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FIDELITY SOUTHERN CORPORATION REPORTS 2007 SECOND QUARTER EARNINGS

ATLANTA, GA (July 19, 2007) - Fidelity Southern Corporation ("Fidelity") (NASDAQ:LION) reported net income of \$2,070,000 for the second quarter of 2007 compared to \$2,576,000 for the same quarter in 2006, a decrease of \$506,000 or 19.6%. Basic and diluted earnings per share for the second quarter of 2007 were \$.22 compared to \$.28 for the same period in 2006, a decrease of 21.4%. Net income for the first six months of 2007 was \$4,634,000 compared to \$4,687,000 for the same period in 2006, a decrease of \$53,000 or 1.1%. Basic and diluted earnings per share for the first six months of 2007 were \$.50 compared to \$.51 for the same period in 2006, a decrease of 2.0%.

Highlights for the first six months of 2007 include:

- total revenues increased \$12.7 million or 24.5% to \$64.5 million when compared to the same period last year
- the net interest margin stabilized and began to improve, with the net interest margin for the second quarter improving 6 basis points over the first quarter
- three branches were added in Coweta and Barrow Counties, Georgia, and Duvall County, Florida
- noninterest income was up almost 20% when compared to the first six months of 2006
- the provision for loan losses was up \$950,000 or 79.2% when compared to the same period in 2006
- earnings per share were down \$.01 or 2.0% when compared to the same period last year

Fidelity Chairman James B. Miller, Jr. said, "Although we are pleased with the planned steady increase in earnings provided by our basic operations, second quarter and year-to-date earnings were impacted by an increase in the provision for loan losses. The increase in the provision for the second quarter and the year-to-date when compared to the same periods last year resulted in a reduction in earnings per share of \$.075 for the second quarter and \$.063 for the year-to-date.

“The increase in the provision for the second quarter was primarily due to charge-offs and charge-downs on residential construction loans and an increase in adversely classified residential construction loans. The construction housing market in general and new home sales in particular have continued to suffer. Real estate construction loans make up less than 22% of our diverse loan portfolio. Fidelity does not have a direct exposure to the sub-prime market.

“We have promptly identified and addressed problems in our residential construction portfolio. Also, we are cautiously optimistic that the vibrant Atlanta and Jacksonville housing markets will stabilize.”

He also said, “We are most pleased with the early results we are seeing from our three branches opened over the last six months, including our new Winder branch, which opened this week and already has considerable loan and deposit volume. However, our focus over the remainder of the year will be on cost containment. Although loan production has been strong in the first half of 2007, loan outstandings have not increased significantly due to payoffs and sales. Loan outstandings are expected to grow in the second half of 2007.”

Fidelity President H. Palmer Proctor, Jr. said, “We continue to be pleased with the results from our deposit acquisition and relationship banking program initiated in early 2006, with continued significant increases in the volume of new deposit accounts and new account relationships.

“This growth in deposit accounts and in account relationships is clearly reflected in the continuing growth in revenues from service charges and fees. The additions of lenders and the expansion of our lending area over the last year and a half in the indirect automobile and SBA lending businesses are also generating significant and increasing revenues from those sources. Noninterest income is over 15% higher in the second quarter of 2007 and almost 20% higher in the first half of 2007 when compared to the same periods last year, and this growth is expected to continue.”

He said, “Another area in which we are realizing improvement is the net interest margin, which improved six basis points in the second quarter of 2007 when compared to the first quarter of 2007. The yield on interest-earning assets improved nine basis points in the second quarter of 2007 compared to the first quarter due to the continuing improvement in the yield on consumer loans, consisting primarily of indirect automobile loans, while the cost of interest-bearing liabilities was unchanged due in part to conservative deposit pricing.

“Thus, while the housing slow down and its impact on the economy and on our operations will continue to occupy much of our attention, we anticipate continued improvement in the results and direction of our basic operations. We continue to feel that our successes are driven by our belief that “ITS ALL ABOUT SERVICE.”

