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FIRST FINANCIAL FUND INC
Form N-CSRS
November 29, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-04605

FIRST FINANCIAL FUND, INC.

(Exact name of registrant as specified in charter)

1680 38th Street, Suite 800
BOULDER, CO 80301

(Address of principal executive offices) (Zip code)

Stephen C. Miller, Esq.
1680 38th 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

Date of reporting period: SEPTEMBER 30, 2004

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

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The Report to Shareholders is attached herewith.

LETTER FROM THE ADVISER

NOVEMBER 8, 2004

DEAR SHAREHOLDERS:

The Fund returned 6.7% on NAV for the six months ending September 30, 2004. While we do not manage for short-term results, our returns exceeded those of our benchmarks. Given our new flexibility to invest more in financial service firms not classified as either bank or thrift and given the recent addition of non-U.S. financials, we may find the current benchmarks less relevant. The Fund's aim was, is, and always will be to find ways of making a satisfactory long-term return on our investment in financial stocks. Wellington Management and the Fund's Board of Directors feel strongly that the increased scope of the Fund will help us meet this goal.

TOTAL RETURN
PERIODS ENDED 9/30/2004

	6 MOS.	1 YEAR	3 YEARS	5 YEARS
FIRST FINANCIAL FUND'S NAV	6.7%	30.3%	31.5%	29.3%
S&P 500	-0.2	13.9	4.0	-1.3
NASDAQ Composite*	-3.9	7.5	8.7	-6.9
NASDAQ Banks*	0.9	14.8	13.0	12.1
SNL All Daily*	-5.7	12.3	16.2	19.7
SNL MBS REITS*	-3.2	30.1	34.4	28.0

Sources: Lipper Analytical Services, Inc. and Wellington Management Company, LLP
* Principal Only

Periods greater than one year are annualized

The grudging but determined rebound of the domestic economy continued this past six months, with profit growth strong but job creation relatively tepid. Treasury bond yields shot up in April only to fall back again in August and September. As expected, the Fed raised rates, leaving the yield curve flatter and economists, in general, a little more perplexed about the economy's stamina. Emerging country economies appear less ambiguously robust. For our part, we see a domestic economy with strong momentum and worry more over the possibility and impact of significantly higher interest rates over the next 12 to 18 months.

We continue to benefit from an active merger market. Unsustainably low levels of loan losses combined with good loan growth at the small community bank level have also favored our investments. The Fund's weighting of banks and thrifts has increased modestly, both due to appreciation and a number of capital raising opportunities in the community bank arena. Bank stocks, however, are expensive. After a torrid run, we have taken more profits off the table among our mortgage bankers. Countrywide Financial was again

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among our top contributors. Other mortgage related winners included Freddie Mac, First Republic, Provident Financial and Mortgage IT. Partially offsetting these returns were generally negative to lackluster results in the property and commercial insurance sector. They gave back some of the nice gains chalked up over the previous six months. For the past 12 months, the Fund has been blessed

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with a paucity of significant losses.

Looking forward, we find no shortage of possible stumbling blocks for financial service stocks. Chief among these include a flattening yield curve, real estate prices rolling over, questionable sub-prime lending and, not least, the resurgence of regulatory risk. Valuations in most areas of financial services leave little room for surprise or error, and earnings quality, in many cases, has deteriorated. Offsetting positives include the continued torrid merger activity, the elections and what may be a stronger world economy than most expect. Overall, emerging economies appear more promising than the U.S.

As mentioned earlier, new and follow-on equity deals have picked up in our area. Continued volatility, too, has provided entry points for the disciplined investor. Both of these trends should provide opportunities that, with a little patience, we can exploit.

We appreciate your trust in us.

Sincerely,

/S/NICHOLAS C. ADAMS
Nicholas C. Adams

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PORTFOLIO OF INVESTMENTS AS OF SEPTEMBER 30, 2004
(UNAUDITED)

FIRST FINANCIAL FUND, INC.

SHARES	DESCRIPTION	VALUE (NOTE 1)
LONG TERM INVESTMENTS-93.7%		
COMMON STOCKS-DOMESTIC-81.7%		
BANKS & THRIFTS-34.2%		
57,600	Alliance Bankshares Corporation*	\$ 875,520
66,000	American Pacific Bank, Class B*	633,600
207,286	Bank of America Corporation	8,981,702
32,400	Bank of Oak Ridge*	421,200
68,100	Banknorth Group, Inc.	2,383,500
53,845	Bay View Capital Corporation	886,289
48,800	Boston Private Financial Holdings, Inc.	1,218,048
50,400	Cardinal Financial Corporation*	474,264
85,000	Cardinal State Bank*	896,750
282,010	CCF Holding Company (d)	4,535,003
252,250	Central Pacific Financial Corporation	6,941,920
72,700	Citigroup, Inc.	3,207,524
136,600	City National Corporation	8,872,170
62,000	Coast Financial Holdings, Inc.*	951,700
6,300	Coastal Banking Company, Inc.*	95,918
9,600	Columbia Bancorp	279,744
60,000	Community Bank San Jose California (a) (b)	2,769,000
66,000	Community Capital Bancshares, Inc.	752,400
31,300	Cornerstone Bancorp, Inc.	909,265
9,100	Crescent Banking Company	229,320
91,600	Dearborn Bancorp, Inc.*	2,390,760
9,000	Fidelity Southern Corporation	137,160
36,599	First Citizens BancShares, Inc., Class A	4,318,682

