

PEOPLE



OUR
MOST
VALUABLE
ASSET



Filings Services
March 31, 2008
SNL Financial, LC
1-800-969-4121



SUPERIORBANCORP

2007 ANNUAL REPORT

Our company is a statewide network of nursing homes and assisted living facilities. For 20 years, we were with one bank, but after some merger upheaval, we found ourselves without a relationship manager. Thankfully, Superior Bank quickly stepped in to provide credit, depository and treasury management services. More importantly, they provided the personal attention we could no longer get from a large bank. I will call and request something, loan papers, for instance, and, since they're local, they'll bring them right to my office. When we requested a loan – a very large loan – I called George Hall directly. He called back within five minutes and simply said, 'no problem.' What kind of large bank could do that? You couldn't beat that kind of response. That kind of service, and because they're all just great folks, is the reason we bank with Superior."



Joseph W. "Billy" Jones | Crowne Management | Monroeville, Alabama | Superior Relationship Manager: Jeanie Smith

IN THIS AGE OF
MEGA-BANKS DOING
WHAT'S GOOD FOR
THEMSELVES,
SUPERIOR IS DIFFERENT.
WE'RE DOING
WHAT'S GOOD FOR
OUR CUSTOMERS.

Our Dunnellon, Florida branch manager Charlene Williams said it best,

"You bank with people. Not companies." That has been our guiding philosophy since Superior Bank was founded, and it is as strong as ever today.

While 2007 was a challenging year throughout the banking industry, Superior steadily grew and expanded the franchise by holding steadfast to that philosophy. We hand-picked the best bankers we could find, dedicated people who are totally customer-focused. In concert with this effort, we selected locations that strategically complemented our network by adding greater convenience in areas where we already had a footprint. Then, we put all of these right people in all of these right places.

The result was a year of exceptional growth. Last year we opened 12 new branches – all with the goal of creating a bank that goes back to the basics of service, convenience and friendly banking. As mega-banks shifted their focus to mega-mergers, we continued to focus on treating our customers right. This level of service – combined with local management and sophisticated products and technology – has filled a void in the banking industry and allowed Superior to stand apart from other banks. Within this report, some of our customers will give you first-hand experiences on how we're doing.

As you'll see, we're building something special: a Superior franchise with Superior people. And, thanks to them, we're poised for a future of Superior growth.

"You can't be successful in the construction business without a strong, comfortable relationship with your bank. Thankfully, that's the type of relationship we have with Superior. This isn't just important for the daily running of our business, it's also important for long-term growth. Superior has been with us every step of the way, and they've been very instrumental in helping us grow. As a highway construction firm, we need access to large amounts of capital and Superior always accommodates our needs. Plus, they do everything within their power to speed up the process. This is vital when running a business because response time makes all the difference. It's also important that Superior is local. With big banks, you lose the ability to talk to someone who knows your business and the area. Superior knows us, and they care about our success."

Chuck Roberts | C.W. Roberts Contracting | Tallahassee, Florida | Superior Relationship Manager: Shannon Maddox



CHAIRMAN'S LETTER 2007

MARCH 24, 2008

Dear Shareholders:

From a rational view, it would be normal to expect a company such as Superior Bancorp to consider its annual performance to be satisfactory when reviewing the following summary of 2007 accomplishments:

- Annual Earnings up 52%: \$7.6 million vs. \$5.0 million
- Assets up 18%: \$2.9 billion vs. \$2.4 billion
- Bank branches increase more than 20%: 74 vs. 60 branches
- Stock repurchase program purchased 1.2 million shares
- Acquisition program completed with People's Community Bank, Sarasota, Florida

During 2007, the slowing economy, margin compression and the housing correction came together to create a challenging environment as we continued to execute our long-term strategic plan. We adjusted our plan to fit that environment, resulting in continued growth in assets, income, branches and markets. While we believe 2008 may be no less challenging, our strategic plan remains intact for your benefit. Unfortunately, the stock market has not recognized our progress, but rather has been negatively influenced by the sub-prime mortgage debacle, the housing slowdown and fear of an economic recession.

