

FIRST CAPITAL INC  
Form S-4  
September 16, 2015

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As filed with the Securities and Exchange Commission on September 16, 2015

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-4**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**First Capital, Inc.**

(Exact name of registrant as specified in its charter)

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**Indiana**  
(State or other jurisdiction of  
incorporation or organization)

**6035**  
(Primary standard industrial  
classification code number)

**35-1539838**  
(I.R.S. Employer  
Identification Number)

**220 FEDERAL DRIVE NW, CORYDON, INDIANA 47112, (812) 738-2198**  
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**William W. Harrod**  
**President and Chief Executive Officer**  
**First Capital, Inc.**  
**P.O. Box 130**  
**220 Federal Drive NW**  
**Corydon, Indiana 47112**  
**(812) 738-2198**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Copy to:

**Karen B. Woods, Esq.**  
**Krieg DeVault LLP**  
**One Indiana Square, Suite 2800**

**R. James Straus, Esq.**  
**Frost Brown Todd LLC**  
**400 West Market Street, Suite 3200**

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Indianapolis, Indiana 46204  
(317) 238-6246

Louisville, Kentucky 40202  
(502) 568-0221

**Approximate date of commencement of proposed sale of the securities to the public:  
As soon as practicable after this Registration Statement becomes effective and upon the satisfaction  
or waiver of all other conditions under the merger agreement described herein.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer                       Accelerated filer                       Non-accelerated filer                       Smaller reporting company   
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$.01 par value	620,127	N/A	\$13,562,865	\$1,576

(1) Represents the maximum number of shares of First Capital, Inc. common stock estimated to be issuable upon completion of the merger described herein, based on an amount equal to the product of (A)(i) 3,071 shares of Peoples Bancorp, Inc. of Bullitt County ("Peoples") common stock outstanding as of June 30, 2015, divided by (ii) 2, and (B) 403.86.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) and Rule 457(f), based on \$9,152.39 per share, the book value per share of Peoples common stock on June 30, 2015, the latest practicable date prior to the date of filing this Registration Statement, multiplied by 3,071 shares of Peoples common stock that may be received by the Registrant and/or cancelled upon consummation of the merger less \$14,544,125, the estimated aggregate amount of cash expected to be paid by the Registrant in exchange for shares of Peoples common stock.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting**

pursuant to said Section 8(a), may determine.

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER 16, 2015**

**Proxy Statement/Prospectus**

**Proxy Statement**

**Peoples**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The Boards of Directors of First Capital, Inc. ("First Capital") and Peoples Bancorp, Inc. of Bullitt County ("Peoples") have approved an Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 4, 2015, pursuant to which Peoples will merge with and into First Capital (the "Merger"). If the Merger Agreement is approved by the shareholders of both First Capital and Peoples and the Merger is subsequently completed, each share of Peoples common stock (except for specified shares of Peoples common stock held by Peoples or First Capital and any dissenting shares) will be converted, at the election of such shareholder and subject to certain adjustments and election and allocation procedures described elsewhere in this joint proxy statement/prospectus, into the right to receive, without interest, either (i) 382.83 shares of First Capital common stock, or (ii) \$9,475.00 in cash. Peoples shareholders will also receive cash in lieu of any fractional shares of First Capital common stock. In addition, the Merger Agreement provides that shareholders of Peoples may receive an additional cash payment as specified in the Merger Agreement if Peoples sells certain specified assets prior to the effective time of the Merger, or First Capital sells such assets within twenty-six (26) months after the effective time of the Merger. If the Merger had been completed on September 8, 2015, First Capital would have issued approximately 566,370 shares of common stock and paid approximately \$15,122,000 in cash in exchange for the outstanding shares of common stock of Peoples, or an aggregate of approximately \$30,244,000 in cash and stock based upon the average closing price of a share of First Capital common stock during the 20 trading days preceding September 8, 2015.

Peoples shareholders will have the opportunity to elect the form of consideration to be received for their shares, subject to certain allocation procedures set forth in the Merger Agreement that are intended to ensure that 50% of the outstanding shares of Peoples common stock will be converted into the right to receive shares of First Capital common stock and the remaining outstanding shares of Peoples common stock will be converted into the right to receive cash. Therefore, the allocation of First Capital common stock and cash that each Peoples shareholder will receive will depend on the elections of other Peoples shareholders. In addition, the Merger Agreement provides that the exchange ratio and cash price per share will be (i) adjusted within certain limits in the manner specified in the Merger Agreement if the average per share closing price of First Capital common stock for the 20 trading days preceding the 5th calendar day before the effective time is greater, or less, than \$24.75; and (ii) decreased as specified in the Merger Agreement if the consolidated net book value of Peoples as specified in the Merger Agreement is less than \$29,010,000 but greater than \$26,410,000. The exchange ratio also may be adjusted in the manner specified in the Merger Agreement if there is a change in the number of shares of common stock issued and outstanding prior to the effective time of the Merger by way of a stock split, stock dividend, or recapitalization or similar transaction with respect to the outstanding First Capital common stock.

We expect that the Merger will generally be tax-free with respect to any First Capital common stock that Peoples shareholders receive and will generally be taxable with respect to any cash that Peoples shareholders receive. First Capital's common stock is traded on the Nasdaq Capital Market under the symbol "FCAP."

First Capital and Peoples will each hold a special meeting of their respective shareholders in connection with the Merger. First Capital and Peoples shareholders will be asked to vote to approve the Merger Agreement and related matters as described in the attached joint proxy statement/prospectus. Approval of the Merger Agreement by First Capital shareholders requires the affirmative vote of the holders of a majority of votes entitled to be cast and approval of the Merger Agreement by Peoples shareholders requires the affirmative vote of a majority of votes entitled to be cast.

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The special meeting of First Capital shareholders will be held on [ • ] at [ • ], at [ • ] local time. The special meeting of Peoples shareholders will be held on [ • ] at [ • ], at [ • ] local time.

**First Capital's board of directors unanimously recommends that First Capital shareholders vote "FOR" the approval of the Merger Agreement and "FOR" the approval of the other matters to be considered at the First Capital special meeting.**

**People's board of directors unanimously recommends that Peoples shareholders vote "FOR" the approval of the Merger Agreement and "FOR" the approval of the other matters to be considered at the Peoples special meeting.**

This joint proxy statement/prospectus contains important information about First Capital, Peoples, the Merger and the conditions that must be satisfied before the Merger can occur. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page [31], for a discussion of the risks relating to the proposed Merger.** You also can obtain information about First Capital from documents that First Capital has filed with the Securities and Exchange Commission.

William W. Harrod  
*President and Chief Executive Officer*  
First Capital, Inc.

G. William Hardy  
*Chairman and Chief Executive Officer*  
Peoples Bancorp, Inc. of Bullitt County

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with completion of the Merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.**

**This joint proxy statement/prospectus is dated [ • ], 2015, and it  
is first being mailed or otherwise delivered to shareholders of First Capital and Peoples on or about [ • ], 2015.**

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**AVAILABLE INFORMATION**

Except where the context otherwise indicates, First Capital has supplied all of the information contained in this joint proxy statement/prospectus relating to First Capital and First Harrison Bank, and Peoples has supplied all of the information contained in this joint proxy statement/prospectus relating to Peoples and The Peoples Bank of Bullitt County.

You should rely only on the information contained in this document. No one has been authorized to provide you with information that is different from that contained in this document. This document is dated [ • ], 2015, and you should assume that the information in this document is accurate only as of such date. Neither the mailing of this document to First Capital shareholders or Peoples shareholders nor the issuance by First Capital of shares of First Capital common stock in connection with the Merger will create any implication to the contrary.

You may ask questions about the Merger or request copies of this joint proxy statement/prospectus from First Capital, without charge, or upon written or oral request to the information agent, **Georgeson Inc., located at 480 Washington Blvd., 26<sup>th</sup> Floor, Jersey City, NJ 07310 or at telephone number (888) 566-8006**. Your requests for information from First Capital may also be directed to the following:

First Capital, Inc.  
220 Federal Drive NW  
P.O. Box 130  
Corydon, Indiana 47112  
Attn: Jill R. Keinsley, Corporate Secretary  
(812) 738-2198

**In order to ensure timely delivery of these documents, you should make your request by [ • ] 2015, to receive them before the special meeting.**

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.**

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**FIRST CAPITAL, INC.**

220 Federal Drive NW  
P.O. Box 130  
Corydon, Indiana 47112  
(812) 738-2198

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON • , 2015**

To the Shareholders of First Capital, Inc.:

We will hold a special meeting of the shareholders of First Capital, Inc. ("First Capital") on [ • ], 2015, at [ • ], local time, at [ • ], to consider and vote upon:

1. *Merger Proposal.* A proposal to approve the Agreement and Plan of Merger, dated as of June 4, 2015, by and between First Capital and Peoples Bancorp, Inc. of Bullitt County ("Peoples"), pursuant to which Peoples will merge with and into First Capital, as more fully described in the attached joint proxy statement/prospectus (the "First Capital Merger Proposal").
2. *Adjournment.* A proposal to adjourn the First Capital special meeting, if necessary or appropriate, to solicit additional proxies in favor of the First Capital Merger Proposal (the "First Capital Adjournment Proposal").
3. *Other Matters.* Such other matters as may properly come before the special meeting or any adjournment of the special meeting. The First Capital board of directors is not aware of any such other matters as of the date of this joint proxy statement/prospectus.

The joint proxy statement/prospectus describes the Merger Agreement and the proposed Merger in detail and includes, as *Annex A*, the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed Merger. **In particular, you should carefully read the section captioned "Risk Factors" beginning on page [31] of the attached joint proxy statement/prospectus for a discussion of certain risk factors relating to the Merger.**

**The board of directors of First Capital has unanimously adopted the Merger Agreement, has determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of First Capital and its shareholders, and unanimously recommends that First Capital shareholders vote (1) "FOR" approval of the First Capital Merger Proposal and (2) "FOR" approval of the First Capital Adjournment Proposal, if necessary or appropriate.**

The board of directors of First Capital fixed the close of business on [ • ], 2015, as the record date for determining the First Capital shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

**YOUR VOTE IS VERY IMPORTANT.** The First Capital Merger Proposal must be approved by the affirmative vote of holders of a majority of the votes entitled to be cast on the proposal. Approval of the First Capital Adjournment Proposal requires that more votes be cast in favor of the proposal than in opposition to the proposal. If you do not return your proxy or do not vote in person at the special meeting, the effect will be the same as a vote against the Merger Proposal. Whether or not you plan to attend the special meeting in person, we urge you to date, sign and return promptly the enclosed proxy in the accompanying envelope. You may revoke your proxy at any time before the special meeting by sending a written notice of revocation, submitting a new proxy or by attending the special meeting and voting in person.

By Order of the Board of Directors

/s/ JILL R. KEINSLEY

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Jill R. Keinsley  
Corporate Secretary  
[•], 2015





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**PEOPLES BANCORP, INC. OF BULLITT COUNTY**

1612 Highway 44 East  
Shepherdsville, Kentucky 40165  
(502) 543-2226

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON [ • ], 2015**

To the Shareholders of Peoples Bancorp, Inc. of Bullitt County:

We will hold a special meeting of the shareholders of Peoples Bancorp, Inc. of Bullitt County ("Peoples") on [ • ], 2015, at [ • ], local time, at [ • ], to consider and vote upon:

1. *Merger Proposal.* A proposal to approve the Agreement and Plan of Merger, dated as of June 4, 2015, by and between First Capital, Inc. and Peoples, pursuant to which Peoples will merge with and into First Capital, as more fully described in the attached joint proxy statement/prospectus (the "Peoples Merger Proposal").
2. *Adjournment.* A proposal to adjourn the Peoples special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Peoples Merger Proposal (the "Peoples Adjournment Proposal").
3. *Other Matters.* Such other matters as may properly come before the special meeting or any adjournment of the special meeting. The Peoples board of directors is not aware of any such other matters as of the date of this joint proxy statement/prospectus.

The joint proxy statement/prospectus describes the Merger Agreement and the proposed Merger in detail and includes, as *Annex A*, the complete text of the Merger Agreement. We urge you to read these materials for a description of the Merger Agreement and the proposed Merger. **In particular, you should carefully read the section captioned "Risk Factors" beginning on page [31] of the attached joint proxy statement/prospectus for a discussion of certain risk factors relating to the Merger.**

**The board of directors of Peoples has unanimously adopted the Merger Agreement, has determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are in the best interests of Peoples and its shareholders, and unanimously recommends that Peoples shareholders vote (1) "FOR" approval of the Peoples Merger Proposal and (2) "FOR" approval of the Peoples Adjournment Proposal, if necessary or appropriate.**

The board of directors of Peoples fixed the close of business on [ • ], 2015, as the record date for determining the Peoples shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Peoples shareholders are entitled to assert dissenters' rights in connection with the proposed Merger under KRS 271B Subchapter 13, a copy of which is attached as *Annex D* to the attached joint proxy statement/prospectus.

**YOUR VOTE IS VERY IMPORTANT.** The Peoples Merger Proposal must be approved by the affirmative vote of holders of a majority of the votes entitled to be cast on the proposal. Approval of the Peoples Adjournment Proposal requires that more votes be cast in favor of the proposal than in opposition to the proposal. If you do not return your proxy or do not vote in person at the special meeting, the effect will be the same as a vote against the Merger Proposal. Whether or not you plan to attend the special meeting in person, we urge you to date, sign and return promptly the enclosed proxy in the accompanying envelope. You may revoke your proxy at any time before the special meeting by sending a written notice of revocation, submitting a new proxy or by attending the special meeting and voting in person.

By Order of the Board of Directors

/s/ WILLIAM L. DAWSON

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William L. Dawson, *President*  
[•], 2015

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

The following are some questions that you may have about the Merger and the First Capital or Peoples special meetings, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the Merger and the First Capital or Peoples special meetings.

Unless the context otherwise requires, references in this joint proxy statement/prospectus to "First Capital" refer to First Capital, Inc., an Indiana corporation, and its subsidiaries, references to "Peoples" refer to Peoples Bancorp, Inc. of Bullitt County, a Kentucky corporation, and its subsidiaries, and "we," "us" and "our" refers collectively to First Capital and Peoples.

**Q:**  
**What is the Merger?**

**A:**  
First Capital and Peoples have entered into an Agreement and Plan of Merger, dated as of June 4, 2015 (the "Merger Agreement"). Under the Merger Agreement, Peoples will be merged with and into First Capital, with First Capital continuing as the surviving corporation. A copy of the Merger Agreement is included in this joint proxy statement/prospectus as *Annex A*.

The Merger cannot be completed unless, among other things, both First Capital shareholders and Peoples shareholders approve their respective proposals to approve the Merger Agreement (which we refer to as the "First Capital Merger Proposal" and the "Peoples Merger Proposal," respectively).

**Q:**  
**Why am I receiving this joint proxy statement/prospectus?**

**A:**  
We are delivering this document to you because it is a joint proxy statement being used by the boards of directors of both First Capital and Peoples to solicit proxies of their respective shareholders in connection with approval of the Merger and related matters.

In order to approve the Merger and related matters, First Capital and Peoples have each called a special meeting of their shareholders (which we refer to as the "First Capital special meeting" and the "Peoples special meeting," respectively). This document serves as the proxy statement for the First Capital special meeting and the Peoples special meeting and describes the proposals to be presented at the meetings.

This document is also a prospectus that is being delivered to Peoples shareholders because First Capital is offering shares of its common stock to Peoples shareholders in connection with the Merger.

This joint proxy statement/prospectus contains important information about the Merger and the other proposals being voted on at the meetings. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your meeting. Your vote is important. We encourage you to submit your proxy as soon as possible.

**Q:**  
**In addition to the First Capital Merger Proposal, what else are First Capital shareholders being asked to vote on?**

**A:**  
In addition to the First Capital Merger Proposal, First Capital is soliciting proxies from its shareholders with respect to a proposal to adjourn the First Capital special meeting, if necessary or appropriate, to solicit additional proxies in favor of the First Capital Merger Proposal (which we refer to as the "First Capital Adjournment Proposal"). Completion of the Merger is not conditioned upon approval of the First Capital Adjournment Proposal.



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**Q: In addition to the Peoples Merger Proposal, what else are Peoples shareholders being asked to vote on?**

A: In addition to the Peoples Merger Proposal, Peoples is soliciting proxies from its shareholders with respect to a proposal to adjourn the Peoples special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Peoples Merger Proposal (which we refer to as the "Peoples Adjournment Proposal"). Completion of the Merger is not conditioned upon approval of the Peoples Adjournment Proposal.

**Q: What will Peoples shareholders receive in the Merger?**

A: If the Merger is completed, each share of Peoples common stock (except for specified shares of Peoples common stock held by Peoples or First Capital and any dissenting shares) will be converted, at the election of the shareholder and subject to certain adjustments and election and allocation procedures described elsewhere in this joint proxy statement/prospectus, into the right to receive, without interest, either (i) 382.83 shares (the "Exchange Ratio") of First Capital common stock (the "Stock Consideration"), or (ii) \$9,475.00 in cash (the "Cash Consideration") (collectively, the "Merger Consideration"). Peoples shareholders who would otherwise be entitled to a fractional share of First Capital common stock upon the completion of the Merger will instead receive an amount in cash (without interest) equal to the fractional share interest multiplied by the Cash Consideration (as adjusted to the extent applicable).

