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 March 31, 1998

[ ] 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 May 8, 1998, was 6,901,911. No preferred shares are issued or outstanding.

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

INDEX

GLACIER BANCORP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL CONDITION

	March 31, 1998	December 31, 1997	March 31, 1997
	(Unaudited - dollars in thousands except per share data)		
Assets:			
Cash on hand and in banks	$ 26,298	26,463	21,353
Federal funds sold	3,542	0	0
Interest bearing cash deposits	400	0	10,570
Cash and cash equivalents	30,240	26,463	31,923
Investments:			
Investment securities, held-to-maturity	4,871	7,912	16,429
Investment securities, available-for-sale	38,299	40,229	37,380
Mortgaged backed securities, held-to-maturity	40	3,100	3,434
Mortgaged backed securities, available-for-sale	50,321	53,025	47,088
Total Investments	93,531	104,266	104,331
Net loans receivable:			
Real estate loans	200,620	204,219	197,576
Commercial Loans	140,461	121,047	101,933
Installment and other loans	99,161	99,326	92,582
Allowance for losses	(3,641)	(3,544)	(3,331)
Total Loans, net	436,601	421,048	388,760
Premises and equipment, net	12,446	11,743	11,430
Real estate and other assets owned	152	121	214
Federal Home Loan Bank of Seattle stock, at cost	10,527	10,330	9,446
Federal Reserve stock, at cost	1,067	340	340
Accrued interest receivable	3,547	3,759	3,518
Goodwill, net	1,386	1,371	1,484
Other assets	953	957	926
	$ 590,450	580,398	552,372
Liabilities and stockholders' equity:			
Deposits - interest bearing	$ 281,720	273,145	266,042
Deposits - non-interest bearing	73,677	73,639	57,190
Advances from Federal Home Loan Bank of Seattle	148,028	139,257	136,601
Securities sold under agreements to repurchase	12,213	19,255	15,149
Other borrowed funds	2,149	7,721	12,239
Accrued interest payable	1,988	1,388	1,430
Advance payments by borrowers for taxes and insurance	2,780	1,307	2,597
Current income taxes	1,593	306	839
Deferred income taxes	1,822	1,912	1,108
Other liabilities	2,739	2,379	5,934
Minority Interest	300	480	430
Total liabilities	529,009	520,789	499,559
Common stock, $01 par value per share (1)	69	69	46
Paid-in capital	35,755	35,383	34,548
Retained earnings - substantially restricted	25,646	24,042	19,727
Treasury stock at cost (2)	(1,066)	(1,066)	(1,066)
Accumulated comprehensive earnings (deficit)	1,037	1,181	(442)
Total stockholders' equity	61,441	59,609	52,813
	$ 590,450	580,398	552,372
Book value per share	$ 8.93	8.71	7.77

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

(1) Total shares outstanding at end of period	6,880,821	6,847,485	6,798,956
(2) Treasury shares	85,890	85,890	85,890

Glacier Bancorp, Inc.
Consolidated Condensed Statements of Operations

	Three months ended March 31, 1998	1997
	(unaudited - $ in thousands except per share data)	
Interest income:		
Real estate loans	$ 4,077	3,999
Commercial loans	3,029	2,376
Consumer and other loans	2,397	2,212
Mortgage backed securities	791	829
Investment securities	966	1,095
Total interest income	11,260	10,511
Interest expense:		
Deposits	2,813	2,690
Advances	2,006	1,950
Repurchase agreements	183	148
Other borrowed funds	48	50
Total interest expense	5,050	4,838
Net interest income	6,210	5,673
Provision for loan losses	202	163
Net Interest Income after provision for loan losses	6,008	5,510
Non-interest income:		
Loan fees and service charges	1,930	1,697
Gains (Losses) on sale of investments	0	0
Other income	210	181
Total fees and other income	2,140	1,878
Non-interest expense:		
Compensation, employee benefits and related expenses	2,254	2,279
Occupancy expense	460	477
Data processing expense	199	185
Other expenses	1,399	1,295
Minority interest	14	13
Total non-interest expense	4,326	4,249
Earnings before income taxes	3,822	3,139
Federal and state income tax expense	1,392	1,153
Net earnings	$ 2,430	1,986
Basic earnings per share (1)	$ 0.35	0.29
Diluted earnings per share (1)	0.34	0.29
Dividends declared per share (1)	0.12	0.11
Return on average assets (annualized)	1.68%	1.46%
Return on beginning equity (annualized)	16.31%	15.29%
Weighted average shares outstanding (1)	6,862,191	6,796,257

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

Glacier Bancorp, Inc.

