

# SECURITIES AND EXCHANGE COMMISSION

## FORM 13F-HR

Initial quarterly Form 13F holdings report filed by institutional managers

Filing Date: **2006-08-03** | Period of Report: **2006-06-30**  
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### FILER

#### FIRST INTERSTATE BANK

CIK: **1125727** | IRS No.: **816023169** | State of Incorporation: **MT** | Fiscal Year End: **1231**  
Type: **13F-HR** | Act: **34** | File No.: **028-05949** | Film No.: **061001106**

Mailing Address  
4 PO BOX 30918  
BILLINGS MT 59116

Business Address  
401 NORTH 31ST  
BILLINGS MT 59116  
4062555230

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: June 30, 2006

Check here is Amendment [ ]; Amendment Number:  
The Amendment (Check only one.): [ ] is a restatement.  
[ ] adds new entries.

Institutional Investment Manager Filing this Report:

Name: First Interstate Bank  
Address: 401 North 31st Street  
Billings, MT 59116

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Richard A. McCann  
Title: Vice President  
Phone: 406-255-5132  
Signature, Place, and Date of Signing:

/s/ Richard A. McCann Billings, MT August 2, 2006

Report Type (Check only one.):

- 13F HOLDINGS REPORT.  
 13F NOTICE.  
 13F COMBINATION REPORT.

List of Other Managers Reporting for this Manager: None

I AM SIGNING THIS REPORT AS REQUIRED BY THE SECURITIES EXCHANGE ACT OF 1934.

13F SUMMARY PAGE

Report Summary:

Number of Other Included Mangers: 0  
Form 13F Information Table Entry Total: 117  
Form 13F Information Table Value Total: \$132,761,276  
List of Other Included Managers: NONE

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13 F Report Of Managed Assets  
Date Run : 07/13/2006

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Time Printed : 2:30:03 PM

| Name Of Issuer      | Type   | Cusip    | Market Value | Shares/P | Investment Direction |        |       | Voting Authority |        |       |
|---------------------|--------|----------|--------------|----------|----------------------|--------|-------|------------------|--------|-------|
|                     |        |          |              |          | Sole                 | Shared | Other | Sole             | Shared | Other |
| Aflac Inc           | Equity | 00105510 | 1,909,342    | 41,194   | 40,189               | 1,005  | 0     | 40,734           | 0      | 460   |
| AT&T Inc            | Equity | 00206R10 | 1,005,602    | 36,056   | 33,474               | 2,582  | 0     | 35,556           | 400    | 100   |
| Abbott Laboratories | Equity | 00282410 | 2,119,838    | 48,609   | 45,217               | 3,392  | 0     | 46,977           | 1,632  | 0     |

