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**For Immediate Release**

**FIRST QUARTER 2008 FINANCIAL PERFORMANCE HIGHLIGHTS**

Fentura Financial, Inc. reported an operating loss for the first quarter of 2008 totaling \$249,000 or a loss of \$0.12 per diluted share. Net income for the first quarter of 2007 totaled \$948,000 or \$0.44 per diluted share. The loss in 2008 was a result of additional provision for loan losses and lower net interest income than reported for the first quarter of 2007. Although first quarter 2008 provision for loan losses at \$1,081,000 was lower than levels reported for both the third and fourth quarters of 2007, it was significantly higher than the \$439,000 reported for the first quarter of 2007, due to continued deterioration in the subsidiary bank loan portfolios. Net interest income for the first quarter of 2008 at \$4,424,000 was lower than the \$5,400,000 reported for the first quarter of 2007 due to lower asset yields as a result of a significantly lower market interest rate environment and an increase in non-performing loans.

According to Fentura's CEO, Donald L. Grill, "In spite of the asset quality issues faced by the Company, our core operating performance remains sound. We continue to expand services that contribute to our historically strong level of non-interest income and have implemented numerous initiatives that reduce our cost of operations. So when the Michigan economy begins to show signs of improvement and our loan trends stabilize, we believe these and other strategies will assist in returning the Company to profitability."

Total assets of \$609,978,000 as of March 31, 2008 decreased 2.4% from the \$624,952,000 reported at March 31, 2007 due to a decline in the investment portfolio. Conversely, gross loans increased at the end of the first quarter of 2008 to \$471,531,000 compared to the \$459,826,000 reported at March 31, 2007, an increase of 2.5%. New commercial loans were the primary contributor to the loan growth. Total deposits of \$523,470,000 at March 31, 2008 were below the \$531,349,000 reported as of March 31, 2007, declining as lower market interest rates increased competition from other financial institutions for deposits. At March 31, 2008 total shareholder equity declined to \$49,545,000 from the \$52,304,000 reported at March 31, 2007 based on the operating losses reported in 2007 and for the first quarter of 2008.

Fentura is a bank holding company headquartered in Fenton, Michigan. Subsidiary banks include The State Bank headquartered in Fenton with offices serving Fenton, Linden, Holly, Grand Blanc and Brighton; Davison State Bank headquartered in Davison, Michigan with offices serving the Davison area; and West Michigan Community Bank headquartered in Hudsonville, Michigan with offices serving Hudsonville, Holland, and Jenison. Fentura Financial, Inc. shares are traded over the counter under the FETM trading symbol.

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**CAUTIONARY STATEMENT:** *This press release contains certain forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements concerning future growth in earning assets and net income. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including, but not limited to, economic, competitive, governmental and technological factors affecting the Company's operations, markets, products, services, interest rates and fees for services. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Further information concerning our business, including additional factors that could materially affect our financial results, is included in our filings with the Securities and Exchange Commission.*