



P.O. Box 105075
Atlanta, GA 30348-1075

**FIDELITY
SOUTHERN
CORPORATION**

(404) 639-6500
www.fidelitysouthern.com

FOR IMMEDIATE RELEASE

Contacts: Martha Fleming, Rod Marlow
Fidelity Southern Corporation (404) 240-1504

FIDELITY SOUTHERN CORPORATION REPORTS 2007 THIRD QUARTER EARNINGS

ATLANTA, GA (October 18, 2007) - Fidelity Southern Corporation (“Fidelity”) (NASDAQ:LION) reported net income of \$1,679,000 for the third quarter of 2007 compared to \$2,789,000 for the same quarter in 2006, a decrease of \$1,110,000 or 39.8%, while total revenue increased 13.7%. Basic and diluted earnings per share for the third quarter of 2007 were \$.18 compared to \$.30 for the same period in 2006, a decrease of 40.0%.

Net income for the first nine months of 2007 was \$6,313,000 compared to \$7,476,000 for the same period in 2006, a decrease of \$1,163,000 or 15.6%. Basic and diluted earnings per share for the first nine months of 2007 were \$.68 compared to \$.81 for the same period in 2006, a decrease of 16.0%.

The decline in earnings was due to a \$2.7 million increase year-to-date in the loan loss provision, equal to \$.18 a share.

Other significant developments were:

- Noninterest income grew 19.3% year-to-date
- Equity grew 7.8% year over year
- Assets grew 5.8% year over year
- Loans grew 8.2% year over year
- Deposits grew 5.0% year over year
- Net interest income grew 9.5% year-to-date
- Net interest margin grew 7 basis points in the quarter versus first quarter

Chairman James B. Miller, Jr. said, “We are very pleased with basic operations during 2007, as reflected in the improvements in the net interest margin, growth in noninterest income and in the success of our branch expansion program. While we are proactively addressing the problems relating to the downturn in the housing market and their impact on our residential construction portfolio, we are also focused on the long-term positioning of Fidelity to take advantage of current and evolving market conditions. Not only have we continued this quarter to hire production staff, we bolstered regulatory capital with a \$20 million trust preferred issuance.

“We continue to be diligent in our credit review process and are aggressive in dealing with our residential construction portfolios. Loans have been charged off or charged down in a rigorous fashion. Residential construction loans are only 19.5% of our diversified loan portfolio. We have only one condominium construction loan, and that loan is to a governmental entity. The units are nearly sold out. Nonresidential commercial real estate construction loans are only 1.1% of our loan portfolio.

“We are assuming the housing market will not improve very much until 2009, but believe fewer houses are being built than are being sold, which is a positive indicator. The supply of lots in greater Atlanta continues, however, to build while our exposure is reducing.

“Net of charge downs in October, we now have in OREO or in foreclosure 70 lots at a value of \$3,168,000, 21 houses at a value of \$2,750,000, and in nonaccrual 19 lots at a value of \$1,100,000 and 5 houses at a value of \$1,780,000, which volume we consider manageable.

“The rebalancing of our deposit portfolio to generate more transaction accounts and the loan portfolio to include less residential construction loan outstandings has continued as planned and this trend should continue along with the modest asset growth we see ahead for the rest of 2007 and for 2008.

“We also need to note that we have no subprime lending programs or subprime loan portfolios and likewise have no investments in any subprime assets or assets with subprime characteristics. We also have no loan participations bought from other lenders as we prefer to underwrite and manage our own portfolio.”

Fidelity President H. Palmer Proctor, Jr. said, “The good news on the deposit side is that our deposit account acquisition program continues to generate a growing number of lower costing transaction accounts, which growth is reflected in the double digit increases in service charges and related fees for the first nine months of 2007 compared to the same period last year.

“Noninterest income increased 20.0% in the first nine months. The successes of our investments in SBA and indirect automobile lenders and markets over the past several years are reflected in the significant increases in revenues from those activities in the first nine months of 2007 compared to the same period last year, with increases of 28.0% and 59.0% in indirect automobile revenues and in SBA revenues, respectively.

“The net interest margin improved to 3.09% in the third quarter from 3.02% in the first quarter. This was achieved through a continuing increase in the yield on the fixed rate consumer loan portfolio while the cost of funds stabilized in the third quarter due to growth in lower costing transaction balances and through conservative time deposit pricing. A significant amount of the non-relationship time deposit balances moved out of the bank.

