

**United Bancorporation**  *of Alabama, Inc.*

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Dear Shareholder,

I'm pleased to announce that the Board of Directors of United Bancorporation of Alabama, Inc., in a meeting held December 10, 2013, declared a cash dividend of six cents per share payable on or about January 17, 2014 to shareholders of record December 31, 2013. This cash dividend is a one cent per share increase from the April 1, 2013 distribution of five cent.

As previously updated, United Bank continues to make progress. Both asset quality and earnings have improved. While challenges remain, the Board of Directors' confidence in improved performance is reflected in this dividend.

A more comprehensive annual review and shareholder letter will follow in the coming weeks. I am looking forward to sharing more about our progress in 2013 and our expectations for 2014 and beyond. Until then, thank you for your continued support of United Bank.

Sincerely,



Robert R Jones, III  
President & CEO