Consolidated Statements of Cash Flows

	Three months ended March 31,	
	1998	1997
	(dollars in thousands)	
OPERATING ACTIVITIES:		
Net earnings	$ 2,430	1,986
Adjustments to reconcile net nearnings to net cash provided (used) by operating activities:		
Provision for loan losses	202	163
Depreciation of premises and equipment	214	210
Amortization of goodwill	32	42
Amortization of investment securities premiums and discounts, net	72	20
Net increase (decrease) in deferred income taxes	4	(27)
Net (increase) decrease in accrued interest receivable	212	(45)
Net increase in accrued interest payable	600	631
Net increase in current income taxes	1,287	839
Net decrease in other assets	4	144
Net increase (decrease) in other liabilities and minority interest	416	(4,474)
FHLB stock dividends	(197)	(204)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,276	(715)
INVESTING ACTIVITIES:		
Proceeds from maturities and prepayments of investment securities available-for-sale	4,320	9,143
Purchases of investment securities available-for-sale	0	(9,343)
Proceeds from maturities and prepayments of investment securities held-to-maturity	6,105	596
Principal collected on installment and commercial loans	24,920	20,402
Installment and commercial loans originated or acquired	(44,723)	(24,487)
Proceeds from sales of commercial loans	449	772
Principal collections on mortgage loans	16,235	9,560
Mortgage loans originated or acquired	(35,848)	(22,308)
Proceeds from sales of mortgage loans	23,212	13,779
Net proceeds from sales (acquisition) of real estate owned	(31)	196
Net purchase of FHLB and FRB stock	(727)	(656)
Net addition of premises and equipment	(917)	(348)
Acquisition of minority interest	(283)	0
NET CASH USED BY INVESTING ACTIVITIES	(7,288)	(2,694)
FINANCING ACTIVITIES:		
Net increase in deposits	8,613	1,493
Net increase in FHLB advances and other borrowed funds	3,199	349
Net increase in advance payments from borrowers for taxes and insurance	1,473	1,657
Net increase (decrease) in securities sold under repurchase agreements	(7,042)	5,358
Cash dividends paid to stockholders	(826)	(726)
Proceeds from exercise of stock options	372	52
NET CASH PROVIDED BY FINANCING ACTIVITIES	5,789	8,183
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,777	4,774
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,463	27,149
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 30,240	31,923
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for: Interest	$ 4,450	4,207
Income taxes	105	314

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1) Basis of Presentation:

In the opinion of Management, the accompanying unaudited consolidated condensed financial 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 March 31, 1998, December 31, and March 31, 1997 and the results of operations for the three months ended March 31, 1998 and 1997 and cash flows for the three months ended March 31, 1998 and 1997.

The accompanying consolidated condensed financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These consolidated condensed 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, 1997.

2) Organizational Structure:

The Company is the parent company for five subsidiaries: Glacier Bank ("Glacier"); Glacier Bank of Whitefish ("Whitefish"); Glacier Bank of Eureka ("Eureka"); First Security Bank of Missoula ("Missoula") and Community First, Inc. ("CFI"). On February 1, 1998, Glacier was converted from a Federal Savings Bank charter to a State of Montana commercial bank charter. At March 31, 1998, the Company owned 100%, 94%, 98% 100% and 100% of Glacier, Whitefish, Eureka, Missoula and CFI, respectively. CFI provides full service brokerage services through Robert Thomas Securities. The following abbreviated organizational chart illustrates the various relationships:

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                              GLACIER BANCORP, INC.

