corporation, and the purchase accounting treatment of the minority shares of Valley Bank of Helena. Prior period information has been restated to include amounts from the HUB Financial Corporation merger. The Company reported earnings of $10,744,000 for the year ended December 31, 1998, or $1.30 basic earnings per share, and $1.28 diluted earnings per share, compared to $10,054,000, or $1.24 basic earnings per share and $1.22 diluted earnings per share, for the year ended December 31, 1997, and $8,207.000, or $1.03 basic and $1.02 diluted earnings per share for the year ended December 31, 1996. During 1996, the FDIC SAIF fund was recapitalized through one-time payments from thrift institutions. Glacier Bank's after tax cost of this payment was $583,000, or $.09 basic earnings per share, In addition, after tax expenses related to the merger of First Security Bank were $563,000, or $.08 basic earnings per share. Operating earnings without the SAIF and merger expenses were $9,353,000, or $1.20 basic earnings per share. This continued improvement in net income can be attributed to an increase in earning assets, management of net interest margin, and strong non-interest income. The following narrative and charts focus on the significant financial changes which have taken place over the past years and include a discussion of the Company's financial condition, results of operations, and capital resources.

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. This 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 income. In addition, all five subsidiaries are members of the Federal Home Loan Bank of Seattle. This membership provides for established lines of credit in the form of advances which serve as a supplemental source of funds for lending and other general business purposes. During 1998, all five financial institutions maintained liquidity at a level deemed sufficient to meet operating cash needs. The liquidity was in excess of regulatory requirements.

Retention of a portion of Glacier Bancorp, Inc.'s earnings results in stockholders equity at December 31, 1998 of $74,937,000, or 11.2% of assets, which compares with $64,775,000, or 10.0% of assets at December 31, 1997. Earnings retention, and increases resulting from the exercise of stock options and acquisitions, has outpaced the increase in assets of $17,984,000, or 2.8%, during 1998. The stockholder's equity ratio remains well above required regulatory levels, and above the average of the Company's peers, providing flexibility in the management of assets.

Financial Condition

For the year ended December 31, 1998, consolidated assets increased $17,984,000, or 2.8% over the prior year. The following table summarizes the Company's major asset and liability components as a percentage of total assets at December 31, 1998, 1997, and 1996.

Major Balance Sheet Components as a Percentage of Total Assets

	December 31, 1998	1997	1996
Assets:			
Cash, and Cash Equivalents, Investment securities, FHLB and Federal Reserve Stock	22.2%	24.8%	28.0%
Real Estate Loans	30.0%	32.7%	34.1%
Commercial Loans	27.4%	21.7%	19.4%
Installment and Other Loans	16.7%	17.6%	17.1%
Other Assets	3.7%	3.2%	1.4%
	100.0%	100.0%	100.0%
Liabilities and Stockholder's Equity:			
Deposit Accounts	66.7%	62.3%	61.1%
FHLB Advances	18.1%	21.9%	24.2%
Other Borrowings and Repurchase Agreements	2.8%	4.6%	2.9%
Other Liabilities	1.2%	1.2%	2.6%
Stockholders' Equity	11.2%	10.0%	9.3%
	100.0%	100.0%	100.0%

Real estate loans continue to be the largest component of the Company's assets, although the percentage is decreasing, and commercial loans are increasing as a result of the Company's strategy. Deposit accounts, with comparatively short terms to maturity, represent the majority of the liabilities.

Effect of inflation and changing prices

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

GAP analysis

The following table gives a description of our GAP position for various time periods. As of December 31, 1998, we had a positive GAP position at six months, and a negative GAP position at twelve months. The cumulative GAP as a percentage of total assets for six months is a positive 2.5% which compares to a positive .95% at December 31, 1997 and 1.7% at December 31, 1996.

The table also shows the GAP earnings sensitivity, and earnings sensitivity ratio, along with a brief description as to how they are calculated. The traditional one dimensional view of GAP is not sufficient to show a bank's ability to withstand interest rate changes. Superior earnings power is also a key factor in reducing exposure to higher interest rates. For example, our GAP earnings sensitivity ratio shows that a 1% change in interest rates would only change income by .48%. Because of our GAP position, the table illustrates how a 1% increase in rates would increase the Company's income by approximately $51,000. Using this analysis to join GAP information with earnings data, it produces a better picture of our strength and ability to handle interest rate change. The methodology used to compile this GAP information is based on our mix of assets and liabilities and the historical experience accumulated regarding their rate sensitivity.