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34,300	First Indiana Corporation	689,430
50,000	First Regional Bancorp*(a)	1,637,500
230,250	First Republic Bank	10,591,500
71,468	F.N.B Corporation	1,263,554
64,800	Greenville First Bancshares, Inc.*	1,189,080
198,316	Hanmi Financial Pipe(a)	5,989,143
1,700	Heritage Oaks Bancorp*	28,900
172,500	Hibernia Corporation, Class A	4,555,725
72,500	IBERIABANK Corporation	4,184,700
60,000	Independence Financial Group, Inc. (a) (b)	480,000
41,200	LSB Bancshares, Inc.	687,216
219,600	MetroCorp Bancshares, Inc.	4,172,400
83,700	North Fork Bancorporation, Inc.	3,720,465
336,000	North Valley Bancorp (d)	6,000,960
44,800	Parkway Bank*	544,320
2,000	Pointe Financial Corporation	64,000
216,500	Signature Bank*	5,791,375
246,100	SNB Bancshares, Inc.*	2,948,278
106,300	Southern Connecticut Bancorp, Inc.*	898,235
224,100	Southwest Bancorp, Inc.	4,941,405
100,000	Sterling Eagle (a) (b) (d)	807,000
29,500	SuffolkFirst Bank*	280,250
243,470	Sun Bancorp, Inc.*	5,339,297
335,542	Taylor Capital Group, Inc.	8,053,008
21,100	Team Financial, Inc.	232,100
61,200	Texas United Bancshares, Inc.	1,077,120

SHARES	DESCRIPTION	VALUE (NOTE 1)
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BANKS & THRIFTS - CONTINUED

218,900	The Bancorp Bank*	\$ 4,454,615
18,400	The Bank Holdings, Inc.*	293,480
5,500	The South Financial Group, Inc.	155,100
9,400	TIB Financial Corporation	209,150
130,000	Transatlantic Bank* (a)	1,267,500
70,000	TriCo Bancshares	1,464,400
36,400	Trustmark Corporation	1,131,312
56,500	UCBH Holdings, Inc.	2,207,455
59,500	UMB Financial Corporation	2,836,365
150,400	UnionBanCal Corporation	8,905,184
14,200	UnionBancorp, Inc.	286,130
33,000	Valley Bancorp*	770,550
153,560	Wainwright Bank & Trust Company	1,749,048
63,507	Webster Financial Corporation	3,136,611
38,587	Westbank Corporation	797,979
36,700	Yardville National Bancorp	1,067,970

160,061,249

SAVINGS & LOANS-20.4%

9,100	BostonFed Bancorp, Inc.	390,117
129,280	Broadway Financial Corporation (d)	1,519,040
324,800	CFS Bancorp, Inc.	4,514,720
24,400	Charter Financial Corporation	827,892
71,800	Chesterfield Financial Corporation	2,244,468
54,900	Citizens Community Bancorp	691,740
238,500	Citizens First Bancorp, Inc.	5,983,965
37,600	Commerical Federal Corporation	1,014,448
86,900	Downey Financial Corporation	4,776,024
413,565	Fidelity Federal Bancorp*	591,398

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79,638	First Federal Bancshares, Inc. (d)	1,911,312
1,300	First Defiance Financial Corporation	33,813
24,000	First PacTrust Bancorp, Inc.	602,400
63,600	First Place Financial Corporation	1,272,000
252,000	FirstFed Bancorp, Inc.(d)	1,927,800
24,200	FirstFed Financial Corporation*	1,182,896
114,400	Golden West Financial Corporation	12,692,680
90,000	HMN Financial, Inc.	2,496,600
46,900	Jefferson Bancshares, Inc.	617,204
100,000	K-Fed Bancorp*	1,475,000
54,612	LSB Corporation	1,086,779
79,500	Northwest Bancorp, Inc.	1,802,265
116,500	Northeast Pennsylvania Financial Corporation	1,923,415
109,600	Ocwen Financial Corporation*	1,002,840
163,300	Pacific Premier Bancorp, Inc.*	1,931,839
94,800	Parkvale Financial Corporation	2,559,600
73,950	People's Bank	2,642,234
165,930	Perpetual Federal Savings Bank (d)	4,936,418
450,000	Provident Bancorp, Inc.	5,283,000
456,525	Provident Financial Holdings, Inc. (d)	13,239,225
36,000	Rainier Pacific Financial Group, Inc.	641,880
40,650	Redwood Financial, Inc.*(d)	774,383
90,000	River Valley Bancorp (d)	2,070,000
23,986	Sovereign Bancorp, Inc.	523,374
110,500	Third Century Bancorp	1,259,700

See Notes to Financial Statements. 3

PORTFOLIO OF INVESTMENTS AS OF SEPTEMBER 30, 2004
(UNAUDITED)

FIRST FINANCIAL FUND, INC.

