FENTURA FINANCIAL, INC.
Fenton, Michigan

Fentura Financial, Inc.
P.O. Box 725
Fenton, MI 48430-0725

For Immediate Release

Contact: Ronald L. Justice
President & CEO
Fentura Financial, Inc.
(810) 714-3902

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FENTURA FINANCIAL, INC ANNOUNCES CONTINUED PROFITS FOR THE FIRST QUARTER OF 2013

- Net Income for the quarter compares favorably to the earnings reported for the fourth quarter of 2012
- Loan growth exceeded expectations for the period
- Capital continues to grow organically through earnings and the current position is considered strong by industry standards
- Credit Quality continues to strengthen
- The Bank was released from its Consent Agreement with Federal and State regulatory agencies

FENTON, MICHIGAN, APRIL 23, 2013 - Fentura Financial, Inc. reported net income for the three months ended March 31, 2013 of $855,000, compared to the $739,000 operating loss reported for the first quarter of 2012.

“We continue to be pleased by our performance trends. During the first quarter of 2013, the Company grew loans by $12.5 million, strengthening net interest income for the quarter. The credit quality improvement experienced throughout 2012 continued in the first quarter of 2013, reducing certain expenses and again eliminating the need for any additional provision in order to maintain an adequate allowance for loan losses at the end of the quarter. Operating income has increased as well, as the strengthening of the market has improved revenue from Wealth Management services and mortgage lending”, noted Ronald Justice, President and CEO.

Balance Sheet

Total assets increased $6.8 million or 2.2% at March 31, 2013 compared to December 31, 2012, as loan balances increased by $12.5 million or 6.2% from efforts to grow the portfolio to improve net interest income. During the quarter the Bank experienced growth in its consumer, mortgage and commercial loan portfolios.

During the first quarter of 2013, deposits increased $5.9 million or 2.1% from the prior quarter, primarily due to the seasonal trends of both commercial and public fund clients. Fentura continues to benefit from a solid and loyal core deposit funding base.

Capital

Both Fentura Financial and its subsidiary, have achieved their goal to maintain capital consistent with levels considered well capitalized by regulatory agencies.
The Bank's regulatory capital ratios follow, and indicate a modest decline at March 31, 2013 compared to December 31, 2012. While capital increased from quarterly operating results, assets grew at a slightly faster rate causing the modest decline.

	March 31, 2013	December 31, 2012	March 31, 2012	Regulatory Well Capitalized
Tier 1 Leverage Capital Ratio	8.70%	8.73%	7.86%	5.00%
Tier 1 Risk-Based Capital Ratio	11.89	12.06	11.30	6.00%
Total Risk-Based Capital Ratio	13.15	13.34	12.59	10.00%

Credit Quality

As reported previously, the Company benefited significantly from improvement in credit quality throughout 2012, and these trends continued in the first quarter of 2013. At March 31, 2013 loan delinquencies to total loans were 1.1% compared to 1.9% at the end of the fourth quarter of 2012, and 5.7% as of March 31, 2012. Substandard assets totaled $9.1 million at March 31, 2013, down from $13.2 million at December 31, 2012, and $25.5 at March 31, 2012. These trends eliminated the need for provisions to the allowance for loan losses during the first quarter of 2013.

Net Interest Income

Net interest income of $2.6 million for the quarter ended March 31, 2013 improved modestly compared to the $2.5 reported for both the first and fourth quarters of 2012. Interest income improved during the three months ended March 31, 2013, from the growth of loans during the quarter when compared to interest income for the fourth quarter of 2012. Additionally, interest expense declined comparing the two quarters as well, as deposits matured and re-priced at lower rates.

Noninterest Income and Expense

Noninterest income was $1.5 million for the quarter ended March 31, 2013 compared to the $1.2 million reported for the fourth quarter of 2012.

