



**FOR  
IMMEDIATE  
RELEASE**

1401 Highway 62/65 North  
P. O. Box 550  
Harrison, AR 72602

**FOR FURTHER INFORMATION CONTACT:  
Larry J. Brandt/CEO  
Tommy Richardson/COO  
Sherri Billings/CFO  
870.741.7641**

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

**Harrison, Arkansas – August 23, 2006** - (NASDAQ GM:FFBH) First Federal Bancshares of Arkansas, Inc. (the "Corporation"), a unitary savings and loan holding company for First Federal Bank (the "Bank") announced today that its Board of Directors declared a \$.15 (fifteen cents) cash dividend on the common stock of the Corporation payable on September 19, 2006 to the stockholders of record at the close of business on September 5, 2006.

Larry J. Brandt, CEO of the Corporation, stated, "This will be our 39th consecutive cash dividend and we are pleased to increase it 7.1% from fourteen cents to fifteen 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 72nd year, conducts business from 18 full-service branch locations, one stand-alone loan production office, and 29 ATMs located in Northcentral and Northwest Arkansas. At June 30, 2006, the Corporation had total assets of \$883.1 million, total liabilities of \$804.1 million and stockholders' equity of \$79.0 million.