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, 1999

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

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 7, 1999, was 8,654,106. No preferred shares are issued or outstanding.

GLACIER BANCORP, INC.
Quarterly Report on Form 10-Q

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GLACIER BANCORP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL CONDITION

(Unaudited - dollars in thousands except per share data)	March 31, 1999	December 31, 1998	March 31, 1998
Assets:			
Cash on hand and in banks	$ 29,315	33,806	31,796
Federal funds sold	0	5,883	11,232
Interest bearing cash deposits	8,586	2,494	400
Cash and cash equivalents	37,901	42,183	43,428
Investments:			
Investment securities, held-to-maturity	0	8,272	9,980
Investment securities, available-for-sale	56,304	50,618	50,320
Mortgage backed securities, held-to-maturity	0	0	40
Mortgage backed securities, available-for-sale	83,752	46,596	51,139
Total Investments	140,056	105,486	111,479
Net loans receivable:			
Real estate loans	201,063	215,271	221,460
Commercial Loans	204,770	194,321	169,488
Installment and other loans	114,149	113,749	115,927
Allowance for losses	(5,421)	(5,133)	(4,406)
Total Loans, net	514,561	518,208	502,469
Premises and equipment, net	17,382	17,382	15,499
Real estate and other assets owned	106	151	152
Federal Home Loan Bank of Seattle stock, at cost	13,031	12,366	11,655
Federal Reserve stock, at cost	1,430	1,219	1,067
Accrued interest receivable	4,394	4,348	4,321
Goodwill, net	2,545	2,601	1,386
Other assets	2,160	2,083	1,866
	$ 733,566	706,027	693,322
Liabilities and stockholders' equity:			
Deposits - non-interest bearing	$ 98,128	100,177	91,683
Deposits - interest bearing	373,874	375,667	348,999
Advances from Federal Home Loan Bank of Seattle	153,675	124,886	155,063
Securities sold under agreements to repurchase	16,839	17,239	14,720
Other borrowed funds	1,741	1,468	2,715
Accrued interest payable	2,354	2,278	2,383
Current income taxes	1,380	0	1,914
Deferred income taxes	1,355	1,601	1,787
Other liabilities	3,980	4,588	3,281
Minority Interest	319	313	1,117
Total liabilities	653,645	628,217	623,662
Common stock, $.01 par value per share (1)	87	86	84
Paid-in capital	60,709	60,104	38,750
Retained earnings - substantially restricted	18,021	16,424	29,753
Accumulated other comprehensive earnings	1,104	1,196	1,073
Total stockholders' equity	79,921	77,810	69,660
	$ 733,566	706,027	693,322
Book value per share	$ 9.24	9.05	8.31

(1) Number of shares outstanding adjusted for 10% stock dividend in 1998.

Total shares outstanding at end of period	8,651,318	8,595,622	8,381,379

See accompanying notes to consolidated condensed financial statements.

Glacier Bancorp, Inc.
Consolidated Condensed Statements of Operations

(unaudited - dollars in thousands except per share data)	Three months ended March 31, 1999	1998
Interest income:		
Real estate loans	$ 4,156	4,560
Commercial loans	4,385	3,715
Consumer and other loans	2,620	2,808
Investment securities	1,900	2,157
Total interest income	13,061	13,240
Interest expense:		
Deposits	3,448	3,553
Advances	1,832	2,113
Repurchase agreements	185	210
Other borrowed funds	22	60
Total interest expense	5,487	5,936
Net interest income	7,574	7,304
Provision for loan losses	322	235
Net Interest Income after provision for loan losses	7,252	7,069
Non-interest income:		
Loan fees and service charges	2,480	2,405
Gains on sale of investments	2	12
Other income	323	256
Total fees and other income	2,805	2,673
Non-interest expense:		
Compensation, employee benefits and related expenses	3,048	2,806
Occupancy expense	780	632
Data processing expense	179	274
Other expenses	1,604	1,721
Minority interest	11	49
Total non-interest expense	5,622	5,482
Earnings before income taxes	4,435	4,260
Federal and state income tax expense	1,541	1,566
Net earnings	$ 2,894	2,694
Basic earnings per share (1)	$ 0.34	0.32
Diluted earnings per share (1)	0.33	0.31
Dividends declared per share (1)	0.15	0.11
Return on average assets (annualized)	1.62%	1.57%
Return on beginning equity (annualized)	14.88%	15.92%
Average outstanding shares - basic (1)	8,618,086	8,360,887
Average outstanding shares - diluted (1)	8,707,541	8,556,242

(1) Adjusted for 10% stock dividend in 1998.