SHARES	DESCRIPTION	VALUE (NOTE 1)
<hr/>		
SAVINGS & LOANS- CONTINUED		
172,000	Woronoco Bancorp, Inc.	\$ 6,665,000

		95,107,469

<hr/>		
MORTGAGE & REITS-15.0%		
68,000	Accredited Home Lenders Holding Company*	2,619,360
483,400	Arbor Realty Trust, Inc.(c); REIT	10,731,480
113,600	Bimini Mortgage Management, Inc., Class A*; REIT	1,790,336
424,000	Bimini Mortgage Management, Inc.(a); REIT	6,014,016
459,998	Countrywide Financial Corporation	18,119,321
248,600	Freddie Mac	16,218,664
272,590	Medical Office Properties Inc.(a)(c); REIT	0
419,500	Medical Properties Trust, Inc. (a)(c); REIT	4,195,000
585,500	MortgageIT Holdings, Inc.*	8,460,475
155,504	Newcastle Investment Holdings Corporation* (a)(b); REIT	1,166,280
41,100	Saxon Capital, Inc.*; REIT	883,650

		70,198,582

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INSURANCE-5.3%		
141,900	21st Century Insurance Group	1,894,365
19,700	Argonaut Group, Inc.*	367,799
320,100	Bristol West Holdings, Inc.	5,486,514
279,100	Mercer Insurance Group, Inc.*	3,237,560
226,100	Ohio Casualty Corporation*	4,732,273
44,900	Old Republic International Corporation	1,123,847
170,200	Penn-America Group, Inc.	2,316,422
55,000	Safety Insurance Group, Inc.	1,222,650
304,000	United National Group, Ltd., Class A*	4,414,080

		24,795,510

DIVERSIFIED FINANCIAL SERVICES-4.2%		
40,800	Advanta Corporation, Class B	986,952
600,000	Centennial Bank Holdings, Inc. (a)	6,300,000
485,800	Centennial Bank Holdings, Inc.(a)(c)	5,100,900
25,000	CMET Finance Holdings, Inc. (a)	2,500,000
456,700	Spirit Finance Corporation	4,567,000

		19,454,852

OTHER-2.6%		
329,600	DiamondRock Hospitality Company*(a); REIT	3,296,000
385,386	Resource America, Inc., Class A	9,091,256

		12,387,256

	Total common stocks-domestic (cost \$272,587,353)	382,004,918

SHARES	DESCRIPTION	VALUE (NOTE 1)

COMMON STOCKS-FOREIGN-9.9%		

BERMUDA-7.6%		
124,900	Aspen Insurance Holdings, Ltd.	\$ 2,873,949
415,900	Assured Guaranty Ltd.	6,928,894
369,300	Axis Capital Holdings Ltd.	9,601,800
121,200	IPC Holdings Ltd.	4,606,812
73,100	Platinum Underwriters Holdings, Ltd.	2,140,368
17,900	White Mountains Insurance Group, Ltd.	9,415,400

		35,567,223

CANADA-1.7%		
217,042	Canadian Western Bank	7,674,631

CAYMAN ISLANDS-0.3%		
240,600	Kongzhong Corporation, ADR*	1,616,832

TURKEY-0.3%		

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75,700	Denizbank A.S., Sponsored GDR * (c)	1,454,197

	Total common stocks-foreign (cost \$41,179,706)	46,312,883

PREFERRED STOCKS-1.2%		
22,650	Capital One Financial Corporation, Conv. Pfd., 6.25%, 5/17/05	1,199,091
161,940	Taylor Capital Trust 1, Cum. Conv. Pfd., 9.75%, 10/21/32 (e)	4,453,350

	Total Convertible Preferred Stocks (cost \$4,791,690)	5,652,441

WARRANTS-0.1%		
77,000	Arbor Realty Trust, Inc. Warrants, Expires 6/30/05 (a)	554,400
1	Citigroup, Inc., Litigation Tracking Warrant, Expires 12/31/50*	1
195,000	Dime Bancorp, Inc., Warrant, Expires 11/22/05*	27,300
3,680	The Bank Holdings, Inc., Warrant, Expires 5/21/06*	18,032

	Total Warrants (cost \$248,903)	599,733

PRINCIPAL AMOUNT (000)		

CONVERTIBLE BONDS-0.8%		
\$3,200	First Regional Bancorp 6.00%, 10/30/23 (a) (d) (cost \$3,200,000)	3,810,560

	Total long-term investments (cost \$322,007,652)	438,380,535

See Notes to Financial Statements. 4

PORTFOLIO OF INVESTMENTS AS OF SEPTEMBER 30, 2004
(UNAUDITED)

FIRST FINANCIAL FUND, INC.

