

For Immediate Release

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WASHINGTON POST ARTICLE REGARDING THE GROWTH OF ISLAMIC FINANCING AND UNIVERSITY BANK'S ISLAMIC BANKING SUBSIDIARY, UNIVERSITY ISLAMIC FINANCIAL

May 14, 2008, Ann Arbor, Michigan—**Stephen Lange Ranzini**, President and Chairman of Ann Arbor's University Bank (NASDAQ: UNIB), announced that The Washington Post has published an article titled, "**A Higher Law for Lending**", that discusses the recent growth of Islamic Banking in the United States that features information on University Bank's Islamic Banking Subsidiary, University Islamic Financial Corporation (UIFC). The family featured and pictured in the article is a customer of UIFC. The article is available online at:

http://www.washingtonpost.com/wp-dyn/content/article/2008/05/12/AR2008051202740.html?nav=rss_religion.

UIFC is currently the largest retail banking entity in the U.S. holding Islamic financings and Islamic deposits. UIFC offers the only Islamic Sharia'a-compliant FDIC-insured deposits nationwide (offered through University Bank) and originates Islamic Sharia'a home financings and commercial real estate financings in a dozen states. UIFC's products have received favorable legal rulings (fatawa) from some of the leading Islamic legal scholars in the U.S. and the world. University Bank also has a master commitment where it serves as agent for FHLMC (NYSE: FRE) to create a secondary market for UIFC's Sharia'a compliant home financings nationwide.

For additional information about UIFC's Sharia'a compliant products and its fatawa, see www.universityislamicfinancial.com.

Ann Arbor-based University Bancorp owns 100% of University Bank which services a total of over \$5.2 billion in loans. University Bank is an FDIC-insured, locally owned and managed community bank, and is the only financial institution headquartered in Washtenaw County rated "Outstanding" by the FDIC for Community Service and Community Reinvestment. University Bank also engages in Islamic Banking through 80%-owned University Islamic Financial Corporation, the first and only Islamic Banking subsidiary of a bank in the U.S. University Islamic Financial offers home mortgage alternative financing, the only FDIC-insured Islamic deposits (offered through University

Bank) and Islamic equity mutual funds (offered through University Insurance & Investments). University Bank also specializes in mortgage subservicing and mortgage origination primarily serving over 260 credit unions (representing 2.7% of all credit unions in the U.S.) through its Houghton-based 80%-owned subsidiary, Midwest Loan Services, Inc., and offers insurance and investment products through its 100%-owned subsidiary, University Insurance & Investment Services, Inc., also based in Ann Arbor.

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

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