The Merger Agreement also provides for the possibility of an additional cash payment to shareholders of Peoples as described elsewhere in this joint proxy statement/prospectus if and to the extent that Peoples sells certain assets (the "Contingent Assets") prior to the effective time of the Merger, or First Capital sells such assets within 26 months after the effective time of the Merger. **There is no guarantee that the Contingent Assets will be sold in the manner or in the timeframes set forth in the Merger Agreement or that Peoples shareholders will receive any additional cash payment.**

Peoples shareholders have the opportunity to elect the form of consideration they will receive for their shares, subject to certain allocation procedures set forth in the Merger Agreement. Those procedures are intended to ensure that 50% of the outstanding shares of Peoples common stock will be converted into the right to receive the Stock Consideration, and that the remaining outstanding shares of Peoples common stock will be converted into the right to receive the Cash Consideration. Therefore, the allocation of Stock Consideration and Cash Consideration that each Peoples shareholder will receive will depend on the elections made by other Peoples shareholders.

In addition, the Merger Agreement provides that in certain circumstances the Stock Consideration and Cash Consideration will be adjusted in a manner specified in the Merger Agreement.

The Stock Consideration and Cash Consideration will be adjusted within certain limits if the Average First Capital Closing Price is greater or less than \$24.75. "Average First Capital Closing Price" means the average per share closing price of First Capital common stock for the 20 trading days preceding the 5th calendar day before the effective time of the Merger.

The Stock Consideration and Cash Consideration will be decreased if the consolidated net book value of Peoples (as defined in the Merger Agreement) is less than \$29,010,000 but greater than \$26,410,000.

The Exchange Ratio also may be adjusted if there is a change in the number of shares of First Capital common stock issued and outstanding prior to the effective time of the Merger due to a stock split, stock dividend, recapitalization or similar transaction affecting the outstanding First Capital common stock.



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The following table shows the range of potential values for the Cash Consideration per Peoples share and the Exchange Ratio (the number of First Capital shares into which each Peoples share would be converted in the Merger) based on (1) changes in the Average First Capital Closing Price within the minimum and maximum price range, with a mid-point of \$24.75 per First Capital share; and (2) various levels of Consolidated Net Book Value as of the Closing Date. The values in the table are for illustrative purposes only. The actual values will be determined immediately before the Merger becomes effective. The table assumes no cash issued in lieu of fractional shares of First Capital common stock.

Peoples Consolidated Net Book Value (in thousands)	Minimum (9.9% decrease) \$22.30		Average First Capital Closing Price Mid-Point \$24.75		Maximum (10.1% increase) \$27.25	
	Exchange Ratio (First Capital shares)	Cash Consideration	Exchange Ratio (First Capital shares)	Cash Consideration	Exchange Ratio (First Capital shares)	Cash Consideration
\$ 29,010	403.86	\$ 9,006.04	382.83	\$ 9,475.00	365.27	\$ 9,953.54
\$ 28,000	389.11	\$ 8,677.16	369.54	\$ 9,146.12	353.20	\$ 9,624.66
\$ 27,000	374.51	\$ 8,351.53	356.38	\$ 8,820.49	341.25	\$ 9,299.03
\$ 26,410	365.89	\$ 8,159.41	348.62	\$ 8,628.37	334.20	\$ 9,106.91

As of June 30, 2015, Peoples would have reported Consolidated Net Book Value (as defined in the Merger Agreement) of more than \$29,010,000. Assuming that value remained in effect on the closing date, there would not be a book value-related price adjustment. Based on the \$26.27 closing trading price of First Capital common stock on September 14, 2015, the Exchange Ratio would be 371.75 First Capital shares for each Peoples share, and the Cash Consideration would be \$9,765.95 for each Peoples share.

The mix of Merger Consideration to be received by each Peoples shareholder in the Merger will not be known until the results of the cash/stock elections made by Peoples shareholders are tallied by Computershare Limited, the election agent, which will not be completed until after the dates of both special shareholders meetings. **No guarantee can be made that Peoples shareholders will receive the amount of cash or stock they elect to receive.**

See "The Merger Agreement Merger Consideration" for a more complete discussion of the Merger Consideration to be paid in the Merger.

**Q: What will First Capital shareholders receive in the Merger?**

**A:** First Capital shareholders will not receive anything in the Merger for their shares. If you are a First Capital shareholder, each share of First Capital common stock that you hold before the Merger will continue to represent one share of First Capital common stock after the Merger.

**Q: How does First Capital's board of directors recommend that I vote at the First Capital special meeting?**

**A:** First Capital's board of directors unanimously recommends that you vote "FOR" the First Capital Merger Proposal and "FOR" the First Capital Adjournment Proposal, if necessary or appropriate.

**Q: How does Peoples' board of directors recommend that I vote at the Peoples special meeting?**

**A:** Peoples' board of directors unanimously recommends that you vote "FOR" the Peoples Merger Proposal and "FOR" the Peoples Adjournment Proposal, if necessary or appropriate.



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**Q: When and where are the meetings?**

A: The First Capital special meeting will be held at [ • ] on [ • ], at [ • ] local time.

The Peoples special meeting will be held at [ • ] on [ • ], at [ • ] local time.

**Q: What do I need to do now?**

A: After you have carefully read this joint proxy statement/prospectus in its entirety and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the applicable special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible.

First Capital shareholders may also vote through the internet or by telephone. Information and applicable deadlines for voting by internet or by telephone are set forth in the enclosed proxy card instructions for First Capital shareholders, who are encouraged to vote through the internet.

If you hold your shares in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. "Street name" shareholders who wish to vote in person at the special meeting will need to obtain a legal proxy from the institution that holds their shares.

If you return your signed proxy card but do not specify how you wish to vote your shares, your shares will be voted "FOR" each of the recommended proposals.

**Q: What constitutes a quorum for the First Capital special meeting?**

A: The presence at the First Capital special meeting, in person or by proxy, of holders of a majority of the outstanding shares of First Capital common stock entitled to vote at the special meeting will constitute a quorum. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What constitutes a quorum for the Peoples special meeting?**

A: The presence at the Peoples special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Peoples common stock entitled to vote at the special meeting will constitute a quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What is the vote required to approve each proposal at the First Capital special meeting?**

A: *First Capital Merger Proposal:*

*Required vote:* Approval of the First Capital Merger Proposal requires the affirmative vote of holders of a majority of the votes entitled to be cast on the proposal.

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*Effect of abstentions and broker non-votes:* If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or internet or in person at the First Capital special meeting or fail to instruct your bank or broker with respect to the First Capital Merger Proposal, it will have the same effect as a vote "AGAINST" the proposal.

*First Capital Adjournment Proposal:*

*Required vote:* Approval of the First Capital Adjournment Proposal requires that more votes be cast in favor of the proposal than against the proposal at the First Capital special meeting.

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*Effect of abstentions and broker non-votes:* If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to vote, with respect to the First Capital Adjournment Proposal, it will have no effect on the proposal. If you are not a "street name" holder and fail to either submit a proxy card entirely or vote by telephone or internet or in person at the First Capital special meeting, it will have no effect on such proposal.

**Q: What is the vote required to approve each proposal at the Peoples special meeting?**

**A:**  
*Peoples Merger Proposal:*

*Required vote:* Approval of the Peoples Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Peoples common stock entitled to vote on the proposal.

*Effect of abstentions and broker non-votes:* If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote in person at the Peoples special meeting or fail to instruct your bank or broker how to vote with respect to the Peoples Merger Proposal, it will have the same effect as a vote "AGAINST" the proposal.

*Peoples Adjournment Proposal:*

*Required vote:* Approval of the Peoples Adjournment Proposal requires that more votes be cast in favor of the proposal than against the proposal at the Peoples special meeting.

*Effect of abstentions and broker non-votes:* If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to vote, with respect to the Peoples Adjournment Proposal, it will have no effect on the proposal. If you are not a "street name" holder and fail to either submit a proxy card entirely or vote in person at the Peoples special meeting, it will have no effect on such proposal.

**Q: What risks should I consider before I vote on the Merger Proposal?**

**A:**  
You should review "Risk Factors" beginning on page [ • ].

**Q: Why is my vote important?**

**A:**  
If you do not vote, it will be more difficult for First Capital or Peoples to obtain the necessary quorum to hold their special meetings. In addition, your failure to submit a proxy or to vote, your failure to instruct your bank or broker how to vote, or your abstention will have the same effect as a vote "AGAINST" approval of the Merger Agreement. The Merger Agreement must be approved by both the affirmative vote of holders of a majority of the outstanding shares of First Capital common stock and the affirmative vote of the holders of a majority of the outstanding shares of Peoples common stock. The First Capital board of directors and the Peoples board of directors unanimously, respectively, recommend that you vote "FOR" the First Capital Merger Proposal and "FOR" the Peoples Merger Proposal, respectively.

**Q: If my shares of common stock are held in "street name" by my bank or broker, will my bank or broker automatically vote my shares for me?**

**A:**

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No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

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**Q: Can I attend the meetings and vote my shares in person?**

**A:** Yes. All shareholders of First Capital and Peoples, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective meetings. Holders of record of First Capital and Peoples common stock can vote in person at the First Capital special meeting and Peoples special meeting, respectively. First Capital shareholders of record can also vote by telephone or internet. If you are not a shareholder of record, you must obtain a proxy card, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the meetings. If you plan to attend your meeting, you must hold your shares in your own name or bring a copy of a bank or brokerage statement to the special meeting reflecting your stock ownership as of the record date. In addition, you must bring a form of personal photo identification with you in order to be admitted. First Capital and Peoples reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification.

**Q: Can I change my vote?**

**A:** *First Capital shareholders:* Yes. If you are a holder of record of First Capital common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to First Capital's corporate secretary, or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting, or (4) voting by telephone or the internet at a later time. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by First Capital after the vote will not affect the vote. First Capital's corporate secretary's mailing address is: Corporate Secretary, First Capital, Inc., 220 Federal Drive NW, P.O. Box 130, Corydon, Indiana 47112. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

*Peoples shareholders:* Yes. If you are a holder of record of Peoples common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card to Peoples with a later date, (2) delivering a written revocation letter to Peoples' corporate secretary, or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by Peoples after the vote will not affect the vote. Proxy cards and notices of revocation should be sent to: Corporate Secretary, Peoples Bancorp, Inc. of Bullitt County, 1612 Highway 44 East, Shepherdsville, Kentucky 40165.

**Q: Will First Capital be required to submit the proposal to approve the Merger Agreement to its shareholders even if First Capital's board of directors has withdrawn, modified or qualified its recommendation?**

**A:** Yes. Unless the Merger Agreement is terminated before the First Capital special meeting, First Capital is required to submit the proposal to approve the Merger Agreement to its shareholders even if First Capital's board of directors has withdrawn, modified or qualified its recommendation.

**Q: Will Peoples be required to submit the proposal to approve the Merger Agreement to its shareholders even if Peoples' board of directors has withdrawn, modified or qualified its recommendation?**

**A:** Yes. Unless the Merger Agreement is terminated before the Peoples special meeting, Peoples is required to submit the proposal to approve the Merger Agreement to its shareholders even if Peoples' board of directors has withdrawn, modified or qualified its recommendation.

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**Q: What are the U.S. federal income tax consequences of the Merger to Peoples shareholders?**

A: We intend that the Merger will be treated as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that, accordingly, for U.S. federal income tax purposes: (i) no gain or loss will be recognized by First Capital or Peoples as a result of the Merger, and (ii) Peoples shareholders who receive shares of First Capital common stock in exchange for shares of Peoples common stock in the Merger will recognize no gain or loss, other than the gain or loss to be recognized as to cash received either (a) as Cash Consideration, or (b) in lieu of fractional shares of First Capital common stock. Peoples shareholders who exercise dissenters' rights and receive cash for their shares of First Capital common stock generally will recognize gain or loss for federal income tax purposes. At the closing, Peoples is to receive an opinion confirming these tax consequences. See "Material U.S. Federal Income Tax Consequences" beginning on page [ • ].

*The U.S. federal income tax consequences described above may not apply to all holders of Peoples common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences that the Merger would have for you.*

**Q: Are Peoples shareholders entitled to dissenters' rights?**

A: Yes. Peoples shareholders who do not vote in favor of the Peoples Merger Proposal will be entitled to dissenters' rights under Kentucky law, provided they take all of the steps required to perfect their rights under KRS 271B.13-020. For further information, see "The Merger Dissenters' Rights in the Merger." In addition, a copy of the Kentucky Dissenters' Rights Statute, KRS 271B Subchapter 13, is attached as *Annex D* to this joint proxy statement/prospectus.

**Q: How do Peoples shareholders elect the form of payment that they prefer in the Merger?**

A: An Election Form for use by Peoples shareholders is enclosed with this joint proxy statement/prospectus. If Peoples shareholders wish to make an election, they should complete the Election Form and mail it in the postage-prepaid envelope provided to the election agent, Computershare Limited ("Computershare" or "Election Agent"). ***To make an effective election, you must submit a properly completed and executed Election Form for receipt by Computershare before 5:00 p.m. local time on the election deadline.*** The election deadline will be fixed by First Capital and can be no earlier than 7 days after the Peoples special meeting and no later than the date set for closing the Merger.

Peoples shareholders must include their Peoples share certificates with their Election Forms. If you hold your shares in street name with a broker, you should ask your broker for instructions on tendering your Peoples shares. Peoples shareholders should read the instructions to the Election Form for information on completing the form. These instructions will also inform you what to do if your share certificates have been lost, stolen or destroyed. If you do not return a properly completed and executed Election Form by the election deadline, then you will be treated as not having made an election with respect to your shares, and your shares will be converted into the Cash Consideration and/or the Stock Consideration in accordance with the election, adjustment, proration and allocation procedures described elsewhere in this joint proxy statement/prospectus.

**Q: Which form of payment should Peoples shareholders choose?**

A: The form of payment you choose will depend upon your personal financial preferences and tax circumstances. We urge Peoples shareholders to consult their personal financial or tax advisors if they have any questions about the form of payment they should elect.



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**Q: What if Peoples shareholders don't make an election as to some or all of their Peoples shares?**

A: If you do not submit an Election Form, the form of Merger Consideration you receive will depend entirely on the elections made by other Peoples shareholders. You may be treated as having made an election for cash, First Capital common stock, or a combination of both, depending on the outcome of the proration and allocation procedures. It is impossible to predict in advance what form of Merger Consideration you will receive if you do not make an election.

**Q: If I am a Peoples shareholder and am voting against the Peoples Merger Proposal, should I still make an election?**

A: Yes. If the Peoples Merger Proposal is approved by the Peoples shareholders and becomes effective, Peoples shareholders will receive Merger Consideration based on the elections they make on their Election Forms, subject to the election, adjustment, proration and allocation procedures described elsewhere in this joint proxy statement/prospectus. If you fail to submit an Election Form, the form of Merger Consideration you receive will be determined by the elections made by other Peoples shareholders, as described in the preceding answer.

**Q: Can Peoples shareholders change their elections?**

A: Yes. Peoples shareholders can change their elections by submitting a new Election Form to the Election Agent, as long as it is received before the election deadline set forth on the Election Form. After the election deadline, no changes can be made.

**Q: Can the form of Merger Consideration I receive differ from what I choose on my Election Form?**

A: Yes. It is possible that you will not receive the exact form of consideration that you chose on your Election Form. Whether you will be entitled to receive cash or First Capital shares in exchange for your Peoples shares will be initially determined based on your election, but may be adjusted depending upon the elections made by other Peoples shareholders. The Merger Agreement provides that 50% of the outstanding shares of Peoples must be converted into First Capital shares, with the balance of the outstanding Peoples shares converted into cash.

If the elections made by Peoples shareholders would result in less than 50% of the Peoples shares being converted into First Capital stock, then the shares for which no elections were made ("non-elections") will first be converted into stock elections on a pro rata basis until 50% of the Peoples shares would be converted. If less than 50% of the Peoples shares would be converted into First Capital stock even after all non-elections are converted into stock elections, then cash elections would be converted into stock elections on a pro rata basis until the 50% of the outstanding shares of Peoples would be converted into First Capital stock.

If the elections made by Peoples shareholders would result in more than 50% of the Peoples shares being converted into stock, then the stock elections will be converted into cash elections on a pro rata basis.

In either case, you may receive a combination of cash and whole shares of First Capital common stock for each of your Peoples shares that is different from what you elected, depending on the elections made by other Peoples shareholders. The allocation of the mix of consideration payable to each Peoples shareholder will not be finally determined until the Election Agent tallies the results of the elections made by Peoples shareholders, which will not occur until near the time of the closing of the Merger. See "The Merger Agreement Election and Allocation Procedures."