PRINCIPAL AMOUNT (000)

VALUE (NOTE 1)

SHORT TERM INVESTMENTS-7.0%

REPURCHASE AGREEMENT-7.0%

\$ 32,500 Agreement with Gold Tri-Party,
1.89%, dated 9/30/04, to be
repurchased at \$32,501,706
on 10/1/04, collateralized by
\$33,150,000 market value of a

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FNMA Bond, 5.50%, 3/1/34
(cost \$32,500,000) \$ 32,500,000

TOTAL INVESTMENTS-100.7%	
(cost \$354,507,652**)	470,880,535
Liabilities in excess of other assets-(0.7%)	(3,207,055)

Net Assets-100%	\$467,673,480
	=====

- =====
- * Non-income producing security.
 - ** Aggregate cost for Federal tax purposes.
 - (a) Indicates a fair valued security. Total market value for fair valued securities is \$38,505,987 representing 8.23% of the total net assets.
 - (b) Private Placement restricted as to resale and does not have a readily available market.
 - (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended.
 - (d) Affiliated Company. See Note 11 to Financial Statements.
- ADR-American Depository Receipt.
GDR-Global Depository Receipt.
REIT-Real Estate Investment Trust.

[GRAPHIC OMITTED]
EDGAR REPRESENTATION OF PRINTED GRAPHIC

Communications Equipment - 0.4%
Cash & Cash Equivalents - 6.3%
Convertible Bonds - 0.8%
Preferred Stocks - 1.2%
REITS - 0.7%
Diversified Financial Services - 6.1%
Insurance - 12.9%
Mortgage & REITS - 15.0%
Savings & Loans - 20.3%
Banks & Thrifts - 36.2%
Warrants - 0.1%

See Notes to Financial Statements. 5

STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) FIRST FINANCIAL FUND, INC.

ASSETS

Investments:

Investments, at value of Unaffiliated Securities (Cost \$335,159,439) (Note 1)
Investments, at value of Affiliated Securities (Cost \$19,348,213) (Note 1 and Note 11)

Total Investments, at value. See accompanying schedule
Cash and foreign currency (Cost \$10,682)
Receivable for investments sold
Dividends and interest receivable
Prepaid expenses and other assets

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Total Assets	
LIABILITIES	
Payable for investments purchased	
Investment advisory fees payable (Note 2)	
Administration and Co-administration fees payable (Note 2)	
Audit fees and expenses payable	
Directors' fees and expenses payable (Note 2)	
Accrued expenses and other payable	
Total liabilities	
NET ASSETS	
Net assets consist of:	
Undistributed net investment income	
Accumulated net realized gain on investments sold	
Unrealized appreciation of investments	
Par value of Common Stock	
Paid-in capital in excess of par value of Common Stock	
Total Net Assets	
Net Asset Value, (\$467,673,480 / 22,791,382 shares of common stock outstanding)	

See Notes to Financial Statements. 6

FIRST FINANCIAL FUND, INC.
Statement of Operations (Unaudited)

	SIX MONTHS ENDED SEPTEMBER 30, 2004

NET INVESTMENT INCOME	
Income	
Dividends (net of foreign withholding taxes of \$6,910)	\$ 7,334,917
Dividends from affiliated companies.	1,003,457
Interest	308,520

Total Investment Income	8,646,894

Expenses	
Investment advisory fee (Note 2)	1,412,706
Administration fee and co-administration fee (Note 2)	456,353
Insurance expense	114,221
Legal fees	83,668
Directors fees and expenses (Note 2)	65,846
Custodian fees	51,713
Transfer agent's fees and expenses	23,862
Audit fees.	15,985
Other	9,362

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Total expenses	2,233,716

Net Investment Income	6,413,178

REALIZED AND UNREALIZED	
GAIN ON INVESTMENTS	
Net realized gain on:	
Securities	44,807,257
Foreign currencies and net other assets	1,298

Net realized gain on investments during	
the period	44,808,555

Net change in unrealized appreciation/	
(depreciation) of:	
Securities	(22,121,253)
Foreign currencies and net other assets	87

Net change in unrealized depreciation of	
investments during the period	(22,121,166)

NET REALIZED AND UNREALIZED GAIN	
ON INVESTMENTS	22,687,389

NET INCREASE IN NET ASSETS	
RESULTING FROM OPERATIONS	\$ 29,100,567
	=====

FIRST FINANCIAL FUND, INC.
STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

	SIX MONTHS ENDED SEPTEMBER 30, 2004	YEAR ENDED MARCH 31, 2004
	-----	-----
INCREASE IN NET ASSETS		
Operations		
Net investment income	\$ 6,413,178	\$ 3,445,185
Net realized gain on investments sold during the period	44,808,555	90,698,236
Net change in unrealized appreciation/(depreciation) of investments during the period	(22,121,166)	79,698,046
	-----	-----
Net increase in net assets resulting from operations	29,100,567	173,841,467
	-----	-----
Dividends and Distributions (Note 1)		
Dividends paid from net investment income	--	(3,576,093)
Distributions paid from net realized capital gain to shareholders	--	(59,098,053)
Cost of Fund shares reacquired	--	(11,983,796)
	-----	-----
Net increase in net assets for the period	29,100,567	99,183,525
NET ASSETS		
Beginning of period	438,572,913	339,389,388
	-----	-----

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End of period (including undistributed net investment income of \$7,815,842 and \$1,402,664 respectively)	\$467,673,480 =====	\$438,572,913 =====
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See Notes to Financial Statements. 7

FINANCIAL HIGHLIGHTS FIRST FINANCIAL FUND, INC.