Interest Rate Sensitivity and Gap Analysis as of December 31, 1998

(dollars in thousands)	0-6 Months	6-12 Months	1-5 years	More than 5 years	Non-rate Sensitive	Total
	Projected maturity or repricing					
Assets:						
Interest bearing deposits	$ 5,143	0	0	0	0	5,143
Investment securities	3,184	2,088	6,961	41,485	0	53,718
Mortgage-backed securities	4,611	4,770	31,302	3,661	0	44,344
Floating rate loans	147,276	12,980	61,672	1,107	0	223,035
Fixed rate loans	31,976	15,446	90,498	138,139	0	276,059
Other earning assets	11,848	--	--	1,219	--	13,067
Non-earning assets	--	--	--	--	51,285	51,285
Total Assets	$204,038	35,284	190,433	185,611	51,285	666,651
Liabilities and Equity:						
Deposits	154,326	31,893	83,980	174,260	0	444,459
FHLB advances	14,632	11,745	75,098	19,110	0	120,586
Other purchased funds	18,357	0	0	0	0	18,357
Other liabilities	--	0	0	0	8,312	8,312
Equity	--	--	--	--	74,937	74,937
Total liabilities and equity	$187,316	43,638	159,078	193,370	83,249	666,651
Gap Earnings Sensitivity (1)	$ 51					
Gap Earnings Sensitivity Ratio (2)	$ 0.48%					

(1) Gap Earnings Sensitivity is the estimated effect on income after taxes of 39%, of a 1% increase or decrease in Interest rates (1% X ($8,368 less tax of $3,264).

(2) Gap Earnings Sensitivity Ratio is Gap Earnings Sensitivity divided by the estimated yearly earnings of $10,744. A 1% increase in interest rates has this estimated percentage increase effect on annual income.

This table estimates the repricing maturities of the Company's assets and liabilities, based upon the Company's assessment of the repricing characteristics of the various instruments. Non-contractual deposit liabilities are allocated among the various maturity categories as follows: non-interest bearing checking and interest- bearing checking are included in the more than 5 years category. Regular savings are included in the 1 - 5 years category. Money market balances are included in the less than 6 months category. Mortgage-backed securities are at the anticipated principal payments based on the weighted-average-life.

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 the net interest spread decreased in 1998 from 3.93% to 3.89%, primarily the result of lower rates on interest earning assets. The net interest margin increased slightly in 1998 from 4.76% to 4.79%, primarily the result of an increase in interest earning assets. Although the interest spread is down from 1997 the increased asset levels, and the increased interest-free funding resulted in significantly higher net interest income.

For the year ended:	December 31, [1] 1998	1997	1996
Combined weighted average yield on loans and investments [2]	8.41%	8.58%	8.54%
Combined weighted average rate paid on savings deposits and borrowings	4.52%	4.65%	4.63%
Net interest spread	3.89%	3.93%	3.91%
Net interest margin [3]	4.79%	4.76%	4.76%

[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 and Federal Reserve Bank.

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

Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

Financial Condition

Total assets increased $17,984,000, or 2.8% as compared to December 31, 1997. Net loans outstanding increased 5.8%, or $27,332,000 with the largest increase occurring in the commercial classification which increased $42,835,000, or 30%. Real estate loans decreased $11,843,000 or 5.6% the result of management's decision to not retain long-term mortgages in the portfolio in the current low interest rate environment. Consumer loans decreased $2,842,000, or 2.5%, the result of selling the credit card portfolio. Investment securities decreased $17,463,000, or 15.1%. With the flat yield curve during 1998 there were limited attractive investment opportunities.

Total liabilities increased $7,822,000, or 1.3%, with interest bearing deposits up $32,387,000, or 10.1%, and non-interest bearing deposits up $7,723,000, or 9.1%. Federal Home Loan Bank advances decreased $21,274,000, or 15.0%. Securities sold under repurchase agreements and other borrowed funds were down $11,253,000, or 38.0%.

Total stockholders' equity increased $10,162,000, or 15.7%, the result of earnings retention, the additional shares issued to minority stockholders of Valley Bank of Helena, and the effect of stock options exercised.

Results of Operations

Interest Income - Interest income was $51,081,000 compared to $49,381,000 for the years ended December 31, 1998 and 1997, respectively, a $1,700,000, or 3.4% increase. The weighted average yield on the loan and investment portfolios decreased from 8.58% to 8.41%. This decrease in yield was offset by increased volumes in loans, and the change in loan mix from real estate loans to higher yielding commercial loans, increasing interest income.

Interest Expense - Interest expense was $22,204,000 for the year ended December 31, 1998, up slightly from $22,134,000 in 1997, a $70,000 increase. The increase is due to higher balances in interest bearing deposits, which was largely offset by lower amounts outstanding in Federal Home Loan Bank advances, repurchase agreements and other borrowed funds during 1998. The increased balances in non-interest bearing deposits reduced the need for interest bearing funding which also reduced interest expense.