“We are very pleased with the results of our branch expansion program during 2006 and 2007, with the new branches providing excellent deposit and loan growth and balances.

Fidelity Southern Corporation
Third Quarter Earnings Release
October 18, 2007

“We will not lose sight of improving operating results and building long-term shareholder value, nor will we lose sight of our dedication to providing superior service.”

As of September 30, 2007, total assets were \$1.662 billion compared to \$1.570 billion at September 30, 2006, a \$92 million or 5.8% increase. In other year-ago comparisons, loans increased 8.2% to \$1.377 billion, total loans, including loans held-for-sale, increased 8.1% to \$1.425 billion, deposits increased 5.0% to \$1.384 billion, and shareholders' equity increased 7.8% to \$99 million.

Net interest income for the third quarter and first nine months of 2007 increased \$899,000 and \$3.0 million, or 8.1% and 9.5%, respectively, when compared to the same periods in 2006. These increases were driven by increases in average interest-earning assets. The net interest margin increased one basis point to 3.09% in the third quarter of 2007 and decreased by five basis points to 3.06% in the first nine months of 2007 when compared to the same periods in 2006.

Total interest income for the third quarter and first nine months of 2007 increased \$3.3 million and \$14.6 million, or 12.9% and 20.8%, respectively, compared to the same periods in 2006. The increases in interest income were due to 31 basis point and 57 basis point increases in the yield on average interest-earning assets and increases in average interest-earning assets of \$118 million and \$162 million, respectively, for the third quarter and first nine months of 2007 compared to the same periods in 2006.

Interest expense for the third quarter and first nine months of 2007 increased \$2.4 million and \$11.6 million, or 16.5% and 30.2%, respectively, compared to the same periods in 2006. The increases in interest expense were primarily attributable to 30 basis point and 65 basis point increases in the cost of interest-bearing liabilities for the third quarter and first nine months of 2007, respectively, when compared to the same periods of 2006, and increases in the volume of average interest-bearing liabilities of \$120 million and \$156 million, respectively, over the same periods of 2006.

The provision for loan losses for the third quarter and first nine months of 2007 was \$2.8 million and \$5.0 million, respectively, compared to \$1.1 million and \$2.3 million for the same periods in 2006. Net charge-offs increased \$2.6 million in the first nine months of 2007 when compared to the same period in 2006. The ratio of net charge-offs to average loans outstanding was .39% for the first nine months of 2007 compared to .16% for the same period in 2006. The allowance for loan losses as a percentage of loans increased from 1.06% at September 30, 2006, to 1.08% at September 30, 2007. While net charge-offs and nonperforming assets have increased, the ratio of adversely classified loans to total loans decreased from 2.49% at September 30, 2006, to 1.75% at September 30, 2007. Compared to June 30, 2007, the allowance for loan losses as a percentage of loans increased five basis points from 1.03% to 1.08% at September 30, 2007. Nonperforming assets increased to \$13.8 million at September 30, 2007, compared to \$5.2 million at September 30, 2006, and \$12.4 million at June 30, 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. The remaining

Fidelity Southern Corporation
Third Quarter Earnings Release
October 18, 2007

20% is secured by other collateral. Management believes it has been proactive in identifying and charging down and charging off these nonperforming assets as appropriate.

Noninterest income increased \$749,000 and \$2.2 million, or 18.5% and 19.3%, to \$4.8 million and \$13.6 million, respectively, in the third quarter and first nine 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 \$245,000 and \$885,000, or 21.7% and 28.0%, to \$1.4 million and \$4.1 million, respectively, during the third quarter and first nine 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 servicing and other fees from indirect loans serviced. Revenue from SBA lending activities increased \$282,000 and \$722,000, or 61.8% and 58.7%, to \$738,000 and \$2.0 million, respectively, due to the continuing expansion of the SBA lending business. In addition, service charges on deposit accounts increased \$90,000 and \$439,000, or 7.9% and 14.1%, to \$1.2 million and \$3.6 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.

Noninterest expense for the third quarter and first nine months of 2007, increased \$1.8 million and \$4.5 million, or 17.8% and 15.0%, to \$11.8 million and \$34.8 million, respectively, when compared to the same periods of 2006. These increases were primarily related to increases in salaries and benefits expense of \$1.2 million and \$2.9 million, or 22.1% and 17.4%, to \$6.6 million and \$19.3 million, respectively, and increases in other operating expenses of \$219,000 and \$982,000, or 16.6% and 25.9%, to \$1.5 million and \$4.8 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 numbers 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 24 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.