Your management is concentrating its efforts on managing through this credit cycle, which is much like the one financial institutions faced in 1990 and 1991. In addition, gathering core deposits through an aggressive de novo branch expansion plan, acquiring customers from merged banks, repurchasing stock at artificially depressed market values and preparing for the post-correction recovery period are our primary areas of focus.

Credit Quality Management

In our current environment, investors are betting on the quality of their respective management teams, their experiences from past credit cycles and their abilities to manage through the current cycle. Superior is fortunate to have at least a dozen senior bankers who have managed through previous credit cycles. As with the early phase of any credit cycle, non-performing loans, past due loans and charged-off loans will increase. The level of deterioration is dependent on the quality of loan underwriting and risk pricing in place at the time of the loans' origination several years ago. With the quality of underwriting standards in place at Superior, we expect that the level of credit quality deterioration should be mild.

De Novo Branch Expansion

In furtherance of Superior's de novo branch strategy, 18 of 20 planned new branches have been opened since September 2006 in key Alabama and Florida markets contributing approximately \$162 million of core deposits as of December 31, 2007. Since inception of the de novo branching plan, Superior has invested \$25 to \$30 million of capital and incurred non-interest expense associated with the new branches of \$3.0 million, representing an approximate 2% premium on deposits. Two Alabama branches are scheduled to open during 2008. Superior will then have 76 branch offices predominantly located in very attractive Alabama and Florida markets.

Bank Merger Chaos

As of this annual report, Superior will have become the third largest bank headquartered in Alabama, behind Regions and Colonial. AmSouth, SouthTrust, Compass, Alabama National and even the "old Regions" no longer exist as independent, locally-owned competitors. These mergers have caused and should continue to cause many customers of those former institutions to seek to do their banking with a locally-owned bank whose bankers are known to the customer and are able to make prompt decisions without having to call North Carolina, Canada or Spain. Superior has been and will continue to be a viable option for those customers.

Share Repurchase

Superior Bancorp repurchased 182,000 shares of common stock in the fourth quarter of 2007 pursuant to its second repurchase program and repurchased a total of approximately 1.2 million shares for the year ended December 31, 2007. The Board of Directors authorized, beginning on or after November 2, 2007, the second repurchase program to purchase up to one million shares of Superior Bancorp's outstanding common stock. The Board continues to consider an investment in the Corporation's common stock to be an excellent use of capital for the foreseeable future. Superior Bancorp does not intend to repurchase any shares from its management team or other insiders. As of December 31, 2007, Superior Bancorp had approximately 40.1 million shares of its common stock outstanding.

Board Leadership

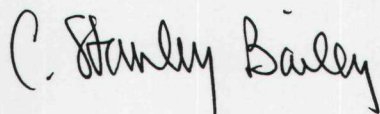
Superior's Board is representative of our geographic franchise and our shareholder composition, as well as diverse business leadership experiences. Within that context, four new directors were added to the Board during 2007: John C. Metz, Peter L. Lowe, Charles W. Roberts and Mark A. Lee. It should also be noted that K. Earl Durden is retiring as an active director. His vision, leadership and contributions have been instrumental in the creation of Superior Bancorp as we know it today.

Looking Forward

The entire banking industry is operating in an adverse environment relative to maximizing short-term performance. Factors such as the challenging credit cycle, housing softness, gloomy media coverage, weakened consumer confidence and dramatic Federal Reserve interest rate reductions provide a stiff headwind going into 2008. At Superior, we continue to adapt to these factors while remaining focused on taking the right actions that should ultimately result in enhanced shareholder value.

We appreciate your continued support during these challenging times.

Sincerely yours,



A Different Type of Bank

Superior is a community bank in philosophy, but a big bank in services. It is the best of both worlds, and it is the type of bank people are craving. This unique positioning satisfies the consumer, and allows us to attract the very best people in the industry. The fact that this caliber of personnel has joined us is a testament to our philosophy; the fact that we have achieved success is a testament to them.

