

For Immediate Release

Contact: Stephen Lange Ranzini, Chairman and President

734-741-5858, Ext. 226

Email: ranzini@university-bank.com

UNIVERSITY BANK CEO PURSUES NEW CHALLENGES

January 5, 2004, Ann Arbor, Michigan – **Rebecca David**, CEO of Ann Arbor’s University Bank (NASDAQ:UNIB), has resigned to pursue new challenges.

Ms. **David** was CEO of University Bank for three years. While there, the community bank recognized its first profitable year (2002) since the bank relocated to Ann Arbor in 1996 and achieved its first **Outstanding** rating from the Federal Deposit Insurance Corporation for Community Service and Community Reinvestment (2003). Prior to joining University Bank, Ms. **David** was President of \$550 million Franklin Bank in Southfield, Michigan.

“Our organization’s sales culture is much stronger today than it was prior to **Rebecca’s** joining us,” said **Stephen Lange Ranzini**, University Bank’s Chairman and President.

“Among her many accomplishments while at University Bank, **Rebecca:**

- Implemented a 100% commissioned deposit gathering strategy that has successfully grown core demand deposits for the bank by 82%, or \$13,192,000 to \$29,360,000;
- Introduced the Business Manager receivables lending program to the bank, which netted the bank \$121,500 in additional fee income in 2003;
- As CRA Officer, documented the bank’s many accomplishments in community service and community reinvestment, and as a result University Bank is the only bank currently rated Outstanding by the FDIC in Washtenaw County;
- Was appointed a member of the Washtenaw County Workforce Development Board;
- The stock of University Bancorp rose 187% during her three years as CEO of University Bank, taking into account the special \$1 per share dividend from the company’s rights offering in October 2001;
- In October 2003, Ms. **David** was named one of the “25 Most Powerful Women in Banking” by *U.S. Banker* magazine in recognition of her many accomplishments.

Page Two of Two

Rebecca David departs University Bank

“We deeply appreciate the three years Rebecca has devoted to University Bank and wish her every success in future endeavors as she pursues new challenges in her career,” **Ranzini** stated.

“I will greatly miss the dedicated employees and customers with whom I’ve worked at University Bank,” said Ms. **David**.

University Bank announced that Nicholas Fortson, the Chief Financial Officer of University Bank and University Bancorp, Inc. has been appointed Chief Executive Officer of the Bank, effective immediately. Mr. Fortson has served as the bank’s chief financial officer for the past four years. Mr. Fortson said, “I am thrilled at the opportunity to take on additional responsibilities in my career and look forward to building on the record of the past few years.” Prior to joining University Bank, Mr. Fortson had served as President of New South Africa Pizza Company, the Domino’s Pizza franchisee in South Africa, CFO of Detroit-based Graimark Realty Advisors, and Comptroller of Detroit-based First Independence Bank.

University Bancorp, which is listed on the NASDAQ Small-Cap Market, was the #2 performing stock market listed company in Michigan in 2003, with a net increase in price per share of 275%. Ann Arbor based University Bancorp owns 100% of University Bank. University Bank is an FDIC insured, locally owned and managed Community Bank primarily serving the Cities of Ann Arbor and Ypsilanti of Washtenaw County. University Bank’s mission is “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 of Ann Arbor and Washtenaw County.” The Community Banking operation focuses on serving local businesses, minorities and non-profit organizations. Other Community Banking specialties include highly competitive deposit products for business owners, residential mortgages, 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 operations, University Bancorp specializes in mortgage subservicing through the Bank’s Houghton-based 80% owned subsidiary, Midwest Loan Services. Midwest is a business process outsourcer of mortgage services for 64 credit unions that have over 1.6 million members, including 3 of the top 25 credit unions in the U.S. Midwest currently subservices \$2.0 billion in mortgage loans and grew 66% in 2002 and over 90% in 2003. The credit union industry is gaining market share from all other financial institutions. University Bancorp’s listed common stock (NASDAQ:UNIB) offers investors one of the few ways to invest in this ongoing growth of the credit union sector.

Additional comprehensive investor relations information on University Bancorp is available at www.university-bank.com/bancorp.htm.

###