

**FENTURA FINANCIAL, INC.  
P.O. BOX 725  
FENTON, MI 48430-0725**

**Contact: Donald L. Grill  
Fentura Financial, Inc.  
(810) 714-3985**

March 18, 2009

For Immediate Release

**FENTURA ANNOUNCES DIVESTITURE, REORGANIZATION,  
COST CUTTING MEASURES AND YEAR END RESULTS**

Fentura Financial, Inc., a Fenton based bank holding company has entered into an agreement to sell Fentura subsidiary Davison State Bank to Hantz Holdings, Inc. which is affiliated with the Hantz Group, a Southfield based financial services company. The amount of the transaction, which is expected to close during the third quarter of 2009, was not disclosed. Davison State Bank is a \$45 million bank located near Flint in Genesee County. The bank was formed in 2000, and has two offices which serve the banking needs of individuals and small businesses in the Davison area.

According to Fentura CEO Donald L. Grill, "The sale of Davison State Bank allows Fentura to redeploy the capital received from the sale of the bank to further support and strengthen the financial condition of the remaining Fentura subsidiary banks".

John Hantz, Chairman of Hantz Holdings, Inc. explained that "Acquiring Davison State Bank will ultimately allow us to provide a comprehensive package of services that addresses our individual and small business customers' total financial health. By our commitment of significant capital to Davison State Bank, we intend to be a very well-

capitalized bank so not only will we have the resources to serve our affiliated companies' customers, but also to help new customers throughout Michigan in the future." According to Hantz Holdings, Inc. President David Lamb, "Davison State Bank will continue to be a great service provider to the Davison community and will also provide a foundation for future expansion." The bank will continue to operate as a traditional community bank headquartered in Davison and many backroom support services will continue to be provided by The State Bank, a subsidiary of Fentura Financial, Inc. This transaction is subject to regulatory approval.

In response to the serious distress in the economy and the impact on the operating performance of the banks, Fentura also announced dramatic cost cutting measures designed to reduce operating expenses on an annualized basis by approximately \$2,000,000 or 7% of total operating expenses. Cost reduction initiatives include position eliminations and work hour reductions, 5% across the board salary and wage reductions for all exempt and non-exempt employees, suspension of retirement plan contributions and expense reductions in numerous operating expense categories.

Fentura Financial, Inc., also announced a major organizational realignment designed to improve the profitability and the operating efficiency of the company. The initiative affects holding company and subsidiary bank board structure, director responsibility and management organizational structure. As a first step the responsibilities and duties of the board of directors of Fentura Financial, Inc. and The State Bank have been consolidated into a single board. The consolidated board will appropriately include director representation from subsidiary banks and/or the major markets served by the company. Subsidiary boards will remain in place at West Michigan Community Bank and

Livingston Community Bank. Similarly, the management structure of the company will be modified to reflect a more centralized and consolidated organizational structure.

The company also announced year end 2008 operating results. Fentura posted a \$12.2 million loss in 2008 compared to a loss of \$0.5 million in 2007. A goodwill impairment charge of \$8.0 million, write downs of equity investments of \$2.6 million, a reduction in net interest income of \$2.5 million, an increase in loan losses and associated collection expenses of \$1.2 million, all contributed to the loss in 2008. Salary and benefit reductions of \$1.1 million provided a partial offset.

The \$8.0 million goodwill charge was a one-time, non-cash event and represents a complete write off of the goodwill recorded as part of the WMCB acquisition in 2004. Other equity investment write downs were due to the collapse of Main Street Bank, \$0.9 million and larger than anticipated losses at Valley Capital Bank in Arizona, \$1.7 million.

Net interest income declined \$2.5 million due to a reduction in interest income of \$6.1 million, partially offset by a reduction of \$3.6 million in interest expense. Interest income declined primarily due to a 1.10% drop in the average rate earned on commercial loans. This drop was due to declining interest rates charged on loans and an increase in nonperforming loans versus 2007.

