UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2001

[ ] 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 October 30, 2001 was 16,769,033. No preferred shares are issued or outstanding.

GLACIER BANCORP, INC.

QUARTERLY REPORT ON FORM 10-Q

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GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited - dollars in thousands except per share data)	SEPTEMBER 30, 2001	December 31, 2000	September 30, 2000
ASSETS:			
Cash on hand and in banks	$ 64,064	41,456	33,700
Interest bearing cash deposits	9,790	10,330	4,255
Cash and cash equivalents	73,854	51,786	37,955
Investments:			
Investment securities, available-for-sale	154,721	71,415	65,419
Mortgage backed securities, available-for-sale	346,019	140,473	138,430
Total investments	500,740	211,888	203,849
Net loans receivable:			
Real estate loans	441,232	231,215	236,071
Commercial Loans	627,110	340,391	325,974
Consumer and other loans	308,010	169,754	168,789
Allowance for loan losses	(18,528)	(7,799)	(7,808)
Total loans, net	1,357,824	733,561	723,026
Premises and equipment, net	52,071	25,016	25,005
Real estate and other assets owned, net	727	291	97
Federal Home Loan Bank of Seattle stock, at cost	31,839	16,436	16,146
Federal Reserve stock, at cost	4,237	1,662	1,639
Accrued interest receivable	14,388	6,637	6,233
Core deposit intangible, net	8,630	1,547	1,597
Goodwill, net	35,381	4,946	5,031
Deferred tax asset	--	--	1,512
Other assets	15,274	2,942	3,951
	$ 2,094,965	1,056,712	1,026,041
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Deposits - non-interest bearing	$ 244,450	141,207	152,022
Deposits - interest bearing	1,209,469	579,363	564,965
Advances from Federal Home Loan Bank of Seattle	360,654	196,791	177,909
Securities sold under agreements to repurchase	29,392	24,877	20,699
Other borrowed funds	12,020	4,652	7,985
Accrued interest payable	10,657	4,591	3,387
Current income taxes	3,371	17	941
Deferred tax liability	2,685	578	--
Trust preferred securities	35,000	--	--
Minority interest	--	338	325
Other liabilities	15,672	6,185	5,970
Total liabilities	1,923,370	958,599	934,203
Preferred shares, 1,000,000 shares authorized. None outstanding	--	--	--
Common stock, $.01 par value per share, 50,000,000 shares authorized	167	114	114
Paid-in capital	163,384	101,828	101,756
Retained earnings (deficit) - substantially restricted	3,761	(4,087)	(6,057)
Accumulated other comprehensive income (loss)	4,283	258	(3,975)
Total stockholders' equity	171,595	98,113	91,838
	$ 2,094,965	1,056,712	1,026,041
Number of shares outstanding	16,728,482	11,447,150	11,441,234
Book value of equity per share	$ 10.26	8.57	8.03
Tangible book value per share	$ 7.63	8.00	7.45

See accompanying notes to consolidated financial statements

GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited - dollars in thousands except per share data)	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
INTEREST INCOME:				
Real estate loans	$ 9,332	4,891	26,313	14,136
Commercial loans	12,824	7,638	34,524	20,943
Consumer and other loans	6,733	4,002	19,221	11,259
Investments	8,211	3,869	22,080	11,601
Total interest income	37,100	20,400	102,138	57,939
INTEREST EXPENSE:				
Deposits	11,452	6,025	33,250	16,246
FHLB Advances	5,212	3,540	14,049	10,237
Securities sold under agreements to repurchase	266	272	791	643
Trust preferred securities	904	--	2,410	--
Other borrowed funds	67	44	210	234
Total interest expense	17,901	9,881	50,710	27,360
NET INTEREST INCOME	19,199	10,519	51,428	30,579
Provision for loan losses	1,006	491	3,429	1,483
Net interest income after provision for loan losses	18,193	10,028	47,999	29,096
NON-INTEREST INCOME:				
Service charges and other fees	3,270	1,997	9,009	5,911
Miscellaneous loan fees and charges	995	508	2,728	1,344
Gains on sale of loans	1,111	545	2,766	1,512
Gains (losses) on sale of investments, net	24	(5)	88	(5)
Other income	395	536	2,085	1,335
Total non-interest income	5,795	3,581	16,676	10,097
NON-INTEREST EXPENSE:				
Compensation, employee benefits and related expenses	7,392	3,992	20,182	12,078
Occupancy and equipment expense	2,187	1,221	6,147	3,568
Data processing expense	707	264	2,007	1,143
Core deposit intangibles amortization	383	50	957	150
Goodwill amortization	492	91	1,229	269
Other expenses	3,948	1,839	10,427	5,842
Minority interest	--	16	35	45
Total non-interest expense	15,109	7,473	40,984	23,095
EARNINGS BEFORE INCOME TAXES	8,879	6,136	23,691	16,098
Federal and state income tax expense	3,172	2,283	8,462	5,825
NET EARNINGS	$ 5,707	3,853	15,229	10,273
Basic earnings per share	$ 0.34	0.34	0.99	0.90
Diluted earnings per share	$ 0.33	0.33	0.96	0.89
Dividends declared per share	$ 0.15	0.15	0.45	0.44
Return on average assets (annualized)	1.06%	1.50%	1.06%	1.37%
Return on average equity (annualized)	13.50%	17.30%	13.41%	15.82%
Return on tangible average equity (annualized)	18.09%	18.76%	17.91%	17.18%
Average outstanding shares - basic	16,676,275	11,441,234	15,344,475	11,439,462
Average outstanding shares - diluted	17,078,578	11,536,174	15,828,650	11,547,895

See accompanying notes to consolidated financial statements.

GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2000, 1999, AND NINE MONTHS ENDED SEPTEMBER 30, 2001

(Unaudited - dollars in thousands except per share data)	Common Stock Shares	Common Stock Amount	Paid-in capital	Retained earnings (accumulated deficit) substantially restricted	Accumulated other comprehensive income (loss)	Total stockholders' equity
Balance at December 31, 1998	9,344,093	$ 93	66,180	16,700	1,173	84,146
Comprehensive income:						
Net earnings	--	--	--	12,352	--	12,352
Unrealized loss on securities, net of reclassification adjustment ...	--	--	--	--	(6,604)	(6,604)
Total comprehensive income						5,748
Cash dividends declared ($.64 per share)	--	--	--	(6,076)	--	(6,076)
Stock options exercised	113,049	1	1,091	--	--	1,092
Tax benefit from stock related compensation	--	--	240	--	--	240
10% stock dividend	936,899	10	19,876	(19,905)	--	(19)
Fiscal year conforming adjustment	--	--	--	(75)	--	(75)
Balance at December 31, 1999	10,394,041	104	87,387	2,996	(5,431)	85,056
Comprehensive income:						
Net earnings	--	--	--	14,003	--	14,003
Unrealized gain on securities, net of reclassification adjustment	--	--	--	--	5,689	5,689
Total comprehensive income						19,692
Cash dividends declared ($.59 per share)	--	--	--	(6,752)	--	(6,752)
Stock options exercised	14,161	--	134	--	--	134
Tax benefit from stock related compensation..	--	--	16	--	--	16
10% stock dividend	1,039,608	10	14,302	(14,334)	--	(22)
Dissenting Mountain West shareholders	(660)	--	(11)	--	--	(11)
Balance at December 31, 2000	11,447,150	114	101,828	(4,087)	258	98,113
Comprehensive income:						
Net earnings	--	--	--	15,229	--	15,229
Unrealized gain on securities, net of reclassification adjustment	--	--	--	--	4,025	4,025
Total comprehensive income						19,254
Cash dividends declared ($.45 per share)	--	--	--	(7,381)	--	(7,381)
Stock options exercised	750,870	7	5,888	--	--	5,895
Stock issued in connection with merger of WesterFed Financial Corporation	4,530,462	46	55,668	--	--	55,714
Balance at September 30, 2001	16,728,482	$ 167	163,384	3,761	4,283	171,595

See accompanying notes to consolidated financial statements

GLACIER BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited -dollars in thousands except per share data)	NINE MONTHS ENDED SEPTEMBER 30, 2001	2000
OPERATING ACTIVITIES:		
Net cash provided in operating activities	$ 11,660	30,280
INVESTING ACTIVITIES:		
Proceeds from sales, maturities and prepayments of investments available-for-sale	158,134	31,007
Purchases of investments available-for-sale	(256,425)	(23,213)
Principal collected on installment and commercial loans	272,133	181,586
Installment and commercial loans originated or acquired	(352,595)	(261,127)
Principal collections on mortgage loans	245,170	98,727
Mortgage loans originated or acquired	(170,680)	(109,556)
Net purchase of FHLB and FRB stock	(3,490)	(439)
Acquisition of WesterFed Financial Corporation and several branches, net of cash and cash equivalents acquired of $162,254	107,239	--
Sale of branches net of cash paid of $53,454	(53,131)	--
Net decrease (increase) in premises and equipment	541	(938)
NET CASH USED IN INVESTING ACTIVITIES	(53,104)	(83,953)
FINANCING ACTIVITIES:		
Net increase in deposits	26,404	72,881
Net increase (decrease) in FHLB advances and other borrowed funds	6,194	(29,604)
Net (decrease) increase in securities sold under repurchase agreements	(3,336)	933
Proceeds from issuance of trust preferred securities	35,000	--
Cash dividends paid to stockholders	(6,645)	(5,010)
Proceeds from exercise of stock options and other stock issued	5,895	63
NET CASH PROVIDED BY FINANCING ACTIVITIES	63,512	39,263
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,068	(14,410)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	51,786	52,365
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 73,854	37,955
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for: Interest	$ 52,230	19,036
Income taxes	$ 6,101	5,333

NON-CASH INVESTING AND FINANCING ACTIVITIES

During the first quarter ended March 31, 2001, the Company purchased a bank and seven branches with net loans of $650,398 and deposits of $787,523. During the second quarter ended June 30, 2001, the Company sold six branches with net loans of $21,800 and deposits of $81,700. At September 30, 2001 and 2000, the Company had declared dividends, but not yet paid of $2,509 and $1,701, respectively. Dividends payable are included in other liabilities.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) Basis of Presentation:

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of Glacier Bancorp Inc.'s (the "Company") financial condition and stockholders' equity as of September 30, 2001, December 31, 2000, and September 30, 2000 and the results of operations and cash flows for the three and nine months ended September 30, 2001 and 2000.

The accompanying consolidated financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000. Operating results for the nine months ended September 30, 2001 are not necessarily indicative of the results anticipated for the year ending December 31, 2001. Certain reclassifications have been made to the 2000 financial statements to conform to the 2001 presentation.

2) Organizational Structure:

The Company, headquartered in Kalispell, Montana, is the successor Delaware corporation to a Delaware corporation incorporated in 1990, pursuant to the reorganization of Glacier Bank, FSB into a bank holding company. The Company is the parent company for nine wholly owned subsidiaries: Glacier Bank ("Glacier"); Glacier Bank of Whitefish ("Whitefish"); First Security Bank of Missoula ("Missoula"); Valley Bank of Helena ("Helena"), Big Sky Western Bank ("Big Sky"), Western Security Bank ("Western"), Glacier Capital Trust I ("Glacier Trust"), and Community First, Inc. ("CFI"), all located in Montana, and Mountain West Bank ("Mountain West") which is located in Idaho and Utah. On July 31, 2001, Glacier Bank of Eureka was merged into Whitefish and the minority interest of both banks was redeemed.

The Company formed Glacier Trust as a financing subsidiary on December 18, 2000. On January 31, 2001, Glacier Trust sold 1,400,000 preferred securities at $25 per preferred security. The purchase of the securities entitles the shareholder to receive cumulative cash distributions at an annual interest rate of 9.40% from payments on the junior subordinated debentures of Glacier Bancorp, Inc. The subordinated debentures will mature and the preferred securities must be redeemed by February 1, 2031. In exchange for the Company's capital contribution, the Company obtained all of the outstanding common securities of the trust.

CFI provides full service brokerage services through Raymond James Financial Services, Inc.

The following abbreviated organizational chart illustrates the various relationships:

Glacier Bancorp, Inc.
(Parent Holding Company)

Glacier Bank (Commercial bank)	First Security Bank of Missoula (Commercial bank)	Glacier Bank of Whitefish (Commercial bank)	Big Sky Western Bank (Commercial bank)
Western Security Bank (Commercial bank)	Valley Bank of Helena (Commercial bank)	Mountain West Bank of Coeur d'Alene (Commercial bank)	Community First, Inc. (Brokerage services)

Glacier Capital
Trust I

3) Ratios:

Returns on average assets and average equity were calculated based on daily averages.