                              Glacier Bancorp, Inc.
                            (Parent Holding Company)
                                        |
Glacier Bank ----- First Security Bank ------ Glacier Bank ------ Glacier Bank
(Commercial        (Commercial Bank)     |    of Whitefish        of Eureka
Bank)                                    |    (Commercial         (Commercial
                                         |     Bank)               Bank)
                                         |
                        Community First----
                        Inc.
                        (Brokerage Service)
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3) Stock Split:

The company completed a 3 for 2 stock split in May 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) Ratios:

Return on Average Assets was calculated based on the average of the total assets for the period. Return on Beginning Equity was calculated based on the stockholders' equity at the beginning of each period presented.

5) Cash Dividend Declared:

On March 25, 1998, the Board of Directors declared a $.12 per share quarterly cash dividend to stockholders of record on April 9, 1998, payable on April 23, 1998.

6) Computation of Earnings Per Share:

Basic 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. Diluted earnings per share is computed by including the net increase in shares if all outstanding stock options were exercised, using the treasury stock method. Previous period amounts are restated for the effect of the stock split.

Three months ended March 31, 1998	Income	Average Shares	Per-share Amount
Basic earnings per share:			
Income available to common shareholders	$2,430,000	6,862,191	0.35
Effect of dilutive securities:			
Net increase in shares from assumed exercise of stock options		209,634	
Diluted earnings per share:			
Income available to common shareholders plus assumed exercise of options	2,430,000	7,071,825	0.34

Three months ended March 31, 1997	Income	Average Shares	Per-share Amount
Basic earnings per share:			
Income available to common shareholders	$1,986,000	6,796,257	0.29
Effect of dilutive securities:			
Net increase in shares from assumed exercise of stock options		101,086	
Diluted earnings per share:			
Income available to common shareholders plus assumed exercise of options	1,986,000	6,897,343	0.29

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 MARCH 31, 1998

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(dollars in thousands)		
HELD TO MATURITY:				
U.S. Government and Federal Agencies	$ 1,999	0	(2)	1,997
State and Local Government and other issues	2,872	99	0	2,971
Mortgage-backed securities	40	1	0	41
TOTAL HELD TO MATURITY SECURITIES	$ 4,911	100	(2)	5,009
AVAILABLE FOR SALE:				
U.S. Government and Federal Agencies	$11,453	50	(11)	11,492
State and Local Government and other issues	25,610	1,200	(3)	26,807
Mortgage-backed securities	19,594	674	(18)	20,250
Real Estate Mortgage Investment Conduit	30,145	160	(234)	30,071
TOTAL AVAILABLE FOR SALE SECURITIES	$86,802	2,084	(266)	88,620

INVESTMENT SECURITIES AS OF DECEMBER 31, 1997

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(dollars in thousands)		
HELD TO MATURITY:				
U.S. Government and Federal Agencies	$ 4,996	0	(6)	4,990
State and Local Government and other issues	2,916	112	0	3,028
Mortgage-backed securities	3,100	27	0	3,127
TOTAL HELD TO MATURITY SECURITIES	$11,012	139	(6)	11,145
AVAILABLE FOR SALE:				
U.S. Government and Federal Agencies	$15,024	70	(29)	15,065
State and Local Government and other issues	24,056	1,110	(2)	25,164
Mortgage-backed securities	20,567	667	(18)	21,216
Real Estate Mortgage Investment Conduit	31,653	256	(100)	31,809
TOTAL AVAILABLE FOR SALE SECURITIES	$91,300	2,103	(149)	93,254

8) Stockholders Equity:

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 March 31, 1998.