See accompanying notes to consolidated condensed financial statements.

Consolidated Statements of Cash Flows

(dollars in thousands)	Three months ended March 31, 1999	1998
OPERATING ACTIVITIES:		
Net earnings	$ 2,894	2,694
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Mortgage loans held for sale originated or acquired	(34,050)	(38,887)
Proceeds from sales of mortgage loans held for sale	39,398	32,182
Provision for loan losses	322	232
Depreciation of premises and equipment	360	269
Amortization of goodwill	56	32
Amortization of investment securities premiums and discounts, net	228	72
Net decrease in deferred income taxes	(199)	(28)
Net (increase) decrease in accrued interest receivable	(46)	155
Net increase in accrued interest payable	76	462
Net increase in current income taxes	1,653	1,608
Net (increase) decrease in other assets	(350)	32
Net (decrease) increase in other liabilities and minority interest	(602)	1,888
FHLB stock dividends	(237)	(197)
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,503	514
INVESTING ACTIVITIES:		
Proceeds from maturities and prepayments of investment securities available-for-sale	6,610	9,443
Purchases of investment securities available-for-sale	(41,547)	(5,113)
Proceeds from maturities and prepayments of investment securities held-to-maturity	0	6,105
Purchases of investment securities held-to-maturity	0	(70)
Principal collected on installment and commercial loans	47,027	39,596
Installment and commercial loans originated or acquired	(60,160)	(59,882)
Proceeds from sales of commercial loans	2,249	623
Principal collections on mortgage loans	27,280	18,632
Mortgage loans originated or acquired	(18,419)	(8,746)
Net proceeds from sales (acquisition) of real estate owned	45	(31)
Net purchase of FHLB and FRB stock	(639)	(748)
Net addition of premises and equipment	(360)	(1,046)
Acquisition of minority interest	0	(283)
NET CASH USED IN INVESTING ACTIVITIES	(37,914)	(1,520)
FINANCING ACTIVITIES:		
Net (decrease) increase in deposits	(3,842)	9,456
Net increase in FHLB advances and other borrowed funds	29,062	3,831
Net decrease in securities sold under repurchase agreements	(400)	(6,953)
Cash dividends paid to stockholders	(1,297)	(1,067)
Proceeds from exercise of stock options	606	472
NET CASH PROVIDED BY FINANCING ACTIVITIES	24,129	5,739
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,282)	4,733
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	42,183	38,695
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 37,901	43,428
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for: Interest	$ 5,411	5,369
Income taxes	161	136

See accompanying notes to consolidated condensed financial statements.

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 adjustments) necessary for a fair presentation of Glacier Bancorp Inc.'s (the "Company") financial condition as of March 31, 1999, December 31, and March 31, 1998 and the results of operations for the three months ended March 31, 1999 and 1998 and cash flows for the three months ended March 31, 1999 and 1998.

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, 1998. Operating results for the three months ended March 31, 1999 are not necessarily indicative of the results anticipated for the year ending December 31, 1999.

2) Organizational Structure:

The Company is the parent company for seven subsidiaries: Glacier Bank ("Glacier"); Glacier Bank of Whitefish ("Whitefish"); Glacier Bank of Eureka ("Eureka"); First Security Bank of Missoula ("Missoula"); Valley Bank of Helena ("Helena"), Big Sky Western Bank ("Big Sky"), 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. On August 31, 1998, the acquisition of HUB Financial Corporation and Valley Bank of Helena was completed. Effective January 20, 1999, Big Sky Western Bank became a subsidiary of the Company. The pooling method of interests accounting method was used for both acquisitions. Under this method, financial information for each of the periods presented includes the combined companies as though the mergers had occurred prior to the earliest date presented. At March 31, 1999, the Company owned 100%, 94%, 98%, 100%, 100%, 100% and 100% of Glacier, Whitefish, Eureka, Missoula, Helena, Big Sky and CFI, respectively. CFI provides full service brokerage services through Raymond James Financial Services, Inc.