	SIX MONTHS ENDED SEPTEMBER 30, 2004		YEARS
	(UNAUDITED)	2004	2003
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of period	\$ 19.24	\$ 14.40	\$ 15.46
Net investment income	0.28	0.15	0.16
Net realized and unrealized gain/(loss) on investments	1.00	7.36	1.72
Total from investment operations	1.28	7.51	1.88
DISTRIBUTIONS			
Dividends paid from net investment income	--	(0.16)	(0.17)
Distributions paid from net realized capital gains	--	(2.59)	(2.80)
Total dividends and distributions	--	(2.75)	(2.97)
Net Increase resulting from Fund share repurchase	--	0.08	0.03
Net asset value, end of period (a)	\$ 20.52	\$ 19.24	\$ 14.40
Market price per share, end of period (a)	\$ 20.38	\$ 18.30	\$ 13.97
TOTAL INVESTMENT RETURN BASED ON MARKET VALUE (B)			
	11.37%	51.96%	8.24%
RATIOS AND SUPPLEMENTAL DATA:			
Ratio of expenses to average net assets	1.02% (c)	1.10%	1.29%
Ratio of net investment income to average net assets ...	2.92% (c)	0.86%	0.99%
SUPPLEMENTAL DATA:			
Portfolio Turnover Rate	39%	87%	74%
Net assets, end of period (in 000's)	\$ 467,673	\$438,573	\$339,389
Number of shares outstanding at the end of period (in 000's)	22,791	22,791	23,576

Contained above is selected data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for

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the year indicated. This information has been determined based upon information provided in the financial statements and market price data for the Fund's shares.

See Notes to Financial Statements. 8

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

FIRST FINANCIAL FUND, INC.

First Financial Fund, Inc. (the "Fund") was incorporated in Maryland on March 3, 1986, as a closed-end, diversified management investment company. The Fund's primary investment objective is to achieve long-term capital appreciation with the secondary objective of current income by investing, under normal conditions, at least 65% of its assets in financial services companies, including savings and banking institutions and their holding companies, except for temporary or defensive purposes.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

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 judgement 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: In connection with the 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.

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FOREIGN CURRENCY: The books and records of the Fund are maintained in US dollars. Foreign currencies, investments and other assets and liabilities are translated into US dollars at the exchange rate prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated on the dates of such transactions. Unrealized gains and losses which result from changes in foreign currency exchange rates have been included in the unrealized appreciation/(depreciation) of currencies and net other assets. Net realized foreign currency gains and losses between trade date and settlement date on investments, securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in the exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gains and losses on investment securities sold.

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.

FEDERAL INCOME TAX: It is the Fund's policy to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to dis-

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

FIRST FINANCIAL FUND, INC.

tribute all of its taxable net income and capital gains, if any, to shareholders. Therefore, no federal income tax provision is required.

DIVIDENDS AND DISTRIBUTIONS: For 2004, the Fund expects to declare and pay dividends from net investment income and distributions of net realized capital gains in December. Dividends and distributions to shareholders, which are determined in accordance with federal income tax regulations and which may differ from generally accepted accounting principles, are recorded on the ex-dividend date. Permanent book/tax differences related to income and gains are reclassified to paid-in capital when they arise.

OTHER: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2. AGREEMENTS

Wellington Management Company, LLP serves as the Investment Adviser (the "Investment Adviser"). The Investment Adviser makes investment decisions on behalf of the Fund. The Fund pays a quarterly fee at the following annualized rates: 0.75% of the Fund's average month-end net assets up to and including \$50 million, and 0.625% of such assets in excess of \$50 million.

Fund Administrative Services, LLC ("FAS") serves as the Fund's Administrator. Under the Administration Agreement, FAS provides certain administrative and executive management services to the Fund including: providing the Fund's principal offices and executive officers, overseeing and administering all

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contracted service providers, making recommendations to the Board regarding policies of the Fund, conducting shareholder relations, authorizing expenses and other administrative tasks. Under the Administration Agreement the Fund pays FAS a monthly fee, calculated at an annual rate of 0.15% of the value of the Fund's average monthly net assets. The equity owners of FAS are Evergreen Atlantic, LLC, a Colorado limited liability company ("EALLC") and the Lola Brown Trust No. 1B (the "Lola Trust"). The Lola Trust is a shareholder of the Fund and considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act.

The Fund pays each Director who is not a director, officer or employee of the Adviser or FAS a fee of \$8,000 per annum, plus \$4,000 for each in-person meeting of the Board of Directors and \$500 for each telephone meeting. In addition, the Chairman of the Board and the Chairman of the Audit Committee receive \$1,000 per meeting and each member of the Audit Committee receives \$500 per meeting. The Fund will reimburse all Directors for travel and out-of-pocket expenses incurred in connection with such meetings.

PFPC Inc. ("PFPC"), an indirect, majority-owned subsidiary of The PNC Financial Services Group Inc., serves as the Fund's Co-Administrator. As Co-Administrator, PFPC calculates the net asset value of the Fund's shares and generally assists in all aspects of the Fund's administration and operation. The Fund pays PFPC a fee on a monthly basis based on average net assets. PFPC Trust Company, an indirect subsidiary of The PNC Financial Services Group Inc. serves as the Fund's Custodian. As compensation to PFPC Trust Company, the Fund pays PFPC Trust Company a monthly fee based on the Fund's average monthly gross assets.

