

FIDELITY SOUTHERN CORP
Form 424B2
June 05, 2013
Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-184114

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 3, 2012)

5,000,000 Shares

Common Stock

\$12.00 per share

We are offering shares of our common stock, no par value. Our common stock is listed and traded on the NASDAQ Global Select Market, or NASDAQ, under the symbol LION. The last reported sale price of our common stock on June 4, 2013 was \$12.67 per share.

Investing in our common stock involves risks. See the **Risk Factors** section beginning on page S-11 of this prospectus supplement and the **Risk Factors** section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this prospectus supplement.

	Per Share	Total
Public offering price	\$ 12.00	\$ 60,000,000
Underwriting discount	\$ 0.60	\$ 3,000,000
Proceeds to Fidelity Southern Corporation (before expenses)	\$ 11.40	\$ 57,000,000

The underwriters may also purchase up to an additional 750,000 shares of our common stock from us at the public offering price less the underwriting discount within 30 days after the date of this prospectus supplement to cover over-allotments, if any.

Shares of our common stock are not savings accounts, deposits or obligations of any bank or non-bank subsidiary of Fidelity Southern Corporation and are not insured or guaranteed by the Federal Deposit Insurance Corporation, or FDIC, the Deposit Insurance Fund or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on or about June 10, 2013.

Keefe, Bruyette & Woods
A Stifel Company

Baird

FIG Partners, LLC

The date of this prospectus supplement is June 5, 2013.

Table of Contents

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Supplement	
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-iii
<u>FORWARD-LOOKING STATEMENTS</u>	S-iii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-iv
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-1
<u>SUMMARY SELECTED CONSOLIDATED FINANCIAL INFORMATION</u>	S-9
<u>RISK FACTORS</u>	S-11
<u>PRICE RANGE OF OUR COMMON STOCK AND DIVIDENDS PAID</u>	S-22
<u>USE OF PROCEEDS</u>	S-24
<u>CAPITALIZATION</u>	S-25
<u>UNDERWRITING</u>	S-26
<u>VALIDITY OF THE COMMON STOCK</u>	S-30
<u>EXPERTS</u>	S-30
 Prospectus	
<u>ABOUT THIS PROSPECTUS</u>	1
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>RISK FACTORS</u>	3
<u>ABOUT FIDELITY SOUTHERN CORPORATION</u>	3
<u>USE OF PROCEEDS</u>	3
<u>PLAN OF DISTRIBUTION</u>	4
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	5
<u>SECURITIES WE MAY OFFER</u>	5
<u>DESCRIPTION OF COMMON STOCK</u>	6
<u>DESCRIPTION OF PREFERRED STOCK</u>	10
<u>DESCRIPTION OF WARRANTS</u>	12
<u>DESCRIPTION OF DEBT SECURITIES</u>	13
<u>LEGAL MATTERS</u>	16
<u>EXPERTS</u>	16
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION ABOUT FIDELITY AND DOCUMENTS INCLUDED WITH THIS PROSPECTUS</u>	16

We are responsible for the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus and in any related free-writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to give you any other information, and neither we nor the underwriters take responsibility for any other information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell, or a solicitation of an offer to purchase, shares of our common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is a supplement to the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell from time to time any combination of securities described in the accompanying prospectus in one or more offerings such as this offering. The accompanying prospectus provides you with a general description of the securities we may offer. This prospectus supplement provides you with specific information about our common stock we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us and other information you should know before investing. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. To the extent the information in this prospectus supplement is different from that in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described in the section entitled "Where You Can Find More Information" of this prospectus supplement, before investing in our common stock.

Unless otherwise stated or the context otherwise requires, all references in this prospectus supplement to:

Fidelity Southern, the Company, we, our, us and similar terms refer to Fidelity Southern Corporation and its consolidated subsidiaries; the Bank refer to Fidelity Bank, our wholly owned subsidiary; and our outstanding shares of common stock exclude the effect of the for-share dividend we paid in May 2013.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of shares of our common stock.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus supplement and accompanying prospectus are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that reflect our current expectations relating to present or future trends or factors generally affecting the banking industry and specifically affecting our operations, markets and services. Without limiting the foregoing, forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as believes, expects, anticipates, estimates, projects, intends, and similar expressions. These forward-looking statements are based on assumptions we believe are reasonable and may relate to, among other things, the difficult economic conditions and the economy's impact on operating results, credit quality, liquidity, capital, the adequacy of the allowance for loan losses, and changes in interest rates. 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 our assumptions.

