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FIDELITY SOUTHERN CORPORATION REPORTS MODEST PROFIT AND INCREASED RESERVES

ATLANTA, GA (July 17, 2008) – Fidelity Southern Corporation (“Fidelity” or “the Company”) (NASDAQ:LION), holding Company for Fidelity Bank, reported net income of \$5,000 for the second quarter of 2008 compared to \$2,070,000 for the same quarter of 2007. Basic and diluted income per share for the second quarter of 2008 were less than \$.01 compared to earnings of \$.22 for the same period in 2007. Net income for the first six months of 2008 was \$1,115,000 compared to \$4,634,000 for the same period in 2007. Basic and diluted earnings per share for the first six months of 2008 were \$.12 compared to \$.50 for the same period in 2007.

Chairman James B. Miller, Jr. said, “We have the capacity to manage through the cycle. Though we continue to focus on core earnings and building the franchise, these are obviously uncertain and troubled times. Even with extraordinary effort, charge-offs and reserves will increase well into next year.”

Significant developments in the quarter and the first half included:

- Net interest income grew 3.02% over the first quarter of 2007 and 3.6% over the first half of 2007.
- Margin was up slightly in the second quarter to 2.95% from 2.94% in the first quarter of 2008. Cost of funds was down as a result of conservative deposit pricing as loan pricing firmed.
- Personnel expenses were down 7% in the second quarter when compared to the first quarter of 2008.
- Total assets grew only 2.5% in the quarter to \$1.779 billion.
- Demand deposit accounts increased 14% this year through June.
- An updated website was introduced during the second quarter to meet growing demand.
- Remote deposit volume grew to 33.2% of all deposits.
- Brokerage activities were moved to Reliance Trust into a managed account program which will provide both a fixed and variable revenue stream.
- Reserves substantially increased to 1.48% of loans from 1.05% at June 30, 2007, and 1.34% at March 31, 2008. The increase was \$2.4 million over the second quarter of 2008 and \$7.2

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million greater than reserves at June 30, 2007. Provision for loan losses was \$4.8 million and \$9.4 million for the second quarter and first six months of 2008, respectively, compared to \$1.7 million and \$2.2 million for the same periods in 2007.

- Net charge-offs increased to \$2.4 million in the second quarter from \$2.1 million in the first quarter of 2008. Indirect automobile lending accounted for 81.6% of net charge-offs during the second quarter compared to 75.7% in the first quarter.
- The ratio of net charge-offs to average loans outstanding was .63% for the first six months of 2008 compared to .33% for the same period in 2007.
- Nonperforming loans, repossessions and other real estate owned totaled \$57.7 million at the end of the second quarter, an increase of \$20.7 million in the quarter.
- During the quarter \$2.5 million of OREO assets were sold but \$5.6 million was added to OREO net of \$501,000 in charge-downs. OREO consists of 50 houses, representing 73.4% of total balances, and 79 lots and includes no commercial property.
- New residential construction loan advances made during the quarter totaled \$15.0 million, while the payoffs of construction loans totaled \$29.6 million. There are 832 houses and 2,024 lots financed at June 30, 2008, compared to 1,172 houses and 2,372 lots at June 30, 2007.
- Nonperforming residential construction loans at June 30, 2008, included 140 houses totaling \$25.7 million and 166 lots totaling \$13.8 million. During the quarter \$2.0 million of nonperforming loans were paid off by our customers while \$25.7 million of loans were moved to nonperforming.
- Dividend was cut to \$.01 for the third quarter from \$.09 in the previous quarter.

The decrease in net income for both the second quarter and six month periods compared to the prior year was primarily the result of a higher provision for loan losses due to higher charge-offs and adverse credit trends in the real estate construction and to some extent consumer loan portfolios requiring an increase in the allowance for loan losses.

Net interest income for the second quarter increased 3.0% over the first quarter of 2008 and increased \$369,000 or 3.2% over the same period in 2007. Net interest income for the first six months of 2008 increased \$825,000 or 3.6% when compared to the same period in 2007. The increases were primarily a result of higher average interest-earning assets. The net interest margin stabilized in the second quarter. It increased slightly to 2.95% in the second quarter compared to 2.94% in the first quarter of 2008. The net interest margin decreased 13 basis points in the second quarter of 2008 when compared to the same period in 2007. The net interest margin decreased 10 basis points to 2.95% for the first half of 2008 compared to the same period in 2007. The decline in net interest margin in the second quarter and first six months of 2008 was due primarily to reductions in the prime rate and an increase in nonperforming loans.