EquiServe Trust Company, N.A. ("EquiServe") serves as the Fund's Common Stock servicing agent ("Transfer Agent"), dividend paying agent and registrar, and as compensation for EquiServe's services as such, the Fund pays EquiServe a monthly fee plus certain out-of-pocket expenses.

NOTE 3. PURCHASES AND SALES OF SECURITIES

Cost of purchases and proceeds from sales of securities for the six months ended September 30, 2004, excluding short-term investments, aggregated \$165,819,550 and \$185,840,537, respectively.

On September 30, 2004, aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$128,889,710 and aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$12,516,827.

NOTE 4. CAPITAL

At September 30, 2004, 50,000,000 of \$0.001 par value Common Stock were authorized and 22,791,382 shares were issued and outstanding.

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

FIRST FINANCIAL FUND, INC.

NOTE 5. SHARE REPURCHASE PROGRAM

In accordance with Section 23 (c) of the Investment Company Act of 1940, as amended, the Fund hereby gives notice that it may from time to time repurchase shares of the Fund in the open market at the option of the Board of Directors and upon such terms as the Directors shall determine.

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For the six months ended September 30, 2004, the Fund did not repurchase any of its own shares. For the year ended March 31, 2004, the Fund repurchased 784,800 of its own shares at a weighted average discount of 15.0% with a value of \$11,983,796.

NOTE 6. SIGNIFICANT SHAREHOLDERS

On September 30, 2004, the Lola Trust and other entities affiliated with Stewart R. Horejsi and the Horejsi family owned 9,343,500 shares of Common Stock of the Fund, representing approximately 41.00% of the total Fund shares.

NOTE 7. BORROWINGS

An agreement (the "Agreement") between the Fund and the Custodial Trust Company of Bear Stearns was reached, in which the Fund may borrow from the Custodial Trust Company an aggregate amount of up to the lesser of \$50,000,000 or the maximum the Fund is permitted to borrow under the Investment Company Act of 1940. The Fund did not borrow any amounts pursuant to the Agreement during the six months ended September 30, 2004.

NOTE 8. SIGNIFICANT EVENT

Effective October 1, 2004, Investors Bank & Trust serves as the Fund's Co-Administrator and Custodian.

At a regularly scheduled meeting of the Board of Directors held on October 15, 2004, the Board accepted the resignation of Stephen C. Miller as a director of the Fund. The remaining directors of the Fund elected Dennis R. Causier as Mr. Miller's replacement. Mr. Miller, previously an interested director of the Fund, resigned in order to bring the Fund into compliance with the recent SEC regulations which require that 75% of the Board be non-interested directors.

NOTE 9. PORTFOLIO INFORMATION

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available (1) on the Fund's website located at <http://www.firstfinancialfund.com>; (2) on the SEC's website at <http://www.sec.gov>; or (3) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

NOTE 10. PROXY INFORMATION

The policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities held by the Fund are included in the Company's Statement of Additional Information which is available on the Fund's website located at <http://www.firstfinancialfund.com>. Information regarding how the Portfolio voted proxies relating to portfolio securities during the most recent twelve-month period ended September 30 is available at <http://www.sec.gov>.

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

FIRST FINANCIAL FUND, INC.

NOTE 11. TRANSACTIONS WITH AFFILIATED COMPANIES

Transactions during the year with companies in which the Fund owned at least 5%

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of the voting securities were as follows:

NAME OF AFFILIATE	BEGINNING SHARE BALANCE	ENDING SHARE BALANCE	PURCHASE COST	SALES COST
Arbor Realty Trust Inc.	77,000	77,000	--	--
Bay View Capital Corporation(a)	538,450	53,845	--	--
Broadway Financial Corporation	129,280	129,280	--	--
CCF Holding Company(b)	188,007	282,010	--	--
First Federal Bancshares, Inc.	169,600	79,638	853,046	1,549,710
First Regional Bancorp	3,200,000	3,200,000	--	--
FirstFed Bancorp, Inc.	252,000	252,000	--	--
Perpetual Federal Savings Bank	165,930	165,930	--	--
Provident Financial Holdings, Inc.	456,525	456,525	--	--
Redwood Financial, Inc.	40,650	40,650	--	--
River Valley Bancorp	90,000	90,000	--	--
St. Landry Financial Corp.	32,500	--	--	471,413
Sterling Eagle	100,000	100,000	--	--
Taylor Capital Trust 1, 9.75%	161,940	161,940	--	--
Third Century Bancorp	--	110,500	1,261,446	--

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OTHER INFORMATION

FIRST FINANCIAL FUND, INC.

DIVIDEND REINVESTMENT PLAN. Shareholders may elect to have all distributions of dividends and capital gains automatically reinvested in Fund shares (Shares) pursuant to the Fund's Dividend Reinvestment Plan (the Plan). Shareholders who do not participate in the Plan will normally receive all distributions in cash paid by check in United States dollars mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the custodian, as dividend disbursing agent, unless the Fund declares a distribution payable in shares, absent a shareholder's specific election to receive cash.

