

FIRST FEDERAL BANCSHARES

of Arkansas, Inc.

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FOR
IMMEDIATE
RELEASE

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FIRST FEDERAL BANCSHARES OF ARKANSAS, INC. ANNOUNCES A QUARTERLY CASH DIVIDEND

Harrison, Arkansas – August 23, 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 its Board of Directors, declared a \$.14 (fourteen cent) cash dividend on the common stock of the Corporation payable on September 25, 2002 to the stockholders of record at the close of business on September 10, 2002.

Larry J. Brandt, President/CEO of the Corporation, stated, "This will be our 23rd consecutive cash dividend and we are pleased to increase it 16.7% from twelve cents to fourteen cents for this quarter. Our strong capital base and continued profitability afford us the opportunity to pay another consecutive quarterly cash dividend. Such action demonstrates our commitment to and confidence in our future prospects."

The Bank, in its 68th year, conducts business from 16 offices in Northcentral and Northwest Arkansas. At June 30, 2002, the Corporation had total assets of \$689.2 million, total liabilities of \$619.9 million and stockholders' equity of \$69.4 million.