|   |        |          |           |         |        |        |   |         |       |        |
|---|--------|----------|-----------|---------|--------|--------|---|---------|-------|--------|
| Adobe Systems                             | Equity | 00724F10 | 490,921   | 16,170  | 15,920 | 250    | 0 | 16,170  | 0     | 0      |
| Aetna U S Healthcare Inc                  | Equity | 00817Y10 | 307,461   | 7,700   | 7,700  | 0      | 0 | 7,700   | 0     | 0      |
| Air Products & Chemicals                  | Equity | 00915810 | 1,554,534 | 24,320  | 23,300 | 1,020  | 0 | 24,260  | 0     | 60     |
| Alcoa Inc                                 | Equity | 01381710 | 991,802   | 30,649  | 28,654 | 1,995  | 0 | 29,444  | 1,105 | 100    |
| Allstate Corporation                      | Equity | 02000210 | 1,070,245 | 19,555  | 18,425 | 1,130  | 0 | 19,485  | 0     | 70     |
| Alltel Corporation                        | Equity | 02003910 | 2,436,136 | 38,166  | 34,356 | 3,810  | 0 | 36,481  | 400   | 1,285  |
| Altria Group Inc                          | Equity | 02209S10 | 246,505   | 3,357   | 2,762  | 595    | 0 | 3,357   | 0     | 0      |
| American Express Company                  | Equity | 02581610 | 241,246   | 4,533   | 4,533  | 0      | 0 | 3,933   | 600   | 0      |
| American International Group Inc          | Equity | 02687410 | 474,408   | 8,034   | 6,859  | 1,175  | 0 | 8,034   | 0     | 0      |
| Amgen Inc                                 | Equity | 03116210 | 1,773,278 | 27,185  | 26,585 | 600    | 0 | 25,970  | 1,015 | 200    |
| Anadarko Petroleum Corporation            | Equity | 03251110 | 263,821   | 5,532   | 5,532  | 0      | 0 | 5,532   | 0     | 0      |
| Anheuser-Busch Companies Inc              | Equity | 03522910 | 757,569   | 16,617  | 14,947 | 1,670  | 0 | 16,317  | 0     | 300    |
| Apache Corporation                        | Equity | 03741110 | 428,542   | 6,279   | 5,254  | 1,025  | 0 | 6,279   | 0     | 0      |
| Arch Coal Inc                             | Equity | 03938010 | 415,226   | 9,800   | 9,800  | 0      | 0 | 9,800   | 0     | 0      |
| Automatic Data Processing Inc             | Equity | 05301510 | 919,290   | 20,271  | 19,326 | 945    | 0 | 19,826  | 0     | 445    |
| BJ Services Company                       | Equity | 05548210 | 706,263   | 18,955  | 17,490 | 1,465  | 0 | 18,545  | 300   | 110    |
| BP PLC Formerly BP Amoco PLC<br>Sponsored | Equity | 05562210 | 1,855,872 | 26,661  | 17,188 | 9,473  | 0 | 21,061  | 0     | 5,600  |
| Baker Hughes Inc                          | Equity | 05722410 | 204,625   | 2,500   | 2,500  | 0      | 0 | 2,500   | 0     | 0      |
| Bank America Corporation                  | Equity | 06050510 | 2,876,717 | 59,807  | 55,442 | 4,365  | 0 | 58,022  | 560   | 1,225  |
| Bank Of New York Company Inc              | Equity | 06405710 | 575,285   | 17,866  | 16,226 | 1,640  | 0 | 17,866  | 0     | 0      |
| Bellsouth Corporation                     | Equity | 07986010 | 324,569   | 8,966   | 6,522  | 2,444  | 0 | 8,822   | 0     | 144    |
| Caterpillar Inc                           | Equity | 14912310 | 246,901   | 3,315   | 3,315  | 0      | 0 | 3,315   | 0     | 0      |
| Chevron Corp                              | Equity | 16676410 | 2,970,626 | 47,867  | 46,274 | 1,593  | 0 | 47,867  | 0     | 0      |
| Cisco Systems Inc                         | Equity | 17275R10 | 2,009,832 | 102,910 | 94,135 | 8,775  | 0 | 101,145 | 1,765 | 0      |
| Citigroup Inc                             | Equity | 17296710 | 3,923,642 | 81,319  | 64,032 | 17,287 | 0 | 68,312  | 985   | 12,022 |
| Coca Cola Company                         | Equity | 19121610 | 299,634   | 6,965   | 6,715  | 250    | 0 | 6,465   | 500   | 0      |
| Conocophillips                            | Equity | 20825C10 | 2,002,859 | 30,564  | 28,917 | 1,647  | 0 | 28,283  | 1,173 | 1,108  |
| Costco Wholesale Corporation              | Equity | 22160K10 | 2,031,029 | 35,551  | 34,686 | 865    | 0 | 34,591  | 960   | 0      |

