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UNIVERSITY BANK RECEIVES THE AMERICAN BANKERS ASSOCIATION'S COMMUNITY BANK AWARD FOR 2009

Ann Arbor, Michigan, February 18, 2009 – University Bank was nationally acknowledged by the American Bankers Association for its innovative programs to increase homeownership opportunities at the American Bankers Association's National Conference for Community Bankers in Phoenix, Ariz. on Feb. 17. University Bank received the American Bankers Association's 2009 Community Bank Award for its achievements in the Helping to Achieve Homeownership category.

The selection committee lauded University Bank for its innovative programs such as home financings for Muslim customers. Muslims are much less likely to be homeowners on average due to religious prohibitions on the payment or receipt of interest. University Bank designed a program to meet these needs, which has so far resulted in over \$50 million of financings for the purchase of homes by Muslim customers of the bank. In April 2008, University Bank also established a brand-new FHA lending business that funded \$133,420,563 in FHA mortgages in 2008, including \$32,125,751 just in December 2008 alone. This business unit now employs 45 people. Due to the changes at FNMA and FHLMC, mortgages originated under FHA guarantees increased from 4% in 2006 to 39.2% in October 2008, the latest month that figures are available. University Bank has held the Federal Deposit Insurance Corporation's top grade of "Outstanding" for Community Service and Community Investment since 2003 and won U.S. Banker magazine's "Community Bankers of the Year" award in 2007.

The ABA selection committee awarded 15 Banks out of the 8,635 banks nationwide one of the ABA's prestigious Community Bank Awards for 2009 based on the innovation, creativity and effectiveness of the University Bank's approach to making a difference in its community.

"University Bank is honored to receive this award which flows directly from our commitment, passion and leadership in assisting people to make their dreams come true throughout the year," University Bank President Stephen Lange Ranzini said. "University Bank and its employees have distinguished themselves with this national award from their peers for their longstanding commitment of giving back to our community." In all, in 2008, University Bank financed 2,610 homes, the number of homes that would be found in a small town with the size of the population of Dexter and Chelsea, Michigan combined.

The ABA Community Bank Awards program was established in 2005 to recognize community Banks' outstanding charitable achievements.

Ann Arbor-based University Bancorp owns 100% of University Bank which, together with its subsidiaries, has total assets of \$125 million and manages a total of over \$5.25 billion in residential mortgage loans. University Bank is an FDIC-insured, locally owned and managed community bank, and

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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 specializes in several niche financial services through subsidiaries:

- University Bank's Community Banking Division serves local residents and businesses with their complete financial needs from its headquarters in The Mansion at 2015 Washtenaw Avenue, Ann Arbor.
- University Islamic Financial Corporation, based in Ann Arbor, Michigan and 80%-owned, engages in Islamic Banking and is the first and only Islamic Banking subsidiary of a bank in the U.S. It 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).
- Midwest Loan Services, Inc., based in Houghton, Michigan and 80%-owned, specializes in mortgage subservicing and mortgage origination primarily serving over 250 credit unions, representing 2.6% of all credit unions in the U.S.
- University Bank originates HUD's FHA and VA and other mortgage loans on a wholesale and retail basis from its Farmington Hills, Michigan office.
- 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.

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