FIDELITY SOUTHERN CORP
Form 11-K
June 24, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934
For the fiscal year ended December 31, 2015
Commission File Number: 001-34981

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
(Full title of the plan)

Fidelity Southern Corporation
(Name of issuer of securities)
3490 Piedmont Road, Suite 1550
Atlanta, GA 30305
(Address of issuer's principal executive office)

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE
December 31, 2015 and 2014 and for the
Year Ended December 31, 2015

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
December 31, 2015 and 2014 and for the
Year Ended December 31, 2015

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* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

Plan Administrator
Fidelity Southern Corporation Tax Deferred 401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Fidelity Southern Corporation Tax Deferred 401(k) Savings Plan as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Fidelity Southern Corporation Tax Deferred 401(k) Savings Plan at December 31, 2015 and 2014, and the changes in its net assets available for benefits for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2015, has been subjected to audit procedures performed in conjunction with the audit of Fidelity Southern Corporation Tax Deferred 401(k) Savings Plan’s financial statements. The information in the supplemental schedule is the responsibility of the Plan’s management. Our audit procedures included determining whether the information reconciles to the financial statements or to the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Ernst & Young LLP
Atlanta, Georgia
June 24, 2016

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
Statements of Net Assets Available for Benefits

	December 31,	
	2015	2014
Assets		
Cash	$7,491	$3,050
Investments, at fair value	53,872,110	44,835,674
Notes receivable from participants	478,317	335,414
Contributions receivable		
Participant	231,751	230,451
Employer	—	77,100
Other receivables	25,641	7,428
Total assets	54,615,310	45,489,117
Liabilities		
Other liabilities	8,593	1,785
Net assets available for benefits	$54,606,717	$45,487,332

See accompanying notes to financial statements.

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2015

Additions to net assets attributable to:	
Investment income:	
Interest and dividends	$863,978
Net appreciation in fair value of investments	5,068,585
Total investment income	5,932,563
Contributions:	
Participants	6,206,997
Employer	1,424,898
Total contributions	7,631,895
Total additions	13,564,458
Deductions from net assets attributable to:	
Distributions to participants	4,226,665
Administrative and other expenses	218,408
Total deductions	4,445,073
Net increase in net assets available for benefits	9,119,385
Net assets available for benefits:	
Beginning of year	45,487,332
End of year	$54,606,717

See accompanying notes to financial statements.

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
Notes to Financial Statements
December 31, 2015

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Fidelity Southern Corporation Tax Deferred 401(k) Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement and the Summary Plan Description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan for the benefit of the employees of Fidelity Southern Corporation and its wholly-owned subsidiary Fidelity Bank, collectively referred to as the “Company”.

All employees of the Company who have attained age 21 are eligible to participate in the Plan. All eligible employees, who do not elect otherwise, are automatically enrolled in the Plan at a contribution amount of 6% of compensation per payroll period which increases by 1% of compensation each January 1, to a maximum of 10%. At any time, participants may elect to change the deferral percentage or not to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Contributions

Contributions to the Plan are made by both the participants and the Company. Participants may contribute through payroll deductions from 1% to 75% of their aggregate compensation subject to an annual Internal Revenue Service (the "IRS") before-tax limitation.

The Company makes a matching non-cash contribution in Fidelity Southern Corporation common stock at a rate of 50% of the first 6% of each participant’s aggregate compensation contributed to the Plan each pay period, subject to limitations as set forth in the Plan provisions. The number of shares contributed is calculated based on the fair value of the stock at time of contribution. In addition, the Company may make discretionary contributions to the Plan for participants employed on the last day of the Plan’s fiscal year. The Company’s discretionary contributions are allocated based on a participant’s proportionate share of the total compensation paid during the Plan year to all participants in the Plan. The Company did not make a discretionary contribution to the Plan in 2015.

Participant Accounts

Each participant’s account is credited with the participant’s contributions, investment earnings/losses thereon, each participant’s interest in the Company’s matching contributions, and any discretionary contributions made by the Company.

Vesting

Participants are immediately 100% vested in their contributions, plus actual investment earnings/losses thereon. Participants are vested in the Company’s regular matching and discretionary contributions at a rate of 20% per year for each year of service (1,000 hours or more) beginning after one year of service and, accordingly, are 20% vested after two years of service and fully vested after six years of service.

Forfeitures

Forfeited balances of terminated participants’ nonvested accounts are used to pay administrative costs and reduce the Company's future contributions to the Plan. The total available forfeitures were $55,462 and $332,975 at December 31, 2015 and 2014, respectively.

For the years ended December 31, 2015 and 2014, Plan administrative costs and employer contributions were reduced by $767,895 and $473,135, respectively, from forfeited nonvested accounts.

Distributions

Participants may receive distributions equal to the fair value of their vested account balances upon death, disability, retirement, or termination. Distributions may be in the form of a lump sum, installments, or a combination of a lump sum and installments.