**Q: If I am a Peoples shareholder, when should I send in my Peoples stock certificates?**

A:

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You should send your stock certificates when you return your Election Form, which is enclosed with this proxy statement/prospectus.  
***Take note that your election of Merger Consideration will only be***

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*effective if your Election Form and stock certificates are received by Computershare before 5:00 p.m. local time on the election deadline.* The election deadline will be fixed by First Capital and can be no earlier than 7 days after the Peoples special meeting and no later than the date set for closing the Merger. Accordingly, we urge you to locate your stock certificates as soon as possible.

**Q: What if I cannot find my Peoples stock certificates?**

A: In order to avoid any delay in receiving your Merger Consideration after the Merger is completed, we urge you to confirm as soon as possible whether you hold stock certificates for your shares of Peoples common stock or whether your shares are held by a broker, depository or another financial institution. We also urge you to locate the stock certificates for any shares you hold as soon as possible. If you cannot locate your stock certificates, you should contact William L. Dawson, Peoples' President, immediately. Mr. Dawson can be reached at the address and telephone number listed below.

Your Election Form also explains the procedure by which you can receive your Merger Consideration even if you are unable to deliver your Peoples stock certificates because you have lost them. However, this procedure may take time to complete and could involve an additional expense to you.

**Q: When do you expect to complete the Merger?**

A: First Capital and Peoples expect to complete the merger in the fourth quarter of 2015. However, neither First Capital nor Peoples can assure you when or if the Merger will be completed. First Capital and Peoples must first obtain the approval of First Capital shareholders and Peoples shareholders for the Merger, as well as obtain necessary regulatory approvals and satisfy certain other closing conditions.

**Q: What happens if the Merger is not completed?**

A: If the Merger is not completed, holders of Peoples common stock will not receive any consideration for their shares in connection with the Merger. Instead, Peoples will remain an independent company. In addition, if the Merger Agreement is terminated in certain circumstances, Peoples may be required to pay a termination fee. See "The Merger Agreement Termination Fee" beginning on page [ • ] for a discussion of the circumstances under which a termination fee will be required to be paid.

**Q: Whom should I call with questions?**

A: *First Capital shareholders:* If you have any questions concerning the Merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of First Capital common stock, please contact the information agent, Georgeson Inc., located at 480 Washington Blvd., 26<sup>th</sup> Floor, Jersey City, NJ 07310 or at telephone number (888) 566-8006.

*Peoples shareholders:* If you have any questions concerning the Merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Peoples common stock, please contact the information agent, Georgeson Inc., located at 480 Washington Blvd., 26<sup>th</sup> Floor, Jersey City, NJ 07310 or at telephone number (888) 566-8006, or Peoples' President, William L. Dawson, at (502) 543-2226.

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**SUMMARY**

*This summary highlights selected information in this joint proxy statement/prospectus and may not contain all of the information important to you. To understand the Merger more fully, you should read this entire document carefully, including the annexes and the documents referred to in this joint proxy statement/prospectus.*

**The Companies** (page [ • ]) )

*First Capital, Inc.  
220 Federal Drive NW  
P.O. Box 130  
Corydon, Indiana 47112  
(812) 738-2198*

First Capital, Inc., is listed on the NASDAQ Capital Market (under the symbol: "FCAP") and is a community-focused, savings and loan holding company. As of June 30, 2015, First Capital had approximately \$476.9 million in assets, \$298.9 million in loans, \$416.2 million in deposits and \$58.4 million of total equity. Through First Harrison Bank, First Capital offers full banking services and currently has twelve offices in the Indiana communities of Corydon, Edwardsville, Greenville, Floyds Knobs, Palmyra, New Albany, New Salisbury, Jeffersonville, Salem and Lanesville. First Harrison Bank, through its business arrangement with Investment Centers of America, member SIPC, offers non-FDIC insured investments to complement its traditional banking products and services.

*Peoples Bancorp Inc. of Bullitt County  
1612 Highway 44 East  
Shepherdsville, Kentucky 40165  
(502) 543-2226*

Peoples Bancorp Inc. of Bullitt County ("Peoples") is a bank holding company which was incorporated in Kentucky in 1990 and is headquartered in Shepherdsville, Kentucky. Peoples conducts its financial services business through its wholly owned banking subsidiary, The Peoples Bank of Bullitt County ("Peoples Bank"), which offers full banking services and operates five banking offices in Bullitt County, Kentucky.

As of June 30, 2015, Peoples had total assets of \$237.8 million, net loans of \$57.8 million, deposits of \$208.6 million and total shareholder's equity of \$28.1 million.

**Special Meetings of Shareholders; Required Vote** (page [ • ]) )

*First Capital*

The First Capital special meeting is scheduled to be held at [ • ] on [ • ], at [ • ] local time. At the First Capital special meeting, you will be asked to vote to approve the First Capital Merger Proposal. You will also be asked to approve the First Capital Adjournment Proposal. Only First Capital shareholders of record as of the close of business on [ • ], are entitled to notice of, and to vote at, the First Capital special meeting and any adjournments or postponements of the First Capital special meeting.

As of the record date, there were [ • ] shares of First Capital common stock outstanding. The directors and executive officers of First Capital (and their affiliates), as a group, beneficially owned [ • ] shares of First Capital common stock, including shares subject to options currently exercisable but not exercised, representing approximately [ • ]% of the outstanding shares of First Capital common stock as of the record date.

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Approval of the First Capital Merger Proposal requires the affirmative vote of the holders of a majority of the issued and outstanding shares of First Capital. Approval of the First Capital Adjournment Proposal requires that more votes be cast in favor of the proposal than against the proposal at the First Capital special meeting.

*Peoples*

The Peoples special meeting is scheduled to be held at [ • ] on [ • ], at [ • ] local time. At the Peoples special meeting, you will be asked to vote to approve the Peoples Merger Proposal. You will also be asked to approve the Peoples Adjournment Proposal. Only Peoples shareholders of record as of the close of business on [ • ], are entitled to notice of, and to vote at, the Peoples special meeting and any adjournments or postponements of the Peoples special meeting.

As of the record date, there were [ • ] shares of Peoples common stock outstanding. The directors and executive officers of Peoples (and their affiliates), as a group, beneficially owned [ • ] shares of Peoples common stock, representing approximately [ • ]% of the outstanding shares of Peoples common stock as of the record date.

Approval of the Peoples Merger Proposal requires the affirmative vote of the holders of a majority of the issued and outstanding shares of Peoples. Approval of the Peoples Adjournment Proposal requires that more votes be cast in favor of the proposal than against the proposal at the Peoples special meeting

**The Merger and the Merger Agreement** (pages [ • ] and [ • ])

The Merger Agreement provides that, if all of the conditions are satisfied or waived, Peoples will be merged with and into First Capital, with First Capital surviving. Simultaneously with the Merger, The Peoples Bank of Bullitt County will be merged into First Harrison Bank and all of the branches of The Peoples Bank of Bullitt County will be branches of First Harrison Bank. We encourage you to read the Merger Agreement, which is included as *Annex A* to this joint proxy statement/prospectus and is incorporated by reference herein.

**What Peoples Shareholders Will Receive in the Merger** (page [ • ])

If the Merger is completed, each share of Peoples common stock (except for specified shares of Peoples common stock held by Peoples or First Capital and any dissenting shares) will be converted, at the election of the shareholder and subject to certain adjustments and election and allocation procedures described elsewhere in this joint proxy statement/prospectus, into the right to receive, without interest, either (i) 382.83 shares (the "Exchange Ratio") of First Capital common stock (the "Stock Consideration"), or (ii) \$9,475.00 in cash (the "Cash Consideration") (collectively, the "Merger Consideration"). Peoples shareholders who would otherwise be entitled to a fractional share of First Capital common stock upon the completion of the Merger will instead receive an amount in cash equal to the fractional share interest multiplied by the Cash Consideration. The Merger Agreement also provides for the possibility of an additional cash payment to shareholders of Peoples as described elsewhere in this joint proxy statement/prospectus if and to the extent that Peoples sells certain specified assets (the "Contingent Assets") prior to the effective time of the Merger, or First Capital sells such assets within 26 months after the effective time of the Merger. No guarantee can be made that the Contingent Assets will be sold in the manner or the timeframes set forth in the Merger Agreement.

The Merger Agreement provides that the Stock Consideration and Cash Consideration will be adjusted within certain limits in the manner specified in the Merger Agreement if the Average First Capital Closing Price (as defined) is greater, or less, than \$24.75. "Average First Capital Closing Price" means the average per share closing price of First Capital common stock for the 20 trading days

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preceding the 5th calendar before the effective time of the Merger. The Merger Consideration may also decrease as specified in the Merger Agreement if the consolidated net book value of Peoples (as defined in the Merger Agreement) is less than \$29,010,000 but greater than \$26,410,000.

The following table shows the range of potential values for the Cash Consideration per Peoples share and the Exchange Ratio (the number of First Capital shares into which each Peoples share would be converted in the Merger) based on (1) changes in the Average First Capital Closing Price within the minimum and maximum price range, with a mid-point of \$24.75 per First Capital share; and (2) various levels of Consolidated Net Book Value as of the Closing Date. The values in the table are for illustrative purposes only. The actual values will be determined immediately before the Merger becomes effective. The table assumes no cash issued in lieu of fractional shares of First Capital common stock.

Peoples Consolidated Net Book Value (in thousands)	Average First Capital Closing Price					
	Minimum (9.9% decrease) \$22.30		Mid-Point \$24.75		Maximum (10.1% increase) \$27.25	
	Exchange Ratio (First Capital shares)	Cash Consideration	Exchange Ratio (First Capital shares)	Cash Consideration	Exchange Ratio (First Capital shares)	Cash Consideration
\$ 29,010	403.86	\$ 9,006.04	382.83	\$ 9,475.00	365.27	\$ 9,953.54
\$ 28,000	389.11	\$ 8,677.16	369.54	\$ 9,146.12	353.20	\$ 9,624.66
\$ 27,000	374.51	\$ 8,351.53	356.38	\$ 8,820.49	341.25	\$ 9,299.03
\$ 26,410	365.89	\$ 8,159.41	348.62	\$ 8,628.37	334.20	\$ 9,106.91

As of June 30, 2015, Peoples would have reported Consolidated Net Book Value (as defined in the Merger Agreement) of more than \$29,010,000. Assuming that value remained in effect on the closing date, there would not be a book value-related price adjustment. Based on the \$26.27 closing trading price of First Capital common stock on September 14, 2015, the Exchange Ratio would be 371.75 First Capital shares for each Peoples share, and the Cash Consideration would be \$9,765.95 for each Peoples share.

### **Recommendations of First Capital and Peoples Boards of Directors** (page [ • ]) )

#### *First Capital*

The First Capital board of directors unanimously adopted the Merger Agreement and approved and authorized the proposed Merger. The First Capital board of directors unanimously determined that the Merger and the Merger Agreement would be in compliance with all applicable laws and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of First Capital, First Harrison Bank, and the First Capital shareholders. The First Capital board of directors unanimously recommends that First Capital shareholders vote "FOR" approval of the Merger Agreement. In reaching its determination, the First Capital board of directors considered a number of factors, which are described in the section captioned "Proposal 1 The Merger First Capital's Reasons for the Merger and Recommendation of the Board of Directors" beginning on page [ • ]. Because of the wide variety of factors considered, the First Capital board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

The First Capital board of directors also unanimously recommends that you vote "FOR" approval of the First Capital Adjournment Proposal.

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*Peoples*

The Peoples board of directors unanimously adopted the Merger Agreement and approved and authorized the proposed Merger. The Peoples board of directors unanimously determined that the Merger and the other transactions contemplated by the Merger Agreement would be in the best interest of Peoples, The Peoples Bank of Bullitt County and the Peoples shareholders. The Peoples board of directors unanimously recommends that Peoples shareholders vote "FOR" approval of the Merger Agreement. In reaching its determination, the Peoples board of directors considered a number of factors, which are described in the section captioned "Proposal 1 The Merger Peoples' Reasons for the Merger and Recommendation of the Board of Directors" beginning on page [ • ]. Because of the wide variety of factors considered, the Peoples board of directors did not believe it practicable, nor did it attempt, to quantify or otherwise assign relative weight to the specific factors it considered in reaching its decision.

The Peoples board of directors also unanimously recommends that you vote "FOR" approval of the Peoples Adjournment Proposal.

**Dissenters' Rights** (page [ • ])

If the Merger Agreement is approved and the Merger is consummated, each shareholder of Peoples who dissents from the Merger will have the right to be paid the "fair value" of his or her shares of Peoples Common Stock in cash, provided that the shareholder complies with Subtitle 13, Chapter 271B of the Kentucky Revised Statutes. See "Merger Rights of Dissenting Shareholders" and *Annex D*.

**Opinion of Peoples' Financial Advisor** (page [ • ])

In connection with the Merger, the Peoples board of directors received an oral and a written opinion, dated June 4, 2015, from Peoples' financial advisor, Professional Bank Services, Inc. ("PBS"), to the effect that, as of the date of the opinion and based on and subject to the various considerations described in the opinion, the Merger Consideration to be paid to the holders of Peoples common stock as described in the Merger Agreement is fair and equitable from a financial perspective. The full text of PBS's written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and limitations on the review undertaken by PBS in rendering its opinion, is attached to this document as *Annex B*. We encourage you to read the entire opinion carefully. The opinion of PBS is directed to the Peoples board of directors and does not constitute a recommendation to any Peoples shareholder as to how to vote at the Peoples special meeting or any other matter relating to the proposed Merger.

**Opinion of First Capital's Financial Advisor** (page [ • ])

At the request of First Capital's board of directors on June 3, 2015, Raymond James rendered its opinion as to the fairness, as of June 1, 2015, from a financial point of view, to First Capital of the Merger Consideration (as defined in the opinion letter) to be paid by First Capital in the Transaction (as defined in the opinion letter) pursuant to the Agreement (as defined in the opinion letter) based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion. The full text of Raymond James's written opinion, which sets forth, among other things, the various qualifications, assumptions, and any limitations on the review undertaken in connection with the opinion, is attached to this document as *Annex C*. The opinion was provided for the information of First Capital's board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the Transaction and the opinion only addressed whether the Merger Consideration to be paid by First Capital in the Transaction pursuant to the Agreement was fair, from a financial point of view, to First Capital. The opinion did not address

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any other term or aspect of the Agreement or the Transaction contemplated thereby. The opinion does not constitute a recommendation to the board or to any holder of First Capital common shares as to how the board, such shareholder or any other person should vote or otherwise act with respect to the Transaction or any other matter.

**Reasons for the Merger** (page [ • ])

The Peoples board of directors unanimously determined that the Merger, the Merger Agreement and the Merger Consideration would be in compliance with all applicable laws and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of Peoples, The Peoples Bank of Bullitt County and the Peoples shareholders. The Peoples board of directors unanimously recommends that Peoples shareholders vote "FOR" the Peoples Merger Proposal.

In its deliberations and in making its determination, the Peoples board of directors considered many factors including, but not limited to, the following:

The financial terms of the Merger, including the purchase price per Peoples share and the opportunity to receive cash or First Capital common stock;

Prospects for the combined company resulting from the Merger, which would have approximately \$750 million in total assets and \$620 million in deposits and be capable of competing effectively and absorbing the fixed costs of regulatory compliance;

The risks and prospects of Peoples remaining independent, including the challenges of the current financial, operating and regulatory climate and the increasing costs associated with banking regulation, including the Dodd-Frank Act;

First Capital's asset quality, financial performance, and prospects;

The greater liquidity of First Capital common stock, which is traded on the NASDAQ Capital Market, and the absence of a liquid trading market in which shareholders can sell Peoples shares;

First Capital's current practice of paying a quarterly dividend that compares favorably to the semi-annual dividend historically paid by Peoples; and

The fairness opinion of Peoples' financial advisor, Professional Bank Services, which is attached as *Annex B* to this joint proxy statement/prospectus.

For more information on the factors considered by the Peoples board of directors in reaching its determination to recommend approval of the Merger Agreement, see "Proposal 1 The Merger Peoples' Reasons for the Merger and Recommendation of the Board of Directors" beginning on page [ • ].

First Capital's board of directors concluded that the Merger Agreement is in the best interests of First Capital and its shareholders. In deciding to approve the Merger Agreement, First Capital's board of directors considered a number of factors, including, but not limited to, the following:

Peoples' community banking orientation in Bullitt County, Kentucky and its perceived compatibility with First Capital and First Harrison Bank;



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The opportunity to enter into a new market with an established market participant;

a review of the demographic, economic, and financial characteristics of the market in which Peoples operates, including existing and potential competition and the history of the market areas with respect to financial institutions; and

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management's review of the business, management and personnel, operations, earnings, and financial condition, including capital levels and asset quality, of Peoples and The Peoples Bank of Bullitt County.

**Regulatory Approvals** (page [ • ]) )

Under the terms of the Merger Agreement, the Merger cannot be completed until First Capital receives necessary regulatory approvals, which include the approval of the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). First Capital will file applications with each regulatory authority to obtain the approvals. First Capital cannot be certain when such approvals will be obtained or if they will be obtained.