Superior People. Superior Service.

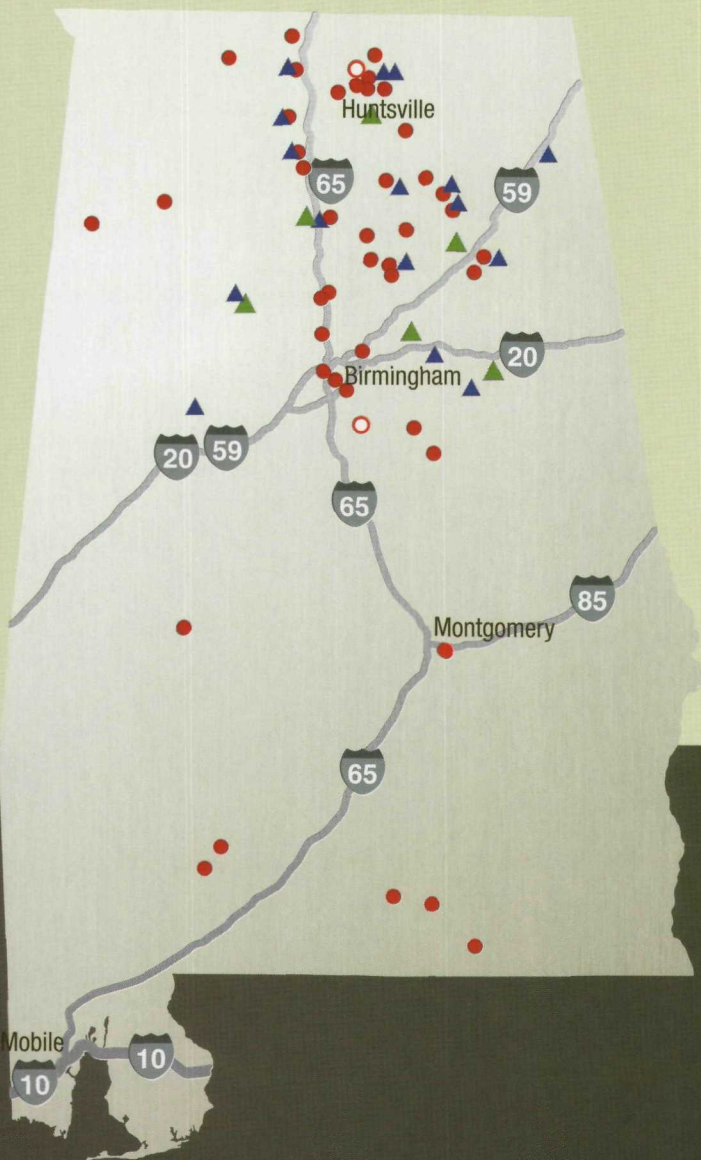
While many institutions say they're customer-driven, few can deliver. That's because excellent service doesn't just happen; it takes the right people to make it happen. We go the extra mile to hire bankers who go the extra mile. The end result, however, goes beyond service. By establishing relationships, we also establish trust, which ultimately leads to a better understanding of our customers' financial needs.

All the Pieces in Place.

Calling people our most valuable asset isn't just a feel-good line. It's a business practice that works. Superior has grown into the largest community bank in Alabama. We've said it before, but it's worth repeating: successful banking is about putting all the right people in all the right places. That's what we've done over this past year. Now, with the pieces in place, we can continue to grow our customer base and continue to prosper as a company.



