

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
Book value per common share:				
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
Cash dividends per common share:				
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
Diluted earnings per common share:				
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.

	First Capital Common Stock		
	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
	(Dollar amounts in thousands except per share data)						
<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%

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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 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			