The provision for loan losses and expenses incurred collecting problem loans increased \$1.2 million in 2008 to \$9.4 million. The increase of the 2008 provision for loan loss was to provide specific reserves for non-performing construction and land development loans, increased charge-offs and the continuing decline in the Michigan economy. Management believes the allowance for loan losses at December 31, 2008 of \$11.8 million was sufficient to cover all known losses in the loan portfolio as of that date. The provision for loan losses and collection expenses were \$8.2 million and \$1.4 million in

2007 and 2006, respectively.

The economy had a major impact on the balance sheet of the company during 2008. Total assets declined \$49.4 million or 7.9%, loans declined \$12.1 million and deposits declined \$33.8 million. Total stockholders equity declined 27%, primarily due to the goodwill charge and operating losses mentioned above. However, the risk based capital ratios all remain in line with prior years and exceed regulatory requirements.

Fentura Financial, Inc. is a bank holding company headquartered in Fenton, Michigan. Subsidiary banks include The State Bank also headquartered in Fenton, Davison State Bank headquartered in Davison, West Michigan Community Bank headquartered in Hudsonville and Livingston Community Bank, a division of The State Bank, headquartered in Brighton. Fentura Financial, Inc. shares are traded over the counter under the FETM trading symbol.

Hantz Holdings, Inc. is a proposed bank holding company affiliated with the Hantz Group headquartered in Southfield. The Hantz Group provides a wide variety of financial services for consumers and small businesses including financial and retirement planning, property & casualty insurance for consumers, business and individual tax services, estate planning as well as retirement and health care plans for business and commercial insurance through 16 Michigan offices.

###

**CAUTIONARY STATEMENT:** This press release contains certain forward-looking statements that involve 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 pricing. 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 the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's filing with the Securities and Exchange Commission.