**Issued First Capital Shares Will be Eligible for Trading** (page [ • ]) )

The shares of First Capital common stock to be issued upon completion of the Merger will be eligible for trading on the NASDAQ Capital Market.

**Conditions to the Merger** (page [ • ]) )

The respective obligations of First Capital and Peoples to consummate the Merger are subject to the satisfaction or waiver, on or before the completion of the Merger, of a number of conditions, including:

the representations and warranties made by the parties in the Merger Agreement must be true and correct as of the closing date of the Merger or as otherwise required in the Merger Agreement, unless the inaccuracies do not or would not reasonably be expected to result in a material adverse effect;

the covenants made by the parties must have been fulfilled or complied with in all material respects from the date of the Merger Agreement through the closing date of the Merger;

the parties must have received the respective closing deliveries of the other party to the Merger Agreement;

the Registration Statement on Form S-4, of which this joint proxy statement/prospectus is a part, relating to the First Capital shares to be issued pursuant to the Merger Agreement, must have become effective under the Securities Act of 1933, and no stop order suspending the effectiveness of the Registration Statement shall have been issued or threatened by the Securities and Exchange Commission;

the Merger must have been approved by the appropriate regulatory authorities;

the shareholders of First Capital and Peoples must have each approved the Merger Agreement;

First Capital and Peoples must have received an opinion from Krieg DeVault LLP, dated as of the closing date, to the effect that the Merger constitutes a tax-free "reorganization" for purposes of Section 368(a) of the Internal Revenue Code, as amended;

none of First Capital, Peoples, or either of their subsidiaries, shall be subject to any statute, rule, regulation, injunction, order or decree which prohibits, prevents or makes illegal completion of the Merger, and no material claim, litigation or proceeding shall have been initiated or threatened relating to the Merger Agreement or the Merger or seeking to prevent completion of the Merger; and

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the shares of First Capital common stock to be issued upon completion of the Merger shall have been authorized for listing on the NASDAQ Capital Market.

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We cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed.

**Termination** (page [ • ]) )

First Capital or Peoples may mutually agree at any time to terminate the Merger Agreement without completing the Merger, even if the First Capital and Peoples shareholders have approved it. Also, either party may decide, without the consent of the other party, to terminate the Merger Agreement under specified circumstances, including if the Merger is not consummated by January 31, 2016, if any governmental entity has issued a final and nonappealable order or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger, or if either the First Capital or Peoples shareholders do not approve the Merger Agreement at the applicable special meeting. In addition, either party may terminate the Merger Agreement if there is a breach of the agreement by the other party that would cause the failure of conditions to the terminating party's obligation to close, unless the breach is capable of being cured and is cured within 20 business days of written notice of the breach, or if there has been a material adverse effect on the other party on a consolidated basis as of the closing date, compared to that in existence as of the date of the Merger Agreement.

First Capital has the right to terminate the Merger Agreement if the Peoples board of directors changes its recommendation or fails to reject a takeover proposal and reaffirm its recommendation within five business days of public announcement of such takeover proposal or if Peoples enters into an agreement relating to a takeover proposal.

Peoples has the right to terminate the Merger Agreement to enter into a definitive agreement that constitutes a superior proposal, provided that Peoples pays the termination fee described below.

**Termination Fee** (page [ • ]) )

Peoples is required to pay First Capital a \$900,000 termination fee in the following circumstances:

if First Capital terminates the Merger Agreement because the Peoples board fails to include its recommendation to approve the Merger in the proxy statement/prospectus;

if First Capital or Peoples terminates the Merger Agreement because Peoples approves, enters into or publicly recommends that Peoples shareholders accept or approve a takeover proposal;

if (A) the Merger Agreement is terminated by First Capital or Peoples because the Peoples shareholders fail to approve the Merger Agreement by the requisite vote, and Peoples enters into or consummates a takeover proposal within twelve months after such termination; or

if the Merger Agreement is terminated by First Capital or Peoples because (A) the Merger does not occur on or before January 31, 2016; (B) any person has made a takeover proposal to Peoples on or after the date of such termination; and (C) within twelve months after the date of termination, Peoples consummates a takeover proposal or enters into a definitive agreement with respect to a takeover proposal.

**Interests of Certain Directors and Executive Officers of Peoples in the Merger That are Different From Yours** (page [ • ]) )

First Capital is obligated under the Merger Agreement to maintain the rights of the officers and directors of Peoples and The Peoples Bank of Bullitt County to indemnification following the Merger in accordance with the provisions with respect to indemnification in the Articles of Incorporation and Bylaws of Peoples and The Peoples Bank of Bullitt County.

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**Accounting Treatment of the Merger** (page [ • ])

The Merger will be accounted for as a purchase transaction in accordance with United States generally accepted accounting principles.

**Rights of Shareholders After the Merger** (page [ • ])

When the Merger is completed, Peoples shareholders, whose rights are governed by the Peoples articles of incorporation and bylaws, will become First Capital shareholders, and their rights then will be governed by First Capital's articles of incorporation and by-laws. First Capital is organized under Indiana law and Peoples is organized under Kentucky law. To review the differences in the rights of shareholders under each company's governing documents, see "Comparison of the Rights of Shareholders" beginning on page [ • ].

**Material Federal Income Tax Consequences of the Merger** (page [ • ])

First Capital and Peoples expect the Merger to qualify as a "reorganization" for U.S. federal income tax purposes. If the Merger qualifies as a reorganization, then, in general, Peoples shareholders will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of Peoples shares for First Capital shares in the Merger. With respect to cash received in the Merger, Peoples shareholders will recognize gain (but not loss) in an amount equal to the lesser of (A) the amount of cash received in the Merger, and (B) the excess, if any, of (1) the sum of the amount of cash and the fair market value of the First Capital common stock received in the Merger over (2) the Peoples shareholder's aggregate tax basis in the Peoples common stock surrendered in exchange for First Capital common stock.

To review the tax consequences of the Merger to Peoples shareholders in greater detail, please see the section "Material Federal Income Tax Consequences" beginning on page [ • ].

**Comparative Per Share Data**

The following table shows information about First Capital's and Peoples' book value per share, cash dividends per share, and diluted earnings per share, and similar information as if the Merger had occurred on the date indicated, all of which is referred to as "pro forma" information. In presenting the comparative pro forma information for certain time periods, it has been assumed that First Capital and Peoples had been merged throughout those periods along with certain other assumptions.

The information listed as "Pro Forma Equivalent Peoples Share" was obtained by multiplying the Pro Forma Combined amounts by a fixed Exchange Ratio of 382.83. This information is presented to reflect the fact that Peoples shareholders will receive shares of First Capital common stock for each share of Peoples common stock exchanged in the Merger. It is also anticipated that the combined company will derive financial benefits from the Merger that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the merged company under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. Further, the pro forma information below excludes one-time expenses related to the Merger. The pro forma information also

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does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods.

	First Capital Historical	Peoples Historical	Pro Forma Combined	Pro Forma Equivalent Peoples Share
<b>Book value per common share:</b>				
at June 30, 2015	\$ 21.13	\$ 9,152.39	\$ 21.12	\$ 8,085.00
at December 31, 2014	\$ 20.84	\$ 9,386.84	\$ 20.88	\$ 7,993.30
<b>Cash dividends per common share:</b>				
Six months ended June 30, 2015	\$ 0.42	\$ 126.00	\$ 0.46	\$ 176.27
Year ended December 31, 2014	\$ 0.84	\$ 251.00	\$ 0.93	\$ 354.73
<b>Diluted earnings per common share:</b>				
Six months ended June 30, 2015	\$ 0.98	\$ 90.85	\$ 0.94	\$ 359.86
Year ended December 31, 2014	\$ 2.03	\$ 565.41	\$ 2.05	\$ 784.80

### **Market Prices and Share Information**

The following table presents quotation information for First Capital common stock on the NASDAQ Capital Market for June 3, 2015, which was the last trading day prior to the announcement of the signing of the Merger Agreement and [●], 2015, which was the last practicable trading day for which information was available prior to the date of this joint proxy statement/prospectus.

	<b>First Capital Common Stock</b>		
	high	low	close
June 3, 2015	\$ 25.91	25.91	25.91
[●], 2015	\$ [●]	\$ [●]	\$ [●]

Peoples common stock is not traded on an established public trading market.

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The selected consolidated financial data presented below, as of and for the six months ended June 30, 2015 and 2014, is unaudited. The selected consolidated financial data presented below, as of and for each of the years in the five-year period ended December 31, 2014, is derived from First Capital's audited historical financial statements. Per share amounts have been adjusted to reflect all completed stock dividends and splits. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page [ • ] of this proxy statement/prospectus, and the consolidated financial statements and the notes thereto attached to this proxy statement/prospectus. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	Six Months Ended June 30,		Year Ended December 31,				
	2015 (unaudited)	2014	2014	2013	2012	2011	2010
<b>Results of Operations</b>							
Net interest income	\$ 8,569	\$ 8,570	\$ 17,255	\$ 16,758	\$ 16,335	\$ 16,513	\$ 16,332
Provision for loan losses	50	115	190	725	1,525	1,825	2,037
Noninterest income	2,578	2,266	4,936	4,640	4,537	4,051	3,906
Noninterest expense	7,440	6,648	14,082	13,331	13,853	13,211	12,762
Income (loss) before income tax	3,657	4,073	7,919	7,342	5,494	5,528	5,439
Income tax (benefit)	956	1,251	2,312	2,255	1,559	1,543	1,561
Net income	2,701	2,822	5,607	5,087	3,935	3,985	3,878
Net income available to common shareholders	2,694	2,815	5,594	5,074	3,922	3,972	3,865
Dividends paid on common stock	1,155	1,160	2,312	2,228	2,118	2,117	2,063
<b>Per Common Share</b>							
Earnings per share (basic)	\$ 0.98	\$ 1.02	\$ 2.03	\$ 1.82	\$ 1.41	\$ 1.43	\$ 1.39
Earnings per share (diluted)	0.98	1.02	2.03	1.82	1.41	1.43	1.39
Dividends paid	0.42	0.42	0.84	0.80	0.76	0.76	0.74
Book value end of period	21.13	20.10	20.84	19.12	18.97	18.29	17.18
Market value end of period	27.07	21.11	24.34	21.26	19.47	18.53	16.64
<b>At Period End</b>							
Total assets	\$ 476,924	\$ 459,537	\$ 472,761	\$ 444,384	\$ 459,132	\$ 438,886	\$ 452,378
Investment securities	98,366	107,262	100,232	108,771	122,985	111,456	100,883
Net loans, excluding held for sale	298,865	297,997	300,603	288,506	280,407	276,047	294,550
Allowance for loan losses	3,600	5,066	4,846	4,922	4,736	4,182	4,473
Total deposits	416,247	386,753	412,636	373,830	384,343	364,374	378,003
Other borrowings	0	15,617	0	14,810	19,192	21,475	24,398
Shareholders' equity	58,309	55,142	57,121	53,227	52,824	50,942	47,893
<b>Financial Ratios</b>							
Return on average assets	1.14%	1.24%	1.22%	1.11%	0.86%	0.90%	0.84%
Return on average common shareholders' equity	9.25%	10.34%	10.09%	9.56%	7.54%	8.04%	8.10%
Allowance for loan losses to gross loans (period end) (excluding held for sale)	1.17%	1.64%	1.57%	1.64%	1.64%	1.47%	1.48%
Shareholders' equity to total assets (period end)	12.23%	12.00%	12.08%	11.98%	11.51%	11.61%	10.59%
Average equity to average total assets	12.31%	12.01%	12.08%	11.65%	11.46%	11.13%	10.43%
Dividend payout ratio	42.86%	41.18%	41.38%	43.96%	53.90%	53.15%	53.24%

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF PEOPLES**

The selected consolidated financial data presented below, as of and for the six months ended June 30, 2015 and 2014, is unaudited. The selected consolidated financial data presented below, as of and for the year ended December 31, 2014, is derived from Peoples' audited financial statements. The selected consolidated financial data presented below, as of and for each of the years ended December 31, 2013 and 2012, is derived from Peoples' unaudited historical financial statements. Results for past periods are not necessarily indicative of results that may be expected for any future period.

	Six months ended June 30,		Year ended December 31,		
	2015 (unaudited)	2014	2014 (audited)	2013 (unaudited)	2012
<b>Results of Operations</b>					
Interest income	\$ 3,639	\$ 4,335	\$ 8,204	\$ 8,630	\$ 9,124
Interest expense	669	695	1,388	1,504	1,992
Net interest income	2,970	3,640	6,816	7,126	7,132
Provision for loan losses				300	2,300
Net interest income after provision for loan losses	2,970	3,640	6,816	6,826	4,832
Noninterest income	961	810	2,985	1,046	854
Noninterest expense	3,574	3,449	7,336	6,151	6,451
Income (loss) before income taxes	357	1,001	2,465	1,721	(765)
Income tax expense (benefit)	78	281	725	499	(369)
Net Income (Loss)	279	720	1,740	1,222	(396)
<b>Per Common Share</b>					
Net income (loss) basic	\$ 90.85	\$ 233.78	\$ 565.41	\$ 394.46	\$ (126.91)
Net income (loss) diluted	90.85	233.78	565.41	394.46	(126.91)
Dividends	126.00	125.00	251.00	249.00	247.00
Book value end of period	9,152.39	8,807.28	9,379.68	7,540.13	9,353.62
<b>At Period End</b>					
Total assets	\$ 237,777	\$ 229,424	\$ 233,623	\$ 223,550	\$ 230,811
Cash and cash equivalents(1)	15,525	11,836	16,700	11,700	8,341
Securities available for sale	151,425	139,976	144,971	129,258	49,196
Securities held to maturity					87,030
Net loans	57,750	63,236	59,295	71,235	78,239
Deposits	208,620	201,288	203,919	199,708	196,055
Shareholders' equity	28,107	27,100	28,827	23,299	29,043
<b>Financial Ratios</b>					
Return on average assets(2)	0.23%	0.63%	0.76%	0.54%	0.17%
Return on average equity(3)	1.93%	5.24%	6.34%	4.27%	1.29%
Dividend payout ratio(4)	138.69%	53.47%	44.39%	63.12%	NM
Average equity to average assets	12.08%	12.02%	11.99%	12.58%	13.52%
Interest rate spread(5)	2.43%	3.20%	2.94%	2.97%	2.91%
Net interest margin(6)	2.73%	3.49%	3.22%	3.31%	3.34%
Noninterest expense to average assets	2.98%	3.02%	3.20%	2.71%	2.84%
Average interest earning assets to average interest bearing liabilities	137.11%	132.94%	133.69%	138.05%	139.96%
<b>Regulatory Capital Ratios (Bank only)</b>					
Tier 1 average assets	12.17%	12.51%	12.60%	12.60%	12.10%
Tier 1 risk weighted assets	26.56%	28.33%	30.96%	27.16%	26.74%
Total risk weighted assets	30.81%	29.59%	32.21%	28.41%	28.02%
<b>Asset Quality Ratios</b>					
Nonperforming loans as a percent of net loans(7)	4.64%	4.88%	4.80%	11.27%	15.20%
Nonperforming assets as a percent of total assets(8)	3.72%	4.05%	3.83%	4.29%	5.65%
Allowance for loan losses as a percent of gross loans receivable	2.71%	2.66%	2.74%	2.35%	4.75%



- (1) Includes cash and due from banks, interest-bearing deposits in other depository institutions and federal funds sold.
- (2) Net income attributable to Peoples Bancorp, Inc. of Bullitt County divided by average assets.

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- (3) Net income attributable to Peoples Bancorp, Inc. of Bullitt County divided by average equity.
- (4) Common stock dividends declared per share divided by net income per share.
- (5) Difference between weighted average yield on interest-earning assets and weighted average cost of interest-bearing liabilities. Tax exempt income is reported on a tax equivalent basis using a federal marginal tax rate of 34%.
- (6) Net interest income as a percentage of average interest-earning assets.
- (7) Nonperforming loans consist of loans accounted for on a nonaccrual basis and accruing loans 90 days or more past due.
- (8) Nonperforming assets consist of nonperforming loans and real estate acquired in settlement of loans.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information and accompanying notes show the impact on the historical financial conditions and results of operations of First Capital and Peoples and have been prepared to illustrate the effects of the Merger under the purchase method of accounting.

The unaudited pro forma condensed combined balance sheet as of June 30, 2015, is presented as if the Merger had occurred on June 30, 2015. The unaudited pro forma condensed combined statements of income for the six months ended June 30, 2015 and for the year ended December 31, 2014, are presented as if the Merger had occurred on January 1, 2014. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the Merger.