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13 F Report Of Managed Assets  
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| Name Of Issuer                                 | Type   | Cusip    | Market Value | Shares/P | Investment Direction |        |       | Voting Authority |        |       |
|--|--------|----------|--------------|----------|----------------------|--------|-------|------------------|--------|-------|
|  |        |          |              |          | Sole                 | Shared | Other | Sole             | Shared | Other |
| Danaher Corporation                            | Equity | 23585110 | 2,149,060    | 33,412   | 31,227               | 2,185  | 0     | 32,952           | 390    | 70    |
| Dell Inc                                       | Equity | 24702R10 | 238,240      | 9,740    | 9,740                | 0      | 0     | 9,570            | 0      | 170   |
| Disney Walt Co Holdings                        | Equity | 25468710 | 275,400      | 9,180    | 8,780                | 400    | 0     | 9,180            | 0      | 0     |
| Dominion Res Inc                               | Equity | 25746U10 | 496,531      | 6,639    | 6,639                | 0      | 0     | 6,639            | 0      | 0     |
| Dow Chemical Company                           | Equity | 26054310 | 360,832      | 9,245    | 8,430                | 815    | 0     | 9,180            | 0      | 65    |
| Du Pont E I De Nemours & Company               | Equity | 26353410 | 379,350      | 9,119    | 8,269                | 850    | 0     | 8,519            | 0      | 600   |
| Duke Energy Corp                               | Equity | 26441C10 | 1,804,405    | 61,437   | 58,612               | 2,825  | 0     | 60,777           | 0      | 660   |
| EMC Corporation                                | Equity | 26864810 | 1,080,479    | 98,494   | 94,199               | 4,295  | 0     | 95,489           | 1,000  | 2,005 |
| Emerson Electric Company                       | Equity | 29101110 | 835,586      | 9,970    | 9,670                | 300    | 0     | 9,870            | 0      | 100   |
| Exxon Mobil Corporation                        | Equity | 30231G10 | 5,328,493    | 86,854   | 71,527               | 15,327 | 0     | 83,437           | 930    | 2,487 |
| Federal Realty Investment Trust                | Equity | 31374720 | 267,750      | 3,825    | 3,825                | 0      | 0     | 3,825            | 0      | 0     |
| First Data Corporation                         | Equity | 31996310 | 566,693      | 12,582   | 11,982               | 600    | 0     | 11,742           | 840    | 0     |
| General Dynamics Corporation                   | Equity | 36955010 | 2,230,550    | 34,075   | 32,355               | 1,720  | 0     | 33,295           | 0      | 780   |
| General Electric Company                       | Equity | 36960410 | 4,248,775    | 128,907  | 101,767              | 27,140 | 0     | 120,029          | 3,398  | 5,480 |
