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For Immediate Release

FENTURA ANNOUNCES SECOND QUARTER RESULTS

Fentura Financial, Inc. a Fenton-based community bank holding company announced a second quarter operating loss of \$2,168,000 or \$1.00 per diluted share. Earnings for the second quarter of 2007 totaled \$844,000 or \$0.39 per diluted share. The decline in earnings compared to the same quarter in 2007 was primarily a result of an additional \$3,162,000 provision for loan losses reflecting the continued decline in asset quality and real estate values pledged as collateral for residential real estate loans. Net interest income declined \$927,000 principally due to the transfer of troubled loans to a non accrual status. While total non interest income declined \$475,000 compared to the second quarter of 2007, trust and investment income registered a 12.4% increase over the prior year. Operating expense or total non interest expense declined \$83,000 or 1.5% compared to the second quarter of the prior year due to diligent management efforts to control operating expenses and staff reductions implemented during the fourth quarter of 2007 and the first quarter of 2008. Through June 30, 2008 the company reported a loss of \$2,797,000 compared to earnings of \$1,792,000 for the first half of 2007. The primary factors affecting year-to-date net income performance compared to the prior year are essentially identical to the factors described on the quarter to quarter comparison.

CEO Donald L. Grill commented, "While not apparent in the second quarter results, our bankers are making good progress in dealing with the troubled loans which have

been negatively impacted by the economy, the decline in the housing industry and the deterioration of real estate values. We believe the additional provision for loan losses taken during the quarter adequately covers the credit risk identified in the bank loan portfolios. Aside from the credit challenges and the required additional loan loss provision, our core bank operating performance remains sound and profitable. However, in light of the asset quality problems and the continuing impact on the financial performance of the company, the board made the difficult decision during the quarter to suspend the payment of the regular quarterly dividend to conserve and strengthen the capital position of the company”.

Assets totaled \$585,907,000 at June 30, 2008, a decline of \$33,639,000 compared with June 30, 2007. While total loans increased slightly from \$458,070,000 to \$464,856,000; construction and land development loans, the primary source of asset quality problems, declined from \$62,722,000 to \$51,569,000 at the close of the second quarter this year. In connection with the weak operating performance of certain borrowers and stress in selected industries, management has worked diligently to encourage loan pay downs or loan refinancings with other institutions to mitigate credit risk. In recognition of the higher level of non performing loans, the allowance for loan losses increased 78% from \$7,174,000 to \$12,778,000. As to overall balance sheet strength, CEO Grill explained “Total shareholders equity has held up reasonably well during the turbulent past 12 months”. Shareholders equity totaled \$46,499,000 at June 30, 2008, down 11% from the \$52,327,000 reported at June 30, 2007.

Regarding future strategic initiatives, CEO Grill indicated that “The Board of Directors has been examining various strategic alternatives to address capital adequacy, organizational structure and overall financial performance. This process is ongoing and has resulted in the implementation of several expense reduction measures and is expected to result in additional strategic initiatives designed to improve financial performance and enhance shareholder value”.

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; Davison State Bank headquartered in Davison, Michigan; West Michigan Community Bank headquartered in Hudsonville, Michigan

with offices serving Hudsonville, Holland, and Jenison; 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.

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.*