

For Immediate Release
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**UNIVERSITY ISLAMIC FINANCIAL CORPORATION JOINS AAOIFI,
THE GLOBAL ISLAMIC FINANCE ACCOUNTING STANDARDS SETTING ORGANIZATION**

Ann Arbor, Michigan, November 11, 2008 – University Bank (NASDAQ: UNIB) today announced that its 80% owned subsidiary, University Islamic Financial, has joined AAOIFI, the global Islamic Finance accounting standards setting organization, as a full member. AAOIFI is responsible for developing accounting, auditing, ethics, governance, and Shari'a standards for the international Islamic banking and finance industry. AAOIFI is supported by over 160 institutional members from around 40 countries. It has its corporate office in Kingdom of Bahrain. More information about AAOIFI and its programs and standards is available at <http://www.aaofii.com/>.

University Bank & University Islamic Financial's President & Chairman, Stephen Lange Ranzini, stated, "AAOIFI is setting the global standards for Islamic Banking Sharia'a standards. University Islamic Financial wants to serve as the model in the United States for operating 100% in compliance with the Shari'a. Our membership in AAOIFI will assist us in that ambition."

About University Bank

Ann Arbor-based University Bancorp owns 100% of University Bank which, together with its subsidiaries, holds and manages a total of \$5.8 billion in loans and assets. 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 through its creative and innovative services to meet the financial needs of its community. 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 residential and commercial real estate 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 250 credit unions (representing 2.6% of all credit unions in the U.S.) through its Houghton-based 80%-owned subsidiary, Midwest Loan Services, Inc. University Insurance & Investment Services is a 100%-owned subsidiary that provides a full range of insurance services as an independent agent for 49 insurance companies and investment brokerage account services. University Lending Group is a Farmington Hills-based 50.01%-owned subsidiary that originates HUD's FHA and VA and other mortgage loans on a wholesale and retail basis.

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