ALABAMA AT A GLANCE



Current Superior Offices

- Albertville
- Andalusia
- Arab
- Athens
- Birmingham
- Birmingham Greystone
- Blountsville
- Boaz
- Childersburg
- Cleveland
- Cullman
- Decatur
- Elkmont
- Falkville
- Frisco City
- Gadsden
- Gardendale
- Guntersville
- Gurley
- Haleyville
- Hamilton
- Hartselle
- Huntsville Downtown
- Huntsville Hampton Cove
- Huntsville Jones Valley
- Madison
- Meridianville
- Monroeville
- Montgomery
- Mountain Brook Western
- New Hope
- Oneonta
- Oneonta Wal-Mart
- Opp
- Rainbow City
- Rogersville
- Samson
- Snead
- Sylacauga
- Trussville
- Uniontown
- Warrior
- West Blount

Planned Superior Branches Coming Soon in 2008

- Chelsea
- Madison Hwy 72

1st Community Credit Corporation Offices

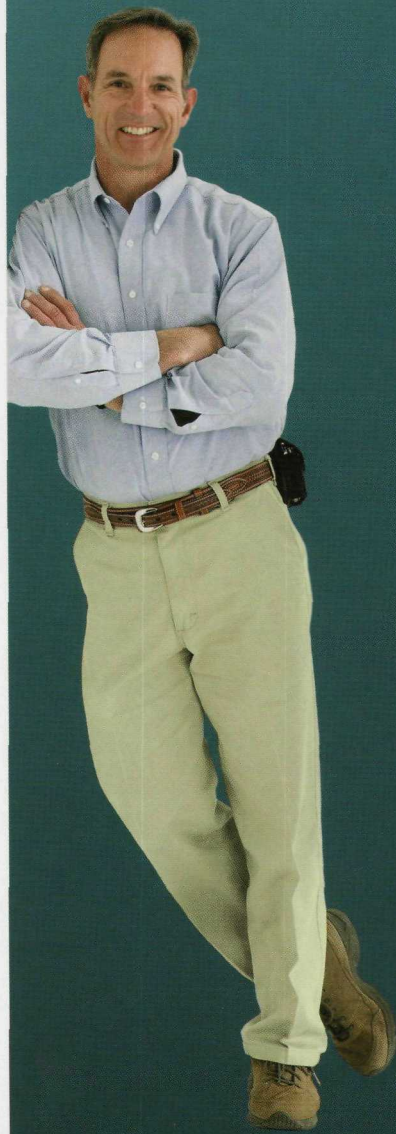
- Albertville
- Arab
- Athens
- Boaz
- Cullman
- Decatur
- Fort Payne
- Gadsden
- Hartselle
- Huntsville(2)
- Jasper
- Northport
- Oneonta
- Pell City
- Talladega

Superior Finance Company Offices

- Attalla
- Cullman
- Huntsville
- Jasper
- Moody
- Oxford

- Current Superior Branches: 43
- Planned Superior Branches: 2
- ▲ 1st Comm. Credit Offices: 16
- ▲ Superior Financial Services Offices: 6

"Having a strong banking relationship is so important when you're growing a business. We're a small company, been in business 17 years, outfitting John Deere construction equipment for use in special applications. Yet, even though we're small, Superior Bank makes us feel like we're the most important customer they have. You get the impression with some banks that the decisions are being made not by your banker, but by someone else, somewhere else. And that your banker is simply the messenger. With Superior, our banker is the decision maker. He knows us and knows what we need. Being able to deal directly with the decision maker – not the messenger – makes a world of difference. Our motto at GR is 'We build world-class products for world-class machines.' With Superior, we now have a world-class bank."



Bill Fye | GR Manufacturing, Inc. | Trussville, Alabama | Superior Relationship Manager: John Meriwether

"Switching banks isn't a decision to be made lightly, but Superior made it easy. We looked at other banks, but Superior showed that they wanted our business, and I want to do business with people that want to do business with me. Superior was the only one that studied our business and developed a program to fit our needs, not their needs or a standard model. They were interested in how we bought and sold our rental car fleet, and their solutions were tailored to our specific, local problems. Big banks simply don't have the flexibility to do that. Even before we became a customer, Scott Martin introduced me to the bank's executives. Talk about personal service. We're not the world's biggest company, but this act showed that Superior planned to treat us as if we were. To this day, they still do."



