

FIRST FINANCIAL FUND INC
Form N-Q
August 16, 2005

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

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

| | |
|---|--|
| Investment Company Act file number | 811-04605 |
| | First Financial Fund, Inc. |
| | (Exact name of registrant as specified in charter) |
| 1680 38 th Street, Suite 800 | |
| Boulder, CO | 80301 |
| (Address of principal executive offices) | (Zip code) |
| | Stephen C. Miller, Esq. |
| | 1680 38 th Street, Suite 800 |
| | Boulder, CO 80301 |
| | (Name and address of agent for service) |
| Registrant's telephone number, including area code: | 303-444-5483 |
| Date of fiscal year end: | March 31, 2005 |
| Date of reporting period: | June 30, 2005 |

Item 1. Schedule of Investments.

Portfolio of Investments as of June 30, 2005
(Unaudited)

FIRST FINANCIAL FUND, INC.

| Shares | Description | Value (Note 1) |
|----------------------------------|--|----------------|
| LONG TERM INVESTMENTS 100.6% | | |
| DOMESTIC COMMON STOCKS 89.6% | | |
| Banks & Thrifts 48.9% | | |
| 72,600 | Alliance Bankshares Corporation | \$ 1,107,150 |
| 211,600 | Amegy Bancorp, Inc. | 4,735,608 |
| 468,000 | AmeriServ Financial, Inc. | 2,503,800 |
| 78,200 | Bancorp Rhode Island, Inc. | 2,862,120 |
| 251,735 | Bancorp, Inc. | 4,390,258 |
| 40,500 | Bank of Oak Ridge | 389,610 |
| 377,000 | BankFinancial Corporation | 5,025,410 |
| 68,300 | Benjamin Franklin Bancorp, Inc. | 786,133 |
| 37,800 | CalNet Business Bank (a) | 578,340 |
| 124,200 | Capital Corp. of the West | 3,446,550 |
| 180,100 | Cardinal Financial Corporation | 1,691,139 |
| 85,000 | Cardinal State Bank | 1,020,000 |
| 38,500 | Carolina Trust Bank | 504,350 |
| 282,010 | CCF Holding Company (b) | 5,174,884 |
| 485,800 | Centennial Bank Holdings, Inc. (a) (c) (d) | 5,100,900 |
| 600,000 | Centennial C Corporation (a) (c) | 6,300,000 |
| 3 | Central Pacific Financial Corporation | 107 |
| 83,000 | City National Corporation | 5,951,930 |
| 62,000 | Coast Financial Holdings, Inc. | 1,083,760 |
| 8,400 | Coastal Banking Company, Inc. | 163,800 |
| 143,200 | Commerce Bancorp, Inc., NJ | 4,340,392 |
| 60,000 | Community Bank (a) (c) | 3,085,800 |
| 66,000 | Community Bank of Orange, N.A. (a) (c) | 282,150 |
| 89,200 | Community Capital Bancshares, Inc. | 986,552 |
| 31,300 | Cornerstone Bancorp, Inc. | 1,090,805 |
| 9,100 | Crescent Banking Company | 279,279 |
| 78,834 | Dearborn Bancorp, Inc. | 2,041,801 |
| 71,468 | F.N.B. Corporation | 1,422,213 |
| 79,300 | FCB Bancorp, Inc. (a) (c) | 1,566,175 |
| 100,000 | Federal City National Bank (a) (c) | 1,000,000 |
| 9,000 | Fidelity Southern Corporation | 139,050 |
| 49,199 | First Citizens BancShares, Inc., Class A | 7,111,715 |
| 13,011 | First Indiana Corporation | 386,036 |
| 135,163 | First Regional Bancorp | 8,941,032 |
| 340,775 | First Republic Bank | 12,039,581 |
| 66,726 | First Southern Bancorp (a) (d) | 1,634,787 |
| 10,000 | First Trust Bank | 218,000 |
| 73,650 | Foothill Independent Bancorp | 1,475,651 |
| 159,060 | Gateway Financial Holdings | 2,878,986 |
| 20,700 | Greene County Bancshares, Inc. | 565,524 |
| 45,572 | Greenville First Bancshares, Inc. | 934,226 |
| 18,600 | Heartland Financial USA, Inc. | 363,258 |
| 1,785 | Heritage Oaks Bancorp | 38,377 |
| 65,600 | IBERIABANK Corporation | 4,041,616 |
| 100,900 | LSB Bancshares, Inc. | 1,812,164 |
| 75,850 | MainSource Financial Group, Inc. | 1,372,127 |
| 219,600 | MetroCorp Bancshares, Inc. | 4,644,540 |
| 336,000 | North Valley Bancorp | 5,762,400 |
| 57,000 | Northrim Bancorp, Inc. | 1,338,360 |
| 49,280 | Parkway Bank | 616,000 |