As of June 30, 2007, total assets were \$1.634 billion compared to \$1.490 billion at June 30, 2006, a \$143 million or 9.6% increase. In other year-ago comparisons, loans increased 11.5% to \$1.346 billion, total loans, including loans held-for-sale, increased 12.6% to \$1.406

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billion, deposits increased 10.9% to \$1.391 billion, and shareholders' equity increased 10.1% to \$97 million.

Net interest income for the second quarter and first six months of 2007 increased \$1.2 million and \$2.1 million, or 11.0% and 10.2%, respectively, when compared to the same periods in 2006. These increases were driven by increases in average interest-earning assets, which more than offset a decline in the net interest margin in 2006. The net interest margin decreased by three basis points to 3.08% in the second quarter of 2007 compared to the same period in 2006. The net interest margin decreased by eight basis points to 3.05% in the first six months of 2007 compared to the same period in 2006. However, compared to the first quarter of 2007, the second quarter 2007 net interest margin improved six basis points due to an 11 basis point increase in the yield on loans, while the cost of interest-bearing liabilities was unchanged. The increase in the yield on loans was in large part the result of increasing yields on the consumer loan portfolio, consisting primarily of indirect automobile loans.

Total interest income for the second quarter and first six months of 2007 increased \$5.1 million and \$11.3 million, or 21.9% and 25.3%, respectively, compared to the same periods in 2006. The increases in interest income were due to 58 basis point and 70 basis point increases in the yield on average interest-earning assets and increases in average interest-earning assets of \$172 million and \$185 million, respectively, for the second quarter and first six months of 2007 compared to the same periods in 2006.

Interest expense for the second quarter and first six months of 2007 increased \$3.9 million and \$9.1 million, or 31.0% and 38.6%, respectively, compared to the same periods in 2006. The increases in interest expense were primarily attributable to 63 basis point and 84 basis point increases in the cost of interest-bearing liabilities for the second quarter and first six months of 2007, respectively, when compared to the same periods of 2006, and increases in the volume of average interest-bearing liabilities of \$170 million and \$174 million, respectively, over the same periods of 2006. The cost of interest-bearing liabilities was flat in the second quarter of 2007 when compared to the first quarter of 2007.

The provision for loan losses for the second quarter and first six months of 2007 were \$1.7 million and \$2.2 million, respectively, compared to \$525,000 and \$1.2 million for the same periods in 2006. Net charge-offs increased \$1.1 million in the first six months of 2007 when compared to the same period in 2006. The ratio of net charge-offs to average loans outstanding was .33% for the first six months of 2007 compared to .18% for the same period in 2006. The allowance for loan losses as a percentage of loans decreased from 1.06% at June 30, 2006, to 1.03% at June 30, 2007, as the ratio of adversely classified loans to total loans decreased from 2.41% at June 30, 2006, to 1.68% at June 30, 2007. Compared to March 31, 2007, the allowance for loan losses as a percentage of loans increased from 1.02%. Nonperforming assets increased to \$12.4 million at June 30, 2007, compared to \$2.4 million at June 30, 2006, and \$9.1 million at March 31, 2007. The increase in nonperforming assets was primarily driven by increases in nonaccrual loans and other real estate, over 80% of the balances of which are secured by real estate. Management believes it has been proactive in charging down and charging off these nonperforming assets as appropriate and anticipates no significant additional losses resulting from these nonperforming assets. The decline in the allowance for loan losses as a percentage of

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loans from June 30, 2006 to June 30, 2007, was due to the payoff and pay down of significant loan balances for which a portion of the allowance had been specifically allocated.