Wyn Dobbs | Decatur Transit | Decatur, Alabama | Superior Relationship Manager: Scott Martin

"The process of completing a buy/sell in the powersports industry can be complex. From the beginning, Darlina Bray made it clear that the project was as important to her and her team at Superior Bank as it was to me. From financing the project to providing the letters of credit, Darlina was available every step of the way – even on weekends or while on vacation. I have dealt with larger banks in the past, but I always felt like I was doing them a favor. With Darlina, I feel like her most important customer. Since my first project, I have added another franchise, again with the same great service from Darlina and her team. Superior offers all of the products necessary in today's market, plus I get personal service. Most companies preach about this kind of service, but very few actually deliver. Superior does!"



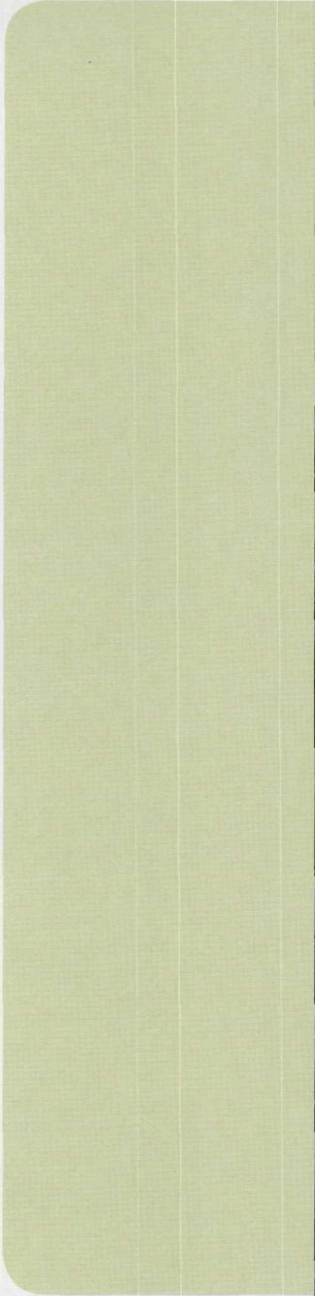
Ken Vitulli | Elk River Powersports | Fayetteville, Tennessee | Superior Relationship Manager: Darlina Bray

"As an entrepreneur, I need a banker that will sit down with me, listen and understand the needs of my eco-tour business. That's what Superior does. They don't tell me my ideas are pipe dreams. They know what I want and then help make it happen. A lot of it has to do with 'turnstile management.' That's what you get at big banks. As soon as you get to know the managers, they're gone. Then you have to start over with somebody new. It's a pain. Being with Superior, a small, personable bank, has made such an impression on me. It's a pleasure to walk into a branch. Everyone knows my name. They know my family. I've used only two banks in my life: a large, national bank; and Superior. And to be real candid, unless they become big, I'm staying with them."

Winston Spurgeon | Sarasota Bay Explorers | Sarasota, Florida | Superior Relationship Manager: Rick Halloran

Andréa T. Tullo | Tullo Law | Tampa, Florida | Superior Relationship Manager: Ken Pomeroy

"Our growing law firm had done business with a large, national bank for years when we started sharing our business with Superior Bank. When we compared them side by side, we were so impressed with the difference – everything from customer service to fees to responsiveness. For example, Superior suggested we use a remote scan deposit system. When we mentioned this to our other bank, they said that they could offer it, too. But that's not the same. Superior makes the effort to look at our business, figure out what we need and proactively offer ideas to facilitate our operation. Another difference: with our former bank, we weren't working with executives. With Superior, key decision makers are just a phone call away. For a young business like ours, we have to have a bank as our partner. Superior is definitely in our corner, helping to position us in a stronger way so we can grow."