| <b>Fentura Financial Inc.</b>                            |                   |                   |                   |                   |                   |
|----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Consolidated Balance Sheets</b>                       |                   |                   |                   |                   |                   |
| <b>(Dollars in thousands)</b>                            |                   |                   |                   |                   |                   |
| <b>UNAUDITED</b>                                         |                   |                   |                   |                   |                   |
|                                                          | Dec 31            | Sept 30           | Jun 30            | Mar 31            | Dec 31            |
|                                                          | 2008              | 2008              | 2008              | 2008              | 2007              |
| <b>ASSETS</b>                                            |                   |                   |                   |                   |                   |
| Cash and cash equivalents                                |                   |                   |                   |                   |                   |
| Cash and due from banks                                  | \$ 20,953         | \$ 13,979         | \$ 16,147         | \$ 19,314         | \$ 22,734         |
| Short term investments                                   | -                 | 5,600             |                   | 2,700             | 7,300             |
| Total cash & cash equivalents                            | 20,953            | 19,579            | 16,147            | 22,014            | 30,034            |
| Securities:                                              |                   |                   |                   |                   |                   |
| Securities available for sale                            | 52,722            | 54,921            | 58,028            | 62,394            | 71,792            |
| Securities held to maturity                              | 7,955             | 8,099             | 8,179             | 8,682             | 8,685             |
| Total securities                                         | 60,677            | 63,020            | 66,207            | 71,076            | 80,477            |
| Loans held for sale                                      | 690               | 1,461             | 448               | 1,463             | 1,655             |
| Loans:                                                   |                   |                   |                   |                   |                   |
| Commercial                                               | 311,520           | 308,029           | 318,109           | 314,065           | 313,642           |
| Real estate - construction                               | 51,823            | 54,730            | 51,569            | 60,709            | 59,805            |
| Real estate - mortgage                                   | 39,027            | 38,746            | 37,023            | 38,321            | 39,817            |
| Consumer                                                 | 56,939            | 57,298            | 58,155            | 58,436            | 58,139            |
| Total loans                                              | 459,309           | 458,803           | 464,856           | 471,531           | 471,403           |
| Less: Allowance for loan losses                          | (11,773)          | (11,342)          | (12,778)          | (9,389)           | (8,554)           |
| Net loans                                                | 447,536           | 447,461           | 452,078           | 462,142           | 462,849           |
| Bank owned life insurance                                | 7,282             | 7,201             | 7,150             | 7,087             | 7,042             |
| Bank premises and equipment                              | 18,669            | 19,006            | 19,307            | 19,568            | 20,101            |
| Federal Home Loan Bank stock                             | 2,032             | 2,032             | 2,032             | 2,032             | 2,032             |
| Accrued interest receivable                              | 2,405             | 2,509             | 2,506             | 2,487             | 2,813             |
| Goodwill                                                 | -                 | 7,955             | 7,955             | 7,955             | 7,955             |
| Acquisition intangibles                                  | 293               | 335               | 377               | 419               | 485               |
| Equity Investment                                        | 1,360             | 2,392             | 2,631             | 2,921             | 3,089             |
| Other Real Estate Owned                                  | 6,349             |                   |                   |                   | 2,003             |
| Other assets                                             | 10,358            | 14,407            | 9,069             | 10,548            | 7,484             |
| <b>TOTAL ASSETS</b>                                      | <b>\$ 578,604</b> | <b>\$ 587,358</b> | <b>\$ 585,907</b> | <b>\$ 609,712</b> | <b>\$ 628,019</b> |
| <b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>            |                   |                   |                   |                   |                   |
| <b>LIABILITIES</b>                                       |                   |                   |                   |                   |                   |
| Deposits:                                                |                   |                   |                   |                   |                   |
| Non-interest bearing deposits                            | 73,685            | 73,867            | 78,867            | 71,574            | 75,148            |
| Interest bearing deposits                                | 436,043           | 434,257           | 426,605           | 451,896           | 468,355           |
| Total deposits                                           | 509,728           | 508,124           | 505,472           | 523,470           | 543,503           |
| Short-term borrowings                                    | 1,500             | 2,375             | 3,458             | 716               | 649               |
| Federal Home Loan Bank Advances                          | 14,707            | 15,007            | 14,007            | 14,031            | 11,030            |
| Repurchase agreements                                    | -                 | -                 | -                 | 5,000             | 5,000             |
| Subordinated debentures                                  | 14,000            | 14,000            | 14,000            | 14,000            | 14,000            |
| Note Payable                                             | 1,000             | -                 | -                 | -                 | -                 |
| Accrued interest, taxes & other liabilities              | 1,545             | 1,651             | 2,471             | 3,117             | 4,341             |
| Total liabilities                                        | 542,480           | 541,157           | 539,408           | 560,334           | 578,523           |
| <b>STOCKHOLDERS' EQUITY</b>                              |                   |                   |                   |                   |                   |
| Common stock - no par value                              |                   |                   |                   |                   |                   |
| 5,000,000 shares authorized                              | 42,778            | 42,738            | 42,695            | 42,649            | 42,478            |
| Retained earnings                                        | (4,677)           | 4,987             | 4,691             | 6,860             | 7,488             |
| Accumulated other comprehensive income (loss)            | (1,977)           | (1,524)           | (887)             | (131)             | (470)             |
| Total stockholders' equity                               | 36,124            | 46,201            | 46,499            | 49,378            | 49,496            |
| <b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>      | <b>\$ 578,604</b> | <b>\$ 587,358</b> | <b>\$ 585,907</b> | <b>\$ 609,712</b> | <b>\$ 628,019</b> |
| Common stock shares issued & outstanding                 | 2,185,765         | 2,180,571         | 2,175,184         | 2,171,681         | 2,163,385         |
| <b>Asset Quality Ratios:</b>                             |                   |                   |                   |                   |                   |
| Non-Performing Loans as a % of Total Loans               | 5.44%             | 5.02%             | 5.26%             | 4.30%             | 2.86%             |
| Allowance for Loan Losses as a % of Non-Performing Loans | 47.02%            | 49.06%            | 52.17%            | 4.62%             | 63.18%            |
| Accruing Loans Past Due 90 Days More to Total Loans      | 0.11%             | 0.84%             | 0.47%             | 0.78%             | 0.01%             |
| Non-Performing Assets as a % of Total Assets             | 5.50%             | 5.15%             | 4.73%             | 3.91%             | 2.79%             |
| <b>Quarterly Average Balances:</b>                       |                   |                   |                   |                   |                   |
| Total Loans                                              | 459,958           | 465,995           | 469,244           | 470,940           | 472,205           |
| Total Earning Assets                                     | 525,214           | 545,317           | 546,930           | 566,398           | 565,614           |
| Total Shareholders' Equity                               | 46,835            | 47,223            | 49,744            | 49,852            | 50,001            |
| Total Assets                                             | 586,765           | 594,381           | 599,082           | 622,673           | 622,766           |
| Diluted Shares Outstanding                               | 2,174,226         | 2,175,786         | 2,172,177         | 2,167,415         | 2,162,039         |

