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Sturgis Bancorp, Inc.
Increases Q1 Cash Dividend

FOR IMMEDIATE RELEASE

STURGIS, Mich., January 25, 2006 -- **Sturgis Bancorp, Inc.** (OTCBB: **STBI**) today announced that its Board of Directors has declared a cash dividend of \$0.10 per common share, payable March 15, 2006 to stockholders of record February 15, 2006. The \$0.10 per share payment is 11.1% higher than the year-earlier payment.

In making the announcement, Eric L. Eishen, President and CEO, noted that the payment marks the 65th consecutive quarter that Sturgis Bancorp, Inc. or Sturgis Bank & Trust Company, its predecessor, has paid a cash dividend. He said, "Fourth-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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