These trends and events include: (1) risks associated with our loan portfolio, including difficulties in maintaining quality loan growth, greater loan losses than historic levels, the risk of an insufficient allowance for loan losses, and expenses associated with managing nonperforming assets, unique risks associated with our construction and land development loans, our ability to maintain and service relationships with automobile dealers and indirect automobile loan purchasers, and our ability to profitably manage changes in our indirect automobile lending operations; (2) risks associated with adverse economic conditions, including a risk of continued decline in real estate values in the Atlanta, Georgia metropolitan area and in eastern and northern Florida markets, conditions in the financial markets and economic conditions generally and the impact of efforts to address difficult market and economic conditions, the impact of a recession on our loan portfolio, changes in the interest rate environment and the impact on our net interest margin, and inflation; (3) risks associated with government regulation and programs, uncertainty with respect to future governmental economic

Table of Contents

and regulatory measures, new regulatory requirements imposed by the Consumer Financial Protection Bureau, new regulatory requirements for residential mortgage loan services, the winding down of governmental emergency measures intended to stabilize the financial system, and numerous legislative proposals to further regulate the financial services industry, the impact of adverse changes in the governmental regulatory requirements affecting us, and changes in political, legislative and economic conditions; (4) ability to maintain adequate liquidity and sources of liquidity; (5) our ability to maintain sufficient capital and to raise additional capital; (6) the accuracy and completeness of information from customers and our counterparties; (7) the effectiveness of our controls and procedures; (8) our ability to attract and retain skilled people; (9) greater competitive pressures among financial institutions in our market; (10) the failure to achieve the revenue increases expected to result from our investments in our growth strategies, including our branch additions and in our transaction deposit and lending businesses; (11) the volatility and limited trading of our common stock; (12) the impact of dilution on our common stock; (13) risks related to FDIC-assisted transactions; compliance with certain requirements under our FDIC loss share agreements; and changes in national and local economic conditions resulting in higher charge-offs not covered by the FDIC loss share agreement; and (14) risks associated with technological changes and the possibility of cyberfraud.

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 risks discussed under Risk Factors.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements, information statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public at the SEC's website at www.sec.gov and on our corporate website at www.fidelitysouthern.com. The information on our corporate website is not part of this prospectus supplement, the accompanying prospectus or any free writing prospectuses or other offering materials.

We incorporate by reference into this prospectus supplement information we file with the SEC, which means:

incorporated documents are considered part of this prospectus supplement;
we can disclose important information to you by referring you to those documents; and
information that we file later with the SEC automatically will update and supersede information contained in this prospectus supplement.
We are incorporating by reference into this prospectus supplement the following documents:

annual report on Form 10-K for the year ended December 31, 2012;
quarterly report on Form 10-Q for the three months ended March 31, 2013;
current reports on Form 8-K filed with the SEC on January 22, 2013, March 28, 2013, April 19, 2013, May 1, 2013, June 4, 2013 and June 5, 2013 (except to the extent any parts of such reports were deemed furnished and not filed in accordance with SEC rules); and
the description of our common stock contained in our registration statement on our Registration Statement filed on Form 8-A, filed with the SEC on November 23, 2010 and any other amendment or report filed for the purpose of updating such description.
We also incorporate by reference any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and until the termination of this offering (other than documents or information deemed furnished and not filed in accordance with SEC rules).