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| | | |
|---------|-------------------------------|-----------|
| 130,500 | Pennsylvania Commerce Bancorp | 4,273,875 |
| 152,000 | Pilot Bancshares, Inc. (c) | 2,128,000 |
| 50,400 | Preferred Bank Los Angeles | 2,000,880 |
| 157,472 | Republic First Bancorp, Inc. | 2,125,872 |
| 5,399 | SCBT Financial Corporation | 170,878 |

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|---------|------------------------------------|----|-------------|
| 327,900 | Signature Bank | \$ | 8,000,760 |
| 246,100 | SNB Bancshares, Inc. | | 2,707,100 |
| 111,615 | Southern Connecticut Bancorp, Inc. | | 881,759 |
| 10,200 | Southwest Bancorp, Inc. | | 208,896 |
| 302,900 | Square 1 Financial, Inc. (a) (c) | | 3,029,000 |
| 72,700 | Sterling Bank | | 846,955 |
| 29,500 | SuffolkFirst Bank | | 339,250 |
| 294,913 | Sun Bancorp, Inc. | | 6,095,852 |
| 311,642 | Taylor Capital Group, Inc. | | 12,231,949 |
| 21,100 | Team Financial, Inc. | | 289,070 |
| 61,200 | Texas United Bancshares, Inc. | | 1,113,840 |
| 18,400 | The Bank Holdings, Inc. | | 358,432 |
| 39,900 | TIB Financial Corporation | | 1,075,305 |
| 71,900 | Tidelands Bancshares, Inc. (a) (c) | | 672,265 |
| 130,000 | Transatlantic Bank (a) (c) | | 1,695,200 |
| 10,600 | TriCo Bancshares | | 236,804 |
| 121,400 | UCBH Holdings, Inc. | | 1,971,536 |
| 115,200 | UMB Financial Corporation | | 6,569,856 |
| 159,600 | UnionBanCal Corporation | | 10,680,432 |
| 28,500 | UnionBancorp, Inc. | | 627,000 |
| 40,300 | United Community Banks, Inc. | | 1,048,606 |
| 46,700 | Valley Commerce Bancorp | | 782,225 |
| 161,238 | Wainwright Bank & Trust Company | | 1,797,804 |
| 38,587 | Westbank Corporation | | 624,338 |
| 48,100 | Western Alliance Bancorp | | 1,221,740 |
| 36,700 | Yardville National Bancorp | | 1,312,025 |
| | | | 202,341,950 |