The selected unaudited pro forma condensed combined financial statements are provided for informational purposes only. The unaudited pro forma condensed combined financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the Merger been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

the accompanying notes to the unaudited pro forma condensed combined financial statements;

First Capital's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2014, included elsewhere in this joint proxy statement/prospectus;

Peoples' audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2014, included elsewhere in this joint proxy statement/prospectus;

First Capital's unaudited condensed consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2015, included elsewhere in this joint proxy statement/prospectus;

Peoples' unaudited consolidated financial statements and accompanying notes as of and for the six months ended June 30, 2015, included elsewhere in this joint proxy statement/prospectus; and

other information pertaining to First Capital and Peoples included in this joint proxy statement/prospectus.

Table of Contents**FIRST CAPITAL, INC. AND PEOPLES BANCORP, INC. OF BULLITT COUNTY****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

JUNE 30, 2015

(In thousands)

	First Capital	Peoples	Debit	Pro Forma Adjustments	Credit	Pro Forma Combined
<b>ASSETS</b>						
Cash and cash equivalents	\$ 39,647	\$ 15,525	\$ 14,549	(a)	\$ 14,549	\$ 55,172
Interest bearing time deposits	9,515					9,515
Securities available for sale, at fair value	98,361	151,425				249,786
Securities held to maturity	5					5
Loans held for sale	1,673					1,673
Loans, net	302,465	59,358		(b)	332	361,491
Allowance for loan losses	(3,600)	(1,608)	1,608	(c)		(3,600)
Net loans	298,865	57,750	1,608		332	357,891
Federal Home Loan Bank and other restricted stock	1,550	1,295				2,845
Foreclosed real estate	567	6,154		(d)	1,646	5,075
Premises and equipment	10,238	2,378				12,616
Accrued interest receivable	1,538	1,344				2,882
Goodwill	5,386		43	(m)		5,429
Core deposit intangible			1,972	(e)		1,972
Cash value of life insurance	6,002	784				6,786
Other assets	3,577	1,122	1,117	(f)	489	5,327
<b>Total Assets</b>	<b>\$ 476,924</b>	<b>\$ 237,777</b>	<b>\$ 19,289</b>		<b>\$ 17,016</b>	<b>\$ 716,974</b>
<b>LIABILITIES</b>						
Deposits	\$ 416,247	\$ 208,620		(g)	\$ 165	\$ 625,032
Borrowed funds				(a)	14,549	14,549
Accrued interest payable	94	267				361
Other liabilities	2,169	783		(l)	3,293	6,245
Total Liabilities	418,510	209,670			18,007	646,187
<b>EQUITY</b>						
Preferred stock						
Common stock	32	77	77	(h)	6	38
Additional paid-in capital	24,766	7,069	7,069	(i)	14,543	39,309
Retained earnings	41,768	22,139	24,315	(j)		39,592
Accumulated other comprehensive income (loss)	411	(1,178)		(k)	1,178	411
Unearned stock compensation	(415)					(415)
Treasury stock, at cost	(8,253)					(8,253)
Total First Capital, Inc. Stockholders' Equity	58,309	28,107	31,461		15,727	70,682

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Noncontrolling interest in subsidiary	105				105
<b>Total Equity</b>	58,414	28,107	31,461	15,727	70,787
<b>Total Liabilities and Equity</b>	\$ 476,924	\$ 237,777	\$ 31,461	\$ 33,734	\$ 716,974

See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

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**FIRST CAPITAL, INC. AND PEOPLES BANCORP, INC. OF BULLITT COUNTY**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015**  
(In thousands, except share and per share amounts)

	First Capital	Peoples	Pro Forma Adjustments		Pro Forma Combined
			Debit	Credit	
<b>INTEREST INCOME</b>					
Loans, including fees	\$ 7,893	\$ 1,992	\$ 270	(n)	\$ 9,615
Securities	1,020	1,586			2,606
Other interest and dividend income	138	61			199
<b>Total interest income</b>	<b>9,051</b>	<b>3,639</b>	<b>270</b>		<b>12,420</b>
<b>INTEREST EXPENSE</b>					
Deposits	482	669		(o)	1,115
Borrowed funds			33	(s)	33
<b>Total interest expense</b>	<b>482</b>	<b>669</b>	<b>33</b>	<b>36</b>	<b>1,148</b>
Net interest income	8,569	2,970	303	36	11,272
Provision for loan losses	50				50
Net interest income after provision for loan losses	8,519	2,970	303	36	11,222
<b>NONINTEREST INCOME</b>					
Service charges on deposit accounts	1,630	156			1,786
Gain on sale of securities		97			97
Gain on sale of loans	486				486
Other income	462	708			1,170
<b>Total noninterest income</b>	<b>2,578</b>	<b>961</b>			<b>3,539</b>
<b>NONINTEREST EXPENSES</b>					
Compensation and benefits	3,981	1,796			5,777
Occupancy and equipment	623	216			839
Other expenses	2,836	1,562	102	(p)	4,100
<b>Total noninterest expenses</b>	<b>7,440</b>	<b>3,574</b>	<b>102</b>	<b>400</b>	<b>10,716</b>
Income before income taxes	3,657	357	405	436	4,045
Income tax expense	956	78		(q)	125
<b>Net Income</b>	<b>2,701</b>	<b>279</b>	<b>405</b>	<b>561</b>	<b>3,136</b>
Less: net income attributable to noncontrolling interest in subsidiary	7				7
<b>Net Income Attributable to First Capital, Inc.</b>	<b>\$ 2,694</b>	<b>\$ 279</b>	<b>\$ 405</b>	<b>\$ 561</b>	<b>\$ 3,129</b>
<b>Basic earnings per common share:</b>					
Earnings per share	\$ 0.98	\$ 90.85			\$ 0.94

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Weighted average common shares outstanding	2,740,596	3,071	(r)	3,328,431
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**Diluted earnings per common share:**

Earnings per share	\$ 0.98	\$ 90.85		\$ 0.94
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Weighted average common shares outstanding	2,740,752	3,071	(r)	3,328,587
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See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

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**FIRST CAPITAL, INC. AND PEOPLES BANCORP, INC. OF BULLITT COUNTY**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**(In thousands, except share and per share amounts)**

	First Capital	Peoples	Pro Forma Adjustments		Pro Forma Combined
			Debit	Credit	
<b>INTEREST INCOME</b>					
Loans, including fees	\$ 15,937	\$ 4,506	\$ 540	(n)	\$ 19,903
Securities	2,243	3,620			5,863
Other interest and dividend income	219	78			297
<b>Total interest income</b>	<b>18,399</b>	<b>8,204</b>	<b>540</b>		<b>26,063</b>
<b>INTEREST EXPENSE</b>					
Deposits	1,127	1,388		(o) 72	2,443
Borrowed funds	17		65	(s)	82
<b>Total interest expense</b>	<b>1,144</b>	<b>1,388</b>	<b>65</b>	<b>72</b>	<b>2,525</b>
Net interest income	17,255	6,816	605	72	23,538
Provision for loan losses	190				190
Net interest income after provision for loan losses	17,065	6,816	605	72	23,348
<b>NONINTEREST INCOME</b>					
Service charges on deposit accounts	3,189	435			3,624
Gain on sale of securities	54	1,035			1,089
Gain on sale of loans	713				713
Other income	980	1,515			2,495
<b>Total noninterest income</b>	<b>4,936</b>	<b>2,985</b>			<b>7,921</b>
<b>NONINTEREST EXPENSES</b>					
Compensation and benefits	7,661	3,578			11,239
Occupancy and equipment	1,198	546			1,744
Other expenses	5,223	3,212	204	(p)	8,639
<b>Total noninterest expenses</b>	<b>14,082</b>	<b>7,336</b>	<b>204</b>		<b>21,622</b>
Income before income taxes	7,919	2,465	809	72	9,647
Income tax expense	2,312	725		(q) 251	2,786
<b>Net Income</b>	<b>5,607</b>	<b>1,740</b>	<b>809</b>	<b>323</b>	<b>6,861</b>
Less: net income attributable to noncontrolling interest in subsidiary	13				13
<b>Net Income Attributable to First Capital, Inc.</b>	<b>\$ 5,594</b>	<b>\$ 1,740</b>	<b>\$ 809</b>	<b>\$ 323</b>	<b>\$ 6,848</b>



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**Basic earnings per common share:**

Earnings per share	\$	2.03	\$	565.41		\$	2.05
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Weighted average common shares outstanding		2,755,588		3,077	(r)		3,343,423
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**Diluted earnings per common share:**

Earnings per share	\$	2.03	\$	565.41		\$	2.05
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Weighted average common shares outstanding		2,755,588		3,077	(r)		3,343,423
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See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS**

**(In thousands, except share and per share amounts)**

**Note 1. Basis of Presentation**

The unaudited pro forma condensed combined financial information is based on the historical consolidated financial statements of First Capital, Inc. ("First Capital") and Peoples Bancorp, Inc. of Bullitt County ("Peoples"), and is presented to give effect to the proposed merger described below. The merger will be accounted for as a purchase under the assumptions and adjustments set forth below. The unaudited pro forma condensed combined financial statements do not give effect to the anticipated cost savings in connection with the merger.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements of First Capital and Peoples, including the respective notes to those statements. The pro forma information is not necessarily indicative of the combined financial position or the results of operations in the future or of the combined financial position or the results of operations which would have been realized had the merger been consummated during the periods or as of the dates for which the pro forma information is presented. We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the merged company under one set of assumptions, does not reflect these benefits and, accordingly, does not attempt to predict or suggest future results. Further, the pro forma information below excludes one-time expenses related to the merger.

On June 4, 2015, First Capital (acquiror), the savings and loan holding company for First Harrison Bank, and Peoples, the bank holding company for The Peoples Bank of Bullitt County, entered into an Agreement and Plan of Merger (the Agreement) whereby shareholders of Peoples may elect to receive either 382.83 shares of First Capital common stock or \$9,475 in cash for each share of Peoples common stock owned, subject to proration provisions specified in the Agreement that provide for a targeted aggregate mix of total consideration of 50% common stock and 50% cash. At the effective time of the merger, the exchange ratio and cash price per share may be adjusted based on provisions in the Agreement for changes in the price of First Capital common stock or a decrease in the consolidated net book value of Peoples. Shareholders of Peoples also may receive an additional cash payment as specified in the Agreement if Peoples sells certain specified assets (the "Contingent Assets") prior to the effective time of the merger, or First Capital sells such assets within twenty-six months after the effective time of the merger. Due to the uncertain nature of these items, the consideration to be received by Peoples shareholders included in the unaudited pro forma condensed combined financial statements does not include any adjustments for changes in the price of First Capital common stock, decreases in the consolidated net book value of Peoples, or additional cash payments for the sale of the Contingent Assets.

The unaudited pro forma condensed combined balance sheet assumes the merger was consummated on June 30, 2015, and the fair value of assets acquired and liabilities assumed approximate the carrying value in the historical financial statements of Peoples, except where noted. The unaudited pro forma condensed combined statements of income give effect to the merger as if the merger occurred on January 1, 2014, the beginning of the earliest period presented.

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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Continued)**

**(In thousands, except share and per share amounts)**

**Note 2. Accounting Policies and Financial Statement Classifications**

The accounting policies of both companies are in the process of being reviewed for consistency. As a result of this review, certain conforming accounting adjustments may be necessary. The nature and extent of these adjustments have not been determined but are not expected to be significant.

**Note 3. Pro Forma Earnings Per Share**

The pro forma combined earnings per share information for the six month period ended June 30, 2015 and the year ended December 31, 2014, has been computed based on the pro forma combined weighted average common shares outstanding for each period as if the merger had occurred at the beginning of the earliest period presented. The basic and fully diluted weighted average common shares outstanding for First Capital were adjusted to include the converted Peoples weighted average common shares outstanding. In accordance with the Agreement, 50% of the 3,071 outstanding common shares of Peoples will be converted into common shares of First Capital at an exchange ratio of 382.83, resulting in the issuance of 587,835 additional shares.

**Note 4. Pro forma Adjustments**

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial statements presented for First Capital and Peoples. All adjustments are based on current assumptions and valuations, which are subject to change. First Capital will update and finalize its initial fair value adjustments and other estimates once the transaction has been completed using independent third party appraisals and valuations where appropriate. As a result, the final adjustments could differ significantly from these initial estimates.

**Balance Sheet Adjustments:**

- (a) Pro forma adjustment to recognize the cash consideration of \$14,549 to be paid for 50% of Peoples outstanding common shares at \$9,475 per share. The cash consideration will be borrowed under First Harrison Bank's existing blanket collateral borrowing agreement with the Federal Home Loan Bank ("FHLB").
- (b) Pro forma adjustment to recognize the estimated purchase accounting adjustment to the Peoples loan portfolio, including estimated credit and interest rate fair value adjustments. Loans have been increased by \$2,122 for the interest rate fair value adjustment and decreased by \$2,454 for the credit fair value adjustment.
- (c) Pro forma adjustment to eliminate Peoples' allowance for loan losses which is not carried over in accordance with generally accepted accounting principles.
- (d) Pro forma adjustment to adjust Peoples foreclosed real estate to estimated fair market value.
- (e) Pro forma adjustment to recognize the estimated core deposit intangible created as part of the transaction. Management has assumed an estimated core deposit intangible at 1.14% of core deposits at June 30, 2015, defined as total demand and savings deposits of Peoples of approximately \$172.6 million.

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Continued)**

**(In thousands, except share and per share amounts)**

**Note 4. Pro forma Adjustments (Continued)**

- (f) Pro forma adjustment to record the net current and deferred income tax impact of the purchase accounting adjustments and estimated transaction costs, using an effective tax rate of 34%. The estimated current income tax impact of deductible transaction costs is \$1,117.
- (g) Pro forma adjustment to adjust Peoples certificates of deposit to their estimated fair market value based on current market interest rates.
- (h) Pro forma adjustment to eliminate Peoples' historical common stock balance and reflect the issuance of 587,835 shares of \$0.01 par value per share First Capital common stock in exchange for 50% of Peoples outstanding common shares (3,071), based on an exchange ratio of 382.83 First Capital common shares for each Peoples common share.
- (i) Pro forma adjustment to eliminate Peoples' historical additional paid-in capital balance and reflect the issuance of 587,835 shares of \$0.01 par value per share First Capital common stock at an average closing price of \$24.75.
- (j) Pro forma adjustment to eliminate Peoples' historical retained earnings balance and accrual of additional transaction costs of \$3,293, net of the estimated income tax impact of \$1,117.
- (k) Pro forma adjustment to eliminate Peoples' historical other comprehensive loss balance.
- (l) Pro forma adjustment to accrue additional transaction costs of \$3,293 including investment banking, legal, accounting, severance and other employee-related costs, contract termination fees and other costs.
- (m) Pro forma adjustment to recognize goodwill representing the excess of the total consideration paid in the transaction over the estimated fair value of the net assets acquired. Following is a summary of the excess of cost over the fair value of the acquired net assets recognized in the pro forma balance sheet. Due to the uncertain nature of the items, the total fair value of consideration to be received by Peoples shareholders does not include any adjustments for changes in the price of First Capital common stock, decreases in the consolidated net book value of Peoples, or additional cash payments for the sale of the Contingent Assets as specified in the Agreement and described elsewhere in the joint proxy statement/prospectus.

Table of Contents**NOTES TO THE UNAUDITED PRO FORMA CONDENSED****COMBINED FINANCIAL STATEMENTS (Continued)****(In thousands, except share and per share amounts)****Note 4. Pro forma Adjustments (Continued)**

## Expected cost of acquired entity:

Common stock of First Capital to be issued in exchange for 50% of Peoples outstanding common shares at an exchange ratio of 382.83 and an average closing price of \$24.75 per share	\$	14,549
Cash consideration for 50% of Peoples outstanding common shares at \$9,475 per share		14,549
<b>Total fair value of consideration</b>		<b>\$ 29,098</b>
<b>Pro forma estimated fair value of acquired assets and liabilities as of June 30, 2015:</b>		
Total carrying amount of Peoples assets	\$	237,777
Estimated value of core deposit intangible		1,972
Loan fair value adjustment credit		(2,454)
Loan fair value adjustment interest rate		2,122
Elimination of Peoples allowance for loan losses		1,608
Foreclosed real estate fair value adjustment		(1,646)
Deferred tax asset (liability)		(489)
<b>Fair value of assets acquired</b>		<b>238,890</b>
<b>Total carrying amount of Peoples liabilities</b>		<b>209,670</b>
Time deposit fair value adjustment		165
<b>Fair value of liabilities assumed</b>		<b>209,835</b>
<b>Pro forma net assets acquired</b>		<b>29,055</b>
<b>Pro forma goodwill</b>	<b>\$</b>	<b>43</b>

**Income Statement Adjustments:**

(n)

Pro forma adjustment to recognize premium amortization of the interest rate loan fair value adjustment in earnings using the straight-line method, which approximates the level yield method, over the remaining maturity of the underlying loans, estimated to be 3.9 years. The credit fair value adjustment is considered nonaccretable for purposes of the pro forma presentation.

(o)

Pro forma adjustment to recognize premium amortization for the acquired certificates of deposit in earnings using the straight-line method, which approximates the level yield method, over the remaining maturity of the underlying certificates, which is estimated to be 2.5 years.