4) Cash Dividend Declared:

On September 26, 2001, the Board of Directors declared a $.15 per share quarterly cash dividend to stockholders of record on October 9, 2001, payable on October 18, 2001.

5) 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 2000 stock dividend.

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

	Three months ended Sept 30, 2001	Three months ended Sept 30, 2000	Nine months ended Sept 30, 2001	Nine months ended Sept 30, 2000
Net earnings available to common stockholders, basic	$ 5,707,016	3,852,805	15,229,360	10,272,821
After tax effect of interest on convertible subordinated debentures	4,000	4,000	12,000	12,000
Net earnings available to common stockholders, diluted	$ 5,711,016	3,856,805	15,241,360	10,284,821
Average outstanding shares - basic	$16,676,275	11,441,234	15,344,475	11,439,462
Add: Dilutive stock options	369,278	94,940	451,150	108,433
Convertible subordinated debentures	33,025	33,025	33,025	33,025
Average outstanding shares - diluted	$17,078,578	11,569,199	15,828,650	11,580,920
Basic earnings per share	$ 0.34	0.34	0.99	0.90
Diluted earnings per share	$ 0.33	0.33	0.96	0.89

6) Investments:

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

INVESTMENTS AS OF SEPTEMBER 30, 2001

(Dollars in thousands)	Weighted Yield	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. GOVERNMENT AND FEDERAL AGENCIES					
maturing after ten years	4.65%	$ 1,455	13	(5)	1,463
	4.65%	1,455	13	(5)	1,463
STATE AND LOCAL GOVERNMENTS AND OTHER ISSUES:					
maturing within one year	3.81%	5,188	34	(9)	5,213
maturing one year through five years	5.68%	14,065	368	(84)	14,349
maturing five years through ten years	5.53%	2,449	87	(1)	2,535
maturing after ten years	5.88%	129,860	2,874	(1,573)	131,161
	5.78%	151,562	3,363	(1,667)	153,258
MORTGAGE-BACKED SECURITIES	5.98%	143,834	1,932	(115)	145,651
REAL ESTATE MORTGAGE INVESTMENT CONDUITS	6.36%	196,808	3,609	(49)	200,368
TOTAL AVAILABLE-FOR-SALE INVESTMENTS	6.07%	$493,659	8,917	(1,836)	500,740

INVESTMENTS AS OF DECEMBER 31, 2000

(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	5.05%	$ 500	--	(3)	497
maturing one year through five years	6.33%	4,975	5	(25)	4,955
maturing five years though ten years	6.92%	3,050	24	(11)	3,063
maturing after ten years	7.20%	1,070	--	(12)	1,058
	6.55%	9,595	29	(51)	9,573
STATE AND LOCAL GOVERNMENTS AND OTHER ISSUES:					
maturing within one year	5.47%	600	1	(19)	582
maturing one year through five years	5.17%	1,635	41	(1)	1,675
maturing five years through ten years	7.53%	4,047	34	(99)	3,982
maturing after ten years	5.50%	54,561	1,612	(570)	55,603
	5.63%	60,843	1,688	(689)	61,842
MORTGAGE-BACKED SECURITIES	6.79%	39,374	268	(157)	39,485
REAL ESTATE MORTGAGE INVESTMENT CONDUITS	6.94%	101,635	396	(1,043)	100,988
TOTAL AVAILABLE FOR SALE INVESTMENTS	6.52%	$211,447	2,381	(1,940)	211,888

7) Loans

The following table summarizes the Company's loan portfolio. The loans mature or are repriced at various times.

(Dollars in Thousands)	At 9/30/01 Amount	At 9/30/01 Percent	At 12/31/00 Amount	At 12/31/00 Percent
TYPE OF LOAN				
REAL ESTATE LOANS:				
Residential first mortgage loans	$ 419,054	30.86%	$ 224,631	30.62%
Loans held for sale	$ 23,118	1.70%	$ 7,058	0.96%
Total	$ 442,172	32.56%	$ 231,689	31.58%
COMMERCIAL LOANS:				
Real estate	$ 376,308	27.71%	$ 198,414	27.05%
Other commercial loans	$ 252,969	18.63%	$ 142,519	19.43%
Total	$ 629,277	46.34%	$ 340,933	46.48%
INSTALLMENT AND OTHER LOANS:				
Consumer loans	$ 147,648	10.87%	$ 86,336	11.77%
Home equity loans	$ 159,414	11.74%	$ 83,539	11.39%
Total	$ 307,062	22.61%	$ 169,875	23.16%
Net deferred loan fees, premiums and discounts	$ (2,159)	-0.15%	$ (1,137)	-0.16%
Allowance for Losses	$ (18,528)	-1.36%	$ (7,799)	-1.06%
NET LOANS	$ 1,357,824	100.00%	$ 733,561	100.00%

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

NONPERFORMING ASSETS (Dollars in Thousands)	At 9/30/01	At 12/31/00
NON-ACCRUAL LOANS:		
Mortgage loans	$ 3,851	$ 687
Commercial loans	3,833	442
Consumer loans	691	25
TOTAL	8,375	1,154
ACCRUING LOANS 90 DAYS OR MORE OVERDUE:		
Mortgage loans	563	576
Commercial loans	1,385	91
Consumer loans	220	83
TOTAL	2,168	750
Troubled debt restructuring:	--	--
Real estate and other assets owned, net	727	291
TOTAL NON-PERFORMING LOANS, TROUBLED DEBT RESTRUCTURINGS, AND REAL ESTATE AND OTHER ASSETS OWNED, NET	$11,270	$ 2,195
AS A PERCENTAGE OF TOTAL ASSETS	0.54%	0.21%
Interest Income (1)	$ 513	$ 101

(1) This is the amount of interest that would have been recorded on loans accounted for on a non-performing basis as of the end of each period if such loans had been current for the entire period.