On January 20, 1999, the Company completed the acquisition of Big Sky Western Bank. Under the terms of the acquisition agreement, Big Sky became a wholly owned subsidiary of the Company, whereby shareholders of Big Sky received shares of the Company in exchange for their shares of Big Sky. Big Sky operates two offices in Gallatin County, Montana. The following abbreviated organizational chart illustrates the various relationships :

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                            ------------------------
                             Glacier Bancorp, Inc.
                            (Parent Holding Company)
                            ------------------------
                                        |
- ---------------------------------------------------------------------------------
   Glacier Bank     First Security Bank |    Glacier Bank       Glacier Bank
(Commercial Bank)       of Missoula     |    of Whitefish        of Eureka
                     (Commercial Bank)  |  (Commercial Bank)  (Commercial Bank)
- -----------------   ------------------ |  -----------------   -----------------
                                        |
         ------------------------------------------------------------------
              Big Sky                Valley Bank        Community First,
            Western Bank              of Helena               Inc.
         (Commercial Bank)       (Commercial Bank)    (Brokerage services)
         -----------------       -----------------    --------------------
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3) Stock Dividend:

On August 27, 1998, a 10% stock dividend was approved by the Board of Directors. As a result, all per share amounts from time periods proceeding this date have been restated to illustrate the effect of the stock dividend. 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 24, 1999, the Board of Directors declared of $.15 per share quarterly cash dividend to stockholders of record on April 8, 1999, payable on April 22, 1999.

6) Computation of Earnings Per Share:

Basic earnings per common share is computed by dividing net earnings by the weighted average number of shares of common stock outstanding during the period presented. Diluted earnings per share is computed by including the net increase in shares if dilutive outstanding stock options were exercised, using the treasury stock method. Previous period amounts are restated for the effect of the stock dividend. The following schedule contains the data used in the calculation of basic and diluted earnings per share.

	Three months ended March 31, 1999	Three Months ended March 31, 1998
Net income available to common stockholders, basic and diluted	$2,894,212	2,693,718
Average outstanding shares - basic	8,618,086	8,360,887
Add: dilutive stock options	89,455	195,356
Average outstanding shares - diluted	8,707,541	8,556,242
Basic earnings per share	$ .34	.32
Diluted earnings per share	$ .33	.31

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, 1999

(dollars in thousands)	Weighted yield	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Government and Federal Agencies:					
maturing within one year	7.89%	$ 4,158	50	0	4,208
maturing one year through five years	6.22%	6,602	124	0	6,726
maturing after ten years	6.49%	1,359	9	(1)	1,367
	6.82%	12,119	183	(1)	12,301
State and Local Governments and other issues:					
maturing within one year	6.84%	$ 802	4	0	806
maturing one year through five years	5.34%	974	35	0	1,009
maturing five years through ten years	5.17%	2,463	113	0	2,576
maturing after ten years	5.23%	38,428	1,561	(378)	39,611
	5.26%	42,667	1,713	(378)	44,002
Mortgage-Backed Securities	7.54%	15,029	460	(82)	15,407
Real Estate Mortgage Investment Conduits	7.24%	68,360	257	(271)	68,346
Total Securities	6.45%	$138,175	2,613	(732)	140,056

Effective January 1, 1999, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133). SFAS 133 establishes accounting and reporting standards that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The adoption of SFAS 133 had no impact on the financial statements of the Company except that it allowed for a one-time reclassification of the investment portfolio from held-to-maturity to either trading or available-for-sale. The net effect on the consolidated statement of financial condition of this reclassification was an increase in total assets of $288,000, deferred tax liabilities of $98,000 and unrealized gains on securities available-for-sale of $190,000.

Investment Securities as of December 31, 1998

(dollars in thousands)	Weighted yield	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to-Maturity					
U.S. Government and Federal Agencies:					
maturing within one year	7.90%	$ 3,010	63	0	3,073
maturing one year through five years	7.10%	1,237	66	0	1,303
	7.67%	4,247	129	0	4,376
State and Local Governments and other issues:					
maturing within one year	5.50%	552	5	0	557
maturing one year through five years	5.56%	811	24	0	835
maturing five years through ten years	5.01%	1,222	44	0	1,266
maturing after ten years	5.67%	1,440	86	0	1,526
	5.42%	4,025	159	0	4,184
Total Held-to-Maturity Securities	6.58%	$ 8,272	288	0	8,560
Available-for-Sale					
U.S. Government and Federal Agencies:					
maturing within one year	5.88%	$ 2,676	9	(1)	2,684
maturing one year through five years	5.91%	5,993	79		6,072
maturing after ten years	6.51%	1,816	10	(1)	1,825
	6.01%	10,485	98	(2)	10,581
State and Local Governments and other issues:					
maturing within one year	6.88%	$ 250	0	0	250
maturing one year through five years	6.00%	100	7		107
maturing five years through ten years	5.06%	1,167	69	0	1,236
maturing after ten years	5.30%	37,173	1,590	(319)	38,444
	5.30%	38,690	1,666	(319)	40,037
Mortgage-Backed Securities	7.56%	18,299	546	(63)	18,782
Real Estate Mortgage Investment Conduits	6.33%	27,715	184	(85)	27,814
Total Available-for-Sale Securities	6.03%	$95,189	2,494	(469)	97,214