| <b>Fentura Financial Inc.</b>                              |                    |                 |                   |                  |                 |                     |                 |
|------------------------------------------------------------|--------------------|-----------------|-------------------|------------------|-----------------|---------------------|-----------------|
| <b>Consolidated Income Statements</b>                      |                    |                 |                   |                  |                 |                     |                 |
| <b>(Dollars in thousands, except per share data)</b>       |                    |                 |                   |                  |                 |                     |                 |
| <b>UNAUDITED</b>                                           |                    |                 |                   |                  |                 |                     |                 |
|                                                            | Three Months ended |                 |                   |                  |                 | Twelve months ended |                 |
|                                                            | Dec 31<br>2008     | Sept 30<br>2008 | June 30<br>2008   | March 31<br>2008 | Dec 31<br>2007  | Dec 31<br>2008      | Dec 31<br>2007  |
| <b>Interest income:</b>                                    |                    |                 |                   |                  |                 |                     |                 |
| Interest & fees on loans                                   | \$ 7,063           | \$ 7,582        | \$ 7,457          | \$ 8,104         | \$ 8,612        | \$ 30,206           | \$ 34,964       |
| <b>Interest &amp; dividends on securities:</b>             |                    |                 |                   |                  |                 |                     |                 |
| Taxable                                                    | 476                | 523             | 565               | 628              | 713             | 2,192               | 3,217           |
| Tax-exempt                                                 | 159                | 161             | 151               | 117              | 158             | 588                 | 722             |
| Interest on federal funds sold                             | 1                  | 42              | 16                | 98               | 52              | 157                 | 311             |
| <b>Total interest income</b>                               | <b>7,699</b>       | <b>8,308</b>    | <b>8,189</b>      | <b>8,947</b>     | <b>9,535</b>    | <b>33,143</b>       | <b>39,214</b>   |
| <b>Interest expense:</b>                                   |                    |                 |                   |                  |                 |                     |                 |
| Deposits                                                   | 2,944              | 3,109           | 3,285             | 4,027            | 4,306           | 13,365              | 16,404          |
| Borrowings                                                 | 362                | 366             | 439               | 496              | 525             | 1,663               | 2,217           |
| <b>Total interest expense</b>                              | <b>3,306</b>       | <b>3,475</b>    | <b>3,724</b>      | <b>4,523</b>     | <b>4,831</b>    | <b>15,028</b>       | <b>18,621</b>   |
| <b>Net interest income</b>                                 | <b>4,393</b>       | <b>4,833</b>    | <b>4,465</b>      | <b>4,424</b>     | <b>4,704</b>    | <b>18,115</b>       | <b>20,593</b>   |
| Provision for loan losses                                  | 2,774              | 736             | 3,811             | 1,081            | 1,234           | 8,402               | 7,466           |
| <b>Net interest income after provision for loan losses</b> | <b>1,619</b>       | <b>4,097</b>    | <b>654</b>        | <b>3,343</b>     | <b>3,470</b>    | <b>9,713</b>        | <b>13,127</b>   |
| <b>Non-interest income:</b>                                |                    |                 |                   |                  |                 |                     |                 |
| Service charges on deposit accounts                        | 667                | 782             | 715               | 774              | 874             | 2,938               | 3,421           |
| Gain on sale of mortgage loans                             | 78                 | 42              | 100               | 118              | 133             | 338                 | 402             |
| Trust & investment services income                         | 386                | 458             | 518               | 456              | 462             | 1,818               | 1,901           |
| Gain (Loss) on sale of securities                          | -                  | -               | -                 | -                | 2               | -                   | 2               |