Savings & Loans 21.8%

| | | | |
|---------|---|--|-----------|
| 116,000 | Abington Community Bancorp, Inc. | | 1,436,080 |
| 160,400 | Atlantic Coast Federal | | 1,984,148 |
| 124,326 | Berkshire Hills Bancorp, Inc. | | 4,142,542 |
| 129,280 | Broadway Financial Corporation (b) | | 1,339,341 |
| 41,600 | Carver Bancorp, Inc. | | 708,032 |
| 324,800 | CFS Bancorp, Inc. | | 4,313,344 |
| 24,400 | Charter Financial Corporation | | 852,536 |
| 238,500 | Citizens First Bancorp, Inc. | | 4,925,025 |
| 77,200 | Downey Financial Corporation | | 5,651,040 |
| 32,500 | Fidelity Federal Bancorp | | 511,875 |
| 5,540 | First Community Bank Corporation of America | | 136,229 |
| 6,500 | First Defiance Financial Corporation | | 173,485 |
| 57,538 | First Federal Bancshares, Inc. (b) | | 1,176,652 |
| 63,600 | First Place Financial Corporation | | 1,277,724 |
| 252,000 | FirstFed Bancorp, Inc. (b) | | 2,242,800 |
| 43,400 | Georgetown Bancorp, Inc. | | 399,280 |
| 3,300 | HF Financial Corpotaion | | 72,039 |
| 90,000 | HMN Financial, Inc. | | 2,833,200 |
| 128,000 | Home Federal Bancorp, Inc. | | 1,579,520 |
| 526,700 | Hudson City Bancorp, Inc. | | 6,009,647 |
| 46,900 | Jefferson Bancshares, Inc. | | 600,320 |
| 100,000 | K-Fed Bancorp | | 1,219,000 |
| 54,612 | LSB Corporation | | 884,714 |
| 310,300 | MidCountry Financial Corporation (a) (c) | | 4,654,500 |
| 85,000 | Northwest Bancorp, Inc. | | 1,807,100 |
| 261,000 | Ocean Shore Holding Company | | 2,792,700 |
| 163,300 | Pacific Premier Bancorp, Inc. | | 1,748,943 |
| 94,800 | Parkvale Financial Corporation | | 2,573,820 |
| 69,725 | People s Bank | | 2,108,484 |

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|---------|---|-----------|
| 253,700 | People's Choice Financial Corporation (c) (d) | 2,283,300 |
| 165,930 | Perpetual Federal Savings Bank (b) | 4,372,256 |

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| 17,500 | Privee LLC (a) (c) | \$ | 2,362,500 |
| 333,025 | Provident Financial Holdings, Inc. (b) | | 9,361,333 |
| 40,650 | Redwood Financial, Inc. (b) | | 833,325 |
| 90,000 | River Valley Bancorp (b) | | 1,926,900 |
| 52,637 | Riverview Bancorp, Inc. | | 1,123,800 |
| 12,500 | Rockville Financial, Inc. | | 152,750 |
| 203,000 | Rome Bancorp, Inc. | | 2,033,654 |
| 6,300 | Royal Financial, Inc. | | 81,270 |
| 289,600 | SI Financial Group, Inc. | | 3,376,736 |
| 100,000 | Sterling Eagle (a) (c) | | 802,000 |
| 110,500 | Third Century Bancorp (b) | | 1,464,125 |
| | | | 90,328,069 |
| Mortgages & REITS 10.7% | | | |
| 565,900 | Aames Investment Corporation; REIT | | 5,500,548 |
| 303,100 | Arbor Realty Trust, Inc.; REIT (a) (d) | | 8,698,970 |
| 424,000 | Bimini Mortgage Management, Inc.; REIT (c) | | 5,978,400 |
| 329,600 | Diamondrock Hospitality Company; REIT (a) (c) (d) | | 3,352,032 |
| 47,700 | Freddie Mac | | 3,111,471 |
| 419,500 | Medical Properties Trust, Inc.; REIT (d) | | 4,215,975 |
| 441,900 | MortgageIT Holdings, Inc.; REIT | | 8,064,675 |
| 39,200 | New Century Financial Corp.; REIT | | 2,016,840 |
| 155,504 | Newcastle Investment Holdings Corporation; REIT (a) (d) | | 1,282,908 |
| 119,400 | Saxon Capital, Inc.; REIT | | 2,038,158 |
| | | | 44,259,977 |
| Diversified Financials Services 5.4% | | | |
| 53,845 | Bay View Capital Corporation | | 832,982 |
| 136,300 | Citigroup, Inc. | | 6,301,149 |
| 25,000 | CMET Financial Holdings, Inc. (a) (d) | | 1,750,000 |
| 60,000 | Independence Financial (a) (c) | | 480,000 |
| 93,615 | Mackinac Financial Corporation (c) | | 1,425,756 |
| 293,600 | MBNA Corp. | | 7,680,576 |
| 265,000 | Resource Capital Corporation (a) (d) | | 3,975,000 |
| | | | 22,445,463 |
| Insurance 2.8% | | | |
| 114,700 | Bristol West Holdings, Inc. | | 2,099,010 |
| 154,800 | Mercer Insurance Group, Inc. | | 2,004,675 |
| 184,400 | Ohio Casualty Corporation | | 4,458,792 |
| 50,000 | ProAssurance Corporation | | 2,088,000 |
| 85,900 | Seabright Insurance Holdings | | 981,837 |
| | | | 11,632,314 |
| | Total Domestic Common Stocks (cost \$285,359,024) | | 371,007,773 |
| FOREIGN COMMON STOCKS 10.2% | | | |
| Bermuda 5.4% | | | |
| 141,900 | Aspen Insurance Holdings, Ltd. | | 3,910,764 |
| 140,950 | Axis Capital Holdings Ltd. | | 3,988,885 |
| 77,000 | IPC Holdings Ltd. | | 3,050,740 |
| 17,900 | White Mountains Insurance Group, Ltd. | | 11,293,110 |
| | | | 22,243,499 |
| Canada 3.4% | | | |
| 507,574 | Canadian Western Bank | | 11,947,549 |
| 204,800 | Sunrise Senior Living, Inc.; REIT | | 2,100,170 |

