

UNIVERSITY BANCORP REPORTS 2001 THIRD QUARTER RESULTS
\$1,659,749 OF NEW COMMON STOCK SOLD IN RIGHTS OFFERING

November 15, 2001 - University Bancorp, Inc. (NASDAQ Symbol UNIB) (the "Company") announced its unaudited results from operations for the nine months ended September 30, 2001:

	For the Nine Months Ended September 30, (in 000s)	
	2001	2000
Net interest income	\$1,314	\$959
Provision for loan losses	68	89
Total securities gains (losses)	0	24
Total other income	3,248	1,772
Total other expense	4,617	3,205
Loss before income tax	(123)	(538)
Income tax (benefit)	0	4
Net income (loss)	\$(123)	\$(542)
Basic and diluted loss per common share	\$(0.08)	\$(0.27)
Average shares outstanding	2,061	2,026
Period-end assets	\$47,799	\$44,252

For the three months ended September 30, 2001, the Company had a net loss of \$204,450 compared to net income of \$3,763 for the three months ended September 30, 2000. The loss was principally the result of a \$224,175 special impairment charge to write-down by 32% the value of Midwest Loan Services' mortgage servicing rights portfolio during the third quarter of 2001. The charge was required as a result of the sharp decrease in long term interest rates in September 2001.

President Stephen Lange Ranzini commented, "While the loss was disappointing, underlying profitability continues to increase, driven by stronger net interest margin. The Bank's net interest margin is being increased by lower short term interest rates that we have experienced so far in 2001 and by increased low-cost core deposits. The community bank itself had a profit

during the third quarter of \$87,000. Midwest Loan Services had a loss during the quarter of \$327,000, but currently has a strong pipeline of new business that should increase its revenues."

The Company's rights offering is now complete and the rights have expired. In the offering a total of 1,659,749 shares of common stock were newly issued for \$1,659,749, including the retirement of all outstanding preferred stock and equity conversion notes. All unexercised rights are now worthless.

The following table summarizes the pre-tax income (loss) of each profit center of the Company for the three months ended September 30, 2001 and 2000 (in thousands):

Nine months ended September 30, 2001 and 2000 Pre-tax Income (Loss)
Summary

	2001	2000
Community Banking	\$(315)	\$(819)
Midwest Loan Services	274	273
Merchant Banking (Michigan BIDCO)	-	114
Corporate Office	(82)	(111)
Total	\$(123)	\$(543)

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Ann Arbor-based University Bancorp owns 100% of University Bank, an FDIC-insured community bank also based in Ann Arbor, Michigan. In addition to its community bank operations, University Bank specializes in mezzanine capital lending through its Ann Arbor-based 31.5%-owned subsidiary, Michigan BIDCO, Inc., and mortgage subservicing through its 80%-owned subsidiary, Houghton-based subsidiary, Midwest Loan Services, Inc.

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