| Income (Loss) on Equity Investment                         | (1,032)            | (239)           | (290)             | (168)            | (163)           | (1,729)             | (199)           |
| Other income and fees                                      | 532                | 302             | 510               | 378              | 408             | 1,722               | 2,052           |
| <b>Total non-interest income</b>                           | <b>631</b>         | <b>1,345</b>    | <b>1,553</b>      | <b>1,558</b>     | <b>1,716</b>    | <b>5,087</b>        | <b>7,579</b>    |
| <b>Non-interest expense:</b>                               |                    |                 |                   |                  |                 |                     |                 |
| Salaries & employee benefits                               | 2,507              | 2,683           | 2,935             | 3,002            | 2,876           | 11,127              | 12,183          |
| Occupancy                                                  | 522                | 492             | 531               | 551              | 533             | 2,096               | 2,090           |
| Furniture and equipment                                    | 470                | 478             | 536               | 494              | 549             | 1,978               | 2,139           |
| Loan and collection                                        | 320                | 173             | 378               | 166              | 465             | 1,037               | 753             |
| Advertising and promotional                                | 59                 | 114             | 145               | 104              | 90              | 422                 | 486             |
| Loss on Equity Impairment                                  | -                  | 233             | 36                | 574              | -               | 843                 | -               |
| Goodwill Impairment Charge                                 | 7,955              | -               | -                 | -                | -               | 7,955               | -               |
| Other operating expenses                                   | 1,084              | 1,045           | 954               | 1,013            | 991             | 4,096               | 4,183           |
| <b>Total non-interest expense</b>                          | <b>12,917</b>      | <b>5,218</b>    | <b>5,515</b>      | <b>5,904</b>     | <b>5,504</b>    | <b>29,554</b>       | <b>21,834</b>   |
| <b>Income (loss) before federal income taxes</b>           | <b>(10,667)</b>    | <b>224</b>      | <b>(3,308)</b>    | <b>(1,003)</b>   | <b>(318)</b>    | <b>(14,754)</b>     | <b>(1,128)</b>  |
| Federal income taxes (benefit)                             | (1,003)            | (71)            | (1,140)           | (375)            | (166)           | (2,589)             | (661)           |
| <b>Net Income (loss)</b>                                   | <b>\$ (9,664)</b>  | <b>\$ 295</b>   | <b>\$ (2,168)</b> | <b>\$ (628)</b>  | <b>\$ (152)</b> | <b>\$ (12,165)</b>  | <b>\$ (467)</b> |
| <b>Per Share Data:</b>                                     |                    |                 |                   |                  |                 |                     |                 |
| Basic earnings                                             | \$ (4.45)          | \$ 0.14         | \$ (1.00)         | \$ (0.29)        | \$ (0.07)       | \$ (5.60)           | \$ (0.22)       |
| Diluted earnings                                           | \$ (4.45)          | \$ 0.14         | \$ (1.00)         | \$ (0.29)        | \$ (0.07)       | \$ (5.60)           | \$ (0.22)       |
| Cash dividends declared                                    | \$ -               | \$ -            | \$ -              | \$ -             | \$ 0.25         | \$ -                | \$ 1.00         |
| <b>Performance Ratios:</b>                                 |                    |                 |                   |                  |                 |                     |                 |
| Return on Average Assets                                   | -1.65%             | 0.01%           | -1.45%            | -0.41%           | -0.02%          | -2.03%              | -0.08%          |
| Return on Average Equity                                   | -20.69%            | 0.16%           | -17.49%           | -1.26%           | -0.30%          | -25.20%             | -0.89%          |
| Net Interest Margin (FTE)                                  | 3.50%              | 3.60%           | 3.35%             | 3.20%            | 3.37%           | 3.40%               | 3.72%           |
| Book Value Per Share                                       | \$ -               | \$ 21.19        | \$ 21.38          | \$ 22.81         | \$ 22.88        | \$ -                | \$ 22.88        |
| Net Charge-offs                                            | 3,012              | 2,172           | 422               | 247              | 4,105           | 5,184               | 5,604           |
| Ratio of Net charge-offs to Gross Loans                    | 0.65%              | 0.47%           | 0.09%             | 0.05%            | 0.87%           | 1.13%               | 1.19%           |