Total interest income for the second quarter and first six months of 2008 decreased \$2.2 million and \$2.1 million, or 7.6% and 3.7%, respectively, compared to the same periods in 2007. The decreases in interest income for the second quarter and first six months of 2008 were the result of a decrease of 104 basis points and 74 basis points in the yield on average interest-earning assets, respectively, offset in part by the growth in average interest-earning assets, which increased \$120.1 million and \$104.3 or 7.8% and 6.8%, respectively.

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Interest expense for the second quarter and first six months of 2008 decreased \$2.5 million and \$2.9 million, or 15.2% and 8.9%, respectively, compared to the same periods in 2007. The decreases in interest expense for the second quarter and first six months of 2008 were attributable to an increase in average interest-bearing liabilities of \$124.1 million and \$113.0 million, respectively, more than offset by a 106 basis point and 77 basis point decrease in the cost of interest-bearing liabilities.

The provision for loan losses for the second quarter and first six months of 2008 was \$4.8 million and \$9.4 million, respectively, compared to \$1.7 million and \$2.2 million for the same periods in 2007, due to increased charge-offs and adverse credit trends in the construction loan portfolio and to some extent in the consumer loan portfolio. Net charge-offs increased \$1.1 million and \$2.3 million to \$2.4 million and \$4.5 million for the second quarter and first six months of 2008 when compared to the same periods in 2007. The allowance for loan losses as a percentage of loans increased from 1.19% at December 31, 2007, to 1.48% at June 30, 2008, compared to 1.05% at June 30, 2007. Nonperforming assets increased to \$57.7 million at the end of the second quarter of 2008 compared to \$12.4 million at the end of the second quarter of 2007 and \$24.2 million at the end of 2007. Management believes it has identified and placed on nonaccrual, charged down, and charged off these nonperforming assets timely and appropriately.

Noninterest income increased \$19,000 and \$1.2 million or .4% and 14.0% to \$4.4 million and \$10.0 million, respectively, in the second quarter and first six months of 2008, compared to the same periods in 2007. The increase in noninterest income for the second quarter of 2008 compared to 2007 was a result of higher indirect lending revenues which increased \$204,000 or 15.6% to \$1.5 million because of an increase in the gain on sales and increases in net servicing and ancillary fees generated by the serviced portfolio. The increase in noninterest income of \$1.2 million for the first six months of 2008 was due to the \$1.3 million securities gain in the first quarter of 2008 from the mandatory redemption of 29,267 shares of Visa, Inc. common stock as a result of its initial public offering in March 2008. Indirect lending revenues also increased \$417,000, or 15.6%, to \$3.1 million during the first six months of 2008 when compared to the same period last year due to an increase in the gain on sales of indirect loans and increases in net servicing and ancillary fees from indirect loans serviced.

Noninterest expense for the second quarter and first six months of 2008 increased \$720,000 and \$569,000, or 6.3% and 2.5%, to \$12.1 million and \$23.5 million, respectively compared to the same periods in 2007. The increases for the second quarter and first six months of 2008 are a result of higher salaries and benefits expense, which increased \$96,000 and \$533,000 or 1.5% and 4.2% to \$6.4 million and \$13.2 million, respectively, compared to the same periods in 2007, primarily due to the addition of seasoned loan production and branch operations staff, including SBA, indirect automobile, and commercial lenders, and staff for the three branches opened in 2007. In addition, OREO write-downs increased to \$501,000 in the second quarter of 2008 compared to none for the same period in 2007. The increase in noninterest expense for the first six months of 2008 was partially offset by the reversal of the fourth quarter 2007 Visa litigation expense accrual of \$567,000 as the result of the Visa funding of a litigation escrow account through its initial public offering in March 2008.

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Fidelity Southern Corporation, through its operating subsidiaries Fidelity Bank and LionMark Insurance Company, provides banking 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. SBA loans are provided through employees located throughout the Southeast. For additional information about Fidelity's products and services, please visit the website at www.FidelitySouthern.com.

This news release contains forward-looking statements, as defined by Federal Securities Laws, including statements about financial outlook and business environment. These statements are provided to assist in the understanding of future financial performance and such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. Any such statements are based on current expectations and involve a number of risks and uncertainties. For a discussion of some factors that may cause such forward-looking statements to differ materially from actual results, please refer to the section entitled "Forward Looking Statements" on page 3 of Fidelity Southern Corporation's 2007 Annual Report filed on Form 10-K with the Securities and Exchange Commission.