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or

Table of Contents

any other subsequently filed document that is deemed to be incorporated by reference into this prospectus supplement modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in the prospectus but not delivered with the prospectus. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference into such documents. You can obtain copies of the documents incorporated by reference in this prospectus supplement, at no cost, by writing or calling us at the following address:

Fidelity Southern Corporation

3490 Piedmont Road, Suite 1550

Atlanta, Georgia 30305

Attention: Corporate Secretary

(404) 639-6500

S-v

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary is not complete and does not contain all of the information that you should consider before investing in shares of our common stock. It is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making your investment decision, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. See the "Risk Factors" section beginning on page S-11 of this prospectus supplement and the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this prospectus supplement.

Fidelity Southern Corporation

Overview

We are a bank holding company headquartered in Atlanta, Georgia. We conduct operations primarily through the Bank, which was organized as a national banking corporation in 1973 and converted to a Georgia chartered state bank in 2003. The Bank provides an array of financial products and services for business and retail customers primarily through 31 branches in Fulton, DeKalb, Cobb, Clayton, Forsyth, Gwinnett, Rockdale, Coweta, Henry, Greene, and Barrow Counties in Georgia, a branch in Jacksonville, Duval County, Florida, and online at www.LionBank.com. The Bank's business and retail banking customers are primarily individuals and small and medium sized businesses located in Georgia. Mortgage loans, automobile loans, and Small Business Administration, or SBA, loans are provided through offices in 11 Southeastern and Mid-Atlantic states. We also offer consumer credit related insurance products through LionMark Insurance Company, our wholly owned insurance agency.

The Bank is primarily engaged in attracting deposits from individuals and businesses and using these deposits and borrowed funds to originate commercial and industrial loans, commercial loans secured by real estate, SBA loans, construction and residential real estate loans, direct and indirect automobile loans, residential mortgage and home equity loans, and secured and unsecured installment loans. The Bank offers business and personal credit card loans through a third party agency relationship. Additionally, the Bank offers businesses remote deposit services, which allow participating companies to scan and electronically send deposits to the Bank for improved security and funds availability. The Bank also provides international trade services, trust services and merchant services activities, through agreements with third parties, and investment services through an agreement with an independent broker-dealer.

We have generally grown our assets, deposits, and business internally by building on our lending products, expanding our deposit products and delivery capabilities, opening new branches, and hiring experienced bankers with existing customer relationships in our market. We have also grown opportunistically through acquisitions, the two most recent of which were the FDIC-assisted transactions we completed in October 2011 and June 2012, respectively. As of March 31, 2013, we had \$2.5 billion in total assets, \$2.1 billion in loans, and \$2.1 billion in deposits.

Market Area and Core Deposit Franchise

We currently operate 32 branch locations, all but two of which are located in the Atlanta-Sandy Springs-Marietta Metropolitan Statistical Area, or the Atlanta MSA. We believe the Atlanta MSA is one of the more attractive markets in the country because of its size and amount of business activity. The Atlanta MSA is the 9th largest MSA in the country by population and has \$118.5 billion in market deposits as of June 30, 2012 according to SNL Financial LP, or SNL. According to SNL, the Atlanta MSA is expected to have population growth of 5.3% from 2012 to 2017 as compared to 3.5% for the United States. There are 11 Fortune 500 companies headquartered here including Home Depot, UPS, Coca-Cola, and Delta Air Lines, ranking Atlanta third among U.S. cities with the most Fortune 500 companies. While we do not pursue customers of this size, we believe the economic activity they generate

Table of Contents

leads to greater activity among the small and medium sized businesses that we do target. According to the 2010 U.S. Census Bureau, Atlanta is ranked 8th among metropolitan areas for small business activity by the number of businesses with less than 100 employees.

We believe our branch network and associated strong deposit franchise gives us a competitive advantage and is the source of significant franchise and scarcity value in the attractive Atlanta market. As of the most recent FDIC annual Summary of Deposits on June 30, 2012, we had \$2.0 billion in deposits in the Atlanta MSA and our deposit market share was 1.66%, which ranked ninth out of all institutions in the market. Also as of that date, we had the highest market share in the MSA of any community bank headquartered in Atlanta. In the past 12 months, we have opened two new branches in the Atlanta area, in addition to two new branches acquired through an FDIC-assisted transaction, and we plan to continue adding to our footprint in this market over time.