- Gains on the sale of mortgage loans originated and sold in the secondary market were $575,000 for the first quarter of 2013 compared to $389,000 in the fourth quarter of 2012. Market interest rates increased refinance and home purchase activity which contributed to an increase in new loan volume and accordingly, the gains from the sale of these loans.
- Income from trust and investment services was $231,000 in the first quarter of 2013 compared to $212,000 for the fourth quarter of 2012. The quarter to quarter improvement is supported by growth in investment assets under management and the strengthening of the market during the first quarter of 2013.

Noninterest expense was $3.2 million for the first quarter of 2013 compared to the $3.7 million reported for the fourth quarter of 2012.

- Salary and benefit expense, the largest category of noninterest expense, was $1.7 million for the three months ended March 31, 2013, down from the $1.9 million reported for the fourth quarter of 2012. During the fourth quarter of 2012, the company accrued additional required balances for certain retirement agreements which contributed to the increased expense during the period.
- Other general and administrative expense was $0.8 million during the first quarter of 2013 compared to $1.0 million for the fourth quarter of 2012. The decline of this expense in the first quarter of 2013 is primarily attributable to the reduction of the FDIC insurance assessment based on the Bank's release from its Consent Agreement with both Federal and State regulatory agencies.

Fentura Financial, Inc. is a bank holding company headquartered in Fenton, Michigan. Its subsidiary bank, The State Bank, is also headquartered in Fenton with offices serving Fenton, Linden, Holly, Grand Blanc and Brighton. The Brighton area is served by Livingston Community Bank, a division of The State Bank. The Bank offers comprehensive financial services including commercial, consumer, mortgage, trust and financial planning services, and deposit products. The Bank proudly provides services from its community offices in Genesee, Oakland and Livingston Counties and through on-line and mobile banking services. More information about The State Bank is available at www.thestatebank.com.

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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.*

Fentura Financial Inc.					
	Mar-13	**Dec-12**	**Sep-12**	**Jun-12**	**Mar-12**
Balance Sheet Highlights					
Cash and due from banks	45,272	45,712	42,768	16,529	30,476
Fed funds sold	-	-	-	-	-
Investment securities	42,582	48,249	51,812	60,199	63,332
Commercial loans	154,223	146,482	144,612	142,101	134,144
Consumer loans	24,017	23,423	23,304	24,288	25,441
Mortgage loans	34,791	30,623	29,687	40,495	39,695
Gross loans	213,031	200,528	197,603	206,884	199,280
ALLL	(4,682)	(4,962)	(6,267)	(7,083)	(7,675)
Other assets	21,284	21,195	20,585	21,342	21,053
Total assets	317,487	310,722	306,501	297,871	306,466
Non-interest deposits	84,490	80,550	70,293	70,831	72,348
Interest bearing non-maturity deposits	146,838	145,471	145,368	133,871	131,427
Time deposits	50,380	49,818	56,718	60,524	69,879
Total deposits	281,708	275,839	272,379	265,226	273,654
Fed funds purchased	-	-	-	-	-
Borrowings	14,891	14,891	14,891	14,891	14,923
Other liabilities	3,901	3,789	3,376	3,408	3,719
Equity	16,987	16,203	15,855	14,346	14,170
	317,487	310,722	306,501	297,871	306,466
BALANCE SHEET RATIOS					
Gross Loans to Deposits	75.6%	72.7%	72.6%	78.0%	72.8%
Earning Assets to Total Assets	80.5%	80.1%	81.4%	89.7%	85.7%
Securities and Cash to Assets	27.7%	30.2%	30.9%	25.8%	30.6%
Deposits to Assets	88.7%	88.8%	88.9%	89.0%	89.3%
Loss Reserve to Gross Loans	2.2%	2.5%	3.2%	3.4%	3.9%
Net Charge-Offs to Gross Loans	0.1%	0.4%	0.0%	0.3%	0.7%
Leverage Ratio - The State Bank	8.7%	8.7%	8.5%	8.1%	7.9%
Income Statement Highlights - QTD	**Mar-13**	**Dec-12**	**Sep-12**	**Jun-12**	**Mar-12**
Interest income	2,953	2,924	3,096	3,059	3,114
Interest expense	371	394	390	533	628
Net interest income	2,582	2,530	2,706	2,526	2,486
Provision for loan loss	7	(600)	(850)	80	862
Service charges on deposit accounts	220	268	264	248	251
Gain on sale of mortgage loans	575	389	204	153	215
Wealth management income	231	212	346	293	219
Other non-interest income	428	331	514	447	487
Salaries and benefits	1,656	1,900	1,544	1,608	1,723
Occupancy and equipment	533	550	544	540	521
Loan and collection	173	212	412	171	150
Other operating expenses	812	1,018	980	1,123	1,265
Net Income before tax	855	650	1,404	145	(863)
Income Taxes	-	197	-	-	(124)
Net Income	855	453	1,404	145	(739)

