



October 18, 2005

Fentura Financial, Inc. Net Income up 51.8% in the Third Quarter

Fenton, Michigan –
October 14, 2005 –

Fentura Financial, Inc. (Trading Symbol: FETM) the holding company for The State Bank of Fenton, Michigan, Davison State Bank of Davison, Michigan, and West Michigan Community Bank of Hudsonville, Michigan today reported that continued strong loan production and improved net interest margin contributed to a 51.8% increase in net income for the quarter ended September 30, 2005. Net income for the third quarter was \$1,299,000, or \$0.68 per diluted share, compared to \$856,000, or \$0.45 per diluted share for the same period in 2004. On a year to date basis, 2005 net income of \$3,745,000 or \$1.97 per diluted share, increased \$1,247,000 or 49.9% over the \$2,498,000 or \$1.32 per diluted share, reported for the nine months ended September 30, 2004.

Financial highlights for the third quarter of 2005, compared to a year ago include:

1. Revenues increased 20.2%, reflecting sizable gains in net interest income and non-interest income.
2. Non-interest income grew 11.0% primarily based on gains on the sale of mortgage loans.
3. Net interest margin improved 55 basis points to 4.26%.
4. Total loans increased 10.1% to \$434.4 million.
5. Credit quality remains strong, with non-performing loans equaling just .46% of total assets.
6. Return on average equity was 11.38%.

Total loans were \$434.4 million at September 30, 2005, an increase of 10.1% or \$39.9 million compared to September 30, 2004. "Our efforts to generate new business, expand existing relationships, and strengthen our alliances with our minority ownership bank partners, have resulted in continued strong loan production," stated Donald L. Grill, President & CEO.

Non-performing assets declined to \$2.8 million at the end of September 2005 compared to the \$3.4 million reported at the end of September 2004. These assets represent .46% of total assets compared to the .58% reported a year earlier.

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Revenues, which are comprised of net interest income and non-interest income, grew 20.2% in the quarter to \$7.7 million, compared to \$6.4 million in the third quarter of 2004. A growing balance sheet, an improved net interest margin, and an increase in the gains on sale of loans, all contributed to the improvement in revenues. Net interest income was \$5.8 million, compared to \$4.7 million the year prior. Non-interest income grew 11.0% to \$1.9 million in the third quarter of 2005, versus \$1.7 million for the same time period last year, reflecting increased gains on the sale of loans and other fee income. Non-interest expense increased 9.3% to \$5.3 million, from \$4.8 million in the third quarter of 2004, due to a rise in salary and benefit expenses, including an incentive bonus accrual and the additional expenses associated with the opening of two new banking offices during the fourth quarter of 2004.

For the first nine months of 2005, revenues grew 24.0% to \$22.1 million, compared to \$17.8 million in the nine months ended September 30, 2004. Net interest income increased 33.0% to \$16.9 million in the nine months ended September 30, 2005, compared to \$12.7 million in the same period in 2004. Non-interest income grew 1.9% to \$5.2 million in the first nine months of 2005, from \$5.1 million for the same time period in 2004 due to the increase in the gain on the sale of loans and an increase in income from trust and investment services. Non-interest expense increased 16.8% to \$15.7 million through September 30, 2005, compared to \$13.4 million in the same time period of 2004, due to the increase in salary and benefit expense and the additional expenses associated with the two new banking offices opened during the fourth quarter of 2004. "The net interest margin, which was 4.26% in the quarter ended September 30, 2005 and 4.28% for the first nine months of 2005, remains strong", Grill said. Deposits grew by \$11.9 million to \$516.9 million at September 30, 2005 compared to the prior year. Increases in certificates of deposit account for the year-to-year increase.

Fentura generated an 11.38% return on average equity (ROE) in the quarter ended September 30, 2005, up from the 8.41% reported a year ago. Year to date ROE was 11.33% at September 30, 2005 up from the 8.05% reported for the same time period in 2004. Improved earnings are the primary contributor to the improvement in ROE in both periods.

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Fentura Financial, Inc. 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 Davison and Goodrich; and West Michigan Community Bank headquartered in Hudsonville, Michigan with offices serving Hudsonville, Holland, Jenison, and Grandville. Fentura Financial, Inc. shares are traded over the counter under the FETM trading symbol.