

For Immediate Release

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**UNIVERSITY BANK'S ISLAMIC LENDING PRODUCTS FEATURED
IN THE NEW YORK TIMES, DETROIT FREE PRESS & DETROIT NEWS**

Ann Arbor, Michigan, August 8, 2005 – University Bank, a division of University Bancorp, Inc. (NASDAQ: UNIB) announced that its Islamic Banking Division received some significant press coverage related to its Islamic lending products over the weekend in two leading publications. The Detroit Free Press and Detroit News had a page one story in Saturday's edition, and The New York Times had a different story on page one of the Real Estate Section. The articles are available at:

- The New York Times:
<http://www.nytimes.com/2005/08/07/realestate/07nati.html>
- Detroit Free Press & Detroit News:
http://www.freep.com/money/business/islamic6e_20050806.htm

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Ann Arbor based University Bancorp owns 100% of University Bank which manages a total of \$2.8 billion in 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. University Bank is the only financial institution headquartered in Washtenaw County to be rated "Outstanding" by the FDIC for Community Service and Community Reinvestment. 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 and mortgage origination primarily serving over 170 credit unions (representing 1.8% of all credit unions nationwide) through the Bank's Houghton-based 80%-owned subsidiary, Midwest Loan Services.

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