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 Board's capital adequacy guidelines and the company's compliance with those guidelines as of March 31, 1999:

(dollars in thousands)	Tier 1 (Core) Capital	Tier 2 (Total) Capital	Leverage Capital
GAAP Capital	$ 79,921	$ 79,921	$ 79,921
Goodwill	(2,545)	(2,545)	(2,545)
Net unrealized gains on securities available-for-sale	(1,104)	(1,104)	(1,104)
Minority Interest	319	319	319
Allowance for loan losses	--	5,421	--
Regulatory capital computed	$ 76,591	$ 82,012	$ 76,591
Risk weighted assets	$ 466,358	$ 466,358	
Total average assets			$ 713,839
Capital as % of defined assets	16.42%	17.59%	10.73%
Regulatory "well capitalized" requirement	6.00%	10.00%	5.00%
Excess over "well capitalized" requirement	10.42%	7.59%	5.73%

9) Comprehensive Income:

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

	For the quarter ended March 31,	
	1999	1998
Net earnings	$ 2,894	2,694
Unrealized holding losses arising during the period	(430)	(213)
Transfer from held-to-maturity	288	--
Tax expense	49	72
Net after tax	(93)	(141)
Less: reclassification adjustment for amounts included in net income	2	12
Tax expense	(1)	(4)
Net after tax	1	8
Net unrealized loss on securities	(92)	(133)
Total comprehensive earnings	$ 2,802	2,561

10) Subsequent Events

The Board of Directors, at their meeting held on April 28, 1999, declared a 10 percent stock dividend payable May 27, 1999 in common stock of the Company, to shareholders of record on May 18, 1999. Fractional shares will be paid in cash.

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, 1998 to March 31, 1999.

From March 31, 1998 total assets have grown $40.244 million, or 5.8 percent, to $733.566 million, and have increased $27.539 million, or 3.9 percent since December 31, 1998. This 1999 increase was primarily in investment growth of $34.6 million, or 32.7%. Investments were acquired at attractive yields to increase earnings using the strong equity of the Company. Total net loans have declined $3.6 million.

Real estate loans decreased $14.2 million during the period, while commercial loans increased $10.4 million, partially offsetting the decline in real estate loans. The decrease in real estate loans is the result of borrowers continuing to prepay loans in this low interest rate environment and the Company's decision to not retain long-term low-rate loans.

Loans sold to the secondary market amounted to $41.6 million and $32.8 million during the first three months of 1999 and 1998, respectively.

The amount of loans serviced for others on March 31, 1999 was $126.2 million.

Total deposits decreased $3.8 million, with $1.8 million of the decrease occurring in interest bearing deposits and $2.0 million from non-interest bearing deposits. Advances from the Federal Home Loan Bank ("FHLB") increased $28.8 million while securities sold under repurchase agreements and other borrowed funds decreased $.1 million.

All six 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, 1999 (in thousands):

	Available line	Amount Used	Available
Glacier Bank	$148,135	99,184	48,951
Whitefish	8,378	4,775	3,603
Eureka	7,676	3,532	4,144
Missoula	33,955	18,400	15,555
Helena	14,951	4,961	9,990
Big Sky	12,153	7,300	4,853
Totals	225,248	138,152	87,096

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 $2.0 million or .27% of total assets at March 31, 1999, as compared to $2.8 million, or .42% of total assets, as of December 31, 1998.

	March 31, 1999	December 31, 1998
Total Allowance for Loan and Real Estate Owned Losses:	$5.4 million	$5.1 million
Allowance as a percentage of Total Loans:	1.04%	.98%
Allowance as a percentage of Non-performing Assets:	276%	173%

Impaired Loans

As of March 31, 1999, 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 based on 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, 1999, the Company owns 47,280 shares of Whitefish and 49,084 shares of Eureka. The Company's ownership of Whitefish and Eureka is 94% and 98%, respectively.