	Tier I (Core) Capital		Tier II (Total) Capital		Leverage Capital	
	$	%	$	%	$	%
	(dollars in thousands)					
GAAP Capital	$ 61,441		$ 61,441		$ 61,441	
Goodwill	(1,386)		(1,386)		(1,386)	
Net unrealized gains on securities available-for-sale	(1,037)		(1,037)		(1,037)	
Other regulatory adjustments	295		295		295	
Allowance for loan losses	--		3,641		--	
Regulatory capital computed	$ 59,313		$ 62,954		$ 59,313	
Risk weighted assets	$ 400,301		$ 400,301			
Total average assets					$577,661	
Capital as % of defined assets		14.80%		15.71%		10.17%
Regulatory "well capitalized" requirement		6.00%		10.00%		5.00%
Excess over "well capitalized" requirement		8.80%		5.71%		5.27%

9) Comprehensive Income:

In June, 1997, the Financial Accounting Standards Board ("FASB") issued SFAS No. 130, `Reporting Comprehensive Income," which establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. This statement requires that all items required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company adopted the provisions of SFAS No. 130 as of January 1, 1998.

Other comprehensive income:	Three months ended March 31,	
	1998	1997
	(dollars in thousands)	
Unrealized holding losses arising during the period	$(144)	(437)
Less reclassification adjustment for losses included in net income	0	0
Other comprehensive income (loss), net of tax	(144)	(437)

10) Contingencies and Commitments

The Company is in the process of converting its data processing operation from an outside data processing service for three of its subsidiaries to an upgraded in-house system currently used by First Security. This conversion will standardize information processing within the Company and provide enhanced customer service capabilities. The estimated investment for this conversion, including hardware, software licensing fees, and conversion costs is approximately $800,000. Annual expenses for data processing are expected to decline with this change.

The Company has purchased a commercial building site in Kalispell on which it intends to construct a building to be used to relocate one of its drive-up offices and the corporate headquarters. The estimated cost for land and building is approximately $2,100,000. As of March 31, 1998, $525,000 has been paid for the land purchase.

The Company is aware of the issues associated with computer systems as the year 2000 approaches. The basic issue is whether computer systems will properly recognize date-sensitive information when the year changes to 2000. The Company has a task force to identify all equipment, software, vendor dependencies, and customers that may be affected by the year 2000 problem. The Company has provided its business customers, suppliers and vendors with information regarding the Company's progress on year 2000 issues and has requested similar information in return. All software currently used within the Company is supplied by vendors. Vendor readiness for year 2000 has been assessed, and testing to assure proper functioning is scheduled to be completed by December 31, 1998. The Company continues to bear some risk related to the year 2000 issue and could be adversely affected if other entities not affiliated with the Company do not appropriately address their own year 2000 compliance issues. Based on the study and analysis conducted, the dollar amount required to remediate the known year 2000 issues is not expected to be material to the Company's business. Unanticipated problems or difficulties, however, could significantly increase the Company's estimated expenditures for the year 2000 project.

11) Forward Looking Statements

This document contains certain forward looking statements, all of which are based on current expectations. Actual results may differ materially, and therefore readers are cautioned not to place undue reliance on these forward looking statements.

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, 1997 to March 31, 1998.

At March 31, 1998, total consolidated assets increased by $10,052,000 or 1.73%, over the December 31, 1997 level. This increase was primarily in loan growth of $15,553,000, interest bearing cash deposits with other financial institutions, and Federal Funds sold. Total investments have declined $10,735,000.

Real Estate loans decreased $3.6 million during the period, while Commercial loans increased $19.4 million, offsetting the decline in real estate loans. Approximately $8.5 million of the Commercial loan increase resulted from repurchasing loan participations from non-affiliated banks.

Loans sold to the secondary market amounted to $23.2 million and $13.8 million during the first three months of 1998 and 1997, respectively.

The amount of loans serviced for others on March 31, 1998 was $111.0 million.

Total deposits increased $8.6 million, with the increase occurring in interest bearing deposits. Advances from the Federal Home Loan Bank ("FHLB") increased $8.8 million while securities sold under repurchase agreements and other borrowed funds decreased $7.0 million, and $5.6 million respectively.

All four institutions are members of the FHLB. 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 March 31, 1998:

	Available line	Amount Used	Available
Glacier Bank	146,502,000	111,559,000	34,943,000
Whitefish	8,342,000	4,385,000	3,957,000
Eureka	7,622,000	3,656,000	3,966,000
Missoula	23,283,000	10,000,000	13,283,000

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 $1.8 million or .31% of total assets at March 31, 1998, as compared to $1.3 million, or .23% of total assets, as December 31, 1997.