The following table illustrates the loan loss experience:

(Dollars in Thousands)	Nine months ended September 30, 2001	Year ended December 31, 2000
BALANCE AT BEGINNING OF PERIOD	$ 7,799	6,722
CHARGE OFFS:		
Residential real estate	(352)	(98)
Commercial loans	(401)	(450)
Consumer loans	(1,410)	(424)
Total charge offs	$ (2,163)	(972)
RECOVERIES:		
Residential real estate	20	5
Commercial loans	142	43
Consumer loans	408	137
Total recoveries	$ 570	185
CHARGEOFFS, NET OF RECOVERIES	(1,593)	(787)
PURCHASED RESERVE	8,893	--
PROVISION	3,429	1,864
BALANCE AT END OF PERIOD	$ 18,528	7,799
RATIO OF NET CHARGE OFFS TO AVERAGE LOANS OUTSTANDING DURING THE PERIOD	0.13%	0.11%

ALLOCATION OF THE ALLOWANCE FOR LOAN LOSSES

(Dollars in thousands)	September 30, 2001 Allowance	September 30, 2001 Percent of loans in category	December 31, 2000 Allowance	December 31, 2000 Percent of loans in category
Residential first mortgage and loans held for sale	$ 5,943	32.0%	1,227	31.2%
Commercial real estate	5,058	27.3%	2,300	26.7%
Other commercial	3,400	18.4%	2,586	19.2%
Consumer	4,127	22.3%	1,686	22.9%
Totals	$18,528	100.0%	7,799	100.0%

8) Deposits

The following table illustrates the amounts outstanding for deposits greater than $100,000 at September 30, 2001, according to the time remaining to maturity:

(Dollars in thousands)	Certificates of Deposit	Demand Deposits	Totals
Within three months	$ 57,184	251,504	308,688
Three to six months	24,509	--	24,509
Seven to twelve months	24,479	--	24,479
Over twelve months	7,758	--	7,758
Totals	$113,930	251,504	365,434

9) Advances and Other Borrowings

The following chart illustrates the average balances and the maximum outstanding month-end balances for FHLB advances and repurchase agreements:

(Dollars in thousands)	September 30, 2001	December 31, 2000
FHLB Advances		
Amount outstanding at end of period	$360,654	196,791
Average balance	$346,691	211,217
Maximum outstanding at any month-end	$416,222	234,688
Weighted average interest rate	5.42%	6.35%
Repurchase Agreements:		
Amount outstanding at end of period	$ 29,392	24,877
Average balance	$ 24,874	19,052
Maximum outstanding at any month-end	$ 30,955	24,877
Weighted average interest rate	4.24%	5.39%

10) Stockholders' Equity:

The Federal Reserve Board has adopted capital adequacy guidelines that are used to assess the adequacy of capital in supervising a bank holding company. The following table illustrates the Federal Reserve Board's capital adequacy guidelines and the Company's compliance with those guidelines as of September 30, 2001:

CONSOLIDATED (Dollars in thousands)	Tier 1 (Core) Capital	Tier 2 (Total) Capital	Leverage Capital
GAAP Capital	$ 171,595	171,595	171,595
Less: Goodwill and intangibles	(44,011)	(44,011)	(44,011)
Accumulated other comprehensive gain on AFS securities	(4,283)	(4,283)	(4,283)
Plus: Allowance for loan losses	--	16,450	--
Trust preferred secuirites	35,000	35,000	35,000
Other regulatory adjustments	(29)	(29)	(29)
Regulatory capital computed	$ 158,272	174,722	158,272
Risk weighted assets	$ 1,447,481	1,447,481	
Total average assets			2,126,230
Capital as % of defined assets	10.93%	12.07%	7.44%
Regulatory "well capitalized" requirement	6.00%	10.00%	5.00%
Excess over "well capitalized" requirement	4.93%	2.07%	2.44%

11) Comprehensive Earnings:

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

Dollars in thousands	For the three months ended Sept 30, 2001	2000	For the nine months ended Sept 30, 2001	2000
Net earnings	$ 5,707	3,853	15,229	10,273
Unrealized holding gains arising during the period	3,694	2,608	6,561	2,470
Transfer from held-to-maturity	--	--	--	(11)
Tax expense	(1,485)	(1,024)	(2,590)	(1,000)
Net after tax	2,209	1,584	3,971	1,459
Reclassification adjustment for gains (losses) included in net income	24	(5)	88	(5)
Tax (expense) benefit	(9)	2	(34)	2
Net after tax	15	(3)	54	(3)
Net unrealized gains on securities	2,224	1,581	4,025	1,456
Total comprehensive earnings	$ 7,931	5,434	19,254	11,729

12) Segment Information

The Company evaluates segment performance internally based on individual bank charter, and thus the operating segments are so defined. The following schedule provides selected financial data for the Company's operating segments. Centrally provided services to the Banks are allocated based on estimated usage of those services. The operating segment identified as "Other" includes the Parent, CFI, Glacier Trust, and intercompany eliminations. During the third quarter of 2001, certain branches of Western were transferred to other Company owned banks located in the same geographic area which accounted for the change in activity for certain segments.

	Nine months ended and as of Sept 30, 2001				
(Dollars in thousands)	Glacier	Whitefish	Missoula	Helena	Big Sky
Revenues from external customers	$ 30,584	6,255	18,552	8,074	6,723
Intersegment revenues	937	14	14	125	2
Expenses	25,707	4,995	14,743	6,870	5,756
Intercompany eliminations	--	--	--	--	--
Net income	$ 5,814	1,274	3,823	1,329	969
Total Assets	$528,848	122,991	422,687	165,859	166,879

	Mountain West	Western	Other	Total Consolidated
Revenues from external customers	15,278	33,079	270	118,815
Intersegment revenues	192	169	20,216	21,669
Expenses	15,108	29,476	931	103,586
Intercompany eliminations	--	--	(21,669)	(21,669)
Net income	362	3,772	(2,114)	15,229
Total Assets	318,159	381,994	(12,452)	2,094,965

	Nine months ended and as of Sept 30, 2000				
(Dollars in thousands)	Glacier	Whitefish	Missoula	Helena	Big Sky
Revenues from external customers	$ 29,340	5,650	14,190	6,230	4,648
Intersegment revenues	866	8	--	75	--
Expenses	25,244	4,585	11,326	5,458	4,259
Intercompany eliminations	--	--	--	--	--
Net income	$ 4,962	1,073	2,864	847	389
Total Assets	$ 459,096	86,113	202,782	86,678	72,806