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| Switzerland 0.9% | | | |
| 48,700 | UBS AG | \$ | 3,791,295 |
| Germany 0.5% | | | |
| 81,425 | Bayerische Hypo-Und Vereinsbank AG | | 2,120,395 |
| Total Foreign Common Stocks (cost \$29,120,863) | | | 42,202,908 |
| WARRANTS 0.8% | | | |
| 195,000 | Dime Bancorp, Inc., Warrant, Expires 11/22/05 | | 35,100 |
| 3,680 | The Bank Holdings, Inc., Warrant, Expires 5/21/06 | | 29,808 |
| 359,900 | Punjab National, Warrant, Expires 1/19/09 | | 3,131,130 |
| Total Warrants (cost \$3,271,413) | | | 3,196,038 |
| Total Long Term Investments (cost \$317,751,300) | | | 416,406,719 |

SHORT TERM INVESTMENTS 1.8%

| Par Value | Description | Value (Note 1) |
|--|---|-----------------------|
| Repurchase Agreement 1.8% | | |
| \$ 7,500,000 | Agreement with Gold Tri-Party, 3.450% dated 6/30/2005, to be repurchased at \$7,500,719 on 7/1/05, collateralized by a U.S. Government Agency Security with a market value of \$7,650,000, rate of 5.50%, and maturity of 6/1/35 (Cost \$7,500,000) | \$ 7,500,000 |
| Total Investments 102.4% (cost \$325,251,300) | | \$ 423,906,719 |
| | Other Assets and Liabilities (2.4%) | (9,931,744) |
| | Net Assets 100% | 413,974,975 |

Non-income producing security.

- (a) Indicates a fair valued security. Total market value for fair valued securities is \$52,302,527 representing 12.63% of the total net assets.
- (b) Affiliated Company. See Note 3 to Schedule of Investments.
- (c) Private Placement restricted as to resale and does not have a readily available market.
- (d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended.