| General Mills Inc                              | Equity | 37033410 | 304,794      | 5,900    | 5,600                | 300    | 0     | 5,900            | 0      | 0     |
| Glamis Gold Ltd.                               | Equity | 37677510 | 348,009      | 9,192    | 0                    | 9,192  | 0     | 0                | 9,192  | 0     |
| Goldman Sachs Group Inc                        | Equity | 38141G10 | 2,130,089    | 14,160   | 13,675               | 485    | 0     | 13,535           | 445    | 180   |
| Helmerich & Payne Inc                          | Equity | 42345210 | 509,197      | 8,450    | 7,950                | 500    | 0     | 8,450            | 0      | 0     |
| Hewlett Packard Company                        | Equity | 42823610 | 2,029,738    | 64,070   | 59,785               | 4,285  | 0     | 63,655           | 0      | 415   |
| Home Depot Inc                                 | Equity | 43707610 | 1,848,661    | 51,653   | 46,878               | 4,775  | 0     | 50,300           | 580    | 773   |
| Honeywell International Inc                    | Equity | 43851610 | 688,042      | 17,073   | 13,221               | 3,852  | 0     | 14,708           | 0      | 2,365 |
| Illinois Tool Works Inc                        | Equity | 45230810 | 2,226,658    | 46,877   | 43,847               | 3,030  | 0     | 46,877           | 0      | 0     |
| Intel Corporation                              | Equity | 45814010 | 1,186,626    | 62,454   | 56,874               | 5,580  | 0     | 62,054           | 0      | 400   |
| Intermagetics General<br>Corporation           | Equity | 45877110 | 269,935      | 10,005   | 10,005               | 0      | 0     | 10,005           | 0      | 0     |
| International Business Machines<br>Corporation | Equity | 45920010 | 1,534,864    | 19,980   | 18,285               | 1,695  | 0     | 19,515           | 0      | 465   |
| JP Morgan Chase & Company                      | Equity | 46625H10 | 375,858      | 8,949    | 8,324                | 625    | 0     | 8,949            | 0      | 0     |
| Johnson & Johnson                              | Equity | 47816010 | 3,578,303    | 59,718   | 49,433               | 10,285 | 0     | 54,618           | 2,720  | 2,380 |
| Johnson Controls Inc                           | Equity | 47836610 | 1,206,003    | 14,668   | 14,288               | 380    | 0     | 14,668           | 0      | 0     |
| Kimberly Clark Corporation                     | Equity | 49436810 | 314,670      | 5,100    | 3,500                | 1,600  | 0     | 5,100            | 0      | 0     |
| Kimco Realty Corporation                       | Equity | 49446R10 | 268,202      | 7,350    | 4,990                | 2,360  | 0     | 5,250            | 0      | 2,100 |
| Lab Corp America Holdings                      | Equity | 50540R40 | 239,586      | 3,850    | 3,850                | 0      | 0     | 3,850            | 0      | 0     |