Participant Loans

Participants may borrow up to an amount equal to the lesser of $50,000 or 50% of their vested account balances, but not less than $1,000. Loan terms range from 1-5 years, or up to 20 years for the purchase of a primary residence. The loans are secured by the balance in the participants' accounts and bear interest at a fixed rate equal to the prime rate as posted in the Wall Street Journal, plus one percent. Principal and interest are paid through semi-monthly payroll deductions. Participant loans are carried at their unpaid principal balance plus any accrued but unpaid interest.

Plan Termination

Although they have not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates.

Risk and Uncertainties

The Plan provides for investments in securities, which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of the investment securities will occur in the near term, and such changes could materially affect participants’ account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan’s investments are stated at fair value as further described in Note 5. Purchases and sales of securities are accounted for on the trade date. Investment income is allocated to participants based on their proportionate investment balances during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan’s gains and losses on investment transactions, as well as assets held during the Plan year.

The Plan invests in shares of common stock of the Company through its Common Stock Fund (“the Fund”). The Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the Fund. The Company has implemented a dividend pass-through election for its participants. Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. As of December 31, 2015 and 2014, the Fund consists of all holdings in Fidelity Southern Corporation common stock and the BMO Prime Money Market Fund.

Valuation of Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan evaluated subsequent events through the date its financial statements were issued.

Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-12 “Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965)” (“ASU 2015-12”). The amendments in Part I of ASU 2015-12 eliminate the requirements that employee benefit plans measure the fair value of fully benefit–responsive investment contracts and provide the related fair value disclosures, rather these contracts will be measured and disclosed only at contract value. It also clarified what was in scope for the guidance as discussed in the amendments in Part II of ASU 2015-12 which require plans to disaggregate their investments measured using fair value only by general type, either on the financial statements or in the notes. Part II also eliminates the requirement to disclose the net appreciation/depreciation in fair value of investments by general type and the requirements to disclose individual investments that represent 5% or more of net assets available for benefits. The amendments in Part III of ASU 2015-12 provide a practical expedient to permit a plan to measure its investments and investment related accounts as of a month-end date closest to its fiscal year for a plan with a fiscal year end that does not coincide with the end of a calendar month. The amendments in ASU 2015-12 are effective for reporting periods beginning after December 15, 2015, with early adoption permitted. The Company elected to early adopt Part I and II of ASU 2015-12. Part III is not applicable to the Plan. The retrospective adoption of this ASU resulted in an insignificant increase to net assets available for benefits of $36,474 for fiscal year 2014.

In May 2015, the FASB issued ASU 2015-07, "Fair Value Measurements (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)". This ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value ("NAV") per share practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. The ASU requires retrospective adoption and is effective for fiscal years beginning after December 15, 2015. The Company elected to early adopt ASU 2015-07 and the retrospective adoption of this ASU did not have a significant impact on the Plan's financial statements.

NOTE 3 – INCOME TAX STATUS

The underlying volume submitter plan has received an advisory letter from the IRS dated November 2, 2012 stating that the form of the Plan is qualified under Section 401 of the Internal Revenue Code (the "Code") and therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2015-6 and 2011-49, the Plan administrator has determined that it is eligible to and has chosen to rely on the current IRS volume submitter advisory letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken. Accordingly, the Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Plan reports the fair value of its financial assets and liabilities based on three levels of the fair value hierarchy as described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly;
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

A financial instrument's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Fair value enables an entity to mitigate the non-economic earnings volatility caused from financial assets and financial liabilities being carried at different bases of accounting, as well as to more accurately portray the active and dynamic management of the entity's balance sheet.

The following is a description of the valuation methods used for assets measured at fair value.

- Mutual Funds: The fair values of these securities are based on observable market quotations for identical assets (Level 1 inputs), and are priced on a daily basis at the close of business.
- Fidelity Southern Corporation common stock: The fair value of this security is based on observable market quotations for identical assets (Level 1 inputs), and is valued at the closing price reported on the active market on which the individual security is traded.
- BMO Employee Benefit Stable Principal Fund: This common/collective trust fund represents interests in pooled investment vehicles designed primarily for collective investment of employee benefit trusts. The fair value of the

investments in this category is estimated using the NAV per unit as a practical expedient provided by the fund managers.

- BMO Prime Money Market Fund: The fair value of the money market funds is valued using the NAV provided by the administrator. The net asset value is the underlying assets of the plan, minus its liabilities and then divided by the number of shares outstanding.

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The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.
Investments measured at fair value on a recurring basis are summarized in the table below:

	Fair Value Measurements at December 31, 2015 Using			
Description of Investment	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$29,873,064	$ 29,873,064	$ —	$ —
Fidelity Southern Corporation common stock	19,136,269	19,136,269	—	—
Total	$49,009,333	$ 49,009,333	$ —	$ —
Employee Benefit Stable Principal Fund, measured at NAV	4,318,841			
Prime Money Market Fund, measured at NAV	543,936			
Total investments, at fair value	$53,872,110			

There were no transfers between Level 1, 2 and 3 during the years ended December 31, 2015 and 2014.