(p)

Pro forma adjustment to recognize amortization of the core deposit intangible in earnings using the straight-line method over its remaining useful life, which is estimated to be 9.4 years. In addition, other expenses have been reduced by \$400 for the six months ended June 30, 2015 for nonrecurring merger-related and other costs incurred during the period by First Capital and Peoples. No nonrecurring merger-related or other costs were incurred by First Capital or Peoples for the year ended December 31, 2014.



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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Continued)**

**(In thousands, except share and per share amounts)**

**Note 4. Pro forma Adjustments (Continued)**

- (q) Pro forma adjustment to reflect the income tax effect of the pro forma adjustments at an effective tax rate of 34%.
- (r) Weighted average common shares outstanding has been adjusted for the issuance of 587,835 shares of First Capital common stock in exchange for 50% of the outstanding Peoples common shares (3,071) at an exchange ratio of 382.83.
- (s) Pro forma adjustment to reflect interest expense on \$14,549 of FHLB borrowings at an interest rate of 0.45%, which approximates the short-term variable rate on current FHLB advances.

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**RISK FACTORS**

In addition to the other information contained in this joint proxy statement/prospectus, you should consider carefully the risk factors described below in deciding how to vote. You should keep these risk factors in mind when you read forward-looking statements in this document. Please refer to the section of this joint proxy statement/prospectus titled "Caution About Forward-Looking Statements."

***Peoples shareholders may not receive the form of Merger Consideration that they elect.***

For each share of Peoples common stock held, Peoples shareholders may elect to receive either First Capital common stock or cash, subject to certain election, allocation, adjustment and proration procedures as described in this joint proxy statement/prospectus. If a Peoples shareholder elects to receive cash, and more than fifty percent (50%) of the Peoples shareholders elect to receive cash, then the Peoples shareholder's election may be converted to a stock election. Conversely, if a Peoples shareholder elects to receive stock, and more than fifty percent (50%) of the Peoples shareholders elect to receive stock, then the Peoples shareholder's stock election may be converted to a cash election.

***Peoples shareholders cannot be certain of the value of the Merger Consideration they will receive, because the market price of First Capital common stock will fluctuate and the Merger Consideration is subject to adjustment.***

If the Merger is completed, each share of Peoples common stock (other than specified shares of Peoples common stock held by Peoples or First Capital and any dissenting shares) will be converted, at the election of the shareholder and subject to certain adjustments and election and allocation procedures described elsewhere in this joint proxy statement/prospectus, into the right to receive, without interest, either (i) 382.83 (the "Exchange Ratio") shares of First Capital common stock (the "Stock Consideration"), or (ii) \$9,475.00 in cash (the "Cash Consideration") (collectively, the "Merger Consideration"). The market value of the Merger Consideration will vary from the closing price of First Capital common stock on each of: (i) the date First Capital and Peoples announced the Merger, (ii) the date that this joint proxy statement/prospectus is mailed to Peoples shareholders, (iii) the date of the special meeting of the Peoples shareholders, (iv) the date Peoples shareholders submit their election forms, and (v) the date the Merger is completed and thereafter. Any change in the market price of First Capital common stock prior to the completion of the Merger will affect the market value of the Merger Consideration that Peoples shareholders will receive upon completion of the Merger, and there will be no adjustment to the Merger Consideration for changes in the market price of shares of First Capital common stock except under the following circumstances:

If the Average First Capital Closing Price is greater than \$24.75 at the effective time of the Merger, then (a) the aggregate Stock Consideration will be increased by a percentage equal to one-half of the percentage increase in the Average First Capital Closing Price above \$24.75 (with a corresponding decrease in the Exchange Ratio), up to a minimum number of 560,868 shares of First Capital common stock (or an Exchange Ratio of 365.27 shares) to be issued as Stock Consideration, and (b) the aggregate Cash Consideration will be increased by a percentage equal to one-half of the percentage increase in the Average First Capital Closing Price above \$24.75, to a maximum of \$15,283,654 (or \$9,953.54 per share) to be issued as Cash Consideration. "Average First Capital Closing Price" means the average per share closing price of First Capital common stock for the 20 trading days preceding the 5th calendar day before the effective time of the Merger.

If the Average First Capital Closing Price is less than \$24.75 at the effective time of the Merger, then (a) the aggregate Stock Consideration will be decreased by a percentage equal to one-half of the percentage decrease in the Average First Capital Closing Price below \$24.75 (with a corresponding increase in the Exchange Ratio), up to a maximum number of 620,124 shares of



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First Capital common stock (or an Exchange Ratio of 403.86 shares) to be issued as Stock Consideration, and (b) the aggregate Cash Consideration will be decreased by a percentage equal to one-half of the percentage decrease in the Average First Capital Closing Price below \$24.75, to a minimum of \$13,828,767 (or \$9,006.04 per share) to be issued as Cash Consideration.

In addition, if the Consolidated Net Book Value (as defined in the Merger Agreement) of Peoples is greater than \$26,410,000 but less than \$29,010,000, the Merger Consideration will be reduced by the difference between the Consolidated Net Book Value and \$29,010,000. "Consolidated Net Book Value" means the unaudited consolidated net shareholders' equity of Peoples as of the Determination Date, determined in accordance with generally accepted accounting principles, with certain adjustments related to the transaction. The Exchange Ratio also may be adjusted in the manner specified in the Merger Agreement if there is a change in the number of shares of common stock issued and outstanding prior to the effective time of the Merger by way of a stock split, stock dividend, or recapitalization or similar transaction with respect to the outstanding First Capital common stock.

Stock price changes may result from a variety of factors that are beyond the control of First Capital and Peoples, including, but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, on the date of the Peoples special meeting and on the date election forms are submitted, Peoples shareholders will not know the precise market value of the Merger Consideration Peoples shareholders will receive at the effective time of the Merger. You should obtain current market quotations for shares of First Capital common stock. See "The Merger Agreement Merger Consideration."

***Peoples shareholders may not receive an additional cash payment from a future sale of the Contingent Assets.***

The Merger Agreement provides for the possibility of an additional cash payment to shareholders of Peoples if and to the extent that Peoples sells the Contingent Assets prior to the effective time of the Merger, or First Capital sells the Contingent Assets within 26 months after the effective time of the Merger. If Peoples sells the Contingent Assets prior to the effective time of the Merger or has entered into a written contract for the sale of the Contingent Assets which are then purchased within 60 days after the effective time, then the Merger Consideration will be increased by (i) 100% of the net sales proceeds received with respect to the sale of the Contingent Assets (net of any commissions) in excess of \$3,750,000, up to \$5,600,000 of the proceeds of such sale and (ii) 50% of any such sale proceeds in excess of \$5,600,000. If the Contingent Assets are not sold by Peoples, then First Capital will use commercially reasonable efforts in the ordinary course of business to sell the Contingent Assets within 24 months after the effective time of the Merger. If First Capital (i) sells the Contingent Assets within 24 months after the effective time of the Merger or has entered into a written contract for the sale of the Contingent Assets which are then purchased within 60 days after the expiration of that 24 month period, then First Capital will distribute 50% of the sale proceeds in excess of \$3,750,000 on a pro rata basis to the former shareholders of Peoples. **No guarantee can be made that the Contingent Assets will be sold in the manner or in the timeframes described above or that Peoples shareholders Peoples shareholders will receive any additional cash payment.**

***Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met.***

Before the transactions contemplated in the Merger Agreement may be completed, various approvals must be obtained from the Federal Reserve Board and the Office of the Comptroller of the Currency. These governmental entities may impose conditions on the completion of the Merger or require changes to the terms of the Merger Agreement. Although First Capital and Peoples do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the

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transactions contemplated in the Merger Agreement or imposing additional costs on or limiting First Capital's revenues, any of which might have a material adverse effect on First Capital following the Merger. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed.

***The Merger Agreement may be terminated in accordance with its terms and the Merger may not be completed, which could have a negative impact on Peoples.***

The Merger Agreement is subject to a number of conditions which must be fulfilled in order to complete the Merger. Those conditions include: approval of shareholders of both First Capital and Peoples, the receipt of all required regulatory approvals and expiration or termination of the applicable and all statutory waiting periods in respect thereof, the continued accuracy of certain representations and warranties by both parties under the Merger Agreement (subject to the materiality standards set forth in the Merger Agreement) and the performance by both parties of certain covenants and agreements under the Merger Agreement in all material respects. In particular, First Capital is not obligated to close the Merger if Peoples' Consolidated Net Book Value is less than \$26,410,000 as of the tenth business day prior to the closing date for the Merger. In addition, certain circumstances exist where Peoples or First Capital may choose to terminate the Merger Agreement, including the acceptance by Peoples of a superior acquisition proposal. In addition, if the Merger is not completed by January 31, 2016, either First Capital or Peoples may choose not to proceed with the Merger, and the parties can mutually decide to terminate the Merger Agreement at any time, before or after shareholder approval. First Capital and Peoples may also elect to terminate the Merger Agreement in certain other circumstances. See "The Merger Agreement Merger Consideration" for a more complete discussion of the Merger Consideration to be paid in this proposed transaction and " Termination" for a more complete discussion of the circumstances under which the Merger Agreement could be terminated. There can be no assurance that the conditions to closing the Merger will be fulfilled or that the Merger will be completed.

If the Merger Agreement is terminated, there may be various consequences. For example, First Capital's or Peoples' businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the Merger, without realizing any of the anticipated benefits of completing the Merger. Additionally, if the Merger Agreement is terminated, the market price of First Capital's common stock could decline to the extent that the market prices before termination reflect a market assumption that the Merger will be completed. If the Merger Agreement is terminated under certain circumstances, Peoples may be required to pay First Capital a termination fee of \$900,000.

***Peoples shareholders will have a reduced ownership and voting interest after the Merger and will exercise less influence over management.***

Peoples' shareholders currently have the right to vote in the election of the Peoples board of directors and on other matters affecting Peoples. When the Merger occurs, each Peoples shareholder who receives the Stock Consideration will become a shareholder of First Capital with a percentage ownership of the combined organization that is smaller than the shareholder's percentage ownership of Peoples. Because of this, Peoples' shareholders will have less influence over the management and policies of First Capital than they now have over the management and policies of Peoples.

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***First Capital may be unable to successfully integrate Peoples Bank's operations and retain Peoples Bank's employees.***

Peoples Bank will be merged with and into First Harrison Bank after the closing of the Merger. The difficulties of merging the operations of Peoples Bank with First Harrison Bank include:

integrating personnel with diverse business backgrounds;

combining different corporate cultures; and

retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of First Capital, First Harrison Bank or Peoples Bank, and the loss of key personnel. The integration of Peoples Bank with First Harrison Bank will require the experience and expertise of certain key employees of Peoples Bank. However, there can be no assurances that First Capital will be successful in retaining these employees for the period necessary to successfully integrate Peoples Bank into First Harrison Bank. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and integration of Peoples Bank into First Harrison Bank could have an adverse effect on the business and results of operations of First Capital or First Harrison Bank.

***The termination fee and the restrictions on solicitation contained in the Merger Agreement may discourage other companies from trying to acquire Peoples.***

Until the completion of the Merger, Peoples is prohibited from soliciting, initiating, encouraging or otherwise facilitating any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, consolidation or similar transaction involving Peoples or Peoples Bank, or any purchase of all or substantially all of the assets of Peoples or Peoples Bank or more than ten percent of the outstanding equity securities of Peoples or Peoples Bank. With some exceptions, Peoples is further prohibited from engaging in any negotiations concerning, or providing any confidential information or data to, or having any discussions with, any person relating to an acquisition proposal, or otherwise facilitating any effort or attempt to make or implement an acquisition proposal. In addition, Peoples has agreed to pay a termination fee of \$900,000 to First Capital if First Capital or Peoples terminates the Merger Agreement due to, among other circumstances, (i) Peoples' board of directors having approved, or publicly recommended that Peoples shareholders accept or approve, an acquisition proposal, or (ii) Peoples having entered into, or publicly announced its intention to enter into, a definitive agreement, agreement in principle or letter of intent with respect to any acquisition proposal. These provisions could discourage other companies from trying to acquire Peoples even though the other companies might be willing to offer greater value to the Peoples shareholders than First Capital has offered in the Merger Agreement. The payment of the termination fee also could have a material adverse effect on Peoples' financial condition.

***The fairness opinions obtained by First Capital and Peoples from their respective financial advisors will not reflect changes in circumstances between the date of the signing of the Merger Agreement and the completion of the Merger.***

First Capital has obtained a fairness opinion dated June 1, 2015 from Raymond James and Peoples has obtained a fairness opinion dated June 4, 2015 from PBS. Neither opinion has been updated as of the date of this document and neither will be updated at the time of the completion of the Merger. Changes in the operations and prospects of First Capital or Peoples, general market and economic conditions and other factors that may be beyond the control of First Capital and Peoples, and on which the fairness opinions were based, may alter the relative value of the companies by the time the Merger is completed. The fairness opinions do not address the fairness of the Merger Consideration, from a

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financial point of view, at the time the Merger is completed or as of any other date than the date of the opinions. The fairness opinions that First Capital and Peoples received from their respective financial advisors are attached as *Annex B* and *Annex C* to this joint proxy statement/prospectus. For a description of the opinions, see "The Merger Opinion of Financial Advisor to Peoples" and "The Merger Opinion of Financial Advisor to First Capital." For a description of the other factors considered by First Capital's board of directors in determining to approve the Merger, see "The Merger First Capital's Reasons for the Merger; Recommendation of First Capital's Board of Directors." For a description of the other factors considered by Peoples' board of directors in determining to approve the Merger, see "The Merger Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors."

***The Merger may fail to qualify as a reorganization for federal tax purposes, resulting in your recognition of taxable gain or loss in respect of your Peoples shares.***

First Capital and Peoples intend the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Although the Internal Revenue Service will not provide a ruling on the matter, First Capital and Peoples will, as a condition to closing, each obtain an opinion from First Capital's legal counsel that the Merger will constitute a reorganization for federal tax purposes. This opinion does not bind the Internal Revenue Service or prevent the Internal Revenue Service from adopting a contrary position. If the Merger fails to qualify as a reorganization, you generally would recognize gain or loss on each share of Peoples common stock surrendered in an amount equal to the difference between your adjusted tax basis in that share and the fair market value of the shares of First Capital common stock or cash received in exchange for that share of Peoples common stock upon completion of the Merger.

***The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations after the Merger may differ materially.***

The unaudited pro forma condensed combined financial statements in this document are presented for illustrative purposes only and are not necessarily indicative of what First Capital's actual financial condition or results of operations would have been had the Merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments, which are based upon assumptions and preliminary estimates, to record the Peoples identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Peoples as of the date of the completion of the Merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page [ • ].

***The shares of First Capital common stock to be received by Peoples shareholders as a result of the Merger will have different rights from the shares of Peoples common stock.***

The rights associated with Peoples common stock are different from the rights associated with First Capital common stock. See the section of this joint proxy statement/prospectus entitled "Comparison of the Rights of Shareholders" for a discussion of the different rights associated with First Capital common stock.

***Each party is subject to business uncertainties and contractual restrictions while the Merger is pending, which could adversely affect each party's business and operations.***

In connection with the pendency of the Merger, it is possible that some customers and other persons with whom First Capital or Peoples has a business relationship may delay or defer certain

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business decisions or might seek to terminate, change or renegotiate their relationships with First Capital or Peoples, as the case may be, as a result of the Merger, which could negatively affect First Capital's or Peoples' respective revenues, earnings and cash flows, as well as the relative market value of the companies, regardless of whether the Merger is completed.

Under the terms of the Merger Agreement, Peoples is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations could negatively affect Peoples' businesses and operations prior to the completion of the Merger.

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**CAUTION ABOUT FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Certain statements contained in this filing that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, notwithstanding that such statements are not specifically identified.

In addition, certain statements may be contained in the future filings of First Capital with the SEC, in press releases and in oral and written statements made by or with the approval of First Capital that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to:

statements about the benefits of the Merger between First Capital and Peoples, including future financial and operating results, cost savings, enhanced revenues and accretion to reported earnings that may be realized from the Merger;

statements of plans, objectives and expectations of First Capital or Peoples or their managements or boards of directors;

statements of future economic performance; and

statements of assumptions underlying such statements.

