

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name First Capital Inc.		2 Issuer's employer identification number (EIN) 35-2056949	
3 Name of contact for additional information William Harrod	4 Telephone No. of contact 812-734-3462	5 Email address of contact bharrod@firstharrison.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 220 Federal Drive NW		7 City, town, or post office, state, and Zip code of contact Corydon Indiana 47112	
8 Date of action 12/4/2015		9 Classification and description Common Stock	
10 CUSIP number 31942S-10-4	11 Serial number(s)	12 Ticker symbol FCAP	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Effective December 4, 2015, Peoples Bancorp, Inc. of Bullitt County (Peoples Bancorp) merged with and into First Capital, Inc. (NASDAQ: FCAP). Under the terms of the merger agreement, Peoples Bancorp shareholders received either \$ 9,607.08 in cash or 377.637 shares of First Capital, Inc. voting common stock, or a combination thereof, for the Peoples Bancorp shares they owned immediately prior to the merger, subject to the limitation that the total consideration would consist of 50% First Capital, Inc stock and 50% cash. (See #19 below)**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The merger was treated for federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code and, except to the extent of any cash consideration received in the merger, and except with respect to cash received in lieu of fractional share interests of First Capital, Inc. common stock, no gain or loss will be recognized by the holders of Peoples Bancorp common stock in the merger (see #19) below.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **(see #19 below)**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
The merger was treated for federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code and, except to the extent of any cash consideration received in the merger, and except with respect to cash received in lieu of fractional share interests of First Capital, Inc. common stock, no gain or loss will be recognized by the holders of Peoples Bancorp common stock in the merger (see #19 below).

18 Can any resulting loss be recognized? ▶ **Not applicable**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
Of the 3,071 shares of Peoples Bancorp outstanding immediately prior to closing of the merger: (i) 1970 or 64.15% elected to receive stock consideration (ii) 641 or 20.87% elected to receive cash consideration; and (iii) 460, or 14.98% made no election. As a result (i) all shares to which a stock election was made were prorated to 77.96% stock and 22.04% cash based on the 20 day average trading price of FCAP stock or \$25.44 per share; (ii) all shares to which a cash election was made recieved \$9,607.08 in cash; and (iii) all shares as to which no election was made by the election date received \$9,607.08 in cash for each share of Peoples Bancorp.

As consideration in the merger, First Capital, Inc. (FCAP) issued 580,017 common shares, and paid \$14.7 million in cash.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *William W. Harrod* Date ▶ *12-29-2015*

Print your name ▶ **WilliamW. Harrod** Title ▶ **CEO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.