

**FIRST
FEDERAL
BANCSHARES**

of Arkansas, Inc.

P. O. Box 550
200 West Stephenson
Harrison, AR 72601

**FOR
IMMEDIATE
RELEASE**

**FOR FURTHER INFORMATION CONTACT:
Larry J. Brandt/President-CEO
Tommy Richardson/Executive Vice President-COO
870-741-7641**

**FIRST FEDERAL BANCSHARES OF ARKANSAS, INC.
ANNOUNCES STOCK REPURCHASE PROGRAM ACTIVITY**

Harrison, Arkansas – July 1, 2002 - (NASDAQ NMS:FFBH) First Federal Bancshares of Arkansas, Inc. (the "Corporation"), a unitary savings and loan holding company for First Federal Bank of Arkansas, FA (the "Bank") announced today that the Corporation had completed its previously announced stock repurchase. The action, which consisted of a repurchase of 150,638 shares of the Corporation's issued and outstanding shares, commenced on April 2, 2002 and was completed on June 28, 2002. Such shares will be reflected as treasury shares and will be available for general corporate purposes.

In addition, First Federal Bancshares of Arkansas, Inc., announced today that its Board of Directors authorized the repurchase of up to 143,306 shares, or approximately 5 percent, of the Corporation's outstanding common stock.

Repurchases are authorized to be made by the Corporation from time to time in open-market transactions as, in the opinion of management, market conditions warrant. The repurchased shares will be held as treasury stock and will be available for general corporate purposes.

Larry J. Brandt, President/CEO of the Corporation, stated that "the stock repurchase reflects management's commitment to enhance shareholder value. We firmly believe the repurchase of our stock at levels near book value is an extremely wise and prudent use of excess capital."

As of March 31, 2002, the Corporation had total assets of \$691.1 million. The Bank, in its 68th year, is a community-oriented institution, which serves its market area from 16 offices in Northcentral and Northwest Arkansas.