Noninterest income increased \$569,000 and \$1.4 million, or 15.1% and 19.7%, to \$4.3 million and \$8.8 million, respectively, in the second quarter and first six months of 2007, compared to the same periods in 2006. These increases were primarily due to increases in indirect lending revenues and SBA lending activities. Indirect lending revenues increased \$267,000 and \$640,000, or 25.7% and 31.4%, to \$1.3 million and \$2.7 million, respectively, during the second quarter and first six months of 2007 when compared to the same periods last year due to an increase in the number and volume of indirect loans sold and increases in fees from indirect loans serviced. Revenue from SBA lending activities increased \$163,000 and \$440,000, or 40.0% and 56.8%, to \$570,000 and \$1.2 million, respectively, due to the continuing expansion of the SBA lending business. In addition, service charges on deposit accounts increased \$204,000 and \$349,000, or 20.4% and 17.7%, to \$1.2 million and \$2.3 million, respectively, due to the growing number of transaction accounts resulting from the transaction account acquisition program initiated in early 2006 to attract lower-costing deposits generating service charges and fees.

Noninterest expense for the second quarter and first six months of 2007, increased \$1.3 million and \$2.8 million, or 12.9% and 13.7%, to \$11.4 million and \$22.9 million, respectively, when compared to the same periods of 2006. These increases were primarily related to increases in salaries and benefits expense of \$760,000 and \$1.7 million, or 13.8% and 15.0%, to \$6.3 million and \$12.7 million, respectively, and increases in other operating expenses of \$300,000 and \$763,000, or 23.5% and 30.8%, to \$1.6 million and \$3.2 million, respectively. The increases in salaries and benefits expenses were primarily due to the addition of seasoned loan production and branch operations staff, including SBA, indirect automobile, and commercial lenders to increase lending volume, and staff for the new branches added in 2006 and to some extent in 2007. The increases in other operating expenses were primarily related to hiring costs, business development costs, and costs related to growing volumes of accounts and related transaction activity.

Fidelity Southern Corporation, through its operating subsidiaries Fidelity Bank and LionMark Insurance Company, provides a wide range of banking, mortgage and investment services, and a credit related insurance product through 23 branches in Atlanta, Georgia, a branch in Jacksonville, Florida, and an insurance office in Atlanta, Georgia. Mortgage and construction loans are also provided through offices in Jacksonville, Florida. Automobile loans and SBA loans are provided through employees located throughout the Southeast. For additional information about Fidelity's products and services, please visit the web site at www.FidelitySouthern.com.

This release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to present or future trends or factors generally affecting the banking industry and specifically affecting Fidelity's operations, markets, and products. Without limiting the foregoing, the words "believes," "expects," "anticipates," "estimates," "projects," "intends," and similar expressions are intended to identify forward-

looking statements. These forward-looking statements are based upon assumptions Fidelity believes are reasonable and may relate to, among other things, the adequacy of the allowance for loan losses, changes in interest rates, and litigation results. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those projected for many reasons including, without limitation, changing events and trends that have influenced Fidelity's assumptions. These trends and events include (i) difficulties in maintaining our growth; (ii) unique risks associated with our construction and land development loans; (iii) changes in the interest rate environment; (iv) changes in land values and economic conditions in Atlanta, Georgia; (v) our ability to maintain and service relationships with our automobile dealers and investors and our ability to profitably manage changes in our indirect automobile lending operations; (vi) less favorable than anticipated changes in the national and local business environment, particularly in regard to the housing market in general and residential construction and new home sales in particular; (vii) adverse changes in the regulatory requirements affecting us; (viii) greater competitive pressures among financial institutions in our market; (ix) changes in political, legislative and economic conditions; (x) inflation; (xi) greater loan losses than historic levels and an insufficient allowance for loan losses; (xii) environmental liability risks; and (xiii) failure to achieve the revenue increases expected to result from our investments in branch additions and in our transaction deposit and lending businesses. This list is intended to identify some of the principal factors that could cause actual results to differ materially from those described in the forward-looking statements included herein and are not intended to represent a complete list of all risks and uncertainties in our business. Investors are encouraged to read the related section in Fidelity Southern Corporation's 2006 Annual Report on Form 10-K, including the "Risk Factors" set forth therein. Additional information and other factors that could affect future financial results are included in Fidelity's filings with the Securities and Exchange Commission.