

For Immediate Release

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#### UNIVERSITY BANK'S POSITION ON PARTIAL-BIRTH ABORTION

Ann Arbor, Michigan, July 27, 2004 – University Bank®, a subsidiary of University Bancorp, Inc. (NASDAQ: UNIB) wishes to make the following public statement:

- The March 15, 2004 press release announcing the addition of former State Senator Alma Wheeler-Smith to the University Bank's Board of Directors may have given some in the Ann Arbor community the impression that the University Bank endorses Ms. Smith's pro-partial-birth abortion viewpoint.
- To the contrary, the University Bank does not specifically endorse Ms. Smith's advocacy of partial-birth abortion.
- The press release could have been better worded so as to reflect the fact that the University Bank is not in favor of partial-birth abortion
- For those in the community that were under the impression that Ms. Smith may have been chosen as a member of the Board of Directors because of her advocacy of this controversial procedure, we sincerely apologize.
- University Bank welcomes all customers regardless of their political or religious beliefs.
- The expressed political or religious views of any employee or director of University Bank should never be taken to be University Bank's views.

Here is what University Bank does stand for:

- **Bank's Vision:**
  - We build the foundation for your future.
- **Bank's Mission:**
  - We are a bank focused on listening and responding to our community's true needs, profitably providing the highest level of service to the people, small businesses and organizations we serve.
- **University Bank's Values Statement:**
  - **ETHICS**
    - We are guided by our shared values and always strive to maintain them in everything we do:
  - **THE INDIVIDUAL**
    - We respect the individual and value their differences, including their need to achieve professional and personal balance in their life.

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- **INTEGRITY**
  - We speak openly and directly and we do what we say, with care and compassion, and work hard to understand and resolve issues.
- **ACCOUNTABILITY**
  - We understand what is expected of us, and are fully committed to meeting those expectations.
- **SUCCESS**
  - We focus on listening and responding to our customers' true needs, by combining operational excellence and cross-functional teamwork to produce exceptional results, with profit.
- **DIVERSITY**
  - We celebrate, respect and serve our diverse community.
- **COMMUNITY**
  - We improve our communities by being active, responsible and generous members of the communities we serve.

We are proud of our record of serving our diverse community. As a direct result of our leadership role, University Bank is the only financial institution located in Washtenaw County to be rated "Outstanding" by the FDIC for Community Service and Community Reinvestment.

Ann Arbor based University Bancorp owns 100% of University Bank, which manages \$2.2 billion in customer assets. University Bank is an FDIC-insured, locally owned and managed Community Bank primarily serving the cities of Ann Arbor and Ypsilanti of Washtenaw County. The Community Banking operation focuses on local businesses, minorities and the non-profit communities. Other Community Banking specialties include highly competitive deposit products for business owners, residential mortgages for individuals and investors, commercial real estate lending and insurance, investments and money management through its wholly-owned subsidiary University Insurance & Investments, Inc. In addition to its Community Banking, insurance and investment operations, University Bank specializes in mortgage subservicing primarily serving the credit union industry through the Bank's Houghton-based 80%-owned subsidiary, Midwest Loan Services.

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