Net Interest Income - Net interest income was $28,877,000 compared to $27,247,000 in 1997, an increase of $1,630,000, or 6.0%, the net result of the items discussed in the above paragraphs. Net interest income was up in 1998, however, aggressive competition for loans and deposits may have an adverse effect on net interest income in 1999.

Provision for Loan Losses - The provision for loan losses was $1,490,000 for 1998, up from $807,000 for 1997. Total loans charged off, net of recoveries, were $672,000 in 1998, up from the $495,000 experienced in 1997. The allowance for loan losses balance was $4,845,000 at December 31, 1998, up from $4,027,000 at December 31, 1997, an increase of $818,000. At December 31, 1998, the non-performing assets (non-accrual loans, accruing loans 90 days or more overdue, real estate acquired by foreclosure or deed-in-lieu thereof, and repossessed personal property) totaled $2,795,000 or .42% of total assets; compared to $1,620,000 or .25% of total assets at December 31, 1997. The reserve for loan losses as a percentage of loans increased to .97% from .86% at December 31, 1998 and December 31, 1997, respectively. The allowance for loan losses was increased primarily because of the changing mix of loans from residential real estate to more commercial loans, which historically carry additional credit risk.

Non-interest income - Total non-interest income of $11,259,000 was up $1,644,000, or 17.1% from 1997. Loan fees and charges were $891,000 greater than the prior year. Most of this increase came from the large volume of real estate lending activity resulting from low mortgage rates. An increase in mortgage rates in 1999 could slow down refinance activity which may result in reduced non-interest income from mortgage originations.

Increased volumes in deposit accounts was the reason for the $115,000 increase in service charges and other fees. Other income, which includes a gain on the sale of the credit card portfolio of $457,000, and $102,000 from the sale of the trust business, increased $802,000.

Non-interest expense - Total non-interest expense increased from $20,093,000 to $21,606,000 an increase of $1,513,000, or 7.5%. Of this increase $749,000 was from merger and reorganization expenses, leaving an increase of $764,000, or 3.8%. Compensation, employee benefits, and related expenses increased $325,000, or 3.1% from 1997. Occupancy expense increased $322,000, or 14.2% from 1997. The change to an in-house data center, a new branch of Valley Bank of Helena, and a new branch and corporate office building in Kalispell were the main reasons for the increase. Data processing expense decreased $95,000, the result of bringing more data processing services in-house during 1998. The efficiency ratio (non-interest expense)/(net interest income + non-interest income), excluding the merger expenses, was 52% in 1998, down from 54% in 1997, as compared with similar sized bank holding companies nationally which average about 62%.

Year Ended December 31, 1997 compared to Year Ended December 31, 1996

Financial condition

Total assets increased $40,200,000 or 6.6% as compared to December 31, 1996. Net loans outstanding increased 8.7%, or $37,555,000 with the largest increase occurring in the commercial classification which increased $23,227,000, or 19%, followed by installment loans which increased $9,992,000, or 9.5%. Real estate loans increased $4,648,000, or 2.2% a result of a significant portion of the loan production being sold. Investment securities decreased $2,221,000, or 1.9%. The flat yield curve provided little opportunity to achieve reasonable spreads in the investment portfolio so funds were used to pay down the FHLB borrowings rather than growing investments.

Total liabilities increased $31,803,000, or 5.8% with interest bearing deposits up $21,720,000, or 7.3%, and non-interest bearing deposits up $10,071,000, or 13.4%. Federal Home Loan Bank advances decreased $5,356,000, or 3.6%. Securities sold under repurchase agreements and other borrowed funds were up $12,089,000, or 69.0%.

Funding sources are utilized based on the lowest cost available, which results in changes from one accounting period to the next.

Total stockholder's equity increased $8,308,000, or 14.7%, primarily the result of earnings retention, and by an increase in the net unrealized gains on securities available-for-sale of $1,172,000.

Results of Operations

Interest Income - Interest income was $49,381,000 compared to $45,915,000 for the years ended December 31, 1997 and 1996, respectively, a $3,466,000, or 7.5% increase. The weighted average yield on the loan and investment portfolios increased slightly from 8.54% to 8.58%. This increase in yield and increased volumes in loans, resulted in the increased interest income. Interest rates were lower at the end of 1997 than early in the year, with little slope in the yield curve.

Interest Expense - Interest expense was $22,134,000 for the year ended December 31, 1997, up from $20,521,000 in 1996, a $1,613,000, or 7.9% increase. The increase is due to higher balances in interest bearing deposits, increases in amounts outstanding in repurchase agreements and other borrowed funds during 1997. This increase was partially offset by reduced Federal Home Loan Bank borrowings.

Net Interest Income - Net interest income was $27,247,000 compared to $25,394,000 in 1996, an increase of $1,853,000, or 7.3%, the net result of the items discussed in the above paragraphs.

