

Silverado Financial Provides Business Update: First Mortgage Banking Warehouse Line Approved

For Immediate Release

PLEASANTON, Calif./EWorldWire/Aug. 11, 2004 --- Silverado Financial Inc. (OTCBB: SLVO), today announced an operating and financial update for the second quarter of 2004 and projected its loan production for the remainder of 2004.

Silverado Financial Subsidiary Receives Approval for First Mortgage Banking License

On August 9 Silverado Mortgage Corporation, a wholly owned subsidiary of Silverado Financial Inc., received approval on its first warehouse line of credit. Coupled with its recent licensure as a Consumer Finance Lender under the California Department of Corporations, Silverado Mortgage is positioned to rapidly increase revenues and generate additional income on every internally funded loan. More details of this exciting new development will follow in later press releases.

Business Update and Revenue Guidance

Silverado Mortgage estimates that its second quarter loan generations will exceed \$12 million, roughly doubling its performance in the first quarter of 2004.

During the first quarter of this year, Silverado opened its first telemarketing center in Campbell. This center began generating leads during the second quarter. Leads generated by the center accounted for 18%, 34% and 36% of all loans generated during the months of May, June and July.

Telemarketing-lead-generated loans, as compared to those generated by individual loan advisors, pay lower commissions, thus providing higher income for Silverado Mortgage on a per loan business. Telemarketing leads also provide a significant amount of sub-prime business, with higher loan fees relative to prime credit loans.

Silverado is currently seeking additional space in Campbell, which will double the size of that operation. The increase in space will allow Silverado to expand its telemarketing division to 25 or more telemarketers from its current 12, and it may accommodate as many as 45 loan advisors.

Growth Initiatives

Silverado is currently negotiating with independent loan advisors in San Diego, Phoenix and Los Angeles. The company expects these teams to act as the foundation for expansion into southern Calif. and Ariz.

Silverado is in the process of applying to the state of Arizona for a license to operate as a mortgage banker and is currently preparing applications for licensure in Nevada, Oregon, Washington, Utah and Idaho.

Silverado Financial Inc. is headquartered in Pleasanton with additional offices in Campbell and Emeryville. Silverado's principal business consists of the origination, funding and sale of mortgage loans.

Forward-Looking Statements

This Release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of the company. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. Forward-looking statements usually contain the words "estimate," "anticipate," "believe," "plan," "expect," or similar expressions, and are subject to numerous known and unknown risks and uncertainties. In evaluating such statements, prospective investors should review carefully various risks and uncertainties identified in this Release, including the above matters and in the company's SEC filings. These risks and uncertainties could cause the Company's actual results to differ materially from those indicated in the forward-looking statements.

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