Equiserve Trust Company, N.A. (the Plan Agent) serves as agent for the shareholders in administering the Plan. After the Fund declares a dividend or a capital gains distribution, if (1) the market price is lower than net asset value, the participants in the Plan will receive the equivalent in Shares valued at the market price determined as of the time of purchase (generally, following the payment date of the dividend or distribution); or if (2) the market price of Shares on the payment date of the dividend or distribution is equal to or exceeds their net asset value, participants will be issued Shares at the higher of net asset value or 95% of the market price. If the Fund declares a dividend or other distribution payable only in cash and the net asset value exceeds the market price of Shares on the valuation date, the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy Shares on the open market. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value per share, the Plan Agent will halt open-market purchases of the Fund's shares for this purpose, and will request that the Fund pay the remainder, if any, in the form of newly-issued shares.

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The Fund will not issue Shares under the Plan below net asset value.

There is no charge to participants for reinvesting dividends or capital gain distributions, except for certain brokerage commissions, as described below. The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Fund. There will be brokerage commissions charged with respect to shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchase in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

The Fund reserves the right to amend or terminate the Plan upon 90 days' written notice to shareholders of the Fund.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent or by telephone in accordance with specific procedures and will receive certificates for whole Shares and cash for fractional Shares.

All correspondence concerning the Plan should be directed to the Plan Agent, Equiserve Trust Company, N.A., P.O. Box 43011, Providence, RI 02940-3011.

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MEETING OF SHAREHOLDERS - VOTING RESULTS (UNAUDITED) FIRST FINANCIAL FUND, INC.

On August 18, 2004, the Fund held its Annual Meeting of Shareholders to consider the election of Directors of the Fund and certain corporate governance proposals. The following votes were recorded:

PROPOSAL 1: (VOTING BY SHAREHOLDERS):

ELECTION OF RICHARD I. BARR AS DIRECTOR OF THE FUND	# OF VOTE
Affirmative	21,176,41
Withheld	461,86
TOTAL	21,638,28 =====
ELECTION OF SUSAN L. CICIORA AS DIRECTOR OF THE FUND	# OF VOTE
Affirmative	21,161,53
Withheld	476,74
TOTAL	21,638,28 =====
ELECTION OF DR. DEAN JACOBSON AS DIRECTOR OF THE FUND	# OF VOTE
Affirmative	21,179,72
Withheld	458,55

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TOTAL	21,638,28
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ELECTION OF STEPHEN C. MILLER AS DIRECTOR OF THE FUND # OF VOTE

Affirmative	21,165,62
Withheld	472,65
TOTAL	21,638,28

ELECTION OF JOEL W. LOONEY AS DIRECTOR OF THE FUND # OF VOTE

Affirmative	21,169,39
Withheld	468,89
TOTAL	21,638,28

PROPOSAL 2: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE BYLAWS TO DECLASSIFY THE BOARD AND AN AMENDMENT TO THE FUND'S CHARTER TO PROVIDE FOR ANNUAL ELECTION OF DIRECTORS # OF VOTE

For	20,741,51
Against	788,77
Abstain	108,00
No vote	
TOTAL	21,638,28

MEETING OF SHAREHOLDERS - VOTING RESULTS (UNAUDITED) FIRST FINANCIAL FUND, INC.

PROPOSAL 3: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE CHARTER PROVIDING THAT DIRECTORS SHALL BE ELECTED BY A PLURALITY OF VOTES CAST AT A MEETING AT WHICH A QUORUM IS PRESENT # OF VOTE

For	20,810,02
Against	684,10
Abstain	144,15
No vote	
TOTAL	21,638,28

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PROPOSAL 4: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE CHARTER PROVIDING THAT THE SECRETARY OF THE FUND SHALL CALL A SPECIAL STOCKHOLDERS MEETING UPON THE WRITTEN REQUEST OF THE HOLDERS OF AT LEAST 25% OF OUTSTANDING SHARES ENTITLED TO VOTE AT THE MEETING

	# OF VOTE
For	16,612,52
Against	744,04
Abstain	159,99
No vote	4,121,71
TOTAL	21,638,28

PROPOSAL 5: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE CHARTER VESTING IN THE STOCKHOLDERS THE POWER TO AMEND OR ADOPT BYLAWS BY THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL VOTES ENTITLED TO BE CAST ON THE MATTER

	# OF VOTE
For	16,780,33
Against	527,36
Abstain	208,86
No vote	4,121,71
TOTAL	21,638,28

PROPOSAL 6: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE CHARTER PROHIBITING THE FUND FROM OPTING INTO ANY PROVISION OF THE MARYLAND UNSOLICITED TAKEOVERS ACT

	# OF VOTE
For	16,718,15
Against	494,77
Abstain	303,64
No vote	4,121,71
TOTAL	21,638,28

MEETING OF SHAREHOLDERS - VOTING RESULTS (UNAUDITED) FIRST FINANCIAL FUND, INC.