Words such as "believes," "anticipates," "expects," "intends," "targeted," "continue," "remain," "will," "should," "may," and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

the risk that the businesses of First Capital and Peoples will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;

expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame;

revenues following the Merger may be lower than expected;

deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;

the inability to obtain governmental approvals of the Merger on the proposed terms and schedule;

the failure of the Peoples shareholders to approve the Merger;

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local, regional, national and international economic conditions and the impact they may have on First Capital and Peoples and their customers and First Capital's and Peoples' assessment of that impact;

changes in the level of non-performing assets, delinquent loans, and charge-offs;

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material changes in the stock market value of First Capital common stock;

changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;

the risk that management's assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

inflation, interest rate, securities market and monetary fluctuations;

changes in interest rates, spreads on earning assets and interest-bearing liabilities, and interest rate sensitivity;

prepayment speeds, loan originations and credit losses;

sources of liquidity;

competitive pressures among depository and other financial institutions may increase and have an effect on pricing, spending, third-party relationships and revenues;

changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which First Capital and Peoples must comply;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board;

First Capital's and Peoples' common shares outstanding and common stock price volatility;

legislation affecting the financial services industry as a whole, and/or First Capital and Peoples and their subsidiaries, individually or collectively;

governmental and public policy changes;

financial resources in the amounts, at the times and on the terms required to support First Capital's and Peoples' future businesses; and

the impact on First Capital's or Peoples' businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Additional factors that could cause First Capital's and Peoples' results to differ materially from those described in the forward-looking statements can be found in First Capital's Annual Report on Form 10-K for the year ended December 31, 2014, Quarterly Report on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to First Capital or Peoples or any person acting on their behalf are expressly qualified in their



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entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. First Capital and Peoples undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

We caution you not to place undue reliance on the forward-looking statements.

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**SPECIAL MEETING OF THE FIRST CAPITAL SHAREHOLDERS**

**Date, Place, Time, and Purpose**

The First Capital board of directors is sending you this joint proxy statement/prospectus and proxy to use at the special meeting. At the special meeting, the First Capital board of directors will ask you to vote (1) on a proposal to approve the First Capital Merger Proposal and (2) to approve the First Capital Adjournment Proposal. First Capital does not expect any other items of business to be presented at the special meeting. If other matters do properly come before the special meeting, the accompanying proxy gives discretionary authority to the persons named in the proxy to vote on any other matters brought before the meeting. Those persons intend to vote the proxies in accordance with their judgment.

The special meeting will be held on [ • ], at [ • ], at [ • ].

**Record Date, Voting Rights, Quorum, and Required Vote**

First Capital has set the close of business on [ • ], 2015, as the record date for determining the holders of First Capital common stock entitled to notice of and to vote at the special meeting. Only First Capital shareholders at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were [ • ] shares of First Capital common stock outstanding and entitled to vote at the special meeting. Each share of First Capital common stock is entitled to one vote at the special meeting on all matters properly presented.

The holders of over 50% of the outstanding shares of First Capital common stock as of the record date must be present in person or by proxy at the special meeting to constitute a quorum. In determining whether a quorum is present, shareholders who abstain will be treated as present for determining the presence or absence of a quorum.

Approval of the Merger Agreement will require the affirmative vote of the holders of a majority of First Capital's outstanding shares entitled to vote. Abstentions from voting will have the same effect as a vote against the Merger Agreement. The directors and executive officers of First Capital (and their affiliates), as a group, owned with power to vote [ • ] shares of First Capital common stock, representing approximately [ • ]% of the outstanding shares of First Capital common stock as of the record date, including shares subject to options currently exercisable but not exercised.

The vote on the Adjournment Proposal requires that more votes be cast in favor of the proposal than against the proposal at the First Capital special meeting. Abstentions will have no effect on this proposal.

**Voting and Revocability of Proxies**

You may vote in one of four ways: (1) by mail (by completing and signing the proxy that accompanies this prospectus and proxy statement), (2) in person (by either delivering the completed proxy or by casting a ballot if attending the special meeting), (3) by telephone or (4) by internet. To ensure your representation at the special meeting, we recommend you vote by proxy even if you plan to attend the special meeting.

Voting instructions are included on your proxy. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. If you submit your proxy without specifying a voting instruction, your shares will be voted "FOR" approval of the Merger Proposal and "FOR" approval of the Adjournment Proposal.

You may revoke your proxy before it is voted by:

filing with the Corporate Secretary of First Capital a duly executed revocation of proxy;

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submitting a new proxy with a later date; or

voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: First Capital, Inc., 220 Federal Drive NW, P.O. Box 130, Corydon, Indiana 47112, Attention: Jill R. Keinsley, Corporate Secretary.

**Solicitation of Proxies**

First Capital will pay the costs of the distribution of this joint proxy statement/prospectus. In addition to soliciting proxies by mail, directors, officers, and employees of First Capital may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. First Capital will also request banks, brokers, trustee and other nominees holding shares of First Capital common stock beneficially owned by others to send these proxy materials to, and obtain voting instructions from, the beneficial owners and will reimburse such stockholders of record for their reasonable expenses in so doing.

First Capital has retained Georgeson Inc., 480 Washington Boulevard, 26<sup>th</sup> Floor, Jersey City, New Jersey, for a fee of \$7,500 plus reimbursement of certain reasonable expenses, to act as information agent in connection with the special meeting.

**Recommendation of the First Capital Board of Directors**

The First Capital board of directors unanimously determined that the Merger and the Merger Agreement would be in compliance with all applicable laws and that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of First Capital, First Harrison Bank and the First Capital shareholders. The First Capital board of directors unanimously recommends that First Capital shareholders vote "FOR" approval of the Merger Proposal and "FOR" approval of the Adjournment Proposal.

See "The Merger Background of the Merger" and "First Capital's Reasons for the Merger" for a more detailed discussion of the First Capital board of directors' recommendation with regard to the Merger Agreement.

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**SPECIAL MEETING OF THE PEOPLES SHAREHOLDERS**

**Date, Place, Time, and Purpose**

The Peoples board of directors is sending you this joint proxy statement/prospectus and proxy to use at the special meeting. At the special meeting, the Peoples board of directors will ask you to vote (1) on a proposal to approve the Peoples Merger Proposal and (2) to approve the Peoples Adjournment Proposal. Peoples does not expect any other items of business to be presented at the special meeting. If other matters do properly come before the special meeting, the accompanying proxy gives discretionary authority to the persons named in the proxy to vote on any other matters brought before the meeting. Those persons intend to vote the proxies in accordance with their judgment.

The special meeting will be held on [ • ], at [ • ], at [ • ].

**Record Date, Voting Rights, Quorum, and Required Vote**

Peoples has set the close of business on [ • ], 2015, as the record date for determining the holders of Peoples common stock entitled to notice of and to vote at the special meeting. Only Peoples shareholders at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were [ • ] shares of Peoples common stock outstanding and entitled to vote at the special meeting. Each share of Peoples common stock is entitled to one vote at the special meeting on all matters properly presented.

The holders of over 50% of the outstanding shares of Peoples common stock as of the record date must be present in person or by proxy at the special meeting to constitute a quorum. In determining whether a quorum is present, shareholders who abstain will be treated as present for determining the presence or absence of a quorum.

Approval of the Merger Agreement will require the affirmative vote of the holders of a majority of Peoples' outstanding shares entitled to vote. Abstentions from voting will have the same effect as a vote against the Merger Agreement. The directors and executive officers of Peoples (and their affiliates), as a group, owned with power to vote 1,271 shares of Peoples common stock, representing approximately [ • ]% of the outstanding shares of Peoples common stock as of the record date.

Approval of the Adjournment Proposal requires that more votes be cast in favor of the proposal than are cast against it. Abstentions will have no effect on this proposal.

**Voting and Revocability of Proxies**

You may vote in one of two ways: (1) by mail (by completing and signing the proxy that accompanies this prospectus and proxy statement), or (2) in person (by either delivering the completed proxy or by casting a ballot if attending the special meeting). To ensure you are represented at the special meeting, we recommend that you vote by proxy even if you plan to attend the special meeting.

Voting instructions are included on your proxy. If you properly complete and submit your proxy before the vote at the special meeting, your shares will be voted as you have directed. If you submit your proxy without specifying a voting instruction, your shares will be voted "FOR" approval of the Merger Proposal and "FOR" approval of the Adjournment Proposal.

You may revoke your proxy before it is voted by:

filing a duly executed revocation of your proxy with the Secretary of Peoples;

submitting a new proxy with a later date; or

voting in person at the special meeting.

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Your attendance at the special meeting will not, in and of itself, revoke your proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: Peoples Bancorp of Bullitt County, Inc., 1612 Highway 44 East, Shepherdsville, Kentucky 40165, Attention: Eleanor Vires, Corporate Secretary.

**Solicitation of Proxies**

First Capital will pay the costs of the distribution of this joint proxy statement/prospectus. In addition to soliciting proxies by mail, directors, officers, and employees of Peoples may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. Peoples will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

**Recommendation of the Peoples Board of Directors**

The Peoples board of directors unanimously determined that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement is in the best interest of Peoples, The Peoples Bank of Bullitt County and the Peoples shareholders. The Peoples board of directors unanimously recommends that Peoples shareholders vote "FOR" approval of the Merger Proposal and "FOR" approval of the Adjournment Proposal.

See "The Merger Background of the Merger" and "Peoples' Reasons for the Merger and Recommendation of the Board of Directors" for a more detailed discussion of the Peoples board of directors' recommendation with regard to the Merger Agreement.

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**INFORMATION ABOUT THE COMPANIES**

*First Capital, Inc.  
220 Federal Drive NW  
P.O. Box 130  
Corydon, Indiana 47112  
(812) 738-2198*

First Capital, Inc., is listed on the NASDAQ Capital Market (under the symbol: "FCAP") and is a community-focused, savings and loan holding company. As of June 30, 2015, First Capital had approximately \$476.9 million in assets, \$298.9 million in loans, \$416.2 million in deposits and \$58.4 million of total equity. Through First Harrison Bank, First Capital offers full banking services and currently has twelve offices in the Indiana communities of Corydon, Edwardsville, Greenville, Floyds Knobs, Palmyra, New Albany, New Salisbury, Jeffersonville, Salem and Lanesville. First Harrison Bank, through its business arrangement with Investment Centers of America, member SIPC, offers non-FDIC insured investments to complement its traditional banking products and services.

Additional information about First Capital and First Harrison Bank is included elsewhere in this document.

*Peoples Bancorp Inc. of Bullitt County  
1612 Highway 44 East  
Shepherdsville, Kentucky 40165  
(502) 543-2226*

Peoples Bancorp, Inc. of Bullitt County is the holding company of The Peoples Bank of Bullitt County. As of June 30, 2015, Peoples had approximately \$237.8 million in assets, \$57.75 million in loans, \$208.6 million in deposits and \$28.1 million of total equity. The Peoples Bank was established in 1900 and provides full banking services. It operates its main office and its four branches in Bullitt County, Kentucky

Additional information about Peoples and The Peoples Bank of Bullitt County is included elsewhere in this document.

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**THE FIRST CAPITAL PROPOSALS**

**Proposal 1 Approval of the First Capital Merger Proposal**

At the First Capital special meeting, shareholders of First Capital will be asked to approve the First Capital Merger Proposal providing for the merger of Peoples with and into First Capital. Shareholders of First Capital should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the Merger Agreement and the Merger. A copy of the Merger Agreement is attached to this joint proxy statement/prospectus as *Annex A*.

After careful consideration, the First Capital Board, by a unanimous vote of all directors, approved the Merger Agreement and the Merger, to be advisable and in the best interests of First Capital and its shareholders. See "The Merger First Capital's Reasons for the Merger" included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the First Capital Board's recommendation.

**THE FIRST CAPITAL BOARD UNANIMOUSLY RECOMMENDS THAT FIRST CAPITAL SHAREHOLDERS VOTE "FOR" THE FIRST CAPITAL MERGER PROPOSAL.**

**Proposal 2 Adjournment of the First Capital Special Meeting**

The shareholders of First Capital are being asked to approve a proposal to adjourn or postpone the First Capital special meeting to permit further solicitation of proxies in the event that an insufficient number of shares is present in person or by proxy to approve the Merger Agreement.

Under the IBCL and the First Capital Articles, the affirmative vote of holders of a majority of the outstanding shares of common stock entitled to vote are required to approve the Merger Agreement. It is rare for a company to achieve 100% (or even 90%) shareholder participation at an annual or special meeting of shareholders, and only holders of a majority of the outstanding shares of common stock of First Capital are required to be represented at the First Capital special meeting, in person or by proxy, for a quorum to be present. In the event that shareholder participation at the First Capital special meeting is lower than expected, First Capital would like the flexibility to postpone or adjourn the meeting in order to attempt to secure broader shareholder participation. If First Capital desires to adjourn the First Capital special meeting, First Capital will request a motion that the First Capital special meeting be adjourned, and delay the vote on the proposal to approve the Merger Agreement until the First Capital special meeting is reconvened. If First Capital adjourns the First Capital special meeting for 30 days or less, First Capital will not set a new record date nor will it announce prior to adjournment the date, time and location at which the First Capital special meeting will be reconvened; no other notice will be provided.

Any adjournment will permit First Capital to solicit additional proxies and will permit a greater expression of the views of First Capital shareholders with respect to the Merger. Such an adjournment would be disadvantageous to shareholders who are against the proposal to approve the Merger Agreement because an adjournment will give First Capital additional time to solicit favorable votes and increase the chances of approving that proposal. First Capital has no reason to believe that an adjournment of the First Capital special meeting will be necessary at this time.

**THE FIRST CAPITAL BOARD UNANIMOUSLY RECOMMENDS THAT FIRST CAPITAL SHAREHOLDERS VOTE "FOR" THE FIRST CAPITAL ADJOURNMENT PROPOSAL.**

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**THE PEOPLES PROPOSALS**

**Proposal 1 Approval of the Peoples Merger Proposal**

At the Peoples special meeting, shareholders of Peoples will be asked to approve the Peoples Merger Proposal providing for the merger of Peoples with and into First Capital. Shareholders of Peoples should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the Merger Agreement and the Merger. A copy of the Merger Agreement is attached to this joint proxy statement/prospectus as *Annex A*.

After careful consideration, the Peoples Board, by a unanimous vote of all directors, approved the Merger Agreement and the Merger, to be advisable and in the best interests of Peoples and its shareholders. See "The Merger Peoples' Reasons for the Merger and Recommendation of the Peoples Board of Directors" included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the Peoples Board's recommendation.

**THE PEOPLES BOARD UNANIMOUSLY RECOMMENDS THAT PEOPLES SHAREHOLDERS VOTE "FOR" THE PEOPLES MERGER PROPOSAL.**

**Proposal 2 Adjournment of the Peoples Special Meeting**

The shareholders of Peoples are being asked to approve a proposal to adjourn or postpone the Peoples special meeting to permit further solicitation of proxies in the event that an insufficient number of shares is present in person or by proxy to approve the Merger Agreement.

Under the Kentucky Business Corporation Act and the Peoples Articles, the affirmative vote of holders of a majority of the outstanding shares of common stock entitled to vote is required to approve the Merger Agreement. It is rare for a company to achieve 100% (or even 90%) shareholder participation at an annual or special meeting of shareholders, and only holders of a majority of the outstanding shares of common stock of Peoples are required to be represented at the Peoples special meeting, in person or by proxy, for a quorum to be present. If shareholder participation at the Peoples special meeting is lower than expected, Peoples would like the flexibility to postpone or adjourn the meeting in order to attempt to secure broader shareholder participation. If Peoples desires to adjourn the Peoples special meeting, Peoples will request a motion that the Peoples special meeting be adjourned, and delay the vote on the proposal to approve the Merger Agreement until the Peoples special meeting is reconvened. If Peoples adjourns the Peoples special meeting for 30 days or less, Peoples will not set a new record date nor will it announce prior to adjournment the date, time and location at which the Peoples special meeting will be reconvened; no other notice will be provided.

Any adjournment will permit Peoples to solicit additional proxies and will permit a greater expression of the views of Peoples shareholders with respect to the Merger. Such an adjournment would be disadvantageous to shareholders who are against the proposal to approve the Merger Agreement because an adjournment will give Peoples additional time to solicit favorable votes and increase the chances of approving that proposal. Peoples has no reason to believe that an adjournment of the Peoples special meeting will be necessary at this time.

**THE PEOPLES BOARD UNANIMOUSLY RECOMMENDS THAT PEOPLES SHAREHOLDERS VOTE "FOR" THE PEOPLES ADJOURNMENT PROPOSAL.**



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**THE MERGER**

**Background of the Merger**

From time to time, officers of Peoples have received informal inquiries from representatives of other financial institutions regarding possible interest in discussing a business combination. After one such inquiry in July 2014, the senior management of Peoples concluded that it was an appropriate time to undertake an evaluation of Peoples' long-term strategic alternatives. The operating environment for community banks was becoming more and more challenging. It appeared inevitable that operating expenses resulting from increased regulation would continue to grow, particularly with the implementation of the Dodd-Frank Act, with a disproportionate impact on smaller banks that lacked the scale to absorb higher compliance costs. Regulatory directives to preserve capital and liquidity regarding community banks also limited opportunities for earnings growth and risk tolerance.

On August 11, 2014, G.W. Hardy, William Dawson, George W. Hardy III, and Gary Stewart of Peoples met with Christopher Hargrove of Professional Bank Services to discuss the regulatory situation for community banks and recent acquisition activity involving financial institutions in Kentucky and adjacent markets. At the conclusion of the meeting, the Peoples officers requested a proposal from PBS for an engagement as financial advisor to the Peoples board in connection with a strategic planning process.