First Financial Fund, Inc. Notes to Schedule of Investments

June 30, 2005 (Unaudited)

Note 1. Valuation and Investment Practices

Securities Valuation: Securities for which market quotations are readily available-including securities listed on national securities exchanges and those traded over-the-counter- are valued at the last quoted sales price on the valuation date on which the security is traded. If such securities were not traded on the valuation date, but market quotations are readily available, they are valued at the most recently quoted bid price provided by an independent pricing service or by principal market makers. Securities traded via NASDAQ are valued at the NASDAQ Official Close Price (NOCP). Securities for which market quotations are not readily available or for which the pricing agent or market maker does not provide a valuation or methodology, or provides a valuation or methodology that, in the judgment of the adviser, does not represent fair value (Fair Value Securities), are valued at fair value by a Pricing Committee appointed by the Board of Directors, in consultation with the adviser. In such circumstances, the adviser makes an initial written recommendation to the Pricing Committee regarding valuation methodology for each Fair Value Security. Thereafter, the adviser conducts periodic reviews of each Fair Value Security to consider whether the respective methodology and its application is appropriate and recommends methodology changes when appropriate. Prior to implementation, the Pricing Committee reviews and makes a determination regarding each initial methodology recommendation and any subsequent methodology changes. All methodology recommendations and any changes are reviewed by the entire Board of Directors on a quarterly basis.

Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost, which approximates fair value.

Repurchase Agreements: The Fund may enter into repurchase agreement transactions with United States financial institutions. It is the Fund's policy that its custodian take possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults, and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

Securities Transactions and Net Investment Income: Securities transactions are recorded on the trade date. Realized gains or losses on sales of securities are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date; interest income including amortization of premium and accretion of discount on debt securities, as required is recorded on the accrual basis, which may require the use of certain estimates by management.

Note 2. Unrealized Appreciation/(Depreciation)

On June 30, 2005, based on cost of \$325,724,831 for federal income tax purposes, aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$104,366,216 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$(6,184,328).

Note 3. Transactions With Affiliated Companies

Transactions during the quarter with companies in which the Fund owned at least 5% of the voting securities were as follows:

| Name of Affiliate | Beginning Share Balance | Ending Share Balance | Purchase Cost | Sales Cost | Dividend Income | Market Value |
|------------------------------------|--|-------------------------------------|--------------------------|-----------------------|----------------------------|-------------------------|
| Broadway Financial Corporation | 129,280 | 129,280 | | | 0 | 1,339,341 |
| CCF Holding Company | 282,010 | 282,010 | | | 19,741 | 5,174,884 |
| First Federal BancShares, Inc. | 79,638 | 57,538 | | 600,378 | 6,905 | 1,176,652 |
| FirstFed Bancorp, Inc. | 252,000 | 252,000 | | | 17,640 | 2,242,800 |
| Perpetual Federal Savings Bank | 165,930 | 165,930 | | | 39,823 | 4,372,256 |
| Provident Financial Holdings, Inc. | 456,525 | 333,025 | | 606,403 | 52,522 | 9,361,333 |
| Redwood Financial, Inc. | 40,650 | 40,650 | | | 0 | 833,325 |
| River Valley Bancorp | 90,000 | 90,000 | | | 17,550 | 1,926,900 |
| Third Century Bancorp | 110,500 | 110,500 | | | 4,420 | 1,464,125 |

Item 2. Controls and Procedures.

(a) The Registrant's Principal Executive Officer and Principal Financial Officer concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) were effective as of a date within 90 days prior to the filing date of this report (the Evaluation Date), based on their evaluation of the effectiveness of the Registrant's disclosure controls and procedures as of the Evaluation Date.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Certification of Principal Executive Officer and Principal Financial Officer of the Registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is attached hereto as Exhibit 99CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant First Financial Fund, Inc.

By /s/ Stephen C. Miller
Stephen C. Miller, President
(Principal Executive Officer)

Date August 15, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Stephen C. Miller
Stephen C. Miller, President
(Principal Executive Officer)

Date August 15, 2005

By /s/ Carl D. Johns
Carl D. Johns, Vice President and Treasurer
(Principal Financial Officer)

Date August 15, 2005