	Mountain West	Other	Total Consolidated
Revenues from external customers	7,634	344	68,036
Intersegment revenues	--	12,513	13,462
Expenses	6,943	(52)	57,763
Intercompany eliminations	--	(13,462)	(13,462)
Net income	691	(553)	10,273
Total Assets	116,477	2,089	1,026,041

(Dollars in thousands)	Three months ended and as of Sept 30, 2001				
	Glacier	Whitefish	Missoula	Helena	Big Sky
Revenues from external customers	$ 10,792	2,249	8,230	3,386	3,130
Intersegment revenues	478	8	3	59	2
Expenses	9,025	1,791	6,530	2,889	2,567
Intercompany eliminations	--	--	--	--	--
Net income	$ 2,245	466	1,703	556	565
Total Assets	$ 528,848	122,991	422,687	165,859	166,879

	Mountain West	Western	Other	Total Consolidated
Revenues from external customers	5,872	9,366	(130)	42,895
Intersegment revenues	--	161	7,557	8,268
Expenses	5,615	8,796	(25)	37,188
Intercompany eliminations	--	--	(8,268)	(8,268)
Net income	257	731	(816)	5,707
Total Assets	318,159	381,994	(12,452)	2,094,965

(Dollars in thousands)	Three months ended and as of Sept 30, 2000				
	Glacier	Whitefish	Missoula	Helena	Big Sky
Revenues from external customers	$ 10,246	1,990	4,924	2,231	1,687
Intersegment revenues	236	1	--	25	--
Expenses	8,722	1,624	3,880	1,885	1,528
Intercompany eliminations	--	--	--	--	--
Net income	$ 1,760	367	1,044	371	159
Total Assets	$ 459,096	86,113	202,782	86,678	72,806

	Mountain West	Other	Total Consolidated
Revenues from external customers	2,715	188	23,981
Intersegment revenues	--	4,524	4,786
Expenses	2,434	55	20,128
Intercompany eliminations	--	(4,786)	(4,786)
Net income	281	(129)	3,853
Total Assets	116,477	2,089	1,026,041

13) Rate/Volume Analysis

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

(Dollars in Thousands)	Nine Months Ended September 30, 2001 vs. 2000 Increase (Decrease) due to:		
INTEREST INCOME	Volume	Rate	Net
Real Estate Loans	$12,929	(752)	12,177
Commercial Loans	15,496	(1,915)	13,581
Consumer and Other Loans	8,598	(636)	7,962
Investment Securities	11,547	(1,068)	10,479
Total Interest Income	48,570	(4,371)	44,199
NOW Accounts	611	7	618
Savings Accounts	769	112	881
Money Market Accounts	3,599	(1,418)	2,181
Certificates of Deposit	13,519	(195)	13,324
FHLB Advances	6,181	(2,369)	3,812
Other Borrowings and Repurchase Agreements	2,631	(97)	2,534
Total Interest Expense	27,310	(3,960)	23,350
NET INTEREST INCOME	$21,260	(411)	20,849

14) Average Balance Sheet

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

AVERAGE BALANCE SHEET (Dollars in Thousands) ASSETS	For the Nine months ended 9/30/01 Average Balance	Interest and Dividends	Average Yield/ Rate	For the year ended 12-31-00 Average Balance	Interest and Dividends	Average Yield/ Rate
Real Estate Loans	$ 427,425	26,313	8.21%	$ 230,661	19,557	8.48%
Commercial Loans	535,796	34,524	8.59%	312,434	28,784	9.21%
Consumer and Other Loans	289,182	19,221	8.86%	164,262	14,856	9.04%
Total Loans	1,252,403	80,058	8.52%	707,357	63,197	8.93%
Investment Securities	469,388	22,080	6.27%	236,287	15,640	6.62%
Total Earning Assets	1,721,791	102,138	7.91%	943,644	78,837	8.35%
Non-Earning Assets	171,378			64,151		
TOTAL ASSETS	$ 1,893,169			$ 1,007,795		
LIABILITIES AND STOCKHOLDERS' EQUITY						
NOW Accounts	$ 177,366	1,407	1.06%	$ 96,737	1,068	1.10%
Savings Accounts	97,734	1,498	2.04%	44,996	806	1.79%
Money Market Accounts	275,337	7,524	3.64%	167,533	7,447	4.45%
Certificates of Deposit	545,374	22,821	5.58%	230,024	13,353	5.81%
FHLB Advances	346,691	14,049	5.40%	211,217	13,454	6.37%
Repurchase Agreements and Other Borrowed Funds	68,018	3,411	6.69%	31,799	1,229	3.86%
Total Interest Bearing Liabilities	1,510,520	50,710	4.48%	782,306	37,357	4.78%
Non-interest Bearing Deposits	208,619			135,840		
Other Liabilities	24,313			1,181		
Total Liabilities	1,743,452			919,327		
Common Stock	154			110		
Paid-In Capital	148,628			95,554		
Retained Earnings	(421)			(2,250)		
Accumulated Other Comprehensive Earnings (Loss)	1,356			(4,946)		
Total Stockholders' Equity	149,717			88,468		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,893,169			$ 1,007,795		
NET INTEREST INCOME		$ 51,428			$ 41,480	
NET INTEREST SPREAD			3.34%			3.57%
NET INTEREST MARGIN ON AVERAGE EARNING ASSETS			3.98%			4.40%
RETURN ON AVERAGE ASSETS			1.06%			1.39%
RETURN ON AVERAGE EQUITY			13.41%			15.83%

15) Recent Acquisitions

On February 28, 2001 the Company completed the acquisition of WesterFed Financial Corporation. The Company issued 4,530,462 shares and $37.274 million cash to shareholders as consideration for the merger. The acquisition was accounted for under the purchase method of accounting. Accordingly, the assets and liabilities of WesterFed were recorded by the Company at their respective fair values at the time of the completion of the merger and the results of WesterFed have been included with those of the Company since the date of the acquisition. The excess of the Company's purchase price over the net fair value of the assets acquired and liabilities assumed, including identifiable intangible assets, was recorded as goodwill and will be amortized over a useful life of 20 years during the current year. Subsequent to 2001, the goodwill will not be amortized due to a recently issued accounting standard. See footnote 17 for further discussion regarding FASB Statements No. 141 and 142.