Provision for Loan Losses - The provision for loan losses was $807,000 for 1997, down from $880,000 for 1996. Total loans charged off, net of recoveries, were $495,000 in 1997, lower than the $696,000 experienced in 1996. The allowance for loan losses balance was $4,027,000 at December 31, 1997, up from $3,715,000 at December 31, 1996, an increase of $312,000. At December 31, 1997, the non-performing assets (non-accrual loans, accruing loans 90 days or more overdue, real estate acquired by foreclosure or deed-in-lieu thereof, and repossessed personal property), totaled $1,620,000 , or .25% of total assets; compared to $1,913,000, or .31% of total assets at December 31, 1996.

Non-interest income - Total non-interest income of $9,615,000 increased by $75,000 from 1996. Increases in service charges and other fees which were $356,000 greater than the prior year were mostly offset by a reduction in other income of $354,000, primarily from a reduction in commissions on insurance sales, and non-recurring recoveries of charged off interest in 1996.

Non-interest expense - Total non-interest expense decreased from $20,215,000 to $20,093,000, a decrease of $122,000, or .6%. Of this decrease $947,000 was from the FDIC SAIF insurance assessment expensed in 1996, and $531,000 was from merger expenses, leaving an increase from operations of $1,356,000. Compensation, employee benefits, and related expenses increased $730,000, or 7.4% from 1996 the result of staffing five new branches and other growth related staffing additions, plus other normal cost increases. Occupancy expense increased $243,000, or 12.0% from 1996 primarily the result of adding the new branches. Data processing expense was up $116,000, or 13.2%, from volume increases. Following the one-time FDIC assessment in 1996 the rates on FDIC insurance were reduced in 1996 which resulted in a reduction in expense of $226,000, or 64.4%. Other expenses increased $281,000, or 4.4% from 1996, primarily from increased marketing costs, and other expenses related to the new branches. The efficiency ratio (non-interest expense)/(net interest income + non-interest income), excluding the merger and the FDIC assessment, was 54% in 1997, up from 53% in 1996, as compared with similar sized bank holding companies nationally which average about 62%.

Future Accounting Pronouncements

Please see the notes to the consolidated financial statement for information on accounting pronouncements.

Year 2000 Issues

The century date change for the Year 2000 is a serious issue that may impact virtually every organization including the Company. Many software programs are not able to recognize the Year 2000, since most programs and systems were designed to store calendar years in the 1900s by assuming and "19" and storing only the last two digits of the year. The problem is especially important to financial institutions since many transactions, such as interest accruals and payments, are date sensitive, and because the Company and its subsidiary banks interact with numerous customers, vendors and third party service providers who must also address the Year 2000 issue. The problem is not limited to computer systems. Year 2000 issues will also potentially affect every system that has an embedded microchip, such as automated teller machines, elevators and vaults.

State of Readiness

The Company and its subsidiary banks are committed to addressing these Year 2000 issues in a prompt and responsible manner, and they have dedicated the resources to do so. Management has completed an assessment of its automated systems and has implemented a program consistent with applicable regulatory guidelines, to complete all steps necessary to resolve identified issues. The Company's compliance program has several phases, including (1) project management; (2) assessment; (3) testing; and (4) remediation and implementation.

Project Management

The Company has formed a Year 2000 compliance committee consisting of senior management and departmental representatives. The committee has met regularly since October 1997. A Year 2000 compliance plan was developed and regular meetings have been held to discuss the process, assign tasks, determine priorities and monitor progress. The committee regularly reports to the Company's Board.

Assessment

All of the Company's and its subsidiary banks' computer equipment and mission-critical software programs have been identified. This phase is essentially complete. Primary software vendors were also assessed during this phase, and vendors who provide mission-critical software have been contacted. The Year 2000 committee is in the process of obtaining written certification from providers of material services that such providers are, or will be, Year 2000 compliant. Based upon its ongoing assessment of the readiness of its vendors, suppliers and service providers, the committee intends to develop contingency plans addressing the most reasonably likely worst case scenarios. The committee will continue to monitor and work with these vendors. The committee and other bank officers have also identified and began working with, the subsidiary banks' significant borrowers and funds providers to assess the extent to which they may be affected by Year 2000 issues.

Testing.

Updating and testing of the Company's and its subsidiary banks' automated systems is currently underway and it is anticipated that all testing will be complete by January 31, 1999. Upon completion, the committee will be able to identify any internal computer systems that remain non-compliant.

SIGNATURES

PURSUANT to the requirements of Section 13 or 15(d) 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, on March 26, 1999.

GLACIER BANCORP, INC.

PURSUANT to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 26, 1999, by the following persons in the capacities indicated.

/s/ James H. Strosahl	Executive Vice President and CFO
- ---------------------------	(Principal Financial/Accounting Officer)
James H. Strosahl	