FLORIDA AT A GLANCE



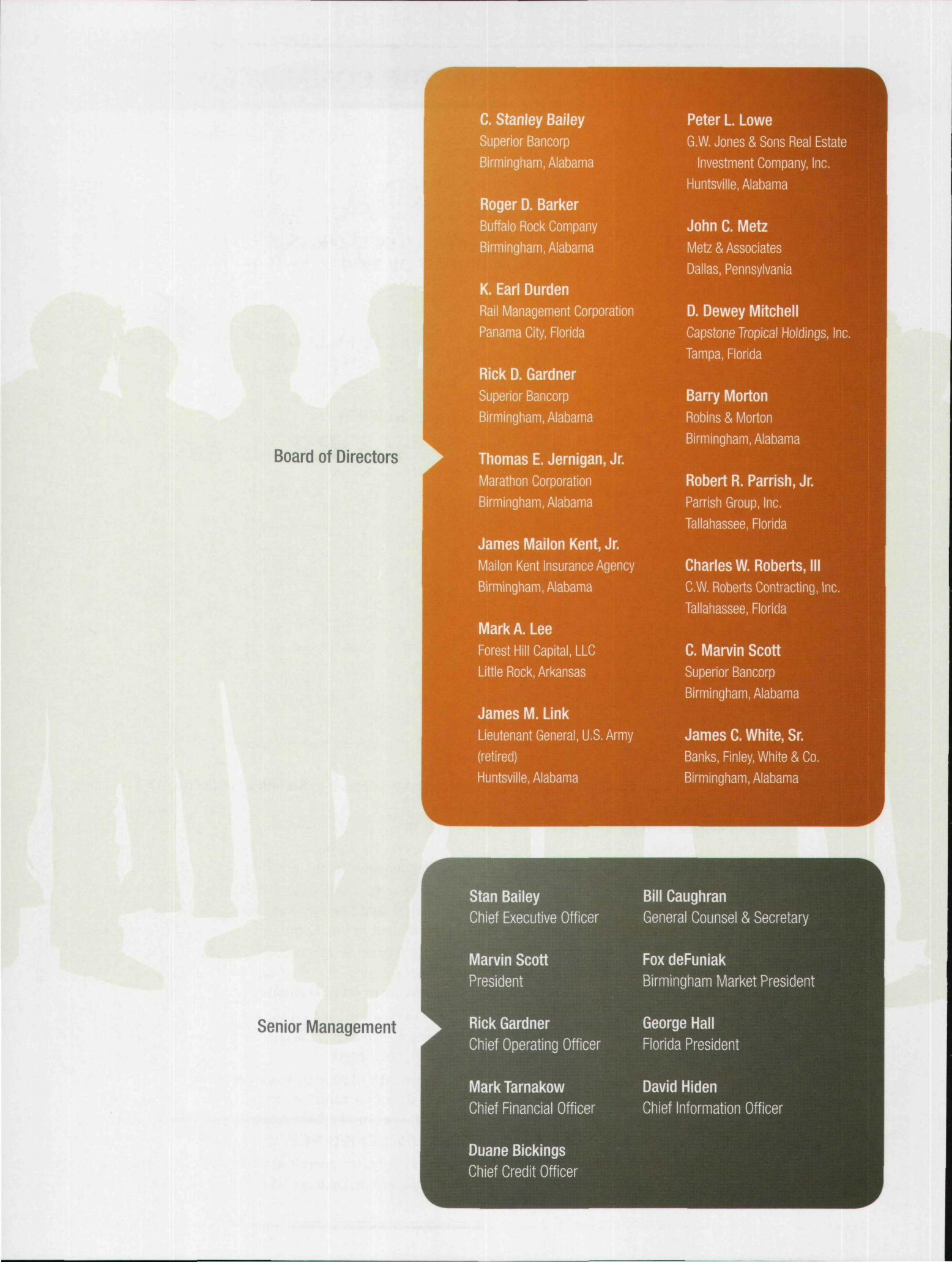
Current Superior Offices

- | | |
|---------------|-----------------------------|
| Altha | New Port Richey |
| Apalachicola | Palm Harbor |
| Beverly Hills | Panama City |
| Blountstown | Port Richey |
| Bradenton | Port St. Joe |
| Bristol | Sarasota |
| Brooksville | Spring Hill |
| Carrabelle | Sun City Center |
| Carrollwood | Aston |
| Clearwater | Courtyard |
| Cypress | Sun Towers |
| Dunnellon | Tallahassee Capital Circle |
| Homosassa | Tallahassee Killearn Center |
| Inverness | Venice |
| Marianna | Wesley Chapel |
| Mexico Beach | |

● Current Superior Branches: 31

"I've worked for a number of banks, and it's been a pleasant change to be able to take more time with customers and do that in a friendly environment. Superior Bank brings the focus back to the customer."

Ellie Smith
Branch Manager
Inverness, Florida



Board of Directors

C. Stanley Bailey

Superior Bancorp
Birmingham, Alabama

Roger D. Barker

Buffalo Rock Company
Birmingham, Alabama

K. Earl Durden

Rail Management Corporation
Panama City, Florida

Rick D. Gardner

Superior Bancorp
Birmingham, Alabama

Thomas E. Jernigan, Jr.

Marathon Corporation
Birmingham, Alabama

James Mailon Kent, Jr.

Mailon Kent Insurance Agency
Birmingham, Alabama

Mark A. Lee

Forest Hill Capital, LLC
Little Rock, Arkansas

James M. Link

Lieutenant General, U.S. Army
(retired)
Huntsville, Alabama

Peter L. Lowe

G.W. Jones & Sons Real Estate
Investment Company, Inc.
Huntsville, Alabama

John C. Metz

Metz & Associates
Dallas, Pennsylvania

D. Dewey Mitchell

Capstone Tropical Holdings, Inc.
Tampa, Florida

Barry Morton

Robins & Morton
Birmingham, Alabama

Robert R. Parrish, Jr.

Parrish Group, Inc.
Tallahassee, Florida

Charles W. Roberts, III