The estimated fair values of net assets acquired at the acquisition date are summarized as follows:

(Dollars in thousands)	
Cash and due from banks	$ 24,891
Investments available-for-sale	185,688
FHLB stock	13,062
Loans	613,825
Premises and equipment	25,432
Goodwill	16,530
Core deposit intangible	7,449
Other assets	10,965
	897,842
Deposits	$603,555
FHLB advances	165,386
Repurchase agreements	7,851
Other liabilities	27,338
	804,130
Total consideration paid	$ 93,712

On March 15, 2001, the Company completed the acquisition, subject to certain adjustments, of seven Wells Fargo & Company and First Security Corporation subsidiary banks located in Idaho and Utah. The acquisition was accounted for under the purchase method of accounting. Accordingly, the assets and liabilities of the acquired banks were recorded by the Company at their respective fair values at the date of the acquisition and the results of the banks operations have been included with those of the Company since the date of acquisition. The excess of the Company's purchase price over the net fair value of the assets acquired and liabilities assumed, including identifiable intangible assets, was recorded as goodwill and will be amortized over a useful life of 20 years. Subsequent to 2001, the goodwill will not be amortized due to a recently issued accounting standard. See footnote 17 for further discussion regarding FASB Statements No. 141 and 142.

The estimated fair values of the branches net assets acquired at the acquisition date are summarized as follows:

(Dollars in thousands)	
Cash and due from banks	$122,149
Loans	36,573
Premises and equipment	6,449
Core deposit intangible	1,514
Other assets	196
	166,881
Deposits	$183,968
Other liabilities	463
	184,431
Net liabilities assumed in excess of identifiable net assets acquired	$ 17,550

The following pro forma information presents the consolidated results of operations as if the acquisitions had occurred at the beginning of January 1, 2000 and 2001. The table is for comparison purposes only.

	For the three months ended Sept 30,		For the nine months ended Sept 30,	
(dollars in thousands except per share data)	2001	2000	2001	2000
Total interest and non-interest income	$ 43,039	47,387	155,786	138,256
Net earnings	$ 5,707	5,416	16,144	14,960
Net earnings per common share - basic	$ 0.34	0.34	0.99	0.94
Net earnings per common share - diluted	$ 0.33	0.33	0.95	0.91

The pro forma information does not purport to be indicative of the results of operations that would have occurred had the transactions taken place at the beginning of the periods presented or of future results of operations. For example, these results do not take into affect any efficiencies or revenue enhancements that might have been realized had the acquisition occurred at the beginning of the periods.

16) Sale of Branches

On June 23, 2001 the Company completed the sale of six branch locations in north central Montana with assets of $23.5 million to Stockman Bank. Stockman acquired five Western Security Bank offices and one Glacier Bank office. Included in the sale were loans of approximately $21.8 million, property and equipment with a book value of approximately $1.7 million, and deposits of $81.7 million. A gain of $511 thousand was recognized on the sale.

17) Impact of Recently Issued Accounting Standards

On July 2001, the FASB issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. Statement 141 also specifies criteria that intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. Statement 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of Statement 142. Statement 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

The Company is required to adopt the provisions of Statement 141 immediately, and Statement 142 effective January 1, 2002. Furthermore, any goodwill and any intangible asset determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001 will not be amortized, but will continue to be evaluated for impairment in accordance with the appropriate pre-Statement 142 accounting literature. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 will continue to be amortized prior to the adoption of Statement 142.

Statement 141 will require upon adoption of Statement 142, that the Company evaluate its existing intangible assets and goodwill that were acquired in a prior purchase business combination, and to make any necessary reclassifications in order to conform with the new criteria in Statement 141 for recognition apart from goodwill. Upon adoption of Statement 142, the Company will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, the Company will be required to test the intangible asset for impairment in accordance with the provisions of Statement 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

In connection with the transitional goodwill impairment evaluation, Statement 142 will require the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company will then have up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of it assets and liabilities in a manner similar to a purchase price allocation in accordance with Statement 141, to its carrying amount, both of which would be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in the Company's statement of earnings.

As of the date of adoption, the Company expects to have unamortized goodwill in the amount of $34,800,000 and unamortized identifiable intangible assets in the amount of $8,200,000, all of which will be subject to the transition provisions of Statements 141 and 142. Amortization expense related to goodwill was $360,000 and $1,229,000 for the year ended December 31, 2000 and the nine months ended

September 30, 2001, respectively. Because of the extensive effort needed to comply with adopting Statements 141 and 142, it is not practicable to reasonably estimate the impact of adopting these Statements on the Company's financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

In September 2000, the FASB issued SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities -- a replacement of FASB Statement No. 125. SFAS No. 140 revises accounting standards for securitizations and transfers of financial assets and collateral and requires certain disclosures, but carries forward most of SFAS No. 125's provisions without change. SFAS No. 140 is effective for recognition and reclassification of collateral and disclosures relating to securitization transactions and collateral for fiscal years ended after December 15, 2000. Adoption of these provisions did not have a material effect on the consolidation financial statements, results of operations or liquidity of the Company. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001.

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

Recent Developments

Recently Completed Acquisitions

The acquisition of Missoula, Montana based WesterFed with December 31, 2000 assets of $929 million, loans of $623 million, and deposits of $606 million was completed on February 28, 2001. WesterFed shareholders received 4,530,462 shares of Glacier Bancorp stock and $37.274 million in cash as consideration for the acquisition. WesterFed was the holding company for Western Security Bank, Montana's largest savings bank with twenty-seven offices in fourteen Montana communities. Western Security Bank is a separate banking subsidiary of the Company.

The acquisition of seven Wells Fargo & Company and First Security Corporation branches located in Boise, Nampa, Hailey, and Ketchum, Idaho and Brigham City and Park City, Utah by Mountain West Bank of Coeur d'Alene, Idaho was completed on March 15, 2001. The purchase included approximately $184 million in deposits, $37 million in loans, and real estate and equipment of the branches.

Both acquisitions were accounted for using the purchase method of accounting. Accordingly, the assets and liabilities were recorded by the Company at their respective fair values at the time of the completion of the acquisitions and the results of operations include the results of the acquired operations since the dates of acquisitions.

The sale of six branches located in North Central Montana to Stockman Bank was completed on June 23, 2001. The sale included loans of $21.8 million and deposits of $81.7 million.