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|--------------------------------------|--------|----------|--------------|----------|----------------------|--------|-------|------------------|--------|--------|
|                                      |        |          |              |          | Sole                 | Shared | Other | Sole             | Shared | Other  |
| Lehman Brothers Holdings Inc         | Equity | 52490810 | 209,262      | 3,212    | 3,212                | 0      | 0     | 3,212            | 0      | 0      |
| Level 3 Communications Inc           | Equity | 52729N10 | 58,608       | 13,200   | 0                    | 13,200 | 0     | 10,000           | 0      | 3,200  |
| Lilly Eli & Company                  | Equity | 53245710 | 1,504,063    | 27,213   | 23,643               | 3,570  | 0     | 26,303           | 790    | 120    |
| Linear Technology Corporation        | Equity | 53567810 | 241,798      | 7,220    | 6,655                | 565    | 0     | 7,220            | 0      | 0      |
| Lowe's Cos Inc                       | Equity | 54866110 | 1,755,547    | 28,936   | 27,331               | 1,605  | 0     | 28,806           | 0      | 130    |
| MBIA Inc                             | Equity | 55262C10 | 1,810,600    | 30,924   | 29,084               | 1,840  | 0     | 30,669           | 0      | 255    |
| MDU Resources Group Inc              | Equity | 55269010 | 2,880,731    | 78,687   | 46,200               | 32,487 | 0     | 49,567           | 1,100  | 28,020 |
| Marathon Oil Corporation             | Equity | 56584910 | 765,777      | 9,193    | 8,280                | 913    | 0     | 8,415            | 0      | 778    |
| McDonalds Corporation                | Equity | 58013510 | 231,134      | 6,879    | 4,175                | 2,704  | 0     | 5,075            | 0      | 1,804  |
| McGraw Hill Companies Inc            | Equity | 58064510 | 2,616,430    | 52,089   | 49,314               | 2,775  | 0     | 50,644           | 780    | 665    |
| Medtronic Inc                        | Equity | 58505510 | 2,236,676    | 47,670   | 43,415               | 4,255  | 0     | 46,890           | 0      | 780    |
| Merck & Company Inc                  | Equity | 58933110 | 284,154      | 7,800    | 4,500                | 3,300  | 0     | 4,800            | 3,000  | 0      |
| Merrill Lynch & Company Inc          | Equity | 59018810 | 291,109      | 4,185    | 4,185                | 0      | 0     | 4,185            | 0      | 0      |
| Microsoft Corporation                | Equity | 59491810 | 1,975,910    | 84,803   | 78,088               | 6,715  | 0     | 81,753           | 2,600  | 450    |
| Morgan Stanley Dean Witter & Company | Equity | 61744644 | 246,519      | 3,900    | 3,500                | 400    | 0     | 3,900            | 0      | 0      |
| Motorola Inc                         | Equity | 62007610 | 1,241,240    | 61,600   | 59,410               | 2,190  | 0     | 59,960           | 1,640  | 0      |
| Mylan Laboratories Inc               | Equity | 62853010 | 210,000      | 10,500   | 10,500               | 0      | 0     | 10,500           | 0      | 0      |
| Nokia Corporation                    | Equity | 65490220 | 429,006      | 21,175   | 20,575               | 600    | 0     | 21,175           | 0      | 0      |
| Norfolk Southern Corporation         | Equity | 65584410 | 220,863      | 4,150    | 3,950                | 200    | 0     | 4,150            | 0      | 0      |
| Northern Trust Corporation           | Equity | 66585910 | 1,969,233    | 35,610   | 33,905               | 1,705  | 0     | 34,855           | 580    | 175    |
| Omnicom Group Inc                    | Equity | 68191910 | 280,634      | 3,150    | 3,150                | 0      | 0     | 3,150            | 0      | 0      |
| Oracle Corporation                   | Equity | 68389X10 | 1,359,843    | 93,847   | 90,317               | 3,530  | 0     | 90,442           | 960    | 2,445  |
| Penney J C Inc                       | Equity | 70816010 | 762,053      | 11,288   | 1,188                | 10,100 | 0     | 11,288           | 0      | 0      |
| Pepsico Inc                          | Equity | 71344810 | 2,711,947    | 45,169   | 41,329               | 3,840  | 0     | 44,194           | 0      | 975    |
| Pfizer Inc                           | Equity | 71708110 | 1,242,572    | 52,943   | 49,323               | 3,620  | 0     | 52,733           | 0      | 210    |
| Proctor & Gamble Company             | Equity | 74271810 | 2,283,214    | 41,065   | 38,440               | 2,625  | 0     | 40,890           | 0      | 175    |
| Prudential Financial Inc             | Equity | 74432010 | 362,315      | 4,663    | 4,663                | 0      | 0     | 4,663            | 0      | 0      |
| Qlogic Corporation                   | Equity | 74727710 | 290,666      | 16,860   | 16,860               | 0      | 0     | 16,860           | 0      | 0      |
| Qualcomm Inc                         | Equity | 74752510 | 1,066,062    | 26,605   | 25,355               | 1,250  | 0     | 26,205           | 400    | 0      |
| Rockwell Automation Inc.             | Equity | 77390310 | 511,271      | 7,100    | 7,100                | 0      | 0     | 7,100            | 0      | 0      |
| Rockwell Collins Inc                 | Equity | 77434110 | 374,329      | 6,700    | 6,700                | 0      | 0     | 6,700            | 0      | 0      |