C.W. Roberts Contracting, Inc.
Tallahassee, Florida

C. Marvin Scott

Superior Bancorp
Birmingham, Alabama

James C. White, Sr.

Banks, Finley, White & Co.
Birmingham, Alabama

Senior Management

Stan Bailey

Chief Executive Officer

Marvin Scott

President

Rick Gardner

Chief Operating Officer

Mark Tarnakow

Chief Financial Officer

Duane Bickings

Chief Credit Officer

Bill Caughran

General Counsel & Secretary

Fox deFuniak

Birmingham Market President

George Hall

Florida President

David Hiden

Chief Information Officer



Corporate Data

Corporate Address

Superior Bancorp
17 North Twentieth Street
Birmingham, AL 35203
205-327-1400

Transfer Agent

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Independent Accountants

Grant Thornton, LLP
Raleigh, North Carolina

NASDAQ Symbol: SUPR

The company's common stock trades on the NASDAQ national market tier of the NASDAQ stock market under the symbol: SUPR

Notice of Annual Meeting

Superior Bancorp's Annual Meeting of Stockholders will be held at:

17 North Twentieth Street
Birmingham, AL 35203

April 23, 2008
10:00 A.M. (CDT)

For Information

Superior Bancorp provides reports to stockholders without charge. For additional copies of this Annual Report to Stockholders, quarterly information and the Company's Annual Report on Form 10-K (without exhibits), stockholders may forward a written request addressed to Carol Murcks, Investor Relations, 17 North Twentieth Street, Birmingham, AL 35203.

NOTICE: This annual report contains forward-looking statements. Please refer to page 56 of the enclosed Form 10-K for important information about these forward-looking statements.



\$UPERIORBANCORP

Superior Bancorp • 17 North Twentieth Street • Birmingham, AL 35203 • 205-327-1400

www.superiorbank.com