Peoples executed an engagement letter with PBS's investment banking subsidiary on August 28, 2014. On that date, Mr. Hargrove met with Peoples' management to identify financial institutions that might have interest in a possible transaction with Peoples, outline the process for contacting those institutions, and establish a general timeline for the project. Following the meeting, PBS conducted due diligence of Peoples and compiled information to be included in an offering memorandum for distribution to prospects.

In late October and early November 2014, PBS contacted 27 institutions. Nineteen requested the confidentiality agreement, and nine executed confidentiality agreements. On November 26, 2014 PBS provided access to confidential information on a data site located on a secure server to all institutions that executed the confidentiality agreement. During December 2014, PBS responded to questions, held discussions with and provided additional information to all nine institutions that accessed the data site.

Prospects were asked to submit indications of interest on or before January 7, 2015. First Capital and two other prospects submitted written indications of interest. One prospect provided an oral offer, which was followed by a written submission on January 20, 2015.

On January 14, 2015, senior officers of Peoples and their financial and legal advisors met with the senior officers and financial and legal advisors of First Capital. The participants discussed the offer submitted by First Capital, and the First Capital representatives made a presentation about their company, since the First Capital offer contemplated that a portion of the consideration offered would be in the form of First Capital common stock. During the week of January 20, 2015 representatives of PBS and Raymond James, the First Capital financial advisor, conducted further discussions of the financial terms of the First Capital proposal.

On January 29, 2015 PBS representatives met with the Peoples board of directors to review the offers and to discuss the range of options available to Peoples. Peoples legal advisors were also present and reviewed the duties of the board of directors generally and specifically in the context of evaluating a business combination proposal. Peoples management and PBS advised that First Capital had submitted the highest and best proposal. After discussing its options, the Peoples board determined to continue discussions with First Capital, and provide First Capital with additional information.

In early February 2015, First Capital and Peoples amended their nondisclosure agreement to provide a 45 day exclusivity period during which Peoples would not engage in discussions or

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negotiations with any other parties. First Capital conducted additional due diligence from mid-February through early March. On March 17, 2015 First Capital submitted a revised offer, which included proposals relating to the disposition of the Contingent Assets.

Due diligence and negotiations between the parties continued through April and May. In mid-April, First Capital delivered an initial draft of a merger agreement to Peoples. On May 21, 2015 senior officers of First Capital and Peoples met with representatives of PBS and Raymond James to discuss the financial performance of both First Capital and Peoples. Senior officers of Peoples met with the company's advisors on May 22, 2015 and concluded that the most recent proposal received from First Capital was still superior to all other options available to Peoples.

On June 1 and 2, 2015 PBS conducted on-site due diligence at First Capital.

At a June 4, 2015 meeting of the Peoples board of directors, representatives of PBS reported on its due diligence examination of First Capital and reviewed the financial terms of the proposed Merger and the financial performance and future growth prospects of both Peoples and First Capital. They also reviewed the financial analyses on which PBS based its opinion that the Merger Consideration was fair and equitable from a financial perspective to Peoples shareholders. Representatives of Frost Brown Todd LLC, legal counsel to Peoples, reviewed the non-financial terms of the Merger Agreement and other non-financial considerations. After the presentations of Peoples' financial and legal advisors, and the recommendation by senior officers of Peoples, the Peoples board of directors unanimously approved the Merger Agreement.

Following the Peoples board meeting, the Merger Agreement was signed by the chief executive officers of First Capital and Peoples, and First Capital issued a press release after the close of business announcing that the parties had entered into the Merger Agreement.

**Peoples' Reasons for the Merger and Recommendation of its Board of Directors**

The Peoples board of directors considered several factors in determining that the Merger with First Capital would be in the best interests of Peoples and its shareholders. The Peoples board did not assign any specific or relative weight to the factors in its consideration. The material factors considered by the Peoples board included the following:

*The financial terms of the Merger, including the purchase price per Peoples share and the opportunity to receive cash or First Capital common stock.* The Merger Consideration of 382.83 shares of First Capital Common Stock or \$9,475.00 in cash per Peoples share represents a premium over historical prices paid for Peoples common stock in transactions reported to Peoples. The purchase price is approximately equal to Peoples' book value per share as of March 31, 2015, and represents a multiple of 58.2 times Peoples' earnings per share of \$162.80 for the twelve months ended March 31, 2015. The Peoples board believed these multiples compared favorably to recent acquisitions involving comparable financial institutions. The option to receive publicly traded shares of a strong financial institution offers Peoples shareholders an opportunity for longer-term capital appreciation with a greater measure of liquidity. The cash option offers Peoples shareholders who need or desire to sell their shares immediate liquidity at a premium price. In addition, the proposed Merger gives Peoples shareholders an opportunity to receive additional consideration if a sale of certain real estate assets held by Peoples (the Contingent Assets) can be successfully completed.

*Prospects for the Combined Company.* The Merger would create a combined company with approximately \$750 million in total assets and \$620 million in deposits, which would be capable of competing effectively and absorbing the fixed costs of regulatory compliance. The combined bank would have a total of 17 offices, with a substantial presence in the greater Louisville, Kentucky market. Peoples shareholders would own an approximately 30% stake in a combined company with increased operating scale and greater earnings power.

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*An assessment of the current banking environment and Peoples' strategic alternatives to the Merger.* The Peoples board believes the Merger presents a more certain opportunity to enhance shareholder value than remaining independent in a challenging regulatory and operating environment for community banks the size of The Peoples Bank of Bullitt County. Remaining independent would require a substantial investment in personnel and infrastructure to meet the compliance and other challenges facing community banks.

*First Capital's asset quality, financial performance, and prospects.* The Merger provides Peoples shareholders the opportunity to exchange their shares for stock of a financial institution that offers a strong balance sheet and strong financial performance.

*Greater liquidity.* Unlike Peoples common stock, for which no established trading market exists, First Capital common stock is traded on the NASDAQ Capital Market. The Merger will result in a combined company with a significantly larger market capitalization and the potential to generate trading volume exceeding First Capital's present average trading volume of 2,400 shares per day. The level of trading in First Capital common stock would offer meaningful liquidity to Peoples shareholders who need or desire to sell their shares.

*First Capital's current practice of paying a quarterly dividend.* First Capital's 2015 quarterly dividend of \$.21 per share represents a yield of approximately 3.2% on the \$26.85 closing price per share of First Capital stock on August 10, 2015. First Capital's quarterly dividend would equate to an annual dividend of \$321.58 per Peoples common share, based on the 382.83 exchange ratio. This compares favorably to the June 2015 semi-annual dividend of \$126.00 per share, or \$256.00 per share annualized, paid by Peoples.

*Opinion of Professional Bank Services.* PBS has delivered to the Peoples board of directors its opinion that, as of June 4, 2015 and based upon and subject to the factors and assumptions set forth in the opinion, the Merger Consideration to be received by the Peoples shareholders, comprised of \$9,475.00 in cash or 382.83 First Capital shares per share of Peoples common stock, was fair and equitable from a financial perspective to the Peoples shareholders. The full text of the written PBS fairness opinion dated June 4, 2015, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as *Annex B* to this joint proxy statement/prospectus. PBS provided its fairness opinion for the information and assistance of the Peoples board of directors in connection with its consideration of the Merger Agreement. The PBS fairness opinion does not constitute a recommendation how any Peoples shareholder should vote with respect to the Peoples Merger Proposal or any other matter. See "Opinion of the Peoples Financial Advisor" below.

This discussion of the information and factors considered by the Peoples board of directors in reaching its conclusions and recommendation includes the factors identified above, but is not intended to be exhaustive and may not include all of the factors considered by the Peoples board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and the complexity of these matters, the Peoples board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the Merger Agreement and make its recommendation to Peoples shareholders. Rather, the Peoples board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with and questioning of members of Peoples management and outside legal and financial advisors. In addition, individual members of the Peoples board of directors may have assigned different weights to different factors.

**The Peoples board of directors unanimously determined that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement would**

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**be in the best interest of Peoples, The Peoples Bank of Bullitt County and the Peoples shareholders. The Peoples board of directors unanimously recommends that Peoples shareholders vote "FOR" approval of the Merger Proposal.**

This discussion of the information and factors considered by the Peoples board of directors in reaching its conclusions and recommendation includes the factors identified above, but is not intended to be exhaustive and may not include all of the factors considered by the Peoples board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and the complexity of these matters, the Peoples board of directors did not find it useful and did not attempt to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the Merger and the other transactions contemplated by the Merger Agreement, and to make its recommendation to Peoples shareholders. Rather, the Peoples board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered, including its discussions with and questioning of members of Peoples management and outside legal and financial advisors. In addition, individual members of the Peoples board of directors may have assigned different weights to different factors.

Certain of Peoples directors and executive officers may be deemed to have financial interests in the Merger that are different from, or in addition to, those of Peoples shareholders generally. For a discussion of these interests, see "Interests of Certain Directors and Executive Officers of Peoples in the Merger" beginning on page [ • ].

**The Peoples board of directors unanimously determined that entering into the Merger Agreement and completing the Merger and the other transactions contemplated by the Merger Agreement would be in the best interest of Peoples, The Peoples Bank of Bullitt County and the Peoples shareholders. The Peoples board of directors unanimously recommends that Peoples shareholders vote "FOR" approval of the Merger Proposal.**

**Opinion of Financial Advisor to Peoples**

Professional Bank Services, Inc., together with its wholly owned subsidiary Investment Bank Services, Inc. ("PBS"), served as financial advisor to the Peoples board of directors in connection with the proposed Merger with First Capital. In that role, PBS advised the Peoples board of directors as to the fairness, from a financial perspective, of the Merger Consideration to be paid by First Capital to the Peoples shareholders as set forth in the Merger Agreement.

PBS is a bank consulting firm with offices located throughout the United States. As part of its investment banking business, PBS is regularly engaged in reviewing the fairness of financial institution acquisition transactions from a financial perspective and in the valuation of financial institutions and other businesses and their securities in connection with mergers, acquisitions, estate settlements, and other transactions. Neither PBS nor any of its affiliates has, or has had within the past two years, a material financial interest in, or other material relationship with, Peoples or First Capital, and PBS was selected to advise Peoples board of directors based on its knowledge of the banking industry as a whole. PBS did not determine the amount of consideration to be paid to Peoples shareholders in connection with the transaction, but instead opined as to the fairness of the Merger Consideration to the Peoples board of directors.

PBS performed certain analyses described herein and presented the range of values for Peoples resulting from such analyses to the Peoples board of directors in connection with its advice as to the fairness of the Merger Consideration.

PBS delivered its fairness opinion to the Peoples board of directors at a special board meeting on June 4, 2015. *A copy of the PBS fairness opinion, which includes a summary of the assumptions made and*

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*information analyzed by PBS in deriving its fairness opinion, is attached as Annex B to this proxy statement-prospectus.*

In arriving at its fairness opinion, PBS reviewed certain publicly available business and financial information relating to Peoples and First Capital. PBS considered certain financial and stock price data of Peoples and First Capital, compared that data with similar data for certain publicly held bank holding companies and considered the financial terms of certain other comparable transactions. PBS also considered such other information, financial studies, analyses and investigations, and financial, economic and market criteria that it deemed relevant. In connection with its review, PBS did not independently verify the foregoing information and relied on such information as being complete and accurate in all material respects. PBS did not make an independent evaluation or appraisal of the assets of Peoples or First Capital. Financial forecasts prepared by PBS were based on assumptions believed by PBS to be reasonable and to reflect currently available information.

In connection with preparing its fairness opinion, PBS performed a limited scope due diligence review of First Capital, which included an on-site visit to First Capital by PBS personnel and senior management of Peoples on June 1, 2015 and June 2, 2015. The review included but was not limited to the following: certain asset quality reports provided by First Capital; consolidated financial statements for First Capital; First Capital Annual Report for 2014; current consolidated month-end delinquency and non-accrual reports for First Capital; current and historical consolidated analysis of the allowance for loan and lease losses for First Capital; current consolidated internal loan reports, consolidated problem loan listing with classifications; various other current internal financial and operating reports prepared by First Capital; and Captive Insurance Risk Assessment and Analysis.

PBS reviewed and analyzed the historical performance of Peoples, including December 31, 2014 audited annual report of Peoples; December 31, 2014 and March 31, 2015 Consolidated Reports of Condition and Income of Peoples' wholly owned subsidiary Peoples Bank of Bullitt County, Shepherdsville, Kentucky ("Peoples Bank" or the "Bank"); Uniform Bank Performance Report for Peoples Bank as of March 31, 2015; Peoples' budget and various internal asset quality, interest rate sensitivity, liquidity, deposit and loan portfolio reports. PBS reviewed and tabulated statistical data regarding the loan portfolio, securities portfolio and other performance ratios and statistics. Financial projections were prepared and analyzed as well as other financial studies, analyses and investigations as deemed relevant for the purposes of the PBS fairness opinion. In reviewing the aforementioned information, PBS took into account its assessment of general market and financial conditions, its experience in other similar transactions, and its knowledge of the banking industry generally.

In connection with rendering the PBS fairness opinion and preparing its written and oral presentation to the Peoples board of directors, PBS performed a variety of financial analyses, including those summarized below. This summary does not purport to be a complete description of the analyses performed by PBS in this regard. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to summary description. Accordingly, notwithstanding the separate factors summarized below, PBS believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. In performing its analyses, PBS made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond Peoples' or First Capital's control. The analyses performed by PBS are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the values of businesses do not purport to be appraisals or to reflect the process by which businesses actually may be sold.

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In the proposed Merger, Peoples shareholders will receive 382.83 First Capital common shares per Peoples common share, or cash equal to \$9,475.00 per common share, based on the common stock price of First Capital of \$24.75 and assuming shareholders do not receive any value on the sale of certain real estate owned by Peoples (the "Contingent Assets"). In the proposed Merger, 50% of the outstanding Peoples common shares will be converted into the right to receive First Capital common shares and the remaining 50% will be converted into the right to receive the Cash Consideration. For purposes of this analysis, the price of First Capital common stock is assumed to be \$24.75.

PBS's calculation of the purchase price is presented in the following table.

Peoples Shares Outstanding	3,071
Shares Issued	587,833
Cash	\$ 14,548,863
Total Value*	\$ 29,097,725
Value Per Common Share	\$ 9,475.00

\*

Assumes a \$24.75 price per First Capital common share.

The Merger Consideration per Peoples common share will increase by 50% of the percentage increase in First Capital's stock price above \$24.75, subject to a minimum Stock Consideration of 365.24 First Capital common shares per Peoples common share and a maximum Cash Consideration of \$9,953.54 per Peoples common share. The Merger Consideration per Peoples common share will decrease by 50% of the percentage decrease in First Capital's stock price below \$24.75, subject to a maximum Stock Consideration of 403.86 First Capital common shares per Peoples common share and a minimum Cash Consideration of \$9,006.04 per Peoples common share.

The Merger Consideration per Peoples common share will also decrease as provided in the Merger Agreement if the consolidated net book value of Peoples, as defined in the Merger Agreement, is less than \$29,010,000 but greater than \$26,410,000.

In addition, the total consideration payable to Peoples shareholders increases by the amount of net proceeds received from the sale of the Contingent Assets in excess of \$3,750,000 but less than \$5,600,000, if sold prior to the effective time of the Merger or if Peoples enters into a written contract to sell the Contingent Assets and the sale closes within 60 days after Effective Time. If the net sales proceeds exceed \$5,600,000, the total consideration payable to Peoples shareholders increases by 50% of the amount in excess of \$5,600,000. The portion of the net proceeds from the sale of the Contingent Assets payable to Peoples shareholders is reduced by 50% if the Contingent Assets are sold within 2 years of the Effective Time. For purposes of the proposed transaction value calculation, PBS has utilized a sale price of the Contingent Assets of \$5,000,000 and \$7,800,000, respectively, prior to the Effective Time.

For purposes of the various analyses conducted by PBS, Peoples' total equity capital and shares outstanding are as follows:

#### PEOPLES FINANCIAL INPUTS

March 31, 2015 Stated Common Equity	\$ 30,048,000
Budgeted 2015 Net Income	\$ 500,000
March 31, 2015 Shares Outstanding	3,071

The following tables demonstrate the proposed transaction value based on proceeds from the Contingent Assets distributed to shareholders of \$0, \$1,250,000, and \$2,950,000, respectively.

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**PROPOSED TRANSACTION VALUE**  
**Contingent Assets Additional Proceeds \$0**

<b>First Capital Stock Value</b>	<b>\$</b>	<b>24.75</b>
Transaction Value	\$	29,097,725
Per Share Consideration	\$	9,475.00
Exchange Ratio for Stock		382.83
Multiple of Peoples 03/31/15 Common Tangible Equity		0.97X
First Capital Stock Price to Tangible Book Value		1.29X

**PROPOSED TRANSACTION VALUE**  
**Contingent Assets Sold for \$5.0 Million**  
**Contingent Assets Additional Proceeds \$1,250,000**

<b>First Capital Stock Value</b>	<b>\$</b>	<b>24.75</b>
Transaction Value	\$	