	Fair Value Measurements at December 31, 2014 Using			
Description of Investment	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$26,873,100	$ 26,873,100	$ —	$ —
Fidelity Southern Corporation common stock	13,783,974	13,783,974	—	—
Total	$40,657,074	$ 40,657,074	$ —	$ —
Employee Benefit Stable Principal Fund, measured at NAV	3,683,841			
Prime Money Market Fund, measured at NAV	494,759			
Total investments, at fair value	$44,835,674			

The Plan currently has no nonfinancial assets or liabilities that are recognized or disclosed at fair value on a recurring basis. Changes in the fair value of investments held at the end of the period are reported in Net Appreciation in Fair Value of Investments. For the period ended December 31, 2015, the net amount of appreciation reported was $5,068,585 in the Statement of Changes in Net Assets Available for Benefits.

NOTE 5 – TRANSACTIONS WITH PARTIES-IN-INTEREST

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. The Plan holds investments in shares of money market mutual funds managed by BMO Institutional Trust Services, the Plan custodian and the stable value fund issued by BMO Investment Management Corporation. BMO Institutional Trust Services was the custodian and recordkeeper of the Plan at December 31, 2015 and 2014. Prior to December 31, 2014, BMO Institutional Trust Services served as the trustee.

On December 31, 2014, Fidelity Bank was named as successor trustee of the Plan. The Plan expensed $12,000 for trustee services rendered by Fidelity Bank for the year ended December 31, 2015.

Administrative and other expenses paid to BMO Harris Bank, NA by the Plan for administrative services were $186,962 for the year ended December 31, 2015. These transactions qualify as party-in-interest transactions.

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Transactions in notes receivable from participants, also qualify as party-in-interest transactions. At December 31, 2015 and 2014, respectively, the Plan held 857,744 and 855,616 shares of Fidelity Southern Corporation common stock in the Fidelity Southern Corporation Common Stock Fund. The fair value of the Fidelity Southern Corporation common stock at December 31, 2015 and 2014 was $19,136,269 and $13,783,974, respectively. During 2015, the Plan recorded $345,693 in cash dividends on Fidelity Southern Corporation common stock.

FIDELITY SOUTHERN CORPORATION
TAX DEFERRED 401(k) SAVINGS PLAN
EIN: 58-1174938
Plan Number 001
Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2015

Identity of Issuer	Description of Investment	Current Value
American Funds	Europacific Growth Fund Class R-5	$1,529,549
American Funds	New World Fund Class R-6	73
* BMO Investment Management	Prime Money Market Fund	543,936
* BMO Investment Management	BMO Employee Benefit Stable Principal Fund	4,318,841
Brown Capital Management LLC	Small Company Fund Class I	1,009,252
Clearbridge	Appreciation Fund Class I	469,857
Columbia Funds	Mid Cap Index Fund Class Z	812,061
Dimensional Fund Advisors LP	Inflation-Protected Securities Portfolio	256,982
Fidelity Management & Research Company	Spartan 500 Index Fund	3,465,299
Fidelity Management & Research Company	Small Cap Value Fund Class I	1,001,272
* Fidelity Southern Corporation	Common stock	19,136,269
Harbor Capital Advisors, Inc.	International Fund Institutional Shares	669,854
John Hancock Funds III	Disciplined Value Mid Cap - IS	1,657,654
PIMCO	Total Return Fund	1,172,285
Putnam	Equity Income Fund R6	268,890
T Rowe Price	International Growth and Income Fund	55
Vanguard	Small-Cap Index Fund; Admiral Shares	342,997
Vanguard	Target Retirement Income Fund	89,895
Vanguard	Target Retirement 2010 Fund	276,728
Vanguard	Target Retirement 2015 Fund	644,543
Vanguard	Target Retirement 2020 Fund	1,923,434
Vanguard	Target Retirement 2025 Fund	1,754,502
Vanguard	Target Retirement 2030 Fund	1,142,185
Vanguard	Target Retirement 2035 Fund	1,152,069
Vanguard	Target Retirement 2040 Fund	856,323
Vanguard	Target Retirement 2045 Fund	515,994
Vanguard	Target Retirement 2050 Fund	1,040,109
Vanguard	Total International Stock Index Fund	470,731
Vanguard	Wellington Fund Admiral	2,811,801
Virtus Investment Partners, Inc.	Real Estate Securities Fund Class I	500,409
Wells Fargo	Advantage Discovery Class I	1,392,159
Wells Fargo	Advantage Premier Large Company Growth Fund Class I	2,646,102
* Participant Loans	Interest rate ranging from 4.25% to 9.25% due no later than 2035	478,317
		$54,350,427

* The above-identified parties represent parties-in-interest to the Plan.
Note: Cost information has not been included because all investments are participant-directed.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the administrative committee members have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FIDELITY SOUTHERN
CORPORATION
TAX DEFERRED 401(k) SAVINGS
PLAN

Dated: June 24, 2016	By:	/s/ STEPHANIE HUCKABY
		Stephanie Huckaby
		Plan Administrator
		Fidelity Southern Corporation
		Tax Deferred 401(k) Savings Plan