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Sturgis Bancorp, Inc.
Increases Q4 Cash Dividend

FOR IMMEDIATE RELEASE

STURGIS, Mich., October 19, 2005 -- **Sturgis Bancorp, Inc.** (OTCBB: **STBI**) announced today that its Board of Directors has declared a cash dividend of \$0.10 per common share, payable December 15, 2005 to stockholders of record November 15, 2005. The \$0.10 per share payment is 11.1% higher than the year-earlier payment and raises the year-to-date payout to \$0.38 per share, 5.3% higher than last year's payout.

In making the announcement, Eric L. Eishen, President and CEO, noted that the payment marks the 64th consecutive quarter that Sturgis Bancorp, Inc. or Sturgis Bank & Trust Company, its predecessor, has paid a cash dividend. He said, "Third-quarter earnings were strong. The increase in the cash dividend, initiated in the third quarter 2005, demonstrates the Bank's commitment to providing an on-going reward for shareholders and the strength of core earnings."

Sturgis Bancorp is the holding company for **Sturgis Bank & Trust Company**, and its subsidiaries **Oakleaf Financial Services, Inc.** and **Oak Mortgage, LLC**. Sturgis Bancorp provides a full array of trust, commercial and consumer-banking services from 11 banking centers in Sturgis, Bronson, Centreville, Climax, Coldwater, Colon, South Haven, Three Rivers and White Pigeon, Mich. Oakleaf Financial Services offers a complete range of investment and financial-advisory services. Oak Mortgage offers residential mortgages in all banking centers of the Bank.

For Sturgis Bank & Trust Company updates, visit www.sturgisbank.com.

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