In addition to our Atlanta branch franchise, we have one branch location in the Jacksonville, Florida MSA. While Jacksonville does not currently account for a significant proportion of our deposits, we believe it is an attractive market and a source of growth for us in the future. As of the most recent FDIC annual Summary of Deposits on June 30, 2012, Jacksonville had \$45.9 billion in deposits and was the 4th largest MSA in Florida by population according to SNL. Also according to SNL, the Jacksonville MSA is expected to have population growth of 4.3% from 2012 to 2017. We anticipate adding additional branch locations in this market in the future.

We also offer mortgage loans, indirect automobile loans, and SBA loans through offices in 11 Southeastern and Mid-Atlantic states and expect to continue to grow our retail and wholesale residential mortgage business, particularly by opening new retail mortgage offices in these states.

Loan Portfolio and Asset Generation

We have developed substantial asset generation capabilities that we leverage to provide both earning assets for our balance sheet and to generate fee income through the sale of loans in the secondary market. The Bank's primary lending activities include commercial loans to small and medium sized businesses, SBA sponsored loans, consumer loans (primarily indirect automobile loans), construction loans, and residential real estate loans. We view our diverse asset generation abilities as a competitive strength that allowed us to weather the recent downturn better than many of our peers in our markets. As our primary markets continue to recover economically, we anticipate increasing the portion of our retained portfolio dedicated to commercial loans over time. As of March 31, 2013, the Bank had total loans outstanding, including loans held-for-sale, consisting of:

(\$ in thousands)	Non-Covered	Covered	Loans Held- For-Sale	Total Loan Portfolio
Commercial loans	\$ 469,505	\$ 47,698	\$ 0	\$ 517,203
SBA loans	125,740	695	14,102	140,537
Total commercial loans	595,245	48,393	14,102	657,740
Construction	81,062	13,589	0	94,651
Indirect loans	959,471	0	30,000	989,471
Installment loans	13,037	787	0	13,824
Total consumer loans	972,508	787	30,000	1,003,295
First mortgage loans	35,481	3,020	281,839	320,340
Second mortgage loans	58,796	8,382	0	67,178
Total mortgage loans	94,277	11,402	281,839	387,518
Total loans	\$ 1,743,092	\$ 74,171	\$ 325,941	\$ 2,143,204

S-2

Table of Contents

The following table highlights the indirect auto, residential mortgage, commercial, construction and SBA loan activity since 2009:

	Loan Production Three Months Ended		Year Ended		
(\$ in thousands)	3/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Indirect	\$ 197,451	\$ 733,057	\$ 643,857	\$ 463,680	\$ 281,333
Mortgage	656,245	2,258,378	1,280,695	1,244,955	879,572
Commercial	67,558	344,316	379,527	362,774	383,801
Construction	59,319	168,996	83,486	69,386	53,850
SBA	12,672	97,592	104,874	68,443	37,024
Total	\$ 993,245	\$ 3,602,339	\$ 2,492,439	\$ 2,209,238	\$ 1,635,580

	Loans Sold Three Months Ended		Year Ended		
(\$ in thousands)	3/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Indirect	\$ 58,073	\$ 220,826	\$ 140,107	\$ 63,255	\$ 57,492
Mortgage	634,074	2,052,413	1,224,273	1,145,720	744,738
SBA	10,158	69,117	81,645	36,684	16,738
Total	\$ 702,305	\$ 2,342,356	\$ 1,446,025	\$ 1,245,659	\$ 818,968

	Loans Retained Three Months Ended		Year Ended		
(\$ in thousands)	3/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Indirect	\$ 139,378	\$ 512,231	\$ 503,750	\$ 400,425	\$ 223,841
Mortgage	22,171	205,965	56,422	99,235	134,834
SBA	2,514	28,475	23,229	31,759	20,286
Total	\$ 164,063	\$ 746,671	\$ 583,401	\$ 531,419	\$ 378,961

	Loans Serviced for Others Three Months Ended		Year Ended		
(\$ in thousands)	3/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009