As a result of these transactions, the Company is now the largest publicly traded bank holding company headquartered in the inland northwest, with assets exceeding $2 billion.

Western Security Bank converted to Company's system

On July 21, 2001 Company employees, assisted by several representatives of our software vendor, successfully completed the conversion of the data systems from an outside servicer to the Company's in-house computer system. This conversion will now allow us to take advantage of the cost savings from this fully integrated system.

Western Security Bank, Billings, Montana

Western Security Bank is now operated as a stand-alone community bank with offices in Billings, Laurel, and Lewistown. A new board of directors for the bank, comprised of local businesspeople, took office in September. Western Security Bank serves Montana's largest market with total assets of over $400 million.

Geographic alignment of branches

As part of the plan for the acquisition of WesterFed certain branches of subsidiary banks were transferred to other Company owned banks located in the same geographic area expanding the market share of those community banks. As of September 30, 2001 all branch transfers have been completed.

Glacier Bank of Eureka merged into Glacier Bank of Whitefish

The merger of the two banks, and redemption of the minority shares that were outstanding in these banks, was completed as of July 31, 2001. The banks had relatively small total assets, are in close proximity, have similar clients, and share management staff. It is anticipated that cost reductions will result without disturbing the community banking focus.

Financial Condition

This section discusses the changes in Statement of Financial Condition items from September 30, 2000 to September 30, 2001.

	September 30,			
ASSET GROWTH ($ IN THOUSANDS)	2001	2000	$ change	% change
Cash on hand and in banks	$ 64,064	33,700	30,364	90.10%
Interest bearing investments	546,606	225,889	320,717	141.98%
Loans:				
Real estate	441,232	236,071	205,161	86.91%
Commercial and Agricultural	627,110	325,974	301,136	92.38%
Consumer	308,010	168,789	139,221	82.48%
Total loans	1,376,352	730,834	645,518	88.33%
Allowance for loan losses	(18,528)	(7,808)	(10,720)	137.30%
Total loans net of allowance for loan losses	1,357,824	723,026	634,798	87.80%
Other assets	126,471	43,426	83,045	191.23%
Total Assets	$ 2,094,965	1,026,041	1,068,924	104.18%

Since September 30, 2000 total assets have increased $1.069 billion, or 104 percent, to $2.095 billion, primarily the result of the completion of the WesterFed Financial Corporation acquisition, and branch purchases in Idaho and Utah from Wells Fargo and First Security Corporation, in the first quarter of 2001. Those acquisitions were accounted for as purchases and accordingly the financial information includes the assets and results of operations of those locations from the dates of purchase.

Loans sold to the secondary market amounted to $203.058 million and $87.860 million during the first nine months of 2001 and 2000, respectively.

The amount of loans serviced for others on September 30, 2001 was approximately $287 million.

All seven banking subsidiaries 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. As of September 30, 2001, the Company had $707,514,000 of available FHLB line of which $360,654,000 was utilized.

Total loans, net of the reserve for loan losses, have increased $635 million. We continue to sell the majority of the real estate loan production. Acquired with WesterFed were dealer originated consumer loans. We have discontinued the origination and purchase of these loan types. Commercial loans continue to increase.

LIABILITY GROWTH ($ IN THOUSANDS)	September 30, 2001	September 30, 2000	$ change	% change
Non-interest bearing deposits	$ 244,450	152,022	92,428	60.80%
Interest-bearing deposits	1,209,469	564,965	644,504	114.08%
Advances from Federal Home Loan Bank	360,654	177,909	182,745	102.72%
Other borrowed funds	41,412	28,684	12,728	44.37%
Other liabilities	32,385	10,623	21,762	204.86%
Trust preferred securities	35,000	--	35,000	100.00%
Total liabilities	$1,923,370	934,203	989,167	105.88%

Total deposits have increased $737 million over the September 30, 2000 balances. Total deposits acquired, net of branch sales, were $712 million, leaving an increase of $25 million from internal activity. Non-interest bearing deposits are up $92 million, or 61 percent, and interest-bearing deposits have increased $645 million, or 114 percent. Federal home loan bank advances, other borrowed funds, including the subordinated debentures issued with the trust preferred security, and repurchase agreements, have increased $230 million.

Capital as a percentage of assets ratio is at 8.2 percent at September 30, 2001. The book value per share has increased from $8.57 at December 31, 2000 to $10.26 at September 30, 2001.

CREDIT QUALITY INFORMATION ($ IN THOUSANDS)	September 30, 2001	June 30, 2001	March 31, 2001
Allowance for loan losses	$ 18,528	18,466	17,047
Non-performing assets	$ 11,089	11,918	7,892
Allowance as a percentage of non performing assets	167.08%	154.94%	216.00%
Non-performing assets as a percentage of total assets	0.53%	0.55%	0.37%
Allowance as a percentage of total loans	1.35%	1.32%	1.21%

Allowance for Loan Loss and Non-Performing Assets

Non-performing assets as a percentage of total assets at September 30, 2001 were .53 percent versus .28 percent at the same time last year, which compares to the Peer Group average of .56 percent at June 30, 2001, the most recent information available. The reserve for loan losses was 167 percent of non-performing assets at September 30, 2001, down from 389 percent a year ago.

With the growth in loan balances, and the continuing change in loan mix from residential real estate to commercial and consumer loans, which historically have greater credit risk, the Company has increased the balance in the reserve for loan losses account. The reserve balance has increased $10.720 million, including $8.893 million of acquired reserves as a result of the acquisitions, or 137 percent, to $18.528 million, which is 1.35 percent of total loans outstanding, up from 1.08 percent of loans at September 30, 2000. The third quarter provision expense for loan losses was $1.006 million, up from $491 thousand during the same quarter in 2000.

Results of Operations -- The three months ended September 30, 2001 compared to the three months ended September 30, 2000.

REVENUE SUMMARY
($ IN THOUSANDS)

	Three months ended September 30,			
	2001	2000	$ change	% change
Net interest income	$19,199	10,519	8,680	82.52%
Fees and other revenue:				
Service charges and fees	4,265	2,505	1,760	70.26%
Gain on sale of loans	1,111	545	566	103.85%
Other income	419	531	(112)	-21.09%
Total non-interest income	5,795	3,581	2,214	61.83%
Total revenue	$24,994	14,100	10,894	77.26%
Net interest margin	4.08%	4.50%		

Net Interest Income

Net interest income for the quarter increased $8.680 million, or 82 percent, over the same period in 2000. The growth in earning assets and the increase in non-interest bearing deposits resulted in a significant increase in net interest income. The net interest margin as a percentage of earning assets, on a tax equivalent basis, has declined from 4.5 percent at September 30, 2000 to 4.08 percent in 2001. The margin on assets acquired in the purchase transactions were lower than the margin on existing assets.