PROPOSAL 7: (VOTING BY SHAREHOLDERS):

AN AMENDMENT TO THE CHARTER REPEALING ARTICLE NINTH AND REPLACING IT WITH A PROVISION PROVIDING THAT NO (A) BUSINESS COMBINATION (E.G., MERGERS, CONSOLIDATION, SHARE EXCHANGES), (B) VOLUNTARY LIQUIDATION OR DISSOLUTION, (C) STOCKHOLDER PROPOSAL REGARDING SPECIFIC INVESTMENT DECISIONS, (D) PROPOSAL TO OPEN-END THE FUND, OR (E) SELF TENDER FOR MORE THAN 25% OF THE FUND'S SHARES IN ANY TWELVE-MONTH PERIOD, MAY BE EFFECTED WITHOUT THE AFFIRMATIVE VOTE OF THE HOLDERS OF AT LEAST

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TWO-THIRDS OF OUTSTANDING SHARES ENTITLED TO BE CAST ON THE MATTER	# OF VOTE
For	16,518,44
Against	730,69
Abstain	267,42
No vote	4,121,71
 TOTAL	 21,638,28

PROPOSAL 8: (VOTING BY SHAREHOLDERS)

AN AMENDMENT TO THE CHARTER TO ESTABLISH THE MAXIMUM NUMBER OF DIRECTORS AT FIVE	# OF VOTE
For	20,903,37
Against	548,18
Abstain	186,72
No vote	
 TOTAL	 21,638,28

PROPOSAL 9: (VOTING BY SHAREHOLDERS):

A PROPOSAL TO AMEND AND RESTATE THE CHARTER, THE IMPLEMENTATION OF WHICH IS CONTINGENT ON THE APPROVAL OF PROPOSALS 2 THROUGH 9	# OF VOTE
For	16,632,64
Against	600,56
Abstain	283,35
No vote	4,121,71
 TOTAL	 21,638,28

PROPOSAL 10A: (VOTING BY SHAREHOLDERS):

A PROPOSAL TO CHANGE THE FUND'S CURRENT INDUSTRY CONCENTRATION POLICIES SO THAT THE FUND SHALL INVEST AT LEAST 65% OF ITS ASSETS IN THE FINANCIAL SERVICES INDUSTRY	# OF VOTE
For	16,727,03
Against	564,27
Abstain	225,26
No vote	4,121,71
 TOTAL	 21,638,28

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PROPOSAL 10B: (VOTING BY SHAREHOLDERS):

A PROPOSAL TO MAKE THE FUND'S POLICY OF INVESTING 80% OF ITS ASSETS IN
FINANCIAL SERVICES COMPANIES NON-FUNDAMENTAL

	# OF VOTE
For	16,655,95
Against	709,92
Abstain	150,69
No vote	4,121,71
TOTAL	21,638,28

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UPDATE REGARDING MANAGED DISTRIBUTION (UNAUDITED) FIRST FINANCIAL FUND, INC.

Due to a lengthy delay in obtaining exemptive relief from the SEC, the planned managed distribution has been postponed. The Fund still expects to receive exemptive relief and will likely begin to pay distributions in early 2005.

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DIRECTORS

Richard I. Barr
Dennis R. Causier
Susan L. Ciciora
Dean Jacobson
Joel W. Looney

INVESTMENT ADVISER

Wellington Management Company, LLP
75 State Street
Boston, MA 02109

ADMINISTRATOR

Fund Administrative Services, LLC
1680 38th Street, Suite 800
Boulder, CO 80301

TRANSFER AGENT

EquiServe Trust Company, N.A.
P.O. Box 43011
Providence, RI 02940-3011

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The views expressed in this report and the information about the Fund's portfolio holdings are for the period covered by this report and are subject to change thereafter.

This report is for stockholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares.

First Financial Fund, Inc.
1680 38th Street, Suite 800
Boulder, CO 80301

If you have questions regarding shares held in a brokerage account contact your broker, or, if you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent and Shareholder Servicing Agent - EquiServe Trust Company, N.A. at

P.O. Box 43011
Providence, RI 02940-3011
(800) 451-6788

www.firstfinancialfund.com

The Fund's CUSIP number is:
320228109

[GRAPHIC OMITTED]
[LOGO]
FIRST FINANCIAL FUND, INC.

THE FUND NOW HAS A WEBSITE. YOU CAN VISIT IT AT WWW.FIRSTFINANCIALFUND.COM

SEMI-
ANNUAL
REPORT

September 30, 2004

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

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ITEM 6. SCHEDULE OF INVESTMENTS

Not yet applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not yet applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's board of directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101), or this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(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 half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

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- (a) (1) Not applicable.
- (a) (2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a) (3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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 (Signature and Title)* /S/ STEPHEN C. MILLER

Stephen C. Miller, President & Chief Executive Officer
(principal executive officer)

Date NOVEMBER 8, 2004

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 (Signature and Title)* /S/ STEPHEN C. MILLER

Stephen C. Miller, President & Chief Executive Officer
(principal executive officer)

Date NOVEMBER 8, 2004

By (Signature and Title)* /S/ CARL D. JOHNS

Carl D. Johns, Vice President and Treasurer
(principal financial officer)

Date NOVEMBER 8, 2004

* Print the name and title of each signing officer under his or her signature.