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|-------------------------------------|--------|----------|--------------|----------|----------------------|--------|-------|------------------|--------|-------|
|                                     |        |          |              |          | Sole                 | Shared | Other | Sole             | Shared | Other |
| St Paul Companies Inc               | Equity | 79286010 | 621,579      | 13,943   | 13,087               | 856    | 0     | 13,087           | 0      | 856   |
| Schlumberger Limited                | Equity | 80685710 | 869,219      | 13,350   | 10,910               | 2,440  | 0     | 12,350           | 1,000  | 0     |
| Shurgard Storage Centers Inc        | Equity | 82567D10 | 421,875      | 6,750    | 6,750                | 0      | 0     | 6,750            | 0      | 0     |
| Silver Wheaton Corporation          | Equity | 82833610 | 188,400      | 20,000   | 0                    | 20,000 | 0     | 0                | 20,000 | 0     |
| Smith International Inc             | Equity | 83211010 | 1,064,167    | 23,930   | 21,875               | 2,055  | 0     | 22,875           | 300    | 755   |
| Staples Inc                         | Equity | 85503010 | 2,011,797    | 82,620   | 79,755               | 2,865  | 0     | 80,450           | 1,200  | 970   |
| Starbucks Corporation               | Equity | 85524410 | 320,469      | 8,487    | 8,487                | 0      | 0     | 8,487            | 0      | 0     |
| State Street Corporation            | Equity | 85747710 | 223,356      | 3,845    | 3,045                | 800    | 0     | 3,845            | 0      | 0     |
| Stryker Corporation                 | Equity | 86366710 | 1,580,515    | 37,533   | 35,258               | 2,275  | 0     | 36,618           | 250    | 665   |
| Sysco Corporation                   | Equity | 87182910 | 1,005,882    | 32,915   | 30,160               | 2,755  | 0     | 31,485           | 600    | 830   |
| TXU Corporation                     | Equity | 87316810 | 203,884      | 3,410    | 3,410                | 0      | 0     | 3,410            | 0      | 0     |
| Target Corporation                  | Equity | 87612E10 | 2,044,721    | 41,840   | 39,315               | 2,525  | 0     | 40,550           | 580    | 710   |
| Texas Instruments Inc               | Equity | 88250810 | 817,709      | 26,996   | 24,341               | 2,655  | 0     | 25,996           | 750    | 250   |
| Textron Inc                         | Equity | 88320310 | 331,848      | 3,600    | 3,500                | 100    | 0     | 3,600            | 0      | 0     |
| 3M Company                          | Equity | 88579Y10 | 769,092      | 9,522    | 7,722                | 1,800  | 0     | 8,022            | 0      | 1,500 |
| Union Pacific Corporation           | Equity | 90781810 | 266,423      | 2,866    | 2,566                | 300    | 0     | 2,866            | 0      | 0     |
| United Technologies Corporation     | Equity | 91301710 | 2,898,104    | 45,697   | 43,042               | 2,655  | 0     | 44,972           | 530    | 195   |
| Valero Refining & Marketing Company | Equity | 91913Y10 | 518,324      | 7,792    | 7,792                | 0      | 0     | 7,792            | 0      | 0     |
| Verizon Communications              | Equity | 92343V10 | 353,052      | 10,542   | 6,798                | 3,744  | 0     | 10,388           | 0      | 154   |
| Wachovia Corp                       | Equity | 92990310 | 492,939      | 9,115    | 8,815                | 300    | 0     | 9,115            | 0      | 0     |
| Wal-Mart Stores Inc                 | Equity | 93114210 | 1,398,375    | 29,030   | 25,980               | 3,050  | 0     | 28,715           | 0      | 315   |
| Walgreen Company                    | Equity | 93142210 | 1,911,753    | 42,635   | 39,915               | 2,720  | 0     | 40,895           | 700    | 1,040 |
| Wells Fargo & Company               | Equity | 94974610 | 2,693,195    | 40,149   | 36,639               | 3,510  | 0     | 40,064           | 0      | 85    |

|                                |        |           |             |        |        |     |   |        |     |   |
|--------------------------------|--------|-----------|-------------|--------|--------|-----|---|--------|-----|---|
| Ingersoll-Rand Company Class A | Equity | G4776G101 | 576,033     | 13,465 | 12,915 | 550 | 0 | 12,965 | 500 | 0 |
|                                |        |           | 132,761,276 |        |        |     |   |        |     |   |

</TABLE>

117           \* \* \* End Of Asset Report \* \* \*  
          Assets Reported           27638 Assets On File

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