Non-interest Income

Fee income was $1.760 million, or 70 percent higher in the third quarter of 2001 than the same quarter in 2000. Gain on sale of loans increased $566 thousand, or 104 percent, and other income was down $112 thousand primarily because of gain on sale of a branch office in 2000. Account volume increases and strong mortgage origination activity continues to drive revenue growth.

EXPENSE SUMMARY
($ IN THOUSANDS)

	Three months ended September 30,			
	2001	2000	$ change	% change
Compensation and employee benefits	$ 7,392	$ 3,992	$ 3,400	85.17%
Occupancy and equipment expense	2,187	1,221	966	79.12%
Outsourced data processing	707	264	443	167.80%
Core deposit intangible amortization	383	50	333	666.00%
Goodwill amortization	492	91	401	440.66%
Other expenses	3,948	1,855	2,093	112.83%
Total non-interest expense	$15,109	$ 7,473	$ 7,636	102.18%

Non-interest Expense

Non-interest expense increased by $7.636 million, or 102 percent, over the same quarter of 2000. Included in the 2001 total is $325 thousand in merger and conversion expense. Intangible asset amortization in the form of core deposit and goodwill was $383 thousand and $492 thousand, respectively, which is an increase of $734 thousand over the prior year.

Results of Operations -- The nine months ended September 30, 2001 compared to the nine months ended September 30, 2000.

REVENUE SUMMARY
($ IN THOUSANDS)

	Nine months ended September 30,			
	2001	2000	$ change	% change
Net interest income	$51,428	30,579	20,849	68.18%
Fees and other revenue:				
Service charges and fees	11,737	7,255	4,482	61.78%
Gain on sale of loans	2,766	1,512	1,254	82.94%
Other income	2,173	1,330	843	63.38%
Total non-interest income	16,676	10,097	6,579	65.16%
Total revenue	$68,104	40,676	27,428	67.43%
Net interest margin	3.98%	4.40%		

Net Interest Income

Net interest income for the nine months was $51.428 million, an increase of $20.849 million, or 68 percent, over the same period in 2000. The growth in earning assets and the increase in non-interest bearing deposits resulted in a significant increase in net interest income. The net interest margin continues to be a challenge as the spread on assets acquired is less than from the previous asset base. As a percentage of earning assets, the year-to-date margin has declined from 4.40 percent to 3.98 percent in 2001.

Non-interest Income

Fee income was $4.482 million, or 62 percent, higher in the first nine months of 2001 than the same period in 2000. Gain on sale of loans increased $1.254 million, or 83 percent, and other income was up $843 thousand, of which $511 thousand was from the gain on sale of the Glacier Bank Cut Bank branch.

EXPENSE SUMMARY
($ IN THOUSANDS)

	Nine months ended September 30,			
	2001	2000	$ change	% change
Compensation and employee benefits	$20,182	$12,078	$ 8,104	67.10%
Occupancy and equipment expense	6,147	3,568	2,579	72.28%
Outsourced data processing	2,007	1,143	864	75.59%
Core deposit intangible amortization	957	150	807	538.00%
Goodwill amortization	1,229	269	960	356.88%
Other expenses	10,462	5,887	4,575	77.71%
Total non-interest expense	$40,984	$23,095	$17,889	77.46%

Non-interest Expense

Non-interest expense increased by $17.889 million, or 77 percent, over the same nine months of 2000. Included in the 2001 total is $1.250 million in merger and conversion expense. Without those non-recurring expenses non-interest expense increased by $16.639 million, or 72 percent. Compensation and employee benefits increased $8.104 million or 67 percent. Occupancy and equipment expense was up $2.579 million, or 72 percent. Outsourced data processing expense increased $864 thousand, or 76 percent, and other expenses were up $4.575 million, or 78 percent. Intangible asset amortization in the form of core deposit and goodwill was $957 thousand and $1.229 million, respectively, which is an increase of $1.767 million over the prior year.

Loan Loss Provision

The year-to-date provision expense for loan losses was $3.429 million, up from $1.483 million during the same period in 2000, an increase of 131 percent. The reserve has increased because of the increased volume of loans, and the continuing shift in the mix of loans to commercial from residential. Commercial loans historically carry a higher risk profile than residential real estate loans. Net charged off loans as a percentage of loans outstanding were .12 for the first nine months of 2001 which is slightly higher than the full year 2000 percentage of .09.

Forward-Looking Statements

When used in this press release, the words or phrases `will likely result in', `are expected to', `will continue', `is anticipated', `estimate', or `project' or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected including general economic conditions, business conditions in the banking industry, the regulatory environment, new legislation, vendor quality and efficiency, employee retention factors, rapidly changing technology and evolving banking industry standards, competitive standards, competitive factors including increased competition among financial institutions and fluctuating interest rate environments. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Readers should also care review the risk factors described in the company's most recent quarterly report on Form 10-Q for the periods ending March 31, 2001, and June 30, 2001, its Annual Report on Form 10-K for the period ending December 31, 2000 and other documents the company files from time to time with the Securities Exchange Commission.

Headquartered in Kalispell, Montana, Glacier Bancorp, Inc. conducts business from Glacier Bank of Kalispell, First Security Bank of Missoula, Glacier Bank of Whitefish, Valley Bank of Helena, Big Sky Western Bank, Western Security Bank, all located in Montana, and Mountain West Bank located in Idaho with two branches in Utah.

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 July 31, 2001, the most recent information available, as compared to the 10% Board approved policy limit (dollars in thousands).

Interest Rate Sensitivity

	+200 bp	-200 bp
Estimated sensitivity	-2.74%	0.55%
Estimated increase (decrease) in net interest income	$ (2,439)	493

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 AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON 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) Exhibits

None

(b) Current Report on Form 8-K

None

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.
November 9, 2001	/s/Michael J. Blodnick President/CEO
November 9, 2001	/s/James H. Strosahl Executive Vice President/CFO