Results of Operations - The three months ended 3/31/99 compared to the three months ended 3/31/98.

Glacier Bancorp, Inc. reported record net income of $2.894 million, or basic earnings per share of $.34, for the first quarter of 1999, compared with $2.694 million, or basic earnings per share of $.32, for the same quarter of 1998. Return on average assets and return on beginning equity in the first quarter of 1999 were 1.62 percent and 14.88 percent, respectively, which compares to returns of 1.57 percent and 15.92 percent for the same quarter of 1998. The return on equity is lower in 1999 because stockholders' equity has increased $10.261 million, or 14.7 percent over the March 31, 1998 level and is a very strong 10.9 percent of assets.

Net Interest Income

Net interest income for the quarter was $7.574 million, an increase of $270,000, or 3.7 percent, over the same period in 1998. The reason for the increase was growth in net earning assets together with maintenance of net interest margin as a percentage of earning assets of 4.7 percent. Loan balances have increased $13.1 million from March 31, 1998, an increase of 2.6 percent. Consistent with management's strategy, there has been a significant shift in the mix of loans, with higher yielding commercial loans up $35.3 million, or 20.8 percent. Consumer loans are down $1.8 million, the result of the sale of $3.8 million in credit card loans which generally carried a higher credit risk, and real estate loans are down $20.4 million, or 9.2 percent, the result of prepayments and management's decision not to retain long-term low-rate mortgage loans. Total investments including mortgage backed securities, increased $28.6 million, or 25.6 percent, with most of the increase occurring towards the end of the current quarter. With a steeper yield curve investments have become more attractive. Total deposits increased $31.3 million, or 7.1 percent, with $6.4 million of the increase in non-interest bearing deposits.

Loan Loss Provision and Non-Performing Assets

The first quarter provision for loan losses was $322 thousand, up from $235 thousand during the same quarter in 1998 reflecting the changing mix of loans to more commercial which historically carry a greater degree of credit risk than residential real estate loans. Non-performing assets as a percentage of loans at March 31, 1999 were .27 percent, well below the average of the Company's peer group which was .78 percent at December 31, 1998, the most recent information available. The reserve for loan losses was 276 percent of non-performing assets as of March 31, 1999.

Non-interest Income

Non-interest income increased $131 thousand, or 4.9 percent from the first quarter of 1998. Service fees on deposit accounts was the largest portion of the increase.

Non-interest Expense

Non-interest expense increased by $140 thousand, or 2.5 percent, over the first quarter of 1998. Compensation and employee benefits increased $242 thousand, or 8.6 percent, resulting from staffing additions, commissions on loan originations, and other increases. Occupancy and equipment expense was up $148 thousand, or 23.4 percent, the result of bringing more data processing functions in-house, and additional expenses from the new branch/corporate office. Data processing expenses decreased $95 thousand, or 34.7 percent. Other expenses were down $117 thousand, or 6.8 percent. The rest of the expense reduction was the minority interest in subsidiaries which decreased by $38 thousand, resulting from the acquisition of the minority shares of the Valley Bank of Helena.

Acquisition of Big Sky Western Bank

On January 20, 1999 the pending acquisition of Big Sky Western Bank ("Big Sky"), with $42 million in assets, was completed. Big Sky brings a talented staff and a presence in the rapidly growing Big Sky and Bozeman markets to Glacier Bancorp, Inc.

The discussion above may include certain "forward looking statements" concerning the future operations of the Company. The Company is taking advantage of the "safe harbor" provisions of the Private Securities Litigation Reform act of 1995 as they apply to forward looking statements. This statement is for the express purpose of availing the Company of the protections of such safe harbor with respect to all "forward looking statements." Management's ability to predict results of the effect of future plans in inherently uncertain, and is subject to factors that may cause actual results to differ materially from those projected.

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 "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 substantially completed as of March 31, 1999.

Estimated Costs to Address Year 2000 Issues

The total financial effect that Year 2000 issues will have on the Company cannot be predicted with any certainty at this time. In fact, in spite of all efforts being made to rectify these problems, the success of the Company's efforts will not be known until the Year 2000 actually arrives. However, based on its assessment to date, the Company does not believe that expenses related to meeting Year 2000 challenges will have a material effect on its operations or consolidated financial condition. Year 2000 challenges facing vendors of mission-critical software and systems, and facing the Company's customers, could have a material effect on the operations or consolidated financial condition of the Company, to the extent such parties are materially affected by such challenges.