Non-performing assets remain at a relatively low level.

	March 31, 1998	December 31, 1997
Total Reserves for Loan and Real Estate Owned Losses:	$3.6 million	$3.5 million
Reserves as a percentage of Total Loans:	.83%	.83%
Reserves as a percentage of Non-performing Assets:	198%	265%

Impaired Loans

As of March 31, 1998, there were no loans considered impaired. 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. As of March 31, 1998, the Company owns 47,260 shares of Whitefish and 49,084 shares of Eureka. The Company's ownership of Whitefish and Eureka is 94% and 98%, respectively. In February 1998, the Company offered to purchase minority shares of Eureka and Whitefish at 1.25 times book value. 2,839 shares were acquired with this offer.

Results of Operations - The three months ended 3/31/98 compared to the three months ended 3/31/97.

Glacier Bancorp, Inc. reported net income of $2.430 million, or basic earnings per share of $.35, for the first quarter of 1998, compared with $1.986 million, or basic earnings per share of $.29, for the same quarter of 1997. Return on average assets and return on beginning equity in the first quarter of 1998 were 1.68 percent and 16.31 percent, respectively, up from returns of 1.46 percent and 15.29 percent for the same quarter of 1997.

From March 31, 1997 total assets have grown $38.078 million, or 6.9 percent, to $590.450 million, and stockholders' equity has increased $8.628 million, or 16.3 percent, to $61.441 million. The capital level remains very strong at 10.41 percent of assets.

Net Interest Income

Net interest income for the quarter was $6.210 million, an increase of $537,000 or 9.5%, over the same period in 1997. Growth in net earning assets, and an increase in the net interest margin as a percentage of earning assets from 4.49 percent to 4.72 percent, were the reasons for this increase. Loan balances have increased $47.8 million from March 31, 1997, an increase of 12.3 percent. All loan classifications have increased, with commercial loans up $38.5 million, or 37.8 percent, consumer loans up $6.6 million, or 7.1 percent, and real estate loans up $3.0 million, or 1.5 percent. Total investments including mortgage backed securities, decreased $9.3 million, or 9.0 percent. The flat yield curve has provided little opportunity to achieve reasonable spreads, therefore prepayments and maturities have not been reinvested in securities. Total deposits increased $32.2 million, or 9.9 percent, with $16.5 million of the increase in non-interest bearing deposits. Borrowed funds, which include Federal Home Loan Bank advances, repurchase agreements, and other borrowed funds, decreased $1.6 million, reducing the reliance on borrowed funds for asset growth.

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 set forth information concerning the Company's interest rate spread at March 31, 1998 and 1997:

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 increased in 1998 from 3.68% to 3.87%, from a combination of higher rates on interest earning assets, and lower rates on liabilities. The net interest margin increased in 1998 from 4.49% to 4.72% which is also the result of the above described reasons. The increased asset levels, and increased non-interest bearing deposits also contributed to the significantly higher net interest income.

FOR THE THREE MONTHS ENDED:	March 31, [1] 1997	1996
Combined weighted average yield on loans and investments [2]	8.50%	8.36%
Combined weighted average rate paid on savings deposits and borrowings	4.63%	4.68%
Net interest spread	3.87%	3.68%
Net interest margin [3]	4.72%	4.49%

[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. Interest income from tax exempt investments is on a tax equivalent basis.

Non-Interest Income

Non-interest income increased $262,000, or 13.9 percent from the first quarter of 1997. Loan fees and service charges on deposit accounts were up $233,000 while other income increased by $29,000.

Loan Loss Provision and Non-Performing Assets
The first quarter provision for loan losses was $202,000, up from $163,000 during the same quarter in 1997 reflecting the growth in loans. Non-performing assets as a percentage of loans at March 31, 1998 were .42 percent, well below the average of the Company's peer group which was .81 percent at December 31, 1997, the most recent information available. The reserve for loan losses was 198 percent of non-performing assets as of March 31, 1998.