INCOME STATEMENT RATIOS/DATA	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Basic earnings per share	$ 0.35	$ 0.19	$ 0.58	$ 0.06	$ (0.31)
Pre-tax pre-provision earnings	862	50	554	225	(1)
Net Charge offs	260	694	(34)	671	1,352
Return on Equity (ROE)	19.29%	7.26%	7.29%	-8.07%	-19.58%
Return on Assets (ROA)	1.12%	0.42%	0.36%	-0.40%	-0.98%
Efficiency Ratio	79.87%	94.64%	93.25%	96.96%	100.02%
Average Bank Prime	3.25%	3.25%	3.25%	3.25%	3.25%
Average Earning Asset Yield	4.85%	4.70%	4.77%	4.74%	4.80%
Average Cost of Funds	0.71%	0.76%	0.73%	1.02%	1.16%
Spread	4.14%	3.94%	4.04%	3.72%	3.65%
Net impact of free funds	0.11%	0.06%	-0.06%	0.16%	0.19%
Net Interest Margin	4.25%	4.00%	3.98%	3.88%	3.84%
Income Statement Highlights - YTD	**Mar-13**	**Mar-12**		**Dec-12**	**Dec-11**
Interest income	2,953	3,114		12,193	13,142
Interest expense	371	628		1,945	2,983
Net interest income	2,582	2,486		10,248	10,159
Provision for loan loss	7	862		(508)	3,142
Service charges on deposit accounts	220	251		1,030	1,256
Gain on sale of mortgage loans	575	215		961	348
Wealth management income	231	219		1,071	960
Other non-interest income	428	487		1,780	3,496
Salaries and benefits	1,656	1,723		6,775	6,763
Occupancy and equipment	533	521		2,155	2,158
Loan and collection	173	150		944	1,309
Other operating expenses	812	1,265		4,386	4,169
Net Income before tax	855	(863)		1,338	(1,322)
Income Taxes	-	(124)		73	295
Net Income	855	(739)		1,265	(1,617)
INCOME STATEMENT RATIOS/DATA					
Basic earnings per share	$ 0.35	$ (0.31)		$ 0.52	$ (0.69)
Pre-tax pre-provision earnings	862	(1)		830	1,820
Net Charge offs	260	1,352		2,683	5,005
Return on Equity (ROE)	19.29%	-19.58%		7.26%	-10.46%
Return on Assets (ROA)	1.12%	-0.98%		0.42%	-0.53%
Efficiency Ratio	79.87%	100.02%		94.64%	88.64%
Average Bank Prime	3.25%	3.25%		3.25%	3.25%
Average Earning Asset Yield	4.85%	4.80%		1.19%	1.22%
Average Cost of Funds	0.71%	1.16%		0.23%	0.33%
Spread	4.14%	3.65%		0.96%	0.89%
Net impact of free funds	0.11%	0.19%		3.04%	2.89%
Net Interest Margin	4.25%	3.84%		4.00%	3.78%