Risks Related to Year 2000 Issues

The year 2000 poses certain risks to the Company and its subsidiary banks and their operations. Some of these risks are present because the Company purchases technology and information systems applications from other parties who face Year 2000 challenges. Other risks are inherent in the business of banking or are risks faced by many companies. Although it is impossible to identify all possible risks that the Company may face moving into the millennium, management has identified the following significant potential risks.

Commercial banks may experience a contraction in their deposit base, if a significant amount of deposited funds are withdrawn by customers prior to the Year 2000, and interest rates may increase as the millennium approaches. This potential deposit contraction could make it necessary for the Company to change its sources of funding and could impact future earnings. The Company established a contingency plan for addressing this situation, should it arise, into its asset and liability management policies. The plan includes maintaining the ability to borrow funds from the Federal Home Loan Bank of Seattle. Significant demand for funds from other banks could reduce the amount of funds available to borrow. If insufficient funds are available from these sources, the Company may also sell investment securities or other liquid assets to meet liquidity needs.

The Company lends significant amounts to businesses in its marketing area. If these businesses are adversely affected by Year 2000 problems, their ability to repay loans could be impaired. This increased credit risk could adversely affect the Company's financial performance. During the assessment phase of the Company's Year 2000 program, each of the Company's subsidiary banks' substantial borrowers were identified, and the Company is working with such borrowers to ascertain their levels of exposure to Year 2000 problems. To the extent that the Company is unable to assure itself of the Year 2000 readiness of such borrowers, it intends to apply additional risk assessment criteria to the indebtedness of such borrowers and make any necessary related adjustments to the Company's provision for loan losses.

The Company and its subsidiary banks, like those of many other companies, can be adversely affected by the Year 2000 triggered failures of other companies upon who the Company depends for the functioning of their automated systems. Accordingly, the Company's operations could be materially affected, if the operations of mission-critical third party service providers are adversely affected. As described above, the Company has identified its mission-critical vendors and is monitoring their Year 2000 compliance programs.

Contingency Plans

The Company is in the process of developing specific contingency plans related to year 2000 issues, other than those described above. As the Company and its subsidiary banks continue the testing phase, and based on future ongoing assessment of the readiness of vendors, service providers and substantial borrowers, appropriate contingency plans will be developed that address the most reasonably likely "worst case" scenarios. Certain circumstances, as described above in "Risk," may occur for which there are no completely satisfactory contingency plans.

FORWARD LOOKING STATEMENTS

The discussion above regarding to the century date change for the Year 2000 includes certain "forward looking statements" concerning the future operations of the Company. The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 as they apply to forward looking statements. This statement is for the express purpose of availing the Company of the protections of such safe harbor with respect to all "forward looking statements." Management's ability to predict results of the effect of future plans is inherently uncertain, and is subject to factors that may cause actual results to differ materially from those projected. Factors that could affect the actual results include the Company's success is identifying systems and programs that are not Year 2000 compliant; the possibility that systems modifications will not operate as intended; unexpected costs associated with remediation, including labor and consulting costs; the nature and amount of programming required to upgrade or replace the affected systems; the uncertainty associated with the impact of the century change on the Company's customers, vendors and third-party service providers; and the economy generally.

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, 1998, the most recent information available, as compared to the 10% Board approved policy limit.

Rate Change	Estimated NII Sensitivity
+200 bp	1.44%
-200 bp	-1.99%

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 its 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

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 7, 1999

By ____________________________
Michael J. Blodnick
President/CEO

May 7, 1999

By ____________________________
James H. Strosahl
Executive Vice President/CFO

Extracted from (A)
Consolidated Statements of Financial Condition March 31, 1999
Consolidated Statements of Operations March 31, 1999
Reference to (B)
Quarterly report form 10-Q March 31, 1999

1000
U.S. Dollars

3-mos
DEC-31-1998
JAN-01-1999
MAR-31-1999
1
29,315
8,586
0
0
140,056
0
0
519,983
5,421
733,566
472,002
71,554
9,388
100,701
0
0
87
79,834
733,566
11,161
1,900
0
13,061
3,448
5,487
7,574
322
2
5,622
4,435
2,894
0
0
2,894
0.34
0.33
4.70
1,381
776
0
0
5,133
57
23
5,421
5,421
0
0