Non-Interest Expense
Non-interest expense increased by $77,000, or 1.8 percent, over the first quarter of 1997. Compensation and employee benefits decreased $25,000, or 1.1 percent. Occupancy expense was also down $17,000, or 3.6 percent. Data processing expenses increased $14,000, or 7.6 percent. Other expenses, which include merger expenses of $47,000, were up $104,000, or 8.0 percent.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk is the risk of loss in a financial instrument arising from adverse changes in market rates/prices such as interest rates, foreign currency exchange rates, commodity prices, and equity prices. The Company's primary market risk exposure is interest rate risk. The ongoing monitoring and management of this risk is an important component of the Company's asset/liability management process which is governed by policies established by its Board of Directors that are reviewed and approved annually. The Board of Directors delegates responsibility for carrying out the asset/liability management policies to the Asset/Liability committee (ALCO). In this capacity ALCO develops guidelines and strategies impacting the Company's asset/liability management related activities based upon estimated market risk sensitivity, policy limits and overall market interest rate levels/trends.

Interest Rate Risk:

Interest rate risk represents the sensitivity of earnings to changes in market interest rates. As interest rates change the interest income and expense streams associated with the Company's financial instruments also change thereby impacting net interest income (NII), the primary component of the Company's earnings. ALCO utilizes the results of a detailed and dynamic simulation model to quantify the estimated exposure of NII to sustained interest rate changes. While ALCO routinely monitors simulated NII sensitivity over a rolling two-year horizon, it also utilizes additional tools to monitor potential longer-term interest rate risk.

The simulation model captures the impact of changing interest rates on the interest income received and interest expense paid on all assets and liabilities reflected on the Company's balance sheet. This sensitivity analysis is compared to ALCO policy limits which specify a maximum tolerance level for NII exposure over a one year horizon, assuming no balance sheet growth, given a 200 basis point (bp) upward and downward shift in interest rates. A parallel and pro rata shift in rates over a 12 month period is assumed. The following reflects the Company's NII sensitivity analysis as of December 31, 1997, the most recent information available, as compared to the 10% Board approved policy limit.

Rate Change	Estimated NII Sensitivity
+200 bp	-0.85%
-200 bp	0.48%

The preceding sensitivity analysis does not represent a Company forecast and should not be relied upon as being indicative of expected operating results. These hypothetical estimates are based upon numerous assumptions including: the nature and timing of interest rate levels including yield curve shape, prepayments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, reinvestment/replacement of assets and liability cashflows, and others. While assumptions are developed based upon current economic and local market conditions, the Company cannot make any assurances as to the predictive nature of these assumptions including how customer preferences or competitor influences might change.

Also, as market conditions vary from those assumed in the sensitivity analysis, actual results will also differ due to: prepayment/refinancing levels likely deviating from those assumed, the varying impact of interest rate change caps or floors on adjustable rate assets, the potential effect of changing debt service levels on customers with adjustable rate loans, depositor early withdrawals and product preference changes, and other internal/external variables. Furthermore, the sensitivity analysis does not reflect actions that ALCO might take in responding to or anticipating changes in interest rates.

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

None

ITEM 5. OTHER INFORMATION

None

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

a. Exhibit 27 - Financial data schedule

b. Current report filed on March 6, 1998 announcing the Board of Directors approval, subject to shareholder approval, to increase the number of shares of common stock available for issuance from six million to fifteen million. In addition, the Board directed management take corrective action to properly implement the 3-for-2 stock split that was effective in May 1997.

SIGNATURES

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

GLACIER BANCORP, INC.

May 11, 1998 By s/ Michael J. Blodnick

Michael J. Blodnick
Executive Vice President/COO

May 11, 1998 By s/s James H. Strosahl

James H. Strosahl
Senior Vice President/CFO

9
1,000

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
26,298
400
3,542
0
88,619
4,911
5,009
440,242
3,641
590,450
355,397
53,689
11,222
108,701
0
0
69
61,372
590,450
9,503
1,757
0
11,260
2,813
5,050
6,210
202
0
4,326
3,822
2,430
0
0
2,430
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0.34
4.72
765
868
0
0
3,544
155
50
3,641
3,641
0
0